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SEVENTY-FIFTH CONGRESS, THIRD SESSION

HOUSE OF REPRESENTATIVES

FRIDAY, MAY 20, 1938

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

God be merciful unto us, and bless us; and cause His face to shine upon us; that Thy way may be known upon earth, Thy saving health among all nations. Let the people praise Thee, O God; let all the people praise Thee. Oh, let the nations be glad and sing for joy; for Thou shalt judge the people righteously and govern the nations upon earth. Let the people praise Thee, O God; let all the people praise Thee. Then shall the earth yield her increase; and God, even our own God, shall bless us. God shall bless us; and all the ends of the earth shall fear Him.

Through Jesus Christ our Lord. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Latta, one of his secretaries.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Frazier, its legislative clerk, announced that the Senate had passed, with amendments, in which the concurrence of the House is requested, a bill of the House of the following title:

H. R. 8700. An act relating to the retirement of the justices of the Supreme Court of the Territory of Hawaii, judges of the circuit courts of the Territory of Hawaii, and judges of the United States District Court for the Territory of Hawaii.

The message also announced that the Senate had passed bills of the following titles, in which the concurrence of the House is requested:

S. 252. An act to exempt publicly owned interstate highway bridges from local taxation;

S. 2495. An act authorizing the District Court of the United States for the Eastern District of Oklahoma to hear and determine certain claims of the Seminole Nation or Tribe of Indians; and

S. 3890. An act to extend the provisions of the act of June 8, 1906 (34 Stat. 225), entitled "An act for the preservation of American antiquities," and for other purposes.

EXTENSION OF REMARKS

Mr. LEWIS of Maryland. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include therein a discussion of the relief bill and the wage-hour measure.

The SPEAKER. Is there objection to the request of the gentleman from Maryland?

There was no objection.

UNEMPLOYMENT COMPENSATION ADMINISTRATION—SOCIAL SECURITY BOARD

Mr. WOODRUM. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the joint resolution (H. J. Res. 678) making an additional appropriation for grants to States for unemployment compensation administration, Social Security Board, for the fiscal year ending June 30, 1938, with a Senate amendment thereto, and consider the Senate amendment.

The Clerk read the title of the joint resolution.

The Clerk read the Senate amendment, as follows:

Line 4, strike out "$2,500,000" and insert "$4,000,000."

The SPEAKER. Is there objection to the request of the gentleman from Virginia?

There was no objection.

Mr. WOODRUM. Mr. Speaker, I offer an amendment to the Senate amendment.

The Clerk read as follows:

Amendment to the Senate amendment, offered by Mr. WOODRUM: Strike out "$4,000,000" and insert "$3,500,000."

The amendment to the Senate amendment was agreed to.

A motion to reconsider was laid on the table.

TEMPORARY DETAIL OF UNITED STATES EMPLOYEES TO GOVERNMENTS OF AMERICAN REPUBLICS AND THE PHILIPPINES

Mr. MAY. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 10193) authorizing the temporary detail of United States employees, possessing special qualifications, to governments of American republics and the Philippines, and for other purposes, with a Senate amendment thereto, and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

Page 1, line 7, after "Islands", insert "or the Government of Liberia."

The SPEAKER. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

The Senate amendment was concurred in.

A motion to reconsider was laid on the table.

EXTENSION OF REMARKS

Mr. MARTIN of Massachusetts. Mr. Speaker, I ask unanimous consent that my colleague the gentlemen from Minnesota [Mr. KNUTSON] may have permission to extend his remarks in the RECORD by printing an article on peace appearing in the St. Cloud (Minn.) paper.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

PERMANENT FARM PROGRAM

Mr. NELSON. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. NELSON. Mr. Speaker, in November it will be 20 years since I first was elected to Congress. In the meantime I have been out 6 years. So I am serving my seventh term, or a little more than half the length of time the average chairmen of important House committees have been here.

Much of the time I have been a member of the House Agricultural Committee. I was born on the farm which I today own and operate. For 10 years I served as assistant secretary of agriculture for Missouri. So it is easy to understand how, as a Member of Congress, I have at all times been interested in agriculture.

My first speech on this floor dealt with the farm. In fact, I have seldom spoken on any other subject. While I have not spoken often, I have earnestly devoted a great deal of time to a study of the farm problem, the greatest unsolved problem before the American people. Yet, as a result of experience, observation, and study, I have no cure-all to offer for the ills of agriculture. I have, though, some rather firmly fixed convictions as to the nature of the remedies to be tried. This being true, I am asking permission, in connection with these remarks, to include extracts from speeches I have made here in the House. These quotations show that I have believed and still believe in the following:

First. The largest possible amount of farm freedom consistent with permanent and profitable farming.

Second. Prosperity through plenty, instead of temporary on-stilts prices brought about by artificial scarcity.

Third. A real effort, through tariff changes and trade agreements, to get back foreign markets for surplus products produced on American farms.

Fourth. A better system of at-home distribution and marketing, one that will reduce the all-too-wide price spread between what the grower has to take and what the consumer has to pay.

Such, Mr. Speaker, is my platform. In stating it, I would have it clearly understood that I favor giving the present Agricultural Act, approved February 16, 1938, our complete cooperation. This I am doing as a farmer and as a Member of Congress. The act contains some fine features. As an emergency measure it may work much better than many now believe. If, though, after a fair trial it proves a failure, then amendment or repeal should follow.

I have referred to extracts from some of my speeches made in the House. I now insert these, with notations showing dates and subjects under discussion:

February 1920—agricultural appropriation bill:

The problem of the farmer is the problem of all the people. To those of you who have a city constituency I would say this is your problem quite as much as it is mine, for if something is not done, I warn you that the day will come when want, grim-visaged and fear-impelling, will walk among your workers and hunger will threaten the employees of every factory.

The farmer is the man with a stiff upper lip. Despite failure, despite drought or deluge, he continues to plant and sow. Day after day, when no clouds appear in the ominous "copper cast" skies, he persists until finally the hot winds take their toll. Or it may be that frost cuts down the early planted corn. Does he give up? No. Optimist that he is, he redoubles his energy and tries again. He hopes on, fights on, plows on. Then when his crops are ready to market he—what does he do? Price his output from field and feed lot so as to guarantee a fair profit? Oh, no! He sells at the price the other fellow fixes.

There is great need for closer cooperation between city and country. The country needs and must have the city, just as the city must of necessity rely upon the country. So long as there is a fair division of returns the prosperity of the one adds to the well-being of the other.

June 1920—deficiency appropriation bill:

Eight years ago a Democrat, Woodrow Wilson, was elected President. Until 1 year ago he had cooperating with him a Democratic Congress. Under these conditions it is not surprising to note the passage of many acts favorable to the farmer and incidentally to all. I say all, for when ill fares the worker in the field, soon must suffer the toiler in the factory.

On May 19, 1919, the new Congress convened. With the reorganization of the House of Representatives there came many changes. The Speakership, long held by the beloved Champ Clark, passed from Missouri to Massachusetts, from the great Corn Belt country, with its farms, to New England, with her factories.

March 1926—legislative appropriation bill:

If there had been no prosperity for any class, if all had shared in the same fate, it would be easy to understand the collapse of agriculture; but big business has prospered abundantly, and captains of finance, "well favored and fat fleshed," feed in metropolitan "meadows."

Not only is the cost of a high protective tariff to the American farmer represented in higher prices which he must pay for much that he buys, but there is the added loss in the world markets where he would sell.

I have spoken of farm losses, of "lean kine" and "blasted corn," but there are losses which cannot be measured in money. In the words of Emerson, "Agriculture is the venerable mother of all arts." Lower the farm standard and destroy the farm home; make it forever impossible for the farmer there to live pleasantly and profitably; compel him in time to give place to an inferior people, to those whose standards of living are low, to those who know not the greatest of all farming inspirations, a love of the land, the green of the grass and the blue of the sky, and the sweet odor of newly turned sod, and the end of the world's greatest experiment in self-government will be in sight.

May 1926—agricultural relief:

The present Republican Congress will give no relief to the farmer in the way of a reduction of the tariff. In the workings of the Haugen bill there is afforded a means whereby the hurtful effects of the high protective tariff may in a manner be neutralized or offset, at least for the time being. It is wiser to recognize this than foolishly butt our heads against a stone wall and refuse to do anything for the farmer merely because we cannot do it in our own way, even though we firmly believe our way best.

February 1927—McNary-Haugen farm relief bill:

Some there may be who have the welfare of the farmer at heart, yet cannot bring themselves to support the McNary-Haugen bill. They are anxious to do something, but this is not the way they would prefer. Frankly, it is not altogether my way, but it is one way and the only way at this time. I feel that we owe it to the farmers to give it a trial. Whatever is to be done for the farmer must be done now.

March 1928—agricultural appropriation bill:

What this country needs right now is a megaphone for every farmer and an ear trumpet for every Congressman. It is much more important that we know what the folks back home are thinking, and that we give serious heed to their thoughts, than that it be made possible, as once was proposed, for our constituents to listen in on Congress.

April 1929—a bill to establish a Federal Farm Board:

The present bill is disappointing. In it there has been provided no vehicle to make effective the tariff on a staple crop, such, for instance, as wheat, of which we produce an exportable surplus. Without some such set-up the producer will not receive full tariff benefits on what he sells, but will be compelled to pay full tariff increases where levied on what he buys. If the tariff is greatly increased on much that the farmer must buy and not correspondingly increased and made effective on what he sells, his condition will thereby be made worse rather than better.

If legislation will work only when there is a shortage there is no need for such legislation.

Reference has been made to what seems the greatest shortcoming of the bill. It does not take care of the surplus. Let it be understood that the terms "surplus" and "overproduction" are not synonymous. A reasonable and seasonable surplus is always to be desired. It was true in Joseph's time; it is true today.

Stabilization of prices is proposed. Desirable as this is, it is not enough. Prices must be above the cost of production. Farm prosperity is measured not solely by the price received for the product but by the purchasing power of the profit. If there is no profit there is no purchasing power, no prosperity.

May 1929—the tariff bill:

If the gentleman will show me how it is possible to vote for a higher tariff on agricultural products without cheating the farmer out of his eyes by compelling him to pay more for manufactured articles and practically everything else he has to buy, I shall gladly support such a bill, but I want the tariff on farm products made effective.

I deeply regret that the bill before us is not better. It in no sense fulfills the promise to the American farmer. Instead of helping him it would add to his burden.

February 1930—regulating sale and manufacture of oleomargarine:

I have carefully followed the debate on this bill and am wholeheartedly for it. I look upon it as an effective, although limited, farm-relief measure. Members representing butter-substitute manufacturing centers have strongly opposed this bill. Representing an agricultural district, as I do, I must think, first, of the farmer. Promoting his welfare, we help all.

As between the fat produced on a farm in my State and the coconut that comes from another country, I am going to vote for the man who owns the cow rather than for the man who brings in the coconut.

May 1930—Federal Food and Drugs Act:

I dislike to oppose this bill. It comes from the Committee on Agriculture, of which I am a member, yet I cannot endorse it. In the main, as I see it, the question is whether or not the Government is going further into the licensing business. I believe the people are fed up on licenses.

June 1930—farm "relief" and the tariff:

On April 15, 1929—it might well have been April 1, "All Fools' Day"—this Congress met in special session to pass a "farm relief" bill and to bring about a "limited revision" of the tariff. The Agricultural Marketing Act, which had its beginning as the farm-relief bill, was a year old this week. By a strange coincidence and

but for one thing both that measure and the tariff act might have had June 15 as their birthdays. The tariff bill passed the Senate on Friday the 13th.

For more than 8 years agriculture has been hard hit. It has suffered a loss of $30,000,000,000 or more, while industry has gained twice as much. Farm mortgages have increased until the farmer owes on his land more than the European nations owe America. Our Government, but not by my vote, made great concessions in behalf of the foreigner, accepting, for instance, a 25-percent settlement from Italy, but makes no such reduction for the American farmer.

If, as the Federal Farm Board says, the American farmer's problem is that of surplus production, what we need is a foreign market, but which this tariff bill will go far to destroy.

Although a member of the House Committee on Agriculture, I did not vote for the Federal Farm Marketing Act.

March 1932—proposed Federal sales tax:

A little more than a week ago I expressed myself in opposition to the proposed sales tax. I told why I was against such a tax; and, as I have read some of the provisions of this measure, I find myself more opposed to it than ever before.

The facts are that America today has more money over in Europe, more of her own money and more due us, than all the money that we owe. If I had my way, I would bring some of that money back here and bring it back quickly. We were told today that some European nations have adopted a sales tax. If, because of this, we are to assume that those countries are prosperous, then I would say to them, "Come in and pay what you owe us."

January 1933—farm relief:

I am one of the 35 Members of the House who voted against the Hoover Farm Marketing Act in 1929.

What can be done to help save the farmer and so help save America? I answer that there is no panacea, no cure-all. Not by any one legislative act can Congress make certain the return of prosperity to agriculture, but there are definite directions in which we may with safety proceed.

Within 60 days this Congress can make available for the debt-ridden farmer of this country a long-time loan at a low rate of interest. What we want, and we cannot eternally temporize, is assurance that this farmer will be able to hold his farm.

Our difficulty today—and when I say "our" I speak as a farmer—is due not so much to overproduction as to underconsumption. If all our people were well clothed and well fed, if there were no want, there would be no more than a safe surplus of foodstuffs in America.

May 1935—roads:

In brief, what we want is a road in every community, a road that will enable Bill Smith and his family to get to town or to church, and to make it possible for the children to attend school regularly. We want the farmer to be able to market his milk, cream, stock, and crops, and to do so to the best advantage.

It is for us to make it plain that the Congress and the country want a great every-county, rural-road-building program.

June 1935—amendment of Agricultural Adjustment Act:

The Agricultural Committee, of which I have long been a member, has devoted many weeks to careful consideration of this bill to amend the Agricultural Adjustment Act. As a result, we have a measure reported from the committee without a dissenting vote and which I am glad to support. This bill differs greatly from the original draft. Some controversial features, including the issuing of so-called "imposed licenses," were taken out, while desirable additions, such as the export bounty plan, were put in.

Personally, I have not thought of the present farm program as permanent in the sense of affording a full and satisfactory solution of the agricultural program, a program of as vital interest to the cities as to the country, for until the purchasing power of the farmer has been restored the big, once self-satisfied cities cannot prosper as in the past.

January 1936—the Agricultural Adjustment Act:

The farm problem is the biggest one that this Congress has to settle. Farmers have had experience with two plans, the Hoover plan and the Roosevelt plan; the Farm Marketing Act, or Farm Board, and the A. A. A., or Agricultural Adjustment Act. Fortunately, a Democratic Congress repealed the one, and, unfortunately, the Supreme Court has just put aside the other. As a result of the Supreme Court decision, and because industry continues to share in subsidies, this Congress must find some way, within constitutional boundaries as marked by the Court, to provide substantial farm aid.

The first "must" that I mention is that an appropriation sufficient to pay in full every contract signer must be made. This is putting first things first, as the Good Book recommends.

In conclusion I would make it plain that the farmer is not whipped. He is not whining. Whether the orders be to "gee" or "haw," to the right or to the left, or ahead, he is ready for a long and strong pull. It is morning, not night. There is work to do. Now is no time to "take out."

February 1936—amended Soil Conservation Act:

While the bill is not perfect, as I see it, and while time may show that it needs many changes, my belief is that it is the best bill that the Supreme Court decision and time make possible.

I am doubly glad that the basis for this bill is soil saving. No more worth-while movement than the C. C. C. camps, the soil-building conservation camps, has been suggested under the present administration.

In the debate today much has been heard of crop control. Just here let me say that I believe in prosperity through plenty, rather than in safety through scarcity. This statement does not imply that I am for overproduction. I am not; but our aim should be to produce all that the home market and the foreign market together will profitably absorb. We must work to get back our foreign markets. We must realize that conditions have changed since the World War, and that we are no longer a debtor nation but a creditor nation. Other countries, in buying what we have to sell, must pay in gold, goods, or services. We cannot sell unless we buy.

Yes; I am for this bill. As I have said, it is not all that it should be. If I had my way, I would make some changes. It is the best we can get in this brief session of Congress. Something must be done in order that the farm program may go on. We are going to do it or, in language that every farmer understands, we will "bust a hame strap" in trying.

April 1937—importance of soil conservation:

Nature is kindly and tolerant, but will permit abuse and excuse man's mistakes only so far. The time comes, and come it has here in our United States, when the tables are turned. There is no longer free land for farming. The day is gone when one can get in his covered wagon, call his dog, and move on to another 160 acres.

The grass of the pioneer is gone. The same is true of more than one-third of the original forests of the United States. Under conditions which then obtained, water walked rather than ran. Today it races. So to slow it down is one of the things we must do. The soil must be saved. Farming must be made safer.

June 1937—farm-tenant bill:

From some of the discussions heard on this bill one might gain the impression that the tenant, or let us say renter, is a man of less than ordinary ability, incapable of succeeding without a great deal of guidance and direction. This may be true of some, but in no sense applies to the rank and file of renters in Missouri.

This bill, I hope, once it has been approved by both Houses of Congress and signed by the President, the greatest home saver in the history of America, will in time mean that "the man with a hoe" will become the man with a home.

November 1937—H. R. 8505, new farm bill:

Congress is today dealing with a most important matter, one with which the entire Nation is concerned. Upon the proper solution of this problem depends the happiness and prosperity of millions of people. The Agricultural Committee, under the able leadership of Chairman JONES, and after weeks of work, characterized by an earnest desire to do what is right and best, has reported out a bill. I desire to discuss this but before doing so I wish to make a few general statements. I speak somewhat in the past tense as, for the present, at least, the die seems to be cast.

I prefer to give voluntary control a further trial, to exhaust all the possibilities before accepting compulsion, a plan which apparently means different things to different people.

Simplify the farm program so that it can be understood, cut the administrative costs so that more of the money appropriated will go to the farm family, talk less about Government control and more about agricultural cooperation, stimulate home consumption and foreign demand as relates to America's surplus farm products; in short, simplify, save, ship. If in such a program there can be found a permanent solution of the farm problem, happily, not so serious now as in 1932, it will be far better than court trials with fines of from $100 to $1,000 assessed against farmers.

Let the farmer who is doing a good job alone. While denying to another farmer the right ruthlessly to destroy the productive powers of his land, give to him the widest safe latitude in making decisions, including choice of crops. Encourage rather than coerce.

Do these things; let the farmer continue to make his own decisions, so long as he does no wrong to his soil or his fellow man, and I dare predict that within a few years, at most, there will be heard no more talk of compulsory crop control with fines for farmers.

I have expressed my preferences. I have stated my conscientious convictions. But I am only 1 of the 28 members of the Agricultural Committee, but 1 of the 435 Members of the House of Representatives. I am not to have my way. I cannot see in proposals as carried in this bill a permanent solution for the ills of agriculture. I may be wrong. Others may be right. So, as one whose heart interest and money interest—little of the latter—is in agriculture, as the representative of one of the best farming districts in the United States, I expect to vote for the best farm bill it is now possible to get. I qualify this, though, by repeating that I shall never sanction a section proposing court trials and fines for farmers.

Without entering into a discussion of the tariff, I pause to say that any permanent worth-while farm program must include a reduction of the tariff, looking to a restoration of foreign markets for our lard, pork, wheat, and other surplus farm products. We must get rid of the "half insane policy of economic isolation," to quote Secretary of State Hull, who is doing so much to help.

As stated, I cannot be optimistic about the present bill, helpful though, I truly hope, it may prove to be. Practically my entire life has been devoted to farming and the farm cause. For a long time I have been a member of the Agricultural Committee. I remember the Hoover Farm Marketing Act. No farmer can forget it. All remember the ruin it wrought in connection with the Hawley-Smoot Tariff Act. To those measures, enacted in the name of agriculture, was due much of the farm disaster which followed.

I come now to refer to corn. As a member of the corn subcommittee I am more familiar with this subject. Because about 90 percent of the corn crop is marketed "on foot," principally as beef, pork, and mutton, our committee had a most difficult task.

The marketing quota on corn as relates to the 10 States in the commercial corn-producing area is not to be put into effect until the growing crop and carry-over together amount to as much as 15 percent above normal; in other words, about 2,900,000,000 bushels, or, to be more exact, as I recall, 2,858,000,000 bushels. This means that, except in years of big crops, every farmer may market all his corn as he pleases. Some prefer a low figure, so that marketing quotas would be in effect much of the time, perhaps most of the time. I do not. I like the larger farm freedom.

Not only does the Pope-McGill bill propose to put quotas into effect earlier, wheat and corn on a 10-percent plus basis, but the penalty for overmarketing is much heavier, one-half the parity price—it would be forty-odd cents on corn instead of 15 cents per bushel as carried in the House bill. No; I did not favor even the 15-cent penalty. There is no corn-marketing quota where normal farm production is less than 400 bushels nor where the amount to be stored would be less than 100 bushels.

Quotas cannot be continued unless approved by at least two-thirds of the farmers concerned.

Just here I again say that I favor the largest possible degree of farmer control in any farm program.

In conclusion I urge that, regardless of personal preference or politics, we do our best to aid agriculture, the basis of all business. I hope and trust, though, that, to use the words of President Roosevelt in his message to the Congress on yesterday, it may be done "in the characteristic American way."

December 1937—marketing quotas for corn:

Mr. Chairman, I trust that this amendment may not be adopted. The result of which would be to have a corn quota, a marketing restriction, in effect practically all the time. The amendment, I feel, is based on the theory that a small yield means larger returns. This is not always true; small yields have frequently brought low prices and large yields have brought high prices. In fact, throughout a term of years, if you will turn to the official figures of the United States Department of Agriculture, you will find that the corn farmer of this country, the average farmer, has gotten more for a good crop than he has when he had a crop failure.

February 1938—the 1938 farm bill:

Speaking of direction, I do not feel that this bill, except as an emergency measure, is pointing in exactly the right direction. It cannot provide a permanent agricultural program. In the very nature of things, through decreased soil fertility and increased population, the day will come when here at home we will need every bushel of grain and every pound of meat our farms can supply. Permanent agricultural prosperity must result from plenty, not scarcity.

But we are living in today, not yesterday or tomorrow. With everything and everybody moving the same way on a crowded road, the farmer alone cannot suddenly turn about and progress in an opposite direction. He must for the moment go along or be crushed by the crowd. Let us call it the subsidy crowd, a high protective tariff representing the greatest, but by no means the only, subsidy. So with subsidies—or let us say stilts—provided for others, I want to see the farmer, who has an 8-hour day, 8 hours before dinner and 8 hours after dinner, provided with stilts as good as the best.

While the measure as written is more easily understood than some others, it needs simplification—"boiling down" and "skimming off," to use maple-sugar terms, which my New England colleagues who oppose this bill and most all other farm legislation will understand. In Missouri language, I would say of the bill that it takes too much hunching to get a little milk.

There are no production-control provisions. The general loan features are fine. Soil conservation is continued, as is the provision by which 30 percent of tariff collections may be used to enlarge the market at home and abroad for American farm products. More equality in farm freight rates should result through a new provision. Wider use and additional markets for products of the farm may be found through work of four regional laboratories.

Practically all legislation, and surely all legislation dealing with a problem so difficult of solution as that of the farm, necessarily represents a compromise. Farm organizations are not agreed on agricultural legislation. No two Members of Congress, not even two members of the Agricultural Committee, would write exactly the same bill. The conferees have done the best they could.

So, Mr. Speaker, I would, in summing up, repeat what I said while addressing the House on the farm question in June 1932: While I have voted for every leading farm bill except the Hoover Farm Marketing Act since I came to Congress, and while I will support any proper measure that bids fair to help, I am convinced that we need to proceed in a different direction, except possibly to meet emergencies.

Happily, under the great humanitarian in the White House, emergencies have been met, as I pointed out in a brief address on the fifth anniversary of the beginning of the Roosevelt administration. I then called attention to the fact that prices for what the farmer has to sell were double what they were on March 4, 1933.

Franklin D. Roosevelt has not failed the farmer. No President has ever more earnestly sought a permanent solution of the farm problem—the food problem—as it affects both producer and consumer. The problem must be solved. To this end I pledge my help.

EXTENSION OF REMARKS

Mr. NELSON. Mr. Speaker, I ask unanimous consent to revise and extend my remarks in the RECORD and to include therein extracts from certain speeches I have made on this subject.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. WELCH. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include therein a letter addressed to me by Admiral R. E. Ingersoll, Chief of the War Plans Division of the United States Navy.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

GOVERNMENT MONETARY CONTROL

Mr. BINDERUP. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Nebraska?

There was no objection.

Mr. BINDERUP. Mr. Speaker, I arise to propound a unanimous-consent request for the privilege to address this House for 30 minutes on Wednesday, May 25, and for the following 4 legislative days, on the bill H. R. 9800, known as the bill for Government monetary control, introduced by me in the Seventy-fourth Congress and again in the Seventy-fifth Congress.

I have purposely refrained from asking for time on the floor contemplating this request. Therefore I trust this privilege may be granted. My object in asking for time on various days rather than all the time on one day is for the reason that I desire to explain separately each chart referring to the five principles and mechanics of the bill and to allow ample time for questions and explanations if the Members of the House so desire. The five outstanding principles of this bill for Government monetary control are as follows:

First day: To explain the cause of unemployment, panics, depressions, and recessions. There never was a period of unemployment.

Second day: Expanding our money supply from the bottom among the lower-income group by creating a purchasing and consuming power among the people in exactly the same proportions and to the same degree that money is expanded, thus eliminating the large banks, the sworn enemies of money control, from our program; severing the partnership between the Government and the banks; and definitely moving our Government from Wall Street, New York, to the Nation's Capital in Washington, D. C.

[Here the gavel fell.]

Mr. BINDERUP. Mr. Speaker, I ask unanimous consent to proceed for 1 additional minute.

The SPEAKER. Is there objection to the request of the gentleman from Nebraska?

There was no objection.

Mr. BINDERUP. Third day: Definitely taking over the Federal Reserve banks that the people have created and paid for at least three times.

Fourth day: Defining the plan whereby all the demand depositors in all the banks in the Nation may call for all their deposits at exactly the same minute in all the banks of the Nation and receive their deposits in full without the slightest disturbance to our money supply, to our banks or money system, and giving 100-percent velocity.

Fifth day: Establishing a price level based on 784 commodities, thereby definitely protecting the rich as well as the poor—a plan whereby to definitely stop booms and depressions; in other words, scientifically measuring money into circulation in exactly the required amount to maintain a perfect price level; to restore to Congress the sole power to issue money and to regulate the value; to restore full employment and production; to prevent booms and depressions; to provide a stable currency, to the end that unemployment and poverty may forever be eliminated in a land of unlimited resources and labor begging the privilege to work and mold these natural resources into blessings for humanity.

Mr. BINDERUP. Mr. Speaker, I ask that on Wednesday next, after the disposition of the legislative program of the day, I may be permitted to address the House for 30 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Nebraska?

There was no objection.

MR. ANDRESEN'S IMAGINARY "UPRISING"

Mr. FLETCHER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. FLETCHER. Mr. Speaker, several times in this session of Congress the gentleman from Minnesota [Mr. ANDRESEN] has addressed the House in terms of denunciation of the farm program designed to aid the farmers to make more money. I regret he would not yield to answer questions I desired to ask him.

The gentleman has made an effort to have the House and country believe there is a "raging uprising" among the farmers against the only farm program in existence at this time, the purpose of which is to benefit the farmers, and which was created by the combined thought of all farm groups and other groups interested in the farmer's welfare.

The gentleman's so-called "uprising" among the farmers about which he talks so glibly is evidently a private affair largely confined to an "uprising" in his own imagination, as is evidenced by the fact that, although he claims to have received a deluge of letters from farmers protesting, his colleagues from the farm belt have received no such deluge of protests.

In fact, an outstanding Republican member of the Agricultural Committee who represents the largest corn-growing section in the United States, received only three letters, and they were not letters of protest.

Yet the fervid gentleman from Minnesota [Mr. ANDRESEN] keeps right on talking and talking and talking about the avalanche of letters farmers are pouring in to him, although they are not pouring their letters into the offices of any other House Members.

Just why the farmers of America should pick on Mr. ANDRESEN to deluge with letters is one of the political mysteries that only a specialist in mass psychology would be able to explain.

NEW YORK TIMES KNOCKS MR. ANDRESEN'S ARGUMENTS INTO A COCKED HAT

The New York Times in the issue of May 15, presents some interesting facts which seem to prove that Mr. ANDRESEN'S impassioned oratory about "hundreds of thousands of farmers uprising" are after all mostly words and nothing more—words without facts.

The New York Times has a world-wide reputation as being one of the most dependable and reliable newspapers published today, and the Times made a very thorough, painstaking investigation into the subject of this so-called "uprising of hundreds of thousands of farmers" who, according to Mr. ANDRESEN, are supposed to be protesting against the legislative program the farmers themselves helped to create in their own self interest and for their own financial advantage.

The New York Times report shows that the farmers revolt against the Triple A, represented as sweeping the Corn Belt, has not swept and does not show any likelihood of sweeping, and looks less like a revolt than like an old-fashioned, hand-picked political caucus.

It must be extremely disconcerting to Mr. ANDRESEN to read in the New York Times that, as a matter of fact, the Triple A representatives and Farm Bureau leaders report that the so-called uprising is a town-bred rather than a farm-bred phenomenon and that it is politically motivated, entirely localized, and no more than a pinprick as far as influence on carrying out the farm program is concerned, and is accorded publicity entirely out of proportion to its real significance.

THE CAT IS OUT OF THE BAG

The New York Times' survey reports that no trace of the movement which Mr. ANDRESEN talks about so glibly appears in Iowa, which is the heart and soul of the Corn Belt.

It will be interesting to the gentleman from Minnesota [Mr. ANDRESEN], and those who may have been misled by his many speeches in this session, to note that the New York Times says one of the promoters of this politically created uprising is George Heinke, who is not a farmer, but a lawyer and a Republican candidate for Congress, his chief aide being Carl Teft, a Republican county chairman. So the cat is out of the bag. Mr. ANDRESEN'S imaginary uprising is by politicians, of politicians, and for politicians.

This political movement, as the Times expresses it, which would be a revolt against the Farm Act, if there were any strength in it, should not be confused with complaints which have arisen from farmers who want to cooperate with the Triple A against application of some of the details of the farm program.

The chief of these complaints the New York newspaper informs us arises from the delay in adoption of the Farm Act and getting it in operation. Before it was possible to assign acreage allotments to individual farmers, they had already done a great deal of planting of fall and early spring grain. Many thought that, even though they planted no more than their corn allotment, they would be planted to other soil-depleting crops to such an extent as in some cases to wipe out some of the benefit payments for cooperation.

TRYING TO MAKE SOMETHING OUT OF NOTHING

There were some objections to individual corn acreage allotments but fewer than were expected. I am using here almost the exact words published in the New York Times, to which publication I give full credit for having made one of the most convincing, factual replies to the political agitators and obstructionists who are trying to have the public believe there is an uprising among the farmers when in reality all the evidence shows that no such universal uprising exists or ever has existed except in the wild imagination of a few politicians who, apparently having nothing else to talk about, are trying to make something out of nothing.

The Farm Act is so constructed as to encourage farmers to cooperate in an effort to prevent price-ruining surpluses. But it makes available to the farmers a definite way of handling the surpluses, if they do come. Then it gives farmers a chance to vote upon the adoption of marketing quotas which would give every farmer his share of the surplus to store on his farm for future use when needed in a short-crop year.

WHAT WOULD THE MINNESOTA GENTLEMAN DO?

What would Mr. ANDRESEN do? Would he force farmers into a position of having to vote upon quotas? Then would he campaign against a favorable vote on quotas? Losing

the campaign, would he rave and lament about some imagined dictatorship over American agriculture and the so-called compulsory A. A. A. program?

Would the gentleman see no benefits in improved farm income? Does he think that subsistence farm prices would afford greater profits to speculators and processors?

Would he offer the American farmer any choice at all? No. He opposes the voluntary farm program. He opposes the new Farm Act, which gives farmers a chance to get corn, cotton, and wheat loans and to vote upon marketing quotas whenever surpluses get too high. He refuses the farmer any choice at all beyond the destruction of farm income through dog-eat-dog competition and the economic slavery that goes with their big business economy.

HERE IS THE ANSWER TO THE OBSTRUCTIONISTS ON "IMPORTS"

Mr. ANDRESEN and his small group of obstructionists are continually dragging up the old question of imports of agricultural products. That should be settled once and for all. In the first place, they are using old figures. They will not use up-to-date figures because these would not serve their purpose. Do they tell about the exports of nearly 53,000,000—52,742,000 reported in Foreign Crops and Markets, by Bureau of Agricultural Economics, May 14, 1938—bushels of corn from October 1, 1937, to May 7, 1938? Do they tell about the exports of nearly 72,000,000—71,942,000, same source—bushels of wheat from July 1, 1937, to May 7? No. They refuse to look these facts in the face. They are still harping back to 1937.

But what was the situation last year? How much did we import? The total value of imports of all agricultural products in 1936–37 was $1,538,327,000 (reported by Bureau of Foreign and Domestic Commerce). That is a large sum of money, but it is still far below the value of imports of farm products in the year 1929–30.

But do they ask for the volume of imports of farm products of those past times? In 1929–30 the imports of agricultural products into this country had a value of $1,899,-521,000 (same source). What do the obstructionists want? Do they want the days of 1929 with much larger imports of farm products than under the New Deal? Or are they just ranting and raving and trying to get elected to Congress?

Farm products were imported into the United States last year because farm prices were high. It is no wonder that corn was imported when the price was around $1.25 a bushel. Foreign exporters could easily pay the 25-cent tariff and still make money with corn at that price. The farmers in this country were getting high prices for the corn they produced. Imported corn was not harmful; it was needed. The 1934 and 1936 droughts had cut the supplies so low that livestock, dairy, and poultry farmers were short of corn for feed. The imports helped the farmers of the country and would help them again if drought cut the supplies down as low as at the end of 1936.

Mr. ANDRESEN talks about huge imports of corn, but he refuses to use anything but old figures. From October 1, 1937, to March 31, 1938, only about one and one-half million—1,654,109 from Monthly Summary of Foreign Commerce, issued by Bureau of Foreign and Domestic Commerce—bushels of corn were imported into the United States. Contrast that with exports around 40,000,000—44,269,000 same source—bushels during the same period. Since October 31, imports have almost completely ceased and exports have mounted to high levels. Similarly imports of wheat since last July 1 have amounted to only about 4,000,000—4,139,000 same source—bushels up to March 31, 1938. Contrast that small figure with the figures Mr. ANDRESEN cites. Contrast it with exports of nearly 70,000,000—73,887,000, same source—bushels reported for the same period.

A few imports of farm products every year would be a definite sign of prosperous conditions for the American farmer. It would show that he was getting better prices for his goods than farmers in other countries. Imports of farm products reached an exceptionally low level in 1932. It is obvious that they will fall off when prices decline.

There is one sure way to keep imports of farm products out of this country. That is to return to the prices of 1932. No corn could be shipped into the country from abroad when the domestic price was 10 cents a bushel. Wheat cannot be imported from abroad when farmers are receiving only 25 cents a bushel. Does Mr. ANDRESEN suggest that we cut our prices to the 1932 level in order to keep imports from coming into the country?

HERE IT IS; READ IT FOR YOURSELF

Farmers should look at the record Mr. ANDRESEN has made on farm legislation. He supported and defended the Hoover Farm Board. After that, he was defeated for reelection to Congress. When his district finally returned him to the House again, he voted against the important amendments to the original Agricultural Adjustment Act. When farmers prevailed upon Congress to enact legislation to carry out the aims of the law which was declared unconstitutional, he made every effort to hinder the work of Congress and emasculate the legislation. He voted "yea" on amendments to destroy the value of the new Farm Act. He voted to send the bill back to the committee in order to kill it, if possible. He voted against passage of the bill. And finally, he voted against the adoption of the conference report on the bill. The American farmer needs no more than that to determine where Mr. ANDRESEN stands on national farm policies that mean better incomes to farmers.

THESE TWO REPUBLICANS ARE LOYAL TO THE FARMERS

It is no wonder that even the Republican Members of this House are not convinced by the gentleman from Minnesota. Two of the most loyal, devoted Republican friends of the American farmer who are members of the House Agriculture Committee have consistently supported legislation to improve farm incomes. The distinguished gentleman from Kansas [Mr. HOPE] and the distinguished gentleman from Iowa [Mr. GILCHRIST] could not be persuaded by their colleague from Minnesota to oppose the Agricultural Adjustment Act of 1938 when it was being considered in Congress. Instead these two outstanding Republican members of the House Committee on Agriculture worked diligently to help mold this important legislation into being for the welfare and benefits it would bestow upon the American farmer. They strongly supported the measure because they know the dangers that lie in the path of the farmer unless he is protected from conditions surmountable only through cooperation under the National Government. While the gentleman from Minnesota was obstructing, trouncing, and denouncing the farm legislation at every turn and attempting to kill the measure when votes were taken on the bill, the gentleman from Kansas and the gentleman from Iowa were helping the administration build an effective farm program.

What bankruptcy and financial ruin might be the tragic fate of the farmers of America in the months ahead had the gentleman from Minnesota [Mr. ANDRESEN] and other similar enemies and obstructionists of the prosperity farm program been successful in their repeated efforts to block it and wreck it. Do not let these obstructionist politicians fool you, Mr. Farmer. Do not let them scare you with words without facts.

LET'S SAVE AMERICA FOR AMERICANS

Mr. RANKIN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

Mr. RANKIN. Mr. Speaker, I wish to discuss briefly the question of foreign immigration. The immigration laws which we passed some years ago have been of inestimable benefit to the American people. I do not want to see those laws destroyed or abridged.

Instead of breaking down our immigration laws, they should be strengthened and enforced. We cannot afford to throw down the bars of immigration, or open wide our gates to every disgruntled element throughout the world. Instead of inviting more aliens to add to our troubles, I would much prefer to see us deport a great many who are here now.

But they tell us that these people are oppressed. That is nothing new. That is the same old cry with which they have attempted to destroy our immigration laws in the past. Almost every disgruntled element that ever got into trouble in its own country has pleaded for admission into the United States on the ground that they were oppressed at home.

If we should follow such a policy, we would be inviting to America the riffraff of every other nation in the world. They would add to the troubles we already have, pad our relief rolls, and stir dissension and discontent here as they have done abroad.

Suppose we should attempt to throw down our immigration bars to everyone who claims to be oppressed in his own country. We would be inviting all the Communists in Germany and Italy and both Facists and Communists in Spain who are dissatisfied with the present regime, and with them would come a great many other undesirables, regardless of their attitude toward their present governments. The criminal elements on both sides would pour in.

Then we would invite the Fascists and Nazis and other anti-Communists from Russia, the ones who have not already been shot, and with them would come hordes of Communists and other undesirables who are dissatisfied with conditions in their own country. They would pile in upon our shores to add to the troubles we now have.

Then what about the oppressed in Ethiopia? Would we be expected to invite every Negro in Ethiopia who feels that he is oppressed? Should we invite every Chinaman in the Orient who feels that he is oppressed? Should we invite every Japanese who is not in sympathy with the present military policy, or other policy, of the Japanese Empire? Should we invite the oppressed on both sides in Palestine, and in Egypt, where new trouble has recently arisen?

No, Mr. Speaker, these appeals are to break down our immigration laws, and should be denied in no uncertain terms.

I supported the immigration laws of 1924, and I was in favor of making them even stronger. I was not then, and I am not now, in favor of making my country the dumping ground for the riffraff of the Old World.

I have before me a resolution adopted by the national executive committee of the American Legion in opposition to any attempt to make America the "asylum for political and religious refugees throughout the world."

If there is any one organization that has the right to speak on this subject, and is qualified to speak on this subject, it is the American Legion. That organization is composed of men who served their country during the World War. A large portion of them served overseas, and they know the conditions existing in Europe. I believe they express the sentiment of an overwhelming majority of the American people in every State in the Union in opposing this policy.

I hope every Legion post in America takes up the question; I hope that every other patriotic organization in America, the Daughters of the American Revolution, the Daughters of the Confederacy, the Grand Army of the Republic, and the United Confederate Veterans—I hope every patriotic organization and every civic organization will take this proposition up now and help to defeat every effort to break down our immigration laws, and I hope they will let their public officials know how they stand on this vital question.

Under permission granted me to extend my remarks in the RECORD, I insert at this point the resolution adopted by the national executive committee of the American Legion, to which I have referred. It reads as follows:

There were referred to this committee three proposals all of a kindred nature and commended to the principle of making the United States an asylum for all political and religious refugees throughout the world. These proposals are inimical to the welfare of the United States and, while our sympathies may be directed toward the sufferings of those who are being persecuted in other lands, our duty to our own citizens under the present distressing circumstances compels consideration even to the exclusion to those in foreign countries, however sympathetic we may be toward them in their present plight. In addition, the powers that would be conferred under these resolutions are so unlimited in scope as to make impossible comprehension even at this time of the extent to which our present number of unemployed and indigent residents might be increased. We believe it our duty to oppose the enactment of this legislation.

That resolution announces a sound American policy; and, as I have said, I believe it represents the sentiments of the overwhelming majority of the people of this Nation. As Members of Congress representing the American people we should carry out that policy and save America for Americans. [Applause.]

Mr. FULMER. Mr. Speaker, I ask unanimous consent to address the House for 2 minutes.

Mr. RAYBURN. Mr. Speaker, I must object to more than 1 minute, because I have stated quite often I would object to such requests.

Mr. FULMER. I modify my request, Mr. Speaker.

The SPEAKER. The gentleman from South Carolina asks unanimous consent to address the House for 1 minute. Is there objection?

There was no objection.

Mr. FULMER. Mr. Speaker, I have asked for this time to call the attention of the House to a very important message sent to the Congress on April 14 by the President of the United States. You will find this message recorded in the CONGRESSIONAL RECORD of April 14, and I would be pleased if you would get the RECORD and read same.

Being deeply interested in the contents of this message, I have introduced House Joint Resolution 657 for the purpose of carrying out the recommendation of the President, which I believe to be one of the most important programs suggested to the House. The program provides for the setting up of a committee to work out a definite and constructive program in connection with reforestation and many problems connected therewith. We have millions of acres of cut-over land and there is very little or nothing that is being done about reforesting these lands. Farmers have been forced to cut and sell their timber, pulpwood, and cross-tie wood, especially since 1920, because of their serious financial condition, and very little, if anything, is being done about it. We want to go into these problems from every angle, so as to ascertain what is being done and what can be done on a broad and constructive program, and come back to the Seventy-sixth Congress with legislation to take care of this important matter which will tend to build up the resources of farmers and which will mean considerable revenue to the railroads and to the trucking industry. I believe such a program will put more people to work than any other activity we know about at this time. We are spending money now in a small way, but I hope we will be able to go into this matter more thoroughly and make further investigations, as stated, in line with the President's message.

May I state briefly that this committee, which is to be appointed by the Speaker of the House and the President of the Senate, is to make a thorough investigation, first, as to the adequacy and effectiveness of present activities on the part of Federal and State Governments, under their respective forest services, from every angle in connection with Federal, State, and privately owned forest lands, fire prevention, insects and diseases, and cooperative efforts on the part of Federal, State, and private owners of forest lands.

Second, the need for extension of Federal, State, and community ownership of forest lands.

Third, the need of public regulatory control as will adequately protect private, as well as the broad public interests, in all forest lands.

Fourth, the need for legislation, authorization of appropriations, and for research to insure adequate forest reserves, orderly marketing, and a fair price for Federal, State, and privately owned forest products, and the increasing of employment in this line of work.

Mr. Speaker, I ask unanimous consent to revise and extend my own remarks and to include in the RECORD a favorable report I have from the Department of Agriculture on the resolution, together with a copy of the resolution.

The SPEAKER. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

The matter referred to is as follows:

House Joint Resolution 657

Joint resolution to establish a Joint Committee on Forestry

Resolved, etc., That there is hereby established a joint congressional committee to be known as the Joint Committee on Forestry and to be composed of five Senators, appointed by the President of the Senate, and five Members of the House of Representatives, appointed by the Speaker of the House of Representatives. The President of the Senate shall designate a chairman for the five Members of the Senate, and the Speaker of the House of Representatives shall designate a chairman for the five Members of the House, and the two chairmen shall alternate in presiding over the meetings of the joint committee.

SEC. 2. The committee is authorized and directed to study and make an investigation of the present and prospective situation with respect to the forest land of the United States, its condition, ownership, and management, as it affects a balanced timber budget, watershed protection and flood control and the other commodities and social and economic benefits which may be derived from such lands with a view to ascertaining, among other things:

(a) The adequacy and effectiveness of present activities in protecting public and private forest lands from fire, insects, and diseases, and of cooperative efforts between the Federal Government and the States.

(b) Other measures, Federal and State, which may be necessary and advisable to insure that timber cropping on privately owned forest lands may be conducted as continuous operations, with the productivity of the lands built up against future requirements.

(c) The need for extension of Federal, State, and community ownership of forest lands, and of planned public management of them.

(d) The need for such public regulatory control as will adequately protect private as well as the broad public interests in all forest lands.

(e) Methods and possibilities of employment in forestry work on private and public forest lands, and possibilities of liquidating such public expenditures as are or may be involved.

(f) The need for additional legislation, authorizations, appropriations, research, and other measures to insure adequate administration and development of the forest lands in Federal ownership.

The committee shall make a report to Congress immediately after said investigation has been concluded, but in any event not later than January 1939, and in said report the committee shall make such recommendations as it may deem proper, including the legislative action necessary to effectuate its recommendations.

SEC. 3. For the purposes of this resolution the committee, or any subcommittee thereof, is authorized and directed to hold such hearings, to sit and act at such times and places in the District of Columbia and the principal forest regions of the continental United States, to employ such experts and such clerical, stenographic, and other assistants, to require the attendance of such witnesses and the production of such books, papers, and documents, to take such testimony, to have such printing and binding done, and to make such expenditures as it deems necessary; and oaths or affirmations may be administered by any members of the committee. The committee is further authorized to request the fullest cooperation in the conduct of this investigation from such departments of the Government as the committee may deem necessary, and to make use of the facilities of such technical agencies in the executive branches of the Government as deal with our forest problem, in such ways as the committee may desire. The expenses of the committee shall not exceed $100,000, which shall be paid one-half from the contingent fund of the Senate and one-half from the contingent fund of the House of Representatives upon vouchers approved by the chairman of the committee.

SEC. 4. The committee shall cease to exist upon submission of its report to the Congress in accordance with the provisions of this resolution.

WASHINGTON, *May 17, 1938.*

Hon. H. P. FULMER,
House of Representatives.

DEAR MR. FULMER: Reference is made to your letter of April 15, in which you ask for a report from this Department at the earliest possible date on House Joint Resolution 657, copy of which was enclosed with your letter.

House Joint Resolution 657, as introduced by you on April 14, provides for the establishment of a Joint Committee on Forestry to study the present and prospective situation with respect to the forest land in the United States, particularly its condition, ownership and management, as it affects a balanced timber budget, watershed protection, and flood control, and other commodities and social and economic benefits which may be derived from such lands. I understand this resolution was introduced pursuant to the request of the President, as stated in his special message to the Congress in Document No. 539, under date of March 14, 1938. This message recommended a study by a joint committee of the Congress of the forest-land problem of the United States and suggested that particular consideration might be given to a five-point study which the President hoped would form the basis for essential legislation dealing with the entire problem.

I am of the opinion that the action proposed in the President's message, which would be effectuated by the adoption of House Joint Resolution 657, is extremely important and appropriate at this time. The proposed study involves one-third of the area of the United States. The importance of the problem has been recognized by this Department, and many recommendations for basic legislation have been made. However, only two laws of importance have been enacted since 1930, and neither of these has as yet been made operative by an appropriation. Public, No. 395, enacted August 29, 1935, as introduced in the House of Representatives by you, provides for Federal assistance in the acquisition of forest land for administration by the various States. Public, No. 95, as enacted May 18, 1937, provided for Federal assistance in the field of farm forestry. No really comprehensive legislation necessary to secure proper forest practices, particularly on forest land in private ownership, has been enacted. In some sections of the country, the situation is particularly acute. For example, the development of the pulp industry in the South, dependent entirely upon wood as a raw material, has been very rapid, and no one can predict how far this development will ultimately reach. Large inroads are being made upon our remaining stands of virgin timber in other sections of our country. While some progress has been made in various sections in securing better forest practices, which are leaving cut-over lands in better condition, it is my opinion this improvement is not keeping pace and that the public interests are suffering materially. All too often the timberland owner interested in leaving his lands in productive condition is handicapped by devastation and liquidation which continues on the bulk of the forest land.

It is my belief that our vast area of forest lands, now largely cut-over, offers one of our best fields for the employment of unemployed labor to an almost unlimited extent and that the cost of this employment, under proper cooperative arrangements, can largely be liquidated through the value of the products produced.

The prevention and suppression of fire has likewise improved, and yet we have more than 171,000,000 acres of forest land entirely without organized protection and inadequate effort on much of the land theoretically under protection. The problem of adequately protecting our forests is of such fundamental importance that it should have been solved years ago.

Many other problems, involving such items as taxes, both Federal and State, long-time forest credits, integration of timber in public and private ownership for sustained-yield management, and the necessity of some degree of public regulation of the method in which our forests are handled, need to be solved.

In my opinion, the action proposed by House Joint Resolution 657 is desirable and necessary, and I am glad to recommend its passage to your committee.

Upon reference of this matter to the Bureau of the Budget, as required by Budget circular 344, the Acting Director thereof advised the Department of Agriculture, under date of May 12, 1938, that the proposed legislation would be in accord with the program of the President.

Sincerely,

H. A. WALLACE, *Secretary.*

EXTENSION OF REMARKS

Mr. MAGNUSON asked and was given permission to revise and extend his own remarks in the RECORD.

Mr. CRAWFORD. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include a radio address I made last night.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. LORD. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein a short resolution adopted by the Federation of Women's Clubs.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

PERMISSION TO ADDRESS THE HOUSE

Mr. SCOTT. Mr. Speaker, I ask unanimous consent that at the conclusion of the legislative business today I may be permitted to address the House for 15 minutes.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. WITHROW. Mr. Speaker, I ask unanimous consent that upon the completion of the legislative business of today and following the special order heretofore entered, I may be permitted to address the House for 15 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

PHOSPHORUS DEPOSITS IN THE UNITED STATES (H. DOC. NO. 672)

The SPEAKER laid before the House the following message from the President of the United States, which was read and referred to the Committee on Rules and ordered printed:

To the Congress of the United States:

The soil of the United States faces a continuing loss of its productive capacity.

That is a challenging statement. It would seem, therefore, to be the part of wisdom for the Government and the people of the United States to adopt every possible method to stop this loss and begin to rebuild soil fertility.

We give the name of "soil conservation" to the problem as a whole; and we are already active in our efforts to retard and prevent soil erosion, and by the more intelligent use of land to build up its crop, its pasturage, and its tree-producing capacity.

As a result of the studies and tests of modern science it has come to be recognized that phosphorus is a necessary element in human, in animal, and in plant nutrition. The prosphorus content of our land, following generations of cultivation, has greatly diminished. It needs replenishing. The necessity for wider use of phosphates and the conservation of our supplies of phosphates for future generations is, therefore, a matter of great public concern. We cannot place our agriculture upon a permanent basis unless we give it heed.

I cannot overemphasize the importance of phosphorus, not only to agriculture and soil conservation but also to the physical health and economic security of the people of the Nation. Many of our soil types are deficient in phosphorus, thus causing low yields and poor quality of crops and pastures.

Indeed, much of the present accelerated soil erosion in the United States has taken place, and is still taking place, on land that has either been abandoned or is ready to be abandoned because of a low productivity brought about by failure to maintain the fertilizing elements in the soil. In many cases the reclaiming of eroded land is largely a matter of stimulating plant growth such as legumes and grasses, but hand in hand with this we must also replenish the actual phosphorus content of the soil.

Recent estimates indicate that the removal of phosphorus from the soils of the United States by harvested crops, grazing, erosion, and leaching greatly exceeds the addition of phosphorus to the soil through the means of fertilizers, animal manures and bedding, rainfall, irrigation, and seeds.

It appears that even with a complete control of erosion, which obviously is impossible, a high level of productivity will not be maintained unless phosphorus is returned to the soil at a greater rate than is being done at present. Increases by the addition of phosphorus to the soil must be made largely, if not entirely, in the form of fertilizers which are derived principally from phosphate rock.

Therefore, the question of continuous and adequate supplies of phosphate rock directly concerns the national welfare.

The total known world supply of phosphate rock is estimated at 17.2 billion tons, of which 7.2 billion tons is located in the United States. Nearly all the remainder is controlled by Great Britain, France, and Russia. The supply in the United States is distributed as follows: Florida, 7.4 percent; Tennessee, 1.4 percent; Western States (Idaho, Montana, Utah, and Wyoming), 90.8 percent; and other States (Arkansas, Kentucky, South Carolina, and Virginia), 0.4 percent. The domestic production of phosphate rock amounted to 3,351,857 tons in 1936, drawn from Florida (78.3 percent), Tennessee (19.2 percent), and Idaho and Montana (2.5 percent). Exports of phosphate rock amounted to 1,208,951 tons, almost entirely from Florida, and consumption of phosphate rock for nonagricultural purposes totaled 352,275 tons.

Thus it appears that of the total domestic production of phosphate rock only 53 percent was used for domestic agricultural purposes.

Owing to their location in relation to the principal fertilizer-consuming districts, the Florida and Tennessee deposits, which contain less than 10 percent of the Nation's supply, are furnishing more than 97 percent of all the phosphate rock used for domestic agricultural purposes. Under present conditions, by far the greater portion of our phosphate requirements will continue to be drawn from the Florida and Tennessee deposits so long as these deposits last. When it is realized that the consumption of phosphatic fertilizer must be increased considerably if our soils are to be maintained reasonably near their present levels of fertility, which in many cases are far below the levels necessary for an efficient agriculture, it becomes apparent that the deposits of Florida and Tennessee will last but a comparatively short period.

It is hardly necessary to emphasize the desirability of conserving these deposits to the fullest extent for the benefit of agriculture in the East, the South, and a considerable portion of the Middle West.

At the same time serious attention should be given to the development of the western phosphate deposits in order that they may be made to serve economically the widest possible territory. It is evident that our main reliance for an adequate supply of phosphate must eventually be placed on our western deposits.

As of December 1, 1936, the Government owned 2,124,904 acres of proven and potential phosphate lands in Idaho, Montana, Utah, and Wyoming, and 66,916 acres in Florida. The Government owns no extensive areas of phosphate land in other States. Although an exact estimate of the tonnage of phosphate rock on Government land is not available, the quantity in the western reserve no doubt exceeds 5,000,000,000 tons. It appears that only a small portion of the Florida supply is on Government land.

I call your special attention to the interesting and valuable work of the Tennessee Valley Authority and the Department of Agriculture in devising new processes for treating phosphate rock and for using the new types of phosphate products. This work promises to make the great western deposits available to a large area of America.

These developments by themselves, however, will not lessen the drain on the comparatively small deposits in Tennessee and Florida because the methods of treatment can be used as well on these deposits as on those in the West. Inasmuch as the deposits in Tennessee and Florida are, and will continue to be, of vital importance to American agriculture, it is to the national interest that they be conserved to the fullest extent.

The disposition of our phosphate deposits should be regarded as a national concern. The situation appears to offer an opportunity for this Nation to exercise foresight in the use of a great national resource heretofore almost unknown in our plans for the development of the Nation.

I invite the especial attention of the Congress to the very large percentage of known phosphate rock which is on Government-owned land—probably three-quarters of the whole supply; and to the fact that the eastern supply, while in private ownership, is today being exported in such quantities that when and if it is wholly depleted, eastern farms will have to depend for their phosphate supply on the far western lands.

It is, therefore, high time for the Nation to adopt a national policy for the production and conservation of phosphates for the benefit of this and coming generations.

To the end that continuous and adequate supplies be insured, and that efficient forms of this key element, phosphorus, be available at the lowest cost throughout the country, I recommend that a joint committee of the Senate and of the House of Representatives be named to give study to the entire subject of phosphate resources, their use and service to American agriculture, and to make report to the next Congress.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, *May 20, 1938.*

ADJOURNMENT OVER

Mr. RAYBURN. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet on Monday next.

The SPEAKER. Is there objection?

There was no objection.

FEDERAL DEPOSIT INSURANCE CORPORATION

Mr. GOLDSBOROUGH. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of House Joint Resolution 655, amending paragraph (4) of subsection (n) of section 12B of the Federal Reserve Act, as amended.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the consideration of House Joint Resolution 655, with Mr. FERNANDEZ in the chair.

The Clerk read the joint resolution, as follows:

Resolved, etc., That paragraph (4) of subsection (n) of section 12B of the Federal Reserve Act, as amended, is amended by striking out "Until July 1, 1938, whenever" and inserting in lieu thereof "Whenever."

Mr. GOLDSBOROUGH. Mr. Chairman, when the Banking Act of 1935 was passed the Federal Deposit Insurance Corporation was given the right to make loans or to buy the assets of banks which were about to close, the purpose being that the good assets of the banks might be transferred to a bank which was in good condition for a cash consideration, and that the assets which were not so good could be purchased by the F. D. I. C. and then realized upon at the leizure of the F. D. I. C., and thus minimize the losses of the F. D. I. C. in relation to closed banks. On April 21, 1936, the limitation of time within which these loans could be made for these assets purchased, which had been limited to July 1, 1936, was extended to July 1, 1938. The Federal Deposit Insurance Corporation has reached the conclusion that its operations under this provision have been entirely successful and have subserved the public interest not only in reducing the losses of the F. D. I. C., but also in minimizing the local agitation which is caused when a bank fails, and in enabling the F. D. I. C. to form satisfactory consolidations so as to leave one or more sound institution in a community. That being so, the F. D. I. C. thinks this legislation should be made permanent. Those members of the Committee on Banking and Currency who were members when the 1935 act was passed all concur heartily in that opinion, and it is also concurred in by all of the other members of the committee. The report is unanimous.

Mr. DOCKWEILER. Mr. Chairman, will the gentleman yield?

Mr. GOLDSBOROUGH. Yes.

Mr. DOCKWEILER. Is the gentleman going to authorize the F. D. I. C. to continue to buy up this secondary paper?

Mr. GOLDSBOROUGH. Yes.

Mr. DOCKWEILER. What money do they use with which to buy these assets—the insurance money put up by the depositors?

Mr. GOLDSBOROUGH. Whatever assets they have.

Mr. DOCKWEILER. It sounds like a round robin to me. They take the good insurance money that the depositor has to pay, the various banks being the depositors, and buy old secondary assets?

Mr. GOLDSBOROUGH. But it reduces their losses because the F. D. I. C. is guaranteeing all of the deposits anyway. They are the guarantors of the deposits of the closed banks, and if they can take the bank before it actually closes—and that is the only thing that they have been doing—and make a favorable consolidation and purchase the secondary assets and then dispose of them when better times occur and to better advantage it lessens their losses. They have done it in 53 cases and have saved money each time.

Mr. DOCKWEILER. That brings me down to this point. They are not going to use this money or this authority to continue to purchase assets under the old closed banks of the old bank holiday situation?

Mr. GOLDSBOROUGH. Oh, no. This is entirely different from that.

Mr. DOCKWEILER. This has to do only with banks that failed since the bank holiday?

Mr. GOLDSBOROUGH. Yes; and since the F. D. I. C. was created.

Mr. ASHBROOK. Mr. Chairman, will the gentleman yield?

Mr. GOLDSBOROUGH. Yes.

Mr. ASHBROOK. If I understand the proposition correctly, it enables the F. D. I. C. to salvage out of the bad assets considerably more than they otherwise would, and it does not result in any loss being created.

Mr. GOLDSBOROUGH. No; it results in a gain.

Mr. ANDRESEN of Minnesota. Mr. Chairman, will the gentleman yield?

Mr. GOLDSBOROUGH. Yes.

Mr. ANDRESEN of Minnesota. I hope this bill will pass. I know the F. D. I. C. has done a splendid job in maintaining confidence and in helping thousands of depositors in these banks that have been closed.

Mr. GOLDSBOROUGH. I thank the gentleman for his contribution and reserve the remainder of my time.

Mr. WOLCOTT. Mr. Chairman, I yield myself 2 minutes. The acting chairman of the committee has very ably explained the resolution. I rise merely to add to what he said, that this is a unanimous report of the committee and perpetuates the authority which the F. D. I. C. has had to go into the banks and bolster them up to prevent their closing.

In short, it means that instead of merely authorizing them to take over the wreckage after a bank closes, they may go in and prevent losses by supervising the bank and investing in its capital structure, and so forth, before the bank closes.

This is necessary as well as desirable legislation. If I may speak for the minority membership of the committee, I think they are all heartily in accord with the legislation.

Mr. Chairman, I yield 4 minutes to the gentleman from New York [Mr. FISH].

Mr. FISH. Mr. Chairman, I asked for this time to direct some questions to the gentleman in charge of the measure for the purpose of ascertaining certain information. Can the gentleman from Maryland tell the House what the prospects are of bringing up the housing bill that has been under consideration in the committee for several weeks?

Mr. GOLDSBOROUGH. By direction of the committee, accompanied by the gentleman from Missouri [Mr. WILLIAMS], I went to see the gentleman from New York [Mr. O'CONNOR] about getting a rule. He asked me to see him again on Monday, that he could not tell me now when we could get a rule, except that we could be heard probably by Wednesday of next week, and that possibly, therefore, the bill might be brought up on the floor by Thursday. That is the only information I can give the gentleman.

Mr. FISH. I understand the gentleman tried to vote my proxy against the amendment doing away with the contributions by localities.

Mr. GOLDSBOROUGH. I had a communication that was said to be from the gentleman asking that that be done, and I endeavored to do it.

Mr. FISH. I want to take this occasion to thank the gentleman for doing it and looking after my interest. I regret that it could not be accomplished.

What I wanted to call the gentleman's attention to as acting chairman of the committee is that a report, of what I assumed to be an executive session of the committee, was published almost in detail in the New York Times. I regret, as a member of that committee, that our executive hearings are reported in detail in the press. I wonder if the gentleman can in any way account for it.

Mr. GOLDSBOROUGH. I was very much surprised by that myself. I was asked by certain newspaper reporters if certain things transpired in the committee. My answer was that the meeting was executive and that I had absolutely nothing to say about an executive meeting. I cannot give the gentleman any information as to why anything that was considered in executive session got into the press or got outside the committee. I regret it exceedingly. I think it is tremendously to be deplored.

Mr. FISH. I am sure the gentleman, from his long experience, had nothing whatever to do with it. I agree that it is regrettable and deplorable.

Can the gentleman tell the House what the prospects are for bringing up the so-called loans to railroads bill?

Mr. GOLDSBOROUGH. The committee got unanimous consent to consider that today, but due to the agitation between the railroads and the railroad employees the committee has decided not to ask that it be brought up today.

Mr. FISH. Is the committee just waiting for action from the other body, to let them proceed first?

Mr. WITHROW. Mr. Chairman, I make the point of order that this discussion has nothing to do with the bill under consideration. When unanimous consent to consider this bill was granted it was a part of the agreement that argument was to be confined to the bill.

Mr. FISH. I will not press the question. As a member of the Committee on Banking and Currency I wanted to get the information directly instead of having to read it in the newspapers. I believe the Members of the House are entitled to this information.

Mr. GOLDSBOROUGH. Mr. Chairman, I yield 10 minutes to the gentleman from Missouri [Mr. WILLIAMS].

Mr. WILLIAMS. Mr. Chairman, I appreciate the generosity of the gentleman from Maryland in yielding me 10 minutes.

Mr. Chairman, this bill is entirely without controversy so far as I understand it. Had the administration passed no bill other than the bank-deposit insurance law, it would be entitled to the continuing praise and lasting gratitude of the American people. [Applause.] This simply continues the law as it now exists.

The insurance of bank deposits is a question about which there has been a wide difference of opinion across the years. It is urged by its opponents that the insurance of deposits places a premium upon poor and inefficient management and a penalty upon prudence and thrift; that such a policy makes the careful and successful bank pay for the mistakes and indifference of those in charge of the bank that ends in failure and bankruptcy. Several States have tried it and failed. This has often been used as an argument against the principle. There are many reasons why the State system of insurance may have been a failure that do not apply to our national policy.

Whatever may have been the shortcomings of the various State experiments along this line, there are few who would now have the hardihood to claim that our Federal system has not been a success and a godsend to the banks and the depositors.

A very brief comparison of the banking situation which has prevailed during the last 4 years with that existing during the preceding 4 years will demonstrate the inestimable benefits of the Federal deposit insurance law to the people of the Nation. The period from 1930 to 1934 witnessed the greatest debacle, break-down, and collapse in our banking structure that was ever seen. During that time there were 8,295 bank suspensions, involving over $5,296,000,000 in deposits. Billions of dollars were lost and millions of depositors were ruined or seriously crippled. Confidence in the banks vanished. Fear gripped the heart and soul of even the strongest. Gloom and despair settled over all. Hoarding in tin cans buried in fence corners and garden plots and the hiding of money in mattresses and under the bed and locking currency in safety-deposit boxes became the order of the day.

Then came the Federal deposit insurance legislation, temporary at first, with an insurance on a $2,500 deposit and less; then a permanent policy, with insurance of deposits to $5,000 in amount. With that law came confidence and hope. During the period from 1934 to 1938 there were only 184 bank failures, with deposits of only $73,366,000. About 99 percent of the depositors in these failed banks were insured in full and did not lose a dollar. Those with larger deposits that were not insured in full lost for the entire country about $4,200,000 each year. From 1930 to 1934 there were 45 times as many bank failures as there were from 1934 to 1938. The amount of deposits involved in the bank suspensions of the first 4 years above mentioned was 72 times as great as those affected by the failures of the last 4 years, while it is safe to estimate that the loss to depositors during the period from 1930 to 1934 was 150 times as great as it has been during the last 4 years, and it must be repeated that during the latter period 99 percent of the depositors, all those having $5,000 or less in the bank, have not lost a cent. This is a wonderful record; and I say again if this administration had done nothing else than enact the bank-deposit insurance law it would be entitled to the resounding praise and the lasting gratitude of the entire American people. [Applause.]

Now we come to this amendment under consideration, which is short and comparatively unimportant but, in my view, beneficial and helpful. This bill simply establishes as a permanent policy that which has been temporary and, in a sense, experimental. It is not only a question of economy in the administration of the law but also a question of avoiding bank failures as far as possible. In the case of an insured bank in a serious or failing condition, this law permits the Federal Deposit Insurance Corporation to make loans to or purchase part of the assets of such bank in order to reduce the risk or avert a threatened loss to the Corporation.

At the close of the bank holiday many banks were anxious to open up as soon as possible and the people in the various communities were clamoring for banking facilities and accommodations. Under those conditions some banks that were not in a perfectly sound condition were permitted to resume operations. Some of them had old, slow, frozen, and depreciated assets. It was not long until they were in difficulty and it was to give them a chance to clean up and survive, if possible, that this legislation was passed as a temporary measure in 1935. It was tried out with some measure of success, and in 1936 the law was extended until July 1, 1938, in order to give more time to test its efficacy. The measure has proved a success and the Board now thinks it should be made permanent legislation. The paragraph preceding the one which this bill seeks to amend gives the Corporation the authority to make loans on the assets or purchase and liquidate any part of the assets of a closed insured bank. This is permanent legislation. The proposal here is to give the same powers to the Corporation with reference to an insured bank that is still running but may be in difficulty and there is a threatened loss to the Corporation by reason of bad assets in the bank. This provision permits the Corporation to lift from such a bank, while it is still a going concern, its bad assets either by a loan or by purchase and to liquidate those assets, while the good assets may be transferred to another insured bank. This will permit the liquidation of the bad assets and save the good assets from going through the wringer. Under this method only the bad assets are taken over by the Corporation and handled and adjusted by its liquidating agent, while the good assets pass to another bank, which is an insured and a sound and a safe institution, and which will carry on and furnish banking facilities for the community. If this method cannot be employed, then sooner or later such a bank must close its doors, pass into the hands of a receiver, and all of its assets go through the long and expensive process of liquidation. Of course it is not claimed that this process will prevent losses to the Corporation. If the bank had no bad assets, if it was not in distress, if there was not a threatened loss, there would be no occasion for the Corporation to intervene. But it is claimed that under this procedure there will be less loss to the Corporation and to the community and much of the inconvenience, disturbance, anxiety, apprehension, and all those attendant evils resulting from a general bank failure and liquidation will be avoided. The experience which the Corporation has had under the operations of this provision proves that to be true. During the 2 years and 8 months this temporary provision has been in effect 101 insured banks have suspended and have been or are now being liquidated in full. The estimated loss to the Corporation is 24 percent of the insured deposits. During that same period 53 insured banks have received aid from the Corporation under the purchase and loan provisions now being considered, and the

estimated loss to the Corporation in those cases is 21 percent of the insured deposits. The loss has not only been less, but 53 bank mergers have been effected, outright bank failures have been averted, and normal banking functions have continued without interruption. It is interesting to know that while the total deposits in the 53 banks were substantially greater than those in the 101 banks the percentage of loss in the former was less than in the latter. It would seem that if this procedure can lessen the loss to the Corporation and also avert the disastrous consequences of a bank failure to a community it has demonstrated its usefulness and that the law should be made permanent.

Mr. ZIMMERMAN. Mr. Chairman, will the gentleman yield?

Mr. WILLIAMS. I yield.

Mr. ZIMMERMAN. Mr. Chairman, we all appreciate the fine service the Committee on Banking and Currency has rendered the country. I agree with the statement of the gentleman from Missouri as to the importance of the legislation which has been brought out by this committee and passed by the Congress.

Can the gentleman tell us whether or not there is any program before the committee to amend the law so as to compel the F. D. I. C. to liberalize their rules or requirements in making examinations of the banks?

In other words, down in rural Missouri where I live they still insist that local banks shall make short-time commercial loans, but loans for a long time secured by real estate or other good security will not be countenanced or tolerated by the F. D. I. C. As a consequence credit in the rural sections of our country is absolutely tied up. I wonder if this committee would consider an amendment to compel them to be more liberal in their requirements for lending so far as the rural banks especially are concerned?

Mr. WILLIAMS. I may say to the gentleman we have no such legislation under contemplation. In fact, that is a matter of administration which I do not believe can be controlled by legislative act. I am somewhat in sympathy with what the gentleman says about the strict regulations and requirements that the F. D. I. C. have set up. On the other hand, I believe the bankers—and I say this after having made some investigation—are using that as an alibi to keep from making some of these loans. The loans ought to be liberalized. The rules and regulations, so far as they can be, ought to be expanded somewhat to let the local bank have more control as to the kind and character of loans to be made. I realize, on the other hand, and our committee realizes, that as long as we have a central authority charged with the responsibility of seeing that the banks of the country are kept solvent and liquid there must be a large degree of control left with that authority; otherwise you will have failures all over the country. There perhaps should be some liberalization of their rules and regulations, but, after all, that must be a matter of administration. I do not think we can pass a law that says the Federal Deposit Insurance Corporation can permit the banks to make this or that loan or prohibit them from making this or that loan.

Mr. ZIMMERMAN. I am sure my distinguished colleague from Missouri will recall that a few days ago Jesse Jones pointed out and urged the banks to take long-time credit and agreed to carry part of that paper. He said if it did not work out and they could not dispose of this paper as satisfactorily as they hoped, the R. F. C. would take the balance of it. Does not the gentleman think the fact he issued that challenge to the bankers of this country justifies some action somewhere to compel the F. D. I. C. to be more liberal and permit these country banks especially to have in their till long-time paper which would accommodate the possible needs of the communities in which they operate?

Mr. WILLIAMS. I say I agree with the idea as expressed by the gentleman. They have been entirely too strict, and I have personally made complaint to the F. D. I. C. Chairman and the Board about that very thing, but I recognize the fact, as I am sure the gentleman must, that that is a matter of administration; that we cannot by legislation fix the limits within which certain loans shall or shall not be made. If by persuasion we can induce them to liberalize their rules and regulations, I think it ought to be done. As I stated, I am entirely in sympathy with that view. I believe they have sacrificed safety and soundness of banks in order to secure liquidity, and to a certain extent have interfered with local autonomy and have prevented, in some cases, the full and free exercise of banking functions in the interest of the community where the bank is located. I think they have gone too far. That is my own personal view. On the other hand, I recognize that there are two sides to the story. They are in charge of this Federal agency, and it is their duty, as far as possible, to so regulate the loans and so supervise the loans of the banks as to keep them sound and liquid. I do not know of any way in the world, as a legislative proposition, we can require them to make loans or permit loans of a certain character or a certain kind and exclude others.

Mr. ZIMMERMAN. I want to express today the hope that the gentleman's very efficient committee will try to devise some means to jar the F. D. I. C. loose from the rigid type of policy that they have pursued since they began functioning.

Mr. WILLIAMS. I say again I am very much in sympathy with that idea, because I think they have gone too far.

Mr. FORD of California. Will the gentleman yield?

Mr. WILLIAMS. I yield to the gentleman from California.

Mr. FORD of California. Is it not true that in the Banking Act of 1935, the last general banking act that we passed, provision was made that banks carry long-time paper, and in an emergency they could have it rediscounted by the Federal Reserve?

Mr. WILLIAMS. It is true we made provision by which real-estate loans and any other sound assets could be used as security with the Federal Reserve banks and put up as collateral to make loans or to secure loans from the Federal Reserve banks.

Mr. FORD of California. Where there is an emergency and they need the money quickly?

Mr. WILLIAMS. They could do that under the act of 1935.

Mr. FORD of California. Does that not to some extent buttress the gentleman's argument that the banks are being too conservative?

Mr. WILLIAMS. I think so. I think largely the banks are trying to pass the buck to the F. D. I. C., although not altogether. There is fault on both sides, of course. I know from personal experience and from investigation and inquiries I have made that the banks have passed this on to the F. D. I. C. simply because in certain cases they did not want to make the loans.

Mr. ASHBROOK. Will the gentleman yield?

Mr. WILLIAMS. I yield to the gentleman from Ohio.

Mr. ASHBROOK. I noticed in the paper in the last day or two that the gentleman from Alabama [Mr. STEAGALL] was preparing to press the guaranty in the banks from $5,000 to $10,000. Has that been considered by the gentleman's committee?

Mr. WILLIAMS. Not yet. The gentleman knows that the original act covered only $2,500; then it was raised in the 1935 act to $5,000; and if there has been any increase contemplated, our committee has not taken it under consideration.

Mr. ASHBROOK. That has not been considered?

Mr. WILLIAMS. Not so far.

Mr. REES of Kansas. Mr. Chairman, will the gentleman yield?

Mr. WILLIAMS. I yield to the gentleman from Kansas.

Mr. REES of Kansas. Has the committee given consideration to the question of the multiplicity of examinations? Under the present system there is an examination under the direction of the Comptroller of the Currency, and then there is another examination under the F. D. I. C. In view of the fact we have the F. D. I. C. as a permanent institution, has the committee given consideration to having one examination in place of two or three?

Mr. WILLIAMS. This matter has been discussed for years in our committee. I may say very frankly to the gentleman

I have been one of the advocates of a single examining system. The gentleman has mentioned only part of it. The R. F. C. is also an examining agency, as are State authorities, and also the Board of Federal Reserve Governors.

Mr. REES of Kansas. The gentleman is correct.

Mr. WILLIAMS. We have not less than five different agencies examining the banks of the country. I have always taken the position and still have that opinion that there should be a unified system so far as possible. We have not given consideration to any particular bill along that line, but I hope that during the next session of Congress that very point will be taken up and worked out satisfactorily, because, I believe, it ought to be done.

Mr. REES of Kansas. I believe it should be done.

[Here the gavel fell.]

Mr. GOLDSBOROUGH. Mr. Chairman, I yield 5 minutes to the gentleman from Kentucky [Mr. SPENCE].

Mr. SPENCE. Mr. Chairman, it is absolutely unnecessary to say anything on this bill because I realize the Members of the House are heartily in favor of it. However, there is one feature of the bill to which I wish to call the attention of the Members. This bill facilitates and expedites the consolidation and the reorganization of banks. One of the great troubles in America today is that a great many communities have too many banks. There has been a kind of rivalry in the organization of banks. The business interests in a small town may get together and organize a bank, and immediately a rival business interest or the citizens of a rival section of the town organize another bank. Because of this fact our country has been overbanked.

It is very much better that a community should have one sound bank than two or three weak banks. The operation of this bill will result in the accomplishment of that condition. The F. D. I. C. is authorized by this bill to purchase the poor assets, the assets that cannot immediately be realized upon by a bank, and leave the good assets in the bank in order that a consolidation may be effected with a good bank in the community. I think this will subserve a great purpose and will be in the interest of sound banking in America.

Mr. FORD of California. Mr. Chairman, will the gentleman yield?

Mr. SPENCE. I yield to the gentleman from California.

Mr. FORD of California. Is it not true that in many instances where a town has been overbanked and an attempt has been made to consolidate the banks a good bank has taken over two bad banks, and the good bank has gone "blooey" as a result of taking over the assets of the bad banks?

Mr. SPENCE. Absolutely. Frequently the community as a result is without banking facilities. I believe the elimination of that possibility will be subserved by the passage of this bill.

The Federal Deposit Insurance Corporation has more than justified its existence. It has rendered great public service the extent of which can never be accurately estimated. It has placed itself in a position where it is difficult to refuse its requests for additional powers that its officers think will make it more effective. I frequently hesitate to vote for the increases in powers of commissions and bureaus, but I always feel that a vote to reasonably extend the authority of the Federal Deposit Insurance Corporation in order that it may be more effective in the discharge of the great duties that have been placed upon it by law is justified. During the recent periods of stress, through which our country has gone, it has given the people a confidence in their banking institutions, for they know their savings are safe, and this confidence has resulted in the strengthening of the whole governmental structure.

The Clerk read as follows:

House Joint Resolution 655

Resolved, etc., That paragraph (4) of subsection (n) of section 12B of the Federal Reserve Act, as amended, is amended by striking out "Until July 1, 1938, whenever" and inserting in lieu thereof "Whenever."

Mr. GOLDSBOROUGH. Mr. Chairman, I move that the Committee do now rise and report the joint resolution back to the House with the recommendation that the joint resolution do pass.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. FERNANDEZ, Chairman of the Committee of the Whole House on the state of the Union, reported that that Committee, having had under consideration House Joint Resolution 655, had directed him to report the same back to the House with the recommendation that the joint resolution do pass.

Mr. GOLDSBOROUGH. Mr. Speaker, I move the previous question.

The previous question was ordered.

The joint resolution was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

PERMISSION TO ADDRESS THE HOUSE

Mr. FISH. Mr. Speaker, I ask unanimous consent that following the special orders of the day heretofore made I may be permitted to address the House for 15 minutes for the purpose of answering the gentleman from California [Mr. SCOTT] who is to speak on collective security.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

DEDICATION OF THE THOUSAND ISLANDS BRIDGE

Mr. CULKIN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. CULKIN. Mr. Speaker, I wish to extend to the Members of the House, their immediate families and their constituents everywhere, a cordial invitation to go to northern New York on Thursday, August 18, 1938, and witness the opening and dedication of the Thousand Islands Bridge. It will be an auspicious and historical occasion, with the President of the United States, the Honorable Franklin D. Roosevelt, and the Honorable Mackenzie King, Premier of Canada, in the stellar roles, exchanging greetings and dedicating both democracies to the cause of freedom.

The structure itself is a triumph of bridge building. It extends between Collins Landing, Jefferson County, N. Y., and Ivy Lea, Ontario. The bridge will serve a double purpose. It will accord convenient and ready access between the countries and stimulate the growth and development of both Canada and the United States. It will bring the people of the United States in closer communion with the splendid citizenship of Canada whose political ideals and ambitions are dedicated, as are ours, to the principles of popular government. It is significant that while European frontiers everywhere bristle with fortifications and are alive with armed men, the banks of the great St. Lawrence River, which marks the dividing line between the United States and Canada, are marred by no such procedure. In fact, the dedication of the bridge is coincident with the consummation of 100 years of peace and good will between the two countries.

DEDICATED TO FREEDOM

On the occasion in question, the voices of the distinguished President of the United States and the great Liberal Premier of Canada will pronounce a benediction on the scene, and will dedicate our two peoples and the bridge itself to the purposes of peace. I repeat, you and yours are invited on this occasion to participate in this ceremony and to see at close hand how two real democracies can live and work together.

From the historical standpoint, the visit will be a stimulating one, for the St. Lawrence River was the pathway over which the courier de bois and the gallant Frenchmen of the early days traveled as they passed into Lake Ontario on the voyage of discovery to the western country. The visitor

will visualize the record and achievement of Jacques Cartier, who was the first white man to see the St. Lawrence in 1535. He will recall to mind the deeds and achievements of that great Frenchman, Samuel de Champlain. He will likewise visualize the passage down the stream of the relentless Iroquois, the Romans of the New World on the war trail to the Canadas. These and a host of other historical recollections will come to mind as the visitor witnesses the beautiful Thousand Islands by which pass the waters of the Great Lakes on their way to the sea.

The same St. Lawrence River region is the true playground of America, with its combination of islands, sport, and onrushing river. Nor will the approaching canalization, with the accompanying power development of this great stream, affect its natural beauty. This will occur in the lower stretches of the river, below the islands.

You will be made very welcome, for the hospitality of the people of this region is unbounded. Nature lovers and sportsmen are assured of a hearty welcome. Here is the finest fishing ground in the world.

Every American is a potential fisherman. The lure of the catch and the open spaces is in the blood of the average man and boy. Each disciple of Izaak Walton has his own favorite fishing ground. He has his own type of game fish with which he loves to battle. In the north country that "fighting egotist," the small-mouth black bass, affords sport unsurpassed.

This gentleman among game fish has his chief habitat at the foot of Lake Ontario and the glorious regions in and about the St. Lawrence River. Here are great stretches of clear, pure water free from the contamination of civilization. Here are miles after miles of clean gravelly bottom over which he may disport himself and raise his young. He is the most vigorous fighter for his length and weight in the entire fish family. He is discriminating in the selection of his environment. Here in these waters is the tiger of the inland seas, the hard-fighting muskellunge. Nothing in nature surpasses him in gameness.

I suggest that the visitor, as a preliminary to this trip, should renew his youth by reading Cooper's Pathfinder. A part of the scene of this book is laid in the Thousand Islands in the immediate region of this bridge. Cooper has done full justice to this picturesque region.

THE BRIDGE BUILDERS

I wish to pay a tribute to the host of splendid men in both countries whose vision and foresight made the bridge possible. Outstanding among these on the American side is William T. Field, whose tenacity and fighting heart kept this project alive at a time when all hope had fled. Outstanding as well in the accomplishment of this project is Elton H. Miller, chairman of the bridge committee of the Board of Supervisors of Jefferson County, who by skillful administration vitalized the project and made it possible. To the other members of the board of supervisors and the loyal citizens of Jefferson County who supported this project the people are indebted for this great community achievement.

THE FEDERAL ANGLE

I am familiar with the difficulties and obstacles which beset this project. It required a Federal franchise grant by the Congress which had to be renewed by legislative enactment yearly. Seven times this franchise was passed by the House and Senate and approved by the President. The history of this would make interesting reading, but it was a minor part in this great achievement.

I wish in passing, however, to express my appreciation to the members of the Interstate and Foreign Commerce Committee and to the Congress for the passage and renewals of the franchise. The House is properly doubtful about the creation of a toll bridge. Although this bridge is a toll bridge, however, it is in the control of a legislatively created State authority with a recapture clause to the locality itself. This, to my mind, is the proper procedure for the establishment of an international bridge. In no other way would its construction be possible.

In conclusion, again I urge you and yours and all your constituents to be present on this occasion and to participate in the dedication of this structure, which is at once a utility and a monument to continued peace between Canada and the United States. [Applause.]

The SPEAKER. Under a previous special order, the gentleman from California [Mr. SCOTT] is recognized for 15 minutes.

Mr. SCOTT. Mr. Speaker, I ask unanimous consent to revise and extend my remarks in the RECORD and include therein short extracts from articles to which I shall refer.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. SCOTT. Mr. Speaker, I feel inclined to apologize for this imposition, but concern over some things that have been happening recently at home and abroad in the way of speeches, actions, criticisms, and remarks leads me to address the House at this time.

The other day in the Committee on Naval Affairs we had up for consideration the so-called Celler bill, which would authorize the Secretary of the Navy to build a radio transmitting station in the United States for the purpose of sending programs, news broadcasts, and so forth, into South and Central America. I do not believe there was any attempt to conceal the motive behind the idea. The amount of propaganda from Germany and Italy that goes into South America, evidently in an attempt to propagandize South America for the totalitarian form of government, has been referred to time after time in newspaper articles, by speakers, and in magazine articles. It is very real. We have seen the same thing happen in other countries, principally in the Free City of Danzig, in Norway, in Czechoslovakia, in Spain, and in Hungary. Then we have seen action follow the dissemination of the propaganda where the Free City of Danzig becomes Nazi and where Austria is swallowed up by the German Reich. It leads people to wonder, at least, whether there could be a similar motive in the amount of propaganda that is being sent into South America; at least, it is important enough that the Washington Post this morning carries an article headlined "Roosevelt Asks Study of Radio Broadcasts," stating:

> Those who are in favor of the so-called Celler bill, or a similar bill that has been introduced in the Senate, expressed themselves as very deeply concerned about propaganda of totalitarian States to South America by radio and other means.

It was thought that an American station of this kind might counteract at least the propaganda that goes down there.

When the Navy bill for the increase was before the House I mentioned this same subject and called attention to the fact that magazine articles and stories I have seen show no denial from any Government office of the amount of propaganda, espionage, and spy work or secret-agent work that is at the present time going on in the Panama Canal Zone, which we refer to as the life line of our national defense. It has been referred to time after time that Italian, German, and Japanese agents, active in the Panama Canal Zone, in Central America, in Mexico, and in South America, not only work for their own governments but cooperate in their activities, going so far as to meet together in secret to talk over what they have done and what they propose to do.

Mr. CARTER. Mr. Speaker, will the gentleman yield?

Mr. SCOTT. Certainly.

Mr. CARTER. I heard a statement the other day about the number of aliens that were employed in the Canal Zone. Has the gentleman any information as to the number that are employed there by the Government of the United States in the operation of the Canal?

Mr. SCOTT. No; I cannot give any figures, but I invite my colleague to get them and put them in the RECORD at this point.

Mr. CARTER. Of the 13,000 employees engaged in the operation of the Canal and the railroads, 3,400 are American citizens. The other 9,600 are aliens.

Mr. SCOTT. I should like to refer here to a new magazine that has been on the newsstands. By doing so, I am not

endorsing all of the stories that this magazine has carried, but I do invite you to read the articles that I shall refer to. The magazine Ken in its first issue had a rather lengthy article on names and places of activities of Japanese, Italian, and German agents in the Panama Canal Zone.

This article tells about a little shirt shop in Colon, Panama, on Calle 10a owned by Lola Osawa. Upstairs is Lola's bedroom. The author says that if the American military and naval intelligence officers will look in the mattress on Lola's bed, "they will find photographs of extraordinary secret military and naval importance." He says that he saw four of them. He does not say how he happened to see them.

The Isthmus—

According to the article—

is a center of intrigue, plotting, conniving, conspiracy, and espionage, with the intelligence departments of foreign governments bidding high for information, since capture or disablement of the Canal by an enemy means that American ships would have to go around the Horn to get from one coast to the other, a delay which in time of war might easily prove the difference between victory and defeat.

The espionage activities embrace Central and South American republics which may have to be used by an enemy as a base of operations. Costa Rica, north of the Canal, and Colombia, south of it, are beehives of secret Japanese, Nazi, and Italian activities.

On January 11, 1938, the secretary of the Italian Legation in San Jose, Costa Rica, flew to Managua, Nicaragua, to witness the delivery of arms which arrived in Managua on January 12, 1938. Diplomatic representatives do not usually witness purely business transactions, but this was a shipment worth $300,000 which the Italian Government knew Nicaragua could not pay. But today Italy has a firm foothold in the country through which the United States hopes to build another canal. The international espionage underground world, which knew that the shipment of arms was coming, has it that Japan, Germany, and Italy split the cost of the arms among themselves to gain the friendship of the Nicaraguan Government.

The Nazis are strong in Colombia, south of the Canal, with a bund training regularly in military maneuvers at Cali.

In commenting on the Japanese fishing boats, the article says:

Each boat carries a short-wave radio and has a cruising range of from 3,000 to 5,000 miles, which is extraordinary for just little fishing boats. They operate on the high seas and where they go only the master and crew and those who send them know. In the event of war half a dozen of these fishing vessels, stretched across the Pacific at intervals of 500 or 1,000 miles would make a perfect system of communication for messages which could be relayed from one to another and in a few moments be at their destination.

The article tells about 47 Japanese barbers, with cameras, in Panama. They take trips to Japan although their business does not warrant it. They organized the Barbers Association. It is headed by A. Sonada, 45 Carlos A. Mendoza Street.

The association will not accept barbers of other nationalities but will allow Japanese fishermen to attend their meetings.

Tetsuo Umimoto, the Japanese consul, attends these meetings. At these meetings the barber Sonada, who is only a hired hand, sits beside the Japanese consul at the head of the room and Umimoto remains standing until Sonada is seated. When another barber, T. Takano, who runs a little hole-in-the-wall shop, and lives at 10 Avenida B, shows up, both Sonada and the consul rise, bow very low and remain standing until he motions them to be seated.

On the night of December 13, 1937, 40 carefully selected Germans who, during the intervening month had become members of the bund in Panama, arrived singly and in small groups to the new home where August Jacobs-Kantstein, Panamanian merchant and Austrian honorary consul lived. Five Japanese, headed by Tetsuo Umimoto, also came. One, K. Ishibashi, formerly captain of the *Hokkai Maru* and a reserve officer in the Japanese Navy; K. Ohihara, a Japanese agent staying with the Japanese consul, but having no visible reason for being in Panama; two captains of Japanese fishing boats, and A. Sonada, the barber. Throughout the meeting, presided over by the elderly but tall soldierly Austrian consul, the Japanese said little. It was primarily the first get-together for Nazi-Japanese cooperation in the Canal Zone area.

But read the article for yourself.

The next issue carried an article on the establishment of secret landing fields for airplanes in Mexico and in Central and South America. Those statements have not been denied. Those statements must be known to the Navy Department.

Things like this naturally lead us to a consideration of the Berlin-Rome-Tokyo axis in opposition to communism, or, if the truth is known, probably, for the purpose of establishing a Fascist internationale to spread the Fascist ideology over the world, else why this cooperation? Some of us are concerned over this.

When the Navy bill was on the floor the gentleman from New York [Mr. WADSWORTH] made a speech that was referred to on the floor as the greatest speech that had been made on the subject of the increasing of the Navy, and was referred to by one paper as possibly the greatest speech that was made in the Seventy-fifth Congress. This is what the gentleman said: That we see Germany, Italy, Japan with their present objectives fairly successful, achieving their objectives in other countries, and he called attention to the alliance between the three countries. Then, if you will remember, he said very seriously and impressively that when those nations completed their objectives abroad they would look with hungry eyes upon South America, and called attention to the alliance. Then he said to you, as members of the committee, that when these nations turned their eyes to South America they were at our back door, and then we should become very much interested; that it would be necessary for us to have this larger Navy for the purpose of withstanding what he foresaw as a possible attack against South America or the United States. I am inclined to agree with his conclusion but not with his reasoning.

The question immediately arises in my mind. Is that the best thing that the people of the country; is that the best thing that the Government of the United States can figure out as a method of protecting our national security? If we know that the activity is going on, if we know of the ambitions of the rulers of those three countries, and if we can see their activities in conjunction as a threat to the Panama Canal Zone or to South America and foresee in it a threat to the United States, why is it only possible for us to wait until the attack starts, until the attempt is made to get into South America and then turn our national security over to the admirals and the battleships? Is there not something better that the Government of the United States can do?

Is there not anything else that the people of the United States can think of to forestall this thing before we are called upon to do it by military action?

Just as soon as we get to this point in a discussion of our foreign affairs and the difference between the philosophy of collective security and an isolation policy, such as we have pursued, people start to call names. They accuse one of partisanship in some foreign struggle. They even go so far, and I regret it extremely, as for one Member of this House, a very intelligent gentleman, to accuse another Member of representing a foreign government here in the Congress of the United States. Now, that is extraordinarily silly, but it is being done by supposedly reasonable people. The question of collective security or isolation resolves itself into this: Are we going to wait in the protection of our national security until some overt act is committed against us, and then fight, or are we going to lend our offices through the State Department, our diplomatic service, in conjunction with others, who may see likewise, in an attempt to stop the things that are threatening our national security? Sometime ago when we were debating the naval bill the gentleman from Texas [Mr. MAVERICK] said that conditions in Europe and conditions in Asia were of no concern to us; that no matter what happened over there, the thing for us to do was to ignore it entirely; that wars abroad did not threaten our national security. Now, the same gentleman from Texas asks that we favor some kind of a close understanding, if not alliance, with South American countries to prevent what he begins to fear, that foreign countries are looking with covetous eyes on South America; and, as the gentleman from New York [Mr. WADSWORTH] says, when they do that, they are at our back door.

The policy has been, it seems to me, that when a Fascist nation, when Mussolini or Hitler rattles the saber, the democratic countries of the world have said, "Let us appease him with granting some concession to prevent a war." A speaker sometime ago said that what we needed in international affairs is a first-class crisis, that there had been no crisis,

that what we needed is for some country to precipitate a crisis by refusing to yield to the demands of Fascist governments. A Senator of the United States has said that we need fear no war in Europe because no nation would stand up against Hitler and deny him the things that he is demanding.

Mr. FLETCHER. Mr. Speaker, will the gentleman yield?

Mr. SCOTT. In a brief moment. Each time the thought is, make a concession, let Hitler have Austria, let Hitler divide Czechoslovakia, let him exercise his control over the free city of Danzig, let him take a part of Hungary or a part of Norway if it will prevent a war. Let me ask this question: How long are we going to make concessions, and when do we call a halt? If the concession asked for is control over the government of a South American state, will we grant that? Will we allow a foreign government to establish itself in control of the government of a South American nation, with the hope perhaps of establishing later a totalitarian state there, or will we call a halt then? If we do wait until it comes to South America and then call a halt, can we call a halt peacefully, or must we use this big navy we are building up in the hands of admirals we are increasing? I now yield to the gentleman from Ohio.

Mr. FLETCHER. Mr. Speaker, the gentleman from California always makes a constructive and factual contribution to every discussion in which he participates. He is informed upon this issue, and I should like to ask him if he thinks it possible to follow a program of isolation without completely changing our domestic economy; and if we were to do that, could we do it without bringing absolute disaster to this country?

Mr. SCOTT. I think the answer is obviously this: That as long as we continue to operate in the United States on the so-called open-market basis we have to have foreign commerce, and if the isolation policy means that if complications develop in another part of the world that may cause trouble, we will get out, then we have to give up that foreign commerce. It makes no difference to me about what your opinion is about whether we should continue the open-market system in the United States, the price system, but as long as we do continue it we have to have foreign commerce.

Now, one more matter, as long as we are concerned with isolation or collective security. If Japan wins in China, if Japan is able to subjugate all of China and establish a puppet state, as in Manchuria, who is there that believes that Japan will allow the United States to trade on a fair basis with China? China will become a closed port, a closed country to us, just the same as Manchuria did. To us and our continued prosperity the Chinese market is very valuable. We paid a lot to receive assurance of the open-door policy at the time of the Washington Conference, and we must have that open-door policy if we are to continue our trade. Is it reasonable now to give that all away by not only allowing Japan to go ahead with her activity in China but by actually supplying her with the war materials to aid her conquest?

Mr. FLETCHER. Does not the gentleman think we must immediately formulate a definite policy if we are to escape disaster?

Mr. SCOTT. I do; yes.

Mr. Speaker, what I have just said is no more than an introduction to what I want to say on the subject of our foreign policy. I shall continue the clarification of my views at some future date.

[Here the gavel fell.]

Mr. SCOTT. Mr. Speaker, I ask unanimous consent to extend my remarks; and I also ask unanimous consent to inform the gentleman from New York who is about to answer what I have said that I have by no means completed what I want to say on the subject. I hope he will bear that in mind.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

The SPEAKER pro tempore. Under the previous order of the House the gentleman from Wisconsin [Mr. WITHROW] is recognized for 15 minutes.

Mr. WITHROW. Mr. Speaker, I am pleased that the Committee on Banking and Currency saw fit not to bring up H. R. 10608 today for consideration and that it will remain in the committee until some future date.

As a Member of Congress I am not averse to helping the railroad companies by permitting the Reconstruction Finance Corporation to make further loans to them under these greatly liberalized requirements. I realize the railroad managements are having financial difficulties, but these difficulties, in my opinion, are almost entirely of their own making. This measure does not deal with the fundamentals involved in railroad transportation but is rather an effort on the part of the Government to aid a number of the carriers who would have difficulty operating without this assistance, unless they themselves would revise their capital structure.

But in extending credit under these circumstances and with these requirements we must all acknowledge that we are violating every sound principle upon which credit should be extended. The railroad management, when this type of help was first proposed, had not signified that they intended to reduce the wages of their employees, but after the legislation was well under way, they then came forth with the announcement and notice of a reduction of 15 percent in their wage schedules, effective July 1.

I cannot follow the process of reasoning by which any legislative body permits the extending of credit for the purpose of building up purchasing power so that employees may buy the goods produced by an industry and at the same time the industry so benefited seeks a decrease through a wage cut which materially cuts down the purchasing ability of the employees of that industry. That, in my opinion, is the essence of insanity and certainly is inconsistent and has no place in a sound governmental policy.

I do, however, resent the contention on the part of the railroad managements that their pay rolls must be reduced in order that they may continue to operate. In carrying out this philosophy the carriers have announced a 15-percent reduction in wages to be effective July 1, 1938.

At the proper time I will introduce an amendment to H. R. 10608. The amendment has for its objective the denying of grants authorized in the measure if the railroads insist on reducing wages.

If this amendment is defeated or is not permitted consideration by the House because a point of order is made against it and sustained by the Chair, I shall move at the proper time to recommit the bill to the Committee on Banking and Currency in order that it may be held there until such a time as we definitely know what the sincere attitude of the railroad carriers is going to be in regard to the proposed wage reduction.

The argument is invariably used that we must have settled conditions and that individuals as well as business must not be disturbed unnecessarily. If I remember correctly, the railroad managements have been most outspoken in voicing these sentiments, but in the face of their continual harangue on not disturbing business and individuals they persist in asking for wage reductions, just a few months after the question had been definitely settled and they had entered into an agreement relative to the wage structure. The agreement entered into by the railroad managements through their executives provided for 5 and 5½ cents per hour increases in basic pay. These increases became effective on August 1 and October 1, 1937, respectively. But in reality this is what happened: Instead of increasing the pay rolls the railroad managements through methods best known to themselves in reality reduced their pay rolls. As an example of this, in March 1937, before the increase was in effect, the total monthly pay roll for class I carriers was $171,456,199. The total pay roll for class I carriers in March 1938, after the increase was applied, had been reduced to $152,170,182, a decrease of over $19,000,000, or more than

11 percent of the entire monthly pay roll in March 1937, or more than $231,000,000 annually, worked out on the same basis. These figures I secured from the Interstate Commerce Commission this morning. Certainly railroad employees are entitled to feel a sense of security. They are entitled to know within reasonable limits what they can expect to earn during the fiscal year. However, the railroad managements entirely ignore this element which means so much to the individual.

Mr. FLETCHER. Mr. Speaker, will the gentleman yield for a brief question?

Mr. WITHROW. I yield.

Mr. FLETCHER. The gentleman refers to the fact that the railroad operators want to reduce the wages of the men. Is it not true that at the very time they were making that suggestion, one of the railroad presidents receiving something like $60,000 a year had his salary increased by $40,000?

Mr. WITHROW. I do not question that at all.

Mr. FLETCHER. That was published in all the papers.

Mr. WITHROW. I thank the gentleman.

The railroad carriers cannot blame pay rolls for the financial difficulties they now find themselves in. In 1920 there were over 2,000,000 employees in railroad service. In 1929 there were more than 1,600,000 railroad employees. Today less than 925,000 men and women are employed in railroad service. In 1920 the total compensation paid railway employees was $3,682,000,000. In 1936 the total compensation paid railway employees had dropped to $1,848,000,000, or approximately one-half of what it was in 1920. On the other hand, interest on the funded and unfunded debt of the carriers in 1920 was $476,000,000. In 1936 the interest on the funded and unfunded debt was $481,006,000. Instead of declining as had wages, the funded and unfunded debt increased.

In 1920, for every dollar paid in interest, the employees were paid $7.73 in wages. In 1936 this ratio had dropped to $3.84 paid in wages for every dollar paid in interest by the carriers. The ratio of employees' compensation as to interest payments during the period, 1920–36, had been reduced by more than one-half. In 1920, when total operating revenues were a little over $6,000,000,000 and interest on funded and unfunded debt was $476,000,000, $7.70 out of every $100 in total operating revenues was required for interest payments. In 1936, $11.87 out of each $100 of operating revenues was required for interest payments. Thus, the percentage of revenues required for interest during the above-mentioned period had increased 54.2 percent. In 1920 the railroads had a funded debt of a little more than $9,645,000,000. This was a debt of $4,768 per employee. In 1935, the latest year for which the data are available, the funded debt per employee had increased to $10,369, an increase of funded debt per employee of 117.5 percent, as compared with 1920.

Mr. VOORHIS. Mr. Speaker, will the gentleman yield?

Mr. WITHROW. I yield.

Mr. VOORHIS. Does the gentleman see any way that this railroad problem can ever be solved as long as these interest charges are as heavy as they are?

Mr. WITHROW. I think the railroads will have to revise their capital structures just as other businesses have had to do.

Mr. VOORHIS. Is the gentleman going to develop that in the course of his remarks?

Mr. WITHROW. I have not very much time; I will do the best I can.

For each dollar received by employees in wages in 1920, the railroads had a funded debt of $2.62. This increased to $6.27 in 1935, an increase of 139 percent.

For every 1,000 revenue-freight ton-miles handled in 1920, the railroads had a funded debt of $2.35, which increased to $3.66 in 1935, an increase of 55.7 percent. During the period 1920–36 railroad employment fell from more than 2,000,000 to approximately 950,000, a decrease of more than 53 percent. Total wages declined during this same period from $3,682,000,000 to $1,848,000,000, a decrease of more than 50 percent.

Wages per thousand revenue freight ton-miles declined from $8.97 to $5.45, a decrease of more than 39 percent; gross ton-miles per dollar of employees' compensation increased 95.5 percent; wages per thousand gross ton-miles fell by more than 48 percent.

During this period, the amount of revenue required for wages declined more than 30 percent, and during this same period the amount of revenue required for interest on funded and unfunded debt went up more than 54 percent.

Mr. SCHULTE. Mr. Speaker, will the gentleman yield?

Mr. WITHROW. I yield.

Mr. SCHULTE. The gentleman knows the railroad situation; he is a student of the subject. Does he believe that even though the Reconstruction Finance Corporation does lend $300,000,000 to the railroads, that it is going to save the railroads?

Mr. WITHROW. I feel that it would be advisable if they did not insist upon this vicious wage reduction which nullifies all the benefits that could possibly accrue. Loaning the carriers sums of money now can only be justified in order that they may have time to make a sincere start in revamping their capital structures.

Mr. SCHULTE. But in the event the $300,000,000 were lent, does not the gentleman believe that it would be only a delaying of the inevitable end; that the railroads ultimately must go through the wringer, as every other industry and organization in the country has done?

Mr. WITHROW. I do.

Mr. VOORHIS. Mr. Speaker, will the gentleman yield for a brief question?

Mr. WITHROW. I yield.

Mr. VOORHIS. Does the gentleman think it is at all a practical suggestion that if loans are made to the railroads they be made on condition that bonds bearing a rate of interest, we will say 5 percent, be retired and replaced by bonds bearing a much lower rate of interest?

Mr. WITHROW. I would think that that would probably be within the discretion of the R. F. C. I think probably that would be a good policy, although I am not in any position to say as to that.

These facts, in my opinion, prove conclusively that pay rolls have not been the cause of the financial difficulties of the carriers; and to permit railroad executives to cut their pay structure 15 percent would merely be carrying on the vicious policies of the past that have been the chief factor in bringing about the wholesale break-down of the railroad structure, and it is no wonder that it has led to the many railroad bankruptcies.

I cannot for the life of me understand why the railroad managements should insist upon carrying out their vicious policies of reducing wages in order to meet funded and unfunded interest payments.

Contrary to the impression some people have, railroad employees are not well paid. More than 20 percent of all railroad employees receive less than $600 per year. More than 50 percent receive less than $1,200 per year, and more than 80 percent receive less than $1,800 a year.

Men in the transportation service are compelled by the nature of their work to be away from their homes a great portion of the time. During this time they are subject to additional expense not incurred by the worker who is employed in a given locality and whose duty requires him to work in that locality. There is no provision for compensating employees for these additional expenses. In addition to this phase of railroad activity, the employees are subjected to continual hazards as a necessary part of their daily work. This is probably best illustrated by the fact that the premiums charged by old-line companies for insurance for railroad employees in transportation service make it prohibitive for the railroad employee thus engaged to take out insurance. These two elements—namely, the element of expense and the element of risk—are entirely disregarded by the railroad managements in adjusting their pay-roll structures.

Mr. Speaker, the Government and the railroad employees have always been fair to the railroads. Whenever the railroad companies have gone before the Interstate Commerce Commission for a revised rate structure, the Commission has been sympathetic; whenever the railroad companies have come to any of the governmental agencies and asked for loans, the Government has been very liberal.

[Here the gavel fell.]

Mr. HOOK. Mr. Speaker, I ask unanimous consent that the gentleman from Wisconsin may proceed for 3 additional minutes.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. JOHNSON of Minnesota. Mr. Speaker, will the gentleman yield?

Mr. WITHROW. I yield.

Mr. JOHNSON of Minnesota. The gentleman says that the Government has always been fair to the railroads. Is it not almost ridiculous at a time of unemployment crisis for the railroads, which were the first to run down here in 1932 to get help from the R. F. C., to be almost the first ones to lead an attack against this administration and against the national economy? It amounts almost to an unpatriotic gesture.

Mr. WITHROW. I thank the gentleman for his contribution.

In 1932 the railroad employees throughout the United States voluntarily took a 10-percent cut in their wages. In addition to this, the contracts between the employees and the employers were liberalized, which meant a substantial saving to the carriers in addition to the voluntary 10-percent basic reduction. It is conservative to say that the concessions made by employees have amounted to a 24-percent reduction in their income as compared with their earnings in 1929.

It has long been apparent that the railroad executives, if left to their own devices, will complete the ruin of our transportation systems because of their short-sighted policies. It is of utmost importance that they be prevented from further contributing to the economic destruction of the entire country as well.

The railroad executives of today, instead of being operating officials and instead of going out and getting business as they should, have become wizards in financing and refinancing. That has become their specialty; these policies have been practiced at the expense of the employees, their stockholders, and the general public. [Applause.]

PERMISSION TO ADDRESS THE HOUSE

Mr. RICH. Mr. Speaker, at the conclusion of the special orders for today as heretofore made, I ask unanimous consent to address the House for 10 minutes.

The SPEAKER pro tempore (Mr. THOMPSON of Illinois). Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

EXTENSION OF REMARKS

Mr. WITHROW. Mr. Speaker, I ask unanimous consent to insert in the RECORD a table containing the number of employees, the wages, dividends, interest, and the totals in connection with the class I railroads during the period discussed in my address, 1920 to 1936.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. HOOK. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD, and include a statement by Secretary Henry A. Wallace.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. COFFEE of Washington. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD, and include therein an editorial from the Emporia (Kans.) Gazette.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Washington?

There was no objection.

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by including therein a short editorial that appeared in the Boston Globe on the question of flood protection in New England.

The SPEAKER pro tempore. Is there objection?

There was no objection.

Mr. BROOKS asked and was given permission to revise and extend his own remarks in the RECORD.

PERMISSION TO ADDRESS THE HOUSE

Mr. VOORHIS. Mr. Speaker, at the conclusion of the remarks of the gentleman from Pennsylvania [Mr. RICH] today, I ask unanimous consent to address the House for 10 minutes.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

The SPEAKER pro tempore. Under a previous special order, the gentleman from New York [Mr. FISH] is recognized for 15 minutes.

Mr. FISH. Mr. Speaker, I listened with interest to the remarks made by the gentleman from California [Mr. SCOTT]. He made an able and sincere statement on behalf of collective security. He is one of those Members of the House who is worth listening to on foreign affairs, because he is absolutely sincere. He believes in internationalism, in the League of Nations, in collective security, in punishing aggressor nations, in concerted action, in laying embargoes, sanctions, and blockades in order to carry out a collective security program.

The American people must decide for themselves whether they will depart from the time-honored, traditional foreign policy of the United States of neutrality and nonintervention and instead enter into collective security. If the American people, particularly the women, believe all that the gentleman from California [Mr. SCOTT] said about the danger of foreign wars in South America and the menace to our own country, then they ought to look under the bed every night to see whether there is not some Jap, German, or Italian there ready to pounce out on poor little helpless America and gobble up both North and South America.

I am considerably amused when such a great supporter of the New Deal policies as Mr. SCOTT begins to question the wisdom of propaganda, or, at least, attacks other countries that are using propaganda. For 5 years we have had a government of propaganda and by propaganda for the New Deal. We have seen more propaganda used by the New Deal than ever before in the history of this country. However, because some other nations also indulge in extensive propaganda it has suddenly become an abomination and constitutes a serious menace, almost a cause of war, when Germany, Japan, and Italy use propaganda methods in South America.

May I say to the gentleman from California that these countries, as well as other countries, have a perfect right—in fact, as much right as we have—to use propaganda? They have as much right as we have to go after trade in legitimate ways. You cannot fight propaganda with supernavies and airplanes, with battleships and 16-inch guns, or with submarines and torpedoes.

In other words, you cannot combat propaganda by armaments. If we are to fight propaganda, we must do it with propaganda and in a legitimate way. Nobody objects to that. It is very amusing to hear one of the most ardent supporters of the New Deal administration, which is backed and supported by propaganda, suddenly condemning propaganda from foreign sources. What is sauce for the goose is sauce for the gander. There is as much propaganda in this country as there is in Soviet Russia, Italy, or Germany.

When it comes to the danger of South America being attacked by foreign nations I must take exception and point out that in my humble opinion South America has less to

fear of an attack from any foreign nation at the present than at any time in the past 50 years. First, because the foreign nations to which the gentleman referred, such as Italy, Germany, and Japan, are now engaged in great ventures near their own borders. For example, Italy, which has gone further afield, has just taken over Abyssinia, a vast country, and must send money and its citizens in there to exploit it if she is going to get any benefit whatever from her conquest of that ancient land.

Mr. FLETCHER. Will the gentleman yield for a brief question?

Mr. FISH. I yield to the gentleman from Ohio.

Mr. FLETCHER. The gentleman spoke about the propaganda in our own country and compared that propaganda with that coming from abroad. Does the gentleman know of the United States Government having any organized group in Germany, Italy, or Russia, marching in uniforms, like we see over here?

Mr. FISH. The gentleman knows very well I am more opposed to that type of propaganda than perhaps anyone else in Congress, and I have recently introduced a bill in the House prohibiting any private groups arming and drilling in the United States and having their own private armies. However, I cannot go into that issue at this time except to say that all armed forces in this country must be under the War Department.

Mr. FLETCHER. But my question was whether the gentleman approved that.

Mr. FISH. I was going to discuss it later. However, as the gentleman interrupted me I will answer it now, then go back to what I was discussing.

Mr. FLETCHER. I did not mean to intrude.

Mr. FISH. I hold in my hand a clipping from a newspaper, in which the Secretary of War, Mr. Woodring, a member of the President's Cabinet, denounced Fascist nations, such as Japan, Italy, and Germany, as treaty breakers. He calls them various harsh names and attacks their form of government, according to the press reports.

Mr. Speaker, in my opinion, it is not proper for high officials in our country to deliberately go out of the way to make these bitter attacks on friendly foreign powers, no matter how much we may disagree with their particular form of government. It is not our concern what form of government any nation may have, whether it be communism in Russia, fascism in Italy, or nazi-ism in Germany. It is the most unfortunate and harmful kind of propaganda when high American officials make deliberate and direct attacks upon foreign governments with whom we have friendly diplomatic and trade relations.

Mr. FLETCHER. If the gentleman will yield, that was an individual and not the Government.

Mr. FISH. He is the Secretary of War.

Mr. FLETCHER. He was not speaking for the Government.

Mr. FISH. He is a member of the Cabinet, and he is Secretary of War, and, next to the President, head of our armed forces. Furthermore, neither the President nor the Secretary of State has repudiated his statement.

Mr. FLETCHER. Our President has never done such a thing, whereas Mussolini, Hitler, and Stalin, all three of them, have.

Mr. FISH. I do not blame Mussolini or Hitler for replying to the speech of Secretary Woodring and attacking our principles and form of government. I do not blame them in the least.

Mr. FLETCHER. The gentleman must admit the Secretary's speech was not propaganda.

Mr. FISH. The world heard it; and if it was not propaganda, what else could it be? It is not only the Secretary of War who has indulged in foreign propaganda, but Secretary of the Interior, Mr. Ickes, likewise, made a similar international broadcast about a month ago. Even the Secretary of State, Mr. Hull, has given out statements denouncing certain nations as treaty breakers, forgetful of the fact that the United States broke its first treaty with France, and more recently seized Panama in violation of a treaty with Colombia. Both Great Britain and France have repudiated their war debt agreements with us. We cannot expect to go on attacking foreign nations without their coming back and attacking us, and that is just what has occurred. I happen to be opposed to all foreign autocratic and dictatorial forms of government, but I cannot blame any one of them for taking offense at these rash and improper statements of members of the Cabinet. This is the worst kind of propaganda, because it breeds hatred, it creates misunderstanding all over the world, and it causes wars.

Mr. BREWSTER. Mr. Speaker, will the gentleman yield?

Mr. FISH. For a brief question.

Mr. BREWSTER. Does it occur to the gentleman that a new orientation of policy is apparently emerging and that the attacks of both Secretary Ickes and Secretary Woodring are designed to pull one coattail of Secretary Hull?

Mr. FISH. I believe the gentleman from California [Mr. SCOTT], who urged collective security here today, reflects the opinion of this administration but not that of the American people. When he advocates collective security, I believe he is advocating the views of the President of the United States, of Secretary Hull of the Cabinet, of Norman Davis, and of many others who have to do with handling the international affairs of this country.

Mr. SCOTT. Mr. Speaker, will the gentleman yield?

Mr. FISH. Not just now.

I do not believe the gentleman reflects the point of view of the American people. The American people do not propose to change their foreign policy in order to become involved in foreign entanglements, ancient blood feuds, and boundary disputes. They do not propose to lay embargoes or join in economic sanctions and blockades to try to punish an aggressor nation, because the American people know that is the road to war. As I have repeatedly said, the attitude of the American people is simply this: They are willing to cooperate for peace but they are not willing to fight for peace. We are isolationists from war; we are not isolationists from peace. We will enter into any honest peace conferences, and we will go into any fair limitation of naval armament conferences. We will arbitrate our difficulties with any nation; in fact, I believe the American people would gladly enter into treaties with every nation in the world to arbitrate all our difficulties and agree not to go to war except in case of attack or in defense of our own territory. That is not exactly an isolationist policy but the traditional American policy. When the gentleman advocates collective security, he advocates the League of Nations and internationalism as against neutrality and nonintervention. We believe in keeping out of foreign wars. There is only one way to keep out of them, and that is to mind our own business and stop trying to police and quarantine the world. If other nations want to arm to the teeth under autocratic dictators and go to war, it is their war and not ours. Once we embarked on collective security we would be playing into the hands of foreign nations. How can the gentleman from California, no matter how sincere he may be and no matter how much he may believe in the League of Nations and collective security, have the temerity just at this time to get up and advocate such a policy when he has just seen the shameful betrayal of Abyssinia by Great Britain and France and the other democratic nations in the League of Nations by officially recognizing its conquest by Italy?

Mr. COFFEE of Washington. Mr. Speaker, will the gentleman yield?

Mr. FISH. I cannot yield; I have little time left.

If there ever was any country that was attacked ruthlessly and brutally overwhelmed and conquered by another nation, it is Abyssinia; yet within the past week Great Britain and France, the leading democratic nations in the League of Nations, have shamelessly betrayed Abyssinia and forced the League of Nations to recognize the conquest of Abyssinia by Italy.

Now we are asked to depart from our traditional foreign policy and become entangled in all these ancient foreign

disputes, blood feuds, and wars, and to enter into some flimsy scheme of collective security and hold the bag and do the fighting, in spite of what we have just seen in Europe within the last few weeks. It is almost inconceivable. Have we not learned any lesson from the World War? I see many veterans right here in Congress. What were we told? We were told we had to enter that war to make the world safe for democracy. What a travesty, what a farce, and what a mockery, when most of the nations of the world that were supposed to be free and to believe in democratic institutions have gone to the left and to the right into autocracies, dictatorships, and despotisms; yet right now the same old cry is raised that was used over 20 years ago, that we must go forth and fight to make the world safe for democracy. Can we be roped in on such a scheme again? It is unthinkable. Can we be roped in to fight the battles and wars of the British Empire and of Soviet Russia? Every Communist in America wants us to fight Japan in order to safeguard Soviet Russia. Let me read to you, because it has never been read in Congress before, and if it has it bears repetition, an article entitled "Can We Rope in America?" by Hilaire Belloc, one of the foremost British writers during the World War, an Englishman and a well-known author. This is an extract from one of his magazine articles entitled "Can We Rope in America?" and I believe the Members of Congress, if they have not heard it before, ought to listen very carefully.

[Here the gavel fell.]

Mr. FISH. Mr. Speaker, I ask unanimous consent to proceed for 3 additional minutes.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. FISH. The article is as follows:

It is commonly said up and down Europe that we can make the United States do what we like. That idea is based upon the vague and most misleading word, "Anglo-Saxon," but also upon the actual and recent experience of the last 20 years. We got the United States into the Great War on our side, and what was more extraordinary, we managed, in the debt business, to make France the villain of the piece. We have got them to feel with us against modern Italy, and we have got them to talk of ourselves as a "democracy," which is prodigious.

Can we rope them in to fight, or threaten to fight, the Japanese? It is a question of the most poignant interest, and it is a question that will be answered in a comparatively short time one way or the other.

The advantages we have in the working of American opinion and policy are very great, and they have been used in the past with so much success that those who think we shall still win the trick have much to say for themselves. We are the only people of the Old World who use the same printed word, and largely the same spoken word, as the Americans.

We know instinctively what will move American indignation and enthusiasms, even when it does not move our own. American opinion is inflammable, and just as we got up the cry, "To hell with the Hohenzollerns and the Hapsburgs" (which both begin with an "h"), so we might get a slogan for the Pacific.

The mass of the American public has no experience, as we have, of modern war; its enthusiasm is easily aroused; we have already got them to feel a sort of instinctive opposition to the Italians; and the Jews and ourselves combined and in alliance have got them to oppose the Third Reich.

Roughly speaking, we are about half way to our goal. Shall we be able to go the remaining half of the way and reach our goal? Shall we rope in America against Japan? That is the important question of the moment, and as this paper is free to tell the truth, the truth can be stated here in its simple and obvious terms. As things now stand, our chances are (to put it in American) about 50-50.

Now, I admire the British. I am of English origin. I admit their statesmanship is the best in the world. If they are able to "rope us in," they are to be commended, but if we are roped in to defend the British Empire and to send our soldiers all over the world to fight other people's battles, then we ought to be ashamed of ourselves. [Applause.]

[Here the gavel fell.]

AMENDMENT OF AGRICULTURAL ADJUSTMENT ACT

Mr. JONES. Mr. Speaker, I ask unanimous consent for the present consideration of the bill (S. 3949) to amend the Agricultural Adjustment Act of 1938.

The Clerk read the title of the bill.

Mr. BOILEAU. Mr. Speaker, reserving the right to object, I shall not object if it is distinctly understood that there are to be no amendments offered to the bill. If there are to be amendments offered to the bill I shall object.

Mr. JONES. Mr. Speaker, there are one or two corrective amendments to the tobacco section that some of the tobacco Members want.

Mr. BOILEAU. I have no objection to that.

Mr. ANDRESEN of Minnesota. Mr. Speaker, will the gentleman yield?

Mr. BOILEAU. I yield.

Mr. ANDRESEN of Minnesota. I expect to offer an amendment to the bill which exempts corn land used for silage from the provisions of the marketing quota.

Mr. BOILEAU. I thought, perhaps, the gentleman was going to offer that amendment, and I suggest to the gentleman that unless it is understood that that amendment will not be offered, I shall object to the present consideration of the bill.

Mr. JONES. The gentleman offered his amendments in committee and made his record there. Will he not waive them at this time? The gentleman can offer that as a separate proposition later.

Mr. ANDRESEN of Minnesota. I may say to the gentleman that some weeks ago we passed 18 amendments to give additional acreage to the cotton growers of this country and today we are about to consider amendments that will give some frozen acreage to cotton planters and additional acreage to tobacco growers. So I think it is probably time that we should show some consideration for some of the corn farmers of this country.

Mr. JONES. May I say to the gentleman that he has made his record in committee and the corn people are not agreed on his amendment, as the gentleman knows. He has a right to his opinion and he has offered his proposition in committee and made his record there. We know his position in the matter, and I hope he will not interfere with some matters that affect only the areas that are involved and upon which they have practically agreed.

Mr. ANDRESEN of Minnesota. I want that bill to pass, but this is the only opportunity we will have to consider an amendment to the Triple A, and therefore I want a vote on my amendment to see if the House is willing to give some consideration to adjusting the inequities in the situation of the corn farmers.

Mr. JONES. The gentleman has had an opportunity in committee, and the committee followed the majority of the corn group, who did not want his amendment, and if the gentleman wants to offer his amendment as a separate proposition, I will extend him the courtesy of having it voted on by the committee again. If the committee will not report it, I am sure he cannot hope to pass it.

Mr. ANDRESEN of Minnesota. I appreciate the courtesy of the chairman of the committee, but the gentleman will recall that when this matter came up the chairman did vote certain proxies, while I did not vote any.

Mr. JONES. I do not recall as to this particular proposition, but I do not believe we voted proxies on the corn proposition.

Mr. ANDRESEN of Minnesota. Yes; we did.

Mr. JONES. I do not believe they were essential to the decision.

Mr. ANDRESEN of Minnesota. I think in all fairness to the people I represent I should have a vote on this question.

Mr. JONES. If the gentleman wants to have it voted on, that is perfectly satisfactory if the gentleman from Wisconsin is agreeable; but if the gentleman from Wisconsin is not agreeable, that is our only chance to get this matter up; and unless one of the gentlemen will yield his position, we are tied on this particular matter that is of importance in certain areas and affects only these particular commodities.

Mr. ANDRESEN of Minnesota. I am not opposed to the gentleman's bill.

Mr. JONES. I understand that.

Mr. ANDRESEN of Minnesota. I am for the gentleman's bill, just as I favored the other bill to give the cotton farmers additional acreage; but I think as a matter of fairness to my section of the country we should have consideration of the amendment which I offered the other day, and which was also considered in the committee. Why does the gentleman from Wisconsin [Mr. BOILEAU] object to a vote upon the amendment of the gentleman from Minnesota?

Mr. BOILEAU. I know that if it is not voted on, it will not become a law.

Mr. LUCAS. Does the gentleman fear a vote in the House on the gentleman's amendment?

Mr. BOILEAU. I do not know the attitude of the House in respect to it. I have not had an opportunity to canvass the membership of the House.

Mr. LUCAS. In all fairness to the gentleman from Minnesota, does the gentleman not think that he should have a vote upon his amendment?

Mr. BOILEAU. I think it is fine to have a vote and have hearings in the committee, but it is too important a matter to consider here late in the afternoon, and after Members of the House have been assured that the legislative business of the day is over, and after many of them have gone. I do not know, but perhaps some of the Members of my own particular section might be gone, because it was understood that there would be no other business today.

Mr. LUCAS. With all due respect to the gentleman, is that not just a ruse in order to defeat the gentleman from Texas [Mr. JONES]?

Mr. BOILEAU. Oh, no; I think the gentleman is entirely unfair in that statement. I think the gentleman knows better than that. I am as anxious as anyone to have this bill passed.

Mr. JONES. Mr. Speaker, I shall vouch for the position of the gentleman from Wisconsin [Mr. BOILEAU]. I do not think there is any objection to letting the gentleman have a vote. We had the vote in the committee, and as I recall it, practically all of the corn Representatives who were there, except the gentleman from Minnesota [Mr. ANDRESEN], were on the other side of the question. The committee followed the majority. I do not care what the program is, if it is something that pleases the corn farmers.

Mr. BOILEAU. With all deference to the gentleman from Minnesota, as I see his amendment, he wants the corn farmers in the corn area to eat their corn and keep it, too, and if they are to go out of the production of corn, we do not want them to go into the production of silage. It does not help out in the dairy sections to have all of these farmers go out of the production of corn for feed for hogs and go into the production of feed for cattle.

Mr. LUCAS. Of course, if you gentlemen are interested in the production of silage, you should vote this amendment down.

Mr. BOILEAU. That is why I want it defeated. I do not like to obstruct the efforts of the gentlemen who are interested in this bill. I assume probably the amendment might be defeated but, unfortunately, there are many Members who are absent.

Mr. LUCAS. The gentleman may rest assured that all of the corn men who are interested in corn production are against the Andresen amendment. I think it will be defeated without question.

Mr. ANDRESEN of Minnesota. The gentleman from Illinois [Mr. LUCAS], the distinguished Senator, is covering a lot of territory when he says that all of the men interested in corn are opposed to this amendment.

Mr. LUCAS. As far as the Agricultural Committee is concerned.

Mr. ANDRESEN of Minnesota. The gentleman assumes to cover a great deal of territory. I have always had a high regard for the gentleman and I think he should show some consideration for what I am proposing.

Mr. LUCAS. That is the reason why I am against the amendment.

Mr. ANDRESEN of Minnesota. If the gentleman thinks that he can defeat my amendment——

Mr. LUCAS. I want to see the gentleman from Minnesota returned to the House of Representatives, and the only way that he can return is to have us defeat his amendment, because once the farmers understand what his amendment means, he is liable to be defeated.

Mr. ANDRESEN of Minnesota. And, possibly, if the gentleman from Illinois does not vote for my amendment, he might not move to the other end of the Capitol.

Mr. BOILEAU. I would like to say to the gentleman that I realize the importance of this amendment and that I know that it is important to certain sections of the country.

The amendment proposed to be offered by the gentleman from Minnesota [Mr. ANDRESEN] is very bad for my section. I suppose it would be hardly consistent for one who has taken the position I have right along that opportunity should be allowed to dispose of controversial issues, now to stop consideration of this measure because of the threatened action of the gentleman from Minnesota.

I see my friend from Iowa has come in. I discussed the matter with him earlier. I do not know what his position is, but, in view of the fact that he is present, I do not feel obligated to press my objection.

Mr. Speaker, I withdraw my objection.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

The Clerk read the title of the bill.

The Clerk read as follows:

Be it enacted, etc., That subsection (h) of section 344 of the Agricultural Adjustment Act of 1938, as amended, is amended by inserting, immediately after "Secretary" and before the colon, the following: "and for the crop year 1938 any part of the acreage allotted to individual farms in the State which it is determined, in accordance with regulations prescribed by the Secretary, will not be planted to cotton in the year for which the allotment is made, shall be deducted from the allotments to such farms and may be apportioned, in amounts determined by the Secretary to be fair and reasonable, preference being given to farms in the same county receiving allotments which the Secretary determines are inadequate and not representative in view of the past production of cotton and the acreage diverted from the production of cotton on such farms under the agricultural conservation program in the immediately preceding year: *Provided*, That any such transfer of allotment for 1938 shall not affect apportionment for any subsequent year."

SEC. 2. Section 313 of the Agricultural Adjustment Act of 1938, as amended, is amended by adding at the end thereof the following:

"(f) In the case of flue-cured tobacco, including dark fire cured and dark air cured tobacco, the national quota for 1938 is increased by a number of pounds required to provide for each State, in addition to the State poundage allotment, a poundage not in excess of 2 percent of the allotment which shall be apportioned in amounts which the Secretary determines to be fair and reasonable to farms in the State receiving allotments under the Agricultural Adjustment Act of 1938, as amended, which the Secretary determines are inadequate.

"(g) Nothing in the Agricultural Adjustment Act of 1938, as amended, and/or the Soil Conservation and Domestic Allotment Act, as amended, shall be construed to authorize the Secretary to limit the poundage allotment made to farms under the Agricultural Adjustment Act of 1938, as amended, to tobacco produced upon the acreage allotted to such farms, but each producer of such tobacco shall be permitted to plant such acreage as will produce his poundage allotment, any excess production to be subject to other applicable provisions of the Agricultural Adjustment Act of 1938, as amended."

SEC. 3. In carrying out the provisions of the Third Deficiency Appropriation Act, fiscal year 1937, and section 381 (a) of the Agricultural Adjustment Act of 1938, as amended, relating to cotton price adjustment payments with respect to the 1937 cotton crop, in order to accelerate such payments the Secretary shall, notwithstanding said provisions, (1) treat all cotton not sold prior to September 10, 1937, as if it had been sold on a date when the average price of ⅞-inch Middling cotton on the 10 designated spot cotton markets was less than 9 cents per pound; (2) make payment on the basis of applications on forms prescribed by the Secretary which have been filed prior to July 16, 1938, as prescribed in regulations issued by him, by the producers, or the 1937 operator, or other person designated pursuant to such regulations, on behalf of all the producers on the farm in 1937; (3) make payment to producers upon the producer's certification that he is engaged in producing cotton in 1938 and has complied with the requirements as defined in said section 381 (a), or is not engaged in producing cotton in 1938, and upon his agreeing therein

to refund the payment forthwith upon demand in case it is subsequently found that he has failed to comply with the requirements as defined herein and in said section 381 (a); and (4) make payments, as soon as practicable, on the basis of his estimate of the amounts which will be covered by the applications to be filed prior to July 16, 1938, and of the funds to be used out of the appropriation for the necessary administrative expenses of making the cotton price adjustment payments.

The SPEAKER. The Clerk will report the committee amendments:

The Clerk read as follows:

Page 2, line 10, strike out all of section 2 and insert in lieu thereof the following:

"SEC. 2. (a) Section 313 (e) of the Agricultural Adjustment Act of 1938, as amended, is amended by striking out '2 percent' and inserting in lieu thereof '4 percent.'

"(b) Section 313 of such act, as amended, is amended by adding at the end thereof the following:

"'(f) In the case of fire-cured and dark air-cured tobacco, the national quota for 1938 is increased by a number of pounds required to provide for each State in addition to the State poundage allotment a poundage not in excess of 2 percent of the allotment which shall be apportioned in amounts which the Secretary determines to be fair and reasonable to farms in the State receiving allotments under this section which the Secretary determines are inadequate in view of past production of tobacco.

"'(g) Nothing in the Agricultural Adjustment Act of 1938, as amended, and/or the Soil Conservation and Domestic Allotment Act, as amended, shall be construed to authorize the Secretary to limit the poundage allotment made to farms under the Agricultural Adjustment Act of 1938, as amended, to tobacco produced upon the acreage allotted to such farms, but each producer of such tobacco shall be permitted to plant such acreage as will produce his poundage allotment, any excess production to be subject to other applicable provisions of the Agricultural Adjustment Act of 1938, as amended.'"

And on pages 4 and 5 strike out all of section 3.

Mr. JONES. Mr. Speaker, I offer an amendment to the committee amendment.

The Clerk read as follows:

Amendment to the committee amendment offered by Mr. JONES: Page 3, line 23, strike out all of section (g) of the committee amendment.

The amendment to the amendment was agreed to.

Mr. JONES. Mr. Speaker, this has been agreed on by all the tobacco Members I have consulted with. It does not materially change the effect of the program. It remedies any obscurity.

There is one other amendment that will be offered by Mr. FLANNAGAN, in which the gentleman from Kentucky [Mr. CHAPMAN] and other Representatives from Kentucky are interested. I ask unanimous consent that they be read and that both amendments be voted on at the same time.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. FLANNAGAN. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. FLANNAGAN: Page 3, line 14, after the word "air-cured", insert the words "and burley."

The amendment was agreed to.

The SPEAKER. The question is on the committee amendment as amended.

The committee amendment as amended was agreed to.

Mr. ANDRESEN of Minnesota. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. ANDRESEN of Minnesota: Page 3, after line 22, insert a new section, as follows:

"SEC. 3. Section 323 (a) of the Agricultural Adjustment Act of 1938, as amended, is amended by striking out '(1) The amount of corn used as silage; and.'"

Mr. BOILEAU. Mr. Speaker, a point of order.

The SPEAKER. The gentleman will state it.

Mr. BOILEAU. Mr. Speaker, I make the point of order that the amendment is not germane to the section or to the bill.

Mr. ANDRESEN of Minnesota. Mr. Speaker, may I be heard on the point of order?

The SPEAKER. The Chair will be glad to hear the gentleman.

Mr. ANDRESEN of Minnesota. Mr. Speaker, the bill that is now before the House is the Senate bill which provides for an amendment to the Agricultural Adjustment Act of 1938. It deals with two specific commodities, cotton and tobacco, in two separate and distinct parts of the Agricultural Adjustment Act. My amendment deals with a certain basic commodity of the Agricultural Adjustment Act, corn, and is just as germane as either cotton or tobacco.

The SPEAKER. Does the gentleman from Wisconsin desire to be heard on the point of order?

Mr. BOILEAU. I do, Mr. Speaker.

The SPEAKER. The Chair will hear the gentleman.

Mr. BOILEAU. Mr. Speaker, the bill now under consideration, as the gentleman from Minnesota stated, affects the quotas for cotton and tobacco. No reference at all is made to corn. The amendment offered by the gentleman from Minnesota [Mr. ANDRESEN] deals with a matter that is beyond the scope of this bill. There is nothing in the bill affecting quotas for corn.

If the gentleman's position is correct, that because this bill happens to amend the Agricultural Adjustment Act, therefore any amendment of the Agricultural Adjustment Act is in order, this would be such a broad scope that we could bring in practically any amendment of the amended Agricultural Adjustment Act.

Mr. Speaker, I maintain that the amendment is not germane to the bill; that it is entirely different from the purpose of the bill.

The SPEAKER. The Chair is prepared to rule.

The gentleman from Minnesota [Mr. ANDRESEN] offers an amendment in the nature of a new section to the bill. The gentleman from Wisconsin [Mr. BOILEAU] makes the point of order that the amendment proposed by the gentleman from Minnesota is not germane to the bill or to any section thereof, as the Chair understood the point of order.

The bill under consideration is one to amend the Agricultural Adjustment Act of 1938. There are two sections to the bill, one amending the provisions with reference to tobacco, the other amending the provisions with reference to cotton, in separate sections.

The Chair is of the opinion that under the particular title of the bill, which has already been indicated by the Chair, where two sections are set out dealing with separate farm commodities, a new section dealing with a third agricultural commodity is in order and is germane. The Chair, therefore, overrules the point of order.

The gentleman from Minnesota is recognized for 5 minutes.

Mr. ANDRESEN of Minnesota. Mr. Speaker, a few weeks ago this House passed 18 amendments to the Agricultural Adjustment Act. The purpose of those amendments, which are now law, was to give the cotton farmers of the cotton South more than 2,000,000 acres of additional land on which to produce cotton this year. There was a real necessity for the passage of the amendments, because there were many glaring inequities in the distribution of cotton acreage among 2,600,000 cotton farmers of the South. The Committee on Agriculture was unanimous in reporting the amendments from the committee, and the House passed the bill unanimously.

Today we have before us another bill which provides for additional acreage for the tobacco and cotton growers throughout the cotton South; another amendment to correct the glaring inequities in the distribution of cotton and tobacco acreage.

Mr. Speaker, I am for the pending bill and I want to see it passed. I think it is necessary for the tobacco and cotton farmers to have this legislation enacted at the earliest possible moment, and I hope the House will pass the bill today.

The same situation of glaring inequities in the distribution of corn acreage has been found in the commercial corn area of the 12 Midwestern States. The only opportunity that I could get to correct these glaring inequities in the distri-

bution of corn acreage is to secure adoption of an amendment to this bill; otherwise there will be no chance to correct, at least during this year, the injustices that have been done the corn farmers in the so-called commercial corn area. In the large sections of the corn area, particularly in the dairy section, we find that in the distribution of the corn acreage, the acreage assigned by the Secretary of Agriculture or under his order is so small that the farmers will not be able to raise sufficient corn, either as silage or to take care of their herds of dairy cattle or hogs that they propose to raise and market this year. I could cite many individual reductions in the corn acreage running from 25 percent to 70 percent.

In my own particular section, which is in the commercial corn area, where the farmers are engaged principally in the dairy business, where about 50 percent of the corn is put into the silos to feed during the winter months, the acreage allocations have been so small we will not get enough silage corn to fill up the silos. Our farmers do not sell the corn. They feed it to their dairy cattle, hogs, poultry, and other livestock on the farm.

All I am asking in this amendment is that corn used for silage purposes shall be eliminated from the provisions of the bill, so that when the Secretary establishes his marketing quotas he will not consider the land used for the production of silage corn. The dairy farmers want it—at least those who are within the commercial corn area.

I know there is going to be some opposition from my distinguished and able colleagues here to this amendment, particularly from those who reside outside the commercial corn area, because those who live outside the area can raise just as much corn as nature and fertilizer will permit.

Mr. FLETCHER. Will the gentleman yield for a brief question?

Mr. ANDRESEN of Minnesota. I cannot yield.

Mr. FLETCHER. The gentleman would not care to answer whether any other Member of the corn area is in favor of his amendment?

Mr. ANDRESEN of Minnesota. The gentleman can talk in his own time.

Mr. FLETCHER. I thank the gentleman. I shall do that.

Mr. ANDRESEN of Minnesota. As the program is being carried out now, there are 3,700,000 farmers producing corn who live outside the corn area, and they are going to materially increase their acreage for corn this year, which will destroy the effectiveness of curtailed production within the closed area.

[Here the gavel fell.]

Mr. ANDRESEN of Minnesota. Mr. Speaker, I ask unanimous consent to proceed for 5 additional minutes.

The SPEAKER. Is there objection to the request of the gentleman from Minnesota?

Mr. GILCHRIST. Mr. Speaker, reserving the right to object, during that 5 minutes, is it possible that the gentleman would suffer himself to a slight cross-examination, because cross-examination is always the weapon to discover the truth?

The SPEAKER. Is there objection to the request of the gentleman from Minnesota?

Mr. GILCHRIST. Mr. Speaker, reserving the right to object, the gentleman has not answered the question.

Mr. ANDRESEN of Minnesota. Mr. Speaker, I did not know I was responsible to the gentleman from Iowa.

Mr. GILCHRIST. The gentleman never believed that the gentleman from Minnesota was responsible to the gentleman from Iowa, and I did not so intimate. I asked the gentleman from Minnesota a simple question that can be answered "yes" or "no." Will he submit to cross-examination if his time is extended, because cross-examination is the only means for discovering the truth?

The SPEAKER. Is there objection to the request of the gentleman from Minnesota?

Mr. GILCHRIST. I have no objection.

There was no objection.

Mr. ANDRESEN of Minnesota. Mr. Speaker, I appreciate the splendid contribution that my good friend from Iowa has made to my remarks. I know also he can get all the time he wants to answer anything that I state here today or at any other time, and as much as I would like to give him the chance to put me on the witness stand so that he may conduct a very able and intelligent cross-examination, I would dislike very much to occupy the next half hour in a proceeding of that kind. I am sure that he can find what I have said is the truth, if he will take the trouble to consult the farmers of his State.

Mr. FLETCHER. Will the gentleman yield for a question?

Mr. ANDRESEN of Minnesota. I yield to the gentleman from Ohio.

Mr. FLETCHER. The gentleman referred to other gentlemen from the corn area. Does he know one gentleman from the corn area who is in favor of his amendment?

Mr. ANDRESEN of Minnesota. Oh, yes; I can point out several gentlemen from the corn area who voted for my amendment in the Committee on Agriculture.

Mr. JONES. Who are they?

Mr. ANDRESEN of Minnesota. If the gentleman would like to have me do so, I can mention them.

Mr. FLETCHER. Yes; I would like to have the gentleman do so.

Mr. ANDRESEN of Minnesota. This occurred in executive session, so that I do not care to do that here, but I will give the gentleman the names.

Mr. BOILEAU. Mr. Speaker, will the gentleman yield?

Mr. ANDRESEN of Minnesota. I yield to the gentleman from Wisconsin.

Mr. BOILEAU. In all fairness, the gentleman does not want to say his amendment was before the committee. The gentleman had the general subject matter before the committee but no definite amendment was written out. The gentleman's amendment could not have been put in the bill because it was not written out. The vote was merely to give the gentleman a chance to present his amendment.

Mr. ANDRESEN of Minnesota. The gentleman is correct. I may say to the gentleman the tentative amendment I offered to the bill was exactly in line with what we are considering today, although it was not in definite form.

Mr. BOILEAU. That is correct. The subject matter was before the committee, but a vote of "aye" on the gentleman's motion in the committee would not have put anything in the bill because the amendment was not written out. The vote was merely to give the gentleman an opportunity to present his amendment in a formal way.

Mr. ANDRESEN of Minnesota. The gentleman is correct. All we are asking is to have the same fair treatment given to the dairy farmers within the commercial corn area, giving them an opportunity to provide silage corn to take care of their livestock, that we have afforded you who so ably represent the cotton and tobacco sections of this country. I may be fighting this battle alone here today in behalf of the dairy farmers. It is, of course, the right of gentlemen who may be on the other side of the fence because of pressure they may have been under from certain sections or on account of personal inclinations or ideas, to speak as they see fit, but I know the situation as it exists today over the unfair acreage allotments within the commercial corn area—not only in the State of Minnesota, but in the States of Iowa, Illinois, Indiana, Ohio, and the other States, because I have heard from farmers in all of those sections, and I read the papers and know what is going on throughout the commercial corn area.

In all fairness to the farmers who want to raise corn for silage, and in harmony with the bill as it passed the House of Representatives, we should adopt this amendment, because when we had this bill up in the House we adopted exactly what I am asking here today. The bill provided this:

If acreage used for silage is more than the farm-acreage allotment, the storage amount shall be the normal production of acreage not used for silage.

Silage was eliminated from the bill in the House and in the Committee on Agriculture, and I am simply asking to change existing law by restoring the original provisions of the House bill. The conferees, in all of their wisdom, went beyond the scope of the instructions of the House of Representatives, wrote their own legislation inflicting an additional penalty upon the dairy farmers of this country so they could not produce enough silage to take care of the dairy herds and the other livestock upon their farms. We up in the dairy sections are not big operators. We have only small 40-, 80-, and 120-acre farms. We engage in diversified farming. A certain definite number of acres is used for the production of corn that goes into our silos. If we are forced to comply with the drastic reductions of the Secretary of Agriculture under the orders he has already issued we will be forced to sell some of our dairy herds and other livestock because we do not have the money to buy the additional feed. I am asking you in fairness to give the same kind of treatment to the dairy farmers of the country as we have already so willingly afforded to the tobacco and cotton farmers.

Mr. WADSWORTH. Mr. Speaker, will the gentleman yield?

Mr. ANDRESEN of Minnesota. I yield to the gentleman from New York.

Mr. WADSWORTH. May I state to the gentleman that on a recent trip to the Middle West I encountered a dairyman from central Illinois who told me if the quotas were imposed as suggested he would have to sell a considerable portion of his dairy herd.

Mr. ANDRESEN of Minnesota. That is true all over the country, not only in Illinois but in other States.

Mr. Speaker, I hope the amendment will be adopted.

[Here the gavel fell.]

Mr. BOILEAU. Mr. Speaker, I rise in opposition to the amendment.

Mr. Speaker, this amendment, although offered in substance in a general way before the Committee on Agriculture, was not given the serious consideration of the committee. We had no report from the Department, and no farm leaders from the corn areas or any place else had an opportunity to express themselves on this particular amendment.

I submit that today two very distinguished members of the Committee on Agriculture have placed entirely different and opposite constructions upon the effect of this amendment. The gentleman from Illinois [Mr. LUCAS], a very able and distinguished member of the committee, interprets this amendment as having one effect. The gentleman from Minnesota [Mr. ANDRESEN], a very active and able member of the committee, puts an entirely different interpretation upon it. I confess I agree with the viewpoint of the gentleman from Minnesota as to the effect of the amendment, but I am not certain. However, I am advised that the Department of Agriculture takes the view expressed by the gentleman from Illinois.

The point I am trying to make is that today we are passing upon a very important amendment; one which entirely changes the corn program of the Agricultural Adjustment Act and affects every farmer producing corn either within or without the corn-producing area. I do not believe an amendment of such importance should be passed upon late in the afternoon, when most Members of the House, having been given the assurance no further business would be taken up this afternoon, have felt free to leave the Chamber.

Mr. LUCAS. Mr. Speaker, will the gentleman yield?

Mr. BOILEAU. I yield to the gentleman from Illinois.

Mr. LUCAS. Of course, the gentleman understands that the interpretation placed by the Department of Agriculture upon this amendment offered by the gentleman from Minnesota will be the final authority until some court overturns its decision, and the decision of the Department is contrary to what the gentleman from Minnesota believes it is going to be.

Mr. BOILEAU. I appreciate the gentleman's contribution. I may say, however, I believe that if the officials of the Department would listen to the persuasive arguments of the gentleman from Minnesota they might be convinced they are wrong at the present time. However, I do make the point that you and I do not know exactly whether this amendment has the effect indicated by the gentleman from Minnesota or the entirely opposite effect indicated by the gentleman from Illinois.

Mr. ANDRESEN of Minnesota and Mr. DONDERO rose.

Mr. BOILEAU. I yield first to the gentleman from Minnesota, and then I shall yield to the gentleman from Michigan.

Mr. ANDRESEN of Minnesota. The gentleman knows that this amendment eliminates land used for silage purposes in the determination of marketing quotas. We can agree on that, can we not?

Mr. BOILEAU. Yes. The gentleman and I have no disagreement about the effectiveness of the amendment. I am inclined to his viewpoint as to its effectiveness, although I am opposed to the objective he has in mind.

Mr. ANDRESEN of Minnesota. Of course, the gentleman lives outside of the commercial corn area where they can raise all the corn they want to.

Mr. BOILEAU. That is true; but at the same time we are not getting any of the benefits either.

Mr. ANDRESEN of Minnesota. Yes, you are.

Mr. BOILEAU. Oh, no.

Mr. ANDRESEN of Minnesota. If you confine your corn acreage to the soil-depletion allotment, you can set your soil-conservation payment.

Mr. BOILEAU. Yes; that is true, and so does everybody else. We get only what everybody else gets.

Mr. DONDERO. Mr. Speaker, will the gentleman yield?

Mr. BOILEAU. I yield to the gentleman from Michigan.

Mr. DONDERO. What answer does the gentleman make to the charge made here that under the present bill farmers will not be permitted to raise enough feed to feed their own herds?

Mr. BOILEAU. Well, that would be very unfortunate. I assume the farmers will be given their proper share of the total anticipated production of corn, and that should be enough for his normal need. However, I am not going to be put in the position of defending this corn program. As the gentleman well knows, I opposed this bill and voted against it; but I am not willing to be blindfolded and at this late hour vote for something that I have not even been given any reasonable assurance that anybody can agree upon as to its ultimate effect.

Mr. LUCAS. Mr. Speaker, will the gentleman yield?

Mr. BOILEAU. I yield.

Mr. LUCAS. The gentleman does know, in answer to the question of the distinguished gentleman from Michigan [Mr. DONDERO], that any individual can raise any amount of corn he wants to raise, for feed or any other purpose, if he is willing to deprive himself of the benefits under the Soil Conservation Act.

Mr. BOILEAU. I am not going to be put in the position of agreeing with the gentleman there. There is not very much difference between coercion and a whole lot of persuasion. You can persuade a man so hard that it becomes coercion. I will admit that no one is going to be forced to come under the program, but if this bill amounts to anything it is going to be pretty hard not to come under it. You have tried to make it so inviting that a fellow cannot afford to stay out. That is the sum and substance of it.

[Here the gavel fell.]

Mr. BOILEAU. Mr. Speaker, I ask unanimous consent to proceed for 2 additional minutes.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. BOILEAU. If the bill is as good as you fellows who advocated the bill believe it is, all the farmers are going to come in. It would not be good sense for them not to come in, and I guess that is pretty close to compulsion.

Mr. LUCAS. Will the gentleman tell me whether or not he would have been for the bill if the Boileau amendment had been adopted?

Mr. BOILEAU. I think, possibly, if the so-called Boileau amendment had been adopted I would have been willing to go along with you gentlemen and give you all the benefit you could get under the measure. That has been my attitude. Maybe some of you do not think I voted that way, but I can say to the gentleman from Illinois that I have conscientiously voted for every agricultural bill that helped any part of the country, provided I did not feel it would hurt mine.

Mr. LUCAS. But the Boileau amendment has nothing to do with the question we were discussing previous to this time.

Mr. BOILEAU. No.

Mr. LUCAS. In other words, if the Boileau amendment had been adopted the gentleman from Wisconsin would have gone along with the bill.

Mr. BOILEAU. I think I would have been willing to give you gentlemen a chance to get such benefits out of the bill as you were able to get. I voted for the original Agricultural Adjustment Act because we were assured that if there were any mistakes made, the President would be the first to admit it and correct them. I believe some good was accomplished as a result of the passage of that bill, but the point I am trying to make now is no one seems to know just what this amendment will do.

Mr. HOPE. Mr. Speaker, will the gentleman yield?

Mr. BOILEAU. I yield to the gentleman from Kansas.

Mr. HOPE. Referring to the question of the gentleman from Michigan as to whether or not there were certain farmers who would not be able, under this program, to raise sufficient feed for their own livestock, I want to ask the gentleman if, under the interpretation which the Department has placed upon this amendment, they would not be put in a still worse position if the amendment was adopted?

Mr. BOILEAU. I have not received any word from the Department, but I am inclined to feel as the gentleman from Minnesota feels as to the effect of the amendment.

[Here the gavel fell.]

Mr. CRAWFORD. Mr. Speaker, I ask unanimous consent that the gentleman from Wisconsin may proceed for 3 additional minutes, as I want to ask the gentleman a question.

Mr. BOILEAU. Mr. Speaker, I have no desire to be heard further, but I will ask for 1 additional minute in order to answer the question of the gentleman.

The SPEAKER. Without objection, the gentleman from Wisconsin is recognized for 1 additional minute.

There was no objection.

Mr. CRAWFORD. While we have so many members of the Agricultural Committee on the floor, and they all seem to be in a spirit of cooperation, this is the question I want to ask. My district is not within the controlled area. I want to be clear on this point, that is, as clear as we can be in these cloudy days. Do I understand now that as the 1938 corn-allotment agricultural provision is being administered in the corn areas, there are farmers being given allotments so small that they cannot grow the required amount of corn for their own livestock, and at the same time retain their rights to all soil-conservation payments?

The SPEAKER. The time of the gentleman from Wisconsin has again expired.

Mr. ANDRESEN of Minnesota. I will say to the gentleman that that is correct.

The SPEAKER. The question is on the amendment offered by the gentleman from Minnesota.

Mr. GILCHRIST. Mr. Speaker, I rise in opposition to the amendment. I talked on the original bill an hour and 20 minutes at the time it passed the House. At that time I tried to answer all questions that anyone cared to ask me. At this time I have only 5 minutes. If my time is extended, I shall again try to answer such questions as anyone desires to propound. I believe in cross-examination. It is the only way by which truth may be discovered. I am sorry that gentlemen who hold views contrary to mine are not willing to submit themselves to cross-examination. Is it because they dare not do so? I should like, however, the first 5 minutes to speak about the pending amendment. I find it is one which will help some farmers and which will hinder others. The pending amendment will be unfair, because a man who has a silo will get increased acreage after the time has gone by for planting and when everybody else in his neighborhood has already planted his corn. The silo man can add unlimited acreage of corn to his plantings, while his neighbor cannot do this. It will be unfair to that man who has no silo, because he cannot conform. He has already planted his corn and cannot conform to any new program that might be instituted after the 20th day of May. Before the bill can become law it will be too late for the farmer who has no silo to change his plans. But the rich farmer with fine buildings and silos can plant all the silage he wants to, even as late as into July. The poorer farmer and the poor tenants do not generally have silos. They will be cut off; they will be injured by the pending amendment. My district generally produces more corn and did last year than any district of like dimensions in the world. It produced more corn than the entire State of Texas by about 20 percent, so that we are vitally interested in it. This amendment will help a certain small number of people, but it will injure many others who are just as deserving and who need help much more. It will help some farmers who have silos, as against those in northern Minnesota, where they cannot raise anything but silage corn. Therefore the amendment should be closely scrutinized before we vote in favor of it. There is no reason why we should take from one in order to give to another. We should not take from him who has not in order to give to him who has.

Many idle things have been said about this Farm Act. The distinguished gentleman from Minnesota [Mr. ANDRESEN], than whom I have no better personal friend in Congress and he has manifested that friendship in many ways, has recently made speeches about the act and talked about the compulsion that is in it. That seems to be his hobby. In his speech the other day he spoke about compulsion. He repeated that at least 50 times, and 7 or 8 times on every page. In making such statements he was lacking in candor. I do not say that he was guilty of false representation, but I do say that there has been more misrepresentation and more false statements made and published about this act than any other act that I ever knew about.

Now, the fact is that you can raise all the corn you want to raise under this act. Nobody can object to it, and nobody is trying to. If you own a quarter section of land, you have the right under the act to produce and raise 160 acres of corn and nobody can stop it or put one penny of penalty on you for doing it. What is all this talk about crop-production control? There is none. I will give a fine premium; I will give 30 cents to the gentleman from Minnesota for his campaign fund if he will point out any section of this bill—I do not want mere idle talk—which provides that there is any control of crop production in the bill. It just is not there.

Mr. ANDRESEN of Minnesota. Does the gentleman want me to answer that now?

Mr. GILCHRIST. I want the gentleman to point out a section of the bill that does that.

Mr. ANDRESEN of Minnesota. And will the gentleman give me 30 cents?

Mr. GILCHRIST. I will give the gentleman any amount of money if he will answer the question without equivocation and point out the section or paragraph of the act that says that a farmer cannot raise all the corn that he wants to.

Mr. ANDRESEN of Minnesota. And the gentleman says there are no penalties?

Mr. GILCHRIST. No penalties whatsoever against producing corn, and all the corn any man wants to raise, as many acres as he wants to raise.

Mr. ANDRESEN of Minnesota. Does the farmer who plants 160 acres——

Mr. GILCHRIST. The gentleman does not answer the question.

Mr. ANDRESEN of Minnesota. Does the farmer get soil conservation payments?

Mr. GILCHRIST. He gets something as good or better, according to his way of thinking, but the gentleman does not try to answer the question, and why? Because he cannot answer it. Why has he helped to put out the propaganda that there is a penalty for raising any amount of corn? Why does he talk about any compulsion in crop acreage?

The SPEAKER. The time of the gentleman from Iowa has expired. The question is on the amendment offered by the gentleman from Minnesota.

Mr. GILCHRIST. Mr. Speaker, I ask unanimous consent to proceed for 5 additional minutes.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. GILCHRIST. That, Mr. Speaker, is an example of just what has been going on. They will talk, yell, fume, and shout up into the atmosphere about this production control. Ask them when and where, and you will get an answer just like I got a minute ago.

Mr. WADSWORTH. Mr. Speaker, will the gentleman yield?

Mr. GILCHRIST. I yield.

Mr. WADSWORTH. Is there a provision in the Agricultural Adjustment Act—and I will confess I am not familiar with the act—to the effect that following a referendum in which the affirmative is supported by a prescribed percentage of the farmers, a compulsory limitation of the marketing of corn is provided for?

Mr. GILCHRIST. There is no compulsory provision on the marketing of corn except in this wise: It provides that when we raise about one-half billion more bushels of corn than anybody knows what to do with and this excessive yield threatens to glut the market so that corn threatens to go down to 8 or 10 cents a bushel like it did before, and so that people in my district will be using corn for fuel as they did before, then the farmers are asked to vote, and if two-thirds of them by a secret ballot vote in favor of sealing, then they must seal a certain percentage of that surplus corn, perhaps 7 percent, perhaps 8 percent, whatever it is, on their own farms. But experience shows that that cannot happen more than once in 5 years, and under cooperation of farmers provided in this act it will never happen again in all probability. Why should not the farmers join together when there is such an enormous crop production that corn is going down so you use it for fuel—why should they not join together and say: "Now, boys, let's not market all this corn; we will save a certain portion of it until the market shall demand it"?

Is not that wise? It is precisely what is done in all other industry. It is done by labor, by manufacturers, by all other producers. It is done by those who grow oranges, and apples, and peaches, and almost everybody else. Why cannot a farmer do this with corn? Why do false friends cry crocodile tears when farmers elect by a two-thirds secret vote to do the very things that all other successful folk do? The Lord knows that they need every help they can get, that they are deserving, that they are industrious, that they are intelligent, and that they and their wives and families are entitled to better rewards and better things. They should have all of the good things in life.

Furthermore, under past experience it will not be necessary to hold this corn in storage long. Only once in this century would it have been necessary to hold this corn more than a year. And because of the voluntary cooperation of farmers and the voluntary limitation of their acreage, I believe it will never be necessary to have marketing quotas, and certainly never again will it be necessary that such quotas shall exist over a very long period of time.

But under the act itself these same farmers will be able to get a loan upon that part of their corn which their neighbors and friends ask them to put into storage. If a farmer needs money, the act itself provides that he can get it. So then what is the fear here? Why misrepresent it? Why tell people that their liberties are involved?

I would be among the first on this floor to protect all the civil, economic, and religious liberties of the farm population. I have been a farmer, and now depend upon farms and farming. We must preserve the farmer's rights and his liberties. We are doing this when we provide a decent return and a fair price for his labor and his product. We do not preserve his liberties when we legislate so that he will lose his farm and go over the hill to the poorhouse as of yore. All other people are protected. If we have subsidies and tariffs for one set, we should have them for all; especially as in this case where there is no production control whatsoever and a marketing control of almost nothing at all when it is for his benefit and when he votes for it himself, and when we know that even this marketing quota can scarcely ever be invoked.

If the farmer needs money, he can get it by a favorable loan on the very small portion which he stores on his own farm. I am concerned about this storage matter because I helped to write the first bill ever written in this world, and which was passed by the Iowa Legislature some years ago, which provides for the storing of corn upon the farmer's own farm and which therefore provides that he shall not be compelled to sell to the money changers and the market gamblers on the stock exchange in Chicago.

Under this act a farmer can keep or use or feed or sell all of his corn except in a year when the yield will be so high that he will be glad to join hands with others of his craft in order to protect each other from ruinous low prices.

The trouble is that many men on this floor represent districts which do not want corn to be sold at a fair price; they want to buy corn. They want to feed it to their beef cattle or to their dairy cattle, or to use it in an enormous livestock industry. The cheaper, the better, for them.

Mr. HOPE. Mr. Speaker, will the gentleman yield?

Mr. GILCHRIST. I yield.

Mr. HOPE. In other words, the greatest penalty that can be imposed would be 15 cents a bushel on corn that might be marketed above this quota.

Mr. GILCHRIST. That is right. But this quota limitation in all probability cannot happen under the provisions of the bill for cooperative and voluntary control among farmers themselves.

Mr. HOPE. The gentleman is familiar with the so-called McNary-Haugen bill that was passed a few years ago, is he not?

Mr. GILCHRIST. I was not in Congress then. I have read it, however, and am somewhat familiar with it.

Mr. HOPE. Under the McNary-Haugen bill, if that had gone into effect, there would have been a penalty upon the sale of every bushel of corn.

Mr. GILCHRIST. Absolutely so. Talk about penalties—under that control bill that Members say they are in favor of there is absolute compulsion as to all that is raised. Under the McNary-Haugen bill every farmer was compelled to make strict payments or penalties upon every bushel he raised and marketed.

Mr. FLETCHER. And did not the gentleman from Minnesota [Mr. ANDRESEN] vote for that bill?

Mr. GILCHRIST. I do not wish to call attention to the sins of any of my friends. [Laughter.]

Mr. FLETCHER. The RECORD shows that he did.

Mr. ANDRESEN of Minnesota. Mr. Speaker, will the gentleman yield?

Mr. GILCHRIST. I ought not to yield to the gentleman, for he would not yield to me; but I yield, for a question only.

Mr. ANDRESEN of Minnesota. We are not discussing the McNary-Haugen bill. I ask the gentleman what will happen to those farmers who did not get enough corn to put in their silage?

Mr. GILCHRIST. There is not such a farmer, so far as this act is concerned, because every farmer has the right to raise all the corn and all the silage he wants to—all that his land will produce. He can stuff his silo full of it. He can put every acre of his land into corn or into silage or into whatsoever else he wants to. There is no limitation.

Now, about the man who does not cooperate. He gets something. It might possibly be more than he would get by compliance. It is true that he does not get these soil-

conservation payments that the gentleman from New York spoke about, but he gets 20 or 50 or 100 acres, as the case may be, more corn, does he not? Yes; he gets that, and he can raise, in my district, about 50 bushels per acre—48.8 was the average last year. He can raise that corn and he can get a higher price for the corn because his neighbors have joined hands to prevent an excessive supply that will break the market. He can raise this 20 or 50 acres of corn and get a higher price for it. It might amount to a handsome sum of money. It is a matter of choice. My time has expired. On some future day I hope to discuss other features of this act, because I feel that it has been abused by press correspondents and others and that the truth ought to be told.

I think that the Department should advise farmers fully that they have the right to go in and also that they have the right to stay out. But no farmer ought to expect to have his cake and eat it, too. Let him take his choice. In order that there can be no misconception, I will repeat that a farmer is not required by this act or any other act to limit his crop production. If he has a quarter section of land, he can put every acre of it into corn if he wants to. In that event, he will forego the benefit payments which he would otherwise get; but, on the other hand, he will get a large crop or yield of corn. Furthermore, the price per bushel for this crop will be much higher because of the fact that his neighbors who have complied with the provisions of the act have not glutted the market. The man who complies gets certain benefit payments and he will also be able to get a substantial corn loan in the fall. The man who does not comply will get a crop of corn on all of his acres. Every farmer has the right to sit down and figure it out for himself and decide what course he will pursue. There is no compulsion about it.

In the fall of the year and after the corn is raised and after the man who complies has raised his crop, and also after the man who does not comply has raised his crop, the Secretary estimates the amount of corn produced in the country; and if he discovers that this would be an enormous crop, amounting to 400,000,000 or 500,000,000 bushels more than we know what to do with, then he can call an election by secret ballot of all the farmers who will be affected by it, and these farmers will decide on whether or not any corn should be put into storage. If two-thirds of the farmers vote for storage, then the farmer who complies, as well as the farmer who does not comply, will be required to store on their own farms or in cribs controlled by them a small percentage of their corn to await the time when the market will need it. The immutable law of supply and demand is always in force. If a large supply out of an enormous yield goes into the market, the price is bound to fall down to ruinous depths. It is hoped that such a catastrophe can be prevented or modified if a part of the enormous crop is kept in storage until the conditions change and until there is a demand for this corn in the markets. The statistics show that such a large crop has not been produced more than a few times during this century. It was not produced even last year, when crops were good and production high. During the last 10 years there was none this high, except in 1932, and you will recall that corn went as low as 8 cents and 10 cents per bushel at about that time, and some farmers used corn for fuel because it was cheaper than buying coal.

In these enormous crop years, when there is a storage quota, the farmers will be given a loan upon corn stored at cheap rates of interest, if they desire it. In any event, the storage will not be excessive. Furthermore, it cannot last long. The storage will be released just as soon as the market glut ceases. There has not been two successive years when this amount of corn has been raised since the years 1905 and 1906. It is reasonable to suppose that the stored corn will be released from storage within a year, anyway. This storage quota is a matter for the farmers to decide themselves by vote.

In my own case, I estimated and wrote down in one column the value of the things I would receive by compliance, and in another column I estimated and wrote down the value of the things I would receive by noncompliance. I then chose the column that was the largest and went ahead accordingly. Why do you not do that? Why do not farmers who are displeased with their allotment exercise their privilege and not comply with it?

[Here the gavel fell.]

The SPEAKER. The question is on the amendment offered by the gentleman from Minnesota.

The question was taken; and on a division (demanded by Mr. ANDRESEN of Minnesota) there were—ayes 15, noes 69.

Mr. ANDRESEN of Minnesota. Mr. Speaker, I object to the vote on the ground that a quorum is not present, and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present. The Doorkeeper will close the doors, the Sergeant at Arms will notify absent Members, and the Clerk will call the roll.

The question was taken; and there were—yeas 74, nays 206, not voting 147, as follows:

[Roll No. 82]

YEAS—74

Allen, Ill.	Engel	Mapes	Ryan
Andresen, Minn.	Englebright	Martin, Mass.	Secrest
Bates	Fish	Mason	Seger
Buckler, Minn.	Gamble, N. Y.	Massingale	Shafer, Mich.
Burdick	Guyer	Michener	Smith, Maine
Cannon, Mo.	Gwynne	Mott	Snell
Carlson	Halleck	Oliver	Stefan
Carter	Holmes	Pace	Taber
Case, S. Dak.	Hunter	Patterson	Taylor, Tenn.
Church	Jenkins, Ohio	Peterson, Ga.	Tinkham
Clason	Jenks, N. H.	Powers	Wadsworth
Coffee, Nebr.	Johnson, Minn.	Reed, Ill.	Welch
Cole, N. Y.	Kinzer	Reed, N. Y.	White, Ohio
Crawford	Kniffin	Rees, Kans.	Wigglesworth
Culkin	Lambertson	Rich	Wolcott
Dirksen	Lord	Robsion, Ky.	Wolverton
Dondero	Luce	Rockefeller	Woodruff
Dowell	Luckey, Nebr.	Rogers, Mass.	
Eicher	Mapes	Rutherford	

NAYS—206

Allen, Del.	Edmiston	Kvale	Ramsay
Allen, La.	Evans	Lambeth	Rankin
Arnold	Farley	Lamneck	Rayburn
Ashbrook	Ferguson	Lanham	Richards
Barry	Fernandez	Lea	Rigney
Beiter	Fitzgerald	Leavy	Robinson, Utah
Bernard	Flannagan	Lesinski	Sabath
Biermann	Fletcher	Lewis, Colo.	Sacks
Bigelow	Forand	Long	Sadowski
Binderup	Ford, Miss.	Lucas	Sanders
Bland	Fuller	Ludlow	Satterfield
Boehne	Gambrill, Md.	Luecke, Mich.	Sauthoff
Boileau	Garrett	McAndrews	Schaefer, Ill.
Boren	Gearhart	McClellan	Schneider, Wis.
Boyer	Gehrmann	McCormack	Schuetz
Bradley	Gilchrist	McFarlane	Scott
Brewster	Gildea	McGehee	Scrugham
Brooks	Goldsborough	McGrath	Shanley
Brown	Gray, Ind.	McGroarty	Sheppard
Burch	Gray, Pa.	McKeough	Sirovich
Cartwright	Green	McLaughlin	Smith, Conn.
Casey, Mass.	Greever	McReynolds	Smith, Wash.
Chandler	Gregory	Magnuson	Snyder, Pa.
Citron	Griffith	Mahon, Tex.	South
Clark, Idaho	Haines	Mansfield	Sparkman
Clark, N. C.	Harlan	Martin, Colo.	Spence
Claypool	Harrington	May	Sumners, Tex.
Cochran	Hart	Mead	Sutphin
Coffee, Wash.	Havenner	Meeks	Sweeney
Colmer	Healey	Mills	Taylor, Colo.
Connery	Hendricks	Mitchell, Ill.	Teigan
Cooper	Hill	Moser, Pa.	Terry
Costello	Hobbs	Mouton	Thom
Cox	Honeyman	Nelson	Thomas, Tex.
Cravens	Hook	Nichols	Thomason, Tex.
Creal	Hope	Norton	Thompson, Ill.
Crosser	Houston	O'Brien, Mich.	Tolan
Cullen	Hull	O'Connell, Mont.	Towey
Cummings	Imhoff	O'Connell, R. I.	Transue
Curley	Jacobsen	O'Neill, N. J.	Turner
Daly	Jarman	Owen	Umstead
Deen	Jenckes, Ind.	Palmisano	Vincent, Ky.
DeMuth	Johnson, Okla.	Parsons	Vinson, Ga.
DeRouen	Johnson, LutherA.	Patman	Voorhis
Dies	Johnson, Lyndon	Patton	Walter
Dingell	Jones	Pearson	Wene
Disney	Keller	Peterson, Fla.	Whittington
Dixon	Kelly, Ill.	Phillips	Withrow
Dorsey	Kennedy, Md.	Pierce	Woodrum
Doxey	Kitchens	Poage	Zimmerman
Driver	Kocialkowski	Polk	
Eckert	Kramer	Rabaut	

NOT VOTING—147

Aleshire	Doughton	Kennedy, N. Y.	Randolph
Allen, Pa.	Douglas	Keogh	Reece, Tenn.
Amlie	Drew, Pa.	Kerr	Reilly
Anderson, Mo.	Drewry, Va.	Kirwan	Robertson
Andrews	Duncan	Kleberg	Rogers, Okla.
Arends	Dunn	Knutson	Romjue
Atkinson	Eaton	Kopplemann	Schulte
Bacon	Eberharter	Lanzetta	Shannon
Barden	Elliott	Larrabee	Short
Barton	Faddis	Lemke	Simpso.
Beam	Fitzpatrick	Lewis, Md.	Smith, Okla.
Bell	Flaherty	McGranery	Smith, Va.
Bloom	Flannery	McLean	Smith, W. Va.
Boland, Pa.	Fleger	McMillan	Somers, N. Y.
Boykin	Ford, Calif.	McSweeney	Stack
Boylan, N. Y.	Frey, Pa.	Mahon, S. C.	Starnes
Buck	Fries, Ill.	Maloney	Steagall
Buckley, N. Y.	Fulmer	Maverick	Sullivan
Bulwinkle	Gasque	Merritt	Swope
Byrne	Gavagan	Mitchell, Tenn.	Tarver
Caldwell	Gifford	Mosier, Ohio	Taylor, S. C.
Cannon, Wis.	Gingery	Murdock, Ariz.	Thomas, N. J.
Celler	Greenwood	Murdock, Utah	Thurston
Champion	Griswold	O'Brien, Ill.	Tobey
Chapman	Hamilton	O'Connor, Mont.	Treadway
Cluett	Hancock, N. Y.	O'Connor, N. Y.	Wallgren
Cole, Md.	Hancock, N. C.	O'Day	Warren
Collins	Harter	O'Leary	Wearin
Cooley	Hartley	O'Malley	Weaver
Crosby	Hennings	O'Neal, Ky.	West
Crowe	Hildebrandt	O'Toole	Whelchel
Crowther	Hoffman	Patrick	White, Idaho
Delaney	Izac	Pettengill	Wilcox
Dempsey	Jarrett	Pfeifer	Williams
Dickstein	Johnson, W. Va.	Plumley	Wolfenden
Ditter	Kee	Quinn	Wood
Dockweiler	Kelly, N. Y.	Ramspeck	

So the amendment was rejected.

The Clerk announced the following pairs:

On this vote:

Mr. Tobey (for) with Mr. Warren (against).
Mr. Short (for) with Mr. Maloney (against).
Mr. Bacon (for) with Mr. Bloom (against).
Mr. Ditter (for) with Mr. Cooley (against).
Mr. Eaton (for) with Mr. Murdock of Arizona (against).
Mr. Jarrett (for) with Mr. Gavagan (against).
Mr. Reece of Tennessee (for) with Mr. Randolph (against).
Mr. Thomas of New Jersey (for) with Mr. Kerr (against).
Mr. Wolfenden (for) with Mr. McMillan (against).
Mr. Hartley (for) with Mr. Kennedy of New York (against).
Mr. Barton (for) with Mr. Schulte (against).
Mr. Andrews (for) with Mr. Smith of Virginia (against).
Mr. Cluett (for) with Mr. Ramspeck (against).
Mr. Gifford (for) with Mr. West (against).
Mr. Hancock of New York (for) with Mr. Drewry of Virginia (against).
Mr. Douglas (for) with Mr. Kleberg (against).
Mr. McLean (for) with Mr. Robertson (against).
Mr. Treadway (for) with Mr. Doughton (against).
Mr. Knutson (for) with Mr. Sullivan (against).
Mr. Plumley (for) with Mr. Atkinson (against).

Until further notice:

Mr. O'Connor of New York with Mr. Crowther.
Mr. Weaver with Mr. Hoffman.
Mr. Taylor of South Carolina with Mr. Arends.
Mr. Maverick with Mr. Simpson.
Mr. Griswold with Mr. Lemke.
Mr. Fulmer with Mr. Amlie.
Mr. Dempsey with Mr. Kelly of New York.
Mr. Hennings with Mr. Reilly.
Mr. Chapman with Mr. Allen of Pennsylvania.
Mr. Mitchell of Tennessee with Mr. Flaherty.
Mr. Williams with Mr. Merritt.
Mr. O'Toole with Mr. Crowe.
Mr. Elliott with Mr. McGranery.
Mr. Starnes with Mrs. O'Day.
Mr. Fleger with Mr. Barden.
Mr. Boykin with Mr. O'Connor of Montana.
Mr. Greenwood with Mr. O'Leary.
Mr. Celler with Mr. Harter.
Mr. Patrick with Mr. Dockweiler.
Mr. Stack with Mr. Larrabee.
Mr. Whelchel with Mr. Duncan.
Mr. Flannery with Mr. Swope.
Mr. Beam with Mr. Frey of Pennsylvania.
Mr. Wallgren with Mr. Mosier of Ohio.
Mr. Fries of Illinois with Mr. Anderson of Missouri.
Mr. Boland of Pennsylvania with Mr. Murdock of Utah.
Mr. Wearin with Mr. Bell.
Mr. Gasque with Mr. O'Brien of Illinois.
Mr. Boylan of New York with Mr. Buck.
Mr. Izac with Mr. Keogh.
Mr. Gingery with Mr. Buckley of New York.
Mr. Wood with Mr. Pfeifer.
Mr. O'Malley with Mr. Byrne.
Mr. Bulwinkle with Mr. O'Neal of Kentucky.
Mr. Caldwell with Mr. Hamilton.
Mr. Hancock of North Carolina with Mr. Pettengill.
Mr. Champion with Mr. Cole of Maryland.
Mr. Collins with Mr. Hildebrandt.
Mr. Quinn with Mr. Johnson of West Virginia.
Mr. Delaney with Mr. Kee.
Mr. Rogers of Oklahoma with Mr. Drew of Pennsylvania.
Mr. Kirwan with Mr. Romjue.
Mr. Steagall with Mr. Fitzpatrick.
Mr. Mahon of South Carolina with Mr. Somers of New York.
Mr. Eberharter with Mr. Lanzetta.
Mr. Shannon with Mr. McSweeney.
Mr. Lewis of Maryland with Mr. Faddis.
Mr. Smith of Oklahoma with Mr. Dunn.
Mr. Cannon of Wisconsin with Mr. Wilcox.
Mr. Dickstein with Mr. Crosby.

The doors were opened.

The result of the vote was announced as above recorded.

The SPEAKER. The question is on the third reading of the bill.

The bill was ordered to a third reading, and was read the third time.

Mr. MASSINGALE. Mr. Speaker, I ask unanimous consent to proceed for 2 minutes to ask the gentleman from Texas [Mr. JONES] a question.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

Mr. MASSINGALE. Mr. Speaker, if the chairman will yield, I would like a little information, and I believe a good many Members of the House would like it on a certain proposition. Of course, this is an emergency matter and must be passed now. I realize that any amendment that may be offered, if adopted, would probably render the amendment that the gentleman has offered ineffective, because this would require a return of this amendment of the chairman to the Senate for further action, and would prevent any relief to cotton farmers until too late to plant cotton. There is one thing, however, that concerns me. Under the amendment offered by the chairman of the Committee on Agriculture, it is provided that the allotments to be redistributed shall be made by the Secretary of Agriculture and under his direction. As the chairman of the Committee on Agriculture will recall, I offered an amendment which would localize the machinery for reallocating this cotton acreage. The gentleman stated to me he thought his amendment would take care of the situation, so that all benefits accruing within the counties would be as hastily provided for as under my amendment.

Mr. JONES. I may say to the gentleman that his interest has been manifest from the beginning. The way we have it worded now, preference would be given to farms within the county where the acreage was released from the so-called frozen condition, but the acreage generally would go back, as the gentleman has suggested, to the Secretary to be redistributed. The Secretary is instructed under the terms of the amendment to give preference within the county. It was thought wise to take this position, due to the fact that in a few counties where there has been a vast change to some other crops, if there was not some exception made, the farmers in some of those counties might run beyond the 100 percent, whereas in an adjoining county they may be down to the regular amount, which would cause dissatisfaction. However, we have gone this far toward what the gentleman wished to do, and we have instructed the Secretary to give preference to the county in which the acreage is released.

Mr. MASSINGALE. I would like to get the gentleman's opinion on another matter. The amendment which I have offered provided that the acres that were not used in one county should be pooled and distributed direct in that county. Does the gentleman think there will be any delay under his amendment which will operate to the disadvantage of farmers in the county?

Mr. JONES. I do not think there will be any delay under the peculiar wording of this amendment, because even if it were released within the county, the administrative authorities would have to determine the amount and where that acreage is located in order to release it back to the county anyway.

Mr. MASSINGALE. If the amendment heretofore proposed were adopted, it would be necessary for this bill to go back to the Senate?

Mr. JONES. Yes; and that is the trouble. If anything is to be done, it has to be done right away. Any change at this time, regardless of the merits or demerits of the proposition, would simply result in delay.

[Here the gavel fell.]

The SPEAKER. The question is on the passage of the bill.

The bill was passed, and a motion to reconsider was laid on the table.

EXTENSION OF REMARKS

Mr. PETERSON of Georgia. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include therein an address made by Postmaster General Farley at Miller, Ga., and an address made by Postmaster General Farley at Vidalia, Ga.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

Mr. CURLEY. Mr. Speaker, I ask unanimous consent to revise and extend my own remarks in the RECORD and include an opinion rendered by Supreme Court Justice Marshall.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

RETIREMENT OF JUSTICES OF THE SUPREME COURT OF THE TERRITORY OF HAWAII

Mr. WALTER. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill H. R. 8700, relating to the retirement of the justices of the Supreme Court of the Territory of Hawaii, judges of the circuit courts of the Territory of Hawaii, and judges of the United States District Court for the Territory of Hawaii, with Senate amendments thereto, and agree to the Senate amendments.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

The SPEAKER. The Clerk will report the Senate amendments.

The Clerk read the Senate amendments, as follows:

Page 1, lines 4 and 5, strike out ", every judge of the circuit courts of the Territory of Hawaii."
Page 1, line 6, after "may", insert "hereafter."
Page 1, line 8, strike out "any" and insert "either."
Page 1, line 10, after "not", insert "he."
Page 2, line 12, strike out "any one or more" and insert "either."

The Senate amendments were concurred in.

A motion to reconsider was laid on the table.

The title was amended so as to read: "An act relating to the retirement of the justices of the Supreme Court of the Territory of Hawaii and judges of the United States District Court for the Territory of Hawaii."

REFERENCE OF CERTAIN BILLS

Mr. VINSON of Georgia. Mr. Speaker, I ask unanimous consent that the Committee on Naval Affairs be discharged from further consideration of the bills H. R. 10274, to extend the provisions of the act entitled "An act for the establishment of marine schools, and for other purposes," approved March 4, 1911, to marine schools at Bangor and Eastport, Maine; H. R. 10577, to extend the provisions of the act entitled "An act for the establishment of marine schools, and for other purposes," approved March 4, 1911, to marine schools at Rockland, Maine; and H. R. 10285, to extend the provisions of the act entitled "An act for the establishment of marine schools, and for other purposes," approved March 4, 1911, to marine schools at Portland, Maine, and that the same be referred to the Committee on Merchant Marine and Fisheries.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

EXTENSION OF REMARKS

Mr. THOMPSON of Illinois. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include therein a letter written by Mr. Edward A. O'Neal, of the American Farm Bureau Federation, to Senator ADAMS, of Colorado, on the farm problem.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

OHIO RIVER BRIDGE BETWEEN ROCKPORT, IND., AND OWENSBORO, KY.

Mr. BOEHNE. Mr. Speaker, I ask unanimous consent to take from the Speaker's table H. R. 9688, entitled "An act to extend the times for commencing and completing the construction of a bridge across the Ohio River between Rockport, Ind., and Owensboro, Ky.," with a Senate amendment, and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

On page 2, line 4, strike out the word "appeal" and insert "repeal."

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

The Senate amendment was concurred in.

A motion to reconsider was laid on the table.

GENERAL PULASKI'S MEMORIAL DAY

Mr. McLAUGHLIN. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the joint resolution (H. J. Res. 622) authorizing the President of the United States of America to proclaim October 11, 1938, General Pulaski's Memorial Day for the observance and commemoration of the death of Brig. Gen. Casimir Pulaski, with a Senate amendment, and concur in the Senate amendment.

The Clerk read the title of the joint resolution.

The Clerk read the Senate amendment, as follows:

Lines 3 and 4, strike out "and directed."

The SPEAKER. Is there objection to the request of the gentleman from Nebraska?

Mr. MARTIN of Massachusetts. Reserving the right to object, Mr. Speaker, will the gentleman explain the Senate amendment?

Mr. McLAUGHLIN. House Joint Resolution 622, as it passed the House, authorized and directed the President of the United States to issue a proclamation calling for the celebration of General Pulaski's Memorial Day on October 11 by appropriate ceremonies. In the Senate the joint resolution was amended by striking out the words "and directed," leaving the resolution in such form that it merely authorizes the President to issue the proclamation.

The SPEAKER. Is there objection to the request of the gentleman from Nebraska?

There was no objection.

The Senate amendment was concurred in.

A motion to reconsider was laid on the table.

PRINTING OF BUDGET ESTIMATES

Mr. CANNON of Missouri. Mr. Speaker, I ask unanimous consent that in the event estimates from the President are received this afternoon after the adjournment of the House they may be printed as House documents.

Mr. MARTIN of Massachusetts. Reserving the right to object, Mr. Speaker, what does the gentleman expect will be received this afternoon?

Mr. CANNON of Missouri. It is expected that certain estimates will be received from the President this afternoon, and as we are adjourning a little earlier than was anticipated, this request is made in order to be certain that such estimates may be available in document form.

Mr. MARTIN of Massachusetts. Upon what subject are they?

Mr. CANNON of Missouri. I am not prepared to say just what they will cover.

Mr. MARTIN of Massachusetts. The House ought to know what these estimates are all about.

Mr. CANNON of Missouri. I do not suppose anyone could say in advance of receipt just what they will be. They are merely routine estimates.

Mr. MARTIN of Massachusetts. Is there any real reason for secrecy? I do not know of any.

Mr. CANNON of Missouri. None at all. As a matter of fact, the purpose of the request is to give them the widest circulation. If they are not printed as House documents, only one copy will be available when the House meets Monday. If printed as documents, anyone may secure them in the meantime from the document room.

Mr. RICH. Reserving the right to object, Mr. Speaker, it seems to me if the gentleman has some inkling or some idea there is a message coming from the White House and wants to print it as a public document, he should let us know what it is. Perhaps it refers to the seven or eight volumes of the President that have been printed and circulated throughout the country. Perhaps it refers to volumes the President has autographed, for which you will charge the people $400 or $500 apiece. We do not want to take a pig in a poke like that. The gentleman ought to say that the President of the United States is going to have a speech printed or is going to refer to these volumes. We ought to know something about the subject matter before we grant the request. That is the sensible thing to do.

Mr. CANNON of Missouri. The gentleman understands it is always customary to print Budget messages as House documents. It is merely a matter of ordinary routine.

Mr. MARTIN of Massachusetts. What is it about?

Mr. CANNON of Missouri. Merely an estimate from the budget of proposed expenditures. If the gentleman objects we can wait and order them printed Monday. In the meantime, only the official copy would be available and would have to be consulted in the custody of the Clerk.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

CIVIL GOVERNMENT FOR ALASKA

Mr. GREEN. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 7778) to amend section 26, title I, chapter 1, of the act entitled "An act making further provision for a civil government for Alaska, and for other purposes," approved June 6, 1900, with Senate amendments thereto, and concur in the Senate amendments.

The Clerk read the title of the bill.

The Clerk read the Senate amendments, as follows:

Page 1, line 10, strike out all after "That", down to and including "obstructions" in line 1, on page 2, and insert "subject only to the laws enacted by Congress for the protection and preservation of the navigable waters of the United States."

Page 2, lines 24 and 25, strike out "and the protection of the interests of commerce."

The SPEAKER. Is there objection to the request of the gentleman from Florida?

There was no objection.

The Senate amendments were concurred in.

A motion to reconsider was laid on the table.

PERMISSION TO ADDRESS THE HOUSE

Mr. RAMSAY. Mr. Speaker, I ask unanimous consent that on Wednesday next, at the completion of the legislative program of the day and following a special order heretofore entered, I may be permitted to address the House for 30 minutes.

The SPEAKER. Is there objection to the request of the gentleman from West Virginia?

There was no objection.

REGISTRATION OF PROPAGANDA AGENTS

Mr. SUMNERS of Texas. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 1591) to require the registration of certain persons employed by agencies to disseminate propaganda in the United States, and for other purposes, with Senate amendments, disagree to the Senate amendments, and ask for a conference.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Texas? [After a pause.] The Chair hears none, and appoints the following conferees: Mr. SUMNERS of Texas, Mr. CELLER, and Mr. GUYER.

EXTENSION OF REMARKS

Mr. RAYBURN. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by placing therein an address made by the Hon. LINDSAY WARREN as the keynote address at the Democratic convention of the State of North Carolina on yesterday.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

The SPEAKER. Under the previous order of the House the gentleman from Pennsylvania [Mr. RICH] is recognized for 10 minutes.

Mr. RICH. Mr. Speaker, I was very much interested a while ago in the discussion that took place among the Members of the House. The statement was made during the consideration of the farm bill that "if you do not vote for this you may not come back next year." It is sometimes interesting to hear the things that transpire on the floor of the House, but it is oftentimes more interesting to hear the statements that are made in the hall back here, because I sometimes think the Members of the House are so much interested in being sent back to Congress that they do not use their own best judgment in trying to enact into law the things that we really and sincerely, down in our own hearts, believe we should enact for the best interest of the country, especially at this particular time.

Mr. BOILEAU. Mr. Speaker, will the gentleman yield?

Mr. RICH. I would rather not yield right now. I will yield later if I have the time.

The country today, in my judgment, is in a most serious and precarious situation. I think the Membership of the House ought to use every ounce of gray matter and every ounce of energy and every ounce of good, sane thinking they may possess to try to get the country on its feet and get the wheels of industry turning and get men back on the pay rolls of industry rather than on the dole. It will be best for labor and the country. I think from the President in the White House at the other end of the Avenue, Members of the Senate and the House of Representatives, and everybody should consider the many things that are transpiring now that are opposite to what they seemed to be, and I am going to call your attention to a few statements that were made by the Chief Executive of the United States. I believe he should reconsider some of the things he has done and try to get this country in better shape because I believe he is wrong in many of his beliefs.

I will quote from his fireside chat of 1935, delivered on April 28:

> While our present and projected expenditures for work-relief are wholly within the reasonable limits of our national credit resources, it is obvious that we cannot continue to create governmental deficits for that purpose year after year.

Then the President on October 13 at Wichita, Kans., in 1936, made this statement:

> Taking it by and large we are coming through a great national crisis with flying colors. From the point of view of national income and national wealth we are better able to bear our debt now than we were then in 1933, and within a year or two with income increasing and expenditures declining we shall be able to balance the Budget and start paying down on the debt.

If he looks at conditions as they are today, he certainly knows that that statement is just about as antiquated as the old horse and buggy, because today our income is decreasing and our expenditures are increasing.

Our debt this year, on the 16th of May, was $1,346,181,682.96 more than our income, and increasing until by the end of the year, as I have said for the last year and a half, we are going to be a billion and a half dollars in the red, and with a national debt of over thirty-seven and one-half billion dollars, which is gradually increasing, we will soon be in a terrible position.

It seems to me the President ought to get a new perspective and ought to listen to some of the sound Jeffersonian Democrats and the sensible people of this country and try to do things in a way different from the way he has been doing them, because if we continue on the way we are going

now, I feel the worst is yet to come. This is a deplorable and a sad condition to have staring us in the face, after 6 years of the New Deal experimenting.

Mr. HOUSTON. Mr. Speaker, will the gentleman yield?

Mr. RICH. Yes; and I think I know what the gentleman is going to say. He is going to say, "What are you going to do about it?"

Mr. HOUSTON. No; I am not. The gentleman says that the worst is yet to come. I rise to ask the gentleman if he anticipates a Republican House in the fall.

Mr. RICH. Oh, no; and I hope we will not get a Republican House in the fall. It will be too sudden as long as we have a New Deal Senate. That must take at least 2 years more.

Mr. HOUSTON. Well, you will not.

Mr. RICH. But I say this: The people of this country are so confoundedly sick of this administration and the New Deal that a lot of you fellows will stay at home, and do not forget that.

Mr. HOUSTON. Then the gentleman will be able to come and see me, because he will have plenty of time.

Mr. RICH. Oh, you are going to stay at home all right. What we want to do is to put a little bit more business into government and a little less government into business, if you are going to try to solve the problems that are facing us now. Let me quote further from the President.

Mr. HOUSTON. Mr. Speaker, will the gentleman yield once more?

Mr. RICH. No. Let me quote once more from the President. On January 3, 1936, in his annual message to Congress, he said:

> We are justified in our present confidence. Restoration of national income, which shows continuing gains for the third successive year, supports the normal and logical policies under which agriculture and industry are returning to full activity. Under these policies we approach a balance of the National Budget.

Mr. Speaker, oh, how far from a balanced Budget we are; we started out on a regimentation of agriculture. You are going to tell the farmer what he can plant, where he can plant, how much he can harvest, when he can harvest, and how much he will get. The farmers of this country are sick and tired of being told everything that they can do. At the same time permitting imports of agricultural products, grown with cheap foreign labor. Is that the way to help our farmers? No, never. You have also tried to regiment labor. Do you help labor by importing the things our labor should produce in this country? You have set up the National Labor Relations Board, under the Wagner Act, and you are not going to be successful in the operation of business in this country until you give labor and capital equal rights and equal responsibility. One thing that you ought to do before this Congress adjourns is to modify the Wagner Act. Capital and labor should be equal in every department of sound business, with the management. If you are going to regiment with political legislation everything that the people of this country must and can do, then you will interfere so much with the form of government that we have had, that the eventual day of reckoning will come and with your enormous expenditures of funds for relief and not getting the people back on the pay rolls of industry, we will find ourselves in a position where you will have to repudiate your debts or start inflation, and if you do either one of those things, I say here, with all of the seriousness I possess, that you will not be able to maintain the form of government under which we have operated for 150 years, and made this the greatest country on the face of the earth in the shortest time.

Mr. FLETCHER. Mr. Speaker, will the gentleman yield?

Mr. RICH. Not now; I am sorry. We have operated under a form of government under which we have made America one of the greatest nations on the face of the earth, and are we going to wreck that form of government just because we have men in public office and in the White House who have never met a pay roll, who have never run a business, who know nothing about the operation of business? It requires men of experience. It will be a sad day, and I hope you men will use your best judgment and try to see that the country gets good legislation, sound legislation, and not theoretical legislation that is not for the best interests of labor, the farmer, and manufacturer.

The SPEAKER. The time of the gentleman from Pennsylvania has expired.

The SPEAKER. Under previous order the gentleman from California [Mr. VOORHIS] is recognized for 10 minutes.

FOREIGN AFFAIRS

Mr. VOORHIS. Mr. Speaker, when I asked for this time I did not realize what was going to transpire this afternoon. I wanted to follow up the discussion that had been participated in earlier in the afternoon on the subject of foreign affairs. At the moment I cannot refrain from commenting upon what the gentleman from Pennsylvania [Mr. RICH] has just said. First, we must, I think, admit freely we have not yet struck effectively at the roots of unemployment. I not only admit it but shout it from the housetops. But, in fairness, all of us must also admit the obvious fact that the problems which America faces today are such that no one, even of superhuman intelligence, can meet them perfectly. The reasons for expenditures on account of unemployment and similar purposes are not to be found in the policy of the Government, but are to be found in the fundamental economic conditions of the country. I ask you to consider, and I say it without bitterness, the case of one corporation in this country where in 1 day there were 30,000 men laid off at a time when that corporation had surpluses aggregating well in excess of $200,000,000. And the important thing about it is that everyone assumes that when that happens, the responsibility for relief and the right to work on the part of those 30,000 men falls not upon that corporation but upon the Government of the United States or some political subdivision thereof. And further, unless the Government does put these men to work, creating something useful and necessary, our Nation will lose the results of their labor forever. Unless they are put to work, industry's market will be still further curtailed.

There is the problem. The question is, What are you going to do about it? Clearly, there are fundamental things to be done which we have not accomplished; but in the meantime the preservation of that form of government of which the gentleman from Pennsylvania spoke can only be accomplished by means of providing a basic security for the people of this country and maintaining above all else their right to earn a living; and may I submit that the times and places in this world where this form of government has vanished have been cases where it has fallen because of a sense of continuing insecurity and confusion on the part of the people. It is to attack that situation and to attempt to cure those things that we are, haltingly it is true, but nevertheless trying to carry on.

Mr. FLETCHER. Will the gentleman not also include that we are doing that notwithstanding the attitude of the people who really are responsible for changing the situation?

Mr. VOORHIS. I would be very glad to.

We hear mention of foreign affairs, and the argument made that if our foreign trade were cut off for a short time the people of this country would be destitute. This is only an example of the kind of thing we run into. I could give others. That may be true today, but it does not need to be true; it is not true, because America cannot produce ample wealth for all her people's needs. If it is true, it is because we have not yet solved the problem of the distribution of purchasing power in proportion to our production. I immediately think then of the importance, from the standpoint of peace, of such things as reform of our monetary system, Federal old-age pensions, our tax structure, and the removal of tax exemptions—and wage-hour bills.

We heard something about inflation a moment ago. I think there are very few people in this country who know what inflation really is. Inflation, as a matter of fact, means bringing into circulation more money than there is increase in the volume of goods; but, mind you, unless you provide for

an increase in the volume of money which is comparable to the potential increase in the volume of goods, you have a continuing deflation, which is one of the causes of the depressions and troubles. And this additional new money must not be borrowed or brought into circulation; it is a function of government to create it. I have said far more than I intended to say on this subject. I would like to say a couple of things about our foreign relations and to make two suggestions.

I believe that our primary duty is to maintain the peace of the United States. I believe that to do this we must have consistent policies. I believe we should be interested in our trade, but I think we should differentiate between trade carried on on the basis of the mutual welfare of two nations on the one hand and trade which is based upon the exploitation and control of resources within other nations on the other hand. A fearless application of our good-neighbor policy precludes the possibility of our doing the second thing. On our success in making such an application of that policy will turn in large measure the future peace of our Nation.

The Daily News today carries headlines telling of an action on the part of the Chinese, and in connection with that I want to make one suggestion which seems to me a constructive one, a thing that America should do which would help somewhat in the direction of world peace and justice. The Chinese flew planes over Japan and dropped not bombs but leaflets. It was a remarkable thing, one of the great things perhaps in all the annals of human history, an attack apparently at the weakest point in Japan's armor. It will have effect on the people of Japan. It should help them to decide as to whether the Chinese are their natural enemies, as they have been told by propagandists. It occurs to me in this connection that we might very logically at this time consider a measure already introduced to embargo the export of scrap iron. I would not do it to one country, I would do it generally; but I know what is being exported, I know where that scrap iron is going right now; and I know that by that embargo we would be preventing some bombs being dropped on Chinese cities. You know, after all, it is very foolish for us to think that our country can become rich by exporting large quantities of our natural resources; it cannot be done. Natural resources are exhaustible; the fertility of our soil is exhaustible. When we export soil-depleting agricultural commodities we export the fertility of our soil. When we export iron we cannot get it back; it has gone. I submit that in connection with this thing the Chinese have done, the American people ought to say: "We are for your paper bombs and we are against the other kind of bombs; therefore, we will embargo the export of scrap iron." That one thing might be vital in its relation to world peace and the attitude of the peoples of the world.

The other matter I want to suggest is this: The Mexican nation has seen fit—and I am not going into the merits of the situation at the moment except to say Mexico has a right to manage her own internal affairs—to take certain action with regard to oil properties. Our own country from all appearances is conducting its course in such fashion as to win the confidence of Mexico and other Latin-American nations in the Western Hemisphere; and I trust that we shall continue in that course. In the case of Great Britain we are informed through news reports that the situation is different.

It happens at the moment that Great Britain owes the United States some $4,000,000,000 of war debts. The last offer, as I understand it, that was made in connection with this war debt was that Great Britain would settle on the basis of 10 cents on the dollar. In view of the fact that Great Britain claims Mexico owes her $30,000,000 for oil properties, on that very same basis why would it not be logical for the United States to transfer to Mexico $300,000,000 of Britain's notes in exchange for $30,000,000 for Mexico's notes to us, with which $300,000,000, on the basis of 10 cents on the dollar, Mexico could discharge the obligation in full which the British are asking? I do not want to represent this as an idea original with myself. It was, I believe, mentioned in another body recently. I merely wanted to get the proposal before the House. The sort of thing I propose is not ordinarily done in international affairs, I realize. It is the same sort of thing as when we returned the Boxer indemnity to China. But things like that America can do. Things like that are all too little considered.

Mr. Speaker, I have voted for the Navy bill and I have voted for the other bills for national defense. But believe me when I say there are forces in human life more fundamental than the might upon which we are prone to depend. There is a power in the human soul, a power in the capacity of human beings, to do things like the Chinese did in this instance, which can have effect deeper and more fundamental than anything else. I do not fear the challenge of dictatorship in this country so long as we ourselves are diligent in preserving justice, fairness, and equality within our own country and so long as we are not afraid to blaze new trails toward international friendship. [Applause.]

[Here the gavel fell.]

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to Mr. LANZETTA, for 1 day, on account of important business.

SENATE BILLS AND JOINT RESOLUTION REFERRED

Bills and a joint resolution of the Senate of the following titles were taken from the Speaker's table and, under the rule, referred as follows:

S. 252. An act to exempt publicly owned interstate highway bridges from local taxation; to the Committee on Interstate and Foreign Commerce.

S. 529. An act for the relief of the Missoula Brewing Co.; to the Committee on Claims.

S. 662. An act for the relief of Bertram Rich; to the Committee on Claims.

S. 1325. An act to provide funds for cooperation with Wapato School District No. 54, Yakima County, Wash., for extension of public-school buildings to be available for Indian children of the Yakima Reservation; to the Committee on Indian Affairs.

S. 2208. An act for the relief of Bruce G. Cox; to the Committee on Claims.

S. 2948. An act for the relief of A. J. Moses; to the Committee on Claims.

S. 3034. An act for the relief of Faye B. Millie; to the Committee on Claims.

S. 3104. An act for the payment of awards and appraisals heretofore made in favor of citizens of the United States on claims presented under the General Claims Convention of September 8, 1923, United States and Mexico; to the Committee on Claims.

S. 3181. An act for the relief of Leslie Truax; to the Commitee on Claims.

S. 3198. An act for the relief of Filomeno Jiminez and Felicitas Dominguez; to the Committee on Claims.

S. 3276. An act to amend the Merchant Marine Act of 1936, and for other purposes; to the Committee on Merchant Marine and Fisheries.

S. 3294. An act for the relief of Dravo Corporation; to the Committee on Claims.

S. 3295. An act for the relief of Dravo Corporation; to the Committee on Claims.

S. 3305. An act to amend laws for preventing collisions of vessels, to regulate equipment of motorboats on the navigable waters of the United States, to regulate inspection and manning of certain motorboats which are not used for pleasure or engaged exclusively in the fisheries on waters of the United States, and for other purposes; to the Committee on Merchant Marine and Fisheries.

S. 3415. An act to purchase certain private lands within the Shoshone (Wind River) Indian Reservation; to the Committee on Indian Affairs.

S. 3446. An act for the relief of Richard K. Gould; to the Committee on Claims.

S. 3470. An act for the relief of Lewis M. Foster; to the Committee on Claims.

S. 3534. An act for the relief of Christ Rieber; to the Committee on Claims.

S. 3561. An act for the relief of certain individuals in connection with the construction, operation, and maintenance of the Fort Hall Indian irrigation project, Idaho; to the Committee on Claims.

S. 3587. An act for the relief of Mr. and Mrs. P. F. Nixon, parents of Herschel Lee Nixon, deceased minor son; to the Committee on Claims.

S. 3611. An act to further extend the times for commencing and completing the construction of a bridge across the Missouri River between the towns of Decatur, Nebr., and Onawa, Iowa; to the Committee on Interstate and Foreign Commerce.

S. 3646. An act for the relief of Michael Waliga; to the Committee on Military Affairs.

S. 3712. An act for the relief of certain Navajo Indians, and for other purposes; to the Committee on Claims.

S. 3739. An act for the relief of Alpha T. Johnson; to the Committee on Claims.

S. 3747. An act to amend an act entitled "An act to authorize the Secretary of War to grant easements in and upon public military reservations and other lands under his control," approved May 17, 1926; to the Committee on Military Affairs.

S. 3756. An act to prohibit the use of communication facilities for criminal purposes; to the Committee on Interstate and Foreign Commerce.

S. 3782. An act for the relief of John K. Kennelly; to the Committee on Claims.

S. 3810. An act to extend to Chief Quartermaster Clerk David C. Buscall, United States Marine Corps, retired, the benefits of the act of May 7, 1932, providing highest World War rank to retired warrant officers; to the Committee on Naval Affairs.

S. 3867. An act authorizing the North Dakota State Highway Department and the Department of Highways of the State of Minnesota to construct, maintain, and operate a free highway bridge across the Red River; to the Committee on Interstate and Foreign Commerce.

S. 3890. An act to extend the provisions of the act of June 8, 1906 (34 Stat. 225), entitled "An act for the preservation of American antiquities," and for other purposes; to the Committee on the Public Lands.

S. 3917. An act authorizing the President to present gold medals to Mrs. Robert Aldrich and posthumously to Anna Bouligny; to the Committee on Military Affairs.

S. 3940. An act authorizing the Comptroller General of the United States to adjust and settle the claim of Oscar L. Mather; to the Committee on Claims.

S. 3956. An act to adjust the compensation of the members of the National Advisory Health Council not in the regular employment of the Government; to the Committee on Interstate and Foreign Commerce.

S. 3980. An act relating to restrictions of Osage property acquired by descent or devise; to the Committee on Indian Affairs.

S. 4036. An act relating to the tribal and individual affairs of the Osage Indians of Oklahoma; to the Committee on Indian Affairs.

S. J. Res. 114. Joint resolution for the relief of certain persons who suffered damages occasioned by the establishment and operation of the Aberdeen Proving Ground; to the Committee on Claims.

ENROLLED BILL SIGNED

Mr. PARSONS, from the Committee on Enrolled Bills, reported that that committee had examined and found truly enrolled a bill of the House of the following title, which was thereupon signed by the Speaker:

H. R. 8837. An act making appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, and offices for the fiscal year ending June 30, 1939, and for other purposes.

BILL PRESENTED TO THE PRESIDENT

Mr. PARSONS, from the Committee on Enrolled Bills, reported that that committee did on this day present to the President, for his approval, a bill of the House of the following title:

H. R. 8837. An act making appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, and offices for the fiscal year ending June 30, 1939, and for other purposes.

ADJOURNMENT

Mr. LAMBETH. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 3 o'clock and 48 minutes p. m.), under its previous order, the House adjourned until Monday, May 23, 1938, at 12 o'clock noon.

COMMITTEE HEARINGS

COMMITTEE ON NAVAL AFFAIRS

Schedule for hearing before House Naval Affairs Committee for Monday, May 23, 1938, at 10:30 a. m.: H. R. 10594, to provide for the creation, organization, administration, and maintenance of a Naval Reserve and a Marine Corps Reserve; H. R. 9258, to authorize the Secretary of the Navy to accept on behalf of the city of Los Angeles, Calif., with improvements thereon; S. 2276, to provide for an additional midshipman at the United States Naval Academy, and for other purposes.

COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE

There will be a meeting of Mr. MALONEY's subcommittee of the Committee on Interstate and Foreign Commerce at 10 a. m. Monday, May 23, 1938. Business to be considered: Continuation of hearings on H. R. 4358, train dispatchers.

There will be a meeting of Mr. SADOWSKI's subcommittee of the Committee on Interstate and Foreign Commerce at 10 a. m. Monday, May 23, 1938, for the consideration of H. R. 9739, to amend the Motor Carrier Act (continuation).

COMMITTEE ON THE DISTRICT OF COLUMBIA

The Subcommittee on Public Health of the Committee on the District of Columbia will meet Tuesday, May 24, 1938, at 10:30 a. m., in room 345, House Office Building, to consider H. R. 10341, amending Dental Practice Act.

COMMITTEE ON IMMIGRATION AND NATURALIZATION

The Committee on Immigration and Naturalization will hold executive hearings Wednesday, May 25, 1938, at 10:30 a. m., in room 445, House Office Building, for the consideration of H. R. 9907, and other unfinished business.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1366. A letter from the Administrator of the Veterans' Administration, transmitting draft of a proposed bill to allow credit in the accounts of certain former disbursing officers of the Veterans' Administration, and for other purposes; to the Committee on Claims.

1367. A communication from the President of the United States, transmitting an estimate of appropriation in the amount of $1,050, submitted by the Department of Justice to pay claims for damages to any person or damages to or loss of privately owned property caused by employees of the Federal Bureau of Investigation (H. Doc. No. 674); to the Committee on Appropriations and ordered to be printed.

1368. A communication from the President of the United States, transmitting an estimate of appropriation for the Smithsonian Gallery of Art Commission for the fiscal year 1938, amounting to $40,000, to continue available until June 30, 1939 (H. Doc. No. 675); to the Committee on Appropriations and ordered to be printed.

1369. A communication from the President of the United States, transmitting supplemental estimates of appropriations for the District of Columbia for the fiscal years 1938

and 1939 in the amount of $118,835 (H. Doc. No. 676); to the Committee on Appropriations and ordered to be printed.

1370. A communication from the President of the United States, transmitting supplemental estimates of appropriations for the fiscal years 1938 and 1939, for the Navy Department, aggregating $23,876,500 (H. Doc. No. 677); to the Committee on Appropriations and ordered to be printed.

1371. A communication from the President of the United States, transmitting estimates of appropriations submitted by the Navy Department to pay claims for damages by collision or damages incident to the operation of vessels of the Navy, in the sum of $1,667.19 (H. Doc. No. 678); to the Committee on Appropriations and ordered to be printed.

1372. A communication from the President of the United States, transmitting an estimate of appropriation submitted by the Department of Commerce to pay a claim for damage occasioned by collision with a vessel of the Lighthouse Service, in the sum of $200 (H. Doc. No. 679); to the Committee on Appropriations and ordered to be printed.

1373. A communication from the President of the United States, transmitting an estimate of appropriation submitted by the War Department to pay claim for damages under river and harbor work in the sum of $1,051 (H. Doc. No. 680); to the Committee on Appropriations and ordered to be printed.

1374. A communication from the President of the United States, transmitting an estimate of appropriation submitted by the Treasury Department to pay a claim for damages incident to the operation of vessels of the United States Coast Guard, in the sum of $401.10 (H. Doc. No. 681); to the Committee on Appropriations and ordered to be printed.

1375. A communication from the President of the United States, transmitting estimates of appropriations submitted by the several executive departments and independent offices to pay claims for damages to privately owned property in the sum of $27,966.35 (H. Doc. No. 682); to the Committee on Appropriations and ordered to be printed.

1376. A communication from the President of the United States, transmitting a letter of the Acting Director of the Bureau of the Budget and to ask the Congress to give consideration to the suggestions contained therein relative to the Receiving Home for Children and the National Training School for Girls of the District of Columbia (H. Doc. No. 683); to the Committee on Appropriations and ordered to be printed.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. BUCK: Committee on Ways and Means. H. R. 10459. A bill to amend certain provisions of law relative to the production of wines, brandy, and fruit spirits so as to remove therefrom certain unnecessary restrictions; to facilitate the collection of internal-revenue taxes thereupon; and to provide abatement of certain taxes upon wines, brandy, and fruit spirits where lost or evaporated while in the custody and under the control of the Government without any fault of the owner; with amendment (Rept. No. 2413). Referred to the Committee of the Whole House on the state of the Union.

Mr. GOLDSBOROUGH: Committee on Banking and Currency. H. R. 10663. A bill to amend the United States Housing Act of 1937; with amendment (Rept. No. 2414). Referred to the Committee of the Whole House on the state of the Union.

Mr. GUYER: Committee on the Judiciary. S. 3373. An act to provide for holding terms of the district court of the United States at Hutchinson, Kans.; with amendment (Rept. No. 2415). Referred to the Committee of the Whole House on the state of the Union.

Mr. PALMISANO: Committee on the District of Columbia. S. 1225. An act to provide for insanity proceedings in the District of Columbia; without amendment (Rept. No. 2416). Referred to the Committee of the Whole House on the state of the Union.

Mr. PALMISANO: Committee on the District of Columbia. H. R. 9475. A bill to create a commission to procure a design for a flag for the District of Columbia, and for other purposes; without amendment (Rept. No. 2417). Referred to the Committee of the Whole House on the state of the Union.

Mr. PALMISANO: Committee on the District of Columbia. H. R. 9844. A bill providing for the zoning of the District of Columbia and the regulation of the location, height, bulk, and uses of buildings and other structures and of the uses of land in the District of Columbia, and for other purposes; without amendment (Rept. No. 2418). Referred to the Committee of the Whole House on the state of the Union.

Mr. PALMISANO: Committee on the District of Columbia. H. R. 9873. A bill to protect trade-mark owners, producers, distributors, and the general public against injurious and uneconomic practices in the distribution of competitive commodities bearing a distinguishing trade-mark, brand, or name through the use of voluntary contracts establishing minimum resale prices and providing for refusal to sell unless such minimum resale prices are observed; without amendment (Rept. No. 2419). Referred to the House Calendar.

Mr. PALMISANO: Committee on the District of Columbia. H. R. 10643. A bill to amend the act of August 9, 1935 (Public, No. 259, 74th Cong., 1st sess.); without amendment (Rept. No. 2420). Referred to the Committee of the Whole House on the state of the Union.

Mr. PALMISANO: Committee on the District of Columbia. H. R. 10673. A bill to exempt the property of the Young Women's Christian Association in the District of Columbia from national and municipal taxation; without amendment (Rept. No. 2421). Referred to the Committee of the Whole House on the state of the Union.

Mr. PALMISANO: Committee on the District of Columbia. House Joint Resolution 672. Joint resolution for the designation of a street to be known as "Oregon Avenue", and for other purposes; with amendment (Rept. No. 2422). Referred to the House Calendar.

Mr. PALMISANO: Committee on the District of Columbia. House Joint Resolution 687. Joint resolution to amend title VI of the District of Columbia Revenue Act of 1937; without amendment (Rept. No. 2423). Referred to the Committee of the Whole House on the state of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. SMITH of Washington: Committee on Claims. H. R. 2779. A bill for the relief of Lilly Bundgard and Gloria Bundgard; with amendment (Rept. No. 2390). Referred to the Committee of the Whole House.

Mr. KEOGH: Committee on Claims. H. R. 6753. A bill for the relief of the Derby Oil Co.; with amendment (Rept. No. 2391). Referred to the Committee of the Whole House.

Mr. KEOGH: Committee on Claims. H. R. 7143. A bill for the relief of the Curtiss Aeroplane & Motor Co., Inc.; with amendment (Rept. No. 2392). Referred to the Committee of the Whole House.

Mr. POAGE: Committee on Claims. H. R. 7198. A bill for the relief of Fred Johnson; with amendment (Rept. No. 2393). Referred to the Committee of the Whole House.

Mr. ROCKEFELLER: Committee on Claims. H. R. 7607. A bill for the relief of Frank B. Decker; with amendment (Rept. No. 2394). Referred to the Committee of the Whole House.

Mr. RAMSPECK: Committee on Claims. H. R. 8492. A bill for the relief of Robert Doty; with amendment (Rept. No. 2395). Referred to the Committee of the Whole House.

Mr. COFFEE of Washington: Committee on Claims. H. R. 8673. A bill for the relief of certain persons at certain projects of the Farm Security Administration, United States Department of Agriculture; without amendment (Rept. No. 2396). Referred to the Committee of the Whole House.

Mr. McGEHEE: Committee on Claims. H. R. 9012. A bill for the relief of Joseph Webbe; with amendment (Rept. No. 2397). Referred to the Committee of the Whole House.

Mr. KEOGH: Committee on Claims. H. R. 9516. A bill for the relief of J. T. Herren; with amendment (Rept. No. 2398). Referred to the Committee of the Whole House.

Mr. McGEHEE: Committee on Claims. H. R. 9535. A bill for the relief of Amy M. Ghent; with amendment (Rept. No. 2399). Referred to the Committee of the Whole House.

Mr. POAGE: Committee on Claims. H. R. 9859. A bill for the relief of Victor H. Todaro; with amendment (Rept. No. 2400). Referred to the Committee of the Whole House.

Mr. KEOGH: Committee on Claims. H. R. 9922. A bill for the relief of Manuel L. Clay; with amendment (Rept. No. 2401). Referred to the Committee of the Whole House.

Mr. CARLSON: Committee on Claims. S. 82. An act for the relief of F. A. Rumery & Sons, of Portland, Maine; with amendment (Rept. No. 2402). Referred to the Committee of the Whole House.

Mr. KENNEDY of Maryland: Committee on Claims. S. 606. An act for the relief of Mabel F. Hollingsworth; with amendment (Rept. No. 2403). Referred to the Committee of the Whole House.

Mr. POAGE: Committee on Claims. S. 866. An act for the relief of the estate of James D. McEachern; with amendment (Rept. No. 2404). Referred to the Committee of the Whole House.

Mr. KENNEDY of Maryland: Committee on Claims. S. 1346. An act for the relief of Stillwell Bros., Inc.; with amendment (Rept. No. 2405). Referred to the Committee of the Whole House.

Mr. COFFEE of Washington: Committee on Claims. S. 2541. An act for the relief of the estate of George Ehret, Jr.; with amendment (Rept. No. 2406). Referred to the Committee of the Whole House.

Mr. POAGE: Committee on Claims. S. 2895. An act for the relief of Leona Draeger; with amendment (Rept. No. 2407). Referred to the Committee of the Whole House.

Mr. POAGE: Committee on Claims. S. 3057. An act for the relief of John Fanning; with amendment (Rept. No. 2408). Referred to the Committee of the Whole House.

Mr. ATKINSON: Committee on Claims. S. 3540. An act for the relief of Esmerald Goodman, boatswain's mate, first class (lifesaving); Raymond H. Wilson, boatswain's mate, first class (lifesaving); Louis J. Burns, motor machinist's mate, first class (lifesaving); Silvie S. Langton, surfman; Eudorus J. Brown, surfman; Kenneth G. Sherwood, surfman; Alvin Combs, surfman; William E. Knight, surfman; Olaaf E. Starr, surfman; and Ejner E. Jensen, surfman; with amendment (Rept. No. 2409). Referred to the Committee of the Whole House.

Mr. SMITH of Washington: Committee on Claims. S. 3573. An act for the relief of William J. Pitochelli; with amendment (Rept. No. 2410). Referred to the Committee of the Whole House.

Mr. RYAN: Committee on Claims. S. 3584. An act for the relief of G. E. Maxwell; with amendment (Rept. No. 2411). Referred to the Committee of the Whole House.

Mr. KENNEDY of Maryland: Committee on Claims. S. 3734. An act for the relief of certain officers and enlisted men of the United States Coast Guard; with amendment (Rept. No. 2412). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. CUMMINGS: A bill (H. R. 10713) providing that excess land provisions of Federal reclamation laws shall not apply to certain lands that will receive a supplemental water supply from the Colorado-Big Thompson project; to the Committee on Irrigation and Reclamation.

By Mr. COLLINS: A bill (H. R. 10714) to amend the Social Security Act, approved August 14, 1935 (Public, No. 271, 74th Cong.), to provide for the payment to States of $15 per month per capita for all recipients of old-age assistance, under the several State plans, who are 65 years of age or older and not inmates of a public institution; to the Committee on Ways and Means.

By Mr. EICHER: A bill (H. R. 10715) to provide for organizing a Government self-supporting insurance company for the purpose of furnishing insurance of all kinds to motor-truck operators when such insurance cannot be procured from private companies at reasonable rates, to stimulate business recovery, promote public safety, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. GWYNNE: A bill (H. R. 10716) to provide a minimum farm acreage allotment for corn under the Soil Conservation and Domestic Allotment Act, as amended, and under the Agricultural Adjustment Act of 1938, as amended; to the Committee on Agriculture.

By Mr. HOOK: A bill (H. R. 10717) to provide for the establishment of a Coast Guard station on Grand Traverse Bay, Mich.; to the Committee on Merchant Marine and Fisheries.

By Mr. McGRATH: A bill (H. R. 10718) to provide for the acquisition of drydock facilities for the Navy, on San Francisco Bay, and to authorize the construction of certain public works, and for other purposes; to the Committee on Naval Affairs.

By Mr. MAAS: A bill (H. R. 10719) to provide for the rank and pay of retired officers of the United States Army; to the Committee on Military Affairs.

By Mr. STEAGALL: A bill (H. R. 10720) repealing section 12B (y) (1) of the Federal Reserve Act to remove the limitation on eligibility of State nonmember banks for deposit insurance; to the Committee on Banking and Currency.

By Mr. WOODRUM: Joint resolution (H. J. Res. 693) making an appropriation to aid in defraying expenses of the observance of the seventy-fifth anniversary of the Battle of Gettysburg; to the Committee on Appropriations.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

5194. By Mr. BREWSTER: Petition of 107 members of Townsend Club No. 1, requesting that House bill 4199 be brought onto the floor of the House for discussion this session of Congress; to the Committee on Ways and Means.

5195. Also, petition of 687 citizens of Washington County, Maine, interested in the plan proposed for building a lobster-rearing station in Jonesboro, Maine; to the Committee on Merchant Marine and Fisheries.

5196. By Mr. CURLEY: Petition of the United Federal Workers of America (New York City units), urging one-step increases in salary to all custodial employees who have been in the service 1 year; to the Committee on the Civil Service.

5197. Also, petition of Local 94, United Federal Workers of America, New York City, employees of the post-office vehicular department, urging enactment of the Federal Workers Appeal Act; to the Committee on the Civil Service.

5198. Also, petition of Local No. 94, United Federal Workers of America, employees of the post-office motor vehicular department, opposing $1,000 per year limit for all white-collar projects; to the Committee on Appropriations.

5199. Also, petition of the American Communications Association, New York City, urging enactment of the wage-hour bill; to the Committee on Labor.

5200. By Mr. EDMISTON: Petition of Layland Council, No. 163, Junior Order United American Mechanics, Layland, W. Va., unanimously opposing House bills 637, 6245, and 10013; to the Committee on Immigration and Naturalization.

5201. By Mr. LUTHER A. JOHNSON: Memorial of B. B. Cobb, secretary, Texas State Teachers' Association, favoring House bill 10340; to the Committee on Education.

5202. By Mr. KENNEDY of New York: Petition of 40,000 employees of the Consolidated Edison Co., of New York, urging enactment of the wage-hour bill; to the Committee on Labor.

5203. Also, petition of the International Union of United Furniture Workers of America, urging enactment of the wage-hour bill; to the Committee on Labor.

5204. Also, petition of the United Federal Workers of America, urging enactment of the Federal Workers' Minimum Wage Act; to the Committee on the Civil Service.

5205. By Mr. KEOGH: Petition of the conference of mayors and other municipal officials of the State of New York, opposing the Senate amendment to the Federal Highway Act; to the Committee on Roads.

5206. By Mr. BOYLAN of New York: Letter from the Quartermen and Leadingmen's Association, Brooklyn Navy Yard, protesting against suspension of leadingmen and quartermen at navy yard; to the Committee on Naval Affairs.

5207. By the SPEAKER: Petition of the County of Los Angeles Board of Supervisors, Los Angeles, Calif., petitioning consideration of their resolution dated May 10, 1938, with reference to House bill 4199, known as the General Welfare Act; to the Committee on Ways and Means.

SENATE

MONDAY, MAY 23, 1938

(Legislative day of Wednesday, April 20, 1938)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

THE JOURNAL

On request of Mr. BARKLEY, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day Thursday, May 19, 1938, was dispensed with, and the Journal was approved.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States were communicated to the Senate by Mr. Latta, one of his secretaries.

CALL OF THE ROLL

Mr. BARKLEY. I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Adams	Copeland	Hughes	Pepper
Andrews	Davis	Johnson, Calif.	Pittman
Austin	Dieterich	Johnson, Colo.	Pope
Bailey	Donahey	King	Radcliffe
Bankhead	Duffy	Lee	Reynolds
Barkley	Ellender	Lodge	Russell
Berry	Frazier	Logan	Schwartz
Bilbo	George	Lonergan	Schwellenbach
Bone	Gerry	Lundeen	Sheppard
Borah	Gibson	McAdoo	Shipstead
Bridges	Gillette	McGill	Smathers
Brown, N. H.	Glass	McKellar	Smith
Bulkley	Green	McNary	Thomas, Utah
Bulow	Guffey	Maloney	Townsend
Burke	Hale	Miller	Truman
Byrd	Harrison	Minton	Tydings
Byrnes	Hatch	Murray	Vandenberg
Capper	Hayden	Neely	Van Nuys
Caraway	Herring	Norris	Wagner
Chavez	Hill	Nye	Walsh
Clark	Hitchcock	O'Mahoney	Wheeler
Connally	Holt	Overton	White

Mr. MINTON. I announce that the Senator from Arizona [Mr. ASHURST] and the Senator from Oregon [Mr. REAMES] are detained from the Senate because of illness.

The Senator from Nevada [Mr. MCCARRAN] is absent because of a death in his family.

The Senator from Michigan [Mr. BROWN], the Senator from Illinois [Mr. LEWIS], the Senator from New Jersey [Mr. MILTON], and the Senator from Oklahoma [Mr. THOMAS] are detained on important public business.

Mr. NORRIS. I announce that the Senator from Wisconsin [Mr. LA FOLLETTE] is detained from the Senate on public business.

The VICE PRESIDENT. Eighty-eight Senators have answered to their names. A quorum is present.

JOINT RESOLUTION REPORTED DURING RECESS

Under the authority of the order of the Senate of the 18th instant, Mr. ADAMS, from the Committee on Appropriations, to which was referred the joint resolution (H. J. Res. 679) making appropriations for work relief, relief, and otherwise to increase employment by providing loans and grants for public-works projects, reported it on May 21, 1938, with amendments, and submitted a report (No. 1812) thereon.

ENROLLED BILL SIGNED DURING RECESS

Under authority of the order of the Senate of the 19th instant, the Vice President, on May 20, 1938, signed the enrolled bill (H. R. 8837) making appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, and offices, for the fiscal year ending June 30, 1939, and for other purposes, which had previously been signed by the Speaker of the House of Representatives.

REBUILDING OF SOIL FERTILITY—PHOSPHORUS DEPOSITS

The VICE PRESIDENT. The Chair lays before the Senate a message from the President of the United States and states to the Senate that the message has been read in the House, is in the RECORD, and has been made a public document. With the permission of the Senate, the Chair will have the message printed in the RECORD, without reading, and referred to the Committee on Agriculture and Forestry.

There being no objection, the message from the President of the United States was referred to the Committee on Agriculture and Forestry and ordered to be printed in the RECORD, as follows:

To the Congress of the United States:

The soil of the United States faces a continuing loss of its productive capacity.

That is a challenging statement. It would seem, therefore, to be the part of wisdom for the Government and the people of the United States to adopt every possible method to stop this loss and begin to rebuild soil fertility.

We give the name of "soil conservation" to the problem as a whole; and we are already active in our efforts to retard and prevent soil erosion, and by the more intelligent use of land to build up its crop, its pasturage, and its tree-producing capacity.

As a result of the studies and tests of modern science it has come to be recognized that phosphorus is a necessary element in human, in animal, and in plant nutrition. The phosphorus content of our land, following generations of cultivation, has greatly diminished. It needs replenishing. The necessity for wider use of phosphates and the conservation of our supplies of phosphates for future generations is, therefore, a matter of great public concern. We cannot place our agriculture upon a permanent basis unless we give it heed.

I cannot overemphasize the importance of phosphorus, not only to agriculture and soil conservation but also to the physical health and economic security of the people of the Nation. Many of our soil types are deficient in phosphorus, thus causing low yields and poor quality of crops and pastures.

Indeed, much of the present accelerated soil erosion in the United States has taken place, and is still taking place, on land that has either been abandoned or is ready to be abandoned because of a low productivity brought about by failure to maintain the fertilizing elements in the soil. In many cases the reclaiming of eroded land is largely a matter of stimulating plant growth such as legumes and grasses, but hand in hand with this we must also replenish the actual phosphorus content of the soil.

Recent estimates indicate that the removal of phosphorus from the soils of the United States by harvested crops, grazing, erosion, and leaching greatly exceeds the addition of phosphorus to the soil through the means of fertilizers, animal manures and bedding, rainfall, irrigation, and seeds.

It appears that even with a complete control of erosion, which obviously is impossible, a high level of productivity will not be maintained unless phosphorus is returned to the soil at a greater rate than is being done at present. Increases by the addition of phosphorus to the soil must be made largely, if not entirely, in the form of fertilizers which are derived principally from phosphate rock.

Therefore, the question of continuous and adequate supplies of phosphate rock directly concerns the national welfare.

The total known world supply of phosphate rock is estimated at 17.2 billion tons, of which 7.2 billion tons is located in the United States. Nearly all the remainder is controlled by Great Britain, France, and Russia. The supply in the United States is distributed as follows: Florida, 7.4 percent; Tennessee, 1.4 percent; Western States (Idaho, Montana, Utah, and Wyoming), 90.8 percent; and other States (Arkansas, Kentucky, South Carolina, and Virginia), 0.4 percent. The domestic production of phosphate rock amounted to 3,351,857 tons in 1936, drawn from Florida (78.3 percent), Tennessee (19.2 percent), and Idaho and Montana (2.5 percent). Exports of phosphate rock amounted to 1,208,951 tons, almost entirely from Florida, and consumption of phosphate rock for nonagricultural purposes totaled 352,275 tons.

Thus it appears that of the total domestic production of phosphate rock only 53 percent was used for domestic agricultural purposes.

Owing to their location in relation to the principal fertilizer-consuming districts, the Florida and Tennessee deposits, which contain less than 10 percent of the Nation's supply, are furnishing more than 97 percent of all the phosphate rock used for domestic agricultural purposes. Under present conditions, by far the greater portion of our phosphate requirements will continue to be drawn from the Florida and Tennessee deposits so long as these deposits last. When it is realized that the consumption of phosphatic fertilizer must be increased considerably if our soils are to be maintained reasonably near their present levels of fertility, which in many cases are far below the levels necessary for an efficient agriculture, it becomes apparent that the deposits of Florida and Tennessee will last but a comparatively short period.

It is hardly necessary to emphasize the desirability of conserving these deposits to the fullest extent for the benefit of agriculture in the East, the South, and a considerable portion of the Middle West.

At the same time serious attention should be given to the development of the western phosphate deposits in order that they may be made to serve economically the widest possible territory. It is evident that our main reliance for an adequate supply of phosphate must eventually be placed on our western deposits.

As of December 1, 1936, the Government owned 2,124,904 acres of proven and potential phosphate lands in Idaho, Montana, Utah, and Wyoming, and 66,916 acres in Florida. The Government owns no extensive areas of phosphate land in other States. Although an exact estimate of the tonnage of phosphate rock on Government land is not available, the quantity in the western reserve no doubt exceeds 5,000,000,000 tons. It appears that only a small portion of the Florida supply is on Government land.

I call your special attention to the interesting and valuable work of the Tennessee Valley Authority and the Department of Agriculture in devising new processes for treating phosphate rock and for using the new types of phosphate products. This work promises to make the great western deposits available to a large area of America.

These developments by themselves, however, will not lessen the drain on the comparatively small deposits in Tennessee and Florida because the methods of treatment can be used as well on these deposits as on those in the West. Inasmuch as the deposits in Tennessee and Florida are, and will continue to be, of vital importance to American agriculture, it is to the national interest that they be conserved to the fullest extent.

The disposition of our phosphate deposits should be regarded as a national concern. The situation appears to offer an opportunity for this Nation to exercise foresight in the use of a great national resource heretofore almost unknown in our plans for the development of the Nation.

I invite the especial attention of the Congress to the very large percentage of known phosphate rock which is on Government-owned land—probably three-quarters of the whole supply; and to the fact that the eastern supply, while in private ownership, is today being exported in such quantities that when and if it is wholly depleted, eastern farms will have to depend for their phosphate supply on the far western lands.

It is, therefore, high time for the Nation to adopt a national policy for the production and conservation of phosphates for the benefit of this and coming generations.

To the end that continuous and adequate supplies be insured, and that efficient forms of this key element, phosphorus, be available at the lowest cost throughout the country, I recommend that a joint committee of the Senate and of the House of Representatives be named to give study to the entire subject of phosphate resources, their use and service to American agriculture, and to make report to the next Congress.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, *May 20, 1938.*

Mr. POPE. Mr. President, in connection with the President's message dealing with the subject of phosphates I ask consent to introduce a joint resolution for the appointment of a committee of the House and Senate as recommended by the President, and I ask that it be referred to the Committee to Audit and Control the Contingent Expenses of the Senate.

The VICE PRESIDENT. Without objection, the joint resolution will be received and referred as indicated.

The joint resolution (S. J. Res. 298) to create a joint congressional committee to investigate the adequacy and use of the phosphate resources of the United States was read twice by its title and referred to the Committee to Audit and Control the Contingent Expenses of the Senate.

DEPOSITS OF MINERALS IN PACIFIC NORTHWEST

The VICE PRESIDENT laid before the Senate a letter from the Acting Secretary of the Interior, reporting in response to Senate Resolution 243, agreed to March 1, 1938, a report on the best methods of ascertaining ways and means of utilizing deposits of minerals in the Pacific Northwest which are susceptible of reduction by electrometallurgical processes, which was referred to the Committee on Mines and Mining.

ACCOUNTS OF FORMER DISBURSING OFFICERS OF VETERANS' ADMINISTRATION

The VICE PRESIDENT laid before the Senate a letter from the Administrator of Veterans' Affairs, transmitting a draft of proposed legislation to allow credit in the accounts of certain former disbursing officers of the Veterans' Administration, and for other purposes, which, with the accompanying papers, was referred to the Committee on Claims.

PETITIONS AND MEMORIALS

The VICE PRESIDENT laid before the Senate a resolution adopted at Baton Rouge, La., by the Louisiana Public Welfare Association, favoring amendment of the Social Security Act so as to provide for increased Federal participation in the funds granted to States for assistance to dependent children, which was referred to the Committee on Finance.

He also laid before the Senate resolutions adopted by Boards of Supervisors of Los Angeles County, Calif., Lake of the Woods County, Minn., and Skagit County, Wash., favoring the enactment of House bill 4199, providing for a maximum pension of $200 monthly for all persons reaching 60 years of age who thereafter retire from gainful employment, which were referred to the Committee on Finance.

He also laid before the Senate a telegram in the nature of a petition of faculty members of Princeton University and of the Institute for Advanced Study, of Princeton, N. J., praying the enactment of Senate Joint Resolution 288, repealing the joint resolution to prohibit the export of arms, ammunition, and implements of war from the United States to Spain, which was referred to the Committee on Foreign Relations.

He also laid before the Senate a resolution adopted at Dallas, Tex., by Lodge No. 181 of the Switchmen's Union of North America and associated lodges and auxiliaries of Dallas and Fort Worth, Tex., favoring, in the event of any

national consolidation of railroads, that consideration be given by Congress and representatives of the railway industry to the status of the service and the junior men released as provided under all policies of seniority rules, which was referred to the Committee on Interstate Commerce.

He also laid before the Senate the petition of Ralph Kaplan, of Brooklyn, N. Y., praying for the enactment of Senate bill 2475, to establish fair labor standards in employment, which was ordered to lie on the table.

He also laid before the Senate a resolution adopted at French Lick, Ind., by the governing and advisory boards of the Associated General Contractors of America protesting against proposed reductions in the amounts set aside for secondary roads and other Federal highway aid in the House bill 10140, to amend the Federal Aid Road Act, approved July 11, 1916, as amended and supplemented, and for other poses, which was ordered to lie on the table.

He also laid before the Senate petitions of sundry citizens of the States of New Jersey, New York, and Washington praying for the enactment of the President's proposed recovery program, which were ordered to lie on the table.

He also laid before the Senate a resolution adopted by the Board of Port Commissioners of Oakland, Calif., protesting against the enactment of House bill 1668, to amend paragraph (1) of section 4 of the Interstate Commerce Act, as amended February 28, 1920 (U. S. C., title 49, sec. 4), which was ordered to lie on the table.

Mr. VANDENBERG presented petitions of sundry citizens of the State of Michigan, praying for the repeal of the so-called Wagner Labor Relations Act, which were referred to the Committee on Education and Labor.

He also presented a petition of sundry citizens of the State of Michigan, praying for the immediate removal from China of all United States armed forces, which was referred to the Committee on Foreign Relations.

He also presented a petition of sundry citizens of Detroit, Mich., praying for the enactment of legislation providing increased pay and other benefits for the personnel of the Regular Military Establishment, which was referred to the Committee on Military Affairs.

Mr. WALSH presented a resolution adopted by Local No. 441, Boston (Mass.) Federation of Teachers, protesting against a recent ruling limiting the annual cost per employee to $1,000 on any project of the Works Progress Administration, which was referred to the Committee on Appropriations.

He also presented numerous letters in the nature of petitions from sundry employees of the post offices at Boston, Fitchburg, and Lecminster, Mass., praying for the enactment of House bill 2690, granting annual and sick leave with pay to substitutes in the Postal Service, which were referred to the Committee on Post Offices and Post Roads.

He also presented a resolution adopted by the eighteenth annual convention of the League of Women Voters of the State of Massachusetts, favoring the adoption of certain child-labor provisions in the enactment of Senate bill 2474, to establish fair labor standards in employment, which was ordered to lie on the table.

REPORTS OF COMMITTEES

Mr. HUGHES, from the Committee on Claims, to which were referred the following bills, reported them severally without amendment and submitted reports thereon:

S. 3405. A bill conferring jurisdiction upon the Court of Claims of the United States to hear, examine, adjudicate, and render judgment on the claim of the legal representative of the estate of Rexford M. Smith (Rept. No. 1849);

S. 3797. A bill for the relief of C. G. Bretting Manufacturing Co. (Rept. No. 1813);

H. R. 7734. A bill conferring jurisdiction upon the United States District Court for the Southern District of Ohio to hear, determine, and render judgment upon the claim of A. L. Eldridge (Rept. No. 1814); and

H. R. 8376. A bill for the relief of James D. Larry, Sr. (Rept. No. 1815).

Mr. HUGHES also, from the Committee on Claims, to which was referred the bill (S. 2702) for the relief of James A. Ellsworth, reported it with an amendment and submitted a report (No. 1816) thereon.

Mr. BAILEY, from the Committee on Claims, to which were referred the following bills, reported them severally without amendment and submitted reports thereon:

H. R. 2347. A bill for the relief of Drs. M. H. DePass and John E. Maines, Jr., and the Alachua County Hospital (Rept. No. 1817);

H. R. 4033. A bill for the relief of Antonio Masci (Rept. No. 1818);

H. R. 5904. A bill for the relief of L. P. McGown (Rept. No. 1819);

H. R. 5957. A bill for the relief of LeRoy W. Henry (Rept. No. 1820);

H. R. 6847. A bill for the relief of the Berkeley County Hospital and Dr. J. N. Walsh (Rept. No. 1821);

H. R. 7040. A bill for the relief of Forest Lykins (Rept. No. 1822);

H. R. 8543. A bill for the relief of Earl J. Lipscomb (Rept. No. 1823);

H. R. 8835. A bill for the relief of Fred H. Kocor (Rept. No. 1824);

H. R. 9199. A bill for the relief of Helen M. Krekler and the estate of Kemp Plummer (Rept. No. 1825);

H. R. 9201. A bill for the relief of the Federal Land Bank of Berkeley, Calif., and A. E. Colby (Rept. No. 1826); and

H. R. 9203. A bill for the relief of certain postmasters and certain contract employees who conducted postal stations (Rept. No. 1827).

Mr. BAILEY also, from the Committee on Claims, to which was referred the bill (S. 3817) for the relief of John Haslam, reported it with an amendment and submitted a report (No. 1828) thereon.

He also (for Mr. BROWN of Michigan), from the same committee, to which was referred the bill (H. R. 1252) for the relief of Ellen Kline, reported it without amendment and submitted a report (No. 1829) thereon.

He also, from the same committee, to which were referred the following bills, reported them each with an amendment and submitted reports thereon:

H. R. 738. A bill for the relief of Asa C. Ketcham (Rept. No. 1830); and

S. 2412. An act for the relief of A. Pritzker & Sons, Inc. (Rept. No. 1831).

Mr. BURKE, from the Committee on Claims, to which was referred the bill (S. 3971) for the relief of Frieda White, reported it without amendment and submitted a report (No. 1832) thereon.

Mr. TOWNSEND, from the Committee on Claims, to which were referred the following bills, reported them severally without amendment and submitted reports thereon:

H. R. 1737. A bill for the relief of Marie Frantzen McDonald (Rept. No. 1833);

H. R. 3313. A bill for the relief of William A. Fleek (Rept. No. 1834);

H. R. 4668. A bill for the relief of James Shimkunas (Rept. No. 1835); and

H. R. 6646. A bill for the relief of Dr. A. J. Cottrell (Rept. No. 1836).

Mr. TOWNSEND also, from the Committee on Claims, to which was referred the bill (H. R. 4258) for the relief of Barbara Jean Matthews, a minor, reported it with an amendment and submitted a report (No. 1837) thereon.

Mr. LOGAN, from the Committee on Claims, to which were referred the following bill and resolution, reported them each without amendment and submitted a report thereon as indicated:

S. 3225. A bill for the relief of Otto C. Asplund (Rept. No. 1838); and

S. Res. 270. Resolution referring to the Court of Claims the bill (S. 3869) for the relief of Ida F. Braun and others.

Mr. LOGAN also, from the Committee on Claims, to which were referred the following bills, reported them each with an amendment and submitted reports thereon:

S. 3251. A bill for the relief of Alice Minnick (Rept. No. 1839); and

S. 3682. A bill for the relief of Lofts & Son (Rept. No. 1840).

Mr. CAPPER, from the Committee on Claims, to which were referred the following bills, reported them severally without amendment and submitted reports thereon:

S. 3958. A bill for the relief of Grant H. Pearson, G. W. Pearson, John C. Rumohr, and Wallace Anderson (Rept. No. 1841);

H. R. 1476. A bill for the relief of Mrs. W. E. Bouchey (Rept. No. 1842);

H. R. 4304. A bill for the relief of Hugh O'Farrell and the estate of Thomas Gaffney (Rept. No. 1843); and

H. R. 6950. A bill for the relief of Andrew J. McGarraghy (Rept. No. 1844).

Mr. ELLENDER, from the Committee on Claims, to which were referred the following bills, reported them severally without amendment and submitted reports thereon:

S. 3692. A bill to authorize and direct the Comptroller General of the United States to allow credit for all outstanding disallowances and suspensions in the accounts of the disbursing officers or agents of the Government for payments made to certain employees appointed by the United States Employees' Compensation Commission (Rept. No. 1845);

H. R. 7548. A bill for the relief of J. Lafe Davis and the estate of Mrs. J. Lafe Davis (Rept. No. 1846); and

H. R. 7639. A bill for the relief of Al D. Romine and Ann Romine (Rept. No. 1847).

Mr. GUFFEY, from the Committee on Finance, to which was referred the bill (H. R. 8665) to amend section 3336 of the Revised Statutes, as amended, pertaining to brewers' bonds, and for other purposes, reported it without amendment and submitted a report (No. 1851) thereon.

Mr. WAGNER, from the Committee on Banking and Currency, to which was referred the joint resolution (S. J. Res. 286) amending paragraph (4) of subsection (n) of section 12B of the Federal Reserve Act, as amended, reported it without amendment and submitted a report (No. 1852) thereon.

Mr. BANKHEAD, from the Committee on Banking and Currency, to which was referred the bill (H. R. 10530) to extend for 2 additional years the 3½-percent interest rate on certain Federal land-bank loans, and to provide for a 4-percent interest rate on Land Bank Commissioner's loans until July 1, 1940, reported it without amendment and submitted a report (No. 1853) thereon.

Mr. BILBO, from the Committee on Agriculture and Forestry, to which was referred the bill (S. 3706) to establish and promote the use of standard methods of grading cottonseed, to provide for the collection and dissemination of information on prices and grades of cottonseed and cottonseed products, and for other purposes, reported it with amendments and submitted a report (No. 1854) thereon.

Mr. McNARY, from the Committee on Commerce, to which was referred the bill (S. 3048) authorizing the Secretary of Commerce to convey a certain tract of land to the State of Oregon for use as a public park and recreational site, reported it without amendment and submitted a report (No. 1855) thereon.

Mr. WALSH, from the Committee on Naval Affairs, to which were referred the following bills, reported them each without amendment and submitted reports thereon:

H. R. 7421. A bill for the relief of E. D. Frye (Rept. No. 1856); and

H. R. 8192. A bill for the relief of Herbert Joseph Dawson (Rept. No. 1857).

Mr. SHEPPARD, from the Committee on Commerce, to which was recommitted the bill (S. 3892) creating the City of Dubuque Bridge Commission and authorizing said commission and its successors to purchase and/or construct, maintain, and operate a bridge or bridges across the Mississippi River at or near Dubuque, Iowa, and East Dubuque, Ill., reported it with amendments and submitted a report (No. 1858) thereon.

He also, from the Committee on Military Affairs, to which was referred the bill (S. 3886) for the relief of Otis M. Culver, Samuel E. Abbey, and Joseph Reger, reported it with amendments and submitted a report (No. 1859) thereon.

He also, from the same committee, to which was referred the bill (S. 3513) to authorize the Chief of Engineers of the Army to enter into agreements with local governments adjacent to the District of Columbia for the use of water for purposes of fire fighting only, reported it with an amendment and submitted a report (No. 1860) thereon.

Mr. CLARK, from the Committee on Finance, to which was referred the bill (S. 3600) to amend section 503 of the Revenue Act of 1936 so as to authorize the use of accounting and registering devices for paying or collecting certain revenue taxes, reported it with amendments and submitted a report (No. 1861) thereon.

Mr. COPELAND, from the Committee on Commerce, to which was referred the bill (H. R. 10298) authorizing the construction, repair, and preservation of certain public works on rivers and harbors, and for other purposes, reported it with amendments and submitted a report (No. 1862) thereon.

INCREASE OF ALLOWANCE TO CERTAIN WAR VETERANS

Mr. GEORGE. From the Committee on Finance I report back favorably, without amendment, the bill (H. R. 8729) granting pensions and increase of pensions to needy war veterans, and I submit a report (No. 1850) thereon.

I give notice that at the earliest possible time I shall move to proceed with the consideration of this bill. It is a bill which increases the non-service-connected disability allowance from $30 to $40 per month.

The VICE PRESIDENT. Without objection, the report will be received and the bill placed on the calendar.

JOINT CONGRESSIONAL COMMITTEE ON THE TAXATION OF GOVERNMENTAL SECURITIES AND SALARIES—REPORT OF THE COMMITTEE ON FINANCE

Mr. GEORGE (for Mr. BROWN of Michigan), from the Committee on Finance, to which was referred the concurrent resolution (S. Con. Res. 36) to establish a joint congressional committee on the taxation of governmental securities and salaries, reported it with an amendment and moved that the resolution be referred to the Committee to Audit and Control the Contingent Expenses of the Senate, which motion was agreed to.

EXECUTIVE REPORTS OF COMMITTEES

As in executive session,

Mr. McKELLAR, from the Committee on Appropriations, reported favorably the nomination of Max William Stern, of California, to be Director of Informational Service in the Social Security Board.

He also, from the Committee on Post Offices and Post Roads, reported favorably the nominations of sundry postmasters.

Mr. HARRISON, from the Committee on Finance, reported favorably the following nominations:

Dr. Jack L. James, to be assistant surgeon in the United States Public Health Service, to take effect from date of oath; and

John E. Manning, of Newark, N. J., to be collector of internal revenue for the fifth district of New Jersey, in place of William H. Kelly, resigned.

Mr. BAILEY, from the Committee on Finance, reported favorably the nomination of John W. Hanes, of North Carolina, to be Assistant Secretary of the Treasury, to fill an existing vacancy.

Mr. LOGAN, from the Committee on the Judiciary, reported favorably the nomination of James B. Frazier, Jr., of Tennessee, to be United States attorney for the eastern district of Tennessee.

Mr. WALSH, from the Committee on Naval Affairs, reported favorably the nominations of sundry officers for promotion in the Marine Corps.

Mr. SHEPPARD, from the Committee on Military Affairs, reported favorably the nominations of sundry officers for promotion, and for appointment, by transfer, in the Regular Army.

ENROLLED BILLS AND JOINT RESOLUTIONS PRESENTED

Mrs. CARAWAY, from the Committee on Enrolled Bills, reported that on May 19, 1938, that committee presented to

the President of the United States the following enrolled bills and joint resolutions:

S. 51. An act for the relief of the Fred G. Clark Co.;

S. 750. An act to grant relief to persons erroneously convicted in courts of the United States;

S. 842. An act to provide for an investigation and report of losses resulting from the campaign for the eradication of the Mediterranean fruitfly by the Department of Agriculture;

S. 1242. An act for the relief of Stanley A. Jerman, receiver for A. J. Peters Co., Inc.;

S. 1465. An act for the relief of Beryl M. McHam;

S. 1700. An act for the relief of William A. Patterson, Albert E. Rust, Louis Pfeiffer; and John L. Nesbitt and Cora B. Geller, as executors under the will of James T. Bentley;

S. 2257. An act for the relief of Helene Landesman;

S. 2644. An act for the relief of Sherm Sletholm, Loneata Slethholm Lulu Yates, Madeline Yates, and the estate of Ella A. Morris;

S. 2676. An act to amend the act approved August 24, 1935, entitled "An act to authorize the erection of a suitable memorial to Maj. Gen. George W. Goethals within the Canal Zone";

S. 2966. An act authorizing the Comptroller General to settle and adjust the claim of H. W. Adelberger, Jr.;

S. 2967. An act authorizing the Comptroller General to settle and adjust the claim of Tiffany Construction Co.;

S. 3103. An act for the relief of the Comision Mixta Demarcadora de Limites Entre Colombia y Panama;

S. 3149. An act authorizing the Interstate Bridge Commission of the State of New York and the Commonwealth of Pennsylvania to reconstruct, maintain, and operate a free highway bridge across the Delaware River between points in the city of Port Jervis, Orange County, N. Y., and the borough of Matamoras, Pike County, Pa.;

S. 3213. An act to amend the act entitled "An act authorizing the Oregon-Washington Board of Trustees to construct, maintain, and operate a toll bridge across the Columbia River at Astoria, Clatsop County, Oreg.," approved June 13, 1934, as amended;

S. 3220. An act to authorize the Secretary of the Treasury to transfer the title and all other interests in the old tower clock from the Escambia County Courthouse Building, acquired by the Government by deed, to the Pensacola Historical Society of Pensacola, Escambia County, Fla.;

S. 3290. An act to impose additional duties upon the United States Public Health Service in connection with the investigation and control of the venereal diseases;

S. 3532. An act to extend the times for commencing and completing the construction of a bridge across the Missouri River at or near Randolph, Mo.;

S. 3595. An act to authorize the purchase and distribution of products of the fishing industry;

S. 3691. An act to provide for the appointment of additional judges for certain United States district courts, circuit courts of appeals, and certain courts of the United States for the District of Columbia;

S. J. Res. 253. Joint resolution extending for 2 years the time within which American claimants may make application for payment, under the Settlement of War Claims Act of 1928, of awards of the Mixed Claims Commission and the Tripartite Claims Commission, and extending until March 10, 1940, the time within which Hungarian claimants may make application for payment, under the Settlement of War Claims Act of 1928, of awards of the War Claims Arbiter;

S. J. Res. 284. Joint resolution to authorize an appropriation for the expenses of participation by the United States in the Third Pan American Highway Conference; and

S. J. Res. 285. Joint resolution to authorize and request the President of the United States to invite the International Union of Geodesy and Geophysics to hold its seventh general assembly in the United States during the calendar year 1939, and to invite foreign governments to participate in that general assembly; and to authorize an appropriation to assist in meeting the expenses necessary for participation by the United States in the meeting.

BILLS AND JOINT RESOLUTIONS INTRODUCED

Bills and joint resolutions were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. NYE:

A bill (S. 4054) authorizing the naturalization of certain aliens; to the Committee on Immigration.

By Mr. COPELAND:

A bill (S. 4055) to authorize the construction of certain vessels for the Coast and Geodetic Survey, Department of Commerce, and for other purposes; to the Committee on Commerce.

Mr. LEE. Mr. President, at this time I desire to reintroduce my bill having to do with the domestic allotment for cotton. If this bill had been enacted, we would not be asked at this time to appropriate so much money for relief under the pending appropriation bill.

The VICE PRESIDENT. Without objection, the bill will be received and appropriately referred.

By Mr. LEE:

A bill (S. 4056) to amend the Agricultural Adjustment Act of 1938, as amended, to provide a domestic allotment plan with respect to the marketing of cotton; to the Committee on Agriculture and Forestry.

By Mr. THOMAS of Utah:

A bill (S. 4057) to amend the act entitled "An act authorizing an appropriation to effect a settlement of the remainder due on Pershing Hall, a memorial already erected in Paris, France, to the commander in chief, officers, and men of the Expeditionary Forces, and for other purposes", approved June 28, 1935; to the Committee on Military Affairs.

By Mr. CLARK:

A bill (S. 4058) relating to the rank and retired pay of certain persons who have been awarded a Congressional Medal of Honor; to the Committee on Military Affairs.

By Mr. TYDINGS (by request):

A bill (S. 4059) governing the retired pay of a chief pharmacist's mate, United States Navy; to the Committee on Naval Affairs.

By Mr. McGILL:

A bill (S. 4060) granting a pension to S. J. Claypool; to the Committee on Pensions.

By Mr. HATCH:

A bill (S. 4061) relating to funeral costs and transportation of bodies of certain deceased veterans; to the Committee on Military Affairs.

By Mr. COPELAND:

A bill (S. 4062) for the relief of Isaac Friedlander; to the Committee on Immigration.

By Mr. PEPPER:

A bill (S. 4063) to authorize the coinage of 50-cent pieces in commemoration of the commencement on March 2, 1937, of the historical restoration program at St. Augustine, Fla.; to the Committee on Banking and Currency.

(Mr. POPE introduced Senate Joint Resolution 298, which was referred to the Committee to Audit and Control the Contingent Expenses of the Senate and appears under a separate heading.)

By Mr. BAILEY:

A joint resolution (S. J. Res. 299) directing the Secretary of the Treasury, effective June 30, 1938, to cease buying silver other than newly mined domestic silver; to the Committee on Finance.

By Mr. O'MAHONEY:

A joint resolution (S. J. Res. 300) to create a temporary National Economic Committee; to the Committee on the Judiciary.

By Mr. COPELAND:

A joint resolution (S. J. Res. 301) to amend the Naturalization Act of June 29, 1906 (34 Stat. 596), as amended; to the Committee on Immigration.

CHANGE OF REFERENCE

On motion by Mr. GEORGE, the Committee on Finance was dischargd from the further consideration of the bill (S. 1298)

granting an increase of pension to Charles Adkins, and it was referred to the Committee on Pensions.

RELIEF AND WORK RELIEF APPROPRIATIONS—AMENDMENTS

Mr. LODGE submitted amendments intended to be proposed by him to the joint resolution (H. J. Res. 679) making appropriations for work relief, relief, and otherwise to increase employment by providing loans and grants for public-works projects, which were ordered to lie on the table and to be printed.

CONSTRUCTION AND REHABILITATION AT MILITARY POSTS—AMENDMENTS

Mr. SHEPPARD submitted amendments intended to be proposed by him to the bill (S. 4000) to authorize appropriations for construction and rehabilitation at military posts, and for other purposes, which were ordered to lie on the table and to be printed.

PUBLIC WORKS ON RIVERS AND HARBORS—AMENDMENT

Mr. SHEPPARD submitted an amendment intended to be proposed by him to the bill (H. R. 10618) authorizing the construction of certain public works on rivers and harbors for flood control, and for other purposes, which was referred to the Committee on Commerce and ordered to be printed.

PERMANENT BUREAU OF FINE ARTS—AMENDMENT

Mr. PEPPER submitted an amendment in the nature of a substitute intended to be proposed by him to the bill (S. 3296) to provide for a permanent Bureau of Fine Arts, which was referred to the Committee on Education and Labor and ordered to be printed.

THE PRESIDENT'S RELIEF AND RECOVERY PROGRAM—ADDRESS BY SENATOR WAGNER

[Mr. SCHWELLENBACH asked and obtained leave to have printed in the RECORD a radio address on the subject of the President's Relief and Recovery Program, delivered by Senator WAGNER on May 22, 1938, which appears in the Appendix.]

ADDRESS BY SENATOR MURRAY AT LOS ANGELES, CALIF.

[Mr. MCADOO asked and obtained leave to have printed in the RECORD an address delivered by Senator MURRAY at the Shrine Auditorium, Los Angeles, Calif., on April 13, 1938, which appears in the Appendix.]

GOVERNMENT SPENDING—RADIO DEBATE BETWEEN SENATOR GREEN AND JAY FRANKLIN

[Mr. HUGHES asked and obtained leave to have printed in the RECORD a radio debate broadcast on May 19, 1938, between Senator GREEN and Jay Franklin on the subject A Government Spending Program, which appears in the Appendix.]

THE NATIONAL BITUMINOUS COAL COMMISSION AND UNEMPLOYMENT

[Mr. HOLT asked and obtained leave to have printed in the RECORD a letter written by him to an unemployed miner, which appears in the Appendix.]

THE SECURITIES AND EXCHANGE COMMISSION AND THE STOCK EXCHANGE—ADDRESS OF WILLIAM O. DOUGLAS

[Mr. MALONEY asked and obtained permission to have printed in the RECORD an address delivered by Chairman William O. Douglas of the Securities and Exchange Commission, on May 20, 1938, at a meeting of the Association of Stock Exchange Firms, at the Commodore Hotel, New York City, which appears in the Appendix.]

GOVERNMENT SPENDING AND CREDIT EXPANSION—STATEMENT BY JAMES H. ROGERS

[Mr. MALONEY asked and obtained leave to have printed in the RECORD a statement by James Harvey Rogers, Sterling professor of political economy at Yale, on the subject of the new program of Government spending and credit expansion of the Roosevelt administration, which appears in the Appendix.]

SYSTEMS OF ACCOUNTING—ADDRESS BY E. F. BARTELT

[Mr. LEE asked and obtained leave to have printed in the RECORD an address delivered by E. F. Bartelt, Commissioner of Accounts and Deposits, United States Treasury Department, before the conference on municipal accounting and finance of the American Institute of Accountants, at the Stevens Hotel, Chicago, on March 28, 1938, and four letters pertaining thereto, which appear in the Appendix.]

FREEDOM OF THE PRESS—ADDRESS BY OLIVER B. LERCH

[Mr. DAVIS asked and obtained leave to have printed in the RECORD an address delivered by Oliver B. Lerch before the Lions Club of Pottsville, Pa., on May 16, 1938, on Freedom of the Press, which appears in the Appendix.]

AUTOMOBILE FINANCE COMPANIES

[Mr. BORAH asked and obtained leave to have printed in the RECORD a letter from Fred L. Wright, of Yorkville, Ill., and an article from the Chicago Tribune, relative to certain automobile finance companies, which appear in the Appendix.]

IRONIC ECONOMY—EDITORIAL FROM THE WASHINGTON POST

[Mr. COPELAND asked and obtained leave to have printed in the RECORD an editorial, entitled "Ironic Economy," published in the Washington Post of Friday, May 20, 1938, which appears in the Appendix.]

MISSTATEMENTS OF FACTS BY NEWSPAPERS

[Mr. MINTON asked and obtained leave to have printed in the RECORD an article from the Guild Reporter, of New York City, of today, entitled "An Open Letter to Senator MINTON," which appears in the Appendix.]

RELIEF AND WORK-RELIEF APPROPRIATIONS

Mr. ADAMS. I move that the Senate proceed to the consideration of House Joint Resolution 679, being the joint resolution making appropriations for work relief, relief, and so forth.

The VICE PRESIDENT. The question is on the motion of the Senator from Colorado.

The motion was agreed to; and the Senate proceeded to consider the joint resolution (H. J. Res. 679) making appropriations for work relief, relief, and otherwise to increase employment by providing loans and grants for public-works projects, which had been reported from the Committee on Appropriations with amendments.

Mr. ADAMS. I ask unanimous consent that the formal reading of the bill be dispensed with, and that the bill be read for amendment, the amendments of the committee to be first considered.

The VICE PRESIDENT. Without objection, it is so ordered.

REGISTRATION OF CERTAIN VESSELS—PACIFIC CLIPPER SHIPS

Mr. JOHNSON of California. Mr President, may I ask the Senator from Colorado if he will yield to allow me to present a measure in connection with which there is an emergency, which will take but a moment, and which I can present in 2 minutes' time?

Mr. ADAMS. I shall be very glad to yield.

Mr. JOHNSON of California. Mr. President, on last Thursday or Friday the House of Representatives passed a little bill relating to a certain steamer. It was essential because it related to the clipper ships that sail across the Pacific and the supplies necessary for those clipper ships at certain islands such as Guam, Midway, and the like. In acquiring a ship there was purchased a Canadian ship, and some difficulty arose as to whether it could leave the supplies that were essential for the clipper ships plying their voyages across the Pacific Ocean. In the House the bill was passed by unanimous consent, and I was authorized by the Committee on Commerce last Saturday to report the bill and to ask unanimous consent for its immediate consideration.

From the Committee on Commerce, therefore, I report back favorably with amendments the bill (S. 4049) to amend section 4132 of the Revised Statutes, as amended, and I submit a report (No. 1848) thereon. I ask unanimous consent for the immediate consideration of the bill.

The VICE PRESIDENT. The clerk will state the bill by title.

The LEGISLATIVE CLERK. A bill (S. 4049) to amend section 4132 of the Revised Statutes, as amended.

The VICE PRESIDENT. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill.

The amendments of the Committee on Commerce were, on page 1, line 4, after the word "amended", to strike out "(46 U. S. C. 11)" and insert "(U. S. C., 1934 ed., title 46, sec. 11)"; in line 9, after the word "prize", to insert a comma; in line 10, after the word "vessels", to insert a comma and "whether steam or sail,"; on page 2, line 4, after the name "Guam", to strike out "and"; and in the same line, after the name "Tutuila", to strike out "or with any noncontiguous possession or Territory subject to the jurisdiction of the United States, to which the coastwise laws do not apply" and insert "Wake, Midway, and Kingman Reef", so as to make the bill read:

Be it enacted, etc., That the first sentence of section 4132 of the Revised Statutes, as amended (U. S. C., 1934 ed., title 46, sec. 11), is hereby amended to read as follows:

"Vessels built within the United States and belonging wholly to citizens thereof, and vessels which may be captured in war by citizens of the United States and lawfully condemned as prize, or which may be adjudged to be forfeited for a breach of the laws of the United States, and seagoing vessels, whether steam or sail, which have been certified by the Bureau of Marine Inspection and Navigation as safe to carry dry and perishable cargo, wherever built, which are to engage only in trade with foreign countries, with the Philippine Islands, the Islands of Guam, Tutuila, Wake, Midway, and Kingman Reef, being wholly owned by citizens of the United States or corporations organized and chartered under the laws of the United States, or of any State thereof, the president and managing directors of which shall be citizens of the United States, and no others, may be registered as directed in this title."

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

Mr. JOHNSON of California subsequently said: Mr. President, a few moments ago I intended to ask for the consideration of House bill 10704. I want it perfectly clear that that was the bill to which I referred.

The PRESIDENT pro tempore. The bill to which the Senator refers had not come over from the House at the time the Senator called the matter up.

Mr. JOHNSON of California. The bill is here now, and I ask unanimous consent that the House bill may be considered in lieu of the Senate bill, and that it may have immediate consideration.

The PRESIDENT pro tempore. Is there objection?

There being no objection, the bill (H. R. 10704) to amend section 4132 of the Revised Statutes, as amended, was considered, ordered to a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the first sentence of section 4132 of the Revised Statutes, as amended (U. S. C., 1934 ed., title 46, sec. 11), is hereby amended to read as follows:

"Vessels built within the United States and belonging wholly to citizens thereof; and vessels which may be captured in war by citizens of the United States and lawfully condemned as prize, or which may be adjudged to be forfeited for a breach of the laws of the United States; and seagoing vessels, whether steam or sail, which have been certified by the Bureau of Marine Inspection and Navigation as safe to carry dry and perishable cargo, wherever built, which are to engage only in trade with foreign countries, with the Philippine Islands, the islands of Guam, Tutuila, Wake, Midway, and Kingman Reef, being wholly owned by citizens of the United States or corporations organized and chartered under the laws of the United States, or of any State thereof, the president and managing directors of which shall be citizens of the United States, and no others, may be registered as directed in this title."

Mr. McADOO. Mr. President, there was so much noise in the Senate Chamber that on this side we could not hear what the bill was. I should like to know what it is we are passing on.

Mr. JOHNSON of California. Mr. President, I may say to my colleague that the bill is one to relieve the situation so far as the Pan American Airways clipper ships are concerned in connection with facilities for refueling and restocking.

Mr. McADOO. I have no objection.

The PRESIDENT pro tempore. Without objection, the vote by which Senate bill 4049 was passed will be reconsidered, and the bill will be indefinitely postponed.

DEVELOPMENT AND REGULATION OF CIVIL AERONAUTICS

Mr. TRUMAN. Mr. President——

The VICE PRESIDENT. Does the Senator from Colorado yield to the Senator from Missouri?

Mr. ADAMS. I yield.

Mr. TRUMAN. I wish to ask the Senator from Colorado to yield to me for the purpose of making a preferential motion. I desire the Senate to concur in the House amendment to Senate bill 3045, which is now on the Vice President's desk.

The VICE PRESIDENT laid before the Senate the amendment of the House of Representatives to the bill (S. 3845) to create a Civil Aeronautics Authority and to promote the development and safety and to provide for the regulation of civil aeronautics.

The VICE PRESIDENT. The question is on concurring in the amendment of the House of Representatives.

Mr. McKELLAR. Mr. President, may we have some explanation of the matter?

Mr. TRUMAN. Yes; I will proceed with an explanation, if that is agreeable to the Senator from Colorado.

Mr. KING. Mr. President, will the Senator from Missouri yield for a question?

Mr. TRUMAN. Certainly.

Mr. KING. Does the Senator think he should take this matter up in the absence of the Senator from Nevada [Mr. McCARRAN]?

Mr. TRUMAN. I think it would be perfectly agreeable to the Senator from Nevada when the explanation is made.

Mr. KING. I understand the Senator from Nevada will return within a day or two, and it seems to me, in view of the fact that he has been greatly interested in the measure, that he should be present.

Mr. TRUMAN. I did not know the Senator from Nevada was going to be absent.

Mr. KING. The Senator from Nevada was called from the city because of a death in his family.

Mr. TRUMAN. I did not know that.

Mr. COPELAND. Mr. President, will the Senator yield to me for a moment?

Mr. TRUMAN. Certainly.

Mr. COPELAND. Mr. President, I would not think it conceivable, after the Senate had spent 3 days giving consideration to a bill with relation to civil aviation, that we should now concur in the House bill, which is the amendment to the Senate bill, when we have not at all considered the House bill in the Senate, and which materially differs from the Senate bill. It would be most inappropriate, in my opinion, to take any such action.

Mr. TRUMAN. Mr. President, will the Senator from Colorado yield to me further in order that I may make an explanation?

Mr. ADAMS. I yield.

Mr. TRUMAN. Mr. President, I am informed that the Senator from Nevada will not be back in the Senate for at least a week or 10 days. This is an emergency matter, for if the aviation authority proposed to be created is to be able to function it must be set up as soon as possible.

Mr. President, I do not believe that the slightest necessity exists for sending this civil aviation bill to a conference committee. It is true that the House amendment strikes out all of the Senate bill after the enacting clause and inserts an entirely new bill. The only reason that was done, however, was because of the fact that the House had already begun debate upon the bill sometime before it was passed by the Senate and did not, therefore, have an opportunity to make specific amendments to the Senate bill. The bills are in most respects identical.

I regret very much that the Senator from Nevada [Mr. McCARRAN] is not present today. However, for the benefit of those who may be reluctant to agree to the provisions of the House amendment in the Senator's absence, I may say

that the principal difference which exists between the House amendment and the bill as passed by the Senate relates to the organization of the new agency.

Senators will recall that the Senate adopted, over the strenuous objection of the Senator from Nevada, an amendment proposed by me which eliminated from the bill a provision restricting the President's power to remove members of the new agency. That action was taken by the Senate because of a constitutional question raised by the fact that the new agency will exercise many purely executive functions. The House likewise recognized this constitutional problem, but solved it in a somewhat different manner. Thus the House amendment contains a provision restricting the President's power to remove members of the authority. However, it vests in the members only the quasi-legislative and quasi-judicial functions prescribed in the bill. The executive functions are vested in an administrator who is to be appointed by the President and confirmed by the Senate, and to be subject to removal at will by the President.

With respect to that difference between the House amendment and the Senate bill, therefore, it is my opinion that the organization provisions of the House amendment meet the objections expressed here by the Senator from Nevada when my amendment to the Senate bill was under discussion.

It is essential that this proposed civil-aviation legislation be put into effect as speedily as possible. The nominations for the members of the new civil aeronautics authority must be made and confirmed by this House before adjournment if the making of temporary recess appointments is to be avoided. If the House amendment is disagreed to by the Senate, and the bill is sent to conference, the delay inherent in that procedure may make it virtually impossible, in the rush of adjournment, to secure confirmation of members of the new agency.

I feel that it would be extremely unfortunate if the civil aeronautics authority were operated until the next session of Congress upon what might be termed a temporary basis, by recess appointees. The primary purpose of this legislation is to establish a permanent policy of regulation and the administration of the act should be placed upon a permanent status at once.

I trust that the Senate will concur in the House amendment.

Mr. McGILL. Mr. President, will the Senator from Colorado yield to me?

Mr. ADAMS. I yield to the Senator from Kansas.

Mr. McGILL. When this measure was before the Senate an amendment was agreed to which placed certain proposed air lines to carry air mail in the same status that the air lines now carrying air mail would be in under the provisions of the bill.

It will be recalled that authorizations were made by Congress, appropriations were made, invitations for bids for approximately 10 or 12 extensions and new air lines to carry air mail have been submitted, and bids have been received. The Senate amendment put those extensions and those new air lines in exactly the same status that the existing air-mail lines are in at the present time, and would be in under the provisions of the bill. The House amendment does not do that.

Mr. TRUMAN. Mr. President, I differ with the Senator. I think the House amendment is broader than the Senate amendment.

Mr. McGILL. I think I can readily demonstrate to those who are interested particularly in the new lines that the provision of the House bill does not place them in the same status in which they were placed by virtue of the provisions of the Senate bill. As I understand, the House provision is contained on page 7076 of the CONGRESSIONAL RECORD; and I invite the attention of the Senate, and especially of the chairman of the Senate Committee on Post Offices and Post Roads, the Senator from Tennessee [Mr. McKELLAR], to this provision:

> The Authority shall issue a certificate or certificates, upon evidence of adequate and efficient service, to applicants who are operating in the transportation of mail under contracts with the Postmaster General, and likewise to applicants whose bids on contracts for the transportation of mail by aircraft, based upon advertisements issued between April 1, 1938, and the effective date of this section, shall have been accepted by the Postmaster General, authorizing such applicants to transport mail and all other classes of traffic for which authorization is sought between the terminals and intermediate points covered by such contracts or such advertisements, as the case may be.

In other words, the House provision means that the advertisements shall be made and bids accepted by the Postmaster General between April 1 and the effective date of this section.

Mr. TRUMAN. Which is 60 days after the bill is signed.

Mr. McGILL. Which is 60 days from the time the bill is approved. The Senate provision contained no such limitation. The Senate provision placed the proposed air lines in exactly the same status as the existing air lines carrying mail. This provision proposes to limit the authority to create the new air lines, and to require that they be approved in all respects by the Postmaster General within a period of 60 days from the time of the enactment of the measure. So I think there is quite a difference between the provision of the Senate bill and that of the House measure.

We are in this situation at the present time: In the cases of some of the proposed lines, bids have been received and rejected by reason of the fact that they did not conform to the statute, or they were held by the legal division of the Post Office Department not to conform to law. Therefore, the lines have been called upon to submit new and additional bids. That has been done. We do not know and cannot tell whether a legal bid will be made and accepted within 60 days after the effective date of this act.

Mr. PITTMAN. Mr. President, will the Senator yield?

Mr. ADAMS. I yield to the Senator from Nevada.

Mr. PITTMAN. I understood the junior Senator from Missouri [Mr. TRUMAN] to state that my colleague [Mr. McCARRAN] is absent, and probably will not be back for 8 or 10 days.

Mr. TRUMAN. That is what I was told. I did not know he was absent until I came to the Senate Chamber this morning.

Mr. PITTMAN. I took occasion to have his office communicated with just a few minutes ago, and his secretary stated that he is expected back tomorrow. In view of that fact——

Mr. TRUMAN. In that case I shall be most happy to wait until the junior Senator from Nevada returns.

Mr. PITTMAN. I have not finished my statement. I say, the junior Senator from Nevada is expected back tomorrow. I think, in view of the circumstances, it would be very unusual procedure and very discourteous to attempt to rush this measure through today.

Mr. TRUMAN. Mr. President——

Mr. PITTMAN. I also wish to say that I think it is very careless and improper legislative procedure to have brought before the Senate a House bill about which we know nothing on earth, a bill dealing with an extremely important subject, and to have someone who opposed in some particulars the bill presented by my colleague ask this body to vote to accept the House substitute, no one here knowing anything about it, and without giving it any consideration. If it were insisted on, there would be a debate which would make the request useless.

Mr. TRUMAN. Mr. President, I think the statement of the senior Senator from Nevada is entirely uncalled for. The motion was made before I knew that the junior Senator from Nevada [Mr. McCARRAN] was absent. When I found out that he would be back tomorrow, I stated that I was perfectly willing to withdraw the motion until his return. Nobody is trying to put anything at all over on the Senator from Nevada.

Mr. McKELLAR subsequently said: Mr. President, I desire to ask the Senator from Missouri a question about the matter which has just gone over.

On page 12 of the House amendment I note this language:

> The members of the Authority may be removed by the President for inefficiency, neglect of duty, or malfeasance in office.

That provision is the same as one which appeared in the Senate committee bill, and which was stricken out by the Senate after quite an argument. Is that not correct?

Mr. TRUMAN. The Senator is correct.

Mr. McKELLAR. If we agree to the House amendment we will agree to restrict the power of the President over the members of the authority, just as was provided in the provision which was stricken out of the Senate committee bill.

Mr. TRUMAN. Yes. The House overcame the Senate objection by providing for the appointment of an administrator to handle all of the executive functions under the authority, the administrator to be removable at the behest of the President.

Mr. McKELLAR. When the proper time comes I certainly shall oppose restricting the President's power over the commission.

I wanted to make this statement at this time.

NATIONAL LABOR RELATIONS BOARD

Mr. WAGNER. Mr. President——

Mr. ADAMS. I yield to the Senator from New York.

Mr. WAGNER. In view of current discussion of the work of the National Labor Relations Board it will be of interest to have printed in the RECORD the latest report of the Board's operations.

Briefly, the cumulative record to May 1, 1938, is as follows:

The Board has handled 14,207 cases, involving more than three and one-half million workers. Almost three-fourths of the cases have been closed, 55 percent of these by agreement of the parties, 16 percent by dismissal of cases by the Board, and 24 percent by withdrawal of charges or petitions by the parties. Only 1 out of every 20 cases went to public hearing.

The Board has settled 1,173 strikes and has averted 556 immediately threatened strikes.

More than 1,200 elections have been held.

I ask that the full text of the Board's report be printed in the RECORD as part of my remarks.

There being no objection, the report was ordered to be printed in the RECORD, as follows:

N. L. R. B. HANDLED 14,207 CASES TO MAY 1, 1938, INVOLVING 3,578,688 WORKERS

A cumulative operations report, issued today, shows the four ways in which the N. L. R. B., since its first case in October 1935, has disposed of 10,447 labor disputes involving 2,116,338 workers.

In terms of percentages the 10,447 cases were closed as follows: 55 percent by agreement of both parties; 16 percent dismissed by the Board; 24 percent were withdrawn by those who began the cases; 5 percent in some other way, mainly by Board decisions and certification of representatives after elections, or by compliance, by dismissal, or transfer to some other agencies.

Since 95 percent of the cases was closed informally, only 1 in every 20 cases was subject to a public hearing.

In terms of the 2,116,338 workers involved in Board closed cases these results show: 1,197,124 workers were parties to the agreement which closed the cases; 216,305 had their cases dismissed; 541,841 had their cases withdrawn; 161,068 were in cases formerly decided by the Board, transfer, etc.

While it does not appear in the cumulative report tabulations, it was pointed out that 60 percent of the closed cases involved charges of unfair labor practices and 40 percent involved employee representation issues. Of the 60 percent which involved unfair labor practices, 3,818 were cases closed by agreement, 1,399 dismissed, and 1,833 withdrawn. The total, 7,050, represents that many cases in which employers, under Board intervention, were relieved of a labor dispute, more than half of them through their compliance with the act and the others through having their cases dropped.

The Board's report follows:

A total of 14,207 cases has been handled by the Board since the fall of 1935. This figure includes action on charges of unfair labor practices and petitions for elections received by the Board and its 22 regional offices. The 14,207 cases involved 3,578,688 workers.

The data shows Board activities up to May 1, 1938. During April 827 new cases arose, involving 180,179 workers, as against 896 new cases during the previous month, involving 161,266 workers.

The Board announced that 10,447 of the cases handled, or almost three-fourths, have been closed, leaving 3,760 cases pending on May 1.

Of these 10,447 cases, 5,738, or 55 percent, were closed by agreement of both parties, involving 1,197,124 workers.

One thousand six hundred and fifty-nine, or 16 percent, involving 216,305 workers, were dismissed by the Board and regional directors.

Two thousand five hundred and twenty-three cases, or 24 percent, involving 541,841 workers, were withdrawn.

Five hundred and twenty-seven cases, or 5 percent, involving 161,068 workers, were closed in some other way, including compliance with the Board's decisions and trial examiners' intermediate reports, certifications after elections, refusal by Board to certify, intermediate reports finding no violation, transfer to other agencies, such as the Conciliation Service of the Department of Labor and State labor relations boards, and by the issuance of cease and desist orders.

Of the total cases closed, 1,548 were strike cases involving 275,140 workers, and of these 1,173, or about 76 percent, were settled, and 182,654 workers were reinstated after strikes and lock-outs.

Five hundred and fifty-six strikes, involving 144,718 workers, were averted through the Board's action.

An additional 9,461 workers were reinstated after discriminatory discharge.

There were 1,218 elections held in which 433,484 valid votes were cast.

An analysis of the causes of complaints shows that 4,477 of the total number of cases which came before the Board and its regional offices in the 31 months of its operations, concerned section 8, subdivision (3), of the act, which makes it an unfair labor practice to discriminate against workers because of their union affiliation or activities. In 3,158 cases the main cause of complaint was based on section 8, subdivision (5), of the act, the failure of the employer in good faith to bargain collectively with the representatives chosen by the employees to deal with the management. The Board has received up to May 1, 1938, a total of 4,499 petitions asking either certification of representatives or the holding of elections under Board supervision to determine the bargaining agencies of the employees. A total of 1,607,838 employees joined in these petitions.

The following shows the disposition of cases during April only:

Charges and petitions for elections received, 827, involving 180,179 workers.

Cases closed during April, 595, involving 144,607 workers.

Agreement of both parties reached in 315 cases, representing over one-half the total cases closed during April, and involving 36,688 workers.

One case involving 65 workers was closed by compliance with the trial examiner's intermediate report.

Twenty-three cases involving 11,557 workers were closed by certification after elections.

Three cases involving 1,625 workers were transferred to other agencies, including transfers from one regional office to another.

Cases dismissed by the Board and regional directors, 103, involving 13,496 workers.

Cases withdrawn before formal action was taken, 149, involving 81,175 workers.

One case involving one worker was closed after issuance of intermediate report finding no violation of the act had occurred.

In 53 cases under consideraion of the Board or its offices, 9,692 workers were out on strike, and 26 of these cases were settled during the month by agreements between the parties.

Thirteen threatened strikes, involving 2,480 workers, were averted through the Board's action.

Three thousand nine hundred and sixty-one workers were reinstated after strikes or lock-outs during April.

Two hundred and six workers were reinstated after discriminatory discharges.

Seventy-one elections were held in which 18,700 valid votes were cast.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Calloway, one of its reading clerks, announced that the House had passed the bill (S. 3949) to amend the Agricultural Adjustment Act of 1938, with amendments, in which it requested the concurrence of the Senate.

The message also announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 7104) for the relief of the estate of F. Gray Griswold.

The message further announced that the House had disagreed to the amendments of the Senate to the bill (H. R. 1591) to require the registration of certain persons employed by agencies to disseminate propaganda in the United States, and for other purposes, asked a conference with the Senate on the disagreeing votes of the two Houses thereon, and that Mr. SUMNERS of Texas, Mr. CELLER, and Mr. GUYER were appointed managers on the part of the House at the conference.

The message also announced that the House had severally agreed to the amendment of the Senate to the following bills of the House:

H. R. 1486. An act to amend section 30 of the act of March 2, 1917, entitled "An act to provide a civil government for Porto Rico, and for other purposes";

H. R. 9683. An act to extend the times for commencing and completing the construction of a bridge across the Ohio River between Rockport, Ind., and Owensboro, Ky.;

H. R. 10193. An act authorizing the temporary detail of United States employees, possessing special qualifications, to governments of American republics and the Philippines, and for other purposes; and

H. R. 10535. An act to amend the Second Liberty Bond Act, as amended.

The message further announced that the House had agreed to the amendments of the Senate to the following bills of the House:

H. R. 7778. An act to amend section 26, title I, chapter 1, of the act entitled "An act making further provision for a civil government for Alaska, and for other purposes," approved June 6, 1900; and

H. R. 8700. An act relating to the retirement of the justices of the Supreme Court of the Territory of Hawaii and judges of the United States District Court for the Territory of Hawaii.

The message also announced that the House had agreed to the amendment of the Senate to the joint resolution (H. J. Res. 622) authorizing the President of the United States of America to proclaim October 11, 1938, General Pulaski's Memorial Day for the observance and commemoration of the death of Brig. Gen. Casimir Pulaski.

The message further announced that the House had agreed to the amendment of the Senate to the joint resolution (H. J. Res. 678) making an additional appropriation for grants to States for unemployment compensation administration, Social Security Board, for the fiscal year ending June 30, 1938, with an amendment, in which it requested the concurrence of the Senate.

The message also announced that the House had passed the following bills and joint resolution, in which it requested the concurrence of the Senate:

H. R. 10618. An act authorizing the construction of certain public works on rivers and harbors for flood control, and for other purposes;

H. R. 10704. An act to amend section 4132 of the Revised Statutes, as amended; and

H. J. Res. 655. Joint resolution amending paragraph (4) of subsection (n) of section 12B of the Federal Reserve Act, as amended.

HOUSE BILL AND JOINT RESOLUTION

The following bill and joint resolution were each read twice by their titles and referred or ordered to be placed on the calendar as indicated below:

H. R. 10618. An act authorizing the construction of certain public works on rivers and harbors for flood control, and for other purposes; to the Committee on Commerce.

H. J. Res. 655. Joint resolution amending paragraph (4) of subsection (n) of section 12B of the Federal Reserve Act, as amended; to the calendar.

RELIEF AND WORK-RELIEF APPROPRIATIONS

The Senate resumed the consideration of the joint resolution (H. J. Res. 679) making appropriations for work relief, relief, and otherwise to increase employment by providing loans and grants for public-works projects.

Mr. BARKLEY. Mr. President——

Mr. McNARY. I demand the regular order.

The PRESIDENT pro tempore. The regular order is the consideration of the first amendment of the committee, which will be stated.

The CHIEF CLERK. It is proposed to insert after the resolving clause, "This joint resolution may be cited as the 'Work Relief and Public Works Appropriation Act of 1938.'"

Mr. VANDENBERG. Mr. President, does the Senator from Colorado intend to make a general statement regarding the joint resolution?

Mr. ADAMS. I do, in connection with the first amendment. It seems appropriate in connection with that.

Mr. President, at the time the Emergency Relief Appropriation Act of 1937 was before the Senate, approximately a year ago, business conditions were improving rapidly. When Mr. Hopkins appeared before the Committee on Appropriations he told us that he was very hopeful that there would be a constant decline in unemployment and in relief necessities, as a result of which, following his views, the appropriation was made upon the basis of a declining relief load. For a time conditions followed the expectations, and the number of names upon the W. P. A. rolls dropped below 1,400,000, having been, during the high period of relief, over 3,000,000.

After the passage of the bill, later in the year, business conditions changed, unemployment increased, agricultural prices began to fall, stock prices fell, factories began to shut down, and a general economic decline came over the country.

It does not matter what may have been the cause of the decline; the determination of that question is not the function of those of us who are seeking to meet the relief problem. The relief problem has grown more acute in the land. Today there are 2,600,000 upon the rolls of the relief administration; there are 500,000 who have qualified, through the local relief agencies, and for whom funds are not available.

The result is that in the pending relief measure we are asked to appropriate more money per month than in the relief bill of a year ago. This bill as originally introduced, and as it passed the House, provided for an appropriation for the Works Progress Administration of $1,250,000,000 for the relief purposes, with the usual designation of the character of the relief, and the character of projects to which applicable. That sum of money was estimated to cover the period of 7 months, not the ordinary period of a fiscal year, but 7 months. That was because of the impossibility of knowing in advance what might be the economic and relief conditions, so that the period was fixed to the 1st of February, which would give Congress a month after reconvening in January 1939, to adjust itself and to ascertain the requirements and make any appropriations then needed.

After considering the matter the committee decided that it would be wiser to extend the period to 8 months. As a result, the item of appropriations for this purpose was increased from a billion and a quarter to a billion four hundred and twenty-five million dollars, or an increase of $175,000,000, not an increase per person during the period but an increase necessitated by the addition of another month to the relief period covered by the bill.

The figures of Mr. Hopkins as to relief show that individual relief cases cost the Works Progress Administration on an average throughout the United States $63.50; that there is on an average contributed from States, municipalities, and sponsors $18.50 per person, so that the aggregate relief cost is $82 per person. These anticipations and this appropriation are based upon the continuation of that cost per person.

There are 2,600,000 now upon the rolls. There are 500,000 who are in need of going upon the rolls. According to the statement of Mr. Hopkins, the appropriations will provide means sufficient to raise the number to 2,800,000; and he says that when there is a decline of unemployment, which is anticipated through the harvest season and the fall, this number will cover practically all of those now certified and entitled to relief but who are unable to get upon the rolls.

Mr. President, I have stated the occasion for the first amendment, on page 2.

Mr. McNARY. Mr. President, will the Senator yield?

Mr. ADAMS. I yield.

Mr. McNARY. How do the figures in the Senate bill compare with those which were carried last year in a similar measure?

Mr. ADAMS. The figures are practically the same per person. They are calculated upon the same basis per person. The figures are larger in the aggregate, because last year the relief load went down to 1,450,000 persons, and it was anticipated that the relief roll would drop at the end of the fiscal year practically to that point.

Mr. McNARY. So the sum expended last year and the sum proposed to be provided for this year are comparable sums?

Mr. ADAMS. That is correct.

Mr. McNARY. Then may I fairly assume that the appropriation that is carried in the joint resolution before us is presented on the assumption that the depression and the unemployment will continue during the fall and winter and spring?

Mr. ADAMS. The figures, I will say to the Senator from Oregon, inevitably contemplate, or at least make preparation for, a continuance of a heavy relief load until the 1st of March and make provision for it. Of course, no one knows what the conditions will be. Every one of us, regardless of the section from which we come, is hopeful that the relief load may go down; but the purpose of the committee, following the recommendations of Mr. Hopkins, was to make provision for 3,000,000 during the peak point in the winter.

Mr. McNARY. Mr. President, I am not criticizing. The whole foundation of this document is that the conditions now obtaining will continue for another year?

Mr. ADAMS. I do not want quite to concede that, for two reasons: In the first place, the appropriation is to be made for 8 months in the hope that conditions may then be improved. Again provision is made to care of that condition, if it exists, but not without hope that the condition may be better.

Mr. McNARY. Is it thought that the relief work provided in the pending measure will be under way early in the fall?

Mr. ADAMS. Of course, the Works Progress Administration part of it is now under way; that is, that work is continuous. The public-works section of the bill is section 2. It is hoped that that work may commence very promptly, some of it within 30 days, and some of it within 60 days. The committee, in discussing that matter with the Secretary of the Interior, inquired as to his ability to start the work promptly. He said to us that there were projects which could be started in 30 days and that there were some projects that could be started in 60 days, these being projects which had been surveyed, examined, and approved before this time. That is, they were on his rolls as approved projects, and he had made inquiry throughout the country to ascertain whether or not those projects were still available.

Mr. McNARY. It is the able Senator's hope, and that of the administration, that the activities under this joint resolution will be in full operation during the fall.

Mr. ADAMS. I will state to the Senator that I am not endeavoring to underwrite the provision. What is sought to be done is to make the best possible provision to meet the situation.

Mr. McNARY. I have no doubt about that. I want a little more direct answer from the Senator. It is the hope of the Senator, I assume, that the activities under the three titles of the joint resolution will be in full operation during the fall, is it not?

Mr. ADAMS. I think the Senator would join with me in that hope.

Mr. McNARY. I join with him in the hope with respect to title I only.

Mr. VANDENBERG. Mr. President, the problem which is presented in the joint resolution before the Senate involves, in my judgment, the most important issue before the country, because wrapped up in it not only are the humanities affecting the victims of depression but also wrapped up in it are the fate and destiny of the public credit of the United States.

At the very outset of the discussion I wish to take this opportunity to present in full the opposition's views and the opposition's program respecting this problem. I rise to argue what I profoundly believe to be the fatal and indefensible character of the pending relief bill, and to propose an alternative program which can provide more relief for less money, and which would treat the unemployed and other unfortunates with greater equity.

At the outset, Mr. President, I want to dismiss in a paragraph the political implications in the pending system, and the pending legislation's purpose to perpetuate these political implications. They are perfectly obvious in a record which discloses sharply increased relief rolls between June and November in the election years of 1934 and 1936, and the sharply decreased relief rolls between these same telltale months in the nonelection years of 1933, 1935, and 1937. One needs but to know that 1938 is another election year in order also to know what lies ahead in the pending prospectus.

Politics and relief are inseparably connected in any such system as that under which we operate. The famous Nationwide Gallup poll recently found 65 percent of the American people answering in the affirmative the question, "In your opinion, does politics play a part in the handling of relief in your locality?" I repeat that the answer of 2 out of 3 citizens was "yes."

Political scandal—rampant in many sections of the country—is inevitable under such a system, and it would make little difference under such a system what party was in power. The vice is inherent in the system. The high W. P. A. administrator may utter pious and entirely conscientious warnings that his largess must not be used to "prime the polls"; but in the same breath he finds it necessary to purge himself of any responsibility for what the "dumb politicians," as he calls them, may do in their practical relations with his relief customers. His disclaimer, in other words, is nothing more than a plea in avoidance.

It is a shocking shame that anybody, any time, anywhere should play politics with human misery. Yet it is inevitable, I repeat, in the system we are asked to perpetuate. This is the first great reason why the existing system is wrong, why it should be courageously changed, why a nonpolitical substitute should be devised.

Control of the purse, particularly when it distributes bread, is control of destiny. It is political control and political debauchery, no matter how earnestly its overlords profess to labor to the contrary.

With these few preliminary observations, Mr. President, I hope I may dismiss all political factors from my further discussion of this subject. I want to deal with it on the basis solely of sound economics and fair play. I want to treat a great national crisis—and that is precisely what is involved—on the basis of vital national considerations, which transcend politics, which enlist a common interest on both sides of the Senate aisle, and which involve not only the welfare of our 15,000,000 major victims of a new depression but also the very preservation of our institutions.

I want to treat this crisis unequivocally and undeniably on the basis, first, that no citizen shall go unhoused, unfed, or ill-clad; but, second, that these victims of depression shall be saved from such a collapse of the public credit that their sole reliance shall not fall and fail.

Title 1 of the pending joint resolution as it comes from the House directly appropriates $1,529,425,000 and in addition carries forward certain unexpended balances for work relief and relief. This section may be called the W. P. A. section of the joint resolution. I propose, as a substitute, that a nonpartisan Federal commission shall allocate these same sums to nonpartisan relief commissions in each State in lump-sum Federal grants-in-aid, to be matched to the extent of at least 25 percent in each State; and that each State thereupon shall decide for itself where, when, and how it shall meet its own relief problem, and each State shall handle its own problem as may best suit its own knowledge of its own problem. This course will accomplish several indispensably desirable results.

I may say parenthetically in advance that the conclusions I submit in this respect are not my own alone. I shall demonstrate that they are sustained by the best social-service thought in America. The following is what we claim to be a summation of the advantages to be attained by the alternative method:

First. It will eliminate costly duplications and wastes in Federal overhead, which represents relief money that never

reaches our needy citizens. Thus automatically more actual relief can be bought for less money.

Second. It will eliminate divided responsibility for relief, part Federal and part State and local, which results in an insufferable, undemocratic discrimination as between citizens in equal need of relief. Thus it is calculated to terminate a prejudicial system which is now creating special privilege for a favored minority among our unfortunate and our unemployed.

Third. It will assist hard-pressed State and local units of government—many of which are at the fiscal breaking point—to deal equitably and dependably with all phases of relief, instead of being forced to deal doubtfully and inequitably with that portion of the load—often a major portion—which the existing Federal formula leaves exclusively on local shoulders.

Fourth. It will at least partially repel the sinister and empty notion that money from Washington is manna from heaven, which need not be husbanded like real money, raised by real taxes in the community where the money is spent. Thus it will serve to police the relief system by what may be called the "power of neighborhood opinion", the only possible restraint upon extravagance, exploitation, and waste.

Fifth. It will standardize relief expenditures so that we may frankly face the problem—too long ignored—of cutting our garment to our cloth.

I shall enlarge upon these propositions presently.

Title II of the pending joint resolution makes a direct appropriation of $965,000,000 for what may be called "pump priming"—the creation of work projects for the purpose of distributing consumer buying power. I propose to eliminate title II entirely for the following general reasons:

First. Pump priming has been tried in fabulous doses between 1933 and 1938. It failed to produce stabilized prosperity. There is no reason to expect better results from a lesser dose today. We started in 1933 with 11,000,000 unemployed. We wind up in 1938 with probably 15,000,000 unemployed. We also wind up with $20,000,000,000 more of national debt and most of our industrial reserves depleted or destroyed. Thus pump priming has less of a chance to succeed today than it had before, when it palpably failed. Indeed, it is no longer pump priming. It is now cistern priming; and nobody, living or dead, ever successfully primed a cistern.

Second. Pump priming actually defeats sound recovery—and thus actually postpones the real jobs which most reliefers want. It defeats recovery by further jeopardizing the public credit; by trending toward a Federal deficit which, for the next fiscal year, is likely to pass $5,000,000,000; by making any semblance of a balanced Budget impossible for years to come, thus undermining the public confidence, which every economist worthy of the name has declared to be prerequisite to recovery and reemployment.

Third. There is a need for larger consumer buying power. It is at the base of our recovery problem. But our lost consumer buying power is 20 times as great as the proposed pump priming will produce. The pump priming is only a drop in the bucket. The lost consumer buying power can be restored only by convalescent private business. We can obtain purchasing power only by obtaining more production in business as distinguished from Government. Pump priming discourages business, because pump priming is notoriously unsound. What hurts business hurts all of us.

Fourth. Pump priming creates yet another special-privilege group among the unfortunate and the unemployed. It aggravates the discriminations between citizens on relief. It leaves the majority of reliefers at still greater relative disadvantage. It is, therefore, as undemocratic as it is unsound.

Fifth. Pump priming is at war with the general welfare, because it thrusts a final burden upon an empty Treasury, which can ill-afford the strain after 5 years of spending at a tempo which exceeded all the Federal expenditures for 129 years, from George Washington down to the armistice in 1918. I call just two witnesses to sustain this portion of the indictment.

The first is a voice from an honored tomb. The late Senator Joseph T. Robinson, long the Democratic leader in the Senate, said as long ago as May 11, 1932:

> A balanced Budget is indispensable. We shall go further down into the depths unless expenses and receipts are brought together. The fear this will not be done nullifies every plan enacted or proposed.

My second witness is President Roosevelt himself, who stated in October 1932:

> If in some crises the Government lives beyond its income for a year or two, it can usually borrow temporarily on reasonable terms. But if, like a spendthrift, it throws discretion to the winds, is willing to make no sacrifice at all in spending, extends its taxation to the limit of the people's power to pay, and continues to pile up deficits, it is on the road to bankruptcy.

Those are the President's words, not mine.

These statesmen were right 6 years ago. The intervening pump-priming years have proved them right. I still stand where they then stood. I reject the wishful inconsistency which deserts a great truth at the very moment of its vivid proof.

After the expenditure, all told, of almost $40,000,000,000—pushing down what the President calls "the road to bankruptcy" in pursuit of the mirage of pump-priming prosperity—the industrial production for April of this year is estimated by the Federal Reserve Board to be 22 index points below the level reached in July 1933 and only 19 points above the level of July 1932, when the first depression hit bottom. Some of the expenditures for relief were inevitable, and are not to be criticized. But that is beside the present point. Much of the expenditure was for pump-priming purposes. Obviously, it has not worked. Yet we now are required to take the same old chance again—still pushing down the road to bankruptcy, still chasing the mirage.

I have previously referred to the Gallup poll as an index to American thinking. As recently as last April 17 the American people were asked this interesting question:

> In your opinion, which will do more to get us out of the depression, increase Government spending for relief and public works or to help business by reducing taxes?

The answer of the American people was 21 percent for pump priming and 79 percent for reduced taxes. It was not a particularly intelligent question, because there is no chance to reduce taxes to any appreciable degree so long as the Federal Government spends twice as much as it takes in; but, interpreted liberally, it indicated a wholesome intelligent belief on the part of the American people that recovery in jobs depends far more on the success of private business, released to its own resources through a national suspension of governmental interference, than upon another lavish outpouring of funds at the expense of a heavily increased public debt. That was a sensible verdict. We have all the latent forces for a wholesome recuperation, if business could only acquire a bit of sustained and justified confidence in government. But, returning to the poll, 4 citizens out of 5 logically and appropriately turned thumbs down on pump priming. Their recent experience with this futile patent medicine was enough.

Then came a Presidential "fireside chat" and the majority, although still a substantial majority, dropped off. We are, indeed, a volatile people. But suppose the "fireside chat" had been consistent with the Presidential speech at Pittsburgh on October 19, 1932. Suppose it had still been clinging to elementary mathematics, the sort of simple arithmetic which figures out that the Government cannot spend two or three billion dollars without taking it out of the American taxpayers. Suppose the "fireside chat" had envisioned the entire new spending program which finally amounts to a total of some $6,000,000,000, and which inevitably puts this amazingly heavy burden on the tax-paying backs that already groan beneath an already staggering load. Suppose the President had reiterated what he said at Pittsburgh that—

> Taxes are paid in the sweat of every man who labors because they are a burden on production and are paid through production. If those taxes are excessive, they are reflected in idle factories, in

tax-sold farms, and in hordes of hungry people tramping the streets seeking jobs in vain. They pay in deductions from wages, in increased cost of what they buy, or, as now—

This is the President speaking—

or, as now, in broad unemployment throughout the land. There is not an unemployed man, there is not a struggling farmer whose interest in this subject is not direct and vital. It comes home to every one of us.

Now, suppose the President had said the same thing——

Mr. CONNALLY. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Michigan yield to the Senator from Texas?

Mr. VANDENBERG. I yield.

Mr. CONNALLY. Of course, the President was speaking there of the burden of taxation, as I understand the Senator. Did or did not the Senator from Michigan vote for most of the appropriations that have been passed for relief and emergency purposes since March 1933?

Mr. VANDENBERG. I think the Senator has voted against every relief appropriation bill in the form in which it was submitted.

Mr. CONNALLY. The Senator from Michigan?

Mr. VANDENBERG. Yes.

Mr. CONNALLY. Then the Senator all the time, for 5 years, has been against relief to the needy and the unemployed?

Mr. VANDENBERG. No; and I decline to yield to the Senator for that sort of interruption, because it is neither pertinent nor fair nor just.

Mr. CONNALLY. I am asking the Senator a question.

Mr. VANDENBERG. It is fairly typical of the Senator from Texas, but it neither comports with the things I have already said before the Senator reached the floor nor with my own record.

Mr. CONNALLY. If the Senator will yield for just a moment——

Mr. VANDENBERG. I will yield for just a moment.

Mr. CONNALLY. I am sorry to have irritated the Senator.

Mr. VANDENBERG. The Senator from Michigan is always irritated to be misrepresented.

Mr. CONNALLY. The Senator from Texas has made no statement; he was asking a question, and if the astute and nimble Senator from Michigan cannot answer a simple question, then I refuse to bother with him. The Senator did not let me finish my question.

Mr. VANDENBERG. I heard enough of it to know what kind of question it was. [Laughter.]

Mr. CONNALLY. Oh, well. The Senator from Michigan said he voted against all the relief bills as presented. The Senator from Texas then wanted to ask him if he had not been against all relief measures as finally passed and as finally administered. Now he can answer that or not, if he wants to.

Mr. VANDENBERG. The Senator will answer it, but will continue to answer in his own way. He will not permit himself to be misrepresented by the Senator from Texas.

Mr. CONNALLY. The Senator from Texas——

Mr. VANDENBERG. I have the floor.

Mr. CONNALLY. Go ahead. I will answer the Senator when he gets through.

Mr. VANDENBERG. I am speaking in my own time.

Mr. CONNALLY. I shall have a little time; it does not all belong to the Senator from Michigan.

Mr. VANDENBERG. It does at the moment, and I think I can demonstrate that it does at the moment if the Senator wants to try it further.

Mr. BYRNES. Mr. President——

Mr. VANDENBERG. I yield to the Senator from South Carolina.

Mr. BYRNES. I think the Senator's recollection is in error about his attitude as to relief bills.

Mr. VANDENBERG. I may say to the Senator that I am thinking particularly of the $4,800,000,000 relief measure, which I think typifies the bill I am discussing.

Mr. BYRNES. The Senator is correct; he did vote against that bill, but the Senator voted for the first bill in 1933 and the Senator is also recorded as having voted for the last bill for the year ending June 1938.

Mr. VANDENBERG. The latter bill was the $250,000,000 supplement?

Mr. BYRNES. That is correct. The first bill was the bill of 1933 for which the Senator voted; the Senator voted against the 1935 bill.

Mr. VANDENBERG. I thank the Senator for presenting the precise record, so that I do not have to speak from memory.

The $4,880,000,000 was the one which completely typifies the problem which we again have before us. The first relief bill was our first attack on the problem and our first effort to deal with it in any way. I now recall that we were all perfectly willing to go along with it as an experiment. We learned a lot of things in the course of that year, and what I learned, so far as I am concerned, was reflected in that vote against the $4,880,000,000 bill, not because I was voting against relief, not because I am not prepared to grant relief, as I shall clearly demonstrate, but because I am utterly and absolutely opposed to a discriminatory relief system which, under the existing bill, consigns two-thirds of those on relief to a mere pittance of a dole while it creates a special sort of privileged class among the unemployed to whom special privilege and special favor are granted. Those who want that sort of a system are welcome to embrace it. If opposing that sort of a system can be interpreted as opposing relief then I totally fail to understand the processes of logic.

Mr. President, before I was interrupted, I was discussing the response of the American people to the President's pump-priming appeal. I was suggesting that if the President had issued to the American people the same sort of statement he had previously made the response of the people to the Gallup poll might have been different.

Suppose the President had said the same thing, I repeat, in his "fireside chat" of April 1938 that he had said in his appeal for funds in October 1932—and that is the sentiment I have previously quoted from him at Pittsburgh—would not the majority against pump priming have increased to almost smothering proportions? In other words, if it had been frankly told the American people that there is not one penny that the Federal Government can get from anywhere on earth except from the pockets of the American taxpayer, and if it had been emphasized to them, Mr. President, 6 years ago that all taxes are finally paid in the sweat of the brow of labor itself—if that had been driven home to the American people, instead of permitting this new easy-money conviction to possess the minds of our people, that there is something eternal about these appropriations from Washington, something like manna from heaven that nobody has ever really to pay for, if the reality of the tax challenge, I repeat, had been presented to the American people, I wonder if it would not have still more increased the majority by which they spoke in this poll against pump priming?

Is what the President said any less true in 1938 than it was in 1932? It is not, and the interim has proved it.

Many petitioners ask me to "support the President." I do, as he spoke in 1932; but I cannot change fast enough to switch to his position in 1938. I still agree that—

There is not an unemployed man, there is not a struggling farmer, whose interest in this subject is not direct and vital.

I still agree that this measure finally makes for less jobs rather than for more—the President's philosophy, not mine. I still agree that it is not in the true permanent interest of the unemployed, and that is why I shall not support it. That is why I urge the alternative approach to this supremely vital subject of relief.

Pump priming means that we continue to borrow money, or to create it by manipulation, in an effort to spend ourselves into better times and to buy prosperity. It means bigger debts, bigger deficits, and bigger taxes, or else it means the utterly devastating alternatives of either inflation or repudiation. It means discouragement to private industry, which is our sole source of true recovery. It is a deterrent rather than a tonic to the confidence which we need

in the blood stream of our commerce. No matter how superficially and temporarily alluring, in the long run it is poison. It simply postpones the day when real recovery will produce real jobs. It creates more problems than it solves. It stops more jobs than it makes. Worst of all, it again postpones a candid, factual, and effective solution of the whole relief problem, which, for the sake of America, cannot much longer be met on the basis of pell-mell expediency.

I desire to quote at this point one significant sentence from an editorial in the Detroit News:

> England rejected the pump-priming counsel of its Economist John Maynard Keynes—and recovered; * * * America has listened to this distinguished advocate of "managed economy"—and never has recovered.

Mr. President, the British experience necessarily is of significant importance to us, inasmuch as it seems to be rather generally conceded that we got our ultimate impulse and inspiration for pump priming from a visit which Mr. Keynes made to Washington in 1934.

A few days ago Sir Charles Morgan Webb, another distinguished British economist, was interviewed on the radio in New York on this general subject. I desire to read some of the questions and answers, as bearing solely upon the proposition that since we took a British precedent for pump priming in the first instance, we should be very much interested in exploring the British experience and the British conclusion respecting it. I refer to the radio interview with Sir Charles Morgan Webb a few nights ago. I quote from Sir Charles:

> In order to get a clear picture, it is necessary to explain that the idea of spending for recovery did not originate with Mr. Keynes. The Labor Government first proposed it in England in 1931. And it caused such a wage of hostile public opinion that the Labor Government was compelled to resign. The Baldwin government charted its course and sailed in an entirely different direction. It recognized that permanent reemployment must depend on private enterprise, and that government-created work would undermine private enterprise.
>
> Soon after this policy was laid down by the new government, the nations of the British Commonwealth met for conference in Ottawa, Canada. That was in the summer of 1932. After exhaustive study of the causes of the depression, a program for recovery was adopted. Since this program proved highly successful and immediately began bringing recovery, it has been adhered to ever since.

Then this question was asked of Sir Charles:

> Did this program include heavy government spending?

Sir Charles' answer is as follows:

> It did not. Monetary policy was the foundation of British Empire recovery. The report adopted at Ottawa stated that the conditions necessary for recovery must be achieved, not by inflationary public spending, but by an orderly monetary policy. This principle was reaffirmed 11 months later in the British Empire currency declaration of July 27, 1933.
>
> All I * * * can say authoritatively—

Continuing the quotation from Sir Charles—

> is what I have read in Mr. Keynes' last book, The General Theory. He now qualifies his advocacy of public spending. On page 120, he explains that the psychological result of government competition with private enterprise, through a public-works program, may affect confidence so seriously as to destroy the marginal efficiency of capital and retard private investment.

There, Mr. President, is the seasoned conclusion of the British economist who brought the theory of pump priming to America, who was largely responsible for creating an American hospitality to it, and who now finds not only that his own country has abandoned it to its advantage, but who himself, in black and white, is forced to concede the menace and the hazard in the precise thing which he recommended to us, which we undertook, and which, in the pending measure, we are asked to maintain and perpetuate.

Now, Mr. President, I desire to deal specifically with the problem of relief as it is needlessly and dangerously complicated through this dual method of handling it on Federal and State responsibility, collectively.

There are two definite and distinct types of relief at the present time, as everyone knows. The Federal Government assumes to create work for employables substantially at Federal expense. State and local governments must take care of unemployables without Federal aid. Now let us see precisely what happens to our citizens, each equally entitled to equivalent treatment from the Government. Let the comparison rest between W. P. A. and its so-called work relief on the one hand, and local so-called direct relief on the other hand. I am using the figures submitted to the community mobilization, the annual Nation-wide gathering of local social workers from all over the country, held in Washington March 11, 1938. I ask Senators to observe these figures, because they represent the sum total of the insufferably discriminatory system which we are asked to perpetuate and maintain.

The average W. P. A. worker throughout the country receives $53 per month per case, and they represent less than one-half of the relief load. The average local reliefer throughout the country receives $22 per month per case, and they represent more than one-half of the relief load. Stop here for a moment and frankly assess the contemplation. Here are two heads of families in the same American community, each equally the victim of depression, each equally entitled to help, each equally confronting the same need for food, shelter, and clothing. They live side by side. One gets $53 per month. The other gets $22 per month. Of course, these rates differ in different parts of the country. I deal in averages, but they are typical of the differential and the discrimination. One depression victim gets nearly 250 percent better treatment than the other. In other words, the Federal policy forces the creation of special privilege, a favored class, among depression's victims themselves.

Mr. LUNDEEN. Mr. President, will the able Senator from Michigan yield?

Mr. VANDENBERG. I yield.

Mr. LUNDEEN. Is it possible that politics may have something to do with the difference in the amounts of relief contributions?

Mr. VANDENBERG. I made some reference to the political implications before the able Senator from Minnesota came into the Chamber. Undoubtedly the answer is "Yes," but fundamentally, as I shall endeavor to demonstrate, this discrimination is bound to exist so long as there is an attempt in Washington to reach out into the Commonwealths and divide the victims of the depression into two classes, saying to one class, "You may have Federal support and aid," and to the other class, "You cannot have Federal support and aid." Whenever aid comes through Federal sources from Washington, this inevitable psychology of easy money is again at work, whereas when aid comes from local sources, where the citizen knows he has to pay taxes to foot the bill, there is a totally different psychology and a totally different vigilance with respect to the expenditures.

I am speaking about two citizens of equal right and equal necessity, who live side by side on the same street in an American community, to one of whom the Government says "You can have $53 a month," to the other of whom the Government says, "You have to live on $22 a month." It is an insufferable distortion of democracy. Furthermore, the Federal pretense that the system cares for all employables, and frankly recognizes in them, for some unaccountable reason, a special Federal responsibility, is a sham and a delusion. The acting W. P. A. Administrator tried to tell a Senate committee on January 4, 1938, that this agency was caring for all the able-bodied, needy unemployed. It has done, is doing, and will do no such thing. The President himself admitted, in his speech of March 11, 1938, to the Community Mobilization, that the national economy does not permit doing that in more than the great majority of cases. Thus the Federal policy creates a second specially privileged group inside the first supposed specially privileged group, because many of the employables unable to get W. P. A. assignments are on the $22 average instead of the $53 average.

I submit that there can be no defense for any such national policy on the part of the Federal Government. There can be no defense for a Federal policy which in effect tells one

citizen he may have $53 a month because he is lucky enough—God save the mark—to get on W. P. A., and tells his neighbor that he must live on $22 a month because he is unlucky enough to be an employable who has not been hired by W. P. A., or because he is an unemployable on so-called direct relief.

Yet these bitter discriminations are inevitably inherent in the dual Federal-State relief system which the Federal Government again insists, in the pending bill, upon still dictating to State and local relief authorities. Nor shall we ever escape these discriminations, this insufferable prejudice as between equivalent American citizens, until we unify the Federal formula on a basis of lump-sum grants in aid to the States, which shall then be authorized and required to handle their own relief problem as an integrated whole in each State.

If any State wants to continue these discriminations, let it be the State's responsibility to make this prejudicial decision. At least we can rid ourselves of Federal responsibility for these outrageous differentials between equally deserving citizens in what is still presumed to be a democracy.

Mr. President, I wish to insert a table in the RECORD at this point in my remarks. It was impossible to get a direct answer from Mr. Hopkins in connection with his testimony before the Senate Committee on Appropriations on this subject, so I have been forced to put this table together from figures submitted in the House hearings, first on page 12 of those hearings, and then on page 99.

The PRESIDENT pro tempore. Is there objection?

There being no objection, the table was ordered to be printed in the RECORD, as follows:

State	A Works Progress Administration employment, week ending Mar. 26, 1938	B Cases of general relief month of February 1938
Grand total	2,394,856	
Continental United States	2,392,347	2,024,63
Alabama	36,185	1,930
Arizona	8,554	2,824
Arkansas	33,351	4,181
California	91,649	124,580
Colorado	27,171	15,200
Connecticut	21,310	23,600
Delaware	2,996	1,848
District of Columbia	7,960	2,539
Florida	31,241	7,904
Georgia	38,833	8,202
Idaho	11,426	3,300
Illinois	194,687	205,600
Indiana	84,468	75,000
Iowa	30,594	41,533
Kansas	35,612	19,511
Kentucky	48,285	7,000
Louisiana	31,120	7,152
Maine	7,314	14,910
Maryland	12,021	9,303
Massachusetts	97,708	85,010
Michigan	120,156	148,006
Minnesota	57,696	52,588
Mississippi	29,719	1,368
Missouri	85,215	57,943
Montana	18,144	7,781
Nebraska	28,202	11,120
Nevada	2,657	868
New Hampshire	8,285	10,264
New Jersey	78,935	84,800
New Mexico	9,858	2,278
New York City	151,788	344,000
New York (excluding New York City)	52,659	7,535
North Carolina	31,145	9,573
North Dakota	14,870	137,200
Ohio	196,168	33,500
Oklahoma	59,996	14,223
Oregon	16,365	238,487
Pennsylvania	217,156	12,000
Rhode Island	12,723	1,737
South Carolina	30,115	6,894
South Dakota	17,402	6,166
Tennessee	30,990	13,800
Texas	76,330	5,480
Utah	10,386	3,610
Vermont	5,101	16,742
Virginia	22,716	52,509
Washington	45,556	23,688
West Virginia	40,547	57,113
Wisconsin	64,390	2,172
Wyoming	4,592	

Mr. VANDENBERG. Mr. President, this table shows the number of reliefers in each State who are on W. P. A., that is, the $53 a month class; it also shows the number who are on direct local relief, that is, the $22 class.

In my own State of Michigan, for example, the comparison shows that while 120,000 victims of the depression are enjoying the relatively greater benefits of Federal bounty, 148,000, by the very nature and force of the Federal purpose and formula, are required to live on the basis of $22 a month, with utter discrimination against them as to their rights and their necessities.

Let us look at the statistics for the State of Minnesota, whose able Senator is doing me the honor of listening to me. In his State 57,696 reliefers have the benefit of the higher rate, 52,588 reliefers are forced by the sheer necessity of the formula itself to accept subsistence upon this very discriminatory basis.

Mr. LUNDEEN. The Senator seems to say, in other words, that there is no sane and sensible plan behind this thing, that it is just utter chaos.

Mr. VANDENBERG. There is a plan, Mr. President, but it is an unhappy plan, because it undertakes by Federal mandate to classify our people as to their right to look to the Federal Government for assistance under this amazing formula which has operated for 4 or 5 years and which we are now asked to perpetuate. I repeat, one citizen is told that he may look to Federal responsibility and as a result enjoy $53 a month on the average, and his neighbor, for no reason other than that he may be unemployable, or is an employable who has failed to get a W. P. A. job, is told that he must live on $22 a month.

The able Senator from Tennessee [Mr. BERRY] is sitting before me. The figures in his State show less discrimination, because the Federal Government is carrying a larger portion of the load in Tennessee. But in Tennessee 30,990 reliefers are in the upper bracket, looking to the Federal Government for support, and getting it at an average of $53 a month, while 13,800 are forced, on the other hand, to rely upon local resources which are able to deliver an average subsistence of only $22 a month. I submit that so long as there is even one citizen who is equally the victim of a common depression against whom a discrimination lies as result of a Federal policy, the Federal policy is indefensible.

The figures in the table I have submitted will be found greatly illuminating by many Senators. The Senator from California will be interested in knowing that in his State the discrimination is particularly challenging, because while in California 91,649 families enjoy the higher benefit of Federal bounty, 124,580 families are forced by the very nature of the formula to live at the lower level of an average of $22 a month, because dependent upon State and local resources.

Mr. LUNDEEN. Mr. President, will the Senator yield?

Mr. VANDENBERG. I yield.

Mr. LUNDEEN. What executive authority or commission is there which does this arbitrary classifying, relegating some people to one class, and elevating or endeavoring to elevate others into another class? It seems to me it is a dangerous authority.

Mr. VANDENBERG. I am unable to answer the Senator as to the original source of this formula, but it is a standard formula which has been adopted and applied for 3 or 4 years, speaking roughly, which accepts for the Federal Government relief responsibility for so-called employables, but declines all Federal responsibility for so-called unemployables. The point which I shall ultimately attempt to personify by the substitute which I shall offer is that, so far as the Federal Government is concerned, if it has any money for relief to send to the Senator's State of Minnesota, it should not undertake to say what Minnesota shall do with it. It should say to Minnesota, "Here is the Federal contribution to your sum total problem. It is your responsibility to choose the method of your relief and to be answerable for the integrity of its administration. If you want to create special classes among your own people, you can do it, but the Federal Government cannot and shall not do it."

Mr. LUNDEEN. Will the able Senator yield to me again?

Mr. VANDENBERG. I yield.

Mr. LUNDEEN. Probably in that event there would be less classification, or perhaps classifications would disappear, because neighbors would hesitate to classify their neighbors into various groups and classes. They would be more interested in justice in equality.

Mr. VANDENBERG. The Senator is completely correct; and what the Senator has said in a simple sentence is the best possible reason I know of why the substitute which is offered in the name of democracy as between suffering people should be adopted.

It has been suggested in the debate in the Senate that because I happen to oppose the particular form in which some of these relief bills have come in I have no interest in taking care of relief. On the contrary, I have such a deep interest in taking care of relief on a democratic basis that I want the formula to permit democracy to prevail when it comes to problems of mercy.

Mr. President, we may talk about the inequity of a dole, which is the simple word to describe direct relief; we may talk about the necessity for maintaining W. P. A. and work relief in order to keep self-respecting Americans off the dole; but the truth is that this Federal policy forces 60 percent of our depression victims onto the dole. Mr. President, you can call it something else if you want to, but that is precisely what is happening as the result of the character of legislation which we are again asked to pass this week in the Senate.

Mr. BONE. Mr. President——

The PRESIDING OFFICER (Mr. GILLETTE in the chair). Does the Senator from Michigan yield to the Senator from Washington?

Mr. VANDENBERG. I yield.

Mr. BONE. How would the Senator have the relief administered in the States? What sort of machinery would the Senator suggest to be set up, and what difference would there be in the means used for the disposition of the money?

Mr. VANDENBERG. If the Senator will bear with me, I shall come to that point in a very short while.

Mr. BONE. I was not present when the Senator began his speech. Has the Senator suggested any amount of money for relief to take the place of the $1,425,000,000 provided in the bill before us?

Mr. VANDENBERG. Oh, yes. The Senator from Michigan has suggested precisely the same sum which the President says he needs under his formula, because the Senator from Michigan believes that if that sum—I am referring to title I of the bill—were provided under the different formulae which I propose, it would buy so much more relief per dollar that title II would not be needed at all.

I repeat that the community mobilization was a meeting in Washington a month or two ago of the representatives of all the community chests and all the organized social workers of the country, called together at the instance of the President of the United States. While I cannot wholly agree with the conclusion of the community mobilization, as expressed by Mr. Charles P. Taft, I certainly can subscribe in the main to this observation, which I quote from Mr. Taft's recent Washington address:

> We are asking for decent care for all those on relief, instead of the creation of a doubly underprivileged group representing about 60 percent of the load today who are left to local resources without Federal aid or supervision, and more than half of whom are employables. They are not distinguishable in any sound way from those who are on WPA. We propose an integrated program which through Federal supervision and grants will provide adequate care for all persons in need. We advocate a flexible national relief program, including work relief, sensitive to local needs and managed by local officials, but financed jointly by Federal, State, and local governments through a system of grants-in-aid based upon a stipulated formula.

Senators will observe as I proceed, and when I have offered the complete substitute, that the thing I am laying at the bar of the Senate, precisely as it was offered in the House a few weeks ago, is substantially a response to the recommendation of the community mobilization, which is to say, an answer to those who come from the grass roots of this depression and who know at first hand what the local and State problem is and what ought to be done about it.

Mr. President, I am not arguing this proposition at the moment as a matter of economy. That is something else. I am arguing it as a matter of equity and fair play as between American citizens who are in distress. I am saying, "You have no right to peg one citizen at $22 per month for relief and another citizen at $53, and still another citizen at something substantially higher under P. W. A." I am saying that they are entitled to equal treatment, at least so far as their Federal Government is concerned. I am saying that a majority of them would be better off if all these Federal schemes were abandoned, and we were to make lump-sum grants-in-aid to the States, and if all relief clients were then treated alike. There would be more money to divide, because less of it would be diverted to the special-privileged minority, and less of it would be wasted on needless Federal overhead.

As to the former, I point out that the Ohio Chamber of Commerce, reporting upon careful statistical studies made in Akron, finds under date of April 25, 1938, that it costs four times as much to take care of a case under P. W. A., or similar agencies, as it does by so-called direct relief. I believe this is typical.

As to the latter, I point out that the overhead in W. P. A. alone is in excess of $65,000,000 a year.

It seems to me that one conclusion is inevitable. There should be a frank abandonment of these Federal schemes, no matter how nobly they may be meditated, and the substitution of lump-sum Federal grants-in-aid, which will make it possible for the States to produce more relief for less money. In turn, if the States wish, it will be possible for them to level off these special privileges and these discriminations between their own citizens who are in distress.

Proponents of the pending measure like to argue that it is a mercy measure for the victims of the depression. On the contrary, it is a continuing ghastly blow to the welfare of a majority of the victims, because it continues to confine them to the lowest limit of direct relief. Nay, more, the local relief sources upon which the Federal policy and the pending measure force part of our employables and all of our unemployables to rely for relief are rapidly drying up, and the $22-a-month average will slowly, surely, and painfully become less and ever less. Is that the humane way? I think not. This program flies false colors. The humane way is to acknowledge our errors, change our course, and produce an average better lot for all citizens to whom we owe relief.

I have quoted Mr. Taft and the community mobilization. I should like further to identify Mr. Taft as chairman of the National Citizens' Committee, raised by the President to deal with the Community Chest and kindred local and philanthropic problems.

I hasten to make it plain that my own argument goes further than Mr. Taft and his group went. They did not oppose W. P. A. as a work program. They said they believed W. P. A. had a good work program, but I am bound to attach special significance to this further quotation from the Taft speech:

> I may say there are some of us who have some doubts about the work idea in connection with relief. As far as I am concerned that is not based on any desire to save taxes or to save the amount of money spent.

Then Mr. Taft indicated that his recommendation for basic change in the Federal formula was in the interest primarily of equity as between citizens, as I have previously quoted. He still includes work relief in his formula. My proposition is that on the basis of whatever resources of its own the State may feel able to add to the Federal grant-in-aid beyond a minimum requirement of 25 percent each State shall decide for itself upon what basis it shall provide and finance relief. We would not say that a State should abandon work relief. We would simply say that so far as the Federal Government is concerned it is our responsibility to deal with relief necessities as a whole; that we propose no longer to require discrimination as between citizens on relief; that our Federal relief appropriations must treat all citizens alike; that we

make our Federal lump-sum contribution on the basis of certain criteria to cover basic subsistence necessities; and that each State can then proceed with its own problem as it sees fit.

Once more, Mr. President, I return to Mr. Taft's interpretation of the attitude of the community mobilization, because certainly the testimony of the community mobilization is a vital challenge to all of us, since it represents the intimate experience of all our local communities in dealing with distress. What rational, sustained answer can be made to Mr. Taft when he says:

If the grant-in-aid is right for old-age pensions, if it is right for dependent children, if it is right for highways, if it is right for P. W. A., if it is right for health; if local administration, supervised by the Social Security Board, is right for unemployment compensation, they why in God's name isn't it right for relief? We have the Social Security Board supervising the standards for old-age pensions, for dependent children, and for blind relief. We have them supervising unemployment compensation. We have W. P. A. actually administering the whole program for the able-bodied unemployed and we have only the local communities that are handling the unemployable, theoretically.

Why? Why a privileged group that is getting $53 a case a month and an underprivileged group that is getting $22 a case a month? Why any differentiation? Why any privilege? Even if they are unemployable as compared to those who are employable, still why the difference? Why should the Federal Government say: "We are going to see to it that this group gets what we call a security wage"? In some States, Massachusetts, for instance, the average may be as high as $70, compared to $30 that they pay under direct relief. Why? Why should there be that kind of a differentiation between people who after all are all American citizens, are all just as much entitled to care? Why should we in the local communities be told: "You have got to take care of the unemployables. That is your job. You do that. We don't care what you do to them. Throw them out if you want. Don't pay any attention to them. Take the transients as fast as they come in on the train and fire them out on the train going the other direction. What do we care?"

There is no soundness in that—

Says Mr. Taft, speaking for the community mobilization. I submit he is on impregnable ground.

There is no soundness in that. What we need is a united approach to the whole problem.

Mr. President, the constructive program presented by the minority in the House was a united approach to the whole problem. The substitute which I am offering for the pending measure is a united approach to the whole problem. When substantially the same thing was proposed 1 year ago, one of the most distinguished spokesmen for the administration—Representative WOODRUM, of Virginia—while then opposing the idea, had this to say in the debates:

Undoubtedly the principle set out in this substitute has much merit. Perhaps sometime we will reach a situation in this relief business when we shall have to get down to the proposition of devising some permanent method of meeting relief. At the present time, however, we have not reached that point.

In other words, Mr. President, our proposed alternative is sound as a permanent policy, whenever the time comes when we reach the point when a permanent program is necessary. In all earnestness I inquire, Have we not now reached that point? Today, in spite of an utterly stupendous pump priming, we have as many unemployed as we had in the depths of the first depression. We have an even more acute relief challenge than at any time in any previous depression. Is it enough in such circumstances merely to cling to the formula which failed before, and which palpably was created solely for an emergency? Shall we fool ourselves into believing that the same pump priming which previously failed to save us from devising a permanent relief policy will save us now? Such a theory simply does not make sense.

Mr. LUNDEEN. Mr. President——

Mr. VANDENBERG. I yield to the able Senator from Minnesota.

Mr. LUNDEEN. It seems to me that the measures we are adopting are mere stopgaps. Some of us have voted for all of them, and some of us for part of them. However, it seems to me that these pending measures offer no permanent solution or remedy for the present depression or panic. This is merely a stopgap, or whatever one may choose to call it. When the money is expended we shall find ourselves exactly where we are now, except that we shall be loaded with bonds and debt, and interest; more misery and more poverty; more hunger and more destitution.

Mr. VANDENBERG. I do not see how any Senator can escape the realistic reasoning of the able Senator from Minnesota. History is the best teacher we have; and our history during the past 6 years permits no conclusion other than the one which the Senator from Minnesota has just announced, and in which I completely concur.

Mr. BONE. Mr. President, will the Senator yield?

Mr. VANDENBERG. I yield to the Senator from Washington.

Mr. BONE. What does the present colloquy imply in the way of social and economic changes in the country? If, under the formula of the Harding, Coolidge, and Hoover administrations, the country wound up with 15,000,000 unemployed, and the so-called relief measures are ineffective, what is implicit in such a picture? What does the situation suggest in the way of necessary economic and social changes in our set-up?

Mr. VANDENBERG. Mr. President, it may suggest a great many necessary changes in our social and economic picture.

Mr. BONE. Is it not a fair assumption——

Mr. VANDENBERG. If the Senator will permit me to finish the thought I had in mind, I suggest to him that if we confine ourselves for today to the utterly enormous relief problem, which is definitely and specifically a problem unto itself, I think we shall probably cover as much ground as any of us could hope to cover in one discussion.

There is great reason in the suggestion submitted by the Senator from Washington. Of course there is no answer to the economic condition of the country in any relief measure. We cannot cure the relief problem by a relief measure.

Mr. BONE. How would the Senator cure it?

Mr. VANDENBERG. If the Senator will permit me to continue. If there is economic necessity for complete reorganization in order to encourage the hope that we shall not have additional depressions, well and good; but the pending measure is solely for the purpose of taking care of the victims of an existing depression, in the hope that before the money is gone something else will have produced employment under private auspices.

Mr. BONE. Mr. President, will the Senator yield?

Mr. VANDENBERG. I will yield in just a moment, if the Senator can curb his impatience for one additional sentence.

Mr. BONE. I am the soul of patience.

Mr. VANDENBERG. The trouble is that the joint resolution not only will fail equitably to do the things which I have described, but, if the experience of the past 5 years is any criterion, it will also so thoroughly discourage the ordinary processes of economic recovery that when the money is gone, as the Senator from Minnesota indicated a few moments ago, we shall be right back where we are today—right back where we started in 1933—and all we shall have to show for our experience will be another enormous addition to the public debt.

I now yield to the Senator from Washington.

Mr. BONE. The Senator from Michigan has referred to the possibility or the necessity of reorganization as a possible objective to be attained. What sort of reorganization has the Senator in mind? Certainly there is nothing in the experience of the last 3 years of the Hoover administration to suggest the desirability of going back to that form of operation. What security is there in the picture for the average American?

If Mr. Hoover and his philosophy and formulae were unable to provide security, and if present-day operations are unable to provide it, where, then, is security to be found? Where is safety to be found under our system if all the formulae seem to break down when they are put to the test?

I admit that perhaps the Senator may conclude that I am going afield, but I am not going afield in such a vital matter.

It is conceded by some Senators that the formulae of the past are not working. What, then, is the answer? Why should we continue to walk away from the answers, if there be answers, merely because they do not strike a pleasant note in this Chamber?

Mr. VANDENBERG. For the past torturing 7 months in Congress we have been dealing with attempts to answer some of the questions which the Senator raises. At the moment we are only trying to take care of the victims thrown up by our failure thus far to find the answers the Senator seeks.

Mr. LUNDEEN. Mr. President, will the Senator yield?

Mr. VANDENBERG. I yield to the Senator from Minnesota.

Mr. LUNDEEN. I am much interested, as we all are, in the able discussion of the distinguished Senator from Michigan. I should like to say that I was elected by the Farmer-Labor Party of Minnesota. This is not the time to put forward our program. However, I should like to have the indulgence of the Senate at some time to present that program, which I think is fundamental. I think we shall never solve such problems until we get down to fundamentals. I think the Senator from Michigan is making a valuable contribution to the discussion.

Mr. VANDENBERG. I thank the Senator.

Mr. President, I venture the belief that no Senator would assert that we could indefinitely meet recurring crises, such as the one we face today, on the basis of made work.

There will not be enough work to be made indefinitely, and there would not be a public credit to stand the strain even if there were enough work to be made. We have reached the point now when we dare no longer blink these facts, particularly in the presence of the contemporary testimony of Relief Administrator Hopkins that the Federal Government will be in the relief business permanently.

When Great Britain, with a far longer and more intimate experience with this problem than our own, realized that she faced a permanent problem she shifted from work-making schemes to direct relief. I am not asking that we take this step by Federal mandate, but I am asserting again and again that we have reached a point where the relief challenge is sufficiently permanent—and it is rendered still more permanent by the discouragement of sound economic recovery inherent in this renewed pump-priming proposal—we have reached the point where the relief challenge is sufficiently acute so that as a Federal Government we dare not longer ignore the need for a new formula which will do justice not only to the public credit but also to the great majority of our citizens on relief against whom the existing system is a gross and insufferable discrimination.

Now, Mr. President, let me turn to another wholly nonpartisan authority for substantial approval of the need for a new and different formula. I refer to the group of municipal research directors, 18 of them, from Boston to Los Angeles and from St. Paul to New Orleans, who presented a desperately important memorandum to the unemployment investigating committee headed by the Senator from South Carolina [Mr. BYRNES] a few weeks ago. Their credentials are unimpeachable. Without reading their names, I ask that the list of the 18 representatives of 18 leading cities of the United States be printed at this point in the RECORD.

The PRESIDING OFFICER. Without objection, the list will be printed in the RECORD.

The list referred to is as follows:

Carl P. Herbert, St. Paul Bureau of Municipal Research.
Carter W. Atkins, Governmental Research Institute, St. Louis.
Lent D. Upson, Detroit Bureau of Governmental Research.
Robert M. Goodrich, Providence Governmental Research Bureau.
H. P. Ells, Toledo Commission of Publicity and Efficiency.
W. Earl Weller, Rochester Bureau of Municipal Research.
Mayo Fesler, Citizens League of Cleveland.
Corbett Long, Civic Research Institute of Kansas City.
William C. Beyer, Philadelphia Bureau of Municipal Research.
Merle W. DeWees, Duluth Governmental Research Bureau.
Abbett Pulliam, Schenectady Bureau of Municipal Research.
D. Benton Biser, Baltimore Commission on Governmental Efficiency and Economy.
James O. Stevenson, Los Angeles Bureau of Municipal Research.
Herman C. Loeffler, Boston Bureau of Municipal Research.
Norman MacDonald, Massachusetts Federation of Taxpayers Associations.
S. S. Sheppard, Bureau of Governmental Research of New Orleans.
Sidney Detmers, Buffalo Municipal Research Bureau.
J. Calvin Skinner, Cincinnati Bureau of Governmental Research.

Mr. VANDENBERG. The first vitally significant thing emphasized by these technicians is that although—

The years 1936 and early 1937 were good years, economically speaking, yet the cost of relief nationally did not appreciably abate.

In its implication, Mr. President, that is a shocking fact to anyone who is willing realistically to face the problem of our rapidly exhausting sources of tax revenue, and no one should be more eager to face it realistically than the reliefers themselves, because the maintenance of the public credit is all that stands between them and destitution.

Take a few typical examples. The total ascertainable cost of welfare activities in the good year of 1936 in Boston was $40,000,000, as compared with a total Boston tax collection on real and personal property of $60,000,000. Boston itself, of course, did not pay all these bills. That, however, is not the point. The point is to find a yardstick by which to visualize the extent of the relief and welfare burden today. I submit that these municipal research directors have found that yardstick. In Boston the relief and welfare load was equivalent to two-thirds of all the local tax resources for the good year of 1936.

In Cincinnati—listen to this, Senators—the relief and welfare expenditures in the good year of 1936 were equivalent to 118 percent of all the local tax resources for that year. In Indianapolis they were equivalent to 70 percent; in Milwaukee to 90 percent; in San Francisco to 77 percent; in St. Louis to 75 percent; and in St. Paul to 100 percent.

These figures would be utterly serious, Mr. President, if they represented a peak from which we were receding, but they are not the peak; the figures are for the comparatively good year, I repeat, of 1936. The load is infinitely greater today. It will be still greater tomorrow.

In the face of such exhibits, are we justified in blindly pursuing the same old formula; shall we, speaking for the Federal Government, take the responsibility for continuing the same old course as is the purport of the pending bill? I submit that it is fair neither to those who still struggle to pay taxes nor to the reliefers themselves, particularly to the latter, because they will be the first to suffer when "the well runs dry." I submit that it is not fair to American institutions to put them in such jeopardy. I submit that it is particularly cruel for the Congress to mislead the people to believe that the Federal Government itself can much longer stand the strain.

But let me return to the municipal research group and its testimony before the committee, headed by the able Senator from South Carolina. Of course, it reports the same indefensible discriminations between citizens on relief to which I have already adverted. I am not talking about discriminations due to politics; that is something else. I am not talking about discriminations due to manipulation and exploitation; that is something else. I am talking about the inevitable, deliberate, preordained discriminations inherent in this dual relief system under which we operate, and which we again propose to perpetuate in the pending measure.

Again, let me give just a few typical examples: In Boston, while 23,000 W. P. A. families lived on $856 a year average, 22,000 direct-relief families, entitled to the same rights and presumably confronting the same need, lived on $367 a year average. In St. Louis, 17,000 W. P. A. families lived on $852 a year, while 40,000 direct-relief families lived on $389 a year. This joint resolution and this system may be welcomed by the 17,000, but a change such as I have suggested certainly would be welcomed by the 40,000.

In San Francisco, 18,000 W. P. A. families got $800, while 33,700 direct-relief families got $431.

While these parallels are not wholly exact, because of overlapping years, yet the comparisons are typical, and they again indict the present American relief system, perpetuated by the

pending bill, as cruel, unfair, and undemocratic in the treatment of a national majority of citizens in distress.

But, again coming back to the report of these municipal research directors—and it is not pleasant reading, but neither is the plight of the victims of this new depression, nor is the national prospectus unless without much more delay we shall face facts and put first things first—I read, Mr. President, from the dreadfully challenging statement submitted by these municipal research directors to the committee headed by the able Senator from South Carolina.

The continuing high level of relief costs not only in the cities enumerated, but undoubtedly in most others, causes us to face the stark reality that the temporarily painless method of financing relief so largely on a basis of emergency borrowing is certain to produce calamitous financial repercussions in our American cities at no remote future. Our interest is in maintaining the solvency of the local governments so that those in need may be taken care of in the future and the normal services of municipalities may be carried on without impairment. To that end a planned, definite, national relief policy, covering not only State but local phases, is vital. We must recognize that relief is a permanent problem, instead of following the hand-to-mouth policy, now in effect. The local units upon which the impact of relief rests now do not know for any fiscal period ahead whence the money is coming to meet this enormous cost. It is imperative that some scheme of relief be adopted—that is, (1) a planned program, (2) is financed out of current revenues, and (3) is within the abilities of the various units of government to support on a current basis.

The full impact of the relief cost then has not yet been felt. It cannot, however, be indefinitely postponed. It is the course of wisdom and true humanitarianism—

And I desire to emphasize this challenge from these municipal research directors—

It is the course of wisdom and true humanitarianism to take bearings that may be followed without disaster to all, which includes those whom we mean to assist.

In other words, Mr. President, when I am speaking against this bill and in favor of the substitute, I am not speaking against relief; I am not speaking against the human needs of suffering thousands; I am proposing the same amount of money that the President in his bill proposes, and I am simply proposing a realistic, rationalized formula which has the support of the social workers of America, which undertakes to do away with existing discriminations, and to do justice as between citizens of the United States who are in trouble. I am seeking solely to do what the municipal research directors of the country ask Congress to do when they assert that it is the course of wisdom and true humanitarianism to take bearings that may be followed without disaster to all.

I continue to quote briefly from the municipal research testimony which I was reading:

The cost of relief has been obscured from the average citizen partly because the cost has been deferred in many instances through borrowing, and partly because of the mistaken impression that the cost of relief is not a burden upon a local community when the money comes from Washington.

Of course, that is the old hallucination, that is the old mirage, that is the old Santa Claus idea—money from Washington; easy money, nobody ever has to pay it; we get it by manipulation, or magic, or legerdemain, or something.

The people of this country—

Continues this report—

must come to a realization that the cost of relief is eventually met out of the earnings of all the people who work and produce.

It is concluded—

Say these experts—

that an ideal system of relief would be one in which the local communities, or the communities aided by the States, would assume responsibility for financing and administering relief under reasonable minimum standards established on the basis of State and local economy. Such a program, however, is impossible of immediate adoption. It is possible, however, to device a permanent planned policy of relief which recognizes that—

(1) Relief can no longer be approached as a temporary emergency.

(2)—

And I emphasize it—

(2) That relief should be managed on a local basis, and under circumstances that provide incentives to efficient and economical administration; and

(3) That the total of relief costs must be within the limits of available public revenues, or of revenues that can be made available when the States and localities recognize and assume these responsibilities.

Mr. President, what are the direct recommendations of these experts, these men who are living close to the grass roots of this relief problem? Their recommendations, as submitted to the committee headed by the able Senator from South Carolina [Mr. BYRNES], are significantly similar to those of the community mobilization. They are much the same general character of recommendations which come from every nonpolitical analyst, and they are precisely the basis of the substitute which I am respectfully offering for this joint resolution. In other words, the substitute is not born of my conception of the problem. It has for its credentials the meaningful support of the community mobilization of this Nation, of the municipal researchers of this Nation, and of most of the analysts who have dealt with the problem.

What are these final recommendations from the municipal researchers?—

With a view to emphasizing local responsibility for relief, it is urged that allocation of all Federal funds to State and local units be made on a strictly matching basis, the local or State participation to be sufficiently large to provide an emphatic interest in economy.

(2) The determination of whether relief be on a direct or work-relief basis be left entirely to the State and local government.

(3) Federal aid should be granted to States only when the State and local administration is on an efficiency basis, and the smallest units of administration are the counties, larger cities, or administrative districts of comparable significance.

(4) Federal aid should be granted on a sufficiently long-term basis so that local governments can enact complete 12-month municipal budgets in advance of each fiscal year.

That in essence, Mr. President, is the program which I offer in this substitute for the new W. P. A. pump-priming measure.

I have no illusions as to what will happen to it at the moment. The same things will happen here that happened in the House. But neither have I any doubts whatever that the time will come when this sort of a relief formula, in some paraphrase, will be adopted. There is no other way if America shall conquer its own Frankenstein.

The President himself said, in his own pump-priming message last April 14:

I want to make it clear that we do not believe that we can get an adequate rise in national income merely by investing, lending, or spending public funds. It is essential in our economy that private funds be put to work.

But this is not a program to put private funds to work. It is the exact opposite. No wonder that even so friendly a newspaper as the New York Times has added an editorial epitaph completely concurring in what I have said—an editorial which I ask to have printed in the RECORD at this point without reading.

The PRESIDING OFFICER. Without objection, it is so ordered.

The editorial is as follows:

The trouble with business in the United States today is not that the Government has failed to spend enough money. No other peacetime Government in the country's history has ever spent remotely as much money as the Roosevelt administration. If Government spending were a sure prescription for prosperity the country would now be enjoying such a boom as it has never known. The trouble is not a lack of Government spending. It is a lack of private spending. And private spending has contracted because confidence is low; and confidence is low for one important reason, because Government policies have depressed it—such policies as a constant forcing up of the cost of producing goods, taxation so high as to reach the point of diminishing returns, Government competition with private industry which has accomplished little in itself but successfully discouraged long-term capital investment, the enactment of laws which have forced the distribution of corporate reserves, and the willingness of the administration to sanction appeals to class prejudice on the part of some of its officials.

The way to promote the recovery of business in this country is not to try the doubtful expedient of attempting to gloss over such factors as these by a new experiment with Government pump priming, but to correct the conditions which are at bottom responsible for a loss of confidence. The pump can be primed with private funds if the administration will encourage private

capital to do the job. That method of pump priming has definite advantages over any program of large-scale spending which the Government could possibly undertake. It costs nothing to the taxpayer, adds nothing to the national debt and has a more lasting effect upon the business of the country.

To approve the President's new spending program now, and to ignore meantime the fundamental factors of the present situation, would be to invite one or the other of two results:

Either the frightening away from investment of private capital many times as large as any conceivable amount of capital which the Government can possibly pour in, or another temporary "inflationary" boom which will merely intensify the difficulties which will have to be met ultimately on the inevitable day of reckoning.

Mr. VANDENBERG. Mr. President, I am now about to conclude.

I repeat that I have no illusions as to the present reception which awaits this substitute proposal. It will be plowed under, precisely as its kindred predecessors have during the last 4 years. But I have no doubt that the sheer force of inescapable necessity will drive Congress to some such alternative formula before we are done with this perplexing responsibility. I only hope that the awakening will not come too late. I am afraid, however, that it will be too late if the smug attitudes typified by High Administrator Hopkins persist in declining decent and reasonable consideration for legitimate alternatives which are urged by conscientious men who love their country and their fellow man just as deeply as does the czar of W. P. A.

A Washington newspaper last Wednesday quoted Mr. Hopkins as follows:

> Hopkins repudiated the Vandenberg proposal without ever reading it. He said he "assumed it is a Republican measure, and as such it is no good."

This, Mr. President, is a sinister demonstration of the Jupiter complex which takes possession of a big bureaucrat who has intoxicated himself upon too much power. It is an excellent example of the dangers of bureaucracy in a democracy. These overlords, starting humbly—as the very able Mr. Hopkins did when he leaped from his place of comparative insignificance to the control of the greatest distribution of money in the history of the world—starting humbly, and gradually expanding in self-confidence and self-importance as the natural result of the successful exercise of such enormous powers, these overlords finally mistake themselves for public masters rather than public servants. They become arrogant and intolerant, and they pronounce just such pontifical judgments as the one attributed to Mr. Hopkins which I have quoted. He rejects, without reading, any consideration of any alternatives to his own wisdom, although they come, Mr. President, from the Community Mobilization of America, and from some of the most respectable sources from which any advice upon this problem could arise. He rejects, without reading, any consideration of an alternative. In a fine display of the relief nonpartisanism to which he gives lip service, he rejects, without reading, any suggestions that flow from the political opposition. They may still help pay the bills—and how—but taxation without representation is no longer unjust. It is the new dispensation. The ruler speaks. All others should fall silent. I imagine it is the sort of thing which caused the Romans of old to inquire:

> Upon what meat doth this our Caesar feed,
> That he is grown so great?

Considering the difficult nature of his assignment, I have always felt that Mr. Hopkins has done exceedingly well in his actual administration of the enormous relief system over which he presides. Such a system defies actual and conclusive economy and efficiency. Its administrator, therefore, contends with great handicaps. I continue to believe that Mr. Hopkins does exceedingly well under the circumstances, and I do not withdraw this compliment even in the presence of his contempt for those who fail to kneel to his infallibility; but I would wish for him a reexamination of his own attitudes for the sake of his country, to which I am sure he is sincerely devoted.

This proposed alternative may deserve the repudiation which Mr. Hopkins bespeaks. If it lacks intrinsic merit, that should be its fate, but so long as we are spending four, five, six, seven billion dollars of the people's money each year in one or another form of relief, and so long as we must continue to risk the public credit of the whole Nation in such enterprise, every earnestly offered program is entitled to respectful and constructive attention. Every citizen, even a Republican, is entitled to be heard before it is too late.

Mr. President, the latest exhibit which has come to my attention this morning is the statement signed by 56 members of the Economists' National Committee on Monetary Policy, the 56 members being 56 distinguished economists connected with the realm of higher education in the United States, a statement in opposition to pump-priming. I ask that this statement and the appended signatures be printed at the conclusion of my remarks.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

(See exhibit A.)

Mr. VANDENBERG. Mr. President, I now offer a substitute for title I of the pending joint resolution, and ask that it may be pending for a vote at the proper time. I call attention to the fact that on the basis of a 12 months' computation it proposes the same total appropriation for relief under title I which is carried by the joint resolution as it passed the House of Representatives. In other words, it is attempting in no degree to economize in title I at the expense of relief. In a sincere belief that a different method can buy more relief for less money, it proposes that the same total appropriation shall be used in a different way. At the proper time, when the substitute may be in order and may be read to the Senate, it will speak for itself respecting the details which it proposes.

I thank the Senate for its very considerate attention.

EXHIBIT A

(Released for publication Monday, May 23, 1938)

STATEMENT IN OPPOSITION TO PUMP PRIMING

(Signed by 56 members of the Economists' National Committee on Monetary Policy, Educational Bldg., 70 Fifth Ave., New York City)

We, the undersigned members of the Economists' National Committee on Monetary Policy, believe that it is unsound public policy for the Federal Government to resort to a program of greatly expanded governmental spending—so-called pump priming—as a device for overcoming the present depression. We do not believe that such a program offers promise of reaching the roots of our economic difficulties or of stimulating a sound or sustained business recovery.

An important question arises as to whether further substantial increase in the Federal debt may not frighten from productive channels more private capital than the Government can add through its program of spending. Confidence in the credit of the Government and in the Nation's currency is a basic foundation for that general confidence on which a free flow of private capital and a widespread and healthy expansion of business rest. In the past the Government's protection of its credit and of the soundness of its currency rather than a program of huge public spending have apparently aided business in recovering from depressions.

(Signed:) Charles C. Arbuthnot, Western Reserve University; Leonard P. Ayres, the Cleveland Trust Co.; George E. Barnett, the Johns Hopkins University; Don C. Barrett, Haverford College; James Washington Bell, Northwestern University; Ernest L. Bogart, University of Illinois; Frederick A. Bradford, Lehigh University; Herbert M. Bratter, Washington, D. C.; J. Ray Cable, Washington University; Wilbur P. Calhoun, University of Cincinnati; Neil Carothers, Lehigh University; John M. Chapman, Columbia University; William W. Cumberland, 120 Broadway, New York City; Charles A. Dice, the Ohio State University; George W. Dowrie, Stanford University; William E. Dunkman, the University of Rochester; D. W. Ellsworth, the Annalist, New York City; William D. Ennis, Stevens Institute of Technology; Clarence W. Fackler, New York University; Herbert F. Fraser, Swarthmore College; Henry B. Gardner, Brown University; Earl J. Hamilton, Duke University; Lewis H. Haney, New York University; E. C. Harwood, American Institute for Economic Research; Hudson B. Hastings, Yale University; Frederick C. Hicks, University of Cincinnati; John Thom Holdsworth, the University of Miami; Jacob H. Hollander, the Johns Hopkins University; F. Cyril James, University of Pennsylvania; Edwin W. Kemmerer, Princeton University; David Kinley, University of Illinois; Frederic E. Lee, University of Illinois; Ray V.

Leffler, Dartmouth College; J. L. Leonard, University of Southern California; A. Wilfred May, New York City; Margaret G. Myers, Vassar College; Melchior Palyi, the University of Chicago; Clyde W. Phelps, Chattanooga University; Charles L. Prather, Syracuse University; Harold L. Reed, Cornell University; Ralph West Robey, Columbia University; Leland Rex Robinson, 50 Pine Street, New York City; R. G. Rodkey, University of Michigan; Olin Glenn Saxon, Yale University; Joseph A. Schumpeter, Harvard University; Walter E. Spahr, New York University; William H. Steiner, Brooklyn College; Charles S. Tippetts, University of Pittsburgh; James B. Trant, Louisiana State University; Rufus S. Tucker, Westfield, N. J.; Russell Weisman, Western Reserve University; William O. Weyforth, the Johns Hopkins University; Nathaniel R. Whitney, the Proctor & Gamble Co., Cincinnati; Max Winkler, College of the City of New York; Ivan Wright, University of Illinois; John Parke Young, Occidental College.

MESSAGE FROM THE HOUSE—ENROLLED BILLS AND JOINT RESOLUTIONS SIGNED

A message from the House of Representatives by Mr. Chaffee, one of its reading clerks, announced that the Speaker had affixed his signature to the following enrolled bills and joint resolutions, and they were signed by the Vice President:

H. R. 1486. An act to amend section 30 of the act of March 2, 1917, entitled "An act to provide a civil government for Porto Rico, and for other purposes";

H. R. 4222. An act for the relief of Mary Kane, Mary Ella Benz, Muriel Benz, John Benz, and Frank Restis;

H. R. 4276. An act to amend an act entitled "An act to create a juvenile court in and for the District of Columbia," and for other purposes;

H. R. 4650. An act to amend section 40 of the United States Employees' Compensation Act, as amended;

H. R. 4852. An act to provide for the creation of the Saratoga National Historical Park in the State of New York, and for other purposes;

H. R. 5633. An act to provide additional funds for buildings for the use of the diplomatic and consular establishments of the United States;

H. R. 5974. An act to authorize payments in lieu of allotments to certain Indians of the Klamath Indian Reservation in the State of Oregon, and to regulate inheritance of restricted property within the Klamath Reservation;

H. R. 6410. An act granting a pension to Mary Lord Harrison;

H. R. 7104. An act for the relief of the estate of F. Gray Griswold;

H. R. 7534. An act to protect the telescope and scientific observations to be carried on at the observatory site on Palomar Mountain, by withdrawal of certain public land included within the Cleveland National Forest, Calif., from location and entry under the mining laws;

H. R. 7553. An act to amend the laws of Alaska imposing taxes for carrying on business and trade;

H. R. 7711. An act to amend the act approved June 19, 1934, entitled the "Communications Act of 1934";

H. R. 7778. An act to amend section 26, title I, chapter 1, of the act entitled "An act making further provision for a civil government for Alaska, and for other purposes," approved June 6, 1900;

H. R. 7827. An act to authorize public-utility districts in the Territory of Alaska to incur bonded indebtedness, and for other purposes;

H. R. 8008. An act to provide for the purchase of public lands for home and other sites;

H. R. 8148. An act to amend Public Law No. 692, Seventy-fourth Congress, second session;

H. R. 8177. An act to create a commission to be known as the Alaskan International Highway Commission;

H. R. 8203. An act for the inclusion of certain lands in the Kaniksu National Forest in the State of Washington, and for other purposes;

H. R. 8373. An act for the relief of List & Clark Construction Co.;

H. R. 8404. An act to authorize the Territory of Hawaii to convey the present Maalaea Airport on the island of Maui, Territory of Hawaii, to the Hawaiian Commercial & Sugar Co., Ltd., in part payment for 300.71 acres of land at Pulehu-Nui, island of Maui, Territory of Hawaii, to be used as a site for a new airport;

H. R. 8487. An act confirming to Louis Labeaume, or his legal representatives, title to a certain tract of land located in St. Charles County, in the State of Missouri;

H. R. 8715. An act to authorize the Secretary of Commerce of the United States to grant and convey to the State of Delaware fee title to certain lands of the United States in Kent County Del., for highway purposes;

H. R. 8700. An act relating to the retirement of the justices of the Supreme Court of the Territory of Hawaii and judges of the United States District Court for the Territory of Hawaii;

H. R. 9123. An act to authorize the Secretary of War to lease to the village of Youngstown, N. Y., a portion of the Fort Niagara Military Reservation, N. Y.;

H. R. 9358. An act to authorize the withdrawal and reservation of small tracts of the public domain in Alaska for schools, hospitals, and other purposes;

H. R. 9577. An act to amend section 402 of the Merchant Marine Act, 1936, to further provide for the settlement of ocean-mail contract claims;

H. R. 9688. An act to extend the times for commencing and completing the construction of a bridge across the Ohio River between Rockport, Ind., and Owensboro, Ky.;

H. R. 9722. An act to amend section 5 of an act entitled "An act to provide for the construction and maintenance of roads, the establishment and maintenance of schools, and the care and support of insane persons in the district of Alaska, and for other purposes," approved January 27, 1905 (33 Stat. 616);

H. R. 10004. An act to amend an act entitled "An act to incorporate the Mount Olivet Cemetery Co. in the District of Columbia";

H. R. 10117. An act granting the consent of Congress to construct, maintain, and operate a toll bridge, known as the Smith Point Bridge, across navigable waters at or near Mastic, southerly to Fire Island, Suffolk County, N. Y.;

H. R. 10118. An act granting the consent of Congress to construct, maintain, and operate toll bridges, known as the Long Island Loop Bridges, across navigable waters at or near East Marion to Shelter Island, and Shelter Island to North Haven, Suffolk County, N. Y.;

H. R. 10190. An act to equalize certain allowances for quarters and subsistence of enlisted men of the Coast Guard with those of the Army, Navy, and Marine Corps;

H. R. 10193. An act authorizing the temporary detail of United States employees, possessing special qualifications, to governments of American republics and the Philippines, and for other purposes;

H. R. 10351. An act to extend the times for commencing and completing the construction of a bridge across the Columbia River at Astoria, Clatsop County, Oreg.;

H. R. 10535. An act to amend the Second Liberty Bond Act, as amended;

H. R. 10704. An act to amend section 4132 of the Revised Statutes, as amended;

H. J. Res. 447. Joint resolution to protect the copyrights and patents of foreign exhibitors at the Pacific Mercado International Exposition, to be held at Los Angeles, Calif., in 1940; and

H. J. Res. 622. Joint resolution authorizing the President of the United States of America to proclaim October 11, 1938, General Pulaski's Memorial Day for the observance and commemoration of the death of Brig. Gen. Casimir Pulaski.

ADDITIONAL APPROPRIATION FOR CERTAIN GRANTS TO STATES

The PRESIDING OFFICER laid before the Senate the amendment of the House of Representatives to the amendment of the Senate to the joint resolution (H. J. Res. 678) making an additional appropriation for grants to States for

unemployment compensation administration, Social Security Board, for the fiscal year ending June 30, 1938, which was, in lieu of the sum inserted by said amendment, to insert "$3,500,000."

Mr. GLASS. I move that the Senate agree to the amendment of the House to the amendment of the Senate.

The motion was agreed to.

RELIEF AND WORK-RELIEF APPROPRIATIONS

The Senate resumed the consideration of the joint resolution (H. J. Res. 679) making appropriations for work relief, relief, and otherwise to increase employment by providing loans and grants for public-works projects.

Mr. CONNALLY. Mr. President, I very much regret that my self-respect requires that I submit a few remarks to the Senate following the remarks of the Senator from Michigan [Mr. VANDENBERG]. It is a very serious thing to misrepresent a Senator or to misrepresent a Senator's views. The Senator from Michigan charged the Senator from Texas with misrepresenting the position of the Senator from Michigan on former relief bills. I desire to plead ignorance if what I said may have tended to misinform the Senate. I did not intend to do so. I made no statement as to how the Senator from Michigan had voted; I did not know, in fact; but I was under the impression that he had voted for some of the relief measures. So the Senator from Texas, exercising what he thought was the right of every Senator, asked the Senator from Michigan to yield, and the Senator from Michigan very graciously yielded, but when he found that I was asking him a question which did not suit him he refused further to yield. I regret that he demonstrated a quality which many men of inordinate vanity and ambition possess, but it is human nature, and it cannot very well be avoided.

Mr. President, let us see what the record shows. I made a mistake in asking the Senator from Michigan how he voted. I should not have done that; I should have looked at the RECORD. That is where I made my mistake, because the RECORD and the Senator from Michigan do not agree. While I would take the word of any Senator on the floor as to how he voted, unless he turned up the RECORD to contradict himself, I would never question how he voted.

I have in my hand the transcript of the Official Reporter of what occurred this morning. I do not wish to misrepresent the Senator from Michigan. No one can do that as well as the Senator from Michigan himself can. [Laughter.] The Senator from Texas asked the Senator from Michigan to yield, and after the Senator from Michigan did yield, the following took place:

Mr. CONNALLY. Of course, the President was speaking there of the burden of taxation, as I understand the Senator. Did or did not the Senator from Michigan vote for most of the appropriations that have been passed for relief and emergency purposes since March 1933?

That was the question. That was the misrepresentation. Let me see what the Senator said.

Mr. VANDENBERG. I think the Senator has voted against every—

Not one, but every—

relief appropriation bill in the form in which it was submitted.

That is the record. Let us see now what the printed RECORD shows. I have not had time to digest it all, but the printed RECORD and the speech of the Senator from Michigan do not agree at all.

Mr. VANDENBERG. Mr. President, am I entitled to ask the Senator from Texas a question?

Mr. CONNALLY. I am always glad to yield to the Senator from Michigan, and I am not going to grow angry if he asks me an embarrassing question either.

Mr. VANDENBERG. Has the Senator concluded reading what he intends to read from the reporter's notes?

Mr. CONNALLY. I have for the moment. I will continue reading a little later.

Mr. VANDENBERG. I had hoped the Senator was not going to leave my statement at that point, because I very readily agreed with the Senator from South Carolina [Mr. BYRNES] regarding the actual record as soon as I was reminded of it.

Mr. CONNALLY. I am glad to hear that frank confession of the Senator. Here he was making a speech, which he had been preparing for a week, perhaps 2 weeks, and yet he had to wait to be reminded, when he rose on the floor this morning, of how he voted on similar bills during the past 5 years of his service. Does the Senate want to follow the advice or to vote for the substitute of a Senator who does not himself know how he voted on the same kind of a bill?

I have before me the RECORD of March 30, 1933. According to this RECORD, the Senator from Michigan voted for the relief bill pending at that time. I pause to be interrupted again, and if this RECORD is not correct, I shall be glad to have the Senator from Michigan correct it. I will accept his statement over the RECORD. If he tells me that he did not vote as the RECORD shows, I will accept his statement.

Mr. VANDENBERG. The Senator may use the RECORD with my complete approval, if that is of any interest to him, because the RECORD completely agrees with what I stated to the Senator from South Carolina.

Mr. CONNALLY. In all frankness, the Senator's approval does not add much to it; but if he says the fact was different from what the RECORD shows, I will accept his statement, because the reporters and the clerks could be in error. The Senator might not be, but the clerks can be. [Laughter.]

Mr. VANDENBERG. The Senator will find, when he reads the report of my colloquy with the Senator from South Carolina, a complete agreement with the RECORD, and I hope the Senator will continue to read the RECORD.

Mr. CONNALLY. I would not make as long a speech, however, as the Senator from Michigan did, if I read all the RECORD. I have referred to the RECORD of March 30, 1933. The Senator from Michigan was then for the bill as presented here as the committee drafted it. He was willing to vote for it.

Let us see now how the Senator voted in 1935. I have no record of a bill in 1934. In 1935 there was before the Senate the $4,000,000,000 appropriation, and the Senator from Michigan voted against that, I believe. He voted against the $4,000,000,000 measure. He is for little relief bills, and against big ones. He is willing to relieve the unemployed and the hungry if it does not cost too much. He voted against the $4,000,000,000 bill in 1935.

Not let us see if he changed again. I have called attention to one change. Let us see how he voted in 1936. On June 1, 1936, he voted against the bill then pending. I do not know how much of an appropriation it carried, but the Senator voted "no." So we find he voted for one bill and voted against two.

Now I come to the vote on June 22, 1937, and this is where the Senator can really enlighten the RECORD, because there was not a roll call, and therefore the RECORD does not show how the Senator voted. I believe he voted "no", in all frankness, because then, as now, he had a plan. He was in favor of relief if we would let him do the relieving his way, but if we did not let him relieve as he wanted the people relieved, he was not going to favor relief. He is going to give the people pink pills, and if they do not believe in homeopathic remedies, well, just let them die. If they will not take his prescription, just let them go ahead and die. Give them the Michigan treatment, and if they do not take the Michigan treatment they do not get anything. [Laughter.]

Let us see what the Senator said. The Senator from Michigan was not nearly as angry in 1937 as he was this morning. In 1937 the Senator was praising Mr. Hopkins, to a certain extent. This is what he said, as appears on page 6118 of the RECORD of June 22, 1937:

Mr. VANDENBERG. I will proceed on the joint resolution.

I distinctly do not condemn our whole relief adventure. In the beginning it was unavoidably necessary to rush into experimental programs which were bound to involve elements of error. Many fine public works, too, dot this Nation as a result of what has been done. Both the President and Administrators Hopkins—

Hopkins! Think of it—the Senator from Michigan bragging on Hopkins. [Laughter.]

and Ickes—

He includes Ickes. Think of that.

Both the President and Administrators Hopkins and Ickes have borne burdens in this connection almost beyond human endurance. I simply ask, in complete good faith, whether out of our long experience we have not learned some lessons which may now be helpfully capitalized for the benefit of the commonweal before it is too late.

What he meant by that, of course, no one knows. What he meant by "commonweal" and "helpfully capitalized" no one knows, but evidently he had a meaning for those expressions.

These are some of the advantages which I would expect to flow from the philosophy of action which is embedded in the substitute that I am submitting to the Senate—

Mr. President, that is why I say I am sure the Senator voted "no" on that relief bill, because he offered a substitute, and it was not adopted. Therefore I conclude that he voted "no." We would not take his plan, and he would not take anyone else's plan. Everyone is out of step but Willie.

a plan which would, through a bipartisan national commission,—

A bipartisan commission. How are you going to get a bipartisan commission? It is proposed to get some fellows who have their own views, who do not believe in Republican doctrine, who do not believe in Democratic doctrine, who do not believe in La Follette doctrine, who do not believe in socialism—and make of them a bipartisan board. Of all the fakes in this world a bipartisan creation of any kind is the greatest. If a man does not have any views or any convictions I would not trust him around the corner. I continue to read—

a plan which would, through a bipartisan national commission, prorate to bipartisan commissions in each State the State's share of the total Federal relief allotment, subject to a minimum State contribution of at least 25 cents out of each relief dollar; then leaving to each State the decision as to what kind of relief shall be provided, where, when, and how; and leaving to each State the responsibility of administration within its own prospectus.

Mr. President, I assume that that in substance is the provision of the substitute now offered again by the Senator. Think of a plan which provides that the Federal Treasury shall furnish the money to relieve people, and to give them work all over the United States, and then turn that money over to State organizations, which have no responsibility for raising the money, and practically no responsibility for spending the money.

Mr. HATCH. Mr. President——

The PRESIDING OFFICER (Mr. MINTON in the chair). Does the Senator from Texas yield to the Senator from New Mexico?

Mr. CONNALLY. I yield.

Mr. HATCH. While the Senator is discussing the proposal to turn the money over to the States, what does the Senator think of the proposition of also requiring the funds to be spent for relief to be matched by the States? Suppose the State or the community did not have the necessary funds, would the needy persons living therein be permitted to suffer because of the inability of the State or the community to provide the necessary funds?

Mr. CONNALLY. Certainly. The Senator from New Mexico properly points out that with the 25-percent requirement on the part of the State, the poorer a State is and the less able it is to feed its own people, the less relief money it would get from the Federal Government. Its very lack of ability to feed its own people would be the very cause of its failure to get relief from the Federal Government, because if it could not put up 25 cents out of every dollar, it could not get enough money to take care of those in need of relief. Whereas a State which is able to provide considerable funds from taxes, and is in good condition, would not only have relief funds allocated to it, but would receive the amount which should be allocated to the poorer State.

Mr. HATCH. The Senator from Texas is absolutely correct. The poorer the State was the less money it could put up and the hungrier its people would be.

Mr. CONNALLY. Exactly. I pause now to have the Senator from Michigan correct me if I am in error. I have not had time to read the Senator's present substitute and his previous substitute carefully. Is not the present substitute practically the same substitute he was talking about in 1937?

Mr. VANDENBERG. I am glad to say to the Senator that it is substantially the same.

Mr. CONNALLY. Substantially the same.

Mr. VANDENBERG. Permit me to add by way of information——

Mr. CONNALLY. I shall be glad to have the Senator do so.

Mr. VANDENBERG. That there is also a provision for a substantial proportion of the fund to be set aside for emergencies not contemplated by the application of the regular formula.

Mr. CONNALLY. I thank the Senator. I want to be fair to the Senator. I want to be more fair to him intellectually than he is to the needy and the unemployed in the poor States. I come back to the proposition that the Senator from Michigan, a Senator who assumes to legislate for a great government and a great people, has so poor a conception of the functions of the State and the Federal Government as to say that he will appropriate billions of dollars of Federal money, for which Congress is responsible to the people of the United States, and then will turn it over to certain States and let them decide what kind of relief they will give. That is what he said.

Mr. President, have we any right to appropriate money and not know what it is going to be spent for? I do not think we have.

This is what the Senator from Michigan said in 1937:

Then leaving to each State—

Not only leaving to each State the money, but—

Then leaving to each State the decision as to what kind of relief shall be provided.

Now, would not that be a pretty come-off? We would appropriate billions of dollars and turn them over to State organizations, most of them dominated by political machines right on down to the constable and the justice of the peace, and then let them decide the kind of relief that would be furnished.

I continue to read:

The decision as to what kind of relief shall be provided, where, when, and how; and leaving to each State the responsibility of administration within its own prospectus.

Is that not a great conception, Mr. President? It is proposed to let the Federal Government, the United States Government, raise all the money, appropriate all the money, accept this 25-percent contribution, and then turn it over to State administrations, with the Federal Government exercising no control as to the selection of the head of the administration in each State, and then let a State organization decide what kind of relief will be provided.

Mr. President, when the Congress spends a single dollar of the people's money, it is its obligation and responsibility to know for what particular purpose that dollar is to be spent. We have no right under the plea that we are legislating for the unemployed and for the hungry and the homeless and the houseless to appropriate billions of dollars and turn the money over to State political machines.

Suppose that last week Pennsylvania's portion of the two and one-half billion dollars relief money had been under the control of the State of Pennsylvania and that Pennsylvania had the right to decide what kind of relief it would give the needy. Do Senators doubt that Pennsylvania would have given them a little more relief at about election time than it would at any other time? Pennsylvania would have the right to determine what kind of relief it would give to the needy. Such a plan is wholly at variance with the responsibility of the Congress and the responsibility of the Federal

Government, and I am amazed that the Senator from Michigan should seriously propose any such plan to the Senate of the United States.

Mr. President, what I have stated is not the only record of the Senator from Michigan. I read his statement made in 1937. At that time he voted against the proposal. But the RECORD shows that in 1938 the Senator from Michigan did vote for another relief bill providing for the appropriation of $250,000,000. I pause to be corrected if I am wrong. The RECORD shows that on February 23, 1938, the Senator from Michigan voted for an appropriation of $250,000,000 to carry on the relief work. That did not change the system. It simply continued the kind of relief that was then in effect; and if the Senator from Michigan had been consistent, he would have voted against that proposal, because he says he is for relief, but not for that method. So I think on the whole the Senator's record is about 50–50—and I pause again to be corrected if I am wrong.

Mr. President, the Senator from Michigan is a very able man; he is a very shrewd man. He has been a newspaper man, and he knows what kind of material will get him headlines. He knows what kind of material will get publicity. Watch the newspapers this afternoon and tomorrow. "VANDENBERG" will be spread all over the front pages of the newspapers. The reason for that is that he has had this speech prepared for probably a week or 10 days, and gave it out to the boys 2 or 3 days ago, and perhaps it was already set up in type and ready to be printed before it was actually delivered on the floor of the Senate.

The Senator from Michigan would have made a great lawyer. He is essentially an advocate. But he would have made a mighty poor witness, if he had been called as a witness.

Mr. VANDENBERG. Mr. President, will the Senator yield?

Mr. CONNALLY. I am very glad to yield to the Senator, and I am not angry; I am not irritated.

Mr. VANDENBERG. I do not want the Senator to be disappointed when he reads the newspapers and fails to find the headlines he mentioned. The Senator from Michigan, having worked with some seriousness and conscientiously with this problem, has found no time to respond even to a request for an advance synopsis of the speech, so none of it has been furnished the newspapers. Therefore, I am afraid the Senator will be disappointed with respect to the publicity he mentioned.

Mr. CONNALLY. That is too bad; that is too bad. [Laughter.] When a man has worked as long as the Senator from Michigan has worked on his speech, expecting to get headlines, and then does not get them, it is too bad. He is not going to get any votes for his amendment, and if he does not get any headlines, what is he going to get? I sympathize with the Senator from Michigan. I think he deserves more than he will get. He is a former newspaperman and belongs to the newspaper fraternity. I think the newspapers ought to give him some headlines. All he will get will be a few headlines and a little publicity, a little mention, so that the Republican elephant may throw his trunk coaxingly around him as its champion in 1940. That is all the Senator will get out of this amendment. I regret that he will not get the headlines. I always like to read the Senator's headlines, because then I do not have to read his speech. I can merely read the headlines without being bothered by reading the whole body of the speech. That is why I like his headlines.

The Senator from Michigan wanted me to read the rest of the remarks referred to. I desire to be fair with the Senator. If I do not quote the Senator correctly, I hope he will interrupt me.

Mr. VANDENBERG. I think the Senator has voted against every relief appropriation bill in the form in which it was submitted.

The Senator is speaking about his own vote. The RECORD shows that on at least two occasions he has voted for relief bills. His batting average is fair. It is a little over 0.300. That is very good—on the question of his own vote.

Mr. CONNALLY. The Senator from Michigan?

I was astounded. I remembered his record better than he did.

Mr. VANDENBERG. Yes.

The RECORD shows that I said:

Mr. CONNALLY. Then the Senator all the time, for 5 years, has been against relief to the needy and unemployed?

That made the Senator angry. If he had waited a moment, I would have said "as we have passed these bills and administered them." The Senator then became angry.

Mr. VANDENBERG. No; and I decline to yield to the Senator for that sort of interruption, because it is neither pertinent nor fair nor just.

I submit the Senator was not fair to himself, because he misquoted the RECORD. He said he had voted against all such bills. The RECORD shows that he voted for at least two of them.

Mr. CONNALLY. I am asking the Senator a question.

Mr. VANDENBERG. It is fairly typical of the Senator from Texas, but it neither comports with the things I have already said before the Senator reached the floor, nor with my own record.

I admit it does not comport with his own record. Neither do his own statements comport with the RECORD, because the RECORD proves him wrong in at least two instances.

Mr. CONNALLY. If the Senator will yield for just a moment——

Mr. VANDENBERG. I will yield for just a moment.

Mr. CONNALLY. I am sorry to have irritated the Senator.

Mr. VANDENBERG. The Senator from Michigan is always irritated to be misrepresented.

The Senator from Michigan charged the Senator from Texas with misrepresenting him. I asked him how he voted. I did not say he voted in any particular way. I asked him how he voted, and he said he voted against the bills as they had been presented. If anybody has misrepresented the Senator, it is the printed RECORD; and if it did not misrepresent him, he misrepresented himself, out of his own mouth, with his own words, when he said he had voted against all relief bills.

Mr. President, under the provisions of the Senator's amendment the Federal money would be turned over to the States. The Senator would turn over the New Jersey part of it, I presume, to Mr. Hague. I have nothing against Mr. Hague. I rather like Mr. Hague. At least he knows what he is trying to do, and he usually does it. In Kentucky, for example, all the money would be turned over to Governor Chandler, to let him adopt such methods and such kinds of relief as he might see fit during 1938. What would then happen to the Senator from Kentucky [Mr. BARKLEY] with all the money in the hands of Mr. Chandler, and with the State adopting such plans as it saw fit?

Or suppose Federal funds were turned over to the Governor of Georgia. What would happen to a Senator from that State who wanted to return to the Senate?

What would happen if the Federal funds were turned over to the Governor of Michigan? I do not know when the Senator from Michigan comes up for reelection. He may not come up at all. However, I imagine that the present Governor of Michigan would not use any of the funds to relieve the Senator from Michigan.

I am not making charges of corruption. It is our business to see that they never can be made, by holding in our own hands the control of Federal expenditures, and having Federal supervision over them, and Federal accountability for them.

We have talked much about the General Accounting Office. The reorganization bill was killed largely because it did not preserve the General Accounting Office. Why? Because our philosophy was that every dollar, when it was spent, had to go through the General Accounting Office in order that it might be spent only for the purposes for which Congress appropriated it. Yet under the provisions of the amendment offered by the Senator from Michigan [Mr. VANDENBERG] we would pour out billions of dollars, and turn them over to the State authority, and let the State do what it pleased with the money, without any Federal accountability whatever.

Mr. President, the amendment offered by the Senator from Michigan is unsound. It is merely an alibi. The Senator from Michigan desires to be in the attitude of saying, "Oh, yes; I am for relief. I am for you hungry people. I want to relieve the unemployed, but the bill, as it was presented, did not suit me and I had a better plan. If they had adopted my plan, you would have been relieved. I voted against the plan presented and offered my plan."

The Senator from Michigan knows that his plan is not going to be adopted. He has known it from the beginning. If he knows anything, he knows that if he is for relief, if he is for helping the unemployed, he must either vote for the joint resolution as it is written or vote against it.

The Senator from Michigan has been in the Senate a long time. He is wonderfully shrewd and is a marvelous politician; but he cannot say to the businessmen, on the one hand, "I fought the measure presented for relief; I was against it; I do not believe in relief"; and, on the other hand, say to the unemployed and the reliefers, "I was for you, and I wanted to do it, but I wanted to do it in some other way." The Senator from Michigan cannot get by with such tactics. Somebody will expose him.

The Senator from Michigan knows that his amendment is not going to be adopted. If he had thought it was going to be adopted, he would have changed it. He would not have proposed the kind of amendment which he has proposed if he had thought it had any chance on earth. It is good stuff for the boys in the gallery—"VANDENBERG presents new plan of relief; old plan has failed." However, I have heard of nobody starving to death under the old plan of relief. I have heard of none of the unemployed who did not get their quota of work under the W. P. A. But that will not do. We must have a new plan, a new system.

Mr. McKELLAR. Mr. President, will the Senator yield?

Mr. CONNALLY. I yield to the Senator from Tennessee.

Mr. McKELLAR. Speaking of Michigan and relief, I find that Michigan apparently needs it and apparently uses it.

Mr. CONNALLY. Oh, no.

Mr. McKELLAR. Yes.

Mr. CONNALLY. Michigan uses it?

Mr. McKELLAR. Yes; she uses it. On page 16 of the House hearings on the joint resolution, I find that in 1936 Michigan received $45,000,000 plus; in 1937, $59,000,000 plus, and in 1938, $32,000,000 plus.

In order to show what those figures mean, let me state that Michigan has a population of 4,842,000. Texas has a population of 5,824,000. In 1936 Texas received $29,000,000 as against $45,000,000 for Michigan. In 1937 Texas received $39,000,000 as against $59,000,000 given to Michigan. In 1938 Texas received $20,000,000 as against $32,000,000 for Michigan. So on the question of relief, even under Federal authority, Michigan has fared fairly well.

Mr. CONNALLY. I thank the Senator from Tennessee. I am sure the figures which the Senator from Tennessee has quoted are correct, because I am sure the Senator from Michigan was diligent in pushing the interests of the people of his State before the relief bureaus. Although he may not believe in relief, although the philosophy of the matter may not appeal to him, as long as relief is available he is going to see that his people get their share, at least, and probably a little more than their share.

Mr. President, I apologize to the Senate for taking so much time. I should not have done so except that the Senator from Michigan, irritated and exasperated because he was asked a question, insinuated that the Senator from Texas had misrepresented his votes, when the RECORD shows that the Senator from Michigan himself misrepresented his own votes.

I wish to say that the amendment, under which it is proposed to turn over to the States, all the Federal funds involved and let the States adopt the kinds of relief they want, appoint the officers, and have the responsibility, is one of the most ridiculous and senseless proposals that it has ever been my—I started to say "privilege"—duty to observe or inspect in this chamber.

Why not turn over to the States many other Federal functions, give the States the money, and tell them to do as they please with it? When we pass appropriation bills, we are meticulous to see that an appropriation act itself states particularly the purposes of the appropriation, and the purposes for which it may be sent. The Senator from Michigan wants to pour out billions of dollars and turn them over to the State authorities to squander and spend as they see fit, without any responsibility on the part of Federal officers, and without even having the Federal officers do the spending within the States.

Mr. BILBO. Mr. President, I submit amendments to the pending relief joint resolution and desire to have them printed in the RECORD as a part of my remarks and also printed for the use and information of the Senate.

While I have the floor, I wish to ask permission to speak to the amendments tomorrow as soon as the Senate convenes, if there is no objection.

The PRESIDING OFFICER. Without objection, the amendments will be received, lie on the table, and be printed and printed in the RECORD.

The amendments intended to be proposed by Mr. BILBO to the joint resolution (H. J. Res. 679) making appropriations for work relief, relief, and otherwise to increase employment by providing loans and grants for public-works projects, were ordered to lie on the table, to be printed, and to be printed in the RECORD, as follows:

Amendment intended to be proposed by Mr. BILBO to the joint resolution (H. J. Res. 679) making appropriations for work relief, relief, and otherwise to increase employment by providing loans and grants for public-works projects, viz: At the end of the bill to insert the following new title:

"TITLE —

"That subsection (d) of section 202 of the Agricultural Adjustment Act of 1938, as amended, is amended to read as follows:

"(d) To carry out the purposes of subsection (a), the Secretary is authorized to utilize in each fiscal year, beginning with the fiscal year beginning July 1, 1938, a sum not to exceed $4,000,000 of the funds appropriated pursuant to section 391 of this act, or section 15 of the Soil Conservation and Domestic Allotment Act, as amended, for such fiscal year. The Secretary shall allocate one-fourth of such sum annually to each of the four laboratories established pursuant to this section: *Provided*, That until all of such laboratories are established such allocation shall not be made: *Provided, however*, That notwithstanding the foregoing proviso, and notwithstanding the limitation contained in the item 'Conservation and Use of Agricultural Land Resources, Department of Agriculture,' in the act entitled 'An act making appropriations for the Department of Agriculture and for the Farm Credit Administration for the fiscal year ending June 30, 1939, and for other purposes,' approved May —, 1938, for the fiscal year beginning July 1, 1938, $1,000,000 of such sum shall be available, from the funds so appropriated for such fiscal year, for the establishment, maintenance, and operation of a regional research laboratory in one of the States located in the cotton-producing area, and the Secretary of Agriculture is authorized and directed to proceed with the establishment of such laboratory at the earliest practicable date after the beginning of such fiscal year."

Amendment intended to be proposed by Mr. BILBO to the joint resolution (H. J. Res. 679) making appropriations for work relief, relief, and otherwise to increase employment by providing loans and grants for public-works projects, viz: At the end of the bill to insert the following new titles:

"TITLE VI—REPATRIATION COMMISSION

"SEC. 601. (a) For the purpose of carrying out the provisions of this title, the President is authorized to appoint a Repatriation Commission (composed of three members, one of whom shall be a Negro), all the powers of which shall be administered by such Repatriation Commission (hereinafter referred to as the "Commission").

"(b) The Commission may, without regard to the civil-service laws or the Classification Act of 1923, as amended, appoint and fix the compensation of such experts and such other officers and employees as may be necessary to carry out the provisions of this title; and may make such expenditures (including expenditures for personal services and rent at the seat of government and elsewhere, for law books and books of reference, and for paper, printing, and binding) as may be necessary to carry out the provisions of this title.

"SEC. 602. (a) The Commission, under the direction of the President, shall provide for the transportation from the United States to the Republic of Liberia, or to any territory acquired pursuant to the provisions of title VII of this act, of any citizen of the United States who desires to migrate to, and settle in, the Republic of Liberia or any such territory and who is found by the

Commission to be qualified in accordance with the provisions of section 606 of this act to receive the benefits of this title.

"(b) The Commission, under the direction of the President, may also pay all or any part of the expenses of transporting any such person from any point in the United States to the point of departure of such person from the United States or from the point such person may be landed in the Republic of Liberia or in such territory to the point where such person desires to settle in the Republic of Liberia or in such territory.

"(c) The Commission, under the direction of the President, may also pay all or any part of the expenses of subsistence of any such person from the time such person leaves from any point in the United States for the purpose of migrating to the Republic of Liberia or to any such territory until the time such person arrives at the point where he desires to settle.

"(d) The Commission, under the direction of the President, may also make such grants-in-aid, either in cash or in supplies and equipment or in both cash and supplies and equipment, to any such person, as the Commission may deem advisable for the purpose of enabling such person to establish himself upon a self-sustaining basis in the place where he desires to settle, and may also make advances in cash to any such person to be used for the purchase of lands and making improvements thereon, such advances to be made upon such terms and conditions for repayment as the Commission may deem advisable.

"SEC. 603. (a) The President is authorized to enter into negotiations with the proper officials of the Government of the Republic of Liberia for the purpose of obtaining (1) an agreement by such Government immediately to confer citizenship upon all American citizens to whom the benefits of this title are extended, and (2) the consent of such Government to the construction by the United States in areas of such Republic where persons receiving the benefits of this title may settle of public roads, bridges, schools, sanitary facilities, river and harbor improvements, flood-control works, and other public buildings and works of a similar character; such public buildings and works to be constructed by the United States and such part of the cost of such construction as may be agreed upon by the President and the Government of the Republic of Liberia, to be covered by bonds of the Republic of Liberia, issued to the United States and bearing such interest and containing such provisions with respect to redemption as the President may deem adequate. If the President determines that such negotiations may be consummated in a manner satisfactory to him and if he further determines that the Government of the Republic of Liberia will give adequate assurances with respect to the operation and maintenance of such public buildings and works as may be constructed in such Republic by the United States, the President shall have all necessary authority to consummate such negotiations.

"(b) In the event the consent of the Government of the Republic of Liberia to the construction of such public buildings and works is obtained as provided in subsection (a) of this section, the Commission is authorized, subject to the approval of the President, to construct any such public buildings and works in areas of the Republic of Liberia where persons receiving the benefits of this title may have settled as it may deem advisable: *Provided*, That no such public building or work shall be constructed until the Government of the Republic of Liberia has agreed that upon completion of such public building or work the Government of such Republic will deliver to a person designated by the President of the United States bonds of such Republic covering the part of the cost of such public building or work which is to be borne by such Republic.

"SEC. 604. The Commission may, subject to the approval of the President, enter into any contracts with transportation agencies and others which it may deem desirable for the purpose of providing transportation and subsistence for such persons in accordance with the provisions of this title.

"SEC. 605. The President is authorized to use any of the property of the United States which may be useful in the transportation of persons and property for the purpose of transporting such persons, if in his judgment the public interest makes such use advisable. The President may require any of the departments and independent establishments of the Government to cooperate with the Commission in carrying out the provisions of this title.

"SEC. 606. No person shall be entitled to receive the benefits of this title unless the Commission finds that such person (1) may become eligible for citizenship in the Republic of Liberia, (2) is in good physical condition, and (3) has the necessary training, intelligence, and ambition to be successful in the place to which he desires to migrate.

"SEC. 607. Notwithstanding any other provisions of this act, the President is authorized to use any of the funds appropriated by this act for the purpose of carrying out the provisions of this title. Such funds may be allocated to the Commission or to any of the departments and independent establishments of the Government which may be directed by the President to cooperate with the Commission in carrying out the provisions of this title.

"TITLE VII—CORPORATION TO ASSIST IN REPATRIATION

"SEC. 701. (a) The President is authorized and requested to enter into negotiations, through the Department of State or otherwise as he may deem appropriate, with the governments of the Republic of France and Great Britain for the purchase by the United States of such a number of square miles of the uninhabited or sparsely inhabited territory of either or both of such countries adjoining the Republic of Liberia as he may deem necessary for the settlement of all persons eligible to receive the benefits provided by title VI of this act.

"(b) If the President shall ascertain that such territory may be purchased from either or both of such countries at a price determined by him to be reasonable, he shall have all necessary authority to consummate negotiations for the purchase of such territory.

"(c) The purchase price of any such territory shall be paid by crediting the agreed purchase price against the war debts owing to the United States by the country from which such territory is purchased.

"SEC. 702. (a) All proprietary rights in any territory acquired by the United States in accordance with the provisions of section 701 of this act shall be conveyed by the President by quitclaim deed to a corporation to be organized by the Repatriation Commission, acting under the direction of the President. Such corporation shall, in accordance with its bylaws approved by the President, exercise sovereign rights over all of such territory and proprietary rights over such part of such territory as may not be subject to proprietary rights of others acquired in accordance with laws applicable to such territory prior to its acquisition by the United States.

"(b) Such corporation shall be so organized that it shall possess all such powers as may be necessary to enable it to do such acts, and to engage in such business activities, as may be necessary to enable it to develop such territory to the extent that immigrants thereto will by the exercise of reasonable industry be able to place themselves upon a self-sustaining basis, including, but not limited to, the following powers:

"(1) To sell any lands acquired by it to any person who receives the benefits provided by title VI of this act, or his descendants upon such terms as it may deem advisable.

"(2) To sell not to exceed 160 acres of any lands acquired by it to any immigrant from the Republic of Liberia, if the settlement of such immigrant upon such lands would contribute to the development of such territory.

"(3) To sell stock in such corporation to immigrants to such territory and to receive such stock or any stock sold in accordance with paragraph (4) of this subsection in payment for not to exceed 160 acres of land purchased by such immigrant.

"(4) To sell stock in such corporation to any organization or to any citizen of the United States who does not desire to, or cannot qualify to, settle in such territory; such stock to be transferable by any such organization or any such citizen to any person who may settle in such territory, or if not so transferred, to be redeemable upon liquidation of such corporation at a price per share equal to the price at which issued plus interest at 3 percent per annum from the date of issuance to the date of redemption.

"SEC. 703. (a) It is hereby declared to be the intent of Congress that such corporation shall not have perpetual existence, but that its existence shall be limited to such period of time as may be necessary to enable it to perform its functions in accordance with section 702 of this act and for such additional time as may be necessary to enable the President to consummate the negotiations to be entered into in accordance with the provisions of subsection (b) of this section.

"(b) Whenever the President shall determine that such territory has been developed to the extent necessary to enable immigrants thereto to place themselves upon a self-sustaining basis, he shall enter into negotiations with the proper Government officials of the Republic of Liberia with a view to having such territory incorporated into the Republic of Liberia and having the citizens of such territory granted citizenship in such Republic. If the President determines that such negotiations may be consummated in a manner satisfactory to him, he shall have all necessary authority to consummate such negotiations. If the President determines that such negotiations may not be consummated in a manner satisfactory to him, he shall formulate a plan whereby independence may be granted to the inhabitants of such territory and shall submit such plan to the Congress for its action.

"SEC. 704. Notwithstanding any other provisions of this act, the President is authorized to allocate from the funds appropriated by this act, for use by the Works Progress Administration and the Public Works Administration, such an amount as he may deem necessary for the purpose of providing capital for the corporation provided for by this title."

Mr. BYRNES. Mr. President, I did not intend at this time to have anything to say with respect to the pending bill, but the references of the Senator from Michigan [Mr. VANDENBERG] to the unemployment committee, of which I was chairman, cause me to make a statement concerning the report of the committee.

The members of that committee approached the consideration of this exceedingly important question without any thought of securing political advantage for any party or any individual. We determined, after long and careful investigation, that at this time it would be unwise for the Congress to attempt any permanent solution of this problem which involves a material change from the present system. From last August to this date more than 1,000,000 persons have been added to the relief rolls. Any plan adopted at this

time having in mind the abnormal conditions existing might not be considered wise by the Congress at a time when conditions were normal. By our report we did not mean to say that we regarded the existing law as the best possible system that could be devised for Federal aid; but we did recommend that no change be made at this time in the midst of this recession or depression and that we should leave to the next Congress, when we have had further opportunity to investigate, the determination of a permanent program.

We did give consideration to the plan suggested by the Senator from Michigan. In his speech today, time and time again, he has urged that under the existing system there is a discrimination against some persons on the relief rolls and in favor of other persons on the relief rolls. The Senator at no time made clear the fact that if there is a discrimination in favor of one person on the relief rolls as against another person, such discrimination is due to the fact that one is an employable person and the other is an unemployable person.

Several years ago the Congress of the United States determined that it would undertake to provide for the employables, but would leave to the States the burden of caring for the unemployables. The Senator from Michigan stated time and again in support of the plan he urges that we should take the sum provided by this bill, $1,425,000,000, and allot it to the States, and that thereby we would avoid the responsibility of discriminating as between persons on the relief rolls.

Mr. President, that cannot be done. The Congress of the United States cannot avoid its responsibility. The Congress of the United States cannot take money out of the Treasury, $1,425,000,000, dispose of it by a grant to the States and sit back and say, "We have no further responsibility for what is done with that money within the States."

The Senator from Michigan says that no discrimination would then occur. Is that true? Then, if hereafter under the plan suggested by him there is to be no discrimination as between persons on relief, he must mean one of two things: Either he is going to give every man, unemployable and employable, a job or he is going to pay to the unemployable on the relief roll the same amount that he pays to the man who is working on a work-relief job. If there is to be no discrimination, he is going to do one or the other of those two things.

Mr. HATCH. Mr. President, will the Senator yield?

Mr. BYRNES. I yield.

Mr. HATCH. Does it not mean also that where there are two systems, one of work relief and one of direct relief, we would either have to give jobs to all those on relief or take jobs away from them all and put them on a level of direct relief, or in other words on the dole?

Mr. BYRNES. It means exactly that. The Senator from Michigan, of course, does not mean to give every man a job. The Senator from Michigan means under the system he urges that every man shall be put upon direct relief, or the dole, by the States to which we give the Federal grant. Mr. President, I listened to the Senator from Michigan most carefully. He cannot deny that statement. Several of his statements I took down at the time he uttered them. His speech means nothing but to return to the dole—75 percent of the amount of the dole to be advanced by the Government of the United States.

The Senator from Michigan in support of that plan urges the proposal of Mr. Taft speaking in behalf of the community chest organizations of the country. But, Mr. President, Mr. Taft, who impresses me as being a very sincere worker in this worthy cause, discussed this matter with me on several occasions. On the first occasion he presented substantially the proposal now offered by the Senator from Michigan. He believed we could turn this money back to the States and buy more relief as the Senator from Michigan now suggests. But the splendid gentleman who represented the community chest organizations, Mr. Taft, had much to learn about this subject, which we have been forced to learn from our study of it. So when Mr. Taft finally came before the committee, instead of taking the position he had previously held, and the position taken today by the Senator from Michigan, Mr. Taft made a statement from which I will quote. I asked him this question:

> You are proposing that money be allotted to the States based on some formula of matching. I am interested in trying to get your opinion as to whether when that money is allotted to the State, it will be spent for work relief, to give men jobs, or would be used by them simply for the dole?
>
> Mr. TAFT. Two months ago my guess would have been that it would be spent for direct relief in the homes. My experience in my own community, however, since that time—
>
> Within 2 months—
>
> convinces me that there is a tremendous pressure for work relief, and I am inclined to think that in most communities a substantial proportion—by "substantial" I do not mean probably more than, certainly not more than half—would be spent for some type of work program. I have been amazed myself—
>
> Said Mr. Taft—
>
> to find the strength of that sentiment.

Mr. Taft talked to me about it. I told him that in the opinion of the majority of Congress the President of the United States was right when he adopted the proposal to give an opportunity to the unfortunates on the relief rolls to work for what they got instead of merely receiving it as a dole. He did not then believe it, but when he went back to his own community, with his vital interest in this problem, as a result of his investigation he returned to say that he believed 50 percent should be given for work relief.

Then what would happen to the philosophy of the Senator from Michigan who says there should be no discrimination as between persons on the relief rolls? He would simply transfer to the mayors of the country the right to discriminate as between persons on the relief rolls, giving, according to Mr. Taft, a job to one man and a dole to another. Would that be right? If we find it difficult, despite all our checks and balances, to make an equitable distribution as between employables and unemployables, how could we ever justify turning over $1,425,000,000 to the governors of States and the mayors of the cities of the country and permit them to indulge in a discrimination such as has been denounced by the Senator from Michigan?

Mr. CONNALLY. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from South Carolina yield to the Senator from Texas?

Mr. BYRNES. I do.

Mr. CONNALLY. Can the Senator from South Carolina imagine how untrained State officials, with practically no experience at all in relief, could administer it better than Federal officials who have been experimenting and struggling with it for 5 years, and how it is that under the theory of the Senator from Michigan a State officer can administer relief better than a Federal officer?

Mr. BYRNES. Mr. President, the question of the Senator from Texas answers itself. The people of the Nation are not in favor of the dole. I do not always follow the polls of Dr. Gallup, but a few weeks ago, because of my interest in this question, I was interested to note that in one of his polls 90 percent of the answers were to the effect that relief should be in the form of work relief.

The Senator from Michigan says, "By direct relief we can buy more relief." Yes; but buy it how? Buy it at the expense of the morale of the worker, first of all; and then he forgets that if we take $1,425,000,000 and give it to needy individuals, taking from them in return not a single thing, we do not have the schoolhouses and the public buildings and all of the other public improvements which have been constructed by W. P. A. workers throughout the country, and which have made a substantial and permanent contribution to the assets of the Nation.

Mr. President, one other thing. The Senator from Michigan was asked by the Senator from Washington [Mr. BONE] what was the answer to the situation. The Unemployment Committee recognized its own shortcomings with the limited

opportunity it had to investigate these problems. Certainly we do not believe that this relief appropriation is an answer to the unemployment problem. It is what it purports to be; it relieves it. It does not remove it.

The Senator from Washington asked, "How are we going to remove it?" The Senator from Michigan never responded to the Senator from Washington. The committee considering this problem said that we had gone into it. We asked every representative of industry who came before us the direct question, "What can Congress do specifically to remedy the situation?" The representatives of steel, railroads, coal, textiles, and all other industries had but one answer: "Repeal or modify the tax on undivided profits. Modify the tax on capital gains. You will thereby unloose capital, and do more than all else." The Congress has done it. I want to see, now, whether or not they knew what they were talking about. If not, the serious-minded men in the Congress who through the years have believed that they could expect something thoughtful from the businessmen of the Nation will have reason to believe hereafter that they need not look to them for any help.

The Senator from Michigan talks about witnesses, the so-called municipal research men, a splendid body of men. They believe that turning the money over to the municipalities would be better than the present system. One of the reasons they urge is politics. Mr. President, I submit to the Members of the Senate and I submit to the country whether or not we have more politics in the operation of the present system than we would have if we should turn over to the mayors of the Nation, in a lump sum, the money we propose to appropriate, to be handled as they pleased.

People constantly assert that the Federal Government selects, for the unemployment list, unworthy persons. They have never gotten from the press or from the commentators over the radio the fact that that is not true; but, on the contrary, whenever a man is selected and certified as an eligible person for a job on a W. P. A. project, he is selected by the officials of the State government, whether we call it a welfare organization or by any other name. The State officials now select the persons for the list. The only authority exercised by the W. P. A. officials is that when a man is certified as a carpenter, if upon examination they determine that he is not a carpenter, and cannot do the job of a carpenter, they send him back and demand that a carpenter be certified. So we have local rule today.

The advocates of the proposal of the Senator from Michigan say it would enable local officials to select the projects. Local officials today select the projects. An application cannot come to Washington unless it is sponsored by the officials of a local government; and then, when the project is built—the project selected by local officials, and constructed by men who are certified by the local officials—the Federal Government exercises a check upon it to see that the men do a good job.

Under the present system there may be many defects. So far as I am concerned, I do not believe we shall ever improve it by turning over lump sums of money to local officials in the belief that thereby we shall get rid of politics, or that thereby we shall avoid discriminations among workers.

The Senator from Michigan says that Mr. Hopkins has done a good job, but that there is taxation without representation. Mr. Hopkins is not preventing the Senator from representing the State of Michigan. Certainly nobody prevents him from speaking about the conditions in Michigan. He does it frequently. He does it well. I will say to him that if any State in the Union has benefited by the present system, the State of Michigan has done so. The Senator from Michigan says there is discrimination on the relief rolls as among relief workers. I know that the fact is that, so far as Michigan is concerned, the director of W. P. A. in that State was told that every man on the relief rolls certified by the officials of Michigan as an employable person should be given a job. I think that was right, because in Detroit an extraordinary situation existed. Into Detroit persons had gone from all over the country. With the situation existing in the automobile industry, more people were out of work there than elsewhere, and the director sent word to the administrator of the State to put to work every man capable of working. The only reason why a man received $20 per month or $30 per month instead of the compensation paid to a W. P. A. worker in Michigan is because the officials of Michigan determined that the man with the low wage was not fit to do the work required upon a W. P. A. project.

Mr. President, that is all I desire to say.

AMENDMENT OF AGRICULTURAL ADJUSTMENT ACT OF 1938

Mr. MURRAY obtained the floor.

Mr. BANKHEAD. Mr. President, will the Senator yield for a moment?

Mr. MURRAY. I yield.

Mr. BANKHEAD. I desire to call up a bill which has been amended by the House, and to move concurrence in the amendments of the House. It is Senate bill 3949.

Mr. McKELLAR. Will the Senator state what it is?

The PRESIDING OFFICER. The clerk will state the title of the bill.

The LEGISLATIVE CLERK. A bill (S. 3949) to amend the Agricultural Adjustment Act of 1938.

Mr. BANKHEAD. It is a bill which was introduced by the senior Senator from Arkansas [Mrs. CARAWAY] and the junior Senator from Oklahoma [Mr. LEE] with reference to frozen cotton allotments; and then the Senator from Georgia [Mr. GEORGE] offered an amendment increasing the tobacco allotment.

Mr. BARKLEY. And one of the amendments involved is an amendment made by the House pertaining to burley tobacco.

Mr. BANKHEAD. Yes. I am advised by the Senator from Georgia, who sponsored the original tobacco amendment, that the action of the House is agreeable to him.

Mr. McKELLAR. I have no objection, and I think the bill ought to pass.

Mr. BANKHEAD. I am doing this merely at the request of those who are responsible for the bill.

Mr. BARKLEY. I hope the motion of the Senator from Alabama will be agreed to.

The PRESIDING OFFICER laid before the Senate the amendments of the House of Representatives to the bill (S. 3949) to amend the Agricultural Adjustment Act of 1938, which were, on pages 2 and 3, to strike out all of section 2 and insert:

SEC. 2. (a) Section 313 (e) of the Agricultural Adjustment Act of 1938, as amended, is amended by striking out "2 percent" and inserting in lieu thereof "4 percent."

(b) Section 313 of such act, as amended, is amended by adding at the end thereof the following:

"(f) In the case of fire-cured and dark air-cured and burley tobacco, the national quota for 1938 is increased by a number of pounds required to provide for each State in addition to the State poundage allotment a poundage not in excess of 2 percent of the allotment which shall be apportioned in amounts which the Secretary determines to be fair and reasonable to farms in the State receiving allotments under this section which the Secretary determines are inadequate in view of past production of tobacco."

And on pages 3 and 4, to strike out all of section 3.

Mr. BANKHEAD. I move that the Senate concur in the amendments of the House.

The motion was agreed to.

REIMBURSEMENT OF CERTAIN RAILROADS

The PRESIDING OFFICER (Mr. MINTON in the chair) laid before the Senate the amendments of the House of Representatives to the bill (S. 3526) to provide for reimbursing certain railroads for sums paid into the Treasury of the United States under an unconstitutional act of Congress, which were, on page 1, line 5, to strike out all after "appropriated", down to and including "thereof", in line 6, and insert "including the balance remaining in the fund in the Treasury designated 'Railroad Retirement Trust Fund', to the railroad companies and other carriers of the

United States, their trustees or receivers, their proportionate share of"; on page 1, line 7, to strike out "said sums having been" and insert "in full settlement of all their claims against the United States for a refund of sums"; on page 1, line 10, to strike out "and"; on page 2, to strike out all of section 2 and insert:

SEC. 2. Claims for refund hereunder shall be filed within 1 year from the approval of this act, and the Secretary of the Treasury may promulgate such rules and regulations as he deems necessary for carrying out the purpose of this act.

And to amend the title so as to read: "An act to refund sums paid by the railroads and other carriers of the United States under the Railroad Retirement Act of 1934."

Mr. BAILEY. I move that the Senate agree to the amendments of the House.

The motion was agreed to.

REGISTRATION OF COLLECTIVE TRADE-MARKS

Mr. McADOO. Mr. President, will the Senator from Montana yield to me?

Mr. MURRAY. I yield to the Senator from California.

Mr. McADOO. I ask for the present consideration of House bill 9996, which has been favorably reported by the Committee on Patents. On a former occasion the Senator from Montana [Mr. WHEELER] objected to its consideration because he wanted to look into the bill. He has now withdrawn the objection. It is a noncontroversial measure and ought to be passed.

The PRESIDING OFFICER. The clerk will state the title of the bill.

The LEGISLATIVE CLERK. A bill (H. R. 9996) to authorize the registration of certain collective trade-marks.

The PRESIDING OFFICER. The bill was considered and the committee amendment agreed to on May 18.

Mr. McADOO. Mr. President, the bill simply gives to our nationals the right of collective registration of trade-marks, the same right that foreigners have under treaty provisions, and puts our nationals on a parity with foreigners in that respect.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

Mr. AUSTIN. Mr. President, I should like to ask the Senator from California a question. Did the committee which considered House bill 9996 disagree with respect to reporting it?

Mr. McADOO. There was no disagreement.

Mr. AUSTIN. Was the meeting of the committee which reported the bill largely attended?

Mr. McADOO. The meeting was not largely attended, because it is very difficult to get the members together. I had to poll the committee on the floor of the Senate. All the members signed, I believe. The report was unanimous.

Mr. AUSTIN. The committee was polled, was it?

Mr. McADOO. Yes. I should like to repeat to the Senator what he will find in the report of the committee:

The purpose of this measure is to correct an injustice to domestic persons, natural and juristic, which has arisen by reason of the fact that under existing laws, and in keeping with international conventions, foreign trade-marks of a collective character enjoy a protection in the United States not now afforded to domestic users of collective trade-marks.

That is all there is to the bill.

Mr. McKELLAR. Mr. President, it does not affect the domestic law as to trade-marks at all?

Mr. McADOO. No. Suppose, for instance, an American Legion Post has a badge. That is a collective trade-mark, and they may desire to register it for protection. Or any other organization may have such a trade-mark, and it could be registered under the proposed law. As it is now, a special bill must be passed whenever a collective trade-mark is to be registered.

There are on the records of the Senate a great many bills for the registration of trade-marks of various civic organizations, like the Daughters of the American Revolution, for instance. This bill would extend to Americans the same privilege we have extended by international agreement to foreigners.

Mr. AUSTIN. Mr. President, I should like to ask the Senator from California whether this proposal affects trade-marks and similar rights now granted by our laws to corporations and to individuals engaged in trade in the United States.

Mr. McADOO. It does not affect them.

Mr. AUSTIN. Would the proposal have any other effect than to extend the right to retain the monopoly in a trade-mark to activities which are not commercial? I desire to understand the bill. I want to know whether it extends to corporate bodies which are not engaged in trade the right to obtain a trade-mark. Is that the purpose of the bill?

Mr. McADOO. Let me read from the report for a moment:

Since June 30, 1936, therefore, it has been possible for foreign associations but impossible for domestic associations to register marks used by their members or subject to their control. This was required by our treaty obligations.

This situation is intolerable since it not only denies adequate protection in the United States to hundreds, if not thousands, of valuable association trade-marks but also keeps such associations powerless to prevent piracy and infringement of such marks in foreign countries where registration and protection are dependent on prior United States registration.

Among the associations that have appealed to your committee to remedy this situation are the Southern Pine Association, the Pennsylvania Grade Crude Oil Association, the Arkansas Soft Pine Bureau, the National Oak Flooring Manufacturers Association, and the National Lumber Manufacturers Association. There are hundreds of others throughout the United States that will take immediate advantage of enabling legislation.

I cannot possibly conceive of any reason why this extension of the privilege of registration should not be granted. It does not affect any existing provisions for registration of trade-marks; it does not create any monopoly. It is simply an attempt to put our own citizens on a parity with the citizens and association of foreign countries, which now by treaty have the right to register collective trade-marks in our jurisdiction.

Mr. AUSTIN. Mr. President, I think the bill should go over so that we might have an opportunity to study it. After a brief consideration of the report, the question arises on the report itself whether it is good policy to adopt such a measure as this. I notice there is a statement here to the effect that the Commissioner of Patents, in a certain case which is cited, has held that an organization composed of nine associations of fruit growers, and acting as a selling agent, could not have a trade-mark registration.

Mr. McADOO. Mr. President, I am quite willing to let the bill go over, if the Senator desires to look into it further.

Mr. AUSTIN. I should like to look into it more carefully. I ask that it go over.

The PRESIDING OFFICER. Objection is heard.

RELIEF AND WORK-RELIEF APPROPRIATIONS

The Senate resumed the consideration of the joint resolution (H. J. Res. 679) making appropriations for work relief, relief, and otherwise to increase employment by providing loans and grants for public-works projects.

Mr. MURRAY. Mr. President, as a member of the special Senate Committee on Unemployment and Relief, I have had the opportunity of participating in the very extensive hearings conducted by that committee during the present session of Congress. A vast amount of important and revealing information has been secured relating to the problems of unemployment and relief, the causes and remedies for depressions, and, in particular, the causes which have contributed to the present recession now so seriously disturbing our national industrial equilibrium.

If I may be permitted to do so, I should like at this time to submit for the consideration of this honorable body some of the results of our investigations, as well as some of the important and significant deductions which I believe may be logically drawn therefrom.

Mr. President, the pending recovery bill contains provisions authorizing the appropriation and expenditure of huge sums of our national funds.

Naturally, the appropriation and expenditure of such enormous Federal funds, in the face of our already unbalanced

Budget and mounting national debt, can only be justified by the soundest considerations of public policy and by the most convincing proof that such a measure will undoubtedly accomplish the purposes intended, and, in fact, that the ends sought to be attained by this program can in no other manner be substantially achieved.

It has been repeatedly charged in both houses of Congress by the opposition party that this theory of spending public funds for priming the pump has already been tried and has proven a complete failure, and that we should not be asked to venture such great stakes upon it again. It is, of course, highly important—yes, absolutely essential—that we should be sure that the theory is right before we proceed further. It is vigorously asserted, as I have already stated, that it will result only in failure, and that we are risking our national solvency, the credit of our Government, and the future of our system of currency. It is argued that since 1933 the national debt has been increased by over $20,000,000,000 in a futile attempt to stimulate industrial activity and restore to gainful employment the millions of workers released from industry following the crisis of 1929. It is obvious that this presents a grave economic, financial, and political problem which forebodes great danger to our country in the event the theory proposed turned out to be wrong.

Inasmuch as the Senate committee to which I have just adverted has given a most serious and lengthy study to these problems, I deem it of importance that Senators should have the full benefit of those studies in considering the issue we are now called upon to decide. As a member of that committee, Mr. President, it is my individual judgment—and I think I can demonstrate the accuracy of my assertion—that this attack on the pending measure cannot be sustained in any degree; that, on the contrary, this proposed recovery measure fully meets all of the strict conditions which I have mentioned, and, in fact, constitutes the only effective means of meeting and combating this most perplexing problem of unemployment and industrial recession.

I think it may be safely stated that no reputable economist or business or industrial leader of the country would have the courage to assert that the bill should not pass. No other reasonable alternative can be offered, and, manifestly, there can be no other way to fight this recession and relieve the widespread human suffering and distress resulting from the rapidly mounting unemployment conditions of the country. Indeed, even a failure to promptly pass this measure might imperil the very continuance of our present economic system. A failure to act promptly would permit the present extremely threatening conditions to grow into a national crisis and panic that would be very difficult, if not impossible, to overcome. It is obvious that if the rapidly increasing unemployment in the country is not quickly relieved, we will soon witness widespread and serious human distress; and panic conditions could very easily develop, spreading bankruptcy and ruin across the Nation.

Already we see the situation becoming desperate in such industrial centers as Chicago and Cleveland. In Cleveland the W. P. A. roll has increased from 20,000 to 70,000 since last October. In Chicago the roll has jumped from 50,000 to 120,000. In my own small State of Montana the W. P. A. quota has been increased by thousands. The great copper mines and smelters of my State have almost completely suspended operations, and urgent and angry demands are pouring in for relief. The Governor of Illinois has just convened the State legislature to meet a very critical situation in that State which might well become a panic. Thousands of unemployed in Chicago are now being fed in bread lines, with the mere necessities of life supplied by the Surplus Commodities Corporation. In Toledo hungry relief clients recently took possession of the relief offices in their efforts to secure assistance. Similar threatening conditions will most certainly develop in other large industrial sections of the country as the days pass. Certainly no right-minded citizen should lightly undertake to play politics in a situation of this kind.

Mr. President, it is my judgment that the spokesmen of reactionary interests in this country are making a pathetic display of themselves in pretending to think and assert that this bill should be defeated. Actually, they know that it must pass and that it will pass, but they seem willing to take advantage of the situation and desire to play a little politics at this time in an effort to smear and discredit the administration by casting doubts on the program and assuming and pretending to charge that our original recovery program has been proven a failure.

Let us examine the facts. Many of the Nation's distinguished leaders in business and finance, as well as economists and sociologists, appeared before our committee and expressed their views on the progress our country has been making since 1933 under the present administration. The various economic reforms and social improvements which President Roosevelt has advocated and carried through since 1933 were extensively discussed and analyzed. They quite uniformly expressed approval of the many important measures which have been enacted providing necessary and far-reaching reforms and benefits to business, agriculture, industry, and finance, as well as materially advancing the social welfare of the people. In some instances they suggested amendments and improvements, but on the whole not one witness advocated the repeal or even a serious modification of the philosophy of any of these salutary measures.

Such measures as the Wagner Labor Relations Act, the Securities Exchange Act, the Agricultural Adjustment Act, the National Bituminous Coal Act, the Home Owners' Loan Act, the Federal Housing Act, the new Slum Clearance Act, the Federal Deposits Insurance Act, the Rural Electrification Act, and the Soil Erosion Act were all recognized as having accomplished effective and far-reaching benefits. Even the lowly, much-abused National Industrial Recovery Act was in nowise repudiated as an honest effort to stabilize industry, and it was frankly admitted that it had accomplished important results before it was finally declared invalid. They uniformly approved the Federal Public Works program, so satisfactorily and honestly administered by the Secretary of the Interior, Hon. Harold L. Ickes, as well as the efforts of the administration to care for the unemployed under the very able and efficient direction of Harry Hopkins, of the Works Progress Administration. Both of these Federal agencies have, in addition to efficiently relieving the distress of unemployment, added immeasurably to the wealth of the Nation since 1933. There is not a city or community in the country which does not boast of important projects adding greatly to its educational, cultural, or physical welfare. Dotted all over the land are great regenerative projects, such as dams, reservoirs, power plants, highways, bridges, and structures of every conceivable kind adding immeasurably to the comfort, welfare, and happiness of the people of the country. Mr. President, this country has advanced farther along the lines I have discussed during the few years of the present administration than it would have advanced in 50 years of alleged prosperity under the old regimes.

Representatives and spokesmen of industry appearing before the committee were unable to offer any legitimate or effective criticism of New Deal legislation or Government policies relating to these matters I have mentioned, nor did any of them seriously contend that any of this reform legislation has been found to be in anywise detrimental to business. On the contrary, they uniformly endorsed the philosophy of this sort of legislation and, in some instances where they were not in complete accord, they nevertheless found it impossible to offer any valid criticism or objection.

For instance, one of the Nation's outstanding bankers, Mr. Winthrop W. Aldrich, chairman of the board of the Chase National Bank of New York, freely acknowledged that business, finance, and industry in this country had been to blame for failing to carry out proper and necessary reforms in the interest and welfare of the country and the protection of our citizens. In the course of his testimony he had expressed some apprehension over the adverse effect of the

capital-gains tax and the undistributed-profits tax on industry causing a slowing down of the capital market and creating a feeling of uncertainty. He also very weakly criticized the administration's policies on the power utilities, and expressed concern over the regulations and restrictions imposed on Wall Street by the Securities and Exchange Commission, but upon interrogation he freely acknowledged that the Government had acted properly and wisely in enacting legislation designed to regulate and control the security exchanges of the country. Upon being directly interrogated on the subject of the regulation of the securities exchanges, the record shows his testimony at page 533 to be as follows:

Senator MURRAY. And you believe, do you, that the Government was justified in its policy of regulating the stock exchanges?

Mr. ALDRICH. Definitely.

Senator MURRAY. And you have had no objection to the measures that have been put in force for the purpose of regulating these stock exchanges of the country?

Mr. ALDRICH. Not in the least, as far as their purpose is concerned.

Senator MURRAY. You realize, of course, that it was the evils in the investment field, the evils that obtained in the stock exchanges of the country, that contributed largely to the great depression that came upon the country?

Mr. ALDRICH. I do not think there is any question about that.

Again, on page 535 his testimony is as follows:

Senator MURRAY. All of those evils that existed in Wall Street prior to 1929 were under the control of the stock exchange and under the control of the banking business of the country, and they could have regulated themselves if they had seen fit to do so; isn't that true?

Mr. ALDRICH. Yes; I should think that was true, if they had appreciated the fact that the abuses to which you refer might exist. Of course, some of them were not anticipated by anybody, I believe.

Senator MURRAY. They made no effort whatever to regulate the evils of the stock exchange, and permitted the country——

Mr. ALDRICH. Oh, I don't think that is true. I think the stock exchange made great efforts to regulate the practices on the exchange. I am not an expert on the stock exchange, but just from general knowledge I should say that.

Senator MURRAY. Well, as a result of the way the stock exchange was operated it was possible for investors of this country to have been looted out of billions of dollars prior to 1929; isn't that true?

Mr. ALDRICH. Well, I wouldn't think that was so. I think that there were a good many abuses, both in finance and on the stock exchange, and I think there were many cases of tragic failures of judgment and some cases of failures of personal integrity, but I wouldn't want to see the statement made as broadly as that.

Senator MURRAY. And, of course, that resulted in creating a feeling in the minds of the public generally that it was dangerous for them to have anything to do with the investment business in New York.

Mr. ALDRICH. Well, my feeling about that is that it is the best thing for the country that the exchanges and markets should be regulated by the Government. I am not against Government regulation. The public should have full confidence in dealing on those exchanges; at the same time I do not think that the regulation should go so far as to in any way hamper the usefulness of the exchange.

Senator MURRAY. But it should go far enough to prevent the general public from being defrauded by the manipulations of the stock exchanges.

Mr. ALDRICH. Senator, I do not think there is any responsible person who does not think that.

Mr. Aldrich also expressed opposition to the theory of guaranteed bank deposits. The record of the hearings on page 534 shows the following:

Senator MURRAY. For instance, the very first act that was established by the present administration was the act bringing relief to the banking business of the country.

Mr. ALDRICH. That is correct.

Senator MURRAY. That was Public Act No. 1.

Mr. ALDRICH. That is correct.

Senator MURRAY. And that had a tremendous effect in reestablishing confidence in the country.

Mr. ALDRICH. Absolutely.

Senator MURRAY. The Guaranteed Deposits Insurance Act has had a tremendous influence in establishing confidence on the part of the people of the country in banks.

Mr. ALDRICH. Well, I am not so sure about that. I, personally, am opposed to the theory of guaranteed bank deposits, but a great many people would say "yes" to that.

Senator MURRAY. Well, prior to the enactment of that act we had thousands of banks failing in the country practically every year, did we not?

Mr. ALDRICH. Yes; that is true.

Senator MURRAY. Just prior to the advent of the present administration.

Mr. ALDRICH. That is correct.

Senator MURRAY. And since the enactment of that act that situation has been cleared up and we do not have those bank failures any more.

Mr. ALDRICH. Well, I don't know whether that is brought about by the provisions of the Federal Deposits Insurance Act. I would be inclined to think that the situation has been such that conditions have not arisen in which those banks would be liable to fail. I do not say that the Federal Deposit Insurance Act has not been a contributing factor to the confidence of the public in those banks. I personally do not happen to agree with the economic theory of that act, but I would not want to say, either, that it prevented banks from failing, because I don't know whether that is true or not; I doubt it.

Senator MURRAY. But it has been given general credit in the country for that?

Mr. ALDRICH. That is correct.

Senator MURRAY. Not only by depositors but by bankers.

Mr. ALDRICH. That is correct.

Other representatives of finance and industry appearing before the committee in addition to Mr. Aldrich expressed themselves in favor of repeal or modification of the capital-gains tax and the undistributed-profits tax, but none offered any criticism legitimately reflecting on any of the legislation of this administration.

For example, Bernard M. Baruch, financier, of New York, said he thought the capital-gains tax should be amended so as to allow losses to be deducted, and that the undistributed-profits tax should be amended so as to allow accumulation of sufficient profits to meet the needs of prudent business administration. He suggested that the social-security payroll tax now in operation should be replaced. This suggestion was based upon the ground that the more expensive we make labor by means of taxes the greater will be the tendency to replace men with machines.

He approved in general the entire program of the administration for economic reform and social welfare. He expressed no criticism of any of the New Deal legislation but suggested studies and amendments wherever justified. He criticized monopoly, and asserted that monopolistic abuses should be regulated out of our economy. He pointed out that business must cooperate to eradicate its own abuses and that it should meet sympathetically the effort of the Government to eradicate those abuses which require Government action to destroy.

Mr. Baruch held that we must meet the needs of our unemployed and that while we had spent twenty billions to that end, that money could be replaced. He said it would "sink into insignificance" if we could succeed in saving the morale of our people and their ability to fend for themselves, and that it was the duty of business, capital, and labor to cooperate with the Government in the solution of these problems. His testimony was constructive and helpful.

The record of these hearings may be searched and it will be found that the only vital and specific advice or recommendation offered was for the repeal or modification of the tax on undistributed profits and the modification of the tax on capital gains. It was claimed that if Congress could be induced to take this course there would be an immediate and effective response from industry and that it would have a tremendous effect on the restoration of confidence and industrial activity.

The committee, in its preliminary report to the Senate, expressed accord with those proposals as an aid and encouragement to business. I personally doubted the wisdom of going so far in the modification of the taxes, and I think sound arguments could be advanced against such extreme action; but it was thought important to make some effort to remove the alleged cause of business hostility toward the Government. The Congress has since passed the revenue bill, substantially carrying out these recommendations; and I submit that this constitutes the strongest proof of the desire of Congress to do everything that is necessary, legitimate, and appropriate to aid industry.

I think the entire record of the administration has been one of helpfulness toward business, if the realities of the situation could only be understood. The Banking Act of 1933 and the handling of the banking crisis by the President were certainly in the interest of business and finance. That act, together with the Guaranteed Deposits Insurance Act,

has given us the soundest and safest banking system in all the world. The Securities Exchange Act is an act for the benefit of the investment security business, and has restored the confidence of the public in the security exchanges to a very large degree. I can hardly think of an act in the whole program of New Deal legislation that is not, in some of its implications, actually benefiting industry and finance. These acts are simply correcting the flagrant evils of our economic system and making it possible to retain our profit system.

The committee in its preliminary report makes the following statement:

> The committee is of the opinion that the enactment of revenue legislation along the lines contained in the Senate bill will be exceedingly helpful at this time. The committee, however, does not believe that the permanent solution of the unemployment problem is quite so simple, and, therefore, intends to pursue its inquiry in the hope that as a result of further study under more normal conditions, it can make recommendations broader in scope than those contained in this report and which will be more helpful to the Senate in dealing with the perplexing problem of unemployment and relief.

Mr. President, I think I have successfully demonstrated that industry has not been hampered or improperly interfered with in any manner by the reforms and social legislation which the present administration has enacted, and it is plain that the alleged "fog of fear and uncertainty" we have heard so much about has no foundation in fact. It is a mere figment of the minds of the privileged few who have been deprived of special advantages.

Mr. President, it is my judgment that it would be unsafe for Congress to take advice from or heed the admonitions of men situated as is Mr. Aldrich, of the Chase National Bank. Such counselors are too deeply enmeshed and involved in the matters and problems concerning which they assume to offer counsel; and I, for one, should not be inclined to trust them. It is my belief that the opinions and judgments of these biased advisers must be discounted.

I think it can be very easily established that the present recession is primarily due to the failure of industry to cooperate with the Government. I do not intend this statement as in anywise censuring industry. I think that if we all had the road to travel over again, we should probably avoid some of our serious failures of judgment and mistakes, and should act with more wholehearted cooperation. I think it can be truly said, however, that industry was misled and tricked into the course it followed by its traditional habits and policies.

When industry saw the great volume of business mounting in the country, it could not restrain its complex for profits, and immediately set about to raise prices. It failed to appreciate that we were not experiencing a normal rise in prosperity. The Government program of spending, together with the inflationary policies which had been set in force following the inauguration of President Roosevelt, created a rapid rise in purchasing power and in consumption capacity which stimulated industrial activity during 1935 and 1936. Industry should have appreciated this abnormal situation produced by Government spending and should have kept in circulation the money which was pouring into the channels of trade, restricting itself to reasonable profits, and thus maintaining the purchasing power of the people and their capacity to consume. It should not have undertaken too rapidly to siphon this money out of the channels of trade into its own treasuries.

Certainly there was no evidence of fear or lack of confidence in industry during 1935 and 1936. The facts established by the witnesses at the hearings absolutely prove this statement. Many of the witnesses pointed with great pride to the fact that in 1936 and 1937 their industries had increased beyond the high peak of 1929.

For example, Mr. Du Pont, of the du Pont de Nemours Co., pointed out that in 1929 his company employed 42,000 men. This number fell to 28,000 in 1932. His testimony in this connection appears at the top of page 270 of the record of the hearing, and is as follows:

> • • • Subsequently, our employment showed an almost continuous upward trend, reaching 55,500 at the end of December 1936 and then rising to a peak of 59,800 in September 1937. This declined by the end of the year to 51,600, which constituted a loss over 3 months amounting to 14 percent, and over the 12 months to 7 percent. At the peak of our employment last summer we had on our salary and pay rolls 42 percent more people than in 1929, and at the year end we were employing 23 percent more people than in 1929. Our annual pay roll at the year end was 40 percent higher, average monthly wages were 13 percent higher, average hourly wage rates were 26 percent higher, although the number of hours worked were 16⅔ percent less than in 1929.

Mr. MINTON. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. ELLENDER in the chair). Does the Senator from Montana yield to the Senator from Indiana?

Mr. MURRAY. I yield.

Mr. MINTON. Did not Mr. Knudsen, the president of the General Motors Corporation, appear before the committee?

Mr. MURRAY. He did.

Mr. MINTON. I think the figures show that in 1932 General Motors made $165,000; in 1936 they made $238,000,000; and I believe the figure was even higher in 1937.

Mr. MURRAY. That is a correct statement. I intend to refer to that matter later. As a matter of fact, practically every corporation in the United States made greater profits in 1936 and 1937 than at any time since 1929. A great many of such corporations made greater profits in 1937 than they did at the highest peak of our national prosperity in 1929.

Mr. MINTON. I wonder if the Senator will agree with me in the statement that Mr. Knudsen's company, General Motors, was one of the chief beneficiaries of the spending program, and a splendid example of what the Senator has just pointed out. The corporation took all the profits for itself. General Motors, presided over by Mr. Knudsen, paid Mr. Knudsen two-hundred-thousand-odd dollars in 1934, three-hundred-thousand-odd dollars in 1935, and five-hundred-thousand-odd dollars in 1936. The corporation did not reduce the price of its commodities to the public at all. It raised wages very little, but it raised the salaries of its own officers, and paid fat dividends to stockholders. Is not that the kind of corporation about which the Senator is talking?

Mr. MURRAY. That is correct; and the same statement applies to a great many such corporations, as I intend to show later.

Mr. BYRNES. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. HILL in the chair). Does the Senator from Montana yield to the Senator from South Carolina?

Mr. MURRAY. I yield.

Mr. BYRNES. Does the Senator mean to say that all the corporations to which he refers made good profits last year?

Mr. MURRAY. Yes.

Mr. BYRNES. Notwithstanding the fact that pump priming had ruined the country?

Mr. MURRAY. Yes; and notwithstanding the fact that as a result of the increases in prices a considerable recession occurred in the latter half of the year. Nevertheless, the profits of such corporations during the first 9 months of 1937 were greater than their profits in 1929.

Mr. BYRNES. The pump was working pretty well.

Mr. MURRAY. Yes.

Mr. HATCH. Mr. President, will the Senator yield?

Mr. MURRAY. I yield.

Mr. HATCH. I think surely the Senator must be mistaken in that statement, is he not?

Mr. MURRAY. I am sure I am not. I obtained the information from Barron's, the National Financial Weekly.

Mr. HATCH. How could the statement of the Senator be true when we had both the undistributed-profits tax and the capital-gains tax during that period?

Mr. MURRAY. The profits referred to were earned after deducting the taxes. That is the reason why, in the early part of my speech, I made the remark that I was not convinced that we should agree to the repeal of those taxes. I am fearful that the repeal of the taxes will have a bad effect. Greater hoarding of wealth will be permitted by those who make excess profits, as a result of the failure of the Government to take some of the profits from them in the form of taxes.

Mr. HATCH. We even had the social-security tax during the same period, did we not?

Mr. MURRAY. We did. Notwithstanding all those taxes, enormous profits were made in 1937.

Mr. WAGNER. Mr. President, will the Senator yield?

Mr. MURRAY. I yield.

Mr. WAGNER. I did not have the advantage of hearing the analysis which the Senator thus far has made. Has the Senator before him figures indicating a comparison of the increased profits of industry during the period of public expenditures with the increase in wages during the same period of time? As I recall, having studied the figures somewhat, there is a tremendous disparity between the increase of profits to the industries and the increase of wages during the same period of time.

Mr. MURRAY. That is correct. I have before me a photostatic copy of page 3 of Barron's, the National Financial Weekly, for April 4, 1938, which gives a list of the corporations which made greater profits in 1937 than in 1929, notwithstanding the recession in the latter part of 1937. The heading shows that another bull market is in prospect, I presume to take advantage of the new pump-priming program of the Government, unless something is done to hold things in check.

The heading at the top of the article is "130 companies whose 1937 profits top 1929." The subheading says, "Long-term earnings growth favorable augury for next bull market?"

Mr. LUNDEEN. Mr. President, will the Senator yield?

Mr. MURRAY. I yield.

Mr. LUNDEEN. May we have the article to which the Senator referred inserted in the RECORD?

Mr. MURRAY. Yes. Mr. President, I ask permission to have printed in the RECORD at this point the photostatic copy of page 3 of Barron's Weekly of April 4, 1938.

The PRESIDING OFFICER. Without objection, the article may be printed in the RECORD.

The article is as follows:

[From Barron's, the National Financial Weekly, for April 4, 1938]

ONE HUNDRED AND THIRTY COMPANIES WHOSE 1937 PROFITS TOP 1929—LONG-TERM EARNINGS GROWTH FAVORABLE AUGURY FOR NEXT BULL MARKET?

Truest of speculative maxims is that the good go down with the bad in bear markets. A corollary, as a former editor of the Wall Street Journal put it many years ago, is that a rising tide floats up much that is found to be unsalable when the tide recedes.

Ability to distinguish between businesses which are forging ahead merely because they are caught in a stampede of prosperity and those which are supplying the impetus for the big push, is of value alike to the businessman and the investor. Securities of a growing company may work out all right even if bought at the wrong time, and are practically certain to do better than the others if bought at the right time, whereas partnership in a dying business may be unprofitable even for the cleverest in-and-out trader.

Just as a few years' experience in either a bull or bear market is no test of investment acumen, so 2 or 3 years of steadily rising or steadily falling general business provide no trustworthy gage of the inherent vitality of a business. Something, however, can be learned by comparing the status of various companies at the peaks or bottoms of successive business cycles. A company which was better off at the top of the last bull market than it was at the top of the 1929 boom may fairly be assumed to have made some independent progress.

Delving for the explanation may uncover facts which minimize the accomplishment. For instance, a company may enjoy profitless expansion by simply exchanging its securities for those of other companies on a basis which contributes nothing to its rate of earnings. But as the first step in separating the growth companies from those which are static or retrogressing, a comparison of their 1937 results with their best year in the 1928–29 boom serves to focus attention on a small enough number to make further intensive study rewarding.

Of the six-hundred-odd industrial companies which have so far reported for 1937, there are 130 which last year earned more for their stockholders than in either 1928 or 1929. Thirty-five other companies reported that their sales were higher last year than in either of the aforementioned 2 years, although their net profits were lower. In addition, there are four companies which were unable to keep out of the red in either of the best years of the twenties, but did operate at a profit last year.

The list below is a preliminary report on Barron's rapidly progressing search for the 10 fastest growing companies in the country. Probably included in it are some of the companies which will achieve that distinction, but not all of the 1937 reports have been published as yet. And until the last reports are in, Barron's will reach no final conclusion as to which companies of all those listed or traded on the New York Stock and New York Curb Exchanges will constitute the final selection. In determining which companies are growing the fastest much more than earnings and sales comparisons—on which basis alone the accompanying tabulation was compiled—will be given consideration.

As soon as the majority of 1937 reports have been published, the companies will be rated according to a formula based on a variety of factors which indicate growth—or the opposite. Approximately 100 of the highest-ranking companies will then be subjected to penetrating analyses of all aspects of their business. Among other things, consideration will be given to benefits which the stockholders have received; in other words how well the person who bought the company's stock in 1929 has fared in income and appreciation since that time.

The present list, as previously explained, is entirely preliminary and contains all companies which earned or sold more in 1937 than in 1928 and 1929. No attempt has been made to weed out companies which were suffering recessions of their own in the midst of prosperity in 1929, but which in earlier years may have exceeded last year's totals.

Nor have companies which have expanded horizontally—that is, by acquiring other companies at the expense of increasing their capitalization—been separated from those which, like the chemical companies, have grown by developing new products and new markets and have passed along their gains to their original stockholders.

A striking feature of the list as it stands is that few of the companies which have made the largest gains since 1928–29 are the prominent, large corporations now regarded as the gilt-edged investments. Even Chrysler, whose astonishing development into one of the three biggest factors in the automobile business has come largely since 1929, is fairly well down in the list.

Special situations apparently account for many of the biggest gains. National Distillers, for example, is an unusual situation because of the boost it received from the repeal of the eighteenth amendment. The big gain in Libbey-Owens-Ford earnings is partly due to the increasing use of safety glass in automobiles. Formation of Agfa Ansco as recently as 1928, plus the current boom in amateur photography, partly explains that company's tremendous percentage gain in profits since 1929.

Reflecting the modernization program of the steel industry are the positions, well up in the list, of the two steel mill machinery companies, Mesta Machine Co. and United Engineering & Foundry, both of which have had earnings gains of well over 100 percent since 1929.

Prominent in the list are specialty companies like Van Raalte, Abbott Laboratories, and American Chicle. Here again rapid growth is generally the result of special situations rather than broad economic trends.

On the other hand, increasing farm prosperity is obviously behind the gains reported by Allis-Chalmers, Montgomery Ward, Sears, Roebuck, J. C. Penney, and others. And in the big gains by Commercial Credit and Commercial Investment Trust can be seen the increasing popularity of instalment financing and the benefits of cheap money.

Metal companies, especially gold-mining companies, are well represented in the list. Obvious reasons are the world-wide increases in the price of gold since 1929 and the international armaments race. The chemical industry is also generously represented, due to the steady, solid growth of the industry rather than to temporarily favorable circumstances.

Absent from the list, although 1937 results were not far below 1929, are both big electrical equipment manufacturers, General Electric and Westinghouse. Despite the growing use of electrical appliances, these companies have not been able to compensate for the decline in new equipment purchases by the hard-pressed utilities.

Also conspicuous by their absence are the building-supply companies, railroad equipments, motion-picture companies, food stores and food processors. A few chain stores, however, made the grade by bringing 1937 earnings above 1929, despite the punitive taxation to which they have been subjected.

Listed separately are the companies which had higher sales last year than in 1928 or 1929, but lower earnings. Outstanding example of the lower profit margins caused by higher taxes and wages and increased competition is Safeway Stores, which, despite a 79-percent increase in sales over 1929, suffered a 50-percent drop in profits.

TABLE I.—*Companies with net profits larger in 1937 than in 1929*

A—COMPANIES LISTED ON NEW YORK STOCK EXCHANGE

Company	1937 net profit	Percent gain over 1928 or 1929	1937 sales (or total operating revenues)	Percent gain over 1928 or 1929
National Distillers	$7,861,968	1,192	$61,938,849	866
Florence Stove	1,247,088	459	12,726,135	318
Homestake Mining	7,188,854	388	19,304,076	(1)
Monsanto Chemical	5,162,511	351	33,202,356	(1)
Greyhound Corporation	4,915,475	275	44,285,505	481
G. C. Murphy	3,007,383	234	42,522,253	170
Associated Investment	3,221,038	221	149,475,874	339
Superior Steel	239,525	220	8,182,789	12.5
Yellow Truck	3,571,669	204	73,451,555	47

[1] Figures not available.

TABLE I.—*Companies with net profits larger in 1937 than in 1929*—Continued

A—COMPANIES LISTED ON NEW YORK STOCK EXCHANGE—continued

Company	1937 net profit	Percent gain over 1928 or 1929	1937 sales (or total operating revenues)	Percent gain over 1928 or 1929
Libbey-Owens-Ford Glass	$10,518,918	199	(1)	(1)
Van Raalte	775,494	189	$9,905,953	(1)
Abbott Laboratories	1,612,360	173	9,509,911	183
Douglas Aircraft	1,081,513	169	20,950,361	723
Mesta Machine	4,668,029	160	(1)	(1)
West Auto Supply	2,475,176	[3] 147	36,911,994	131
United Engineering & Foundry	4,043,644	142	(1)	(1)
Twin Coach	659,371	140	8,236,635	(1)
Phelps Dodge	[3] 12,740,773	137	83,128,982	80
Commercial Investment Trust	21,501,296	136	1,291,704,138	164
Wayne Pump	1,637,073	132	(1)	(1)
Deme Mines	4,116,802	132	7,484,436	(1)
International Nickel	50,299,624	126	(1)	(1)
Commercial Credit	13,593,119	126	933,854,332	111
Noranda Mines [3]	9,274,636	116	19,881,751	82
Square D Co	1,062,773	111	2,923,042	(1)
Owens-Illinois Glass	9,351,627	110	91,581,003	(1)
National Supply	7,857,500	108	19,064,247	(1)
Minneapolis-Honeywell Register	2,929,249	104	15,810,213	154
Container Corporation	1,784,104	95	25,208,327	(1)
Coca-Cola	24,681,616	94	(1)	(1)
Warren Foundry & Pipe	567,911	94	3,234,079	27.2
Household Finance	6,382,155	89	(1)	(1)
Omnibus Corporation	1,654,808	88	(1)	(1)
Alaska Juneau	1,911,286	87	5,516,414	(1)
Phillips Petroleum	24,113,874	83	120,237,648	133
Allis-Chalmers	7,841,167	81	87,353,616	93
Allen Industries	362,268	79	6,404,528	205
Hinde & Dauch	1,451,636	75	15,827,355	21.2
American Chicle	3,619,078	72	(1)	(1)
United Carr Fastener	1,064,447	72	7,072,009	(1)
Eaton Manufacturing	2,568,960	71	(1)	(1)
United Carbon	2,350,486	68	9,272,231	114
Chrysler Corporation	60,729,211	64	769,807,839	105
Mandel Bros	413,925	63	19,377,723	26.9
Celanese Corporation	4,461,227	51	(1)	(1)
National Steel	17,801,893	51	145,933,348	(1)
Spiegel, Inc	2,571,403	49.6	56,117,734	135
Mueller Brass	[4] 801,891	[4] 48.3	[4] 8,653,528	[4] 18.8
Lerner Stores	[3] 2,003,616	44.6	[3] 39,551,065	107
J. J. Newberry	$2,255,454	41.4	$50,315,454	81
Scott Paper	1,254,281	40.5	13,843,542	79
Panhandle Products & Refining	212,050	40.0	4,043,498	(1)
United States Smelting, Refining & Milling	6,653,324	38.0	36,262,384	(1)
American Rolling Mill	8,231,335	34.7	114,857,600	63
Ruberoid	750,509	33.9	16,619,241	(1)
American Metal	4,345,186	33.6	(1)	(1)
Kalamazoo Stove	914,516	33.1	7,597,391	85
J. C. Penney	16,575,164	33.6	275,375,164	31.1
Sloss Sheffield Steel	1,474,827	31.6	(1)	(1)
Hazel Atlas Glass	2,897,596	31.1	32,693,196	(1)
Plymouth Oil	2,935,342	31.0	7,687,053	33.8
Howe Sound	4,753,044	29.9	(1)	(1)
Diamond Match	2,111,959	29.8	(1)	(1)
Doehler Die Casting	969,294	26.1	12,399,778	(1)
P. Lorillard	2,227,036	25.5	75,962,586	(1)
United States Tobacco	3,462,687	25.0	(1)	(1)
Texas Pacific Coal & Iron	983,303	24.9	3,957,975	(1)
Addressograph-Multigraph	1,950,802	23.8	14,514,557	(1)
Lee Rubber	596,319	22.8	13,769,152	24.6
Air Reduction	7,326,835	22.7	(1)	(1)
International Business Machine	8,082,513	21.9	31,787,241	(1)
Ludlum Steel	1,120,422	21.8	13,054,202	68
Union Carbide & Carbon	42,782,128	20.6	(1)	(1)
Byron Jackson Co	1,202,924	20.8	(1)	(1)
Peoples Drug	1,059,602	18.6	22,383,144	43.9
Thatcher Manufacturing	1,084,844	17.8	6,593,880	31.8
Sun Oil	9,544,085	15.9	133,323,263	(1)
Congoleum Nairn	2,324,929	15.3	(1)	(1)
Melville Shoe	1,873,806	13.1	38,156,438	49.7
Texas Corporation	54,574,319	13.1	370,672,259	(1)
Du Pont	88,031,943	12.6	286,043,075	(1)
Skelly Oil	6,498,346	12.1	41,483,607	(1)
Columbian Carbon	4,466,249	11.2	15,736,247	24.3
W. T. Grant	3,401,725	11.2	90,959,920	43.4
Borg Warner	8,348,089	9.6	(1)	(1)
Montgomery Ward	19,210,029	8.6	414,090,544	55
Parke Davis	9,068,304	8.2	(1)	(1)
Inland Steel	12,665,317	8.0	110,744,037	(1)
American Brake Shoe	3,410,798	5.6	(1)	(1)
Timken Detroit Axle	1,811,247	4.2	(1)	(1)
McKesson & Robbins	3,667,325	3.8	174,572,229	24.1
Armstrong Cork	5,157,887	3.6	(1)	(1)
Sears, Roebuck	[3] 30,828,248	2.5	[5] 537,242,403	21.0
Chile Copper	22,378,856	2.4	46,549,931	20.6
Hercules Powder	4,440,273	1.8	44,558,501	35.1
Pure Oil	11,403,805	1.6	119,087,644	55
Eastman Kodak	22,347,345	1.4	136,114,878	(1)
American Seating	636,746	1.3	8,418,501	−3.9
S. H. Kress	5,856,447	.6	87,871,478	28.2

[1] Figures not available.
[3] 1937 earnings before depletion; 1929 earnings after depletion.
[4] Listed Montreal Stock Exchange.
[4] Years ended Nov. 30.
[5] Year ended Jan. 31, 1938.

TABLE I.—*Companies with net profits larger in 1937 than in 1929*—Continued

B—COMPANIES LISTED OR TRADED ON NEW YORK CURB EXCHANGE

Company	1937 net profit	Percent gain over 1928 or 1929	1937 sales (or total operating revenues)	Percent gain over 1928 or 1929
Agfa Ansco	$723,025	3,510	(1)	(1)
Chicago Flexible Shaft	1,120,947	323	$7,392,171	(1)
Aluminium Ltd	8,482,046	256	(1)	(1)
National Oil Products	438,249	226	6,677,742	(1)
Edison Bros. Stores	714,782	210	23,764,677	529
Pressed Metals of America	372,995	189	(1)	(1)
Tilo Roofing	528,702	184	3,985,788	84
Veeder Root	1,055,975	180	(1)	(1)
Bridgeport Machine	529,685	159	6,716,892	101
Minn. Min. & Mfg	3,419,578	150	(1)	(1)
Reed Roller Bit	1,941,152	142	(1)	(1)
Margay Oil	489,043	138	(1)	(1)
National Auto. Fibres	494,685	138	6,171,177	506
New Process Co	330,438	136	(1)	(1)
Hazeltine Corporation	549,293	128	1,116,555	17.6
American Cyanamid	5,268,255	126	(1)	(1)
Pitney-Bowes Postage Meter	614,791	125	3,079,499	(1)
Molybdenum Corporation	875,472	112	8,333,989	303
Easy Washing Machine	317,558	109	(1)	(1)
Fanny Farmer	803,936	81	6,640,135	64
Colt's Patent Fire Arms Manufacturing	1,161,946	69	(1)	(1)
Hygrade Sylvania	868,064	67	9,417,035	(1)
Carnation Co	1,810,391	64	88,565,071	(1)
Greif Bros. Cooperage	674,830	60	(1)	(1)
Pittsburgh Plate Glass	18,287,969	57	(1)	(1)
New York & Honduras Rosario Mining	887,004	54	2,203,125	(1)
American Potash & Chemical	2,336,319	50.0	6,971,131	63
Nehi Corporation	958,542	48.1	3,615,800	−2.7
Hollinger Consolidated Gold Mines	5,187,481	41.7	5,076,814	48.3
Muskegon Piston Ring	403,388	34.5	(1)	(1)
Safety Car Heating & Lighting	1,561,174	31.8	(1)	(1)
Heyden Chemical	612,324	26.9	(1)	(1)
Derby Oil & Refining Corporation	426,823	26.8	4,782,601	17.8
Fedders Manufacturing	343,596	22.4	6,713,602	−10.1
Steel Corporation of Canada	4,180,097	18.1	(1)	(1)
Michigan St. Tube	429,778	11.8	(1)	(1)
Bunker Hill & Sullivan	2,500,461	11.1	22,635,991	(1)
National Container	1,311,931	10.1	3,065,285	30.0
General Fireproofing	1,147,558	5.5	9,836,546	4.1
Universal Products	461,218	4.5	(1)	(1)

[1] Figures not available.

TABLE II.—*Companies with larger sales but lower earnings in 1937 than 1929*

A—COMPANIES LISTED ON NEW YORK STOCK EXCHANGE

Company	1937 sales, or total operating revenues	Percent gain over 1928 or 1929	1937 net profit	Percent loss from 1928 or 1929
Consolidated Aircraft	$11,907,493	279	$462,959	65.0
Safeway Stores	381,868,220	29	3,078,047	50.0
American Home Products	25,711,195	89	2,855,399	14.0
American Zinc	14,122,055	71	184,930	69.0
A. Hollander	4,821,356	59	189,863	19.2
General American Transportation	45,935,454	52	4,542,655	30.2
Neisner Bros	22,420,935	48	967,042	5.6
Gliddien Co	54,052,253	41	2,542,763	14.2
Cannon Mills	41,028,722	40	2,231,759	46.1
Jewel Tea	23,277,440	38	1,452,120	14.1
Loft, Inc	10,036,231	38	[1] 972,704	----------
Kennecott Copper	148,550,441	27.5	49,822,394	4.3
Allegheny Steel	36,573,418	26.5	1,813,707	45.3
Bigelow Sanford	29,309,102	22.5	582,613	77.0
Caterpillar Tractor	63,183,487	22.0	10,168,689	12.3
Kimberly-Clark	27,249,788	21.8	2,360,547	27.9
McGraw Electric	5,884,314	20.5	944,529	24.1
Continental Steel	19,723,904	18.0	814,553	32.8
Pet Milk	39,702,594	10.4	609,155	23.6
Best & Co	16,192,540	7.3	1,227,080	2.9
Crosley Radio	18,735,450	7.3	[1] 576,915	----------
Wheeling Steel	90,455,381	6.5	4,258,488	47.0
Raybestos Manhattan	24,087,999	5.0	1,924,880	40.0
General Foods	60,059,629	3.9	9,206,275	53.0
Yale & Towne Manufacturing	18,948,286	1.1	1,320,080	18.9
Pacific Mills (Massachusetts)	47,881,648	.6	2,073,764	----------
Link Belt	26,643,840	.5	3,232,373	7.2

B—COMPANIES LISTED OR TRADED ON NEW YORK CURB EXCHANGE

Company	1937 sales, or total operating revenues	Percent gain over 1928 or 1929	1937 net profit	Percent loss from 1928 or 1929
Axton-Fisher Tobacco	$19,254,815	271.0	$247,078	53.7
Iron Fireman	6,538,992	111.0	711,460	7.8
Katz Drug	9,846,809	78.0	178,184	57.5
Schiff Co	13,503,836	47.0	378,270	24.3
Lion Oil Refining	10,555,666	38.0	945,354	20.9
Weyenberg Shoe Manufacturing	8,699,000	19.2	150,967	51.2
David Pender Grocery Co	17,415,661	9.4	74,788	74.0
Aluminum Industries, Inc	2,882,020	4.1	9,726	95.3

[1] Deficit.

TABLE III.—*Companies which had losses in 1929, profits in 1937*

Company	Earnings, 1937	Deficit, 1929
Seaboard Oil Co.	$2,447,130	$144,520
National Gypsum	687,428	188,887
Heywood-Wakefield (Curb)	481,580	251,247
Bellanca Aircraft (Curb)	120,265	109,148

Mr. LUNDEEN. I hope that the able Senator will print that in full. I will say to the Senator that it has been my contention all along that the superwealth of this country has not been doing its full share in taking care of the terrific unemployment and relief burden.

Mr. MURRAY. That is true.

Mr. MINTON. There has been a sit-down strike of wealth, as it were.

Mr. LUNDEEN. Yes; as the Senator from Indiana well suggests, there has been a sit-down strike of wealth. They should be compelled to do their part. For instance, when we find more than 5,000,000 persons between 16 and 25 years of age out of school and out of work, and then compare the statement the Senator is so ably making as to the great wealth of the country escaping while many children are not even able to go to school and thousands are unable to obtain food, clothing, and housing, it is about time that we direct our attention to this very important subject.

Mr. MURRAY. Mr. President, the Senator is exactly correct. This mania for profit on the part of industry is the prime cause for all our difficulties. It was the cause of the depression in 1929 and it is the cause of the present depression. Whenever prices get out of bounds the purchasing power goes down, and we necessarily have recession and depression.

The profit of the Du Pont Co. in 1937 was 12.6 percent greater than the profit made by that company in 1929, which was the peak period of American industrial prosperity. That certainly does not look as though the Du Pont Co. was operating under any cloud or fog of fear and uncertainty during 1935, 1936, and 1937.

Mr. MINTON. Mr. President, will the Senator yield?

Mr. MURRAY. I yield.

Mr. MINTON. Is the Senator in possession of figures that would answer the question of the junior Senator from New York [Mr. WAGNER] a while ago as to what was the percentage of increase in the wages of labor in 1937, to which the Senator just referred, compared to the wages in 1929?

Mr. MURRAY. I have not those figures with me, but I have seen them. One of the arguments that has been made frequently is that prices were increased by the corporations because the advance of the wages of labor. That is not true. The advance of prices occurred before wages were increased. Wages had to be increased in order to give labor a purchasing power to enable it to cope with the conditions that were developing because of the rise of prices. As a matter of fact, the rise in prices was away beyond anything necessary to compensate for the rise in wages. I have those figures though I have not them with me at the present moment. Nevertheless, Mr. Du Pont, notwithstanding the profits made by his company, criticized the capital-gains tax and the undistributed-profits tax which we have been discussing. He was a strong advocate of the doctrine of fear, and thought that Congress should do something to dispel this fog of uncertainty.

Upon being directly interrogated, he testified as follows (Record of Hearings, p. 283):

Senator MURRAY. Notwithstanding the fact that, as a result of the policies of the present government, there has been a tremendous upturn in business, up to the spring of 1937?

Mr. DU PONT. I think that is true. There has been a very good upturn.

Senator MURRAY. You never expected that?

Mr. DU PONT. I did not expect it?

* * * * * * *

Senator MURRAY. At all events, since the inauguration of the present administration you have always been fearful that the policies of the present administration were detrimental to business prosperity in the country, have you not?

Mr. DU PONT. In the long run; yes, sir.

Senator MURRAY. Notwithstanding the fact that you have discovered that, as a result of the administration's policies, there has been a tremendous improvement in business conditions in the country.

Mr. DU PONT. For the 4 or 5 years; yes.

It will be seen from the testimony of all these representatives of finance and industry appearing before our committee that in 1936 and early 1937 business conditions and reemployment were rapidly advancing. All that was necessary for continued recovery was honest and unselfish cooperation, but, unfortunately, there was a lack of that necessary spirit of cooperation. Industry, in its interminable quest for profits, began to make unreasonable advances in prices and otherwise failed to observe good judgment and sound economic principles. This is exactly what caused the recession in the recovery we were experiencing.

The present recession follows the classic analysis of the 1929 depression made by the Brookings Institution. The testimony presented before our committee thoroughly establishes the conclusion that the unbalanced prices which developed in 1936 and 1937 caused the recession. Robert W. Irwin, furniture manufacturer, of Grand Rapids, Mich., testified directly that the recession was caused by the maintenance of artificial prices; that buyers of goods went on a strike because prices went too high. He said what we needed was a return to free competition and that this could be done only by enforcement of antitrust laws. Here is an impartial witness from the ranks of industry frankly acknowledging the cause of the present recession. Many other witnesses corroborated him. Prof. Paul H. Douglas, of the University of Chicago, testified that the monopoly fixation of prices which was clearly shown by undisputed facts is the major cause in the present recession as well as in the 1929 depression. Prof. Alvin H. Hansen, of Harvard University, testified to the same effect.

It appears, therefore, from this general study of the testimony, that while the Government was seeking by the expenditure of billions of dollars to create purchasing power and stimulate industrial activity in the country, the leading industrial and business enterprises moved in to take advantage of the Government spending and enrich their own treasuries. Practically all the leading industries began to raise prices shortly after the public-works program began. As prosperity began to return, wild excitement and speculation on the stock exchanges followed and very soon, as a result of the excessive prices and the profits being made by the big industries of the country, the new boom began to develop. This urge to raise prices is nothing new. Adam Smith 160 years ago shrewdly remarked:

People of the same trade seldom get together, even for merriment and diversion, but the conversation ends in a conspiracy against the public, or in some contrivance to raise prices.

A statement issued a short time ago by the National City Bank shows that the corporations of the country during 1936 and 1937 rapidly increased earnings and dividends. This is now corroborated by recent income-tax returns showing the enormous profits of corporations in 1937. Records of these earnings have been published establishing the fact that practically all the American industrial corporations made enormous profits in 1936 and in 1937, and finished in 1937 with the highest earnings since 1929 and some greatly in excess thereof. Scores of corporations broke all previous records for earnings.

Mr. LUNDEEN. Mr. President——

Mr. MURRAY. I yield to the Senator from Minnesota.

Mr. LUNDEEN. Would it be a fair question to ask why the administration did not take in hand the question of these corporation profits? Why did we not move in on these people who were walking off with these huge profits?

Mr. MURRAY. Of course, there would be criticism by the critics of the present administration of what they call "planned economy." They do not want interference with business, and any attempt to interfere with business would raise a tremendous howl across the country. It seems to me, in view of the facts that have been developed, that something must be done to prevent a repetition of the debacle

that appears to have developed from the last pump-priming effort.

I mentioned a moment ago that Barron's, the National Financial Weekly of Wall Street, in the issue of April 4, 1938, shows that 130 listed corporations had profits in 1937 which were ahead of all the previous high records of 1929. The metals had a record year in earnings as did steel, oil, aluminum, machinery, chemicals, and the automobile industry. In fact, all the heavy industries show high records for earnings for 1937.

Building material prices advanced so high as to stifle the building program of the country, and the railroad equipment prices, too, were raised so high that the railroads were compelled to abandon their program for railroad repairs and improvements. While the Government was engaged in priming the pump with a national public works and work-relief program, involving the expenditure of billions of dollars, they were all engaged in skimming the cream off the Government spending.

About the middle of 1936 they began the move to run up their prices as the Federal Government poured millions into public works, and in 1937 they jacked up their prices to inordinate heights. A terrific race followed to fill consumer inventories engendered by fear of a continued rise in prices. At first, industry could not execute its orders, but as inventories filled up, business slacked off and unemployment began. When the inventories were completed, of course, the factories and manufacturing concerns of the country began to lay off their men, and, as they laid off their men, of course, the depression was bound to develop. By the boosting of unit prices, the sum of the prices of mass production goods became greater than the total monetary purchasing power available in the pockets of the consumers. The result was that when these prices were so boosted and maintained, and the monetary income, or purchasing power, of the consumers was not increased, but, on the contrary was decreased by laying men off, there was not sufficient purchasing power in the country to buy the output of American industry and agriculture at the prices charged.

The critics of the administration simply cannot get away with the charge that business fell off because of any alleged unreasonable attitude of the Government or alleged attacks being made by representatives of the Government on business or industry. A desperate and despicable effort is being made by the reactionary interests of the country to confuse and befuddle the minds of the people in connection with this recession. Millions of dollars are being expended in flooding the country with this malicious, lying propaganda.

It is asserted that business interests had become alarmed and frightened by the interference of the Government in business and that capital investment ceased. It is, of course, true that there was a failure of capital investment, but that was not the immediate cause of the recession. These charges about business being frightened are based chiefly on the Utility Holding Company Act, the Securities Exchange Act, the Labor Relations Act, and the proposed wage and hour bill now in Congress. Certain interests, of course, have been hurt by these vitally necessary measures of regulation and reform and, as a result, these interests are seeking to discredit the entire administration program. It is to be inferred from their contentions that we are now witnessing a sit-down strike of capital against the administration. I challenge anyone to point to a single provision of these measures which have been enacted that is not justified from every standpoint of economic wisdom and social necessity.

These charges regarding fear and uncertainty of business have been manufactured by expert propagandists and they cannot be sustained in any legitimate degree. Our Special Senate Committee on Unemployment and Relief had before it witnesses from all over the country who discussed unemployment and the causes of the present recession. Their testimony completely explodes that fictitious theory of fear and uncertainty on the part of business, and in general demonstrates that the unbalanced prices of 1936 and 1937 were the principal and immediate factor in creating the decline. To attempt to place any blame on the Government, on the basis that industry was frightened by its policies, is simply vicious propaganda.

Mr. BAILEY. Mr. President——

The PRESIDING OFFICER. Does the Senator from Montana yield to the Senator from North Carolina?

Mr. MURRAY. I do.

Mr. BAILEY. I am very much interested in the Senator's analysis.

I just understood him to say that building up inventories brought on the present unemployment. The reverse of that is bound to be true—that in building up inventories, people were employed; were they not?

Mr. MURRAY. They were employed; yes.

Mr. BAILEY. We must give businessmen credit for the employment which resulted in the production of the inventories. The Senator, however, would not expect businessmen to keep on in that way. He gives them credit for building up inventories and creating employment, but he would not require them to keep on doing that, would he?

Mr. MURRAY. No; but I blame them for not reducing their prices, and for raising their prices in the first instance, to such an excessive degree as to compel their customers to engage in a race to fill inventories, in the cases of many of them, away beyond their necessities, for the mere purpose of avoiding the higher prices which they anticipated.

Mr. BAILEY. But, on that point, the Senator would expect manufacturing enterprises to sell at a reasonable profit?

Mr. MURRAY. Yes.

Mr. BAILEY. Is there evidence here that the industries received more than a reasonable profit in the years mentioned, 1936 and 1937?

Mr. MURRAY. Yes, there is; because the record shows that they made more profits in those years than they did in 1929. Their profits in 1936 and 1937 were higher than in 1929.

Mr. BAILEY. Let us see about that. In 1937, 40 percent of American corporations made nothing. The Senator would not hold against them that they charged excessive prices, for they made nothing. That is true?

Mr. MURRAY. That is true.

Mr. BAILEY. In the same year others made an average of 10 percent. That is true, is it not?

Mr. MURRAY. I am not informed on that subject.

Mr. BAILEY. I can tell the Senator that the figures were 10.47 percent; but, after all, the 10.47 percent in 1937 would hardly be a test. We cannot test the profits of the corporation, or person, or anybody else, by that. The profits of corporations in the United States for the past 10 years would not average 2 percent on the book value of the capital. What has the Senator to say about that?

Mr. MURRAY. I have no quarrel with the Senator's contention in that regard, except that I maintain that the prosperity of 1937 was created by Government spending, and that it was the duty of the corporations to restrain themselves from attempting to make excessive profits to store away in their treasuries out of Government spending; that they should have waited for normal times to return; that the situation was an abnormal one, and it was the duty of the corporations to cooperate with the Government and keep the money in circulation by giving lower prices to the consumers and higher wages to the workers and smaller earnings to themselves until the country was in a position to resume normal production and go ahead with prosperity.

Mr. BAILEY. The Senator will agree that the corporations did pay higher wages to the workers.

Mr. MURRAY. They did.

Mr. BAILEY. And the Senator will agree that they did pay very much higher taxes, a greater volume of taxes.

Mr. MURRAY. Yes; they did.

Mr. BAILEY. Higher wages to the workers and higher taxes to the Government would almost necessarily predicate a rise in retail prices, would they not, if taxes and wages come out of the prices of commodities?

Mr. MURRAY. Not necessarily. With the advances in technological improvements some of the corporations were

able even to pay the higher taxes and the higher wages and still make higher profits.

Mr. BAILEY. Yes; but the matter comes down to this: Notwithstanding all the improvements, a certain number of the corporations made 10 percent and a fraction in 1936 and 10 percent and a fraction in 1937; but the average for the 10 years was less than 2 percent. The Senator would not say that when a man who had been making only 2 percent for 6 or 8 years found that after all that time there was a tide of business it was wrong to get his profit up to 10 percent. He would have to have some sort of level, and certainly 2 percent is not a fair base.

Mr. MURRAY. If these were normal times I should not quarrel with the Senator, but the corporations had no right to bring 1936 and 1937 into the period of 10 years to which the Senator refers for the purpose of estimating the earnings they should have. The condition was an abnormal one. The Government was spending enormous sums of money for the purpose of putting people back to work and stimulating industry. The industries should have recognized the situation as an unusual and an abnormal one and should have been satisfied with lower prices and should have cooperated with the Government in putting men to work. They could have done that by restraining themselves from raising their prices.

The Brookings Institution has made a study of this subject and has arrived at the conclusion that the royal road to prosperity in this country is for the corporations to allow wages to be raised without raising prices, and that in that way, and only in that way, are we going to have prosperity in the country. We have to spread purchasing power. We have to get the money out in the hands of the people and enable them to buy the things the manufacturers are making. Some of the big manufacturers of the country are beginning to realize that they will not succeed by exploiting labor; that their success will be brought about by improving the condition of labor, and increasing its wages, and putting its members in a position where they can buy things, and not by attempting to hold down their wages.

Mr. BAILEY. What interested me was that we had the increase in wages; the Senator agrees to that; we had the increase in employment; the Senator agrees to that; but in the midst of the increase in wages and the increase in employment we had the most precipitate slump in the history of the country.

Mr. MURRAY. Yes; we did.

Mr. BAILEY. Now the Senator says that the great increase in employment and increase in wages and sales and some profits was due to public spending.

Mr. MURRAY. Yes.

Mr. BAILEY. The public spending is just as great now as it was last year at this time. How does the Senator reconcile that simple fact with his theory?

Mr. MURRAY. The Senator says public spending is as great now as it was at that time?

Mr. BAILEY. It is greater. We are spending more per month now than we were spending last year at this time. If public spending would make prosperity, we should still have prosperity.

Mr. MURRAY. The trouble is that when the downward spiral is once started, it requires a long-time effort to get it back in line again. The corporations should not have allowed the drop to come. As I say, by putting up their prices, and creating a fear of inflation in the country, they encouraged the consumers to fill their inventories and overstock themselves; and then, when inventories were completely filled up, the corporations immediately began to lay off men. Take the case of General Motors: I forget how many thousands of men they laid off at one time. In my State of Montana, miners were laid off by the thousands. The corporations did not attempt to carry on as they did in 1929 by waiting to "get around the corner," but they immediately laid off their employees, and of course that immediately precipitated a recession.

Mr. BAILEY. I should explain to the Senator that they probably did not repeat that effort, and wait as they did in 1929 to "get around the corner," because in 1929 they discovered that the corner was not anywhere near.

Mr. MURRAY. That is true.

Mr. BAILEY. Very well. Now let us go back to the proposition. Let us take a definite case.

What we call gray goods in the textile industry, produced in my section of the country, were selling last August at 6½ or 7 cents a yard; but the mills were making, after all, only 3½ percent on the total turn-over, the whole volume. Three and a half percent on the whole volume of sales would not account for any great profit or any great increase of prices.

Mr. MURRAY. No.

Mr. BAILEY. I think the Senator will agree to that.

Mr. MURRAY. I think the textile industry is in a class by itself.

Mr. BAILEY. We may take it as typical. All of them have fallen together. They are down about 35 or 40 percent. Steel is down even more.

Mr. MURRAY. But the textile industry immediately reduced its prices, whereas the steel industry and the aluminum industry and the copper industry and the others did not do that.

Mr. BAILEY. Steel is down 50 percent. It is down from $22 to $11, and still it is not selling. That is just my point. Gray goods are down from 6½ to 4 cents, and still they are not moving. That is just the point.

I want to get just one fact before the Senator. There is the reduction in prices. The expenditures by the Government are as high as ever. In view of that condition, how can the Senator say that our trouble is either with prices or that there is a failure of expenditures? Shall we not have to find another remedy for our difficulties?

Mr. MURRAY. I should not say that the expenditures are as high as ever.

Mr. BAILEY. Let me say to the Senator that that statement has been repeatedly put in the RECORD. It was put in by the Senator from Virginia, and has not been challenged.

Mr. MURRAY. The statement had reference to W. P. A., but not to P. W. A. That was entirely discontinued. In addition to that, certain deflationary forces were put into operation by the Government at the time the boom was developing, because it was felt that we were getting into a runaway boom, and the Government raised the discount rate, and made other regulations, as well as sterilizing gold, which tended to hold down the boom.

Mr. BAILEY. The Senator is taking the view at this point, then, that perhaps the precipitate slump was due to the action of the administration authorities, first in sterilizing gold, and second in increasing the reserve rate. I do not take that view, but I should like to know if the Senator does.

Mr. MURRAY. I do not take the view that the Government did those things for the purpose of creating a recession, but it did them for the purpose of preventing a runaway boom. Prices were going up, and people throughout the country had been complaining about the rapidly advancing prices.

Mr. BAILEY. Was it not said at the time that it meant a rise of commodity prices, specifically from the Senator's State?

Mr. MURRAY. Yes.

Mr. BAILEY. Is the Senator going to take the view that this sudden and surprising collapse was brought on by the action of the Federal Reserve Board?

Mr. MURRAY. That contributed to it.

Mr. BAILEY. The Senator thinks it did have some effect?

Mr. MURRAY. I think it had a contributing effect. The laying off of thousands of men throughout the country, the cessation in buying, and the Government's action, all combined, I think, to bring on the condition.

Mr. BAILEY. I wish to be fair about it; I do not think those actions had anything to do with the depression in prices or in bringing about the recession. There is a general impression that there was a psychological effect, and I cannot judge about that. But let me call the Senator's attention to one other fact. When the Federal Reserve ratio was lifted we still had extra reserves of $875,000,000. According

to all calculations, that was ample. But the significant fact is that those reserves continued to increase, and when the depression struck last September, they had increased to a billion and a half, so the trouble could not have been in the want of reserves.

As to the gold, gold was sterilized by nonnegotiable notes instead of issuing currency for the gold. That has had precisely the same effect. It prevented the reserves from rising to from two to three billion dollars. But if we were not using $1,600,000,000, what use did we have for the other? I am thinking that as a matter of fact there may have been some psychological effect, but there was no substantial effect, and I am not inclined to think any mistake was made, except in the little matter of a gesture. I do not believe that brought on the depression, however.

Mr. MURRAY. I do not think it did either. I think it was more psychological, as the Senator has stated.

Mr. BAILEY. I greatly appreciate the Senator's courtesy in yielding, and I do not want to take his time, but since this subject has been brought up, I should like to say that the recession is here because we are depending upon public spending, and we are bound to have a depression so long as we do. There is nothing substantial in it, there is no energy in it, there is no vitality in it, and I should like to see our country get out of it, and see us going in the direction of American enterprise and American investment, and away from this artificial attitude.

Mr. MURRAY. I do not believe anyone will disagree with the Senator on that point. I think we all feel the same way about it. The Government spending is not intended as a permanent matter, of course, in order to keep industry going. It is merely to stimulate industry up to the point where men may be put back to work again. Industry was supposed to take hold from that point on, but it failed to do so.

Mr. BAILEY. That is just the point; it was intended to stimulate, and when it ceases to stimulate, why continue it? That is the point.

Mr. MURRAY. Business has just neglected to carry out its function. Industries have started the physchology of fear and uncertainty in the country, and they are spending millions of dollars to spread across the Nation the idea that the country is in danger, that something is wrong with the present administration, that our form of government is to be changed, and so forth. We cannot pick up a newspaper in the United States without reading propaganda designed to discredit the present administration. Most of these criticisms are designed and intended only for the purpose of belittling the present administration, and making it appear that its efforts have been a failure.

Mr. BAILEY. The Senator may be perfectly correct in his opinion as to the motives of others. The men to whom the Senator refers may be spending millions of dollars by way of some sort of propaganda; but I am not spending any money in doing that, I am not carrying on any propaganda. I am satisfied that this country is in danger. I am not blaming that in a political way against anyone. I am terribly distressed about it.

The trouble is that the American Government, by its Congress, is spending by the billions money which we do not have and cannot raise, and any government that does that for 8 years in succession is in the gravest sort of danger. I am terribly alarmed, and I am going to let my alarm be made known. I do not like to be an alarmist, but when a man is alarmed he has the right to express his alarm, and to give his views.

Mr. MURRAY. I may say to the Senator, in answer to his remarks, that we had before our committee some of the ablest industrial leaders of the country, some of the smartest businessmen of the country——

Mr. BAILEY. And I read what the Senator said about them. He said he was amazed at the paucity of their ideas. Is that correct?

Mr. MURRAY. That is correct. They said that they knew of no reason whatever for this depression, that they were completely surprised at the depression, and had absolutely nothing to offer to bring about a recovery.

Mr. BAILEY. I am not going to trouble the Senator further, but that brings up just one thought. Sometimes the best thing one can offer is a negative. When one is taking the wrong medicine, the man who comes and tells him to take no medicine at all is probably his best friend. If the Government is depending upon public spending, and is going to criticize business because the public spending does not produce prosperity, and that in light of the fact that in the whole history of the world public spending has never produced prosperity, but always produced the opposite, then the time has come when someone should say that perhaps the remedy lies in stopping the public spending, quitting the competition with business, and saying to business, "Now, we depend on you," as the President said in his message the other day, "We will give you a free hand."

Mr. HATCH. Mr. President, if the Senator from Montana will yield to me a moment, I should like to ask the Senator from North Carolina a question. The remarks he just made provoke it. Would the Senator from North Carolina say to the people of the country now, at this time, that he would be willing to accept the responsibility of discontinuing all public spending today?

Mr. BAILEY. Is the Senator ready for an answer?

Mr. HATCH. Yes.

Mr. BAILEY. I am glad to state my views. If I had the power, I would tell the American people tomorrow that this Government would see to it that no one suffered, that we were not going to have starvation, we were not going to have misery, that we would spend enough relief money to accomplish that purpose, but that beyond that the Government would cut down its expenses, reduce taxes, and balance its Budget, and give American enterprise the chance which it must have before we can judge it adversely. That is plain enough, I believe.

Mr. HATCH. It is plain enough, I may say to the Senator from North Carolina, to indicate to my mind that he does not mean what he says when he states he would discontinue public spending.

Mr. BYRNES. The Senator from North Carolina did not say that.

Mr. BAILEY. I should like to make it perfectly plain. I would not spend a dollar on what is called "public works."

Mr. MURRAY. Why not?

Mr. BAILEY. Wholly because that is the artificial means of doing that which can be done successfully only by the real and substantial means, and the further we go with it the worse off we will be. We may tide ourselves over 6 months, but we have to build a prosperity that will last for years.

Mr. BYRNES. Mr. President, will the Senator from Montana yield?

Mr. MURRAY. I yield.

Mr. BYRNES. As I understood the Senator from North Carolina, he did not make the statement as the Senator from New Mexico understood it. I think the Senator from North Carolina stated that he would spend enough money to see to it that not one person in this land was hungry.

Mr. HATCH. That is what I said the Senator said. The Senator from North Carolina, and every other man who speaks on this floor and condemns this program, if faced with the issue, would say that public spending must continue.

Mr. BYRNES. Mr. President, if the Senator from Montana will yield again, I should like to ask the Senator from North Carolina a question. If we spend enough money to insure that no person in this country goes hungry, how can we balance the Budget?

Mr. BAILEY. I think we can balance the Budget even with that. I am sorry to take the time of the Senator, but if he will allow me I will attempt to answer.

Mr. MURRAY. I yield; but I should like to complete my remarks.

Mr. BAILEY. We do not have to spend ten or eleven billion dollars a year, as we are now spending, and no one will seriously contend that we have to. We do not have to spend

$2,250,000,000 a year to keep people from starving. The evidence is that we are spending at the rate of a thousand dollars a year for each man on relief. That is $82 a month. We do not even have to do that. We are wasting a great deal of money. We do not have to spend for public works; we do not have to build great and useless nonprofit making institutions; we do not have to compete with private enterprise. Now I come down to the root of the matter. We do have to provide against the possibility of men, women, and children suffering in this country.

If we get down to that basis, and if we put the administration of the Government on an economical basis, we can perhaps bring expenditures within the tax revenue, which I judge to be six billion to six and a half billion dollars, according to the estimates for this year. I hope the estimates will not exceed those figures.

Mr. SCHWELLENBACH. Mr. President, I ask the Senator from North Carolina whether in his opinion it should be done by direct relief of by work relief?

Mr. BAILEY. I think we are going to be obliged to have some of both. I think in all probability the so-called direct relief ought to be handled by the States, and in cases where the States are unable to provide the funds, the administration of relief might be handled through the States.

With respect to work relief, if some work projects can be found which are noncompetitive and are inexpensive and require a small amount of outlay for the raw material used, it would be better to have the work relief, because a little work is better than no work at all. But wait, Senators. There is no use to make work. The made work in this country is doing the country a great amount of harm. It is better to have men idle than to fake a lot of work. Have I made myself clear to the Senator about that? I should not go fully one way or the other with respect to methods. However, I would put the whole of Government relief and the whole Government scheme with respect to the thing on such a basis as to assure the American people that, after 9 long years, we are making steady progress in the direction of a balance of the Budget of the Government, upon which the credit of every one of us depends.

Mr. SCHWELLENBACH. Mr. President, let me say to the Senator from North Carolina that my impression, throughout the period of time I have been in the Senate, and up until last year, when the matter of relief came up last spring, was that money could be saved, that we could get by with smaller appropriations for direct relief, or could turn it over to the States and have them administer it; but the figures simply do not bear that out. I will say frankly that for the first couple of years I was in the Senate I thought the Works Progress Administration was a very extravagant way of handling the matter. I do not know whether the Senator remembers that when this matter was last before the Senate for consideration I presented figures which seemed to show that it would be very much cheaper, so far as administrative costs of direct relief were concerned, simply to have the States distribute money than to have work done and require the purchase of materials, and yet it was found that administrative costs of the States not only were not decreasing as the result of their experience, but were increasing, and they were almost four times what the administrative cost of W. P. A. is and has been.

Mr. BAILEY. That may be so. I am not holding a brief for State administration. I am not arguing that point. I said distinctly that I thought the direct relief might be administered by the States and through the States. The other relief, the overload—and we are carrying that only to the extent of 3,000,000 out of 12,000,000 unemployed—might well be carried by the Federal Government. I am not objecting on that point. Let me call the Senator's attention to the pending joint resolution. We are discussing relief. If the Senator will read through the joint resolution he will find that millions upon millions of dollars are diverted from relief into the Departments, and with no view whatever of taking care of the suffering men and women. Has the Senator read the measure?

Mr. SCHWELLENBACH. Yes; I have read it.

Mr. BAILEY. Will the Senator agree with me about that?

Mr. SCHWELLENBACH. Yes; I will agree with the Senator about that. But perhaps this is not an answer to the question.

Mr. BAILEY. Seventy-five million dollars is provided for the Youth Administration.

Mr. SCHWELLENBACH. I happen to know something about that.

Mr. BAILEY. I am not objecting to it, but I am saying that the joint resolution is not wholly a relief measure.

Mr. BYRNES. The Senator will agree that the money provided for the Youth Administration is given only to young men whose families are recipients of relief.

Mr. BAILEY. I am not denying that at all. I am not saying that that is not a good thing. I am not saying that it would not be a good thing for the United States Government to send every man, woman, and child in the country to some college or university; but I am saying that that is not relief for suffering people. That is not preventing privation.

Listen, Senators. We give the Treasury Department $18,000,000. We give the Department of Commerce $325,000,000. We give the Procurement Division $5,500,000. We give the Department of Justice $1,714,000.

Mr. MURRAY. Mr. President, I am sorry to interrupt the Senator, but I should like to proceed with my statement.

Mr. BAILEY. I thank the Senator for having yielded to me. I will not interrupt him further. However, if there is such need to take care of the people of this country and prevent suffering, why are we diverting this money into the administrative Departments, which do not relieve anyone?

Mr. BYRNES. Mr. President, will the Senator yield?

Mr. MURRAY. I yield.

Mr. BYRNES. Of course, the Senator knows that when an amount is appropriated to the Treasury it is appropriated for the purpose of checking and keeping the accounts of the expending Department, and so forth. No Senator would urge that the relief money should be spent without some money being provided for administrative purposes; in the case of the Treasury, for the drawing of checks and keeping accounts; in the case of the Procurement Division, for buying the materials that are used in many instances.

Mr. BAILEY. But the Senator will agree that the appropriations to these Departments are in addition to the 5 percent of the total sum allowed for administration, and the 5 percent is $70,000,000. Is that not enough to administer the work and keep the books?

Mr. BYRNES. Mr. President, the Senator knows, I am sure, that the books are kept in the Treasury.

Mr. BAILEY. Why should not a portion of that 5 percent allowed for administration be used in the Treasury Department, and thus save the money allotted to the Department in the bill?

Mr. BYRNES. Because 5 percent is put as a ceiling upon administrative expenses of W. P. A. From the beginning it was determined that it would be wise accounting procedure to have the work handled through one organization in the Treasury. It was the unanimous opinion of the subcommittee which heard the controversy that in innumerable instances money has been saved by reason of the wonderful organization which the Treasury has developed. Checking the accounts with the individual workers throughout the Nation is a tremendous task. Unlike P. W. A., under which the Government does business with the contractor, in W. P. A. the Government does business with the individual, and in checking the expenditures to see that there was no duplication of distribution, in quite a large number of cases it was found that through error there was a duplication in the payment of checks. The expenditure of money in the manner to which the Senator refers is a wise expenditure, and has saved millions of dollars to the Treasury.

Mr. BAILEY. Would not the Senator agree with me that these extra expenses might be taken out of the 5 percent instead of providing for them on top of the 5 percent? Is not $70,000,000 enough to administer the expenditure of

this money, and for the bookkeeping, and the inspection, and anything else that may be needed in connection with it? If so, we would save $5,000,000 to prevent suffering in America.

Mr. MURRAY. Mr. President, I submit that the record of these hearings absolutely and conclusively establishes the success of the Government's spending program. It conclusively proves that, as a result of the Government spending, prosperity was returning by leaps and bounds, and would have continued had it not been for the failure of industry to exercise sound economic judgment and moderation in the matter of prices. It seems clear from the record, and I think it is now admitted by most of the leading economists of the country that the present recession is chargeable primarily to this failure of industry to exercise restraint in its quest for profits. That is the simple, unvarnished truth.

Even Leonard P. Ayres, the well-known economist-banker of Cleveland, Ohio, a spokesman for the financial interests who certainly is not biased in this matter, concedes that it was the unbalanced price situation which caused the recession. He said (p. 354, Unemployment and relief hearings):

> In 1936 and in the early part of 1937 business was active and, in the main, increasingly so. Prices were advancing rapidly. Businessmen increased their inventories; and, in view of the sustaining demand for the goods that they made, or in which they dealt, they made commitments further ahead than they normally had made, or would make. Probably it is true that they were actuated in doing this by the strong demand which, perhaps, was in no small degree accentuated by the large bonus payments.

Again, he said:

> Last spring there were many warnings about prices rising too far and too fast.

It appears that when these inventories were filled, business began to drop off, and pretty soon there was a sharp and sudden curtailment in production. Unemployment began to develop.

A recession thus started has cumulative effects. Men thrown out of work buy less and hence cause trade and industry to produce and sell still less; and this, in turn, throws more men out of work, and so on. The undisputed fact is that industry had been overanxious for profit and simply priced itself out of business and the country into a recession. It failed to cooperate in the national program of recovery, thereby contributing to its own distress and injury, as well as bringing renewed misery to the country in the way of increased unemployment.

There seems to be general agreement by economists that lack of purchasing power among the masses of the people is due to excessive prices to consumers and low earnings of workers and producers. Our system of mass production can be maintained only by balancing it with mass purchasing power in the hands of the people. When prices of commodities get out of balance with the earning power of the people we have depressions.

So we find that as a result of the folly of industry, and its anxiety for profits, we are in the throes of another serious unemployment crisis. Never before in our national history have we had to face unemployment conditions of such duration and magnitude as we have been experiencing since 1929. The misery and the destitution of unemployment, once the concern of a few, now worry the Nation. Concerns that were once relegated to a few philanthropists are now bedeviling every public servant, every taxpayer, and every sober-minded citizen of the country.

This is no time for name calling. Bitter attacks on either side of the controversy serve no purpose, and settle none of our serious national problems. They have become tiresome and irritating to intelligent citizens who have regard for the seriousness of the situation confronting the country. Confidence in the Government, in Congress, and in American institutions is not encouraged by this vulgar competition in rough phrases. I have no patience with persons who bitterly assail President Roosevelt and attempt to deceive and befuddle the minds of the people. The truth of the matter is that the program of President Roosevelt for economic reform has saved our capitalistic system thus far, and in saving capitalism it has saved democracy.

The problem of unemployment which confronts the Nation today, and which results from the evils I have discussed, must be intelligently considered and solved if our economic system is to continue. There are no new frontiers in the Nation to open up. There is no new land for the homeless and the unemployed. The new frontier today is at the door of every home in the Nation. The problem is: Can the ordinary American rediscover opportunity in our new pattern of life? That is the problem which must be solved, and I believe it must be solved by the business leaders of the country. The people, as workers and consumers, cannot solve it unaided. If we are to maintain our capitalistic system, the business and industrial leaders of the Nation must end this dishonest and indefensible attitude and go to work with the administration before it is too late.

Many of our most intelligent businessmen have already recognized these self-evident truths. A number of them appeared before our committee and candidly acknowledged the lack of reason and justice in the assaults on the administration. In previous hard times, industry expected the less fortunate to tighten their belts and go through the wringer; but now it is found that men will no longer starve quietly, and that the old leadership means both colossal taxes and possible social upheaval. It is now clearly dawning on the people of the country that markets for goods must be created by raising the living standards and the consuming power of the population, by raising up the submerged portion of our population, the ill-fed, ill-housed, and ill-clothed. Industry must come to realize that it can be saved only by benefiting and improving the condition of the workers, and not by exploiting them. There is no profit in production if there is no market in which to sell. Thus, a fair division of the profits of industry is not merely a humanitarian proposition, but it is necessary in order to assure any profits at all.

What we need now is cooperation of all the groups which make up our economic system. It is to be hoped that businessmen as a class will use their best brains in the interest of society as a whole. Unless we can provide the people of the country with increased means to buy the things they need, our mass-production system must fail.

In the face of these indisputable facts, there is absolutely no basis for the contention that the Government made a failure of its pump-priming theory. As a result of the conditions which have developed, and which are rapidly growing worse, it becomes necessary again to resume public spending. The recovery measure before the Senate is the only solution of our difficulties. It is the only manner in which industry can again be stimulated. The only criticism that can be offered is that we have delayed a trifle long in presenting it.

The necessity for priming the pump of business through public spending rests upon the tragic fact that once the spiral of declining business is set in motion, either by accidental factors or by the deliberate greed for profit, there is no force strong enough to arrest the movement of recession except the active intervention of the Government. When, as at present, we cannot rely upon the fall in wages, in prices, and in interest rates to encourage private investment; when the decline in business activity itself creates such a surplus of productive capacity, and inventories pile up through the failure of demand, it is futile to hope that automatic forces will stop the decline and initiate a movement for recovery.

When such a situation arises, the Government must do what private business has failed to do. It must put purchasing power into circulation and thereby simultaneously lift the level of production, and create possibilities for new private investment. When a sufficient reemployment of the existing industrial capacity has been achieved, private orders for replacement and new investment will start up again, and the need for Government intervention will diminish.

Critics of the spending program love to dwell upon the unbearable and crushing burden of the public debt which this program is laying upon our children and upon our children's children. The persons making this argument are quite willing to incur a large public debt burden for purposes which they approve. They weep for the children only when the Government spending is directed to the general welfare of the people as a whole rather than for their own private benefit. The men who deplore Government spending are those who were in the forefront of the war enthusiasm, and who in the Liberty loan campaigns cried, "Give till it hurts." They saw no danger then. They did not view with alarm the increase in the Government debt from one billion to twenty-six billion dollars, with the consequent increase in the interest charges from $23,000,000 to well over a billion dollars. Thus, Mr. Aldrich's testimony before the Senate Committee on Unemployment and Relief indicated that he approved of increasing armament expenditures even if they made Budget balancing more difficult.

In almost every attack upon the Government spending program, as well as in every attack upon the New Deal administration and its achievements, the critics play up prominently the increase in the debt from its low point of $16,000,000,000 in 1930 to its present gross total of some $37,000,000,000. These critics conveniently forget that the debt had already risen to $21,000,000 by March 1933.

Mr. MINTON. Mr. President, will the Senator yield?

Mr. MURRAY. I yield.

Mr. MINTON. The first $16,000,000,000 of the $21,000,000,000 was a hang-over from the World War.

Mr. MURRAY. Yes.

Mr. MINTON. The next $5,000,000,000 was $5,000,000,000 which Mr. Hoover spent to drive us further into the depression, and for which we got nothing.

Mr. MURRAY. Yes; the Senator is absolutely correct. The increase of $5,000,000,000 incurred during the Hoover administration was almost exclusively devoted to the bailing-out of racketeering securities bankers. The critics also forget that against the increase of sixteen and six-tenths billion dollars from March 4, 1933, to March 31, 1938, we must offset the increase in Treasury assets, which increase amounts to almost $7,000,000,000. Moreover, of these $7,000,000,000, $5,000,000,000 are in cash or in the equivalent of cash, $2,000,000,000 in the Exchange Stabilization Fund, and $3,000,000,000 in the general fund. The remaining $2,000,000,000 are invested in securities held by the R. F. C. and its allied Government agencies. Thus, the net increase in the Government debt is only nine and seven-tenths billion dollars. Of this amount, however, one and seven-tenths billion dollars went for the prepayment of the soldiers' bonus, a liability recognized by Congress in 1921. If we subtract this sum, the net increase in debt incurred by the Roosevelt program of spending for relief and recovery is $8,000,000,000.

What did we accomplish with the $8,000,000,000? First and most important, we achieved maintenance of democracy; we restored the confidence of our people in their form of government. Second, we conserved the physical and spiritual welfare of our people. Third, we enriched our environment with vast public improvements, such as roads, bridges, sewers, schools, hospitals, recreation facilities, and the like. Fourth, we brought about the recovery in our national income.

Since our debt has not been incurred wastefully, but has been wisely invested in public improvements and in the conservation of our most precious asset, our human resources; since the debt increase has been accompanied by the working out of a rational tax policy; and since the debt burden is by all standards and comparisons a very moderate one, what is there left to weep about for our children and our children's children? The great point to remember is that we have given our children a country salvaged from ruin, a house that has been put in order. If, by some occult manipulation, we could consult the opinion of our children 30 years hence, and if we could ask them which they would prefer—a debtless government and a country in ruins, or a government in moderate debt and a country restored through wise governmental investment—does anybody doubt what their answer would be?

Mr. BRIDGES. Mr. President, I ask unanimous consent to have printed in the RECORD a letter written to the President by Amos Pinchot, attorney at law, with relation to the pump-priming bill.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

NEW YORK CITY, *May 17, 1938.*

The Honorable FRANKLIN D. ROOSEVELT,
The White House, Washington, D. C.

MY DEAR MR. PRESIDENT: When the American colonists revolted against the tyranny of the British Crown, it was Edmund Burke who said that the struggle for Anglo-Saxon liberty has always been fought on the battlefield of taxation. And the man who controls the money that is taken from the people in taxes is, in effect, a dictator—no matter what office he may hold, and irrespective of the form of government.

On the 9th day of May, a bill was introduced in the House of Representatives, appropriating over three billions for relief and pump priming. And, by a last-minute amendment inserted in pencil by Chairman TAYLOR, after a conference with you at the White House, the spending of this stupendous sum was made "subject to the approval of the President."

The passage of the bill in the House, on May 12, raises a very great and immediate issue. For, if this bill becomes a law, in its present form, without proper limitation upon your authority to allot and spend, it will, in all likelihood, clothe you with much of the power over the country's political and economic life, which you would have gained had the court-packing bill, the Black-Connery so-called wage and hour bill, and the executive reorganization bill all been placed on the statute books.

Your bill, Mr. President, embodying your big spending and pump-priming program, is an extremely bad bill—worse even than the other power-seeking measures you have urged on Congress. It will neither bring recovery, nor reduce unemployment. It is clearly a scheme to restore White House power by buying support in the coming elections. And, if passed, it will go far toward liquidating our two-party system of government by putting a faction of one party, dominated by one man, in control of the United States. The bill should be fought by every American who loves his country and honestly believes in democratic institutions.

RECOUPING BY WAR OR SPENDING?

Mr. President, when a nation gets into deep waters, and the people grow cold to its political leadership, there are two standard methods which, all through history, leaders have used to restore their prestige and make the people forget their trouble. One is to produce a war, or a war scare—as was done by Caesar, Mussolini, and many other resourceful rulers. The other is to spend huge sums and make the electorate dependent on and beholden to the Government. Sometimes both methods are used at once.

After, it must be conceded, grievous provocations and aggressions on the part of Japan, you made at Chicago, on the 5th of October, a remarkable speech—indeed a speech unparalleled by that of any other President—in which you asked that a nation not at war with us should be "quarantined," as a carrier of disease. And since that time administration bureaucrats and diplomats, responsive to you have been rattling the saber at short intervals and courageously offering to save the country by throwing the American people into the breach.

In January, as has been noted too briefly in the press, a secret meeting of about 50 persons took place in New York City. At this meeting were represented the General Staff, the War Department, the State and Navy Departments, the press, business, and public relations. And a discussion took place covering the disposition of the American and British Navies in a war with Japan, the methods to be used and the time it would take to inflame war spirit in this country, and the way to silence the opponents of war and to take critics of war, like Mr. Boake Carter, off the air.

On February 24, the May war-power bill was introduced in Congress, a bill which would create a complete Presidential dictatorship the moment war is declared. The May bill has been referred to by Mr. Carter as the bill to abolish American democracy.

But despite continued threats and growlings from Washington, including recent remarks of our Ambassador to Great Britain and Secretary of War Woodring, the effort to whip the country into a hate lather has, up to now, had little success for three reasons.

First, our newspapers, realizing that, after all, it is a serious business to expose our people to the horrors of modern warfare, have behaved with magnificent restraint and patriotism. Second, Japan ceased her aggressions and apologized. And, in the third place, China, getting her second wind, plus an increased supply of munitions from other nations, has turned the tables on Japan.

To restore the prestige and power of the New Deal administration, there remains the second alternative, that of enormous and rapid spending. And this is embodied in the pump-priming bill now before Congress.

RELIEF ADMINISTRATION

As to that part of your program which deals with relief for the unemployed, it will meet with little opposition. I think the country is united in demanding that they shall be looked after until they can find jobs in private industry. And surely it should be united in demanding that, in the administration of relief, the Government shall maintain a high sense of responsibility.

Relief, Mr President, is too serious and, I may say, sacred a matter to be exploited by politicians, or used to violate a citizen's right to vote as he pleases. And, if I am not mistaken, the country's attitude toward relief spending is a simple and human one which might be expressed in a single sentence: Millions or, if need be, billions for relief, but not one cent for patronage and politics.

As to the question, raised in your message, whether we should continue, and, more than that, expand the pump-priming program, which for 4 years we have tried as a recovery measure, with little success, a wide and honest difference of opinion may exist; but on one point there is no doubt whatever. The money appropriated by Congress for relief, or, for that matter, for any other purpose, comes from the people. It belongs to the people—not to the Government. The greater part of it is raised by indirect taxes on consumers. And every cent of it should be allocated by the people's elected representatives, and spent with care for the purposes designated by them.

And, what is more, the actual expenditure of relief money should be in the hands of local, nonpartisan commissions, watched over by Congress and composed of citizens of high character who know the local needs and are chosen from all walks of life. This, Mr. President, is the custom in England, where politics in relief is almost unknown.

But giving the President and his appointees huge sums of tax money to dispose of as they please, and place here or there according to party or personal advantage, is so wrong and so unfair to those who need help, that no public servant, who is more than a politician in the less desirable sense of that word, should defend or tolerate it for a moment.

PUMP PRIMING AND SPENDING

So much, Mr. President, for relief, and for getting it out of politics. Now let us consider pump priming as a general recovery measure. And let me say right here that opposition to your continuing your effort to pull the country out of depression by vast borrowing and spending, and staggering tax burdens, does not come from partisan or reactionary sources.

It comes rather from liberal and fair-minded men and women of all classes, who have watched the course of events, and who see that, after spending fantastic sums in a 4 years' trial of pump priming—billions upon billions taken mainly from the public's pocket in taxes on the necessities and simple luxuries of life—production is still stagnant, unemployment is rapidly increasing, and the country is in many respects worse off than when pump priming began.

On Sunday, May 8, in a radio broadcast, Mr. Harry L. Hopkins, Works Progress Administrator, defended pump priming, and said that we should continue it in the future because it has proved successful in the past. Mr. President, let us see just what kind of a success it has been—and for whom? And, to answer this question, let us consult the testimony of leaders in your administration and of Mr. Hopkins, himself.

Let us first see what your pump-priming policy has done for the youth of America. During the hearings held early in May, before the House Appropriations Committee, Mr. Aubrey Williams, head of the National Youth Administration, estimated that 7,000,000 people between 16 and 25 years of age are today unemployed and neither in colleges nor schools. How shall we visualize this immense and unfortunate army of young people, who are denied opportunity in a country that is held in depression, while almost every other democracy in the world has made a real recovery and is now, economically speaking, in a normal or better than normal condition?

Mr. President, if, from a grandstand erected on Pennsylvania Avenue in front of the White House, you were to review a parade of these jobless young Americans, it would take them over 3 months to pass, marching from dawn to dark in ordinary military formation. Yet, while our new depression tragically keeps them from either making a living for themselves or helping their families, Mr. Hopkins serenely announces that we have done so well under pump priming and big spending that we should go on with it on a larger scale than ever.

And how about agriculture? At the same hearings, Secretary Wallace predicted that our total farm income for the year 1938 would drop to 10 percent below that of 1937, i. e., to $7,700,000,000. And this sum includes benefits from the Government. Our average predepression farm income was approximately $12,000,000,000. And, in bolstering Mr. Wallace's appeal for more money to spend, Mr. Milo Perkins, assistant head of the Farm Security Administration, said that 360,000 farm families are today bankrupt and in need of immediate aid.

Since 1929, our farmers have been short $32,000,000,000 in their normal income. Producers of other basic commodities, lead, zinc, copper, etc., whose prices are largely governed by the same monetary forces, have had an additional shortage of $15,000,000,000, a total deficit of income and purchasing power of $47,000,000,000. Among these producers, representing almost half our population, is much of the lost buying power that has caused unemployment.

Meanwhile, Secretary of the Interior Ickes asks for a billion dollars to spend on 7,000 public-works projects, for the most part nonproductive, to say nothing of the projects which will be started by Mr. Hopkins through the W. P. A. This, Mr. President, is putting Government into competition with private industry for fair.

It is perhaps the longest step toward collectivism, and a totalitarian know-all and do-all state, that has been made by any modern nation with the exception of Soviet Russia. Yet this grandiose and costly excursion into socialism will concededly give work to but a small fraction of the unemployed, who would soon be put to work in private industry if confidence and a fair chance to make a profit were present.

In the same hearings Mr. Daniel W. Bell, Acting Director of the Budget, said that, while the Government had previously estimated that the deficit for the coming fiscal year would reach $950,000,000, your present program will raise it to at least $3,720,000,000. In other words, under your big spending and pump-priming policy, the Government's calculations have as usual gone wrong, this time to the tune of two billions and three-quarters. And informed people have expressed the opinion that, before the year's close, your program will bring the deficit to the incredible sum of $8,000,000,000.

Meanwhile, Hr. Hopkins predicts that W. P. A. alone must take care of 3,000,000 people this winter, an increase over present figures of almost half a million. He calls attention to the fact that our national income has dropped "from a rate of $68,000,000,000 (last year) to $56,000,000,000 (this year)," our 1929 national income being eighty and three-quarters billions.

FACTS FROM LABOR

Leaving the testimony of administration leaders, let us turn to organized labor.

On May 2 Mr. William Green, president of the American Federation of Labor, stated, before the same congressional committee, that 3,700,000 industrial workers have lost their jobs in the last 7 months. And Mr. John L. Lewis, chairman of the Committee for Industrial Organization, said, in a broadcast to British labor, on March 15, that in the 5 years of pump priming your administration has spent twenty-two billions in subsidies to industry, agriculture, and finance, and seven billions for work and direct relief. Said Mr. Lewis:

"Thirteen million Americans are now unemployed. Their numbers are steadily increasing, as the Nation drifts with terrifying and deadly sureness to the never, never realm of financial bankruptcy, economic collapse, and human tragedy. * * * America is moving in economic reverse."

Mr. President, the foregoing facts do not seem to establish the claim that your big spending policy has been good for the country. They form, on the contrary, a grave indictment of your policy. And this indictment is not brought by the allegedly hostile press, which your spokesman, Senator MINTON, of Indiana, complains about so much. It comes for your own appointees, and from the heads of the two largest labor organizations in the country, one of whom gave half a million to help elect you.

Nor can it be argued that the collapse that has attended the application of the big-spending theory is due to any let-up in spending. For Treasury reports show that, from the time pump priming began, we have spent more and more money each year. And, but for the brief and shallow-rooted revival of 1936, which was put to flight by the deflationary action of the Treasury and Federal Reserve in the spring of 1937, your recovery policy, based on big spending and pump priming, has been a complete and tragic flop, during which we have at all times had at least half reported unemployment in the entire world.

The Government, in the fiscal year ending—
April 1, 1933, spent $3,777,067,909.16.
April 1, 1934, spent $4,848,004,417.51.
April 1, 1935, spent $5,062,459,201.21.
April 1, 1936, spent $5,337,110,459.44.
April 1, 1937, spent $5,520,982,140.33.
April 1, 1938, spent $5,676,045,774.10.

RECOVERY IN OTHER NATIONS

Meantime, Great Britain and 20 other nations which have followed her recovery policies—nations with a population of more than 650,000,000 people—have avoided the pump-priming and big-spending policy like the black plague, at the same time giving a wide berth to the New Deal's scarcity policies. They have not tried to reform everything—and reformed nothing. Above all, they have refrained from whipsawing business and treating anyone who produces wealth, employs labor, and makes a profit, as a public nuisance or a suspect who should be turned over to the district attorney.

Great Britain, it is true, has been laying a heavy tax of about 25 percent on the net incomes of corporations, which tax has lately been increased to meet the new armament program. But the British Government has been shrewd enough to see that, since it takes in the form of taxes a quarter of industry's profits, it is to exactly that extent industry's partner. Consequently, it encourages industry to make a profit and expand production and employment.

The British Empire Economic Conference, held in Ottawa in the summer of 1932, laid down its attitude toward business in the following words:

"The nations of the British Commonwealth should take all steps that lie in their power to increase public confidence, especially in the field of business enterprise."

And so successful has this policy proved, plus that of helping agriculture by monetary adjustment, that Lord Beaverbrook lately stated that Britain has completed "6 glorious years." In 1933 all subsidies to the building industry were withdrawn, except for limited slum-clearance projects. And even these were executed by private business.

Yet, since 1928, about two and one-quarter millions of dwellings have been constructed in England by private enterprise, only 20 percent of which were aided by public funds. England's politicians did not merely talk about the ill-housed. They housed them, by encouraging private enterprise to build 10 times as many dwellings, per capita, as we have.

Also, England and her commercial allies have kept their expenditures in balance with their revenues. They have provided adequate relief, at the same time maintaining a sound fiscal position, not as a luxury, not as an abstract theory, but as a safeguard for the future. For an unimpaired national credit is a nation's chief protection, its "Hindenburg line," so to speak, which its people must fall back on in time of war or in the emergency of depression.

And the result has been that, as seen in the March reports of the League of Nations, Great Britain's index of average employment for the year 1937 was 112.4 as compared with 100 in 1929. From the same source we gather that her average production index for 1937 was 124 as against 100 in 1929. And may I point out that, as reported by the British Government, her general production was then so high that her rearmament program provided but a small fraction of total production and employment.

Surely, Mr. President, it would seem worth while to question the efficiency of pump priming, and at least to examine the recovery policies which have served other nations so well.

MR. THOMAS CORCORAN ON PUMP PRIMING

My first close-up of the big-spending or pump-priming theory of recovery came at an early date in your first term of office, when I was a warm admirer of your administration, and of the aspirations and policies of what was then the New Deal. It was at that time that Mr. Thomas Corcoran, who had not reached his present state of eminence, and was a comparatively obscure member of your official family, asked me to meet him at the Roosevelt Hotel in New York City.

There, Mr. Corcoran told me that a vacancy had occurred, or was soon to occur, in the Board of the Reconstruction Finance Corporation. And he added that it had been proposed that I should be tendered this post. He did not offer it to me, but he inquired whether, if offered, I would be inclined to accept such an appointment.

Business conditions were almost as bad then as they are now, and I told Mr. Corcoran it would be difficult, if not impossible, for me to leave New York. Also, I pointed out that it did not seem to me that I was fitted for such a responsibility, either by training or experience. The conversation which ensued is one which I shall not soon forget.

Mr. Corcoran replied that, so far as training and experience were concerned, I need not worry. All that was required was an obstinate man who would stand up in the meetings of the Reconstruction Finance Board and oppose the policies of the chairman, Mr. Jesse Jones, who, he explained, was disposing of Government funds in a stingy fashion. And, in particular, he was refusing to part with public money unless he believed there was a fair chance of getting it back.

Such a policy, Mr. Corcoran maintained, dictated as it was by business considerations, was precisely what the situation did not demand. He said that the right way to restore buying power and bring recovery was to pour money into circulation in the greatest possible quantities and at the highest possible speed. And to illustrate his point, he remarked that the ideal thing would be for fleets of airplanes to fly over the country discharging money as they went, so that anyone needing cash could pick it up from the ground.

I do not know whether Mr. Corcoran desired his words to be taken literally or merely as an illustration of his attitude toward recovery finance. Nor is it of consequence. But, what is of consequence is that, since 1934, when the spending program really got under way, we have tried to squander ourselves out of depression instead of work and produce ourselves out, with the results which we have already noted.

When Mr. Corcoran saw that I was unable to swallow his money-dumping theory at one sitting, he departed in haste to keep another engagement. And the words he spoke on that evening at the Roosevelt Hotel were the last I ever heard from the lips of that cheerful gentleman, Mr. Tommy Corcoran, who has since become bill drafter extraordinary and adviser plenipotentiary—as well, I understand, as official guitar player—for that curious mixture of error, energy, and ambition known as the Third New Deal. "Lucky," said a French historian, "is the ruler who has a minister with imagination."

PUMP PRIMING AND MR. KEYNES

Mr. President, it is a familiar saying that few of our allegedly new devices in politics or economics are in reality new. And this is true of pump priming which in 1931 was offered to England on a comparatively modest scale by the British Labor Party and politely but firmly rejected. Indeed, it was mainly on this issue that the Labor Party, headed by Ramsay MacDonald, had its fall. On August 24 of that year the coalition ministry, under Stanley Baldwin, came in. Whereupon, while we floundered under the New Deal, Britain proceeded to achieve a recovery of a lasting and substantial nature.

Nevertheless, despite its 1931 downfall in England, pump priming in America got its greatest impetus from a foreign source. In 1934, the British experimental economist, Mr. John Maynard Keynes, came to Washington and sold pump priming to the "brain trust," which already had its group of converts, small in number but strong in influence. And, having captured the thinking of the White House, Mr. Keynes advised the Government to levy immense taxes, plunge fearlessly into debt, and spend $400,000,000 a month on public works and industries operated in competition with private business.

In a speech in the spring of 1934, Mr. Keynes stated that the United States had become the outstanding economic laboratory of the world. And he said he envied the young men at Washington their opportunity to test their theories on the American people.

Since then pump priming, together with the managed-economy theories, borrowed by the "brain trust" from Mr. Keynes and the British Socialists, and by the Socialists from Karl Marx, have been the twin curses which have ridden the long-suffering American people. They have kept us in uncertainty, debt, and depression, while other democracies have marched confidently forward, far outstripping us on the road to recovery.

YOUR OWN OPINION OF THE SPENDING PROGRAM

Mr. President, I realize it is often unfair to compare a man's past opinions with his present course. And yet the economic, and perhaps political, situation is today so similar to that in 1932 that your former opinion of big spending may have relevancy. In a campaign speech at Sioux City, in September 1932, you said:

"I accuse the present administration (Hoover's) of being the greatest spending administration in peacetimes in all our history—one which has piled bureau on bureau, commission on commission, and has failed to anticipate the dire needs or the reduced spending power of the people. * * * On my part, I ask you to assign to me the task of reducing the annual operating expenses of the National Government."

And again in March 1933 you made this sweeping statement:

"For three long years the Federal Government has been on the road toward bankruptcy. * * * Upon the unimpaired credit of the United States Government rests the safety of deposits, the security of insurance policies, the activity of industrial enterprises, the value of agricultural products, and the availability of employment."

And yet, despite the now demonstrated failure of the big-spending policy, your administration cleaves to it and to managed economy as a drowning man to a straw.

MANAGED ECONOMY IN BABYLON

And speaking of managed economy, Mr. President, it, too, is a product imported from the Old World, and is even older than pump priming. Managed economy was the pet hobby of Hammurabi, sixth King of the First Dynasty of Babylon, who, around 2250 B. C., reigned happily for 55 years. This enlightened ruler described himself as the Beloved of Tu-Tu, the perfect king chosen by the gods Bel and Anu to supply the people "with luxurious abundance."

From his palace he promulgated a code and regulated the price of everything, from the wage of brickmakers to the hire of a sailboat, or the fee paid a surgeon for opening a boil. Indeed, Hammurabi's code, beginning with an account of his scheme to establish pure government and "prosperity for the people for all time" and ending with a sizzling curse for his critics, was the forerunner of the N. R. A., lacking nothing but a blue eagle and a Leon Henderson.

Though Hammurabi was an ardent reformer and a humane king, he at times found it advisable to cut off the fingers and break the bones of chiselers and defeatists who did not see eye to eye with him or obey his mandate which he inscribed himself on a black diorite rock. And this business of separating willful citizens from their members applied to hands and feet as well as fingers. Thus he killed two birds with one stone, not only making the punishment fit the crime but reducing to a minimum the danger of overproduction.

Hammurabi, the Beloved of Tu-Tu, also claimed as his helper the god Adad, lord of abundance. He announced that he had "made the populace to rest in security." On the other hand, on the heads of the foolish who should oppose his rule, he called down the most dire calamities. Neither Secretary Ickes nor Senator MINTON has excelled him in this respect. In a postscript to his code, he prayed that backsliders should burn "in a raging fire of swampweed;" that their lands should be turned into "a heap left by a whirlwind."

And, for the information of Henry Ford, the La Follettes, and rebellious Congressmen we may note that he decreed that, if a man should defy his master, and say "Thou art not my master," he should have his ears cut off. So, we see, Mr. President, that in the habit-ridden march of time, history has a tiresome way of repeating itself. But, so far as I can discover, Hammurabi never said a mumbling word about pump priming.

THE OLD QUESTION OF POWER

Mr. President, I have often wondered whether you realize how far your philosophy has drifted toward autocratic government, that is to say one-man control, especially since your reelection and the great mandate. Since that time you have asked for a bill giving you power to control the judicial branch of our Government. You have asked for bills giving you a dictator's power over business, over labor and farm life. You have asked for power to control,

to change the functions of, and even to abolish, every agency in the Government, including the Presidency. You have asked for power to strip Congress of its most vital functions and duties.

And though some of these measures have been couched in liberal language, and often prefaced with deceptive and liberal-sounding preambles, they have, in reality, been backward-looking measures. For every inch they conceded to liberalism they took us a yard toward reaction and one-man government. And the country was right in regarding them with fear and suspicion.

Many things you did, in the early period, aroused the country's admiration and that of liberals in particular. But as time has gone by it must be said, without questioning your motive, that you have fallen more and more under the influence of men who have little patience with democracy, who hate capitalism as Cain hated Abel, and who would like to see changes in our form of government which will mass enormous powers in one supreme leader, namely, the President. And here, as I see it, is the later New Deal's most damaging effect. It is because the purposes of these men have already been half accomplished, through legislation, that enterprise is crippled and recovery stalled.

Like the dictators of Europe, you have demanded more power as you have been given more. You have gained an ever-tighter grip on Government, business, labor, and agriculture. Wages must be fixed by the Executive, hours must be fixed. The flow of industrial production must be regulated by the Government. Prices must be fixed. Our farms must be sown and reaped according to the will of Washington bureaucrats. Congress and the courts must function in fear in the far-flung shadow of the White House.

And now there must be drawn into the ever-widening magic circle of Executive control the American press, which has so honorably supported the democratic theory of life and government during the last year. It is your own spokesman, the man who is supposed to be your candidate for the next vacancy on the Supreme Court Bench, Senator SHERMAN MINTON, of Indiana, now standing in Senator Black's shoes as chairman of the notorious Lobby Committee, who makes good your prophecy, uttered to Dr. Stanley High, after your reelection, that you would "do something about the press."

For it was Senator MINTON who lately introduced the bill, greeted with such joy by the Nazi newspapers, which provided, among other things, that it shall be a felony, punishable by fine and 2 years of imprisonment, for an editor or publisher to criticize the Government or its officials by knowingly stating an untruth.

But, in no case, is your desire to seize power and more power better evidenced than in your demand for stupendous lump-sum appropriations, which you may allocate for relief and other purposes, at your personal discretion, and without interference by Congress or the States. Mr. President, people are human. And the motive of self-interest works most actively in the lean years of a depression. It is, therefore, only reasonable to expect that the groups, the communities, the millions upon millions of individuals, who will receive their share of the enormous sums—to be taken from the people in taxes by your bill and distributed by yourself and your friends—will support, at the polls, the candidates favored by you.

Not until later on will they realize what they will pay for this—pay far more than they will be getting. They will pay in bad business, in low production, and an impaired standard of living. They will pay in heavy hidden taxes on almost every necessity of life. They will pay in unemployment and low wages and incomes. For from no other source than high production can employment, wages, and incomes flow.

They will pay in the lack of opportunity and discouragement of the younger generation. And they will pay in the political corruption which the massing of money in political hands always brings. And, finally, they will pay in the loss of the finest heritage we possess, our democratic tradition, and democratic form of government.

Mr. President, I sincerely trust that not you, but your advisers, are primarily to blame for the wrong that will be done this country by giving a political faction, headed by yourself, huge sums of money to distribute in an election year. But I beg you to realize that this same system of bogus political benevolence, the system of taxing the people and giving them back their taxes—minus the politician's rake-off—is what kept New York in the grip of Tammany so long. It is the scheme that built the Vare machine in Philadelphia, the Kelly-Nash machine in Chicago, and the McNutt machine in Indiana. And it is the scheme, which in the main, won the recent primary fight by such a wide margin for your candidate in Florida, where 99½ percent of the relief money came from you.

If the lump sums contemplated in the appropriations bill are to be voted, unearmarked and not properly controlled, into the hands of the Executive, by Congress, they will Tammanyize this country, if, indeed, this has not already been done. And I appeal to you and to every citizen who loves his country and has respect for the integrity of government, to reject this plan to buy America on the hoof.

Sincerely yours,

AMOS PINCHOT.

NEW YORK CITY.

REPORT OF BOARD OF VISITORS TO COAST GUARD ACADEMY

Mr. COPELAND. I present the report of the Board of Visitors tn the Coast Guard Academy, and ask unanimous consent to have it printed in the body of the RECORD.

The PRESIDING OFFICER (Mr. HILL in the chair). Is there objection? The Chair hears none.

The report is as follows:

TO THE PRESIDENT OF THE SENATE.
TO THE SPEAKER OF THE HOUSE OF REPRESENTATIVES.

GENTLEMEN: The act approved April 16, 1937, authorizing the establishment of a permanent instruction staff at the United States Coast Guard Academy, provides in section 7, in part as follows:

"SEC. 7. In addition to the advisory board there shall be appointed in January of each year a Board of Visitors to the Coast Guard Academy, which shall consist of two Senators and three Members of the House of Representatives appointed by the chairmen of the committees of the Senate and the House of Representatives, respectively, having cognizance of legislation pertaining to the Coast Guard Academy. The chairmen of such committees shall be ex-officio members of the Board.

"(b) Such board shall visit the Coast Guard Academy annually on a date to be fixed by the Secretary of the Treasury."

Pursuant to the above-mentioned section, the Secretary of the Treasury designated Wednesday, April 27, as the date for the first annual visit of this Board. The membership of the Board of Visitors consists of the following:

SENATORS

Hon. ROYAL S. COPELAND, of New York, chairman, Committee on Commerce, United States Senate, ex-officio member.
Hon. FRANCIS T. MALONEY, of Connecticut.
Hon. ERNEST W. GIBSON, of Vermont.

MEMBERS OF THE HOUSE OF REPRESENTATIVES

Hon. SCHUYLER O. BLAND, of Virginia, chairman, Committee on Merchant Marine and Fisheries, House of Representatives, ex officio member.
Hon. LINDSAY G. WARREN, of North Carolina.
Hon. EDWARD J. HART, of New Jersey.
Hon. RICHARD J. WELCH, of California.

The members of the Board, with the exception of the Honorable LINDSAY G. WARREN, of North Carolina, and the Honorable RICHARD J. WELCH, of California, who were unable to make the trip, left Washington at 8 p. m. April 26. They arrived at the academy in the morning of the 27th, and enjoyed breakfast at the home of Capt. E. D. Jones, superintendent of the academy, and his charming wife. The Board met officially at 10:30 a. m. in the Administration Building, where the superintendent of the academy briefly outlined the history of the Coast Guard Academy and explained the course of instruction. The Board discussed various matters pertaining to the academy, and then made an inspection of the classrooms and laboratories in the Academic Building. At 11:45, the Board reviewed the battalion of cadets, after which the members had luncheon with the cadets.

In the afternoon the Board inspected the academy buildings, equipment, and grounds, and observed the students exercising in boats under sail on the Thames River. Later, the Board members met cadets of all classes at a tea at the superintendent's quarters. In the evening the members of the Board dined in the officers' mess with the heads of the various departments of the academy.

The act of April 16, 1937, which authorized the Board of Visitors, also provided under section 6 thereof for an advisory committee consisting of not more than five persons of distinction in the field of education. The law provides that this committee meet at the academy, and also at Coast Guard Headquarters in Washington, for the purpose of examining the course of instruction and advising the Secretary of the Treasury relative thereto. Since the committee of educators is actively functioning in regard to the course of instruction at the Coast Guard Academy, congressional board did not make a detailed inspection of the curriculum, and accordingly makes no recommendation or suggestion in this vital matter.

The Board was most favorably impressed by every feature of the institution. The academy has a scenic location on the Thames River at New London, Conn., and is a modern establishment built in 1932, at a cost of some $2,750,000. The Board finds that the buildings, grounds, laboratories, shops, and all other equipment are being well maintained, and believes that the Government may take great pride in the institution.

The academy faculty charged with the academic instruction of the cadets, as well as their training in practical work and discipline, consists of regular-line and engineering commissioned officers, commissioned professors, and civilian instructors. The course of study, in professional as well as cultural subjects, appears to parallel that of the best engineering colleges. But the Coast Guard cadet is in residence practically 4 full years, and, accordingly, on a semester-hour basis, completes more work than is required by the average college granting the bachelor of science degree. To a large extent this additional work covers courses in maritime and navigation law and kindred subjects.

The corps of cadets numbers from 130 to 150 per year, sufficient at this time to supply the needs for commissioned officers of the Coast Guard. Cadets are chosen after competitive examinations held throughout the country. The corps of young men impressed the Board as being a fine, upstanding, serious-minded group of young Americans, being efficiently trained for their future responsibilities.

The Board desires to make mention of the cordial reception and hospitable treatment furnished its members by Captain Jones

and the other officers of the academy. It was surprised to learn that all official entertainment is undertaken at the expense of the superintendent and other officers. The greater part of the expense is borne by the superintendent. The Board plans to recommend early consideration of a bill to authorize the appropriation of a moderate sum of money for the use of the superintendent in connection with official entertainment at the academy.

Respectfully submitted.

ROYAL S. COPELAND,
Acting chairman.
FRANCIS T. MALONEY,
ERNEST W. GIBSON,
SCHUYLER O. BLAND,
EDWARD J. HART.
ELLIS REED-HILL,
Secretary to the Board.

REGISTRATION OF PERSONS EMPLOYED TO DISSEMINATE PROPAGANDA

The PRESIDING OFFICER (Mr. HILL in the chair) laid before the Senate the action of the House of Representatives disagreeing to the amendments of the Senate to the bill (H. R. 1591) to require the registration of certain persons employed by agencies to disseminate propaganda in the United States, and for other purposes, and requesting a conference with the Senate on the disagreeing votes of the two Houses thereon.

Mr. PITTMAN. I move that the Senate insist upon its amendments, agree to the request of the House for a conference, and that the Chair appoint the conferees on the part of the Senate.

Mr. AUSTIN. Mr. President, is this a conference report, or what is it?

Mr. PITTMAN. It is a request from the House of Representatives that the Senate agree to a conference and appoint conferees on the part of the Senate.

Mr. AUSTIN. And there has been no conference?

Mr. PITTMAN. No.

Mr. AUSTIN. I have no objection.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Nevada.

The motion was agreed to; and the Presiding Officer appointed Mr. PITTMAN, Mr. HARRISON, and Mr. BORAH conferees on the part of the Senate.

LOANS TO RAILROADS BY RECONSTRUCTION FINANCE CORPORATION

Mr. SHEPPARD. Mr. President, I send to the desk and ask to have read a brief letter from Hon. Jesse H. Jones, Chairman of the Reconstruction Finance Corporation, to the junior Senator from New York [Mr. WAGNER]. I have the permission of both the writer and the recipient of the letter to have it published.

The PRESIDING OFFICER. Without objection, the letter will be read.

The Chief Clerk read the letter, as follows:

MAY 18, 1938.

Hon. ROBERT WAGNER,
Chairman, Senate Committee on Banking and Currency,
Washington, D. C.

DEAR SENATOR WAGNER: As you know, the principal purpose of S. 3948 was to provide for loans that would put railroad employees back to work, largely in the lower-paid brackets, employees who have been furloughed, discharged, or put on a part-time basis by the roads in an effort to avoid bankruptcy.

The provision for financing the purchase of equipment is important and to the extent used would increase employment. There is, however, no great demand for equipment.

Both of these provisions are undoubtedly desirable in the interests of increased employment.

The provision that would enable the I. C. C. to certify loans on a basis of security offered is also desirable, as some roads may need to borrow that can give good security but that the Commission would find difficult to certify under present statutes.

With the exception of the strictly work loans, these provisions were included in the Interstate Commerce Committee recommendations to the President.

In view of questions that have been raised about wage decreases, particularly in the lower-paid brackets, I feel your committee should satisfy itself on this question before the bill is considered.

At the hearings before the Senate and House committees representatives of railroad management and of insurance companies and other large creditors objected to provisions included in the bill which we deem necessary to protect railroad loans both heretofore and hereafter made.

Those protesting were largely the beneficiaries of our loans and come with poor grace in their efforts to deny us the right to our collateral and the representation it entitles us to.

Respectfully yours,

JESSE H. JONES, *Chairman.*

PENNSYLVANIA PRIMARY ELECTION

Mr. BRIDGES. Mr. President, the other day I spoke to this body about the endorsement of Mr. Kennedy, in Pennsylvania, by Mr. Farley. As a result of the remarks here, the statement has been made in various instances, particularly since Mr. Kennedy's defeat, that Mr. Farley in no way was speaking for the President of the United States, Mr. Roosevelt.

I read from the Evening Star of Tuesday, May 17, the day of the election. This newspaper was printed before the returns of the election were in. I quote one Philip Murray, who is the chief C. I. O. lieutenant and chief assistant of Mr. John L. Lewis:

> Philip Murray, C. I. O. lieutenant, told a mass meeting that President Roosevelt "announced his endorsement of Thomas Kennedy for Governor through our national chairman, Jim Farley. I have known for 4 weeks that President Roosevelt was for Tom Kennedy."

The article goes on to make further statements, but that is the meat of it.

I merely desire, by bringing up the matter at this time, to show that many of the persons who are prominently identified with John L. Lewis and the C. I. O. movement felt that when Mr. Farley spoke, he spoke for the administration and spoke for President Roosevelt, and the precedent he was breaking in mixing in Pennsylvania politics was broken with their knowledge and sanction; and I quote as my authority this outstanding leader of the C. I. O. movement, Mr. Murray.

LONG-AND-SHORT-HAUL CLAUSE OF INTERSTATE COMMERCE ACT

Mr. WHEELER. Mr. President, I am about to send to the desk and ask to have inserted in the RECORD an article appearing in the Traffic World, entitled: "Well, Which Do You Mean?"

I desire to call the attention of the Senate to the fact that in the Railway Age of July 3, 1937, a magazine which is published by the Simmons-Boardman Publishing Corporation, the attitude of certain individuals is criticized because of the fact that they were opposed to what is known as the Pettengill bill, which proposed the repeal of the fourth section of the Interstate Commerce Act.

I read the concluding paragraph of the article which appeared in this publication on July 3. It says:

> There is no consistent logical argument in the general welfare which can be made in favor of this handicap to the railroads. Its continuance hinges on nothing more than the view taken by predominant business interests in some communities strategically represented in the Senate of their immediate selfish interest. That interest is given political expression in pressure upon legislators, and the national policy thus given effect becomes, not a reasonable program to promote national economic welfare, but a device for "taking something away from the other fellow and giving it to me."

The editor of the Railway Age is Samuel B. Dunn. My information is that Mr. Dunn has been on the pay roll of the Western Railroad Association for some time as a public-relations counsel, or something of the kind.

I find in the Marine Engineering and Shipping Review for May 1938, published by the Simmons-Boardman Publishing Corporation—the same company—an article entitled "Pettengill Bill Threatens Shipping." The concluding paragraph of the article in that publication is as follows:

> Certain groups, particularly the Southern Pacific and the Chicago Chamber of Commerce, which have been most active in prosecuting the fight for repeal to satisfy their own interests, would jettison an active branch of the merchant marine. Should the Pettengill bill be enacted, the eventual gain in traffic now diverted from the railroads to the water routes would prove insignificant to an industry which needs major relief and would produce an irreparable damage to another industry which is after all essential in the transportation and defense systems of the Nation.

In other words, the same man who wrote an editorial in the Railway Age in favor of the Pettengill bill wrote an editorial against the Pettengill bill in the Marine Engineering and Shipping Review, which is owned by the same company, and said that the enactment of the bill would destroy the shipping industry of the country.

Mr. MINTON rose.

Mr. WHEELER. That illustrates what my friend from Indiana [Mr. MINTON] would say about some of the newspapers of the country; they blow hot one day and cold the next, and apparently get away with it.

Mr. MINTON. Mr. President, is what I say true or not?

Mr. WHEELER. What the Senator would say about this publication would be true.

Mr. MINTON. Let me ask the able Senator from Montana, who is chairman of the Interstate Commerce Committee, if he will not agree with me in my effort to bring up the Pettengill bill, so that we may get this thing finally settled.

Mr. WHEELER. Let me say to the Senator from Indiana that three members of the committee filed a minority report on the bill. As far as I am personally concerned, I do not think any legitimate argument can be advanced and in my judgment no legitimate argument was advanced in favor of the Pettengill bill before the Interstate Commerce Committee, which held long hearings. I appreciate the fact that propaganda was put out by the railroads and the Chicago Chamber of Commerce, and I appreciate the fact that they purchased certain individuals to carry on the propaganda from one end of the country to the other.

So far as I am concerned, I intend to oppose the Pettengill bill at this session and just as long as I can stand on the floor of the Senate to oppose it. If the Senator from Indiana wants to stay here all summer long and discuss the bill, I will join him and stay here, but he may rest assured that he will stay here a long time.

I send to the desk the article to which I have referred, and from which I have read extracts, and ask to have the entire article printed in the RECORD as part of my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Traffic World for May 21, 1938]

WELL, WHICH DO YOU MEAN?

PETTENGILL BILL THREATENS SHIPPING

[From Marine Engineering and Shipping Review (May 1938), published by the Simmons-Boardman Publishing Corporation]

Since the provisions of the bill are designed to eliminate water-carrier competition in favor of the railroads, the shipping industry as a unit logically has opposed its passage strenuously. Many isolated individuals and groups, such as chambers of commerce and trade bodies, have also voiced their opposition. Officially, members of the Interstate Commerce Commission have testified against the proposed changes and their arguments in the case have been endorsed by the steamship lines and inland-waterway operators.

* * *

Stripped of all pretense, the railroads would have the Government legislate out of existence water-carrier competition on the inland waterways as well as along and between coasts. The inland waterways carry approximately 3 percent of our domestic commerce and the railroads 75 percent. Intercoastal traffic in 1936 amounted to 8,054,266 tons, including 1,208,813 tons of oil and 1,623,537 tons of lumber, on which the railroads have never sought relief. At most, the railroads might have hoped to gain 5,221,916 tons of freight, or less than 3 percent of the 180,671,461 tons originated by the western roads in the same year. Admittedly this business could not be handled profitably at rates competitive with those of the water carriers. Losses entailed from business of this character would logically have to be made up from other sources of railroad revenue until such time as the water carrier as a competitive entity would be eliminated entirely. After that rates presumably would find their profitable level as provided by the fourth section of the Interstate Commerce Act. * * *

The effectiveness of this railroad relief in mitigating against the steamship lines has been definitely demonstrated on the west coast where coastwise shipping has been practically wiped out. Under the present provisions of the act, at the discretion of the Interstate Commerce Commission empowered to grant relief, there is nothing to preclude the eventual elimination of water competition in other localities. The repeal move evidently is designed to assure such elimination but avoiding the necessity of going through a prescribed routine and of depending in any degree on the discretion of the interstate commerce body.

Certain groups, particularly the Southern Pacific and the Chicago Chamber of Commerce, which have been most active in prosecuting the fight for repeal to satisfy their own interests, would jettison an active branch of the merchant marine. Should the Pettengill bill be enacted, the eventual gain in traffic now diverted from the railroads to the water routes would prove insignificant to an industry which needs major relief and would produce an irreparable damage to another industry which is after all essential in the transportation and defense systems of the Nation.

SECTION 4 FOSTERS SPECIAL PRIVILEGE

[From Railway Age (July 3, 1937), published by the Simmons-Boardman Publishing Corporation]

But what must one think of the 545 local business groups which voted against a principle as fundamental to the continued functioning of free private enterprise as that at issue in the Pettengill bill? That such a minority voted as it did on this question points inescapably either to the conclusion that a substantial group of American business favors the relationship of Government to business embodied in the long-and-short-haul clause, or else that a large number of commercial bodies are composed of members who are stupid or indifferent to questions of fundamental policy and are thus at the mercy of small groups of special interests organized to "railroad" their views into statements of policy. Either conclusion—and we repeat that one or the other must be true—is sufficient evidence of an appalling lack of moral and intellectual integrity on the part of a substantial block in the business community which presents a discouraging contrast to the virility and consistency being everywhere shown by the enemies of private enterprise.

In essence, the long-and-short-haul clause is nothing more nor less than a legislative device granting partial or complete monopoly to certain business interests and certain localities. This clause, as it is applied, effectively prevents the railroads from competing for traffic for which they could compete if not impeded by political power, and thus gives their rivals a partial—in some cases a complete—monopoly. This is done with lip service, but no actual obedience to, the principle of preventing unfair discrimination. Now, no one can defend arbitrary discrimination—but rate discrimination already exists in favor (for instance) of the Pacific coast against intermountain territory by reason of the operation of vessels to the former, when they cannot reach the latter. Permitting the railroads to meet rate conditions as they find them could not possibly create discrimination, already existing in the nature of things. The willful creation of discrimination is an abuse of monopoly power and should be curbed by regulation—but discriminations which exist independent of the railroads and beyond their power of removal do not come in this category.

There is no consistent logical argument in the general welfare which can be made in favor of this handicap to the railroads. Its continuance hinges on nothing more than the view taken by predominant business interests in some communities strategically represented in the Senate of their immediate selfish interest. That interest is given political expression in pressure upon legislators, and the national policy thus given effect becomes, not a reasonable program to promote national economic welfare, but a device for "taking something away from the other fellow and giving it to me."

Mr. COPELAND. Mr. President, I should like to say to the Senator from Montana [Mr. WHEELER] that I am very anxious to return to my home in New York, but I will stay here with the Senator from Montana until the snow flies in order that the Pettengill bill may be defeated.

Mr. WHEELER. I thank the Senator.

Mr. NORRIS. Mr. President, in connection with the remarks made by the Senator from Montana [Mr. WHEELER] and also the Senator from New York [Mr. COPELAND], if I heard him correctly, that there are a great many people who will be willing, if they are physically able to stand the strain, to remain here during the summer and until the snow flies, until New Year's comes again, to assist the Senator from Montana in resisting the so-called Pettengill bill, I should like to volunteer in his army to render such service as I can in order to bring about the defeat of that bill. I hope that those in charge of the majority side will not try to force upon the country a measure which will necessitate the holding of Congress in session during a large part of the summer. I had hoped that that bill might be forgotten, or laid aside, at least, so far as the present session is concerned.

Mr. CONNALLY. Mr. President, do I understand the Senator from Montana and the Senator from Nebraska to threaten a filibuster in this body? [Laughter.]

Mr. NORRIS. No; we are going to do as the Senator from Texas did; we are going to talk about the bill a long, long time. [Laughter.] But, of course, we are not going to have any such thing as a filibuster.

Mr. MINTON. I did not understand the Senator from Nebraska to threaten a filibuster; he merely promised one.

Mr. NORRIS. No; I did neither, but the bill to which reference has been made is so vital to our country that it should not be taken up now, when we are preparing to adjourn.

Mr. BARKLEY. I thought the filibuster had not yet started, and I wanted to move that the Senate take a recess.

Mr. CONNALLY. I am very much gratified to have so many converts to the theory of full, fair, and open discussion, and to learn that the word "filibuster" is losing some of its opprobrious implications, and I hope that hereafter when we discuss matters thoroughly and fully we will not be charged with filibustering, because I know that the Senator from Nebraska would not indulge in a filibuster, and I am sure the Senator from Montana would not. They are both great liberals, and I am sure that the prestige of their names going out over the country as champions of full and fair debate will be of service in the consideration of legislation in the future as well as in connection with the Pettengill bill at the present time.

Mr. McKELLAR. I may say to the Senator from Texas that I am very greatly delighted and pleased to know that these distinguished Senators are following in the footsteps of the Senator from Texas and myself in certain procedure in the Senate about January, February, and March.

Mr. LUNDEEN. Mr. President, on June 18 next there will be dedicated in the old courthouse of the historic city of Frederick, Md., a memorial tablet to John Hanson, President of the United States in Congress Assembled under the Articles of Confederation, our first written Constitution. June 18 is a historic day for Maryland because on that date in the city of Frederick, in 1774, a call was issued to the people of western Maryland to meet in the courthouse of that city in an assembly designed to consolidate the opposition to the British Crown. That Assembly when it met on June 20, 1774, elected John Hanson to preside at that meeting.

The city of Frederick was the scene of many of the revolutionary activities of John Hanson and his associates both prior and subsequent to the signing of the Declaration of Independence.

All of Maryland, indeed, many of the Colonies, looked to the leadership of this group during the early days of the conflict and the feverish months that preceded the outbreak of hostilities.

JOHN HANSON LEADING REVOLUTIONARY SPIRIT

John Hanson was a leading spirit in this group which also organized and equipped the first Maryland troops in the Revolutionary Army.

The dedication of this memorial tablet during the commemoration of the tercentenary of the settlement of New Sweden has a special significance.

It is appropriate in commemorating the three hundredth anniversary of the first permanent settlement of the Delaware Valley to pause and pay tribute to a distinguished descendant of one of these pioneer settlers of New Sweden, John Hanson, of Maryland, President of the United States in Congress Assembled under the Articles of Confederation, our first written Constitution. He was the first President of the First Congress convened after the adoption of the Articles of Confederation, and after the surrender of Cornwallis at Yorktown.

STATUE IN THE HALL OF FAME

The position of John Hanson among the founders of our Nation has not been overlooked, although he has not received the recognition from some historians which his services to the Nation would warrant. His statue stands in the Hall of Fame in the United States Capitol by the action of the State of Maryland in selecting him as one of the two foremost statesmen from that State. The bronze likeness of this brooding figure stands in the Capitol of our Nation which he labored to create and to preserve and to whose highest office he was elevated by a grateful people.

PORTRAIT IN INDEPENDENCE HALL

The State of Pennsylvania has also recognized the services of this patriot and in the banquet room of Independence Hall, among the portraits of the founders, is a painting of John Hanson by the distinguished artist, Charles Wilson Peale.

Hanson's life has been shrouded in mystery until comparatively recent years, and even now there are incidents of his career which are still undiscovered. Hanson's biography is yet a field for research by historians. The date of his birth has been in dispute among the historians, and likewise there has been a difference of opinion as to the date of his death. There is also some misunderstanding among the popular historians as to his position under the Articles of Confederation. He has been variously referred to as President of the Continental Congress, President of Congress of the Confederacy, and by others as President of the United States in Congress Assembled, which latter designation is the correct one. The Encyclopedia Britannica states:

Because he was the first President under the Articles of Confederation, he is sometimes referred to as the first President of the United States.

Even the guides in the United States Capitol are unable to inform the thousands of visitors who see this statue every year just why the statue stands in the Hall of Fame.

SWEDISH SETTLEMENT IN MARYLAND

The Hanson family was the vanguard of the Swedish colonists that settled in Maryland. The center of the Swedish group in Maryland was Kent Island, and from there they branched out into other parts of Maryland, but primarily to St. Marys and Charles County. The Eastern Shore of Maryland, particularly the northern part, was settled by Swedes from Delaware and Pennsylvania, at that time the colony of New Sweden.

GENEALOGY OF HANSON

It is stated in Old Kent that John Hanson was a descendant of Col. John Hanson, of the Swedish Army, who served with credit, rose to rank of colonel, became a trusted officer under Gustavus Adolphus, and was always retained near the royal person in action. While defending and attempting to shield his King, he fell slain in battle with Gustavus Adolphus at Lutzen, November 16, 1632. He left four sons, viz, Andrew, Randolph, William, and John Hanson, all of whom were taken under the immediate protection of the royal family of Sweden. In August 1642 Queen Christina placed them in the special care of Lt. Col. Johan Printz, Governor of New Sweden, with whom they came to Delaware and remained there until the year 1653, when they came to Kent Island.

HANSON FAMILY MOVES TO MARYLAND IN 1653

The youngest son of Col. John Hanson was born in Sweden in 1630 and came to New Sweden on the Delaware in 1642. He removed to Maryland in 1653 and, after a short sojourn on Kent Island, went to St. Marys and later settled in Charles County in 1656. He married Mary Hussey, daughter of Thomas Hussey, colonist of Charles County. The will of this pioneer, dated December 12, 1713 (planter of Charles County), mentions seven children, Colonel Robert, born 1680, died 1748; Benjamin; Mary (wife of Rev. William Maconchie); Anne, born January 18, 1692; Sarah; John, born 1682, died 1754; Samuel, captain, born 1685, and his grandson, Samuel Hanson.

FATHER BORN IN CHARLES COUNTY, MD.

The son, Capt. Samuel Hanson, born 1685 in Charles County (father of President John Hanson of Mulberry Grove), married Elizabeth Story, daughter of Col. Walter Story (Storer) and his wife Elizabeth Brooke. He was buried at Equality, Charles County (estate owned by son-in-law, David Stone, the inheritor of Paynton Manor, with Court Leet and Court Baron, lineal descendant and representative of Gov. William Stone, Governor of Maryland 1649 to 1654). In his will, dated October 22, 1740, he mentions, then living, his wife Elizabeth and children, Judge Walter Hanson, William Hanson, Samuel Hanson, John Hanson, Elizabeth Hanson, Charity Hanson, Jane Hanson, and Chloe Hanson, then a minor.

There are records showing the birth to Samuel and Elizabeth Hanson of the following children: Elizabeth, born November 7, 1707; Mary, born February 4, 1709; Walter, born March 11, 1711; Samuel, born July 20, 1714; William, born March 18, 1718, died September 2, 1721; John, born April 3, 1721; Charity, born August 15, 1724; William, 2d, born September 29, 1726.

JOHN HANSON MARRIES JANE CONTEE

Judge Walter Hanson (of Harwood) married Elizabeth Hoskins, daughter of William Hoskins. He was born in 1711 and died in 1773. William Hanson married Ann Hawkins and died in 1794, leaving issue. John Hanson, of Mulberry Grove, according to family records married Jane Contee. Elizabeth Hanson married Benjamin Douglas and had a daughter Elizabeth. Charity Hanson married Arthur Lee. The above records are based on the genealogy contained in Old Kent, written by Adolphus Hanson, a member of the family.

BEGINNING OF PUBLIC CAREER

John Hanson was the son of Samuel and Elizabeth Hanson, of Charles County, Md. His parents were among the persons of wealth and social position in the county at that time. He was educated by private tutors and at Oxford University, in England. His writings clearly disclose a profound knowledge of the art of government. It was natural that John Hanson should take an active part in the political life of the province, and he soon became one of the leaders in the administration of public affairs. He represented Charles County in the assembly for the years 1757, 1758, 1761, 1763, 1765, 1767, 1768, and 1773. These years were fruitful years in the political life of Maryland and indeed of the Colonies as a whole. The assembly at that time consisted of the ablest men in the colony.

THE ECONOMIC BOYCOTT

It will be recalled that the colonists in 1769 adopted the Nonimportation Acts as a measure of securing a redress of the grievances against the British Crown. Hanson was one of the leading advocates of the Nonimportation Agreement, and when the Maryland Association of Free Men was organized, he was included among the first to sign that agreement in which the signatories bound themselves by the sacred tie of honor and reputation neither to import or purchase any article then taxed or which should thereafter be taxed by Parliament for the purpose of revenue.

HANSON LEADS MARYLAND "TEA PARTY"

While Boston had its tea party on December 10, 1771, the Marylanders, in October 1769, likewise met the issue of economic boycott. A cargo of British goods was landed in the harbor of Port Tobacco on Port Tobacco Creek, in Charles County, and under the terms of the Nonimportation Agreement the citizens of Charles County, under the leadership of John Hanson, openly and without fear of detection or punishment compelled the captain of the vessel to reship the goods to England.

The leadership which John Hanson assumed at this time was continued in the fateful years which followed. He had many opportunities to display his leadership and his ability was recognized by not only the citizens of the State, but of the other Colonies as well.

MOVES TO FREDERICK

In 1773 Hanson moved to Frederick, Md., which at that time was attracting many colonists as a gateway to the West. Many immigrants of Germany and Switzerland as well as citizens of Pennsylvania settled in that community.

Hanson soon assumed the leadership of the independence movement in the county. The people of this section were already acquainted with his activities in connection with the Nonimportation Agreement. His counsel and advice was sought by the political leaders. His integrity inspired the respect and esteem of the citizens of Frederick.

In 1774 the Boston Port bill was adopted which prohibited all commercial intercourse between Great Britain and Boston. This act of retaliation on the part of the British Crown aroused the intense feeling of the people of Maryland and they quickly made a common cause with Massachusetts.

HANSON ELECTED CHAIRMAN

A meeting of the citizens of Frederick County was held at the courthouse in Frederick City on June 20, 1774, and John Hanson was elected to preside at this fateful meeting. This meeting was the nucleus of the opposition of the people of western Maryland to the acts of the British Crown. This meeting elected John Hanson and his son, Alexander Contee Hanson, and Philip Thomas as delegates to the General Congress at Annapolis, and these delegates were also elected as members of the Committee of Observation, which committee, as its name implies, was authorized to act for the citizens in any emergency.

John Hanson was elected chairman of this Committee on Observation and he continued to serve as a chairman until the establishment of a State government when the work of the committee was completed. As a delegate from Frederick County, John Hanson attended the General Congress of Maryland at Annapolis which convened June 22, 1774, and adjourned on June 25 after adopting a series of strong resolutions directed toward an economic boycott of British goods based on nonimportation.

FREDERICK CENTER OF REVOLUTIONARY ACTIVITY

The citizens of Frederick, Md., held a further meeting on the 18th of November 1774 and John Hanson was again chosen as a member of the committee to represent the county and to carry into effect the resolutions adopted by the General Congress at Annapolis and by the American Continental Congress.

On January 24, 1775, another meeting of the citizens of Frederick County was held at the courthouse and John Hanson was again elected chairman of the meeting and was elected to serve as a member of the Committee of Correspondence, and elected to represent the county at the convention to be held at Annapolis. He was elected on the 21st of June 1775 as the treasurer of Frederick County.

CONTRIBUTES TO RELIEF OF BOSTON

One of the first acts of John Hanson as chairman of the Committee of Observation, elected by the meeting at Frederick, was to send 200 pounds sterling for the relief of the poor of Boston. This action was acknowledged by Samuel Adams in a grateful letter to John Hanson.

It soon became apparent that in order to effectively carry out the resolutions which had been adopted that more energetic measures of a practical character were required. The history of John Hanson demonstrates that he was a man of action, that he was not satisfied with mere adoption of resolutions of protest and that he had a firm conviction that it was necessary to transplant these resolutions into action. He therefore assumed the leadership in the organization of establishments for the production of gunpowder, ammunition, arms, and all kinds of military equipment. He also organized and personally equipped troops for the impending conflict.

BATTLE OF BUNKER HILL—MARYLAND TROOPS JOIN WASHINGTON

No sooner had these plans been developed when news was received of the conflict at Bunker Hill on June 15, 1775. Upon receipt of this information, Hanson and his associates proceeded to organize two companies of expert riflemen. The committee also appointed Thomas Price and Michael Cresap to organize the two companies.

Otho H. Williams was a lieutenant in command of these companies and he subsequently carved out a distinguished military career in the Revolutionary Army and became a brigadier general serving under George Washington.

These two companies, which marched out of Frederick City on June 18, 1775, arrived at Cambridge, Mass., on August 9 after traveling 550 miles in 22 days. They were the first troops from the South to join Washington's army. Their arrival induced great enthusiasm.

MARYLAND DECLARATION OF INDEPENDENCE

On the 26th day of July 1775 the Maryland Assembly convened. John Hanson was one of the most active members of this meeting and urged vigorous action on the part of Maryland. The Assembly adopted a declaration of independence, which was known as the Maryland Declaration of Free Men in which they courageously stated that they would repel force by force and that they would defend to the utmost of their capacity the Continental Congress, the Maryland

convention, the Council of Safety, and the Committee of Observation.

ORGANIZATION OF THE PROVINCIAL CONVENTION

All the power of the Government under the Association of the Freemen of Maryland was vested in the Provincial Convention, consisting of five delegates from each county, elected to serve 1 year. The executive power was vested in a Committee of Safety, elected by the convention, consisting of eight members from the western shore and eight from the eastern shore. This committee had full charge of military and naval matters.

John Hanson was made a member of the Committee of Observation according to the resolution of the convention of Maryland at a meeting of the inhabitants of the middle district of Frederick County held at the courthouse in Frederick Town on the 12th of September, 1775.

He was also appointed by the Provincial Convention on the committee to establish a gunlock factory at Frederick in addition to his duties on various other important committees.

WARNS OF BRITISH CONSPIRACY WITH INDIANS

While chairman of the Committee of Observation, John Hanson uncovered and defeated the Tory conspiracy of Lord Dunmore, Dr. John Connolly, Allen Cameron, Dr. John Smith, and White Eyes, an Indian chief. He had long suspected this conspiracy, for he wrote to Peyton Randolph, of Virginia, the President of the Continental Congress, as early as July 1775 that—

> There is too much reason to believe that an expendition will be set on foot by the British and Indians in Canada against the western frontiers of this State (Maryland), Virginia, and Pennsylvania. Agents and allies of the King and Parliament, of General Gage and Lord Dunmore, it is believed in this place are now operating with the Delaware and Shawnee Indians in Ohio, and bands in Kentucky and Canada, with a view to destroy our frontier towns and desolate our homes and firesides. We are determined to keep a vigilant eye on all such agents and emissaries, but it would be highly prudent to take early measures to supply the arsenal and barracks at Frederick Town with arms and ammunition to enable the male population to defend all the inhabitants in case the emergency should arise in which it will become our solumn duty to act.

CONSPIRATORS DISCOVERED

These suspicions were duly confirmed. Hanson advised the people of Frederick County to be on their guard and the disclosure and defeat of this carefully laid plot was due to the vigilance of the citizens of Frederick. Minutemen were ordered by Hanson to patrol the country and to warn the inhabitants at the first signs of danger. Connolly, the chief conspirator, and his companions fell into the hands of one of these patrols near Hagerstown, while on their way to Detroit, and being unable to give a satisfactory account of themselves, were arrested on suspicion and taken to Frederick. The men were searched and questioned and on the following day John Hanson forwarded to the Congress at Philadelphia copies of the examinations and the papers found on the prisoners.

THE PLAN OF THE CONSPIRATORS

John Hanson and Samuel Chase presided over the committee which questioned the prisoners. It was disclosed by the examination of the conspirators that Connolly was well known to Lord Dunmore as a loyalist and that Smith was associated with the Tories. Lord Dunmore (the Governor of Virginia) had been driven from his State and had taken refuge on a British war vessel. He immediately began plotting a military action against the coasts of Maryland and Virginia. His plan was to cut off the communication between the northern and southern colonies. He entered into communication with Dr. John Connolly (lieutenant colonel) a native of Pennsylvania; Connolly was given a deed for 2,000 acres of land on the Ohio River as an advance payment for his part in the conspiracy.

PROPOSED INDIAN UPRISING

It was proposed that Connolly should induce the Indians along the Ohio River to attack the remote settlements of Maryland and Virginia. It was further proposed that he was to raise an army at Detroit, seize Pittsburgh, and attack Maryland and Virginia from the rear. The plan called for the establishment of a post at Fort Cumberland, and Alexandria was to be attacked from that base. The strategy was to interrupt communication between the northern and southern Colonies and compel Washington either to abandon the South or to divide his army. Connolly joined Lord Dunmore on July 25, 1775, on board the British man-of-war and the joint proposal of these two conspirators was to be submitted to General Gage for his approval. It was proposed that all citizens who would join in the movement would be granted 300 acres of land and that Connolly would be appointed in command of such troops.

TORIES AND TRAITORS

The immediate plan was for the party to go by a vessel from Norfolk up the Potomac to Port Tobacco Creek in Maryland and then to go by way of horseback to Detroit. It was proposed that Smith should pass through Pittsburgh with dispatches to a friendly Indian superintendent and other Tories at that place and then proceed down the Ohio and up the Scioto River contacting various friendly Indian tribes.

The plan then contemplated a trip to Sandusky and from there to cross Lake Erie to Detroit. It was proposed that a large force was to be collected at Detroit which was to move against Pittsburgh and the population in that vicinity was to be formed into regiments which were to be marched across the mountains to Fort Cumberland, thence to follow down the Potomac where they were to meet Lord Dunmore and then attack Alexandria. The capture of the conspirators frustrated this well-conceived plan.

AROUSING THE PEOPLE

The Maryland Council of Safety appointed Hanson on a committee to collect silver and gold from the inhabitants of Frederick County for the benefit of the revolutionary cause. The weapons for the conflict were being forged. The inevitable separation from the mother country and the creation of a free and independent government was apparent to Hanson as it was to the leaders in other States, and they engaged their talents, their eloquence, and their energy to impress the people of this situation.

Congress urged the county committees to assemble the freemen to express their sentiments on the issue of freedom and to arouse the people to instruct their delegates in convention to remove the restrictions which the convention had placed upon them.

HANSON SPEAKS FOR MARYLAND

The freemen of Frederick County, under Hanson's able leadership, adopted a resolution which stated:

> That what may be recommended by a majority of the Congress, equally delegated by the people of the United Colonies, we will, at the hazard of our lives and fortunes, support and maintain, and that every resolution of the convention tending to separate this province from a majority of the Colonies, without the consent of the people, is destructive to our internal safety.

Samuel Chase, who chafed under the restrictions laid down by the instructions of the Maryland convention, when he read the fearless resolution of Frederick County, notified John Adams, on June 21, 1776:

> Read the papers and be assured Frederick speaks the sense of many counties.

MARYLAND ADOPTS HANSON'S RESOLUTION

The resolution of the freemen of Frederick was adopted in principle by the Convention of Maryland on the 28th of June, and the Maryland Delegates in Congress on the Fourth of July, 1776, voted with the other Colonies for independence.

John Hanson was appointed on October 9, 1776, on a commission which was authorized to reorganize the Maryland troops already in service upon a new basis and to induce additional troops to enlist for the period of the war. The commissioners were authorized and directed by Congress to appoint the officers of the new battalions with the advice of Washington.

MARYLAND BECOMES A FREE STATE

The Convention of Maryland on the 10th of November adopted the Declaration of Rights and Constitution of Maryland. By the terms of this new constitution, Maryland ceased

to be a Province of Great Britain and became a free State. Two coordinate legislative bodies were created, which were respectively called the Senate and House of Delegates. The House of Delegates consisted of four members, chosen by each of the counties of the State, and two by each of the cities of Annapolis and Baltimore. The members were elected on the 17th of December 1776 and the new government was fully organized on the 13th of February 1777. Thomas Johnson was elected as the first Governor.

HANSON DECLINES NOMINATION

The nomination of delegate to the first State legislature was offered to John Hanson, but he was actively engaged in the pressing work of reenlisting and reorganizing the Maryland commands, and he therefore declined the nomination. He later accepted a seat in the General Assembly of Maryland at the sessions of 1779, 1780, and 1781, and here again he assumed a leading part in the energetic support and advocacy of all measures designed to aid the cause of freedom. He was a member of important committees and was universally recognized for his great zeal, ability, and integrity.

THE ARTICLES OF CONFEDERATION

Early in the Revolutionary struggle Benjamin Franklin introduced into Congress a plan for the confederation of the Colonies, which was discussed from time to time until the Declaration of Independence was adopted. Then a more enlarged scheme of union became necessary.

The Maryland convention, on June 28, 1776, authorized the delegates from Maryland to concur with the other free and independent States in forming a compact and confederation between them. Articles of confederation were finally adopted on November 15, 1777, for action by the States, and printed copies were sent to the legislature of each State for their consideration, accompanied by a request to authorize their delegates in Congress on or before the 10th of March 1778 to subscribe to the Articles of Confederation.

CONTROVERSY OVER BOUNDARIES

A controversy arose in regard to the western boundaries of the several States. The Delegates from Maryland proposed an amendment to the Articles of Confederation, authorizing Congress to fix the boundaries of States claiming "westward to the Mississippi or the South Sea," but the amendment was defeated. The articles were formally signed in July 1778, by the Delegates of all the States except Maryland, Delaware, and New Jersey. The two latter signed in November 1778, and February 1799, respectively. Maryland alone held out, and the legislature resolutely asserted their determination not to accede until the question of the western domain was settled.

Virginia was materially concerned in this matter and their Delegates were directed to ratify the Confederation with such other States as would join, declaring that the Union should be binding without the consent of Maryland. Connecticut adopted the same course, but Maryland was not moved by such threats. Congress refused to agree to the course proposed by Virginia and Connecticut and the Confederacy remained unratified.

HANSON LABORS FOR UNION

In 1779 Hanson was elected a Delegate to the Congress. Although all the States had ratified the Articles of Confederation excepting Maryland, she renewed the previous instructions to the Delegates not to sign until some arrangement was made which would settle the issue of the Western Domain. John Hanson labored constantly to convince the Delegates from the other States of the wisdom and justice of ceding to Congress the claims to the western lands and thus remove the impediment to the Union. Aided by delegates of a like mind this plan was soon adopted.

Finally New York capitulated and instructed its Delegates in February 1780 to limit the western boundary of the State, to cede to Congress their claims to lands beyond it, "to enure for the use and benefit of such of the United States as should become members of the Federal Alliance of the said States and for no other use or purpose whatever." A resolution was reported urging the several States to follow the generous example of New York and thus remove every obstacle in the way of a perfect union. In order to give effect to its recommendations, Congress afterward pledged itself that the public lands should be held for the common benefit of the whole, and as they became populated should be parceled out into free and independent States.

MARYLAND WINS—VIRGINIA ACCEDES TO PLAN

Virginia, by a resolution of the legislature on January 2, 1781, determined to cede to the United States all her claims to the land northwest of the Ohio River. Maryland had triumphed. The States finally had become aware of the fundamental importance of the issue.

What was rescued from the common enemy, by common effort, ought of right to be a common property, to enure forever to the common benefit of all the States.

This was the watchword of Maryland.

An excellent statement of the foresight of John Hanson and his associates in connection with the dispute over the Western Domain was made by Gilbert Grosvenor, LL. D., Litt. D., president of the National Geographic Society, in a history of Maryland contained in volume LI, No. 2, February 1927, of the National Geographic Magazine, which, because of its brevity and accuracy is herewith quoted:

MARYLAND'S FORESIGHT SAVED THE UNION

While her soldiers were fighting so valiantly, her statesmen, meeting in the halls of the old statehouse at Annapolis, originated a pioneer thought that prevented the Colonies from falling apart after their victory. With great foresight the Maryland leaders realized that the harmonious relations existing between the Thirteen Colonies must inevitably be destroyed, after the triumph of American arms, by bitter disputes arising as to the ownership of the vast region northwest of the Ohio, east of the Mississippi, and south of the Great Lakes.

These lands included an immense triangular territory, nearly 1,000 miles on a side, well watered, exceedingly fertile, and with fine climate, which when settled would become of great value.

As early as October 15, 1777, 1 month before the Articles of Confederation were proposed to the legislatures for ratification, Maryland asserted in Congress that this vast domain, title to which was ill-defined and conflicting, should be placed under the sovereignty of the National Government.

The "instructions" of Maryland to her delegates, which were later read in Congress (May 21, 1779), recite:

"We are convinced policy and justice require that a country unsettled at the commencement of this war, claimed by the British Crown, and ceded to it by the treaty of Paris, if wrested from the common enemy by the blood and treasure of the Thirteen States, should be considered as a common property, subject to be parceled out by Congress into free, convenient, and independent governments, in such manner and at such times as the wisdom of that assembly shall hereafter direct."

FOR A TIME THE STATE STOOD ALONE IN HER WISE COURSE

Knowing from boundary experiences with her neighbors the enmity that disputes about land engender, Maryland, though giving unsparingly of men and substance to the Continental Armies, refused to sign the Articles of Confederation unless assured that the vacant western lands would be used to form new States and not to enrich enormously any individual State.

For a long time Maryland raised her voice alone; but gradually the other States were convinced of the fairness and wisdom of her stand and the necessity of the program she urged, if any lasting nation were to be the fruit of the Revolution. New York, Virginia, Massachusetts, and Connecticut generously ceded their territorial claims to the Nation.

But Maryland's clear-sighted and effective course had achieved something far greater than merely removing the cause of future strife between jealous Colonies; by her insistence on the creation of a national domain she welded the most effective bond that could have been devised for a lasting union. When peace came the Thirteen States found themselves joint owners of this great territory, and their common interest in developing their joint property and parceling it out into new States held them together, when they might easily have drifted apart if they had had no such economic bond.

THE CORNERSTONE OF THE FEDERAL UNION

"Just as it was Massachusetts," says John Fiske, "that took the decisive step in bringing on the Revolutionary War when she threw the tea into Boston Harbor, so it was Maryland that, by leading the way toward the creation of a national domain, laid the cornerstone of the Federal Union."

Another distinguished historian writes: "Without permanent territorial interests Congress would have been, indeed, 'a shadow without the substance,' as Washington termed it, and the country '1 Nation today and 13 tomorrow,' as best suited the purpose of individual States."

TRIBUTE TO HANSON

To the illustrious Marylanders, John Hanson particularly, and to Charles Carroll and Daniel Carroll belong the credit of suggesting and successfully urging the policy that has changed the whole map of the United States and the whole course of our national life.

Ohio, Indiana, Michigan, Illinois, Wisconsin, and Minnesota are States in the American Union because of the practical sagacity of these men who gave direction to Maryland policies beneath the roof of this historical old statehouse.

Fate gave Thomas Jefferson the opportunity of annexing the Louisiana Territory, but a whole generation before that time John Hanson led the way to the creation of a mighty empire, which includes the present States of Ohio, Indiana, Michigan, Illinois, Wisconsin, and Minnesota—six new stars in the blue of the American flag.

THE UNION COMPLETED

The Legislature of Maryland on January 29, 1781, authorized their delegates in Congress, John Hanson and Daniel Carroll, to sign the articles in their behalf. It was solemnly done on the 1st day of March 1781.

The Union was completed. This historic event was publicly announced March 1, 1781, at Philadelphia, the seat of government. It was also immediately communicated to the executives of the various States, to the American Ministers abroad, to the Minister Plenipotentiary of France, and to the Commander in Chief who announced it to the Army under his command.

MARCH 1, 1781

The minute in the proceedings of Congress March 1, 1781, is as follows:

According to the order of the day, the Honorable John Hanson and Daniel Carroll, two of the delegates for the State of Maryland, in pursuance of the act of legislature of that State, entitled "An act to empower the delegates of this State in Congress to subscribe and ratify the Articles of Confederation" which was read in Congress on the 12th day of February last, and a copy thereof entered on the minutes, did, in behalf of the said State of Maryland, sign and ratify the said articles by which act the Confederation of the United States of America was completed, each and every one of the Thirteen United States, from New Hampshire to Georgia, both included, having adopted and confirmed and by their delegates in Congress, ratified the same.

THE FIRST WRITTEN CONSTITUTION

The adoption of the Articles of Confederation created the first written Constitution of the United States. An excellent statement of the governmental authority in the Colonies prior to the adoption of this first written Constitution is contained in a volume relating to the Articles of Confederation, written by Frederick A. Cleveland, professor of political science of the University of Chicago, which states in part:

Prior to the War of the Revolution the military government and the central civil authority had been exercised by the King and Parliament of Great Britain. The chief administrative and judicial officers residing within the Colonies were also appointees of the Crown. Hostilities beginning, the whole institutional system was disrupted. The colonists at once found themselves under the necessity of reorganizing their Government and of carrying on a military struggle which required all of their united efforts to sustain. For State governments they at first organized committees of safety and other temporary devices; these later gave way to more adequate institutions. The States, however, recognizing the necessity of cooperation, left many sovereign functions to be performed by a central authority.

FIRST CONTINENTAL CONGRESS

This central authority was at first a "continental congress." In 1774, when the relations between the Colonies and the mother country were strained almost to breaking, delegates were appointed by the several Colonies for the purpose of consultation and of negotiating an amicable settlement. The negotiations proved futile; but the first Congress was an important step in paving the way for united action. Hostilities began in 1775. The second Congress met as a governing body.

ARTICLES OF CONFEDERATION ADOPTED MARCH 1, 1781

The Articles of Confederation were not formally adopted until March 1, 1781, during the session of the Seventh Continental Congress. The functions of central government to this time had been exercised under an unwritten constitution. The plan of organization was very similar to that proposed by Franklin in July 1776.

POWERS OF THE NEW GOVERNMENT

The Confederation appointed a Commander in Chief of the Army, a War Board, a Secretary of Foreign Affairs, a Superintendent of Finance, a Postmaster General, an Official Geographer, and such committees as from time to time seemed expedient; it organized a court, prescribed oaths of office and allegiance, adopted a national flag and great seal; it declared the independence of the Colonies, raised armies and appointed officers for the same, declared war, exercised the supreme direction of the land and naval forces, commissioned armed vessels, authorized privateering, granted letters of marque and reprisal, and established a military hospital; it, by declaration, opened the ports of the several Colonies to all nations, appointed ministers and ambassadors, received foreign embassies, carried on foreign negotiations, made treaties of peace and alliance; it received cessions of territory, negotiated loans, issued bills of credit, provided a currency, and performed other sovereign acts. The Articles of Confederation were finally adopted about 7 months before Cornwallis' surrender.

JOHN HANSON ELECTED FIRST PRESIDENT

The Articles of Confederation provided "The United States in Congress Assembled shall meet on the first Monday in November in each year." Article V of the articles provided "delegates shall be annually appointed in such manner as the legislature of each State shall direct, to meet in Congress on the first Monday in November in every year."

It further provided that "No person shall be allowed to serve in the office of President more than 1 year in any term of 3 years." It was under this provision of the Articles of Confederation that John Hanson was elected the first President of the United States in Congress Assembled on November 5, 1781, under the Articles of Confederation, our first written Constitution, and after the surrender of Cornwallis at Yorktown.

RECOGNITION OF HIS SERVICES

Hanson's election was in recognition of his early leadership in the revolutionary struggle, first in southern Maryland and then in western Maryland; his valuable service in raising and equipping the troops from Maryland; and his advocacy of the plan of ceding the Western Domain to the United States, which latter act culminated in the adoption of the Articles of Confederation. John Hanson was the first person elected for a regular term as President of the United States under the Articles of Confederation and first President of the United States after the surrender of the British at Yorktown.

POST-WAR PROBLEMS FACE HANSON

When Cornwallis surrendered at Yorktown on October 17, 1781, the military campaign was ended. It was, however, but the beginning of a series of political and financial difficulties which almost submerged the new government, burdened as it was by the accumulating difficulties and repressions of the war. The sight of a common foe at the door of the Colonies had exercised a benign influence, and had in a measure softened the dissensions and internal bickerings. The last restraining influence was lifted by the surrender at Yorktown. The Nation's finances were in a chaotic state, and the currency was depreciated to the point where one dollar in specie was equal to 1,000 continental dollar bills.

THE CRITICAL PERIOD

The Congress was faced with the settlement of the terms of peace, the question of international boundaries, the recognition of independence by Great Britain, the commercial relations with the British Crown and other powers, the demobilization of the armed forces, the question of slavery, the settlement of State boundaries, the disputes of fisheries and navigation, the redemption of the continental currency, the funding of loans and certificates of indebtedness, the question of confiscated Tory estates and the repatriation of exiled loyalists, and innumerable other perplexing political, financial, and international problems.

This was the situation which faced John Hanson when he was elected to the office of the President of the United States November 5, 1781. Peace had not been negotiated. The surrender of Cornwallis left many perplexing problems to the negotiation of American diplomacy. The independence of the Colonies had received foreign recognition, Sweden the first to extend diplomatic recognition having led the way on. The resolution recognizing the termination of hostilities was adopted by the British Parliament February 28, 1781, but the provisional treaty was not signed until November 30, 1782.

WASHINGTON RETURNS TO MOUNT VERNON

Following the surrender of Cornwallis at Yorktown, Va., Washington returned to his home at Mount Vernon, where he remained several weeks, and on November 23, in accordance with a program arranged by Congress, he was presented to that body. Attended by two Members, he made his appearance in old Independence Hall, and was introduced to Congress. President Hanson greeted him with the following address:

SIR: Congress, at all times happy in seeing Your Excellency, feel particular pleasure in your presence at this time, after the glorious success of the allied arms in Virginia. It is their fixed purpose to draw every advantage from it by exhorting the States in the strongest terms to the most vigorous and timely exertions. A committee has accordingly been appointed to state the requisitions necessary to be made for the establishing of the Army, and they are instructed to confer with you upon that subject. It is, therefore, the expectation of Congress that Your Excellency would remain for some time in Philadelphia, that they may avail themselves of your aid in this important business, and that they may enjoy a respite from the fatigues of war as far as is consistent with the service.

GENERAL WASHINGTON REPLIES TO PRESIDENT HANSON

To which General Washington made the following reply:

Mr. President, I feel very sensibly the favorable declaration of Congress expressed by Your Excellency. This fresh proof of their approbation cannot fail of making a deep impression upon me, and my study shall be to deserve a continuance of it. It is with peculiar pleasure I hear that it is the fixed purpose of Congress to exhort the States to the most vigorous and timely exertions. A compliance on their parts will, I persuade myself, be productive of the most happy consequences.

I shall yield a ready obedience to the expectation of Congress and give every assistance in my power to their committee. I am obliged by the goodness of Congress in making my personal ease and convenience a part of their concern. Should service require my attendance with the Army upon the North River or elsewhere, I shall repair to whatever place my duty calls, with the same pleasure I remain in this city.

GEORGE WASHINGTON CONGRATULATES PRESIDENT HANSON

General Washington congratulated President Hanson on his election, in a letter dated at Philadelphia, November 30, 1781:

SIR: While I congratulate Your Excellency on your appointment to fill the most important seat in the United States, I take the same opportunity to thank you, with great sincerity, for the very polite manner in which you are pleased to tender me the advantages of your correspondence. As a mutual free communication cannot fail to be attended with great satisfaction to me, and will undoubtedly be productive of very useful consequence to the public cause, you may be assured I shall pay very particular attention to your letters. I sincerely accord with you in sentiment, that our public affairs at present assume a promising aspect, but suffer me to begin the freedom of our correspondence by observing to Your Excellency that upon our future vigorous improvement of the present favorable moment depend the happy consequences, which we now promise ourselves as the result of all the successful events of the last campaign.

I am, your most obedient servant,

GEORGE WASHINGTON.

PRESIDENT HANSON'S CABINET

The problems of post-war adjustment consumed the time and energy of Hanson after his election to the office of President. However, he was fortunate in having a strong Cabinet, which consisted of the Secretary of War, Gen. Benjamin Lincoln; Secretary of Finance, Robert Morris; and the Secretary of Foreign Affairs, Robert Livingston. In the field of foreign relations he had the able advice and assistance of his distinguished Ambassadors, including Benjamin Franklin. However, the strain of the Revolutionary struggles and his parliamentary battles left its mark on a once vigorous constitution, and he was forced by illness to absent himself from the duties of President for several months. Congress, while electing a temporary presiding officer during his illness, nevertheless required that all its enactments should have the approval of John Hanson before they became law.

During Hanson's term of office as President, Congress adopted the great seal of the United States. The seal included the American eagle holding an olive branch and a bundle of 13 arrows, and in his beak a scroll inscribed with the well-known motto "E pluribus unum"—one out of many.

A POWERFUL FAMILY DYNASTY

The Hanson family is probably one of the most distinguished family dynasties in all of American history. The American people have associated the names of certain families with their history as, for instance, the Adams and the Cabots in New England; the Lees, the Randolphs, and the Marshalls in Virginia. It is strange, however, that some historians have paid scant notice to the most vigorous dynasty of all, the Hanson family, in Maryland.

Albert Bushnell Hart, who served as instructor of American history at Harvard and who lectured as the Harvard exchange professor at the Sorbonne in Paris and who was the historical adviser to the George Washington Bicentennial Commission, in speaking of John Hanson in an address at Philadelphia on June 7, 1926, at the Sesquicentennial, states:

He was an ancestor of two Presidents, William Henry Harrison and his grandson, Benjamin Harrison. He was also in his own right a signer of the association [the Association of Freemen]—the famous nonimportation agreement of 1769. He was a useful Member of the Second Continental Congress. He rose in 1781 to become the President of the United States.

Paul Wilstach, in his well-known book Tidewater Maryland, states:

President William Henry Harrison and President Benjamin Harrison were descendants of the Hanson family and also akin to it were President Grover Cleveland and Samuel J. Tilden and other distinguished Americans.

THREE PRESIDENTS MEMBERS OF FAMILY

W. N. Morell, foremost authority on Hanson biography, speaking at the dedication of a memorial tablet to John Hanson at Oxon Hill, Md., on November 15, 1933, stated:

The Hanson family produced one President under the Articles of Confederation, two Presidents under the Constitution, two signers of the Declaration of Independence, one signer of the Articles of Confederation, one signer of the Constitution, five signers of the Maryland Declaration of Freemen (which declaration preceded if it did not precipitate the Declaration of Independence), as well as many officers of the Revolutionary Army.

MANY KINSMEN REVOLUTIONARY OFFICERS

Among the officers of the Revolutionary Army from the Hanson family were included the following surgeons and physicians:

John Hanson Briscoe, of St. Marys County, surgeon in the Second Maryland Regulars; Samuel Hanson, of Calvert County, surgeon to Col. Baker Johnson's battalion; Elisha Hanson, of Calvert County; Daniel Jenifer, of St. Thomas, who was a member of the Council of Safety of the Western Shore, surgeon to Captain Beall's Prince Georges company; Daniel Jenifer, Jr., of St. Thomas, assistant to Dr. Briscoe in the Independent Corps, surgeon to the General Hospital of the Continental Armies.

SON, VOLUNTEER IN THE REVOLUTIONARY ARMY, KILLED IN BATTLE

John Hanson's son, Peter Contee Hanson, a lieutenant in the Maryland regiment, was mortally wounded at Fort Washington in 1776. Another son, Samuel, was surgeon of Washington's Life Guards. Still another son, Alexander Contee Hanson, was secretary to George Washington, chancellor of the State of Maryland, author of numerous famous political pamphlets, and the compiler of the laws of Maryland, known as Hanson's Laws.

Another distinguished kinsman was Col. Richard Hanson Harrison, who served for a long time as the first military aide to George Washington, and who later became a Justice of the Supreme Court of the United States.

DEATH OF JOHN HANSON

After his term of office as President expired, Hanson retired to private life in ill health. He returned to Frederick, Md., which had been the scene of many of his activities during the Revolutionary War. However, he did not have the opportunity to enjoy the life of a private citizen for very long. The last few days of his life were spent at Oxon Hill Manor, Md., overlooking the Potomac, at the home of his nephew, Thomas Hanson. Oxon Hill was one of the oldest historic mansions in southern Maryland. It was situated on a hill opposite Alexandria, Va., with a commanding view of the Potomac River.

John Hanson died at Oxon Hill on November 15, 1783. His death is briefly described in the Pennsylvania Gazette under date of Wednesday, December 3, 1783, under the caption "A Letter from Baltimore," with a date line of November 29 in the following concise language:

On Saturday the 15th ultimo departed this life in Prince Georges County, Md., the Hon. John Hanson, Esq., late President of the United States in Congress assembled.

JOHN HANSON HIGH ON THE SCROLL OF FAME

This patriotic descendant of a Viking people that settled in Maryland in 1653 deserves a high place in the affections of the American people. It is indeed fitting that the historic city of Frederick, Md., which was the scene of his labors for liberty, should dedicate to him a memorial tablet on Saturday, June 18, 1938, at 3:30 p. m. in the courthouse of that city, commemorating his leadership in the revolutionary cause not only in western Maryland but in the Colonies as a whole. If John Hanson's old neighbors in Frederick town could revisit that city on this occasion, they would voice their tribute to their wise and modest leader.

The ceremony in connection with the dedication will be under the auspices of the John Hanson Society of Maryland and the Commissioners of Frederick County. The tablet will be unveiled by a descendant, John Hanson Briscoe.

The committee consists of the following: A. H. Derr, Clyde B. Stovall, U. Grant Hooper, Jesse I. Renner, Archley R. Molesworth, A. Merhle Ecker, E. Austin James, Edward S. Delaplaine, Mrs. Michael E. Pue, W. N. Morell, Elizabeth Colton Ewing, president of the John Hanson Society of Maryland, and Miss Mary Maulsby.

It is appropriate on this occasion to include the tribute to John Hanson delivered by Maj. Alexander Sidney Lanier, lawyer and student of political history, at the dedication of a marker in memory of the President on November 15, 1933, at Oxon Hill, Md. This address is as follows:

Ladies and gentlemen of the John Hanson Society of Maryland, I admire great men of all classes, those who stand for facts and for thoughts. I like the first Caesar, and Charles the Fifth of Spain, and Charles the Twelfth of Sweden, Richard Plantagenet, and Bonaparte in France. I applaud a sufficient man, an officer equal to his office, captains, ministers, Senators.

Mankind have in all ages attached themselves to a few persons, who either by the quality of the idea they embody or by the largeness of their reception, were entitled to the position of leaders and lawgivers. The veneration of mankind selects these for the highest places. Witness the multitude of statues, pictures, and memorials which recall their genius in every city, village, house, and ship:

Even their phantoms arise before us,
Our lofty brothers, but one in blood;
At bed and table they lord it o'er us,
With looks of beauty, and words of good.

A GREAT, A WISE, AND A GOOD MAN

And so, my friends, we are here today in conformity with immemorial custom to honor the memory of a great, a wise, and a good man, who rendered the greatest services to his country of which we are today the beneficiaries.

I esteem it a special privilege to stand upon the soil of this glorious free State of Maryland and pay tribute, though totally inadequate, to the memory of a great man to whom we owe much, John Hanson, one of the most illustrious of Maryland's many distinguished sons, President of the United States in Congress assembled, 1781–82.

Limitations of time and place will not permit of an extensive recital of the life, character, and achievements of this distinguished man. Those who are interested and wish to pursue the subject can find full information about him in the encyclopaedias, and one or more recent books of his life.

GREAT MEN INSTINCTIVELY TURNED TO HIM

John Hanson, the progenitor of the President, was one of four brothers of Swedish origin and ancestory, who came to this country and settled in Maryland before the Revolution. His father was connected with the Swedish royal family, and was an officer in the army of the intrepid Gustavus Adolphus. The public life of John Hanson, the President, began in 1757 and terminated only with his death, November 15, 1783, at the age of 62 years and some months. He was always active in the social and political life of Maryland to the infinite benefit and welfare of the people of this State. When we remember the great men who were his contemporaries, I can pay no greater tribute to his character and ability than to remind you that after the proclamation of the Declaration of Independence and the organization of a government to carry on the Revolution of the Colonies, these great men of the time instinctively turned to him and elected him President of the United States in Congress Assembled, under the Articles of Confederation. Before this he had been chairman of the Committee of Observation for Frederick County, and afterwards for what was known as the middle district. He was one of three chosen by the Maryland convention to establish a gun factory at Frederick, and the value of his services in providing troops and ammunition in the Revolution was incalculable.

He was the father of nine children, and from them are descended many distinguished Maryland families and some of the most splendid names in the galaxy of Maryland's illustrious sons.

A FORERUNNER OF SCANDINAVIAN IMMIGRATION

I wish particularly to remind you that he was a forerunner of that mighty tide of Scandinavian immigration to America—a people who so largely settled up the great Northwest, and who by their industry, ability, and fine character have contributed so much to the prosperity, the general welfare, and the stability of our common country.

John Hanson and his contemporaries were confronted with great questions and grave decisions. They fought a successful revolution and established upon this continent a government that has been a model for mankind and the admiration of the world.

It must have been envisioned by the incomparable Pericles in his funeral oration over the Athenian soldiers who fell in the first year of the Peloponnesian War for, in speaking of the government of Athens, he described with uncanny accuracy the Government of the United States of today, which was established nearly 2,500 years after the delivery of his oration. He said:

"We are happy in a form of government which cannot envy the laws of our neighbors, for it hath served as a model to others, but is original in Athens. And this, our form, as committed not to the few but to the whole body of the people, is called a democracy. However different so ever in a private capacity we all enjoy the same general equality our laws are fitted to preserve; and superior honors just as we excel."

HISTORY REPEATS ITSELF

History, my friends, has a way of constantly repeating itself. The problems and the evils, socially and politically, that confront one generation have a way of arising in subsequent generations, perhaps in differing forms, but nonetheless baffling and menacing to the social order and to the security of political institutions.

For the past 4 years our beloved country has been confronted with conditions and problems arising therefrom that have caused the stoutest hearts amongst us to quail and to wonder if under the strain our social order and institutions will survive. In a way they are as serious and menacing to us as were the questions of the revolution and the bringing of order and government out of chaos were to our forefathers.

HEROIC FORTITUDE AND COURAGE

They met the situation with heroic fortitude and courage and overcame and conquered. Their example should give to us comfort, inspiration, and a courage equal to theirs. If we will but follow in their footsteps and emulate their glorious example and leadership, we too shall triumph, and government of the people, by the people, and for the people will not perish from the earth; and out of the disasters and the trials of today we shall emerge with more just institutions and a higher and better civilization.

PRESIDENTS [OF THE UNITED STATES] UNDER THE ARTICLES OF CONFEDERATION

John Hanson, November 5, 1781.
Elias Boudinot, November 4, 1782.
Thomas Mifflin, November 3, 1783.
Richard Henry Lee, November 30, 1784.
Nathaniel Gorham, June 6, 1786.
Arthur St. Clair, February 2, 1787.
Cyrus Griffin, January 22, 1788.

Source: Fiske. Critical Period of American History, page 360. [E303 .F54.]

ARTICLES OF CONFEDERATION

Agreed to by the Continental Congress, November 15, 1777, for submission to the States for ratification.

Signed by the delegates from the several States, as follows:

New Hampshire, Massachusetts Bay, Rhode Island, Providence Plantations, Connecticut, New York, Pennsylvania, Virginia, South Carolina, July 9, 1778; North Carolina, July 21, 1778; Georgia, July 24, 1778; New Jersey, November 26, 1778; Delaware, May 5, 1779; Maryland, March 1, 1781.

Congress met under the articles March 2, 1781.

Article 5, section 1: For the more convenient management of the general interests of the United States, delegates shall be annually appointed in such manner as the legislature of each State shall direct, to meet in Congress on the first Monday in November of every year, with a power reserved to each State to recall its delegates, or any of them, at any time within the year, and to send others in their stead, for the remainder of the year.

Source: Select documents, History of the United States, 1776–1861. Edited, William MacDonald. New York, 1898, page 6. [E173 .M13.]

[Library of Congress. Journals of the Continental Congress, 1774–89. Washington. Government Printing Office. 1912]

Volume XIX. January 1–April 23, 1781. Page 223:

"THE UNITED STATES IN CONGRESS ASSEMBLED,[1] FRIDAY, MARCH 2, 1781

"The ratification of the Articles of Confederation being yesterday compleated by the accession of the State of Maryland:

"The United States met in Congress, when the following members appeared:

"His excellency, Samuel Huntington, delegate for Connecticut, President."

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[1] "The United States in Congress Assembled" was put at the head of each page of the Journal, with occasional omissions, from this date until August 1.

Volume XX. April 24–July 22, 1781:

"FRIDAY, JULY 6, 1781

"The President [Samuel Huntington] having informed the United States in Congress Assembled that his ill state of health will not permit him to continue longer in the exercise of the duties of that office, and requested leave of absence:

"*Ordered*, That Monday next be assigned for electing a President" (p. 724).

"TUESDAY, JULY 10, 1781

"Mr. [Samuel] Johnston having declined to accept the office of President, and offered such reasons as were satisfactory, the House proceeded to another election; and, the ballots being taken, the Honorable Thomas McKean was elected" (p. 733).

Vol. XXI. July 23–December 31, 1781:

"MONDAY, NOVEMBER 5, 1781

(Delegates having been duly elected under the Articles of Confederation by the several States, and) "their credentials being read, Congress proceeded to the election of a President; and the ballots being taken, the Honorable John Hanson was elected" (p. 1100).

OFFICERS OF THE CONTINENTAL CONGRESS

1. Presidents:

Peyton Randolph, of Virginia,[2] elected September 5, 1774.
Henry Middleton, of South Carolina, elected October 22, 1774.
Peyton Randolph,[3] of Virginia, elected May 10, 1775.
John Hancock, of Massachusetts, elected May 24, 1775.
Henry Laurens, of South Carolina, elected November 1, 1777.
John Jay, of New York, elected December 10, 1778.
Samuel Huntington, of Connecticut, elected September 28, 1779.
Thomas McKean, of Delaware, elected July 10, 1781. (See art. 5, sec. 1, Articles of Confederation.)

"Articles of Confederation adopted March 1, 1781, and first President elected under its provisions first Monday in November (November 5, 1781). (See art. 5, sec. 1.)"

John Hanson, of Maryland, elected November 5, 1781.
Elias Boudinot, of New Jersey, elected November 4, 1782.
Thomas Mifflin, of Pennsylvania, elected November 3, 1783.
Richard Henry Lee, of Virginia, elected November 30, 1784.
John Hancock,[4] of Massachusetts, elected November 23, 1785.
Nathaniel Gorham, of Massachusetts, elected June 6, 1786.
Arthur St. Clair, of Pennsylvania, elected February 2, 1787.
Cyrus Griffin, of Virginia, elected January 22, 1788.

2. Secretary:

Charles Thomson, of Pennsylvania, elected September 5, 1774.

There was no written constitution until the adoption of the Articles of Confederation March 1, 1781.

Source: Biographical Directory of the American Congress, 1774–1927, page 31. (U. S. Government Printing Office, 1928. JK1010 As. Copy 12.)

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EXECUTIVE MESSAGES REFERRED

The PRESIDING OFFICER (Mr. HILL in the chair) as in executive session, laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

RECESS

Mr. BARKLEY. Mr. President, I move that the Senate take a recess until tomorrow at 12 o'clock.

The motion was agreed to; and (at 5 o'clock and 15 minutes p. m.) the Senate took a recess until tomorrow, Tuesday, May 24, 1938, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate May 23 (legislative day of April 20) 1938

UNITED STATES MARSHALS

William Ryan, of Illinois, to be United States marshal for the eastern district of Illinois. Mr. Ryan is now serving in this office under an appointment which expires May 25, 1938.

John M. Guay to be United States marshal for the district of New Hampshire. Mr. Guay is now serving in this office under an appointment which expires June 18, 1938.

POSTMASTERS

CALIFORNIA

Mary D. Briggs to be postmaster at Los Angeles, Calif., in place of H. B. R. Briggs, deceased.

Hyle W. Rapp to be postmaster at Loyalton, Calif., in place of W. H. Rapp, resigned.

GEORGIA

Marion Lucas to be postmaster at Savannah, Ga., in place of Marion Lucas. Incumbent's commission expired January 30, 1938.

HAWAII

Kenichi Tomita to be postmaster at Puunene, Hawaii, in place of J. F. Xavier. Incumbent's commission expired April 27, 1936.

MINNESOTA

Anna C. Dallaire to be postmaster at Ah-gwah-ching, Minn., in place of A. C. Dallaire. Incumbent's commission expired January 31, 1938.

[2] Resigned October 22, 1774.
[3] Died October 22, 1775.
[4] Resigned May 29, 1786, never having served owing to continued illness.

Joseph G. McRaith to be postmaster at Belle Plaine, Minn., in place of J. G. McRaith. Incumbent's commission expired April 19, 1938.

Joseph C. McGowan to be postmaster at Benson, Minn., in place of J. C. McGowan. Incumbent's commission expires June 13, 1938.

Timothy Hurley to be postmaster at Bird Island, Minn., in place of Timothy Hurley. Incumbent's commission expires June 18, 1938.

Alta V. Mason to be postmaster at Blue Earth, Minn., in place of A. V. Mason. Incumbent's commission expired April 19, 1938.

George H. Malven to be postmaster at Browerville, Minn., in place of G. H. Malven. Incumbent's commission expires June 18, 1938.

Antoinette D. Hall to be postmaster at Campbell, Minn., in place of A. D. Hall. Incumbent's commission expires June 13, 1938.

Lambert J. Dols to be postmaster at Cologne, Minn., in place of L. J. Dols. Incumbent's commission expired March 6, 1938.

John A. Oberg to be postmaster at Deerwood, Minn., in place of J. A. Oberg. Incumbent's commission expired March 20, 1938.

Edward C. Feely to be postmaster at Farmington, Minn., in place of E. C. Feely. Incumbent's commission expires June 13, 1938.

Robert H. Burrill to be postmaster at Hawley, Minn., in place of R. H. Burrill. Incumbent's commission expires June 18, 1938.

Martin T. Haley to be postmaster at Hibbing, Minn., in place of M. T. Haley. Incumbent's commission expires June 12, 1938.

Stella C. Olson to be postmaster at Karlstad, Minn., in place of S. C. Olson. Incumbent's commission expires June 18, 1938.

Ada L. Davies to be postmaster at Kasota, Minn., in place of A. L. Davies. Incumbent's commission expires June 18, 1938.

Anton Malmberg to be postmaster at Lafayette, Minn., in place of Anton Malmberg. Incumbent's commission expired March 6, 1938.

George A. Boyd to be postmaster at Le Roy, Minn., in place of G. A. Boyd. Incumbent's commission expires June 13, 1938.

Leroy G. Schmalz, to be postmaster at Lester Prairie, Minn., in place of L. G. Schmalz. Incumbent's commission expired April 19, 1938.

Arthur P. Rose to be postmaster at Marshall, Minn., in place of A. P. Rose. Incumbent's commission expires June 18, 1938.

James H. Pelham to be postmaster at Menahga, Minn., in place of J. H. Pelham. Incumbent's commission expires June 13, 1938.

Milla Tagley to be postmaster at Mentor, Minn., in place of Milla Tagley. Incumbent's commission expires June 18, 1938.

Nicholas D. Schons to be postmaster at Nicollet, Minn., in place of N. D. Schons. Incumbent's commission expires June 13, 1938.

Oliver W. Alvin to be postmaster at North Branch, Minn., in place of O. W. Alvin. Incumbent's commission expires June 13, 1938.

August M. Utecht to be postmaster at Richmond, Minn., in place of A. M. Utecht. Incumbent's commission expires June 13, 1938.

George Glotzbach to be postmaster at Sleepy Eye, Minn., in place of George Glotzbach. Incumbent's commission expires June 13, 1938.

Andrew Reid to be postmaster at South St. Paul, Minn., in place of Andrew Reid. Incumbent's commission expired May 12, 1938.

Walter J. Mueller to be postmaster at Springfield, Minn., in place of W. J. Mueller. Incumbent's commission expired May 12, 1938.

Andrew T. Sanvik to be postmaster at Starbuck, Minn., in place of A. T. Sanvik. Incumbent's commission expires June 13, 1938.

Carl H. Ruhberg to be postmaster at Storden, Minn., in place of C. H. Ruhberg. Incumbent's commission expires June 13, 1938.

Elizabeth C. Bahr to be postmaster at Waconia, Minn., in place of E. C. Bahr. Incumbent's commission expires June 13, 1938.

Margaret J. McGarry to be postmaster at Walker, Minn., in place of M. J. McGarry. Incumbent's commission expires June 13, 1938.

Einar C. Wellin to be postmaster at Willmar, Minn., in place of E. C. Wellin. Incumbent's commission expires June 13, 1938.

William F. Sanger to be postmaster at Windom, Minn., in place of W. F. Sanger. Incumbent's commission expired May 12, 1938.

John R. Schisler to be postmaster at Winthrop, Minn., in place of J. R. Schisler. Incumbent's commission expires June 12, 1938.

Oscar W. Groth to be postmaster at Wright, Minn., in place of Henry Groth, deceased.

MISSISSIPPI

Aubrey C. Griffin to be postmaster at Jackson, Miss., in place of E. J. Hederman. Incumbent's commission expired May 1, 1938.

MONTANA

Frank X. Monaghan to be postmaster at Butte, Mont., in place of F. X. Monaghan. Incumbent's commission expired May 1, 1938.

Oren D. Clement to be postmaster at Livingston, Mont., in place of J. E. Swindlehurst, Jr., resigned.

NEBRASKA

Theresa Mullan to be postmaster at Boys Town, Nebr., in place of P. J. Norton, resigned.

NEW HAMPSHIRE

Charles S. Stone to be postmaster at Andover, N. H., in place of C. S. Stone. Incumbent's commission expires June 13, 1938.

Roy T. Hildreth to be postmaster at Bethlehem, N. H., in place of R. T. Hildreth. Incumbent's commission expires June 6, 1938.

Edward J. Conley to be postmaster at East Kingston, N. H., Office became Presidential July 1, 1937.

Hazel J. Hayes to be postmaster at Rye Beach, N. H., in place of H. J. Hayes. Incumbent's commission expires June 6, 1938.

NEW JERSEY

Frederick W. Jacoby to be postmaster at Cliffside Park, N. J., in place of T. V. Chieffo. Incumbent's commission expired May 10, 1938.

Thomas C. Birtwhistle to be postmaster at Englewood, N. J., in place of M. A. Whyard, transferred.

NEW YORK

Edward J. Seagert to be postmaster at Attica, N. Y., in place of E. J. Seagert. Incumbent's commission expires May 28, 1938.

Frederic M. Buckley to be postmaster at Boonville, N. Y., in place of F. M. Buckley. Incumbent's commission expired January 31, 1938.

Archie C. Montanye to be postmaster at Esperance, N. Y., in place of H. H. Rockwell, resigned.

Dennis W. Daly to be postmaster at Lockport, N. Y., in place of D. W. Daly. Incumbent's commission expired January 31, 1938.

Edward J. McSweeney to be postmaster at Long Lake, N. Y., in place of E. J. McSweeney. Incumbent's commission expired January 31, 1938.

Dennis Shannon to be postmaster at New York Mills, N. Y., in place of Dennis Shannon. Incumbent's commission expired January 31, 1938.

Dennis T. Dillon, Jr., to be postmaster at Raquette Lake, N. Y., in place of D. T. Dillon, Jr. Incumbent's commission expired January 31, 1938.

Thomas J. Reilly to be postmaster at Silver Springs, N. Y., in place of T. J. Reilly. Incumbent's commission expired January 31, 1938.

Nora E. Feeley to be postmaster at Skaneateles Falls, N. Y., in place of N. E. Feeley. Incumbent's commission expired January 31, 1938.

Philip J. Smith to be postmaster at Webster, N. Y., in place of P. J. Smith. Incumbent's commission expired April 28, 1938.

NORTH CAROLINA

William R. Young to be postmaster at Badin, N. C., in place of W. R. Young. Incumbent's commission expires May 29, 1938.

Zula S. Glovier to be postmaster at Catawba, N. C., in place of Z. S. Glovier. Incumbent's commission expires June 12, 1938.

Paul R. Younts to be postmaster at Charlotte, N. C., in place of P. R. Younts. Incumbent's commission expires June 13, 1938.

Shepperd Strudwick to be postmaster at Hillsboro, N. C., in place of Shepperd Strudwick. Incumbent's commission expires June 18, 1938.

Jennings M. Koontz to be postmaster at Kannapolis, N C., in place of J. M. Koontz. Incumbent's commission expired April 27, 1938.

Carl H. Hand to be postmaster at Lowell, N. C., in place of C. H. Hand. Incumbent's commission expires June 18, 1938.

Robert T. Teague to be postmaster at Newland, N. C., in place of R. T. Teague. Incumbent's commission expires June 13, 1938.

NORTH DAKOTA

Orpheus H. Halverson to be postmaster at Northwood, N. Dak., in place of F. G. Carman, removed.

Sadie E. Uggen to be postmaster at Woodworth, N. Dak., in place of C. O. Uggen, deceased.

OREGON

Mae M. Humphrey to be postmaster at Boring, Oreg., in place of M. M. Humphrey. Incumbent's commission expires June 18, 1938.

Hampton T. Pankey to be postmaster at Central Point, Oreg., in place of H. T. Pankey. Incumbent's commission expires June 18, 1938.

Albert H. Fasel to be postmaster at Estacada, Oreg., in place of A. H. Fasel. Incumbent's commission expires June 18, 1938.

Edwin Allen to be postmaster at Forest Grove, Oreg., in place of Edwin Allen. Incumbent's commission expired April 2, 1938.

Thomas R. Roe to be postmaster at Gaston, Oreg., in place of T. R. Roe. Incumbent's commission expires June 18, 1938.

Carl H. Massie to be postmaster at Grants Pass, Oreg., in place of C. H. Massie. Incumbent's commission expired March 20, 1938.

Harold C. Kizer to be postmaster at Harrisburg, Oreg., in place of H. C. Kizer. Incumbent's commission expired May 2, 1938.

Winifred G. Wisecarver to be postmaster at McMinnville, Oreg., in place of W. G. Wisecarver. Incumbent's commission expired March 20, 1938.

Oscar L. Groves to be postmaster at Monmouth, Oreg., in place of O. L. Groves. Incumbent's commission expired May 9, 1938.

Harvey C. Knapp to be postmaster at North Portland, Oreg., in place of W. F. Coffey. Appointee not commissioned.

Sadie B. Jones to be postmaster at Oakridge, Oreg., in place of S. B. Jones. Incumbent's commission expired January 30, 1938.

Henry R. Crawford to be postmaster at Salem, Oreg., in place of H. R. Crawford. Incumbent's commission expires June 18, 1938.

Ruby I. Loundree to be postmaster at Sandy, Oreg., in place of R. I. Loundree. Incumbent's commission expires June 18, 1938.

Henry Alm to be postmaster at Silverton, Oreg., in place of Henry Alm. Incumbent's commission expires May 31, 1938.

Frank H. Fawk to be postmaster at Willamina, Oreg., in place of F. H. Fawk. Incumbent's commission expires June 18, 1938.

Howard F. Butterfield to be postmaster at Woodburn, Oreg., in place of H. F. Butterfield. Incumbent's commission expires June 18, 1938.

PENNSYLVANIA

L. Banks Wetzel to be postmaster at Beaver Springs, Pa., in place of J. F. Erdly, removed.

Harry E. Cuppett to be postmaster at Bedford, Pa., in place of H. E. Cuppett. Incumbent's commission expires June 6, 1938.

Elizabeth D. Bermingham to be postmaster at Blossburg, Pa., in place of E. D. Bermingham. Incumbent's commission expires June 6, 1938.

Leo Walker to be postmaster at Clairton, Pa., in place of Leo Walker. Incumbent's commission expires June 18, 1938.

Earle H. Crummy to be postmaster at Dravosburg, Pa., in place of E. H. Crummy. Incumbent's commission expires June 18, 1938.

Philip S. McDermott to be postmaster at Duquesne, Pa., in place of P. S. McDermott. Incumbent's commission expires June 6, 1938.

Mayme A. Moore to be postmaster at Oakdale, Pa., in place of M. A. Moore. Incumbent's commission expires June 18, 1938.

PUERTO RICO

Teresa Melendez to be postmaster at Arroyo, P. R., in place of Teresa Melendez. Incumbent's commission expired May 2, 1938.

Cesar Rossy to be postmaster at Ciales, P. R., in place of Cesar Rossy. Incumbent's commission expires June 18, 1938.

Luis E. Kolb to be postmaster at Utuado, P. R., in place of L. E. Kolb. Incumbent's commission expired May 2, 1938.

RHODE ISLAND

Grace B. Almy to be postmaster at Little Compton, R. I., in place of G. B. Almy. Incumbent's commission expires June 18, 1938.

SOUTH DAKOTA

John Evans to be postmaster at Agar, S. Dak., in place of John Evans. Incumbent's commission expired May 15, 1938.

George E. Hagen to be postmaster at Armour, S. Dak., in place of G. E. Hagen. Incumbent's commission expires June 18, 1938.

Mary A. Hornstra to be postmaster at Avon, S. Dak., in place of M. A. Hornstra. Incumbent's commission expired May 15, 1938.

Harm P. Temple to be postmaster at Davis, S. Dak., in place of H. P. Temple. Incumbent's commission expired May 16, 1938.

Lulu A. Turner to be postmaster at Ethan, S. Dak., in place of L. A. Turner. Incumbent's commission expired May 16, 1938.

Edward L. Fisher to be postmaster at Eureka, S. Dak., in place of E. L. Fisher. Incumbent's commission expired May 15, 1938.

Harold L. Fetherhuff to be postmaster at Herreid, S. Dak., in place of H. L. Fetherhuff. Incumbent's commission expired March 22, 1938.

Edwin H. Bruemmer to be postmaster at Huron, S. Dak., in place of E. H. Bruemmer. Incumbent's commission expired May 15, 1938.

Clarence W. Richards to be postmaster at Kimball, S. Dak., in place of C. W. Richards. Incumbent's commission expires June 18, 1938.

Ella M. Ottum to be postmaster at Mellette, S. Dak., in place of E. M. Ottum. Incumbent's commission expired May 22, 1938.

Josephine C. Eggerling to be postmaster at Orient, S. Dak., in place of J. C. Eggerling. Incumbent's commission expires June 18, 1938.

George L. Egan to be postmaster at Parker, S. Dak., in place of G. L. Egan. Incumbent's commission expired May 16, 1938.

Cleveland F. Brooks to be postmaster at Platte, S. Dak., in place of C. F. Brooks. Incumbent's commission expires June 6, 1938.

Fae Thompson to be postmaster at St. Lawrence, S. Dak., in place of Fae Thompson. Incumbent's commission expires June 18, 1938.

Philip A. McMahon to be postmaster at Salem, S. Dak., in place of P. A. McMahon. Incumbent's commission expired May 15, 1938.

James Gaynor to be postmaster at Springfield, S. Dak., in place of James Gaynor. Incumbent's commission expired April 27, 1938.

William P. Smith to be postmaster at Stickney, S. Dak., in place of W. P. Smith. Incumbent's commission expired May 15, 1938.

Orville U. Melby to be postmaster at Summit, S. Dak., in place of O. U. Melby. Incumbent's commission expires June 18, 1938.

Joseph S. Petrik to be postmaster at Tabor, S. Dak., in place of J. S. Petrik. Incumbent's commission expired May 15, 1938.

Kathryn M. McCoy to be postmaster at Tulare, S. Dak., in place of K. M. McCoy. Incumbent's commission expires June 18, 1938.

Matt McCormick to be postmaster at Tyndall, S. Dak., in place of Matt McCormick. Incumbent's commission expired May 22, 1938.

WASHINGTON

Walter W. Lindley to be postmaster at St. John, Wash., in place of W. W. Lindley. Incumbent's commission expires June 18, 1938.

WISCONSIN

Albert Hess to be postmaster at Arcadia, Wis., in place of Albert Hess. Incumbent's commission expires May 28, 1938.

John F. Loschky to be postmaster at Arpin, Wis., in place of J. F. Loschky. Incumbent's commission expires June 7, 1938.

Theodore E. Wozniak to be postmaster at Athens, Wis., in place of T. E. Wozniak. Incumbent's commission expires May 30, 1938.

Charles P. McCormick to be postmaster at Belleville, Wis., in place of C. P. McCormick. Incumbent's commission expires June 15, 1938.

Edward R. Kranzfelder to be postmaster at Bloomer, Wis., in place of E. R. Kranzfelder. Incumbent's commission expires May 28, 1938.

George Heiderer to be postmaster at Butternut, Wis., in place of George Heiderer. Incumbent's commission expires June 7, 1938.

Alex G. Mohr to be postmaster at Cambria, Wis., in place of A. G. Mohr. Incumbent's commission expires May 30, 1938.

John S. McHugh to be postmaster at De Pere, Wis., in place of J. S. McHugh. Incumbent's commission expired May 15, 1938.

August H. LaRenzie to be postmaster at Eagle River, Wis., in place of A. H. LaRenzie. Incumbent's commission expired February 10, 1938.

Ronald F. North to be postmaster at Eau Claire, Wis., in place of R. F. North. Incumbent's commission expired February 20, 1938.

Tessa B. Morrissy to be postmaster at Elkhorn, Wis., in place of T. B. Morissy. Incumbent's commission expires June 15, 1938.

Melvin I. Dunn to be postmaster at Fall River, Wis., in place of M. I. Dunn. Incumbent's commission expires June 8, 1938.

Fern M. Dagnon to be postmaster at Ferryville, Wis., in place of F. M. Dagnon. Incumbent's commission expires June 8, 1938.

Claude E. Rochon to be postmaster at Florence, Wis., in place of C. E. Rochon. Incumbent's commission expires June 18, 1938.

Matthew J. Hart to be postmaster at Glidden, Wis., in place of M. J. Hart. Incumbent's commission expires June 12, 1938.

Reginald L. Barnes to be postmaster at Greenwood, Wis., in place of R. L. Barnes. Incumbent's commission expires June 12, 1938.

James R. Alexander to be postmaster at Hayward, Wis., in place of J. R. Alexander. Incumbent's commission expired March 22, 1938.

Carl J. Mueller to be postmaster at Jefferson, Wis., in place of C. J. Mueller. Incumbent's commission expires May 28, 1938.

Frank Heppe to be postmaster at Kewaskum, Wis., in place of Frank Heppe. Incumbent's commission expired April 28, 1938.

Wenzel M. Dvorak to be postmaster at La Crosse, Wis., in place of W. M. Dvorak. Incumbent's commission expires June 12, 1938.

Frank M. Doyle to be postmaster at Ladysmith, Wis., in place of F. M. Doyle. Incumbent's commission expired May 15, 1938.

May K. Powers to be postmaster at Lake Geneva, Wis., in place of M. K. Powers. Incumbent's commission expires May 30, 1938.

Walter E. Smith to be postmaster at Lodi, Wis., in place of W. E. Smith. Incumbent's commission expires June 8, 1938.

Ruth S. Foley to be postmaster at Maiden Rock, Wis., in place of R. S. Foley. Incumbent's commission expires June 18, 1938.

Thomas F. McDonald to be postmaster at Marshfield, Wis., in place of T. F. McDonald. Incumbent's commission expired March 22, 1938.

John K. Wotruba to be postmaster at Milladore, Wis., in place of J. K. Wotruba. Incumbent's commission expires June 12, 1938.

Roswell S. Richards to be postmaster at Monticello, Wis., in place of R. S. Richards. Incumbent's commission expires June 12, 1938.

Axel L. Olson to be postmaster at Mountain, Wis., in place of A. L. Olson. Incumbent's commission expires May 30, 1938.

Nicholas Abler to be postmaster at Mount Calvary, Wis., in place of Nicholas Abler. Incumbent's commission expired April 28, 1938.

Lillian N. Hughes to be postmaster at New Richmond, Wis., in place of L. N. Hughes. Incumbent's commission expired May 15, 1938.

John W. Johnson to be postmaster at Pepin, Wis., in place of J. W. Johnson. Incumbent's commission expires June 12, 1938.

Rudolph I. Baumann to be postmaster at Phillips, Wis., in place of Joe Kolar, removed.

John P. Pabst to be postmaster at Pittsville, Wis., in place of J. P. Pabst. Incumbent's commission expires June 12, 1938.

Louis H. Schultz to be postmaster at Reedsburg, Wis., in place of L. H. Schultz. Incumbent's commission expires June 15, 1938.

Adelbert O. Randall to be postmaster at Rosendale, Wis., in place of A. O. Randall. Incumbent's commission expires May 30, 1938.

William J. Corry to be postmaster at South Milwaukee, Wis., in place of W. J. Corry. Incumbent's commission expired March 22, 1938.

Louis J. Thompson to be postmaster at Spooner, Wis., in place of L. J. Thompson. Incumbent's commission expired March 7, 1938.

John C. Reinke to be postmaster at Stone Lake, Wis., in place of J. C. Reinke. Incumbent's commission expired March 7, 1938.

Bethel W. Robinson to be postmaster at Superior, Wis., in place of B. W. Robinson. Incumbent's commission expires May 28, 1938.

Alfred H. Hadler to be postmaster at Thiensville, Wis., in place of A. H. Hadler. Incumbent's commission expires May 30, 1938.

William S. Wagner to be postmaster at Thorp, Wis., in place of W. S. Wagner. Incumbent's commission expires June 12, 1938.

Louis H. Rivard to be postmaster at Turtle Lake, Wis., in place of L. H. Rivard. Incumbent's commission expired April 13, 1938.

Elmer A. Peterson to be postmaster at Walworth, Wis., in place of E. A. Peterson. Incumbent's commission expires May 30, 1938.

John T. O'Sullivan to be postmaster at Washburn, Wis., in place of J. T. O'Sullivan. Incumbent's commission expires May 30, 1938.

Edward A. Peters to be postmaster at Waterloo, Wis., in place of E. A. Peters. Incumbent's commission expires May 28, 1938.

James W. Carew to be postmaster at Waupaca, Wis., in place of J. W. Carew. Incumbent's commission expired May 15, 1938.

Frank P. McManman to be postmaster at Wisconsin Dells, Wis., in place of F. P. McManman. Incumbent's commission expires June 12, 1938.

HOUSE OF REPRESENTATIVES

MONDAY, MAY 23, 1938

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Thou, who hast dealt so bountifully with us, O God, have mercy upon us; according unto the multitude of Thy tender mercies, blot out our transgression. Thou who hast put eternity in the hearts of men, enable us to overcome evil with good. Disclose unto us the enchanted dominion of a Christianized heart and mind. At the beginning of this day and week may our souls find whiteness, our minds unity, and our hearts forgiveness. We pray that the Great Shepherd may lead us into the fields of humanity waiting for our guidance and our help. Having been commissioned and honored, our Father, may we see the afflictions of our people, hear their appeals, realize their conditions, and work out the Master's definition of a good and a great life. May we deliver them into paths leading to homes of happiness, where tearful eyes become tearless, stormy words melt into peace, and sore hearts are mended. May the blessings of Almighty God abide with our President, our Speaker, and the Congress that our whole realm may be blest and satisfied. In the name of our dear Redeemer. Amen.

The Journal of the proceedings of Friday, May 20, 1938, was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. St. Claire, one of its clerks, announced that the Senate had passed without amendment a bill of the House of the following title:

H. R. 10704. An act to amend section 4132 of the Revised Statutes, as amended.

The message also announced that the Senate agrees to the amendment of the House to the amendment of the Senate to the joint resolution (H. J. Res. 678) making an additional appropriation for grants to States for unemployment compensation administration, Social Security Board, for the fiscal year ending June 30, 1938.

COMMITTEE ON FOREIGN AFFAIRS

Mr. McREYNOLDS. Mr. Speaker, I ask unanimous consent that the Committee on Claims may be discharged from the further consideration of the bill (S. 3104) for the payment of awards and appraisals heretofore made in favor of citizens of the United States on claims presented under the General Claims Convention of September 8, 1923, United States and Mexico, and that the bill may be referred to the Committee on Foreign Affairs. I have been in communication with the Committee on Claims about this matter and I believe its reference to the Committee on Claims was in error. There is no objection to its being rereferred.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

EXTENSION OF REMARKS

Mr. SPENCE asked and was given permission to revise and extend his own remarks in the RECORD.

Mr. QUINN. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include therein a letter from the director of music of the Pittsburgh public schools.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

NATIONAL LABOR RELATIONS BOARD

Mr. ANDERSON of Missouri. Mr. Speaker, I ask unanimous consent to address the House for 5 seconds.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. ANDERSON of Missouri. Mr. Speaker, proof of sabotage against aircraft being manufactured for the United States Army Air Corps is contained in the National Labor Relations Board case against the Northrup Division of the Douglas Aircraft Co., Inc., which is now under consideration by the National Labor Relations Board.

On page 255 of the official report of proceedings of the Northrup case before the National Labor Relations Board, which case is known as Case No. XXI–C–551, the Northrup attorney presented a letter addressed to the Northrup Division, signed by H. H. Wolf, major, Air Corps representative, on date September 14, 1937, regarding contract W–535, AC 8323, in which Major Wolfe notified the company that the Army would not accept any more airplanes under the contract unless certain guaranties were made.

"The resumption of acceptance of airplanes manufactured on contract," Major Wolfe said, "is dependent on your ability to demonstrate to this office that each airplane is free from malicious tampering and of the highest degree of workmanship" (p. 258 of official record).

Facts in the Northrup case are these:

The Northrup Co. had considerable labor difficulty and sabotage in the building and manufacture of aircraft for the United States Army and the United States Navy, as well as for some of the South American republics. No settlement could be made and work proceed on a satisfactory basis, so Donald Douglas, the president of the company, closed the Northrup plant. It remained shut down several weeks. Some time before its opening, a group of the workers presented to Mr. Douglas a plea to reopen the plant and set forth on their part a willingness to abide by certain rules and regulations which are essential in aircraft manufacturing plants. It was agreed that those returning to work would make a contract in which they agreed to abide by certain rules and posted a $15 bond with the Northrup Co. to insure their good faith.

The Labor Board hearing was on the complaint that the contract, as signed by those who returned to work, was a violation of the Wagner Act.

As their complaining witness they had one Allen E. Reiss. Riess testified that he did not return to the plant for employment when called, as did the other workers, but waited until a few days later. He took witnesses with him and told

the employment man that he would not sign the working agreement as he thought it was a violation of his rights guaranteed under the Wagner Act.

As to the sabotage in the plant, it is well known in military circles that rags were stuck in gasoline tanks, and other acts of sabotage committed on the new A–17–A attack planes, which are among the very latest of the general headquarters Air Force's arms. Even those unfamiliar with aircraft and their operation know that this Government cannot afford to have sabotage around an airplane factory in any form. The Nation depends upon airplanes for its national security, the pilots who fly them depend upon their structural strength and intelligent workmanship for the safety of their lives, and it is apparent that the utmost care must be taken to prevent any activity against our aircraft industry.

The attention of the House has been called to the sabotage in the Douglas case in which it was proved that a convicted alien was ordered rehired by the N. L. R. B. despite his actions of violence in the plant where the B–18 bombers were being constructed. You were also told of the Labor Board ordering rehired with back pay a man by the name of Racine who stripped the bolts on the bomb racks of the B–18 bomber. This man was ordered rehired with back pay despite the fact that Army and Navy experts testified it was virtually impossible to strip these bomb-rack bolts unless there was malice aforethought and intention of sabotage. I say to you now, Mr. Speaker, that the Nation must take some action to insure against this sabotage in our aircraft factories. The aeronautical industry plays too important a part in our national defense to take the slightest chance with it.

EXTENSION OF REMARKS

Mr. LUDLOW. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include therein an address I delivered on Saturday at the dedication of the Indianapolis Federal building; also an address by Postmaster General Farley and one or two other very brief addresses in the same connection.

Mr. RICH. Reserving the right to object, Mr. Speaker, by whom was the second address delivered?

Mr. LUDLOW. Hon. James A. Farley, Postmaster General of the United States.

Mr. RICH. Was the address delivered here in Washington?

Mr. LUDLOW. In Indianapolis, Ind.

Mr. RICH. That gentleman is traveling all over the country all the time, and every day somebody wants to place in the RECORD a speech by him. Is the Postmaster General attending to his duties here in the Post Office Department or is he running around over the country making political speeches for the Democratic National Committee?

Mr. LUDLOW. I may say to the gentleman this is an entirely new speech by Mr. Farley, and it was delivered in the course of his official duties in the dedication of a Federal building.

Mr. RICH. I am glad he is attending to his duties.

Mr. TABER. Reserving the right to object, Mr. Speaker, I understand a Budget estimate is being sent here asking us to appropriate about $500,000 beyond the amount appropriated last year to take care of the cost of printing speeches that are placed in the Appendix. I believe we ought to begin to be careful about what is being placed in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

Mr. KRAMER. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD on an article regarding the United States Housing Authority and slum clearance, and to include therein an article that appeared in the Journal of Home Economics.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. BRADLEY. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include therein a radio address recently delivered by me in Philadelphia.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. COX. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by inserting an address by Mr. Brenckman, of the National Grange, in which he discusses the wage and hour bill.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

PERMISSION TO ADDRESS THE HOUSE

Mr. KELLER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. KELLER. Mr. Speaker, I simply wish to call the attention of the House to the fact that our colleague the gentleman from Nebraska [Mr. BINDERUP] is to deliver five consecutive lectures on the subject of money on the floor of this House after the proceedings of the day are over, beginning this afternoon and continuing through and including Friday. To those who have not made a special study of the subject, these lectures will be full of meat for our consideration.

EXTENSION OF REMARKS

Mr. BACON. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include therein an article by Mr. Arthur Krock, who discusses an amendment I myself introduced to the relief bill.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. PAREDES. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD on the relations between the United States and the Philippine Islands.

The SPEAKER. Is there objection to the request of the Commissioner from the Philippines?

There was no objection.

THE WAGE AND HOUR BILL

Mrs. NORTON. Mr. Speaker, under rule XXVII of the House, I call up the motion to discharge the Committee on Rules from further consideration of House Resolution 478.

The Clerk read the resolution, as follows:

House Resolution 478

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of S. 2475, an act to provide for the establishment of fair labor standards in employments in and affecting interstate commerce, and for other purposes, and all points of order against said bill are hereby waived. That after general debate, which shall be confined to the bill and continue not to exceed 4 hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Labor, the bill shall be read for amendment under the 5-minute rule. It shall be in order to consider without the intervention of any point of order the substitute amendment recommended by the Committee on Labor, and such substitute for the purpose of amendment shall be considered under the 5-minute rule as an original bill. At the conclusion of such consideration the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and the amendments thereto to final passage without intervening motion except one motion to recommit with or without instructions.

The SPEAKER. The question is whether the House will discharge the Committee on Rules from the further consideration of the resolution.

Under the rules the gentlewoman from New Jersey [Mrs. NORTON] is entitled to 10 minutes and some member of the Committee on Rules opposed to the resolution is entitled to 10 minutes.

Does the gentleman from New York, chairman of the Committee on Rules, desire recognition in opposition to the resolution?

Mr. O'CONNOR of New York. Mr. Speaker, I cannot qualify in opposition because I am whole-heartedly in favor of the bill.

The SPEAKER. The gentleman from Georgia?

Mr. COX. Mr. Speaker, I am proud to say I am in position to qualify. I claim the time and will yield to the gentleman from Texas.

The SPEAKER. The Chair will recognize the gentleman from Georgia for 10 minutes in opposition to the resolution, and the gentlewoman from New Jersey is now recognized for 10 minutes.

Mrs. NORTON. Mr. Speaker, I yield myself 5 minutes.

Mr. Speaker, on May 24, 1937, the President sent a message to Congress requesting legislation to protect that large group of our citizens who are working under substandard labor conditions. As a result of that message a bill was introduced—H. R. 7200—upon which joint hearings were held with the Senate. Following the hearings this bill was considered by the Committee on Labor, but before final determination on it was reached the Senate passed its wage and hour bill, S. 2475, which was referred to the House Committee on Labor. In order to expedite passage of the bill the House committee substituted the Senate bill for its bill. The bill was reported to the House on August 6, 1937. The Rules Committee refused to give us a rule, and a petition was placed on the Speaker's desk on November 16, 1937. The required names were placed on that petition and the wage and hour bill was therefore brought up in the House for debate on December 13, 1937. As you all know, the bill was under consideration in the House from the 13th of December through the 17th. During that time opponents of wage and hour legislation adopted the procedure of amending the bill until it had been stripped of its effectiveness, and on December 17, by a vote of 216 to 198, the bill was recommitted.

I cannot help but feel that many Members voted for recommittal because the bill contained differentials and because they honestly believed that that was not the proper type of wage and hour legislation.

When the House reconvened for the third session of the Seventy-fifth Congress the President again asked for a wage and hour bill, and your Labor Committee again started consideration of S. 2475. We studied the bill from every angle, weighed carefully all schools of thought on this subject, and finally arrived at the conclusions now contained in the bill you have before you. It is entirely different in form, method of administration, and philosophy from that presented to you at the special session. We believe that it meets the objections which many reasonable Members presented during the consideration of the last bill, and we further believe it to be an equitable and fair bill to regulate labor practices of industries engaged in interstate commerce.

Notwithstanding all of this, and notwithstanding the fact that the bill was recommitted presumably for redraft, which we surely accomplished, the bill was again denied a rule. This time a hearing was given the Labor Committee, at which many members of the Labor Committee testified, but when the vote was taken in the Rules Committee we were again denied a rule.

Mr. Speaker, although I had said when the bill was recommitted last year that I would never place another petition on the desk, I knew that House sentiment was so strongly in favor of a wage and hour bill this year that I decided to break my word and again place the petition on the desk. I did not feel that I could stand in the way of Members who were anxiously waiting for a chance to vote for wage and hour legislation, nor did I feel that I was morally justified in denying to the workers of this country a chance for better working conditions, which so many of them now lack because of the unscrupulous practices indulged in by chiseling employers.

I know that I need not remind you Members of the House of the unprecedented success with which that petition met. In 2 hours and 20 minutes on May 6, 218 names were affixed to the petition. Many other Members who were anxious to sign were not able to do so because the necessary signatures had been secured.

I feel that I need make no plea to the membership of the House to vote to discharge the Rules Committee from the resolution providing for the consideration of the wage and hour bill. I know that most of you join me in my desire to see the ill-treated workers of the country given the rights and privileges which are actually theirs. I therefore ask you to vote to discharge the Rules Committee from consideration of the resolution when the proper time arrives. [Applause.]

Mr. Speaker, I yield the balance of my time to the gentleman from New York [Mr. O'CONNOR].

Mr. O'CONNOR of New York. Mr. Speaker, I reserve my time until the 10 minutes in opposition has been taken.

Mr. COX. Now, Mr. Speaker, will the advocates of this resolution be permitted to split the time allotted to them in such a manner as to claim both the opening and the conclusion of the debate on this proposition? I insist, Mr. Speaker, that the proper practice and the fair thing to do is for the committee sponsoring this bill to proceed to exhaust the time given it.

The SPEAKER. The Chair will state in answer to the statement of the gentleman from Georgia which the Chair takes as a parliamentary inquiry, that the practice heretofore has been that on discharge motions the proponents and opponents of the measure shall have the right to allot their time as they see fit. Under the procedure heretofore followed the proponents of the motion to discharge will be entitled to conclude the debate. This is in conformity with the precedents and practices heretofore prevailing.

Mr. COX. Is that the position now taken by the Speaker on this proposition, that the proponents shall have both the opening and the conclusion of the debate?

Mr. SABATH. That is the usual practice, Mr. Speaker.

The SPEAKER. This ruling is not initiated by the present occupant of the chair. This question has been up before and it was determined by Mr. Speaker Garner when the same question arose that the right to close the 20 minutes debate on a motion to discharge a committee is reserved to the proponents of the motion, which is the identical question here presented.

Mr. COX. Mr. Speaker, I yield my 10 minutes to my colleague, the gentleman from Texas [Mr. DIES].

Mr. DIES. Mr. Speaker, ladies and gentlemen of the House, the original House bill, which was recommitted on December 17, 1937, was all flexibility—the present bill is all inflexibility. The bill we recommitted represented one extreme in legislation, while the bill we will presently consider represents another extreme. Under the former bill a board or administrator could fix wages from 1 cent to 40 cents an hour and could fix hours from 40 on without any limitation. This bill represented an unprecedented concentration of power in a Federal bureau. Because the country revolted against this dangerous delegation of power in a Federal bureaucracy, the Labor Committee veered to the other extreme with reference to wages and hours, but at the same time retained the same vicious principle of vesting wide discretionary power in a nonelective Cabinet officer. The present bill has one thing in common with the recommitted bill: It reveals the same stubborn and persistent attempt to delegate vast discretionary power in Miss Perkins to determine what industries shall come under the act, to determine what retailing establishments shall be subject to the act, and to make exemptions in favor of apprentices and persons who are physically and mentally incapacitated to do efficient work.

Between these two extremes there must be a middle ground that we can all occupy. I do not believe that anyone can deny that there must be some flexibility with reference to wages and hours. Even the Government attorneys who appeared before the committee made this very clear, and ardent new dealers, such as Robert Jackson and Ben Cohen, testified before the committee that some provision would have to be made for fact finding in order for the bill to have any chance to be declared valid. It must be remembered that the Supreme Court has never, directly nor indirectly, recognized the right of Congress to enact Federal wage and hour legislation. The furthest that the Court has ever gone was to approve State statutes which provided for fact-finding commissions. In the States which have minimum-wage and

maximum-hour laws, such as New York, flexibility was provided, and as a result there are differentials throughout the State.

I want to make it clear that I am not asking or seeking any differentials for the South. I am not asking for any special treatment for the South. I believe that southern labor is entitled to the highest wage that an industry can pay and still operate with reasonable profit. If an industry in my section of the country can pay 40 cents an hour, it should do so. If it can pay 70 cents an hour, it should do so. But I do contend that every industry, regardless of where it is situated, should be able to appear before some decentralized agency to present the facts and arguments if it contends that it cannot pay the 40 cents an hour. If the industry can, as a matter of fact, pay the 40 cents, the decentralized agency, or ultimately the Secretary of Labor of the United States, will order it to do so. The laboring people will lose nothing by giving the industries this day in court, and I am convinced that unless this is done the act will be declared invalid.

I believe that a limited flexibility can be provided that will afford some ground for compromise of this controversial issue. The platform of the Democratic Party of 1936, with reference to wages and hours, contains the following language:

> Transactions and activities which inevitably overflow State boundaries call for both State and Federal treatment.

In order to advance some plan of compromise I have prepared and printed in the CONGRESSIONAL RECORD several amendments. I sent a copy of these amendments to every Member of the House and of the Senate. I do not claim that these amendments are free from objections, but I am advancing them with the hopes that some compromise can be reached that will avoid a bitter fight in the Senate and further misunderstanding between Democrats. My principal amendment provides that an employer may apply to his State labor commissioner, or other State agency designated by law, for the fixation of a wage and hour scale in accordance with facts and circumstances of his particular case. A public hearing is had and the record is reported by an official reporter, and only in the event that the labor commissioner, or other State agency designated by law, finds that the request of the employer is justified upon the grounds enumerated in the amendment can he fix the wage and hour scale. In no event can he fix a wage less than 25 cents an hour or a workweek more than 44 hours per week. Most of the States of the Union have labor commissioners. Some 20 States have minimum wage and maximum hour boards already in operation. My amendment does not involve the creation of any new bureau. It merely proposes to use the agencies now existing and to give the States some voice in the determination of wages and hours within its own boundaries.

In order to safeguard against abuse, favoritism, or wide differentials with respect to States, I have provided that the record of the hearing before the State agency, together with the order, shall be immediately transmitted to the Secretary of Labor of the United States and that she can reverse or modify the order of the State agency if she finds that his order was not supported by the evidence. Like the present bill, I provide for an appeal to the circuit court of appeals by any aggrieved employer.

The virtue of this plan is that it carries out the Democratic platform pledge of 1936 and at the same time provides for limited flexibility in accordance with the messages of the President on the subject, and the opinions of the Government attorneys that such flexibility is essential to the enactment of a valid law.

I feel that a State agency would be more accessible to an employer than a Federal agency and it would understand the needs and circumstances of each particular case better than some Federal bureau. I also believe that the recognition of the States in the wage and hour set-up would be a safeguard against concentration of undue power in Washington and would provide a wise distribution of such power so as to create and maintain the necessary checks and balances. It would encourage the States to enact minimum wage and maximum hour laws dealing with intrastate commerce. At the same time the ultimate control placed in the hands of the Secretary of Labor of the United States would safeguard against wide discrepancies, inequalities, and State favoritism.

The fact that neither the State nor Federal agency can fix wages less than 25 cents an hour and hours more than 44 hours in any one week provides a definite floor for wages and a definite ceiling for hours. I think that we can all agree that any industry that serves a useful economic purpose should be able to pay this wage and operate on this workweek.

I am also proposing an amendment that will make all industries engaged in interstate commerce subject to the act, and will take away from the Secretary of Labor the right to determine what industries come under the act. The present provision constitutes a dangerous and unnecessary delegation of power to the Secretary of Labor and even though Members may have confidence in the present Secretary of Labor, they have no assurance that some future Secretary of Labor might not use this power to the very detriment of labor.

The present provision will bring about inequalities and injustices. Under the bill, the Secretary is directed to hold hearings with respect to all the numerous industries of the country and as soon as practicable to issue orders determining whether or not such industries shall be subject to the act. After she issues an order with respect to an industry the act will then become effective at such time not more than 120 days after such order has been issued. The Secretary may fix one date for the act to become effective as to one industry, and another date for another industry, or since hearings have to be held with respect to each industry, great intervals of time may intervene between the date when the act is made effective as to one industry and that which may be made as to some other industry. The two industries may in fact be competitive and this would bring about inequalities and injustices. An industry may appeal to the courts and the court may order a stay of the Secretary's order, thereby postponing the effective date as to some industry while some other industry may not have the benefit of such stay or postponement.

In a letter addressed to Miss Perkins, I pointed out these administrative difficulties and in reply she made the following suggestion:

> Before concluding, I desire to suggest that the administrative difficulties which are raised by questions considered in (7), (8), and (9) could be avoided by amendments which would eliminate from the bill section 6 and other provisions which contemplate that the Secretary of Labor shall determine what industries are affecting commerce. As the bill is now drafted this determination is necessary because the criminal prohibition is placed on employment at less than a specified wage, etc., in industries affecting commerce. As no employer would know whether he was engaged in an industry "affecting commerce," the hearing and notification must be provided as a legal and practical necessity.
>
> It is believed that the same results which this legislation seeks to achieve, that is the establishment of a flat minimum wage and maximum hour standards, could be obtained by rewriting the penalty section so as to place the principal prohibition not upon employment at wage rates less than those specified, but upon the transportation, shipment, delivery, or sale of goods into interstate or foreign commerce when such goods are produced by employees receiving less than the statutory minimum wage, etc. No notice or hearing would be necessary if this technique were employed, as every employer would know that his goods could not move in the channels of interstate commerce unless he observed the wage and hour and child labor requirements of the law. The technique suggested was the one used in the child labor law of 1916 (39 Stat. 675). While this act was, as you know, declared unconstitutional in the case of *Hammer* v. *Dagenhart* (247 U. S. 251) in a 5-4 decision, it seems reasonably certain that the Supreme Court today would follow the reasoning of Justice Holmes' dissent and uphold such a statute. This assumption is warranted by recent decisions of the Supreme Court construing the powers of the National Labor Relations Board such as *Jones and Laughlin Steel Corporation* v. *National Labor Relations Board* (301 U. S. 1).

Therefore, even the Secretary of Labor will approve the amendment which I have offered and which is in line with her suggestions.

I have also proposed an amendment to provide that overtime employment can only be permitted in the case of emergency work. I have defined "emergency work" to mean any work necessary for the protection or preservation of life or

health, for the prevention of damage to property, or for maintenance or repair of property or equipment, or made necessary in the due course and conduct of production and to avoid undue disruption of business. The purpose of this amendment is to prevent any employer from exercising favoritism in favor of certain of his employees as against others. The object of the hour limitation is to spread employment and furnish greater opportunities for work. I do not think, therefore, that overtime employment should be permitted except in emergency work.

I am offering also an amendment which is as follows:

Any person in any State subject to this act who shall evade or attempt to evade the provisions of this act by increasing charges for housing, fuel, and lights furnished to his employees, or who shall decrease the wages of any of his employees now receiving in excess of the minimum wage provided in this act in order to offset the increase in the wages of those who receive less than the minimum provided in this bill, shall be deemed guilty of the violation of this act, and upon conviction shall be punished in accordance with the provisions of section 14.

The need of this amendment should be apparent to everyone. I have statistics which show that hundreds of industries now furnish either free or at a nominal cost, housing, fuel, and lights. It is plain to see that chiseling employers will increase these charges for housing, fuel, and lights in order to offset the increase in the wages of those who receive less than the minimum provided in the bill, and legitimate employers will be placed at a great disadvantage and in the end the act will be so completely evaded that it will amount to nothing.

Mr. Harry W. Acreman, executive secretary of the Texas State Federation of Labor, in a letter to me dated May 19, 1938, said that:

Consideration should be given in the bill to the possibility of a chiseling employer defeating the purpose of the act by the subterfuge of service charges, and while we are on this question, I believe this is one of the most destructive conditions we have in the South, and particularly in Texas, where the employer, through furnishing services or conducting commissaries, maintains a condition of employment that is virtually peonage.

I have also proposed an amendment which exempts from the bill any employer who maintains either voluntarily or under collective bargaining contract with the union of his employees a higher minimum wage and shorter maximum hours than that provided in the bill. Mr. William Green, president of the American Federation of Labor, demanded a similar amendment to the original House bill before he would endorse it. The refineries in my district now pay a higher minimum wage than that provided in this bill and have a shorter workweek. If this bill goes into effect, it will apply to these refineries since they are certainly engaged in interstate commerce. What the effect of this bill will be on the employees in these refineries no one can predict. However, I wish to quote at length from a statement by Mr. H. C. Fremming, president of the International Oil Workers Union, who insisted that the Black-Connery bill be amended to take care of the petroleum industry. The following is his statement, which will be found on page 363 of the Appendix of the RECORD, Seventy-fifth Congress, second session:

The petroleum industry made an extraordinary adjustment of hours of employment under the National Industrial Recovery Act, Code of Fair Competition for the Petroleum Industry, signed by the President August 19, 1933, and as a result of 36-hour workweek insofar as employees, other than clerical, are concerned became the maximum hours of work for the entire industry and for the most part has continued in effect throughout the industry. There are, however, a few of the smaller companies that have conducted themselves beyond the law and failed, both under the code of fair competition as well as now, to observe the universal application of the 36-hour workweek.

The proposed wage and hour bill provides for a 40-hour maximum workweek and a 40-cent minimum hourly rate. If this becomes the law of the land without suitable amendment applying particularly to the petroleum industry, it will defeat the very purpose that the act intends to accomplish, that is, added employment. The act would reduce the employment load in the petroleum industry approximately 18 percent, because the industry would take advantage of the specific fact that they have gone from 36 hours' employment as a standard week to 40 hours by direction of the Congress of the United States.

While it is true that certain collective-bargaining agreements exist within the industry establishing 30 hours as a maximum workweek, these companies would be faced with an unfair competitive relation with other oil companies if they attempted to maintain, by virtue of collective bargaining, 36 hours as against a 40-hour week that would become effective with the adoption of the bill by the Congress.

It is because of this special situation applying to the great petroleum industry that the attached amendment is proposed. All Congressmen coming from oil-producing and refining centers, such as the great refineries on the Atlantic seaboard, New Jersey, Pennsylvania, Gulf coast, Great Lakes, and Pacific coast, would be a party to increasing the hours of employment of their constituents 4 hours per week if they voted for the bill without the proposed amendment applying to the petroleum industry.

The 36-hour workweek in the petroleum industry is an accepted principle, and surely the great arm of the Federal Government is not going to be used to disturb this equitable principle which is now operating favorably both to the employee and to the employer.

It is because of the unique situation as it affects the petroleum industry where we have weekly hours of employment less than the bill provides that we urge this special amendment to safeguard this forward-looking program established in 1933.

I understand that my colleague the Honorable LYLE H. BOREN will again offer the amendment requested by the Oil Workers' International Union. This amendment was offered to the original Black-Connery bill but was defeated by a slight margin.

When the Rules Committee was requested to grant a rule upon this bill, we were told that the granting of the rule did not mean that we approved the bill; that the bill could be amended, recommitted, or defeated in the House. Even the President in his letter to Mrs. NORTON emphasized that the bill could be amended. However, as many predicted, the sponsors of this bill have united for the admitted purpose of defeating all amendments. Since they have the votes, it will probably prevail, and it is doubtful if any will be adopted. However, I cannot condemn too strongly such unfair procedure. Here is a bill which violates the platform pledge of the Democratic Party. It violates the several messages of the President on wage-and-hour legislation, because in all these messages he emphasized the necessity of some flexibility. The bill is also admitted to be unconstitutional even by Government attorneys and those who are most liberal in their interpretation of the Constitution. The bill is full of obvious loopholes that will render the act ineffective if it becomes a law in its present form, and yet, in spite of this, we are told by the proponents that they will not permit any amendments no matter how much the amendments strengthen the bill. It is such an attitude as this which makes it difficult to pass intelligent and workable legislation in the House. It was this attitude with reference to the N. R. A. and other acts of similar importance that was responsible for the failure of these praiseworthy measures.

Of course, no one believes that this bill as written will become a law. It is fairly certain that the Senate will insist upon changes and amendments to make the bill workable. This being true, I cannot understand why the sponsors of this bill do not join hands with us in a sincere attempt to write a workable and valid law. They know full well that the Senate or the conference committee will do this, and yet we are asked to vote for a bill which every lawyer in the House knows to be invalid and full of loopholes.

The original House bill was recommitted on December 17, 1937. Mrs. NORTON then selected a subcommittee to write a new wage and hour bill. The subcommittee held private hearings at which Members of Congress and Government officials were permitted to testify. After 3 or 4 months the subcommittee reported a bill to the full committee, but the full committee rejected it and hastily wrote the present expedient so that a bill could be presented to the House. If anyone believes that this bill is going to become a law as now written, I think he will be sadly disappointed. The general strategy is to pass the bill and then rewrite it in conference. It is my opinion that this strategy will succeed. [Applause.]

Mr. COX. Mr. Speaker, will the gentleman yield?

Mr. DIES. Yes.

Mr. COX. Is the gentleman not in a position to appeal to this House to turn down this effort to discharge the Committee on Rules, upon the ground that the bill is an attempt to sweep away all those basic guaranties upon which the whole structure of justice is erected?

Mr. DIES. The gentleman knows perfectly well that such an appeal would fall on deaf ears. I therefore do not indulge the hope that this House will refuse the rule. Personally I was against the rule before the committee, and I am still against the rule, and if the bill is not substantially amended to make it workable and valid, I shall oppose the bill regardless of what organization or what political power or influence endorses it. [Applause.]

The SPEAKER. The time of the gentleman from Texas has expired.

Mrs. NORTON. Mr. Speaker, I yield the balance of my time to the chairman of the Committee on Rules, the gentleman from New York [Mr. O'CONNOR].

Mr. O'CONNOR of New York. Mr. Speaker, first let me thank the distinguished lady from New Jersey [Mrs. NORTON] for yielding me this time. I have been a member of the Committee on Rules for 15 years. I think that is longer than any Member of this body has served on that committee except it may be the distinguished minority leader, the gentleman from New York [Mr. SNELL]. I have heard a lot of charges made on the floor and I have seen them made in the press about the "smothering" or "stifling the democratic processes of government" by the Rules Committee. Casually glancing around the Chamber I cannot see anybody here, nor can I recall anybody in high place who has not at some time asked the Rules Committee to "smother" one particular piece of legislation if not many such measures. That goes for everybody, bar none.

This wage and hour bill is a hotly controverted subject. I have never seen anything like it outside of the issue of prohibition. I do not want any of my good friends to rise on the floor today and argue for States' rights if they were for prohibition, because I think I am one of the few surviving States' rights Democrats. That is why I was against prohibition. I trust some of the Members will not use the States' rights argument today if they were for prohibition—the eighteenth amendment.

What do we have here? We have a bill pertaining to wages and hours that the working people of this country demand. You can have your differences about differentials, I will not argue with you about that. We in New York can stand some differentials between New York and other places in the country. What we want is a start on this momentous national problem. If we have backward States—and if I be the last Member here, I am against centralization of government—we have got to put the urge behind some of the backward States not to underpay their employees and not to overwork them.

It is estimated that 900,000 people will be put to work under this bill and that the working hours of over 2,000,000 would be shortened.

Mr. COX. Mr. Speaker, will the gentleman yield?

Mr. O'CONNOR of New York. I gladly yield to the distinguished gentleman for a question.

Mr. COX. Is it not the belief of the gentleman that the effort to force compliance with such a bill, rather than putting 800,000 people to work would throw at least 2,000,000 people out of work?

Mr. O'CONNOR of New York. I do not believe that.

Mr. COX. Is the gentleman prepared to identify those backward States to which he said Federal power should be applied in order to make them change conditions?

Mr. O'CONNOR of New York. I have an affectionate regard for every one of the 48 States, so the gentleman is not going to engage me in that argument.

We have before us a great national problem on the solution of which we should get started. It does not matter about the detail of the bill; it is the principle involved. We ought to get started on it. As long as any of us will ever be here we shall be amending this bill every year. It is the greatest problem we have ever tackled. Let us today make a start by passing a wage and hour bill embracing the principle of decent wages and decent hours for our workers in order that we may stamp out underpayment of workers and overworking of people in industry. Let us do it today; let us start this ball rolling. Let us pass it on to the other body. Let us enact wage and hour legislation as a law on this great national problem. [Applause.]

[Here the gavel fell.]

The SPEAKER. The time of the gentleman from New York has expired; all time on the resolution has expired.

The question is, Shall the Committee on Rules be discharged from further consideration of the rule?

The question was taken; and Mr. Cox demanded a division.

Mr. COX (interrupting the division of the House). Mr. Speaker, I ask for the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 322, nays 73, not voting 33, as follows:

[Roll No. 83]

YEAS—322

Aleshire	Dondero	Johnson, Minn.	Patman
Allen, Del.	Dorsey	Johnson, Okla.	Patrick
Allen, La.	Dowell	Johnson, W. Va.	Patterson
Allen, Pa.	Drew, Pa.	Kee	Pearson
Amlie	Duncan	Keller	Peterson, Fla.
Anderson, Mo.	Dunn	Kelly, Ill.	Pettengill
Andresen, Minn.	Eaton	Kennedy, Md.	Pfeifer
Andrews	Eberharter	Kennedy, N. Y.	Phillips
Arends	Eckert	Keogh	Pierce
Arnold	Edmiston	Kinzer	Plumley
Ashbrook	Eicher	Kirwan	Polk
Barry	Elliott	Kniffin	Powers
Barton	Engel	Kocialkowski	Quinn
Bates	Englebright	Kopplemann	Rabaut
Beam	Evans	Kramer	Ramsay
Beiter	Faddis	Lanzetta	Randolph
Bernard	Farley	Larrabee	Rayburn
Biermann	Ferguson	Lea	Reed, Ill.
Bigelow	Fernandez	Leavy	Reilly
Binderup	Fish	Lemke	Rich
Bloom	Fitzgerald	Lesinski	Richards
Boehne	Fitzpatrick	Lewis, Colo.	Rigney
Boileau	Flaherty	Lewis, Md.	Robinson, Utah
Boland, Pa.	Flannagan	Long	Robsion, Ky.
Boren	Flannery	Lord	Rogers, Mass.
Boyer	Fleger	Luckey, Nebr.	Romjue
Boylan, N. Y.	Fletcher	Ludlow	Rutherford
Bradley	Forand	Luecke, Mich.	Ryan
Brewster	Ford, Calif.	McAndrews	Sabath
Brooks	Frey, Pa.	McCormack	Sacks
Buck	Fries, Ill.	McFarlane	Sadowski
Buckler, Minn.	Fulmer	McGranery	Sanders
Buckley, N. Y.	Gambrill, Md.	McGrath	Sauthoff
Bulwinkle	Gavagan	McGroarty	Schaefer, Ill.
Byrne	Gehrmann	McKeough	Schneider, Wis.
Cannon, Mo.	Gifford	McLaughlin	Schuetz
Carter	Gilchrist	McSweeney	Schulte
Cartwright	Gildea	Mass	Scott
Case, S. Dak.	Gingery	Magnuson	Scrugham
Casey, Mass.	Goldsborough	Mahon, S. C.	Secrest
Celler	Gray, Ind.	Mahon, Tex.	Seger
Chandler	Gray, Pa.	Maloney	Shafer, Mich.
Church	Green	Mapes	Shannon
Citron	Greenwood	Martin, Colo.	Sheppard
Clark, Idaho	Greever	Martin, Mass.	Simpson
Clason	Gregory	Mason	Sirovich
Claypool	Griffith	Massingale	Smith, Conn.
Cochran	Gwynne	Maverick	Smith, Maine
Coffee, Nebr.	Haines	May	Smith, Wash.
Coffee, Wash.	Halleck	Mead	Smith, W. Va.
Cole, Md.	Hamilton	Meeks	Snyder, Pa.
Cole, N. Y.	Hancock, N. C.	Merritt	Somers, N. Y.
Colmer	Harlan	Michener	South
Connery	Harrington	Mills	Spence
Cooley	Hart	Mitchell, Ill.	Stack
Costello	Harter	Moser, Pa.	Stefan
Crawford	Hartley	Mosier, Ohio	Sullivan
Creal	Havenner	Mott	Sutphin
Crosby	Healey	Mouton	Sweeney
Crosser	Hendricks	Murdock, Ariz.	Swope
Crowe	Hennings	Murdock, Utah	Taylor, Colo.
Crowther	Hildebrandt	Nelson	Taylor, Tenn.
Culkin	Hill	Norton	Teigan
Cullen	Hoffman	O'Brien, Ill.	Terry
Cummings	Honeyman	O'Brien, Mich.	Thom
Curley	Hook	O'Connell, Mont.	Thomas, N. J.
Daly	Houston	O'Connell, R. I.	Thomas, Tex.
Delaney	Hull	O'Connor, Mont.	Thomason, Tex.
Dempsey	Hunter	O'Connor, N. Y.	Thompson, Ill.
DeRouen	Imhoff	O'Leary	Tobey
Dickstein	Izac	Oliver	Tolan
Dingell	Jacobsen	O'Toole	Towey
Dirksen	Jarrett	O'Malley	Transue
Disney	Jenckes, Ind.	O'Neal, Ky.	Treadway
Dixon	Jenkins, Ohio	O'Neill, N. J.	Umstead
DeMuth	Jenks, N. H.	Palmisano	Vincent, Ky.
Dockweiler	Johnson, Lyndon	Parsons	Voorhis

Wallgren	Wene	Williams	Wolverton
Walter	Whelchel	Withrow	Zimmerman
Wearin	White, Ohio	Wolcott	
Welch	Wigglesworth	Wolfenden	

NAYS—73

Allen, Ill.	Ford, Miss.	Lanham	Short
Atkinson	Fuller	Luce	Smith, Va.
Bacon	Gamble, N. Y.	McClellan	Sparkman
Bland	Garrett	McGehee	Starnes
Brown	Guyer	McLean	Taber
Burch	Hancock, N. Y.	McReynolds	Tarver
Caldwell	Hobbs	Mansfield	Taylor, S. C.
Carlson	Holmes	Owen	Tinkham
Chapman	Hope	Pace	Turner
Clark, N. C.	Jarman	Patton	Vinson, Ga.
Collins	Johnson, Luther A.	Poage	Wadsworth
Cooper	Jones	Ramspeck	Warren
Cox	Kerr	Rankin	West
Cravens	Kitchens	Reece, Tenn.	Whittington
Deen	Kleberg	Reed, N. Y.	Wilcox
Dies	Knutson	Rees, Kans.	Woodrum
Doxey	Lambertson	Robertson	
Drewry, Va.	Lambeth	Rockefeller	
Driver	Lamneck	Satterfield	

NOT VOTING—33

Barden	Doughton	McMillan	Snell
Bell	Douglas	Mitchell, Tenn.	Steagall
Boykin	Gasque	Nichols	Sumners, Tex.
Burdick	Gearhart	O'Day	Thurston
Cannon, Wis.	Griswold	Peterson, Ga.	Weaver
Champion	Kelly, N. Y.	Rogers, Okla.	White, Idaho
Cluett	Kvale	Shanley	Wood
Ditter	Lucas	Smith, Okla.	Woodruff

So the motion to discharge the Committee on Rules from the consideration of House Resolution 478 was agreed to.

The Clerk announced the following pairs:

On the vote:

Mr. Griswold (for) with Mr. Snell (against).
Mrs. O'Day (for) with Mr. McMillan (against).
Mr. Wood (for) with Mr. Gasque (against).

Until further notice:

Mr. Weaver with Mr. Ditter.
Mr. Boykin with Mr. Woodruff.
Mr. Smith of Oklahoma with Mr. Douglas.
Mr. Sumners of Texas with Mr. Gearhart.
Mr. Kelly of New York with Mr. Cluett.
Mr. Steagall with Mr. Kvale.
Mr. Peterson of Georgia with Mr. Burdick.
Mr. Mitchell of Tennessee with Mr. Cannon of Wisconsin.
Mr. Doughton with Mr. Barden.
Mr. Rogers of Oklahoma with Mr. Champion.

The result of the vote was announced as above recorded.

The SPEAKER. Under the rule, the question recurs on agreeing to the resolution which the Clerk will report.

The Clerk read as follows:

House Resolution 478

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of S. 2475 an act to provide for the establishment of fair labor standards in employments in and affecting interstate commerce, and for other purposes, and all points of order against said bill are hereby waived. That after general debate, which shall be confined to the bill and continue not to exceed 4 hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Labor, the bill shall be read for amendment under the 5-minute rule. It shall be in order to consider without the intervention of any point of order the substitute amendment recommended by the Committee on Labor, and such substitute for the purpose of amendment shall be considered under the 5-minute rule as an original bill. At the conclusion of such consideration the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and the amendments thereto to final passage without intervening motion except one motion to recommit with or without instructions.

Mr. NICHOLS. Mr. Speaker, on the roll call just concluded I was in the Chamber during the call of the roll and did not hear my name called. However, I went out of the Chamber temporarily just before the conclusion of the roll call, to see Roy Fine, one of my constituents from home, and was not in at the conclusion so I could qualify and vote. Had I been here at the close of the roll call I would have voted "yea."

The SPEAKER. The question is on the adoption of the resolution.

The resolution was agreed to.

Mrs. NORTON. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the bill (S. 2475) to provide for the establishment of fair labor standards in employments in and affecting interstate commerce, and for other purposes; and pending that motion, Mr. Speaker, I ask unanimous consent that the time of general debate may be extended to 5 hours in order to satisfy the many requests for time I have received this morning, with the understanding that general debate be concluded today, and with the further understanding that the time be equally divided.

The SPEAKER. Is there objection to the request of the gentlewoman from New Jersey?

Mr. COX. Mr. Speaker, reserving the right to object, and I shall not object, may I inquire as to whether or not any provision will be made for the opposition, as little as it may be, if the vote taken on the motion to discharge is indicative of the attitude of the membership toward the bill? There are still some minority views here, and I am wondering if we may be permitted to speak by those in charge of the time.

Mrs. NORTON. If the gentleman will yield, I may say to him the purpose of asking unanimous consent to increase the time 1 additional hour is in order to satisfy the opposition.

Mr. COX. I thank the gentlewoman from New Jersey.

Mr. MARTIN of Massachusetts. Mr. Speaker, reserving the right to object, as I understand it, there will be no effort to read the bill for amendment today. General debate will be concluded, and we will start reading the bill for amendment tomorrow?

Mrs. NORTON. The gentleman is correct.

Mr. CRAWFORD. Mr. Speaker, reserving the right to object, do I understand that general debate is to be limited to the bill?

Mrs. NORTON. The general debate is to be limited to the bill, yes. The rule so provides.

The SPEAKER. Is there objection to the request of the gentlewoman from New Jersey [Mrs. NORTON]?

There was no objection.

The SPEAKER. The question is on the motion.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the consideration of the bill S. 2475, with Mr. MCCORMACK in the chair.

The Clerk read the title of the bill.

The first reading of the bill was dispensed with.

Mrs. NORTON. Mr. Chairman, I yield myself 15 minutes.

Mr. Chairman, before proceeding with my general statement on this bill I want to take this opportunity to thank the Committee on Labor for the very excellent work done on this bill. It has been, as you know, a very controversial bill. I believe that every member of the committee is anxious for a wage and hour bill. There are a few of us who differ on the form of the bill, but we are all in agreement that a bill of this kind is very necessary if we are going to help the underpaid workers of our country, reduce the relief rolls, and spread employment.

At this time I also want to thank the unofficial steering committee for the very excellent work they did in conjunction with the Labor Committee in bringing about the signing of the petition and the help they have given us on this bill. I am deeply grateful to all of you for your unselfish and able support. I know that you are just as anxious as I am to pass the bill.

Mr. Chairman, the philosophy of this bill is entirely different from the bill we had before us last December. That bill, judging from the debate which took place in the House at that time, was not wanted. It was loaded down with amendments and finally recommitted. When the committee decided to consider the recommitted bill it realized that it had to bring to the House an entirely different bill, and that we have done. In the other bill, as will be recalled, there were many differentials and a great many exemptions; in fact, as the bill was finally recommitted there was very little left of it.

I understand there is to be an attempt made to amend this bill in much the same manner. May I say to the Members of the House if that is successful we will again be

confronted with the same situation we had in connection with the other bill. I do not believe that effort will be successful. I believe the floor of 25 cents we have established in this bill no reasonable person can say is too high.

May I say we have had a great deal of pressure brought to bear on us to establish a floor of 35 cents. Many of us would much prefer to have had a bill of that kind, but we realize that to do so might possibly dislocate certain interests.

I have no objection to any person differing with me as to the principle of a bill, but I have a great deal of objection to a person who has done that, then telling me that this kind of a bill is all wrong because there are no differentials in it, nor are there the right kinds of exemptions. Some men voted to recommit a bill that did provide differentials and did provide the very exemptions they are now seeking to put into this bill. So in all fairness to the committee, I sincerely hope the Members of the House will give this bill the consideration that is due it, because it is an entirely different bill from that which was brought before you and which it now seems certain Members are seeking to place in this bill through amendment.

As I have stated, the philosophy of this bill is entirely different from that of the recommitted bill. It creates a rigid floor on wages and a rigid ceiling on hours in connection with goods in interstate commerce. I shall tell you briefly what is contained in the bill.

First, the Secretary of Labor shall give to the interested parties due notice of hearings to be held. He shall hold a hearing to determine whether or not a particular industry affects interstate commerce sufficiently to come within the privisions of the act. At this hearing he is bound by certain standards set up in the bill, namely, (a), (b), and (c) of section 6, which you will find in the bill. If he finds from the facts adduced at the hearing the industry does affect interstate commerce, he issues an order which is effective at the date designated by the Secretary, but not more than 120 days after its issuance. Every employer in that industry who is himself engaged in interstate commerce must then pay his employees 25 cents an hour and work them not more than 44 hours a week, and employ no children under 16, except by special certificate from the Chief of the Children's Bureau. This is to continue for 365 days. At the end of 365 days the employer must pay his employees 30 cents an hour and work them not more than 42 hours a week. This is to continue for the second year. At the beginning of the third year the employer is to pay his employees 35 cents an hour and work them not more than 40 hours a week. This is to continue for the third year. At the beginning of the fourth year and for each succeeding year thereafter the employer is to pay his employees 40 cents an hour and work them 40 hours a week.

Let it be understood right here that this does not in any sense compel any person who is paying more than 40 cents an hour or working his employees less than 40 hours a week to do otherwise. We are not interested in that employer for the purposes of this bill. I say this because this question has been continually raised.

Any person aggrieved by an order issued by the Secretary may obtain a review of that order in the circuit court of appeals. He may ask that the order be modified or set aside in whole or in part.

The Secretary has the power to investigate to determine whether or not the order is being complied with. He may use the existing State agencies for this purpose. Every employer is to keep records of conditions of employment under his jurisdiction.

The following exemptions from the provisions of the bill are included in it: First, executive employees; second, professional workers; third, administrative workers; fourth, local retailers; fifth, outside salesmen; sixth, seamen; seventh, employees subject to part I of the Interstate Commerce Act; eighth, persons employed in the taking of sea food, fish, or sponges; ninth, persons employed in agriculture; tenth, partial exemption of learners, apprentices, and handicapped people; eleventh, air-transport employees subject to title II of the Railway Labor Act.

The maximum-hours provision will not apply to employees coming under the Motor Carriers Act, section 204. No child who is under the age of 16 may be employed other than by a parent or a person standing in place of a parent except by special certificate issued by the Chief of the Children's Bureau, and no child under 14 may be employed at all other than by a person standing in place of a parent or a parent, or except in agriculture. Children between 16 and 18 may not work in occupations deemed to be hazardous by the Chief of the Children's Bureau.

No order may take effect before 120 days after the enactment of the act. It is presumed that by the time an order is made, 2, 3, or possibly 4 months will probably have elapsed, and then 120 more days elapse before the order goes into effect. Therefore nobody can claim this bill will dislocate business. It is simply absurd to think that a minimum wage of 25 cents an hour and maximum hours of 44 to start with is going to upset any business. The employers in industry know exactly what they have to contend with, which they did not know in connection with our other bill. Therefore they ought to be in a very much better position to meet the requirements of the bill, since they know exactly what is expected of them.

I wish now to refer to some of the persistent complaints I have heard on this bill, and I may say to the Members that I have been listening to people for the last 2 or 3 weeks from every part of the country. I have had a stack of letters as high as this desk from all over the country, and it is very interesting to note that very few of these letters contain objections to the bill. They are mostly letters asking for information. These letters and complaints that I have had have been more on hours than they have been on wages. I think this is rather interesting. Most of the complaints I hear on the bill are directed against the Secretary of Labor and they all have as their theme the criticism that she is given too much power.

Now, much as I regret to say so, and you Members who know me know that I am pretty fair, I am constrained to believe that a good deal of this criticism arises from the fact that the Secretary of Labor is a woman. I say this because I know that most men, and even some women, still cling to their illogical belief that no woman is capable of handling a so-called big job. Well, they might just as well get over that because they are going to have to get over it in a very short time. [Applause.]

I do not like to hear the Secretary talked of in this way, as I believe her record not only in the Cabinet, but during her long public career bears out the fact that she is an extraordinarily capable and intelligent person. However, since these arguments are raised, let us examine them. First, take the broad statement that she has been given too much power.

The only power that the Secretary of Labor has under the bill—and I want you to mark this—is to determine the relation of the various industries to interstate commerce. The Secretary is given no discretion but is directed to determine this relation of the various industries to interstate commerce by standards set forth in the bill. Whether this relationship is sufficiently close and substantial to bring the industry within the regulatory power of Congress depends upon facts. And that is why the bill contains section 6. The facts of the relationship in the case of each industry is to be established at a hearing, which will be public, and any person may examine the record of the hearing if he so desires. Any employer has the right of appeal from this decision of the Secretary, if he feels that he has been aggrieved by the order, by application to the Circuit Court of Appeals.

Now, surely, this is far less power than is already vested in many bureau heads who are not even Cabinet members.

Mr. O'MALLEY. Mr. Chairman, will the gentlewoman yield?

Mrs. NORTON. Just for a question. I would rather complete my statement and then I shall be pleased to yield.

Mr. O'MALLEY. Following up your statement, would a competitor have the right to appeal from the decision of the Secretary of Labor with respect to relation to interstate commerce?

Mrs. NORTON. Why, certainly; anybody has the right of appeal.

Mr. O'MALLEY. Not only the employer but a competitor?

Mrs. NORTON. Why, surely.

Clearly this is less than the power that has been lodged in the five-man board as contained in the administrative provisions of the Senate bill and which I believe will again be offered on the floor during the consideration of this bill.

I may say to the Members of the House that every person I have come in contact with has been opposed to a five-man board, so I do not believe the House will consider that amendment very seriously.

Many Members of Congress have also asked why the Secretary of Labor is given power to define and delimit the term "executive, administrative, professional, or local retailing capacity, or in the capacity of outside salesman."

First, let me give you an illustration of the administrative difficulties, were this provision not contained in the act, of the way those terms could be used to circumvent the intent of the act. You are all familiar with the roadside stands which dot the countryside where you drive in for a sandwich and a cooling drink served you in your car. It would be possible, were it not for the provision allowing the Secretary the right to define the term, to call these young men and women who serve you at your car outside salesmen.

[Here the gavel fell.]

Mrs. NORTON. Mr. Chairman, I yield myself 3 additional minutes.

Now, clearly, this act does not intend that this term should be so used to create loopholes, yet it might be if no one had the right to define it. Therefore, in answer to the complaint I would say that the Secretary is given this power for only one reason, to enable persons to know definitely whether or not they are to be subject to the law. The Secretary has no power to exempt anything or anybody.

Reasonable men may differ as to whether a particular employee is included or excluded and it is in such cases that definiteness is both desirable and necessary, and hence the Secretary is given the power, by regulation, to define these terms.

In conclusion, let me say this: Since this bill was sent to the House I have been asked by many Members of Congress, most of whom are friends of the bill, to accept amendments for the benefit of some particular industry in their districts. I wish I could accept such amendments, but to do so would necessarily destroy the bill. I know the terrific pressure exerted by the very people who in all right should come under the provisions of the bill and who want to be excluded. The principal criticism, as I said before, has been on hours. This is to be expected. It is well known that one of the aims of the bill is to spread employment; and of course, if we except industries from the hours provision, we defeat that purpose, which is so important at this time, when relief rolls are getting larger and larger, and immense amounts of money have been paid out by the Government to make up the deficit between starvation wages and absolute maintenance, which people must have. So I ask you to join me in voting against all emasculating amendments, no matter how innocent they may seem at first glance, and I have a few that seem very innocent, but upon examination, let me say to you, they would take the entire heart out of a bill. In urging Members of the House to follow the Committee on Labor, to whom was given this stupendous task of preparing wage and hour legislation, I am not going to appeal to your emotions, though I know that none of you would want to feel that he was responsible for denying the right of existence to any man. I know there is not a man or woman in the House who does not wish to do his part in driving out of our business life today chiseling competition which threatens to cripple our economic structure. I am sure that we are all in accord in wanting to wipe out this sort of thing in this country, and to blot out child labor, but rather I would appeal to you to vote for this bill because it is the most equitable method of correcting these ills. We have found in our study of this subject that there are open to us many courses, many ways of legislating and regulating wages and hours and abolishing child labor, but it was the task of the committee to do the work in the simplest and most understandable manner, and that we have tried to do.

Many years ago I worked in welfare in my city. I never dreamed at that time that the day would come when I would be here in the House of Representatives and have the great privilege of appealing to you Members to help the underprivileged.

If you could see what I saw in those days, if you knew the misery, and the misery has continued, I am sorry to say, through all the years since, I know that you would feel that what we are attempting to do is merely human. It is not giving anything more than human beings are entitled to. It is simply giving them a chance to live, a chance to buy the necessities of life. In this great rich country of ours it seems terrible to think that there are people starving, and yet letters that I have received from employees all over the country—not from the South alone, but from every part of the country—would indicate that men and women are working for as low as two and three dollars a week, and 60 and 70 hours in the week. We cannot allow this sort of industry to be carried into interstate commerce. We have no jurisdiction over the States. We cannot do anything about intrastate commerce, but let me say to you that an obligation rests upon us to destroy such conditions when we legally can do so. I feel that the obligation is a sacred one, to do something for the underprivileged people of this great country. Therefore, I appeal to you to do your part, and it is a small part that we are asking you to do in voting for this bill. [Applause.]

The CHAIRMAN. The time of the gentlewoman from New Jersey has expired.

Mrs. NORTON. Mr. Chairman, I yield myself 2 minutes in order to answer questions.

The CHAIRMAN. The gentlewoman is recognized for 2 more minutes.

Mr. KOPPLEMAN. Mr. Chairman, will the gentlewoman yield?

Mrs. NORTON. Gladly.

Mr. KOPPLEMANN. I call attention to one paragraph in the letter sent out by the Hartford Chamber of Commerce generally to its membership, which letter has been sent throughout the State of Connecticut. I read from that letter:

> There is a provision in the bill, section 11 (a), which when first examined will appear to eliminate any employee employed in "local retailing capacity," but it is likewise provided therein that the Secretary of Labor has the right to define and delimit the term "local retailing capacity." With section 6 as a mandate as to what is interstate and what is local, the Secretary would be justified in defining a local retailer as a retailer who is not engaged in any industry described in section 6. There are very few.

Mrs. NORTON. May I say to the gentleman that "local retailing capacity" is exempt from the operations of the bill.

Mr. KOPPLEMANN. And the statement adds:

> If this bill is enacted as it stands now, it covers retailing.

Mrs. NORTON. It absolutely exempts retailing.

Mr. KOPPLEMANN. That is clearly understood?

Mrs. NORTON. Yes.

Mr. MERRITT. Does that also include where merchandise is bought in other States, such as in department stores? Will that be exempt?

Mrs. NORTON. I do not think I quite understand the gentleman's question.

Mr. MERRITT. These are goods that flow in interstate commerce but are sold at retail.

Mrs. NORTON. I still do not think I understand the question, but goods flowing in interstate commerce, of course, are included under the terms of the bill.

Mr. HEALEY. Mr. Chairman, will the gentlewoman yield?

Mrs. NORTON. I yield.

Mr. HEALEY. It is my understanding that in such an instance they would not be included under the terms of this bill, as the bill does not affect local retailers. They would, therefore, be exempt from the terms of the bill.

Mrs. NORTON. Local retailing is excluded.

[Here the gavel fell.]

Mr. DEMPSEY. Will not the gentlewoman yield herself a little additional time? The important part of this bill is to find out what it contains; that is what we want to know.

Mrs. NORTON. I have tried to explain to the Members all the provisions of the bill.

Mr. DEMPSEY. My question will take but half a minute.

Mrs. NORTON. I am sorry, but I cannot yield any more time to myself. All time, I regret to say, has been allotted.

Mr. DEMPSEY. I think it is unfortunate.

Mr. WELCH. Mr. Chairman, I yield myself 10 minutes.

Mr. Chairman, the wage and hour bill now under consideration is one of the most important humanitarian measures ever considered by Congress. Its purpose is twofold—it will bring relief to several million underpaid, underfed, and underclothed workers, and it will eliminate the evils of child labor.

I cannot understand the reasoning that this measure is sectional and is a blow at the Southern States. Nothing could be further from the intent and purpose of its proponents. It is estimated that between the Potomac and the Hudson Rivers, there are at the present time over 35,000 workers, nearly all women, receiving as little as $5 and $6 a week and working 9 and 10 hours a day. Before the Supreme Court gave a recent decision, women were working in an industry in the District of Columbia, within the shadow of the Capitol for $5 a week, based upon a 9- and 10-hour workday.

Shortly before the enactment of the Walsh-Healey law, a Connecticut firm was awarded a contract by the Navy for a large number of caps. The women employed in this factory received the munificient sum of $4 a week. Countless other cases were brought to the attention of the joint House and Senate Committee on Labor during the long-drawn-out hearings on the wage and hour bill and before the House Subcommittee on Labor when it had under consideration the textile bill.

Mr. Chairman, in its second purpose, this bill contains, without a doubt, the best child-labor provision ever presented in the history of the country. If enacted into law, as I hope it will be, it will not only bring a little sunshine and happiness into the hearts and homes of lowest of the low-paid workers in the United States, but in addition, it will do that which every right-thinking person has been trying to accomplish for years and that is, remove one of the blackest pages in our history—"child labor"—which has long been regarded as a social cancer.

Mr. Chairman, I yield back the balance of my time.

Mr. WHITE of Idaho. Mr. Chairman, I ask unanimous consent to make a brief announcement of how I would have voted on the discharge rule.

The CHAIRMAN. The Chair calls the attention of the gentleman to the fact that he will have to submit his request in the House or get time from one of the Members in charge of time on the bill.

Mrs. NORTON. Mr. Chairman, I yield one-half minute to the gentleman from Idaho.

Mr. WHITE of Idaho. Mr. Chairman, when the question of discharging the committee from consideration of this bill was voted on I was absent on an important conference at the White House. Had I been here, I would have voted to discharge the committee.

Mrs. NORTON. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. MCCORMACK, Chairman of the Committee of the Whole House on the state of the Union, reported that that Committee, having had under consideration the bill (S. 2475) to provide for the establishment of fair labor standards in employments in and affecting interstate commerce, and for other purposes, had come to no resolution thereon.

ENROLLED BILLS AND JOINT RESOLUTIONS SIGNED

Mr. PARSONS, from the Committee on Enrolled Bills, reported that that committee had examined and found truly enrolled bills and joint resolutions of the House of the following titles, which were thereupon signed by the Speaker:

H. R. 1486. An act to amend section 30 of the act of March 2, 1917, entitled "An act to provide a civil government for Porto Rico, and for other purposes";

H. R. 4222. An act for the relief of Mary Kane, Ella Benz, Muriel Benz, John Benz, and Frank Restis;

H. R. 4276. An act to amend an act entitled "An act to create a juvenile court in and for the District of Columbia", and for other purposes;

H. R. 4650. An act to amend section 40 of the United States Employees' Compensation Act, as amended;

H. R. 4852. An act to provide for the creation of the Saratoga National Historical Park in the State of New York, and for other purposes;

H. R. 5633. An act to provide additional funds for buildings for the use of the diplomatic and consular establishments of the United States;

H. R. 5974. An act to authorize payments in lieu of allotments to certain Indians of the Klamath Indian Reservation in the State of Oregon, and to regulate inheritance of restricted property within the Klamath Reservation;

H. R. 6410. An act granting a pension to Mary Lord Harrison;

H. R. 7104. An act for the relief of the estate of F. Gray Griswold;

H. R. 7534. An act to protect the telescope and scientific observations to be carried on at the observatory site on Palomar Mountain, by withdrawal of certain public land included within the Cleveland National Forest, Calif., from location and entry under the mining laws;

H. R. 7553. An act to amend the laws of Alaska imposing taxes for carrying on business and trade;

H. R. 7711. An act to amend the act approved June 19, 1934, entitled the "Communications Act of 1934";

H. R. 7778. An act to amend section 26, title I, chapter 1, of the act entitled "An act making further provision for a civil government for Alaska, and for other purposes," approved June 6, 1900;

H. R. 7827. An act to authorize public-utility districts in the Territory of Alaska to incur bonded indebtedness, and for other purposes;

H. R. 8008. An act to provide for the purchase of public lands for home and other sites;

H. R. 8148. An act to amend Public Law No. 692, Seventy-fourth Congress, second section;

H. R. 8177. An act to create a commission to be known as the Alaskan International Highway Commission;

H. R. 8203. An act for the inclusion of certain lands in the Kaniksu National Forest in the State of Washington, and for other purposes;

H. R. 8373. An act for the relief of List & Clark Construction Co.;

H. R. 8404. An act to authorize the Territory of Hawaii to convey the present Maalaea Airport on the island of Maui, Territory of Hawaii, to the Hawaiian Commercial & Sugar Co., Ltd., in part payment for 300.71 acres of land at Pulehu-Nui, island of Maui, Territory of Hawaii, to be used as a site for a new airport;

H. R. 8487. An act confirming to Louis Labeaume, or his legal representatives, title to a certain tract of land located in St. Charles County, in the State of Missouri;

H. R. 8700. An act relating to the retirement of the justices of the Supreme Court of the Territory of Hawaii and judges of the United States and District Court for the Territory of Hawaii;

H. R. 8715. An act to authorize the Secretary of Commerce of the United States to grant and convey to the State of Delaware fee title to certain lands of the United States in Kent County, Del., for highway purposes;

H. R. 9123. An act to authorize the Secretary of War to lease to the village of Youngstown, N. Y., a portion of the Fort Niagara Military Reservation, N. Y.;

H. R. 9358. An act to authorize the withdrawal and reservation of small tracts of the public domain in Alaska for schools, hospitals, and other purposes;

H. R. 9577. An act to amend section 402 of the Merchant Marine Act, 1936, to further provide for the settlement of ocean-mail contract claims;

H. R. 9688. An act to extend the times for commencing and completing the construction of a bridge across the Ohio River between Rockport, Ind., and Owensboro, Ky.;

H. R. 9722. An act to amend section 5 of an act entitled "An act to provide for the construction and maintenance of roads, the establishment and maintenance of schools, and the care and support of insane persons in the district of Alaska, and for other purposes," approved January 27, 1905 (33 Stat. 616);

H. R. 10004. An act to amend an act entitled "An act to incorporate the Mount Olivet Cemetery Co. in the District of Columbia";

H. R. 10117. An act granting the consent of Congress to construct, maintain, and operate a toll bridge, known as the Smith Point Bridge, across navigable waters at or near Mastic, southerly to Fire Island, Suffolk County, N. Y.;

H. R. 10118. An act granting the consent of Congress to construct, maintain, and operate toll bridges, known as the Long Island Loop Bridges, across navigable waters at or near East Marion to Shelter Island, and Shelter Island to North Haven, Suffolk County, N. Y.;

H. R. 10190. An act to equalize certain allowances for quarters and subsistence of enlisted men of the Coast Guard with those of the Army, Navy, and Marine Corps;

H. R. 10193. An act authorizing the temporary detail of United States employees, possessing special qualifications, to governments of American republics and the Philippines, and for other purposes;

H. R. 10351. An act to extend the times for commencing and completing the construction of a bridge across the Columbia River at Astoria, Clatsop County, Oreg.;

H. R. 10535. An act to amend the Second Liberty Bond Act, as amended;

H. R. 10704. An act to amend section 4132 of the Revised Statutes, as amended;

H. J. Res. 447. Joint resolution to protect the copyrights and patents of foreign exhibitors at the Pacific Mercado International Exposition, to be held at Los Angeles, Calif., in 1940; and

H. J. Res. 622. Joint resolution authorizing the President of the United States of America to proclaim October 11, 1938, General Pulaski's Memorial Day for the observance and commemoration of the death of Brig. Gen. Casimir Pulaski.

THE WAGE AND HOUR BILL

Mrs. NORTON. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill (S. 2475) to provide for the establishment of fair labor standards in employments in and affecting interstate commerce, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill S. 2475, the wage and hour bill, with Mr. MCCORMACK in the chair.

The Clerk read the title of the bill.

Mrs. NORTON. Mr. Chairman, I yield such time as he may desire to the gentleman from Connecticut [Mr. SHANLEY].

Mr. SHANLEY. Mr. Chairman, I ask unanimous consent to incorporate in the RECORD at this point a statement of how I would have voted on the motion to discharge. I was absent on important departmental business. Had I been here I would have voted yea.

Mr. COX. Mr. Chairman, may I inquire of the gentlewoman from New Jersey whether she has determined as to what time the opposition will have to discuss the pending bill and if any will be allotted, and to whom?

Mrs. NORTON. I have arranged to give the gentleman from Georgia [Mr. RAMSPECK] 40 minutes of time for those in opposition.

Mr. COX. May I inquire, Mr. Chairman, if that is the entire time that is to be yielded to the opposition? I am opposed to the bill and would like some time. I hope that I may get it.

Mrs. NORTON. I am sorry to state to the gentleman from Georgia that I have no more time to give. I have given 40 minutes to the gentleman from Georgia [Mr. RAMSPECK].

Mr. Chairman, I yield 5 minutes to the gentleman from New York [Mr. CURLEY].

NEW MILESTONE FOR LABOR REACHED WITH PASSAGE OF THIS BILL

Mr. CURLEY. Mr. Chairman, as a member of the Labor Committee of the House of Representatives, I beg to inform my colleagues in the House, that we have a sacred pledge to keep before adjournment to the millions of our ill-nourished, ill-clad, and ill-housed American citizens and their families, who are dependent upon them. We members of the Democratic majority were elected on a platform in November 1936 pledged to a policy of humane treatment of this serious social problem. To be consistent, therefore, the administration recommended this constructive social legislation to the Congress of the United States, which, it is believed, would strengthen the weakened morale of the handcuffed workers who constitute the forgotten men and women of America today. This vast helpless group of our unskilled labor are the exploited type so specifically requiring the protection of the strong arm of Uncle Sam. There is no conflict of jurisdiction, under the provisions of this fair standards of labor bill, and the existing labor organizations of this country. The bill concerns only of relieving the paralysis which, at present, shackles misery and poverty to millions of heads of families, who are underpaid and causing a colossal financial loss in purchasing power because of existing deplorable conditions. The essence of any remedy to relieve such terrible conditions is decent work at a decent living wage with reasonable maximum hours of labor; and that is what this pending bill will provide if adopted by the Congress.

The chronic ulcer of substandard labor conditions, which are constantly practiced in interstate commerce by chiseling employers, must be removed by a major national operation on the Nation's body politic. Child labor must go; and Uncle Sam, through the passage of this bill, will rescue the exploited workers of America from their present tragic plight, and guarantee to them that security which the Constitution of the United States of America provides for them.

AMERICA FAVORS WAGES AND HOURS

Mr. Chairman, it must be evident to all unprejudiced minds, that the pending Fair Labor Standards Act of 1938 is conceded to be one of the most popular humanitarian pieces of welfare legislation yet sprung from the platform of New Deal measures.

The Institute of Public Opinion proved in a Nation-wide poll taken by the Institute in a recent cross section survey that 59 percent of the electorate want Congress to pass a wage and hour bill at this session. The statistics gathered show that only 41 percent was against it. No

geographical section was found opposed to this type of legislation. In the South the majority favoring it was 56 percent with 44 percent opposing it. The complete record of the statistics gathered are as follows:

Percentage, by groups of States

	Yes	No
New England	74	26
Middle Atlantic	62	38
East Central	58	42
West Central	50	50
Southern	56	44
Rocky Mountain	61	39
Pacific Coast	59	41

According to this poll the sentiment for the bill clearly splits along party lines. The measure is favored by 71 percent of Democrats and opposed by 66 percent of Republicans. It goes on further to say that opinion also divides sharply along economic lines with the upper income group strongly opposed to the legislation, the middle group slightly in favor of it, and the lower group overwhelmingly for it.

The aforesaid statement should dispose of the unauthorized attacks of the critics of this labor bill from certain sections of the country.

Now what will this proposed wage and hour bill do?

First. It will establish a specific and universal floor for wages.

Second. A specific and universal ceiling for hours.

Third. It will abolish child labor in interstate commerce.

Fourth. It will be administered by the Department of Labor.

Fifth. It will be enforced by the Department of Justice.

To be more specific, the bill will prohibit the employment of children under 16 and regulate employment of children between 16 and 18 in hazardous occupations. It will prohibit employment of substandard labor engaged in interstate commerce at less than 25 cents an hour for the first year, 30 cents for the second year, 35 cents for the third year, and 40 cents thereafter. It will also prohibit employment for more than 44 hours per week the first year, 42 hours per week the second year, and 40 thereafter. It will further provide for enforcement through the Federal courts.

Under the terms of this proposed bill no fair-minded employer should object to paying a minimum week wage of $11 or $12.

Pump-priming alone, without decent wages and hours, will block recovery. It has been said that the statistics indicate that only 3½ percent of unskilled industrial workers started their working careers at less than 40 cents an hour in the North, while in the South, it is said, the percentage is 48 percent. This differential is too wide to help the poor exploited workers in that section. This unfair competition is one of the main obstructions to the sections meeting on a common ground on this fair wage and hour bill. It is the well-considered opinion of many legal minds that geographical lines should prevail and not differentials which the South demand.

If this bill should become law, and I believe it will, the Department of Labor estimates it will provide jobs for about two and one-half million workers, which is a pretty good contribution to any program for recovery.

Mr. HARTLEY. Mr. Chairman, I yield 10 minutes to the gentleman from Massachusetts, Mr. GIFFORD.

Mr. GIFFORD. Mr. Chairman, I wish to speak but briefly on the pending measure. I represent a very hard-pressed textile city. We see some hope in this legislation. Many years ago when that city embarked in the textile business, our southern neighbors were very glad indeed to have this market for their raw cotton. A great industry was built up under the protection of the tariff, which largely prevented competition from cheap foreign labor; but it was finally found that cheap labor could be secured in the southern States. Gradually that section learned how to manufacture as well as raise cotton and even northern capital went to the South and built textile mills because they could take advantage of this cheap labor.

The South always has had cheap labor. We in the North have not been able to take such advantage, but we have attracted the highest quality labor from the various textile centers of the world. My city was known as the key city in the manufacture of high-grade textiles. They are very hopeful now that through the medium of this legislation, wages can be made approximately the same and unfair competition be somewhat eliminated.

I have heretofore stated that I visited the South and learned the conditions in this industry there. I found rows of houses all very similar in construction, rented to the employees, who were not allowed to purchase them. When the employees were not satisfactory they had to get out. They had no chance to establish permanent homes. We once tried that method in New England. We built attractive houses for the help, but we found it did not work.

People like to own their own homes. They like to improve and beautify them. We abandoned that plan. The result is that our employees have settled permanently. Their savings and investments are there and they wish to remain in that locality.

I visited those homes in the South. The rents were most reasonable. Under the workings of this bill I predict the rents would be raised to compensate somewhat for the higher wages that might seem to be imposed by it. I was informed that their mills made money for one reason only; that is, the wheels turned 24 hours a day. "We have an orderly set of workers here." And they have. I asked, "Are there any foreigners in your mill?" And an executive of one of the largest mills of the South said, "Yes, two, but they are leaving today. Our employees do not want them."

That brings an understanding to us that when aliens are considered in the W. P. A. projects they are denied assistance. We have them in the North, many of them very good people, although they may not be able to read and write, but from the economic standpoint they are just as good as your workers of the South. You try to cut them off because they are aliens, although they may have been in the country for 40 or 50 years. They may have brought up families. Members of their families were sent to the war and all that sort of thing. I regret to hear southern Members express themselves so forcefully against them. You always have had your labor problem solved for you.

Regarding this legislation, my people think it is time that we not only be protected from the cheap labor in foreign countries but that we be protected from the cheap labor within our own boundaries.

Mr. COX. Will the gentleman yield?

Mr. GIFFORD. Gladly.

Mr. COX. In 1828——

Mr. GIFFORD. I was not here. That is pretty far back.

Mr. COX. But it affects the gentleman's statement. In 1828 when the Senate had the tariff under debate, speaking with respect to a particular amendment, Mr. Abbott Lawrence, of Massachusetts, the economic and political adviser to Mr. Webster, stated to Mr. Webster:

> I must say I think it would do them much good and that New England would reap a great harvest by having this bill adopted as it now is. This bill, if adopted as amended, will keep the South and West in debt to New England for the next hundred years.

That time has expired. Is the gentleman advocating the passage of this bill and the employment of Federal force to the end that he will impose a further handicap upon the South under which it must struggle for another hundred years?

Mr. GIFFORD. It is hard to reply to the gentleman because he knows my general attitude of mind. This bill particularly affects my district but I am quite convinced that the legislation may in the end be for the general welfare of his section, and the Nation as a whole.

Mr. COX. Very true, but is the gentleman not prepared to concede it to be a fact that this whole measure has

degenerated into a purely sectional row, and that the purpose of the bill when stripped of its emotionalism is nothing but an attempt to continue a great section of this country under a handicap under which it has labored for 100 years?

Mr. GIFFORD. Indeed I am not ready to admit that. I confess that when this bill was considered before, I had considerable misgivings, taking the broader aspect of it, but I do not believe it is wholly emotional when this great majority here today stood on their feet and voted to take up this measure.

Mr. COX. It is difficult for me to believe, knowing something of the gentleman's general attitude toward governmental affairs, that he has brought himself to the position, no matter what the political exigencies may be, wherein he is advocating the setting up of a law which sends the Federal Government out into the States, asserting the Federal power to the point of complete federalization of all the activities of the people.

Mr. GIFFORD. I can fully appreciate the gentleman's remarks. I believe he must have understood my attitude on many occasions. As I have said, I have wrestled with this problem since its very inception and have studied it with great care. I believe this bill is for the general welfare of the entire country. We have built a new structure in this country in the last 5 years, and we have to live in it. You have done certain things for the benefit of certain localities and certain classes of people, and now it is my plain duty to look after the interests, perhaps, even of my own section. New England has been greatly injured by this administration through such things as processing taxes and trade agreements, and it has been forced to contribute far more than its just share in taxes to pay largesses granted to other sections. It is not to be wondered at that we grasp at something that might be of a little benefit to us.

Mr. COX. Mr. Chairman, will the gentleman yield?

Mr. GIFFORD. For a brief question.

Mr. COX. Is the gentleman now contending that this bill is upon the lap of Congress as a result of political pressure? Does not the gentleman know and is he not willing to concede that politics is responsible for this terrible thing being done?

Mr. GIFFORD. I cannot yield further, Mr. Chairman.

I sympathize with the gentleman and deplore with him the political mind of his President, who has fastened upon us, because of the mandate he thought he had from the people, very many of these things I have had to vote against.

[Here the gavel fell.]

Mr. WELCH. Mr. Chairman, I yield 3 additional minutes to the gentleman from Massachusetts.

Mr. DONDERO. Mr. Chairman, will the gentleman yield for a question?

Mr. GIFFORD. I cannot yield at this time.

The reason I took the floor is that I wish to pay tribute today to the city which I repesent. Lately a compact has been made in the cotton-textile industry in my State, a compact which is probably unlike anything in the country today. Labor and industry have got together.

I am pleased to share with you the good news I have received relating to a charter of industrial self-government adopted in the city which I represent:

THE NEW BEDFORD PACT

The cotton-textile industry of New Bedford has done a remarkable thing. Labor and management have come together in a pact which outlaws strikes and lock-outs and makes arbitration compulsory for the settlement of all disputes. Many thousands of workers and a score of mills are covered by this contract.

This agreement is a bargain between the labor organizations of a single city and the operators of the industry which dominates that city. The labor groups have nothing whatever to do with either the C. I. O. or the A. F. of L. This is a rare situation, which was brought about by local differences between the locals and the C. I. O. Last January a wage reduction was negotiated with the manufacturers by representatives of the several craft unions. While these unions technically were embodied in the C. I. O., they went ahead with their bargaining, and the C. I. O. officials learned first of the results through the press. Thereupon the C. I. O. suspended the secretaries of the several craft unions. The unions proceeded as independent units to come together with the managements in this comprehensive compact.

Thus these labor forces constitute a city-wide union of the textile crafts, with the "suspended" secretaries included. The management recognizes the council as the exclusive bargaining agency for the workers, and the pact includes the machinery for investigation of disputes and the enforcement of arbitration decisions.

The management feels it has scored a distinct gain by emancipation from the C. I. O. Plainly this is something to watch. If the managements keep the letter and spirit of the pact and the workers seize the opportunity to demonstrate their reliability and perform each day a fair stint of work, an illustration of what ought to be will be provided for the whole country. Considered simply as a pact, without reference to its background, this must be regarded as an example of industrial statecraft.

This agreement is an example of industrial statesmanship. It is an honest and serious bid for industrial tranquillity. It is a local pact, locally conceived and locally administered. The thousands of local textile workers should be congratulated that they have available the opportunity for protection and human consideration in all matters covered by the agreement. They are under no necessity to experiment with organizations controlled by strangers hundreds of miles away, with little or no actual first-hand knowledge of our industry, and to whom we may be simply a dot on the map or a mere collection of names in some far-distant office filing system. The community is to be congratulated that the stabilization of industrial relations through mutual guaranties of peace is assured for a considerable period. Industry and labor locally have publicly declared it to be their solemn purpose to seek peace and tranquillity in its industries.

Mr. COX. Mr. Chairman, will the gentleman yield?

Mr. GIFFORD. I yield to the gentleman from Georgia.

Mr. COX. I take it the gentleman's understanding of this proposal is that it is to do something for the substandard worker.

If this be the real purpose of the bill, does not the gentleman realize that in the exceptions that are made you destroy the virtue of the assertion the gentleman has made?

Mr. GIFFORD. I cannot yield further. We have to have a rule. Everybody knows a law should not be ironclad and that there should be exceptions, and when the exceptions get to be too many, we have to change the rule.

Mr. COX. Is the gentleman not prepared to concede that agricultural labor is the lowest-paid labor in the world?

Mr. GIFFORD. I am prepared to concede that agriculture has got everything it has asked for—billions of dollars and all kinds of loan facilities—but industry has had practically nothing.

Mr. COX. Does the bill in anywise promise to alleviate the economic and social condition of agricultural labor? If the purpose of the bill is to alleviate the condition of the substandard worker, and if the agricultural worker is the lowest paid in the world, then why exempt agricultural labor? You exempt them simply because you know agriculture cannot live under the provisions of this law.

[Here the gavel fell.]

Mr. GIFFORD. I was quite willing to yield to the gentleman; but under the permission I have to revise and extend, I hope to make a proper ending to my own remarks. [Laughter and applause.]

The passage of this wage and hour law would add greatly to the encouragement of the workers of the North, who have so long been obliged to compete with the cheap labor conditions in other parts of the country. However, the good results which ought to flow from this legislation should be regarded as by no means sectional or of especial benefit to northern industry. This legislation is rather aimed to benefit the workers now being exploited in other sections of the country in order to take business away from the more progressive areas. In fact, the charge of sectionalism is amply disproved on the floor today by the tremendous vote in favor of the consideration of the bill coming from all sections of the country. After careful consideration of the broader aspects of this legislation we have decided that the measure is for the benefit of the Nation as a whole. Certainly it should result in bringing to the low-paid areas a greater purchasing power, which has been the burden of our arguments for the past several years. The wage worker in any industry should be protected against the loss of his job or the lowering of his living standards in the endeavor of industry to exploit him by forced acceptance of a low standard of wages. American business should not all go to the low-wage employer.

This is not sectional legislation. This is uniform legislation, national in scope and character.

Mrs. NORTON. Mr. Chairman, I yield 5 minutes to the gentleman from Illinois [Mr. KELLER].

Mr. KELLER. Mr. Chairman, I am very glad, indeed, to intervene just at this point between my two friends on this floor, whose discussion has shown something to exist that does not exist at all—that is to say, sectionalism—in this wage and hour bill.

I want to call your attention to this fact, and I do not want any of my friends from the South to kid themselves into believing that this is or can be considered a sectional question, because it is not, as proved by the facts I am going to cite you right here and now.

The good old State of Pennsylvania in 1936, at the peak of the recovery period, had to grant relief aid to full-time workers whose wages were as low as $7 a week. This was revealed to be the case in 29 percent of the 190,000 relief grants that were examined. That is to say, out of the 190,000 cases examined, 74,000 working full time received relief from the State of Pennsylvania.

Further proof of this is that the same survey, which I take from the October number of the Monthly Labor Review, an official publication of this Government, shows that in 79 cities in 39 States divided among the North, South, East, and West, similar relief grants had to be made to full-time workers, many of whom received no more than six or seven dollars a week—not enough to exist on at those points. Hence these grants and hence this bill. The South does not encompass 39 States, and the South is not being mulcted by this law. It is being lifted out of the condition it has fallen into during a century and half of its self-control through these State governments.

These facts, therefore, show clearly that this bill is not a sectional measure; it is purely a national measure. It is not anything else, and never can be.

I want now to call your attention to another subject. We have in this bill what is coming to be known as the escalator provision, which is a provision to start at a sufficiently low figure as to permit as little shock as possible, or as little fear of shock as possible to business in adapting itself to the new wage and hour law. We begin there and advance it little by little until 40 cents an hour is reached.

This escalator provision does another thing: It starts at a limited number of hours above 40 hours per week and reduces the hours by easy stages to 40, so that in due course we will have 40 cents an hour and 40 hours a week all over the whole United States, not have that in some part but have it in all parts of the country.

This so-called escalator provision, let me say to you, is the idea of a southerner, a man of brilliant mind, great heart, good soul, a thoroughgoing southerner who knows exactly what this thing means and what it is going to mean, because he knows that the South must raise its wages if it is going to prosper along with the rest of this country. His name is GRAHAM A. BARDEN, a new Member of this House, a new member on the Labor Committee, a man who thinks all the way through, fairly to all sides, and then gives expression to his brilliant mind. He did this in what we are coming to know as the escalator clause.

This in all fairness ought always to be known as the Barden amendment, because out of BARDEN's mind, out of BARDEN's brain, and out of BARDEN's soul came this amendment which was offered last year to the bill which came before this House. I do not propose that his name shall be cut away from this legislation or that his name shall be forgotten. He has the ability, the character, the education, the aspiration, the sympathy for his fellowman that in due course will make him one of the recognized leaders of the new South. He has vision, but he also has practical sense and a wide experience in the affairs of men that are bound to stand him in hand in the adjustments that the coming years are certain to require. He, above all things else, is honest and unafraid. This Barden amendment is an earnest of his future service to his country.

I want now to present one more point, and only one, and that is this: When the N. R. A. came on it saved the industries of this country from chaos, nothing less. And how did it do it? Although we had 500 codes, every one of them made a floor for wages and a ceiling for the workweek. It was, in fact, our first wage and hour law.

I am simply calling attention to the facts, and I want you to get the facts, and I challenge any opponent of this bill to successfully dispute what I am here presenting.

In the South the codes set $12 a week for 40 hours of labor as the minimum wage and in the North $13. What happened? The South prospered as it never had prospered before. The South paid $12 for 40 hours' work. It could afford to pay and did pay the wages, and it did prosper. And so did the North. What is the use of trying to cover the fact? As chairman of the subcommittee of the Committee on Labor I carried on for 2 years an investigation of the textile industry. I took up that question of the effect of the N. R. A. before the subcommittee time after time, with many businessmen from many sections of the country. All of them agreed the N. R. A. had saved the business of the country from chaos. Nobody denied it, and nobody who knows and has a regard for the truth can.

The trouble did not come under or because of the high wages. Here came the trouble: The Supreme Court nullified the N. R. A. and then began the difficulty, because the chiselers in business in this country began to cut the wages and to lengthen the hours of labor. Immediately, we started into a tailspin economically in this country. We ought to know enough to stop the thing where it is. It is for that reason that this bill is an absolute necessity nationally, just as much for the South as for the North, just as much and no more for New England as it is for South Carolina and Georgia. And Georgia needs it, and you will never have what you ought to have in Georgia until you get something of this kind and put it into force and effect.

I have no illusion as to what this wage and hour bill may accomplish. It may not give many new jobs.

This is, however, a vital matter to industry itself as well as to the men and women who work in industry. When we reach a 40–40 basis nationally, the cheaters and chiselers in industry will be through with the exploitation of abject and helpless poverty for profit. We can then legislate effectively without any fear of injury or injustice to any business or any section. This laying of a wage floor and the establishment of an hour ceiling is the first very necessary step to effective, permanent labor legislation.

We can then proceed to the procurement of a much shorter workweek, to a much greater purchasing power, to the assurance of a job for every man and woman who wants to work, to the provision for the opportunity for universal employment so that the 700,000 young people coming ready for industry each year shall know that a job is ready for them when they are ready for the job, and that it will so continue so long as they are able to work. That even then old-age pensions will provide security against the paralyzing fear of poverty as they approach the sunset of life. This is not too much to expect. We shall indeed do vastly more.

The CHAIRMAN. The time of the gentleman from Illinois has expired.

Mr. WELCH. Mr. Chairman, I yield 5 minutes to the gentleman from Kansas [Mr. LAMBERTSON].

Mr. LAMBERTSON. Mr. Chairman, the gentleman who just left the floor, the gentleman from Illinois [Mr. KELLER], said a good deal about the N. R. A. The N. R. A. decision of 9 to 0 by the Supreme Court was one of the finest things that ever happened for this administration, because it saved it the stigma of failure. The N. R. A. was soon to fall of its own weight. While the N. R. A. raised some of the lower wages, employers pulled down some of the higher ones, and that answers your argument that this will increase the purchasing power. It will not increase it one dollar, because they will take it off the higher wages if they have to put it on the lower ones, and that is the N. R. A., and the 9-to-0 decision by the Supreme Court was the greatest face saver

this administration has had. The N. R. A. would have fallen in a short time of its own weight. It drove small businesses to the wall, just as this will do. It drove thousands of small concerns out, and this bill will do the same thing. This was proposed in May by the President, in the middle of the Court fight, with a determination that it should be a second N. R. A. That is why this is before the House. It is before us as a second N. R. A., pure and simple. It is not the intention of the Chief Executive to fail in anything. He put the second A. A. A. over, and my farmers do not like it; and he will put the second N. R. A. over if he can, and I feel that a rubber-stamp House will let it go through. Our hope is on the other side, in the Senate, and that is all that is left for us.

Mr. COX. Mr. Chairman, will the gentleman yield?

Mr. LAMBERTSON. Yes; I yield to the brilliant gentleman from Georgia.

Mr. COX. Did I understand the gentleman to say, in effect, that the pending bill is the result of a marriage between politics and the C. I. O.?

Mr. LAMBERTSON. I think so. The C. I. O. led the procession.

Mr. COX. And that this bill would not be here except for the political exigencies of some people?

Mr. LAMBERTSON. It is only here because there is a fight in labor. In spite of the President's persistence, this bill would not be on the floor of the House today if it were not for the fight between the C. I. O. and the A. F. of L. That is all that brought this bill here. John Lewis' Labor's Nonpartisan League led the procession. Mr. Green had finally to fall in; but neither one is for this bill, and the Denver convention of the A. F. of L. a year ago was not really for any wage-hour bill.

Mr. FLETCHER. Mr. Chairman, will the gentleman yield?

Mr. LAMBERTSON. Yes.

Mr. FLETCHER. The gentleman implies that he is opposed to both the agricultural legislation that has been passed, and which is approved by a member of his own party on the Agricultural Committee, and from his own State, and he is opposed to labor legislation that we are now considering. Has he any substitute for either one of those measures?

Mr. LAMBERTSON. You bet I have, for both of them.

Mr. FLETCHER. What would be the gentleman's substitute? Will the gentleman put it in the RECORD?

Mr. LAMBERTSON. I will put it in here. The farmers never asked for this farm bill. All they wanted at most was a soil-conservation program and cheap money. They would have been satisfied with that.

Mr. FLETCHER. Did any farmer ever write the gentleman about cheap money? Nobody I ever knew of wrote about cheap money.

Mr. LAMBERTSON. Did not the gentleman ever hear about BILL LEMKE? What we want is to put 13,000,000 men to work and not to raise the wages of some who have jobs already. There is an absolute fallacy in this bill ever putting anybody to work. It will throw plenty of them out of work. For this bill I would substitute one giving the Federal Trade Commission power to declare any wage in interstate commerce unfair which was substandard.

Mr. ALLEN of Pennsylvania. Mr. Chairman, will the gentleman yield?

Mr. LAMBERTSON. I yield.

Mr. ALLEN of Pennsylvania. Will the gentleman explain how we can put 3,000,000 people back to work unless we provide sufficient buying power for them to buy back the very things they make?

Mr. LAMBERTSON. That is the fallacy that runs throughout the theories of this administration.

Mr. ALLEN of Pennsylvania. The gentleman has not yet explained the fallacy.

Mr. LAMBERTSON. How can you put people to work by raising the wages of those who have the jobs already? You had better create more jobs, spread the work.

The hour principle of the bill is all right but the minimum wage is the asinine part of the bill and the real bad part of it.

Mr. ALLEN of Pennsylvania. You create more jobs if you create more buying power.

[Here the gavel fell.]

Mr. WELCH. Mr. Chairman, I yield two additional minutes to the gentleman from Kansas.

Mr. CRAWFORD. Mr. Chairman, will the gentleman yield?

Mr. LAMBERTSON. I yield.

Mr. CRAWFORD. Did the gentleman ever hear of buying power being created anywhere on the face of God's earth other than through the toil of man?

Mr. LAMBERTSON. That is the real thing. You are not going to bring about prosperity by priming the pump, nor are you going to increase employment by raising the wages of those who have jobs. Both are fallacious.

Mr. KITCHENS. Mr. Chairman, will the gentleman yield?

Mr. LAMBERTSON. I yield.

Mr. KITCHENS. The gentleman spoke of the farmers' wanting cheap money. Will not this bill create monopolies, destroy small industries and small factories, and place them in the hands of capitalists and great industrialists? They are the ones who fix the value of money. In that way they will have control of the wages and of all labor.

Mr. LAMBERTSON. Yes; by destroying small business and throwing all business into the hands of monopoly. That is the vice of this bill.

Mr. KITCHENS. Without control by the Congress of money and its value we cannot fix wages, can we?

Mr. LAMBERTSON. I do not think so.

Mr. BRADLEY. Mr. Chairman, will the gentleman yield?

Mr. LAMBERTSON. I yield.

Mr. BRADLEY. If that is the case will the gentleman explain why the chambers of commerce in all the industrial cities are practically opposed to this bill?

Mr. LAMBERTSON. I do not know that to be the case. The point is that a wage-hour bill that was considered after the one that was recommitted did not exempt farmers. What if all farm labor were given $4 a day. Immediately half of it would be unemployed. Ostensibly this bill exempts farmers but in reality it does not. [Applause.]

[Here the gavel fell.]

Mr. FITZGERALD. Mr. Chairman, I yield 15 minutes to the gentleman from Tennessee [Mr. MCREYNOLDS].

Mr. MCREYNOLDS. Mr. Chairman, I have been very much interested in this discussion. Especially was I attracted to the words and the admissions of the gentleman from Massachusetts [Mr. GIFFORD] that he favors this bill because he feels it will give New England a sectional advantage. I had hoped—while I knew that that was true—I had hoped that every Member of this Congress would at least want to leave the impression that he was supporting the bill for the good of the whole country.

Since this orphan child was exhibited before us at the special session last year it has had some growth. The brain child of last December was a foundling dumped upon the doorstep of the gentlewoman from New Jersey. It now blushes forth as the robust child of those who a few months ago knew him not. Cradled upon the pillow of sectional advantage, suckling upon the breast of tariff discrimination, the child has been snatched from its assumed parents, Labor, and is now championed by the representatives of northern and eastern industry. His little playmates, the men and women employed by southern industry, their clothing rent by freight discriminations, their feet long calloused by the sharp stones of Republican tariffs, stand alone, forgotten by those who would have us believe they are the champions of labor.

The battle lines are drawn between those who wish to cut off southern competition by throwing up but another protecting tariff wall around the industries of the North and East to the detriment of the wage earners of southern factories.

The last words I said during the discussion of the bill at the special session was an appeal to send the bill back for further study so that later on we could write a bill in the true interests of the laboring men and women of this country, a bill that the people really wanted, instead of turning our duty over, as we did in that bill, to some administrator not answerable to the people.

I had hoped that a bill would be brought before the House that I could support. There is no one more against cheap labor than I. If I thought this bill would do what they say it will I would be for it, but it cannot under the present conditions. If you know the conditions and throw away political incentives you know in your own heart that this bill is not in favor of the laboring man or of labor organizations.

The argument is made for the passage of this bill that in order to increase prosperity you have to increase the purchasing power of the laborer. This is true, provided each laborer who has a job now retains that job and receives an increase in his pay. But it is not true if many who are now employed, even at a low wage, are thrown out of employment, or if the minimum wage set forth in this bill in many instances proves to be the maximum wage. This has occurred here in Washington where they have a minimum and maximum wage law, and it will occur all over the country whenever this bill is passed and becomes a law. I think no one would make the argument that if this bill is passed it will increase employment, as the facts are very evident that it will not. At present we have many millions of people out of employment and this is no time for experiments. If we did not have these unemployed and times were good, this bill might improve conditions.

One provision in this bill which I can heartily support is the child-labor amendment. [Applause.] I favor that, but I do not favor this bill and shall vote against it if it is left in its present form.

I insist that 25 cents an hour is not enough for any man or woman who can perform decent labor and do it under proper circumstances if the party by whom he or she is employed can afford to pay more. But what do you propose to do? You propose to put upon us in the southland the same rates, regardless of the character and kind of conditions. You give no incentive to the man or woman to receive more for his or her work. You propose to make us pay the inefficient just the same as the efficient. Let me say that, in my opinion, this minimum wage in many instances will prove to be the maximum wage. Let me say to my laboring friends in the gallery that I have voted for the principal bills in favor of labor from the Howell-Barkley bill, the railroad retirement bill, the arbitration bill, to do away with the "yellow dog" contract, the National Labor Relations bill, and the Guffey coal bill, but if this bill is passed, remember it will fix a precedent; it will fix the minimum and the maximum wages; and if it is held constitutional by the Supreme Court, which is very doubtful, you will regret the day this bill passed. Why do I say it?

Not long will it be until the automobile workers, not long will it be until the steel workers and others, will come back and ask this body to fix wages for all industry, big and small, which only the big industries can pay. When that time comes you will need no labor organization and you will have none, and I do not want to see that occur, because I believe in organized labor and collective bargaining. In my opinion, that is as true as God made little apples. Put that in your pipe and smoke it.

Mr. FLETCHER. Will the gentleman yield for a brief question?

Mr. McREYNOLDS. I have not the time.

I say that because I believe wages should be fixed by collective bargaining. You cannot fix wages all over the United States at one price. May I say further that this is not the President's bill. You heard his message to this House, and I will give just one quotation from that message, which he delivered on January 3, 1938:

> No reasonable person seeks a complete uniformity in wages in every part of the United States.

If, referring to the President's remarks which I have just quoted, that "no reasonable person seeks a complete uniformity in wages in every part of the United States," why are you trying to push it down our throats?

A few days ago, when the relief bill was before the House for consideration, I offered an amendment to that bill providing that the unskilled workers of the W. P. A. be paid a uniform wage with no discrimination. I explained to you at that time that in certain sections of the South the W. P. A. were paying our workers $19.20 a month, and under the same conditions in northern New York they were paying $40 a month, here in Washington $45 a month, and in New York City $55 a month. Mr. Gill, Deputy Director of the W. P. A., advised me that these rates were figured out by the Labor Department on the cost of the standard of living. I told this House at that time you people who are advocating this wage and hour bill today and who are asking our southern industries to pay the same rate as they pay in the North, should certainly vote for that amendment, and you had a chance to be consistent, but you refused to do it and voted it down. If you had voted to pay our W. P. A. workers the same, then I would have had reason to vote for this bill. By passing this bill and refusing to pass my amendment you are putting the Government in the position of recognizing a difference in their pay from $19 to $40 between the North and the South. Our distressed people in the South are entitled to the same consideration as yours are in the North.

Pass this bill in its present form and who will gain by it? Northern and eastern labor? No. You gentlemen charged when I offered my amendment to the relief bill that the wages of W. P. A. were paid according to existing wage rates. If that be true, then the scale paid in the North and in the East by the W. P. A. proves that your workers already are getting more than 25 cents per hour. Who then will benefit by the passage of this bill in its present form? The northern and eastern industrialists. Why? Because added to the burden of excessive freight rates, the age-long discriminations placed against struggling southern industry, this bill will be the final blow to competition of goods made by many small industries in the South and sold in the eastern and northern markets.

Who will be the losers by the passage of this bill in its present form? The southern worker, and you know it. If the goods he makes cannot compete in the northern and eastern markets he will lose his job. What good will a 25-cent or a 40-cent rate be to him then?

It may be good politics to pass legislation stating that these fine spring days must continue throughout the year. I would like them to stay on throughout the year myself. Especially so for the poor fellow who has no overcoat. But you know as well as I that no matter what laws you may pass to the contrary winter and snow and frost will come.

You also know that no matter how much you may like to see the workers of this country make good wages and work short hours that alone depends upon the economic conditions of this country; that the employer, in whatever industry, can pay wages—good or bad—alone from the profits he gets from the products he makes. You may pass a law stating that John Jones, who sweeps the floor of the factory, shall get 25 or 40 cents per hour and that he shall work but 44 or 40 hours per week. Fine and dandy, no one would like to see John get those wages or work those hours more than I. What I know, and what you know, however, is that unless John's employer makes a profit from his mill, John will sweep no floors at all. He will go on relief. Now, if John's employer has to pay discriminatory freight rates, if his mill is located far from the markets both of his finished product and the raw material from which his product is made, that cuts the margin of profit out of which John is paid. Add to John's employer the added burden of having to pay John the same hourly rate as that paid in another mill close to the source of raw materials and closer to the market and you cut the margin of profit still further, perhaps you eliminate it altogether. What then for John? By statute the sun shines and the flowers bloom throughout the year. John has his wage rate, his shorter workweek. If he only had a job,

that would be swell. But as sure as the coming of the snow in winter, John's employer will fold up if he cannot make a profit, and then John's wage scale will avail him nothing.

And so, my friends, much as I should like to vote for a bill that will be in the true interests of the wage earners of my district, my conscience will not permit me to vote for this bill, knowing as I do that it will punish the workers I represent here in Congress.

Mr. HEALEY. Will the gentleman yield?

Mr. McREYNOLDS. I cannot yield, and I say that in the greatest of friendship.

A few days ago I saw in the press where my good friend from Massachusetts [Mr. HEALEY] had assumed command of the forces toward the passage of this bill and he gave out an interview that they would not allow any amendments of any character. I am very sorry to know this. I had thought while they are determined to pass a bill that any amendments we might offer which would have a tendency to improve the bill would not be turned down without consideration. This bill has made strange bedfellows. I imagine as General HEALEY approaches and gets ready for this fight, he discovers on the Republican side a tall black-headed handsome gentleman who has never in any way associated himself with the administration. The General assumes, of course, he is carrying the flag of the administration but the gentleman on the other side is not marching under this flag; he carries the flag of the northern and eastern industries and we discover that it is Lieutenant FISH in command of a small squadron. I imagine a conference occurred among these gentlemen that went something like this:

"Why, of course, I could not carry your flag, General, because on this reorganization bill in one sense I actually pronounced the man a dictator or words to that effect." General HEALEY replied, "You must remember this is a camouflage. While I voted for the reorganization bill, most of the boys from the East voted against it. So this is a camouflage. You know, these boys in the South are real Democrats. They were Democrats before we ever thought about it. We have this camouflage here and perhaps we might get some of them to follow and march under that banner." So you see why my friend from New York is advocating this bill. He thinks it will give him some sectional advantage, and I make that statement with the greatest respect. I read that quotation from the President's message to show that this is not the President's bill. I have stood by the President as well as any man in this House. My record is as clear as anyone's in that respect. But may I say when that section of my country is involved, I shall stand and fight as I see best for my own people.

[Here the gavel fell.]

Mr. HARTLEY. Mr. Chairman, I yield the gentleman 5 additional minutes.

Mr. McREYNOLDS. Mr. Chairman, you are familiar with how we are discriminated against so far as freight rates are concerned. It costs almost twice as much to ship from my town, Chattanooga, to Chicago, 330 miles, as it does from Chicago to Chattanooga. We have tried to do away with these discriminations, but have been unable to do so. It is not the big fellow who will feel the effects of this.

It is the little fellow for whom I am talking. It is the little industries in my district, the little canneries, the little sawmills in my district that are giving employment to those few people situated way up on the mountains and out in the country that cannot pay this wage. Those people will be out of employment. As the gentleman from Kansas said a while ago, the minimum will be the maximum, as the higher will be reduced to the lower.

Mr. Chairman, I stand up here today speaking for the little man. Instead of increasing employment, this bill is bound to put at least 2,000,000 more people on the relief rolls, in my opinion. God knows we want to keep these people off of relief as much as possible. Let us put some amendments in this bill that will aid in the direction of keeping people off the relief rolls.

Mr. Chairman, I am sorry that the gentleman from Massachusetts has seen fit to raise the sectional line. I thank God there is no sectionalism in my veins, but when the southland is being attacked, and when discrimination is being registered against that country in which I was born and raised and upon whose hills and valleys my dear ones sleep, you may expect me to stand up for justice to that section of the country. Just after the great Civil War our people accepted defeat and when they returned to their homes many found no homes. The homes had been destroyed. Their loved ones were gone, their houses were burned, their fences destroyed, and they had no personal property. But they had more than personal property. They had that true manhood and womanhood of the southern people. The southern woman showed the same spirit as the Spartan mother when she sent her son forth to battle: "Return, my son, upon thy shield or with it."

We worked and did the best we could, and as we progressed we sold in an open market and we bought in a closed market because we were an agricultural section and the other was industrial. But we continued to grow on account of climatic conditions; closer to raw material and with no labor troubles, and manufacturers came to the South, and we have been competing with northern industry regardless of the fact that we are discriminated against by railroad rates and have longer shipments to market. These conditions exist now, and the northern industries are trying to stop the progress of the South and they feel if they can pass this bill it will really be a tariff against southern goods. I had thought this country was big enough and great enough, with improved communication and transportation, that the eastern and northern sections could realize that the prosperity of one section affected the prosperity of another. I think some day you will recognize you have made a mistake, because our moneys are constant feeders to the eastern cities.

I am sorry this question has been raised, but since it has, I, for one, shall stay with that southern country regardless of what may be my political sacrifice.

Let us salvage what is best in the bill and eliminate that which is designed to give sectional advantage to one section of the country at the expense of the other. Let us amend the bill in the true interests of the workers everywhere. Let us make of it a bill that will help the worker and the man who pays the worker his salary. It can be made to work in the mutual interest of both worker and employer. Unless it does the bill should not be passed. [Applause.]

Mr. WELCH. Mr. Chairman, I yield 10 minutes to the gentleman from Wisconsin [Mr. BOILEAU.]

Mr. BOILEAU. Mr. Chairman, the distinguished gentleman from Tennessee referred to the differentials in wages paid W. P. A. workers. I wish to remind the Members there is no discrimination in W. P. A. wages in any section of the country. The law provides that wages paid to W. P. A. labor shall be equal to the prevailing wages in the respective areas of the country.

Mr. McREYNOLDS. Is not that as to skilled and not unskilled labor?

Mr. BOILEAU. No; as I understand, as to all labor in the W. P. A. it is intended the prevailing wage shall be paid.

Mr. McREYNOLDS. No; I beg the gentleman's pardon, that is as to the skilled labor.

Mr. BOILEAU. I believe the gentleman is in error.

Mr. McREYNOLDS. No; I am not.

Mr. BOILEAU. The W. P. A. pays the prevailing wage, whether or not it is written into the law. On that particular point, the fact of the matter is that it does pay the prevailing wage. It makes only such difference in the wages in the various areas as unskilled labor receives in such areas. The reason you have the 16-cent per hour rate in the Southern States as compared with the 38-cent per hour rate in some of the Northern States, in communities of comparable size, is that the prevailing wage in the respective communities varies to that extent.

Mr. McREYNOLDS. Will the gentleman yield further?

Mr. BOILEAU. Yes.

Mr. McREYNOLDS. I made inquiry of the W. P. A. as to how the unskilled labor was paid and I found that the

officials of the W. P. A. have drawn zones which include from the edge of Kentucky south. They stated to me they had figured out the rate in accordance with the standard of living, and furthermore, that what affects it is the cities or towns in the county or adjoining counties.

Mr. BOILEAU. Yes; they determine the wage according to the prevailing wage in the community. If the gentleman will read the bill we passed in the House just the other day he will find it contained a provision to the effect that W. P. A. wages should not be less per hour than the hourly wage prevailing in the various communities. The only reason there are differentials in the W. P. A. wages in the South and the North is that industrial labor bears the same differential in wage rates. I predict that if you pass this bill with a minimum of 25 cents an hour for industrial labor there will be no justification for paying one cent less than 25 cents an hour to W. P. A. workers in any section of the country, and you will automatically bring up the wage paid to W. P. A. labor in the South. I am for it. Personally I do not believe any man in the country, whether he be in the North or the South or the East or the West, should be obliged to work and provide for a family on a wage of less than 25 cents an hour or $11 per week. That is little enough for any man, and it is all we contend for in this bill. If we were fixing wages for all labor throughout the different sections of the country there would then be some justification for this claim of setting up differentials, but as long as we are only fixing a minimum wage, a wage that is so low that below it nobody could be expected to live and maintain a family in health and decency, no one can claim we are trying to discriminate against any section of the country.

Mr. COX. Mr. Chairman, will the gentleman yield?

Mr. BOILEAU. I yield very briefly to the gentleman.

Mr. COX. If the gentleman had the power to fix the wages of labor, would he in the exercise of that power totally and completely disregard the ability of the employer to pay the wage fixed, and would the——

Mr. BOILEAU. All right; I will answer the question. I do not want the gentleman to take too much of my time. The gentleman finished the speech of the gentleman from Massachusetts, and I do not want him to finish my speech.

Mr. COX. Would the gentleman in the exercise of that power disregard the right of a free person to sell his own labor as he might wish?

Mr. BOILEAU. You put this hour and wage legislation into effect as it is written here, with a minimum of 25 cents, and inside of a year there will not be any employer in my State who will not pay half again that much to his employees. Most are already paying that much. In those industries where less than 25 cents an hour is being paid in my State the industries are forced to compete with certain sections of the country that are paying a lot less. You bring your standards up to standards of health and decency and we will increase ours greater than they are today. What is more, we are preserving for organized labor its right to bargain collectively, and it will bargain for a higher wage than that. By this law you merely enable our people to maintain a decent standard while you are having a decent standard in the South. We will pay higher wages than you will because—and I say this without any reflection on the South—I believe we have been a little more progressive along these lines in the North, and I think most of you will agree with that statement.

Mr. COX. Mr. Chairman, will the gentleman yield?

Mr. BOILEAU. I am sorry, I cannot yield. I should be very glad to yield, but I must answer the question the gentleman propounded. I have not finished answering it yet.

All we ask of you is just to give us half a chance to maintain decent levels. Something was said here about some of the northern industries paying less than 25 cents an hour. That is true, but if you will examine the northern industries that are paying less than 25 cents an hour, I believe you will find—and I do not claim to have studied this thing through, but make this statement simply after reflecting on some of the industries that came to my mind a moment ago—that practically all of the northern industries that are paying less than 25 cents an hour are in direct competition with your industries in the South. That is the trouble.

You bring your wages up to a minimum of 25 cents an hour and we will increase our wages to a much higher level than that.

The gentleman from Georgia asked me if I would be willing to fix all wages without regard to the cost of living or the cost of maintaining a family. Of course, I would not do that.

Mr. COX. No; that was not my question.

Mr. BOILEAU. I understood that to be the last part of the gentleman's question.

Mr. COX. I said without regard to the ability of the employer to pay the wage.

Mr. BOILEAU. I will say this to the gentleman: That so far as I am concerned, any industry that cannot pay a decent wage has no justification for existing. [Applause.]

Mr. COX. Then the gentleman favors monopoly?

Mr. BOILEAU. I want to be courteous to the gentleman, but my time is limited and I must refuse to yield further.

I want to make that very clear so there will not be any misunderstanding about how I personally feel about it. I think the men working in an industry have just as much right to get a living out of that industry as the man who owns the capital invested in the industry, and I do not believe in destroying capitalism either. I believe in the capitalistic system, although I believe our present capitalistic system is in need of a good deal of reform. I maintain there are more people who have a right to get a decent living out of a business than the man who happens to own the factory. No American citizen should be required, because of the force of economic conditions, to accept a job because it happens to be the only one available and then be denied of the right to a decent living for his family and himself.

We are just fixing a minimum wage here. If we were fixing minimums and maximums, I would say there might be some cause of objection from some sections of the country; but when we are fixing the minimum wage as low as we are in this bill, I cannot see how anybody, who has any desire to help out the underprivileged in this country, can object to the standard we fix here on the ground that the wages are too high.

Mr. FLETCHER. Mr. Chairman, will the gentleman yield?

Mr. BOILEAU. I yield to the gentleman.

Mr. FLETCHER. The gentleman said he believed that labor should have its fair share. What does the gentleman think of the profit-sharing plan that is being widely discussed now as a means of providing an equitable distribution?

Mr. BOILEAU. The trouble with most of those plans I have seen is that about 25 percent of the profit goes to 99 percent of the people in the industry and about 75 percent of the profit goes to about 1 percent of the people in the industry. The proportions are all wrong in the few experiments I have seen worked out. The idea is sound, and if it can be worked out, well and good. One good way to start distributing some of these profits is to say to the employer, "You employ your men, but you are not going to be permitted to employ a man at a wage so low that you ruin the whole industry, so that no one else can make a decent living out of the industry but yourself."

The gentleman from Tennessee referred to sawmills in his State, and said they could not afford to pay these wages. The remarkable thing about that is that some of the lumber mills up in my State have taken the same position. This is the thing that convinces me we have got to adopt a national program, because the lumber industry in our State is making the same complaint that the lumber industry is making down in Tennessee. If you put them both on a par and say, "You cannot pay less than 25 cents an hour at the present time, and that you must gradually increase wages so that inside of 3 years you must pay at least 40 cents an hour," they will then be on a fair basis of competition, and both will be able to pay these minimum

wages without ruining the whole industry; but if you permit the southern industries to chisel on the northern industries, and the northern industries to chisel on the southern industries, you are not going to have decent wages in any part of the country. You must take the whole industry and make these necessary changes, and I want to emphasize this fact.

[Here the gavel fell.]

Mr. WELCH. Mr. Chairman, I yield the gentleman 3 additional minutes.

Mr. CRAWFORD. Mr. Chairman, will the gentleman yield?

Mr. BOILEAU. I yield.

Mr. CRAWFORD. Mr. Chairman, I wish to ask the gentleman this question: If I understand this bill correctly, the minimum wage goes up 5 cents per hour for 4 successive years on an 8-hour day, which would be an increase of 40 cents a day. Is that correct?

Mr. BOILEAU. Eleven dollars a week now and $16 a week in 3 years.

Mr. CRAWFORD. Assuming that we raise the price level up to the 1926 price level of commodities and necessities of life, where will you be the first year or the second year, or the third year? Will not the increase in the price of necessities more than offset the increase in wages over the full 3-year period?

Mr. BOILEAU. It may to a certain extent, but not to the full extent, and let me say to the gentleman that the one thing this country needs more than anything else is an increased commodity price level and an increased level of property values, because if we are to stabilize at present wages and present values of real estate and all other holdings this country will continue to be in a bad condition, because the only way this country can ever pay its public and private debts is to have those debts more easily paid by increased income and increased values of property. If you increase the income of the people, of course, that will increase living costs to some extent, but you will also increase property values and the debt burden upon private citizens and upon the Government of this country and the States and municipalities will be that much more readily and easily liquidated. It is necessary for progress that there be an increased wage and an increased property value. We cannot hope to get out of the hole that we are in if we stay at the present price level and wage level.

Mr. CRAWFORD. And in that respect the gentleman is referring to the payment of debts only?

Mr. BOILEAU. Yes.

Mr. CRAWFORD. The gentleman leaves out of the question the man who has no debt?

Mr. BOILEAU. No; because that man who has no debt coming to him has property if he is solvent. He has property or he can transfer his cash into property. He gets an advantage through an increase in the value of his property. The man who has no wealth and no debts will be in the same position as he was before this change takes place. He is going along with the trend of the times. His position would not be changed one way or the other.

I do not want to indulge on any further discussion on that point, not because I would not be glad to do it if I had the time, but I want to conclude by emphasizing the point that in my mind is the controlling feature in this argument. We are fixing only a minimum wage, and that wage is only $11 a week. I submit that most of us spend that much money every week on pure luxuries, and perhaps more, and we ought to be willing that the fellow who works hard to earn a living for his family should have at least that much in order to keep body and soul together for his dependents and himself. [Applause.]

Mrs. NORTON. Mr. Chairman, I yield 5 minutes to the gentleman from Pennsylvania [Mr. ALLEN].

Mr. ALLEN of Pennsylvania. Mr. Chairman, for a few moments I wish to direct the attention of this Committee away from sectionalism. This is not a bill which aggravates sectionalism. The State of Pennsylvania and the industrial States of the North need this bill just as much as do the States of the South. We must think in this country in terms where we realize that one section cannot prosper at the expense of another, that one industry cannot benefit itself at the expense of another. We are all bound together inextricably, closely, by division of labor and division of services, so that the effects in one part of the country are immediately felt in other parts. This is a bill which will do more good, in my opinion, than any piece of legislation that has come before us at this session of Congress to preserve for the future our entire system of private enterprise. We have gone along for years solving the problem of mass production, but we have failed to realize in our endeavors that mass production carries with it as a necessary corollary mass consumption. While we have developed producing power in America, we have entirely ignored the fact that there are millions of people who are potential customers whom we need today and that until they become customers in fact and in reality, we are going to have this depression and this serious business stagnation.

Mr. COX. Mr. Chairman, will the gentleman yield?

Mr. ALLEN of Pennsylvania. Not now. This bill has a threefold purpose as I see it. First, it eliminates sweat shops—it seems to me at this point that this answers the accusation by the opposition that we who are defending the bill are doing so for political reasons or under pressure from great labor organizations. The bill does not affect organized labor, but those 5,000,000 American working men and women who have not yet been benefited by organized labor. It affects 5,000,000 people who are outside the protection of labor organizations. The A. F. of L. and the C. I. O. are for the bill because they realize that there is a vast submerged group of our citizens which needs this help and which they cannot give them at this time.

Mr. COX. Mr. Chairman, will the gentleman yield?

Mr. ALLEN of Pennsylvania. Not yet. This bill will increase employment and aid industry by eliminating that ruthless type of competition which pays substandard wages and works labor long back-breaking hours, and it will further aid industry by furnishing those customers whom I described a few moments ago. How anybody on the floor of this House could object to this bill is more than I can understand. It demands a minimum weekly wage of $11 only. Let me remind my colleagues that the average American family today consists of four persons, and if we divide that four into the $11 a week, it gives $2.75 for a breadwinner to house and to clothe, to feed and to educate, and to give medical attention to each member of his family. That is 40 cents per day if you please. You could not do it and I could not do it. We have no right as representatives of our people to expect 5,000,000 of our fellow men to do the impossible. Any industry that cannot pay its labor $11 per week has no right to exist. It is a constant menace to our economic structure. If we are going to pull ourselves up from this depression we must provide American business with customers, customers with buying power. If we pass this wage and hour bill we are taking the first determined, constructive step in that direction. [Applause.]

The CHAIRMAN. The time of the gentleman from Pennsylvania has expired.

Mrs. NORTON. Mr. Chairman, I yield 5 minutes to the gentleman from Texas [Mr. MAVERICK].

BILL SUPPORTED BY A. F. OF L., C. I. O., AND RAIL BROTHERHOODS

Mr. MAVERICK. Mr. Chairman, I call attention to the fact that this is not a C. I. O. bill. The C. I. O. bill that was defeated last session was a mild affair.

This is the A. F. of L. bill. And the reason it was given consideration is because the American Federation of Labor is for it. So this is not a conspiracy of Moscow or the C. I. O., or of that alleged bad man, John Lewis. This is a bill of that nice gentleman, Bill Green, who is opposed to Government spending and stands well in respectable circles.

But, seriously, this bill is supported by the American Federation of Labor, the Committee for Industrial Organization, and the four brotherhoods. It is supported by hundreds of other organizations and opposed by all reactionaries. It is favored by Labor's Nonpartisan League. In truth it is a piece of legislation which seeks to protect labor all over our country.

IT IS FUNDAMENTAL LEGISLATION AND OF GREAT IMPORTANCE

This bill is of considerable importance to this Nation and not of superficial importance. It goes to the very economic fabric of the entire country.

It is a national matter.

As I said the other day when my friends from my part of the country said they wanted the same wages on W. P. A., it is a thing that involves our history and our present conditions.

IS THE BILL SECTIONAL? YES; IT WILL BENEFIT ALL SECTIONS

It has been said that this bill is sectional in character. Let us see whether it is or not.

No lower wages are paid in the United States of America that are paid in my district. I am not criticizing Alabama or Mississippi or Georgia. Wages paid in my district are just as low as wages paid in theirs.

Therefore, as far as I am concerned, this is a sectional bill, because I want the people of my district to get as good wages as the people do in the North and the West. [Applause.]

We are representatives of the United States of America, which is a nation; so we must look at this thing from a national viewpoint. When this bill was up for consideration before, the representatives of the South bitterly assailed it and defeated it.

But listen. Some of us, I think, see a little spirit of revenge on the part of our colleagues from the North and the West; they are going to put this bill over, no matter whether anybody likes it or not. My only hope is that if a reasonable amendment is presented they will give it careful consideration.

SOUTH PERSECUTED BY TARIFFS AND FREIGHT RATES

I want to say this much about the South, and it is true—the South has been persecuted. For a hundred years it has been persecuted by a tariff, it is persecuted now by unfair freight rates.

As a result of all this and as a result of the incubus of the colored people who were brought there as slaves—and some of them have never really gotten out of that condition and have brought the white sharecropper to their level—the South has the lowest living standards of any part of the United States of America.

I come before you and say: "O. K.; I throw in with you people from the North and the West; I will vote with you; but I want you to give my people in the South a square deal on freight rates and all the rest. Be fair to my people."

THE MINIMUM WAGE IS PROTECTION, NOT TARIFF ON THE SOUTH

As for this being an additional tariff on the South, it is no such thing by any stretch of imagination. It is a benefit to the South, because if you have tariff for the protection of industry, and we have minimum wages, you are giving our people in the South a break, some protection, some equality. This is one of the reasons I am for the bill.

Industry is advancing in the South, but the South is still an agrarian region. One thing I look upon with the highest contempt is the attitude of some of the chambers of commerce of the South. My own chamber of commerce did it once, but they do not do it any more—they advertised "cheap and docile labor."

NO LONGER LET US BE DOCILE

For my part, I want the laboring people in my section of the country to exercise again that spirit of independence they exercised in the Civil War and not be docile. No violence, if you please; just ballots; and a demand that we have better standards of living. No; I don't want my people to be docile, bowed-down beggars, but upstanding, courageous Americans demanding all their rights.

Yes, sir; I want them to demand the same wages as those received by the rest of the people of the United States of America. Some say they want a differential of 10 percent lower for the South. That is nothing. Common labor in the South gets about one-third or one-fourth of what it does in the North. It is not a matter of 10 percent; it is the matter of a huge amount. Laborers in the South get 60 and 70 cents a day, while the same kind of labor in the North gets $3 a day. The difference is tremendous and reflects itself in health, education, and living standards in general.

[Here the gavel fell.]

Mr. WELCH. Mr. Chairman, I yield 3 additional minutes to the gentleman from Texas.

BUT JUSTICE SHOULD BE GIVEN THE SOUTH

Mr. MAVERICK. Mr. Chairman, when we pass this bill we are asking that justice be given the South as it is to the rest of the Nation—the same kind of justice. I believe that if some concessions are asked by the South they should be considered, but I want everybody to know that, insofar as I am concerned, I am going to vote for this bill just exactly as it is, and I am not going to be soreheaded if you do not adopt amendments.

HUNDREDS OF MILLIONS OF FEDERAL DOLLARS—WHY NOT FEDERAL LAWS?

Oh, you voted and spent tens of millions of dollars in the South for the T. V. A. in Tennessee; you poured millions of dollars into Texas for the Colorado River Authority; you poured hundreds of millions of dollars into the South for cotton subsidies and flood control; you poured billions of dollars into the South for the W. P. A., so why, in God's name, shouldn't the South observe the laws of the land as the rest of the Nation does? If you let your Federal man come into the South with money, they are going to put laws on the South, and, as far as I am concerned, he can come on.

The people of the South are for the minimum-wage bill, and there is plenty of proof of this. LISTER HILL, our good colleague, just beat the socks off his opponent, and that was the only issue.

Down in Florida—and this is no personal reflection on our good colleague—Senator PEPPER was elected on that issue.

You who accuse the people of the South for being reactionary and stupid have got to wake up, for that just is not so. The people down South want the same protection people get over the rest of the United States.

Everybody knows that, and time will surely tell.

I believe if able enough men run for Congress upon this and other New Deal issues they will surely be elected, and I do not mean to be personal about that. As far as I am concerned, coming from a district which pays low wages, I welcome this bill.

Let it come on, because it will benefit the United States of America as a nation. We want a nation with decent standards. [Applause.]

THE WASTED LAND, BY GERALD JOHNSON; AND SOUTHERN REGIONS OF THE UNITED STATES, BY HOWARD ODUM—TWO GOOD BOOKS

Mr. Chairman, exercising my right to extend and revise my remarks, I wish to add certain excerpts from a book by Hon. Gerald W. Johnson, of North Carolina, who is on the Baltimore Evening Sun. His book is entitled "The Wasted Land," and it concerns the South. I want to point out this Mr. Johnson is no wild-eyed Yankee meddling with our institutions; he is a first-class southerner and so accepted over the South.

Mr. Johnson gives full credit to Howard W. Odum, author of Southern Regions of the United States. Johnson's book uses Odum's, which is long, detailed, and monumental. In fact, I believe that Mr. Odum's book is the best account of the condition of the South that has ever been written.

THE PSYCHOLOGICAL HURDLES OF THE SOUTH

I shall take the liberty of quoting from Mr. Johnson's book, The Wasted Land. He says: "The first step for southerners is to accept the inevitable and prepare for a long pull."

But he adds:

The next step is not the introduction of any new activities, but a more compact and efficient organization of those already in

progress. This involves getting over a terrific psychological hurdle, invisible, but nonetheless formidable. It consists of the imaginary lines that bound the States.

These quotations display rather well the psychological barrier to any solution of southern problems. That is because the hurdle exists in the mind of the southerner, and likewise in the man of the North and West.

Unfortunately, some feeling is being developed among regions and their political, labor, and business representatives. What I hope is that our problems can be worked out without unpleasant statutory force upon any region.

THE SOUTH ROLLS IN RICHES; SOUTHERNERS LIE IN POVERTY

Mr. Johnson proceeds to show the unsatisfactory condition of the South, and says, "By comparison with the rest of the United States the South is very rich and southerners are very poor." Then he adds:

When a region is conspicuously rich and the people who inhabit it are conspicuously poor, it is a fair presumption that their economy and statecraft are not up to the average, poor as that is by comparison with the ideal.

He proceeds:

Whether one assays its physical wealth or its spiritual wealth the result is the same—the South has much and uses little; or rather, it displays relatively small intelligence in the use it makes of them, and therefore derives a relatively small return from its immense possessions.

FORCES OF DESTRUCTION; NECESSARY WISDOM NOT DEMONSTRABLE

Answering the question as to whether the South can regain some measure of importance in the Nation, and improve itself, we read:

Granting that the region has exhibited splendid energy and vitality, especially since the turn of the century, the fact remains that there are even now tremendous forces of destruction at work in the South. Recently there has been increasing reason to believe that these forces are gaining on the forces of construction, and it is by no means unimaginable that they may eventually become dominant, sweeping the region back to a level of civilization far lower than that which it occupies today.

The destiny of the South is not yet fixed and determined.

Apparently its opportunity is great; but to improve that opportunity will require great wisdom, great tenacity, and great labor. The existence of the opportunity is demonstrable by examination of objective fact but the existence of the necessary wisdom, tenacity, and industry is not demonstrable at all. On the contrary, it is evident without demonstration that they have not existed in the past in the measure required, for, if they had, the South would already occupy a position very much higher than the position it does occupy.

THE NEGRO AND THE CIVIL WAR—TWO MENTAL EXCUSES

There follows a southerner's explanation of two points so frequently mentioned as to the reason of the South's low standards. It is interesting.

Naturally southerners have found other explanations more flattering to their self-esteem, but none of these other explanations stands up under critical examination. The two that are most commonly advanced are the problems presented by a biracial population, and the destruction that accompanied and followed a disastrous war. There is a measure of truth in both these explanations. The problems that they involve are certainly no figments of the imagination, but they do not account for the present low estate of the region. The presence of the Negro complicates every social, political, and economic phase of southern life; but his presence likewise adds millions of brawny laborers to the South's available manpower. Intelligently handled, it is very efficient labor, too; but it is, to say the least, open to doubt that the South has ever handled the Negro in such a way as to make him the most valuable asset he is capable of becoming.

As for the war, firing ceased more than 70 years ago. Two full generations have lived since the end of the conflict. If the South has not recovered from the war by this time, then it is idle to expect it ever to recover. Indeed, it is easy enough to see, now, that the economy under which the South was operating before 1860 was virtually in a state of collapse when the war struck it; had there been no war, slave labor and a one-crop agricultural system would have proved ruinous, just the same.

It is arguable that the most serious injury inflicted on the South by the war of the sixties was not the material and moral destruction that it caused, not the bloodshed, not the aftermath of reconstruction, but simply the providing of a convenient scapegoat on which the South could lay the blame for all its subsequent economic, social, and political failures. Had our economy crashed without a war, then we might have searched more diligently and more intelligently for the economic causes of that collapse, instead of attributing everything unpleasant to the military calamity.

The terror of waste is described—which is the curse of the South. Indeed, he says, the South has thrown away 97,000,000 acres of land, and three and one-half million people have been forced to emigrate in recent years.

EVIDENCES OF FAILING CIVILIZATION

He is convinced there are strong evidences of a failing civilization. But read:

The evidences of a failing civilization are sufficiently well known. Some of them are an increasing dispossession of the tillers of the soil or their reduction to a state bordering on peonage; increasing concentration of wealth in the hands of a progressively smaller group; a sort of mental and spiritual fatigue resulting in chauvinism and suspicion of new ideas; fanatical, religious, and social orthodoxy that resents fiercely any suggestion of a reexamination of established concepts; the exacerbation of racial, sectarian, and factional animosities; a growing distrust of the processes of government, reflected in an impatient refusal to tolerate the delays inseparable from the orderly administration of justice. All these are present in the South; and their presence certainly raises a question as to the permanence of its present level of civilization—nay, a question as to whether it has not already begun to subside.

CHANGE WILL SUBJECT SOUTH TO STRESSES AND STRAINS

A conclusion is then made which applies to every question in the South, whether it is of hours and wages, agriculture, or any phase of life. Indeed, he indicates that any reorganization of southern life is not going to be any easy matter.

Upon this, I quote:

It is difficult to escape the conclusion that the existing economy of the South is soon to be forced into a reorganization that will subject it to some appalling stresses and strains.

SOUTHERN CHAMBERS OF COMMERCE ADVERTISE CHEAP LABOR

The hope is expressed that the South can learn by experience in other regions. But that the employers and employees in the Southeast will do it "is by no means certain," and—

Chambers of commerce in some southern towns are still advertising cheap labor and absence of union organization as advantages. In some localities there have been outbreaks of violence in industrial disputes in which labor resorted to sabotage and capital to the use of hired gunmen. The road is wide open to a repetition of the old error of ordeal by battle, with all its frightful waste of money and men.

Mr. WELCH. Mr. Chairman, I yield 14 minutes to the gentleman from Michigan [Mr. MAPES].

Mr. MAPES. Mr. Chairman, this legislation is neither in the interest of labor nor of the Nation as a whole. It will have the directly opposite effect upon both. The reaction against it on the part of labor in days to come may well be something akin to the reaction of the corn farmer against the recent farm legislation.

This is not an opportune time even to consider it. It is ill-timed. People, especially the people of Michigan, are in no frame of mind to consider it now. They are sick and tired of the constant agitation and turmoil of the last few years, both in industry and Government. All, except apparently a few in key positions, are praying for peace and cooperation between the Government and capital and labor. Political and industrial strife and uncertainty and persecution are largely responsible for the plight the Nation is in. This legislation will make it worse. [Applause.]

There are 13,000,000 people unemployed now. The President, in his message to Congress, on February 10, stated that 3,000,000 lost their jobs in 3 months. Mr. Hopkins, in his statement before the Senate committee a few days ago, said the number had now increased to 4,000,000 This legislation will augment the number.

The question of wages and hours is a purely theoretical one as far as the 13,000,000 unemployed are concerned, and there are more of them than are employed or at work at any wage or hours at the present time in all industries which will come within the scope of this bill. The number of those employed who can, by the wildest flight of the imagination, be benefited by this legislation by having their wages increased or their hours shortened is infinitesimal as compared with this great army of unemployed.

It will be time enough to talk about wage and hour legislation when people have something to do. Let business recover and the unemployed get back to work first. It will

then be time to discuss wages and hours. Business and work must precede wages and hours. The unemployed ask for bread. By this legislation we give them a stone.

The legislation is misnamed. It should be called a face-saving rather than a wage and hour bill. Take away the face-saving feature of it and it would not be here. [Applause.]

Why is it that the people of Michigan, especially, are in no frame of mind to consider legislation of this kind now temperately? Let me call as a witness to answer that question one of the advocates of the legislation.

The United Automobile Worker, printed in Detroit, in its issue of May 14, 1938, quotes Homer Martin as saying, in a speech to the executive board of his organization, that "weekly production in the automobile industry is less than 50 percent of what it was last year," and now listen to this—I quote him verbatim:

> This falling off in production has brought with it consequent unemployment amounting to approximately 70 percent of all employees in the industry. The balance who are working are only part-time, and it is safe to say—

He continued—

> that the total pay roll of the automobile industry has fallen off nearly 80 percent.

That is one of the reasons why the people of Michigan are in no frame of mind to consider legislation of this nature at this particular time.

Think of it! The total pay roll of the great automobile industry has fallen off nearly 80 percent in less than a year. How much of that falling off is due to his work and leadership Mr. Martin does not say, but he has been in Washington in the last few days lobbying some of the Members of the Michigan delegation in Congress to vote for this bill, which will bring about a further reduction in employment.

It may be that the Federal Government can fix the wages and hours of a going concern as long as it can keep going, although there is some doubt about that among good lawyers, but there is no way for a concern to keep going if it does not have the business nor money to meet its pay roll unless the Government is prepared to furnish it the money. When its capital is exhausted it is obliged to stop and its employees are obliged to seek employment elsewhere. That is the condition of a great many businesses today.

Mr. FLETCHER. Will the gentleman yield for a brief question?

Mr. MAPES. I am sorry. I have not time to yield to my friend.

Mr. FLETCHER. The enactment of this legislation will improve conditions.

Mr. MAPES. On the contrary, it will make them worse. The enactment of this legislation will further increase unemployment, not reduce it.

It is bound to increase unemployment unless all human experience is reversed. It will put more people out of work than it will help to get work. The less efficient will be compelled to give way to the more efficient.

A news item in the Washington Post last Tuesday, May 17, speaking of the minimum-wage law for the District of Columbia, operating, as it does, in a restricted area and administered, as it is, by an administrative board, gives some indication of what may be expected if this bill is passed. I quote from the story in the Post, as follows:

> "Scores of women are losing their jobs because of adoption of minimum-wage scales in industries here," Rose Brunswick, business agent for the Hotel and Restaurant Employees' Alliance, charged yesterday. * * *
>
> Miss Brunswick said "50 waitresses have been discharged since the basic rate went into effect May 8"—that is in 1 week's time. "Many hotel maids also have been dismissed," she said. * * *
>
> The union representative said certain employers were discharging part-time employees in the public housekeeping industry, because they were unwilling to pay the prescribed 40 cents per hour for part-time work.

That news story was followed the next day by an editorial, as follows:

JOBS AND MINIMUM WAGES

Reports that minimum wages recently established in Washington have resulted in the dismissal of a substantial number of employees should be of special interest on Capitol Hill where the wage and hour bill is still under consideration.

The rates of pay for women employed in local retail establishments and in the public housekeeping industry were fixed after careful studies by groups representing employers, employees, and the public. Undoubtedly these minimum-wage conferences analyzed the conditions within each industry and made an earnest effort to protect the interests of female workers. The minimum wages they established are by no means exorbitant—ranging from $14.50 for hotel maids to $17 for retail clerks. Yet they appear to have resulted in the dismissal of a considerable number of women whose services are valued by employers at less than the minimum fixed.

Under the national wage and hour bill sponsored by the House Labor Committee there would be no careful adjustment of minimum wages to the conditions of each industry in each locality. On the contrary, a rigid minimum would be fixed for all industries affecting commerce throughout the country. And within 3 years that minimum would be considerably higher than the lowest rates established in Washington, despite the fact that in most of the States living costs are lower than they are here.

Congress ought not to ignore the very real implication in the District's experience that the wage and hour bill would cause a good deal of unemployment at a time when a staggering number of individuals are already without jobs. That measure was pressed in the House largely as a means of creating purchasing power. Insofar as it might raise wages, this reasoning is correct. But sponsors of the bill entirely overlooked the counteracting effect of dismissals likely to result from the elevation of low-bracket wages above the ability of many employers to pay.

In some industries there are large numbers of employees who are kept at work only because their inefficiency can be offset by low wages. If minimum wages are fixed with no allowance for such conditions, Congress ought to prepare for a permanent expansion of relief rolls.

A rigid national law, such as the bill before us contemplates, would multiply a hundred or a thousand fold the evils and distress caused by this law for the District of Columbia.

A law applying alike to all industries the country over, with its vast expanse of territory and its varied climatic conditions, does not appeal to me as either fair or workable. Different wages are paid by different industries in the same locality and frequently by different concerns in the same industry. Nor does the contention that it costs as much to live in a warm climate as in a cold one, or in the South as it does in the North, appeal to me. It just does not make sense. Everyone knows, instinctively, that that is not true. Rents are higher and fuel costs more in the North. Snow plows and winter overcoats are necessities in the North. They are more than useless in the South. Furthermore, everyone knows from his own personal experience, that he is more efficient and can accomplish more on a cool day than he can on a hot one. For one, I have no disposition to be a party in the passage of legislation to punish any section of the United States or to tell it how it must conduct its business and I have no thought that any such legislation, if passed, will succeed. The northern industrialist who advocates this legislation as a protection to him against southern competition may well be asked what has become of his criticism and bitterness against regimentation.

Labor is by no means united in support of this bill, any more than it was in support of the bill which was before the House in December, as is indicated by the fact that some units of the American Federation of Labor have gone on record against it in spite of the recommendation of their national officers for it.

This legislation will weaken organized labor and the cause of collective bargaining. Restore prosperity and the labor unions will take care of wages and hours, instead of a paternalistic government fixing them at a point far below a living standard. When times are good there is no trouble about wages. The minimum fixed in this bill would be ridiculous in prosperous times, when the cost of living is higher and the necessities of life are moving at a high dollar cost.

What labor wants and is entitled to is a fair division of profits, whether times are bad and wages low or whether times are good and wages are higher.

Organized and skilled labor, especially, should keep in mind that the passage of the legislation will reduce the wages of more people now employed than it will raise. Whether the minimum becomes the maximum or not, the tendency is bound to be in that direction. We are told that 96 percent of industry in the United States now pays more than the minimum fixed in the bill for the first year. Why fix a wage below what American labor receives today?

This legislation will further disturb business and postpone the time when the great mass of unemployed will be able to get jobs and back to work in private industry. It has already had its effect in that respect.

It will not do away with the chiseler. It will only enable him to cite the law in justification of his chiseling.

It will not benefit anyone in Michigan. We have no sweatshops nor child labor in Michigan.

With a world in want, it proposes to put a further limitation on production.

It will have no material effect upon the big employers of labor anywhere, such as the United States and other steel companies and the automobile industry. The burden of it will fall upon small business, which is already having all it can do to keep going. What effect will a law fixing a minimum wage of 25 cents or 40 cents per hour have on the Ford Motor Co., for example, that maintains a minimum wage of $6.00 per day? Big business, if it wants to run more than the maximum hours can do so without increasing wages or its weekly pay roll one iota, by the simple process of reducing the hourly wage for 40 hours enough to enable it to pay one and one-half for as much overtime as it cares to run. The wage and hour provision of the bill are meaningless as far as big business is concerned.

No adequate study has been made of the ultimate effect of the legislation to justify its enactment into law at this time. No one knows or has any reasonable idea how many employees it will affect or how much it will disturb our whole economic and industrial system.

Mme. Perkins, speaking over the radio a few days ago of the estimates of the Department of Labor, had this to say:

> Our calculations concerning the number of persons who would be affected by wage and hour legislation have been based upon the assumption that business activity will return to the level of the summer of 1937, and upon the minimum of 40 cents per hour and the maximum of 40 hours, which will eventually be reached under the present proposal.

Since the summer of 1937, 4,000,000 people have lost their jobs and this bill for the first year fixes a minimum wage of 25 cents per hour, not 40 cents, and a maximum workweek of 44 hours, not 40 hours. Mme. Perkins makes no attempt to estimate the number that will be affected under conditions as they exist today under the provisions of this bill for the first year providing for 25 cents per hour and a 44-hour week.

It is said that the committee substitute now before the House was drafted in the Department of Labor and that it was not considered or discussed more than 1 hour by the whole Committee on Labor of the House before it was reported out.

It should be recommitted to the committee for further study and consideration at a more opportune time.

Few men in this House have supported as much labor legislation as I have and let no man say that I am not a friend of labor or the man who works because I am not in favor of the passage of this legislation now. No one can get away with any such statement. I am a better friend of labor in opposing this legislation than are those who are advocating its passage as time will show. [Applause.]

Mrs. NORTON. Mr. Chairman, I yield 2 minutes to the gentleman from Michigan [Mr. RABAUT].

Mr. RABAUT. Mr. Chairman, when my colleague from Michigan, Mr. MAPES, across the aisle, undertakes to speak for the whole State of Michigan, it seems proper that one on the Democratic side should take the floor in defense of the wage and hour bill. There was a time years ago when you stood at your mother's knee and you thought something of the phrase: "Do unto others as you would have them do unto you." It has been amply said here this afternoon that this legislation will provide a minimum of $2.75 a week for each member (four in a family) on which to subsist. Yes, $11 a week is the minimum-wage provision set in the proposed legislation, yet my colleague says "the people of Michigan are sick of it." I cannot let that statement go unchallenged, for I, too, represent some of the people of Michigan, and while to many in my district the passage of this legislation will mean nothing personally to them, nevertheless I feel that from a broad point of view they, too, still remember and believe: "Do unto others as you would have them do unto you."

My colleague refers to the bill as "theoretical." Yes, theoretical; except to those suffering without its provisions. I differ with his statement as to labor's position on the bill, for it is my distinct understanding the two major labor organizations have approved the measure. As to his reference to the "chiselers" I bid him regard his words as a consolation to them as compared to my vote.

Mr. Chairman, when the wage and hour bill was pending before the House during the last session I put in the RECORD a statement showing how many automobiles were bought in States where the wages are low. I also placed in the RECORD a statement showing the amount of material bought by automobile companies from those same States. There is no ratio at all between the two purchases. The purchases made by the automobile people are far greater than those made by the buyers of its product in the low-pay wage States. Therefore an injustice is done to many in the industry—the owners of the industry, the workers in the industry, and, indirectly—because of State relationship—to the Nation itself.

Mr. Chairman, there can be no argument about this bill. It is a bill that needs the downright, sound attention of a nation and it needs it now. There is nothing to the gentleman's statement "this is not the opportune time." In legislative bodies you have had that argument for years, and you will continue to have it until the rocks, worn with age, crash at Niagara Falls. [Applause.]

[Here the gavel fell.]

Mr. WELCH. Mr. Chairman, I yield 5 minutes to the gentleman from Wisconsin [Mr. SAUTHOFF].

Mr. SAUTHOFF. Mr. Chairman, I am in favor of the wage and hour bill and shall support it even though some of the amendments that I hope will be adopted are not favorably received. I am in favor of the Coffee and Biermann amendments and trust that they will be adopted. In addition to the ills which these amendments seek to remedy, I find another weakness in the bill which I desire to call to the attention of the Committee.

As I listened to the arguments of those opposed to this bill—unemployment, the "little fellow," and the threat that the minimum wage will become the maximum wage—my mind went back some 25 years to similar arguments advanced in my own State of Wisconsin when we passed the Workmen's Compensation Act and the Minimum Wage Act. None of the dire prophecies uttered at that time came to pass. In fact, my State can challenge comparison with any State in the Union on labor matters.

I was also reminded of the fact that a few days ago, when the legislative expense appropriation bill was up, I offered an amendment that instead of 20 cents per mile each Member be paid only his actual expenses. On that amendment I received only a handful of votes. Imagine my surprise when I see some of the gentlemen who voted against my mileage reduction now taking the floor and vigorously opposing the proposal to give $11 for a week's wages. Plenty for themselves, but a pittance for the underpaid.

Section 6, on page 53 of the bill, empowers the Secretary of Labor to issue an order declaring what industries affect interstate commerce. Such order shall take effect not more

than 4 months after it is issued. Now let us examine the practical application of such a procedure. It will take the Secretary 4 months, if not 6 months, to make out a list of industries affected by this bill. Any industry feeling itself aggrieved may, of course, ask for a hearing, and after such hearing is heard, and the decision is adverse to the industry, it may go into the courts and may by various legal processes delay the full operation of the wage and hour bill in that industry for a year or two.

In order to prevent such a defeat of the objects and purposes of this legislation, it is my suggestion that the bill apply to all industries engaged in interstate commerce, as set forth in section 6. It might be advisable to set up a percentage basis because we would not want to define interstate commerce as applying to the weekly newspaper, which sends perhaps only 5 percent of its product across State lines. If we had such a provision there would be no delay whatever and the law would be applicable as soon as it was signed by the President. This would do away with the delay now set up in section 6.

In addition to the foregoing, I have one other recommendation which pertains to the evil of dragging out these cases through a long, legal procedure. In low-wage industries the pay-roll turn-over is very large. Many of these transient employees have not sufficient money to maintain themselves while litigation is in progress. Lay-offs are frequent and naturally this shifting population goes from place to place wherever a job is obtainable. As a result, when the litigation is finally disposed of, even though it is adverse to the industry in question, nevertheless it avoids proper payment to many of these employees because they have drifted away and their addresses are not furnished. Therefore, I suggest that as a condition precedent to the right to hold up any wage payments under this act, the industry taking the appeal be required to pay into court, weekly sums sufficient to take care of its employees adversely affected. This will guarantee some measure of security to the employee and also will point out quite forcibly to the employer that he cannot side-step his duty to society by resorting to a legal subterfuge. Of course, I appreciate that there are industries that will have a proper legal claim to be exempt from the provisions of the law and that no hardship should be imposed upon them, but I am satisfied that the court will properly impound these funds and in the event that the industry is successful in its action, the money will be returned intact to the proper officer of such industry, and as a result no honest employer with a sound legal claim will suffer any damage; while on the other hand, the industrial sharpshooter and chiseler will be balked in his efforts to cheat his employees out of their rights. [Applause.]

Mrs. NORTON. Mr. Chairman, I yield 3 minutes to the gentleman from Pennsylvania [Mr. GILDEA].

Mr. GILDEA. Mr. Chairman, it is my understanding that tomorrow when this bill is read under the 5-minute rule, the gentleman from Georgia [Mr. RAMSPECK], who is chairman of our Labor Subcommittee, will offer an amendment substituting for this bill the subcommittee bill. I am hopeful the members of this committee will give serious consideration to Mr. RAMSPECK's substitute bill.

A determined effort will be made to stop all amendments. That is the announced program and apparently the bill will go through as scheduled.

I said before the Committee on Rules and before the Committee on Labor, when we put enforcement in the hands of the Department of Justice we are doing something that to my mind is contrary to all labor efforts down through the years. Labor has always fought injunctions. Enforcement by the Department of Justice of all provisions of this bill may turn out to be legislative injunction. It has been my contention that with enforcement of the wage-hour bill in the hands of the Department of Justice, a labor organizer going into unfriendly territory will be told, "Get out or go to jail." Labor organizers will be told "we have no need for labor organizers—we have Federal law governing the hours to be worked and the rate to be paid."

By unfriendly territory I do not infer the Mason and Dixon's line to be the equator between friendly and unfriendly. Pennsylvania has had its Hershey, New Jersey is still afflicted with Hagueism, and Florida just this last week put three labor organizers—a woman and two men—in jail for no other offense than because they sought to add 1 cent per box to the 4 cents workers were being paid to pack tomatoes.

It seems unbelievable but I want to read into the RECORD the instance as recorded in the current issue of Labor—official organ of 15 recognized standard railroad labor organizations. In the issue of Thursday, May 24, 1938, we find under a two column front page head this article:

YEAR JAIL SENTENCE PENALTY FOR ORGANIZING IN FLORIDA—ATTEMPT TO ADD A PENNY TO WAGES OF LOW-PAID WORKERS CALLED CONSPIRACY BY COUNTY JUDGE; TESTIMONY OF EMPLOYER JUSTIFICATION FOR HARSH SENTENCE

BRADENTON, FLA., May 19.—It's a crime, punishable by a year's imprisonment at hard labor, for trying to unionize low-paid workers in this vicinity.

County Judge Sam J. Murphy has just imposed that sentence on three workers—a woman and two men—who were leaders in a newly organized A. F. of L. local union for agricultural workers. They were arrested when they began a movement to secure an increase of 1 cent a box on the 4 cents workers were being paid for packing tomatoes.

The original charge against them was "conspiracy to organize." This was changed to "conspiracy to prevent divers persons from going to work," after local authorities had been reminded that the Wagner-Connery labor-relations law guarantees the right of organization to all workers.

Virtually the only evidence against the union leaders was the testimony of an employer that the trio were "leaders in agitation" for the 1-cent pay raise, and that a woman employee had been made nervous when approached to sign a petition for the increase.

Pending the outcome of habeas corpus proceedings, the three defendants are held in jail in default of $350 bail each.

Mr. Chairman, in asking support for the Ramspeck amendment, I do not base the request solely on objections to Department of Justice enforcement. In my estimation the setting up of a commission or five-man board to have complete jurisdiction over the whole problem of wages and hours, to establish rates on the value of service rendered, to regulate hours with a view to the economic problems involved—these are the paramount questions at issue. They will not be solved by an inflexible act of Congress, and we must not delude ourselves into believing that passage of this bill will automatically settle controversies that have disturbed this country since industry took over the regulation of our national living conditions.

Forty-four hours per week at 25 cents per hour will give a weekly wage rate of $11 per week to full-time workers coming within provisions of the bill.

A Pennsylvania survey of over 170,000 cases of direct-relief grants in July 1936 showed that more than 29 percent of the cases were receiving grants-in-aid of wages. A large proportion of these workers had full-time employment. Average full-time earnings amounted to less than $11 a week in more than half the cases, while over 10 percent of the cases had full-time earnings of less than $7 a week.

To aid the submerged wage group by setting a minimum standard of wages, to spread employment by establishing maximum hours beyond which industry cannot work its employees, to eliminate for all time child labor—these are the purposes of the pending bill. My vote will be recorded in favor of its passage.

Believing its administrative features to be almost as important as the bill itself, I intend voting for the Ramspeck substitute, and I am hopeful when that amendment is offered the North will forget all sectionalism and support a sincere effort on the part of a most distinguished Member of the House, the gentleman from Georgia, who is determined to write the best bill that can be written for all sections of the country. Tomorrow I hope all true friends of wage-hour legislation will prove their friendship by supporting the Ramspeck amendment.

Mrs. NORTON. Mr. Chairman, I yield 1 minute to the gentleman from New York [Mr. MEAD].

Mr. WELCH. Mr. Chairman, I yield 5 minutes to the gentleman from New York.

Mr. MEAD. Mr. Chairman, I should like a larger allotment of time to discuss the fundamental and underlying question at issue today. However, in the brief time allotted to me, I wish to express the thought that I believe every Member of Congress can vote for this bill, feeling deep down in his heart that if he does so it will result in an improved economy throughout the country as well as in his own district. The Nation's economy is like the anatomy of the individual. If it is sick in one of its various essential organs, it is sick all over. If a part of the body of an individual is weak or suffering, that individual is suffering all over. Therefore, in view of the fact that this country of ours is suffering from a widespread epidemic of unemployment, any attack upon that evil is bound to result in much good not only to the sections that may be suffering most but to the entire United States.

It is difficult for many men whose economic education takes root away back in the crude tool period of insufficiency and whose philosophy is grounded in the philosophy of the rugged individualist to understand the need for such a bill as this. In that early period of our country's existence it was difficult for mechanics and workingmen to produce with crude tools sufficient to give all the people of the United States the necessities of life, but such a man does not realize, unfortunately for him and for our economy, that we are living in an age of abundance, that the distribution of our devastating surpluses is the crying need of the hour, and that these destructive surpluses, such as cotton and wheat, can be distributed only when the country is free from the economic paralysis that exists in industry today. If my State of New York is prosperous, it is because it is the best market on earth for the cotton of the South and the wheat of the West, and if the great cotton-growing States of the South and the wheat-producing areas of the West are enjoying prosperity, then the businesses of the industrial sections of the country will likewise enjoy a wholesome economy. In the crude-tool period of our Government's history there may have been some justification for long hours and low wages, because under those conditions a meager sufficiency of essentials could have been produced for distribution among the people of the country.

As this is but a minimum-wage and a maximum-hour bill, differentials are not a consideration.

Differentials will exist due to demands for labor, due to the effectiveness of labor organizations, and for other causes.

However, in a modest proposal such as this, a wage differential as well as an administrative board are not required.

Today, due to the operation of the uncanny machines that engage in the production of articles, long hours and low wages cannot be justified, because we have a surplus of every known and essential commodity. We could feed and clothe 200,000,000 people, and the fact that millions of our people are unable to buy when we have everything to distribute is the shame of the age and must be corrected by legislation such as that which is now before us. [Applause.]

Mrs. NORTON. Mr. Chairman, I yield 4 minutes to the gentleman from Ohio [Mr. DIXON].

Mr. DIXON. Mr. Chairman, as I stand before you today I can say that I attended all of the hearings before this committee with our good pal, Billy Connery, who has passed away, and his successor as chairman of the Labor Committee, Mrs. NORTON.

Something has been said here about Mme. Perkins and reference has been made to her being a lady. I want to tell you that if it had not been for that grand lady who is chairman of this Labor Committee I am fearful we would not have a labor bill before us here today. [Applause.] Her trials and tribulations have been something terrible. You have received letters from your district, but I want to tell you that you have not received anything like the letters she has received. She has steadfastly held to her job and has brought this bill before you today.

Mr. Chairman, it is a sad story when we think of the South and the East and the North and the West being in some kind of a controversy here. When we were having our meetings the North was there, the South was there, the East was there, and the West was there. There was no one who made application to come before the committee who was not heard. We did everything we could possibly do, and I can tell you now that the gentlewoman from New Jersey, the chairman of our committee, deserves the congratulations of the poor people throughout the length and breadth of our land whom we are trying to help, because it has been with her help that we have been able to bring this measure to you.

So I am anxious that you be very careful because there are going to be some damnable amendments offered here today, and if you permit those amendments to be put on this bill you are going to be responsible for allowing it to be killed the same as they killed it before. So be on your guard. If an amendment is something that you think is going to be for your district, but is going to hurt the bill, be a man and vote it down. [Applause.]

Mr. WELCH. Mr. Chairman, I yield 10 minutes to the gentleman from New York [Mr. FISH.]

Mr. FISH. Mr. Chairman, this is a fair, a just, and a humane proposal. [Applause.] I do not care what the attitude of the President is, it is the duty of Congress to legislate and it is the duty of the President to carry out the laws enacted by Congress. I have heard it claimed that this was the President's bill. That is not an accurate statement. This bill was sponsored by the American Federation of Labor and was opposed by President Roosevelt. The President sponsored the original bill setting up a commission that was defeated in the House. In speaking in opposition to that bill, the original wage and hour bill, on February 6, 1938, over the radio, I stated:

> I hold the President strictly responsible for blocking wage and hour legislation by law and insisting that the Congress create more bureaucracy and virtually turn the entire control of labor and industry over to the Chief Executive through his appointees. Both labor and industry are opposed to such control and regimentation. If President Roosevelt will withdraw his demand for a board or commission to control hours and wages, the Congress could put through, without further delay, legislation establishing minimum wages and maximum hours by law, as advocated by the American Federation of Labor. Failure to enact that type of legislation rests squarely with the President and not with the Congress, which is ready to legislate.

I made this statement over 3 months ago. It was an accurate statement at that time and it is still an accurate statement, and yet there are those who are trying for partisan reasons to give the President credit for this bill. This ought to be a nonpartisan measure. It is a humanitarian proposal. It crosses all party lines. By no stretch of imagination or New Deal propaganda can the President claim authorship of the present uniform wage and hour bill. Although President Roosevelt has been acclaimed as being friendly to labor, I believe he is solely responsible for the present depression through his economic fallacies which have destroyed business confidence and caused tragic unemployment and destitution among 13,000,000 American wage earners, and that he has done more harm to both labor and the country than any other President in our history.

However, that is not the issue. The issue before the Congress is whether you are or are not in favor of the new wage and hour bill. The present bill, as written, sets up a uniform standard of hours and wages throughout the Nation, by law and not by bureaucracy.

We must not forget that this is exactly the bill that a few months ago was turned down when it was offered as a substitute for the Roosevelt commission bill, and I reiterate that those of us who opposed the commission bill then will continue to oppose it in whatever form it may be brought up. We opposed it on the fundamental grounds that we are against any further regimentation, further bureaucracy, further centralization and control over industry and labor. We are opposed to giving the President any additional power to control through Executive orders either business or labor.

As far as the Republican side of the House is concerned, we are ready and willing to take back some of the powers that have been already conferred upon the Chief Executive by the Congress and thereby restore representative government as soon as possible. There is a misunderstanding back home, not in the Congress, but among the people, who still think that this bill sets up a commission. It does no such thing. The original bill would have established a commission and created a superbureaucracy by giving it a strangle hold over labor and industry. It concentrated more power in the hands of the President and would have set up additional New Deal regimentation by bureaucratic edicts and administrative agents.

Under the new bill wages begin at a minimum of 25 cents an hour and go up to 40 cents over a period of 3 years. The same thing is true in regard to the hours of labor, the hours beginning at 44 and going down to 40 in 3 years' time. It sets up certain definite standards throughout the country by way of uniform law and uniform legislation and I do not know any bill in many years that I have supported in this House to which I have given my support with more real satisfaction, more genuine conviction, and more absolute appreciation of the justice of the proposal and that I am doing the right thing, not only by my constituents, but by all the American people, labor and industry alike. I realize that in the South they have different problems and that they know their problems there far better than we know them in the North, but I cannot understand how anybody from the North, whether he be Democrat or Republican, can oppose this bill, establishing minimum wages of $12 a week and maximum hours of 44 hours, going down to 40 hours in 3 years, and going up in wages to $16 a week in the same period. The gentleman from New York [Mr. MEAD], who has been a champion of labor for many years in the House, very properly said that we are a great and rich country.

I believe that this is the greatest country in the world, and that if any country is worth living in it is the United States of America, but it must be worth living in for all of our people, not for just a few of us or for you and me who have $10,000 salaries as Members of Congress. Speaking for myself, I have never known want, I have never gone without food, I have never had to struggle for a home or shelter and clothes, but there are two or three million American citizens who are just as good as you and I who today are not getting the necessities of life and who are working for starvation wages at long hours, destructive of both their happiness and health. I say to this House that if you desire to combat communism and radicalism, then you should support this kind of humanitarian legislation providing a square deal and social and industrial justice for the two or three million wage earners who are not getting a square deal today. This bill seeks to put an end to sweatshop wages and hours and to intolerable labor conditions in certain factories, mills, and mines doing interstate business where employees are working long hours and getting starvation wages. I do not propose by my vote to condemn these two or three million industrious and loyal American citizens to a continuation of poverty, squalor, destitution, undernourishment, and long hours. We have by this bill a chance to strike a blow for social and industrial justice and a square deal for labor in America, and I hope it will be done regardless of party lines, and regardless of sectional lines. I say to you people from the South, this is not an agricultural bill. This bill only affects interstate commerce, and the wage earners in factories, mills, and mines. The South will be much better off when you pay a minimum wage of $16 to your wage earners in your mills and factories. This is not sectional legislation. Every State in the Union today is accustomed to free trade among the States, but how can you continue to have free trade if some of the States pay wages of less than $12 a week and others have humane standards of wages. If you people in the South will not put your house in order by establishing minimum standards of wages and maximum hours for interstate commerce then we in Congress propose to legislate in this bill and give you 3 years in which to put your economic house in order.

There is one thing that I want to call to the attention of the Democratic side of the House and I know that it will not be palatable. I believe this bill will be enacted into law almost as it passes the House of Representatives, not as the gentleman from Texas [Mr. DIES] said. I do not believe it will be rewritten and patched up in the Senate.

This bill is fair, equitable, and just, and I believe it will pass the Senate by the same majority that it passes the House, but once the bill is enacted into law you on the Democratic side will have to follow it up with adequate tariff protection. You cannot permit the low-priced and cheap-labor goods of Europe and Asia to be dumped into the American markets to take the jobs of those American wage earners who are now being poorly paid, who will continue to be poorly paid even under this bill. You cannot crucify honest and industrious, patriotic and loyal American labor on a cross made by the cheap, sweated labor of Europe and Asia, out of the cheap and sweated commodities of Europe and Asia. Our American wage earners must have adequate and proper protection against these low-priced goods that will be dumped into America once this bill goes into effect. Let me, on the other hand, call attention to those friends of labor who may seek to increase this bill to 40 cents an hour and 40 hours a week immediately, that if they bring in that kind of an amendment to this compromise American Federation of Labor bill, they will be doing a disservice to labor, and the friends of labor in this House should vote such amendments down. Anyone who introduces that type of amendment under the circumstances is doing so only for home consumption and for his own political advancement and against the interests of labor. I hope all such amendments will be voted down and that all the friends of labor who want to provide a square deal for our wage earners and for social and industrial justice will vote for the passage of the Norton wage and hour bill setting up a uniform standard of wages and hours throughout the Nation. [Applause.]

The CHAIRMAN. The time of the gentleman from New York has expired.

Mrs. NORTON. Mr. Chairman, I yield 5 minutes to the gentleman from West Virginia [Mr. RANDOLPH].

Mr. RANDOLPH. Mr. Chairman, there are reforms in legislation which come about quickly and there are those which come about slowly as the mills of the Congress grind year in and year out here at the Nation's Capital. Certainly here is a reform from the standpoint of humanitarian legislation which is long overdue by direct action of the Congress of the United States in attempting to fix wages which are right and hours which are right, and working conditions which are right for the masses of those who are underprivileged in industry in this country.

Stripped of all its technical verbiage; stripped of all its coloring, this proposal brought to the floor by the House Committee on Labor simply defines oppressive child labor and substandard labor conditions. What does this measure that we are considering today propose? It simply proposes that we forbid the employment of children under 16 in industry and there is regulation for those between the ages of 16 and 18 in hazardous industry and enterprise. We attempt a fair and just regulatory provision to take care of that group. It also prohibits the payment of less than 25 cents an hour in the first year, 30 cents an hour in the second year, 35 cents an hour in the third year, and 40 cents an hour as it goes into operation thereafter. In the next place it prohibits employment for more than 44 hours a week in the first year, 42 hours in the second, and 40 hours thereafter. Lastly, it provides for simply the enforcement of the provisions of this measure through the Federal courts of the country.

When the wage and hour bill was before us last December there were those Members who stood on this floor and opposed its provisions because they said it was a further delegation of authority and that it made for added

bureaucracy and that it provided for the seizure of factory records and the policing of factory premises. Those who opposed the legislative proposal on that score, when it was being considered here before, cannot in all justice to the pending measure oppose it for those reasons now. Certainly the Congress of the United States, acting upon a bill which brings the issue clearly before us, cannot base its opposition to this measure upon the charges of bureaucracy, delegation of power, and unfair seizure which was written according to the opponents of the other bill into the previous measure which was recommitted to the House Committee on Labor.

I say to the Members this afternoon that certainly we as legislators, not only for the districts we represent but as legislators for the Republic at large, cannot fail longer in our obligation to the millions of men and women—and remember a large percentage are women—who are laboring today under sweatshop conditions not alone in the Southern States but in the North, East, and in the West as well. We certainly, as Members of Congress, will not allow this opportunity to go by without saying by our voices and our votes that the intolerable conditions existing in industry today shall be wiped out regardless of any sectional issue which is raised upon this important matter. [Applause.]

Passage of this measure will bring about no dislocation of business and industry. The minimum-pay scale starts at the very low figure of $11 a week for the first year, $12.60 for the second year, $14 for the third year, and $16 thereafter. Those industrialists who desire to pay decent wages must not continue to be subjected to unfair competition brought on by sweatshop conditions with substandard pay.

The editor of the Charleston (W. Va.) Gazette has well said in an editorial of a few days ago that—

> No lasting prosperity, no real sound economic system can be built upon the foundation of low wages. To restrict sharply the wages of those who are your customers is silly on the face of it. Cheap wages never have brought real prosperity and they never will.

The present administration has an obligation to bring about enactment of a wage and hour bill. It is gratifying for me, as a member of the Labor Committee of the House, to find today the membership of this body, regardless of party or section joining forces to write into the law of the land this badly needed social and humanitarian legislation. [Applause.]

Mrs. NORTON. Mr. Chairman, I yield 1 minute to the gentleman from New Mexico [Mr. DEMPSEY].

Mr. WELCH. Mr. Chairman, I yield 2 minutes to the gentleman from New Mexico [Mr. DEMPSEY].

The CHAIRMAN. The gentleman from New Mexico [Mr. DEMPSEY] is recognized for 3 minutes.

Mr. DEMPSEY. Mr. Chairman, I am certain there is not a Member of this House who thinks that 25 cents an hour is too high a wage for any industry. I believe also that, in view of the unemployment situation as it exists today, 44 hours a week is certainly sufficiently long to work any employee.

The bill we are now considering can be a great boon to the country or it can work a great injury to the Nation, depending entirely upon the manner in which it is administered. No matter what we write into this bill, if improperly administered, it will be a failure. The great fear I have heard expressed does not exist with persons or concerns engaged in interstate commerce but is felt by small business concerns who feel that they are going to come within the provisions of the bill, when, as a matter of fact, I find on accurate information from the committee they will not be affected at all. The owners of small business houses are not afraid of the wage provisions, not afraid of the hour limitations, but they are afraid of the tremendous amount and prohibitive cost of the bookkeeping and records involved—matters with which they are unfamiliar.

That is what really is feared. I have taken this time, not to make a speech on the bill but to ask the chairman of the Committee on Labor, who is thoroughly informed on the measure, one or two questions with reference to how it will affect local people and concerns or those engaged purely in intrastate business. May I ask the gentlewoman from New Jersey whether by the wildest stretch of the imagination, or regardless of any possible administrative interpretations, this bill can in any way affect such business as that of the local groceryman, druggist, clothing store, meat dealer—any merchant, in fact—laundry, hospital, hotel, or even transportation companies operating solely within a State?

Mrs. NORTON. Absolutely not.

Mr. DEMPSEY. Insofar as I am concerned, that satisfies most of the complaints I have received about this proposed legislation. I think the fear arises from a misunderstanding of the bill rather than from the bill itself.

Mr. COFFEE of Nebraska. Will the gentleman yield?

Mr. DEMPSEY. I yield to the gentleman from Nebraska.

Mr. COFFEE of Nebraska. I have been unable to get time. The gentleman is familiar with the Grange amendment. Does the gentleman not feel that is quite essential to perfect this bill for the protection of agriculture and livestock producers?

Mr. DEMPSEY. I do; and I voted for the Grange amendment when the bill was last considered.

[Here the gavel fell.]

Mrs. NORTON. Mr. Chairman, I yield 15 minutes to the gentleman from Georgia [Mr. RAMSPECK].

Mr. RAMSPECK. Mr. Chairman, I would like to make it plain at the outset that my position in opposition to the committee substitute does not mean that I am advocating a differential between the North and South. As a matter of fact, in committee I declined to support a bill drafted by representatives of the administration which would have arbitrarily written into the law a differential in favor of the South. I would not vote for such legislation and I am at a loss to understand how anybody can justify an arbitrary differential based solely on a line drawn across the country. When the bill comes to the amendment stage I expect to offer as a substitute the bill H. R. 10538, which was drafted by a subcommittee of the Committee on Labor of which I had the privilege of being chairman. I am not going to attempt in the short time I have available at this time to go into a discussion of the details of that proposal. Suffice it to say that in substance it follows the line of procedure adopted by the Senate bill, which was the line of procedure adopted by the House committee last August when on August 6 it reported a bill substantially like the one I expect to propose here tomorrow.

Mr. Chairman, I contend that the present proposal is not in accordance with the request made by the President of the United States in his message to Congress dated May 24, 1937. In that message the President stated very plainly that we could not expect by one fell swoop to bring into line the low-wage conditions existing in some sections of the country with the higher-wage conditions in other sections of the country. He asked for a flexible procedure by which those things could gradually be brought together. That is the procedure followed in the subcommittee bill which I expect to offer tomorrow.

In addition, may I call the attention of the committee to the fact that with the exception of the general counsel of the American Federation of Labor no lawyer who has discussed this matter before the Labor Committee has contended that a single wage standard, such as this proposal contains, is constitutional. The present Solicitor General, Mr. Jackson, in testifying during the joint hearings before the Senate and House committees last May or June stated most positively in response to a question asked by the gentleman from Illinois [Mr. KELLER], that he doubted the constitutional power of Congress to fix a single rigid wage provision or a single hours' limitation. You will find that statement on page 1969 of the RECORD of December 14, 1937, when this bill was considered before.

You will also find in the RECORD of that day the legal brief submitted by Mr. Jackson, which discusses in detail the legal

questions involved in this proposal. We had before the subcommittee the Solicitor of the Department of Labor, Mr. Gerard Reilly, who filed a brief with that subcommittee. The substance of his opinion was that the only possible way to handle this question was by providing a delegation of power to some governmental agency. He questioned also the possibility of Congress fixing a single wage standard applicable to all industry in the various States of the Union.

We also had before the subcommittee Mr. Benjamin Cohen, a lawyer of some note, who is one of the employees of the Federal Government and is considered to be one of the most expert draftsmen in the present administration. Mr. Cohen stated in substance the same thing that Mr. Jackson and Mr. Reilly stated; that is, it was questionable whether the Congress had the power to establish a single minimum wage and a single hour's limitation. It is true that all of these lawyers stated—and it is the fact, of course, that we have no legal precedent for the establishment of wage and hour legislation by Congress. No such law has ever been attempted before, and therefore none of us can say with definiteness what the Supreme Court may do in regard to this act.

It is true, however, that we do have precedent for this type of legislation on the part of the States and in every case where there is a State law in operation the law itself does not prescribe the wages to be paid nor the hours to be worked. This power is delegated to a commission or a board under standards laid down in the act.

May I call attention to the fact that under this State-law procedure in every case that I have been able to find out anything about the results different wage scales have been prescribed for the same occupation in the same industry in the different sections of the States involved. We find also that different wage scales have been prescribed for different occupations in different industries in the same communities. It seems to me, therefore, that the experience we have with State laws, they being the only laws in existence in this country, demonstrates that we ought to pause before we adopt a rigid inflexible provision such as is contained in the present proposal.

I call your attention to the fact that in the State of New York the conditions which I have just described have resulted from the law in operation in that State, as they have in the District of Columbia from the statute which was revived last year by the Supreme Court decision in the Washington State minimum-wage law case. We find in the District of Columbia that the wage scale set was from $13.50 to $18 per week, and these wages vary according to occupations and industries. In no case has any State, as far as I have been able to find out, attempted to put into effect a single minimum-wage standard.

May I also call attention to the fact that under the Walsh-Healey Act the Secretary of Labor has fixed variations in wage scales in accordance with the authority contained in that law.

The British Government for nearly 30 years has operated under statutes providing for the imposition of minimum wages and maximum hours, and in those cases, with the vast experience of our neighbors across the water, we find they follow the technique prescribed by the Senate bill and prescribed by the substitute which I expect to offer tomorrow. In no case has the British Government attempted to fix a single wage standard for the various industries in that great country.

May I call your attention to the fact that there are varying wage scales in existence in this country. For instance, in the city of New York you will find in the five counties composing Greater New York different wage scales in existence for the same occupation in the same industry. We find differences between New York City and the smaller communities in other sections of that State. We find variations in the rentals in the different communities of the country. The Bureau of Labor Statistics of the Department of Labor states that in cities of 5,000 population and less the average wage earner making less than $1,000 a year pays on the average $11 per month for housing facilities. The same wage earner making the same amount of money in the cities of New York, Boston, Philadelphia, Chicago, and Detroit, pays on the average $23 per month for the same type of housing. It therefore follows that if you limit the wage earner in those large cities to the same figure you give in the smaller communities, the wage earner in the smaller community has a definite advantage in real wages, and we are not bringing about equality but are simply shifting the burden from one section of the country to another.

I have before me a tabulation of rents paid in various sections of the country and I wish to use one illustration to show how rents vary in different communities in the same section of the country. A wage earner in Columbia, S. C., making less than $1,000 a year, pays on the average $12.60 a month for housing. In Gastonia, N. C., about 100 miles away, but in the same general section of the country, a similar wage earner making the same amount of money gets the same housing for $7.40 per month, on the average. It is my contention that we cannot afford to disregard the practical fact that differing conditions exist in various sections of the country, and that it is impracticable to apply a rigid wage and hour provision to the whole country.

In the subcommittee bill we fix a bottom to the minimum wage which we call the weighted average wage. I should like to call your attention to the method prescribed there and how it will operate. For instance, if we have 50,000 employees in the textile industry engaged as spinners and 5,000 of them get $8 a week, 25,000 of them $12, and $20,000 of them $14 a week, the weighted average for the 50,000 employees would be $12.40 per week, which would result in a higher minimum to start with than would be the result under the present proposal of the Committee on Labor.

The way you arrive at the weighted average is to take the number having the same occupation in a given industry and multiply the number getting each wage by the wage received, and then divide the total that you get by the total number of employees in that occupation. It is my candid judgment that under the subcommittee bill I shall offer tomorrow, H. R. 10538, you would get a higher starting wage than you would under the present proposal of the Committee on Labor.

May I call your attention to the fact that last August, when the House Committee on Labor reported a provision similar to the one I am going to offer tomorrow, that bill was endorsed by both factions of labor in this country. I have in my hand, although I will not take the time to read it now, a letter signed by William Green, president of the American Federation of Labor, substantiating that statement under date of August 9, 1937. I will place that letter in the RECORD.

In addition, I have a letter dated August 4, 1937, expressing the appreciation of Mr. Green for my personal consideration of the amendments he offered to the committee and which the committee accepted.

Further, I am going to ask permission to place in the RECORD the minority report which I filed on this measure.

In conclusion, may I call the attention of the Committee to the fact that we are faced in this proposal with a problem which is more complex, in my judgment, than the fixing of freight rates by the Interstate Commerce Commission. It is my honest and sincere opinion that if we are to pass a wage and hour bill which has any hope of being successful it must be a bill which delegates authority to an independent board which can take into consideration all of the varying factors existing in the various industries and in the various sections of this country. This board must have the power, after consideration of those factors industry by industry, to fix a fair wage, one which can be paid by the employer and one which will give justice and eliminate unfair competition. [Applause.]

In his message of May 24, 1937, on wage and hour legislation, among other things, the President said:

> These rudimentary standards will of necessity at the start fall far short of the ideal. Even in the treatment of national problems there are geographical and industrial diversities which practical

statesmanship cannot wholly ignore. Backward labor conditions and relatively progressive labor conditions cannot be completely assimilated and made uniform at one fell swoop without creating economic dislocations.

With the establishment of these rudimentary standards as a base we must seek to build up, through appropriate administrative machinery, minimum wage standards of fairness and reasonableness, industry by industry, having due regard to local and geographical diversities and to the effect of unfair labor conditions upon competition in interstate trade and upon the maintenance of industrial peace.

During the hearings on the subject, the following colloquy took place between Mr. Robert H. Jackson and the gentleman from Illinois [Mr. KELLER]:

Representative KELLER. It would require very considerable time, would it not, for this Board to set the different minimums for the various divisions of our industries?

Mr. JACKSON. I suppose it would take some time. I would not know just what time it would take, but it would take time, of course.

Representative KELLER. Why not set some such minimum wage in this bill which would act as a minimum until a fair minimum wage could be established by the Board?

Mr. JACKSON. Well, if you did that you would run the risk of setting a minimum which would be in some particular case a great hardship, and of having your right to fix a minimum tested in the courts under its most unfavorable aspect as a violation of due process.

In the brief Mr. Jackson filed with the committee, among other things, were the following statements:

As President Roosevelt has stated, "Even in the treatment of national problems there are geographical and industrial diversities which practical statesmanship cannot wholly ignore." Portions of the bill relating to wages and hours would become operative as and when the Board created by the act orders their application. This bill does not plunge the Nation headlong into a rigid and widespread policy of regulating wages and hours. It permits the building up a body of experience and prevents the extension of regulation faster than capacity properly to administer is acquired. The investigations of the Board will also provide the evidence and the findings upon which the Government can rest its argument if the constitutionality of the act is assailed.

* * * * * * *

Due process is defined in respect of both Federal and State legislation in *Nebbia* v *New York* (291 U. S. 502, 525):

"The fifth amendment, in the field of Federal activity, and the fourteenth, as respects State action, do not prohibit governmental regulation for the public welfare. They merely condition the exertion of the admitted power by securing that the end shall be accomplished by methods consistent with due process. And the guaranty of due process, as has often been held, demands only that the law shall not be unreasonable, arbitrary, or capricious, and that the means selected shall have a real and substantial relation to the object sought to be attained. It results that a regulation valid for one sort of business may be invalid for another sort, or for the same business under other circumstances, because the reasonableness of each regulation depends upon the relevant facts."

If regulation may be dependent on "relevant facts" there can be no objection to delegating power to an administrative or quasi-judicial board to investigate, hear evidence, and decide those facts.

The following was submitted to the subcommittee:

BRIEF SUBMITTED BY MR. GERARD REILLY, SOLICITOR OF THE LABOR DEPARTMENT, MARCH 8, 1938

You have asked my opinion as to whether there is any authority for the view that Congress may validly enact a bill providing for a uniform minimum wage of 40 cents an hour throughout the country.

After examination of the authorities I have been unable to find any decision or constitutional law sustaining this view. Moreover, the decisions in the field of minimum wages and minimum prices create serious doubt as to whether such an enactment would be upheld in the light of the present state of the authorities.

While it may be assumed in the light of *N. L. R. B.* v. *Jones & Laughlin* (301 U. S. 1) that Congress has the power under the commerce clause to enact labor legislation with respect to factory employments affecting interstate commerce, it must be remembered that the exercise of this power is limited by the "due process" clause of the fifth amendment. This results in the same restriction upon the power of the Federal Government that the "due process" clause in the fourteenth amendment imposes upon the States.

For years the Supreme Court held that legislation providing for minimum wages or minimum prices in private industries (not publicly owned or "affected with a public interest") violated "due process" by interfering with liberty of contract. Recently the Supreme Court in two decisions which must be regarded as establishing new outposts in the permissible area of industrial regulation conceded the validity of statutes regulating price fixing (*Nebbia* v. *N. Y.*, 291 U. S. 502) and wage fixing (*Parrish* v. *West Coast Hotel*, 300 U. S. 379).

On each occasion, a divided court by the narrow margin of a 5-to-4 vote, while recognizing the general doctrine against impairment of liberty of contract, found that whatever infringement upon this right had taken place was justified by consideration of health, the preservation of life, or the protection of a business essential to the economic vitality of the State.

In other words, the Supreme Court has not as yet conceded plenary power to Congress or State legislatures to enter the field of price or wage regulation.

It should be emphasized that the statutes upheld in these two cases did not propose to fix price or wage rates in the provisions of the statute, but the power of so doing was delegated to fact-finding agencies which under the terms of these statutes were directed to establish varying prices and wage rates in accordance with the guides and standards set forth in the laws.

In the Nebbia case the Court said that its function in the application of the fifth and fourteenth amendments was to determine in each case whether circumstances vindicate the challenged regulation as a reasonable exertion of governmental authority or condemn it as arbitrary or discriminatory. "And the guaranty of due process as has been often been held, demands only that the law shall not be unreasonable, arbitrary, or capricious, and that the means selected shall have a real and substantial relation to the objects sought to be obtained. It results that a regulation valid for one sort of business, or in given circumstances, may be invalid for another sort, or for the same business under other circumstances, because the reasonableness of each regulation depends upon relevant facts" (p. 525).

Assuming that Congress passed an act fixing a single inflexible minimum-wage rate and a maximum workweek, upon what "relevant facts" could they be sustained when applied to the various localities, industries, and classes of workers of the United States? It would seem that most factors, such as "cost of living" or "value of services," set forth as standards for minimum wages in pending legislation may vary with localities and industries. If these factors do differ substantially with localities, industries, and classes of employees, a uniform and inflexible wage rate may deny some employees the necessities of life and grant luxuries to others. Such a wage rate, while uniform in amount, would be unequal and discriminatory when transiated into "living wage." If the purpose of minimum-wage legislation is to assure all employees a "living wage," it is more important to secure uniformity in "real wages" rather than "money wages."

Furthermore, if an inflexible wage law had the effect of establishing a minimum wage for a substantial number of workers which could be shown to be in excess of that required for cost of living, it is doubtful whether there is any authority in the recently decided case of *West Coast Hotel Co.* v. *Parrish* to sustain it. The decision sustained a minimum-wage statute for the State of Washington which directed the Industrial Welfare Commission "to establish such standards of wages * * * as shall be held hereunder to be reasonable and not detrimental to health and morals, and which shall be sufficient for the decent maintenance of women." In commenting upon the statute, the Chief Justice who wrote the opinion stated:

"The legislature was entitled to adopt measures to reduce the evils of the 'sweating system,' the exploiting of workers at wages so low as to be insufficient to meet the bare cost of living, thus making their very helplessness the occasion of a most injurious competition."

And further:

"The exploitation of a class of workers who are in an unequal position with respect to bargaining power and are thus relatively defenseless against the denial of a living wage is not only detrimental to their health and well-being but casts a direct burden for their support upon the community. What these workers lose in wages the taxpayers are called upon to pay. The bare cost of living must be met" (p. 399).

There is nothing in the decision which indicates that the State of Washington would have been at liberty to fix a minimum wage in excess of that which was needed for "cost of living."

Moreover, the Chief Justice observes that minimum wages under the Washington statute are fixed in consideration of services performed and often full consideration by employers, employees, and the public. (See p. 396.)

The dissenting opinion in the case of *Morehead* v. *N. Y. ex rel. Tipaldo* (298 U. S. 587) must also be considered in connection with this question—the case in which the minimum-wage law for women in the State of New York was held invalid. The reasoning of the dissent written by Chief Justice Hughes and concurred in by Brandeis, Stone, and Cardozo upheld the statute because minimum wages were to be based upon two standards, one of which was the "reasonable value of service performed."

This minority opinion is now of utmost importance since the reasoning of the dissenting judges was used in part to sustain the Washington statute in the Parrish case.

Another aspect of Supreme Court history on the minimum-wage question which is not without significance is that after the doctrine of the Adkins case had been established an Arizona minimum-wage act was considered by the Court in the case of *Murphy* v. *Sardell* (269 U. S. 430). Unlike the District of Columbia statute which had been invalidated in the Adkins case, this act instead of creating a board to set wages, fixed a uniform minimum of $16 a

week. It was therefore argued that this statute was distinguishable from the one reviewed in the earlier case. The Court, however, in a memorandum opinion held this statute also invalid, and an Arkansas statute, similarly drafted, suffered the same fate a year later (*Donham* v. *West Nelson Mfg. Co.*, 273 U. S. 657). Yet when the Supreme Court specifically overruled the Adkins case last year, it did not overrule these two cases. Therefore it may be that these cases are still regarded as law by the Court today—an influence which is strengthened by the fact that Mr. Justice Brandeis was the only member of the Court to vote a dissent in these two cases, although there had been a dissenting minority of three (not including Brandeis) in the Adkins case.

Mr. Reilly made this statement to the subcommittee:

MR. GERARD REILLY, SOLICITOR OF THE DEPARTMENT OF LABOR

Mr. Reilly expressed himself in agreement with the preceding testimony of Mr. Ben Cohen. He added the following statements:

1. The only case that has ever been passed on by the Supreme Court in which a flat minimum was established was the Arizona minimum-wage case and that was ruled on adversely. When the Supreme Court overruled its decision in the Washington minimum-wage case they did not expressly overrule the Arizona case so that it is presumed that they did not mean to do so; in other words, that the establishment of a rigid minimum is still unconstitutional. However, of course, this can only be presumed but it is the only basis anyone has in trying to establish or determine the constitutionality of a rigid minimum if argued on these grounds. There is really no precedent which has been upheld for a rigid minimum-wage law. It is as yet untouched ground.

2. There must be some provision in the bill for its enforcement and administration. No law ever enforced itself. Even giving the right of complaint to employees and employers and unions is not effective. This has been proven in the enforcement of the Walsh-Healey Act. Ninety percent of the violations of this act have been reported by investigators of the Government and only 10 percent by individuals acting under the right given them in the statute. In many cases these inspectors were those already employed by the State labor departments working in this case in cooperation with the Federal Government.

3. If the administration of the act were put in the Department of Labor as is the Walsh-Healey Act, it would be much less expensive than the establishment of a new bureau or commission or board. The Walsh-Healey Act, covering contracts of more than $300,000,000, has cost only about $300,000 to administer.

4. There is little or no legislative history in the States for a graduated minimum-wage scale. Its principal difference with a rigid minimum is the immediacy with which the minimum would be reached. This would be new ground in principle, legislatively speaking. There would also be this difficulty that the bill on which Congress held hearings is in no way like this type of legislation. In reviewing a case the Supreme Court often goes to the hearings held before Congress to determine what factors were actually taken into consideration. The hearings before the Labor Committee were on the establishment of a flexible minimum, an entirely different theory, and therefore would have no weight with the Court on deciding the constitutionality of the bill you propose.

The following statement was made to the subcommittee by Mr. Cohen:

TESTIMONY OF MR. BEN COHEN

Certain questions were put to Mr. Cohen and answered in the following manner:

Question. Do you think Congress can write a specific inflexible minimum wage into a bill and have it declared constitutional?

Answer. The courts have never had occasion to pass squarely upon that specific question. The Supreme Court, in the Washington minimum-wage case, upheld a flexible minimum wage which delegated to a wage board the power to fix a minimum cost-of-living wage. I think it is clear also that the Supreme Court would today adhere to the Chief Justice's dissenting opinion in the New York minimum-wage case and uphold a flexible minimum wage based upon the reasonable value of services rendered. So far as the due-process clause is concerned, therefore, we know that the flexible minimum wage is constitutional. Before the Supreme Court passes upon the issue, it is impossible to predict with absolute assurance whether or not an inflexible minimum wage established by Congress would or would not be held constitutional. Much might depend upon the particular State. The test of due process is the test of reasonableness and absence of arbitrariness, and the Court would and should undoubtedly give great weight to the judgment of the Congress.

It is true that it might possibly be argued that it is unconstitutional to fix one single minimum wage for the entire country with its diverse industries and its diverse local conditions. Still if the majority of the Congress after considering the problem decides that it is the best and most reasonable way of dealing with the situation the Supreme Court might well hesitate to pronounce unreasonable what the Congress found to be reasonable. A few extreme cases of hardship are not usually deemed sufficient to make a statute of general application unconstitutional. If the inflexible minimum wage is low enough so that it may be urged that if it provides not more than a minimum decent cost of living even in those parts of the country where the cost of living is relatively low, there should be a reasonable chance of its being upheld. I should not be prepared to say that such a bill would be held unconstitutional.

Question. Has Congress the power to delegate authority to fix wages to a wage and hour committee or board or commission providing, of course, that these committees are appointed by the administrator and take an oath of office?

Answer. I should say that I think that Congress has the power to delegate to an administrative board the power to fix minimum wages in conformity with reasonable standards laid down by Congress.

Question. Suppose Congress were to fix a bottom minimum of 20 cents and a top minimum of 40 cents and give to a commission or some other body the authority to apply this wage scale between the two figures on the basis of certain standards outlined in the bill. Would this be constitutional?

Answer. I should think that would have a good chance of standing up. Certainly the Congress should have the right to fix the top minimum standard so as to confine the bill to workers clearly in need of protection. I should think that the Congress should also have the power to fix some bottom minimum like 20 cents which is clearly not in excess of a minimum cost of living in almost any locality.

Question. Do you think the delegation of power to wage and hour committees such as those contained in the recommitted bill would be unconstitutional?

Answer. Much would depend on the form of the particular bill. In the Carter coal case the decision was based on the fact that the wage committees were designated by private industrial groups and they spoke for only factions of that industry and they based their findings on almost no standards whatever. In the recommitted bill the committees would include representatives of employers, employees, and the general public, and they would be selected by Government officials and not by private groups. Their decisions would be based on definite standards laid down in the statute and their decisions would be accepted or rejected by the Government administrator or board. I think you would be fairly safe in establishing these committees if definite standards are prescribed to control their action and if they are appointed by a Government agency which has the final word in their decision.

Question. Would we be safer with a flexible minimum, legally speaking?

Answer. It seems to be the best type of legislation in dealing with a country as large and as diversified as ours. I do not want, however, to be quoted as saying that an inflexible minimum would necessarily be unconstitutional if it were confined to workers clearly in need of the protection of the Government.

Question. Suppose Congress sets 20 cents as the basic minimum and says that over a period of a certain number of years this minimum would be brought up to 40 cents by gradual increases at stated intervals. Would this be constitutional in your opinion?

Answer. This, of course, presents the problem that in some cases the minimum wage that Congress sets would not be applicable for some years hence. Conditions may change very radically over a period of months and the industry affected might not be in a position to meet this added obligation at the stated time. It would presumably add to the uncertainty of an employer running his business. If you write this sort of bill, conditions may arise some years hence which could not now be foreseen by Congress. A gradual ascent might work greater hardship than the establishment of a flexible minimum adjustable from time to time by administrative action.

Question. Do you think that exemptions specifically written into the bill are necessary?

Answer. I think it is advisable to have some general exemptions for agricultural workers, because the very nature of the work is so different from industrial work, but I certainly do not think that the bill should be emasculated by numerous specific exemptions. There are too many exemptions in the Senate bill.

Remarks: There is a mistaken impression that a bill will enforce itself. This, of course, is not true. State experience with labor legislation has demonstrated the need of detailed administrative provisions for inspection and enforcement. If Congress thinks best it could put the administration and enforcement of the act in the Department of Labor. However, the act should provide administrative machinery for the granting of special licenses to those subject to mental or physical handicaps.

The following letter was received after the House Labor Committee reported a bill on August 6, 1937, similar to the substitute I will offer:

AMERICAN FEDERATION OF LABOR,
Washington, D. C., August 9, 1937.

Hon. ROBERT RAMSPECK,
House Office Building, Washington, D. C.

DEAR SIR: The wage and hour bill as reported by the House Labor Committee is reasonably acceptable and fairly satisfactory to labor. For that reason I am taking the liberty of writing you requesting you to support this proposed legislation when it is presented to the House of Representatives for final passage.

It occurred to me that you wished to know the attitude of the American Federation of Labor toward the wage and hour bill. In fact, a number of Members of Congress have made inquiry as to the position the American Federation of Labor assumed toward this important measure. I am therefore writing you this letter advising you of the American Federation of Labor's endorsement

and approval of the wage and hour bill as reported by the House Labor Committee.

I sincerely hope you may find it possible to vote for the enactment of the wage and hour bill into law without any substantial change in the form and character in which it is reported to the House for passage by the House of Representatives.

Thanking you in advance, I am,

Sincerely yours,

WM. GREEN,
President, American Federation of Labor.

The following letter was received after the Labor Committee had adopted certain amendments sponsored by Mr. Green:

AMERICAN FEDERATION OF LABOR,
Washington, D. C., August 4, 1937.

Hon. ROBERT RAMSPECK,
Member, House Labor Committee,
House Office Building, Washington, D. C.

MY DEAR CONGRESSMAN: I am writing to express to you my deep appreciation of the courteous and considerate treatment you accorded me when I requested of the House Labor Committee that an opportunity be accorded me to present amendments to the wage and hour bill, providing for the protection of collective bargaining and collective bargaining agreements.

Your response to my request was generous, prompt, and sincere. I thank you for the fine spirit you manifested and the fine attitude you assumed when I asked for an adjournment of the House Labor Committee for 1 day, and for the approval which you gave to the amendments to the wage and hour bill which I submitted.

Very sincerely yours,

WM. GREEN,
President, American Federation of Labor.

I include below the views filed by me on the present committee bill:

SEPARATE VIEWS ON SENATE BILL 2475

In the opinion of the undersigned, the bill being reported by the majority of the Committee on Labor of the House as a substitute for the bill passed by the Senate is not a reasonable exertion of governmental authority, but, on the contrary, is arbitrary and discriminatory. It is our opinion that it violates the due-process clause of the Constitution, and therefore will be held invalid when it reaches the Supreme Court if it should be enacted into law.

The history of minimum-wage legislation is as follows: In 1923 the Supreme Court held invalid in the *Adkins case* (261 U. S. 525) the District of Columbia statute providing for regulation of minimum wages through wage boards. Later the State of Arizona passed a minimum-wage law in a different form. Instead of creating a board to set wages the statute fixed a uniform minimum of $16 per week. In a memorandum opinion this statute was held invalid, and likewise a statute from Arkansas similarly drafted was held invalid a year later. The Arizona case is reported in Two Hundred and Sixty-nine United States Reports, page 430, and the Arkansas in Two Hundred and Seventy-three United States Reports, page 657.

Last year in the case of *Parrish* v. *West Coast Hotel Co.* (300 U. S. 379), the Supreme Court, by a 5–4 decision, reversed its previous holding in the Adkins case and specifically overruled that case. It is significant to note that the Court failed to specifically overrule its previous decisions in the Arizona and Arkansas cases.

There is only one other Supreme Court decision in the history of this type of legislation. It is the case of *Morehead* v. *New York* (298 U. S. 587). In that decision the Supreme Court held invalid a minimum-wage law for women in the State of New York. Chief Justice Hughes wrote a dissenting opinion which was concurred in by Justices Brandeis, Stone, and Cardozo. This opinion upheld the statute because the minimum wages were to be based upon two standards, one of which was the reasonable value of services performed.

It seems that this minority opinion in the New York case is now of the utmost importance, since the reasoning contained therein was in part used to sustain the Washington State statute in the Parrish case.

It must be remembered that the Supreme Court has never yet conceded plenary power to Congress or to State legislatures to fix prices or wages. The exercise of such power has been upheld in only two cases, one of which, the Parrish case, has already been discussed.

In the other case, which is *Nebbia* v. *New York* (291 U. S. 502), the Supreme Court upheld the statute permitting price fixing with regard to milk, but in this case and in the Parrish case the power to fix prices and wages was delegated to fact-finding agencies, and these agencies were directed to establish varying prices and wages in accordance with standards incorporated in the laws. The Court pointed out that such statutes must be reasonable and not arbitrary or capricious, and that the right to infringe upon liberty of contract must be justified by considerations of health, the preservation of life, and the protection of a business essential to the public.

It may be contended that the bill reported by the majority of the committee provides for uniform wages and for uniform hours and is therefore not discriminatory, but when these figures are translated into actual wages in the terms of what the dollars will buy, it will be found that the proposal does not provide uniformity in that respect.

In the Washington State case, Chief Justice Hughes based his decision largely upon the theory that a workman should at least receive the bare cost of living, and pointed out that if this was not the case, the taxpayers were called upon to pay the difference.

The foregoing is a discussion of the legal questions growing out of the due-process aspect, but we must also keep in mind the fact that before the Federal Government can regulate wages and hours the interstate-commerce clause comes into play.

In respect to this question the bill favored by the majority delegates the right to the Secretary of Labor to determine what industries shall be affected, which seems to be an unwise if not actually an illegal delegation to a single officer in the executive branch of the Government. This authority is found in section 6 of the bill. The standards prescribed upon which the Secretary is to base a decision are not sufficiently definite.

The bill reported by the majority provides for no fact-finding procedure and totally ignores the fact that in a country as large as the United States there are thousands of varying conditions to which this inflexible proposal must be applied.

For instance, the Bureau of Labor Statistics reports that in towns and villages of a population of 5,500 and less, an average monthly rental of $11 is paid by those in the income group of less than $1,000. This monthly rental shows a gradual increase as the size of the community increases, and averages $23 per month in cities having a population of more than 1,000,000. It will be seen, therefore, that although this proposal would prescribe the same minimum wage in the city of less than 5,500 population as it does for the city of more than a million, the worker in the latter city would necessarily pay more than twice as much rent per month as the worker in the small community, and therefore his real wages would be less.

Another illustration of the complexities to be faced by an inflexible statute can be had from a comparison of rents in Columbia, S. C., and Gastonia, N. C. In Columbia, the worker making from $500 to $1,000 per year will pay $12.60 per month rent, while in Gastonia a worker with the same income will pay only $7.40 per month. The worker in Gastonia will, therefore, get in actual wages an advantage of $5.20 per month over his brother worker in Columbia.

We must also consider, from the standpoint of the employer upon whom this burden is to be imposed, the cost of transportation. He must secure raw materials and his finished product must go to the market.

Fifty-one percent of the population of our country lives in what is known as eastern or official territory with regard to freight rates. Using this territory as the base for 100 the following are the average freight rates for the other sections of the country: southern, 139; western trunk line, 147; mountain Pacific, 171; and southwestern, 175.

To impose a rigid inflexible wage in all parts of the United States will unquestionably mean that some employers cannot longer compete in the eastern market where a majority of our consumers reside. That means, therefore, retirement from business, and their employees, instead of having their wages raised, will find themselves on relief.

It seems to the undersigned, therefore, that to approach a solution of this problem, we must have a fact-finding process to which Congress must delegate the power to determine what wages and what hours shall be applied after a thorough consideration of the facts. To do otherwise would be arbitrary and capricious, would be discriminatory, and would violate the due-process requirements of our Constitution.

Below I offer two editorials from the Christian Science Monitor:

[From the Christian Science Monitor of April 15, 1938]

ASSURING WAGE-LAW DEFEAT

The House of Representatives Committee on Labor has tentatively decided, according to report from Washington, to report a still further redraft of the much-redrafted wage and hour bill in which flat standards for all industries and all sections of the country would be provided, grading up by annual steps to a 40-cent minimum wage and down to a 40-hour maximum week. This is evidently in deference to the demands of the American Federation of Labor.

Of course, it does not apparently matter much what kind of wage and hour bill is written now. There is every indication that no bill of the sort can obtain a rule from the Rules Committee or the necessary 218 signatures to a petition to put it on the calendar at the present session. But if the Labor Committee wishes to make sure of a thumping defeat for the measure it could hardly do better than to take the course now reported. The attempt to impose a flat, uniform statutory standard everywhere without regard to differences of geography or between industries is so preposterous as to raise a presumption that the committee is more concerned with providing the A. F. of L. with a face-saving political slogan than it is with formulating a workable proposal.

[From the Christian Science Monitor of May 18, 1938]

WAGES OF RECOVERY

The new wage and hour bill continues to agitate Congress and country. Both parties' treatment of it gives more evidence of temporary political maneuvering than of hopeful humanitarian reform. This newspaper agrees with the general aim of putting a floor under low wages and a ceiling over long hours. But we oppose the Norton bill for two reasons: It is wrong in method and wrong in time.

Labor standards, as President Roosevelt has pointed out, should take into consideration differences in industries and in living conditions. This bill fails to do that. It fixes rigid standards which would cause unemployment at a time when more employment is desperately needed. And continued political agitation over it is most untimely when the Nation's chief need is for cooperative business recovery. Further efforts to legislate a fairer division of national income might well be suspended until the decline in national income has been reversed.

[From the New York Times of May 21, 1938]

DIFFERENTIALS IN WAGES

While neither the Department of Labor nor the supporters of the wage-hour bill in Congress have gone to any trouble to ascertain and publicize the facts, private research has made amply clear the great extent of the differentials existing in wage rates between different sections of the country and between large cities and small towns in the same section. Studies by the National Industrial Conference Board have shown, for example, that wages in the furniture business are now about 50 percent higher in the far west than in the South, while wages in the lumber industry are about 130 percent higher in the far West than in the South. Similar if less striking differentials exist in other industries. Again, within the same geographical district it has been found that hourly wages are from 15 to 35 percent lower in small communities than in the larger cities.

Nearly all the State minimum-wage laws and procedures have recognized the need of taking these existing differentials within a State into account when fixing minimum wages. In New York different minimums have been fixed for workers in beauty parlors and in laundries; and in the laundry industry itself three different minimums are fixed in accordance with the size of the town in which the laundry is located. In Illinois the laundry industry is also divided into districts, and minimum wages in effect in 1937 ranged from 23 cents an hour to 28, while 37 cents an hour was fixed in the wash-dress industry. Similar differentials could be cited from most other States that have adopted minimum-wage laws.

The principle of geographical differentials is recognized even by the Federal Government in the wage scales fixed by the W. P. A. These begin by setting up wage scales for five different classes of workers—unskilled, intermediate, skilled and professional and technical. The country is then divided into four different wage regions. Within each region itself there are five different geographical classifications depending on the size of populations of towns.

Finally, the President himself recognized the need for differentials in minimum-wage legislation in his message of May 24, 1937, originally recommending a Federal wage-hour law:

"Even in the treatment of national problems there are geographical and industrial diversities which practical statesmanship cannot wholly ignore. Backward labor conditions and relatively progressive labor conditions cannot be completely assimilated and made uniform at one fell swoop without creating economic dislocations."

Yet by imposing a flat uniform wage rate on all industries and sections, this in effect is what the House wage-hour bill proposes to do.

[From the New York Times of May 22, 1938]

THE QUESTION OF HOURS

The wage-hour bill is scheduled to come up in the House tomorrow for debate. Comment upon that measure up to now has tended to focus on the question of wage rates to the neglect of the question of hours. And yet it is quite possible that the restriction of working hours at first to 44 and at the end of 2 years to 40 a week may prove in practice much more serious in its adverse effect on recovery. The French 40-hour week, which has had a disorganizing effect on French industry, and which the parties of the left as well as of the right have been trying to circumvent in practice while retaining it in principle, ought to be a huge danger signal to ourselves. So far as the proponents of the present wage-hour bill are concerned, however, the French law and the subsequent economic history of France might just as well never have existed.

If it were now proposed that the Federal Government should restrict hours to conform with the standards adopted by the most advanced States, for the purpose of prohibiting conditions deemed to be harmful to the health or morals particularly of women and minors, the only serious question at issue would be the constitutional one of whether it was wise for the Federal Government to take over these powers. But what is actually proposed goes much beyond this. The proposed Federal restrictions are to apply not to selected industries but to virtually all of them; they are to apply to men as well as women, and they are based on a different principle. Few people argue that a 48-, not to speak of a 44-hour week, is in most industries seriously harmful to health or even to efficiency. The demand for the 40-hour week rests largely on the assumption that there is a fixed volume of production to be turned out, that there is therefore a fixed number of working manhours to go round, and that if individual hours are restricted there will be a larger number of jobs. This assumption is quite fallacious. The most probable effect of a shortening of working hours, as experience has shown, is reduced reciprocal demand and reduced national production.

The average number of hours worked per week in manufacturing industries last March, according to the figures of the National Industrial Conference Board, was 33.4. Such figures are sometimes cited to show that a 40-hour legal week could do no harm. But these hours reflect the part-time work brought about by the current depression. As they are average figures they include many 48-hour weeks, and the reduction of the latter to 44 or 40 would doubtless reduce present working hours still further. But apart from that, the short legal working week would present expansion, and the increased leisure would be dearly bought. The Brookings Institution has pointed out that even in 1929, when actual goods and services produced had a value of about $81,000,000,000 (as compared with a rate estimated at $56,000,000,000 today), great unfulfilled wants existed for the masses of people, both rural and urban. The 1929 production was accomplished on an industrial workweek which averaged close to 51 hours. Unless we can be sure of a vast increase in productive efficiency, the institution pointed out, the working week cannot be appreciably shortened without a curtailment of production, and, in consequence, without reducing consumption standards below the level of 1929. Yet we not only need to restore that unsatisfactory level of living; we need greatly to exceed it.

The House wage-hour bill, it is true, does not absolutely prohibit a working week in excess of 40 hours, but provides that hours in excess of that must be paid for at the rate of one and one-half times the regular hourly rate. For many marginal firms and others this will be equivalent to prohibition, particularly in view of the increases provided in regular hourly rates by the bill. Most of the advocates of the wage-hour bill have still to learn the simple principle that no matter how much we may increase wage rates with a view to expanding purchasing power, we will not find available in the market places the goods which minister to the satisfaction of human wants unless they are produced.

[From the New York Herald Tribune of May 21, 1938]

TODAY AND TOMORROW

(By Walter Lippmann)

THE SECTIONAL WAGES BILL

The wage and hour bill, which is now before the House, directs the Secretary of Labor to hold hearings and to decide, subject to review by the Federal courts, whether a particular kind of employment anywhere in the United States is "an industry affecting commerce." If she finds that it is, and if the circuit court of appeals agrees with her, no one may be employed at less than a minimum wage fixed in the act. At the end of 3 years he may not be paid less than $16 for 40 hours' work or less than $18.40 for 44 hours' work or less than $20.80 for 48 hours' work.

The bill is regarded with considerable favor by northern employers and workingmen in those industries, like textiles, which are in competition with the South. So much is this the case that conservative Republicans like Mr. LODGE, of Massachusetts, and Mr. DAVIS, of Pennsylvania, are in favor of it. They regard the bill as the equivalent of an internal tariff to protect northern industries by excluding the products of the cheaper southern labor from the national market.

To meet this the southerners in Congress are asking for differentials, that is, for a lower legal wage in the South than in the North. If they succeed, they will have defeated the real purpose of the bill. For the whole point of the bill is to deprive the South of the competitive advantage resulting from its lower labor costs. And, therefore, a law which fixed a higher minimum wage in the North than in the South would legalize the very thing which this bill is designed to prevent.

The sponsors of the bill should be asked to say just what they think will happen in the southern factories. Do they believe that the southern employers can pay the Federal wage and still compete successfully with the North, or do they believe that this bill will prevent them from competing? Do they think southern employers can pay this higher wage out of profits or do they think they can raise prices and still sell as many goods, or do they think southern producers will be forced to contract and will be discouraged from opening new factories in the South? Just what is the theory of the bill?

The question is important. For the South is in an earlier stage of industrial development than is the North. It has many handicaps. Since the Civil War it has been the victim of a tariff system which forced it to buy in a protected market and to sell its cotton and tobacco in a free market. Since the World War its free world market has been closing, partly as a result of the northern tariff policy. The South suffers from high railroad rates. It has not until recently had access to the private-capital market. But it has cheaper labor and this labor lives nearer the raw materials and nearer a considerable part of the national market.

If the South is to raise its standard of life, it must turn away from its dependence on the export of a few staple crops, like cotton and tobacco, and it must diversify its agriculture and develop local industries. To do this it must compete with the older and more favored industrial regions, and the one real advantage it possesses in the competitive struggle is the fact that southerners are willing and able to work for lower wages.

If this advantage is to be taken away from the South, then it seems only fair that steps should be taken to equalize conditions in other respects. The spokesmen of the South might well take the position that wages are only one factor in production. If wages are to be equalized, then railroad rates, credit facilities, interest rates, and tariffs should be equalized too, and the monopolistic prices for capital goods produced largely in the North should be broken down.

For the fact of the matter is, to put it brutally, that in the long period of Republican rule after the Civil War, the South has had the status of a colony, and the net effect of the Nation's commercial policy has been to keep the South impoverished. Tariff policy, railroad policy, the toleration of trusts and monopolies, and the concentrated control of credit have worked one and all to retard the industrial development of the South and to keep it in the position of a colony producing cheap raw materials. It seems to me the irony of ironies that a Democratic administration should be insisiting on a wage law that will place one more handicap on the South's struggle to raise its standard of life.

For let us have no illusions about it. The statistics about southern wages which horrify northern reformers represent on the whole—there are marginal cases, of course—a distinct and substantial improvement over what the South has hitherto known. The industrial wages are very low. But they are an improvement over the income that can be earned in other ways, from the eroded and depleted land and from casual labor. To forbid men to work except at a wage which protects competing northern industry is almost certainly to interfere with the struggle of the South to raise its standard of life.

This is in truth a sectional bill disguised as a humanitarian reform. It is supported in part by reactionaries who know just what it really means and in part by northern reformers who have never been in the South or have never grasped the tremendous problems which the South has been left with as a result first of the Civil War, and its aftermath of reconstruction, and then of the World War, and its aftermath of economic nationalism.

In conclusion I include a statement I recently prepared for certain newspapers explaining my views on this question:

WAGE AND HOUR LEGISLATION

(By Representative ROBERT RAMSPECK, of Georgia)

On Monday, May 23, the House of Representatives will be faced with a choice as to the type of legislation it shall adopt dealing with minimum wages and the regulation of hours throughout the United States.

The choice will be made between two different proposals which present differing philosophies, both economically and legally.

The Norton bill, favorably reported by the House Committee on Labor, assumes that the Federal Government has plenary power to fix wages and hours throughout the United States for the purpose of increasing purchasing power in the hands of the employees who would be affected. This bill does not take into consideration existing differences in economic factors entering into competition in the 48 States. It does not consider the cost of living, the value of the services rendered by employees, or the cost of unit production.

As opposed to this philosophy, I expect to offer a substitute in the form of a bill drafted by a subcommittee. This latter bill would fix no minimum wages, nor would it regulate hours, but the authority to do so would be delegated to an independent board. Definite standards by which the board must be guided are contained in the proposed act.

In considering these different philosophies on the subject of minimum wages and the regulations of hours, we should not forget the legal and economic aspects involved.

It appears to me that the Federal Constitution does not give Congress plenary power to fix wages or hours. I think it can be done only as a part of the constitutional right to regulate and protect commerce. We must also keep in mind the constitutional provision requiring due process.

The Supreme Court of the United States has in many cases held that neither the State nor the Federal Government can interfere with the right of employees and employers to contract for services unless some special reason exists which makes it imperative that the public good demands such interference.

It must also be remembered that any Federal wage and hour legislation is a legal experiment. No such law has ever been enacted, and therefore doubt must exist as to the attitude which the courts will take toward this attempt to enter a new legal field.

On the other hand, the States, through their police power, have enacted minimum-wage and maximum-hour legislation for women and minors, but have never attempted minimum-wage legislation for men.

Until recently the Supreme Court had held invalid such State law on the ground that the States had no right to interfere with the freedom of contract which the Constitution gives to the citizens. Last year the Supreme Court reversed this position, and it now holds valid State laws on this subject dealing with women and minors on the ground that the failure of employers to pay a living wage makes it necessary for the Public Treasury to supplement the earnings of such employees, and for this reason it has permitted the States to interfere with freedom of contract.

In this matter the Supreme Court has held valid a law which does not fix minimum wages but which delegates that power to an agency of the State under standards prescribed in the act. The method of fixing these wages is through a fact-finding process, where both employer and employee have an opportunity of being heard. The results in this procedure have been to fix varying minimum wages based upon actual conditions. The minimum fixed has varied as to occupation and as to industries, and has been different in large communities as compared with smaller ones.

It seems to me that this latter method is the only one which has a chance of being held valid by the Federal courts. If we disregard the actual variations in wages and the differences in competitive conditions which everyone admits do exist, I am of the opinion that due process has not been provided and the courts will hold such an act to be invalid.

The Norton bill does not provide for any consideration of facts. It prescribes an arbitrary wage which is to be uniform in every part of the country. It is a criminal statute, and any person who violates it must depend upon the criminal courts for a hearing.

Under the subcommittee bill, an independent board would consider economic conditions, the cost of living, the value of the services rendered, the cost of transportation to the consuming market, and the unit cost of production.

The board would then fix varying minimum wages, in accordance with the facts shown in the hearing. Such a policy would protect commerce from the chiseler who profiteers at the expense of his employees. It would prevent one employer from getting an advantage over another by virtue of low wages and long hours.

In the District of Columbia, where a minimum-wage law similar to the one I am supporting is now in operation, the minimum wages fixed have varied from $13.50 per week to approximately $18 per week, depending upon the occupation under consideration and the industry in which such employees work.

In the State of New York, under a similar statute, the board to which is delegated the power to fix minimum wages has made differences of a similar nature. These differences exist between communities of differing sizes, and variations have been made for the same occupation in the same industry because of the facts developed by the board.

Last year the Senate passed a bill which follows the method used in the District of Columbia and in the New York and Washington State statutes. This is the type of legislation for the States which the Supreme Court has now held valid.

The bill I am proposing does not provide arbitrary differentials. It does not propose a lower wage scale in the South, as has been charged. It does contain the possibility of differentials, but these differentials would be based upon facts and upon competitive conditions. The bill is quite similar to the one passed by the Senate last year.

It is a recognized fact that differentials in wages do exist. It is known that different hourly wage scales are paid in Greater New York for the same type of work in different sections of the city. It is also known that the wage scales in the larger cities are generally higher than those in the smaller communities, and there are also differences in wage scales between different sections of the country. I do not believe that we can ignore these facts. We cannot say that they are unjustified without going through a process of hearings by which their fairness or lack of fairness can be determined.

With reference to the cost of living, we know that the average cost of living in Detroit, for instance, is higher than it is in Mobile, Ala. We know that a person earning less than $1,000 per year pays twice as much monthly rental in New York and Detroit as does a similar worker residing in a town of 5,000 population in any of our States. We cannot ignore these facts.

If any of the existing differences in wage scales are fair, then the Norton bill would not be fair because it disregards such variations. Instead of equalizing competition in commerce it would shift the burden from one group to another.

We cannot ignore the fact that the object of engaging in business is to make sales. The chance of making a profit in business depends upon the ability to compete with others engaged in the same business. The consuming market is largely concentrated in the northeastern part of the country, and factories located away from the consuming center must pay the difference in the cost of freight. That is another factor which the Norton bill overlooks.

In view of the fact that it costs an employee less to live in a small community, such employees' real wages under the Norton bill would be more than the wages of the workers in New York and Detroit and similar large communities. To create such a situation does not protect commerce. It would result in forcing employers to move their places of business to the larger centers.

It is my belief that the solution of the problem of the regulation of wages and hours cannot be fairly met by prescribing an arbitrary wage for all industry to be applied equally in every section of the country. I think it must be met by a consideration of the existing variations and by determining the fairness or the want of fairness in such variations, after which an adjustment should be made.

I would like to emphasize the fact that I do not favor less wages for the workers of the South, and I would not be a party to any

[From the Christian Science Monitor of May 18, 1938]

WAGES OF RECOVERY

The new wage and hour bill continues to agitate Congress and country. Both parties' treatment of it gives more evidence of temporary political maneuvering than of hopeful humanitarian reform. This newspaper agrees with the general aim of putting a floor under low wages and a ceiling over long hours. But we oppose the Norton bill for two reasons: It is wrong in method and wrong in time.

Labor standards, as President Roosevelt has pointed out, should take into consideration differences in industries and in living conditions. This bill fails to do that. It fixes rigid standards which would cause unemployment at a time when more employment is desperately needed. And continued political agitation over it is most untimely when the Nation's chief need is for cooperative business recovery. Further efforts to legislate a fairer division of national income might well be suspended until the decline in national income has been reversed.

[From the New York Times of May 21, 1938]

DIFFERENTIALS IN WAGES

While neither the Department of Labor nor the supporters of the wage-hour bill in Congress have gone to any trouble to ascertain and publicize the facts, private research has made amply clear the great extent of the differentials existing in wage rates between different sections of the country and between large cities and small towns in the same section. Studies by the National Industrial Conference Board have shown, for example, that wages in the furniture business are now about 50 percent higher in the far west than in the South, while wages in the lumber industry are about 130 percent higher in the far West than in the South. Similar if less striking differentials exist in other industries. Again, within the same geographical district it has been found that hourly wages are from 15 to 35 percent lower in small communities than in the larger cities.

Nearly all the State minimum-wage laws and procedures have recognized the need of taking these existing differentials within a State into account when fixing minimum wages. In New York different minimums have been fixed for workers in beauty parlors and in laundries; and in the laundry industry itself three different minimums are fixed in accordance with the size of the town in which the laundry is located. In Illinois the laundry industry is also divided into districts, and minimum wages in effect in 1937 ranged from 23 cents an hour to 28, while 37 cents an hour was fixed in the wash-dress industry. Similar differentials could be cited from most other States that have adopted minimum-wage laws.

The principle of geographical differentials is recognized even by the Federal Government in the wage scales fixed by the W. P. A. These begin by setting up wage scales for five different classes of workers—unskilled, intermediate, skilled and professional and technical. The country is then divided into four different wage regions. Within each region itself there are five different geographical classifications depending on the size of populations of towns.

Finally, the President himself recognized the need for differentials in minimum-wage legislation in his message of May 24, 1937, originally recommending a Federal wage-hour law:

"Even in the treatment of national problems there are geographical and industrial diversities which practical statesmanship cannot wholly ignore. Backward labor conditions and relatively progressive labor conditions cannot be completely assimilated and made uniform at one fell swoop without creating economic dislocations."

Yet by imposing a flat uniform wage rate on all industries and sections, this in effect is what the House wage-hour bill proposes to do.

[From the New York Times of May 22, 1938]

THE QUESTION OF HOURS

The wage-hour bill is scheduled to come up in the House tomorrow for debate. Comment upon that measure up to now has tended to focus on the question of wage rates to the neglect of the question of hours. And yet it is quite possible that the restriction of working hours at first to 44 and at the end of 2 years to 40 a week may prove in practice much more serious in its adverse effect on recovery. The French 40-hour week, which has had a disorganizing effect on French industry, and which the parties of the left as well as of the right have been trying to circumvent in practice while retaining it in principle, ought to be a huge danger signal to ourselves. So far as the proponents of the present wage-hour bill are concerned, however, the French law and the subsequent economic history of France might just as well never have existed.

If it were now proposed that the Federal Government should restrict hours to conform with the standards adopted by the most advanced States, for the purpose of prohibiting conditions deemed to be harmful to the health or morals particularly of women and minors, the only serious question at issue would be the constitutional one of whether it was wise for the Federal Government to take over these powers. But what is actually proposed goes much beyond this. The proposed Federal restrictions are to apply not to selected industries but to virtually all of them; they are to apply to men as well as women, and they are based on a different principle. Few people argue that a 48-, not to speak of a 44-hour week, is in most industries seriously harmful to health or even to efficiency. The demand for the 40-hour week rests largely on the assumption that there is a fixed volume of production to be turned out, that there is therefore a fixed number of working man-hours to go round, and that if individual hours are restricted there will be a larger number of jobs. This assumption is quite fallacious. The most probable effect of a shortening of working hours, as experience has shown, is reduced reciprocal demand and reduced national production.

The average number of hours worked per week in manufacturing industries last March, according to the figures of the National Industrial Conference Board, was 33.4. Such figures are sometimes cited to show that a 40-hour legal week could do no harm. But these hours reflect the part-time work brought about by the current depression. As they are average figures they include many 48-hour weeks, and the reduction of the latter to 44 or 40 would doubtless reduce present working hours still further. But apart from that, the short legal working week would present expansion, and the increased leisure would be dearly bought. The Brookings Institu
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The question is important. For the South is in an earlier stage of industrial development than is the North. It has many handicaps. Since the Civil War it has been the victim of a tariff system which forced it to buy in a protected market and to sell its cotton and tobacco in a free market. Since the World War its free world market has been closing, partly as a result of the northern tariff policy. The South suffers from high railroad rates. It has not until recently had access to the private-capital market. But it has cheaper labor and this labor lives nearer the raw materials and nearer a considerable part of the national market.

If the South is to raise its standard of life, it must turn away from its dependence on the export of a few staple crops, like cotton and tobacco, and it must diversify its agriculture and develop local industries. To do this it must compete with the older and more favored industrial regions, and the one real advantage it possesses in the competitive struggle is the fact that southerners are willing and able to work for lower wages.

If this advantage is to be taken away from the South, then it seems only fair that steps should be taken to equalize conditions in other respects. The spokesmen of the South might well take the position that wages are only one factor in production. If wages are to be equalized, then railroad rates, credit facilities, interest rates, and tariffs should be equalized too, and the monopolistic prices for capital goods produced largely in the North should be broken down.

For the fact of the matter is, to put it brutally, that in the long period of Republican rule after the Civil War, the South has had the status of a colony, and the net effect of the Nation's commercial policy has been to keep the South impoverished. Tariff policy, railroad policy, the toleration of trusts and monopolies,

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It must also be remembered that any Federal wage and hour legislation is a legal experiment. No such law has ever been enacted, and therefore doubt must exist as to the attitude which the courts will take toward this attempt to enter a new legal field.

On the other hand, the States, through their police power, have enacted minimum-wage and maximum-hour legislation for women and minors, but have never attempted minimum-wage legislation for men.

Until recently the Supreme Court had held invalid such State law on the ground that the States had no right to interfere with the freedom of contract which the Constitution gives to the citizens. Last year the Supreme Court reversed this position, and it now holds valid State laws on this subject dealing with women and minors on the ground that the failure of employers to pay a living wage makes it necessary for the Public Treasury to supplement the earnings of such employees, and for this reason it has permitted the States to interfere with freedom of contract.

In this matter the Supreme Court has held valid a law which does not fix minimum wages but which delegates that power to an agency of the State under standards prescribed in the act. The method of fixing these wages is through a fact-finding process, where both employer and employee have an opportunity of being heard. The results in this procedure have been to fix varying minimum wages based upon actual conditions. The minimum fixed has varied as to occupation and as to industries, and has been different in large communities as compared with smaller ones.

It seems to me that this latter method is the only one which has a chance of being held valid by the Federal courts. If we disregard the actual variations in wages and the differences in competitive conditions which everyone admits do exist, I am of the opinion that due process has not been provided and the courts will hold such an act to be invalid.

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Under the subcommittee bill, an independent board would consider economic conditions, the cost of living, the value of the services rendered, the cost of transportation to the consuming market, and the unit cost of production.

The board would then fix varying minimum wages, in accordance with the facts shown in the hearing. Such a policy would protect commerce from the chiseler who profiteers at the expense of his employees. It would prevent one employer from getting an advantage over another by virtue of low wages and long hours.

In the District of Columbia, where a minimum-wage law similar to the one I am supporting is now in operation, the minimum wages fixed have varied from $13.50 per week to approximately $18 per week, depending upon the occupation under consideration and the industry in which such employees work.

In the State of New York, under a similar statute, the board to which is delegated the power to fix minimum wages has made differences of a similar nature. These differences exist between communities of differing sizes, and variations have been made for the same occupation in the same industry because of the facts developed by the board.

Last year the Senate passed a bill which follows the method used in the District of Columbia and in the New York and Washington State statutes. This is the type of legislation for the States which the Supreme Court has now held valid.

The bill I am proposing does not provide arbitrary differentials. It does not propose a lower wage scale in the South, as has been charged. It does contain the possibility of differentials, but these differentials would be based upon facts and upon competitive conditions. The bill is quite similar to the one passed by the Senate last year.

It is a recognized fact that differentials in wages do exist. It is known that different hourly wage scales are paid in Greater New York for the same type of work in different sections of the city. It is also known that the wage scales in the larger cities are generally higher than those in the smaller communities, and there are also differences in wage scales between different sections of the country. I do not believe that we can ignore these facts. We cannot say that they are unjustified without going through a process of hearings by which their fairness or lack of fairness can be determined.

With reference to the cost of living, we know that the average cost of living in Detroit, for instance, is higher than it is in Mobile, Ala. We know that a person earning less than $1,000 per year pays twice as much monthly rental in New York and Detroit as does a similar worker residing in a town of 5,000 population in any of our States. We cannot ignore these facts.

If any of the existing differences in wage scales are fair, then the Norton bill would not be fair because it disregards such variations. Instead of equalizing competition in commerce it would shift the burden from one group to another.

We cannot ignore the fact that the object of engaging in business is to make sales. The chance of making a profit in business depends upon the ability to compete with others engaged in the same business. The consuming market is largely concentrated in the northeastern part of the country, and factories located away from the consuming center must pay the difference in the cost of freight. That is another factor which the Norton bill overlooks.

In view of the fact that it costs an employee less to live in a small community, such employees' real wages under the Norton bill would be more than the wages of the workers in New York and Detroit and similar large communities. To create such a situation does not protect commerce. It would result in forcing employers to move their places of business to the larger centers.

It is my belief that the solution of the problem of the regulation of wages and hours cannot be fairly met by prescribing an arbitrary wage for all industry to be applied equally in every section of the country. I think it must be met by a consideration of the existing variations and by determining the fairness or the want of fairness in such variations, after which an adjustment should be made.

I would like to emphasize the fact that I do not favor less wages for the workers of the South, and I would not be a party to any

plan which would give the South an advantage at the expense of its workers. I favor the highest wage possible for every section, but believe that since all wages must be paid from the sale of what the worker produces they must depend upon the fair consideration of the facts and upon the ability of the employer to maintain his business in competition with others.

It is my hope that the Congress will recognize the practical differences existing in regard to the regulation of wages and hours and will provide a process which will be fair to all concerned and which has some hope of being held valid by the Federal courts.

In order to accomplish this purpose I feel that it is necessary to delegate the authority to fix wages and hours to an agency of the Government, under proper standards, which will engage in a fact-finding process through which the proper wages can be determined.

Mrs. NORTON. Mr. Chairman, I have not the time to reply to the gentleman from Georgia [Mr. RAMSPECK], so I would like to have included in the RECORD at this point a letter from Mr. Robert H. Jackson, one paragraph of which I shall read:

I have not expressed, and do not hold, the opinion that it is unconstitutional. No precedent or decision of the Supreme Court requires such a conclusion.

I also have here the statement of Mr. Benjamin Cohen before the subcommittee of the Committee on Labor considering the wage and hour bill which I would like to have included in the RECORD in answer to the statement of the gentleman from Georgia relating to this particular question. In one sentence of this statement Mr. Cohen states:

I would hesitate to say that a statute providing for a wage that Congress fixed as being necessary to provide a decent standard of living was unconstitutional.

Mr. Chairman, I ask unanimous consent to extend my remarks and include both of these documents in the RECORD at this point.

The CHAIRMAN (Mr. WALLGREN). The Chair will state to the gentlewoman from New Jersey that she will have to obtain that permission when we go back into the House.

Mrs. NORTON. Very well, Mr. Chairman.

The matter referred to follows:

OFFICE OF THE SOLICITOR GENERAL,
Washington, D. C., May 20, 1938.

MRS. MARY T. NORTON,
House of Representatives, Washington, D. C.

MY DEAR MRS. NORTON: In answer to your request as to whether my statement before the committees of the House and Senate, when wage and hour legislation was first proposed, can be construed to mean that I think the bill now pending before the House as reported out by your committee unconstitutional, I beg to advise you:

I have not expressed and do not hold the opinion that it is unconstitutional. No precedent or decision of the Supreme Court requires such a conclusion.

In discussing the constitutional basis for a Federal wage and hour bill at the opening of the hearings, I did point out a caution that will be appreciated by every practical lawyer who understands the strategy by which enemies of an act contest its constitutionality. Of course, such opponents would attempt to select a case in which the facts would present the maximum hardship possible in the application of the legislation. An act may be unconstitutional in respect to a situation of particular hardship, while completely constitutional as to all other cases; and, therefore, a declaration of unconstitutionality on the first set of facts brought before a court would not interfere with the general applicability of the act. But for purposes of forming public opinion against legislation on the basis of unconstitutionality, such a first decision would be important to enemies of the legislation. I, therefore, pointed out an advantage in flexible provisions to be applied by an administrative board, as provided by the bill then under consideration, in that cases of hardship could be weeded out by the application of administrative discretion by the board, and opponents of the legislation would have to test its constitutionality only under cases in which the board had found that the act should wisely be applied.

In connection with this caution, I pointed out that the application of one standard wage throughout the country would be apt to create a wider field of unanticipated situations of hardship available for lawyers challenging the act than if the administrative board had the discretionary power which I had discussed.

A caution against this practical situation should not be construed as an opinion that the bill as reported to the House by your committee is unconstitutional.

The power in Congress over interstate commerce is the same, whether it is exercised by a flexible rule administratively applied, or by a rigid rule fixed by Congress in the terms of the statute. The Constitution does not prescribe either method, nor does it prohibit either method for the exercise of congressional power, and the choice of methods is for the Congress.

The limitation upon this power over interstate commerce imposed in the due process clause as construed by the Supreme Court requires simply that the interstate-commerce power of Congress shall not be used to obtain an arbitrary, capricious, or unreasonable result. There is no authority for saying that a fixed standard for wages and hours in legislation asserting Congress' power over interstate commerce is of itself arbitrary, capricious, or unreasonable under the due-process clause.

I trust this letter will clarify any misunderstanding of the testimony which I gave before your committee.

Sincerely yours,

ROBERT H. JACKSON,
Solicitor General.

STATEMENT OF MR. BEN COHEN BEFORE SUBCOMMITTEE

Question. Do you think Congress can write a specific minimum into a bill and have it declared constitutional?

Answer. The courts have never passed on the type of statute in which Congress provides that no one may be employed for less than a certain wage when the goods in the production of which he is engaged are shipped in interstate commerce. Assuming that Congress has the right to delegate the power to fix minimum wages at all, then arises the question of due process. The courts have gone so far as to say that due process is just a requirement of reasonableness and an absence of arbitrariness. I would hesitate to say that a statute providing for a wage that Congress fixed as being necessary to provide a decent standard of living was unconstitutional. On the other hand the differences already existing in different parts of the country do create problems that would afford an opportunity for a case to be made out and reviewed which would be held unconstitutional. I feel that the problem is more legislative than judicial, however.

A minimum cannot be set without taking into consideration the value of services rendered. If you set a minimum of $1 an hour it would be difficult to prove that in all cases the services were worth this. If, however, you set a very low minimum it would not be so difficult although, because of existing differences in this country, it might be held unconstitutional. I think you are more likely to be safe from attack with the establishment of a flexible standard. I cannot say, however, that if an inflexible minimum were provided which did not go beyond what one might regard as reasonable compensation for services rendered it would be unconstitutional. I think Congress, after studying the situation thoroughly, could itself recommend certain rates and it would be held constitutional if Congress had been in a position to be so certain of all facts that no one could go into court and say he had not taken certain factors into consideration in a certain situation.

Mr. WELCH. Mr. Chairman, I yield to the gentleman from New York [Mr. CROWTHER] such time as he may desire to use.

Mr. CROWTHER. Mr. Chairman, I desire to quote from an address I delivered in the House on May 18, 1928, during a discussion of the tariff, as follows:

IMPORTANCE OF GOOD WAGES

The question of a high wage, with opportunity for its increase with the development of industry and the skill of the workmen, is a vital necessity to continued progress of the people of this Nation. The workers and their families, who are the producers, are also the consumers, and their purchasing power must be gradually increased, for no longer are we satisfied that our American workmen shall be able to just barely exist, but must be able to purchase not only necessities but some of the comforts and luxuries and still have a margin that will permit them to keep an account in a savings bank or a building and loan association.

In line with my views at that time, I shall support this wage and hour bill. However, I desire to call attention to the fact that the policy we are about to adopt is at complete variance with the plan of this administration to gradually destroy the protective-tariff policy. If this legislation is effective, it means increased production costs and in view of that fact, to open the gates at our custom houses and invite the world to dump its cheaply produced merchandise on our market at reduced tariff rates, is the essence of inconsistency.

This piece-meal reduction of our protective-tariff system by consecutive trade agreements is eventually going to be thoroughly analyzed by the workers in this country and when they are confronted with the facts they will realize that we shall soon be on so low a tariff basis that every country in the world will flood us with its products, which are in many instances produced by sweatshop methods and child labor, two conditions which we are endeavoring to eliminate in our own country. Who among you honestly believes that such a program contains the element of common sense?

Mrs. NORTON. Mr. Chairman, I yield 10 minutes to the gentleman from Massachusetts [Mr. HEALEY].

Mr. HEALEY. Mr. Chairman, the bill that today is before the House for a second time as a result of the extraordinary method of a petition to bring it to the floor for consideration, embodies a great struggle in this country for this social legislation.

The fact that the health, morals, and efficiency of many of the poor, the weak, the unorganized, and the underprivileged of our country have been exploited by unscrupulous employers was recognized as far back as 40 or 50 years ago, and the struggle to improve their conditions has gone on unremittingly since that time. It has always been a difficult fight to obtain passage of legislation of this character because the people most directly affected are inarticulate, they are unorganized, they cannot afford to maintain a lobby to press their fight. But neither have they had lobbyists back in their State capitols. Yet 24 State legislatures as well as 2 of our Territories have passed legislation based on the same philosophy which has given protection to women and minors in industry. Today we have at last come to the realization that we ought to do something to protect those States, to safeguard the laws which they have passed for the protection of their workers in order that the standards which they have established may not be undermined by States which have consistently refused to recognize progressive and humane standards. It has always been argued, and it will be argued here, that such legislation is an attempt by the Federal Government to regiment and regulate all labor and all industry. My State, as far back as 1912—and it led the whole parade—passed an act regulating the hours of labor for women and children, and we have not yet attempted to regulate or regiment either labor or industry. After we passed that humane law along came all of those other States that recognized the need to conserve the health of the women and children of this country by humane laws that would protect them from the merciless employer who would sweat them for long hours and for pitiably small wages. As far as I know, not a single one of those States has ever attempted to use such legislation as a means to regulate or regiment industry or labor.

This ought to be the answer to those who will contend that this is an attempt by the Federal Government to regulate and regiment labor and industry. Oh, no, that is not the purpose of this bill. The States have contended right along that through the police power they ought to have the right to conserve the health, efficiency, and morals of their people. Only last year the Supreme Court decreed that they do have that power, when the Court upheld the Washington minimum-wage law in the Parrish case, the first case in which a minimum-wage act has been validated by the Supreme Court.

So, Mr. Chairman, now that the Supreme Court has determined that the Constitution does not forbid such legislative enactment by the several States, why should not this Congress, with its power to regulate interstate commerce, as a supplement to the 24 State laws, protect those States by the passage of this bill, thereby not only safeguarding the laws which they have passed for the protection of women and children in industry but also protecting men engaged in interstate commerce against sweatshop exploitation? Certainly we must recognize the fact that if we are to protect women and children in industry, we should also, under the police powers of the State, together with the interstate commerce clause of the Constitution, protect men employed in industry.

Mr. COX. Mr. Chairman, will the gentleman yield?

Mr. HEALEY. I cannot. I have only a few moments. I would like to yield to the gentleman. I have just listened to the gentleman from Georgia [Mr. RAMSPECK] for whom I have the greatest respect, and who has a profound knowledge of this subject, state that he believes it is necessary to have a board make factual findings before wage and hour determinations can be fixed. If the Congress has power to delegate to a board the authority to make such determinations, then it seems to me that where we are already in possession of the facts we ought to have the power to write into legislation fixed and inflexible standards where the conditions warrant them. I am going to read a few excerpts from the dicta in the majority opinion of Chief Justice Hughes in the Parrish case:

> The legislature of the State was clearly entitled to consider the situation of women in employment, the fact that they are in the class receiving the least pay, that their bargaining power is relatively weak, and that they are the ready victims of those who would take advantage of their necessitous circumstances. The legislature was entitled to adopt measures to reduce the evils of the sweating system, the exploiting of workers at wages so low as to be insufficient to meet the bare cost of living, thus making their very helplessness the occasion of a most injurious competition. The legislature had the right to consider that its minimum-wage requirements would be an important aid in carrying out its policy of protection.
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> There is an additional and compelling consideration which recent economic experience has brought into a strong light. The exploitation of a class of workers who are in an unequal position with respect to bargaining power and are thus relatively defenseless against the denial of a living wage is not only detrimental to their health and well being but casts a direct burden for their support upon the community. What these workers lose in wages the taxpayers are called upon to pay. The bare cost of living must be met. We may take judicial notice of the unparalleled demands for relief which arose during the recent period of depression and still continue to an alarming extent despite the degree of economic recovery which has been achieved. It is unnecessary to cite official statistics to establish what is of common knowledge throughout the length and breadth of the land. While in the instant case no factual brief has been presented, there is no reason to doubt that the State of Washington has encountered the same social problem that is present elsewhere. The community is not bound to provide what is in effect a subsidy for unconscionable employers. The community may direct its lawmaking power to correct the abuse which springs from their selfish disregard of the public interest. The argument that the legislation in question constitutes an arbitrary discrimination because it does not extend to men, is unavailing. This Court has frequently held that the legislative authority, acting within its proper field, is not bound to extend its regulation to all cases which it might possibly reach. The legislature "is free to recognize degrees of harm and it may confine its restrictions to those classes of cases where the need is deemed to be clearest." If "the law presumably hits the evil where it is most felt, it is not to be overthrown because there are other instances to which it might have been applied. There is no "doctrinaire requirement" that the legislation should be couched in all-embracing terms (300 U. S., pp. 398, 399, 400).

I believe I have read enough to show that in this particular case the Court itself took judicial notice of economic conditions without requiring formal proof of facts that are within common knowledge. Congress certainly has power to fix a minimum wage in accordance with a "cost of living" standard rather than delegate the task to an executive board or agency—if it has facts showing what wage the cost of living warrants.

> Where a single minimum wage is prescribed by the Congress for all localities in the United States, as is the case in the proposed bill, under the doctrine of the Parrish case, it should only be necessary to show that the wage established in the statute is not in excess of that which is required by costs of living for the region of the United States where living is the cheapest. In other words, if the cost of living for industrial workers engaged in interstate commerce is cheaper in Alabama than in any other State in the Union, and the cost of living in that State requires a wage rate of 40 cents an hour to provide the necessities of life, such a wage rate for the entire United States would appear to be reasonable and valid. No employee could show that he was aggrieved.
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> In my judgment statistical studies which have been made within the last 2 years demonstrate that the minimum wages provided in the present bill are not in excess of the requirements of cost of living. In an elaborate official study entitled "Intercity Differences in Cost of Living in March 1935, 59 Cities," made by Works Progress Administration in cooperation with the Bureau of Labor Statistics, it is stated that "the cost of a specified standard of living does not differ widely among most cities; differences in living costs are to be explained to a considerable extent by the differences in the standard of living." This is illustrated by the following excerpt from this study:
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> "The cost of living in the maintenance level ranged from a high of $1,415 in Washington, D. C., to a low of $1,130 in Mobile, Ala., at March 1935 prices. The average in the 59 cities combined was $1,261. The cost of the emergency level was also highest in Washington, $1,014; but was lowest in Wichita, Kans., $810. The average was $903. At both levels the necessary outlay in the most expensive city averaged about 25 percent above that in the least expensive; in more than one-half the cities living costs were within a range of $100 per year."

The significance of this excerpt cannot be fully appreciated unless the terms "maintenance level" and "emergency level" are understood. The maintenance level is explained in the study to provide only for the cost of living necessary for material needs and some psychological needs. Emergency level provides almost exclusively for physical needs, and the study adds, "but it might be questioned on the ground of health hazards if families had to live at this level for a considerable period of time. * * * Neither of these budgets approaches the concept of what may be considered a satisfactory American standard of living, nor do their costs measure what families in this country would have to spend to secure 'the abundant life.'" In this study the cost of living figures were based on the living requirements of industrial workers for a family of four (husband, wife, and two children). Maintenance and emergency level budget costs, after sampling in the 59 cities studied, were found to be composed as follows:

	Maintenance level		Emergency level	
	Amount	Percent	Amount	Percent
Food	$448	35	$340	37
Clothing, clothing upkeep, personal care	184	15	128	14
Housing	222	18	168	19
Household operation	154	12	122	14
Miscellaneous	253	20	145	16
Total	1,261	100	903	100

It should be noted that the lowest cost of living in any of the 59 cities on an emergency-level basis was found not in the South but at Wichita, Kans.—$810 a year for a family of four. Now the greatest annual wage which an employee could receive under the present bill after the 40 cents became operative is $832. This would require him to work 52 weeks per year, 40 hours per week. However, the act prescribes a minimum wage of only 25 cents an hour for the first year which would produce an annual income of only $520 for an employee working full time at 40 hours per week.

On the basis of this survey, how can it be said that $520 or even $832 is more than enough to provide the costs of living necessary to health and decency or even anywhere near enough?

Then if the wage fixed in this bill is so low that it does not even meet the necessary amount for the lowest wage area, how can any court say that it is arbitrary, how can any court say that it is unreasonable or capricious?

Mr. RANDOLPH. And more than that, the Congress in setting that wage has added a double safeguard by approaching it over a 3-year period.

Mr. HEALEY. Yes.

The CHAIRMAN. The time of the gentleman from Massachusetts has again expired.

Mr. WELCH. Mr. Chairman, I yield the gentleman 2 minutes more.

Mr. SEGER. Mr. Chairman, will the gentleman yield?

Mr. HEALEY. Yes.

Mr. SEGER. The gentleman knows that I come from a district that is largely textile and labor, where all labor is in favor of this bill as well as many of the industries. I am going to vote for the bill. I received a telegram which I would like the gentleman to clear up for me.

The telegram reads:

Subdivisions (b) and (c) of section 6 are unfair and discriminatory. The business of all the dealers in newspapers would be unfairly and seriously affected if these subdivisions were included as part of the bill.

What shall I reply to the writer of this inquiry?

Mr. HEALEY. Retail establishments are absolutely out of the provisions of the bill, they are exempted. The bill specifically exempts persons engaged in retail capacity.

Mr. SEGER. What about the newspapers?

Mr. HEALEY. They would be exempt if they were intrastate and if their activities were not so involved in interstate commerce as to have any great effect.

Mr. SEGER. Would that be true despite the fact they import newsprint from Canada?

Mr. HEALEY. I do not think it would have any effect on that at all.

Mr. COX. Mr. Chairman, will the gentleman yield?

Mr. HEALEY. I yield gladly to my friend from Georgia.

Mr. COX. If the purpose of the bill is to relieve the distressed condition of substandard workers, and if the lowest-paid workers today in this country are found in the fields of the farm and retail establishments, then why did the committee exempt these classes from the provisions of the bill?

Mr. HEALEY. I am sure the gentleman knows the answer: Because that would exceed the powers of Congress. We are limited by the Constitution to business in interstate commerce. [Applause.]

[Here the gavel fell.]

Mr. WELCH. Mr. Chairman, I yield such time as he may desire to the gentleman from Maine [Mr. SMITH].

Mr. SMITH of Maine. Mr. Chairman, your labor committee, under the splendid leadership of our faithful chairwoman [Mrs. NORTON] worked diligently to present a wage and hour program for your consideration.

If we are sincerely in favor of improving working conditions throughout the Nation, especially to help those who are underpaid and unorganized, it is a timely duty of the Members of this Congress—North, South, East, and West—to meet the situation businesslike, man-fashioned, and unselfishly, with friends and foes, Republicans and Democrats, willing to forgive and forget, to give and take.

My interests are in the far East, where workingmen expect, deserve, and do enjoy more wages and shorter work days than are specified in this bill.

It was in the hope of establishing a principle on which to found well, build well to that goal of fair wages and good profits for every man, irrespective of race or section, that prompted me to subscribe to a 25-cent hour and a 44-hour week.

According to records there are more than 3,000,000 fathers and mothers who are working for five or less dollars per week. Parents thus handicapped certainly cannot be of any good to themselves, their families, or to society, wherever they may reside. Neither do these laborers create a buying power, so necessary for a return to better days, so essential to stop pump priming, debt increasing, and tax extensions.

The 40-cent-per-hour maximum, an annual average wage of about $650, suggested, will not support a family of four comfortably, normally, humanely, whether residing in the sunny South or the frozen North.

From time immemorial welfare departments in every village, hamlet, and town have so declared. Social security boards throughout the Nation have likewise determined. Last, but not least, the Labor Department, by exhaustive and untiring investigations, place the amount for decent living very much higher.

Yet there are those with mystic deductions, with mythical delusions, who say this bill would be unconstitutional because it does not expend millions and millions of dollars for creating a fact-finding commission to prove that fathers and mothers do not need six or seven hundred dollars to exist on.

Let me say that, in my judgment, no court in this day and generation would rule on such a fantastic basis, because human beings are entitled to more than a mere subsistence, the best of medical care, the chance to educate the children, and the opportunity to save for old age. Thank God, it is a part of this life's program.

Hours of work suggested in this bill will mitigate torture and suffering for millions who are working too many hours. But the 44-hour week specified will not materially solve our unemployment situation which is now wrecking governmental fundamentals.

Furthermore, we must not overlook the fact that this problem will continue to embarrass our Nation, even when prosperity reaches over the threshold of every home. Modern methods, labor-saving devices, that shatter all kinds of employment, can only be combatted by shortening the working day, far beyond the hours now being considered.

The opposition argues, wearingly on, that such a change will increase production costs, they not realizing that relief expense creates, by far, a more serious burden, not only in dollars and cents, but in challenging the pride, the hope, the ambitions, the initiative of our working people, the greatest sacrifice of them all now being made by man and men.

Farmers who have not thought clearly on this subject feel that wage and hour legislation will salvage their last cent, their only hope. While agriculturalists are exempt from all provisions of this bill, such legislation may increase production costs of the farmers' produce, and apparently lessen his profit. But let us take account of stock.

At the present time there is a very limited market for his goods, and at low prices, simply because his customers are out of employment or working at starvation wages.

Reinstate these unfortunate men and women by giving them a fair salary, thereby creating a demand for the farmers' produce, the merchants' goods. This will give business a chance to develop and expand. Then the butcher, the baker, and candlestick maker will bless the day when all can pay better wages.

Differentials, suggested from time to time, have been the bone of contention, the fly in the ointment, that have prevented a fairer workday.

We are told that the laborers of one section of the country are slow, lazy, and indolent, hence industries, employing such people, cannot operate on an efficient basis.

Many of the facts presented at our labor hearings proved this to be an idle dream, for manufacturers, owning factories in all sections of this country, testified that efficiency was as good in one as in the other; but that under the prevailing working differentials they were able to manufacture at lower cost in sections where subnormal working conditions prevail, thus proving that inefficiency is not the controlling factor. But instead, that human beings are being sacrificed by the way of lower wages and longer hours to induce industries to move from one section to another.

Now then, if we cannot have a bill, free from gain and greed, free from favors and favoritism, many of us will be obliged to vote against it, trusting that in the near future the laboring people, in the lower-paid communities, will assert themselves by demanding a wage that will provide for them the same advantages enjoyed by their fellowmen in other parts of the country.

I am hoping that the virtues of this proposed legislation will not be destroyed by amendments, sometimes presented in disguise, and that the bill will be accepted in no uncertain terms. [Applause.]

Mrs. NORTON. Mr. Chairman, I yield 5 minutes to the gentleman from Connecticut [Mr. FITZGERALD].

Mr. FITZGERALD. Mr. Chairman, I am for this bill because I remember well the appeals that were made to me by the class of people from the State of Connecticut who will be benefited by this bill.

I am for this bill because I have suffered under the same competition this bill will eliminate. Possibly no other man in the House today has had my experience in learning a trade 35 years ago, working at it, joining in all the labor organizations that built my standards and protected my family, only to have the day come that in order for the company for which I worked to compete with chiseling cutthroat companies the demand was made on me to wear overalls 6 days a week, work long hours, and at wages reduced to such a stage that I could not take care of my family. This I and others in working for that company refused to do. The company was forced to move from the eastern part of the country to another section where men were willing to work long hours for low wages and to wear overalls 6 days a week.

What did I want? Just enough after working long hours to feed my family, to shelter them, to educate them, and to put a little away for old age that would take care of me when old age overtook me. Was I wrong? I say to you Members of this House today that the quicker we get back to that philosophy the better it is going to be for this country.

I am for this bill because I have seen the same situation time after time when I was deputy commissioner of labor in the State of Connecticut where people were willing to sacrifice, strike, resist these low standards being forced upon them; and what happened? Reductions of wages were put into effect. Strikes took place; and then overnight these plants moved to other sections of the country and left ghost villages. Do you know what it means where there is but one industry in a small town and it folds up and goes out of business? Do you know the heartaches it causes?

I am for taking out of business the industrialist who lives on the blood of women and children—and we have them in my State. You talk about low wages in the South; we have them in our section of the country, wages as low as $2, $3, and $4 a week. We have the type of industrialist that goes into the section bought by the chamber of commerce, enticed from one city to another, taking women in for a 6 weeks' training period at no salary at all to learn a job that would be learned in 2 hours. That is the fellow in my State that I want this bill to reach and have him give way to the manufacturer who does want to pay a good wage and furnish good conditions.

Mr. Chairman, this is my first term and I have been trying to find a way out for the 300,000 of our boys who are in the forests of this country today.

[Here the gavel fell.]

Mr. WELCH. Mr. Chairman, I yield the gentleman 2 additional minutes.

Mr. FITZGERALD. Mr. Chairman, we have failed miserably. Only a few weeks ago we appropriated an additional $50,000,000 to keep these forests and camps open. There is industry in America today doing Government work and, even with the penalty of time and a half, they are working men 60 and 74 hours a week because, they claim, they have not trained men. Let us consider these 300,000 boys.

Mr. Chairman, in a few years we will not even have 40 hours a week. We have modern machinery that has increased production a hundredfold. Our hours of labor are going down until the boys and girls of our country can be given the opportunity to work in industry. During the last 15 years, with the immigration laws as strict as they have been and with 9 years of depression, there have been imported into this country one and a quarter million mechanics, and this in face of the fact that we have 300,000 boys, the flower of our youth, in the forests. I am appealing to you to give these boys who are in the forests a chance to learn a trade. Let us pass legislation which provides that these industries doing Government work may employ people only 40 hours a week except in time of war or in time of emergency or disaster. We will have to come to that eventually unless we intend to keep these boys in the forests forever. I, as a father, do not want to see the boys and girls of America at 17 years of age told they are going to live off the Government when actual opportunities for them to work should be provided. [Applause.]

In my opinion, the American people in 1936 voted in favor of governmental action to improve working conditions for the workers of this country, to reduce long hours, to increase wages which spelled starvation, to end the labor of children, and to wipe out sweatshops. They expressed their desire to have the best possible wage-hour bill that could be devised enacted into law at the earliest possible date. This was not merely an emotional urge to make a few unscrupulous employers grant standard labor conditions; rather it was an indication of a determination to turn the increasing use of labor-saving devices into increased wealth and security, of a determination to convert our abused and exploited workers into actual buyers of billions of dollars of industrial and farm products.

In accordance with this desire, bills calling for wage-hour legislation were introduced very early in the Seventy-fifth Congress, and although this legislation received the favorable consideration of the Senate last year, it seemed to have been doomed when the House recommitted its bill during the special session. Strong public sentiment and the will of our President were instrumental in its being resurrected from committee this spring, only to have it blocked again, this time by the Rules Committee.

Two weeks ago there occurred in the House of Representatives one of the finest demonstrations that it has been my

pleasure to observe. As you recall, the Rules Committee by an 8-to-6 vote had decided against allowing the Fair Labor Standards Act of 1938 to be submitted to the House for debate. In order to discharge the Rules Committee from further consideration of this bill, it was necessary that 218 Members of the House of Representatives signify their desire to have this bill debated by signing the discharge petition.

In little more than 2 hours, after the petition had been laid on the table, the required number of signatures had been obtained, thereby assuring the House of Representatives an opportunity of voting upon this proposed measure.

In general, the passage of this Fair Labor Standards Act will result in the raising of wages and a shortening of the working hours for the underprivileged of our country. It proposes to establish a floor for wages and a ceiling for hours, and to abolish child labor. This bill, however, does not intend to fix an immediate minimum wage or an immediate maximum number of hours; instead it will operate on a scale until it reaches its objective of 40 hours at 40 cents per hour. The bill provides for a minimum wage of 25 cents, which minimum will automatically increase 5 cents yearly until its peak of 40 cents has been reached. In the matter of the hours, the bill contains a provision for a maximum hour workweek of 44 hours, which will automatically reduce 2 hours per week each year until there is a 40-hour week.

By the operation of this bill the 40 cents per hour wage will be reached at the end of 3 years, and the 40-hour workweek will be reached at the end of 2 years.

The theory behind this automatic increase in wages and decrease in hours is sound. In the last few months there has taken place a sharp decline in business activity; with that decline have come the inevitable wage cuts. It is the belief of the majority that a gradual approach to the desired standards for wages and hours will not cause the economic dislocations that might otherwise result.

This bill also retains the provisions in relation to child labor. It has been clearly understood for a good many years that young men and young women in industry need strictly enforced legislation of a protective nature—legislation that will eliminate much of the abuse and exploitation. This bill will accomplish the desired ends, since it defines oppressive child labor as being the employment of a child under the age of 16 in any occupation, or the employment of any person between the ages of 16 to 18 in any occupation which the Chief of the Children's Bureau in the Department of Labor shall declare to be particularly hazardous or detrimental to his health or well-being. Children above 14 may be employed in occupations other than mining or manufacturing when it does not interfere with their schooling; for example, working during vacation.

I am an exponent of wage and hour legislation. It is something in which I have the utmost faith and confidence. I believe that legislation of this sort will do more toward promoting permanent recovery than any other single piece of legislation that could be proposed. Labor organizations and the unskilled workers of this country strongly favor it and urge that it be adopted at the earliest possible time. Nor is it labor alone that is in favor of it because I have received telegrams and letters from enough industrialists to warrant my conclusion that they, too, as a class, are in favor of the wage-hour legislation.

It is my opinion that those who are opposed to wage-hour legislation are the very ones who are opposed to humanitarian legislation of any kind; they are the ones who do not believe that the workingman is deserving of a living wage, nor that his family should have a sufficient income to assure it of the bare necessities of life.

I would have you observe that this proposed legislation will not improve the wages and hours of the majority of workers, nor does it attempt to. For I am greatly pleased to say that the majority of workers do not need this legislation because they are receiving a living wage and are not forced to work unreasonable hours. This happy condition has been brought about by collective bargaining or by the voluntary act of an employer. I feel that the outstanding feature of this bill is that it will benefit the minority of our workers, who for years have been abused and exploited by unscrupulous employers and who have been forced to accept a wage that will not allow comfortable living, and who have been compelled to work 60 to 70 hours a week under intolerable working conditions. These are the people that will be protected and it is they who will reap the benefits of a bill that has a floor for wages and a ceiling for hours.

It has been said that a minimum wage and maximum hours will force the little concern out of business and that small concerns will not be able to pay 40 cents an hour for a 40-hour week. I contend that this was not the case during the N. R. A. and it will not be true under a minimum-wage bill. Nor will it affect the larger industries, because with very few exceptions workingmen in those industries are already receiving a wage in excess of the minimum proposed by this bill. I do not believe that the minimum wage will become the maximum wage, because during the period of the N. R. A. prosperity was returning rapidly. Should there, however, be a tendency upon the part of employers to look upon the minimum wage as a maximum, let me point out that the workers can always have recourse to their rights to bargain with their employer.

The wage and hour bill is an honest and sincere effort to meet and not to avoid the just demands of the workingman that his fundamental rights be observed. In guaranteeing to the workingman a minimum wage a few employers may suffer some inconvenience. I feel, however, that the automatic increase in the minimum wage from 25 to 40 cents over a 3-year period will give an employer ample time in which to adjust himself to the minimum wage and its yearly increase.

The employer who in all probability will feel this minimum wage most keenly and from whom we may expect much opposition is that employer who is not accustomed to and is not inclined toward paying a minimum wage, since it will necessitate his competing with shops where standards conditions are maintained, which competition, and because of his low cost of production, he has not had to meet in the past.

The administration of the bill is in the hands of the Secretary of Labor, who, having certain rules as guides, has the power of determining what industries affect the commerce between the States. The Secretary will have the power to utilize the Bureau of Labor Statistics of the Department of Labor for all investigations and inspections necessary under the act.

Let me again express the opinion that this legislation is most worthy of the favorable action of this House. I am confident that it will accomplish its purpose, and it is my sincere recommendation that it be enacted into law at this session of Congress.

Mr. WELCH. Mr. Chairman, I yield the gentleman from New York [Mr. SIROVICH] 15 minutes.

Mrs. NORTON. Mr. Chairman, I yield the gentleman from New York [Mr. SIROVICH] 15 additional minutes.

The CHAIRMAN. The Chair recognizes the gentleman from New York [Mr. SIROVICH] for 30 minutes.

Mr. SIROVICH. Mr. Chairman, when a symphonic orchestra with diversified mechanical instruments plays in harmony, in unison, and in one accord, we have unity of musical expression which is called rhythm and melody. Here we behold how a cooperative tendency results in transforming diversity to unity. Evolution always means the change from diversity to unity. This constant change from diversity to unity is not only true of mechanical nature but is true of biological nature, as well as of all manifestations of the historical process.

In religion, for instance, we see polytheism, the worship of the many gods, dying out slowly and being replaced by monotheism; that is to say, going from diversity to unity.

Political life of man begins with tribalism. In the course of political development tribes unite and form a nation. The way from tribalism to nationhood—many tribes and one nation—is again the way from diversity to unity.

In science we observe a similar evolution. First, man tries to gain knowledge of simple phenomena. When he accumulated a greater knowledge of a multitude of phenomena, he tried to discover the one principle governing them all. In seventeenth century physics Newton discovered that principle, gravitation. In twentieth century physics, Einstein discovered that principle, relativity. The greatest triumph of science is the discovering of one principle as the explanation for a multitude of phenomena. The fundamental and underlying principle of science consists, therefore, in going from diversity to unity.

The literary process shows a similar tendency. First, there are local expressions and then there is national expression. Before a nation produces its Shakespeare or its Goethe, its Hugo or its Tolstoi, it experiences literary localism and regionalism. When a national expression embodies in the figure of one creative genius it replaces all local expressions; the literature of a nation has therefore reached its peak of development.

It stands to reason that economic development is not an exception to the ironclad law from diversity to unity. The many economic standards and the many economic laws governing our Nation must be replaced by one standard and one law of minimum wages and maximum hours. A fully developed Nation of 48 States can no more have 48 different and contrary economic laws than it can have 48 different languages, different civilizations, or different cultures. But as it is today, we have in America two different economics, governed by two different laws, and representing two different standards. In one section of our country the economic toiler is paid a living wage, though not a saving wage. In another section the worker receives starvation wages and is often so underpaid and so badly exploited that he can hardly meet both ends and can scarcely have a real feeling of human dignity. He is not only the underdog but he is also the underworm. The underworm, struggle as hard as he does, cannot be creative and cannot contribute to the physical, spiritual, and moral strength of the Nation. What the wage and hour bill really represents is an attempt to create one uniform minimum-wage standard for the entire fabric of our American economic life, replacing a diversity of wage-slave standards that is a reflection upon human dignity and the respect that America owes to its producing and toiling workers that have made our Republic great and glorious. [Applause.]

Mr. Chairman, everything that is produced in our country through agriculture and industry is the result of the labor of the beast of burden, the machine, and the human being. Whether we are reactionaries, conservatives, liberals, progressives, or radicals, whether we are in the habit of looking forward or backward, we must all admit that there is a tremendous difference between the labor of the beast of burden, between the labor of the machine, and the labor of human beings.

Let us analyze the wages of these three groups that I have just enumerated. What are the wages of the beast of burden today in our country? All that he receives from his master, whom he serves loyally and faithfully, is the oats, bran, hay, corn, and other food products necessary to keep him alive, besides the roof that shelters him from the ravages of the weather. In other words, all that the beast of burden receives as compensation is enough to live and to exist.

What is the wage that the modern machine receives for its compensation for producing day in and day out? The machine receives as its wage for the services and labor that it renders, metamorphically speaking, the right to be well oiled, well cleaned, well housed, and better taken care of than the beast of burden in order that the ravages of weather may not disintegrate the highly mechanized machinery.

Now, what are the wages of human beings throughout the length and breadth of our country in agriculture and industry? First, there is starvation wages which cannot keep body and soul together and is less than the beast of burden receives. Second, living wages which just barely keep body and soul together and does not equal the cost of the shelter that the modern machine receives. Third, is the principle involving saving wages, whereby the modern workingman would be able to receive wages that would enable him to save in times of affluence and prosperity for days of adversity and misfortune, which is the fundamental principle motivating our great President, Franklin Delano Roosevelt, and the New Deal, in order to give purchasing and consuming power to the millions of underprivileged and undernourished Americans who are crying and clamoring for a better day in this great and beloved Republic of ours. [Applause.]

Mr. Chairman, the human personality revolts against the identification of machine, cattle, and man. Human labor must not be treated as is the labor of the beast of burden, or of the machine, for they are of different qualities and orders. The machine or the animal is not held responsible for its work for being deprived either of intelligence or consciousness, or of both; it cannot be called to accountability. But man, being endowed with intelligence and moral consciousness, owes responsibility for his labor and its quality to his employer. Consequently, to treat human labor as other labor is treated is not only inhuman but even economically unsound, resulting in strikes, boycotts, and general labor upheavals.

This consideration that man cannot be used as a means, like the machine or the animal, is the main motive animating the labor legislation of wages and hours of the present administration. In conformity with our religious traditions that man has been created in the image of God—that is to say, that he is a spiritual being—the present wage and hour bill seeks to humanize our economic order and raise the standard of life of the American people by—

First. Standardizing a minimum wage by freezing a minimum below which no human being can be exploited, and thus curbing the acquisitive powers of the captains of industry and commerce.

Second. Raising the general economic life of the Nation by a gradual, more equitable redistribution of wealth by increasing through minimum wages a greater purchasing and consuming power of the exploited worker.

Third. Securing greater leisure for the working people through the maximum of 40 hours of work per week, so that working people will have more time to attend to the education of their children, to the improvement of their own knowledge, and to their participation in the spiritual pleasures of life. In times gone by painters and poets, composers and writers created for the select few only. The rich and the mighty alone were the patrons and beneficiaries of the arts and letters, for the masses of people having been used as tools and labor devices were precluded from enjoying the higher pleasures of life that accompanied the beautiful, the good, and the true. It is the ardent desire of our great President, Franklin Delano Roosevelt, that the American people as a whole, and not the select few alone, be the patrons and beneficiaries of the arts and the letters and of everything that is noble and beautiful in life. Such an order of things requires greater leisure time, economic security, and social tranquillity. The vision of our humane President, Franklin Delano Roosevelt, is not so much a satisfied party as a contented and happy American people. [Applause.]

Mr. Chairman, to achieve the objects of the wage and hour bill we must first bring about a standardization of our economic life. This is most important, since it will complete in America the entire economic process from diversity to unity. We have to bear in mind that only five generations ago our Nation consisted of a variety of political and economic units, representing a maximum of diversity and a minimum of unity. Within this short span of time we have become a united Nation. We have produced a civilization of our own, which is the envy of representatives of other civilizations. We have developed a culture of our own which promises to become the culture of tomorrow, largely because it is a fusion and a synthesis of the best and noblest that can be found in all great European cultures of all times. We have marched through the road from diversity to oneness at a much faster pace than any other nation in the Old World. The

tendency toward unity in America must be considered nothing short of miraculous because, in the course of that process, millions of people not belonging originally to Anglo-Saxon nations have been made an organic part of American civilization which is basically Anglo-Saxon. The only missing link in this unity is the economic factor. In the economic field we are still divided. We still represent a house divided against itself. This division will be eliminated and a complete unit established by the adoption of the wage and hour bill. When there will be one minimum wage for every American worker, no matter whether the scene of activity is in the North or in the South, the East or the West, the process of American civilization will be complete. I dare say that President Roosevelt, who is vitally interested in seeing this bill passed, is only completing the work of our great unifier, the immortal Abraham Lincoln. Just as Abraham Lincoln has united the Nation politically so Franklin Delano Roosevelt is trying his utmost to unite it economically. [Applause.] In these trying days unity is more desirable than at any other time. For in unity there is not only strength but hope. A united Nation will be in a better position to weather the storm and to resist diversified forces than a nation divided against itself.

Mr. Chairman, if we fail to pass this bill, we will only be instrumental in continuing the exploitation of millions of workers, condemning them to a life of misery and squalor, and we will create the conditions for the rise and development of destructive forces. When the worker has a minimum of security he is likely to listen to all kinds of agitators trying to capture him for their dubious causes. The satisfied worker is sober-minded, patriotic, and conservative, but the dissatisfied toiler, whose starvation wage is scarcely sufficient to provide him and his family with the most elemental necessities, is just the ideal objective of the agitator and the false prophet.

Mr. Chairman, we often hear reactionaries singing the praise of a feudal order, because in that order the workingman, while deprived of freedom and many liberties, enjoyed a modicum of economic security. Today the American workingman enjoys all the liberty and freedom he desires, but he has no economic security, because he is badly underpaid, and has neither the benefits of feudalism nor the advantages of industrialism.

Mr. Chairman, we are all familiar with the contentions advanced against a wage and hour law, but all these arguments become invalidated by the one simple consideration, that a unified wage and hour law will once and for all do away with unfair competition in our economic life. The American people simply do not care for cheap, exploited labor, and are ready and willing to pay the price for well-paid services.

The shameful commercialization of labor in many parts of our country means that the well-paid workingman is always endangered by cheap labor. The manufacturer who pays his worker a living wage is always threatened by the manufacturers who pay their workers a starvation wage. This is unfair competition, and can be eliminated by the wage and hour law. If we fail to pass this bill, we only punish those manufacturers who pay their workers a decent living wage. Instead of penalizing we should encourage them, and the only encouragement we can offer them is to make this bill the uniform law of the land. A united American Nation wants one basic American economic law and one economic standard.

Mr. Chairman, American labor, like American civilization, must grow organically. It must grow like a plant. The symbol of the American worker is the tree, deeply rooted in the fertile soil, holding its position against all odds, weathering the storms, resisting the winds, and holding its own no matter what comes. Such growth testifies to health, to strength, to creativeness. But, in places where labor is cheap and the worker underpaid, he is always on the go, he is always moving, and is symbolized by the insect and not by the tree. The result is that localities that exploit labor, and treat them as economic slaves, undergo more changes than is good for them, and are interrupted in their development, to assume the character of armed camps, ultimately to be abandoned and deserted because a great section of the population migrated to other places, to look for better labor conditions. Cheap labor is the curse of every community. Well-paid labor is a source of strength and a blessing to every locality.

I have often heard foreigners traveling through our country tell me that there are two Americas, and two American civilizations, one in well-paid sections and the other in poor-paid sections. Their strange impression of our country is primarily traceable to the fact that in one part of our country labor is well paid, and consequently, towns and cities flourish, while in the other section, labor is underpaid, and the demarcation line between wealth and poverty is so sharp that where wealth ends, poverty, misery, and squalor begins. It is this kind of poverty, and the sort of squalor to which there is not any analogy even in the poverty-ridden countries of the Old World, that make us shudder at man's inhumanity to his fellow man. The adoption of the wage and hour bill will remedy these terrible conditions. It will make an end to that misery, suffering, and squalor which are a disgrace to American civilization.

Mr. Chairman, this bill must not be considered from the point of view of party interests, of local economic interests, of sectional, racial, or group interests; it must be looked upon from the point of view of our Nation at large, of the exigencies and requirements of the American civilization, and of the most elementary postulates of ethics. Its adoption will complete the minimum wage economic process that swings from diversity to unity. It will make the unity of our Nation and the American civilization complete and absolute. It will be a source of helpfulness and humaneness to our fellow man in places where labor is cheap. It will prove to be a source of strength in those localities in which the worker is always on the go in quest of better labor conditions. It will remove unfair competition. It will create a minimum unified economic wage standard in America. And it will make the dubious agitators and false prophets superfluous, for it will shut up the sources of agitation, discord, and propaganda, and especially of foreign propaganda, with its variety of isms. The adoption of this bill must therefore be considered an event of great historic significance. The adoption of this bill, Mr. Chairman, will be the greatest patriotic act imaginable, for it will create for our Nation a source of health, strength, and happiness, and will make millions of suffering human beings contented. What greater service can a man do in life than make his fellow man happy?

Mr. Chairman, the Declaration of Independence established the principle that all men being born equal must share a minimum of equality, at least, extending to all spheres of life—political, economic, and social. At the time that great document was composed man had but a vision of equality, the Declaration of Independence becoming a promissory note calling for future redemption. The present administration, in its efforts to emancipate the struggling masses of the American people from the many fetters to which it is bound, and to bring about greater economic equality, merely is honoring a note signed by the founding fathers of our Republic. And the honoring of this note will be completed when the American people will enjoy greater happiness, greater freedom, and greater security. Mr. Chairman, this state of economic justice can only come by adopting the wage and hour bill, which will emancipate millions of exploited, inarticulate, unskilled American workers, who are praying for a better day in this great Republic of ours. [Applause.]

Mr. Chairman, the great prophet Isaiah once said, "And a little child shall lead them." That profound, mystic, occult, and intuitive vision has come down to us through the ages. Asia is the mother of every religion and is the founder of all culture. Europe is the father of all civilization. America is the child. That is the result of the fusion and synthesis of these diversified, continental groups that have come to our country in the past and have made America great, glorious, and prosperous. These same groups are responsible for the creation of the shibboleth and slogan of our Nation and our Republic, "E Pluribus Unum." Out of the diversified many

has come one nation, unified, indivisible, with liberty and justice for all. The passage of the wage and hour bill, with the abolition of child labor forever, will make America "the child" lead all the nations of the world in progress, in culture, in civilization, and in the respect and refining influences it pays to American labor that has made our Republic the greatest in all the world. [Applause.]

Mr. WELCH. Mr. Chairman, I yield 5 minutes to the gentleman from Minnesota [Mr. JOHNSON].

Mr. JOHNSON of Minnesota. Mr. Chairman, this so-called wage and hour bill is just one of the component parts that are included in what you might call a program for social justice in the United States. I really believe that when the history of the administration of Franklin D. Roosevelt is written the outstanding thing to which the historians will point is recognition of the fact he came into office as President of the United States at a time of great stress and disturbance, took cognizance of a great technological change in the country as well as other changes in the various economics of the country, and set forth a program.

One of the speakers today said this bill did not originate with the President but with labor. This may be true, but I believe had it not been for the steadfast hammering of the President on the anvil this bill would not be up for discussion at this time.

For the remaining couple of minutes I should like to discuss one of the aspects of this measure as it affects certain groups of Government workers. Knowing the immensity of the program before the House and the Senate in the last 5 years, I believe this fact has perhaps been overlooked. It happens that the bill now under discussion covers only interstate commerce arising out of private business, whereas today we have in the veterans' hospitals of the United States men who are working as orderlies, diet kitchen workers, laundry workers, caretakers of the various hospitals and others, working as many as 60 to 72 hours a week, for wages of $60, $70, $80, and $90 a month; in addition, these men and women are subject to a rather unfair so-called Q. S. and L. deduction for quarters, sustenance, and laundry whether they actually receive them or not.

If we are suffering today from a maladjustment in the field of labor, if we are suffering from a lack of buying power in the field of labor so labor cannot buy the products of the farmer, this bill should be all-embracing and should cover also the men and women who work for the Government. They should be given the same limitation of 40 hours a week as the workers in private industry. Moreover, the men who are on duty in the various Government hospitals, and there are thousands of them today, are serving men who are sick, men who served their country on the field of battle, and who need extraordinary care.

I really believe that at the proper time an amendment should be offered to this bill, in line with H. R. 10574, which I introduced with 75 cosponsors, to make the bill a little bit more all-embracing and have the Government do in its own field of employment what it asks the people of the Nation to do in their private establishments. It is no more than fair and it is no more than honest that this be done. I believe a 40-hour week for all Government employees is no more than fair, if you are asking the same consideration for the people in the field of private employment.

Those of you who know we are in the midst of a social transition in the United States, regardless of whether you come from the country or the city, can honestly vote for this bill, because after you consider all the other attempts we have made in this country to bring back to the people of the Nation buying power and the right to live, you finally will come to this one show-down, that if the men who work in industry do not have jobs and incomes they cannot buy the product of the farm, whether that product be grains like wheat or corn or a product from the fields of the South, like cotton.

If you are going to bring normal national economics back you have to have legislation like this. You can call it a poor bill if you want to, as some have, but I think the gentlewoman from New Jersey [Mrs. NORTON] and her able committee and the leaders of the administration who have brought it into the House at this time deserve the thanks of everyone who is going to benefit by this legislation. Thanks are due also to the gentleman from California [Mr. WELCH] and those of his colleagues on the Republican side who signed the petition to discharge the committee, and who are lending their aid and support to this measure. [Applause.]

[Here the gavel fell.]

Mr. WELCH. Mr. Chairman, I yield to the gentleman from Michigan [Mr. WOODRUFF] such time as he may care to use.

Mr. WOODRUFF. Mr. Chairman, throughout my 20 years of service in the House of Representatives my record will show that I have never failed on any occasion to support any measure which would genuinely and actually benefit the wage earners.

For 50 years Samuel Gompers, president of the American Federation of Labor, and recognized throughout the world as the greatest labor leader and statesman of all time, preached in season and out against organized labor ever admitting or permitting the principle of governmental control or regulation of wages, hours, and working conditions. Gompers constantly warned that if ever the Federal Government successfully assumed the power of regulating wages, hours, and working conditions in any manner whatsoever, that that power could be extended to the regulation of wages, hours, and working conditions in their entirety.

No one can deny that the same principle which permits the Federal Government to establish minimum wages and maximum hours will permit the Government to establish maximum wages and minimum hours.

That is my principal reason for voting against this wage-hour bill. I consider the introduction of this principle of Federal control to be dangerous to the welfare of labor as well as of industry.

A second reason why I cannot support this measure is that I am convinced that amendments will be adopted in the Senate, or that compromises will be agreed upon in conference, which will permit the reintroduction into this measure of the very objectionable features which the American Federation of Labor opposed. Those objectionable features were all in the Senate bill, and they were responsible for a majority vote of this House to recommit the original House wage-hour bill.

I consider the effort to force this measure through the House as being designed primarily to get it into conference, where some, or even all, the objectionable features of the bill may again be injected into this measure under such circumstances that we will be left with the slim chance of defeating such a conference report.

Every Member of this body realizes that it is immeasurably more difficult to defeat an objectionable measure by refusing to adopt a conference report than to defeat the original measure on the floor.

My third reason for voting against this bill is that it will benefit such a very small percentage of the low-wage, long-hour workers it is claimed it will reach. In all probability not to exceed 2,000,000 wage earners will be touched by the provisions of this bill at all within the next 2 years. If our experience with wage and hour legislation in the past teaches us anything, it is that of those affected thereby a substantial proportion will lose such jobs as they now have.

The fourth reason why I cannot support this measure is because, according to the best analysts who have studied the bill and its probable operation, this measure will not reduce, but will increase, unemployment precisely as occurred under the efforts along this line attempted under the N. R. A.

A fifth reason why I cannot support this measure is that while the bill exempts farm labor, its enactment would create conditions that would make it virtually impossible for the farmer to secure hired help at wages within his reach.

A sixth reason why I cannot vote for this bill is that those who would be thrown out of employment when any particular industry or activity could not meet the requirements imposed by the bill would become a burden upon the public relief rolls.

A seventh reason why I cannot support this measure is that admittedly it will increase the cost of manufactured commodities to both American farmers and American wage earners, as well as all other classes, so that the few additional cents put into the pay envelope will again be taken away at the retail counter.

The eighth reason why I am compelled to vote against this measure is that under the provisions of the National Labor Relations Act, and with organized labor amply able to secure a just and fair settlement of these questions by collective bargaining, labor is able to adjust its own minimum wages and maximum hours.

The ninth reason why I cannot support this legislation is that it represents only another step, and a very far step, toward a planned economy, which is another name for the complete regimentation of the citizens of this Nation under the objectionable regulations of a gigantic bureaucracy. This, in turn, is the machinery of a political autocracy that has never for one moment in the last 5 years ceased to move in the direction of autocratic control and the destruction of our constitutional free Republic.

The time has come when, if this advance toward such a political autocracy is to be stopped, the Members of this and succeeding Congresses will be compelled to have the courage of their convictions and to vote against such measures as this, baited with promises of benefit to labor or to business, but concealed behind the bait the steel trap of centralized power in the Federal Government that would hold the citizen fast in subservience to a political autocracy.

The trap is set. The bait is in place. Its odor is alluring. Its consequences would be ruinous.

Mr. Chairman, American business is still further disturbed by the evident determination of the administration to continue to harass and control all business through the medium of this legislation. We already have 13,000,000 unemployed, and this proposal will add to this number. We have as many on relief today as we have had at any time. Instead of doing the things which inevitably make conditions worse why, in the name of Heaven, do we not lay aside these pending so-called reform measures, at least until such time as a reassured business has taken up a substantial portion of the unemployment slack?

It is not new legislation our unemployed want and need at this time. They want and they need jobs. They are rapidly coming to the realization that jobs are to be had only when the handcuffs and leg irons are removed from private American business.

Mr. Chairman, it is a matter of regret to me that the American Federation of Labor has in this instance been led astray by the political emotionalism of the moment; and I am convinced that when this bill is finally reported back from the conference that the American Federation of Labor, because of changes in the bill then confronting us, will be asking us to vote against the conference report.

Even if the bill were passed by both Houses as it is presented here it still opens the door to a principle utterly dangerous to the independence and welfare of labor and of industry—namely, the power of the Federal Government to interfere in the right of free contract by the employee and employer and to dictate the terms of all such contracts.

Mrs. NORTON. Mr. Chairman, I yield 3 minutes to the gentleman from Pennsylvania [Mr. DUNN].

Mr. DUNN. Mr. Chairman, as a member of the Labor Committee I am mighty glad to have the opportunity to speak on the wage and hour bill, which was reported from our committee.

According to the Bible, it has been said man came into possession of this earth about five or ten thousand years ago. According to the science of geology man existed about 500,000 years ago. Mr. Chairman, I do not hesitate to say that is too long a time to wait for a wage and hour bill. [Laughter and applause.]

I am positive that if this bill is enacted into law it will accomplish a great deal of good for unfortunate humanity. Sweatshops, child labor, slum districts, and other abominable social evils will disappear.

I have been informed that the Government spends approximately $15,000,000,000 annually to protect society against violators of the law. A great deal of the crime committed is perpetrated by those who come from the slums. If we would eradicate the slums, the Government would not be compelled to spend the gigantic sum for law enforcement against criminals.

The bill which is now before us is a constructive, progressive, and humanitarian measure. It has been said by outstanding labor leaders and economists that if we would enact this wage and hour bill about 3,000,000 persons who are unemployed would obtain employment, and it has also been stated that if we would adopt a 5-day, 30-hour workweek, approximately 7,000,000 persons would be reemployed. We should not hesitate to support legislation which will benefit mankind. Hundreds of thousands of people in our country are being compelled to work 12 and 14 hours daily, 7 days a week, for about 14 cents per hour. Such wages and long hours of employment are rank slavery. The sooner we adopt legislation to correct this damnable and vicious practice the better off society will be.

It is the duty of Congress to pass legislation which will abolish all social evils which are responsible for the unnecessary suffering of its people. Every man and woman who is physically and mentally able to work should have a position and be paid a saving wage. The aged, widows with dependent children, and those who are unable to work because of a physical disability should be provided with an adequate pension. [Applause.]

[Here the gavel fell.]

Mr. WELCH. Mr. Chairman, I yield 3 minutes to the gentleman from Kentucky [Mr. CREAL].

Mr. CREAL. Mr. Chairman, I want to take one sentence to answer in a way the economic philosophy which has been interjected into this debate from time to time by the man who says, "What do you think about disturbing the natural right and the constitutional right of individual bargaining?" I want to say that that is an awful bad thing, and if it had never been disturbed by capital, I do not believe you would have to have any wage-hour bill.

Did you know that every other capitalist fixes the wages of your employees, whether they work for him or not? When you pay him and he goes down the street to get a pair of shoes the price he has to pay for that pair of shoes is fixed by some people in Boston, indirectly fixing your man's wages. When I went in here to get a Coca-Cola a while ago he might have made a profit by selling for 4 cents, but if he undertook to sell that article for 4 cents they would stop it. There is no longer any competition in the factory product. Therefore the capitalist is fixing the wages of the people who do not work for them, and hence the only way to compete with that situation is to fix a bottom limit for wages.

Then they say it is a terrible thing when we undertake with respect to agriculturists to let them limit their production. There is a better system, if the factory would follow it, and when they cannot make a profit of 10 percent would keep on producing and take a profit of 5 percent, or any profit at all, then 2 bushels of corn would still buy what it bought in the old days. However, they will not do this. It might be a better system if everybody would overproduce and sell for what they could get, but one side carefully limits their production, and the only way to meet that situation is by the same kind of business method. For this reason some bottom is necessary for wages and hours.

I wonder how many Members of Congress would be willing to pass a bill providing that the Members of Congress should be selected by the bargain-counter method "What will you serve for?" to be the question.

[Here the gavel fell.]

Mr. WELCH. Mr. Chairman, I yield the gentleman 1 additional minute.

Mr. CREAL. I do not think we would be willing to let the job of serving as a Congressman out to the low bidder.

Of the vast millions spent here in wages by the Government, there is only one Government worker who is asked, "What will you do this for?" and that is the old star-route mail carrier. That is the only man in the history of the Government who is employed on such a basis.

With everybody else we fix the price and then bring him in. What I started out to say primarily was that there is one business never intended to be here by any labor group, Mr. Green, or the C. I. O. or anybody else, and that is that this bill will probably affect 4,000 weekly county-seat newspapers, because of about a 2 percent circulation that goes into different States, thus putting them in the interstate commerce class. This bill was never meant to reach those people. Every other piece of interstate commerce product is governed by the national or even international market. That is not true in that case. It is governed by the amount of population of the town, the county seat, or the county. At the proper time I expect to offer the amendment which was adopted in the other bill exempting the county weeklies, as they were never intended to be included by the labor leaders to go into this bill.

The CHAIRMAN. The time of the gentleman from Kentucky has expired.

Mr. WELCH. Mr. Chairman, I yield 5 minutes to the gentleman from Oregon [Mr. MOTT].

THE WAGE AND HOUR BILL

Mr. MOTT. Mr. Chairman, every Member of the House, I presume, vividly recalls the prolonged and bitter fight that was made to recommit the wage and hour bill, so-called (S. 2475), which was considered in the House at the last special session of the Congress. The whole country, for that matter, will remember the debate which for 4 tense and anxious days held the attention of employers and employees alike throughout the Nation. In my opinion, it was due entirely to the complete success of the fight then waged on the floor of this body by the opponents of that bill that the House is privileged at this time to consider a wage and hour bill that is really worthy of consideration.

Although the bill which comes to us today for debate bears the same title and number (S. 2475) as the one which we recommitted to the Committee on Labor on December 17, 1937, there is no similarity whatever between the bill that was then recommitted and the bill we now have before us.

That bill, the special-session bill, was not a wage and hour bill at all. It was nothing but a bald piece of deceit masquerading under the name of a wage and hour bill. It was a bill the real purpose of which was to put the effective control of both industry and labor into the hands of the Federal Government.

It was a bill which was not made in the Congress. It was a bill made entirely in the Executive Department of the Government. It was a bill the real authorship of which was never disclosed to any Member of the House, but which, according to common belief at the time, was the brain child of either Ben Cohen or Tom Corcoran, or both. The Congress was not even consulted in the making of it, but it was sent into the House and Senate ready-made under orders from the other end of Pennsylvania Avenue to pass it.

Mr. Chairman, I have before me the CONGRESSIONAL RECORD of December 14, 1937, and in connection with what I have just said, I wish to read an excerpt from the conclusion of my remarks in the debate in opposition to that bill upon that day. I said:

> Mr. Chairman, in my humble and sincere opinion this bill is a fraud. It pretends to be a wage and hour bill. It pretends to establish minimum wages and maximum hours for the benefit of the worker. Instead of that, it does nothing for either employer or employee except to put them both under the heel of the most absolute and autocratic bureaucracy that any piece of legislation has ever attempted to set up in this country.
>
> If this Congress wants a wage and hour bill, and for my own part let me say emphatically and unequivocally that I believe that honest, mandatory wage and hour legislation is necessary, and that I have always consistently advocated it, let us vote for an honest bill. Let us vote for the Dockweiler bill, which has the endorsement of labor and of the country generally, which actually establishes a minimum wage and a maximum workweek, which prohibits child labor, and which is to be offered as a substitute for this bill. If the Dockweiler bill should be held to be not germane, then let us vote to recommit this bill and demand that the Committee on Labor report to us a mandatory wage and hour bill, one that we will not have to apologize for or be ashamed of, one that meets legitimate desires both of labor and of industry, and one that is drawn with at least some regard and respect for the plain provisions of the Constitution of the United States. For that kind of a measure, Mr. Chairman, I believe there exists a real necessity and a real demand and I trust that upon recommitment of this bill to the Committee on Labor we will be given an opportunity to vote upon such a measure. [Applause.]

Mr. Chairman, the proposal which was then before us under the false label of a wage and hour bill was recommitted by the House. It was recommitted by a bipartisan vote, approximately one-third of the majority party joining with virtually the entire membership of the minority party in sending that bill back to the Committee on Labor.

Now, the Committee on Labor has wisely heeded the mandate of the House as expressed in the recommittal vote. By that vote the committee was given to understand that if it expected favorable consideration by the House of a wage and hour bill it must report out a mandatory bill, naming a definite minimum wage below which no employer should be allowed to go in compensating his workmen for their labor, and a definite maximum-hour week above which no employer should go in requiring his employees to work. The House by that vote also clearly indicated that it would not consider a wage and hour bill which did not provide proper and definite exemptions for agricultural and seasonal industry and for other industry which, by its nature, could not properly come within the provisions of wage and hour legislation.

Mr. Chairman, the Committee on Labor, in my opinion, has now brought in such a bill. The bill we have before us today from that committee is not as good a wage and hour bill as I would like to see. I think the wage floor is too low and the hours ceiling too high. It is not as good a bill as the Dockweiler bill, for example, which was endorsed by the American Federation of Labor and by the workers of the country generally, and which was not seriously objected to by the more progressive and far-seeing employers of labor.

But, Mr. Chairman, the bill now before us is at least a mandatory bill. It is at least an honest bill. It actually establishes minimum wages and maximum hours. It was not made in the Executive Department of the Government. It was made in Congress, where all Federal legislation should be made. It is self-executing. It is a simple mandatory law which everyone can understand. It eliminates entirely all of the offensive features and provisions of its predecessor which we recommitted at the special session. It gives no discretionary authority to any board, administrator, or other agent of the Executive. It contains simple and direct provisions for proper exemptions. And although, to begin with, at least, I think the wage minimum is too low and the hours maximum too high, yet it provides for a gradual and mandatory raising of the wage floor and a lowering of the wage ceiling for a period of 4 years, so that at the expiration of that period the bill will become to all intents and purposes the equivalent of the Dockweiler bill.

And so, Mr. Chairman, I shall support the bill, because in the main, and in principal, it meets the requirements I outlined in debate on the wage and hour bill which was recommitted at the special session of Congress. The bill, I think everyone agrees, is in need of some amendment, but I understand that the principal amendments which are to be offered are not objected to by the Committee on Labor.

Before I conclude, Mr. Chairman, I would like to say this: The House, by its vote to recommit the original Senate bill and by its vote which will shortly be cast to pass the bill now before us (which technically, of course, is an amendment to the original Senate bill, although there is no similarity between the two has plainly shown to the Labor Committee what kind of a wage and hour bill it wants and

it has just as plainly shown to that committee what kind of a wage and hour bill it will not tolerate. Let us remember that when this bill is passed and when it goes to conference. Let us not forget that the House conferees have a mandate from the House not to permit the Senate conferees to restore any of the objectionable features of the original bill which the House has already objected.

If the House conferees should recede from the position the House has taken in this regard, and if they should concur in any of the proposals of the original bill which put the regulation and control of hours and wages under the discretionary jurisdiction of an administrator or board, appointed by and removable at the will of the Executive, then it should be the duty of the House to refuse to adopt the conference report and to send the bill back to conference with instructions to the House conferees to insist upon every material provision of S. 2475 as it was amended by the House Committee on Labor and as it will be passed by the House upon the conclusion of this debate.

I say this now because I know that the position taken by the Senate when it passed S. 2475 and sent it over to the House is the same now as it was then. I mean, of course, the position taken by the majority of the Senate. The Senate is not going to recede and concur in the House amendments without a struggle and when the bill comes back from conference the House should stand by its guns and be prepared for the struggle.

In the meantime, Mr. Chairman, the bill now before the House is the immediate business of the House. And, furthermore, it is the immediate and exclusive product of the House, notwithstanding it still bears its original Senate number.

I am glad, at last, to have the opportunity of supporting a real mandatory wage and hour bill, which this bill is. I congratulate the Labor Committee and its distinguished chairman, the gentlewoman from New Jersey [Mrs. NORTON], for bringing to the House a bill of this kind, a bill, as it stands now, really made in Congress by herself and her able committee, and it is a pleasure now to be able to say to her that I intend on final passage to vote for it. [Applause.]

Mrs. NORTON. Mr. Chairman, I yield 10 minutes to the gentleman from Missouri [Mr. WOOD].

Mr. WOOD. Mr. Chairman, in the light of our experience in the past 9 years, 4 without any program at all, and the last 5 with a real program, it ought not to be necessary for us to be discussing the feasibility of the passage of a wage-hour bill today. To my mind this is the most sensible, the most logical, the most understandable, and the most workable bill that has been presented to this House with reference to wages and hours. I think it is the most important piece of legislation that has been presented to the Congress.

Since I came here on March 4, 1933, the administration of the Government under the leadership of Franklin D. Roosevelt has performed a wonderful task. In the past 5 years many, many constructive measures have been enacted into law, some permanent, others emergency measures. All of them have played their part in bringing this country out of the throes of depression. The effect of these measures has brought order out of chaos and brought us from the black depths of misery and despair to the place where confidence has been instilled in the hearts of the people of this Nation, confidence in this administration, and confidence in the Government itself.

Among those measures was the National Recovery Act, designed to elevate standards of wages and lower the hours of labor, thereby spreading employment. It abolished child labor and through the codes of fair competition enabled the employers of this country to eliminate cutthroat competition. Since the voiding of the N. R. A., as you all know, it is a matter of history, a matter of common knowledge, that wages have been rapidly reduced and hours have been stretched. In some instances we have gotten back almost to 1932 cutthroat competitive practices. At that time the employers of this Nation told our Committee on Labor and other committees of the Congress that unless something was done by this administration these practices would destroy the people.

It is very singular that under N. R. A. the southern cotton-textile mills, whose employees were raised from an exceedingly low wage to a minimum of $11 to $12 a week—$11 for women and $12 for men—it is indeed remarkable that through all of that period there was not a garment factory, to my knowledge, or a single cotton-textile mill closed in the South, or in the North, either. Wages were increased, hours were shortened, business became better through the elimination of the chiseler and cutthroat competitor. The N. R. A. was a godsend to this country. After the voiding of the N. R. A., we passed the Wagner Labor Relations Act, and that supplanted section 7 (a) of the N. R. A. that was declared unconstitutional.

Since that time we have not been successful in enacting legislation to take the place of the codes and the fair competition provided under the N. R. A., which regulated wages and hours. The result, as I previously stated, has been reduction in wages and the lengthening of hours.

Mr. Chairman, we have had before this House in the past 5 years every type of wage-hour bill known. In the last special session we had our choice between three types of legislation. There was an amendment submitted as a substitute. The House had the choice between administration of this law by a board or bureaucracy or administration of the law by one administrator in the Department of Labor or administration of the law by the Department of Justice. When that bill came from the committee it was replete with exemptions. It was loaded down with exemptions and differentials.

When the bill came to the floor of the House many objected to the bill because it had no minimum, and really it did not. It regulated the wages up to 40 cents an hour, a ceiling, and regulated hours down to 40 hours, a floor so far as hours are concerned. I agree that this bill is the reverse. We had an opportunity to vote on the substitute in the last special session, which put a floor on wages, a higher one than this, and a ceiling to hours.

A member of the Rules Committee told me, "If you will bring out a bill that is clear, concise, and understandable, and stripped of all its verbiage, with a 30-cent minimum, I will vote for it." But he has not voted for it yet. As I said before, I think this bill is pretty well understood by every Member of the House. We have discussed this matter pro and con for 3 or 4 years. I do not think it is necessary for any Member of the House to get up on the floor and say that he is just as good a friend of labor as anybody, "but I am opposed to certain features of this bill." If we are going to pass wage and hour legislation, let us pass this bill in its present form. Do not load it down with exemptions or differentials. If we get into the realm of differentials and exemptions, we will not know what kind of a bill we have passed. The way to establish a wage and hour principle, in my opinion, is to vote for a bill which is clear and concise, one that can be understood by any reasonably intelligent man.

This bill does start with a 25-cent minimum, which is too low as far as I am concerned, but there are no less than 5,000,000 wage earners in this country today working for less than 25 cents an hour, some of them for as low as 5 cents, 10 cents, and 15 cents an hour. The principal purpose of the pending bill is to put a floor under wages in order to eliminate this cutthroat competition which destroys the living standard of the higher paid as well as the substandard wage earner. That was clearly demonstrated in 1932 and 1933. It was the cutthroat competition, low wages, and long hours that was affecting the whole country.

The President of the United States has sent some seven messages to this Congress urging and imploring the Members of Congress to pass a wage and hour bill with a floor under wages and raise the American standard of living. I believe this House will pass the pending bill by an overwhelming majority. I hope the Members will not permit the opponents of this measure to destroy it by amendments, like they did

last time. Load this bill down with amendments and you will cause the bill to be recommitted.

[Here the gavel fell.]

Mrs. NORTON. Mr. Chairman, I yield 5 minutes to the gentleman from Michigan [Mr. DINGELL].

Mr. WELCH. Mr. Chairman, I yield 4 minutes to the gentleman from Michigan [Mr. DINGELL].

Mr. DINGELL. Mr. Chairman, I do not know that anything which I may offer in this debate on the wage and hour bill will materially change the opinion of the opposition or of my friend [Mr. MAPES]. I do, however, want to discuss the subject matter as to the effect on our Michigan industries; and this, after all, is most important to my people.

The bill which the administration advances in the House for consideration is one which will not have any direct or immediate effect upon 97 percent or more of our Michigan employers and employees. This bill provides for a minimum wage of 25 cents per hour and a maximum of 44 hours per week. Progressively for a period of 3 years the basic wage scale or minimum will be increased at the rate of 5 cents per hour, thus attaining a minimum wage at the end of that time of 40 cents per hour. The 44-hour ceiling will be brought down to 40 hours within 2 years. It was said that the 40–40 provision as originally proposed in the bill which was recommitted would not affect Michigan's industries and Michigan's employees to any great extent, possibly 2 or 3 percent. This modified bill, therefore, could not possibly apply even to this small percentage.

I am for the wage and hour bill and hold uncompromisingly to the principle within it which seeks to correct abuses by employers who cling tenaciously to what they claim as their right of peonage and exploitation, and I am proud to add here and now that this charge of exploitation and peonage does not apply as a general rule to our Michigan industries and employers.

It is because I want to be helpful to Michigan's industries and the country as a whole, because I want to add stability to our banks, our homes, our churches, and public institutions, and because, above all else, I want to make secure the high standard of living based on compensation of our Michigan workers that I favor the wage and hour bill.

This measure is directed against the unscrupulous and unyielding exploiter of the workingman wherever he may ply his nefarious trade within the boundaries of the United States. The abuse of labor is not confined to any one section, although it may be worse in one part of the United States than in another.

The map of the continental United States is pockmarked with localities and areas involving entire States where conditions are intolerable, and where it is said that industry cannot adjust itself to a higher standard.

This attitude is unjust, unfair, and cannot be condoned by right-thinking people, and the constant appeal to allow more time for adjustment is without justification. They will never voluntarily adjust these industries to better, higher standards, meantime their actions may result in the undermining of the higher wage and living standards in such progressive States as Michigan. In fact, this enslavement of labor in the backward States has already handicapped Michigan's industries and impaired the happiness and destroyed the confidence of our workers, and through it all retarded business, slowed down credit, to say nothing of the detrimental effect upon the banks and community life in general.

When we read advertisements in national magazines, covering double-page spreads, costing thousands of dollars, bearing the signatures of eight or nine Governors of their respective States, which call attention of employers and industrialists of the North to the fact that they can move their plants to the particular locality referred to in the advertisement and save money because of the availability of cheap labor free from labor troubles, offering as an additional inducement exemption from taxation for a period of many years and free land grants, then it is time for us to take notice.

It appears to me that Michigan industrialists, manufacturers, and employees would be of one mind when it comes to the question of maintaining or raising the standard of living for humanity in large and populous sections of the United States, if not for humane reasons, then for selfish reasons.

Frankly, I cannot understand the philosophy of employers in my State who stand opposed to the wage and hour legislation, which will protect their industries and the investment in these industries against the burrowing of industrial termites.

I know only too well the sapping effect of this parasite upon the majority of our industries. I remember when the city of Detroit, industrially, was the largest producer of quality overalls in the world; the largest and oldest among these was the Hamilton Carhart Overall Co. Then there was the Finck Detroit Overall Co. and the Larned-Carter Overall Co., and maybe others. You will find that all of these concerns were forced, in the face of unfair competition, to move to the Southland. Labor conditions and wages in these plants were based on a broad and generous policy, but this basis has no doubt been impaired if not completely destroyed since this industry en masse left the confines of the city of Detroit. If you will go with me to Trumbull and Michigan Avenues in Detroit, you will find that what was once a teeming, busy industrial plant is now but a bat roost.

The overall industry is not the only one that found it could not compete with the cheap and exploited labor in other localities. At one time Detroit was the second largest producer of cigars in the world, but for the same reasons this industry too was lost to Detroit; and we need not stop there. Even the automobile industry has built factories in certain southern cities for the production of parts because cheap labor was available, and such labor as has been employed heretofore in Detroit is now being engaged elsewhere.

This burrowing beneath our Michigan industries certainly has a detrimental effect, not only upon the industries but also upon the real-estate business, the values of homes, upon the banks, and even upon the neighborhood church. Our employers cannot compete against unlimited, uncontrolled, cheap labor—especially so where the curse of child labor exists. I cannot agree that this legislation is objectionable or unfair to any section. The only detrimental effect following enactment, as far as I can see, will come as a result of the determination on the part of die-hards to resist the law, and the adoption of an attitude of noncooperation even if the legislation is intended to be helpful. This is a philosophy of desperation and destruction which I cannot understand and which I conscientiously believe to be sinful, wrong, and un-American.

Michigan's industries pay higher wages than the minimum stipulated in the act, and our employers work their employees as a rule a reasonable number of hours. I fail to see why other States cannot follow this good example.

More than that, I cannot understand why an element of our Michigan employers rated above the slavetraders will plead for the maintenance of a damnable system which threatens their own very existence unless it is that an outlet is desired in case moving or transfer is intended. Such outlet should be blocked. Such an avenue of escaping fair obligations to labor and to a community should be eliminated. This legislation will not, however, prevent decentralization of industry, it will not restrict the right of an industrialist to move his plant but it will equalize costs of production so that moves and decentralization will not be induced by cheap labor and conditions bordering upon industrial slavery. I can understand these objections emanating from affected areas where some of the feudal lords still insist that there should be no invasion of their right to exploitation within their own domain, and while I disagree with their objections and philosophy, sharply, definitely, and uncompromisingly, yet, I can be more sympathetic and tolerant to such objections than I can to the evident similar objections coming from an employer within the State of Michigan or other high-wage-paying States.

This legislation will not only add security, stability, and happiness to the workingman but will give security, stability,

and added profits to industry. It is not a one-sided or a lop-sided piece of legislation and its objectives are sound.

I remember the late Judge Elbert H. Gary stating during the great steel strike that the steel industry could not under any circumstances work less than 7 days a week and I believe at that time employees in this industry were working 12 hours a day. Well, today the steel industry seems to be able to get by on a 40- or 44-hour week, employing more men than ever when business is good and showing greater profits.

The interchurch movement and public sentiment reinforced by the just demands of labor corrected the situation in the steel industry but this great and established industry was forced to capitulate only under duress.

The wage differential existing between two given parts of the United States makes it mandatory for the employers in higher-wage-paying States, in order to meet the unfair competition, to either reduce the salaries paid to the producing workers or to move their plants to the competitors' cheap-labor market. The alternative to this would be to bring about the raising of the wage and hour levels in the backward areas to meet the higher standard. The wage and hour legislation will level off these inequalities through the constitutional control of interstate shipments. Our Michigan goods will be shipped everywhere without restraint, but the movement of goods produced by peonage and child labor will be restricted by the law.

Clothed in respectability, the exploitation and enslavement of immature children is abroad in the land. It thrives in the most advanced sections of the country. It is the lowest form of prostitution on earth and should be wiped out by civilized society. Industrial panderers should not only be estopped forthwith but penalized by law to the point of extermination. Of all times when job competition of this sort should be eliminated, the present is most distressing. Microcephalic employers bent only on profits, with hearts of rodents and devoid of all human kindness, will insist upon their "constitutional rights" and "due process." I would give them their "rights" and plenty of "lefts," process or no process.

There is about as much reason to arguments against this legislation as there might be to the insistence of unrestricted sale of prison-made goods in competition with free labor.

The wage and hour bill if accepted in the right spirit should be a godsend to the employer and the employee not only in the higher-wage-paying States but in every part of the United States. Its passage is inevitable and its constitutionality unquestionably will be sustained. [Applause.]

Mrs. NORTON. Mr. Chairman, I yield 5 minutes to the gentleman from Alabama [Mr. HOBBS].

Mr. HOBBS. Mr. Chairman, while I realize the good faith of these gentlemen who are espousing this bill, and the humanitarian motive that our great President, to whom all have paid tribute, has in his heart, yet I cannot but feel that every word said in advocacy of the passage of this bill today is aimed at a symptom instead of the disease! How, in God's name, can they stand here and plead for the passage of a bill which gives to only 1 in 25 a wage of 25 cents an hour and exempts five times as many American laborers who work for one-fifth of that amount or less? I refer to the American farmer.

Everything in this bill except the child-labor part, which everyone favors, is as "cockeyed" as the reference to the lady who insists on being called "Miss Frances Perkins" as "he."

The Honorable JIM MEAD, bless his heart, says: "Make New York prosperous, and that will give the South a market for its cotton, and the Middle West a market for its wheat and corn." That is the philosophy back of every bit of this sectional legislation, "make us rich, fill our buckets to overflowing, and a drop or two of prosperity will eventually drip down upon the rest. Make us rich and that will give you a market for your cotton and your corn and your wheat." But at what price? At the price they fix. The American farmer is the only man living who has never had one word to say about the prices the products of his brain, brawn, sweat, and blood have brought in the market. JIM MEAD's folk fix the price of everything they sell from a plow point to a reaper or a mowing machine, from a shoelace or a box of breakfast food, to an automobile.

The prettiest vacuum cleaner, that has sucked every dime out of the pockets of the American farmer since the year 1, is in beautiful working order. "Make us rich." That is exactly what the system has been doing, is doing, and will continue to do. They do business behind a tariff wall that adds 45 percent to the cost of everything the unprotected farmer has to buy. Alexander Hamilton said that was stealing, and he ought to be a pretty good authority for Mr. HAMILTON FISH, who stood up here and said to the South today, "We will give you 3 years to get your house in order, and if you do not do it by that time we will take other means!"

[Here the gavel fell.]

Mr. HOBBS. I appeal to the distinguished lady, the chairman of the committee; I was promised 10 minutes.

Mrs. NORTON. Mr. Chairman, I yield 5 additional minutes to the gentleman from Alabama.

Mr. HOBBS. Thank you so much.

Mr. COX. Mr. Chairman, will the gentleman yield for an observation?

Mr. HOBBS. Certainly.

Mr. COX. This campaign of discrimination against the weaker member, industrially and politically, will mean that that section at some future time will be forced to close its gates against the admission of the goods that come from these other sections, which will bring them to their knees.

Mr. HOBBS. In addition to the 45-percent robbery which is practiced by means of the high protective tariff wall—and the farmer has never had any protective tariff wall or any benefit of that kind whatsoever—the American farmer has had to pay an average of 39 percent discriminatory robbery in freight rate differential; and nobody can dispute that, either. The machine goes merrily on. They rob us with the tariff wall—and I mean the farmers of the West and South alike—and they rob us with discriminatory freight rates. They say, "By all means, make us rich, us industrial barons, and then we will give you a market for your farm products—of course, at our own price. Have you never heard of the crumbs that fall from the rich man's table?"

I said in the last debate on this question that the real aim of this bill is nothing less than to put the American citizens, of the West and South alike, back where the industrialists—who have consistently robbed us—believe we ought to be, and to make us stay there, looking at the east end of a westbound mule, on the farm, producing the raw product so we can send it up there and have it manufactured and pay four prices for it on its return!

Mr. FLETCHER. Mr. Chairman, will the gentleman yield for a question?

Mr. HOBBS. I yield to the gentleman from Ohio.

Mr. FLETCHER. The gentleman states that the industrialists have been able to exploit the farmer. Is it not true that the industrialist is opposing this bill? He is not offering it.

Mr. HOBBS. I believe that is exactly where it is coming from, and I appreciate that question. I think that is exactly where it came from. These good people who are pleading the cause of "humanity" here, are being absolutely fooled into playing the fiddle of the group to which I referred and about which the gentleman now asks. The proponents are representing organized and entrenched industrial capital—not labor.

The point I wish to drive home is that there is today a great disparity between the income of the farm laborer and the farmer, on the one hand, and of the industrial workers on the other.

The distinguished Secretary of Agriculture will tell you there is no hope, not even under the new farm bill of 1938, with all its benefit payments, of raising the income of the American farmer, and farm laborer, up to one-half of what the industrial workers' income already is. I want you to get this. I am talking sense. Even taking into consideration

the living which the farmer gets off his farm, his average income is still less than half the average income of his fellow worker in industry. I maintain that until there is parity of income, between the workers in American agriculture and American industry, we ought not to raise the income of that group which is now getting an income more than twice as large as that of those in agriculture. We ought not to increase the disparity which exists at present. We ought to raise the average income of farmers to a parity with those who work in industry, immediately, and then raise the income of all.

Mr. FLETCHER. If what the gentleman states is true, then why are the industrialists opposing this bill?

Mr. HOBBS. Southern industrialists are fighting for life, the life of their infant industries. Northern industrialists are not opposing this bill. They "daddied" it, and are pushing it to destroy all industry of the South. The only thing they think we can do in the South and West, the great agricultural areas, and the only thing they think we should do, is to produce the raw product and ship it to them to be processed and sold back to us from behind their high protective tariff walls and unjust, discriminatory, freight-rate structures. So, they can continue to coin the sweat and blood of the teeming millions on our farms, five times as many as they even claim will be benefited by the provisions of this bill.

There are many, many reasons why this bill should not pass. Thinkers in every State of the Union are advancing them daily. In today's New York Times is a thoughtful article by Mr. Leo Wolman, a recognized authority:

MINIMUM-WAGE LAWS ARE FOR STATES—BUT ANY LEGISLATION OF THIS CHARACTER IS REGARDED AS BAR TO TRADE REVIVAL AND REEMPLOYMENT

To the EDITOR OF THE NEW YORK TIMES:

Everyone will agree that the most pressing problems of this country today are the persistence of a severe depression in business and a high and probably increasing rate of unemployment. Upon the solution, or mitigation of these problems depends our ability to deal satisfactorily with related problems of expenditures for relief, burdens of taxation and, indeed, our whole fiscal policy. Everyone will probably also agree that the adoption of economic policies at this time that may be expected to hinder the recovery of business and to add to our already large army of unemployed will amount to a grave disservice to American industry and its employees.

For some years now we have put all of our faith in a simple and plausible measure of reform and recovery. With great persistence and by a variety of methods, the Government has undertaken to increase the purchasing power of American labor. One of the foremost devices it has used to effect this purpose is raising the rate of wages or the price of labor. Under the influence of this belief, frequently and emphatically advocated by influential persons, many have become persuaded that along this path lie more stable business, fuller employment, and a more equitable distribution of income.

STEADILY MOUNTING WAGES

It is probably rare in economic history that a doctrine has been more effectively exploited than this one. The combined resources of Government, organized labor, and public opinion have been directed toward raising wage rates. Since 1933, consequently, wages have steadily mounted so that they now stand at their highest point for all time.

Some idea of the size of this increase can be had from the movement of wages of factory employees. In March 1938 the average hourly wages of factory labor were nearly three times their amount in 1914. Meanwhile the cost of living had increased by no more than 40 percent. Put in another way, the real hourly earnings (money earnings adjusted for changes in the cost of living) of factory employees in March 1938 were 100 percent greater than in 1914, 60 percent greater than in 1920, and 40 percent higher than in 1929. These are impressive figures, difficult to duplicate in any earlier period of so short a duration. They are, moreover, not peculiar to manufacturing industry. And they mean that we have ascended to a substantially higher level of real wages than has ever before prevailed in this country.

UNSOUND POLICY

In the face of this record it is hard to see that much of a case can be made for the doctrine that has so dominated our recent policy. The considerable advance in real wages has clearly failed to accomplish its purpose. Even at the peak of the last period of business expansion the volume of unemployment was exceptionally large, and since last summer it has again almost doubled. While no doubt a variety of forces may be held responsible for both the continuing unemployment of 1936–37 and the obstacles to recovery at the present time, the conclusion is inescapable that an unsound wage policy is one of the most potent of them. If this is so, American workingmen can hardly be said to benefit from a policy that has contributed to keeping a substantial proportion of them wholly or partially unemployed and to reducing the aggregate pay roll of industry.

Now that the business of this country is in deep depression and existing wage levels are, with few exceptions, successfully resisting adjustment, we propose to make matters still worse by legislation designed to raise the rates of wages of many hundreds of thousands of employees. Yet this is the purpose of the fair labor standards (wages and hours) bill now awaiting action by Congress.

Although the supporters of this legislation like to make us believe that this kind of law will have only a limited application because it undertakes to raise the wages of only the lowest paid employees, there are two considerations which they fail to mention. The one is that a minimum wage cannot be fixed without upsetting existing wage differentials and forcing a scaling up of wages of all classes of labor. The second is that the bill provides for schedules of maximum hours. In the present temper of labor, it will prove impossible to reduce hours of work without at the same time granting proportionate increases in wage rates.

The numbers affected by the law, therefore, are likely to be substantially in excess of current estimates. If this bill is enacted, it will be raising wages at a time when they are already abnormally high, when there is good reason to believe that prevailing wages are contributing to the unemployment rate and the difficulties of recovery, and when heavy industries to which the minimum rates may be expected to apply cannot afford to assume any heavier burdens than they are now carrying.

Aside from the purpose of this bill to establish minimum rates of pay, it has, perhaps, a more important purpose of equalizing wages throughout the United States. In this respect the provisions of the bill are directed mainly against the industries of the South that are believed to possess an unfair competitive advantage over other parts of the country. In supporting this purpose, advocates of this measure fail to take into account the long-term movements of southern wages and the conditions prerequisite to a rising wage level.

SOUTHERN PAY UP

Over the last several decades wages in the South have increased with the growth of capital in southern industry and the improving efficiency and productivity of southern labor. The estimate may be ventured that average hourly earnings of factory labor in the South is at this writing in excess of 50 cents an hour.

Considering the stage of development of industry in the South and the composition of their labor force, this cannot be considered a low rate. Average wages in the cotton-goods industry of the South are now about as high as they were in 1920; they are more than three times the 1914 rate; and they exceed that rate of 1928 by about 11 cents an hour. The North-South differential in this industry also is much smaller than it used to be, having declined from an excess of northern over southern rates of wages of 61 percent in 1924 to 26 percent in July 1937. While this differential is somewhat higher than that prevailing during the N. R. A., it is not excessively so.

The wage and hour bill is no doubt the product of good motives and a desire to raise the labor standards of American workingmen. But when its most probable effects will be loss of employment and further delay in the necessary adjustment of wages to business conditions, the wisdom of pushing such a measure may well be questioned.

If we are to have minimum-wage legislation in this country, it is the wiser policy to depend on State legislation, drafted and administered by persons close to the local situation and familiar with its problems. If also we desire legislation of this type, Federal or State, it is well for everyone to know that raising the rate of wages is no magic formula, that it will on occasion throw people out of work and keep others from being employed, and that regulated and uniform wages remove one of the most potent forces for breaking the log jam of depression and initiating revival and reemployment.

LEO WOLMAN.

NEW YORK, *May 21, 1938.*

In the same paper is the following editorial:

TO MAKE IT WORKABLE

We have frequently expressed the opinion that the proposed Federal wage and hour bill, scheduled to come before the House for debate today, is unwise—that its tendency will be still further to raise production costs, to retard recovery and to intensify unemployment. We print on this page today a letter from Leo Wolman, one of the foremost students of labor problems in this country, which presents an impressive economic argument against the bill. Unfortunately, it does not seem likely that the question will be decided in the present Congress on economic grounds. It seems altogether probable at the moment that it will be decided by political considerations, by emotional slogans and plausible formulas.

The House wage-hour bill has the simplicity and directness of a campaign document. It provides at the end of 3 years for a minimum of 40 cents an hour pay, in all sections and in all interstate industries, and a maximum of a 40-hour standard week. This 40-40 formula has such political neatness and charm that it will not be easily abandoned merely because of awkward practical consequences.

We do not believe that any amendment to the House wage-hour bill would make it economically acceptable. The problem is one

which, by its very nature, can be satisfactorily dealt with only by State law and close study of local situations. But on the assumption that the House wage-hour bill in its main outlines is destined to be passed in any case, it is important to ask what amendments would be necessary to remove or reduce its more dangerous possibilities.

There are several such amendments. The most essential is one that would substitute for the blindly automatic character of the present bill's standards special study and reasonable administrative discretion. This need not and should not take the form of a permanent five-man labor standards board with the sweeping powers provided in the Senate wage-hour bill passed last year. It should follow the procedure incorporated in the overwhelming majority of existing State minimum-wage laws—the appointment by an administrator in the Labor Department of special boards in each industry, composed of representatives of labor, employers, and the public, to investigate the particular conditions in that industry and to make recommendations for the administrator to adopt. The minimum-wage and maximum-hour standards of the present House bill, for the first 2 and succeeding years after its passage, might be retained as the extreme limits within which legal changes could be ordered. This would make it possible to exercise caution where the facts of an industry obviously made this desirable. It would also make it possible to introduce flexible sectional differentials in wages.

Whether or not such an amendment were incorporated, another amendment should be considered which, while not in itself removing the purely automatic application of the proposed minimum-wage and maximum-hour standards, would at least guard us from acting entirely in the dark. In the House bill as it stands, the Secretary of Labor is directed immediately after passage to determine which industries affect interstate commerce and to order them to adopt the wage and hour standards within a period of not more than 4 months. Instead of this, the bill could provide that none of the proposed wage-hour standards should be imposed before the end of the present calendar year; but that the Secretary should meanwhile determine the industries affected by the bill, and that all firms in those industries should as of a given date report the number of persons on their pay roll receiving less than 25 cents an hour, and those receiving less than 30, 35, and 40; with similar reports regarding hours above the maximums fixed in the bill. In this way we could learn before the standards went into effect how many persons would be directly affected by them, and in what sections, industries, towns, and firms these persons were. We would then be in position to determine the scope and incidence of the measure and to trace its effect upon the particular workers involved.

The criticisms of those who have argued that the wage-hour bill would put many of its intended beneficiaries out of work have been ignored by the advocates of the measure. But if those advocates are so confident that these criticisms are baseless, they should welcome all the statistical light possible on the measure's effects on marginal workers. It is a strange fact that those who have talked most of "social experiment" in recent years have been least interested in tracing the exact results of their experiments, though this would be the very first concern of any scientist.

While organized labor is supporting this measure it will affect few, if any, of its members directly or immediately. But in the long run it will affect, and adversely, the interests of all organized labor.

It is certain that the enactment of any such bill will result in the closing of many plants, which, for various and sundry reasons, will be unable to survive any wage increase or decrease of hours. This would mean increased unemployment and the reduction of the number of jobs, which, while not attractive, yet now provide a living, such as it is, for many of our fellow citizens.

Another inevitable result would be to penalize the skilled for the benefit of the unskilled, by a general leveling down of the wages of the skilled to meet the necessity created by the increase of the lowest wages caused by the minimum-wage requirement. The experience with just such measures, not only in ancient but also in very modern history, proves the truth of this assertion. The skilled workers in Russia, Italy, and Germany today bear mute testimony that this byproduct cannot be avoided, and that the average of all wages is not raised by fixing a minimum.

Another effect which would surely follow would be the stimulation of the trend toward mechanization of industry. Machines would still further add to the number of the unemployed. Thus the evils of technocracy would be multiplied.

But over and above all these dire consequences would come, as certain as night follows day, the abolition of the principle of collective bargaining and the doom of all organizations which exist for the benefit of labor. Labor's cause, in every case, if any such bill should become law, must be submitted to political despotism for determination—no amount of pleading by its own chosen spokesmen could change the edict of the dictator. His decrees would be governed only by the political complexion of the administration under which he might be serving.

The vast majority of you are so determined to pass this bill, however, that I doubt if any of these arguments will change a single vote. They have been advanced in the hope that they may serve as a background for the final appeal I am now to make. This final appeal is to your enlightened selfishness. Even if you care not for the wreck and ruin you are threatening to cause; even if you have forgotten the Golden Rule and the fact that we are supposed to have here in our great Nation a sympathetic sisterhood of free and equal States, bound together in indissoluble union for the common good; nevertheless you should not hurt yourselves in order to hurt us!

The crying need of industry everywhere is of expanded market demand—more purchasing power. Give the Cotton Belt parity, either in prices for its products or in income, and you have strengthened and expanded that market by the infusion of a new buying power of an added billion dollars a year. Parity prices for cotton and cottonseed alone last year would have added $1,000,000,000 to what the farmers got for those two products.

Add another billion to farm purchasing power by giving parity to the wheat farmers, another billion for corn, and so on.

That extra money will circulate with the velocity enhanced by long-pent-up and unsatisfied demand. That money will not stay in the hands of the farmers 1 day! It would be spent to buy the products of industry. It would circulate at a terrific rate. Economists tell us that circulation multiplies each dollar at least 10 times and that it is the velocity of circulation rather than the quantity of the circulating medium which creates prosperity.

Therefore, three billions of new dollars in the hands of the farmers of the Nation—three billion more units of initial buying power—would mean a $30,000,000,000 increase in annual business. If the farmers had received parity prices or income last year there would have been no recession!

The fact that parity prices would give the farmers so much additional money is no argument against the basic equity of the proposition. Parity of prices means nothing more nor less than cost of production plus a reasonable profit. Parity means equality. Prices on a par with or equivalent to those which are fixed for the products of industry.

Parity is fair. It would wipe out only unjust discrimination. You Republicans swear by Alexander Hamilton's brief for a high protective tariff, designed to benefit our infant industries of a century ago. You should not forget that in that brief of Hamilton's he stated that while a high protective tariff was desirable for the benefit of industry, its effect would be to rob the farmers. He advocated in that same brief bounties to farmers not as gratuities but as restitution. Those infant industries for the protection of which Hamilton pleaded are now hardly to be classed as infants. They are United States Steel, Standard Oil, General Motors, and many others which look to the unprotected farmer more like giants than like babies. Yet many of you still insist upon the same or even higher tariff benefits to protect them in their enjoyment of their artificially high prices. All we are saying is that this policy cannot be justified unless the circle is completed and parity with the prices of industrial products be assured to the farmers, who have no tariff protection.

The average cash income of each cotton farmer in Alabama last year was $200! On such an annual income, how can they buy your products? How can such incomes furnish a market to Alabama, much less to you? How can those who receive such incomes compete in the market for labor, when this bill proposes as its goal $832 as the minimum annual wage for industrial workers?

This is a national problem. We are all in the same economic boat. You cannot get money from us which we have

not. So why bore a hole in our end of the boat? Do so, and your end will sink with ours.

In conclusion, I beg of you your careful consideration of the amendment which I shall offer tomorrow. Its purpose is to postpone the time when this bill should become effective until the present disparity of income against those who feed and clothe us all—the farmers of the Nation—shall have been removed!

One word, and I am done. Do not think for a moment that by increasing disparity of income at the expense of the farmer you can benefit anyone! The first and best remedy which should be applied to sick business is to do justice to the American farmer! [Applause.]

[Here the gavel fell.]

Mr. WELCH. Mr. Chairman, I yield 3 minutes to the gentleman from Massachusetts [Mr. CONNERY].

Mr. CONNERY. Mr. Chairman, I am very thankful to the genial gentleman from California for the few minutes allotted to me. I am going to take but a few minutes because I can see there is a great deal of pressure here for additional time. There is no need of my taking any great length of time because this House should know how any Connery would stand on a real wage and hour bill.

I feel that the bill falls short of the goal that Billy Connery had originally set for it, but there is no question about the fact that this bill is far superior to the monstrosity which was presented to us last fall and which I joined with other Members in recommitting to the House Committee on Labor for reconsideration. However, I feel that at last we have a real bill before us.

I said a few seconds ago that I feel it falls short of some of the ideals, as well as the goal that Billy Connery set for it, but I would like to say in connection with that statement that I believe one particular provision in which he was wholeheartedly interested cannot be included in this bill because of a ruling rendered heretofore, that it would not be germane to the bill and that such a provision must come from the Ways and Means Committee. This matter was brought up here this afternoon by the gentleman from New York [Mr. FISH] and it is the provision with reference to foreign importations. In connection with that, Billy Connery prior to his death a year ago foresaw the necessity of such legislation and introduced a resolution covering that very situation which, if coupled with a real wage-and-hour law, would take care of foreign competition in fine style. There is now a petition on the Speaker's desk, petititon No. 35, by which I am seeking to discharge the Ways and Means Committee from consideration of his resolution in order to clear up this situation. Naturally, those who wish to protect the job opportunities of American wage workers realize the absolute need of having these provisions apply to products of foreign workers which compete in the American markets with products of American workers.

Tomorrow I feel that Billy Connery will be looking down upon his former colleagues as they overwhelmingly pass this wage and hour bill, happy in the knowledge that his great desire has culminated in the successful passage of a real wage and hour bill.

In connection with the bill, tomorrow I intend to offer an amendment calling for a straight 40-cent minimum hourly wage and a maximum workweek of 40 hours, with a time and a half for overtime provision. Instead of having the millions of workers now unemployed and those exploited workers who lack real purchasing power wait 4 years, we ought to put into the present bill right now this provision for a 40-cent minimum wage and a 40-hour workweek, with time and a half for overtime. In closing, may I remind the House that last December the Members of the House rejected a 40-cent minimum wage and a 40-hour maximum workweek provision by a majority of less than a dozen votes. I hope the Members of the House who realize the deplorable conditions of those who are asked to live on an income of less than $13 a week will support this amendment.

Mr. WELCH. Mr. Chairman, I yield to the gentleman from Arizona [Mr. MURDOCK] such time as he may desire to use.

Mr. MURDOCK of Arizona. Mr. Chairman, I may vote for this bill as is, but I would much prefer to see it amended.

I want to say that for the good of my country I want to see a floor under wages and ceiling over hours, to the end that our unorganized labor, and all labor in sweatshop industries, may be properly considered and treated by this Government. My support of this type of legislation in general arises out of the need as I recognize it of the industrial portion of our country, rather than any need in the agricultural, pastoral, intermountain portion of the country which I represent.

Out in my part of the great West, labor is chiefly engaged in the extractive industries. This is true of most mining, smelting, and lumbering, as well as agriculture, horticulture, and livestock raising out there. I feel that these extractive industries such as we have in the great open spaces very properly require a different set of regulations in keeping with the different set of conditions, which are in marked contrast with conditions controlling manufacturing industries here in the crowded cities.

If I had time I should like to indicate why I would be willing to have a wage differential and an hour differential based, not on political considerations or even on sectional considerations, but based on the natural differences appearing in the wide diversity of American industry over a vast continent. We must be careful in our efforts to aid labor in general that we do not harm both laborers and employers in the remote mountain regions of the West.

I feel that this type of legislation should apply to those industries and areas where there is a surplus of laborers and not so much to those industries and areas where there is a scarcity of laborers. Is it not possible to recognize this natural diversity of conditions over a wide territory in shaping this national legislation? I trust it may be done in this bill by proper amendments.

Mr. WELCH. Mr. Chairman, I yield to the gentleman from Ohio [Mr. BIGELOW] such time as he may desire to use.

Mr. BIGELOW. Mr. Chairman, I address myself to those employers of Cincinnati who are asking me to vote "no" on this wage and hour bill. I have to disappoint them and vote "yes."

Their opposition is based on what, no doubt, is an honest conviction that this sort of legislation will do more harm than good. They believe that when the Government, although with the best of intentions, interferes with economic law, the law strikes back and defeats the good intentions. They say that when we raise wages by law we raise prices more than wages, and thus lower in buying power the wages we seek to raise. This, it is contended, can have no effect but to shrink the volume of the Nation's business and increase the numbers of those who are crowded out of all employment. They say that we drive a wedge in to lift people up, forgetting that the underside of the wedge is pressing people down.

To this I reply. Yet, gentlemen, no one disputes this fact that there are in State and interstate industries as many people as there were chattel slaves of the South, who are wage serfs today, with less security than the chattel slaves enjoyed.

I agree that there is a better way to free these wage serfs than the one proposed. But we are not presented with an alternative. It is this way or nothing now. I therefore disregard this business logic. Above this logic I hear the voice of One who said:

> Inasmuch as ye have done it unto the least of these, my brethren, ye have done it unto me.

Whatever the ultimate economic effect of this wage and hour legislation may be, we are sure that the immediate effect will be to improve the conditions of millions of our people, the kind of people to whom it was said:

> Come unto me all ye who labor and are heavy laden.

It may be that if we passed this bill and stopped here we would accomplish little or no lasting good. But if we have the will to pass this legislation, we are more likely to move on to more fundamental remedies. If, however, we close the heart now, it is apt to stay closed against better ways of doing justice.

There is an economic institution, described in the old Bible, called the Year of Jubilee. It was recognized that the dollars of the rich bred dollars, while the debts of the poor bred debts, until the burdens of rent and interest that were laid on men's backs were too grievous to be borne. So it was arranged that every 50 years all mortgages should be canceled, all accounts wiped out, and society should make a fresh start debt-free. Our method of doing this is to have a depression every 10 or 15 years. This old Bible idea was to make this debt-unloading process a religious festival instead of an epidemic of foreclosures and suicides.

The workers of America are staggering beneath a load of debt. Out of their labor comes $15,000,000,000 a year tribute for the use of our portion of the God-given earth. Out of their labor comes another $15,000,000,000 interest, tribute that is paid for the use of the money monopolized by the money changers. Out of their labor comes also a $15,000,000,000 annual cost of a bureau-spawning Government.

This load of debts has grown too big to be endured. This wage and hour bill will hardly lift a feather's weight of this burden. Sober-minded men are filled with dread as they think of the next few years that are before us. They are convinced that we are in for it—a vast liquidation when dollars will turn to dimes, bonds will be bushels of waste paper, houses of ivory will come down, the rich with the poor alike will bite the dust. This wage and hour legislation is pitifully poor insurance against these evil days.

Here is the legislation I would prefer to this poor little 25-cent bill: I would take over the Federal Reserve banks and use the Nation's credit to bring down the interest rate on productive industry to a mere service charge. I would abolish taxes on all improvements on the face of the earth and redistribute this tax burden on land, not according to its acreage but according to its site value.

Use the taxing power, not to penalize improvement but to more fully bring land and labor together, and reduce the interest rate to further encourage industry and increase jobs.

This, I am convinced, is the way to open up so many jobs for men that, instead of passing laws to bolster wages up, we will have men running to Congress foolishly demanding laws to keep wages down.

But my businessmen in Cincinnati will not listen to such counsel. They do not read the signs of the times. They do not even want this grudging little wage and hour bill. All they want, they say, is confidence. Well, the people who are buried beneath the lava of Vesuvius had too much confidence.

As for me, I shall vote for this wage and hour bill, if that is all that Congress will do, because I know that it will at least buy a little more milk for hungry children and ease a bit the aching backs of old scrub women and light some flickering candles of hope in darkest America. It is worth something to give this assurance that a great Government is regardful of these humblest of its citizens.

But I will continue to plead for more than minimum wages. I will plead for maximum justice, a justice that will give the American people freer access to their land and freer use of their money. Thus, I think, we might turn the day of judgment that we dread into a year of jubilee.

Mr. WELCH. Mr. Chairman, I yield to the gentleman from Michigan [Mr. LUECKE] 3 minutes.

Mr. LUECKE of Michigan. Mr. Chairman, my colleague the gentleman from Michigan [Mr. MAPES] made a statement to the effect that Michigan was not in a frame of mind at this time for the wage and hour bill. Now, I have a lot of respect for my colleague and I am surprised to think he would get up on the floor and make a statement to cover the entire State, because I have received telegrams and letters from manufacturers in my district saying they want the wage and hour bill, and I know, too, that not only do the manufacturers want this bill but the workers to a man want the bill; and not only in my district but in his district as well.

I regret very much that sectionalism has been injected into this discussion because this is a problem which affects the entire country.

I had a novel experience while coming to Washington not long ago. I stopped in an industrial town and went into a store to make a purchase. I was standing at the counter and noticed the proprietor had in his hand a number of pay checks.

I asked him it is was pay day in town, and he said "yes," that the garment factory was paying off. I became interested right away and said that I supposed they paid a pretty fair wage, as this was in the northern part of the country.

He said, "Oh, I don't know about that. Do you want to see some of these checks?"

That was just what I wanted to see. In looking over the checks I found they ranged from $2 to $17 for 2 weeks' work, and that happened in the North. From that it will be seen that this is not a sectional bill. It applies to the whole Nation.

The thing to remember about this bill is that it is not designed to be a cure-all for industrial wages. It is merely aimed at wiping out sweatshop conditions and child labor. Those are the two salient features and should be kept in mind. And if it will do that and nothing more this Congress shall not have met in vain.

Democracies are being pressed on all sides the world over. Dictatorships are fast displacing a heretofore free people in many parts of the world. And why? Because no thought was given to the welfare of those people.

It is as plain to me as the night follows the day that our democracy shall not endure unless liberal and progressive legislation is enacted for the benefit of the masses. The very essence of democracy is liberalism and surely there is nothing radical nor unreasonable in this bill.

Sweatshop wages and conditions are the breeding places of crime. It is from there that immorality springs. Wages of $5 and $6 per week have caused more girls to go wrong and sent more boys on a life of crime than anything else in our Nation.

President Roosevelt in a speech to the House last year said that we have now arrived at the social frontiers and that hereafter our greatest concern should be correcting abuses which prevail to the detriment of humanity.

This bill is a step in that direction. We have overcome territorial frontiers and are now at the social frontier. It is going to take as much courage and determination to conquer the social frontiers as it did to overcome the territorial frontiers.

I do not mean to say that those who oppose this bill have not the courage of their convictions. I believe that they are honest and true in their opinions. But I do think that they do not understand the situation which confronts us today. We are no longer a pioneer nation.

I believe this bill is constitutional. It does not delegate any power except to a constituted authority, the Secretary of Labor. Any law must be administered by some executive department.

What I mean to say is that the bill says so much must be paid, so many hours must be worked. It does not leave it to the discretion of any department or board or commission. I believe that this is the only way a wage and hour bill can come within the Constitution. This is the democratic way to attack the problem of underpaid workers in industry.

Mr. Chairman, the workers of the Nation look to us for the enactment of this kind of legislation. They are watching us with anxiety. We cannot afford to let them down. If we do we will shake their faith in democratic government, and

once that faith is shaken it can never be retrieved. The very life of the Nation as a democracy depends on this bill and bills of a like nature.

The next step which we should take should be toward a cost of production program for the farmer. The two go hand in hand in my opinion. The workers of the Nation should not be asked to work for less than a certain amount and the farmers should not be asked to sell their products for sweatshop prices. That is the next step.

The workers and farmers are the foundation of society. If the foundation is not secure we cannot have a sound and firm nation. That is a law which holds good not only in structures built of material, but in society built up of humanity.

I am firmly convinced that a floor under wages is a solid cornerstone in the social foundation, and I hope the time will come when we will insert another cornerstone in the shape of minimum farm prices. [Applause.]

The CHAIRMAN. The time of the gentleman from Michigan has expired.

Mr. WELCH. Mr. Chairman, I yield now to the gentleman from Pennsylvania [Mr. DEMUTH].

THE "NO MAN'S LAND" OF ETHICS

Mr. DEMUTH. Mr. Chairman, the American manufacturers, businessmen, and merchants have established in the United States a relation of confidence between the buyer and seller because of established policy, price, quality, and business ethics nowhere equaled in the entire world. This condition existing between the producer used in the broad sense and the consumer has worked to the great advantage of both producer and consumer, has built a feeling of confidence, fair play and brought about a most healthful condition in this relationship and has made business transactions most pleasant. Nowhere in any particular branch of our economic and industrial system is ethics so well established and to great advantage of business in particular and to the benefit of all our peoples. All our manufacturers, producers, and sales organizations boast of their definitely established policies and business ethics. Morals, fair play, and law of self-preservation and true American sportsmanship no doubt were the driving factors in establishing this condition in this particular zone of industrial, commercial, and business America.

The social relations of the people of America compare most favorably with those of any other country. Our people are most honorable, charitable, unselfish, and moral to the end that our lives on this earth are much more pleasant than would be the case without these fundamental laws which are indelibly imprinted on the soul of each man through the teachings of the Bible and brought to us by Christ.

There are many established rules and customs in the producer-consumer relations which no doubt are based on morals and self-preservation. I do not think that a man would claim that any of the rules of fair play on the field of sports hurts the game of football, racing, boxing, baseball, tennis, or any other game. In fact we condemn poor sportsmanship here in America and hiss the offenders.

There is a moral obligation felt by every human being and a deep sense of responsibility established in every man to support his wife and his offspring. I am inclined to think that man labors and receives his pay more as a partner in that family and that money is delivered by him as agent to the members of his family that in no small part it is also theirs. So great is his feeling of responsibility to his family, if he squanders the money he feels he is squandering their money. In industry therefore he is in a sense the representative of the family. He renders a service for wages for the family. The family is the fundamental and necessary foundation of society and our existence. You must agree that because of great inherent humane responsibility man toils merely to feed, cloth, and educate his children and support his wife. The wage relationship concern them really more than they do him.

Incentive and ambition is the driving force of progress and all businessmen like to be successful and a profit is necessary for continuance in business. Likewise, accumulation of wealth brings with it a certain amount of prestige and honor. In America, unfortunately, we do not consider so much how it was brought about. We do not consider whether or not the children of these employees went hungry and fell victims of tuberculosis because of lack of nourishment; that members of the employee's family went without medical attention, proper clothing, or education. We are apt to pass that off as not his responsibility, but part of the work of charity. We are inclined to reserve our charity, humane consideration and fair play until we have accumulated sufficient wealth to practice it professionally, which in most instances are a failure. The many victims we have left in the wake of our reckless drive for profit are never compensated. Nor is paternalism in industry born out of charity, but generally with thought of trading a shiny dime for a quarter.

Certainly it is not necessary that there be a "no man's land" in morals, fair play, and fundamental ethics, and obligations of the employer-employee relationship. While the employee is the only part of the family with whom the employer contacts, nevertheless, the obligation is with the family and in turn with all the people, and therefore is of vital importance to the general welfare and the continuance of our democracy.

It would be as inconsistent to contend that such fundamental laws, rules based on moral laws, obligations to society and our humane existence in regard to wages cannot apply with great good to all the people including the employers as to contend with these established policies, and business ethics have not helped in producer-consumer field of our business economy or to contend that all rules for fair play ruins all our athletic contests, and all our social and economic relations.

No industry can be but of negative value to society if its existence is predicated upon the paying of wages lower than that required to support the American family up to established standards in America. Because of their morals and filial obligation, men in industry are in a vulnerable position. Should good order and decency prevail in this field or should laissez faire be permitted in order that certain citizens might carry on their depredations? Certain fundamental standards are established in the wage and hour bill that will so materially benefit the industries and producers as well that it will greatly improve our capitalistic system which is so greatly in need of strengthening at this particular time. This wage and hour bill is the first step in our economy toward improving the purchasing power of a large group of our people and it will reengage some of our productive forces. Our economy is not a one-sided proposition. To date all our attention has been directed toward production and increasing the standards in that field. Much more attention and effort must now be directed toward making these benefits accessible to the people of our Republic. It can be done and when it is there can be no doubt but that the capitalistic system can flourish and improve under our democratic form of government.

Mr. Chairman, we must establish labor standards and principles in our country.

In this particular part of our economy we have a "no man's land" of ethics.

Mr. WELCH. Mr. Chairman, I yield now to the gentleman from California [Mr. VOORHIS].

Mr. VOORHIS. Mr. Chairman, this wage-hour bill amounts simply to an attempt to raise a little the standards of the poorest paid workers of this country. It represents a statement by Congress that there is a standard below which no American citizen shall be asked to work.

Certainly the standard is modest enough. With millions unemployed it is indeed difficult to see how a logical argument can be made for a longer workweek than 40 hours.

But even that standard will not be reached for 2 years' time; and the bill, of course, does not actually forbid a workweek of a longer duration, but requires that if a man does work additional time he shall be paid time and a half for it.

The 25-cent minimum wage for which the bill provides in the first year of operation spells only $10 a week, and about $40 per month, and $480 a year. Even when we get up to a 40-cent minimum at the end of 3 years workers protected by the act will only be receiving $768 for a year's work if they do not lose a single regular working day. Can anyone say these standards are too high? Can anyone say that if there are people working for less wages than these—and we know there are—the whole Nation will not benefit by an increase in their incomes? These are the people who need sheets and bread and a little meat. They are the people whose lack of buying power presents the most serious problem of all for our agriculture.

This bill is not an organized labor bill at all. There probably are not more than a handful of organized workers in the Nation who get wages as low as those provided in this bill. This bill is for the protection of a group of people who have no means of speaking for themselves—millions of them women, all of them underpaid workers. They have no lobby here. They cannot have. That probably is the reason it has been such an uphill struggle to pass this bill.

Finally the bill means that the Congress is saying that competition shall not extend beyond a certain point so far as wages and hours are concerned. Congress is saying that competition must be conducted by means of greater efficiency, better products, wiser planning, but not by means of taking it out of the very minimum livelihood of the wage earners.

And so the bill offers protection to the employer who has tried to do the fair thing but has not always been able to because his competitors have undercut him in the matter of wages.

This bill is right. Above all, its passage will be proof that the Government of the United States has a sufficient sense of social responsibility so that once in a while the Congress will pass a law which is not wrung from it by political pressure, but which is passed just because it gives a small measure of justice to a group of our people all too long neglected. It is easy to enact measures which powerful groups demand. The test of our sincerity comes only when we are called upon to pass a bill like this one where only a sense of justice drives us to action.

It is true that the South has been terribly exploited by northern and eastern finance and industry. But this exploitation has been accomplished primarily by the exaction of interest payments and the drawing off into northern treasuries of the profits of absentee-owned southern mills and factories. Wages which these mills and factories pay to their workers however, are not so easily or so quickly siphoned out of the South. Those wages must and will be spent in the South. I sincerely hope that the effect of the bill will be to narrow, not to increase, as some have suggested would happen, the spread between the standards of living for the masses of people in the various parts of the Nation.

This bill clearly is only a feeble beginning. Its standards are, when we analyze them, tragically low. But I am convinced it is a start in one of the right directions we must go.

Mr. WELCH. Mr. Chairman, I yield now to the gentleman from New Jersey [Mr. WOLVERTON].

Mr. WOLVERTON. Mr. Chairman, the Labor Committee of the House of Representatives having recommended a wage and hour bill for approval by the Congress of the United States it is regrettable, that under the rules of the House, it was possible for eight members of the Rules Committee to prevent action by the House until 218 Members of the House, a majority of the whole membership, had signed a petition that would enable the membership to vote upon the question of whether the bill should be considered. Although the action of the Rules Committee was within the rules of the House, nevertheless it was a denial of a right that is fundamental in our form of government.

During my service in the House I have always deemed it to be my duty to assist in bringing to the floor of the House any bill, favorably recommended by a committee and having the support of a considerable portion of our citizenship. The purpose, or, underlying theory, of our form of government is that the will of the majority should prevail. As representatives of the people, to express by our votes what we conceive to be the will of those whom we represent, our right and duty to do so is precluded when action is taken by the Rules Committee to prevent any bill from coming to the floor of the House. Consequently in this, as on other occasions, I have signed the petition that has made action by the House possible and upon the vote being taken I have voted to discharge the committee of the bill. The overwhelming majority by which this motion was carried indicates the strong demand there is for such legislation.

The wage and hour bill represents an endeavor to provide a foundation for wages and a ceiling for hours. The conditions that exist in many sections of our country are appalling and create a necessity for this type of legislation if we are to maintain our American standard of living. Sweatshops and child labor have no right to exist anywhere in this Nation. Their continued existence is indefensible.

The bill, as recommended by the committee, provides a universal, Nation-wide minimum rate of pay of 25 cents per hour with a provision that it shall be increased to 40 cents within a period of 3 years; and a ceiling for hours of unemployment which provides for 44 hours per week with a provision that it shall be reduced to 40 hours within a period of 2 years. Thus, the bill provides a rate of wage below which no employee can go, and a limit for hours above which no employer can require his employees to work.

It is estimated that the enactment of this legislation will immediately benefit 3,000,000 workers who are now underpaid and overworked. It will extend to those who work in industries that are interstate in scope the same protection as is now accorded to workers in States that have minimum wage laws affecting industries that are local or only Statewide in character. Thus, this bill gives national scope to a principle that is already recognized by many of our States. The fundamental principle upon which this, and all similar legislation is based, is that no industrial worker should be allowed to work for wages which are less than the amount required to provide a decent standard of living.

A further reason that justifies the enactment of this legislation relates to the employer. It is within the knowledge of all that there are employers throughout the Nation as to whom it is unnecessary to enact laws to compel them to fix decent wages and hours of work. They have done so voluntarily. But every one of such employers is at the mercy of the "chiseler" in his particular industry, who by low wages and long hours creates an unfair competition that is difficult, if not impossible, for the employer paying the higher wages to meet. Thus, this legislation will directly benefit those employers who are compelled to face the unfair competition created by the unscrupulous employer who gets all he can out of his employees and at the lowest possible wage.

The critical unemployment situation that now exists must be remedied. With 13,000,000 unemployed we are faced with a problem, the solution of which is of paramount importance. So long as this continues to exist it will be necessary for the Federal, State, and local governments to contribute huge sums of money for relief. This cannot continue indefinitely without creating a situation that will become increasingly difficult to handle both from the standpoint of the financial burden and the morale of the people who are unemployed. These latter will not continue to be satisfied with a small dole or work-relief projects that pay only meager wages. The amount being received from either of these is so small that it cannot do anything more than

keep body and soul together, and hardly that. For 8 years many of these unemployed have not enjoyed any of the comforts that brings joy into life. Our much-talked-of American standard of living—the highest in the world—has been greatly undermined and for many has become only a memory. There can be no real change in this situation until the unemployed are again able to find employment in regular jobs and at regular wages. I realize that this is no easy task. I realize, however, that much that could have been done by the administration to bring this about has been either overlooked or refused.

The present legislation, fixing wages and hours for those engaged in industry that is interstate in character, is a step in the direction of remedying the unfortunate conditions that now prevail. It will not cure the entire unemployment problem. No wage and hour bill could be drawn that would do so. This bill, however, does seek to remedy the situation in one important particular. It is generally recognized that in a time of widespread unemployment the quest for jobs creates a condition that makes it easy, for employers so inclined, to increase hours of labor. Those who seek employment under such circumstances are willing, by force of circumstances, to work any number of hours for any kind of pay in order that they and their families may survive. It is a condition such as this that enables sweatshops to operate to the advantage of those who operate them, and, likewise drive children into industry to help piece out the meager wages received by the father or mother. When we realize that these unjustifiable conditions exist today in many industries, in different sections of the country, without any restraint of law it becomes clear that something must be done for those who are the victims. Common decency demands it and our prestige as a nation suffers as long as it is permitted to exist.

In addition to the desire to improve working conditions there is also an expectation that this legislation will have a beneficial effect in reducing the number of unemployed. This expectation is based upon the thought that limitation of hours of employment should produce a wider spread of employment and thereby reduce the number of unemployed. If this desirable end is accomplished then this bill will prove a valuable contribution to the solution of the most pressing problem with which we are faced today.

In conclusion, I wish to make some reference to those who have communicated with me expressing their opposition to the enactment of this bill. Some of these have objected merely because of some particular clause in the bill, or, because of what may seem to be a possible injustice in the application of the bill under certain contingencies. Amendments have been made to the bill that will correct some of the objections that have been mentioned, particularly with reference to seasonal occupations and preservation of goodstuffs, and, others that deal with particular conditions that are possible of amendment without destroying the underlying purpose of the bill. Some of those who have objected, however, have done so upon an apparent misunderstanding of the reasons that make this legislation necessary. I am confident that many such have done so without any personal knowledge of the actual conditions which now exist and which make this legislation necessary. It is all too true that "one half does not know how the other half lives." If they did, then, I am sure they could understand the purpose that actuates the desire to enact this legislation. Knowing as I do, from intimate contact with those who labor, the conditions that make this legislation necessary I would be false to my conscience and lax in my duty if I did not give my support to this measure. I have done so each time the matter has been before the House and feel justified in doing so until it is written into the law of our country.

Mr. WELCH. Mr. Chairman, I yield 5 minutes to the gentlewoman from New Jersey [Mrs. NORTON].

Mrs. NORTON. Mr. Chairman, I have asked these 5 minutes in order to yield them to the gentleman from Iowa [Mr. BIERMANN], whom I promised to yield to earlier in the day. I yield 5 minutes to the gentleman from Iowa [Mr. BIERMANN].

Mr. BIERMANN. Mr. Chairman, I signed the petition to bring out this bill and I hope to be able to vote for it. But, like many other Members from farm areas, it will be hard for me to vote for it unless some of the hardship it now imposes on farmers is removed from the bill. We concede to the Members from the large cities a better knowledge of the labor situation there than we possess. And, by the same token, we believe we have a better knowledge of what should be done in the farming areas than Members from the large cities.

The bill, as presently worded, imposes hardships on the farmers, which in no way serve the purpose of the bill. In section 2 the purpose of the bill is declared to be to remedy "substandard labor conditions." Nobody complains of substandard labor conditions in the creameries, cheese factories, and similar institutions in the farming areas. As Charles W. Holman, secretary of the National Cooperative Milk Producers' Federation, says:

> Persons employed in agricultural processing plants in country districts are well paid and are envied persons in their community. Farm labor and, indeed, many farmers themselves would be happy to change places with those persons fortunate enough to be employed in creameries, cheese factories, and country milk plants.

Tomorrow I shall offer the following amendment, which I hope the committee will accept:

> Strike out subsection (g) of section 3 and insert in lieu thereof: "(g) 'Employees engaged in agriculture' includes individuals employed within the area of production engaged in the handling, packing, storing, ginning, compressing, processing, pasteurizing, drying, or otherwise preparing agricultural commodities for market."

Nearly every large farm organization in the United States has endorsed this amendment. I know of none that opposes it. It is a well-known fact that most of the cost—in most cases all of it—of running these farm factories is taken out of the amount the farmer receives for his product.

And here is the point, important for the big factory laborers—employment of labor goes up and down, closely following the total income of the American farmers. In 2 to 6 months after farm income drops, employment in the cities declines. In 2 to 6 months after farm income booms, employment in the cities increases. So, in arguing for this amendment, we are, in effect, pleading the cause of city labor.

Now why do we want farm factories exempted from the terms of this bill? Because they have to be conducted in most cases in a way very different than the way the big city factory is run. Referring to plants handling milk, Charles W. Holman says:

> The hours which they work are dependent upon the flow of milk from the farms into the plants. * * * At certain times of the year production is much higher than others, resulting in keeping plants open longer hours than in normal times. In the winter, snow and slush make deliveries from farm to plants erratic, but they must keep open until all of the farmers' milk has been taken care of. Truck break-downs require the keeping open of plants longer than normal on certain occasions. In addition the plants are active at certain periods of day and during other periods there is very little work for men to do. Nevertheless they must be around the plant.

I have a letter from E. S. Estel, secretary-treasurer of the Iowa State Dairy Association, in which he says:

> If your amendment fails to pass the wage and hour bill would place a serious handicap on dairy plants and especially the smaller ones that are so numerous in the northeastern section of Iowa.
>
> Because a large volume of the butter made in Iowa, as well as the other principal dairy States, is produced during the period May 1 to August 1, or during the grass season, it is extremely difficult for dairy plants to obtain additional satisfactory workers during this short, busy season.

Mr. Estel directed my attention to the fact that creamery employees in Iowa in district meetings held last winter overwhelmingly favored the present hourly working basis which necessitates longer days during the short, busy seasons and provides short days in the slack periods.

The employees in these farm factories are not complaining. They know that the nature of their business requires

elastic hours—and they know that the rigid rules laid down in this bill would not work in the farm factories. We should not disrupt these little businesses, which are handling farm products directly from the farm and which are supplying good jobs to satisfied employees. I want to quote from a letter received from H. H. Woldum, manager of the Decorah Produce Co., in my home town. He says:

> So far as we are concerned it would be absolutely impossible to conform with the requirements of this law and stay in business. At certain times of the year when we are not busy we could possibly comply with the provisions of this law if it was possible to get the necessary help whenever it was needed, but during the rush of the egg or poultry season it would be impossible as we then have to work overtime and sometimes work half the night and even longer in order to take care of the business.

The amendment I have proposed would strengthen this bill without sanctioning substandard labor. It would save the farmers of America from an expense they should not be subjected to. No good purpose would be served by including farm factories in this bill. Wage and hour legislation on a national scale is an experiment in America. Is it not wise to move cautiously? The bill is framed with big factory conditions in mind. Why include little farm factories, where labor conditions are good? The organized farmers of America ask that this amendment be adopted. Its adoption would not weaken the bill. The bill is aimed at substandard labor conditions. We ask you to exempt industries in which substandard labor conditions do not exist. [Applause.]

Mr. WELCH. Mr. Chairman, I now yield 3 minutes to the gentleman from Alabama [Mr. PATRICK].

Mr. PATRICK. Mr. Chairman, I was very heartily impressed by what my colleague from Alabama [Mr. HOBBS] said. There is no controverting most of the things that he said, in fact all of them are true, perhaps, but I am supporting this measure. I do not see how we can ever reach the conclusion that we can lift our section, the South, out of the condition that has prevailed for several years by keeping it on a low-wage plane. The only way that we can do it is to go along with whatever legislation is necessary to lift it to a better station among the activities of the Nation. We can only do this one leg at a time. I suppose always, when sweeping legislation of this kind is offered, which covers a whole Nation, every section wants its boost first. I was disturbed over the previous wages-hours measure which we voted to recommit because of the rate discrimination and the extra haul expense we have to absorb to get our goods into the South. I do not see now how any fair lawmaker can take half a glance in the direction of this measure and not vote to get away from the unhappy discrimination that has assailed our section of the country so long. But we must be content to see our laws passed one measure at a time. So, unless it is ruined by amendments, I shall vote for this bill.

The CHAIRMAN. The time of the gentleman from Alabama has expired.

Mr. WELCH. Mr. Chairman, I yield the balance of my time to the gentlewoman from New Jersey [Mrs. NORTON].

Mrs. NORTON. Mr. Chairman, having no further requests for time I yield back the balance of my time.

Mr. COX. Mr. Chairman, when the unanimous-consent request was submitted for the extension of time for general debate I raised no objection, having in mind, of course, in view of the fact that I have been consistent in my opposition to this proposal, that I would have some time to debate this vital and all-important measure.

The CHAIRMAN. Is the gentleman submitting a parliamentary inquiry?

Mr. COX. I am.

The CHAIRMAN. The gentleman will state it.

Mr. COX. At that time, however, those in charge of the time were not permitted to give me, I presume in view of the fact——

Mrs. NORTON. Mr. Chairman, will the gentleman yield?

Mr. COX. I yield.

Mrs. NORTON. I did not have any request for time from the gentleman, but I shall be very glad to yield the balance of my time to the gentleman from Georgia [Mr. Cox].

Mr. COX. Mr. Chairman, I made the request on the floor, and the answer to my request was that 40 minutes would be yielded to the opposition, and the gentlewoman yielded that time to one of my colleagues from Georgia [Mr. RAMSPECK]. In view of that statement I did not later petition for time.

The CHAIRMAN. The Chair understands that the gentlewoman from New Jersey is willing to yield to the gentleman from Georgia [Mr. Cox] the balance of her time.

Mr. COX. Mr. Chairman, I could not even scratch the face of this important question in a discussion of 1, 2, or 3 minutes. I take this opportunity to say that I have the hope and expectation of being able at least briefly to discuss the bill on tomorrow on my own time and within my own rights.

The Clerk read as follows:

> *Be it enacted, etc.*, That this act may be cited as the "Fair Labor Standards Act of 1938."

Mrs. NORTON. Mr. Speaker, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee arose; and Mr. RAYBURN having taken the chair as Speaker pro tempore, Mr. MCCORMACK, Chairman of the Committee of the Whole House on the state of the Union, reported that that Committee, having had under consideration the bill (S. 2475) to provide for the establishment of fair labor standards in employments in and affecting interstate commerce, and for other purposes, had come to no resolution thereon.

EXTENSION OF REMARKS

Mrs. NORTON. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days from the final vote on the wage and hour bill in which to revise and extend their own remarks in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentlewoman from New Jersey?

There was no objection.

Mr. HOBBS. Mr. Speaker, in addition to the general authority which has just been granted, I ask unanimous consent to include in the extension of my remarks a short editorial and statement.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Alabama?

There was no objection.

Mr. RAMSPECK. Mr. Speaker, I ask unanimous consent to include in connection with my address certain excerpts from the President's message, from the hearings on the bill, as well as certain letters and editorials.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Georgia?

There was no objection.

Mr. VOORHIS. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include a short excerpt from an article appearing in the Saturday Evening Post of December 21, 1907.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. MAPES. Mr. Speaker, I ask unanimous consent to include in the remarks I made this afternoon a news item and an editorial in the Washington Post, to which I referred.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. MARTIN of Massachusetts. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein a short table.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. SWOPE. Mr. Speaker, I ask unanimous consent to extend my own remarks in the Appendix of the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. DIES. Mr. Speaker, I ask unanimous consent to include in the extension of my remarks quotations from a letter from Miss Perkins to me, and also a letter from the executive secretary of the A. F. of L. in Texas, as well as the statement of Mr. H. C. Fleming, president of the International Oil Workers' Union.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. MURDOCK of Arizona. At Kirksville, Mo., on the evening of May 19, I spoke at a banquet in honor of the new president of a great teachers' college at that place. As it was a propitious moment, I recounted some of the educational achievements of earlier presidents, such as John R. Kirk and Eugene Fair. I ask unanimous consent to include in the RECORD the address which I made on that occasion, thinking that it has some educational as well as commemorative value.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Arizona?

There was no objection.

Mr. FLETCHER. Mr. Speaker, I ask unanimous consent to revise and extend the remarks I made today and to include therein a statement with reference to the foreign-trade agreements as applied to this bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. MARTIN of Massachusetts. Mr. Speaker, I ask unanimous consent that the gentleman from Ohio [Mr. WHITE] may extend his remarks in the RECORD and include several short tables.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. HEALEY. Mr. Speaker, I ask unanimous consent to revise and extend the remarks I made today and include therein a table.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mrs. NORTON. Mr. Speaker, I ask unanimous consent to include in my remarks a letter from Mr. Jackson, Solicitor General, also the statement of Mr. Cohen before the subcommittee of the Committee on Labor considering the wage and hour bill, and I request that that follow immediately the statement of the gentleman from Georgia [Mr. RAMSPECK].

The SPEAKER pro tempore. Is there objection to the request of the gentlewoman from New Jersey?

There was no objection.

Mrs. NORTON. Mr. Speaker, I ask unanimous consent that the gentleman from Missouri [Mr. COCHRAN], may be permitted to extend his own remarks in the RECORD and include therein an editorial from the St. Louis Post-Dispatch.

The SPEAKER pro tempore. Is there objection to the request of the gentlewoman from New Jersey?

There was no objection.

Mrs. NORTON. Mr. Speaker, I ask unanimous consent to proceed for 1 minute.

The SPEAKER pro tempore. Is there objection to the request of the gentlewoman from New Jersey?

There was no objection.

Mrs. NORTON. Mr. Speaker, for the benefit of the RECORD, may I say that the gentlewoman from New York, Mrs. O'DAY, is unable to be present on account of illness. If she were present, she would be glad to support the wage and hour bill.

The gentleman from Indiana, Mr. GRISWOLD, a member of the Committee on Labor, is unable to be here on account of illness.

HOUR OF MEETING

Mrs. NORTON. Mr. Speaker, I ask unanimous consent that when the House adjourns this evening it adjourn to meet tomorrow morning at 11 o'clock.

The SPEAKER pro tempore. Is there objection to the request of the gentlewoman from New Jersey?

There was no objection.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to Mrs. O'DAY, indefinitely, on account of illness.

BILLS PRESENTED TO THE PRESIDENT

Mr. PARSONS, from the Committee on Enrolled Bills, reported that that committee did on this day present to the President, for his approval, bills of the House of the following titles:

H. R. 1486. An act to amend section 30 of the act of March 2, 1917, entitled "An act to provide a civil government for Porto Rico, and for other purposes";

H. R. 4222. An act for the relief of Mary Kane, Ella Benz, Muriel Benz, John Benz, and Frank Restis;

H. R. 4276. An act to amend an act entitled "An act to create a juvenile court in and for the District of Columbia," and for other purposes;

H. R. 4650. An act to amend section 40 of the United States Employees' Compensation Act, as amended;

H. R. 4852. An act to provide for the creation of the Saratoga National Historical Park in the State of New York, and for other purposes;

H. R. 5633. An act to provide additional funds for buildings for the use of the diplomatic and consular establishments of the United States;

H. R. 5974. An act to authorize payments in lieu of allotments to certain Indians of the Klamath Indian Reservation in the State of Oregon, and to regulate inheritance of restricted property within the Klamath Reservation;

H. R. 6410. An act granting a pension to Mary Lord Harrison;

H. R. 7104. An act for the relief of the estate of F. Gray Griswold;

H. R. 7534. An act to protect the telescope and scientific observations to be carried on at the observatory site on Palomar Mountain by withdrawal of certain public land included within the Cleveland National Forest, Calif., from location and entry under the mining laws;

H. R. 7553. An act to amend the laws of Alaska imposing taxes for carrying on business and trade;

H. R. 7711. An act to amend the act approved June 19, 1934, entitled the "Communications Act of 1934";

H. R. 7778. An act to amend section 26, title I, chapter 1, of the act entitled "An act making further provision for a civil government for Alaska, and for other purposes," approved June 6, 1900;

H. R. 7827. An act to authorize public-utility districts in the Territory of Alaska to incur bonded indebtedness, and for other purposes;

H. R. 8008. An act to provide for the purchase of public lands for home and other sites;

H. R. 8148. An act to amend Public Law No. 692, Seventy-fourth Congress, second session;

H. R. 8177. An act to create a commission to be known as the Alaskan International Highway Commission;

H. R. 8203. An act for the inclusion of certain lands in the Kaniksu National Forest in the State of Washington, and for other purposes;

H. R. 8373. An act for the relief of List & Clark Construction Co.;

H. R. 8404. An act to authorize the Territory of Hawaii to convey the present Maalaea Airport on the island of Maui, Territory of Hawaii, to the Hawaiian Commercial & Sugar

Co., Ltd., in part payment for 300.71 acres of land at Pulehu-Nui, island of Maui, Territory of Hawaii, to be used as a site for a new airport;

H. R. 8487. An act confirming to Louis Labeaume, or his legal representatives, title to a certain tract of land located in St. Charles County, in the State of Missouri;

H. R. 8700. An act relating to the retirement of the justices of the Supreme Court of the Territory of Hawaii and judges of the United States District Court for the Territory of Hawaii;

H. R. 8715. An act to authorize the Secretary of Commerce of the United States to grant and convey to the State of Delaware fee title to certain lands of the United States in Kent County, Del., for highway purposes;

H. R. 9123. An act to authorize the Secretary of War to lease to the village of Youngstown, N. Y., a portion of the Fort Niagara Military Reservation, N. Y.;

H. R. 9358. An act to authorize the withdrawal and reservation of small tracts of the public domain in Alaska for schools, hospitals, and for other purposes;

H. R. 9577. An act to amend section 402 of the Merchant Marine Act, 1936, to further provide for the settlement of ocean-mail contract claims;

H. R. 9688. An act to extend the times for commencing and completing the construction of a bridge across the Ohio River between Rockport, Ind., and Owensboro, Ky.;

H. R. 9722. An act to amend section 5 of an act entitled "An act to provide for the construction and maintenance of roads, the establishment and maintenance of schools, and the care and support of insane persons in the district of Alaska, and for other purposes," approved January 27, 1905 (33 Stat. 616);

H. R. 10004. An act to amend an act entitled "An act to incorporate the Mount Olivet Cemetery Co. in the District of Columbia";

H. R. 10117. An act granting the consent of Congress to construct, maintain, and operate a toll bridge, known as the Smith Point Bridge, across navigable waters at or near Mastic, southerly to Fire Island, Suffolk County, N. Y.;

H. R. 10118. An act granting the consent of Congress to construct, maintain, and operate toll bridges, known as the Long Island Loop Bridges, across navigable waters at or near East Marion to Shelter Island, and Shelter Island to North Haven, Suffolk County, N. Y.;

H. R. 10190. An act to equalize certain allowances for quarters and subsistence of enlisted men of the Coast Guard with those of the Army, Navy, and Marine Corps;

H. R. 10193. An act authorizing the temporary detail of United States employees, possessing special qualifications, to governments of American republics and the Philippines, and for other purposes;

H. R. 10351. An act to extend the times for commencing and completing the construction of a bridge across the Columbia River at Astoria, Clatsop County, Oreg.;

H. R. 10535. An act to amend the Second Liberty Bond Act, as amended;

H. R. 10704. An act to amend section 4132 of the Revised Statutes, as amended;

H. J. Res. 447. Joint resolution to protect the copyrights and patents of foreign exhibitors at the Pacific Mercado International Exposition, to be held at Los Angeles, Calif., in 1940; and

H. J. Res. 622. Joint resolution authorizing the President of the United States of America to proclaim October 11, 1938, General Pulaski's Memorial Day for the observance and commemoration of the death of Brig. Gen. Casimir Pulaski.

ADJOURNMENT

Mrs. NORTON. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 6 o'clock and 24 minutes p. m.), under its previous order, the House adjourned until tomorrow, Tuesday, May 24, 1938, at 11 o'clock a. m.

COMMITTEE HEARINGS

COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE

There will be a meeting of Mr. MALONEY's subcommittee of the Committee on Interstate and Foreign Commerce at 10 a. m. Tuesday, May 24, 1938. Business to be considered: Continuation of hearings on H. R. 4358, train dispatchers.

There will be a meeting of the Committee on Interstate and Foreign Commerce at 10 a. m., Wednesday, May 25, 1938. Business to be considered: Hearing on H. R. 10348, foreign radio-telegraph communication.

There will be a meeting of the Committee on Interstate and Foreign Commerce at 10 a. m., Thursday, May 26, 1938. Business to be considered: Hearing on H. R. 10127, railroad unemployment insurance.

COMMITTEE ON THE DISTRICT OF COLUMBIA

The Subcommittee on Public Health of the Committee on the District of Columbia will meet Tuesday, May 24, 1938, at 10:30 a. m., in room 345, House Office Building, to consider H. R. 10341, amending Dental Practice Act.

COMMITTEE ON IMMIGRATION AND NATURALIZATION

The Committee on Immigration and Naturalization will hold executive hearings Wednesday, May 25, 1938, at 10:30 a. m., in room 445, House Office Building, for the consideration of H. R. 9907, and other unfinished business.

COMMITTEE ON THE POST OFFICE AND POST ROADS

A hearing will be conducted by the full Committee on the Post Office and Post Roads at 10:30 a. m. Thursday, May 26, 1938, on H. R. 9917, obscene literature.

COMMITTEE ON FOREIGN AFFAIRS

There will be a meeting of the Committee on Foreign Affairs, in the Capitol Building, May 24, 1938, at 10 a. m., to consider the following: S. 3104, claims, Republic of Mexico; H. R. 9933, Golden Gate International Exposition; H. R. 10687, certain citizens, American republics, education.

EXECUTIVE COMMUNICATIONS, ETC.

1377. Under clause 2 of rule XXIV a letter from the Secretary of the Navy, transmitting a draft of a proposed bill to provide for the award of certain contracts by the Secretary of the Navy, was taken from the Speaker's table and referred to the Committee on Naval Affairs.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. WOODRUM: Committee on Appropriations. House Joint Resolution 693. Joint resolution making an appropriation to aid in defraying expenses of the observance of the seventy-fifth anniversary of the Battle of Gettysburg; without amendment (Rept. No. 2424). Referred to the Committee of the Whole House on the state of the Union.

Mr. McGEHEE: Committee on the District of Columbia. H. R. 10642. A bill to amend an act entitled "District of Columbia Alley Dwelling Act," approved June 12, 1934, and for other purposes; with amendment (Rept. No. 2425). Referred to the Committee of the Whole House on the state of the Union.

Mr. BLAND: Committee on Merchant Marine and Fisheries. H. R. 10650. A bill to provide for a modified 5-year building program for the United States Bureau of Fisheries; with amendment (Rept. No. 2426). Referred to the Committee of the Whole House on the state of the Union.

Mr. BLAND: Committee on Merchant Marine and Fisheries. H. R. 10690. A bill to authorize the construction of certain vessels for the Coast and Geodetic Survey, Department of Commerce, and for other purposes; without amendment (Rept. No. 2427). Referred to the Committee of the Whole House on the state of the Union.

Mr. LEMKE: Committee on the Public Lands. H. R. 7868. A bill to provide for conveying to the State of North

Dakota certain lands within Burleigh County within that State for public use; with amendment (Rept. No. 2430). Referred to the Committee of the Whole House on the state of the Union.

Mr. KELLER: Committee on the Library. House Joint Resolution 664. Joint resolution authorizing the selection of a site and the erection thereon of "The Columbian Fountain" in Washington, D. C.; with amendment (Rept. No. 2433). Referred to the Committee of the Whole House on the state of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. SMITH of Connecticut: Committee on Military Affairs. S. 2557. An act for the relief of William T. J. Ryan; without amendment (Rept. No. 2428). Referred to the Committee of the Whole House.

Mr. SMITH of Connecticut: Committee on Military Affairs. H. R. 667. A bill to correct the records of the War Department to show that Guy Carlton Baker and Calton C. Baker or Carlton C. Baker is one and the same person; without amendment (Rept. No. 2429). Referred to the Committee of the Whole House.

Mr. SMITH of Connecticut: Committee on Military Affairs. H. R. 1299. A bill for the relief of William E. Rich; with amendment (Rept. No. 2431). Referred to the Committee of the Whole House.

Mr. SMITH of Connecticut: Committee on Military Affairs. H. R. 9868. A bill for the relief of Harry J. Somerville; without amendment (Rept. No. 2432). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. LUCKEY of Nebraska: A bill (H. R. 10721) to amend the Agricultural Adjustment Act of 1938, in order to provide for the payment of parity prices to farmers with respect to corn and wheat for the portion thereof domestically consumed, and for other purposes; to the Committee on Agriculture.

By Mr. DOWELL: A bill (H. R. 10722) to authorize the attendance of the Marine Band at the National Encampment of the Grand Army of the Republic to be held at Des Moines, Iowa, September 4 to 8, inclusive, 1938; to the Committee on Naval Affairs.

By Mr. GREEVER: A bill (H. R. 10723) to amend the act of May 16, 1930 (46 Stat. 367), entitled "An act to authorize the disposal of public land classified as temporarily or permanently unproductive on Federal irrigation projects"; to the Committee on Irrigation and Reclamation.

By Mr. McGROARTY: A bill (H. R. 10724) to amend paragraph (k) of section 303 and paragraph (b) of section 319 of the Communications Act of 1934; to the Committee on Interstate and Foreign Commerce.

By Mr. SMITH of Connecticut: A bill (H. R. 10725) to amend the act entitled "An act for making further and more effectual provision for the national defense, and for other purposes," approved June 3, 1916, as amended, and for other purposes; to the Committee on Military Affairs.

By Mr. McLAUGHLIN: A bill (H. R. 10726) to provide that the Omaha-Council Bluffs Missouri River Bridge Board of Trustees shall be composed wholly of public officers; to the Committee on Interstate and Foreign Commerce.

By Mr. SCHAEFER of Illinois: A bill (H. R. 10732) to provide for a term of court at Edwardsville, Ill.; to the Committee on the Judiciary.

By Mr. WHITE of Idaho: Joint resolution (H. J. Res. 694) to create a joint congressional committee to investigate the adequacy and use of the phosphate resources of the United States; to the Committee on Rules.

By Mr. SCRUGHAM: Joint resolution (H. J. Res. 695) to amend a joint resolution entitled "Joint resolution to authorize the President to extend an invitation to the World Power Conference to hold the Third World Power Conference in the United States," approved August 26, 1935; to the Committee on Foreign Affairs.

By Mr. KELLER: Joint resolution (H. J. Res. 696) authorizing the Joint Committee on the Library to procure oil portraits of former President Herbert Hoover and of President Franklin D. Roosevelt; to the Committee on the Library.

By Mr. SUMNERS of Texas: Joint resolution (H. J. Res. 697) to create a temporary National Economic Committee; to the Committee on the Judiciary.

By Mr. CULKIN: Concurrent resolution (H. Con. Res. 51) authorizing congressional representation at the exercises incident to the dedication of the Thousand Islands Bridge across the St. Lawrence River; to the Committee on Foreign Affairs.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. COLE of New York: A bill (H. R. 10727) granting an increase of pension to Almira Van Allen; to the Committee on Invalid Pensions.

By Mr. GRIFFITH: A bill (H. R. 10728) to confer jurisdiction upon the United States District Court for the Eastern District of Louisiana to determine the claim of D. B. McElveen; to the Committee on Claims.

By Mr. MOTT: A bill (H. R. 10729) granting an increase of pension to Caroline Rhude; to the Committee on Invalid Pensions.

By Mr. O'TOOLE: A bill (H. R. 10730) for the relief of Ziskind Sokolow; to the Committee on Immigration and Naturalization.

By Mr. SNELL: A bill (H. R. 10731) for the relief of Mary Fortune; to the Committee on Claims.

By Mr. BROOKS: A bill (H. R. 10733) for the relief of Peavy Byrnes Lumber Co.; to the Committee on Claims.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

5208. By Mr. CURLEY: Petition of the Transport Workers Union of Greater New York, N. Y., urging enactment of the wage-hour bill; to the Committee on Labor.

5209. Also, petition of the New York City Federation of Women's Clubs, Inc., urging support of House bill 9909, to label wool products; to the Committee on Interstate and Foreign Commerce.

5210. Also, petition of the Women's City Club, New York City, urging enactment of the wage-hour bill; to the Committee on Labor.

5211. By Mr. FITZPATRICK: Petition of Local 100, of the Transport Workers Union of America, section 211, urging the enactment of the wage and hour bill to promote reemployment and thereby increase the standard of living; to the Committee on Ways and Means.

5212. By Mr. LUTHER A. JOHNSON: Petition of Walter L. Williams, president, Limestone County Teachers Association, Mexia, Tex., favoring House bill 10340; to the Committee on Education.

5213. By Mr. KENNEDY of New York: Petition of the United Federal Workers of America, Local No. 94, concerning the $1,000-per-year-man cost of Works Progress Administration workers; to the Committee on Ways and Means.

5214. Also, petition of the United Federal Workers of America, Local No. 94, concerning House bill 8428; to the Committee on the Civil Service.

5215. Also, petition of the National Cooperative Council, in behalf of the 1,500,000 farmers who are members of the 4,000 cooperative associations represented by them, concerning the

amendment which will be introduced by Fred Biermann to Senate bill 2476; to the Committee on Labor.

5216. Also, petition of the Conference of Mayors and Other Municipal Officials in behalf of the cities and villages of New York State, concerning the Senate amendment passed on May 17 to the Federal Highway Act; to the Committee on Roads.

5217. Also, petition of the Federation of Architects, Engineers, Chemists, and Technicians, New York City Chapter 32, urging enactment of the wage-hour bill; to the Committee on Labor.

5218. Also, petition of the Cleaners, Pressers, Drivers, and Allied Trades Union, Local 239, New York City, urging enactment of the wage-hour bill; to the Committee on Labor.

5219. Also, petition of the United Brotherhood of Carpenters and Joiners of America, Local Union 366, Bronx, New York City, urging enactment of the wage-hour bill; to the Committee on Labor.

5220. Also, petition of 2,500 members of the Bleachers, Dyers, Finishers, and Printers Local 1790, New York City, urging enactment of the wage-hour bill; to the Committee on Labor.

5221. By Mr. LAMNECK: Petition of Frank L. McKinney, secretary-treasurer, Ohio Independent Telephone Association, Columbus, Ohio, urging the passage of Senate bill 3456 and House bill 9459; to the Committee on the Judiciary.

5222. By the SPEAKER: Petition of the Board of County Commissioners of Skagit County, Wash., petitioning consideration of their resolution with reference to House bill 4199, known as the General Welfare Act; to the Committee on Ways and Means.

SENATE

TUESDAY, MAY 24, 1938

(Legislative day of Wednesday, April 20, 1938)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

THE JOURNAL

On request of Mr. BARKLEY, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day Monday, May 23, 1938, was dispensed with, and the Journal was approved.

MESSAGE FROM THE HOUSE—ENROLLED JOINT RESOLUTION SIGNED

A message from the House of Representatives, by Mr. Calloway, one of its reading clerks, announced that the Speaker had affixed his signature to the enrolled joint resolution (H. J. Res. 678) making an additional appropriation for grants to States for unemployment compensation administration, Social Security Board, for the fiscal year ending June 30, 1938, and it was signed by the Vice President.

CALL OF THE ROLL

Mr. MINTON. I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Davis	Johnson, Colo.	Pope
Andrews	Dieterich	King	Radcliffe
Austin	Donahey	La Follette	Reynolds
Bailey	Duffy	Lee	Russell
Bankhead	Ellender	Lodge	Schwartz
Barkley	Frazier	Logan	Schwellenbach
Berry	George	Lonergan	Sheppard
Bilbo	Gerry	Lundeen	Shipstead
Bone	Gibson	McAdoo	Smathers
Borah	Gillette	McGill	Smith
Bridges	Glass	McKellar	Thomas, Utah
Brown, N. H.	Green	McNary	Townsend
Bulkley	Guffey	Maloney	Truman
Bulow	Hale	Miller	Tydings
Burke	Harrison	Minton	Vandenberg
Byrd	Hatch	Murray	Van Nuys
Byrnes	Hayden	Neely	Wagner
Capper	Herring	Norris	Walsh
Caraway	Hill	Nye	Wheeler
Chavez	Hitchcock	O'Mahoney	White
Clark	Holt	Overton	
Connally	Hughes	Pepper	
Copeland	Johnson, Calif.	Pittman	

Mr. MINTON. I announce that the Senator from Arizona [Mr. ASHURST] and the Senator from Oregon [Mr. REAMES] are detained from the Senate because of illness.

The Senator from Nevada [Mr. MCCARRAN] is absent because of a death in his family.

The Senator from Michigan [Mr. BROWN], the Senator from Illinois [Mr. LEWIS], the Senator from New Jersey [Mr. MILTON], and the Senator from Oklahoma [Mr. THOMAS] are detained on important public business.

The VICE PRESIDENT. Eighty-nine Senators have answered to their names. A quorum is present.

LEGISLATION OF MUNICIPAL COUNCIL OF ST. THOMAS AND ST. JOHN

The VICE PRESIDENT laid before the Senate a letter from the Acting Secretary of the Interior, transmitting, pursuant to law, copies of legislation enacted by the Municipal Council of St. Thomas and St. John and approved by the Acting Governor of the Virgin Islands, which, with the accompanying papers, was referred to the Committee on Territories and Insular Affairs.

AMENDMENT OF ACT ESTABLISHING LOAD LINES FOR AMERICAN VESSELS

The VICE PRESIDENT laid before the Senate a letter from the Acting Secretary of Commerce, transmitting a draft of proposed legislation to amend the act of March 2, 1929, entitled "An act to establish load lines for American vessels, and for other purposes," which, with the accompanying papers, was referred to the Committee on Commerce.

APRIL REPORT OF RECONSTRUCTION FINANCE CORPORATION

The VICE PRESIDENT laid before the Senate a letter from the Chairman of the Reconstruction Finance Corporation reporting, pursuant to law, relative to the activities and expenditures for the Corporation for the month of April 1938, which, with the accompanying papers, was referred to the Committee on Banking and Currency.

PETITIONS AND MEMORIALS

The VICE PRESIDENT laid before the Senate a resolution adopted by Sparks Lodge No. 726, Brotherhood of Railroad Trainmen, Sparks, Nev., favoring the allowance of $60,000 to the so-called Civil Liberties Subcommittee of the Committee on Education and Labor for its investigation relative to antiunion activities, which was ordered to lie on the table.

He also laid before the Senate a telegram in the nature of a memorial from G. Chace, of New York City, N. Y., remonstrating against the enactment of the President's proposed recovery program, which was ordered to lie on the table.

He also laid before the Senate a resolution adopted by Local Union No. 848, Brotherhood of Painters, Decorators, and Paperhangers of America, of New York City, N. Y., favoring amendment of the existing neutrality law so as to permit the shipment of munitions of war to Spain, which was referred to the Committee on Foreign Relations.

Mr. COPELAND presented a resolution adopted by the executive committee of the Middle Bronx Neighborhood Federation, New York City, N. Y., favoring the prompt enactment of legislation making an additional appropriation of $500,000,000 to the United States Housing Authority for the construction of low-cost housing projects, which was referred to the Committee on Appropriations.

He also presented a resolution adopted by Typographical Union No. 15, of Rochester, N. Y., favoring a congressional investigation of the newsprint industry, which was referred to the Committee on Education and Labor.

He also presented numerous petitions of sundry citizens of the State of New York, praying that the Works Progress Administration so amend its rules and regulations that all construction work shall be done on a competitive contract basis, which were referred to the Committee on Education and Labor.

REPORTS OF COMMITTEES

Mr. CHAVEZ, from the Committee on Indian Affairs, to which was referred the bill (S. 3921) for the relief of

Remijio Ortiz, reported it without amendment and submitted a report (No. 1863) thereon.

Mr. WALSH, from the Committee on Naval Affairs, to which were referred the following bills, reported them each without amendment and submitted reports thereon:

H. R. 6404. A bill for the relief of Martin Bevilacque (Rept. No. 1864); and

H. R. 6936. A bill for the relief of Joseph McDonnell (Rept. No. 1865).

Mr. MILLER, from the Committee on Military Affairs, to which was referred the bill (S. 3938) to authorize the transfer to the jurisdiction of the Secretary of the Treasury of portions of the property within the military reservation known as the Morehead City Target Range, North Carolina, for the construction of improvements thereon, and for other purposes, reported it without amendment and submitted a report (No. 1866) thereon.

Mr. GILLETTE (for himself and Mr. CAPPER), from the Committee on Agriculture and Forestry, to which was referred the bill (S. 2750) to amend the Packers and Stockyards Act, 1921, reported it with an amendment and submitted a report (No. 1867) thereon.

Mr. COPELAND, from the Committee on Commerce, to which was referred the bill (H. R. 10618) authorizing the construction of certain public works on rivers and harbors for flood control, and for other purposes, reported it with amendments and submitted a report (No. 1868) thereon.

Mr. SHEPPARD, from the Committee on Commerce, to which were referred the following bills, reported them severally without amendment and submitted reports thereon:

H. R. 9975. A bill to extend the times for commencing and completing the construction of a bridge over Lake Sabine at or near Port Arthur, Tex. (Rept. No. 1869);

H. R. 9983. A bill authorizing the city of Greenville, Miss., and Washington County, Miss., singly or jointly, to construct, maintain, and operate a toll bridge across the Mississippi River from a point at or near the city of Greenville, Washington County, Miss., to a point at or near Lake Village, Chicot County, Ark. (Rept. No. 1870);

H. R. 10075. A bill to extend the times for commencing and completing the construction of a bridge across the Missouri River at or near Brownville, Nebr. (Rept. No. 1871);

H. R. 10261. A bill authorizing the town of Friar Point, Miss., and Coahoma County, Miss., singly or jointly, to construct, maintain, and operate a toll bridge across the Mississippi River from a point at or near the town of Friar Point, Coahoma County, Miss., to a point at or near Helena, Phillips County, Ark. (Rept. No. 1872);

H. R. 10297. A bill to extend the times for commencing and completing the construction of a bridge across the Missouri River at or near Rulo, Nebr. (Rept. No. 1873); and

H. R. 10611. A bill to extend the times for commencing and completing the construction of a bridge across the Coosa River at or near Gilberts Ferry in Etowah County, Ala. (Rept. No. 1874).

Mr. KING, from the Committee on the District of Columbia, to which was referred the bill (S. 4029) to amend the District of Columbia Alley Dwelling Act, approved June 12, 1934, and for other purposes, reported it with amendments and submitted a report (No. 1875) thereon.

He also, from the same committee, to which was referred the bill (S. 4024) authorizing advancements from the Federal Emergency Administration of Public Works for the construction of certain municipal buildings in the District of Columbia, and for other purposes, reported it without amendment and submitted a report (No. 1876) thereon.

Mr. McKELLAR, from the Committee on Post Offices and Post Roads, to which was referred the bill (H. R. 3610) to adjust the salaries of rural letter carriers, reported it with an amendment and submitted a report (No. 1877) thereon.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. LODGE:

A bill (S. 4064) for the relief of George H. Pierce and Evelyn Pierce; to the Committee on Claims.

By Mr. WALSH (by request):

A bill (S. 4065) to provide for the award of certain contracts by the Secretary of the Navy; to the Committee on Naval Affairs.

By Mr. SCHWELLENBACH:

A bill (S. 4066) to amend the act of Congress entitled "An act to establish an Alaska Game Commission, to protect game animals, land fur-bearing animals, and birds in Alaska, and for other purposes", approved January 13, 1925, as amended; to the Committee on Territories and Insular Affairs.

By Mr. McGILL:

A bill (S. 4067) granting a pension to Minerva C. Tatum; to the Committee on Pensions.

By Mr. LUNDEEN:

A bill (S. 4068) to adjust the basis of compensation for overtime services of certain employees in the Postal Service, and for other purposes; to the Committee on Post Offices and Post Roads.

By Mr. SMITH:

A bill (S. 4069) to authorize the Secretary of War to lend certain property to the Reunion Committee of the United Confederate Veterans to be used at their annual encampment to be held at Columbia, S. C., from August 30 to September 2, 1938; to the Committee on Military Affairs.

A bill (S. 4070) to authorize the attendance of the Marine Band at the United Confederate Veterans' 1938 Reunion at Columbia, S. C., from August 30 to September 2, 1938, both dates inclusive; to the Committee on Naval Affairs.

By Mr. PEPPER:

A bill (S. 4071) to amend an act entitled "An act to establish a uniform system of bankruptcy throughout the United States", approved July 1, 1898, and acts amendatory thereof and supplemental thereto; to the Committee on the Judiciary.

By Mr. SHEPPARD:

A bill (S. 4072) to authorize the Secretary of War to grant a right-of-way for highway purposes upon and across Kelly Field, a military reservation, in the State of Texas; to authorize an appropriation for construction of the road and necessary fence lines; to the Committee on Military Affairs.

By Mr. O'MAHONEY and Mr. SCHWARTZ:

A bill (S. 4073) to amend the act of May 16, 1930 (46 Stat. 367), entitled "An act to authorize the disposal of public land classified as temporarily or permanently unproductive on Federal irrigation projects"; to the Committee on Irrigation and Reclamation.

By Mr. WHEELER:

A bill (S. 4074) to amend an act entitled "The Communications Act of 1934 as amended"; and

A bill (S. 4075) relating to the payment of certain employee claims against railroad corporations in receivership; to the Committee on Interstate Commerce.

RELIEF AND WORK RELIEF APPROPRIATIONS—AMENDMENTS

Mr. BERRY, Mr. MINTON, Mr. NEELY, and Mr. RUSSELL each submitted an amendment intended to be proposed by them to the joint resolution (H. J. Res. 679) making appropriations for work relief, relief, and otherwise to increase employment by providing loans and grants for public-works projects, which were severally ordered to lie on the table and to be printed.

Mr. GILLETTE submitted an amendment intended to be proposed by him in lieu of the committee amendment, being title V, of the joint resolution (H. J. Res. 679) making appropriations for work relief, relief, and otherwise to increase employment by providing loans and grants for public-works projects, which was ordered to lie on the table and to be printed.

INTERVIEW WITH SENATOR KEY PITTMAN

[Mr. PITTMAN asked and obtained leave to have printed in the RECORD an interview published in the Washington Post of May 23, 1938, and an editorial from the New York Herald Tribune of May 24, 1938, both relating to the subject of a suggested nonaggression pact with Japan, which appear in the Appendix.]

ABRAHAM LINCOLN—ARTIST—ARTICLE BY DR. ROY P. BASLER

[Mr. HILL asked and obtained leave to have printed in the RECORD an article published in the North American Review for the spring of 1938, entitled "Abraham Lincoln—Artist," by Dr. Roy P. Basler, member of the faculty of Alabama State Teachers College, Florence, Ala., which appears in the Appendix.]

NEWSPAPER PROPAGANDA—ARTICLE FROM MADISON (WIS.) CAPITAL TIMES

[Mr. MINTON asked and obtained leave to have printed in the RECORD an article by William T. Evjue, editor of the Capital Times, of Madison, Wis., and published in that newspaper under date of May 17, 1938, which appears in the Appendix.]

PENNSYLVANIA PRIMARY ELECTION—EDITORIAL FROM PHILADELPHIA RECORD

[Mr. MINTON asked and obtained leave to have printed in the RECORD an editorial from the Philadelphia Record of May 20, 1938, relative to the Pennsylvania primary election, which appears in the Appendix.]

BUSINESS CONDITIONS—EDITORIAL FROM PHILADELPHIA RECORD

[Mr. MINTON asked and obtained leave to have printed in the RECORD an editorial from the Philadelphia Record of May 20, 1938, on the subject of business conditions in the United States, which appears in the Appendix.]

A MILLION DOLLAR PROPAGANDA—ARTICLE FROM JEFFERSON (MO.) CAPITAL NEWS

[Mr. TRUMAN asked and obtained leave to have printed in the RECORD an article from the Jefferson (Mo.) Capital News of May 10, 1938, entitled "A Million Dollar Propaganda," which appears in the Appendix.]

RELIEF AND WORK-RELIEF APPROPRIATIONS

The Senate resumed the consideration of the joint resolution (H. J. Res. 679) making appropriations for work relief, relief, and otherwise to increase employment by providing loans and grants for public-works projects.

Mr. BILBO and Mr. McKELLAR addressed the Chair.

The VICE PRESIDENT. The Chair has been told that the Senator from Tennessee [Mr. McKELLAR] has the floor, but, though he has examined the RECORD, he cannot find that statement in the RECORD. He does find, however, that the Senator from Mississippi [Mr. BILBO] submitted amendments to the pending bill and expressed the hope that he could secure recognition this morning immediately after the convening of the Senate; but there was no order made by the Senate to that effect. Now both the Senator from Mississippi and the Senator from Tennessee are on their feet.

Mr. BILBO. Mr. President——

The VICE PRESIDENT. The Senator from Mississippi.

Mr. BILBO. Mr. President, I have been informed that the Senator from Tennessee had started his address when the Senate adjourned yesterday afternoon. Therefore I am glad to yield to the Senator from Tennessee.

The VICE PRESIDENT. The Senator from Tennessee is recognized.

Mr. BILBO. I ask permission to follow when the Senator from Tennessee shall have concluded.

Mr. McKELLAR. I thank the Senator from Mississippi, and I appreciate his courtesy. I am not going to take very long.

Mr. President, in last Sunday's newspapers, which carried the Gallup poll, it was shown that our distinguished colleague from Michigan [Mr. VANDENBERG] was leading all competitors in the Republican race for the nomination for President. Naturally, under those circumstances, the utterances of the distinguished Senator from Michigan at this time on relief, spending, and lending, as well as other issues before the people, are entitled to careful attention. He himself said in his speech yesterday that the five conclusions he submitted were not his own alone. I take it for granted, in view of the Gallup poll, which showed that our distinguished friend was far out in the lead among his Republican rivals for the next Republican nomination for President; that he was speaking, in part, at least, because he anticipated leadership of his party.

Mr. President, on the relief and spending and lending measure which is now before the Senate, the Senator from Michigan has taken a peculiar position. He adopts an old, worn-out, and threadbare proposition, as it seems to me, because it is nothing more than a suggestion of the Republican Party in 1932 and in 1936, which advocated a little more strongly that the relief money should be spent by the States. Assuming that the Senator from Michigan suggests an expenditure of $4,000,000,000 for relief—and I use those figures, because if we spend $3,000,000,000 for all kinds of relief and then, under the Senator's idea, the States spend one-fourth as much, that would make $4,000,000,000—it seems to be the Senator's idea that the Federal Government should simply allot $3,000,000,000 to the various State governments, that the various State governments should put up one-fourth as much, and that they should spend it for relief as they see fit.

It is true that in the Republican platform of 1932 the Republicans declared that relief was a problem of State and local responsibility; but they added that the Federal Government might, in a pinch, lend money to the States for these purposes.

In 1936, after more experience, the Republican platform provided as follows:

> The necessities of life must be provided for the needy, and hope must be restored pending recovery. * * * We pledge—
>
> 1. The return of responsibility for relief administration to non-political local agencies familiar with community problems.
>
> 2. Federal grants-in-aid to the States and Territories while the need exists. * * *
>
> 3. Undertaking of Federal public works only on their merits and separate from the administration of relief.

So we find that the Republican Party has not declared against Federal relief. In 1936 it declared for Federal relief. Indeed, as I recall, practically every Federal relief bill which has been passed by the Democrats under the Roosevelt administration has received a very large number of Republican votes; and, inasmuch as that question was brought up yesterday, I have examined the RECORD to ascertain the facts.

I find that the Senate has passed five relief bills, the first one on March 30, 1933. On that vote there were 13 Republican yeas and 15 nays, a pretty close vote.

On June 9, 1933, there were 11 Republican yeas and 20 nays.

On March 23, 1935, there were 13 Republican yeas and 10 nays.

On June 1, 1936, just before the election, the Republicans were very evenly divided. There were 11 yeas and 11 nays.

On February 23, 1938, however, the vote was a little different. There were 16 Republican yeas and no nays. So it looks to me as if the Republican Party, as a party, has pretty nearly come over to the same way of thinking about relief that the Democrats have.

Mr. VANDENBERG. Mr. President, will the Senator yield?

The VICE PRESIDENT. Does the Senator from Tennessee yield to the Senator from Michigan?

Mr. McKELLAR. I yield.

Mr. VANDENBERG. I know the Senator is anxious fairly to interpret the figures he has presented.

Mr. McKELLAR. I desire to do so.

Mr. VANDENBERG. I suggest to the Senator that the last vote, on the $250,000,000 appropriation a few weeks ago, did not involve the determination of relief policies. It was merely an appropriation to carry out the existing policy for the remainder of the year. Am I not correct?

Mr. McKELLAR. That is true.

Mr. VANDENBERG. That is the theory, at any rate, on which I voted for the bill. I assumed that for the remainder of the year we had to proceed as we had started. I think the Senator will agree that there is some logic in that position and that it did not necessarily involve decision as to policies.

Mr. McKELLAR. Thinking that the question might perhaps arise, I have obtained the figures as to how the Republican Senators voted on all these several bills; and I

ask unanimous consent that they may be placed in the RECORD at this point, so that there may be no question about the matter.

The VICE PRESIDENT. Without objection, it is so ordered.

The matter referred to is as follows:

Relief bill, March 30, 1933 (13 for and 15 against): For—Borah, Capper, Couzens, Frazier, Johnson of California, La Follette, Norris, Nye, Robinson of Indiana, Schall, Shipstead, Steiwer, Vandenberg; against—Austin, Carey, Dickinson, Fess, Goldsborough, Hale, Hatfield, Hebert, Kean, Keyes, McNary, Metcalf, Paterson, Walcott, White.

Public Works bill, June 9, 1933 (industrial recovery bill) (11 for and 20 against): For—Capper, Cutting, Frazier, Johnson of California, La Follette, McNary, Norris, Nye, Robinson of Indiana, Shipstead, Steiwer; against—Austin, Barbour, Borah, Carey, Dickinson, Fess, Goldsborough, Hale, Hastings, Hatfield, Hebert, Kean, Keyes, Metcalf, Paterson, Reed of Pennsylvania, Townsend, Vandenberg, Walcott, White.

Public Works bill, March 23, 1935 (13 for and 10 against): For—Austin, Borah, Capper, Couzens, Frazier, Gibson, Johnson of California, La Follette, McNary, Norbeck, Norris, Nye, Shipstead; against—Barbour, Dickinson, Hale, Hastings, Keyes, Schall, Steiwer, Townsend, Vandenberg, White.

Work-relief bill, June 1, 1936 (11 for and 11 against): For—Benson, Borah, Capper, Carey, Davis, Frazier, Johnson of California, La Follette, McNary, Norris, Shipstead; against—Austin, Barbour, Couzens, Gibson, Hale, Hastings, Keyes, Steiwer, Townsend, Vandenberg, White.

Relief appropriation bill, February 23, 1938 (16 for and 0 against): For—Austin, Borah, Capper, Frazier, Gibson, Hale, Johnson of California, La Follette, Lodge, Lundeen, McNary, Norris, Nye, Shipstead, Townsend, Vandenberg; against—none.

Mr. McKELLAR. So I say, Mr. President, that instead of the Republican Party having declared against relief, it has not done anything of the kind so far as their platform and the Republicans in this body are concerned; and, unless I am more greatly mistaken than I have ever been about any political question in my life, when the vote is taken on this joint resolution quite a large number of Republican Senators will be found voting for it.

Returning, however, to the position of the distinguished Senator from Michigan that we ought to allot the relief money to the States and that the Federal Government should wash its hands of the matter, the fact is that on the issues of the 1936 platform Mr. Landon carried only two States—Maine and Vermont—and lost the country by more than 10,000,000 votes. The proposal of the Senator from Michigan is in the platform on which Mr. Landon ran. So we now find the leading candidate of the Republican Party rather backing and filling on relief itself by saying that whatever relief is granted ought to be distributed to the States, and then he gives five reasons for his contention. I desire very briefly to discuss those five reasons.

First. The Senator from Michigan would turn the relief money over to the States in a lump sum. Instead of the Federal administrator giving the people of his State some $100,000,000, as was done on one occasion, he would just send a check for $100,000,000 to the State authorities of Michigan; and he gives as his reasons for advocating that course the following:

First. It will eliminate costly duplications and wastes in Federal overhead, which represents relief money that never reaches our needy citizens. Thus automatically more actual relief can be bought for less money.

Mr. President, I do not think this follows at all. It is impossible for me, knowing my distinguished friend as I do, to conceive how he could be led into making such an assertion. If the Federal Government should turn over $3,000,000,000 to the States and the States should add another billion dollars, and the entire amount should be distributed by the States, how would the expense be less? Who knows whether it would be less? There would be 48 administrations of relief instead of 1. Instead of a united system of distribution of relief money, there would be 48 systems; nay, 49; for no doubt the District of Columbia would have a different administration. There would be 49 uncoordinated political organizations to distribute the bounty of the Federal Government. This would make the distribution infinitely more costly and more unequal and more discriminatory.

Mr. CONNALLY. Mr. President, will the Senator yield for a question?

Mr. McKELLAR. I yield.

Mr. CONNALLY. The Senator says there would be 49 of these organizations?

Mr. McKELLAR. Yes.

Mr. CONNALLY. Would there not be a great many others? Would not the mayor of every big city in each of the different States demand of the Governor that he give the mayor his part of the "swag," so that he could take care of his people?

Mr. McKELLAR. That is what would naturally occur. I do not know what actually would occur. I do not know whether or not the Senator from Michigan wants the Governors of the several States to distribute the money. He says it must be turned over to the States. In a situation of that sort we do not know what would happen to the money. I suppose it would go to the State treasury. If the Senator is correct, it would go to the State treasury, and would be drawn out by warrant signed by the proper financial officers of the State; but evidently it was intended that the Governors of the various States should control this gigantic fund. What a financial log rolling it would bring about. What an array of political pie counters. Forty-nine feed troughs for the politically faithful.

Mr. CONNALLY. But if the Governor had the disposition of the money, to do what he pleased with it, would not his political satellites in the nature of things demand that he give them their quota?

Mr. McKELLAR. Of course they would. It would be a case of having 49 administrations in this country of the relief fund which is now administered by one head.

Mr. President, if the Federal Government were to allot money to the States on any such plan, without a suggestion of responsibility to the Government which furnishes the money or to anyone else, simply turning the money over with nobody to examine the accounts, nobody to see that the money was properly expended, nobody to determine how much was expended, or for what purposes, that would not be a plan of any kind. In my judgment, it would bring about untold scandals of every kind in connection with the distribution of the fund.

But the distinguished Senator from Michigan then said:

Second. It will eliminate divided responsibility for relief, part Federal and part State and local, which results in an insufferable, undemocratic discrimination as between citizens in equal need of relief.

Mr. President, it will do no such thing. There is no divided responsibility at this time. The responsibility for the money that we expend is placed upon an administrator. He not only controls the Federal money and its distribution, but he controls the State contributions to that money, amounting to nearly 25 percent, I believe, last year; in my State amounting, as I remember, to something like 45 percent of the entire amount. So we have not a divided responsibility. We have a duly constituted responsibility, with every safeguard, all manner of checks and balances thrown around the money to be expended.

Mr. VANDENBERG. Mr. President, will the Senator yield?

Mr. McKELLAR. I yield to the Senator from Michigan.

Mr. VANDENBERG. How can the Senator say there is no divided responsibility for relief when the very program itself is predicated upon a divided responsibility which asserts a responsibility exclusively on the part of the State and local authorities to take care of unemployables? Is not that a divided responsibility?

Mr. McKELLAR. Mr. President, for the relief that is granted by this joint resolution, which is work relief, there is no divided responsibility. The whole fund is put in the hands of Mr. Hopkins and his aides, and the money that is contributed by the States and communities is put in his hands. Mr. Hopkins controls it from the beginning to the end, and he is responsible to the American people and to

the American Government for proper distribution of the money.

Mr. VANDENBERG. Mr. President, will the Senator yield?

Mr. McKELLAR. I yield.

Mr. VANDENBERG. What has that to do with the statement I made that there is divided responsibility for relief as a problem in America, when obviously there is a divided responsibility, and the Federal program is predicated upon that division?

Mr. McKELLAR. What division?

Mr. VANDENBERG. Between employables and unemployables.

Mr. McKELLAR. The Senator is talking about an entirely different matter.

Mr. VANDENBERG. I am talking about the same thing I was talking about yesterday, namely, the relief problem.

Mr. McKELLAR. Let me ask the Senator a question. Would he want the Federal Government to take over control of the various orphan asylums, old-age asylums, children's homes, homes for incurables, and almshouses in the various counties and States? Would the Senator have the incurables of the country turned over to the Federal Government? I do not think the Senator would. Knowing him as I do, it is inconceivable to me that he would want to include the unemployables, a word which means men and women who are physically incapacitated for work. This measure is for men and women who can work, but have no work.

If all the men and women unemployables—some of them too old, some of them too young, some of them crippled or suffering from disease so that they cannot work—were put in with those who had to have work relief, it would mean a system of control which I do not think the Federal Government ought to adopt, except in the direst of circumstances. This joint resolution does not provide for direct relief. It applies only to work relief.

Mr. VANDENBERG. Mr. President, will the Senator yield?

Mr. McKELLAR. I yield.

Mr. VANDENBERG. The Senator is leaving the question which brought me to my feet. I asserted yesterday that there is a divided responsibility for relief.

Mr. McKELLAR. And I think in that the Senator is mistaken.

Mr. VANDENBERG. The Senator said I was wrong.

Mr. McKELLAR. I think the Senator is wrong. This joint resolution does not attempt to provide for direct relief. The Senator may not have examined the measure carefully.

Mr. VANDENBERG. Does the Senator deny that the Federal policy specifically sends responsibility for caring for unemployables straight back to the State and local authorities?

Mr. McKELLAR. Not straight back. Not at all. It leaves it where it has always been—in the hands of the local authorities.

Mr. VANDENBERG. Or does it leave it there?

Mr. McKELLAR. It has always been there. We have left it there, except in a very few instances. It was taken out of the law last year or the year before. It was not in the law then, it is not in the measure before us, and it ought not to be in the law, because that class of unemployables, those in almshouses, those in old-age homes, those who are physically unable to look after themselves—the maimed, halt, and blind and deaf, and the incurables—certainly ought not to be included in a measure of the kind before us, which has been prepared for the purpose primarily of giving to those who can work a job. We care for them, it is true, in another way, in a matter of old-age pensions.

Mr. VANDENBERG. I did not rise to argue the merits of the proposition.

Mr. McKELLAR. I am arguing the merits. That is the reason for this debate.

Mr. VANDENBERG. I rose to ask the Senator if he is undertaking to assert that there is no divided responsibility for relief as a problem in the United States today under existing conditions.

Mr. McKELLAR. All this joint resolution applies to is work relief. There is no divided responsibility. It is a unified responsibility. The Federal Government is providing for relief for those who can work but who can get no work. It is a direct responsibility from Mr. Hopkins on down. The States and local communities have a unified responsibility for direct relief.

Mr. VANDENBERG. Certainly, it is a direct responsibility for 40 percent of the relief problem, and it leaves 60 percent of the relief problem under a different responsibility.

Mr. McKELLAR. That has always been under another responsibility, and will always continue to be under another responsibility; and in my judgment it should be.

Mr. VANDENBERG. At least we agree that it is a divided responsibility. That is something.

Mr. McKELLAR. No; I do not agree with the Senator about a divided responsibility, because we never undertake to divide it. There is not any divided responsibility, and there ought not to be any divided responsibility. When the Federal Government appropriates money, it should control the spending of it. The Federal Government's agents should spend the money, just exactly as is done in all other cases of Federal jurisdiction. We ought not to turn it over to people who have no responsibility to us, who are under no obligation to this Government, which furnishes the money. It seems to me that is an indefensible proposition.

It would be just as indefensible, in my judgment, to turn over this money in a lump sum to the States, as it would be for Congress to figure out just how many millions each department wanted and turn it over to the head of a department to spend as the head of the department felt was right. We never have favored such a policy. We have had that condition to some extent in the last few years, but, in my judgment, the principle is wrong. We ought to provide that every department should show exactly what it needs, and have appropriations made accordingly for items, and not made in lump sums.

I next come to the third reason given by the Senator from Michigan, and this is quite the most remarkable of them all. I read:

> It will assist hard-pressed citizens and local units of government—

I do not know whether the Senator means State governments or the United States Government—

> many of which are at the fiscal breaking point, to deal equitably and dependably with all phases of relief, instead of being forced to deal doubtfully and inequitably with that portion of the load, often a major portion, which the existing formula leaves on the local shoulders.

Exactly what the Senator means by that I do not know. In my judgment, it is a concatenation and a conglomeration of words which have precious little meaning.

Mr. SMATHERS. Mr. President, will the Senator yield?

Mr. McKELLAR. I yield.

Mr. SMATHERS. I should like to say to the Senator at that point that I received a telegram this morning from the mayor of my home city of Atlantic City, a Republican mayor, asking me to oppose the amendments proposed in the Senate and to vote for the bill as it passed the House.

Mr. McKELLAR. I hope the Senator will not do that. Mr. President, I should like to have the Senator from Michigan examine the methods of relief as administered by Mr. Hopkins. In the testimony taken before our committee concerning the method of dealing with relief funds it was shown that the Accounting Division of the Treasury Department is used for the purpose of making virtually a preaudit of every expenditure by the W. P. A. We appropriate in this joint resolution, as I recall, $8,000,000 to see that every item of expense and every item of expenditure is carefully looked after, and if a Senator reads the testimony he will see that it is carefully looked after by the Accounting Division of the Treasury Department, so that there will be no loss, there will be no leak, there will be no method of dealing with the money except in a proper and legitimate way. It seems to me that there is no better way of distributing this great

fund than by having such a preaudit, with proper accounting, to make sure that mistakes are not made by the Administrator.

I was very happy to notice that the Senator from Michigan yesterday paid a high tribute to Mr. Hopkins as Administrator. I commend him for that. I think Mr. Hopkins is one of the best Administrators who could possibly be found in this country. He has managed the relief matter admirably. There has been no scandal except in the headlines of the opposition newspapers. There have been no shortages except in the same headlines. When the charges have been examined, the accounts of the director of this great relief work have been found to be correct. Not a charge has been substantiated anywhere. We have had charges from every State of the Union, perhaps, occasionally, as would be natural, but when they are examined, it is found that they are not well founded, because of the systems of check and double check by the Treasury Department and by the General Accounting Office for these funds.

Mr. AUSTIN. Mr. President, will the Senator yield?

Mr. McKELLAR. In just a moment. The first step is that the Treasury Department, through its accounting office, checks every item of expenditure, and the second is that after that is done there is a postaudit by the General Accounting Office, and the General Accounting Office will catch anything that is wrong. That is why when these charges come in and are examined by the accountants of those two Departments of the Government, one the Treasury and the other the General Accounting Office, it is found that the charges are without foundation. I yield to the Senator from Vermont.

Mr. AUSTIN. I should like to ask the Senator whether he understands that there is any current control of expenditures of W. P. A. funds through the General Accounting Office.

Mr. McKELLAR. No; the General Accounting Office audits afterward, as it does in all other cases, and whatever mistakes are made they are called to the attention of the Administration and are corrected. But the Treasury accounting office makes a preaudit of the accounts, as shown in the testimony, and in that preaudit of the accounts they do not allow the expenditures unless they are authorized and unless they are proper.

Mr. AUSTIN. Mr. President, will the Senator yield for another question?

Mr. McKELLAR. I yield.

Mr. AUSTIN. I should like to ask the Senator if he understands that the Comptroller General makes any examination of the payments to be made under the W. P. A.?

Mr. McKELLAR. No; he does not. I invite the Senator from Vermont to read in the Senate committee hearings the testimony of the head of the accounting office in the Treasury Department who does make a preaudit and sees that the expenditures are proper before they are made. A reading of that testimony will convince the Senator and the country that every precaution is taken to see that the expenditures are properly made under the law and that there has been no diversion of any funds.

Mr. AUSTIN. Mr. President, will the Senator yield further?

Mr. McKELLAR. I yield.

Mr. AUSTIN. I should like to ask the Senator if he understands that there is any preaudit whatever or control over the expenditure of sponsors' contributions to this type of relief.

Mr. McKELLAR. I should have to examine the testimony further in respect to that matter. I do not recall just what the head of the accounting office in the Treasury Department testified about it; but, according to my understanding of the situation, the sponsors' contributions become a part of the Federal relief funds and are expended in the same manner as the remainder of the funds and must be accounted for.

Mr. AUSTIN. Mr. President, will the Senator further yield?

Mr. McKELLAR. Yes.

Mr. AUSTIN. I call attention to the report of the Acting Comptroller General for the fiscal year 1937, pages 38 and following, which show that the contributions by sponsors are not even covered into the Treasury of the United States. They simply deposit them in special funds in banks wherever they want to, and check them out, according to this report, without any preaudit. I do not know about subsequent audits. Perhaps there may be a subsequent audit of the expenditures after they are made.

Mr. McKELLAR. Preaudits are made by the Treasury Department prior to the funds being expended, and audits are made by the General Accounting Office subsequent to the funds being expended, and therefore we have a check both before and after the expenditure of the funds, as we should have.

Mr. AUSTIN. The Comptroller General has tried to have this practice discontinued, or at least to have these huge sums of money covered into the Treasury so that we may have the ordinary method of tracing the expenditure of the funds in question, as well as the method that is employed in tracing expenditures of other funds.

Mr. McKELLAR. If such a provision is not contained in the law I will say to the Senator I shall be glad to vote for a provision or amendment requiring that what he suggests be done.

Mr. President, I wish to say that it is shown in the evidence given the Senate committee that Mr. Hopkins, as the administrator of these funds, takes every precaution to see that the funds are fairly and equitably distributed, and that they are honestly distributed, and that every dollar is accounted for.

I am happy to say that, in my judgment, Mr. Hopkins is a remarkable administrator, one of the most remarkable administrators we have ever had in our Government. Time and again he has been assaulted, but when the facts have been examined he has always been upheld. There have been no scandals in his administration except, as I have said, in the headlines of the newspapers, and whenever an examination has been made into charges leveled against him it has been found that the charges were without foundation.

I next come to the fourth proposal of the Senator from Michigan. I read:

> It will at least partially repel any sinister and empty notion that money from Washington is manna from heaven which need not be husbanded like money raised by real taxes in the community where the money is spent.

O Mr. President, we now have not only a check on every expenditure, but a double check on every expenditure. We have admittedly had a clean administration of these expenditures. What would the so-called plan or amendment to the present plan of the Senator from Michigan do? He would simply have the Government write a check for the amount that a State should get, and turn it over to the State for distribution, with no responsibility, no safeguards about accounting, no safeguards about auditing, either preauditing or postauditing, no responsibility to the United States Government which furnishes the money. To my mind such a proposal is without the slightest merit.

Talk about "manna from heaven"! I expect it does seem like manna from heaven to some of the poor people who are starving. The sinister idea comes not from those people but from those who are indirectly fighting the proposals now before us.

Listen, Senators, to what the Senator from Michigan says:

> It will standardize relief expenditures, so that we may frankly face the problem too long ignored of cutting our garment according to the cloth.

The Senator speaks of standardization. Would the giving out of 49 checks, 1 to the District of Columbia and 1 to each of the States, standardize these expenditures? Who would know how the expenditures were made? Where would we get the information as to whether the funds were being honestly, or properly, or fairly spent, or equitably distributed? Where would we get that information? What officers would control the expenditures? What accountants would

supervise them? Instead of standardizing, it would bring about "confusion worse confounded."

What would the State administrations in the various States think of receiving funds in a lump sum? Would not many of their officials regard it as "manna from heaven"? Who knows where it would go, or whether it would go to actual relief? The State officials would not be responsible for it. The States could not pay it back if they wanted to. The Federal officials would not be responsible for it, because under the law we would turn it over to the State officials. Again, I say, it would be "confusion worse confounded" instead of standardization.

No, Mr. President, the argument of the distinguished Senator from Michigan is the so-called issue that has been repudiated by the American people by one of the largest majorities ever given in a national election. It is a last year's bird nest. It has "gone with the wind," and will never receive the sanction of congressional approval on either side of the Capitol. It would be a political anachronism, and it is so confused that even my able and brilliant friend the Senator from Michigan, whom I esteem very highly, and whom I admire very greatly, in describing it has used the conglomeration of words to which I have heretofore referred.

His is not a plan. It is simply a political gesture, and a worn-out gesture at that, a gesture which was contained in the Republican platform in 1936, which was repudiated by a majority of more than 10,000,000 votes of the American people.

Mr. President, I undertake to say that there will not be many votes cast against the relief measure in this body. I do not know whether or not my friend the Senator from Michigan will vote for it. Personally, on his own account I should like to see him vote for it. Politically, I hope he will vote against it, because I am sure it is going to pass.

Mr. VANDENBERG. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Tennessee yield to the Senator from Michigan?

Mr. McKELLAR. I yield.

Mr. VANDENBERG. I should like to set the Senator's mind at rest. I shall vote against the bill in its present form. What happens to me politically is of no moment either to me or to the country, but what happens to the country is of great importance to us all.

Mr. McKELLAR. Of course, the Senator is the arbiter of his own fortunes, and he will have to follow his own judgment.

Mr. President, I wish to say that I feel deeply regretful that we have to furnish this relief. I had hoped that the economic conditions making it necessary would have passed before now. I am deeply regretful that the recession has come into our economic life which makes the pending legislation necessary. But I believe it is necessary. I believe the American Government is able to, and that it is the American Government's duty to furnish this relief.

Talk about the United States not being able to do it. Talk about our being in bankruptcy and unable to furnish this relief to our needy people at the present time. The idea seems to me to be puerile and unworthy. In this morning's newspaper I read that a vast sum of money was borrowed in the open market yesterday by our Treasury Department at twenty-five one-thousandths of 1 percent. And we hear talk about bankruptcy following the adoption of this measure.

Senators, the question before us is one of human relief. It is a practical question. It is not a political question. Unless I am tremendously mistaken, the votes will again show when the roll is called that Democrats and Republicans alike will join to vote Federal funds, to be accounted for by Federal agents, not in the way of gifts and doles but in the way of work for our people who are for the time being without work.

Not a great deal has been said up to date, Mr. President, about the public-works provision of the bill. With one exception, which I will explain at another time, I think that public-works projects are excellent and will do our country a great deal of good. I am going to digress at this point long enough to say that I think the work done under the public-works system, as carried on by Secretary Ickes, has been a grand job. There has been no scandal connected with it, not even in the newspaper headlines. Accounts were kept of expenditures. Vouchers were kept. Federal money was expended properly by this splendid Federal officer. I think Secretary Ickes, I repeat, has done a grand job, and I think the work that is provided for in the measure before us will be of enormous interest to our country.

Mr. President, the program prepared by the President and his advisers has been bitterly attacked and criticized by some of the President's political opponents, opponents who can see no good in anything he says or does. The chief attack, broadly stated, is that it is claimed the renewal of the relief spending and lending program, like all the President's preceding programs, is doomed to failure.

I desire to say that, in my judgment, the President's previous programs have not been failures but have been remarkable successes under the circumstances; and I believe the present program will be a success. If I did not believe it, I would not be for it.

Mr. President, let us take up for a few moments the contentions of our opponents and analyze them. I begin by saying that I believe the economic program of President Roosevelt has been a success in the past and has already done much to put us in a better economic position, and that this bill will continue our march back to prosperity.

To show the truth of this assertion I need only call the attention of sound-minded and unprejudiced persons first to the condition our country was in when Mr. Roosevelt became President on March 4, 1933, and then call attention to its present condition.

We Americans are such forgetful people. We have such short memories. Many of us disregard and forget all the past. We think only of the immediate present. We forget the good already accomplished and look only at the present difficulties. It is my purpose to remind my listeners of the good which many of them, perhaps, have forgotten.

For some 3 years prior to Mr. Roosevelt's administration more than half of all the banks in America had failed or had gone into bankruptcy and more than $4,000,000,000 of the people's money in such banks had been lost or tied up. No person, however well-to-do, knew one day whether he would be able to draw money out of his bank the next day, no matter what may have been the amount of his deposits therein. The prices of agricultural products had gone down so low that they were less than the cost of production, thus rendering it impossible for the farmer to buy the things which he needed, making his condition intolerable.

Cotton, a product which is so necessary to the southern section of the country, was selling for about 5 cents a pound; corn for 23 cents a bushel; wheat for 38 cents a bushel; hogs for 2½ cents a pound; cattle for 2½ cents a pound; and every other farm product was selling for less than the cost of production. Many of the railroads were in bankruptcy, and industries were shut down all over the country. Industries could not sell their products because the people had no money with which to buy, and many of the manufacturers could not obtain the money to carry on their business. Millions of Americans were on the verge of starvation. For years they had been supplied by private individuals, organizations, localities, cities, and States, until all the supplies had run out, and the poor were facing actual starvation.

Those were the essential facts of the situation at that time, as we all know. No honest person can deny that those were the conditions which confronted Mr. Roosevelt when he entered office on March 4, 1933. The claim that the country is no better off now than it was in 1932 shows either a total loss of memory or a total disregard of the plain truth.

Did Mr. Roosevelt, like his predecessor, merely allow things to take their course, hoping, Micawber-like, that something would turn up to restore sound conditions? Indeed he did not, Mr. President. Quite the contrary; without a moment's hesitation, he set about at once to formulate policies to change and improve the deplorable conditions.

The first thing he did was to close all the banks for a few days, and then open up all the good ones. Then, he recom-

mended to the Congress, over the protest of the bankers of the country, that it pass a law providing for the guaranty by the Government of the deposits in every bank, with certain limitations. That bill was speedily enacted by the Congress, signed by the President, and put into effect. Since that time bank failures have substantially disappeared, and no depositors have lost money in banks since Mr. Roosevelt has been in office. Banks are the mainspring of our economic system. They are the lifeblood of trade and commerce. Was the President's bank policy a failure? This policy, so vitally necessary to the prosperity of our people, was not a failure. Can even the most prejudiced claim that that policy was a failure? I assert that it was not only not a failure, but it was a success from the very beginning. It is still a success and a living monument to the sagacity and wisdom of our great President.

Then, the President took up the question of the restoration of agriculture; and within a short time, by judicious laws and wise administration of those laws, the prices of agricultural products went up and continued on the upgrade until about 6 months ago, doubling, and sometimes trebling the prices of the pre-Roosevelt period.

While the present may be called a period of recession in prosperity, let us see how the present prices of agricultural products compare with the prices when Mr. Roosevelt came into office 5 years ago. Cotton was then 5 or 6 cents a pound and is now about 9 cents. Corn was then 23 cents a bushel and is now 60; wheat was then 38 cents a bushel and is now 80 cents a bushel. Hogs were then selling for 2½ cents a pound and are now selling at 8.7 cents a pound. Cattle were then selling at 2½ cents a pound and are now selling at 9 cents a pound. The prices of all other agricultural products have increased in like manner. It is true that the prices of these products have been higher, but they are still more than double what they were when Mr. Roosevelt came into office. Is this policy a failure for agriculture? How many persons would want to go back to the pre-Roosevelt days, when the cotton was selling at 5 cents a pound, hogs at 2½ cents, cattle at 2½ cents, wheat at 38 cents a bushel, and corn at 23 cents a bushel? I wonder how many of us would want to go back to such prices.

Much is said about the recession—and it is a recession—but who wants to go back? Even in the present situation the prices of all these products so necessary to the welfare of the country are more than double what they were when Mr. Roosevelt came into office in 1933. In like manner, while there has been some recession in industry, yet industry is more than doubly as prosperous as it was when Mr. Roosevelt came into office. Stocks and bonds went up, and the whole country was gaining steadily until about 8 months ago, when, for some reason not accurately accounted for, a recession came. While many stocks have gone down in recent months, they are still much higher, taken as a whole, than they were when Mr. Roosevelt came into office. In addition, the year before Mr. Hoover went out of office, the national income was $38,000,000,000. That was the income of all our people taken together. What was it last year? It was $68,000,000,000, a tremendous increase. It is estimated that it will be about $60,000,000,000 this year. Is this a policy of failure? Is this a result for which the President should be criticized? I take it that every fair-minded man and woman in this country would say no.

In 1933 billions of dollars' worth of farms and homes under mortgages were under the threat of foreclosure. The Roosevelt administration has remedied that trouble and has substituted the Government as creditor for farm and home mortgages without substantial loss to the Government. Billions of dollars of Government funds have been invested in public buildings throughout the country, in public roads, airways, airports and landing fields, parks and parkways, transportation, navigation needs, drainage, in lending money to improve city water supplies, in building better streets and cities, in building bridges, in separating railroad grade crossings, and in the conservation of our natural resources, including the education of our youth. Every part of our common country has been improved and its people benefited.

So when it is stated, Mr. President, that Mr. Roosevelt's policies have been a failure, that statement is not true; and every intelligent man and woman must know it. Though there has been some small recession in the past few months, the cause of which I do not know—and I doubt if any of us know—we are still infinitely better off than we were when Mr. Roosevelt came into office. We have had a recession in business, it is true, and we must deal with it as such. President Roosevelt dealt with it successfully before, and, in my judgment, he will do so again. He dealt with it in a way which brought success to bankers, to farmers, to businessmen, to merchants, and to all our people.

I, for one, have not lost faith in him because of the present recession. He has done a wonderful job. He deserves the confidence of the American people, and I believe that he has the confidence of the overwhelming majority of the American people today. I say that I approve these new proposals of the President with an unshaken confidence in their efficacy.

I wish now to discuss very briefly several items of the joint resolution.

In the present situation the President proposes a continuation of relief for the first 8 months of the coming fiscal year to the extent of $1,425,000,000. This represents an increase in relief over the preceding years, but, in my judgment, the local communities, which have uniformly taken care of such relief work prior to 1932, are unable to take care of the relief in the coming year, and that is why it is necessary.

Who is opposing this measure of relief? I think the Senator from Michigan is the only one who has openly opposed it in this body; I do not know of any other. It may be that other votes will be cast against it, but, so far as I know, no other Senator has openly opposed it and no other man in public life today is openly opposing it. There may be some, but they have been exceedingly quiet about it. All thinking persons know that in the present situation it will be necessary to grant this relief in order to keep the people from starving. It is in line with what we have done before. It has been efficacious before and it will be efficacious this time. The President issued an order some time ago that relief should be granted upon the local communities putting up 25 percent of it, and we all know from experience that when the local communities put up 25 percent the money will be well expended and for the benefit of the people.

The President's next proposal is an appropriation of $175,000,000 for the Farm Security Administration. That Administration has admittedly done wonders for the American farmers and is largely responsible for the favorable situation of agriculture today, and, so far as I know, not a public man has held up his voice directly against this proposed appropriation.

The next proposal is that the sum of $75,000,000 be appropriated for the National Youth Administration. This, I think, is a wise expenditure, and I believe the country will so hold. The National Youth Administration has done a great work for our young men and young women, and it ought to be continued.

The President's next proposal is an additional sum of $50,000,000 for the Civilian Conservation Corps. What has done more for the young men of this country than this same Civilian Conservation Corps? What public man is there who objects to it? Who is there that is going to fight the boys of this country? Everybody knows what a successful and efficient work has been done by the boys in the Civilian Conservation Corps camps. This appropriation does not add to these camps; it merely keeps them where they are today. It does not subtract from them, and we are proceeding just as we have proceeded for a number of years in these C. C. C. camps that practically all agree perform a valuable function.

Not in this bill but in a bill which has already passed, the President recommended the lending by the Reconstruction Finance Corporation to business enterprises of $1,500,000,000.

This money is to be loaned on security. This money is to be returned to the Treasury of the United States, and, under the able and skillful management of Jesse Jones, I have no doubt that it will be done, and I believe it will greatly make for the return of prosperity. This bill almost unanimously passed the two Houses of Congress, and so far as I know, there is no criticism of it. It ought to aid business very greatly.

The next recommendation of the President which he has already put into effect was the desterilization of approximately $1,400,000,000 of Treasury gold. This has been recommended for some time, and I am delighted that the President has already put it into effect, and it necessarily means that much more capital with which to do the people's business. It is a splendid step in the direction of restoring business.

The next proposal of the President grows out of an order issued by the Federal Reserve Board last spring requiring banks to increase their reserves by approximately three-quarters of a billion dollars. This order had the effect, as many believe, of restricting credit. It has been rescinded, and as a result there is left in the hands of the various banks $750,000,000 more to lend to businessmen in aid of the restoration of business.

I next come to the recommendation of providing half a billion dollars to the Housing Authority to permit more houses to be built for the American people. This is a lending proposition. It is a safe business proposal. The money will come back to the Treasury. It is a perfectly proper proposal and one I believe the American people will overwhelmingly endorse and approve.

The last proposal made by the President is to continue the Public Works Administration to the extent of an outlay from the Treasury of perhaps $1,100,000,000 more. These public-works projects have been tried and have proved to be highly beneficial to the American people. Public works of all kinds have been carried on under them, and the Government will have restored to it $825,000,000. In other words, 45 percent will be grants and 55 percent loans. No better work has been done by the Government during the Roosevelt administration than that done by the Public Works Administration.

Another measure that will be of the greatest benefit to every form of business is the new tax law that has recently been signed by the President. This law is not in his latest proposal, but it will tend tremendously to help business and to restore sound economic conditions.

Mr. President, these measures recommended by the President at this time are safe and sane proposals. They are proposals that have been tried out and found to be good. The American people 5 years ago and a little more than 1 year ago had confidence in the present President of the United States, and their confidence has not been misplaced. This country is today infinitely better off than when he assumed office, and these proposals will bring about increased trade and commerce, increased manufacturing and business, increase in all banking operations, increase in our national income, increase in the building up of the American people, and an increase in the efficacy and efficiency of our national democratic government.

I am thoroughly in favor of all these proposals with one exception, to which I shall refer later.

The proposal to which I object is not the President's recommendation. It is one to which I think he objects just as strongly as I object to it. It is the so-called Power Trust amendment to which I object very strongly. However, I will come to that later. I have no doubt that the Congress will speedily enact this bill and that the American people will respond favorably to its enactment.

Mr. President, let us not be misled. The President did not bring about this recession. Any person ought to be able to see that he would be the last person on earth to have brought about or to have connived at any such recession. The banks did not bring about the recession. They likewise had every interest in having the country go forward. The laboring people of the country did not bring about this recession. They likewise had every reason for wanting things to continue to get better. The farmers did not bring about the recession, for their every interest, their living, is tied up in better prices. Businessmen generally in the country did not bring it about, for their every interest is against a recession in prices. New Deal policies did not bring about the recession, because it was those very policies which had brought us out of the economic mire of 1933.

Some say this recession is natural, others say it has been manufactured or manipulated for political purposes, and still others say that it was brought about by comparatively few men having almost limitless wealth, to teach the President a lesson not to interfere in their private economic control of this country. I do not know what the causes are, and I doubt if anyone else knows the causes.

However, whether it happened with or without cause, we all must recognize that there is a recession, and we should all join in the common effort to restore our common country.

Some still say—one Senator has so stated, I believe, on the floor—that they do not like the President's plan. Well, the President is the only one who has brought forward a plan. It is easy to criticize; but who has any other plan? If Senators do not like this plan, why do they not bring forth another one? Why is there not some concrete plan brought forward if this plan is not a wise and proper one? Why do not some of those wise ones who contend it is not right bring out a plan to take the place of the plan now proposed? Why do they not suggest a plan to restore the country? They have a wonderful opportunity. Why do they not bring forth a better plan?

Mr. CONNALLY. Mr. President——

Mr. McKELLAR. I yield to the Senator from Texas.

Mr. CONNALLY. In all fairness, does the Senator from Tennessee overlook the marvelous plan of the Senator from Michigan?

Mr. McKELLAR. No; that was not a plan; that was a corollary, if I may so describe it; it was just a little change in the present plan. It is directed solely to the method of distribution. The Senator from Michigan is not against relief; he says he is going to vote against this bill, for certain reasons, but he talks favorably about relief. He recognizes that relief must be accorded. All the Senator from Michigan says is that he wants the States to distribute the money instead of the Federal Government distributing it. He wants the States to distribute it, without any let or hindrance, without any responsibility to anybody, without making an accounting to anybody. The idea of the Senator from Michigan is just to let the Government divide up the money, send it in lump sums to the treasurers of the States, let them take the responsibility and do what they please with it. That is not a plan to restore prosperity. That sounds like politics to me. That must be the "manna from heaven" which the Senator talks about.

Mr. CLARK. It sounds also like "pork barrel."

Mr. McKELLAR. The suggestion has been made, and I think it is a wise one, that the proposal of the Senator from Michigan is a "pork barrel" scheme. What greater "pork barrel" scheme has ever been suggested than the proposal of the Senator from Michigan? The words "pork barrel" correctly describe it; and I thank my friend the Senator from Missouri who suggested "pork barrel." Take the money to be provided, divide it up on a population or other basis, and send checks to the 48 States and to the District of Columbia. That is not a plan. It is the most fallacious suggestion that has ever been offered in this body. But what else has been offered? If the President's plan is not good, what else has been offered in its stead? Some doubt its efficacy, but they suggest nothing in its stead. Surely the American people are not going to give up; surely the American people are not going "to take it lying down"; surely the American people have more courage than that.

So, in closing, let me say, let us forget the politics in this situation; let us forget the "pork barrel" in this situation; let us forget even that some of us are Democrats and some of us

are Republicans. I have already obtained permission to have published in the RECORD the list of Republicans who voted for these bills in the past 13 years. Let me repeat the votes for a moment:

On the first bill, there were 13 Republican yeas to 15 nays.

On the second bill there were 11 Republican yeas to 20 nays.

On the third bill, there were 13 Republican yeas to 10 nays.

On the fourth bill, there were 11 Republican yeas to 11 nays.

On the fifth bill, there were 16 Republican yeas and not a single nay.

Is this a political question? No; it is not political. It is a question which deals with relief for human needs.

Let us forget our prejudices; and inasmuch as the President's plan has worked well before, let us all get behind him. We Democrats have twice made him our leader. Let us stand by him in the work that he is probably better qualified to take the lead in than any other man in this country. Let the bankers get behind the President's proposal and use their every effort to restore our country. Let labor make every concession and use every effort to make America again prosperous. Let the farmers, always the hard-working class of our people, work harder still and strive the more to bring about a return of real prosperity. Let the manufacturers, who are prosperous only when prices are rising, likewise make every concession and use every effort to do away with this recession. Let the misguided few of our transportation men and professional men, of our businessmen, or any other men in our country, quit criticizing, quit doubting, quit nagging, and let us all get behind our great President as our national leader, and let us restore our country to economic prosperity. There is strength in union. It is a time when Americans should get together and stay together until all economic danger is behind them. Work harder. Save more. Talk less. Put the President's proposals into law, and the victory will be ours.

Only eternal vigilance by our Government protects our liberties; only administration of our liberal laws guarantees freedom of action; and the assistance offered by our democratic government assures us our pursuit of human happiness.

Keep faith in America and confidence in your Government. American democracy is superior to all other forms of government. Look about you in the world; look about you in the world anywhere if you want contrast for your present contentment. Look at Europe, Asia, South America—anywhere else in the world. Do you not think we had better hold on to what we have? Do you not think we had better go along, and join together, and restore the leadership which has been ours for so long?

Our Government offers humanitarian cooperation, privileges for the underprivileged, assistance to the needy, opportunity for the ambitious, security for the aged, and protection for all. God bless our country and our people.

MESSAGE FROM THE HOUSE—ENROLLED BILLS SIGNED

A message from the House of Representatives, by Mr. Chaffee, one of its reading clerks, announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the Vice President:

S. 3526. An act to refund sums paid by the railroads and other carriers of the United States under the Railroad Retirement Act of 1934; and

S. 3949. An act to amend the Agricultural Adjustment Act of 1938.

RELIEF AND WORK-RELIEF APPROPRIATIONS

The Senate resumed the consideration of the joint resolution (H. J. Res. 679) making appropriations for work relief, relief, and otherwise to increase employment by providing loans and grants for public-works projects.

Mr. BILBO obtained the floor.

Mr. COPELAND. Mr. President——

Mr. BILBO. I yield to the Senator from New York.

Mr. COPELAND. I ask that there be printed in the body of the RECORD an amendment which I shall offer to the pending measure, which provides for specifying for river and harbor and flood-control projects $325,000,000 of the amount designated for the P. W. A. I offer the amendment by the authority and at the request of the Committee on Commerce.

This afternoon, or whenever I can obtain the floor, I shall attempt to explain in some detail the amendment I have just offered.

The amendment was ordered to lie on the table and be printed, and to be printed in the RECORD, as follows:

Amendment intended to be proposed by Mr. COPELAND, on behalf of the Committee on Commerce, to the joint resolution (H. J. Res. 679), making appropriations for work relief, relief, and otherwise to increase employment by providing loans and grants for public works projects, viz:

On page 20, line 21, after the word "agencies", to insert the following:

"That irrespective of any other provisions herein, the Administrator shall allot to the Secretary of War out of the funds provided in this title (Title II), the sum of $324,235,900 which shall be available and remain available until expended by the Secretary of War under the supervision of the Chief of Engineers of the United States Army in the construction of the river and harbor and flood-control projects hereinafter designated, provided that subsection (b) of section 201 shall not apply to the allocations and expenditures on said projects, to wit:

"MAINE

"FLOOD CONTROL

"Androscoggin River, $500,000.
"Saco River, $400,000.
"Kennebec River, $200,000.

"NEW HAMPSHIRE

"FLOOD CONTROL

"Franklin Falls (R), $2,000,000.
"Surry Mountain (R), $1,522,500.

"VERMONT

"FLOOD CONTROL

"Union Village (R), $1,878,600.

"MASSACHUSETTS

"RIVER AND HARBOR

"Boston Harbor, $500,000.
"Cape Cod Canal, $1,000,000.
"Lynn Harbor, $336,000.
"Fall River, $41,500.
"Taunton River, $540,000.
"Mystic River, $50,000.
"Scituate Harbor, $81,000.
"Plymouth Harbor, $190,000.
"Westport River, $56,000.

"FLOOD CONTROL

"Knightsville (R), $1,767,000.
"Tully (R), $529,000.
"West Springfield (L), $298,000.
"Springfield (L), $1,594,000.
"Holyoke (L), $1,388,000.
"Chicopee (L), $1,275,000.
"Northampton (L), $456,000.

"RHODE ISLAND

"RIVER AND HARBOR

"Providence River and Harbor, $500,000.

"CONNECTICUT

"RIVER AND HARBOR

"Thames River, $400,000.
"Connecticut River below Hartford, $50,000.
"Bridgeport Harbor, $41,000.

"FLOOD CONTROL

"Hartford (L), $2,350,000.
"East Hartford (L), $1,163,000.

"NEW YORK

"RIVER AND HARBOR

"Port Chester Harbor, $98,000.
"Fire Island Inlet, $659,000.
"New York Harbor, $500,000.
"Bay Ridge and Red Hook Channels, $460,000.
"Buttermilk Channel, $583,000.
"Newtown Creek, $135,000.
"Hudson River, $1,102,000.
"Great Kills Harbor, Staten Island, $114,500.
"Huntington Harbor, $51,000.
"Flushing Bay, $194,000.
"Hudson River Channel, $800,000.
"Great Lakes to Hudson River Waterway, $2,000,000.

"FLOOD CONTROL

"Susquehanna headwaters (R), $521,000.
"Waterford (L), $315,000.

"PENNSYLVANIA

"RIVER AND HARBOR

"Allegheny River, $500,000.
"Erie Harbor, $210,000.
"Ohio River, locks and dams, $50,000.
"Ohio River, open channel work, $50,000.
"Delaware River, Philadelphia to the sea, $500,000.

"FLOOD CONTROL

"Kingston-Edwardsville (L), $806,000.
"Wilkes-Barre (L), $1,445,000.
"Johnstown (C), $2,700,000.
"Tionesta, Crooked Creek, Red Bank, French Creek, and Mahoning (R), $5,500,000.
"Pittsburgh (L), $3,500,000.
"Kittanning (L), $120,000.
"McKees Rock (L), $902,000.
"West Bridgewater (L), $828,000.
"New Kensington and Parnassus (L), $1,104,000.
"Freeport (L), $1,163,000.
"Tarantum, Breckenridge, and Natrona (L), $1,368,000.
"Punxsutawney (L), $1,471,000.
"Coraopolis (L), $1,090,000.

"DELAWARE

"RIVER AND HARBOR

"Delaware River, Philadelphia to the sea, $750,000.
"Chesapeake and Delaware Canal, $1,500,000.

"NEW JERSEY

"RIVER AND HARBOR

"Mantua Creek, $54,000.
"Delaware River, Philadelphia to the sea, $1,000,000.

"DISTRICT OF COLUMBIA

"RIVER AND HARBOR

"Washington Harbor, $65,000.

"MARYLAND

"RIVER AND HARBOR

"Baltimore Harbor and channels, $50,000.
"Channel, Plain Dealing Creek to Oak Creek, $74,000.
"Twitch Cove and Big Thoroughfare River, $131,000.
"Herring Bay and Rockhold Creek, $43,000.
"Chesapeake and Delaware Canal, $500,000.

"FLOOD CONTROL

"Cumberland (L), $590,000.

"VIRGINIA

"RIVER AND HARBOR

"Mattaponi River, $19,250.
"James River, $337,000.
"Cape Charles City Harbor, $27,000.

"FLOOD CONTROL

"Haysi (R), $1,000,000.

"NORTH CAROLINA

"RIVER AND HARBOR

"Drum Inlet, $50,000.
"Intracoastal Waterway, Cape Fear River, N. C., to Winyah Bay, S. C. (Southport, N. C.), $23,500.
"Belhaven Harbor, $53,000.
"Roanoke River, $323,000.
"New River Inlet, $35,000.
"Inland Waterway, Cape Fear River, N. C., to Winyah Bay, S. C., $350,000.

"SOUTH CAROLINA

"RIVER AND HARBOR

"Inland Waterway, Cape Fear River, N. C., to Winyah Bay, S. C., $350,000.

"GEORGIA

"RIVER AND HARBOR

"Terrys Creek and Back River, $35,000.
"Intracoastal Waterway, Cape Fear River, N. C., to St. Johns River, Fla., $510,000.

"FLORIDA

"RIVER AND HARBOR

"Anclote River, $10,000.
"Lake Okeechobee, $1,000,000.
"Fernandina Harbor, $138,000.
"St. Augustine Harbor, $137,500.
"Courtenay Channel, $31,000.
"Eau Gallie Harbor, $11,100.
"Port Everglades, $459,000.
"Channel, Naples to Big Marco Pass, $50,000.
"Tampa Harbor, $221,500.
"Apalachicola River, $3,750.
"Palm Beach, $268,000.
"Intracoastal Waterway, Cape Fear River, N. C., to St. Johns River, Fla., $200,000.

"ALABAMA

"FLOOD CONTROL

"Brewton levees, $235,000.

"MISSISSIPPI

"RIVER AND HARBOR

"Pearl River, Miss. and La. (Miss.), $500,000.
"Biloxi Harbor, $20,000.

"FLOOD CONTROL

"Homochitto River (C), $100,000.
"Big Black River (C), $436,000.
"Lazoo River (R), (C), (L), $2,000,000.
"Levee roads, $1,500,000.
"Mississippi River levees (L), $2,000,000.

"LOUISIANA

"RIVER AND HARBOR

"Pearl River, Miss. and La. (La.), $500,000.
"Southwest Pass and South Pass, Mississippi River, $570,000.
"Calcasieu River and Pass, $1,000,000.
"Southwest Pass and South Pass, Mississippi River, $500,000.
"Mississippi River between Baton Rouge and New Orleans, $200,000.
"Grand Bayou Pass, $25,000.

"FLOOD CONTROL

"Colfax, Grant Parish (L), $50,000.
"Grant Parish below Colfax (L), $71,000.
"Wallace Lake (R), $512,000.
"Atchafalaya floodways (L), $5,000,000.
"Wax Lake outlet (L), $1,000,000.
"Levee roads, $1,500,000.
"Mississippi River levees (L), $1,000,000.

"TEXAS

"RIVER AND HARBOR

"Louisiana-Texas Intracoastal Waterway, $1,000,000.
"Houston Ship Channel, $550,000.
"Sabine-Neches Waterway, $1,000,000.
"Houston Ship Channel, $1,000,000.
"Dickinson Bayou, $35,000.
"Channel, Palacios to Intracoastal Waterway, $74,000.
"Port Aransas to Corpus Christi Waterway, $552,000.
"San Bernard River, $25,000.
"Rockport Channel, $13,500.
"Aransas Pass to Intracoastal Waterway, $37,000.
"Colorado River, $540,000.

"FLOOD CONTROL

"Denison Reservoir, Tex. and Okla, $2,000,000.

"ARKANSAS

"FLOOD CONTROL

"Water Valley Reservoir, Bell Foley Reservoir, Norfolk Reservoir, Lone Rock Reservoir, Greers Ferry Reservoir, Nimrod Reservoir, Blue Mountain Reservoir, $11,000,000.
"Main Mississippi River levees, $2,000,000.
"Hempstead County levees, $200,000.
"Ouachita River levees, $1,300,000.

"OKLAHOMA

"FLOOD CONTROL

"Fort Supply Reservoir, Great Salt Plains Reservoir, Canton Reservoir, Oologah Reservoir, Wister Reservoir, Mannford Reservoir, Ten Killers Ferry Reservoir, Fort Gibson Reservoir, Markham Ferry Reservoir, $11,000,000.

"MISSOURI

"RIVER AND HARBOR

"Mississippi River between Missouri River and Minneapolis, $600,000.
"Missouri River, mouth to Kansas City, $1,000,000.
"Missouri River, Kansas City to Sioux City, $1,000,000.

"FLOOD CONTROL

"Arlington Reservoir, Richland Reservoir, Chillicothe Reservoir, South Grande Reservoir, Pomme De Terre Reservoir, Osceola Reservoir, Missouri and Kansas, $8,000,000.
"Meramec Reservoir, Big River Reservoir, Joanna Reservoir, Clearwater Reservoir, $4,000,000.
"Wappapello Reservoir, $1,000,000.
"St. Genevieve Levee District, $40,000.
"St. Louis County Drainage and Levee District, $260,000.

"ILLINOIS

"RIVER AND HARBOR

"Illinois Waterway, $500,000.
"Mississippi River between Ohio and Missouri Rivers, $1,000,000.
"Mississippi River between Missouri River and Minneapolis, $700,000.
"Ohio River locks and dams, $200,000.
"Ohio River open channel work, $200,000.
"Calumet Harbor and River, Ill. and Ind., $220,000.

"FLOOD CONTROL

"Wolf Creek (R), $1,000,000.
"Russell and Allison Levee Unit (L), $1,000,000.
"Belknap (L), $90,000.
"Karnak (L), $190,000.
"Ullin (L), $45,000.
"Wabash River Levee Unit No. 6 (L), $323,000.
"Rocky Ford District (L), $48,000.

"East Cape Girardeau District (L), $200,000.
"Clear Creek District (L), $333,000.
"Mouth of Sangamon River (L), $122,000.
"Salt Creek near Middletown (L), $48,000.
"East of Hubley Bridge (L), $20,300.
"Donavon Levee (L), $28,000.
"Clear Lake Levee (L), $69,000.
"Panther Creek Levee (L), $96,000.
"Preston District (L), $244,000.
"Big Lake Drainage and Levee District (L), $52,000.
"Fort Chartres and Ivy Landing (L), $120,000.
"Sangamon River and Salt Creek (L), $13,000.
"Choteau Nameoki, Venice District (L), $132,000.
"Kelly Lake District (L), $100,000.
"Meredosia and Willow Creek (L), $285,000.
"Stringtown-Fort Chartres and Ivy Landing (L), $185,500.
"Miller Pond Levee (L), $28,000.
"Coal Creek Levee (L), $200,000.
"Big Lake Levee (L), $61,000.
"South Beardstown and Valley Levee (L), $260,000.
"Crane Creek Levee (L), $52,000.
"Grand Tower Levee (L), $320,000.
"Kaskaskia Island Levee (L), $320,000.
"Union Township Levee (L), $42,000.
"Wood River Levee (L), $750,000.
"Kaskaskia River Levee (L), $1,000,000.
"Sangamon River Levee (L), $128,000.
"Cairo Levees (L), $1,000,000.

"WISCONSIN

"RIVER AND HARBOR

"Sturgeon Bay and Lake Michigan Ship Canal, $750,000.
"Milwaukee Harbor, $25,000.
"Mississippi River between Missouri River and Minneapolis, $1,000,000.

"FLOOD CONTROL

"Black Reservoir, $1,300,000.

"IOWA

"RIVER AND HARBOR

"Mississippi River between Missouri River and Minneapolis, $1,200,000.
"Missouri River, Kansas City to Sioux City, $2,000,000.

"FLOOD CONTROL

"Dry Run Reservoir, Central City Reservoir, Caralville Reservoir, Rochester Reservoir, Hawell Reservoir, $6,000,000.

"MINNESOTA

"RIVER AND HARBOR

"Mississippi River between Missouri River and Minneapolis, $1,000,000.

"FLOOD CONTROL

"Lake Traverse (see South Dakota) (R).

"NORTH DAKOTA

"FLOOD CONTROL

"Yellowstone River, $1,000,000.
"Marmarth levees, $800,000.

"SOUTH DAKOTA

"FLOOD CONTROL

"Lake Traverse (S. Dak. and Minn.) (R), $866,000.

"NEBRASKA

"RIVER AND HARBOR

"Missouri River, Kansas City to Sioux City, $2,000,000.

"KANSAS

"RIVER AND HARBOR

"Missouri River, Kansas City to Sioux City, $1,000,000.

"FLOOD CONTROL

"Millford Reservoir, Tuttle Creek Reservoir, Kanopolis Reservoir, Osceola Reservoir, Kans. and Mo., $6,000,000.

"MONTANA

"RIVER AND HARBOR

"Fort Peck, $1,000,000.

"FLOOD CONTROL

"Livingston, Mont., Yellowstone River (R), $5,000,000.

"WYOMING

"FLOOD CONTROL

"Belle Fourche River, $400,000.
"North Platte River, $700,000.
"Powder River, $300,000.
"Big Horn River, $200,000.

"COLORADO

"FLOOD CONTROL

"Arkansas River (Caddoa) (R), $1,000,000.
"Rio Grande River above Del Norte (R), $1,500,000.
"Conejos River (R), $1,000,000.

"IDAHO

"FLOOD CONTROL

"Coeur d'Alene Lake (L), $132,000.
"St. Joe and St. Maries Rivers (L), $145,000.

"NEVADA

"FLOOD CONTROL

"Humboldt River and tributaries (surveys), $200,000.
"Owyhee River and tributaries (surveys), $50,000.
"Truckee River and tributaries (surveys), $150,000.

"UTAH

"FLOOD CONTROL

"Virgin River and tributaries (surveys), $100,000.
"Streams draining into Great Salt Lake (surveys), $150,000.

"NEW MEXICO

"FLOOD CONTROL

"Gila River, $400,000.

"ARIZONA

"FLOOD CONTROL

"Gila River, $1,500,000.

"TENNESSEE

"FLOOD CONTROL

"Mississippi River levees (L), $1,000,000.
"Dale Hollow (R), $1,500,000.
"Ross View (R), $1,000,000.
"Three Islands (R), $900,000.
"Memphis levees (L), $1,000,000.

"KENTUCKY

"RIVER AND HARBOR

"Ohio River locks and dams, $350,000.
"Ohio River open channel work, $350,000.

"FLOOD CONTROL

"Buckhorn (R), $1,200,000.
"Booneville (R), $1,500,000.
"Mining City (R), $2,500,000.
"Nolin (R), $1,500,000.
"No. 2, Green (R), $1,000,000.
"Wolf Creek (R), $2,500,000.
"Dewey (R), $1,200,000.
"Fishtrap (R), $1,000,000.
"Louisville (L), $1,100,000.
"Covington (L), $500,000.
"Ashland (L), $500,000.
"Frankford (L), $506,000.
"Wilder (L), $747,000.
"Augusta (L), $458,000.
"Ludlow (L), $954,000.
"Russell (L), $456,000.
"Maysville (L), $800,000.
"Vanceburg (L), $632,000.
"Lewisport (L), $137,000.
"Dayton (L), $748,000.
"Owensboro (L), $250,000.
"Bellevue (L), $589,000.
"Cloverport (L), $358,000.
"Carrollton (L), $889,000.
"Uniontown (L), $260,000.
"Sturgis (L), $180,000.

"INDIANA

"RIVER AND HARBOR

"Indiana Harbor, $100,000.
"Calumet Harbor, Illinois and Indiana, $220,000.
"Ohio River, locks and dams, $250,000.
"Ohio River, open channel work, $200,000.

"FLOOD CONTROL

"Cagles Mill (R), $500,000.
"Mansfield (R), $800,000.
"Sholls (R), $1,000,000.
"Spencer (R), $1,000,000.
"Brookville (R), $1,500,000.
"Metamora (R), $2,000,000.
"Lawrenceburg (L), $1,000,000.
"New Albany (L), $1,000,000.
"Clinton (L), $29,000.
"West Terre Haute (L), $137,000.
"Adams Levee units (L), $63,000.
"Honey Creek (L), $62,000.
"Deer Creek Prairie (L), $46,000.
"Sugar Creek Levee unit (L), $125,000.
"Aurora (L), $800,000.
"Grandview (L), $203,000.
"Vevay (L), $440,000.
"Patriot (L), $283,000.
"Mauckport (L), $165,000.
"Rockport (L), $145,000.
"Indianapolis (Warfleigh section), $311,000.
"Anderson (L), $127,000.
"Levee Unit No. 10 (L), $39,000.
"Levee Unit No. 8 (L), $334,000.

"OHIO

"RIVER AND HARBOR

"Huron Harbor, $122,000.
"Ohio River, locks and dams, $100,000.
"Ohio River, open channel work, $100,000.

"FLOOD CONTROL

"East Fork (R), $1,200,000.
"Frazeysburg (R), $500,000.
"Dillon (R), $800,000.
"Millersburg (R), $800,000.
"Delaware (R), $800,000.
"Paint Creek (R), $1,000,000.
"Deer Creek (R), $1,000,000.
"Shenango (R), $1,100,000.
"Mosquito Creek (R), $500,000.
"Eagle Creek (R), $1,000,000.
"Logan (R), $1,000,000.
"Portsmouth (L), $1,000,000.
"New Boston (L), $800,000.
"Logan (L), $1,000,000.
"Cincinnati (six units), (L), $1,000,000.
"Martins Ferry (L), $800,000.
"Bellaire (L), $800,000.
"Middleport (L), $800,000.
"Massillon (L), $600,000.
"Zanesville (L), $900,000.
"Roseville (L), $131,000.
"Newark (L), $263,000.
"Syracuse (L), $450,000.
"Coalgrove (L), $284,000.
"Proctorville (L), $926,000.
"Moscow (L), $440,000.
"Belpre (L), $800,000.
"Cleves (L), $190,000.
"Racine (L), $365,000.
"Follansbee (L), $943,000.
"Manchester (L), $505,000.
"New Richmond (L), $800,000.
"Brilliant (L), $800,000.
"Pomeroy (L), $800,000.
"Mingo Junction (L), $678,000.

"WEST VIRGINIA

"RIVER AND HARBOR

"Ohio River locks and dams, $50,000.
"Ohio River open channel work, $100,000.

"FLOOD CONTROL

"Bluestone (R), $4,000,000.
"Burnsville (R), $1,200,000.
"West Fork (R), $1,500,000.
"Poca (R), $1,000,000.
"Birch (R), $1,000,000.
"Mud River (R), $700,000.
"Wheeling (all sections) (L), $1,200,000.
"Huntington (L), $800,000.
"Parkersburg (L), $1,000,000.
"Warwood (L), $614,000.
"Buckhannon (L), $951,000.
"Wellsburg (L), $1,158,000.
"New Martinsville (L), $807,000.
"Elkins (L), $973,000.
"Benwood (L), $1,261,000.
"Point Pleasant (L), $934,000.
"St. Mary's (L), $560,000.
"Riverview (L), $327,000.
"New Cumberland (L), $976,000.
"Mason (L), $383,000.
"Moundsville (L), $886,000.

"MICHIGAN

"RIVER AND HARBOR

"Keweenaw Waterway, $500,000.
"St. Joseph Harbor, $75,000.
"Detroit River, $875,000.
"Charlevoix Harbor, $15,000.
"Saginaw River, $1,030,000.

"OREGON

"RIVER AND HARBOR

"Willamette River above Portland, Oreg., $15,000.
"Coos Bay, $650,000.
"Umpqua River, $273,000.
"Columbia River between Vancouver, Wash., and Bonneville, Oreg., $500,000.
"Columbia River at the mouth, jetties, $250,000.

"FLOOD CONTROL

"Sandy Drainage District (L), $92,000.
"Westport District (L), $28,000.
"John Day River dikes (L), $28,000.
"Walluski River dikes (L), $68,000.
"Peninsular Drainage District No. 1, Multnomah County (L), $134,000.
"Deer Island Areas (L), $282,000.
"Prescott area (L), $27,000.
"Cottage Grove (R), $949,000.
"Dorena (R), $887,000.
"Lookout Point (R), $3,031,000.
"Quartz Creek (R), $4,073,000.
"Fern Ridge (R), $986,000.
"Sweet Home (R), $5,336,000.
"Detroit (R), $2,665,000.
"Willamette River (C), $8,000,000.

"CALIFORNIA

"RIVER AND HARBOR

"San Diego Harbor, $1,000,000.
"San Francisco Harbor, $115,000.
"Richmond Harbor, $24,800.
"San Joaquin River, $435,000.
"Sacramento River, debris dams, $1,000,000.
"Richmond Harbor, $192,000.
"Pinole Shoal and Mare Island Strait, $162,000.
"Bodega Harbor, $565,000.

"FLOOD CONTROL

"Los Angeles County (L), (C), (R), $8,800,000.
"Santa Ana River (L), (C), (R), $3,000,000.

"WASHINGTON

"RIVER AND HARBOR

"Columbia River and tributaries, Celilo Falls to mouth of Snake River, $250,000.
"Columbia River, $25,000.
"Neah Bay, $500,000.
"Everett Harbor, $28,000.
"Columbia River between Vancouver, Wash., and Bonneville, Oreg., $500,000.
"Columbia River at the mouth, jetties, $250,000.

"FLOOD CONTROL

"Mud Mountain (R), $3,400,000.
"Skamokawa Creek area (L), $100,000.
"Deep River area (L), $47,000.
"Upper Grays area (L), $79,000.
"Pacific County diking district No. 1 (L), $23,000.
"Yakima River (L), $163,000.
"Mill Creek (Walla Walla) (R), $608,000.
"Spokane (L), $31,000.

"ALASKA

"RIVER AND HARBOR

"Unalaska Harbor, $60,000.
"Skagway Harbor, $105,000.
"Valdez Harbor, $68,500.

"FLOOD CONTROL

"Tanana River and Chena Slough (L), $565,000.

"PUERTO RICO

"RIVER AND HARBOR

"San Juan Harbor, $400,000.
"Arecibo Harbor, $468,000.
"Guayanes Harbor, $68,600.

"VIRGIN ISLANDS

"RIVER AND HARBOR

"St. Thomas Harbor, $630,000."

Mr. CLARK. Mr. President, will the Senator from Mississippi yield?

Mr. BILBO. I yield to the Senator from Missouri.

Mr. CLARK. I send to the desk an amendment which I intend to offer to the pending joint resolution, and ask to have it printed and lie on the table.

If the Senator will permit me for just one moment, I should like to say that the amendment provides for earmarking $25,000,000 of the funds proposed to be appropriated by the pending joint resolution for the construction, repair, and furtherance of veterans' hospital facilities.

I realize that this measure already contains a lump-sum authorization for earmarking $200,000,000 for Government buildings; but it seems to me that it is necessary specifically to earmark this money if it is to go into the construction and furtherance of Government hospital facilities for veterans, because unfortunately the situation has developed during the past few years that of all the vast billions of dollars appropriated for construction and reemployment, not one penny has been spent on rehabilitation of veterans' facilities.

The PRESIDENT pro tempore. The amendment will be received, printed, and lie on the table.

Mr. BAILEY. Mr. President——

Mr. BILBO. I yield to the Senator from North Carolina.

Mr. BAILEY. I send to the desk a very brief amendment to the pending joint resolution. If the Senator will allow me to do so, I shall read it.

Mr. BILBO. I yield for that purpose.

Mr. BAILEY. I propose to insert in the joint resolution a new subsection under section 202, as follows:

(j) In making allotments hereunder, preference shall be given to those projects, other than loans and grants for plants competitive with public power utilities, as listed in a document of the Federal Emergency Administration of Public Works, and entitled "List (by counties) of pending non-Federal applications for which no allotments have been made as of April 12, 1938. All examined and recommended by Examining Division on 45-percent grant basis." Said document bears the number 77.

I should like to have Senators become acquainted with the contents of the document. I have it here. Later, I may ask that it be printed for the information of the Senate.

Mr. LA FOLLETTE. Mr. President——

Mr. BILBO. I yield to the Senator from Wisconsin.

Mr. LA FOLLETTE. When the pending joint resolution passed the House, it contained language to be found on page 22, paragraph (e), of section 201, which, as I understand, was designed to make available to States and municipalities which had constitutional limitations an opportunity to participate in the P. W. A. program provided for in section 2. The Committee on Appropriations has recommended the elimination of that section.

This morning I was handed a memorandum entitled "The Law of Municipal Indebtedness Restrictions in Relation to Federal Loans and Grants for Public Works Purposes," submitted by the United States Conference of Mayors. It was prepared by Mr. John A. McIntire, executive director of the Institute of Municipal Law Officers, and Mr. Charles S. Rhyne, attorney for the Institute of Municipal Law Officers, on behalf of the United States Conference of Mayors, of which the institute is an affiliate. It reads:

House Joint Resolution 679, entitled "Joint resolution making appropriations for work relief, relief, and otherwise to increase employment by providing loans and grants for public-works projects," provides in section 201 (e), page 19, that—

And so forth. I ask that the entire memorandum may be printed in the RECORD as part of my remarks.

The PRESIDENT pro tempore. Without objection, it is so ordered.

The memorandum is as follows:

THE LAW OF MUNICIPAL INDEBTEDNESS RESTRICTIONS IN RELATION TO FEDERAL LOANS AND GRANTS FOR PUBLIC WORKS PURPOSES SUBMITTED BY UNITED STATES CONFERENCE OF MAYORS

This statement of the law of municipal indebtedness restrictions in relation to Federal loans and grants for public works projects has been prepared by Mr. John A. McIntire, executive director of the Institute of Municipal Law Officers, and Mr. Charles S. Rhyne, attorney for the Institute of Municipal Law Officers, on behalf of the United States Conference of Mayors, of which it is an affiliate.

House Joint Resolution 679, entitled "Joint resolution making appropriations for work relief, relief, and otherwise to increase employment by providing loans and grants for public-works projects," provides in section 201 (e), page 19, that:

"In the event that, due to constitutional limitations, any State, Territory, possession, political subdivision or other public body shall be unable to participate by way of loan and grant in the benefits of this title, the Administrator with the approval of the President, may advance moneys to any such public agency upon agreement by such public agency to pay back in annual installments, over a period of not to exceed 25 years, at least 55 percent of the amount so advanced with interest thereon for the period of amortization."

When this section speaks of constitutional limitations of political subdivisions of any State, it is our understanding that this refers to constitutional debt limitations imposed by the constitutions of 31 States upon municipalities and other political subdivisions of such States. These States are: Alabama, Arizona, California, Colorado, Georgia, Idaho, Illinois, Indiana, Iowa, Kentucky, Louisiana, Maine, Michigan, Maryland, Montana, New York, Nevada, New Mexico, North Carolina, North Dakota, Oklahoma, Pennsylvania, South Carolina, South Dakota, Texas, Utah, Virginia, Washington, West Virginia, Wisconsin, and Wyoming.

We might, at this time, point out that, in addition to constitutional debt limitations, 20 States have statutory debt limitations for municipalities within their borders. These States are: Arkansas, California, Connecticut, Florida, Georgia, Massachusetts, Minnesota, Mississippi, Montana, Nebraska, Nevada, New Mexico, New York, North Carolina, North Dakota, Ohio, Oregon, Rhode Island, Tennessee, and Vermont.

Seven of such statutory limitations have been imposed in addition to the constitutional debt limitations already imposed in those States. Those States imposing both constitutional and statutory debt limitations are California, Georgia, Montana, Nevada, New Mexico, North Carolina, and North Dakota.

To recapitulate, there are 44 States which have either constitutional or statutory debt limitations imposed upon municipal corporations. The constitutional and statutory citations of States having constitutional or statutory municipal indebtedness restrictions are attached hereto in the appendix.

Many cities have charter provisions restricting municipal indebtedness which require a vote of the people to change.

In recent years many cities have been forced to borrow to the maximum limits fixed for their city by constitutional, statutory, or charter mandate in order to meet relief burdens and ever-increasing municipal government expenses.

As we understand section 201 (e) of House Resolution 679, it is intended to provide a way for States and subdivisions thereof which shall be unable to participate by way of loan or grant in the benefits of this title, by securing moneys available under the act upon agreement by such public agency to pay back in annual installments over a period of not to exceed 25 years at least 55 percent of the amount obtained with interest thereon for the period of amortization.

The provision for an agreement to pay back in annual installments over a period of 25 years plus interest requires an agreement which, if signed by a city with constitutional or statutory indebtedness limitations, would, in most cases, be the incurring of a debt beyond the debt limit and the contract would be unenforceable.

In section 1273 of McQuillin on Municipal Corporation (2d ed.), the author states:

"Contracts creating debts in excess of the limitation prescribed by constitution or statute are not enforceable. Most municipalities are prohibited by constitution or statute or charter from becoming indebted in excess of a specified amount, and therefore a contract must not incur a liability which, when added to the already existing liabilities, would bring the indebtedness in excess of such sum. If a contract is invalid because creating a debt beyond the statutory limit, there can be no recovery thereon, nor on an implied contract for the reasonable value of the property or services."

Section 201 (e) of the bill attempts to provide a means whereby local public borrowers may participate in funds available under the act and avoid debt limitations. By providing for amortization of the obligation to return 55 percent of the funds advanced over a 25-year period, the bill ostensibly takes advantage of the United States Supreme Court ruling in *Walla Walla* v. *Walla Walla Water Works* (172 U. S. 1). It is expected that the debt under such an arrangement will be treated as the amount due in any one year and not the total sum due over the 25-year period. While this was the result in the Walla Walla case, an examination of the facts of that case and the true principle applied therein will show clearly its inapplicability to the above provision in the bill. The Walla Walla case involved a contract for water supply to be furnished a city for a 25-year period to be paid for by the city on an annual basis. It was contended that the indebtedness for debt-limitation purposes was the total amount due from the city over the 25-year period. The court held that each annual payment alone was to be counted.

It must be noted, however, that this was a service contract. The court, in reaching its conclusion, took care to point out that the city was not obligated at all events for the 25-year term. The liability was contingent and not absolute. It was conditioned upon the proper performance of the services during the year to be paid for that year. If the services were not rendered, no obligation was incurred.

Section 201 (e) clearly does not provide for a situation of this type. The obligation to repay the 55 percent may be divided into annual installments for 25 years but there is no contingency present. The payment may not be due except in annual installments but the total 25-year sum is due at all events. The duty to pay each installment is not conditioned on any return obligation which may or may not be performed. The duty is fixed at the time the contract to repay is completed. In such a situation the courts hold that the city is indebted for limitation purposes in the whole sum due over the total period regardless of installment provisions.

The court, in the Walla Walla case, said:

" * * * There is a distinction between a debt and a contract for a future indebtedness to be incurred, provided the contracting party perform the agreement out of which the debt may arise. There is also a distinction between the latter case and one where an absolute debt is created at once, as, by the issue of railways bonds or for the erection of a public improvement, though such debt be payable in the future by installments.

"In the one case the indebtedness is not created until the consideration has been furnished; in the other the debt is created at once, the time of payment being only postponed."

Cases adopting this interpretation of similar contracts are: (*Garrett* v. *Swanton*, 216 Cal. 220, 13 P. (2d) 725; *East St. Louis & Suburban Water Co.* v. *Belleville*, 360 Ill. 490, 196 N. E. 442;

Windsor v. *Des Moines*, 110 Iowa 175, 81 N. W. 476; *Jones* v. *Rutherford*, 225 Ky. 773, 10 S. W. (2d) 296; *Sager* v. *Stanberry*, 336 Mo. 213, 78 S. W. (2d) 431; *Foster* v. *Waco*, 113 Tex. 352, 255 S. W. 1104; *Levy* v. *McClellan*, 169 N. Y. 178, 89 N. E. 569).

See also McQuillin on Municipal Corporations (2d ed.) section 2392. In section 2391 that author states:

"* * * But in case of contracts calling for payments in monthly or annual installments, such as contracts for water, light, and the like, where the furnishing of the supply is a condition to the creation of liability, it is generally held that no debt is incurred until the time when the installment becomes due and payable, although it is otherwise where the contract is to erect water or light plants or for a public improvement, where an absolute debt is created at once, although it is payable in the future by installments."

The installment feature, therefore, of the present act does not provide a method for the creation of valid loans without regard to present municipal indebtedness restrictions. Section 201 (e) of the bill does not, therefore, provide a valid means whereby municipalities with debt limitations can avoid such limitations in securing funds available under the bill. Cities, therefore, will be forced to resort to methods of evading their debt limitations if they are to benefit at all under the act.

The term "indebtedness" or "debt" within the meaning of constitutional debt limitations has been construed to refer to an indebtedness to be met in the future by taxation (*Bank for Savings* v. *Grace*, 102 N. Y. 313, 318, 7 N. E. 162 (1886); *Reimer* v. *City of Holyoke*, 93 Colo. 571, 27 P. (2d) 1032; *Young* v. *City of Ann Arbor*, 267 Mich. 241, 255 N. W. 579 (1934); *Butler* v. *City of Ashland*, 232 Pac. 655 (Oreg. 1935); *Twichell* v. *City of Seattle*, 106 Wash. 32, 179 Pac. 127 (1919)).

The ways which have been tried in the past to avoid municipal-debt restrictions are: (a) Special obligations, such as special fund and income bonds; (b) special assessments; (c) lease agreements; (d) mortgage agreements; (e) conditional sales agreement; (f) current expense theory; (g) special authorities.

Under the old Federal Public Works Administration and N. I. R. A. programs cities faced the same problem of avoiding municipal-indebtedness restrictions. Several States, in order to aid cities and their other political subdivisions in this matter, passed special legislation with direct reference to the use of N. I. R. A. or P. W. A. money by such political subdivisions in such a way as to avoid municipal-indebtedness restrictions. Fourteen States authorized revenue or income bonds payable solely from income of public works financed by such bonds. These States are: Alabama, Idaho, Indiana, Iowa, Maine, Missouri, Nebraska, New Mexico, Oregon, South Carolina, Utah, Virginia, and West Virginia. In addition to States passing such laws, special legislation to enable their political subdivisions to participate in the Federal public-works program was passed by New York, Colorado, Ohio, Pennsylvania, and others. The New York act provides in part:

"All provisions of * * * any law which tend to prevent * * * municipalities * * * from taking advantage of the provisions of the National Industry Recovery Act shall be inoperative."

The Ohio act provides for bonds exempt from municipal-indebtedness limits if such bonds are approved at a special election. The Colorado act authorized cities and towns to borrow notwithstanding constitutional provisions limiting debt.

Pennsylvania provided for the creation of authorities in counties, etc., to enter into agreements with the United States, particularly as they relate to the National Industrial Recovery Act, to construct, maintain, and operate highways, bridges, and streets. The moneys borrowed by the authority were to be paid from tolls, rents, and fees from the use of the improvements it constructed. These statutes of the States of Colorado, New York, and Ohio are examples of the type of legislation passed by the States in order to enable their political subdivisions to participate in the Federal public-works program without regard to debt limitations. This is not, however, an exhaustive list of such statutes.

HOW COURTS HAVE TREATED THE VARIOUS METHODS OF EVADING CONSTITUTIONAL AND STATUTORY DEBT LIMITATIONS

A. Special obligations—such as special funds and income bonds

The special fund doctrine is used herein to describe a method of municipal financing whereby the city does not pledge its credit at all to pay for property or benefits acquired, but the income of a special earmarked fund already in existence is pledged or the income of the specific project is pledged to secure income bonds issued to defray the cost of the project. The stock example is a contract for the erection of a municipal waterworks system in which the city pledges the income from such system to the payment of the obligation incurred for the cost of constructing it. Such an obligation has been held by a majority of the courts not to be a municipal indebtedness within the meaning of constitutional or statutory limitations. (McQuillin, Municipal Corporations, 2d ed., sec. 2387, 2389.)

The following States have adopted the special-fund doctrine:

Alabama: *Oppenheim* v. *City of Florence* (155 So. 859 (Ala. 1934)).

Arizona: *Guthrie* v. *City of Mesa* (56 P. (2d) 655 (1936)).

Arkansas: *Snodgrass* v. *City of Pocahontas* (189 Ark. 819, 75 S. W. (2d) 223 (1934)).

California: *Garrett* v. *Swenton* (216 Cal. 220, 13 P. (2d) 655).

Colorado: *Reimer* v. *Town of Holyoke* (93 Colo. 571, 27 P. (2d) 1032 (1933)).

Florida: *State* v. *City of Miami* (113 Fla. 280, 152 So. 6 (1933)).

Georgia: *State* v. *Regents of University System of Georgia* (175 S. E. 567 (Ga. 1934)).

Illinois: *Ward* v. *City of Chicago* (342 Ill. 117, 173 N. E. 810 (1930)).

Indiana: *Underwood* v. *Fairbanks, Morse & Co.* (185 N. E. 118 (1933)).

Iowa: *Johnson* v. *City of Stuart* (226 N. W. 164 (1929)).

Kansas: *State, ex rel. Boynton* v. *Kansas City* (140 Kans. 471, 37 P. (2d) 18 (1934)).

Kentucky: *City of Bowling Green* v. *Kirby* (220 Ky. 839, 295 S. W. 1004 (1927)).

Michigan: *Young* v. *City of Ann Arbor* (267 Mich. 255, 255 N. W. 579 (1934)).

Minnesota: *Williams* v. *Village of Kenyon* (187 Minn. 161, 244 N. W. 558 (1932)).

Missouri: *Grossman* v. *Public Water Supply District No. 1* (96 S. W. (2d) 701 (1936)).

Montana: *Farmers State Bank of Conrad* v. *City of Conrad* (100 Mont. 415, 47 P. (2d) 853 (1935)).

Nebraska: *Carr* v. *Fenstermacher* (119 Nebr. 172, 228 N. W. 114 (1929)).

New Mexico: *Seward* v. *Bowers* (37 N. Mex. 385, 24 P. (2d) 253).

New York: *Kelly* v. *Merry* (262 N. Y. 151, 186 N. E. 425 (1933)).

North Dakota: *Lang* v. *City of Cavalier* (59 N. Dak. 75, 229 N. W. 105 (1930)).

Ohio: *Krash* v. *Miller* (194 Ohio St. 281, 135 N. E. 812 (1922)).

Oklahoma: *Baker* v. *Carter* (165 Okla. 166, 25 P. (2d) 747 (1930)).

Oregon: *Butler* v. *City of Ashland* (113 Oreg. 134, 232 Pac. 655 (1925)).

South Carolina: *Cathcart* v. *City of Columbia* (170 S. C. 362, 170 S. E. 435 (1933)).

Texas: *City of Houston* v. *Allred* (71 S. W. (2d) 251 (1934)).

Washington: *Winston* v. *City of Spokane* (12 Wash. 524, 41 Pac. 888 (1895)).

West Virginia: *Brewer* v. *City of Point Pleasant* (114 W. Va. 572, 172 S. E. 717 (1934)).

Wyoming: *Arnold* v. *Bond* (34 P. (2d) 28 (Wyo. 1934)).

The following States have rejected the special fund doctrine:

Georgia: *Byers* v. *City of Griffin* (968 Ga. 41, 147 S. E. 66 (1929)).

Idaho: *Feil* v. *City of Coer D'Alene* (23 Idaho 32, 129 Pac. 643 (1912)).

Maryland: *Mayor of Baltimore* v. *Gill* (31 Md. 375 (1869)).

Since the great weight of authority holds the special fund doctrine a valid means of evading municipal debt limitations, those States in which the courts have not yet considered the question can reasonably be expected to hold with the majority rule.

Briefs of cases illustrating special fund doctrine

The leading case is that of *Winston* v. *City of Spokane* (12 Wash. 524, 41 Pac. 888 (1895)). The city of Spokane entered into a contract by which the obligation to repay a loan to complete the city's waterworks was limited to receipts. The city was not otherwise liable. The court recognized that if the amount of the contract was, in fact, a debt, then the city had exceeded the constitutional limit. Relying on the special assessment doctrine, the court sustained the validity of the contract on the ground that the promise was conditional upon the existence of the fund; hence the promise did not give rise to municipal liability in personam for mere nonpayment.

Kelly v. *Merry* (262 N. Y. 151, 159, 186 N. E. 425, 428 (1933)), follows the Winston case in purchase of machinery for a lighting system. The price was payable out of revenue from the system only.

In *Department of Water and Power of Los Angeles* v. *Vroman* (218 Cal. 206, 22 P. (2d) 698), a proposed loan from R. F. C. for construction of transmission lines in connection with Boulder Canyon project, to be repaid from power revenue funds was held not to create indebtedness of the municipality.

Shinwald v. *City of Portland* (55 P. (2d) 1151 (Oreg.)), held self-liquidating bonds, plus the amount of money received as a gift from the Federal Government, not to be a debt of the city of Portland.

The following quotation from (1934) 3 George Washington Law Review 125, summarizes this proposition:

"* * * The majority of courts, deciding cases involving the National Industrial Recovery Act (48 Stat. L. 202 (1933), 40 U. S. C. Supp. VII, sec. 403 (1933)), have upheld the loans under the Special Fund Doctrine, especially where the property income only was pledged and the property itself could not be taken for the debt. *In Re Opinion of Justices* (152 So. 901 (Ala. 1934)); *Oppenheim* v. *City of Florence* (155 So. 859 (Ala. 1934)); *Smith* v. *Town of Guin* (155 So. 865 (Ala. 1934)); *California Toll Bridge Authority* v. *Kelly* (218 Cal. 7, 21 P. (2d) 425 (1933)); *State* v. *Regents of University System of Georgia* (175 S. E. 567 (Ga. 1934)); *Caldwell Bros.* v. *Board of Supervisors* (176 La. 825, 147 So. 5 (1933)); *Veeder* v. *State Board of Education* (33 P. (2d) 516 (Mont. 1934)); *State, ex rel., Blume* v. *State Board of Education* (34 P. (2d) 515 (Mont. 1934)); *State, ex rel., Hawkins* v. *State Board of Examiners* (35 P. (2d) 116 (Mont. 1934)); *Baker* v. *Carter* (165 Okla. 116, 25 P. (2d) 747 (1933)); *Arnold* v. *Bond* (34 P. (2d) 28 Wyo. 1934)).

"A few cases decided under the National Industrial Recovery Act, supra, where the property has been conveyed to the Federal Government as security for loans and the State must redeem it by annual payments from the income of the property, have held that, as the property can be retained until redeemed, a debt of the

State is created which exceeds the limitation of indebtedness. See *In Re Opinion of the Governor* (169 Atl. 748 (R. I. 1933), (hospital)); *cf. Sholtz* v. *McCord* (150 So. 234 (Fla. 1933) (prison and hospital for insane)); *Herbert* v. *Thursby* (151 So. 385 (Fla. 1933) (armory))."

As can readily be seen from the foregoing cases, the Special Fund Doctrine is limited to self-liquidating public-works projects. Use of this theory is not possible when a city wishes to erect a public improvement from which it is not possible to derive any income to pay off the cost thereof. The city can use this theory to construct municipal power, light, gas, and electric plants, toll bridges, water plants and systems, and similar revenue projects. Streets, city school buildings, and such nonrevenue-producing public improvements cannot be provided under this theory.

B. Special assessments

Contracts for improvements benefiting a limited area creating an obligation payable only from assessments upon the benefited property do not create a municipal indebtedness within constitutional or statutory limitations. McQuillin, Municipal Corporations (2d ed.), section 2388.

The usual type of work that can be done in this way is street, sidewalk, and sewerage improvement. The following authorities hold improvements to be paid for by such assessments are not part of municipal indebtedness within constitutional or statutory limitations.

United States: *Mankato* v. *Barber Asphalt Pav. Co.* (142 Fed. 329, 73 C. C. A. 439).

California. *Pasadena* v. *McAllaster* (204 Cal. 267, 267 Pac. 873).

Georgia. *Bainbridge* v. *Jester* (157 Ga. 505, 121 S. E. 798).

Idaho. *Byrnes* v. *Moscow* (21 Idaho 398, 121 Pac. 1034).

Illinois. *People, ex rel.* v. *Honeywell* (258 Ill. 319, 101 N. E. 571).

Indiana. *Quill* v. *Indianapolis* (124 Ind. 292, 23 N. E. 788, 7 L. R. A. 681).

Iowa. *Clinton* v. *Walliker* (98 Iowa 655, 68 N. W. 431).

Kentucky. *Adams* v. *Ashland* (26 Ky. Law Rep. 148, 80 S. W. 1105).

Minnesota. *Kelly* v. *Minneapolis* (63 Minn. 125, 65 N. W. 115, 30 L. R. A. 281).

Missouri. *Kansas City* v. *Ward* (134 Mo. 172, 35 S. W. 600).

New Mexico. *Gutierrez* v. *Midland Rio Grande Conservancy Dist.* (34 N. Mex. 346, 282 Pac. 1, 7, 8).

New York. *Baldwin* v. *Oswego* (2 Keyes (N. Y.) 132).

North Dakota. *Vallelly* v. *Grand Forks* (16 N. D. 25, 111 N. W. 615).

Oregon. *Little* v. *Portland* (26 Or. 235, 37 Pac. 911).

South Dakota. *Gross* v. *Bowdle* (44 S. D. 132, 182 N. W. 629).

Wyoming. *Henning* v. *Casper* (— Wyo. —, 57 Pac. (2d) 1264).

Kanawha Mfg. Co. v. *Charleston* (105 W. Va. 98, 141 S. E. 520), contra to the above authorities holds a contract between a city and a corporation providing for a loan to the municipality for street-improvement work to be repaid by special assessments of a bond issue is violative of the debt-limit provisions and hence not enforceable.

C. Lease agreements

Some cities seeking to evade indebtedness restrictions have resorted to a method of financing whereby some private corporation erects a public improvement and leases such improvement to the city at a specified rental for a period of time sufficient to allow the rental to return the cost of the public improvement. Upon payment of this amount the city may exercise its option to take title.

This type of financing has been used most often in purchasing municipal supplies, erection of schoolhouses, courthouses, city halls, etc.

While the authorities hold that a mere option to purchase property does not create any indebtedness (*Janes* v. *Racine*, 155 Wis. 1, 143 N. W. 707; McQuillin on Municipal Corporations (2d ed.) sec. 2380), yet where a lease agreement with an option to purchase is entered into which is in fact a purchase and a mere attempt to evade municipal indebtedness restrictions the courts hold such agreement invalid. McQuillin on Municipal Corporations (2d ed.) section 2394.

In Seventy-first American Law Reporter, page 1318, there is an annotation entitled, "Lease of property by municipality or other political subdivisions, with option to purchase same, as evasion of constitutional or statutory limitation of indebtedness." The editor of that annotation, after reviewing all of the authorities, concludes at page 1323:

"However, the weight of authority holds that such a scheme of financing creates an indebtedness, where the so-called rentals are sufficient to cover the entire purchase price and to enable the municipality to acquire the property without payment of any sum other than rentals."

In *Hively* v. *City of Nappance* (169 N. E. 51 (Ind. 1929)) a contract was made by the city for the lease of a school building from a building corporation for a period of 25 years with an option to purchase at the end of the lease period. The rental payments were to aggregate the total cost of the building plus interest. In holding the contract one of purchase creating a present indebtedness the court said:

"The contract here read as a whole * * * leaves no doubt in the mind of the court that it was entered into for the purpose of evading the mandate of the Constitution and of doing indirectly, through the plan and through the corporation provided for by the act, that which could not be done directly. The law will look to the substance of the transaction regardless of its form or color * * * the contract provides for the payment of annual installments over a period which equals in length the usual life of a school building, the installments being sufficient, during the term of the lease, to pay off the principal invested in the school building, together with interest thereon, and the school is bound not only to pay all taxes, assessments, and so forth, levied on the improvements but to keep the building in repair, to pay for insurance on the same, and to pay rent, even though the building burns."

In *Brewster* v. *Deschutes County* (1 P. (2d) 607 (Oreg. 1931)) there was a contract to erect a building for a combination courthouse and city hall on land owned by the city. The building was to be erected by a private corporation and rented to the county and city for $750 per month, with an option to purchase, all rentals to apply on purchase price in case of exercise of the option. The court held that the aggregate sum due, not annual installments, should be counted in determining whether the debt limitations were exceeded.

In the case of *Emnons* v. *Board of Education of Lewis County* (73 S. W. (2d) 848 (Ky. 1935)) the court held valid a lease of a school building to the county from year to year by a private corporation. The county was given the option to lease the property at sufficient rental to pay the purchase price and interest. The construction corporation was to convey the property to the county when the bonds and all other expenses were paid. The court held that this created an obligation for 1 year only, so did not come within municipal-debt restrictions.

In *Davis* v. *Board of Education of the City of Newport* (83 S. W. (2d) 34 (Ky. 1935)) there was an action for a declaratory judgment as to the validity of a 30-year lease of a school building to the board of education at $15,000 per year, providing that upon payment of rentals for the full term the building would be conveyed to the board of education. The court held this lease invalid since it created a debt for the aggregate amount of rental for the entire 30-year term. Another lease providing for a lease from year to year was considered in the same case and held valid, although it provided for renewals each year.

There are cases holding lease agreements valid and also holding that they only create an indebtedness for the single year for which the rental is due. In *Cochran* v. *Middletown* (14 Del. Ch. 295; 125 Atl. 459 (1924)) such a contract between a city and a private corporation in installing lighting equipment and pumping equipment was held not to create a present indebtedness as there was no obligation on the part of the city to renew the lease each year, but a mere option.

Cases of similar character are *Stedman* v. *Berlin* (97 Wis. 505, 73 N. W. 57 (1897)); *Doland* v. *Clark* (143 Cal. 176; 76 Pac. 958 (1904)); *Giles* v. *Dennison* (15 Okla. 55; 78 Pac. 174 (1904)). See also *Kelly* v. *Earle* (182 Atl. 501 (Pa. 1936)); noted (1937) 5 George Washington Law Review 267.

D. Mortgage or pledge agreements

A mortgage or pledge of a municipal light or water plant to secure the payment thereof creates an indebtedness within constitutional or statutory limitations regardless of a provision against personal liability.

McQuillin on Municipal Corporations (2d ed.), section 2382; *Leonard* v. *Metropolis* (278 Ill. 287, 115 N. E. 813); *Lesser* v. *Warren Borough* (237 Pa. 501, 85 Atl. 839).

In *Conner* v. *City of Marshfield* (128 Wis. 280, 107 N. W. 639 (1906)), the court held that the bonds of a water company, the property of which is purchased by a municipality, do not become a debt of the municipality, where the legislature has provided that the municipality shall not be liable on the bonds, and the only remedy to enforce the bonds is to foreclose the mortgage.

The case of *State* v. *City of Portage*, (174 Wis. 588, 184 N. W. 376 (1921)), held invalid mortgage obligations secured by an entire utility issued to pay for an extension to it, saying that the fact that the city might be deprived of property already owned was the determining factor. This case is, of course, distinguished from the Conner case and indicates the limitation on the Wisconsin rule.

From the foregoing it can be seen that, except in the State of Wisconsin, the use of a mortgage or pledge even without personal liability, does create an indebtedness within constitutional or statutory debt limitations.

E. Conditional sales contracts

Some few cities have attempted to use the method of installment sales contracts to evade constitutional or statutory limitations. This type of purchase can, of course, only cover purchase of supplies such as equipment for a municipal electric lighting plant, etc. Such case was considered in *Lang* v. *City of Cavalier* (59 N. D. 75, 228 N. W. 819 (1930)), where equipment for an electric generating plant was sold to the city with a provision that the title was to remain in the equipment company with the right to repossess the property if any installment was not paid when due. It was expressly stipulated that the city should not be held liable other than for monthly payments to be made out of the net income from operation.

The court held that the contract did not create an indebtedness within the limitations fixed by the constitution of the State.

A similar holding was made by the Supreme Court of Minnesota in the case of *Williams* v. *Village of Kenyon* (187 Minn. 161, 244 N. W. 558 (1932), where the city purchased the same kind of equipment.

In the case of *Utica Gas & Electric Co.* v. *Merry* (263 N. Y. S. 277), the court, in a case involving similar facts, held a debt was

created although the revenue was payable solely from the net revenue of the lighting business.

This type of financing, however, can hardly be used in a practical manner in connection with a Federal municipal public-works program, because the Government would have to purchase the equipment from some manufacturer and resell it to the city on conditional sales contracts, and the equipment would have to be such that it would produce enough revenue from which the municipality could pay 55 percent of the cost to the Federal Government. There is also, as indicated above, a conflict in the authorities as to the legality of such a type of transaction. Since it is a new form of financing, many of the States might be inclined to follow the New York case rather than the decisions of the North Dakota and Minnesota supreme courts.

F. Current expenses

In McQuillin on Municipal Corporations (2d ed., sec. 2378), the author states as follows:

"The general rule is that the current expenses, such as the salaries of officers and the like, are not indebtedness within these provisions where the municipality has money on hand to pay such current expenses or such current expenses can be paid from the current revenues."

Some municipalities have attempted to use this rule to evade municipal-indebtedness restrictions by contracting for the construction of public improvements, which public improvements were to be paid for out of current revenues. Where such expenses include only the monthly rental or installment for water, lighting, and the like (*Shields* v. *Loveland*, 74 Colo. 27, 218 Pac. 913), or rent for suitable quarters for municipal officers (*South Bend* v. *Reynolds*, 155 Ind. 70, 57 N. E. 706), the municipal indebtedness restrictions have been held not to have been violated. But when the city installs a municipal water system (*Helena Waterworks Co.* v. *Helena*, 31 Mont. 243, 78 Pac. 220), a sewage system (*Herman* v. *Oconto*, 110 Wis. 660, 86 N. W. 681), or erects a city hall (*South Bend* v. *Reynolds*, supra), indebtedness incurred for such purposes has been held not to be properly classed as a current expense and to create an indebtedness to which municipal-indebtedness restrictions apply. The current-expense theory cannot be invoked in the case of the cost of permanent public improvements.

G. Special authorities

The obligation of a distinct authority created as a separate entity in spite of identical territory is not the obligation of the original subdivision administering the territory. This is true even though the new authority has been created for the express purpose of incurring the obligation so as not to increase the indebtedness of the local subdivision. The obligations incurred by the new authority are its own debts and create no liability of the older corporation. The funds and personality of the new entity create a distinct type of special fund. Practically speaking, however, the importance of this device as a means of avoiding debt limits rests with the State legislature and not the would-be local borrower. The creation of such an authority is a matter for State and not local action. Cases dealing with the obligations of special authorities are summarized in (1937) 5 George Washington Law Review, page 267 at page 270:

"Plans, otherwise within the debt limit, may be exempted by recognition that the obligations are those of a distinct legal entity, a separate body corporate and politic, whose debts are not those of the State or municipality. *State* v. *Cooney* (100 Mont. 391, 47 P. (2d) 637 (1935), State water board revenue bonds); *Tranter* v. *Allegheny County Authority*, supra (despite constitutional provision against special commissions, etc.); *Arnold* v. *Boyd* (47 Wyo. 236, 34 P. (2d) 28 (1934), university obligations not charge on taxpayers); see *Herbert* v. *Thursby* (112 Fla. 826, 151 So. 385 (1933), recognizing separate entity of State relief commission). Contra: *State Water Conservation Board* v. *Enking* (58 P. (2d) 779 (Idaho, 1936), separate entity not recognized); cf. *Voss* v. *Waterloo Water Co.* (163 Ind. 69, 71 N. E. 208 (1904), municipally owned holding company). The creation of State authorities and similar organizations is an application in the State sphere of the principle familiar in municipal law, that functionally or territorially distinct municipal corporations may each incur debt up to the constitutional limit (6 McQuillin, municipal corporations (2d ed. 1928) §§2372, 2373.) The separate corporation must not, directly or indirectly, obligate the general State or municipal revenues or property. *Scholz* v. *McCord* (112 Fla. 248, 150 So. 234 (1933), State board lease considered State obligation); *State* v. *Kansas City* (140 Kan. 471, 37 P. (2d) 18 (1934), city could not obligate self on lease but issue of bonds by authority permissible); see *Re Opinion to the Governor* (54 R. I. 45, 169 Atl. 748 (1933), Public Works Corporation may not pledge State property). But cf., *State, ex rel., Hawkins* v. *State Board* (97 Mont. 441, 35 P. (2d) 116 (1934), State sanitarium revenue bonds not State debt though source of revenue was largely State and counties); see Herbert against Thursby, supra (State relief corporation could build, then lease, projects to State and counties to acquire revenues to repay loans)."

CONCLUSION

In general almost all the States have constitutional or statutory limitations on indebtedness of local subdivisions. Most municipalities in need of Federal financing aid are faced with the problem of exceeding their debt limits. In order to make possible participation in the new P. W. A. program in spite of debt limits section 201 (e) has been incorporated in the bill.

This section is of little practical value as it now stands. First, it refers only to constitutional limitations and ignores the difficulties arising from statutory and charter limits. Second, with respect to constitutional limitations it proposes a means which as shown above does not actually avoid debt limits.

If this bill is amended to authorize such agreements by the Federal Government or in its present form can be so construed, there are several ways open to local subdivisions for participating and avoiding debt limits. The most widely recognized of these devices are the several phases of the special-fund doctrine, i. e., agreements to repay the sums borrowed solely from earmarked funds, from special assessments, from revenues of the project for which the obligation was incurred or the creation of a distinct authority as the obligor. Other devices such as installment-payment contracts, exclusive mortgages, pledges, conditional sales or lease arrangements have met with little or no success in the courts. In Wisconsin the purchase-money mortgage without personal liability is a possibility. There is sufficient doubt in a majority of States as to the status of a lease with options to renew and purchase to make it worthy of consideration.

This statement has been prepared as a matter of information for the purpose of analyzing the practical operation of this pending bill in view of the legal problems involved.

APPENDIX

A. CITATIONS OF CONSTITUTIONAL DEBT LIMITATION PROVISIONS REFERRED TO HEREIN

Ala. Const., secs. 225, 226.
Ariz. Const., art. IX, sec. 8; amend. No. 11.
Cal. Const., art. XI, sec. 18.
Colo. Const., art. XI, sec. 8.
Ga. Const., art. VII, sec. 7.
Idaho Const., art. 8, sec. 3.
Ill. Const., art. 9, sec. 12.
Ind. Const., art. 13, sec. 1.
Iowa Const., art. XI, sec. 3.
Ky. Const., secs. 157, 158.
La. Const., art. 14, sec. 24.
Maine Const., arts. 22, 34.
Mich. Const., art. VIII, sec. 24.
Mo. Const., art. 10, sec. 12.
Mont. Const., art. XIII, sec. 6.
Nev. Const., art. VIII, sec. 8.
N. Mex. Const., art. 9, sec. 13.
N. Y. Const., art. VIII, sec. 10.
N. C. Const., art. VII, sec. 7.
N. Dak. Const., art. 35, sec. 183.
Okla. Const., art. 10, sec. 26.
Pa. Const., art. 9, secs. 8, 15.
S. C. Const., art. 8, sec. 7.
S. Dak. Const., art. XIII, sec. 4.
Tex. Const., art. XI, secs. 5, 7.
Utah Const., art. XIV, secs. 3, 4.
Va. Const., art. 127.
Wash. Const., art. 8, sec. 6.
W. Va. Const., art. 10, sec. 8.
Wis. Const., art. XI, sec. 3.
Wyo. Const., art. XVI, secs. 4, 5.

B. CITATIONS OF STATUTORY LIMITS ON MUNICIPAL INDEBTEDNESS REFERRED TO HEREIN

Ark. Dig. Stat. (Crawford and Moses Supp. 1927), sec. 7588a.
Cal. Gen. Laws (Deering 1931), sec. 5178–4.
Conn. Gen. Stat. (1930), sec. 470.
Fla. Comp. Laws (1927), sec. 3011.
Ga. Code Ann. (Michie) (1926), sec. 6563.
Mass. Gen. Laws (1932), c. 44, sec. 10.
Minn. Stat. (Mason 1927), sec. 1938.
Miss. Code Ann. (1930), sec. 2484, Supp. 1933, secs. 5977–1–86.
Mont. Rev. Code (Choate 1921), secs. 5039–64.
Nebr. Comp. Stat. (1929), sec. 11–401–11.
Nev. Comp. Stat. (Supp. 1930), sec. 136–46001 (1)–(41).
N. Mex. Stat. Ann. (Courtright, 1929), secs. 90–402.
N. Y. Comp. Laws (Cahill, 1930), c. 11, sec. 13; c. 26, sec. 3.
N. C. Code Ann. (Michie, 1931), sec. 2693.
N. Dak. Comp. Laws Ann. (1913), secs. 2218, 4043, 4253.
Ohio Gen. Code (Page, 1932), sec. 2293–14–18.
Oreg. Code Ann. (1930), sec. 56–2301.
R. I. Gen. Laws (1923), sec. 673.
Tenn. Code (Michie, 1932), sec. 3705.
Vt. Gen. Laws (1917), sec. 4082.

APPENDIX C

The following amendment is suggested as one which might meet the existing objections to the bill as now drawn:

Section 201 (j): Notwithstanding the specific provisions and limitations of sections 201 (d), 201 (e), 201 (f), and 201 (h) above, in order to make possible the participation of States and subdivisions thereof in the public-works program authorized by this act for the purpose of relief and increase of employment, the administrator with the approval of the President, wherever constitutional, statutory, charter, or other legal limitations of any kind would make it impossible for a public agency to participate in funds available under this act, is hereby authorized to make available to such public agencies funds appropriated under this act for necessary and useful non-Federal public works and improvements in the public interest under such an agreement with the public agency as

will make possible the participation of such agencies in order to accomplish the purpose of this act.

Mr. BILBO. Mr. President, I shall address my remarks to an amendment which I have presented and which is to be offered to the pending joint resolution. I ask that the amendment be read from the desk, so that it may appear as a part of my address on this occasion.

The PRESIDENT pro tempore. The amendment will be read.

The legislative clerk read as follows:

At the end of the joint resolution insert the following new titles:

"TITLE VI—REPATRIATION COMMISSION

"SEC. 601. (a) For the purpose of carrying out the provisions of this title, the President is authorized to appoint a Repatriation Commission (composed of three members, one of whom shall be a Negro), all the powers of which shall be administered by such Repatriation Commission (hereinafter referred to as the 'Commission').

"(b) The Commission may, without regard to the civil-service laws or the Classification Act of 1923, as amended, appoint and fix the compensation of such experts and such other officers and employees as may be necessary to carry out the provisions of this title; and may make such expenditures (including expenditures for personal services and rent at the seat of government and elsewhere, for lawbooks and books of reference, and for paper, printing, and binding) as may be necessary to carry out the provisions of this title

"SEC. 602. (a) The Commission, under the direction of the President, shall provide for the transportation from the United States to the Republic of Liberia, or to any territory acquired pursuant to the provisions of title VII of this act, of any citizen of the United States who desires to migrate to, and settle in, the Republic of Liberia or any such territory and who is found by the Commission to be qualified in accordance with the provisions of section 606 of this act to receive the benefits of this title.

"(b) The Commission, under the direction of the President, may also pay all or any part of the expenses of transporting any such person from any point in the United States to the point of departure of such person from the United States or from the point such person may be landed in the Republic of Liberia or in such territory to the point where such person desires to settle in the Republic of Liberia or in such territory.

"(c) The Commission, under the direction of the President, may also pay all or any part of the expenses of subsistence of any such person from the time such person leaves from any point in the United States for the purpose of migrating to the Republic of Liberia or to any such territory until the time such person arrives at the point where he desires to settle.

"(d) The Commission, under the direction of the President, may also make such grants-in-aid, either in cash or in supplies and equipment or in both cash and supplies and equipment, to any such person, as the Commission may deem advisable for the purpose of enabling such person to establish himself upon a self-sustaining basis in the place where he desires to settle, and may also make advances in cash to any such person to be used for the purchase of lands and making improvements thereon, such advances to be made upon such terms and conditions for repayment as the Commission may deem advisable.

"SEC. 603. (a) The President is authorized to enter into negotiations with the proper officials of the Government of the Republic of Liberia for the purpose of obtaining (1) an agreement by such Government immediately to confer citizenship upon all American citizens to whom the benefits of this title are extended, and (2) the consent of such Government to the construction by the United States in areas of such Republic where persons receiving the benefits of this title may settle of public roads, bridges, schools, sanitary facilities, river and harbor improvements, flood-control works, and other public buildings and works of a similar character; such public buildings and works to be constructed by the United States and such part of the cost of such construction as may be agreed upon by the President and the Government of the Republic of Liberia to be covered by bonds of the Republic of Liberia issued to the United States and bearing such interest and containing such provisions with respect to redemption as the President may deem adequate. If the President determines that such negotiations may be consummated in a manner satisfactory to him and if he further determines that the Government of the Republic of Liberia will give adequate assurances with respect to the operation and maintenance of such public buildings and works as may be constructed in such Republic by the United States, the President shall have all necessary authority to consummate such negotiations.

"(b) In the event the consent of the Government of the Republic of Liberia to the construction of such public buildings and works is obtained as provided in subsection (a) of this section, the Commission is authorized, subject to the approval of the President, to construct any such public buildings and works in areas of the Republic of Liberia where persons receiving the benefits of this title may have settled as it may deem advisable: *Provided*, That no such public building or work shall be constructed until the Government of the Republic of Liberia has agreed that upon completion of such public building or work the Government of such Republic will deliver to a person designated by the President of the United States bonds of such Republic covering the part of the cost of such public building or work which is to be borne by such Republic.

"SEC. 604. The Commission may, subject to the approval of the President, enter into any contracts with transportation agencies and others which it may deem desirable for the purpose of providing transportation and subsistence for such persons in accordance with the provisions of this title.

"SEC. 605. The President is authorized to use any of the property of the United States which may be useful in the transportation of persons and property for the purpose of transporting such persons, if in his judgment the public interest makes such use advisable. The President may require any of the departments and independent establishments of the Government to cooperate with the Commission in carrying out the provisions of this title.

"SEC. 606. No person shall be entitled to receive the benefits of this title unless the Commission finds that such person (1) may become eligible for citizenship in the Republic of Liberia, (2) is in good physical condition, and (3) has the necessary training, intelligence, and ambition to be successful in the place to which he desires to migrate.

"SEC. 607. Notwithstanding any other provisions of this act, the President is authorized to use any of the funds appropriated by this act for the purpose of carrying out the provisions of this title. Such funds may be allocated to the Commission or to any of the departments and independent establishments of the Government which may be directed by the President to cooperate with the Commission in carrying out the provisions of this title.

"TITLE VII—CORPORATION TO ASSIST IN REPATRIATION

"SEC. 701. (a) The President is authorized and requested to enter into negotiations, through the Department of State or otherwise as he may deem appropriate, with the Governments of the Republic of France and Great Britain for the purchase by the United States of such a number of square miles of the uninhabited or sparsely inhabited territory of either or both of such countries adjoining the Republic of Liberia as he may deem necessary for the settlement of all persons eligible to receive the benefits provided by title VI of this act.

"(b) If the President shall ascertain that such territory may be purchased from either or both of such countries at a price determined by him to be reasonable, he shall have all necessary authority to consummate negotiations for the purchase of such territory.

"(c) The purchase price of any such territory shall be paid by crediting the agreed purchase price against the war debts owing to the United States by the country from which such territory is purchased.

"SEC. 702. (a) All proprietary rights in any territory acquired by the United States in accordance with the provisions of section 701 of this act shall be conveyed by the President by quitclaim deed to a corporation to be organized by the Repatriation Commission, acting under the direction of the President. Such corporation shall, in accordance with its bylaws approved by the President, exercise sovereign rights over all of such territory and proprietary rights over such part of such territory as may not be subject to proprietary rights of others acquired in accordance with laws applicable to such territory prior to its acquisition by the United States.

"(b) Such corporation shall be so organized that it shall possess all such powers as may be necessary to enable it to do such acts, and to engage in such business activities, as may be necessary to enable it to develop such territory to the extent that immigrants thereto will by the exercise of reasonable industry be able to place themselves upon a self-sustaining basis, including, but not limited to, the following powers:

"(1) To sell any lands acquired by it to any person who receives the benefits provided by title VI of this act or his descendants upon such terms as it may deem advisable.

"(2) To sell not to exceed 160 acres of any lands acquired by it to any immigrant from the Republic of Liberia, if the settlement of such immigrant upon such lands would contribute to the development of such territory.

"(3) To sell stock in such corporation to immigrants to such territory and to receive such stock or any stock sold in accordance with paragraph (4) of this subsection in payment for not to exceed 160 acres of land purchased by such immigrant.

"(4) To sell stock in such corporation to any organization or to any citizen of the United States who does not desire to, or cannot qualify to, settle in such territory; such stock to be transferable by any such organization or any such citizen to any person who may settle in such territory, or if not so transferred to be redeemable upon liquidation of such corporation at a price per share equal to the price at which issued plus interest at 3 percent per annum from the date of issuance to the date of redemption.

"SEC. 703. (a) It is hereby declared to be the intent of Congress that such corporation shall not have perpetual existence but that its existence shall be limited to such period of time as may be necessary to enable it to perform its functions in accordance with section 702 of this act and for such additional time as may be necessary to enable the President to consummate the negotiations to be entered into in accordance with the provisions of subsection (b) of this section.

"(b) Whenever the President shall determine that such territory has been developed to the extent necessary to enable immigrants thereto to place themselves upon a self-sustaining basis, he shall

enter into negotiations with the proper Government officials of the Republic of Liberia with a view to having such territory incorporated into the Republic of Liberia and having the citizens of such territory granted citizenship in such Republic. If the President determines that such negotiations may be consummated in a manner satisfactory to him, he shall have all necessary authority to consummate such negotiations. If the President determines that such negotiations may not be consummated in a manner satisfactory to him, he shall formulate a plan whereby independence may be granted to the inhabitants of such territory and shall submit such plan to the Congress for its action.

"SEC. 704. Notwithstanding any other provisions of this act, the President is authorized to allocate from the funds appropriated by this act, for use by the Works Progress Administration and the Public Works Administration, such an amount as he may deem necessary for the purpose of providing capital for the corporation provided for by this title."

Mr. BILBO. Mr. President, in presenting this amendment, and proposing ways and means and methods for the transportation and settlement of America's 12,000,000 Negroes, I assure the country that I do not do it as an enemy of the Negro race. I am prompted to make this suggestion because I am convinced that it will be best not only for the black man in this country but for the white man as well.

There may be those in the Senate and elsewhere in the country who look upon such a proposal as wild, fantastic, visionary, impracticable, and not feasible. I assure those who may so think that in my proposal I am supported by the great leaders of this country since the birth of the Nation.

As to the immediate need of taking this step, a few months from now the country will be impressed with its great importance and with its imperative necessity. From 1910 to 1930 almost one-fourth of the Negro population of the South migrated to the North. There were three great streams of migration of the southern Negroes from the South to the North, one along the Atlantic seaboard, which made its way to Pittsburgh, Philadelphia, New York, and other cities. Another stream migrated from the States of Alabama, Mississippi, Georgia, and Louisiana and made its way directly north up the Mississippi Valley into the city of Chicago. Still another, a third stream, migrated from Texas through Arkansas and Oklahoma, its members stopping largely in St. Louis and Chicago.

This great influx of the Negro population from the South into the North at first seemed to be a success for the Negro, but as time moved on the Negro found out that the North was not as hospitable to him, and that its arms were not as widely outstretched as the Negro first dreamed they would be. At first the Negroes were given positions and enjoyed positions in the mechanical trades, in the manufactures, and industries of the North, but when the crash of 1929 hit the country the Negro was asked to step aside, and all the jobs that the Negroes had were given to the white men in practically all the great commercial centers of the North.

Mr. President, what do we find today? We find that 35 to 50 percent of the unemployed Negroes of the North today are on the relief rolls of the Federal Government. Take the city of Washington, for example. There are 10,000 persons on the relief rolls in the Capital City today, and 8,000 of them or more are of the Negro race.

In a few days Congress will pass the wage and hour bill. That measure proposes to level the wage between the North and the South. When Congress passes that measure practically every Negro in industry in the South will lose his job to the white man. The reason why the Negro has the job today is because the wage is so low that the white man cannot with his living standards work at the wage paid. But when Congress boosts the wages of the white men in the South the Negroes will have to give up their jobs to the white men. Then we are going to have the South, with its 8,000,000 Negroes, flooded with unemployed Negroes as never before, because the white man is going to take the Negro's job, just as the white man has taken the Negro's job in Pennsylvania and generally throughout the North.

What are we going to do with the Negro? Where is he going? How is he going to maintain himself? Oh, yes; the measure before us provides the method of supporting him on relief. For 6 years we have been supporting a great majority of the unemployed Negroes of the Nation on the relief rolls, until today generally throughout the North 35 to 40 percent of those on relief rolls are Negroes, and in the city of Washington 80 percent of those on relief rolls are Negroes. That is true in the North, where only about one-fourth or possibly one-third of the entire Negro population reside. But when the South's 8,000,000 Negroes are released from the jobs they now hold by reason of the fact that they are willing to work for a wage lower than the white man can work for, then what are we going to do with those Negroes?

Today one can work his way into any crowd of Negroes in the North, in any city in the North, and engage a Negro in conversation about his economic condition; and, as Mr. Stanley High wrote in the last issue of the Saturday Evening Post, that Negro will say that his lot is a hard one because he is always the last man to be hired and the first man to be fired. This is the white man's country.

Mr. President, I am offering my amendment at the suggestion of and with the permission and wish of 7,000,000 Negroes in America. They want the amendment adopted. They want to have done what is proposed to be done by the amendment. Already over 2,000,000 Negroes of America have signed the pledge that if the Government will provide the ways and means of transportation and resettlement for them in their fatherland they will catch the first boat out. If the Negro wants it done, then why not do it?

The American Negro has at last been convinced that from this time on he must face the discriminations of the white man against him in social life, in religious life, in economic and business life, and that he is not going to have an equal chance in this country. He has at last learned that fact, and he is willing of his own accord to move on to his fatherland, where he will have a chance to work out his own salvation and have a chance to make a place for himself "in the sun." Then why should not Congress give him that chance?

It is said, "It will cost too much." Will someone kindly figure up how much we have spent on the American Negro in the last 6 years? Congress is getting ready, in the appropriation measure before us, to dish out taxpayers' money every month to the unemployed Negroes of the country. Would it not be far better to take that money and use it for the purposes provided in the amendment I have offered? At the end of the next year, 1939, unless such action is taken, the same number of millions of Negroes will be on the relief rolls with no jobs. The white man is getting the Negro's job in the South. The white laboring man of the North has pushed the Negro out in the North. The United States will have the Negroes on its hands next year as it has now. Then why not take some of the money to be provided in the measure before us—take some of these billions of dollars that are being appropriated for relief and instead of dishing it out to the Negroes month after month, under which practice he will continue to be a charge on the Government, why not use it to pay the transportation and resettlement expense of the Negro in a land that is as rich in soil productivity as the United States? I speak of Liberia, Africa, and the territory that the amendment proposes to secure to be added to Liberia.

Of course, I know there are Negroes who do not want to go. There is nothing in my amendment making it mandatory or compulsory for any Negro to go. In fact, compulsion is not mentioned in my proposal. It is purely a voluntary proposal. The leading Negroes of this country inform me that within the next year or so they will have 7,000,000 of the 12,000,000 Negroes of this country pledged and ready to accept the opportunity to be resettled in the land of their fathers.

Mr. President, I appreciate that it will be rather tiresome, but I want briefly to give the Senate what the great leaders of this Republic and students of the race problem have said in the past about what we must do in the end if we are to settle right the race question.

Thomas Jefferson, the author of the Declaration of Independence and founder of the Democratic Party of this Republic, has been quoted by certain sophists to support their false theories that all men are created equal. Upon this

assumption they contend that the Negro should be recognized upon terms of perfect equality with the white man. The comprehensive and eternal principle of equal human rights was made by Mr. Jefferson the fundamental base of our political system. Advocates of Negro suffrage and of social rights for the Negro have cited the teachings of Mr. Jefferson, the highest authority upon questions of this character, as he applied them to our Democratic form of Government, intended for a white citizenship. It is my purpose to give Mr. Jefferson's views with specific reference to the Negro, immediately following the date on which the Declaration of Independence was written. I propose to show that the author of the Declaration of Independence, when giving expression, in that immortal document, to the principle of equal human rights, had no thought of the Negro and his rights. He was speaking exclusively of the rights and privileges of the British subjects of that time. He was giving form and expression to a broad and comprehensive principle that should constitute the fundamental base of a political system that was intended to apply to a particular race of people, namely, the Caucasian. Of all men in the world—of all men of all times who recognized and fully appreciated the inequalities of races, the inferiority of some and the superiority of others—none more clearly discerned and more forcefully wrote concerning these matters than did Thomas Jefferson, whose great intellect and commanding abilities have steadily grown through the passage of time.

In Mr. Jefferson's Works, volume 8, page 380, written in 1782, he makes this observation:

> Deep-rooted prejudices entertained by the whites; 10,000 recollections, by the blacks, of the injuries they have sustained; new provocation; the real distinction which nature has made; and many other circumstances will divide us into parties and produce convulsions, which will probably never end but in the extermination of the one or the other race.

He might have said "in the extermination of both races." That is the possibility.

> To these objections, which are political, may be added others which are physical and moral. Either the black of the Negro resides in the reticular membrane between the skin and the scarf skin or in the scarf skin itself; either it proceeds from the color of the blood, the color of the bile, or from that of some other secretion. The difference is fixed in Nature and is as real as if its seat and cause were better known to us. * * * Love seems with them (Negroes) to be more an eager desire than a tender, delicate mixture of sentiment and sensation. Their griefs are transient. Those numberless affections which render it doubtful whether Heaven has given life to us in mercy or in wrath are less felt and sooner forgotten with them. To this must be ascribed their disposition to sleep when abstracted from their diversions and unemployed in labor.

In this connection I am reminded of a reply attributed to a Negro who was asked why so few Negroes committed suicide. He said:

> When the white man gets in trouble he goes to his room and locks the door. He walks to the window and sorrowfully looks out on the world; he goes back to the fireplace and stands before the mantle and stares down into the fire; he paces the floor and finally walks to the dresser, pulls out a drawer, seizes a pistol, and suddenly blows his brains out. The Negro goes to his cabin, latches the door, and then begins to walk the floor; he pauses occasionally and scratches his head and mumbles broken sentences to himself. He presently grows tired of thinking and tramping, and tramping and thinking, and sits down in a chair before the fire and continues to think over his troubles. At last he becomes weary in both body and mind and suddenly drops off to sleep. When he wakes up he has forgotten all his worries.

That is why the Negro seldom, if ever, commits suicide. Watch the newspapers.

In 1801, on November 24, Mr. Jefferson wrote Governor Monroe as follows:

> The West Indies offer a more probable and practical retreat for the Negroes. Inhabited already by a people of their own race and color, climates congenial with their natural constitution, Nature seems to have formed these islands to become the receptacle of the blacks transplanted into this hemisphere. * * * Africa would offer a last and undoubted resort if all others more desirable should fail.

Again, Mr. Jefferson wrote John Lynch on January 21, 1811, as follows:

> You have asked my opinion on the proposition of Mrs. Mifflin to take measures for procuring on the coast of Africa an establishment to which the people of color from these States might from time to time be colonized under the auspices of different governments. Having long ago made up my mind on this subject, I have no hesitation in saying that I have always thought it the most desirable measure which could be adopted for gradually drawing off this part of our population most advantageously for themselves as well as for us—

Note the expression, "advantageously for themselves as well as for us"—

> going from a country possessing all the useful arts that might be the means of transplanting them among the inhabitants of Africa, and would thus carry back to the country of their origin the seeds of civilization, which might render their sojourn and sufferings here a blessing in the end to that country.

I was impressed with the contents of a letter I received a few days ago from a Negro in Chicago. This Negro said:

> I verily believe that the hand of God was instrumental in bringing the Negro to America from Africa as a slave, so that he might have imposed upon him the civilization and the religion of the white man, and after this training through a period of years, be transplanted back to his native fatherland, there to bring redemption and salvation, and inculcate the Christian religion in the natives of his homeland.

To substantiate his theory, he said the case of the Negro was similar to that of the chosen children of Israel. Only about 70 Israelites originally landed in Egypt, and over a period of 400 years they multiplied until they became several thousand strong, when Moses was given the order to lead the children of Israel out of bondage in Egypt into the promised land. It is an item of profane history that when the Israelites were carried into Egypt they lacked the civilization, culture, and arts which were then in the possession of the Egyptians, the most highly civilized nation on earth.

Mr. BORAH. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. HUGHES in the chair). Does the Senator from Mississippi yield to the Senator from Idaho?

Mr. BILBO. I yield.

Mr. BORAH. The Israelites relied upon divine power to get them out of Egypt. I do not think we could rely upon that assistance in this case.

Mr. BILBO. That may be true; but "God moves in a mysterious way His wonders to perform." That may be the reason why the Senator and I are here to do this very job.

On the same subject Mr. Jefferson addressed a letter February 8, 1817, to Dr. Thomas Humphries, in which he said:

> I concur entirely in your principle of gradual emancipation—

This was before the Civil War—

> of establishment on the coast of Africa and the patronage of our Nation until the immigrants should be able to protect themselves.

I provide specifically in my amendments for such procedure. I should never be a party to transporting the Negro to Africa for resettlement without following him and giving him direction and support until he was placed upon a living basis, able to stand by himself. Then, I should release him, just as we are trying to release the Filipinos today.

> * * * Personally, I am ready and desirous to make any sacrifice which will insure their gradual, but complete retirement from the States, and at the same time establish them elsewhere in freedom and safety. No symptoms inform me that it will take place in my day. I leave it therefore to time, and not at all without hope that the day will come, equally desirable and welcome to us and to them.

How prophetic do these words sound in this latter time, when more than 2,000,000 souls of the Negro race are petitioning this Government to assist and cooperate in a movement to transplant them to their fatherland?

The thing which I am suggesting by my amendment is not new. In fact, the same thing has been done in this administration. When we had a drought in the great Northwest, Mr. Rex Tugwell, the head of the Resettlement Administration, hired ships and loaded farmers on the ships and carried them to far-away Alaska. There he settled them in a new country. Mr. Tugwell took the farmers of the drought-ridden section and resettled them in Alaska, where,

I understand, they are happy and contented and are doing well. Others are following them there, for it is a wonderful country. If such a thing has been done in the past 3 or 4 years, then am I suggesting something which is violent, fantastic, and visionary when I suggest that the Negroes who want to go, who have petitioned to go, and who are begging to go to Africa, should be permitted to go? Why not take a part of the relief money and spend it to lead the Negroes to their fatherland, where they can be resettled?

Mr. VANDENBERG. Mr. President, will the Senator yield?

Mr. BILBO. I shall be delighted to yield.

Mr. VANDENBERG. I think the Senator uses an unfortunate example for his own purposes when he refers to the Matanuska development in Alaska, because it has cost the Government $25,000 per 40-acre farm to establish the citizens who have been taken to Alaska and resettled upon the Government development at Matanuska. I trust the Senator's proposal does not contemplate any such gargantuan figures as that.

Mr. BILBO. I am not advised as to the cost of resettlement of American white citizens in Alaska. I do not know anything about the business judgment which was used in carrying out the project; but I think I can assure the Senator that with the proper management and proper business judgment, under the direction of the repatriation commission which is proposed to be established with the duty of resettling the Negroes in Alaska, the cost will not approach any such figure.

Africa has the most wonderful climate in the world. The part of Africa where I am suggesting that this resettlement be made has a range of temperature from 64 to 98 degrees, never lower and never higher. The territory I have in mind contains the most wonderful timber supply in the world, and the finest soil on earth. There are found oil, coal, gold, silver, and diamonds. Nature has done almost everything with a lavish hand for the well being of the people of that country. Pineapples grow wild and there are unlimited resources of every sort and kind. I am talking about building up a foreign trade for the United States. If we could transport these 12,000,000 unemployed, mostly Negroes, and let them develop a section of Africa, with the tie that would bind them to the United States, we would open up a market and a trade that within the years would repay the United States for all we put into the project.

The Firestone Co. have a rubber plantation in Liberia proper in which they have already invested over $90,000,000 in growing rubber trees. Of course, I appreciate that Liberia is not sufficiently large to take care of this project in its entirety. That is why I suggest that we give England and France a chance to pay part of their war debts by giving or selling to the United States their colonial possessions lying contiguous to or in juxtaposition to the Republic of Liberia.

In Jefferson's Works, volume 1, page 48, written in 1821, Mr. Jefferson further stated:

> Nothing is more certainly written in the book of fate than that these people are to be free; nor is it less certain that the two races, equally free, cannot live in the same Government. Nature, habit, and opinion have drawn indelible lines of distinction between them. It is still in our power to direct the process of emancipation and deportation peaceably and in such slow degree as that the evil will wear off insensibly and their place be filled up by free white laborers.

That is the very thing that I am prophesying. I wish later in this discussion to comment on the recent marriage in Boston between a socialite white woman and a negro lawyer in line with this observation made by Mr. Jefferson regarding the different characteristics of the two races.

Finally, with respect to Mr. Jefferson's observations on the subject of repatriating the Negro, I invite attention to a letter found on page 332, volume 7, addressed to Jared Sparks, February 4, 1824:

> The article on the African colonization of the people of color, to which you invite my attention, I have read with great consideration. It is indeed a fine one and will do much good. * * * In the disposition of this unfortunate people, there are two rational objects to be distinctly kept in view. First, the establishment of a colony on the coast of Africa, which may introduce among the aborigines the arts of cultivated life and the blessings of civilization and science.

That is what I propose to do.

> By doing this we may make to them some retribution for the long course of injuries we have been committing on their population. The second object, and the most interesting to us as coming home to our physical and moral character, to our happiness and safety, is to provide an asylum to which we can, by degrees, send the whole of that population from among us and establish them, under our protection, as a separate, free, and independent people. * * * And who could estimate its blessed effects? I leave this to those who will live to see their accomplishment and to enjoy a beatitude forbidden to my age. But I leave it with this admonition—to rise and be doing.

It strikes me that the great Christian churches of this country that are pouring out their millions in the hope of Christianizing the heathens in Africa would have a great opportunity if the plan suggested should be adopted. We have had the Negro here for several hundred years. The Negro race is very religious. There are a great many Negroes who are ministers of the Gospel. Here is a chance to move the Negro population and to let them carry the Christian religion back to their fellows and their kinsmen in Africa. Instead of the churches trying to send missionaries there and paying their expenses to stay there and do a little work, send the colored churches, the preachers, the deacons, and the whole outfit, and in that way the unfortunate heathens in Africa could be Christianized.

I have quoted at sufficient length from the writings of Mr. Jefferson to show unmistakably his views touching the Negro. In the Declaration of Independence he makes no specific reference or allusion to the Negro. It never occurred to Mr. Jefferson when writing the Declaration of Independence, or any time thereafter, to assume the false position of recognizing the Negro upon terms of perfect equality with the white man. The Declaration of Independence was written by a white man, the Constitution of the United States was framed by a white man, and both were conceived in the interest exclusively of the white man.

Further light upon the subject of the inequality of the two races and the inapplicability of the principle of equal human rights to inferior and superior races alike is shown in the correspondence of President John Adams with Mr. Jefferson.

I wish to say right here that no Negro in America can take exception to my attitude in denying him social and political rights in this country, for when 20,000 American Negroes were transplanted to Liberia and in 1847 they established the Republic of Liberia they took the Constitution of the United States as the basis of their own. The Negro, however, was smarter than the American white man, for the Negro in Liberia wrote into the constitution of Liberia that no white man could vote in Liberia; that no man could hold land in Liberia unless he had Negro blood in his veins. In other words, no white man can vote in Liberia; no white man can own land in Liberia. The Negro was smart enough to put that provision in his constitution. He did not want any white man monkeying with his republic, his government, and his country. Yet we attempt to give Negroes social and political equality. So I am sure that no Negro in this country can object if I take the position which I will develop later, that the Negro is not fitted to enjoy social and political equality under a white man's civilization and a white man's government, just as Mr. Jefferson says.

It appears that they had under discussion the advisability of giving to an inferior race under our political system equal social and political rights with the superior race. On repeated occasions Mr. Adams, in writing to Mr. Jefferson, commented upon the great diversity in the races of men. He said:

> I have never read reasoning more absurd; sophistry more gross than the subtle labors of Helvetius and Rousseau to demonstrate the natural equality of mankind. The Golden Rule, "Do as you would be done by," is all the equality that can be supported or defended by reason, or reconciled to common sense. * * *

Inequality of mind and body are so established by God Almighty in His construction of human nature that no art or policy can ever plane them down to a common level.

John Quincy Adams was also perturbed over some of the principles of equality enunciated by the Declaration of Independence, and in explanation said in a letter addressed to citizens of Bangor, Maine, July 4, 1843:

It is only as immortal beings that all mankind can, in any sense, be said to be born equal; and when the Declaration of Independence affirms, as a self-evident truth, that all men are born equal, it is precisely the same as if the affirmation had been that all men are born with immortal souls.

That was the conclusion of John Quincy Adams.

Daniel Webster has also given us his endorsement of a movement to repatriate the Negro. In Webster Works, volume 5, he makes the following observation:

If any gentleman from the South shall propose a scheme to be carried on by this Government upon a large scale for the transportation of the colored people to any colony or any place in the world, I should be quite disposed to incur almost any degree of expense to accomplish that object.

Mr. BORAH. The Senator, no doubt, is coming to Lincoln's position on the question.

Mr. BILBO. Yes, sir; I shall read in a minute what Mr. Lincoln said.

Henry Clay, the great pacificator, who was the first president of a colonization society in America, in a speech in the House of Representatives in 1827, said:

Of the utility of a total separation of the two incongruous portions of our population (supposedly to be practical), none have ever doubted. The mode of accomplishing that desired object has alone divided public opinion. * * * Colonization beyond the Stony Mountains has sometimes been proposed, but it would be attended by expense and difficulties far surpassing the African project. Whilst it would not unite the same animated motives.

Recently, in Chicago, there was organized a society to establish the forty-ninth State somewhere out West. I have never looked with favor upon that proposal.

William H. Seward said, in a speech delivered at Detroit on September 4, 1860:

The great fact is now fully realized that the African race here is a foreign and feeble element—like the Indians, incapable of assimilation—and that it is a pitiful and exotic race, and that it is unwisely and unnecessarily transplanted into our fields, and is too unprofitable to cultivate at the cost of the desolation of the native vineyard.

Possibly no man has been more pronounced in his views with respect to the repatriation of the Negro than has the Great Emancipator, Abraham Lincoln. I quote now from an address he made to a deputation of Negroes in the month of June, in the year 1862. I understand that Lincoln made this speech at the White House. He assembled all the freed Negroes of Washington at the White House at that time, during the Civil War, and made a speech to them, and this is what he said:

Why should not the people of your race be colonized? Why should they not leave this country? This is perhaps the first question for consideration. You and we are a different race; we have between us a broader difference than exists between almost any other two races. Whether it is right or wrong I need not discuss, but this physical difference is a great disadvantage to us both, as I think your race suffers greatly, many of them by living with us, while ours suffer from your presence. In a word, we suffer on each side. If this is admitted, it shows reason why we should be separated. You here are free men, I suppose. * * * But even when you cease to be slaves you are yet far removed from being placed on an equality with the white race. You are still cut off from many of the advantages which are enjoyed by the other race. The aspiration of man is to enjoy equality with the best when free, but on this broad continent not a single man of your race is made the equal of ours. Go where you are treated the best, and the ban is still upon you. I do not propose to discuss this, but present it as a fact with which you have to deal. I cannot alter it if I would. But for your race among us there could not be a war, although many men engaged on either side do not care for you one way or the other. * * * It is better for us both, therefore, to be separated. I suppose one of the principal difficulties in the way of colonization is that the free colored man cannot see that his comfort would be advanced by it. You may believe you can live in Washington or elsewhere in the United States the remainder of your lives, perhaps more comfortably than you could in a foreign country, hence you may come to the conclusion that you have nothing to do with the idea of going to a foreign country (this I speak in no unkind sense), which is an extremely selfish view of the case. You ought to do something to help those who are not so fortunate as yourself. * * * For the sake of your Nation you should be willing to sacrifice something of your present comfort for the purpose of being as grand in that respect as the white people. * * * General Washington himself endured greater physical hardships than if he had remained a British subject, yet he was a happy man because he was engaged in benefiting his race, and in doing something for the children of his neighbors—having none of his own.

Those are the words of Abraham Lincoln, speaking to the Negroes in 1862.

This is the message that President Lincoln delivered to a deputation of colored people during the trying days of the Civil War. That message, so admirably applicable to the situation then, is equally forceful and effective in its wise recommendation to the same race in these modern times. Nothing has transpired through the intervening years to make less applicable to the situation today and altogether befitting this masterful plea for colonization than it was when first delivered. How sublimely prophetic were his words when he said:

You are * * * far removed from being placed on an equality with the white race. You are still cut off from many * * * advantages which are enjoyed by the other race. * * * Go where you are treated the best, and the ban is still upon you.

There is not an intelligent Negro in this Nation who does not know that he is discriminated against. He may live in Boston; he may live in Pennsylvania; he may live in New Jersey, where Negroes have civil rights accorded them on paper, by act of the legislature, signed by the Governor; yet the Negro knows that he is discriminated against. So long as he is a Negro he will be discriminated against in a white man's country, where the Negroes number about 1 out of 10. Of course, if we do nothing about it, and let the two races continue to live here side by side, and day by day and hour by hour they interbreed and amalgamate, in the course of time we shall not have any white race. We shall not have any black race. We shall have a brown race. It is as sure to follow as that we are here this afternoon; yet, just because it will not happen in your time or my time, we are not willing to pay the price of doing something about it. In other words, we take the position that we do not give a rap about future generations.

The Negro, with all the millions that have been spent for his education, is no better advantaged today with respect to equality of rights with the white man than he was when he first became a free man. Furthermore, there is no reason to believe that that situation will ever be improved. The gulf which lies between two races, so widely separated by hereditary values, will forever make it impossible for the two to live together upon terms of social and political equality, until the amalgamation through miscegenation and interbreeding takes place. Then we shall all be equal; but there will not be any whites, and there will not be any blacks. They will all be together; and that process is taking place right now at a very rapid rate.

In the debates with Mr. Douglas in Illinois in 1858, Mr. Lincoln, in discussing the Negro question with respect to social and political equality, said:

I am not, and have never been, in favor of making voters or jurors of Negroes, or of qualifying them to hold office, nor to intermarry with the whites; and I will say further, in addition to this, that there is a physical difference between the black and white race which I believe will forever forbid the two races from living together on terms of social and political equality.

Mr. BORAH. Mr. President, Mr. Lincoln was being very hard pressed at that time by Mr. Douglas, who was contending that Mr. Lincoln was in favor of the Negro being on an equality with the white man in all respects; and Mr. Douglas even went so far as to indicate that Mr. Lincoln was in favor of marriages between colored and white persons. Mr. Lincoln was called upon to explain fully and completely.

Mr. BILBO. Does the Senator from Idaho mean to imply that Abraham Lincoln would prevaricate because he was hard pressed by his political opponents?

Mr. BORAH. I have no doubt at all that Abraham Lincoln, as he proved on many occasions, would make the best of a political situation.

Mr. BILBO. I have not entertained such an opinion of Mr. Lincoln.

This is what Lincoln said:

I have said that I do not understand the Declaration of Independence to mean that all men are created equal in all respects. Certainly the Negro is not our equal in color—perhaps not in any other respect. I did not, at any time, say I was in favor of Negro suffrage. Twice—once substantially and once expressly—I declared against it. I am not in favor of Negro citizenship.

Those are very positive and direct words. There is no quibbling about what Mr. Lincoln was saying in that speech. I presume he meant it, and I think he meant it because after he had won his spurs in the political world, had manipulated the convention in Chicago, and had been nominated President on the third ballot and had come to Washington in 1862, then in the throes of the great Civil War, he made practically the same statement in a speech at the White House to Negroes.

Mr. BORAH. Mr. President, I do not think it is any reflection on Mr. Lincoln to say that he later advocated citizenship for the Negro.

Mr. BILBO. No; he never did advocate it.

Mr. BORAH. Oh, yes. Mr. Lincoln advocated giving all Negroes who could read and write the right to vote and the rights of citizenship.

Mr. BILBO. I am not advised as to that. I know that he emancipated them, but he did that only as a war measure.

Mr. BORAH. While he was not in favor of giving the Negro universal suffrage, he was in favor of giving the Negro the right to vote when the Negro could read and write and had acquired capacity for discharging the duties of citizenship. In other words, he entertained the very sound view that men should earn their right to citizenship.

Mr. BILBO. I shall have to look up that matter.

In that same memorable series of debates, Stephen A. Douglas said:

I believe this Government was made by white men for the benefit of white men and their posterity forever; and I am in favor of confining citizenship to white men—men of European birth and descent—instead of conferring it upon Negroes, Indians, and other inferior races.

If the Senate will be patient with me, I propose to show that there is a profound scientific reason why the white man and the black man can never mix and can never be on a basis of equality.

Mr. BORAH. I am deeply interested in that subject, and I think I agree with the Senator before he makes his argument.

Mr. BILBO. Montgomery Blair, in a speech at Concord, N. H., June 17, 1863, reminded his audience as follows:

All the early patriots of the South, Washington, Jefferson, Madison, Monroe, Jackson, Clay, and other were the advocates of emancipation and colonization. The patriots of the North concurred in the design. The author of the Declaration of Independence and his associates declared equal rights impractical in society constituted of masses of different races. * * * Reason and experience show that one or the other race must be the dominant race and that Democracy is impossible. They, the Negroes, will, I believe, be contented to set up for themselves in some neighboring and congenial clime on the plan of Jefferson and Lincoln.

In a letter read at the Cooper Institute in New York, March 6, 1863, Montgomery Blair said further on this subject:

The problem before us is the practical one of dealing with the relations of masses of two different races in the same community. * * * It was by proclaiming to the laboring whites who filled the armies of rebellion that the election of Lincoln evolved emancipation, equality of the Negroes with them and consequently amalgamation, that their jealousy was stimulated to the fighting point. Nor is this jealousy the fruit of mere ignorance and bad passion as some suppose, or confined to the white people of the South. On the contrary it belongs to all races, and like all popular instincts proceeds from the highest wisdom. It is in fact the instinct of self-preservation which revolts at hybridism. Nor does this instinct militate against the natural law that all men are created equal if another law of nature equally obvious is obeyed.

In other words, if one objects to his daughter marrying a Negro, he does it as a matter of race pride, as a matter of race prejudice. White men have that prejudice; they possess it; it is in them. Whether they speak it or not, they feel it. They do not want their daughters to marry Negroes.

Mr. Blair continued:

We have but to restore the subject race to the same or to a region similar to that from which it was brought by violence, to make it operative; and such separation of races was the condition which the immortal author of the Declaration of Independence himself declared to be indispensable to give it practical effect. A theorist not living in a community where diverse races are brought in contact in masses may stifle the voice of nature in his own bosom, and from a determination to live up to a mistaken view of the doctrine, go so far as to extend social intercourse to individuals of the subject race. But few even of such persons would pursue their theories so far as amalgamation and other legitimate consequences of their logic.

In other words, if one lived in some sections of this country where there is no need to deal with the Negro—and there are a great many sections of the United States where that is true—he may accept the fallacious theories advanced by some religious and some wild-eyed dreamers about the eternal brotherhood of man, but when a man is brought face to face with the issue, there rises in him, because of the pride he has in his race, in his bloodstream, a prejudice which says, "No. I do not want my daughter to marry some Negro man, nor do I want my son to marry some Negro woman and give birth to a strain of mongrels and hybrids; certainly not." Yet that is exactly what is taking place all over this country now.

I know personally of a very sad case that happened in the State of Virginia. When the Spaniards settled Puerto Rico they found the Indian and the Negro there, and under the influence, and possibly the wish and will and dictation, of the Spanish Government, they attempted to control the natives by miscegenation, amalgamation, mixing of the races. I am told that today there are possibly not more than a score of pure-blooded white people in Puerto Rico.

Down in the State of Virginia, in one of the most aristocratic towns in the State, in one of the most aristocratic families, there was a beautiful girl. She met one of these Puerto Rican officers on some occasion, and fell in love with him and married him, never dreaming that that Puerto Rican had a drop or strain of Negro blood in him as a result of the amalgamation which had been going on in Puerto Rico for a hundred years. They married and went back to Puerto Rico and returned in a year or so, and the first birth was a pair of twins. A throwback was the result. These twins were as black as the ace of spades. So when the family returned to the aristocratic home in Virginia, lo and behold, the offspring were nothing in the world but a pair of pickaninnies, because of the presence of the Negro blood.

Mr. President, that is the reason why I am insisting that something be done about this question. I will show directly, and I mention it because it is pertinent at this point, that there are between fifteen and twenty thousand Negroes in the United States now who are crossing the color line every year. When I say crossing the color line, I mean a Negro girl who has white blood in her, who looks like a white girl, with no visible evidences of the Negro in her, looks into the mirror and sees that she is white, and she says, "Why should I spend my life with this race of people that is discriminated against and has not the advantages the white people have?" She gets on the train and goes to Chicago, New York, Detroit, or somewhere else in the North where she is not known, she passes off for a white girl, and marries a white man. A Negro boy somewhere in the country looks into the mirror and see that he looks like a white man, and he says, "I am not going to pass my life with the Negro race, which is discriminated against in this country and has not a chance. I am going where I can pass as a white man and marry a white woman." There are between 15,000

and 20,000 who are doing that every year in the United States, and the number is increasing. Do not tell me that amalgamation is not taking place in this country. I wish some people who are not in sympathy with protecting our blood stream could live long enough to see what is going to happen in the years to come.

Senator James R. Doolittle, of Wisconsin, in 1868, disclaiming against the possibility of the two races living together, said:

I know it is said that the objection which is felt on the part of the white population of this country to living side by side in social and civil equality with the Negro race is all a mere prejudice of cast, but its foundations are laid deeper than mere prejudice. It is an instinct of our nature. Men may theorize upon the condition of the two races living together but the thing is impossible. The instincts of both races are against it.

The same Senator, in a speech at Hartford, Conn., on March 11, 1868, made one of the most eloquent pleas against political and social equality for the two races that has come down to us from the distinguished patriots and statesmen of his time. I cannot refrain from including his remarks among, the testimonials I am undertaking to assemble.

In the name of constitutional liberty, in the name of our great ancestors who laid the foundation of this Government to secure the liberty for themselves and for us; in the name of all who love that liberty, who are ready to struggle and if need be to die, rather than allow it to be overthrown; in the name of the coming generations and that race to which we belong, and which has given to the world all its civilization, I do arraign and impeach the radical policy of the present Congress of high crimes and misdemeanors. I impeach it first as a crime against the laws of Nature which God, the Almighty, has stamped upon the races of mankind because it attempts to force a political and social and unnatural equality between the African and the Caucasian—between an alien, inferior, and exotic race from the Tropics with the highest type of the human race in the home of the latter, in the temperate zone. Second, I impeach it as a crime against civilization because it would by force wrench the Government out of the hands of the civilized white race in 10 States of the Union to place it in the hands of the half-civilized African. * * * I impeach it as a crime against humanity, tending to produce a war of races to the utter destruction of one or both.

That was a speech made in the beginning of the reconstruction era following the Civil War. Had the plan which Sumner had in mind been carried out, 10 States of the American Union would have been placed in the control of the free Negro. But thanks to the eternal will power, and determination, and blood, and spirit of the Anglo-Saxons they would not suffer that control and domination for more than a day.

Mr. BORAH. Mr. President——

The PRESIDING OFFICER (Mr. SMATHERS in the Chair). Does the Senator from Mississippi yield to the Senator from Idaho?

Mr. BILBO. I yield.

Mr. BORAH. What was Senator Doolittle of Wisconsin referring to as a particular act of Congress?

Mr. BILBO. The speech from which I am reading was made in 1868. That was the result of the action of Congress in bestowing citizenship on the Negro and giving him the right to vote, which turned the Southern States over to Negro domination wherever there was a Negro majority.

Mr. BORAH. Was the then Senator from Wisconsin referring to one of the proposed amendments to the Constitution?

Mr. BILBO. Yes; and the laws passed by Congress pursuant thereto.

The idea of political and social equality between the white and the black races of this country is the greatest delusion that has ever been followed by any appreciable part of the American people. In all political history there is not a single example of any form of political or social equality between two widely divergent races which has not resulted in injury to both, and in most cases, in destruction to both. It is unthinkable that the white race of America will ever submit to Negro domination.

Of course, we are not going to submit to that domination, but we are going to be swallowed up and amalgamated, and as a result we are not going to have a white race, but a Negro race. Nevertheless we have approached a situation in this country where Negro domination is beginning to assert itself by means of the Negro in certain sections holding the balance of political power. When the people wake up to a realization that the policies of Government are being influenced by this black balance of power, due to the right of suffrage being extended to the Negro, this proposal to repatriate the Negro will be seized as the only alternative for the safety and perpetuity of American institutions, and as the only guarantee of a white American civilization, and the sustained purity of the Caucasian blood.

Mr. President, that is going to take place. I dare say there are Senators now on the floor of the Senate who would be incensed at my suggested method of solving the unemployment question and of solving the eternally perplexing race question by providing ways and means to resettle the Negro, who wants to be resettled in Africa, in his homeland. They would be afraid to vote for such a measure because they do not yet know that the majority of the Negroes who hold the balance of power in their States would be favorable to it, and they must go back home and find out what the Negro really wants.

Senators, the Negroes are getting smart about it. They are organizing. There is more solidarity in the Negro race today than ever before in the history of this country. They are going to demand something for their support and if the Democratic Party will give them what they want they will be Democrats, if the Republican Party will give them what they want they will be Republicans, and they are going to set out to get the most they can get.

Mr. President, the Republicans on the other side of the Chamber have been saying that we Democrats want the W. P. A., because with the W. P. A. we have taken the Negroes away from the Republican Party and made them all Democrats, and so long as the manna falls from heaven and the W. P. A. is going strong the Negro will continue to be a Democrat. That is what the Republicans say.

The repatriation of the colored people of this Nation must be accomplished before we are overtaken by the untold evils that inevitably await us as the result of two inherently distinct and separate races undertaking to dwell together in the same country on terms of political and social equality. How much longer are we to turn a deaf ear to the warnings and admonitions of all the great and good who have wrought most nobly and most wisely in handing down to us the greatest system of government of the people, for the people, and by the people that the world has ever known?

Oh, yes, the good Democrats on this side of the Chamber will quote Jefferson, and they will stand by the sayings of Andrew Jackson, and they will stand by all the great Democrats of the past, and they will maintain their position on this and on that. The position of these good Democrats is that what was said by the leaders of the past is sacred; it is eternally right; it is right because Thomas Jefferson, the father of the Democratic Party said so.

On the other side the good Republicans—and I have learned to like Republicans since I came to Washington—will quote Abraham Lincoln, the father of their party. They will say that Lincoln said this, and Lincoln said that, and Lincoln said so-and-so, and, of course, he was right.

Yet, when we bring before the Senate the expressions of the leaders of the Democratic Party, and of the leaders of the Republican Party, and of the leaders of thought in the Nation of the past, who all agree that the only solution of the race problem is separation, colonization, repatriation, and that such a step must be taken in order to save our race, to save the purity of the bloodstream of our Nation, and to save our civilization—when all the leaders of the past together take that position, when they all agree on it, yet Senators will now stand back and say, "I do not know. I am not willing to undertake it."

Mr. President, we are ephemeral sometimes in our thoughts and actions; we are short-sighted; we are concerned and we are all disturbed about what is happening right now. We are interested in the election in Pennsylvania and interested in other elections. We do not stop long enough to think

of what is going to happen 100, or 200, or 500, or 1,000 years from now. If the founding fathers who gave us this country also gave to us the blessings of the greatest scheme of government on earth, the greatest ever conceived for the human race, then cannot we, as beneficiaries of that blessing, contribute our small bit in perpetuating that scheme of government and passing it on to other generations?

On pages 249 and 250 of Eight Years in Congress, Mr. S. S. Cox says:

I lay down the proposition that the white and black races thrive best apart; that a commingling of these races is a detriment to both, that it does not elevate the black and it only depresses the white; that the history of this continent, especially in Hispano-America, shows that stable, civil order and government are impossible with such a population. It is an absurdity to say that two races so dissimilar as black and white, of different origin, of unequal capacity, can succeed in the same society when placed in competition.

Congressman William Mungen made a speech in the House of Representatives, July 10, 1867, that carried with it a truth that is well worth reproducing at this time:

It is true in history and true in science that nations which allow their national stock to be adulterated, which tolerate amalgamation with other national types, will perish certainly and perish forever. This is a question of the utmost importance to the statesmen of America and I say now that if those statesmen, those gentlemen who are molding and shaping the policy and laws and regulations for our Government fail to be guided by experience and science and history in shaping a policy to prevent amalgamation, miscegenation, social and political equality of the different races, white, black, red, yellow, and brown, our Nation will be suffocated as it were, by these foolish and suicidal projects, these utopian schemes of equality of races.

From these sentiments so forcefully and effectively expressed by Congressman Mungen and others, it can be seen that statesmen of that early age were not unmindful of the inevitable results that would ensue from the adoption of a policy to encourage and promote social and political equality among the races. It was thought then, as the years thereafter have proven, that if two widely different races continue to live together upon terms of any semblance of social and political equality the inescapable result would be miscegenation and amalgamation. Both races will eventually bog down in the mire of mongrelism.

If patriotic Senators—and the Members of the Senate are patriotic—knew the circumstances, knew what was going to happen to our race, and believed that it would happen, I verily believe their position with respect to this problem would be stronger than the position I am taking in an effort to prevent what I see is bound to happen. Yet we are not doing anything about it. Senators hate to think about it; they hate to anticipate it; they hate to pay the price necessary to do the things they know they ought to do in a case of this kind.

The fatal effects of the admixture of blood as between a superior and an inferior race was graphically presented by Mr. James Brook in a speech before the House of Representatives when the question of conferring the right of suffrage upon the Negro was being considered by Congress. Mr. Brook said:

I need not cross the Atlantic to show the fatal step you are taking by this reconstruction bill in going into copartnership with Negroes. Our continent has been settled by two classes of men—the Anglo-Saxon, Celt, and Teuton in the north and the Spanish Latin race in the south. God never made a nobler race, I repeat, than these hidalgos of Spain, who, under Columbus, started on the trackless Atlantic in search of the then unknown America. They ran all along the Gulf of Mexico; they settled Mexico, Venezuela, Chile, and Peru, and coasting the North Pacific imprinted the holy classic names of old Spain upon the now golden mountains and vine-covered valleys of the State of California. They drove Montezuma from the halls of his Aztec ancestors, and under Cortez and Pizarro, Peruvian, Mexican, and semibarbarian civilization fell before the mighty prowess of their arms. Their heroic deeds, their lofty chivalry are the true records of history.

Our Anglo-Saxon fathers started later from the shores of England and landed on Plymouth Rock, or upon the flats of Jamestown. The Puritan, trembling over this rock for a while in terror of the tomahawk, ventured at last on what was then deemed gigantic heroism—he crossed Connecticut, and the Hudson, and slowly crept over the Mohawk, and halted for years and years on Lakes Erie, Ontario, and Huron. The cavaliers of Jamestown threaded their way up the James River, stealthily wound over the passages of the Alleghenies, and finally looked down with astonishment and fright upon the beautiful river of the Ohio. All this time these heroic hidalgos of Spain were spreading the name and fame of Castile and Aragon throughout the whole American Continent from Cape Horn to California, while our Anglo-Saxon race stood shivering upon the Ohio and Lake Erie without the courage to advance farther. What happened then? What has produced this difference between us and the lofty hidalgos? Why are they fallen, these men of the armada, so exalted among all the nations of the earth, who made our ancestors in the day of Queen Elizabeth tremble on the throne? Why was it that in the Mexican War one regiment of our Anglo-Saxon-Celtic-Teutonic blood again and again put whole regiments of these once noble hidalgos of Spain to flight at Chapultepec, at Garita, and elsewhere? I will tell you why, sir. The Latin, the Spanish race, freed from that instinct of ours, which abhors all hybrid amalgamation, reveled in a tempting admixture of blood—indulged in social and governmental partnership with Indians and Negroes, one and all. The pure blood, the azure blood of the old hidalgos of Spain, lost and drained, dishonored and degraded, has dwindled into nothing, while the pure blood of the Anglo-Saxon, the Celts, the Teutons, abhorring all such association and amalgamation with the Negro or the Indian, has leaped over Lake Erie, crossed the great Father of Waters, crowded the mountain passes of Colorado, rolled over the Rocky Mountains, and spread for hundreds of miles along the Pacific Ocean, carrying not only there but everywhere, triumphant, the glorious flag of our country, that emblem of a pure race.

Mr. BORAH. Mr. President, will the Senator yield?

Mr. BILBO. I yield.

Mr. BORAH. Is the Senator quoting Senator Brooks?

Mr. BILBO. Senator Brooks; yes.

In Mexico and in parts of Africa the pure Mexican or pure white strain has been preserved. It has not been amalgamated. It has not been corrupted or adulterated. However, a certain element of the race has been amalgamated, which proved the weakness of the Mexicans, as we found in our war against them in 1848.

The purity of the blood of the Anglo-Saxon, the Celt, and the Teuton in this America of ours is now being threatened. If the process of amalgamation continues, as it most surely will; if the white and the black races are forced to occupy the same territory and live under the same flag, then how may we hope to escape the degradation and blood despoliation that have become the unhappy fate of Latin American countries? The Negro race in this country has already produced sectional animosities and strife that have no remedy except in the repatriation of the Negro or the separation of the two races. In the Southland they have destroyed all industry but their own, and have made that section of our common country dependent upon foreign supplies for every article that human ingenuity has devised for the comfort and happiness of man.

In other words, being dependent upon Negro labor the South has not had a high industrial development. But when the wage and hour bill is passed, equalizing wages throughout the country, the laboring man from the North will be glad to live in the South, where living is so much cheaper.

In the South, society is protected from horrors unspeakable and worse than all the ravages of war only by maintaining an eternal sentinel upon every doorstep. The Negro in this country is gradually assuming control of our politics by virtue of his inherent weakness. In due time, if the present trend of thought and sentiment continues, the Nergo will become the undoubted master of our common country. By this statement I do not mean that he will ever dominate the white race of this Nation, but I do intend to convey the thought that the liberties already granted him, and those which he may yet attain through the perseverance of sympathetic whites, will lead to a condition where he will be given enlarged political recognition in our political system, and through this exercise of civic freedom gratuitously imposed, his social rights and liberties will be correspondingly increased, thereby laying the sure foundation for eventual and complete amalgamation and the hybridization of the two distinct and utterly dissimilar peoples. No argument should be necessary to prove that a nation can be happy, rich, and powerful, only where the people composing it are of one racial strain and where no portion of its population is degraded by the infusion of the blood of an inferior race. Just

in proportion to the number of a nation's inferior racial types is it lacking in all the elements that make for an exalted civilization; and just in that proportion also is it weak and liable to collapse from dangers both within and without. History is replete with examples of civilizations that have fallen never to rise again, from causes and conditions that lead first to the contamination of its blood just prior to self-disintegration from within or to the successful attack of a foreign foe.

America has been called the great melting-pot of the world. We have developed a wonderful race of people where we have not had amalgamation and miscegenation with the Negro. However, the races which have been coming to America from Denmark, from Holland, from the Scandinavian peninsula, from Germany, France, and other parts of Europe, are people of our own blood. They are white people. The melting together of such elements produces a great race. The Norwegian, the Dane, the Dutch, the German, the Irish, the French, and many others, all descend from the same parent stock, and a great race is produced by the blending and amalgamation of such elements. However, when two races so widely divergent as the white race and the black race are amalgamated, the result is a mongrel race, an inferior race, which is weaker than either of the two.

With the permission of the Senate, and in the interest of time, I ask that a portion of my address, which is prepared, be printed in the RECORD without my taking the time to read it. The part to which I refer is a compilation of facts and examples from history. I should like to deal with some other matters which are more pertinent. I desire to deal with some things which have happened in the city of Washington.

The PRESIDING OFFICER (Mr. HILL in the chair). Is there objection to the request of the Senator from Mississippi?

Mr. AUSTIN. Mr. President, let us understand what we are about to do.

The PRESIDING OFFICER. The Senator from Mississippi asks unanimous consent to insert in the RECORD, as a part of his speech, certain matters to which he has referred.

Mr. AUSTIN. Mr. President, as I understand the Senator, he refers to a part of the speech which he has prepared, and the effect of his request is to extend his remarks in the RECORD. Is that the parliamentary situation?

Mr. BILBO. In substance, that is what I am asking to do, rather than to take the time of the Senate to recite these matters which I have gathered together, and which are pertinent to this discussion. In order to save time, and to pass on to something which is more recent, inasmuch as my speech is written, I ask that a certain portion of it be inserted in the RECORD without reading it.

Mr. AUSTIN. Mr. President, a parliamentary inquiry.

Mr. BILBO. Does the Senator object? If he objects, I shall read on.

The PRESIDING OFFICER. Does the Senator from Mississippi yield for a parliamentary inquiry?

Mr. BILBO. Certainly.

The PRESIDING OFFICER. The Senator from Vermont will state the parliamentary inquiry.

Mr. AUSTIN. I should like to inquire whether the procedure suggested by the Senator is proper under the rules of the Senate.

The PRESIDING OFFICER. The Chair will say to the Senator from Vermont that there is no rule governing the particular procedure. Occasionally the purpose of asking unanimous consent is to set aside a rule. That is why things are done by unanimous consent. However, there is no rule governing the present question.

Mr. AUSTIN. I object, Mr. President.

The PRESIDING OFFICER. The Senator from Vermont objects to the request of the Senator from Mississippi.

Mr. BILBO. I am delighted to know that the Senator from Vermont——

Mr. AUSTIN. I have always understood that it is not the practice in the Senate for Senators to prepare addresses and to insert them or extend them in the RECORD. I understand such a practice exists in the House under the rules of the House. This is the first time I have had the matter brought to my attention. That is why I objected. My objection is not directed in any sense whatever at the Senator from Mississippi.

Mr. BILBO. I am glad to hear that explanation. I thought the Senator was so thoroughly absorbed in what I was saying that he did not want to miss any of it. I am glad to read on.

Mr. President, I wish now to bring to the attention of the Senate the words of Senator Thurman, of Ohio, in a speech at Mansfield, January 21, 1868:

> There is not one instance of political equality between the two races that has not proven injurious to both. It is impossible that the race to which we belong can submit to Negro domination. It is impossible that so inferior a race as the Negro can compete with the white man in the business, much less the politics of the country. The extermination of the Negro or his expulsion from the country must be the inevitable result of the radical policy (guaranteeing political and social equality) if persisted in. But before that happens (extermination or expulsion of the Negro) what untold evils may await us; what anarchy, what confusion, what impoverishment, what distress. Worse than Mexico, worse than the South American Republics, will be the condition of a large portion of this country if that policy prevails.

Those words of Senator Thurman may sound rather harsh to our colored friends, but he describes exactly what the Negroes did in Haiti. When they obtained control of the country, they proceeded to massacre and kill all the whites.

Thomas Dunn English, a widely known authority upon the hereditary values of races, said:

> Anatomy, physiology, and microscopy concur in proof that the Negro is of a distinct and inferior species to the Caucasian, and history confirms the evidence furnished by the investigation of the natural philosopher. No man who values himself, who has any regard for sound morality, or who feels any desire to see intellectual progress made certain, can join in the absurd attempt to raise the Negro to his own level. A movement for such ends is necessarily impotent and can only result, at the best from the Negro, in the degradation of the white.

Those who have voiced sentiments declaring for the repatriation of the Negro are not confined exclusively to the leading statesmen, scientists, ethnologists, and philanthropists of the white race. I now present the opinion on this subject of an outstanding Negro bishop of the African Methodist Episcopal Church, Henry M. Turner. Bishop Turner urged that opportunities should be offered to Negroes to settle in Africa, saying:

> This Nation, or its aggregated people will either have to open a highway to Africa for the discontented black man, or the Negro question will flinder this Government.

He insisted that by separation he did not mean that everyone should go or must go, but that there should be given or granted an opportunity for the departure of "such black men and women as are self-reliant."

One of the clearest thinkers and one of the most convincing on the Negro question was John Temple Graves, of Georgia. Perhaps no man south of the Mason and Dixon's line understood the Negro and the Negro problem better than he did. In one of his great lectures he expressed the opinion:

> The problem of the hour is not how to prevent lynching in the South, but the larger question: How shall we suppress the crime which always has, and always will, provoke lynching. The mob answers it with the rope, the bullet, and sometimes, God save us, with the torch. The lyncher does not exterminate the rapist, but he holds him in check. Expediting the processes of the law would not be adequate to eliminate lynching. There is no real remedy but one; no statute will permanently solve this problem. Religion does not solve it. Politics complicate it. The truth which lies beyond and above all these temporizing expedients is that separation is the only solution of this great problem of the races.

Following the delivery of the lecture by Mr. Graves from which I have quoted, Benjamin W. Hunt, of Eatonton, Ga., on September 18, 1903, addressed a letter to the editor of the New York Times, who had previously commented upon

the opinions of Mr. Graves with respect to the segregation and colonization of the Negro. The letter of Mr. Hunt, in part, reads as follows:

Your editorial of the 7th instant fails to do full justice to John Temple Graves, who proposed to segregate and colonize the Negro. I am a northern man and my viewpoint might have been like your own had I remained a thousand miles removed from the South. A residence of 27 years, however, in the Black Belt where the Negroes far outnumber the whites, has given me unexceptional opportunities for studying the race question, which is also a caste problem, most imperfectly understood. * * * Judging from the moral side of life, no thinking man could truthfully fail to agree with the school of John Temple Graves that the separation of the races would advance the ethical conditions of the white race. * * * It is a movement that should win the support of every altruist and when sufficiently agitated, it or some kindred measure will protect us from the error of our fathers in bringing the African to America.

Mr. R. W. Shuffeldt, a noted anthropologist and author of America's Greatest Problem, the Negro, says:

The mixing of a low and undesirable stock with a high and cultured one is sure to produce a mixed stock which is not as good as either of the ones that produce it. There is but one remedy available and that is thorough and complete separation. I am so loyal to anything that will sustain the purity of the best white blood in the United States, drain it of superstition of all kinds, purge it of crime and preserve its integrity, that I would see every Negro in America exported to the deserts of the Sudan rather than allow it, for any consideration whatever, to jeopardize by race mixture the race and civilization it has taken us centuries to establish.

Among the outstanding advocates of the repatriation of the Negro at the beginning of the present century, was Senator John J. Ingalls, of Kansas, who said, according to the Chicago Tribune May 28, 1903, referring to the Negro problem and the incurable evils obtaining where the white man and black man were compelled to live together, that:

If this condition is the inevitable consequence of the contact of the two races, separation, voluntary or compulsory at whatever cost, is the dictate of wisdom, morality and national safety. If reconciliation, upon the basis of justice and equal rights is impossible, then migration to Africa should be the policy of the future. To the fertile continent from whence they came they would return—not as aliens and strangers, but to the manner born; to savage kindred, who still swarm in its solitudes, they would bring the alphabet, the Declaration of Independence, and the Bible. Emancipated from the tradition of bondage, from the habit of obedience and imitation, from the knowledge of its vices which is the only instructions of a strong race to a weaker, the African might develop along the axis of growth and Ethiopia stretch out her hand to God.

The Negro might not want to go. He is a native. He is a citizen. He has the right to stay. He has the right to vote. He has the right to life, liberty, and the pursuit of happiness. He has been deprived of them all. Only the right of domicile remains. He could perhaps submit to the loss of this with the same resignation which has accompanied his surrender of the rest. There are vague indications of his cleavage. In some regions the inertia is being overcome.

What he means to say there is that, although the Negro might not want to go because he is a native, he is a citizen; he has a right to stay; he has a right to vote; he has a right to life, liberty, and the pursuit of happiness; yet he has been deprived of those rights because of discriminations where he tries in a civilization such as ours to live side by side with the white man. All these rights are written in the books, but when he comes to undertake to enjoy possession of them the Negro has been denied them. The Negro is becoming sensible enough now to know it. That is the reason for the demand of the Negro that the Government provide ways and means for him to go back to his native land.

I wish to again quote Hon. John Temple Graves. He delivered an address appearing in the New York Times, September 4, 1903, before the forty-eighth convocation of the University of Chicago on the subject of The Problems of the Races. Among other things equally as well worthy of reproduction, Mr. Graves said:

The experiment of political equality has had 38 years of trial backed by the power of the Federal Government and by the sympathy of the world. It has failed from the beginning to the hour that holds us—it has failed.

Thirty-five years have rolled by since this declaration was made by Mr. Graves, and the words I have quoted are as true today as they were then.

Quoting further from Mr. Graves:

Four decades after his emancipation the Negro in point of fact is less a free man and infinitely less a citizen than he was in 1868. The tumult of the times about us proclaims the continued existence of the unreconciled equations of the problem that he makes, and in the common judgment of mankind the legend "failure" is written large and lowering above the tottering fabric of his civil rights.

A Chinese wall of prejudice shuts out the South on this question from the sympathy of the American people; and although fraternal platitudes may cross it and political affiliations may scale it and commercial interchange may run its electric wires under and above it * * * this wall stands in the sight of God and of nations, hedging in the South as a separate and peculiar people hindered with misapprehensions, held aloof in prejudice, and fretted by a criticism which, if sometimes founded in philanthropy, is too often expressed in passion and answered in bitterness. * * * It is a problem of moral decay; it demoralizes politics. Everywhere a black supremacy is threatened through a black majority; the black ballot is strangled without reserve in the black hands that hold it against the safety of the future. This is wrong. It is illegal. It is monstrous, but it is true.

Never, never in a thousand years, will the Negro, North or South, be allowed to govern this Republic, even where his majorities are plain. We might as well fix that fact in our minds to stay. No statute can eradicate it. No public opinion can remove it; no armed force can overthrow the inherent, invincible, indestructible, and if you will, the unscrupulous capacity and determination of the Anglo-Saxon to rule.

Mr. Graves could very appropriately have added here: "To rule so long as the blood of the Anglo-Saxon is not mingled with the blood of the Negro race."

Quoting still further from Mr. Graves:

Here then issue—unity of the Republic, natural development, purity of politics, political independence, respect for the ballot, reverence for the Constitution, the safety of our homes, the sanctity of our women, the supremacy of law, the sacredness of justice, and the unity of the church.

There he stands, that helpless and unfortunate inferior; for his sake the one difference has widened between the sections of our common country. Over his black body we have shed rivers of blood and treasure to emphasize our separate conviction of his destiny.

And yet, as the crimson tide rolls away into the years, we realize that all this blood and treasure and travail was spent in vain and that the Negro, whom a million Americans died to free, is in present bond and future promise still a slave, which, by circumstance, is trodden underfoot by iron, and ineradicable prejudice; shut out forever from the opportunities which are the heritage of liberty, and holding in his black hand the hollow parchment of his franchise as a free man, and looks through a slave's eyes at the impassable barriers which imprison him forever within the progress and achievement of a dominant and all-conquering race.

That is just as true in the North as it is in the South.

Separation of the races is the way—the only way. Is the expense appalling? Is the cost prohibitive? England again offers an example. England, our Mother County; England, next to ourselves, the greatest and most enlightened Government under the sun; England has just put its hands into its pocket to expend $500,000,000 in order to buy out the Irish landlords and to heal the otherwise incurable, running sore of Irish discontent.

No reasonable or considerate plan would call for the wholesale or summary deportation of the Negro. With his consent, and with Government aid, the movement might proceed slowly and with consideration.

* * * * * * * *

The superb inducement of the Negro would be found in the freedom, the individuality, and the opportunity of an independent Commonwealth, in which he would be free from the unequal competition of a superior race, given a chance to develop a character, and to demonstrate the merits of his leaders and the capacities of the race. Let no white man vote in the Negro state to harass the Negro councils, and let no Negro vote in any other State than his own.

For half a hundred years we have fought and wrangled and bled and died about this black man from Africa. Is the wrangle worth its fearful cost? I appeal for Caucasian unity; I appeal for the imperial destiny of our mighty race. This is our country. We made it; we control it, and we always will. We have done great things; we have mighty things yet to do. The Negro is an accident—an unwilling, a blameless, but an unwholesome, helpless element in our civilization. He is not made for our times; he is not framed to share in the duty and the destiny which he perplexes and beclouds. Let us put him kindly and humanely out of the way. Let us give him a better advantage than he has ever had in history, and let us have done with him.

So says John Temple Graves.

Prof. E. D. Cope made some very valuable contributions on the subject of the Negro problem through the columns of a journal published in Chicago entitled "The Open Court." I take pleasure in giving a few excerpts from Professor Cope's writings that have a special bearing upon the race problem as it exists in the United States, and upon the question of the removal of the Negro race to Africa:

The people of the United States have to show mankind how order may be conserved consistently with the greatest amount of personal liberty. This we think is accomplished under our form of government, but all races are not equally capable of sustaining this relationship between order and freedom. In fact, what we know as the inferior races—the Mongolians and Africans—have never made successful attempts to sustain republican forms of government. The Negro has conspicuously failed in all but absolute governments, whatever they may be in name.

Let me digress for a moment to quote from another author for the purpose of emphasizing the thought developed by Professor Cope, namely, that the Negro has failed in all but absolute governments; that he has never made successful attempts to sustain republican forms of government. In other words, Professor Cope believes that a democratic form of government cannot be successful if the necessity of the situation requires its administration by a superior and inferior race.

In 1906 Mr. Arthur M. Allen published in the Arena an article entitled "The Race Problem," in which he gives interesting observations on this subject. Mr. Allen first undertook to explode the theory that all men sprang from one race; that all men, being children of Adam, were brothers; and therefore he says in this connection:

The progress of science has put Adam among the allegories of the past and left us to solve the race problem by the scientific laws of natural history and zoology alone. Jefferson had such a horror of race equality that he considered it impossible, and lamented that there had at that time been no scientific examination of the Negro in the line of natural history.

There are in this country a great many persons who believe that we are all descended from Adam.

In 1850 Professor Agassiz, after long research, said that Caucasians and Negroes could never have been descended from the same stock, and, although men, could never have been brothers.

This is the new doctrine of diversity of race; and when glamor and emotional conditions produced by the one-race theory have subsided this will prevail and solve this and other race problems.

In 1901 Professor Magee, of the Smithsonian Institution of Washington, confirmed Professor Agassiz by saying that if there was any Garden of Eden there must have been many original colors, for no two of the present races could have been descended from the same stock.

Having cited these eminent authorities in support of the doctrine of diversity of race, Mr. Allen then goes on to explain why the English Tories, the Abolitionists, and all advocates of Negro equality insist upon the old idea of one race, and that all are children of Adam, and therefore equal. Permit me to give Mr. Allen's own words:

The same evil English Tory influences which originated and engineered the whole Negro equality movement, even though they succeeded so well that it is embodied in our constitutional amendments, have yet, ever since, now almost 40 years, in spite of every kind of failure of Negro freedom and unsupported by white proximity, constantly suppressed and destroyed all free thought, speech, and action on this subject, and the one-race theory is being burned into the people's minds as one of the unchangeable results of the Civil War. This is their object, for they know that if the race equality is a settled matter democracy is destroyed and monarchy justified. This is the bedrock of the whole matter. Under this new doctrine all mixed races are criminal and should be prevented by law, and the three Tory amendments to the Constitution (thirteenth, fourteenth, and fifteenth) should be at once repealed.

In this article Mr. Allen attributes the acceptance of the one-race theory among so large a part of the American people to the evil influence of the English Tory that originated the Negro equality movement, and succeeded eventually in the adoption of the thirteenth, fourteenth, and fifteenth amendments to our Constitution, for the sole purpose of destroying democracy in America and justifying monarchy.

To return to Professor Cope, this eminent authority, in further proof of his contention that a republic cannot long endure if administered by two widely distinct races, I quote as follows:

Whatever reasons may have existed or do exist for the removal of particular peoples, or the exclusion of particular races, from any country, they exist with tenfold force in the case of the Negroes of the United States. In no country having a republican form of government has the lowest race of mankind been found dwelling with the highest.

This is a question that demands our most serious consideration, if it be true from the records of the past that only a monarchy can exist where the lowest and the highest race of mankind dwell together, and that there has never existed a republican form of government except where it is administered by a people highly developed and representing one of the superior races of mankind, and no other.

Quoting further from Professor Cope, he says:

So-called human rights appear to come into conflict with questions of physical fact or law. The pure idealist will sustain the former in spite of the latter; but the wise man knows that he must bow to the latter, and acts accordingly. It seems hard to the idealist that inequalities between men exist and appear to work an injustice, but we cannot help it.

I do not believe that our country ought to incur the risk incident to the existence of a body (meaning Negro) of such a race in its midst. It is simply a question of self-preservation far more urgent than that presented by the Chinese question. The preference of the Negro's desires must be, in this case, disregarded. In fact, the only natural right they have in the matter is to demand to be returned to Africa, from which their ancestors were carried against their own consent. Let him work out his own salvation without risking the future of the indoors European. If he is so capable as some people believe, it will do him no harm. If he succeeds no better in the future than he has in the past he will not surprise some who think they know him better.

Quoting further from the Open Court, a magazine published in Chicago, to which Professor Cope was a contributor, I find an observation worthy of note, submitted by Elizabeth Oaks Smith, of Hollywood, N. C., which is as follows:

It may be utopian to think of removing 6,000,000 people to Africa; but once let immigration turn that way, and Africa will be remunerated for the wrong we have done her. We wrenched from her a sensual, ignorant, barbarous population, and we return thither a people with civilized instincts, and it is to be hoped, with aspirations that may help the Dark Continent to wipe out her old pagan barbarism, cruelty, and sensuality by creating the hope of culture and the intimation of empire.

Professor Cope, in closing his discussions to the Open Court, said:

I am not surprised to find that the objectors to the project of transferring the Negroes from this country to Africa have nothing but sentimental objections to urge against it. They call their objections ethical, and imagine they have the support of justice in their position. I suspect that their view chiefly results from ignorance of fundamental principles of biology and their failure to perceive the bearings of these on the problem.

In order to present a rational objection to the plan of separating the Ethiopian from the Indo-European race by 3,000 miles of water, its opponents should prove first that the Negroes and whites will not hybridize in the countries where they live together, or second, that the hybrid, if produced, possesses mental characteristics as good as those of the whites. Neither of my critics has done this, and, until they do so, their objections are absolutely worthless. As to the question of injustices, we have to decide, if injustices there be, as to who shall be the sufferer. Shall we subject the higher race to deterioration, or shall we subject the lower to transportation without material loss to it? To do the former is to injure the entire human species; to do the latter is to continue the process with the abolition of slavery inaugurated to teach the Negro to stand on his own legs, a process which can no more be called injustice than the exercise of the methods of education which the world has for us all from childhood.

The characteristics of the Negro's mind are of such a nature as to unfit him for citizenship of this country. He is superstitious and absolutely under the control of supernaturalism in some generally degrading form and the teacher of it. He is lacking in rationality and in morality. Without going further, these traits alone would exclude him from citizenship. Secondly, these peculiarities depend on an organic constitution which it will require ages to remove. Thirdly, if he remains in this country, he will mix with the whites until, in a half century or less, there will not be a

person of pure Negro blood in it. The deterioration thus resulting would tell disaster on our intellectual, moral, and consequently on our political prosperity.

We are rapidly approaching the time when hybridization has reached a point where it is seldom that one meets a person with pure Negro blood in his veins. If repatriation of the Negro is not effected within the next half century, we may not be surprised to find that amalgamation of the two races will have attained such progress as to prohibit all possibility of effecting then the repatriation of the Negro.

As reported in the Evening Star, of Washington, D. C., in its issue of October 16, 1913, Representative Frank Clarke, of the State of Florida, addressed a letter to the Governor of that State in regard to a proposed colonization of a tract of land in Florida by the Japanese. This letter, which appeared in the Evening Star, is in part as follows:

I was astonished when I learned that there was a real serious movement on foot to colonize Japanese in the State of Florida. The people of Florida are burdened now with the solution of a race problem that will tax the ingenuity, ability, and patriotism of generations to come to solve. I regard it as the most perplexing question which has ever challenged the attention of any people on the earth.

Here are two races of people living on the same soil under the same Government; one recognized as the most superior and advanced race in the world, the other as inferior. It is utterly impossible for these two races to inhabit the same territory upon terms of absolute equality, either social or political. * * * Stupendous as the task may seem, the only solution of this question, which will preserve the integrity of the white race, and at the same time, be fair to the Negro, is deportation of the Negro and settlement in a land of his own, under a government he shall control.

Movements to repatriate the Negro have been attempted and gained considerable momentum repeatedly since the issuance of the Emancipation Proclamation. Among those efforts in comparatively modern times to colonize the Negro outside of the United States, may be mentioned first an organization composed of 50 prominent Negroes of Kansas, Missouri, Arkansas, and Kentucky, entitled "Central and South American Immigration Association and Equal Rights League of the Western Continent." Col. J. M. Brown, of Kansas, was president of this association. The purpose of this organization was to organize the colored people of the United States into colonies and send them to South or Central America, there to found and develop an empire all their own. The further purpose of this organization was also to solve the race problem in this country by allowing the Anglo-Saxon to have unlimited sway in the development of a civilization best suited to the people of the Caucasian Race. This movement was started in Topeka, Kans., about 1885.

Another movement was inaugurated at Birmingham, Ala., in 1903. The organization sponsoring the Birmingham movement to colonize the Negro in Liberia was called the Liberian Colonization Society, Birmingham, Ala. Its president was Lee Cowart. In an appeal sent out to the American people for help in transporting colored people who desired to return to Liberia, Lee Cowart, the president, said:

It is true that the purses of the philanthropic people of this country have been, and are always, wide open when the real needs of the colored people are made apparent. Churches, schools, colleges, and many other institutions of much importance to the race, are prominent landmarks throughout the Southland. Speaking eloquently of the generosity of the Anglo-Saxon toward these people. * * * But with all this there has sprung up possibly a greater menace to the progress of these people. The colored people believe that they have been discriminated against, ostracized, disfranchised, and otherwise oppressed to such an extent that immigration to Africa appears to be the only means that will afford the relief. * * * Therefore, this appeal is made to the generous and philanthropic people of America to contribute at least a mite to assist these people for a short while after landing in Liberia. This appeal comes directly and indirectly from fully 4,000,000 souls who are crying out for relief from what they believe to be unjust oppression, and many hearts will be glad and prayers go up to an all-wise God for every favor contributed.

Here are these Negroes in recent months making an appeal in the names of 4,000,000, crying out for this relief.

Still another attempt was proposed by a delegation of colored lawyers from the South who met in Washington in 1893, for the purpose of putting into effect a resolution passed by the Afro-American convention held a short time prior thereto in Chattanooga, Tenn. They were in Washington to present to Congress a memorial asking for a billion dollars to be appropriated by Congress to colonize the Negro in some other country.

Later on Bishop Lucien Halsey, of the African Methodist Zion Church, advocated setting aside two or more States of the Union in which to segregate the Negroes. This movement seems never to have been taken seriously.

These citations covering a few of the efforts sponsored by the Negroes themselves to colonize the peoples of that race in other lands are given to show that all through the years there has been manifest a restless spirit among the Negro population, wherever distributed in these United States, a feeling and a conviction of his inability to fit into the framework of a Caucasian civilization. He has recognized more and more the futility of his endeavors to acquire equal social and political rights with the white man. So profoundly impressed with this fact have they become that it is not with difficulty they accept repatriation or colonization upon a foreign soil as the only means whereby they may enjoy all the rights, privileges, and blessings that would forever be denied them if compelled to live on the same soil and under the same flag of a superior race.

I have often thought that the Negro has a better understanding of the white man and his determination to dominate at all hazards than has ever been accredited to him. The Negro recognizes more readily than the white man that a man with black skin is not the equal of a man with white skin. For time immemorial it has been well-nigh impossible to get the truth over to the average white man or woman living in the United States that there can be no such thing in this country as social and political equality for the two races. Preachers, lawyers, businessmen, and school teachers have been slow to comprehend that the African is biologically unfit to associate with a race whose basic instincts are as far different from his own as the color of his skin is from that of the white man.

Nature has endowed the Negro with ethnic characteristics, ineffaceable by training or by education, and wholly and fundamentally incompatible with the ethnic values of the Caucasian. Unless the student of the Negro problem can get clearly and definitely in his mind the scientific fact that primal instincts, hereditary values cannot be eradicated either by education or social contact, he will forever be unable to understand why the Negro must be, and of right ought to be, socially segregated. The most outstanding authorities upon racial values are agreed that the primal instincts of the two races are widely different, and that these differences may be exaggerated or lessened, but to obliterate them, it will be necessary to have all the evolution over again on a new basis; that what was decided among the prehistoric Protozoa cannot be changed, even though it be attempted by an act of Congress.

With respect to the psychological factor, the hereditary mental characteristics that should be taken into account in the study of race problems, I desire at this time to present selected paragraphs from an article contributed to the Popular Science Monthly by Dr. Bardin. I regret that I cannot reproduce Dr. Bardin's article in full. The doctor says:

On conventional ethical grounds, the hypothesis of human equality cannot be assailed. The Christian world, particularly that part of it which really thinks, is essentially altruistic, and this altruism demands that all men be given the fullest and most equal opportunities to get the best out of life. But it is seldom realized that this is an ideal, not a working formula; that it is, further, an ethical ideal, not a scientific one. Out of this misconception of the ideal of human equality have sprung many grievous and oftentimes dangerous fallacies, chief among which are two: (1) That all men possess the same potentialities for culture; and (2) that a so-called "higher culture" may and ethically should be substituted for a so-called "lower culture" whenever opportunity presents itself.

As has been said, each of these ideas has a basis in ethical principles. But both are frllacious when scientifically considered. Each assumes too much, and each tries to make out of an ethical

ideal the scientific working formula for the uplifting of backward peoples. Neither takes into account that culture and civilization are as much the products of evolution as a white skin or a black skin.

Culture, in its broadest sense, is a phenomenon of race. Even in our more or less homogeneous western European and American culture racial differences are to be observed; if this were not true, why should we take the trouble to call some people Germans and others Spaniards, some Danes and others Italians? Yet, despite these evident differences, western European and American culture is a definite, characteristic thing, and underlying it we recognize a common stock of traditions and general ideas, which have come down through the ages "in the blood," so to speak. The white-skinned peoples of western Europe and America all have approximately the same origin, in that, through the remote mixing of a few strains of blood, the modern racial types were set; and since then the peoples of western Europe have given evidence of their biological kinship by displaying approximately similar reactions to similar environmental conditions and to the influence of general ideas and movements of thought. Whatever variations have appeared in the physical and psychical types among the various peoples are due to differences in the mixtures of the original strains of blood, with the accompanying differences in the contributions of hereditary mental predispositions received by the respective peoples, plus subsequent adaptations to environmental conditions. But behind all the differences lies a common kinship of blood and of tradition which has operated to produce the unit we call western European culture; and this racial kinship is the principal reason why it is not difficult for one group of western Europeans to adopt without revolutionizing it the culture of another group. Furthermore, as a powerful factor assisting in the formation and growth of this western European culture, and aiding constantly in keeping it homogeneous is the fact that several strains of blood, particularly in the higher levels of society, where most of the productive thinking is done, are incessantly mixing, and there are being interchanged incessantly, through heredity, the mental predispositions peculiar to the groups thus crossing. The people of western Europe and the white portion of American population, for the most part, are a sort of "blend" of similar racial stocks, presenting similar though not identical biological characteristics; and the varieties of this "blend," expressed in such terms as "English," "Dutch," etc., are due to differences in the numerical relationships of the contributing stocks forming these peoples. So, too, western European culture is a sort of "blend" of cultures, and the varieties of this "blend" parallel the varieties in the physical characteristics of the various peoples.

The same statements apply to any other group of people presenting a special, characteristic type of culture. The Chinese are an example; they differ among themselves in certain respects; they are a "blend" of races, and their present culture is a "blend" of cultures. Yet Chinese culture is definite, peculiar, and recognizable, and it is essentially Mongolian, just as our culture is essentially European. Behind the differences among the various groups in China lie their common Mongolian blood and their common store of traditions, the influences of which have molded them into what they are today. Exactly the same statements apply to the Negroes. They have, physically and mentally, definite and easily recognizable characteristics, indicative of a common origin different from our own and expressed in a similarity of Negro cultures throughout the world.

The fact of race as a physical and mental phenomenon is evident to everyone. The peoples of the world differ, and often differ fundamentally; and these differences are ineradicable as long as the strain of blood remains unimpaired. On the physical side this principle has long been an axiom. "Can the Ethiopian change his skin?" asks Jeremiah. We cannot, do what we will with environment, change to any appreciable extent our anatomical make-up. A Chinaman's skin will remain yellow, a Negro's skin will remain black, no matter what we may do to alter them, so long as the races remain pure. The only way we can modify the color of the skin or the facial angle or the texture of the hair in any great number of individuals is by crossing with another race. And the product of this crossing, should it become permanent, is a different race.

From the point of view of psychology, on the other hand, we have assumed that this principle is not true. We know that we cannot change a Negro's physical characteristics, so as to make him like ourselves, by bringing him to live among us. But we believe we can change his mental characteristics. In other words, while we are certain that we cannot change the Negro's facial angle, we are equally certain that we can change his mental angle and make it like our own; while we consider it absurd to think that we can do anything to make the Negro's physical skin become white, we believe firmly that we can make the physical analog of his skin exactly like our own.

But is this a fact? Racial psychology says "no." Mental characteristics are as distinctly and as organically a part of a race as its physical characteristics, and for the same reason both depend ultimately upon anatomical structure.

In other words, stand a white man and a Negro up alongside each other against a wall, and look at them, and that physical difference will be seen. If it were possible for one to take the brains of the two and throw pictures of them upon the screen, one would see just as much difference between the protoplasm of the two brains and the make-up of the brains, as one sees between the white man and the Negro as to color and as to physical make-up.

Racial mental-set, racial ways of thinking, racial reactions to the influence of ideas are as characteristic and as recognizable as racial skin color and racial skull conformation. This does not mean that mental characteristics and superficial anatomical characteristics necessarily bear any relationship to each other as has sometimes been assumed; that is to say, the shape of the head, the weight of the brain, the cranial capacity, the length of the arms, the arrangement of the muscles in the calf of the leg, do not determine mental characteristics; physical and mental characteristics are, however, parallel expressions of the particular evolutionary process which has resulted in the formation of a race; each set of characters is the specific result, in different structures, of the evolutionary process. Ultimately, mental differences must depend upon anatomical and physiological differences; but these differences are differences in the structure of the brain itself. If we are to assume any relationship whatsoever between brain and mind (and such a relationship, whatever it may be, certainly exists), we must assume some anatomical and physiological differences in the brains if we are to account for mental differences.

The more the races of men are studied, the more certain becomes the evidence to show that races have characteristic mental peculiarities, which would serve to distinguish species and varieties almost as well as physical characteristics. In practical life, in jurisprudence, in language itself, we empirically allow for these racial mental differences. But we have never taken the trouble to study them nor to understand their nature from a scientific point of view, and almost nothing is known about their potentialities.

Taking as a fact these mental differences, let us for a moment consider the possibility of their modification. It has been pointed out that mental differences must ultimately depend upon material anatomical differences in brain structure; if we deny this, we instantly remove racial psychology from the field of science to that of metaphysics, and controvert all the observed data of physiological psychology; there must be some structural differences between the brain of a Negro and that of a white man, though such differences are admittedly very hard to detect by present methods. We know that it is impossible for us to modify anatomical structures at will; we can undoubtedly change them (within narrow limits, by selection of characters already present and the accentuation of these), but we cannot make any two differing anatomical characters become exactly alike. Why, then, should we assume that we can modify at will the mental processes of a race, since these mental processes are expressions of a certain definite anatomical and physiological organization, which we know cannot be altered save by the crossing of bloods or by the laborious and infinitely slow processes of evolution?

Yet, north and south, we wish to do this very thing, and to do it in its extreme form. For we are not merely trying to change the direction of the Negro's peculiar mental characteristics, and to improve them by selection among the elements already present—we are trying, on the contrary, to deprive the Negro of his own racial mental characteristics, and to substitute our own in their place, at the same time keeping him anatomically a Negro. That this is an impossibility follows after the former argument.

It will undoubtedly be said, by way of refutation, that the Negroes of the Southern States have advanced and advanced considerably since they have been in this country. This is unreservedly true. But it is often forgotten that they have advanced as Negroes, not as anything else.

In other words, that is what Hitler said about the Jews. He said he did not dislike the Jews as Jews, but he preferred Germans because he was a German.

They have adopted the form of our civilization and to a certain extent (due principally to the influence of language), the mold of our thought. But however much the form of the civilization and the mold of the thought resemble our own, the substance of both is different. The Negro has received much from us, and has profited greatly therefrom; but all that he has received he has modified in accordance with his racial mental set, and his physical reactions to the influences of our civilization are entirely different from our own, and will necessarily remain so as long as the Negro is Negro. No matter how much we may educate him, no matter how much we better his position in society, he will remain a Negro psychically as long as he remains a Negro physically. We may cause him to absorb the full, rich store of our cultural elements, but by the time these elements have gone through the channels of his thought, they will be profoundly modified, and they will take on a different meaning in the Negro's consciousness from what they have in the white man's consciousness. Concomitantly, these cultural elements will modify the brain of the Negro; but this modification will not follow the same pathways, and will not give the same results as it would in the untutored brain, say, of a white child. The modifying forces acting upon the Negro's brain will have to start with an anatomical structure already formed and set by heredity, an anatomical structure different from that of the white race, which produced the modifying forces in question, and the final result in the Negro's brain will be determined and directed by this preexisting anatomical make-up. So that the brain and the consciousness resulting from the absorption of our culture by the Negroes will be a brain and a consciousness different

from our own to the same extent that the Negro differs from us in other respects, and both will be characteristically negroid in nature, not European.

It follows, therefore, that present ideals in regard to the "solution" of our Negro problem (ideals, as has been pointed out and which it is well to reiterate, resulting from the confusion of ethical and scientific principles) are biologically fallacious and impossible of attainment. We can never make the Negro like the white man mentally. We can never have a biracial state based upon identity of ideas and political philosophies in both races.

The Negroes will continue to progress, undoubtedly. But they will progress along the lines laid down by their evolutionary history. They will take our cultural elements and make them part of themselves; but they will modify these elements according to their nature, and when they have assimilated them, they will be our cultural elements no longer, but will be profoundly and permanently modified. The two races will continue to develop side by side, but the development can never be parallel—it must be divergent, even though its successive steps may perchance maintain approximately the same level, as long as the races remain pure. It will be like two men, thrown together by fortuitous circumstances, who start walking up the same slope toward the same hilltop; but because of differences in the nature of their interests, one goes east while the other goes northeast; each step will carry them closer to the top of the hill, but further and further apart.

This fact, rather than ethical theory, should form the foundation of American thought in regard to the Negroes and the Negro problem. The Negro as an intellectual being should be studied as a Negro—not as a potential white man; and if we wish to help him, we should at least try to be sure that he is allowed to develop as a Negro in the freest, broadest manner possible, and to the full extent of his racial potentialities.

On August 7, 1916, Senator James K. Vardaman, in a speech delivered in the Senate, took occasion to say, while discussing the negro problem:

We realize that nothing definite toward the solution of the race problem can be effected without national aid. * * * It is a problem which the Nation made and the Nation alone can solve.

Grover Cleveland is reported to have said:

It is the greatest problem of our civilization and constitutes the only problem beyond which we cannot see.

Possibly the views on the Negro question expressed by Senator James K. Vardaman, in a message to the legislature of Mississippi in 1908, when he was Governor of that State, represent his best contribution to the subject. No man of his time devoted more thought and more study to this great problem. His campaign for Governor was waged on an issue calling for the repeal of the fourteenth and fifteenth amendments to the Federal Constitution. A compilation giving a list of the outstanding statesmen, philanthropists, ethnologists, and biologists who have devoted years of research in tireless study of the race problem, as it exists in the United States, and who, as a result of extensive investigation, have reached the inescapable conclusion that the Negro race and the white race cannot live in the same territory and under the same Government upon terms of political and social equality, and that the only remedy to the situation is repatriation, would not be complete unless it included the name of Senator James K. Vardaman, and the famous message he delivered to the Mississippi State Legislature, setting forth his views on the Negro problem. In that message the Senator said:

I think that the greatest crime that was ever committed against any people was perpetrated against the white people of the South by the adoption of the fourteenth and fifteenth amendments to the Federal Constitution. These iniquitous messages were conceived in the spirit of hatred and ignorance and brought forth in a spasm of venom and revenge. They are known today throughout the length and breadth of this Republic by all white men who think honestly and correctly to be improper and out of joint with the better interests of the country.

To give the Negro the right of suffrage and place him on terms of absolute equality with the white man was the capital crime of the ages against the white man's civilization. The effect has proven disastrous and the evil effects of the error can only work harm to both races. You cannot adjust laws suited to the government of the white man—the heir of all the ages in the foremost files of time—to this low-browed, civilization-veneered savage. It is worse than a crime to undertake it. Indeed, it is a cultivation of crime and the encouragement of lawlessness to undertake it.

In 1856, in a speech delivered at Boston, Mass., Robert Toombs uttered these undying words: "I maintain that so long as the African and the Caucasian races coexist in the same society; the subordination of the African is its normal, necessary, and proper condition, and that such subordination is the condition best calculated to promote the highest interest and the greatest happiness of both races and consequently of the whole society; that the white is the superior and the black the inferior, and that subordination with, or without law, will be the status of the African in this mixed society. Therefore, it is to the interest of both, and especially of the black race, that this status should be fixed, controlled, and protected by law."

How well he described the condition of affairs in the South today, and how completely the condition in the South vindicates the wisdom of his utterances. Unless this status shall be fixed, controlled, and protected by law it will be fixed without the law, and in the process of the fixing a spirit of lawlessness will be generated, which will exterminate the Negro and well-nigh destroy the white man's civilization.

I wish further to quote from Senator Vardaman by including excerpts from a speech he delivered in the United States Senate, August 16, 1917, during the consideration of a resolution providing for the appointment of a commission to investigate the race riot which occurred a short while before at East St. Louis, Ill. The address is rather long, and I regret that it cannot be given in full.

Senator Vardaman said:

I want again to express the hope that in the consideration of this great question (the Negro problem), the magnanimous spirit of Thomas Jefferson and the lofty idealism of Abraham Lincoln shall be invoked. To the real earnest statesman with a vision, who desires to do right and serve his country best in the treatment of this greatest of twentieth century problems, I commend the teachings of Thomas Jefferson and Abraham Lincoln. It will be recalled that more than 100 years ago the Sage of Monticello announced the irrefragable truth that there is nothing truer written in the Book of Faith than that the Negro will one day be free. It is equally true that he cannot live with the white man on terms of social and political equality; he urged the colonists to emancipate their slaves and send them back to Africa whence they came, saying: "You can solve this problem now without the sacrifice of a human life and with the outlay of a comparatively small amount of money. White men will take their places as laborers and the current of affairs will move on without a ripple, but if you wait until it forces itself on, human nature will shudder at the prospects held up."

With the eye of the prophet and the soul of the seer he saw the war between the States, which cost billions of dollars and millions of men. He saw the blighted lives, the frustrated ambitions, the unhappy homes, and all the sadness and sorrow that followed in the wake of war. * * * A marvelous vision, inspired foresight, and divine advice, which was thrown aside as mere verbal chaff by the temporizing, sordid, self-centered politician of that day. The unhappy prototype of some of the gentlemen who are winning prominence by their loud, stupid, inprudent inanities.

A little more than a half century later, the immortal Lincoln came along, the central figure in the greatest of civil wars. Not possessed of the book learning and erudition of Jefferson, but gifted with the divine afflatus which enabled him to know things without being able to give the source of his information. A God-given quality, which permits one "to hear the ocean in one shell and see the whole world's winter in one leaf." Mr. Lincoln said: "I am not, and never have been, in favor of bringing about in any way the social and political equality of the white and black races, and in as much as they cannot so live while they do remain together, there must be the positions of superior and inferior and I, as much as any other man, am in favor of having the superior position assigned to the white race." A correct understanding of Mr. Lincoln's words is absolutely indispensable in the proper comprehension of the issue involved in this great question.

It was the dream of Jefferson and the hope of Lincoln, that physical segregation of the races might be brought about for the good of both races. * * * This great work, the present generation is called upon to do, not in a spirit of antagonism or racial hatred, but rather in a spirit of love for the salvation of the black man as well as for the preservation of the white man's civilization. The two races cannot live together on terms of social and political equality. For the good of all the races the white man must rule this Republic and he must rule it absolutely.

About the time that Senator Vardaman was devoting so much effort and thought to a careful and painstaking study of the race problem, and giving to the people of the Nation, through the press and by means of public addresses delivered at important popular centers on the subject of the race problem, the Honorable Tom Watson, of Atlanta, Ga., through his magazine, the Jeffersonian, was making valuable contributions to the cause so ably championed by Mississippi's United States Senator. In the February issue of 1909 of the Jeffersonian, Mr. Watson said:

The yellow man and the brown man cease to be savages; cease to be barbarians; evolve a civilization; erect temples; purify their religion; rear palaces; refine their manners; adopt systems of jurisprudence of Government of education and develop arts and

sciences; but the Negro in his native land sat squat in his degredation moved by no inner promptings to lift himself and improve his surroundings. Incapable of creative thought, cherishing no ideals, he remains, century after century, the neighbor of the gorilla and the chimpanzee, making no more effort at civilization than they make.

God knows I hold no malice in my heart against the Negro. Grandchildren of my grandfather's slaves are living on land of mine just as their fathers did. There is no black man who knows me that would hesitate to come to me for protection and be sure to get it. In his contracts, in his home and school and church, in his absolute rights as a human being, I would despise myself if I denied him the same treatment that is given the whites.

It is only when he claims to be our equal; wants to thrust himself into our social life; wants to claim equal and political privileges; wants to mingle the blood of his race with the blood of ours; wants to lower the standard of our civilization by mongrelizing the superior race—it is then that I meet him at the gate ready for battle.

To my mind the most dangerous doctrine that can be preached to the people of America is that social equality, mixed marriages, mixed schools, social and political equality offer the solution of the Negro question.

The triumph of the Southern whites in throwing off the yoke of Negro domination ought to forever settle two questions: First, local Government is, with the Indo-European peoples, a primitive instinct—an imperishable principle—an inconquerable ideal. Second, superiority of the Aryan will assert itself, no matter how great may be the odds against it.

A final word and I am done. The natural repugnance of our race to equality of social relations with the Negroes is the instinct of racial self-preservation. It is God given, and its purpose is the high and holy one of keeping pure the blood of our superior race. To do this is best for us, best for the Negro; best for our country, and best for mankind.

Then why not do something about it?

It is regrettable that further observations of Mr. Watson on this subject cannot be included because, like most everything that comes from his pen, his discussion of any question is invariably characterized by brillance and originality. His views, in the main, coincide with those entertained by the outstanding statesmen and philanthropists, who, since the laying of the foundations of this Government, have made invaluable contributions to the great store of knowledge and information that has been furnished the American people with respect to an issue that has grown to such proportions as that it manifestly overshadows all others. There is practical unanimity of agreement upon a three-way solution of the race problem among those who have devoted extensive research, deep and prolonged study to the question; namely, social and political equality, resulting in amalgamation; complete segregation in this country, extending somewhat remotely the time of effectual amalgamation; and repatriation, the absolute and only remedy to be adopted that will preserve the civilization of the Caucasian race and afford an opportunity for the Negro to develop a civilization of his own.

The time has arrived when this Government and those who make and execute its laws can no longer afford to ignore and turn a deaf ear to the accumulated wisdom of the past; to be oblivious of the teachings of history, the warnings and admonitions of the most illustrious and renowned patriots of the past, and the teachings and prophecies of its great and unselfish souls, who have steered successfully thus far the destinies of the Republic. What strange and inexplicable processes governing the workings of the human mind have we fallen upon in this age that we cannot accept without question the teachings and philosophies that have become our heritage as handed down to us by these illustrious leaders—our statesmen, our philanthropists, our scientists and great authorities on race culture and hereditary and social values. It is inconceivable that any of the foremost thinkers of our time should so willingly accept the fundamental principles of our Government the basic foundations upon which rest the superstructure of our political system and the western civilization it has developed, and at the same time refuse to give ear and heed to the warnings of the men—the founding fathers—who framed for us that selfsame Government, who originated its underlying basic and controlling principles, and, while doing so, clearly and unanimously laid down the dictum that nothing is more certainly written in the Book of Fate than that "the two races, equally free, cannot live in the same government," and that "there is a physical difference between the white and black races which will forever forbid the two races living together on terms of social and political equality."

Especially is this fact all the more inexplicable when the sentiments they so wisely and so well expressed, have been caught up and echoed and reechoed through all the succeeding years by others, no less capable, who, severally, in their turn, laid hand upon the helm of state and guided with prudence and wisdom its continuing and upward course. Nor were they alone, as if in the wilderness, in their cry for redemption and deliverance from the unspeakable horrors of impending blood pollution, amalgamation, and mongrelization. The bravest and the best from all sections of our common country have helped hold high the danger signal so that the car of human progress might proceed without Caucasian casualty or Ethiopian extermination to its destined goal.

INHERITANCE PRINCIPLES AND THEIR SIGNIFICANCE

It was Alexander Pope who said: "The proper study of mankind is man." That fact is as true today as it was at the time of its utterance. In practically all the countries of the world the study of man is progressing under scientific leadership. Man's achievements have seemingly outrun his capacity to properly utilize them. Discoveries are being made in electricity, radio, and along various other lines. The next great discovery will be brought about from the study of man himself, and will result in a more comprehensive knowledge of man, his hereditary capacities, and the limitations upon the capacities of different races as fixed by racial inheritances. Race consciousness is developing in all parts of the world.

For example, consider Italy; consider Germany. It is beginning to be recognized by the thoughtful minds of the age that the conservation of racial values is the only hope for future civilization. It will be recalled that Hitler, in his speech on April 9 at Vienna, gave as the basis of his program to unite Austria with Germany, "German blood ties." The Germans appreciate the importance of race values. They understand that racial improvement is the greatest asset that any country can have. The German people have produced more books on heredity, genetics, race culture, and the principles of inheritance and the science of biology than have almost any other people. They were among the first to give emphasis to the now universally accepted truth that the creative faculty, in its most highly developed form, is confined almost exclusively to some one of the many divisions of the Aryan race; that its highest accomplishment has been reached by the Nordic, Teutonic, and Anglo-Saxon branches. It is to the scientific inventiveness of the German people that their great leaders look in these troublous times for means to preserve their political future. They know, as few other nations have yet realized, that the impoverishment of race values contributes more to the impairment and destruction of civilization than any other agency. Hence it comes about that in every extremity with which they are faced they strive to stir up the feeling of race consciousness and race pride. One of the outstanding utterances of Hitler's memorable address before an applauding audience of 30,000 Austrians, principally German, was a warning to rival powers that any economic reprisals calculated to weaken the Austro-German fusion would confront "strong united Germany" capable of sustaining herself through her "scientific inventiveness"—still depending upon the brain.

It is only from the mixture of superior and inferior stocks that a depreciated race results. It is said by an eminent authority that from the viewpoint of racial values Germany is the most interesting of all the Aryan groups in Europe. That in the development of her racial inheritance she is full of possibilities.

It is significant to note that the development of human capacities, even among the branches of the Aryan family, where they have appeared always to be greatest, has been exceedingly slow and painful through the ages. Humanity proceeded practically on a dead level from the time of Moses to less than two centuries ago. Take, for example, transportation and communication. The American Colonies were no better equipped in that respect than were the ancient

peoples of Egypt. Nothing swifter than a horse was known either to Washington or the Ptolemies. The limitations and possibilities of human capacity were never dreamed of during that vast expanse of time. Today capacities are put to the test, and the testing differentiates men and relegates the less endowed to oblivion. The vital concern, therefore, of the day is not so much for further achievement as it should be for man himself, upon whom the burden of profiting by this achievement must rest. I therefore repeat: "The proper study of mankind is man."

It has been definitely established beyond any reasonable doubt that physical and mental inheritances follow the law of breeding that like tends to breed like. It has also been definitely established that improving the individual does not improve the inheritance of the race to which the individual belongs. The environments and the various experiences of life do not in any way become a part and parcel of the heritage of the offspring. In other words, traits of character acquired through mental impression are not transmitted from father to son. Training, education, discipline, and culture do not get into the blood. All inheritances come through and are transmitted through the germ plasm. This germ plasm is not affected by environment, by education, or by life experience; it is the same always and eternally. Education, experience, discipline, and culture make no impression on the germ plasm, which is the only vehicle by which inheritances are transmitted. It has been said that life's experience must be impressed anew upon every individual and upon every generation as it comes along, and that a thousand years of external impressions will not add or subtract or improve or corrupt one hereditary characteristic in the germ plasm.

Influences, on the other hand, which damage this germ plasm and interfere with its proper function do have a direct and disturbing effect on the heritage of the offspring. Among these disturbing agencies are alcohol in excess, certain opiates, venereal diseases, and the mixing of the hereditary values of an inferior race with those of a superior race. These are the only agencies that tend to destroy the germ plasm. It has been conclusively shown that the only influences that in any way affect inheritance or the germ plasm are destructive influences—something that impairs or in some way damages the normal heritage. It therefore follows that no man or woman can add any value to the heritage of his or her children by his education, by his environment, or because of his good behavior, but his misbehavior may seriously and permanently impair it.

A certain eminent authority on inheritance values has said:

> Every trait, as we view it in the individual, is really a more or less complex ensemble of simple or unit characters. Unit characters may be defined as the indivisible items which make up the character-building material. These combinations are of almost infinite variety, and some of them may have the appearance of new traits; but the novelty is merely one of combination, and environment has no more part in arranging these combinations than in creating the units which compose them.

Therefore, it follows that these unit characters, the inheritance of individuals, persist unchanged through countless generations. It may be seen from this fact of reproduction that the child inherits, not from the traits which his parents and grandparents chanced to develop in their lives, but from those traits, those unit characters which descended to them and through them in the essentially immortal germ plasm. The child, in its inheritance, reaches back for generations, and his equipment is burdened with no part of the veneers that education and environment may have put upon his parents. Therefore, we are brought to the conclusion that the only human qualities which endure are those which are bred in the race. All education, all training, all environmental effort, must be expended anew on each individual and each generation. You may seemingly change the character of a man, and at the same time produce no effect on his germ plasm. Inheritance, in its final analysis, represents nothing more nor less than the fixed capacity of an individual to respond to education, discipline, and environment. Upon this quality of inheritance depends the extent and quality of all human achievement and of civilization itself. Therefore, the first essential for stable progress is a race of human beings well bred.

In any discussion of the subject of inheritance, it must be noted that there is a clear distinction between impressed traits and hereditary traits. Impressed traits are those acquired through environment, education, and discipline. Hereditary traits are the material that environment and education use in the development of the finished product. The extent to which environment can go in developing the individual is always limited by the capacity of the inheritance to respond. So often have reformers and social-uplift enthusiasts attempted to take an individual with the outward appearance of virtue, and direct him in the straight and narrow way, without ever succeeding in making a real man of him. You cannot take an individual possessing a weak inheritance and develop him into a strong character. Any effort whatsoever to improve and make fit the individual does not carry him further than his inherent mental limitations. From the very outset of this discussion of inheritance values on down, it may be seen that the fundamental idea in the study of mankind is the inequality in inheritance values of races, or individuals within a race, within a community, and within a family.

The other day I picked up a copy of the Washington Herald and was struck with an item dated Chicago, May 21, by the International Service:

> Mankind is pretty stupid and the sad part of it is that nothing effective is being done about it, Prof. Ernest Albert Hooton, of Harvard University, told the Associated Harvard Clubs here today.
>
> The world-famed anthropologist declared that mere education is no solution because:
>
> "We must stop deluding ourselves with the fatuous notion that morality can be massaged into morons and intelligence into idiots. True intelligence is inbred."

That is the point I am trying to make.

Since we know that race values are bred, not made, and since we know that race values cannot be changed except for the worse, our principal concern should be to maintain the germ plasm in its normal condition of physical vigor. The survival of any race hinges upon the preservation of its hereditary values. The possession of the best human stock determines the rise and fall of civilization.

The desirable inheritance—

As described by a great ethnologist—

> is of that quality of brain—one might almost add quantity of brain—which leads to creative leadership in whatever activity it may select. It dominates environment and advances into new undertakings. It is the mark of the social migrator—the man of initiative who extricates himself from the mass and changes some bit of the world for better or for worse, by his contact with it.

Achievements in literature, in education, in statesmanship, in science and business, in everything that makes for a more exalted civilization, come to exceptionally desirable inheritances. Hence we are forced to admit that the importance of preserving the blood of exceptionally good inheritances, pure and untainted, and dedicated to the development of the highest humanity, transcends all of the questions involving the perpetuity of civilization. If we have living among us an inferior race, a race of limited hereditary capacities, it is vain for us to appeal to education, to discipline, and to environment as a means of uplifting, with any degree of permanency, the inferior race. Of course, education has its value; but it is a colossal error to expect actual race improvement, in the strictest sense of the term, by means of education.

As I have endeavored to show, education is not inherited; neither is it inheritable. It must be renewed over and over again with each individual as he comes along. Everyone must start at the same center of ignorance and beat out his long and arduous path. Race improvement is organic. The capacity for utilizing environment, education, and discipline is inherited. It is in the blood. It is a part of the germ plasm. It is a universally recognized fact that centuries of culture and training, centuries of sojourn in a cultural at-

mosphere and among cultured and highly civilized people, have never been known to improve the breed of an inferior stock or the inherent qualities of any race of men or animals. Education can do much, but its work is only for the present. It cannot stamp itself upon the future.

It is the height of folly to assume that environment, discipline, education, and all other external devices can affect the blood, smooth down the inequalities between individuals of the same breed, much less between different breeds, or transmute racial qualities. There is no hope of any organic improvement or any race betterment of the Negro from any or from all the external organic agencies of education, religion, or civilization. When all is said and done he is still a Negro. Cycles have swept by; empires have risen and fallen; races have appeared and disappeared; and through it all, for 6,000 years of recorded history, the Negro, in his essential character inheritances, has undergone no change. He is incapable of creative thought, and has failed, through all the years that have come and gone, to produce for himself a civilization beyond the limited capacities of his inheritance. If education, as some pretend to believe, could lift the Negro to the Caucasian level, pray tell me, to what heights, in the meantime, could the Caucasian be lifted? His achievements would always be in the ascendency.

The Negro race is more than 6,000 years behind the Caucasian. The Negro has to his credit no monuments of progress, although he has lived in the most favored climes, and has been advantaged at times by exemplary environment. He has constructed no cities of culture or navies of commerce. He has threaded the earth with no highways, and he has builded no harbors defying the wrath of the sea. He has constructed no mausoleum for his dead, and no pyramid or triumphal arch. He is destitute of initiative. His light, if he shines at all, is a borrowed light. He blazes no trails, and the only pathway he knows is one that was made by another. He has never been known to have a Bible; no Veda, no Saga, and no Koran; and all of this because he has no inheritance value and is destitute of those unit characters that furnish the building material for human characteristics.

I do not deem it necessary in a discussion of this kind to digress from the main line of argument to prove the inferiority of the Negro, or the degeneracy induced by the blood intermixture of widely diverse racial types, such as the Negro race and the white race. Upon the assumption that the white race is superior to the Negro, the whole controversy involved in the race problem rests. When once it is admitted that the Negro race is inferior to the white race, there is no difficulty in showing that the two races should be separated and should never be allowed to live together, side by side under the same government, enjoying equal political and social rights.

Misguided champions of racial equality, realizing the difficulty confronting them in supporting the principle of equality of human rights, have dared to deny that the Negro is an inferior race. They have asserted that the assumption that the Caucasion is an essentially superior race is provincial, unintelligent, and un-Christian. In order to refute so fallacious a contention, one has only to vision, in resplendent panorama, the shining pageant of all the ages. Behold the triumphs of Babylon and Nineveh, of Thebes and Memphis, of the Pyramids and the Parthenon; the splendor that was Greece and the grandeur that was Rome. Unroll the mighty scroll on which are emblazoned the brightest stars in the firmament of the past, and you will find Homer and Plato, Socrates and Pythagoras, Virgil and Julius Caesar, and all the imperial philosophers, and countless thousands in more modern times, sprung from the loins of Aryan stock. Review the endless creations of art, science, and religion and law, and every other form of high achievement, and you will have before you a swarm of witnesses stretched over an expanse of 6,000 years, proclaiming the glory and supremacy of the Aryan race and all its subdivisions. The consistent testimony of all historic times demonstrates, in the immensity and preponderance of proof, that the Caucasian race has manifested, without a single exception, the overmastering qualities of the human family. Compare all these accomplishments of the Caucasian race with the degraded fetishism of the Negro race on the banks of the Niger and the Congo.

Aside from the historical argument, strong and decisive confirmation may be found in the general anatomy of the Negro. As one author has stated it:

> Beauty of form and color has its own high and inalienable rights, its own profound significance for the history alike of nature and of man. Even if the intermingling of blood wrought no other wrong than the degree of bodily beauty, the coarsening of feature, and blurring of coloration, it would still be an unspeakable outrage to be deprecated and prevented by all means in our power.

Historical and biological facts sustain the assumption that the Negro race is an inferior race and that there rolls between the black and white species an impassable river of 10,000 years, and yet, through all these ages of coexistence with the whites, throughout all its vicissitudes, they have clung to the unchanging type of their ancestors. The germ plasm, the only conveyor of racial inheritance, is the same today in the Negro that it was when he roamed the jungles of Africa. Take the intermingling of such near affinities and harmonizing germ plasms as the Teuton and the Alpine Kelt; time has not been able to efface their distinguishing features, either of body or mind. If, in these closely allied races, the ancestral fires and genetic values still live in their remote descendants, how can we expect or hope for anything else from the intermixture of Caucasian and African blood? Will not the slumberous apathy in which the dark continent of Africa broods, awaiting its eons, surely fall upon the people that drink its blood into their own veins? To anticipate that by education or by amalgamation this inferior race can be exalted to a level with the white race is to ignore history and to defy science.

It has been definitely determined by the most learned students of race culture and hereditary values that intermingling with inferiors lowers the superior stock by more than one-half of the hereditary values, and both the superior and the inferior races. In other words, the average offspring is almost invariably found to be physically, mentally, morally, and genetically inferior to the average of either parent stock—more beneath the average level of the superior than above the average level of the inferior. This is a matter to be given consideration solely on account of the future of mankind at large. It is imperative for the future of mankind that the superior races should always be maintained at the highest level of efficiency because the work they do for civilization determines the progress of humanity.

There is an old proverb which says, "God created the whites. I know not who created the blacks. Surely a devil created the mongrels." The impoverishment, by interbreeding of diverse races, of civilized racial values may be spread over centuries, while the individual fails to note its approach. The individual takes into account only the small span of his own life, and, therefore, cannot appreciate the slow disintegration of the hereditary materials from which civilizations are developed.

The momentum of an industrial age pushes material development far down the line of a decaying social structure. The capacity for cultural developments, for initiative and inventive genius, is civilization's only security. A race whose genetic values have not been such as to enable them to make worthy contribution to a generation's moral and cultural heights and attainments cannot maintain those heights and ideals.

The first signs of racial decay and depreciation in quality of mental inheritances as a result of interbreeding between diverse types of mankind is reflected in a display of thousands of forms of sensuous attractiveness, in the sensational appeal of literature, in a proneness to pursue neurotic vagaries, a surrendering to feverish and rampant individualism, which leads in all directions and arrives nowhere. Art, music, and religion undergo freakish changes, abandoning age-old lofty ideals. Invariably throughout historic time the self-destruction of the best blood of the Nation is the common factor which determines that it is bound to die. This factor

accounts for the failure of every fallen civilization since the beginning of recorded time. A civilization destroyed by the impoverishment and impairment of its hereditary values can never be restored to its former life. It is dead eternally. A people whose qualities and capacities that make for greatness have not been impaired when overcome by conquest will not remain long a subjugated race. The catastrophe that overtook them will be repaired, the wrong avenged, and to a still greater civilization, because of a chastening of the spirit, they become worthy and most illustrious contributors. Racial decadence must precede defeat at arms if a conquest of the people is to be made secure. No greater folly has ever existed upon the face of this earth than a war between two civilized peoples. The only justifiable war, if any kind of war can be so adjudged, is a war between a superior and an inferior race. It has been said that "every wounded bird has an enemy at hand to put a merciful end to its sufferings. History shows that every civilization, having become decrepit through the pollution of its blood and the impairment of its hereditary materials, has been spared the humiliation of falling to pieces of its own weight by the timely appearance of a willing foe."

The doctrine that all men are created equal and the persistent activity of those who adhere to this dogma and insist upon its literal application to all races, howsoever diverse, and persevere in minimizing the degree of difference of mental capacity between dissimilar races have contributed more to the impairment, if not the destruction, of civilization than any other cause. These misguided advocates of the theory that the hereditary values and innate capacities of the various types of mankind are inherently equal, that whatever differences there may be they are due to differences in experience, in training, in education and opportunities, are today shouting from the pulpit, on the rostrum, and through the press, "We have found the solution of the problem. Let us train, educate, and properly environ the Negro, and then we will close up the mental gap between him and the so-called superior races; we will bring him up to the level of the white man." Rot!

I have already undertaken to show that mental gaps cannot be filled up by training and education where racial characteristics and hereditary values are widely diverse. Have the Negroes of Washington, through all these years of education and training, been elevated to the white level? Have those of Pennsylvania, New York, or Chicago been lifted to a common level with the white man? As one author has expressed it, "When the bow of Hellenic science fell into the hands of the Arabs, was he quite able to bend it?" Can any sane man entertain the belief that the difference between the white man and the Negro is one of experience and training? How can anyone claim that it is a question of mental contents rather than of mental capacities? What teacher in all America has ever been able to supply a worth-while mental content in the absence of mental capacity? Surely none will contend among the representatives in this body that experience and training and the packing and cramming of Negro contents in the human skull have ever been able to close up the mental gap between individuals of the same race or the same family. How much more impossible, then, would it be to close up the wider and impassable gap between individuals of different races. To preach the doctrine of race leveling through experience, training, and education is in defiance of all that has been written upon the sober-minded pages of biology, ethnology, and anthropology. It is the inborn power to know that determines the heights attainable by the individual. Instead of spending useless and ineffectual effort in trying to lift up a weaker race to a level with a stronger we should be ever alert in our efforts to advance and add to the achievements of the superior race. The hope of humanity lies not in strengthening the weak but in perfecting the strong.

From the foregoing discussion it may be now stated that all races are to be regarded as contemporary, and differ in their attainments according to the value of their respective inheritances. No two races, unaffected by mixture of dissimilar blood, advance according to the same scheme of development. The advancement and culture of each is controlled by its own particular inheritance values. No single race is destined to pursue a course of advancement after the manner of any other race. All racial differences and divergencies are traceable directly to the immutability of the character unit. Even among races that reach back and take their inheritances from homogeneous types differ among themselves in attributes of character.

Racial differences stand eternally after all other differences fade away. The German character can never evolve into the French character. The Englishman will be English until he mixes with some other race, and as a result of that mixture ceases to be. The Negro will be Negro and can develop as a Negro only along his own particular lines of inheritance values, and he will remain a Negro until his blood is commingled with some other race, and as a result of such commingling ceases to exist. The mixture of superior and inferior stock invariably results in the depreciation and eventual destruction of both races. The survival of races has forever been and will forever be dependent upon the maintenance of the purity of blood and the conservation of hereditary inheritances.

The people of the United States, meaning the white people, are primarily inheritors of English blood. The qualities that we have inherited from our English-speaking ancestry are the qualities that have contributed to our greatness. Other inheritances, it is true, have had some part in American achievements, but those other inheritances are such as come from racial types closely similar to our own. Aside from the Negroes and the few remaining Indians, we Americans are a homogeneous people. The one towering threat to our civilization is the presence of the Negro race, which we are endeavoring to assimilate, and whose members we are trying to qualify as useful citizens by extending to them the advantages of education and all the benefits accruing from social and political equality. This impending danger projects itself across the horizon of our future like an offshoot of the Rocky Mountains. Never before has a nation deliberately invited the horrible specter of race mixture to its very vitals, as the United States of America is doing at the present time. It seems that our people have never yet understood the true significance and the awful consequences of race mixture. Notwithstanding the fact that the mixing of diverse races, the commingling of superior with inferior stocks, is a thing written upon the tombstones of departed civilizations, we still go on heedlessly traveling the road that history points out to us as the way that all previous civilizations traveled which eventually fell of their own weight, or were overcome by a superior force into which no impairment or pollution of genetic values had ever crept.

Nothing is more nearly inconceivably horrible than the mingling, within a single being, of characteristics and hereditary instincts which have been strangers to each other for untold ages. These characteristics, chained together within a single individual, that prior to such bondage had lived free in separate races for nameless centuries, represent the greatest biological monstrosity that the human mind can conceive of.

Take the very unlike and altogether dissimilar character units of the Indian and the white man; these respective units of character have existed separately, unchanged through countless generations. When these units of character, those of the Indian and those of the white men, are brought together in a single individual, they remain in this individual as purely white and as purely Indian as if they had found their existence, each in its own kind.

Some scientists claim that we all possess 10, 12, or 15 personalities, and that when a woman marries a man she marries a dozen husbands, and that when a man marries a woman he marries a dozen wives; that at times one or the other of the different characteristics will appear, and at other times a composite of personalities will be shown.

We have here, through a mixture of Indian and white characteristics, a dual personality. These mixed breeds have characteristics which cause them to react to education and environment as the white man would respond. On the other hand, they have inheritances that distinguish them as reacting in the manner that an Indian would respond. He is incapable of reacting to his environment either as a white man or as an Indian. The hereditary values he possesses, and from which must be built his characteristics as a man, have not the power or the capacity to develop in him a human being having the possibilities of either of the types from which he is evolved. Such an individual will not inherit a stable, blended character; he will inherit from a mixture of unlike characters contributed by unlike races, and the finished product, as a rule, will be inferior to either race. Sometimes they neither resemble their parents nor each other, because of the confused nature of the germ plasmic stream from which they draw their inheritance.

Nature has spent untold ages in the selective breeding of the white, yellow, and black races, and has succeeded in bringing each to a fairly stable inheritance, to a degree of unity in general traits that makes for harmony within each race and sharply differentiates the races from one another.

When this mixture is of types evolved from the same race, having no seriously conflicting unlikenesses or inequalities, the inheritance values are not disturbed; it is due to the mixtures of unlike and conflicting characteristics—the superior with the inferior—that irreparable disaster results. As before stated, an individual constituted of conflicting racial qualities cannot come to effective development, because he has not within him any of the unencumbered qualities of any one of the stocks which entered into his inheritance. This mixing of unlike human types, of superior with the inferior, results in deterioration far beyond that due to a simple averaging of values. Insofar as the mixture of the Indian type with the white man is concerned, we have been mercifully spared this source of racial impoverishment by segregating the Indian in a land of his own.

We did that by force, and yet some hesitate to give the Negroes a chance to separate from the whites when it can be done voluntarily.

Not so with the Negro; it is here we face a race problem that overshadows all others in its mixed population. Strange to say, this problem is not between the full white and the full black, the two opposites of the world's races; it concerns the mulatto, an individual who is neither a white man nor a black man. Two races more diverse than the white and the black have never, in all the ages gone by, mingled their inheritances. The period of their divergence is so lost in the black recesses of time that no claim at this late date of their singleness of origin can soften the fact of their complete racial divergence. Never in all history have the two races, black and white, lived in the intimate relations of absolute equality. So distinct and entirely different from each other are their inheritances as that they have lived racially almost wholly apart for 6,000 years. This being true, all the more horrible is the thought that within the limits of one person, the mulatto, there must exist the units of character of both races in the closest association, characteristics that have stood apart through the passage of all time. These diverse elements of character hold their identity in this strange and unnatural companionship. In the fundamentals of his inheritance, the mulatto is a hyphenated citizen.

It is difficult for the mind to contemplate the seething chaos of contending emotions there must be in the soul of a mulatto, whose sadly and deplorably mixed inheritances include those of a dominant race, the white man. Imagine, for the moment, the horrible and ineffable intimacy where white inheritances, bred up through unnumbered generations, to a happy and harmonious association with the best of Aryan attributes, all of a sudden become fettered and forever bound by unbreakable ties within the limits of a single soul to a company of uncomprehending and widely diverse hereditary values of the black. It represents the hopeless and despairing cry of a purebred Aryan in enternal soul entanglement with an utterly strange human characteristic. Such an individual is incapable of comprehending himself. One moment, with quivering voice and strained muscles, he protests, in an agonizing cry, against the injustice done him. This wail of bitter protest is the voice of the Aryan, the better half of his dual nature, crying out from within him. To classify him with any other creature on earth is utterly absurd. He belongs to no race; he is an outcast from God's scheme of racial development.

I think a mulatto presents the saddest spectacle in human life. That indelible line, which for millenniums past, has separated the Negro race from the white race, threads its labyrinthic way through every cell and fiber of the mulatto. His every act and impulse is confused, impelled as he is by the combating tendencies of two different and divergent hereditary instincts; the Aryan characteristics on the one side and the Negro characteristics on the other. Consequently, it inevitably follows, as has heretofore in this discussion been shown, that this hybrid creature cannot rise to the average of the white man because his white inheritances are all encumbered and weighted down by inferior black inheritances. Neither can he show capacities above the average of the Negro except in rare and isolated cases, and even then such increased capacity in degree is less than the depreciation of his white inheritances. In other words, whatever advantage is gained on the side of his black inheritance is far less than the damage done to his white inheritance.

There is no such thing as the blending of the inheritance values of an inferior and superior race. The two values have no more affinity for each other than oil has for water. Black and white inheritances exist in the mulatto—fettered the one to the other, always separate and distinct, reacting to the influence of environment, education, and training, each after its own way, resulting in an individual that becomes a greater menace to society, and consequently develops a problem more serious and difficult of solution than the problem furnished by the dwelling together of the black man and the white man, under a condition where the mixture of the two strains is prohibited.

This entanglement of Negro blood with white blood; this enslaving of white and black inheritances, impairing eternally the respective inheritance of each, is the most serious problem confronting America today. Racial decay, from that form of amalgamation between superior and inferior types, is written upon the crumbling ruins and the fading parchments of every dead civilization. There is no exception—not one.

I wish to take a few moments to discuss amalgamation.

The result of amalgamation between the white race and the black race is the mulatto; the complete loss of identity of both races. The mulatto is not only a menace to our Caucasian civilization, he is also a menace to the full-blooded Negro. The degree of this menace is in direct proportion to his abilities and achievements attributable to his white inheritance. Behind the mulatto stand the masses of the Negro group. As a matter of fact, the mulatto, in this country, is monopolizing much that is intended for the Negro. It is the mulatto, rather than the full-blooded Negro, who extends the range of interracial competition to those working in fields other than manual labor. I have it upon the word of unquestionable authority that the mulatto now constitutes at least 50 percent of the Negro population of the District of Columbia.

The National Business League, very probably the most important business organization of the Negro race, in 1915 had for its officers one black Negro and 11 mulattoes. Its executive committee, 14 in number, was composed wholly of mulattoes. The life members of this league numbered 235; the classification of 16 was unknown; of the remainder 17 were black and 202 were mulattoes. Negroes who are in the employ of the United States Government are said to receive in salaries more than $60,000,000 annually. A very large part of this sum is paid to Negroes in the District of Columbia. Of the 20 members of the Negro race who have held seats in the Nations House of Representatives, 3 were

black and 17 were mulattoes. Of the 19 members of the race who were considered prominent during reconstruction days, 4 were classed as black and 14 as mulattoes. Of the six lieutenant governors furnished by the race during reconstruction days, all were mulattoes. Under President Taft, 14 important political positions were allotted to this race, and all of them were filled by mulattoes. The mulatto dominates completely the political organizations of the Negro. He is in position to control the patronage allotted to the Negro race; and in doing so, he sees to it that virtually all of the important Government jobs set apart for the Negro race are given to the mulattoes. The Federal Government in this respect, is throwing the weight of its influence against whatever effort the Negro might have made to preserve his racial integrity. Make a tour of any one of the Government buildings and see for yourself how large a part of the Negroes employed are mulattoes. In the Bureau of Printing and Engraving, it was noted in October of 1926, that of the 597 Negroes employed in that Bureau, 486, or 81.4 percent were mulattoes.

Take the higher institutions of learning that are maintained for the benefit of the Negro; they are dominated by the mulattoes, both in teaching force and in their student groups. In 1916 an investigation was made of the conditions obtaining in 25 Negro colleges and universities. There were enrolled in these institutions 9,172 students, of whom 7,567 were classed as mulattoes and only 1,605 as black, and they were not necessarily full-blooded Negroes. Morgan College, of Baltimore, was found to have 450 students, and everyone of them was a mulatto. Wilberforce University was credited with 450 students, of whom 394 were mulattoes and 46 blacks. Of 29 Negro educational institutions of college or university grade presided over by other than white men, 3 had presidents classed as black, while 26 had mulatto presidents. Of 17 State agricultural and mechanical colleges, 1 had a white president, 1 a Negro president, and 14 had mulatto presidents, with 1 unclassified. Take the institution founded by Booker T. Washington, who, by the way, was a mulatto himself. The teaching force of this school numbers about 200. Nine of them are Negroes, and not one of them holds a high position, while 184 are persons of mixed blood. Mr. William Archer, an English writer, after visiting that school, said:

> Indeed, I saw no one in high positions at Tuskegee who would not, with very small lightening of hue, have been taken without question for a white man.

Thus, we find that the higher grade institutions for the education of the Negro race are dominated—practically monopolized—by the mulatto, both in their teaching force and in their student body. The fact that a relatively few full-blooded Negroes have made good in their respective callings goes to show that a sufficient number of capable, full-blooded Negroes may be found to direct the destinies of their race and make more secure the inheritance values of the Negro race. The full-blooded Negro has not had a fair chance in his own institutions. He does not receive the benefits to which he is entitled any more from the mulatto members of his race than he does from the full-blooded Caucasian. He does not get his fair chance at all the blessings that flow from the higher educational institutions maintained for his race, the full-blooded Negro. He has no opportunity for the cultivation, by means of these institutions, of personal and racial self-respect.

Not only are mulattoes employed almost wholly as teachers in the institutions of learning maintained for the benefit of the Negro race, but they also control the churches and those institutions of learning supported by the churches. In 1914, the nine bishops of the Colored Methodist Episcopal Church were all mulattoes. There were 11 general officers of the church, and 9 of these were mulattoes, with two unclassified. Of the 27 bishops of the African Methodist Church, 4 were classed as black and 23 as mulattoes. Of the 8 bishops of the African Methodist Episcopal Zion Church, 2 were classed as black, and 6 as mulattoes. The officers of the National Baptist Convention, colored, were 12 in number, and all of them were mulattoes. Among the most prominent representatives of the Methodist ministry in the United States, there are about 580 persons; 95 of these are full-blood Negroes, and 485 are known to be mulattoes. Thus it may be seen that with mulattoes as the political leaders of the Negro race, with mulattoes as the teachers of its youth, with mulattoes occupying its pulpits, there can be no hope whatever in this country of any marked improvement of moral uplift in the character of the race, as a race. What is needed today more than anything else is to place before the Negro an opportunity whereby he can give to his race a racial pride and can inculcate in its members a compelling religious zeal for racial preservation.

Under present conditions, with the mulattoes dominating the business, political, educational, and religious activities of the Negro race, there is little to convince the full-blooded Negro that his racial integrity is worth preserving. The only method by which he can be given this opportunity to make secure his racial integrity and to make certain his racial preservation is by transporting him to a country where he can have the free exercise of all those inheritances which nature, through selective breeding confined to his own kind, has been able to build up and maintain for him. He must grow from within, and abandon all further hope of development from without. If that be true, he must be so circumstanced that those opportunities that have contributed to the development of other races may be afforded him without stint. All the moral, social, and religious safeguards that may be thrown around him for his protection in any country except one of his own will prove inadequate. If he remains here, he will eventually lose his identity as a race, and this impending threat of racial intermixture is the one thing above all others that justifies and demands racial separation in the interest of both races. In the matter of initial racial intermixture, heretofore a distinctly lower type of white men, with some exceptions, has been responsible for the evil, while the higher types, in obedience to law and enlightened conscience, and in respect for public sentiment, have refrained. That situation, however, we have reason to believe, is slowly but surely changing. The alarming increase in the number of mulattoes and the leadership they have assumed with respect to the social, political, and educational activities of the race, is encouraging the practice of miscegenation.

I could cite hundreds of examples tending to show the extent to which leading officials in the employ of our Government are giving aid and direct encouragement to a more extended intermingling of the white and Negro races. I shall not take the pains to encumber this discussion with more than one or two cases out of many in verification of the accuracy of this statement. I know of no attempt upon the part of officials of any of the divisions of Government to encourage social equality that has caused my blood to boil with more fiery indignation than the particular instance which I now have in mind to submit.

It was in the month of February, somewhere between the 3d and 5th of the month, that the newspapers of Washington carried an account of a social gathering of the higher-up employees of the W. P. A. at the home of Henry Alsberg, a white man, chief of W. P. A. writers' project. To this party Mrs. Ellen Woodward, Assistant Administrator of the W. P. A., a most highly efficient, educated, and cultured woman, from the State of Mississippi, was invited. Mrs. Woodward belongs to one of the finest families of my State. She is the daughter of an ex-United States Senator and a niece of a former United States Senator. It was a perfectly natural thing for Mrs. Woodward, as Assistant Administrator of the W. P. A., to accept an invitation to any social gathering of employees and officials of the W. P. A. at the home of the chief of the writers' project, Mr. Henry Alsberg. The newspaper article went on to say that when Mrs. Ellen Woodward arrived she was given a round of introductions to colored guests, and that she evidenced accomplishments enabling her to mingle graciously with colored people, in spite of the traditions of her southland.

This is a case in which an innocent and unsuspecting woman of the South, brought up under traditions that had taught her from her youth up to abhor the social intermingling of two diverse races, was suddenly, if not forcibly, thrust into this motley melee of miscegenated mongrels and full-blood Ethiopians. The reporter giving the details of this party and the incident of Mrs. Woodward's appearance and introductions to these Negroes was careful to leave the plain inference that Mrs. Woodward, up to the moment of her presentation, was wholly unaware of the fact that Negroes would be present. As a Senator from the State of Mississippi, the home of Mrs. Woodward, and on her behalf and that of the white citizens of that State, I resent this deception that was practiced upon Mrs. Woodward and denounce the perpetrator of it all as a willful, malicious, premeditated calumniator, not only of southern womanhood but of the white women, wheresoever they may be found, of the United States of America. I also stand ready to defend the appearance of Mrs. Woodward at this off-colored party of mental prostitutes on the ground that when accepting the invitation extended her she had no knowledge of the character or complexion of the people who would be present. She had every right to assume that no gentleman would invite her to a social gathering where Negroes were to be met on a social level with white people.

If this deception had been practiced in her native State, Mississippi, those who perpetrated it would have decorated the tallest magnolia tree available nearby before the sound of revelry from the party had died out upon the midnight air. Thus would have been avenged the honor and the good name of southern womanhood.

Not only were the details of this party featured by the leading white newspaper publications of the city of Washington but it also appeared later in bold headlines in the Afro-American, a Negro newspaper, also published in Washington. This Negro newspaper said:

White Mississippi W. P. A. official forgets social bugaboo. Mississippi-born Mrs. Ellen S. Woodward, white W. P. A. assistant administrator, knows how to mingle socially with colored people, despite traditions of her Southland.

Mrs. Woodward went to a party in the home of Henry Alsberg, white chief of the W. P. A. writers' project, and had her round of introductions to colored guests. The southern-bred official appeared gracious and happy.

That is what the Negro newspaper said. What a sweet morsel was this to be rolled under the black tongue of Ethiopia.

In this connection, I wish to bring to your attention an article that appeared in the Daily Oklahoman just a few days after the Washington incident I have just related, February 13, 1938. The article, in full, reads as follows:

YOUTH MIXES SOCIAL RACES

Negroes were hosts to whites at a "social" at which both races joined in a square dance Saturday night at the Community Center, Brockway, 615 Northeast Fourth Street, in the Negro district.

The affair was the first of a scheduled series of monthly parties growing out of the Oklahoma Youth Legislature, which held its first annual session at the Capitol December 31 and January 1. White members of the legislature are to be hosts in about a month, at a place not yet determined.

Most of the 100 present Saturday night were college students from Oklahoma City University, Phillips University, Enid; the University of Oklahoma, Norman; Oklahoma A. and M. College, Stillwater; and Colored A. and M. University, Langston. About a third of the participants were young women of both races, in party dress.

Negroes were admitted to membership in the legislative session, with Jim Crow rules not applied. However, they were barred from a dance sponsored by the legislature December 31.

Leslie Edie, secretary of the youth legislature, a graduate of Oklahoma City University, and William Cunningham, State director of the Works Progress Administration writers' project, were among those present Saturday night.

It will be noted in the last paragraph of this article that William Cunningham, State director of the Works Progress Administration writers' project, was among those present. It appears that the slimy trail of these W. P. A. writers' project serpents is found insinuating itself through all these weird and woeful manifestations of social racial degeneracy.

These project writers are the men and women to whom has been assigned the duty of writing the history of the achievements of the white people of America in the various communities that comprise in the aggregate the entire area of the country. May we not with some degree of certainty, in the light of the incidents just given, anticipate the kind of history that will be written? Under no probability have we an assurance that it will be a contribution in support of racial integrity.

I will stop here long enough to remark that I received a copy of one of these writers' projects, the W. P. A. history of Mississippi, my own State; and in their attempt to describe a certain house which I own, they told about 14 different kinds of lies about it. [Laughter.]

About the time that the amalgamated social festivities took place which I have previously presented, an article appeared in a Negro newspaper, the Pittsburg Courier, under the signature of George S. Schuyler. Among other things, this article stated:

The American Negro is dying out, not by way of casket, but by way of the cradle.

He means they are dying out by means of amalgamation; that the Negro type is passing out through the process of miscegenation. The article states further:

Biological identity is just a matter of time. It is grateful to find so many people of today who have detected the hollowness of the whole racial hokum, whether Negro, Caucasian, or Mongolian, and repudiated it lock, stock, and barrel.

Women are gradually coming into the wealth of the world, already controlling 60 percent. * * * Women will more openly pick and choose their mates without consulting men. * * * There are just about three ways of acquiring wealth; (a) by taking it, (b) by inheriting it, and (c) by marrying it. The first two channels are virtually closed to Negroes. Thus, being what they are, there remains only one of the traditional means of acquiring wealth and position. Now, just why should Negroes close up this last channel merely because some white people frown upon it? Even if the white party to an interracial marriage has no money * * * the offspring will lighten the group (which is obviously the great Afro-American desideratum) and bring it closer to the national norm of pulchritude, thus erasing the extreme difference between the two stocks.

The writer admits that there is an extreme difference between the two races, and his justification for commending interracial marriage is that it will lighten and brighten up the black group and bring it closer to the color of the superior group. His interest is solely in the Negro, and that interest, primarily, is to change his color at the expense of the discoloration of the white.

While thousands of examples could be produced in proof of the accuracy of the statement that the number of mulattoes in the United States is rapidly increasing, and that the practice assumed by the leadership of the mulatto group and certain misguided negrophilists among the whites with respect to the social, political, and educational activities of the Negro race is encouraging the tendency toward miscegenation, I shall take time to give only one further case illustrative of the abnormal drift toward amalgamation characteristic of this latter-day age.

Mr. WAGNER. Mr. President, will the Senator yield long enough to let me ask unanimous consent for the consideration of a bill to which I am quite confident there will be no objection?

Mr. BILBO. I shall soon be through. I would rather not yield for that purpose at this time. The bill might not pass by unanimous consent.

Mr. WAGNER. Very well; I will wait.

Mr. BILBO. If it is like some of the bills the Senator from New York has introduced—the antilynching bill, for example—I know it will not.

The International News Service, on May 11, 1938, carried in all the leading newspapers of the country an account of the marriage of a socialite and a great social worker to a Boston Negro. The woman's name is Mary Bradley "Polly" Dawes, age 30, Boston socialite school teacher, and a graduate of Boston University. The man, Julien Denegal Steele, is a graduate of Harvard University, and former director of

Robert Gould Shaw House, Boston, Mass. This couple married in a small New York church on May 11, and the ceremonies were attended by a few close friends. Miss Dawes was referred to in the announcement carried by the press as a distant relative of Gen. Charles G. Dawes, of Chicago, former Vice President of the United States. Of course the Negro, Steele, had no background other than that he was a graduate of Harvard University, and a director of the Robert Gould Shaw House.

What interests me most, in bringing to your attention this shocking incident, is what the man and woman each had to say about this marriage. The Negro, Steele, said:

True love knows no barrier. It transcends class, color, creed, or conditions. Fundamentally we are all human beings; we are all capable of rising to the same heights or sinking to the same depths, depending on our environment and opportunities, or lack of it.

Steele shows by this declaration that he has been a close student of the philosophy that has been taught for hundreds of years in this country by the abolitionists, negrophilists, and miscegenationists. Their contention has been that all men are created equal, and that if you were to give the Negro the same environment, the same training and the same education that is given the white man, he could be lifted to the white man's level. In this discussion I have submitted irrefutable proofs to the contrary. I have endeavored to show that racial values and hereditary capacity cannot be refashioned by environment.

This Negro, Steele, is dwelling in the same fool's paradise that was created for him and all other Negroes by a class of negrophilists and misguided, but well-meaning, humanitarians, whose principal pastime since the Civil War has been the shedding of countless tears over the Negro's condition as a liberated slave without political or social rights. He overlooks the teachings of science, namely, that heredity and all that it implies represents the only capital of the race; that individual inheritances and race inheritances are the only forces that can be transmitted to succeeding generations, and that environment, education, and training is only for the present—just for today—and cannot be handed down to offspring; that each individual born into the world, regardless of race, must begin life destitute of all that education and environment may have done for his predecessors; must start from a pivot of absolute ignorance and must acquire for himself such advancement and accomplishments as education and environment may bestow, and to such degree only as his hereditary powers and capacities may prescribe. The inheritance values of the Negro race are inferior to those of the Caucasian race. This is fundamental, and, furthermore, the difference in hereditary capacity as between the black and the white races, is greater than is shown between any other two races. It is this false doctrine of equal inheritance values between diverse races that has done more to augment the difficulties in the way of a solution of the race problem than all other things combined.

Let us now consider what Miss Polly Dawes had to say about her marriage:

I love Julien Steele. We have been sweethearts for 6 years. We want our romance and marriage to appear in its true light. This is no sudden thing. There has been a great deal of misunderstanding because facts were half told.

All that was told about it was that it was a Negro man and a white woman.

I became acquainted with Julien at the Robert Gould Shaw House, where I attended the nursery training school.

Going to school with a Negro—

As part of my training I did work there. He was not the head at the time. I know the serious step we have taken. I know we are battering the barriers of tradition. I appreciate that we are flaunting the canons of convention, but we are fortunate in America.

With a Congress which will not do anything about it—

We are coming out of the shadows of barbarism into the sunlight of civilization.

For a moment, let us contrast the words and sentiments of the principals in this terrible tragedy. Miss Dawes realizes that she is taking a "serious step." The Negro has no conception of seriousness. The hereditary instincts of Miss Dawes—the very best blood and inheritance of her race—impel her to give expression to the eternal truth that she is "battering down barriers" that have been set up as a protection of racial integrity for 10,000 years, and that she is proceeding deliberately against all the traditions of her glorious heritage; and last, but not least, that she is "flaunting the canons of convention."

The Negro possesses no inheritance capable of bringing to his consciousness any awareness of the awful consequences of his act. He merely dons the robe of a culture that has been tailored for him; he merely repeats after the manner of a parrot the fundamentals of a doctrine of racial equality that was originated by the negrophilists and promulgated for the Negro's benefit. Furthermore, the only justification she offers for taking a step so serious, and for running counter to all convention and tradition, is found in these words: "But we are fortunate in America." In other words, she lives in a country that permits and condones the infamy of her act. She appears to be sustained in her mad and insane determination to mingle her blood, impregnated with the highest genetic values of the Caucasian, with the blood of an African, whose racial strains have dwelt for 6,000 years or more in the jungles of a continent that the migratory instinct of the Caucasian has not yet, even to this day, been able fully to explore; just because she happens to be situated in a country that has no laws against miscegenation, and considers the Negro the equal of the white man.

I have introduced a bill seeking to prohibit marriages between whites and blacks in the District of Columbia. The committee has been considering the matter seriously; the bill has not been reported.

Polly Dawes, in concluding her remarks, said, "We are coming out of the shadow of barbarism into the sunlight of civilization." Poor Polly, in her last supreme effort to escape the despair of her impending doom, realizing that behind the barriers she has sought to batter to pieces lurks the shuddering shadow of barbarism, stoops down to the level of her lord and master, entwining her arms around the frightful product of barbarism she envisions, and presses tenderly and sympathetically the black, burry head of the Ethiopian upon a bosom white and stainless as the snow upon volcanic lips, and then, with all the energies of her tortured soil, struggles to lift up what God has put asunder and held apart for countless centuries into the sunlight of civilization.

Mr. President, the free air and sunshine of heaven will no sooner pour in upon him, this Julian of Polly's; this sun of civilization will no sooner arise with burning breath, then, lo, smitten by the breeze and beam, he will wither and die, this false idol of Polly's, and drag down with him into the charnel house of racial unchastity the beautiful Caucasian flower that stooped to lift him into the sunlight of civilization.

Miss Polly Dawes, by mating with a Negro, has not only battered down the barriers of tradition, but she has battered down a wall of protection that Nature has built around the inheritances that have been transmitted to her in an unbroken strain of purity through countless centuries. As before stated in this discussion, there is nothing that man can do to improve his inherited capacities. These hereditary powers have come down to us unchanged from the remote recesses of the past. Man himself is powerless to improve them, but he can impair them.

The great leaders in scientific research have found that this impairment of hereditary values can take place in only four ways: First, by the use of alcohol; second, by opiates; third, from a venereal disease; and fourth, by the mingling of the blood of widely different and diverse races. If by the mating of Dawes and Steele, of a Caucasian with an Ethiopian, the union should be cursed by a hybrid offspring. Nature has decreed that throughout all the eternities yet to dawn the impairment to the hereditary values of the off-

spring of the parties to the union will stand weakened and impoverished and incapable of further change except by further impairment through the folly and madness of some individual descendant. The sons or daughters of Polly and Julian may be physically strong and perfect; they may be educated and trained in the world's greatest institutions of learning; they may be circumstanced by every environment calculated to bestow the highest culture—but their mixed inheritances can never respond to that environment after the manner and to the extent that would follow if these inheritances were drawn from racial strains of close affinity. This is the penalty that Nature has exacted of those who disobey her laws of heredity. The story of the marriage of Polly and Julian is replete with other circumstances of the utmost significance. These individuals were permitted to know each other and to live together upon terms of social equality for 6 long years. Without this opportunity for companionship, this crime against Nature could never have been committed. The presence of even a color line, such as is in existence and observed in the South, would have made impossible the enactment of such a tragedy.

Is it not time, Mr. President, that the people of this Nation—that this Congress, composed of the qualified and duly authorized representatives of the people—should take notice of what is transpiring already in the most populous centers of our country; more especially of the things that come under our observation here at the very seat of our government, here in this beloved and beautiful Washington of ours, where whites and blacks are herded together in our public buildings, eating at the same cafeterias, drinking from the same fountains, and working together within the limited boundaries of four 18-foot walls.

I understand that at Walter Reed Hospital the officers in charge compel the whites and blacks undergoing treatment for sicknesses to live and sleep in the same ward.

We have the situation where white men are dictating to Negro stenographers and black men are dictating to white stenographers; where the evidences of practical social and political equality meet the eye and engender the amazement and astonishment of every passing Caucasian and of every citizen who takes pride in his race consciousness and would pour out the last drop of its unpolluted blood, if need be, to make secure and to keep forever uncontaminated the pure and undefiled racial strain to which he belongs.

We are permitting the very things to transpire under our own roof that made possible the marriage of a member of America's most noted and highly cultured family to a Negro. Heretofore it has been contended that intercourse between the Negroes and the whites, and intermarriage of the two races, was confined to the lower classes of both races, and sometimes between the better educated groups of the Negroes and the underprivileged strata of the whites. It was never thought that any attempt to break down the barriers of tradition, or override the canons of convention would be attempted by any member of the higher classes of society. It is not altogether impossible now to visualize the extent to which intermarriage between the two races will go. When one weighs the growth of the mingling of racial inheritances for the past quarter of a century, one is made to stagger when considering its possibilities in the future.

Mr. President, we who live at beautiful Uvalde in far-away Texas; and who live at quiet, secluded Juniper Grove down by the Mexico Gulf, in Mississippi, a section of our common country where the color line has kept apart these divergent races, where a public sentiment, and what some may term a racial prejudice, has made it impossible for a white man or a white woman to marry a Negro and remain in the South with the expectation of enjoying social or political recognition, cannot by the wildest stretch of imagination conceive of a time when someone who is bone of our bone and flesh of our flesh would unite under the holy bonds of matrimony with an Ethiopian. Ten years ago, I am sure, the Honorable Charles G. Dawes entertained the same views with respect to the mating of any member of his family, his kith and kin, with a Negro, that you and I now possess with respect to our families, or our kith or kin.

Mr. President, once upon a time Charles G. Dawes occupied the same seat where you now sit; he was Vice President of the United States. Charles G. Dawes has been disillusioned. I pray to God that you and I and the Senators here assembled may be spared the pitiable fate of a similar disillusionment. I fear, though, that unless we take steps to bring about a peaceful separation of the two races—the repatriation of the colored race to Africa—my prayer and that of all others will be unavailing, for God helps those only who help themselves.

In concluding this discussion of the amalgamation of the two races I want to leave with the Senate a startling thought and ask Senators to take it home with them and think it over. It is that on the basis of extensive studies made by Dr. Charles S. Johnson it is estimated that from ten to twenty thousand Negroes pass annually from the colored group into the white. Appalling as these figures may seem, I doubt that this yearly trek of Negroes across the color line is less than from thirty to fifty thousand. This exodus over the racial boundary will increase in geometrical ratio as the years go by. A few more examples set by men and women in the higher ranks of society similar to the one given by Polly Dawes will give added impetus to this migratory movement.

The first step toward social equality is political equality. As time passes on this insistence on political and social equality of the Negro will be an ever-recurring subject to be dealt with—a perennial source of disquieting discussion superinduced by strong sectional feelings.

Since the Negro at many strategic points is becoming more and more a determining political factor, the chances for his acquiring these objectives are steadily and alarmingly increasing. When once every barrier separating the two races is removed miscegenation becomes inevitable and complete amalgamation inescapable. To deny this truth is to assume a position unsupported by the history of the two races wherever and whenever they have lived together for any appreciable length of time. Even the color line, however rigidly drawn, is powerless to stop ultimate mongrelization; it can only produce delay.

After a careful study of the history of the sustained contact of the two races throughout recorded time, and after noting with what fine precision the processes of amalgamation in this country are proceeding under the same influences that have so successfully operated in the past, I now stand ready to offer repatriation as the only solution of this, the most serious of all problems confronting the American people. We as a nation are headed definitely toward hybridization. The purity of the Caucasian race in the Western Hemisphere is at stake; the perpetuity of the Anglo-Saxon culture and civilization is becoming slowly but surely imperiled; a doom more horrible is incapable of contemplation. It can all be summed up in one word, and that word is "annihilation."

Two difficulties lie directly in the way of creating a sentiment in favor of repatriation of the Negroes; one is altruism, running suicidally mad in the interest of the Negro. From time immemorial it has been the disposition of the superior race to stoop down in an effort to lift up the inferior race. This futile practice of the higher race, reaching down with arms of love to lift up a lower race to its own altitude, is self-destructive in that it results in the downfall of the superior race. The first duty of any race is to itself, to put forth all its energies to unfold the full flower of its own being. The danger that the superior race is facing, the importance of the interests at stake, the imperilment of race purity and perpetuity, call for no display of emotions, of sympathy, or pity for the inferior race. These sentiments which confuse and becloud the judgment, contribute more to the defeat of a sane solution of the problem than race prejudice. It is possible for race prejudice to be a valuable asset because it is associated invariably with race

pride, the very thing necessary to be stimulated if amalgamation is to be deferred and finally avoided. The menace to race purity is intensified by the insistence of well-meaning but ill-informed philanthropists that, in the interest of humanity, social equality and equal opportunity for all must be rigidly enforced, regardless of race or color. In the North and other sections where the Negro has become a political factor, the clamor is quite audible for the Negro to be permitted to have equal political, social, industrial, and civil rights with the white man. The North has been crying over the Negro since the institution of slavery was established in this country, and the South, during that interim, has been crying because of him. He is a perpetual source of emotional exhibitions. By some people, farm tenancy, social justice, slum clearance, social security, and "forgotten man" are thought of only in terms of the Negro. "Lo the poor Indian," was long ago discarded and gave place to "Lo the poor Negro." The result of all this is that he has been influenced and directed by white men and white women whose judgments have been warped by emotions of sympathy and pity. Far more favorably would it have redounded to his welfare and happiness had he been guided by hands moved through the impulse of blind prejudice. Prejudice would have condemned him to no worse fate than political disbarment, enforced segregation, and a decent, wholesome respect for the color line.

The other difficulty which stands in the way of repatriation for the Negro is the inability of the average man to attach sufficient importance to an event that will take place in some distant time, and to perceive the dangers of amalgamation, because the processes bringing it about move with the stealthiness of the silent tread of a panther.

For example, amalgamation gathers strength and momentum with the gradual imperceptibleness of the wearing away of a stone by the continual dropping of water. Its subtle and imponderable approachment is after the manner of a creeping paralysis, the slow indiscernible spread of a poison to all the delicate sources of strength and vitality outlying in every precinct of the human anatomy. The leaden-footed processes by which inevitable amalgamation insiduously eases upon us may be likened to the calm, unimpressive, deliberate movement of a gigantic glacier, or to the slightly perceivable phenomenon of a slowly convergent infinite series. Because of this long range of well-nigh hidden and obscure processes that lead to a point of blood contamination and race decadence from which there is no retreat, it is difficult to arouse in the heart and conscience of the people and of their leaders a proper appreciation of the awful significance of a progressing peril and all the horrifying consequences attendant upon the hopeless sinking of the great Caucasian race into the mire of mongrelism.

For these reasons I appreciate the magnitude of the task of sounding the alarm sufficiently appealingly and impressively to arouse concerted action among the people toward the adoption of remedial plans to avert amalgamation—a universally acknowledged, growing menace to our Anglo-Saxon civilization.

Notwithstanding the difficulties that I have outlined, besetting the undertaking to repatriate the Negro, it is my intention, through this amendment to the relief measure, to allocate such part of the relief appropriation as the President may deem sufficient to set up and carry on a Negro repatriation administration for the purpose of aiding Negroes in the United States to return to their homeland in Liberia, or such other contiguous territory as may be secured for them. My amendment also will empower the President to enter into and consummate, upon fair and equitable terms, negotiations with France and Great Britain for territory belonging to these countries, lying adjacent to Liberia, upon the basis of an exchange of these lands for agreed credits to be given them on the war debts due the United States, such lands so acquired to be deeded to a corporation controlling the lands for the exclusive benefit of Negroes from this country settling voluntarily on such lands, through the aid and cooperation of the United States Government.

Complete details of the repatriation movement will be left to the President, and it is assumed that he will very probably follow the plan adopted by the resettlement administration for the benefit of impoverished farmers in this country. A similar proposal was carried out in transporting farmers from the "dust bowl" in the Northwest to Alaska, and there providing for their settlement and rehabilitation through adequate Government aid.

The Negro repatriation idea, in its entire scheme of things, is based solely upon the readiness and willingness of the Negro to accept the opportunity offered.

I think every Negro in the country ought to vote for every Member of the Senate and the House who will get behind the movement and put it over. It is not an effort to compel the Negro to emigrate to his homeland. It is a movement to show him the way home, and not only to help him return to that home but to assist him in maintaining himself for a reasonable time when once repatriated.

Over 2,000,000 Negroes in the United States have already signed a petition signifying their desire to return to their homeland in Liberia. After many efforts in various sections of this country to secure for themselves equal rights and privileges with the white race, they have despaired of all hope of attaining these things under the exceedingly unfavorable conditions which obtain in the United States. Hence their registered wish—2,000,000 strong—for a chance in Liberia to enjoy the social, political, and civil rights denied them in this country, to preserve their racial purity apart from the white man, and to seek and employ an opportunity to give proof to the world that the Negro race is now sufficiently advanced under the tutelage of the white man to establish and maintain a civilization of its own. The Negro further realizes that if he is given the opportunity and then fails, the experiment will be proof positive that he is not now, and has never been, entitled to equal opportunities and rights with the white man, and that all his aspirations in this respect heretofore have been no more than an idle, iridescent dream.

Mr. President, I know that the amendment which I have presented, providing for the repatriation of the American Negro in his native land, Africa, and for the purchase of additional lands in Africa lying contiguous to the Republic of Liberia, presents a novel and far-reaching proposal, to which a majority of the Members of Congress up to this time have given only limited consideration. The amendment proposes legislation that should receive the fullest consideration because of its far-reaching effect upon the destinies of the two races involved.

The amendment involves legislation which should be referred to a committee for thorough and extensive hearings. Not only does the proposed legislation involve the great and important problem of preserving the racial purity of the two races and the salvation of our Anglo-Saxon civilization, but the economic condition of the country might be affected thereby. Therefore, I have decided not to ask the Congress to vote upon the proposal at this time.

I am aware of the fact that the Members of the Congress are not now prepared to pass upon this question. I am sure it will be the desire of every Member of Congress to give thoughtful consideration to the issues involved in the amendment, as well as to have an opportunity to consult their constituents and get their reactions to these measures.

My purpose in presenting the proposal at this time is to put the Congress and the country on notice that at a future session of Congress I shall again present the whole matter in a single bill. It has been my purpose to sound a note of warning of the dangers and difficulties that confront the American people just so long as we permit two races of such widely diverse characteristics to attempt to live side by side.

This is a problem upon which the destiny of our race and our civilization depends—a problem that must be met and solved before it is beyond our power so to do. The only solution is separation or repatriation.

The intent of this discussion is to stimulate the thought of the American people along lines that will lead, in the end, to a solution satisfactory to both races.

I therefore withdraw the amendment submitted.

CHARITABLE CONTRIBUTIONS BY FEDERAL RESERVE BANKS

Mr. WAGNER. Mr. President, after conferring with both the majority leader and the minority leader, as well as the Senator in charge of the pending measure, who expressed no objection to what I propose to do, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 1899, being Senate bill 4022, introduced by me and reported by the Committee on Banking and Currency.

The PRESIDING OFFICER (Mr. HATCH in the chair). The Senator from New York requests unanimous consent to lay aside temporarily the unfinished business and proceed to the consideration of Senate bill 4022. Is there objection?

There being no objection, the Senate proceeded to consider the bill (S. 4022) to amend the Federal Reserve Act in regard to charitable contributions, and for other purposes, which had been reported from the Committee on Banking and Currency with an amendment, on page 1, line 8, after the word "welfare", to strike out "any Federal Reserve bank or", so as to make the bill read:

Be it enacted, etc., That the Federal Reserve Act, as amended, is amended by adding after section 13b a new section as follows:

"SEC. 13c. In localities where State banking institutions are permitted under the State law to contribute to community funds, or charitable, philanthropic, or benevolent instrumentalities conducive to public welfare, any member bank of the Federal Reserve System may also contribute to such funds or instrumentalities, and the directors or trustees of any such bank may appropriate and expend for such purposes such sum or sums as they may deem expedient and in the interests of the bank."

The amendment was agreed to.

Mr. WAGNER. Mr. President, all that the bill does is to permit banks which are members of the Federal Reserve System to make charitable contributions in States where the State laws permit such contributions to be made by State banks. The purpose of the bill is to help many of the welfare funds in the different States. Such contributions have always been made by Federal Reserve banks, but very recently the question has arisen as to whether the banks have the legal right to make such contributions. I think the contributions are for a worthy object, because they contribute toward the welfare and tranquillity of the communities in which the banks are located. The banks are as much interested in the communities as is anybody else.

I may say that to the bill as presented there is no objection from the Federal Deposit Insurance Corporation, the Treasury Department, or the Federal Reserve Board.

The PRESIDING OFFICER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

EXECUTIVE SESSION

Mr. BARKLEY. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE REPORTS OF A COMMITTEE

Mr. McKELLAR, from the Committee on Post Offices and Post Roads, reported favorably the nominations of sundry postmasters, which were ordered to be placed on the Executive Calendar.

The PRESIDING OFFICER (Mr. HATCH in the chair). If there be no further reports of committees, the clerk will state in their order the nominations on the calendar.

SECURITIES AND EXCHANGE COMMISSION

The legislative clerk read the nomination of George C. Mathews, of Wisconsin, to be a member of the Securities and Exchange Commission.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

TREASURY DEPARTMENT

The legislative clerk read the nomination of John W. Hanes, of North Carolina, to be Assistant Secretary of the Treasury.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

THE JUDICIARY

The legislative clerk read the nomination of James B. Frazier, Jr., to be United States attorney for the eastern district of Tennessee.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

Mr. McKELLAR. Mr. President, the nomination of Mr. FRAZIER has been delayed for some time. I ask unanimous sent that the President be notified of the confirmation of the nomination.

The PRESIDING OFFICER. Without objection, the President will be notified.

SOCIAL SECURITY BOARD

The legislative clerk read the nomination of Max William Stern, of California, to be Director of Informational Service.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

COLLECTOR OF INTERNAL REVENUE

The legislative clerk read the nomination of John E. Manning to be collector of internal revenue for the fifth district of New Jersey.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

UNITED STATES PUBLIC HEALTH SERVICE

The legislative clerk read the nomination of Jack L. James to be assistant surgeon.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

POSTMASTERS

The legislative clerk proceeded to read sundry nominations of postmasters.

Mr. McKELLAR. I ask unanimous consent that the nominations of postmasters be confirmed en bloc.

The PRESIDING OFFICER. Without objection, the nominations of postmasters are confirmed en bloc.

IN THE ARMY

The legislative clerk proceeded to read sundry nominations in the Army.

Mr. SHEPPARD. I ask unanimous consent that the nominations in the Army be confirmed en bloc.

The PRESIDING OFFICER. Without objection, the nominations in the Army are confirmed en bloc.

IN THE MARINE CORPS

The legislative clerk proceeded to read sundry nominations in the Marine Corps.

Mr. BARKLEY. I ask unanimous consent that the nominations in the Marine Corps be confirmed en bloc.

The PRESIDING OFFICER. Without objection the nominations in the Marine Corps are confirmed en bloc.

RECESS

The Senate resumed legislative session.

Mr. BARKLEY. I move that the Senate take a recess until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 5 o'clock and 40 minutes p. m.) the Senate took a recess until tomorrow, Wednesday, May 25, 1938, at 12 o'clock meridian.

CONFIRMATIONS

Executive nominations confirmed by the Senate on May 24 (legislative day of April 20), 1938

SECURITIES AND EXCHANGE COMMISSION

George C. Mathews to be a member of the Securities and Exchange Commission.

TREASURY DEPARTMENT

John W. Hanes to be Assistant Secretary of the Treasury.

UNITED STATES ATTORNEY

James B. Frazier, Jr., to be United States attorney for the eastern district of Tennessee.

SOCIAL SECURITY BOARD

Max William Stern to be Director of Informational Service in the Social Security Board.

COLLECTOR OF INTERNAL REVENUE

John E. Manning to be collector of internal revenue for the fifth district of New Jersey.

UNITED STATES PUBLIC HEALTH SERVICE

Jack L. James to be an assistant surgeon in the United States Public Health Service.

APPOINTMENT, BY TRANSFER, IN THE REGULAR ARMY

First Lt. John Henry Weber to Ordnance Department.
First Lt. Joseph Edward Barzynski, Jr., to Air Corps.

PROMOTIONS IN THE REGULAR ARMY

MEDICAL CORPS

Charles Moore Walson to be colonel.
Ralph Wendell Lewis to be captain.
Scott Murray Smith to be captain.
Frank Dudley Jones, Jr., to be captain.
Robert Reed Kelley to be captain.
Lee Page Mayes to be captain.
Warren Henry Diessner to be captain.
Howard Fletcher Currie to be captain.
Robert La Tourrette Cavenaugh to be captain.
William Frederic Holmes, Jr., to be captain.
Maurice Crawford Davidson to be captain.
Charles Henry Bramlitt to be captain.

DENTAL CORPS

Arthur Letcher Irons to be major.

VETERINARY CORPS

Raymond Thomas Seymour to be lieutenant colonel.
Oscar Charles Schwalm to be lieutenant colonel.
Claude Francis Cox to be lieutenant colonel.
Donald Clifford Kelley to be captain.
Bernard Francis Trum to be captain.

PROMOTIONS IN THE NAVY

MARINE CORPS

Earl C. Long to be colonel.
Selden B. Kennedy to be colonel.
William T. Clement to be lieutenant colonel.
William S. Fellers to be major.
Charles R. Jones to be captain.
Clifford H. Shuey to be captain.

POSTMASTERS

CALIFORNIA

Lindsey L. Burke, Norwalk.

PENNSYLVANIA

Swiler M. Zeigler, Wellsville.

SOUTH DAKOTA

George L. Kemper, Aberdeen.
John W. Hoven, Selby.

TENNESSEE

Ernest F. Dennis, Chattanooga.
James F. Anderson, Cleveland.
Roscoe T. Carroll, Estill Springs.
William G. McDonough, McMinnville.
Paul S. Savage, Ripley.
Alfred H. Gill, Silver Point.
Raymond B. Gibson, Spring City.
Lois McReynolds, South Pittsburg.

HOUSE OF REPRESENTATIVES

TUESDAY, MAY 24, 1938

The House met at 11 o'clock a. m.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Almighty God of infinite truth and wisdom, we praise Thee for Thy patience with the world of men. We pray that Thou wilt draw us with Thy benign influence to a higher status of character that we may be strong and walk therein. Oh, abound in us in the riches of our Heavenly Father. We need purer aspirations, more fortitude, more self-denial, and more of the power of the spiritual world. Help us to accept Thy law, rejoice with those who do rejoice, condescend to men of low estate, and walk in fellowship with those who need us most. Grant that in all affairs we may lead useful lives. Oh, give us that divine wisdom and godliness which are profitable in all things. We thank Thee that Thy word standeth sure; its foundations are immutable and will remain until the last tear is shed and the last pulse of love has throbbed. Praise God, from whom all blessings flow. In our Savior's name. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Frazier, its legislative clerk, announced that the Senate agrees to the amendments of the House to bills of the Senate of the following titles:

S. 3526. An act to refund sums paid by the railroads and other carriers of the United States under the Railroad Retirement Act of 1934; and

S. 3949. An act to amend the Agricultural Adjustment Act of 1938.

The message also announced that the Senate insists upon its amendments to the bill (H. R. 1591) entitled "An act to require the registration of certain persons employed by agencies to disseminate propaganda in the United States, and for other purposes," disagreed to by the House, agrees to the conference asked by the House on the disagreeing votes of the two Houses thereon, and appoints Mr. PITTMAN, Mr. HARRISON, and Mr. BORAH to be the conferees on the part of the Senate.

PERMISSION TO ADDRESS THE HOUSE

Mr. TREADWAY. Mr. Speaker, I ask unanimous consent that on Thursday next, following the reading of the Journal and after the disposition of the legislative program of the day, I may be permitted to address the House for 20 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

EXTENSION OF REMARKS

Mr. HOPE. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include therein an editorial from the New York Times of yesterday.

The SPEAKER. Is there objection to the request of the gentleman from Kansas?

There was no objection.

Mr. TEIGAN. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include therein a recent address delivered by me at the Capital City Forum.

The SPEAKER. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

COUNTING TREES IN CLEVELAND

Mr. RICH. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. RICH. Mr. Speaker, I was very much interested in reading in this morning's paper an article stating the fact that $179,000 is going to be spent to count the trees in Cleveland. What is the difference whether they have 500,000 trees or 700,000 trees in Cleveland? Do we want to spend $179,000 to find out whether they have a half dozen more or a half dozen less than the number somebody has guessed? Does this not seem ridiculous to you? It certainly does to me. Why, they will next be counting telephone poles or light standards or what not. I do not believe anybody would be so foolish as to spend $179,000 in any State or any subdivision of a State or any city to find out

how many trees they have. You are doing more foolish things in this administration than in any administration we have ever had in the history of our Nation. Cannot we stop the foolish, ridiculous expenditures of taxpayers' money. This administration should get the idea that people work at some useful, gainful occupation, not doing a lot of unnecessary, unusual things to spend money foolishly.

Get men to work in industry by giving business a chance. Let the capitalistic system work; it will put men to work in industry. That is the system that made this country the greatest nation on the face of the earth. If a man makes too much money we can level him by the income and the inheritance tax to any level the Government sees fit. Let us not destroy our American liberty and American freedom, the greatest heritage we have.

[Here the gavel fell.]

CALL OF THE HOUSE

Mrs. NORTON. Mr. Speaker, I make the point of order a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mrs. NORTON. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 84]

Atkinson	Dockweiler	McGroarty	Smith, Okla.
Barden	Doughton	McMillan	Smith, Va.
Bell	Englebright	Magnuson	Smith, W. Va.
Boykin	Flannagan	Moser, Pa.	Steagall
Buckley, N. Y.	Gasque	Mott	Thurston
Cannon, Wis.	Griswold	O'Connor, Mont.	Tobey
Celler	Hamilton	O'Day	Wearin
Champion	Hancock, N. C.	O'Leary	Weaver
Cole, Md.	Hart	Parsons	White, Idaho
Collins	Houston	Patman	White, Ohio
Crosby	Jenks, N. H.	Pettengill	Withrow
Dickstein	Kennedy, Md.	Reed, N. Y.	Wolcott
Disney	Kniffin	Rogers, Okla.	
Ditter	Kvale	Ryan	

The SPEAKER. Three hundred and seventy-four Members have answered to their names, a quorum.

Further proceedings under the call were dispensed with.

EXTENSION OF REMARKS

Mr. DRIVER and Mr. VOORHIS asked and were given permission to extend their own remarks in the RECORD.

Mr. RANDOLPH. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include therein two recent editorials on wage and hour legislation.

The SPEAKER. Is there objection to the request of the gentleman from West Virginia?

There was no objection.

THE WAGE AND HOUR BILL

Mrs. NORTON. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill (S. 2475) to provide for the establishment of fair labor standards in employments in and affecting interstate commerce, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill S. 2475, with Mr. MCCORMACK in the chair.

The Clerk read the title of the bill.

Mr. BOILEAU. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. BOILEAU. How far have we read in the bill?

The CHAIRMAN. Section 1 of the committee substitute has been read.

Mr. RAMSPECK. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Mr. RAMSPECK moves to strike out the first section of the committee substitute, being lines 18 and 19 on page 48, and offers the following amendment in the nature of a substitute, with notice that if it is agreed to he will move to strike out the remaining sections of the committee substitute as read.

Mr. RAMSPECK. Mr. Chairman, I ask unanimous consent that the reading of the substitute may be dispensed with, in view of the fact that it is in print as the bill H. R. 10538, and is available to the membership.

Mr. BOILEAU. Reserving the right to object, Mr. Chairman, I shall not object, but I desire to reserve all points of order on the amendment.

Mr. RAMSPECK. Mr. Chairman, I make the point of order the reading has already started.

The CHAIRMAN. The Chair is of the opinion that if the unanimous-consent request is granted the point of order would have to be made before the Chair recognizes the gentleman from Georgia.

Mr. BOILEAU. That is my intention, Mr. Chairman.

The CHAIRMAN. The gentleman from Georgia asks unanimous consent that the reading of the amendment be dispensed with and that the amendment be inserted in the RECORD at this point. Is there objection?

Mr. BOILEAU. Mr. Chairman, reserving the right to object, I would like to reserve a point of order to give the gentleman from Georgia an opportunity to explain the amendment. It is impossible to make a point of order without knowing what is in the amendment, and I therefore desire to have a point of order reserved so the point can be made after there has been some discussion of the amendment.

The CHAIRMAN. The gentleman can reserve his point of order.

Mr. BOILEAU. But they might insist upon my making the point of order, and I am not equipped to make the point of order without knowing what the amendment contains.

The CHAIRMAN. The Chair, of course, has no control over that situation.

Mr. BOILEAU. I realize that, and neither have I, and therefore, I object.

The CHAIRMAN. Objection is heard. The Clerk will report the amendment.

The Clerk read as follows:

Mr. RAMSPECK moves to strike out the first section of the committee substitute, being lines 18 and 19, on page 48, and offers the following amendment in the nature of a substitute, with notice that if it is agreed to, he will move to strike out the remaining sections of the committee substitute, as read:

Be it enacted, etc., That this act may be cited as the Fair Labor Standards Act of 1938.

PART I—LEGISLATIVE DECLARATION; DEFINITIONS; LABOR STANDARDS BOARD; LEGISLATIVE DECLARATION

SECTION 1. (a) The employment of workers under substandard labor conditions in occupations in interstate commerce, in the production of goods for interstate commerce, or otherwise directly affecting interstate commerce (1) causes interstate commerce and the channels and instrumentalities of interstate commerce to be used to spread and perpetuate among the workers of the several States conditions detrimental to the physical and economic health, efficiency, and well-being of such workers; (2) directly burdens interstate commerce and the free flow of goods in interstate commerce; (3) constitutes an unfair method of competition in interstate commerce; (4) leads to labor disputes directly burdening and obstructing interstate commerce and the free flow of goods in interstate commerce; and (5) directly interferes with the orderly and fair marketing of goods in interstate commerce.

(b) The correction of such conditions directly affecting interstate commerce requires that the Congress exercise its legislative power to regulate commerce among the several States by prohibiting the shipment in interstate commerce of goods produced under substandard labor conditions and by providing for the elimination of substandard labor conditions in occupations in and directly affecting interstate commerce.

DEFINITIONS

SEC. 2. (a) As used in this act, unless the context otherwise requires—

(1) "Person" includes an individual, partnership, association, corporation, business trust, receiver, trustee, trustee in bankruptcy, or liquidating or reorganizing agent.

(2) "Interstate commerce" means trade, commerce, transportation, transmission, or communication among the several States or from any State to any place outside thereof.

(3) "State" means any State of the United States or the District of Columbia or any Territory or possession of the United States.

(4) "Board" means the Labor Standards Board created by section 3 of this act.

(5) "Occupation" means an occupation, industry, trade, or business, or branch thereof or class of work or craft therein in which persons are gainfully employed.

(6) "Employer" includes any person acting directly or indirectly in the interest of an employer in relation to an employee but shall not include the United States or any State or political subdivision thereof, or any labor organization (other than when acting as an employer), or anyone acting in the capacity of officer or agent of such labor organization.

(7) "Employee" includes any individual employed or suffered or permitted to work by an employer, but shall not include any person employed in a bona fide executive, administrative, professional, or local retailing capacity as outside salesman (as such terms are defined and delimited by regulations of the Board) nor shall "employee" include any person employed as a seaman; or any railroad employee subject to the provisions of the Hours of Service Act (U. S. C., 1934 ed., title 45, ch. 3); or any employee of any common carrier by motor vehicle subject to the qualifications and maximum hours of service provisions of the Motor Carrier Act, 1935 (U. S. C., 1934 ed., title 49, ch. 8): *Provided, however*, That the wage provisions of this act shall apply, or any air transport employee subject to the provisions of title II of the Railway Labor Act, approved April 10, 1936; or any person employed in the taking of fish, sea foods, or sponges; or any person employed in agriculture. As used in this act, the term "agriculture" includes farming in all its branches and among other things includes the cultivation and tillage of the soil, dairying, the cultivation, growing, and harvesting of any agricultural or horticultural commodities, the raising of livestock, bees, or poultry, and any practices performed by a farmer or on a farm as an incident to such farming operations, including preparation for market, delivery to storage or to market or to carriers for transportation to market. The term "person employed in agriculture" as used in this act shall include persons employed within the area of production engaged in storing for the farmer, preparing (but not commercial processing), or packing agricultural or horticultural commodities in their raw, natural, or dried state, but shall not include employees of transportation contractors engaged in transporting farm products from farm to market.

(8) "Oppressive wage" means a wage lower than the applicable minimum wage declared by order of the Board under the provisions of section 4.

(9) "Oppressive workweek" means a workweek (or workday) longer than the applicable maximum workweek declared by order of the Board under the provisions of section 4.

(10) "Oppressive child labor" means a condition of employment under which (A) any employee (as defined in this act to exclude employees in agriculture) under the age of 16 years is employed by an employer (other than a parent or a person standing in place of a parent employing his own child or a child in his custody under the age of 16 years in an occupation other than manufacturing or mining) in any occupation, or (B) any such employee between the ages of 16 and 18 years is employed by an employer in any occupation which the Chief of the Children's Bureau in the Department of Labor shall from time to time by order declare to be particularly hazardous for the employment of such children or detrimental to their health or well-being; but oppressive child labor shall not be deemed to exist by virtue of the employment in any occupation of any person with respect to whom the employer shall have on file a certificate issued and held pursuant to the regulation of the Chief of the Children's Bureau certifying that such person is above the oppressive child-labor age. The Chief of the Children's Bureau shall provide by regulation or by order that the employment of employees of the age of 14 but under the age of 16 years in occupations other than manufacturing and mining shall not be deemed to constitute oppressive child labor if and to the extent that the Chief of the Children's Bureau determines that such employment is confined to periods which will not interfere with their schooling and to conditions which will not interfere with their health and well-being.

(11) "Substandard labor condition" means a condition of employment under which (A) any employee is employed at an oppressive wage; or (B) any employee is employed for an oppressive workweek; or (C) oppressive child labor exists.

(12) "Fair labor standard" means a condition of employment under which (A) no employee is employed at an oppressive wage; or (B) no employee is employed for an oppressive workweek; or (C) no oppressive child labor exists.

(13) "Labor standard order" means an order of the Board under section 4 or 6 of this act.

(14) "Goods" means goods (including ships and marine equipment), wares, products, commodities, merchandise, or articles or subjects of commerce of any character, or any part or ingredient thereof, but shall not mean goods after their delivery into the actual physical possession of the ultimate consumer thereof other than a producer, manufacturer, or processor thereof.

(15) "Unfair goods" means goods in the production of which employees have been employed in any occupation under any substandard labor condition, or any goods produced in whole or in part by convicts or prisoners except convicts or prisoners on parole or on probation.

(16) "Fair goods" means goods in the production of which no employees have been employed in any occupation under any substandard labor condition.

(17) "Produced" means produced, manufactured, mined, handled, or in any other manner worked on; and for the purposes of this act an employee shall be deemed to have been engaged in the production of goods if such employee was employed in producing, manufacturing, mining, handling, transporting, or in any other manner working on such goods, or in any process or occupation necessary to the production thereof.

(18) "Sale" or "sell" includes any sale, exchange, contract to sell, consignment for sale, shipment for sale, or other disposition.

(19) "Average wage" as applied to an occupation in any industry means the average of the various wages paid as of September 1, 1937, in such industry with respect to such occupation weighted by the number of employees receiving each wage used in computing the average, as determined by the Board on the basis of representative samples, the latest available statistics of the Bureau of Labor Statistics of the Department of Labor, or otherwise.

(b) For the purposes of this act, proof that any employee was employed under any substandard labor condition in any factory, mill, workshop, mine, quarry, or other place of employment where goods were produced, within 90 days prior to the removal of such goods therefrom (but not earlier than 120 days after the enactment of this act), shall be prima facie evidence that such goods were produced by such employee employed under such substandard labor condition.

(c) All wage and hour regulations under the provisions of this act shall apply to workers without regard to sex.

LABOR STANDARDS BOARD

SEC. 3. (a) There is hereby created a Board, to be known as the Labor Standards Board, which shall be composed of five members who shall be appointed by the President by and with the advice and consent of the Senate, and one shall be from the Northeast, one from the Northwest, one from the Southeast, one from the Southwest, and one from the central part of the United States, and one of such members shall be a representative of employers and one shall be a representative of employees. The President shall from time to time designate one of the members of the Board to act as chairman, and shall have authority by Executive order to require the Board to report to him through the head of an executive Department. One of the original members of the Board shall be appointed for a term of 1 year, one for a term of 2 years, one for a term of 3 years, one for a term of 4 years, and one for a term of 5 years, and their successors shall be appointed for terms of 5 years each, except that any individual chosen to fill a vacancy occurring prior to the expiration of the term for which his predecessor was appointed shall be appointed for the remainder of such term. The Board shall appoint a director for each State, Territory, and the District of Columbia to serve the Board as it shall direct.

(b) A vacancy in the Board shall not impair the right of the remaining members to exercise all the powers of the Board. The Board shall adopt its own rules of procedure, including provision as to the number of members necessary, to constitute a quorum, but no order declaring a minimum wage or a maximum workweek shall be made except by a majority of the Board. The Board shall have an official seal which shall be judicially noticed.

(c) Each member of the Board shall receive a salary of $10,000 a year, shall be eligible for reappointment, and shall not engage in any other business, vocation, or employment.

(d) The Board may, subject to the civil-service laws, appoint such employees as it deems necessary to carry out the functions and duties of the Board and shall fix their salaries in accordance with the Classification Act of 1923, as amended. The Board may establish and utilize such regional, local, or other agencies, and utilize such voluntary and uncompensated services, as may from time to time be needed. In all litigation the Board shall be represented by the Attorney General or by such attorney or attorneys as he may designate. In the appointment, selection, classification, and promotion of officers and employees of the Board, no political test or qualification shall be permitted or given consideration, but all such appointments and promotions shall be given and made on the basis of merit and efficiency.

(e) The principal office of the Board shall be in the District of Columbia, but it may meet or exercise any or all of its powers at any other place. The Board may, by one or more of its members or authorized representatives, or by such other agents or agencies as the Board may designate, prosecute any inquiry necessary to its functions in any part of the United States.

(f) The Board shall submit annually in January a report to the Congress covering the work of the Board for the preceding year and including such information, data, and recommendations for further legislation in connection with the matters covered by this act as it may find advisable.

PART II—ESTABLISHMENT OF FAIR LABOR STANDARDS; MINIMUM-WAGE AND MAXIMUM-HOUR STANDARDS

SEC. 4. (a) Whereas wages paid in interstate industries vary greatly between industries and throughout the Nation, reaching as low as $5 or less per week; and

Whereas hours of labor in interstate industries also vary greatly between industries and throughout the Nation, reaching as high as 84 hours per week; and

Whereas such wide variations create unfair competition for employers who wish to pay decent wages and maintain decent working hours; and

Whereas the workers who receive the lowest wages and work the longest hours have been and now are unable to obtain a living wage or decent working hours by individual or collective bargaining with their employers; and

Whereas it is necessary for the development of American commerce and the protection of American workers and their families that substandard wages and hours be eliminated from interstate industry and business; but

Whereas it is impossible to achieve such results arbitrarily by an abrupt change so drastic that it might do serious injury to American industry and American workers, and it is therefore necessary to achieve such results cautiously, carefully, and without disturbance and dislocation of business and industry: Now, therefore,

It is declared to be the policy of this act to maintain, so far as and as rapidly as is economically feasible, minimum-wage and maximum-hour standards, at levels consistent with health, efficiency, and general well-being of workers and the maximum productivity and profitable operation of American business.

(b) Having regard to such policy, and upon finding after notice and hearing, as hereinafter provided, that the application of the minimum-wage provisions of this act to any occupation or occupations will not curtail opportunities for employment, the Board shall by order from time to time declare, for such occupations, minimum wages which shall be as nearly adequate as is economically feasible, without curtailing opportunity for employment, to maintain a minimum standard of living necessary for health, efficiency, and general well-being: *Provided*, That the Board's jurisdiction in declaring minimum wages shall not include the power (1) to declare minimum wages in excess of 40 cents per hour, but higher minimum wages fixed by collective bargaining or otherwise shall be encouraged, it being the objective of this act to raise the existing wages in the lower-wage groups so as to attain as rapidly as practicable a minimum wage of 40 cents per hour without curtailing opportunities for employment and without disturbance and dislocation of business and industry; (2) to declare in any order a minimum wage for an occupation in any industry which is lower than the average wage paid in such industry with respect to such occupation at the time of the hearing on the order; (3) to declare, in the first order issued pursuant to this subsection with respect to an occupation in any industry, a minimum wage which exceeds the average wage paid in such industry with respect to such occupation at the time of the hearing on the order by more than 5 cents per hour; (4) to declare, in any subsequent order, a minimum wage with respect to such occupation which exceeds the wage applicable under the immediately preceding order by more than 5 cents per hour; or (5) to declare in any order an increase in the wage applicable under the immediately preceding order if, on the effective date of the order declaring such increase, such wage has been in effect for less than 365 days.

In declaring such minimum wages the Board shall consider among other relevant circumstances the following:

(1) the cost of living;

(2) the relative cost of transporting goods from points of production to consuming markets;

(3) local economic conditions;

(4) such considerations as would be relevant in a court in a suit for the value of services rendered where services are rendered at the request of an employer without contract as to the amount of the wage to be paid;

(5) the wages established for work of like or comparable character by collective labor agreements negotiated between employers and employees by representatives of their own choosing;

(6) the wages paid for work of like or comparable character by employers who voluntarily maintain minimum-wage standards in the occupation to be subject to the order establishing such minimum wage; and

(7) differences in unit costs of manufacturing occasioned by varying local natural resources, operating conditions, or other factors entering into the cost of production.

(c) Having regard to such policy, and upon finding after notice and hearing, as hereinafter provided, that the application of the maximum workweek provisions of this act to any occupation or occupations will not curtail earning powers, the Board shall by order from time to time declare for such occupations a maximum workweek (and the maximum workday therein), which shall be as nearly adequate as is economically feasible, without curtailing earning power, to maintain health, efficiency, and general well-being: *Provided*, That the Board's jurisdiction in declaring maximum hours shall not include the power (1) to fix maximum hours less than 40 hours per week, but shorter maximum hours fixed by collective bargaining or otherwise shall be encouraged; it being the objective of this act to reduce the maximum working hours of the groups now working excessively long hours, so as to attain the maximum workweek of 40 hours as rapidly as practicable without curtailing earning power and without reducing production; or (2) to fix maximum hours in excess of 48 hours per week: *Provided, however*, That an employer shall not be deemed to be employing his employees for an oppressive workweek if such employer is operating under a plan, approved by the Board, for employing his employees on a yearly basis, and the average workweek during the year does not exceed the maximum workweek applicable under an order of the Board: *Provided further*, That the provisions of this subsection shall not be applicable with respect to any person employed in connection with the canning or other packing or packaging of fish, sea foods, sponges, or picking, canning, or processing of fruits, or vegetables, or the processing of beets, cane, and maple into sugar and sirup, when the services of such person are of a seasonal nature: *And provided further*, That the provisions of this paragraph (c) shall not apply to employees employed in a plant located in dairy production areas in which milk, cream, or butterfat are received, processed, shipped, or manufactured if operated by a cooperative association as defined in section 15, as amended, of the Agricultural Marketing Act.

In declaring such maximum workweek, the Board shall consider among other relevant circumstances the following:

(1) the relation of the work to the physical and economic health, efficiency, and well-being of the employees;

(2) the number of persons available for employment in the occupation to be subject to the order establishing such maximum workweek;

(3) the hours of employment established for work of like or comparable character by collective labor agreements negotiated between employers and employees by representatives of their own choosing;

(4) the hours of employment for work of like or comparable character maintained by employers who voluntarily maintain a maximum workweek in the occupation to be subject to the order establishing such maximum workweek; and

(5) the provisions of this subsection shall not apply to employees engaged in processing or packing perishable agricultural products during the harvesting season.

COLLECTIVE-BARGAINING AGREEMENTS PROTECTED

SEC. 5. (a) Nothing in this act or in any regulation or order thereunder shall be construed to interfere with, impede, or diminish in any way the right of employees to bargain collectively or otherwise to engage in any concerted activity allowed by law in order to obtain a wage in excess of the applicable minimum under this act or to obtain a shorter workweek than the maximum workweek under this act or otherwise to obtain benefits or advantages for employees not required by this act, and a minimum wage so sought or obtained shall not be construed or deemed to be illegal or unfair because it is in excess of the minimum wage under this act, and a maximum workweek so sought or obtained shall not be construed or deemed to be illegal or unfair because it is shorter than the maximum workweek under this act.

(b) A labor-standard order establishing minimum wages or a maximum workweek for any occupation shall be made only if the Board finds that collective-bargaining agreements in respect to such minimum wages or maximum hours do not cover a substantial portion of the employees in such occupation, or that existing facilities for collective bargaining in such occupation are inadequate or ineffective to accomplish the purposes of this act.

(c) A labor-standard order covering any occupation in any industry shall not establish for such occupation a minimum wage which is lower or a maximum workweek which is longer than the average minimum wage or average maximum workweek prevailing for such occupation in such industry, unless the minimum wage established by such order is the highest wage or the maximum workweek is the shortest workweek that the Board is authorized to establish under this act.

(d) The minimum wages and maximum workweek established by collective-bargaining agreements in any occupation shall be prima facie evidence of the appropriate minimum wage and maximum workweek to be established by the Board for like work done under substantially like conditions.

EXEMPTIONS FROM LABOR STANDARDS WITH RESPECT TO WAGES AND HOURS

SEC. 6. (a) Unless an applicable order of the Board under this act shall otherwise provide, the maintenance among employees of an oppressive workweek shall not be deemed to constitute a substandard labor condition if the employees so employed receive additional compensation for such overtime employment at the rate of one and one-half times the regular hourly wage rate at which such employees are employed. But the Board shall have power to make an order determining that such overtime employment in any occupation shall constitute a substandard labor condition if and to the extent the Board finds necessary or appropriate to prevent the circumvention of this act. Any such order may contain such terms and conditions relating to overtime employment, including the wage rates to be paid therefor and the maximum number of hours of employment in each day and the maximum number of days per week, as the Board shall consider necessary or appropriate in the occupation affected.

(b) The Board shall provide by regulation or by order that the employment of employees in any occupation at a wage lower or for a workweek longer than the appropriate fair labor standard otherwise applicable to such occupation shall not be deemed to constitute a substandard labor condition if the Board finds that the special character or terms of the employment or the limited qualifications of the employees make such employment justifiable and not inconsistent with the accomplishment of the purposes of such one or more provisions of this act. Such regulations or orders may provide for (1) the employment of learners, and of apprentices under special certificates as issued pursuant to regulations of the Department of Labor, at such wages lower than the applicable minimum wage and subject to such limitations as to time, number, proportion, and length of service as the Board shall prescribe; (2) the employment of persons whose earning capacity is impaired by age or physical or mental deficiency or injury, under special certificates to be issued by the Board, at such wages lower than the applicable wage and for such period as shall be fixed in such certificates; (3) deductions for board, lodging, and other facilities furnished by the employer if the nature of the work is such that the employer is obliged to furnish and the employee to accept such facilities; (4) overtime employment in periods of seasonal or peak activity or in maintenance, repair, or other emergency work and the wage rates to be paid for such overtime employment not exceeding the rate of time and one-half; and (5) suitable treatment of other cases or classes of cases which, because of the nature and character of the employment, justify special treatment.

PART III—UNFAIR GOODS BARRED FROM INTERSTATE COMMERCE; PROHIBITED SHIPMENTS AND EMPLOYMENT CONDITIONS IN INTERSTATE COMMERCE AND PRODUCTION FOR INTERSTATE COMMERCE

SEC. 7. It shall be unlawful for any person, directly or indirectly—

(1) to transport or cause to be transported in interstate commerce, or to aid or assist in transporting, or obtaining transportation in interstate commerce for, or to ship or sell in interstate commerce, or to ship or deliver or sell with knowledge that shipment or delivery or sale thereof in interstate commerce is intended, any unfair goods; or

(2) to employ under any substandard labor conditions any employee engaged in interstate commerce or in the production of goods intended for transportation or sale in violation of clause (1) of this section.

PART IV—GENERAL ADMINISTRATIVE PROVISIONS

LABOR-STANDARD ORDERS

SEC. 8. A labor-standard order—

(1) shall be made only after a hearing held pursuant to section 9;

(2) shall take effect upon the publication thereof in the Federal Register or at such date thereafter as may be provided in the order;

(3) shall define the occupation or occupations, the territorial limits within which such order shall operate, and the class, craft, or industrial unit or units to which such order relates;

(4) subject to the provisions of this act, may classify employers, employees, and employments within the occupation to which such order relates according to localities, the population of the communities in which such employment occurs, the number of employees employed, the nature and volume of the goods produced, and such other differentiating circumstances as the Board finds necessary or appropriate to accomplish the purposes of such order, and may make appropriate provision for different classes of employers, employees, or employment; but it shall be the policy of the Board to avoid the adoption of any classification which effects an unreasonable discrimination against any person or locality or which adversely affects prevailing minimum wage or maximum workweek standards and to avoid unnecessary or excessive classifications and to exercise its powers of classification only to the extent necessary or appropriate to accomplish the essential purposes of the act;

(5) in case of an order relating to wages, may contain such terms and conditions as the Board may consider necessary or appropriate to prevent the established minimum wage becoming the maximum wage; but it shall be the policy of the Board to establish such minimum-wage standards as will affect only those employees in need of legislative protection without interfering with the voluntary establishment of appropriate differentials and higher standards for other employees in the occupation to which such standards relate;

(6) shall contain such terms and conditions (including the restriction or prohibition of industrial home work or of such other acts or practices) as the Board finds necessary to carry out the purposes of such order, to prevent the circumvention or evasion thereof, or to safeguard the fair labor standards therein established;

(7) may modify, extend, or rescind at any time, in the light of the circumstances then prevailing, a labor-standard order previously made: *Provided*, That at least 90 days' notice from the date of the order must be given before any change is made effective if it increases wages or reduces hours applicable under a previous order.

HEARINGS

SEC. 9. A labor-standard order shall be made, modified, extended, or rescinded only after a hearing held pursuant to this section. Such hearing shall be held at places within the United States, to be designated by the Board, readily accessible to interested persons at reasonable travel and subsistence expenses and with minimum loss of time, on the Board's own motion or on the complaint of any labor organization or any person having a bona fide interest (as defined by the Board), filed in accordance with such regulations as the Board shall prescribe, and showing reasonable cause why such hearing should be held. Such hearing shall be public and may be held before the Board, any member thereof, or any officer of the Board designated by it. Appropriate records of such hearings shall be kept. The Board shall not be bound by any technical rules of evidence or procedure.

ADVISORY COMMITTEES ON FAIR LABOR STANDARDS WITH RESPECT TO WAGES AND HOURS

SEC. 10. Before making an order under section 4 establishing a minimum wage or a maximum workweek, or both, for employees in any occupation, the Board shall appoint an advisory committee or committees to investigate and report upon the value of the services rendered by employees in such occupation or the number of hours of employment reasonably suitable to the nature of the work therein, or both, as the case may be. Each such advisory committee shall be composed of an equal number of persons representing the employers and the employees in such occupation, and of not more than three disinterested persons representing the public, one of whom shall be designated as chairman. Persons representing the employers and employees shall be selected so far as practicable from nominations submitted by employers and employees, or organizations thereof, in such occupation. Two-thirds of the members of such advisory committee shall constitute a quorum, and the recommendations or report of such committee shall require a vote of not less than a majority of all its members. Members of an advisory committee shall be entitled to reasonable compensation to be fixed by the Board for each day actually spent in the work of the advisory committee in addition to their reasonable and necessary traveling and other expenses and shall be supplied with adequate stenographic, clerical, and other assistance. The Board shall submit to an advisory committee promptly upon its appointment such data as the Board may have available on the matter referred to it. Any such advisory committee shall, after investigation, hearing, and conference with the principal interested parties, submit a report upon the matter on which its advice was requested within such reasonable period of time as may be determined by the Board. If its report is not submitted in such time, the Board may appoint a new advisory committee. The Board may accept or reject, in whole or in part, the recommendations of an advisory committee or may resubmit the matter to the same advisory committee or to a new advisory committee, as the Board deems proper; but the Board shall make its order only after a hearing held pursuant to section 9. If the Board rejects, in whole or in part, the recommendations of an advisory committee, it shall publish its reasons therefor in the Federal Register. The Board shall not reject any recommendation of any advisory committee if there is substantial evidence to support such recommendation in the record of the hearing held pursuant to section 9.

INVESTIGATIONS; TESTIMONY

SEC. 11. (a) The Board in its discretion may investigate and gather data regarding the wages, hours, and other conditions and practices of employment in any occupation subject to this act, and may inspect such places and such records (and make such transcripts thereof) and investigate such facts, conditions, practices, or matters as it may deem necessary or appropriate to determine whether any person has violated any provision of this act or any labor-standard order, or to aid in the enforcement of the provisions of this act, in prescribing regulations thereunder, or in obtaining information to serve as a basis for recommending further legislation concerning the matters to which this act relates.

(b) For the purpose of any investigation or any other proceeding under this act, including any proceeding under section 9 or section 10, any member of the Board, or any officer thereof designated by it, is empowered to administer oaths and affirmations, subpena witnesses, compel their attendance, take evidence, and require the production of any books, papers, correspondence, or other records of any employer deemed relevant or material to the inquiry.

(c) In case of contumacy by, or refusal to obey a subpena issued to, any person, the Board may invoke the aid of any court of the United States in the jurisdiction of which such investigation or proceeding is carried on, or where such person resides or carries on business, in requiring the attendance and testimony of witnesses and the production of books, papers, correspondence, and other records. Such court may issue an order requiring such person to appear before the Board, or a member or officer thereof designated by the Board, and to produce records, if so ordered, or to give testimony touching the matter under investigation or in question; and any failure to obey such order of the court may be punished by such court as a contempt thereof. All process in any such case may be served in the judicial district whereof such person is an inhabitant or wherever he may be found.

(d) No person shall be excused from attending and testifying or from producing books, papers, correspondence, or other records and documents before the Board or any member thereof or any officer designated by it, or in obedience to the subpena of the Board, or in any cause or proceeding under this act on the ground that the testimony or evidence, documentary or otherwise, required of him may tend to incriminate him or subject him to a penalty or forfeiture, but no individual shall be prosecuted or subject to any penalty or forfeiture for or on account of any transaction, matter, or thing concerning which he is compelled to testify or produce evidence, documentary or otherwise, after having claimed his privilege against self-incrimination, except that such individual so testifying shall not be exempt from prosecution and punishment for perjury committed in so testifying.

ENFORCEMENT

SEC. 12. Whenever it shall appear to the Board that any person is engaged or about to engage in any act or practice which constitutes or will constitute a violation of any provision of this act, or of any provision of any labor-standard order, it may in its discretion bring an action in the proper district court of the United States to enjoin such act or practice and to enforce compliance with this act or with such labor-standard order, and upon a proper showing a permanent or temporary injunction or decree or restraining order shall be granted without bond. The Board may transmit such evidence as may be available concerning such acts or practices to the Attorney General, who, in his discretion, may institute the appropriate criminal proceedings under this act.

RECORDS

SEC. 13. (a) Every employer subject to any provision of this act or of a labor-standard order shall make, keep, and preserve

such records of the persons employed by him; and the wages, hours, and other conditions and practices of employment maintained by him and shall preserve such records for such periods of time, and shall make such reports therefrom to the Board as the Board shall prescribe by regulation or order as necessary or appropriate for the enforcement of the provisions of this act or the regulations or orders thereunder. Every employer subject to a labor-standard order shall keep a copy of such order posted in a conspicuous place in every room in which employees in any occupation subject to such order are employed.

(b) No person other than the producer shall be prosecuted for the transportation, shipment, delivery, or sale of unfair goods who has secured a representation in writing from the person by whom the goods transported, shipped, or delivered were produced, resident in the United States, to the effect that such goods were not produced in violation of any provision of this act. If such representation contains any false statement of a material fact, the person furnishing the same shall be amenable to prosecution and to the penalties provided for the violation of the provisions of this act.

POWERS OF THE SECRETARY OF LABOR AND OF THE CHILDREN'S BUREAU

SEC. 15. (a) The Board shall utilize the Bureau of Labor Statistics of the Department of Labor for all the investigations and inspections necessary under section 11 (a). The Secretary of Labor shall have the powers enumerated therein in the conduct of such investigations and inspections and shall report the results thereof to the Board.

(b) The Chief of the Children's Bureau in the Department of Labor, or any of his authorized representatives, shall make all investigations and inspections under section 11 with respect to the employment of minors and bring all actions under section 12 to enjoin any act or practice which is unlawful by reason of the existence of oppressive child labor, and shall administer all other provisions of this act relating to oppressive child labor.

(c) In performing his duties under this act, the Secretary of Labor may, under plans developed with the consent and cooperation of the State agencies charged with the administration of State labor laws, utilize the services of State and local agencies, officers, and employees, and notwithstanding any other provisions of law may reimburse such State and local agencies, officers, and employees for their services when performed solely for such purposes.

REGULATIONS; ORDERS

SEC. 15. The Board shall have authority, from time to time, to make, issue, amend, and rescind such regulations and such orders as it may deem necessary or appropriate to carry out the provisions of this act, including but not limited to regulations defining technical and trade terms used in this act. Among other things, the Board shall have authority, for the purposes of this act, to provide for the form and manner in which complaints may be filed and proceedings instituted for the establishment of fair labor standards; to prescribe the procedure to be followed at any hearing or other proceeding before the Board or any member of the Board or any officer thereof designated by it or any advisory board appointed by it. For the purpose of its regulations and orders, the Board may classify persons and matters within its jurisdiction and prescribe different requirements for different classes of persons or matters. The regulations and orders of the Board shall take effect upon the publication thereof in the Federal Register or at such later date as the Board shall direct. No provision of this act imposing any liability or disability shall apply to any act done or omitted in good faith in conformity with any regulation or order of the Board, notwithstanding that such regulation or order may, after such act or omission, be amended or rescinded or be determined by judicial or other authority to be invalid for any reason.

VALIDITY OF CONTRACTS

SEC. 16. (a) Any provision of any contract, agreement, or understanding made in violation of any provision of this act or of a regulation or order thereunder shall be null and void.

(b) Any contract, agreement, understanding, condition, stipulation, or provision binding any person to waive compliance with any provision of this act or with any regulation or order thereunder shall be null and void.

RELEASE OF GOODS

SEC. 17. The Board shall, by order, exempt any goods from the operation of any provision of this act prohibiting the sale or transportation of such goods in interstate commerce if the Board finds that every person having a substantial proprietary interest (as defined by the Board) in such goods had no reason to believe that any substandard labor condition existed in the production of such goods or that such exemption is necessary to prevent undue hardship or economic waste and is not detrimental to the public interest. Any order of the Board under this subsection shall contain such terms and conditions as the Board considers necessary or appropriate in order to safeguard the enforcement and prevent the circumvention of this act.

RELATION TO OTHER LAWS

SEC. 18. No provision of this act or of any regulation or order thereunder shall justify noncompliance with any Federal or State law or municipal ordinance establishing a minimum wage higher than a minimum wage established under this act or a maximum workweek lower than a maximum workweek established under this act, or otherwise regulating the conditions of employment in any occupation and not in conflict with a provision of this act or a regulation or order thereunder.

COMMON CARRIERS NOT LIABLE

SEC. 19. No provision of this act shall impose any liability or penalty upon any common carrier for the transportation in interstate commerce in the regular course of its business of any goods not produced by such common carrier, and no provision of this act shall excuse any common carrier from its obligations to accept any goods for transportation.

COURT REVIEW OF ORDERS

SEC. 20. (a) Any person aggrieved by an order of the Board under this act may obtain a review of such order in the district court of the United States for any district wherein such person resides or has his principal place of business, or in the District Court of the United States for the District of Columbia by filing in such court, within 60 days after the entry of such order, a written petition praying that the order of the Board be modified or set aside in whole or in part. A copy of such petition shall forthwith be served upon any member of the Board or upon any officer thereof designated by the Board for that purpose, and thereupon the Board shall certify and file in the court a transcript of the record upon which the order complained of was entered. Upon the filing of such transcript such court shall have exclusive jurisdiction to affirm, or, if it is not in accordance with law or if the Board arbitrarily rejected a recommendation of the advisory committee, to modify or set aside such order in whole or in part. The judgment and decree of the court affirming, modifying, or setting aside any such order of the Board shall be final, subject to review as provided in sections 128, 239, and 240 of the Judicial Code, as amended (U. S. C., 1934 ed., title 28, secs. 225, 346, and 347), and in section 7, as amended, of the act entitled "An act to establish a Court of Appeals for the District of Columbia," approved February 9, 1893 (D. C. Code, title 18, sec. 26).

(b) The commencement of proceedings under subsection (a) shall not, unless specifically ordered by the court, operate as a stay of the Board's order.

JURISDICTION OF OFFENSES AND SUITS

SEC. 21. The district courts of the United States shall have jurisdiction of violations of this act or the regulations or orders thereunder, and, concurrently with State and Territorial courts, of all suits in equity and actions at law brought to enforce any liability or duty created by, or to enjoin any violation of, this act or the regulations or orders thereunder. Any criminal proceeding may be brought in the district wherein any act or transaction constituting the violation or an element thereof occurred. Any suit or action to enforce any liability or duty created by, or to enjoin any violation of, this act or regulations or orders thereunder may be brought in any such district or in the district wherein the defendant is an inhabitant or transacts business, and process in such cases may be served in any district in which the defendant is an inhabitant or transacts business or wherever the defendant may be found. Judgments and decrees so rendered shall be subject to review as provided in sections 128 and 240 of the Judicial Code, as amended (U. S. C., 1934 ed., title 28, secs. 225 and 347), and section 7, as amended, of the act entitled "An act to establish a Court of Appeals for the District of Columbia," approved February 9, 1893 (D. C. Code, title 18, sec. 26). No costs shall be assessed against the Board in any proceeding under this act brought by or against the Board in any court.

PENALTIES

SEC. 22. (a) Any person who willfully performs or aids or abets in the performance of any act declared to be unlawful by any provision of this act or who willfully fails or omits to perform any act, duty, or obligation required by this act to be performed by him shall be guilty of a misdemeanor and upon conviction shall be fined not more than $500 or imprisoned for not more than 6 months, or both. Where the employment or an employee in violation of any provision of this act or of a labor-standard order is unlawful, each employee so employed in violation of such provision shall constitute a separate offense. No person shall be imprisoned under this subsection except for an offense committed after the conviction of such person for a prior violation of this subsection.

(b) Any person who willfully makes any statement or entry in any application, report, or record filed or kept pursuant to the provisions of this act or any regulation or order thereunder, knowing such statement or entry to be false in any material respect, shall be guilty of a misdemeanor and, upon conviction, shall be fined not more than $500 or imprisoned for not more than 6 months, or both.

(c) Any employer who willfully discharges or in any other manner discriminates against any employee because such employee has filed any complaint or instituted or caused to be instituted any investigation or proceeding under or related to this act, or has testified or is about to testify in any such investigation or proceeding, or has served or is about to serve on an advisory committee, shall be guilty of a misdemeanor and, upon conviction, shall be fined not more than $1,000 or imprisoned for not more than 1 year, or both.

(d) Any person who, without just cause, shall fail or refuse to attend and testify or to answer any lawful inquiry or to produce books, papers, correspondence, or other records, if in his or its power so to do, in obedience to the subpena of the Board, shall be guilty of a misdemeanor and upon conviction shall be subject to a fine of not more than $500 or to imprisonment for not more than 6 months, or both.

(e) No producer, manufacturer, or dealer shall ship or deliver for shipment in interstate commerce any goods produced in an

establishment situated in the United States in or about which within 30 days prior to the removal of such goods therefrom any oppressive child labor has been employed: *Provided*, That a prosecution and conviction of a defendant for the shipment or delivery for shipment of any goods under the conditions herein prohibited shall be a bar to any further prosecution against the same defendant for shipments or deliveries for shipment of any such goods before the beginning of said prosecution.

SEPARABILITY

SEC. 23. If any provision of this act or of any regulation or order thereunder or the application of such provision to any person or circumstances shall be held invalid, the remainder of the act and the application of such provision of this act or of such regulation or order to persons or circumstances other than those as to which it is held invalid shall not be affected thereby. Without limiting the generality of the foregoing, if any provision of this act or any regulation or order thereunder shall be held invalid insofar as it gives any effect to any substandard labor condition or requires the maintenance of any fair-labor standard on the part of any person or in any circumstances, the application of such provision of this act or of such regulation or order shall not be affected thereby insofar as it gives any effect to any other substandard labor condition or requires the maintenance of any other fair-labor standard on the part of the same person or in the same circumstances, or insofar as it gives any effect to the same substandard labor condition or requires the maintenance of the same fair-labor standard on the part of any other person or in any other circumstances.

EFFECTIVE DATE OF ACT

SEC. 24. This act shall take effect immediately, except that no provision requiring the maintenance of any fair-labor standard or giving any effect to any substandard labor condition shall take effect until the one-hundred-and-twentieth day after the enactment of this act, and no labor-standard order shall be effective prior to that day.

Mr. MAVERICK (interrupting the reading of the amendment). Mr. Chairman, I ask unanimous consent that the further reading of the amendment be dispensed with and that the gentleman from Wisconsin have the right to submit his reservation of a point of order.

Mr. BOILEAU. If it is to be understood, Mr. Chairman, that I can make a point of order against the amendment after the gentleman from Georgia explains the amendment, I have no objection.

The CHAIRMAN. If the unanimous-consent request of the gentleman from Texas is granted, the Chair understands that the gentleman from Wisconsin has a reservation of a point of order which can be exercised upon the termination of the gentleman's remarks.

Mr. MARTIN of Massachusetts. And it is understood I might make one also?

Mr. MAVERICK. Anyone can make a point of order at that time.

Mr. HARLAN. Mr. Chairman, reserving the right to object, if this amendment is adopted, will the members of the committee have an opportunity to submit any amendments to this amendment, inasmuch as it has not been read?

The CHAIRMAN. The substitute is open to amendment. If the substitute is adopted, that would preclude further amendments from being offered. Amendments must be offered while the substitute is pending.

Is there objection to the request of the gentleman from Texas?

There was no objection.

The CHAIRMAN. The gentleman from Georgia [Mr. RAMSPECK] is recognized for 5 minutes.

Mr. RAMSPECK. Mr. Chairman, I ask unanimous consent to proceed for an additional 5 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Georgia?

There was no objection.

Mr. RAMSPECK. Mr. Chairman, this substitute is H. R. 10538 and is the bill agreed upon by the majority members of the subcommittee on labor of which I had the privilege of being chairman. The members of that committee, in addition to myself, were the gentleman from West Virginia [Mr. RANDOLPH], the gentleman from Pennsylvania [Mr. GILDEA], the gentleman from Texas [Mr. THOMAS], the gentleman from California [Mr. WELCH], the gentleman from Maine [Mr. SMITH], and the gentleman from Wisconsin [Mr. SCHNEIDER]. The Democratic members adopted this and it was reported by the subcommittee to the full committee, and it was rejected by the full committee by a vote of 10 to 8.

I wish to pay tribute to the faithfulness of every member of that subcommittee for their diligent efforts to work out this vexing and controversial problem. The minority members, of course, never agreed to this proposal and the full committee preferred the Norton substitute, which is pending now.

This bill, in substance, is the same as the bill that passed the United States Senate last year. The only difference between this bill and the Senate bill is that the board of five provided for in both bills, in this proposal is selected on a geographical basis, one coming from the Northeast, one from the Northwest, one from the Southwest, one from the Southeast, and one from the central portion of the country. In addition to this, we have provided a weighted average minimum wage to start with, which, in my judgment, will provide a higher starting wage than the Norton proposal.

In addition to this, we have provided a limitation above the bottom minimum wage for any increase in any 12 months of 5 cents per hour.

We have also put a top on hours, which the Senate bill did not have, of 48 hours, giving the board discretion between 40 and 48 hours and discretion as to wages between the weighted minimum bottom, and I call your attention to the fact that the Senate bill had no bottom, and 40 cents an hour as the top of the minimum wage.

In addition to this, we took out section 8 of the Senate bill which gave the board authority to prescribe wages and hours for purely intrastate or local business when it was contended or shown to the board that somebody from another State was coming into that State and competing with the local manufacturer or employer.

We also took out the requirement that the manufacturer or employer should post in every room in his place of business a list of all of the employees, the hours when they went to work and when they left work, and provided that if any employee stayed beyond his period of working hours it was prima facie evidence of overtime employment. These things just simply interfere with business and are not necessary to a proper functioning of the law.

I emphasize the fact that, in substance, this is the bill which passed the United States Senate. It is in substance the bill which had the endorsement last August, of both the C. I. O. and the American Federation of Labor, and I put the letter of Mr. Green in the RECORD on yesterday, and you will find it at pages 7302 and 7303 of the RECORD. It is the type of legislation which Mr. Jackson, Mr. Reilly, and Mr. Cohen, and every other lawyer, except the general counsel of the American Federation of Labor, have said is the safe way to approach this question from a legal standpoint, and if we want wage and hour legislation, instead of making simply a gesture to the sweated laborers of this country, we are going to have to take this sort of bill to get it. If gentlemen have any doubt about that, I hold in my hand a page from the United States News of May 9, in which Senator WALSH, of Massachusetts, is quoted as follows:

> In my opinion, a blanket control applying equally to all industries is preferable in respect to hours of employment, but with respect to minimum wages, the Board should be empowered to use its own discretion within limits in applying a minimum-wage law industry by industry.

Also in this same newspaper there is a statement from Senator THOMAS, chairman of the Senate committee, in which he said in part:

> Regional differences may be taken into account in the Senate bill, and I trust that this effort will prevail. I do not believe it is the wish of Congress to destroy an industry or a section of the country.

From the information that I am able to get, the Norton proposal has no chance of being enacted into law by agreement on the part of the United States Senate. Therefore, I say if you want to prevent delay, if you want to get legislation now, adopt this method, a flexible method, a method

which gives consideration to the facts which we know exist in various sections of the country. It provides an independent commission with authority delegated within limits prescribed in the bill, to apply the facts to the case and to fix minimum wages between certain definite standards laid down in the bill. It provides a bottom minimum wage which is the weighted average of the best that is in industry today and a top minimum 40 cents an hour. It gives discretion as to hours between 40 and 48. I believe, Mr. Chairman, most sincerely, that this is the only method that has a chance of being sustained by the courts of the country when the test comes, as we know it will inevitably.

Mr. KITCHENS. Mr. Chairman, will the gentleman yield?

Mr. RAMSPECK. I am sorry; not now. I call attention again to the fact that I put in the RECORD yesterday, on pages 7301 and 7302, the legal opinions which the subcommittee had before it by Mr. Reilly and Mr. Cohen, and they show beyond a shadow of doubt that the only safe method for attempting this new legal experiment, this new legal power we are undertaking to give to the Federal Government under the interstate commerce clause of the Constitution is by the method which has been tried in the States and has been sustained by the United States Supreme Court. They tell you frankly they find nothing in the decisions or the Constitution which would indicate that any other method would be held constitutional; and I read just a few words from Mr. Reilly's brief. He says:

> You have asked my opinion as to whether there is any authority for the view that Congress may validly enact a bill providing a uniform minimum wage of 40 cents an hour throughout the country.
>
> After examination of the authorities I have been unable to find any decision or constitutional law sustaining this view. Moreover, the decisions in the field of minimum wages and minimum prices create serious doubt as to whether such an enactment would be upheld in the light of the present state of the authority.

Therefore, I appeal to Members to adopt this method which has been found satisfactory in the District of Columbia, in the State of New York, in the State of Washington, in the State of Massachusetts, and in some twenty-odd other States of the country, and which has over a period of 30 years been applied satisfactorily in Great Britain. It is the only method with which we have any experience. It is the only method the courts have tested and held to be valid, and it is the only sane and sensible program, in my judgment, of applying a wage and hour law to the varying and complex facts that we find in the 48 States of our great country. It is the method asked for by the President. I hope that the Committee may see fit to adopt this method. [Applause.]

When this matter was before the House last fall I signed the discharge petition, voted to discharge the Rules Committee, and also voted against the motion to recommit the bill. My position today is the same as it was then. I am willing to support a bill which provides a fact-finding process for regulating wages and hours—a bill which provides a hearing for employees and employers; a bill which is fair and has some chance of being held valid. I cannot support the Norton bill because in my opinion, it is not legal and is arbitrary and not practical.

Mr. BOILEAU. Mr. Chairman, I rise to a point of order.

The CHAIRMAN. The gentleman from Wisconsin makes the point of order. The gentleman will state his point of order.

Mr. BOILEAU. Mr. Chairman, I make the point of order that the amendment offered by the gentleman from Georgia [Mr. RAMSPECK] is not germane to the substitute amendment now being considered by the Committee of the Whole House on the state of the Union under the 5-minute rule. I desire to be heard on the point of order.

We are considering this Senate bill under a rather unusual rule, a rule that provides that the committee substitute shall be considered under the 5-minute rule as an original bill. Therefore, if it is being considered in the form of an original bill, in order that the amendment offered by the gentleman from Georgia may be germane, it must be germane, not to the Senate bill, but it must be germane to the committee substitute. In drawing up this rule the gentlewoman from New Jersey [Mrs. NORTON] apparently had that in mind, because, as stated in the rule approved by the House, we find the following:

> It shall be in order to consider without the intervention of any point of order the substitute amendment recommended by the Committee on Labor.

I submit, Mr. Chairman, that had that language waiving points of order not been in this rule, the amendment offered by the committee would not have been in order, because it is not germane to the Senate bill, but the waiving of the points of order makes the committee substitute in order. Otherwise it would not be in order as not being germane.

The rule continues:

> And such substitute for the purpose of amendment shall be considered under the 5-minute rule as an original bill.

The point of order must be sustained against the amendment offered by the gentleman from Georgia unless the amendment is germane to the committee substitute which we are reading now as an original bill, and I contend that it is not germane to the committee substitute. There have been numerous rulings and precedents to the effect that because a substitute or an amendment deals with the same general subject matter does not necessarily mean that it is germane and can be considered as a substitute. The Chair will undoubtedly recall the ruling made by Mr. Speaker Rainey several years ago when the House was considering the bill to refinance farm-mortgage indebtedness. I recall it very well, Mr. Chairman, because at that time I offered as a substitute another method of refinancing farm-mortgage indebtedness.

I offered as a substitute for that committee bill the so-called Frazier-Lemke bill, and Mr. Speaker Rainey, after giving the matter considerable thought and going through the precedents, ruled that that substitute, although dealing with the same general subject matter of refinancing farm-mortgage indebtedness, proposed to accomplish the purpose in such a different way that it was not germane to the bill then under consideration, and my amendment was ruled out of order. I recall also—I believe it was last year or year before and I have forgotten who was in the chair, I believe it was in Committee of the Whole House on the state of the Union when we were considering the Frazier-Lemke bill, after 218 Members of the House had discharged the committee from consideration of the Frazier-Lemke bill. The bill was brought to the floor for consideration and the gentleman from Texas [Mr. JONES], chairman of the Committee on Agriculture, offered as a substitute for the Frazier-Lemke bill another method of refinancing farm-mortgage indebtedness, perhaps following closer the provisions of the Frazier-Lemke bill than the amendment offered by the gentleman from Georgia follows the committee substitute in the present instance as an original bill. The presiding officer at that time, whether it was the Speaker or the Chairman of the Committee of the Whole, sustained the point of order against the Jones amendment on the general ground that although it dealt with the same general subject matter, it provided an entirely different method of financing farm-mortgage indebtedness and was not germane to the bill under consideration.

I conclude, Mr. Chairman, by again pointing out that we are considering the committee amendment as an original bill, An amendment, therefore, that might be germane to the Senate bill nevertheless is not germane to the committee amendment because it must stand or fall upon the principle of germaneness to the committee substitute which we are considering as an original bill.

The CHAIRMAN. Does the gentleman from Georgia desire to be heard on the point of order?

Mr. RAMSPECK. I do, Mr. Chairman.

The CHAIRMAN. The Chair will hear the gentleman.

Mr. RAMSPECK. Mr. Chairman, I call the attention of the Chair to the fact that when this matter was under consideration last December the situation was reversed. We

had a bill embodying a flexible principle similar to the one provided in my amendment. At that time the gentleman from Indiana [Mr. GRISWOLD] offered an amendment similar to the present committee bill. The Chair held it in order. It seems to me that it is simply a difference in method, that it seeks to accomplish the purpose by a little different set of mechanics, and, therefore, should be held to be germane.

Mr. BOILEAU. Mr. Chairman, will the Chair hear me briefly on one further point?

The CHAIRMAN. The Chair will be glad to hear the gentleman from Wisconsin further.

Mr. BOILEAU. May I not point out, Mr. Chairman, that the committee substitute does not provide for a board, it provides a general principle applicable all over the country? The substitute offered by the gentleman from Georgia differs in that it provides for the setting up of a board, an entirely different agency, a bureau of the Government. It provides for differentials. It was upon this very proposition that the former rulings to which I have referred were made by the Speaker and by the Chairman of the Committee of the Whole.

Mr. O'CONNOR of New York. Mr. Chairman, may I be heard on the point of order?

The CHAIRMAN. The Chair will be glad to hear the gentleman from New York.

Mr. O'CONNOR of New York. Mr. Chairman, I ask to be heard on the point of order principally because of what the distinguished gentleman from Wisconsin has said about the rule. There is nothing unusual in the rule whatsoever. Similar rules are brought in here time and time again. Whenever a committee strikes out all after the enacting clause in a Senate bill and substitutes its own bill as an amendment the fairest way to handle the measure is to have the committee amendment read as an original bill. One reason for this is so that there will be the usual opportunity for amendments without running into third-degree amendments right away.

So the only salient point the gentleman from Wisconsin makes is that the substitute offered by the gentleman from Georgia is not germane to the committee amendment which we are reading as an original bill. This subject of the germaneness of such substitutes was discussed last December.

The gentleman from Wisconsin is, of course, correct when he says that the substitute offered by the gentleman from Georgia [Mr. RAMSPECK] must be germane to the committee amendment which we are now considering as an original bill. Last December, when we were discussing the wage and hour bill, the same question was brought up, and in fairness to everybody concerned, the Chair then ruled properly that such substitutes were germane. I engaged in the discussion on that point of order. I said then, in effect—

We have here a new subject—wages and hours. We are entering on a new venture, and any bill that carries out a plan of effecting the ultimate result and deals with wages and hours, in my opinion, is germane, irrespective of the methods provided, the administration, a board, or what not, set up. I think in all fairness every measure that deals with that big subject of wages and hours should be considered in this House and not brushed aside by any technicality.

Mr. MARTIN of Massachusetts. Mr. Chairman, in reply to the gentleman from Georgia [Mr. RAMSPECK] with reference to the ruling of the Chair last year upon the so-called Griswold amendment, I call attention to a real difference in the situations. Last year, when the amendment was presented it would have the effect of curtailing the bill. It did not contain any matter that was not distinctly referred to in the bill. In this instance the proposed substitute goes beyond the bill that the House has voted to consider. The amendment of the gentleman from Georgia is beyond the scope of the bill which the rule puts in order. As the gentleman from Wisconsin well stated, the Ramspeck amendment sets up a new bureau entirely to regulate wages and hours, and that provision certainly is not germane, and in my opinion the point of order of the gentleman from Wisconsin [Mr. BOILEAU] is well taken.

Mr. MICHENER. Mr. Chairman, it seems to me the argument of the gentleman from New York [Mr. O'CONNOR] answers itself. The gentleman does not refer to precedents of the House; neither does he refer to the rulings of the Chair on any previous occasion. He bases his argument entirely on expediency, equity, and fairness. Every one of those grounds was urged in extension on every occasion when this matter has been before the House; and the Chair, adhering to the original precedents—and as the present occupant of the chair well knows there is a long line of precedents—has religiously held exactly opposite to what the gentleman from New York [Mr. O'CONNOR] now contends, for even though what he now contends for may be expedient, equitable, fair, and expeditious to accomplish an objective, regardless of the route we pursue. I am arguing for the integrity of the rules and the precedents of the House. I am not in any way speaking of the merits of the proposed amendment or substitute.

Mr. O'CONNOR of New York. Will the gentleman yield?

Mr. MICHENER. I yield to the gentleman from New York.

Mr. O'CONNOR of New York. The gentleman is talking about precedents. I listened to the ones discussed by the gentleman from Wisconsin [Mr. BOILEAU]. I remember them. I can see no relevancy in them; but, as I said, you are dealing with a new subject, wages and hours. It is a brand-new field. There is no precedent in this particular instance.

Mr. MICHENER. Yes; there is. When the Farm Board bill was being considered a few years ago we were dealing with a new subject and a new method of approach. It was held at that time by the Chairman of the Committee of the Whole, after reciting the precedents, that even though we were dealing with a new subject we could not change diametrically the method of procedure provided in the bill to reach a desired objective.

Mr. BOILEAU. Will the gentleman yield?

Mr. MICHENER. I yield to the gentleman from Wisconsin.

Mr. BOILEAU. May I suggest to the gentleman from New York [Mr. O'CONNOR] that so far as the Frazier-Lemke bill was concerned, so far as legislation along that line is concerned, that was and still is just as new a subject as when that method was established. We never had any legislation along that line; so the argument it is new legislation is absolutely immaterial and has nothing to do with the point at issue.

The CHAIRMAN. The Chair is ready to rule.

When this bill came up for consideration last December, the present occupant of the chair presided over the Committee of the Whole and at that time the present occupant of the chair as the then Chairman of the Committee of the Whole had to pass and did pass on several substitutes offered to the then committee substitute for the Senate bill. The Chair does not intend to take much time of the Committee of the Whole in reviewing the situation that existed when the bill was being considered before, nor to read the entire opinion of the Chair at that time. However, the Chair feels there are parts of the decision rendered at that time which are decisive of the question rendered to the Chair today.

The Chair feels that House Resolution 478, as the gentleman from New York [Mr. O'CONNOR] stated, so far as the language therein contained and referred to by the gentleman from Wisconsin [Mr. BOILEAU] is concerned, provides the method of procedure in the consideration of the pending measure. The Chair feels this question should be decided upon whether or not the substitute offered by the gentleman from Georgia [Mr. RAMSPECK] is germane to the committee substitute.

When this bill was under consideration last December the Chair stated in detail the reasons for overruling the points of order made against the several substitutes that were then offered to the committee substitute. The opinions of the Chair made at that time will be found on pages 1588 to 1593, inclusive, of the CONGRESSIONAL RECORD of December 15, 1937.

At that time the Chairman of the Committee of the Whole stated, and I quote from page 1593 of the CONGRESSIONAL RECORD of December 15, 1937:

> The Chair believes, having in mind the broad objective of this bill, the establishment of minimum wages and maximum hours, that the Committee of the Whole and the House are not precluded from considering another method or another means of accomplishing that purpose than the one recommended by the Senate bill or by the House committee, both methods being germane. The Chair believes it germane for the Committee of the Whole House on the state of the Union under the rules to consider a mandatory minimum-wage and maximum-hour provision in preference to the amendment of the Committee or the provisions of the Senate bill. Which is the desirable course to take is a matter for the Committee to determine.

It seems to the Chair that the position today is the reverse to what it was on that occasion. It seems to the Chair that the same question is fundamentally presented to the Chair today as was presented to the Chairman of the Committee of the Whole when the bill was being considered on December 15 last year.

Without reciting all the reasons stated by the Chairman of the Committee of the Whole House on the state of the Union on the occasion when the bill was last up for consideration, the Chair feels that the reasons stated at that time are just as applicable today as they were on that occasion. Therefore, the Chair overrules the point of order.

Mr. RANDOLPH. Mr. Chairman, I rise in opposition to the substitute offered by the gentleman from Georgia.

I ask unanimous consent to proceed for 10 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from West Virginia?

There was no objection.

Mr. RANDOLPH. Mr. Chairman, I have asked for this additional 10 minutes in order that the committee's viewpoint in opposition to the substitute amendment, offered by the distinguished gentleman from Georgia, may be clearly understood. I regret that my colleague from Indiana [Mr. GRISWOLD] could not speak on this matter. He had made a special study of the subject, but illness keeps him from being present.

I should like to preface my remarks in connection with the pending substitute amendment by saying I was a member of the subcommittee of the House Committee on Labor charged with an attempt, and it was an honest attempt, to bring before the full Committee on Labor a measure which that group might report to the House for consideration. The gentleman from Georgia [Mr. RAMSPECK] certainly contributed splendid service as the chairman of that subcommittee, and I pay him deserved tribute at this time. It was hoped the subcommittee's findings and draft of a measure might be acceptable to the full committee, but the full committee decided otherwise, and so after the vote of 10 to 8 on the subcommittee bill, which has been mentioned by the gentleman from Georgia, there was a further expression by the committee, and by a vote of 14 to 4 the committee amendment, now being considered as an original bill, was reported and is before us at this time.

I rise, therefore, with the firm conviction in my own heart that the establishment of the principle is absolutely necessary at the present time. My remarks made in opposition to the amendment of the gentleman from Georgia can in no wise be construed as an opinion which has been arrived at hastily, and I certainly believe the viewpoint of the Committee on Labor is entitled to the very careful and sympathetic consideration of the Members of the House in connection with the pending substitute, because it was not so long ago that the Congress of the United States itself recommitted to the House Committee on Labor a bill which would be revived by the gentleman from Georgia.

Proposals to fix minimum wages and maximum hours by Federal legislation raise two basic constitutional questions:

First. Does the Congress have the power to enact legislation of this character?

Second. If so, is the legislative means adopted a reasonable and valid exercise of that power?

The opponents of the bill which is before us generally admit that Congress has the power to legislate on the subject of wages and hours, but contend the particular provisions of this bill are unreasonable and arbitrary. In answer to the first proposition, it may be said, in brief, that the power of the Congress to enact minimum-wage and maximum-hour legislation emanates from the commerce clause of the Constitution. Congress has authority to stop practices which threaten to obstruct or unduly burden the flow of interstate commerce. It may exercise such control and regulation over the industrial relationship of employers and employees as is necessary to avoid disputes and strife which burden the free flow of commerce (*National Labor Relations Board* v. *Jones & Laughlin Steel Corporation*, 301 U. S. 1; *National Labor Relations Board* v. *Fruehauf Co.*, 301 U. S. 49; *Texas and N. O. R. Co.* v. *Railway Clerks*, 281 U. S. 548; *Virginian Railway Co.* v. *System Federation No. 40*, 300 U. S. 515; *Second Employees' Liability Case*, 223 U. S. 1; *Santa Cruz Fruit Packing Co.* v. *National Labor Relations Board*, decided March 28, 1938).

In considering the second question, I shall direct my remarks to the argument advanced by Representative RAMSPECK that this legislation is invalid because it does not constitute a reasonable and valid exercise of Congress' power. Two reasons are advanced for the invalidity of this bill:

I. It prescribes rigid minimum-wage and maximum-hour standards for the entire United States, and, therefore, "is not a reasonable exertion of governmental authority but, on the contrary, is arbitrary and discriminatory."

II. It constitutes an invalid delegation of legislative power to the Secretary of Labor as "the standards prescribed upon which the Secretary is to base a decision are not sufficiently definite."

I believe I can demonstrate that both of these contentions are unsound. I shall consider the points separately.

I. (A) The fixation of a reasonable minimum-wage and maximum-work period by the Congress for the protection of health, safety, morals, and welfare of workers does not constitute a deprivation of liberty to contract forbidden by the due-process clause of the fifth amendment (*West Coast Hotel Co.* v. *Parrish*, 300 U. S. 379 (overruling *Adkins* v. *Children's Hospital*, 261 U. S. 525, and distinguishing *Morehead* v. *New York ex rel. Tipaldo*, 298 U. S. 587)).

The Washington minimum-wage law for women is the only minimum-wage statute which has been sustained by the United States Supreme Court (*West Coast Hotel Co.* v. *Parrish*, supra), except as that case in overruling Adkins against Children's Hospital can be said to have sustained the validity of the minimum-wage law for the District of Columbia. Both the Washington statute and the law for the District of Columbia authorized a board to fix minimum wages for women based on the cost of living necessary to health and decency. Chief Justice Hughes, in the Parrish opinion, at page 399, stated:

> The legislature was entitled to adopt measures to reduce the evils of the "sweating system," the exploiting of workers at wages so low as to be insufficient to meet the bare cost of living, thus making their very helplessness the occasion of a most injurious competition. * * * What these workers lose in wages the taxpayers are called upon to pay. The bare cost of living must be met.

It can be concluded from the above quotations and the provisions of the Washington statute which were under attack that the Supreme Court regards "cost of living" as a reasonable standard upon which to base a minimum wage. Hence any minimum-wage requirement reasonably related to cost of living, whether prescribed by statute or fixed by a board, should have a fair chance of being sustained. Viewed in this light, the rigid minimum-wage rates fixed in this bill should be upheld.

Admittedly the Congress can fix a minimum wage in accordance with a cost-of-living standard rather than delegate the task to an executive board or agency, if it has facts showing what wage the cost of living warrants. Where a single and rigid minimum wage is prescribed by the Congress for all localities in the United States, as would be the case

in the proposed bill, under the doctrine of the Parrish case, it should only be necessary to show that the wage established in the statute is not in excess of what is required by costs of living for the region of the United States where living is the cheapest.

Mr. SABATH. Mr. Chairman, will the gentleman yield?

Mr. RANDOLPH. I yield to the gentleman from Illinois.

Mr. SABATH. What the gentleman desires to make clear to the House is that the Congress cannot delegate to any board it creates greater power than the Congress itself possesses. If the Congress does not have the power, surely no board would have the power to fix the minimum or the maximum wage, and minimum or maximum hours.

Mr. RANDOLPH. The gentleman is correct. Certainly the Congress is in possession of sufficient facts to go forward itself and legislate instead of delegating the same power to a board.

Mr. HEALEY. Mr. Chairman, will the gentleman yield?

Mr. RANDOLPH. I yield to the gentleman from Massachusetts.

Mr. HEALEY. The only purpose in delegating to a board the power to determine wage and hour standards would be that Congress itself would feel it was not in possession of the facts, but the contention of the gentleman is that the Congress is in possession of the facts and does know that the wage and hour standards set up in this bill are not unreasonable and will meet the terms that the Court may lay down.

Mr. RANDOLPH. The gentleman from Massachusetts is correct. If I have the time, I shall put into the RECORD all the cases in question, and shall show that studies which have been made produce the facts on the basis of which the rigid requirements in this bill are proposed.

Mr. KELLER. Mr. Chairman, will the gentleman yield?

Mr. RANDOLPH. I yield to the gentleman from Illinois.

Mr. KELLER. I should like to ask the gentleman from Massachusetts if he recalls the Shreveport decision, the coal case involving this very point, and if he does, will the gentleman state what it is?

Mr. MAVERICK. Mr. Chairman, will the gentleman yield?

Mr. RANDOLPH. I yield to the gentleman from Texas.

Mr. MAVERICK. The gentleman talks about this being based upon a reasonable standard of living, but the Supreme Court decision was based on a hearing of the facts regarding a particular trade, occupation, or job in a particular part of the country. What I want to know is, how is the statute going to do that? We are not going to have a hearing under the present bill and we will have one under the Ramspeck bill. That is what I wish the gentleman would explain.

Mr. RANDOLPH. The Bureau of Labor Statistics certainly has already set up the figures, and if given the time now, I can put that information in the RECORD at this point. I should like to proceed, if I may.

For example, if the cost of living for industrial workers engaged in interstate industries is cheaper in Alabama than in any other State in the Union and the cost of living in that State requires a wage rate of not less than 40 cents an hour to provide the necessities of life, such a wage rate for the entire United States would appear to be reasonable and valid. No employer could show that he was aggrieved and required to pay too much.

Statistical studies which have been made within the last 2 years demonstrate that the minimum wages provided in the present bill are not in excess of the requirements of cost of living. In an elaborate official study entitled "Intercity Differences in Cost of Living in March 1935, 59 Cities," made by Works Progress Administration in cooperation with the Bureau of Labor Statistics, it is stated that—

> The cost of a specified standard of living does not differ widely among most cities; differences in living costs are to be explained to a considerable extent by the differences in the standard of living.

This is illustrated by the following excerpt from this study:

> The cost of living in the maintenance level ranged from a high of $1,415 in Washington, D. C., to a low of $1,130 in Mobile, Ala., at March 1935 prices. The average in the 59 cities combined was $1,261. The cost of the emergency level was also highest in Washington, $1,014, but was lowest in Wichita, Kans., $810. The average was $903. At both levels the necessary outlay in the most expensive city averaged about 25 percent above that in the least expensive; in more than one-half the cities living costs were within a range of $100 per year.

The significance of this excerpt cannot be fully appreciated unless the terms "maintenance level" and "emergency level" are understood. The maintenance level is explained in the study to provide only for the cost of living necessary for material needs and some psychological needs. Emergency level provides almost exclusively for physical needs, and the study adds:

> But it might be questioned on the ground of health hazards if families had to live at this level for a considerable period of time. * * * Neither of these budgets approaches the concept of what may be considered a satisfactory American standard of living, nor do their costs measure what families in this country would have to spend to secure "the abundant life."

In this study the cost-of-living figures were based on the living requirements of industrial workers for a family of four—husband, wife, and two children.

It is to be noted that the lowest cost of living in any of the 59 cities on an emergency-level basis was found at Wichita, Kans., $810 for a family of four. Now, the greatest annual wage which an employee could receive under the present bill after the 40 cents became operative is $832. This would require him to work 52 weeks per year, 40 hours per week. However, the act prescribes a minimum wage of only 25 cents an hour for the first year which would produce an annual income of only $520 for an employee working full time at 40 hours per week.

On the basis of this survey it cannot be contended reasonably that $520 or even $832 is more than enough to provide the costs of living necessary to health and decency, when $810 is the lowest cost of living for the United States on an emergency-level basis.

[Here the gavel fell.]

Mr. MURDOCK of Arizona. Mr. Chairman, I ask unanimous consent that the gentleman from West Virginia may proceed for 5 additional minutes on this important discussion.

Mr. COX. Reserving the right to object, I trust that if unanimous consent is granted, the gentleman from Georgia [Mr. RAMSPECK] who offers the amendment, may be given 5 additional minutes in which to reply.

The CHAIRMAN. Is there objection to the request of the gentleman from Arizona?

There was no objection.

The CHAIRMAN. Does the gentleman from Georgia submit a unanimous-consent request?

Mr. COX. Yes, Mr. Chairman; I do submit it as a unanimous-consent request.

The CHAIRMAN. Does the gentleman from West Virginia yield for that purpose?

Mr. RANDOLPH. I yield, Mr. Chairman.

The CHAIRMAN. The gentleman from Georgia [Mr. Cox] asks unanimous consent that the gentleman from Georgia [Mr. RAMSPECK] may be given an additional 5 minutes, the Chair to recognize the gentleman later for that purpose. Is there objection?

There was no objection.

Mr. RANDOLPH. Now let us consider the assertion that the costs of living differ greatly for the various regions of the United States for industrial employees. This assertion has been made repeatedly and is the principal basis for the contention that the bill seeks to achieve an arbitrary and unreasonable end and therefore contravenes the due-process clause of the fifth amendment of the Constitution.

The research and technical staff of the National Industrial Conference Board provides industry with information from time to time on wage and hour differentials and cost of living. The National Industrial Conference Board is composed of manufacturers, banks, insurance companies, oil companies, public utilities, and railroads. Its statistical

service is probably as accurate in the field in which it serves as that of any nongovernmental organization in the country.

A recent survey on wage and hour differentials and cost of living published by the Board this year in book form, Differentials in Industrial Wages and Hours in the United States, demonstrates the acute need for a Federal wage and hour law.

The following table on average hourly earnings for seven industries shows, for example, that the lumber industry which is especially concentrated in the South and far West pays an average wage of 32.7 cents in the South and of 74.9 cents in the far West. The wage differential for the two regions in this industry is 129.1 percent. But the cost of living differential for the two regions is only 7.4.

TABLE 1.—*Average earnings and hours of male workers in specified industries in September 1937, by regions*

[Source: National Industrial Conference Board]

Regions	Cotton	Foundries and machine shops	Furniture	Lumber	Printing	Electricity	Gas	Paper and pulp [1]
	Average hourly earnings							
United States	$0.458	$0.737	$0.543	$0.535	$0.952	$0.831	$0.691	$0.617
East	.527	.745	.569	.457	.964	.803	.738	.619
South	.424	.640	.422	.327	.854	.643	.506	.555
Middle West	-------	.750	.552	.485	.955	.882	.685	.618
Far West	-------	.752	.637	.749	.986	.844	.675	.723
	Average hours worked per week							
United States	37.3	40.6	43.0	43.4	38.8	42.4	41.6	-------
East	38.6	40.7	42.1	45.9	39.2	42.1	41.0	-------
South	36.6	39.3	45.7	47.8	38.2	43.9	41.2	-------
Middle West	-------	40.8	43.1	42.1	38.8	42.1	42.4	-------
Far West	-------	39.8	40.2	40.1	37.7	41.8	43.0	-------

[1] Relates to wage rates, not earnings, in April 1937. Based on information supplied by American Paper and Pulp Association.

It is enlightening indeed to contrast existing wage differentials with differentials in cost of living for the various geographical regions of the United States. While it can be said that living costs in the South are lower than in the East and far West, 5.8 percent and 7.4 percent, respectively, "the differential in living costs is considerably less than in wages. Moreover, while there is only a moderate difference, 2.3 percent, in living costs between the South and Middle West, wages differ considerably." Discrepancy between differentials in living costs and wages exists principally in the South. For example, the cotton industry is concentrated almost wholly in the East and South. According to this study, hourly earnings for the industry averaged 42.4 cents in the South and 52.7 cents in the East, a difference in hourly earnings between these two regions of 24.3 percent. But the cost of living in the South is only 5.8 percent lower than it is in the East. "In this connection, it must be emphasized that in compiling the data on living costs it is assumed that the same standard of living prevails throughout the United States, except that allowance is made for differences in local housing conditions and for variations dictated by differences in climatic conditions."

TABLE 2.—*Indexes of earnings and hours of male workers in specified industries and the cost of living September 1937, by regions*

[Base, United States average=100. Source: National Industrial Conference Board]

Regions	Cost of living
United States	100.0
East	102.1
South	96.5
Middle West	98.7
Far West	103.6

An analysis of the cost-of-living data on a population basis points to the conclusion that living costs are higher in the larger than in the smaller communities. The difference between the lowest and highest population group amounted to 5.7 percent.

TABLE 4.—*Indexes of earnings and hours of male workers in specified industries and the cost of living, September 1937, by population groups*

[Base, United States average=100. Source, National Industrial Conference Board]

Population	Cost of living
United States	100.0
I. 500,000 and over	103.9
II. 250,000 to 499,999	99.6
III. 100,000 to 249,999	99.4
IV. 25,000 to 99,999	98.3
V. 10,000 to 24,999	
VI. Less than 10,000	

NOTE.—Little difference in cost of living between citizen of ¼ million and 10,000; the difference in living cost is only 1.1 percent.

The differentials in living costs, however, on either a geographic or population basis, when the same standard of living is applied, are considerably less than the differentials in wages. Hence, the variations in living costs are not sufficient to account for the wage differentials. The latter must be explained on other ground. (Direct quotations from National Industrial Conference Board Service letter of January 27, 1938, analyzing a study of wage and hour differences and costs of living.)

It will be noted that the greatest cost of living differential in the United States based on population is only 5.7 percent and based on region is only 7.4 percent. These two maximum cost of living differentials expressed in terms of percentages of $832—which is the greatest sum which is guaranteed a person who works 40 hours per week at 40 cents per hour for 1 year by the provisions of the wage and hour bill—are $47.42 and $61.56, respectively.

Moreover, using 100 as the average cost of living for the United States, the cost of living for the South is shown to be 96.5, or only 3.5 less than the average cost for the country. Three and five-tenths percent of 40 cents is 1.4, or less than a cent and one-half. So based on cost of living—not standard of living—the South cannot show that it is entitled to a favorable wage differential or even a cent and one-half.

So it does not appear that the cost of living for the various regions and population areas of the United States differs so greatly as to require the Congress as a matter of reasonableness to fix differentials in minimum-wage legislation.

Second. The standards set forth in section 6 of the bill to guide the Secretary of Labor in determining what industries come within the purview of the law were taken from language used in recent decisions of the Supreme Court which fix and define the jurisdiction of the National Labor Relations Board. It is believed that they are sufficiently specific to meet the test of constitutionality.

In connection with the constitutional question of delegation it is important to remember that the Supreme Court very rarely finds fault with a congressional delegation of power. There are only two cases where congressional delegation has been adjudged invalid in 150 years of constitutional practice. There is nothing in recent decisions of the Court which would justify the Congress in casting aside legislative experience in providing for the administrative handling of modern, complex problems by delegation to administrative agencies—where proper guides have been employed to direct the exercise of the delegated power. The two cases in which congressional delegation to administrative agencies has been found invalid are *Panama Refining Co.* v. *Ryan* (293 U. S. 388) and *Schechter Poultry Corporation* v. *United States* (295 U. S. 495). In the first case the subject of the statutory prohibition, the transportation in interstate commerce of petroleum produced in violation of State law, was defined but the delegation was held to be improper because the range of administrative discretion was not only unlimited but wholly undefined. In the latter case the Court was not disturbed so much by the range of discretion granted with respect to any particular subject matter, as it was by the fact that the Court found no "adequate definition of the subject to which the codes were addressed."

Neither of these objections can be urged against the wage and hour bill. The range of administrative discretion is defined and limited. Section 6 directs the Secretary of Labor to determine the relation of various industries to commerce. His action is not made discretionary but mandatory. Secondly, the bill contains an adequate definition of the subject matter upon which his discretionary power is to operate. A recent case before the Supreme Court considered a delegation problem which is strikingly similar to the one which we have before us. Under the provisions of the National Labor Relations Act, the Board which administers that law is authorized to prevent unfair labor practices where the unfair practices complained of are "affecting commerce." The Board has no power to prevent all unfair practices. It must find in each case that the unfair practice is "affecting commerce." Hence, the words "affecting commerce" are all-controling in determining the powers of the Board.

In the case of Santa Cruz Fruit Co. against National Labor Relations Board, supra, the Chief Justice observed that the words "affecting commerce" did not furnish an exact formula but said that because of the very nature of the power of Congress under the commerce clause that the criterion must necessarily be "one of degree and must be so defined." The following excerpt from the opinion in that case illustrates the problem clearly:

> It is clear that where Federal control is sought to be exercised over activities which separately considered are intrastate, it must appear that there is a close and substantial relation to interstate commerce in order to justify the Federal intervention for its protection. However difficult in application, this principle is essential to the maintenance of our constitutional system. The subject of Federal power is still "commerce" and not all commerce but commerce with foreign nations and among the several States. The expansion of enterprise has vastly increased the interests of interstate commerce but the constitutional differentiation still obtains. *Schechter Corporation* v. *United States* (295 U. S. 495, 546). "Activities local in their immediacy do not become interstate and national because of distant repercussions" (Id., p. 554).
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> To express this essential distinction, "direct" has been contrasted with "indirect," and what is "remote" or "distant" with what is "close and substantial." Whatever terminology is used, the criterion is necessarily one of degree and must be so defined. This does not satisfy those who seek for mathematical or rigid formulas. But such formulas are not provided by the great concepts of the Constitution such as "interstate commerce," "due process," "equal protection." In maintaining the balance of the constitutional grants and limitations, it is inevitable that we should define their applications in the gradual process of inclusion and exclusion.
>
> There is thus no point in the instant case in a demand for the drawing of a mathematical line. And what is reasonably clear in a particular application is not to be overborne by the simple and familiar dialectic of suggesting doubtful and extreme cases. The critical words of the provision of the National Labor Relations Act in dealing with the described labor practices are "affecting commerce," as defined (sec. 2 (6)).

Standards set forth in the bill to govern the actions of the Secretary of Labor cannot be said to be more indefinite than the phrase "affecting commerce." Under the standards of the bill, the evidence taken at required hearings would have to show that an industry was one within the purview of Federal regulation because of its close and substantial relationship to interstate commerce, and so forth, before it could be subjected to the Fair Labor Standards Act. [Applause.]

In the minority opinion of the distinguished gentleman from Georgia [Mr. RAMSPECK], he advances three grounds upon which he expresses the opinion that the Supreme Court will hold that the pending bill exceeds the legislative authority of the Congress; in other words, will be held unconstitutional.

> (1) That to approach a solution of this problem we must have a fact-finding process to which Congress must delegate the power to determine what wages and what hours shall be applied after a thorough consideration of the facts.

The answer to this assertion is plain. If Congress can delegate the power to an agency it creates, certainly it possesses such power itself. If the delegation of power would make such legislation comply with the Constitution the assertion by the Congress itself of that power would seem to be equally constitutional. It would seem rather strange if an agency created by the Congress would possess greater powers than the Congress itself.

> (2) To do otherwise would be arbitrary and capricious, would be discriminatory, and would violate the due-process requirements of our Constitution.

If the Congress possesses the power under the Interstate Commerce clause, and if the Congress, as in the pending bill, provides what shall be minimum wages and maximum hours in the fields of business activity therein mentioned, it is exceedingly doubtful if the courts will declare the pending bill unconstitutional. Having jurisdiction to legislate under the Interstate Commerce clause, and the Congress undertaking itself to do so, instead of delegating the power to do so to a created agency the manner of exercise of a constitutional power when done by Congress itself will not be questioned by the judicial branch of the Government. For the courts to act otherwise would place a coordinate branch of the Government with no constitutional power of veto in the position of vetoing an act of Congress upon the ground that the Congress did not exercise the powers delegated to it in a proper manner. I doubt very much if the judicial branch would place itself in such a position of judging whether or not the Congress exercised its powers in a proper manner. The application of the rule of arbitrary and capricious action is plainly different when the direct act of the Congress itself is being considered than when the action of an administrative agency is being reviewed.

The proper and the probable course that the courts would take under our form of government with our three coequal branches of government, where the Congress legislates on a subject matter that comes within its constitutional powers, is to leave the question of arbitrary and capricious actions or of reasonableness or unreasonableness of exercise to the voters; to let such question, being political, rest for approval or disapproval with the people. To declare unconstitutional an act of Congress which the Congress had the power to legislate upon, on the ground that the Congress did not exercise its powers in a proper manner would result in serious confusion, grave misunderstanding, and controversy between at least two of the three coordinate and coequal branches of our Government.

It would seem that if the Congress has the power to pass legislation prescribing minimum wages and maximum hours in interstate business, that the judicial branch will not question the manner of the exercise of the power, but will take the position that the forum for such judgment is the people.

> (3) The standards prescribed upon which the Secretary is to base a decision are not sufficiently clear.

This relates to the powers delegated to the Secretary of Labor by section 6 of the bill, relating to the authority of the Secretary to determine what industries shall be affected. This section establishes definite standards that the Secretary must follow and comply with. The section also provides for "due notice to interested persons and giving them an opportunity to be heard." Not only in determining "the relations of the various industries to commerce," but also where "an order issued under this section shall be modified or revoked."

In connection with the powers delegated to and authority given to the Secretary of Labor under the provisions of section 6 of the bill, section 8 must also be considered. Section 8 provides for "court review of orders." It provides:

> Any person aggrieved by an order issued under section 6 may at any time obtain a review of such order by filing in the circuit court of appeals * * * a written petition praying that such order be modified or set aside in whole or in part.

Not only is such action on the part of the committee wise and proper, but it strengthens the provisions of section 6. If there were a grave question of the constitutionality of the provisions of section 6, which I do not concede, the power of court review of the actions of the Secretary, and of court interpretation of the section would seem to meet the argument an improper or unconstitutional delegation of power. [Applause.]

Mr. KNUTSON. Mr. Chairman, I move to strike out the last two words and ask unanimous consent to proceed for 10 minutes.

Mr. McKEOUGH. Mr. Chairman, I object, on the ground that we have taken up over an hour and have not proceeded very far with the consideration of the measure. I hope gentlemen will not ask for any extension of time, and I object to this request.

Mr. KNUTSON. Mr. Chairman, I yield to no man in this House as a friend of labor. With all my heart I believe in organization for him who toils and in his right to bargain collectively. As a matter of fact, I have carried a union card for well nigh on to a quarter of a century and expect to continue to do so until the end. I believe in organization of labor, because it means better wages and better working conditions. In my zeal to help promote the welfare of labor I voted for the Wagner Labor Act 3 years ago—something that I heartily regret now. At that time we were assured that its enactment would make for greater security for the toiler and above all would bring peace and contentment to the labor world. Alas, for the dream of the New Deal, the very opposite has resulted from the operation of that law.

According to official figures there have been more strikes and labor disorders since the law went into effect less than 3 years ago than in the preceding 7 years. To be more specific, during the almost 3 years that the law has been in effect, or from July 1935 to March 1938, there have been 8,012 strikes, as against 8,172 strikes for the preceding 7 years.

Now we are asked to pass another piece of hocus-pocus legislation that is going to be even worse for the employee and employer. It is here proposed to put a ceiling on hours and a floor under pay.

Invariably, when a minimum level is fixed it becomes the maximum. The older Members of the House will recall that during the late war Congress passed a law which permitted the Executive to fix the price of wheat. At that time wheat was bringing the grower between $3 and $4 per bushel. The Food Administrator set the minimum price of wheat at $2.20 per bushel at the terminal market, and immediately that became the maximum price, causing American wheat growers to lose hundreds of millions of dollars.

What assurance have we that in the operation of the proposed wage and hour law 40 cents will not become the maximum rate of pay as happened in the fixing of the wheat price 21 years ago? If the Government is given the power to fix a minimum wage, it naturally follows that it will also have the power to fix maximum wages, and that would strike at the very heart of the principle of collective bargaining.

Several preceding speakers evidently labor under the delusion that the passage of a wage and hour bill will do much toward taking up the present labor slack. Let me remind those who nurse this hallucination that France passed a 40-hour law several years ago which all concede has had a demoralizing effect on employment, production, and industry.

Instead of providing more work the operation of this law will have the very opposite effect. It will create more unemployment because it would further stimulate the use of labor-saving machinery. We have in operation in the District of Columbia a minimum-wage law that has been in effect less than a month and already has been responsible for scores of waitresses, hotel maids, and others being laid off. My authority for this is Miss Rose Brunswick, business agent for the Hotel and Restaurant Employees Alliance, who was quoted to this effect in the Washington Post on May 17.

In my opinion the passage of an inflexible national law, such as is here proposed, would multiply all over the country a thousandfold the unfortunate situation that has already resulted from the operation of the District minimum-wage law.

I do not understand how a proposal like this can have any appeal for a practical-minded person. The bill before us is inflexible in that it makes no provision for differentials that will take into consideration the vastly different conditions in various parts of the country, such as climate and difference in living costs. How can any sane person contend that such a proposal is based upon sound economic laws? As I see it, it is political in all its implications and is designed solely for the purpose of catching votes.

Why do we not profit by the experience of France and the District of Columbia? This is merely another Utopian dream similar to the national labor relations law Congress enacted 3 years ago and I prophesy that when the thousands of Government snoopers, who will be employed to enforce this law, get into operation it will be about as popular as was enforcement of the Volstead law. Already we are snooped to distraction. Rarely a day passes by but that some Government or State inspector drops in to snoop around. I fail to see any necessity for a law such as is here proposed but I can see grave dangers to labor arising out of its enforcement, not to mention the additional harassments to employers that will result from its enforcement.

In the larger centers labor is already organized and drawing wages far in excess of the rate provided for in this bill, consequently it follows that the legislation is aimed at the rural sections of America and, frankly, we do not want it. I hold in my hand telegrams and letters from a score or more creameries, cooperatives, the Farm Bureau, the Grange, from produce dealers, canners, small-business men—all bitterly opposed to this new nostrum that is going to work out exactly in the same way as has the Wagner labor law. You will recall the wonderful promises that we were assured would result from its operation. It was to do away with strikes and labor difficulties. How miserably it has failed I need not remind you. Then there is the bituminous-coal law which was also to perform wonderful miracles but that has also bogged down and about all that it has done is to increase the price of coal to the consumer from 75 cents to $1 a ton.

Let us be done with this fanciful and impractical program and get back to earth. The crying need today is to get the thirteen or fourteen million who are now idle back to work and to give the farmer a market for his products at parity prices.

If this legislation will do anything, it will increase the price of commodities that the farmer must buy without making any provision for increasing the price of what he has to sell. In addition to that, it will make it practically prohibitive for the farmer to go into the labor market and hire farm help. Do you suppose that anyone is going to hire out to work on a farm, where the hours are long, when he can get a job in town at better pay and half the hours? The whole thing simply does not make sense, but it is in line with the whole New Deal program of giving the farmer the short end of it.

You have given away his home market to Argentina, Australia, Canada, and Europe. Now you propose to complete the job by making it impossible for him to hire help. This is nothing more or less than a face-saving piece of legislation that the New Deal leaders want to use this fall in retaining control of Congress, and I, for one, am not going to vote to again make the farmer the goat for such a deceptive program. It will pass because the President wants it, but bear in mind this is not the first time that the President has asked for legislation that will cripple and hamper legitimate industry. O Lord, how long? Let us hope that the people will take matters into their own hands and apply the necessary remedy at the next election. [Applause.]

At this point I desire to insert an editorial from the Minneapolis Tribune which presents in a comprehensive manner the attitude of rural America toward this legislation:

THE FARMER AND THE WAGE-HOUR BILL

The case which agriculture presents against the Black-Connery wage and hour bill has seldom been more vigorously and effectively stated than it was on Thursday by William S. Moscrip, of Lake Elmo. As a leader in the dairy and livestock industries of Minnesota and the Northwest, Mr. Moscrip thinks naturally in terms of the farmers' best interests, and he has no illusions as to the adverse effect which this bill, if enacted into law, would have on those interests.

As he so clearly points out, the measure which comes to a vote before the House of Representatives next Monday, will inevitably tend to increase the prices of commodities which farmers must buy, while making no provision whatsoever for increasing the

prices of what the farmers sell. It is calculated, by its very nature, to make price parity between agriculture and industry impossible. Furthermore, the Black-Connery bill would make it extremely difficult for farmers to secure labor at prices they can afford to pay, and for the simple reason that they would have to compete for labor with industries in which minimum wages and maximum hours were fixed by Government fiat.

Again, this proposed bill is certain to encourage employers in industry to install more labor-saving machinery in an effort to keep down production costs, and Mr. Moscrip wisely warns the farmer what this will mean to him in new unemployment, with its further weakening of the American market for food and other agricultural products.

The fact that the National Grange, the National Cooperative Council, and the National Cooperative Milk Producers' Association are all opposed to the Black-Connery measure is deeply significant. These organizations, like Mr. Moscrip, perceive a serious threat to the farmer's welfare in this bill, and they are accordingly waging a militant fight against it.

The friends of agriculture are not misled by the eloquent claims on its behalf; the fact that it is well-intentioned does not blind them to the fact that it bodes no good for the farmer. The Black-Connery bill does not even provide differentials in wages and hours between urban and rural communities. It does not even exempt from its provisions persons engaged in the processing of seasonal or perishable agricultural commodities. What it does is to create a system of bureaucratic control over industry, and through that control and the disparities it will create, threaten to impose new burdens on the farmer.

The wage-hour bill is a snare and a delusion. Agriculture has nothing to gain by its enactment, and it has a tremendous stake in its defeat. If the House passes it on Monday, it will be voting against every interest of the farmer, and agriculture will do well to hold to strict account whoever sanctions its betrayal.

During the life of the N. R. A. it appointed a board of research to observe its operation and determine how it could be improved or how it should be modified. This board was composed of celebrated economists and a large staff of subordinates and employees. Naturally, it was friendly to the philosophy of the N. R. A. It had at its disposal all of the data and information available. Its investigation and observations of the workings of the N. R. A. lead to conclusions that so far as the regulation of wages and hours was concerned, it resulted in curtailment of production, decrease in the average standard of living, lower consumption of raw materials, including farm products and lower prices for them, geographical realinement of industry, and higher production costs for farmers. It also showed that under the attempt to fix a minimum wage, while some were raised, a substantial percentage was lowered to the minimum. This would bear out the oft-repeated prediction that the so-called minimum wage may automatically be fixed as the maximum.

Mr. KELLER. Mr. Chairman, I rise in opposition to the pro forma amendment, and in favor of the Ramspeck substitute for the pending Norton bill.

Mr. Chairman, this body is going to pass a wage and hour bill today. It ought not to be a question of dispute except as to the facts in the case. I am sorry that I must call the attention of my friend from West Virginia to the mistake he made in his statement that the Ramspeck bill was recommitted last year. That is a mistake. The Norton bill of last year, very similar to the present Norton bill, was recommitted and not the Ramspeck bill.

Mr. RANDOLPH. Mr. Chairman, will the gentleman yield?

Mr. KELLER. I yield.

Mr. RANDOLPH. I inadvertently used that term. I meant a bill in which differentials were recognized. It was the Norton bill which was recommitted.

Mr. KELLER. The gentleman admits the mistake, and I am glad of that. But I know he had no possible desire to misrepresent anything. He is not built that way.

The only difference between these two bills of any real importance is simply that the present bill may or may not be constitutional, while the Ramspeck bill, beyond reasonable doubt, is constitutional, and that is the meat in the coconut, here and now.

The question, therefore, that this body is going to decide today is whether we want to take a chance that is entirely unnecessary, or whether we do not. I do not see why we should try to put up to the Supreme Court a matter which it has not yet decided, when we can get exactly the same result by following the rulings which the Supreme Court has already made. Why should we exchange a certainty for a very uncertain hope?

I want to call the attention of my learned friend from Massachusetts to the question I put to him a while ago, and that is that a reading of the Supreme Court decision in the Guffey coal case will convince any man that the Supreme Court holds, really, to just one means of permitting the setting of prices and the settling of conditions, and that is through the hearings of a semijudicial body which the Ramspeck bill proposes. There have been no hearings by this body that could be used by the Supreme Court, and the Supreme Court gave this Congress a very gentle slap on the wrist in the coal case along that line, saying that the Congress had nothing before it to justify any arbitrary action.

Mr. HEALEY. Mr. Chairman, will the gentleman yield?

Mr. KELLER. Yes; I yield.

Mr. HEALEY. The philosophy of these minimum-wage cases in almost every instance is based on the cost of living, and in the States boards or minimum-wage commissions are set up to determine the cost of living, and in some there are two standards, the cost of living and the value of services.

Mr. KELLER. The value of services has always been the basis in law and in equity. But the gentleman does not answer my question.

Mr. HEALEY. In the Parrish case, in the dicta, Chief Justice Hughes said, "The cost of living must be met." Now, every Member of this Congress knows that the wage standard set up in this bill does not overmeet that cost of living. Therefore, why should we delegate the power to a commission to determine that question?

Mr. KELLER. And still the gentleman does not answer the question I asked him. I asked what the Supreme Court said in the Guffey coal case, and he does not tell us.

Mr. HEALEY. I do not believe the situation is a parallel one.

Mr. KELLER. It cannot be a parallel situation ever. There is hardly such a thing in lawsuits. But there is certainly a parallel of reasoning in relation to them. And if the Supreme Court refused to accept the opinion of Congress as binding on the Court in the Guffey coal law, it will naturally follow the same rule in relation to this law.

Now, as a matter of fact, Mr. Chairman, we are going to do one of two things. First, we are going to take a chance or we are not, and it ought to go without saying that if the committee sustains the Norton bill I shall vote for the Norton bill, of course. Everybody knows that; but also I ought to call your attention to the fact that during two sessions of this body it was my great opportunity to study this question and had before me as great lawyers as there are in America on this very subject while I was chairman of the subcommittee of the Labor Committee on the textile bill. The whole subject was thrashed out two or three times, and the accepted doctrine of the Supreme Court was brought forward then very plainly, and was perfectly understood and was included in the textile bill which was reported by the subcommittee, and the Ramspeck bill follows that bill, completely and entirely. The Ramspeck bill is our safest way out. [Applause.]

The CHAIRMAN. The time of the gentleman from Illinois has expired.

Mr. HARLAN. Mr. Chairman, I move to strike out the last two words. I am in favor of a wage-hour bill. I am in favor of it because I believe it will elevate the position of labor. I favor it because I think the welfare of this country depends on the elevation of the condition of labor, the shortening of hours to reasonable limits, and the raising of wages as high as possible. Therefore, I shall vote for any bill that we can get out of this committee, but I regret to be in a position where I must disagree with the Labor Committee on this proposition of the amendment. I favor the Ramspeck amendment, for two reasons. I think that of all the bills before this House the committee bill is too risky and too radical for us to accept at this time. Inasmuch as we are breaking new legislative ground, why do we want to

take in more territory and run more risks than are necessary? We are blazing new trails, and why jump off a precipice when we can go down stairs? There is no precedent for this committee bill. The Supreme Court in the child labor cases has expressly stated that such a bill would be turned down by the Supreme Court. They have modified that obiter recently in the Wagner labor decisions by inference only. There has been no express decision that any labor bill will be supported. Why not accept a bill that will give us as little risk on that proposition as possible and follow precedent as nearly as possible? The committee bill attempts to legislate against fact, because the geographical and production conditions in the country are so different. We cannot have a uniform bill that will work in a country where conditions are not uniform.

Furthermore, in considering conditions of work throughout this country we must measure in some way the value of services rendered. It is not only a question of the cost of living, as the gentleman from West Virginia intimated, but it is the value of the services which the Court will consider in passing on the constitutionality of this bill—the extent of the use of hand labor as against machine labor, the cost of transportation, taxes, proximity of fuel and water power—all of these make changed conditions throughout the country that I believe the Supreme Court will say must be determined by some legislative-judicial body before it will accept a universal law out of this body with no more facts than we have available at the present time. This proposed law is against what precedents we have. The gentleman from Georgia [Mr. RAMSPECK] has reviewed the decisions.

Mr. Chairman, the most important reason why we should accept this Ramspeck amendment is the fact that the measure we have before us is creating a needless division on this side of the House. It is going to flaunt before another legislative body the almost inevitable exigency of a filibuster. When we are all working for the common purpose, why do we want to pass a bill that will divide our forces, divide the forces that are interested in the welfare of labor, when it is not necessary? In a year or two we can probably eliminate differentials while approaching a uniform standard, but in approaching a uniform standard why not do it one step at a time? Why do we want to go the whole way, which will certainly inevitably create friction and hatred, sectional feeling and a filibuster in another legislative body and probably mean no legislation at all? I respect the opinion of the great labor leaders in this country. Both of them have been on both sides of this subject. I am for the welfare of labor also. I shall respect their opinion, but as long as I am a Member of Congress I shall try to merit their respect. That means that under my oath I must exercise my own best judgment on legislation. I am not willing to agree to change my opinion every time some labor leader changes his, regardless of my respect for him or his ability. [Applause.]

The CHAIRMAN. The time of the gentleman from Ohio has expired.

Mr. COX. Mr. Chairman, I move to strike out the paragraph. Those who are advocating wage-hour legislation are holding a rendezvous with elements which they must soon disavow or else be utterly consumed in the conflagration of hatred which they will build. When they see what a menace to society they are nurturing, what a Frankenstein they have created, they will flee from them and seek shelter under the protecting care of the Constitution, which today they treat as if it were a worn-out and worthless thing. They will support it with a glowing patriotism; they will demand that it be preserved, that it be not destroyed by an unrestrained Congress, or made meaningless by a jittery, frightened court. Mr. Chairman, truth is truth and right is right, and can be made nothing else either by a maddened Congress or a frightened court. It sickens me to see States surrendering their sovereign rights, to see the people exchanging their liberties for a full stomach. That this bill violates every principle of State rights and home rule, no student of government will deny, and if enacted into law and not quickly repealed, it will utterly destroy the States, and lead to the concentration of all power in Washington and the complete federalization of all the activities of the people, all informed persons admit. Take this fatal step, Mr. Chairman, and there will be no turning back short of State socialism. Take this step, and you change our whole civilization.

You make of the fine, free, and independent manhood and womanhood of America little cogs in the iron wheel of a great and all-powerful socialized state. The people who support this bill upon so-called humanitarian grounds have become intoxicated by its emotional appeal. They do not see the all-important principle that is involved. That it changes our dual system of government, they do not know and are unwilling to be shown. That it will destroy individual initiative and private enterprise is to them seemingly of little concern.

Mr. Chairman, the need of the hour is a change of attitude toward the idea of law and toward one another, and this change cannot be brought about by evasion of the Constitution but must be aided by its observance and the enforcement of its mandates. Mr. Chairman, this Congress has neither the wisdom nor the goodness to be entrusted with unrestrained power to legislate for a free people. For sympathy, charity, good example, and unselfish public service there will always be room.

[Here the gavel fell.]

Mr. COX. Mr. Chairman, I ask unanimous consent to proceed for 2 additional minutes.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

Mr. COX. For the suppression of native powers, for public dictation based on arbitrary rules, for the assumption that society is more important than those who compose it, and for the forcible expropriation of success for the relief of failure there is no place in a free republic.

Mr. Chairman, are we going to wrench our American democracy from its moorings and set it adrift upon the sea of failure? Are life, liberty, and the pursuit of happiness no longer inalienable human rights which government must respect? Are the people no longer sovereign, Mr. Chairman? Is reason to be supplanted by force? Is democracy to give way to imperialism?

Mr. Chairman, our American constitutional democracy is on trial. Who will come to its defense? [Applause.]

Mr. WOOD. Mr. Chairman, I rise in opposition to the pro forma amendment.

Mr. Chairman, my able friend, the gentleman from Georgia [Mr. COX], made a very great oration. I believe he is one of the most finished orators of the House, but after he concluded we still find ourselves with the problem of substandard wages and long hours. He did not suggest any remedy in lieu of the present bill.

I desire to address myself, Mr. Chairman, for a few moments to the Ramspeck substitute. Insofar as the legal question is concerned, insofar as its constitutionality is concerned, being a layman, I have no way of knowing whether this proposed bill that has been drafted by the Committee on Labor and is now before us is constitutional. We have, I believe, some of the best constitutional lawyers in the United States among the membership of this Congress. I have heard many able attorneys in the past 5 years express their opinions as to the constitutionality of many New Deal measures that were declared void by the Supreme Court. These very same able lawyers, and they are among the most astute attorneys in the United States, were wrong in many of their contentions. They held that N. R. A. would be declared constitutional; many of them held that the A. A. A. would be declared constitutional. Measured by the viewpoint of the Supreme Court at that time these constitutional lawyers of the House and the Senate were wrong in their contentions as to the constitutionality of those measures.

I quote from the opinion of Mr. Chief Justice Hughes with reference to the minimum-wage law, as follows:

The exploitation of a class of workers who are in an unequal position with respect to bargaining powers and are thus relatively defenseless against the denial of a living wage is not only detrimental to their health and well-being, but casts a direct burden for their support upon the community. What these workers lose in wages the taxpayers are called upon to pay. The bare cost of living must be met. The duty of Congress is plain. It owes a duty to the fair employer.

An so forth.

Justice Hughes declared the minimum-wage law constitutional. I believe he will take the same position with reference to this wage-hour bill providing a floor for wages and a ceiling for hours.

Mr. Chairman, I hope we shall not again get into that realm of exemptions and differentials, the annual wage, and all of the technical ambiguities that are contained in the Ramspeck substitute. If we are going to have a wage-and-hour law we ought not to try to load it down with so many amendments that no one can understand it, as we did the bill we considered in the last special session. As you well know that bill was loaded down with exemptions and differentials to such an extent that no one in this House understood what was in it, neither the committee nor anyone else. The pending bill is clear and concise. Almost any man or woman can understand it. It is the most understandable bill that has come before us. It is a fair start, and I hope we will not adopt the Ramspeck substitute but that we will vote it down together with all other ambiguous amendments and vote finally for the passage of the committee substitute we are now considering. [Applause.]

[Here the gavel fell.]

The CHAIRMAN. Under the terms of the consent agreement the Chair now recognizes the gentleman for Georgia for 5 minutes.

Mrs. NORTON. Will the gentleman yield?

Mr. RAMSPECK. I yield to the gentlewoman from New Jersey.

Mrs. NORTON. Mr. Chairman, I ask unanimous consent that all debate on this amendment close in 10 minutes.

The CHAIRMAN. Is there objection to the request of the gentlewoman from New Jersey?

There was no objection.

Mr. RAMSPECK. Mr. Chairman, may I compliment the gentleman from West Virginia, who is not a lawyer, upon the very splendid presentation he made of a most difficult legal side of this problem. He has rendered splendid service in our efforts to reach a solution of this problem and has demonstrated his sincere interest in the workers.

Mr. RANDOLPH. Will the gentleman yield?

Mr. RAMSPECK. I yield to the gentleman from West Virginia.

Mr. RANDOLPH. It is true I am not a lawyer, but I am a student of law in one of the schools in Washington, and I will try to become a lawyer.

Mr. RAMSPECK. The gentleman ought to make a good lawyer, because he tried to do an impossible thing and did it with great ability.

Mr. Chairman, if you are interested in the legal questions that the gentleman from West Virginia undertook to discuss before you vote on this matter, I hope you will turn to page 7301 of yesterday's RECORD and read the brief submitted by the Solicitor of the Department of Labor, Mr. Gerard Reilly, who discusses in detail the very questions raised by the gentleman from West Virginia. He states there is nothing in the decision of the Washington State case which indicates that the State of Washington would be at liberty to fix a minimum wage in excess of that needed for the cost of living.

I have not the time to go into a legal argument on this matter. The gentleman attempted to justify this bill on the ground that the W. P. A. 3 years ago made an investigation of the cost of living in certain cities in the United States. I am familiar with that study, and I put part of it in the RECORD in December. I stated then that I wanted my people to get just as much wages as anybody else. However, he is basing his argument on the fact that the W. P. A. made a study in 59 cities. The Labor Committee has made no such study. When the Supreme Court comes to pass on this law it will have to pass on a single case involving a single employee coming from a particular community. The decision must be made on the facts in such a case. If any gentleman wants to stand here and say you cannot produce thousands, yes, tens of thousands, of individual employees in the United States who are making today less than 25 cents an hour and are living on that sum, which I do not justify nor defend, why, then, he is saying things that are not in accord with well-known facts.

I can produce from my own State and from every State in the South thousands and thousands of employees who never made 25 cents an hour, and they can prove that they have lived on that amount. Their employers can prove it. When your law goes to the Supreme Court, as has been pointed out by Mr. Jackson, Mr. Reilly, and Mr. Cohen, if it can be proven that in a single case the employer must pay more than is necessary to produce the cost of living in that identical, single case, why, then, your law may be thrown out.

Mr. BOILEAU. Will the gentleman yield?

Mr. RAMSPECK. I yield to the gentleman from Wisconsin.

Mr. BOILEAU. The gentleman is not confusing subsistence and living, is he?

Mr. RAMSPECK. I am talking about the cost of living.

Mr. BOILEAU. The gentleman does not contend that one can live on 25 cents an hour?

Mr. RAMSPECK. The State laws operate on a fact-finding basis. The employees and the employers come in and they submit their estimate of what it costs to live. These committees go into the facts and determine what the cost of living is in a particular community. That is the only precedent we have for this type of legislation.

In answer to the gentleman from Missouri [Mr. WOOD], may I say that the bill I have presented here today as an amendment is the same bill the gentleman from Missouri [Mr. WOOD] supported last August, that the gentleman from West Virginia [Mr. RANDOLPH] supported last August, that the chairman of the Committee on Labor supported last August, that the American Federation of Labor supported last August, that the C. I. O. supported last August, and it was not until the Denver convention of the American Federation of Labor that there was a change. At that convention the Federation of Labor changed its opinion, and they had the right to do that. I do not criticize them for that. That convention was the sovereign body of the American Federation of Labor, and of course Mr. Green is bound by their action and he ought to follow it. This bill I have proposed today as an amendment to the pending measure is the one the Senate passed; it is the one the House committee reported last August, and every member of the committee, with the exception of three, voted for it last August.

There is nothing confusing about the bill. There are no exemptions in there that the committee did not put in last August. None of them were put in on the floor of the House. It is a fact-finding process that has some chance of being held legal. I may say I am more interested in finding a solution to this problem than in making a political issue out of wages and hours. [Applause.]

[Here the gavel fell.]

Mrs. NORTON. Mr. Chairman, I hardly feel it is necessary to say that we are unalterably opposed to the Ramspeck amendment. It is true that the committee reported one similar to it last year. It was not this bill, because nobody can tell what is contained in the bill. You would be compelled to take a pencil and paper and work out all your averages before you would know on what it is based. However, that bill did contain differentials. The gentleman from Georgia [Mr. RAMSPECK] has forgotten to say that while the

committee reported the bill, the House definitely turned it down. That bill was recommitted to the committee last December.

We then tried to bring in a bill that would be acceptable to the House and to all parts of the country. I am not going to enter into a discussion of the legal questions because I am not a lawyer and my opinion, therefore, would not be worth very much; but I do want to say that I have been reading the newspapers recently and I find that many things that were considered unconstitutional yesterday are considered constitutional today. I do not think anyone can venture an opinion whether or not this bill is or is not constitutional. When the time arrives and there is a test made of it, we will then be able to understand that.

May I say further that the bill before you today, the bill that has been reported to the House, is the best bill that we can bring to the House in order to take care of all parts of the country and do the thing we are aiming to do; that is, set a floor for wages and a ceiling for hours. This bill was reported by the Labor Committee by a vote of 14 in favor and 4 against.

Mr. Chairman, I sincerely hope the Ramspeck amendment will be voted down, and I now ask for a vote on the amendment.

The CHAIRMAN. The question is on the substitute amendment offered by the gentleman from Georgia [Mr. RAMSPECK].

The question was taken; and on a division (demanded by Mr. RAMSPECK) there were—ayes 70, noes 139.

So the substitute amendment was rejected.

Mr. TAYLOR of Tennessee. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. TAYLOR of Tennessee: Strike out section 1 of the committee substitute amendment and insert in lieu thereof the following as a substitute for the committee amendment:

"That as used in this act unless the context otherwise requires—

"(1) 'Person' includes an individual, partnership, association, corporation, business trust, receiver, trustee, trustee in bankruptcy, or liquidating or reorganizing agent.

"(2) 'Interstate commerce' means trade, commerce, transportation, transmission, or communication among the several States, or into or from any State to any place outside thereof.

"(3) 'State' means any State of the United States or the District of Columbia or any Territory or possession of the United States.

"(4) 'Occupation' means an occupation, industry, trade, or business, or branch thereof or class of work or craft therein, in which persons are gainfully employed.

"(5) 'Employer' includes any person acting directly or indirectly in the interest of an employer in relation to an employee but shall not include the United States or any State or political subdivision thereof, or any labor organization (other than when acting as an employer), or anyone acting in the capacity of officer or agent of such labor organization.

"(6) 'Employee' includes any individual employed or suffered or permitted to work by an employer, but shall not include any person employed in a bona fide executive, administrative, profession, or local retailing capacity as outside salesmen nor shall 'employees' include any person employed as a seaman, or any railroad employee subject to the provisions of the Hours of Service Act (U. S. C., title 45, ch. 3); or any employee of any common carrier by motor vehicle subject to the qualifications and maximum-hours-of-service provisions of the Motor Carrier Act, 1935 (U. S. C., title 49, ch. 8): *Provided, however,* That the wage provisions of this act shall not apply to any air-transport employee subject to the provisions of title II of the Railway Labor Act, approved April 10, 1936, or any person employed in the taking of fish, sea foods, or sponges; or any person employed in agriculture. As used in this act, the term 'agriculture' includes farming in all its branches, and among other things includes the cultivation and tillage of the soil, dairying, forestry, horticulture, market gardening, and the cultivation and growing of fruits, vegetables, nuts, nursery products, ferns, flowers, bulbs, livestock, bees, and poultry, and further includes the definition contained in subdivision (g) of section 15 of the Agricultural Marketing Act, approved June 15, 1929, as amended, or any other agricultural or horticultural commodity, and any practices performed by a farmer or on a farm as an incident to such farming operations, including delivery to market. Independent contractors and their employees engaged in transporting farm products from farm to market are not persons employed in agriculture. The term 'person employed in agriculture' as used in this act, insofar as it shall refer to fresh fruits or vegetables, shall include persons employed within the area of production engaged in preparing, packing, or storing such fresh fruits or vegetables in their raw or natural state: *Provided, however,* That nothing in this section shall exclude from the operation of section II of this act persons employed in forestry or in the taking of fish, sea food, or sponges, or in the tapping or chipping of pine trees for crude gum or the collection or handling of gum spirits of turpentine or gum rosin.

"(7) 'Emergency work' means any work necessary for the protection or preservation of life or health, for the prevention of damage to property, or for maintenance or repair of property or equipment, or made necessary in the due course and conduct of production and to avoid undue disruption of business.

"SEC. 2. It shall be unlawful to employ any person in any employment affecting interstate or foreign commerce at a wage less than 25 cents an hour, or at work in excess of 8 hours per day or more than 40 hours in any one week, or to employ any person under the age of 16 years for hire: *Provided,* That in case of emergency the provisions of this act shall not apply during the period of such emergency: *Provided further,* That such employer affected file with the State labor commissioner or other proper State official designated by law a sworn statement as to the necessity for such action: *Provided further,* That such employer shall pay to his workers during such emergency wages of not less than time and one-half for work in excess of 8 hours per day or 40 hours in any one week.

"SEC. 3. In order to prevent curtailment of opportunities for employment for learners, apprentices, and persons suffering from physical handicap, it is hereby provided that section 2 shall not apply to learners and apprentices until they shall have had 6 months' experience in the work they are engaged to perform, and neither shall section 2 apply to the employment of individuals whose earning capacity is impaired by age or physical or mental deficiency or injury, and in such cases a wage shall be paid to be fixed by the State labor commissioner, or other proper State official designated by law upon a sworn statement of facts in each individual case.

"SEC. 4. Any person in any State or Territory or possession of the United States or the District of Columbia guilty of violation of any of the provisions of this act shall be deemed guilty of a misdemeanor, and upon conviction shall be fined not less than $100 for each offense. The employment of each employee at a wage less than that fixed in this act, or for hours longer than those fixed in this act, unless excepted as provided in section 3, shall constitute a separate offense.

"SEC. 5. The district courts of the United States and possessions shall have jurisdiction of the violations of this act. Any criminal proceeding may be brought in the district wherein any act or transaction constituting the violation or any element thereof occurred. The Attorney General of the United States may petition, in the district court having jurisdiction to issue, upon proper showing, a permanent injunction prohibiting further violations of this act by any defendant in any criminal proceeding. Any district court in the district wherein the defendant is an inhabitant or transacts business or where the violation of the act occurred has jurisdiction of said suits in equity. Judgments and decrees so rendered shall be subject to review as provided in sections 128 and 240 of the Judicial Act, as amended (U. S. C., title 28, secs. 225 and 347, and D. C. act, title 18, sec. 26). It shall be the duty of each United States district attorney, to whom satisfactory evidence of any violation of this act has been presented, to cause appropriate proceedings to be commenced and prosecuted in the proper court in the United States for the enforcement of the foregoing penalties or any of them.

"SEC. 6. It shall be unlawful for any person to transport, offer to transport, or offer for transport in interstate commerce any goods in the production or processing of which any person so employed for longer hours per week or for less wages per hour or under the age of 16 for hire as provided in section 2 hereof when applicable.

"SEC. 7. It shall be unlawful for any person to transport, offer to transport, or offer for transport, in interstate commerce, any goods in the production or processing of which convict, prison, forced, or indentured labor has entered.

"SEC. 8. The provisions of this act shall not supersede any State law or municipal ordinance establishing a minimum wage higher than the wage established by this act or maximum hours shorter than those established by this act.

"SEC. 9. Any employer under a collective-bargaining contract with the union of his employees affiliated with a recognized, bona fide national labor organization providing for higher minimum wages and shorter maximum hours shall be exempted from the provisions of this act as to the employees covered by such agreement and insofar as the agreement covers hours and wages.

"SEC. 10. All laws or parts of laws in conflict herewith are hereby repealed. Should any provision of this act be held unconstitutional by the Supreme Court of the United States, the other provisions shall not be affected by such decision.

"SEC. 11. This act shall become effective 90 days after the enactment thereof."

Mr. TAYLOR of Tennessee (interrupting the reading of the amendment). Mr. Chairman, I ask unanimous consent that the further reading of the amendment be dispensed with.

Mr. SABATH. Reserving the right to object, Mr. Chairman, very few Members know what the substitute amendment of the gentleman is.

Mr. TAYLOR of Tennessee. I shall be pleased to explain the amendment.

Mr. DIES. Reserving the right to object, Mr. Chairman, I ask unanimous consent that the gentleman from Tennessee may have 5 additional minutes in which to explain the amendment, without having the amendment read.

Mr. SABATH. If the gentleman will explain the amendment I shall withdraw my reservation of objection.

The CHAIRMAN. The gentleman from Tennessee asks unanimous consent that the further reading of the substitute amendment be dispensed with and that the substitute be inserted in the RECORD at this point. Is there objection?

There was no objection.

Mr. BOILEAU. Mr. Chairman, I reserve all points of order on the amendment.

The CHAIRMAN. The gentleman from Texas [Mr. DIES] asks unanimous consent that the gentleman from Tennessee may proceed for 5 additional minutes. Is there objection?

There was no objection.

Mr. TAYLOR of Tennessee. Mr. Chairman, I am not offering this amendment as a dilatory measure. I am offering it in absolutely good faith. I may say I have been greatly interested in the subject of wages and hours and have really devoted more study to it during the present session of Congress than I have given to any other subject that has been before this body since I became a Member. I am tremendously interested in the wage earners of this country, as I set out in detail in the address I delivered to the House a few days ago. I am offering this amendment because I believe the bill which it includes is a distinct, a decided, and a substantial improvement on both the House and the Senate bills.

On yesterday my distinguished friend, the gentleman from New York [Mr. FISH], and others, took the position that the committee bill is the American Federation of Labor bill. I challenge that statement. The American Federation of Labor bill, which was voted down last December, was a bill which vested exclusive authority as far as enforcement was concerned in the Department of Justice and the courts of this country.

Mr. WOOD. Mr. Chairman, will the gentleman yield?

Mr. TAYLOR of Tennessee. I yield to the gentleman from Missouri.

Mr. WOOD. As the gentleman knows, this bill is not the American Federation of Labor bill, but it is one on which labor is united.

Mr. TAYLOR of Tennessee. I do not know about that.

Mr. FISH. Mr. Chairman, will the gentleman yield to me? The gentleman referred to me.

Mr. TAYLOR of Tennessee. I yield to the gentleman from New York.

Mr. FISH. Does not the gentleman know that Mr. William Green, president of the American Federation of Labor, is wholeheartedly in back of this bill?

Mr. TAYLOR of Tennessee. I understand that, but I am talking about the American Federation of Labor bill that was voted down last December. That bill vested absolute authority of enforcement in the courts of the country to the exclusion of the Labor Department or any board, as does my proposal.

Mr. FISH. Does not the gentleman know that the bill that was voted down last December was opposed by Mr. Green, the president of the American Federation of Labor?

Mr. TAYLOR of Tennessee. I do not know that. I voted for that bill, the A. F. of L. measure.

Mr. FISH. He opposed it in letters sent to every Member of Congress, because he did not believe in establishing another commission.

Mr. TAYLOR of Tennessee. I understand that is true, but this bill about which I am talking is not a parallel to the bill that was supported by Mr. Green last year.

Mrs. NORTON. Mr. Chairman, will the gentleman yield?

Mr. TAYLOR of Tennessee. I yield to the chairman of the Committee on Labor.

Mrs. NORTON. I wish to make it very clear that this bill was not written by the American Federation of Labor, by the C. I. O., or by any other labor organization. They had nothing whatsoever to do with the writing of the bill.

Mr. TAYLOR of Tennessee. I am not saying this bill does not have the support of the American Federation of Labor. I am simply saying this is not the bill that was proposed by the American Federation of Labor last year, as was stated by the gentleman from New York on yesterday.

Mr. SHAFER of Michigan. Mr. Chairman, will the gentleman yield?

Mr. TAYLOR of Tennessee. I yield to the gentleman from Michigan.

Mr. SHAFER of Michigan. Does the gentleman know that the American Federation of Labor has a bill in the House and that there is a petition on the desk right now to discharge the committee from the further consideration of that bill?

Mr. TAYLOR of Tennessee. I am not familiar with that. I really do not know what the attitude of the American Federation of Labor is on this particular proposal, but I do know this bill is a distinct departure from the bill which was proposed and supported by the American Federation of Labor last year. My bill is substantially the American Federation of Labor bill which was voted down last December. The only difference is that my bill provides for a 25-cent floor. In providing for a 25-cent floor I do not mean to say I favor a 25-cent-an-hour wage for the laboring people of this country, because I want to see them get all the wages the traffic will bear.

There has been some discussion of the constitutionality of the committee's measure. I concede there is some question of the constitutionality of my measure, but it is not nearly as vulnerable to adverse action on the part of the courts as is the committee bill, because the committee bill in the final analysis is a 40-cent-an-hour-wage bill and that is the question the Court will pass upon if the matter ever goes before the Court. In my judgment, my bill does provide for differentials in this way. As I stated in my speech a few days ago, I have an idea that if this question is submitted to the Supreme Court it will perhaps say that an industry which cannot pay a wage of 25 cents an hour to its employees does not deserve to exist.

I believe that the escalator which is provided in the committee bill, the graduated scale, is fraught with great danger both to industry and to labor, for this reason: Just before the increase of 5 cents an hour in the wages goes into effect the great buying businesses of the United States will rush in and fill their warehouses with goods, with the result that after this 5-cent increase goes on there will be a lapse and stagnation of purchasing activity, and industry will have to close down for a considerable period until this stock has been diminished. This will result in the laying off of millions of working people in this country during that period, which will result in great hardship and distress.

Mr. SCHNEIDER of Wisconsin. Mr. Chairman, will the gentleman yield?

Mr. TAYLOR of Tennessee. I yield.

Mr. SCHNEIDER of Wisconsin. Does not the gentleman think that if there is such a demand for goods because of merchants wanting to buy them on a lower scale labor can organize and demand an increase in spite of the law providing for a wage of 25 cents an hour?

Mr. TAYLOR of Tennessee. Of course, this does not preclude labor from receiving more than 25 cents an hour. This simply provides that industry cannot pay less than 25 cents an hour.

Mr. KNUTSON. Mr. Chairman, will the gentleman yield?

Mr. TAYLOR of Tennessee. I yield.

Mr. KNUTSON. The Washington Post the other day carried the statement from the head of the local union of wait-

resses and hotel maids that over 50 waitresses and hotel maids have been laid off since the minimum-wage law went into effect in this District on May 8. So, instead of making labor, according to her statement, it has deprived people of work.

Mr. TAYLOR of Tennessee. I took the position in my remarks a few days ago that if this bill becomes law it will result in the increase of unemployment in this country by at least 2,000,000.

Mr. KNUTSON. Is not that the way all of this Utopian legislation works out?

Mr. TAYLOR of Tennessee. Well, I do not regard minimum-wage legislation as Utopian legislation exactly.

Mr. KNUTSON. Well, it was conceived by dreamers.

Mr. TAYLOR of Tennessee. I think it is up to the Congress to pass a wage and hour bill that is reasonable to both labor and industry and one that will weather the test of the Supreme Court.

Mr. Chairman, this bill, of course, does not conform to the recommendations of the President of the United States in any respect. I want to call attention to the fact that on May 24, 1937, in a special message to the Congress on this subject the President said:

> Most fair labor standards as a practical matter require some differentiation between different industries and different localities.

Further on in the same message he said:

> We must seek to build up through appropriate administrative machinery minimum-wage standards of fairness and reasonableness, industry by industry, having due regard to local and geographical diversity.

On January 3 of this year in his annual message to the Congress the President stated it in even more explicit and more emphatic terms when he said:

> No reasonable person seeks a complete uniformity in wages in every part of the United States.

This bill does seek a uniformity in wages. The President himself has said that is unreasonable. I regret to hear members of the Labor Committee charged with being unreasonable. I have too high a regard for them, but under this criterion set up by the President they are indicted and condemned as being unreasonable persons.

Mr. SCHNEIDER of Wisconsin. Mr. Chairman, will the gentleman yield?

Mr. TAYLOR of Tennessee. I yield.

Mr. SCHNEIDER of Wisconsin. Does not the gentleman's substitute provide for the same 25 cents an hour that the committee amendment provides?

Mr. TAYLOR of Tennessee. It does; but, as I stated a moment ago, in my judgment, if this question comes before the courts they will hold that the 25-cent wage does not violate the due-process clause of the Constitution and is not confiscatory and would permit of the differentials which would naturally follow.

Mr. WELCH. Mr. Chairman, will the gentleman yield?

Mr. TAYLOR of Tennessee. I yield.

Mr. WELCH. Does the gentleman's bill provide for increases over the 25-cent minimum provided in the bill?

Mr. TAYLOR of Tennessee. It does not make any provision for that, but after industry and labor adjust themselves to this new order, it will be an easy matter for Congress to pass another act increasing the minimum wage if it is found to be expedient and advisable.

Mr. WELCH. In other words, the gentleman is attempting to establish a uniform wage of 25 cents an hour throughout the entire United States?

Mr. TAYLOR of Tennessee. That is right.

Mr. WELCH. That is the meaning and intent of the gentleman's bill?

Mr. TAYLOR of Tennessee. That is exactly what I do, with the understanding, of course, that later on the minimum may be increased.

Mr. DUNN. Mr. Chairman, will the gentleman yield?

Mr. TAYLOR of Tennessee. I yield.

Mr. DUNN. Does the gentleman know that the American Federation of Labor, the C. I. O., and the Brotherhood of Trainmen have endorsed the Norton bill?

Mr. TAYLOR of Tennessee. The brotherhoods have certainly not endorsed it. As I understand it, all the railroad brotherhoods have asked to be excused from this straitjacketing piece of legislation.

Mr. BOILEAU. Mr. Chairman, will the gentleman yield?

Mr. TAYLOR of Tennessee. I yield.

Mr. BOILEAU. The maintenance-of-way men have not asked to be excluded. They desire to be included.

Mr. TAYLOR of Tennessee. I understand the 21 railroad brotherhoods have asked to be excluded, and they certainly are not included.

[Here the gavel fell.]

Mr. TAYLOR of Tennessee. Mr. Chairman, I ask unanimous consent to proceed for 1 more minute.

The CHAIRMAN. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

Mr. TAYLOR of Tennessee. My bill goes on to provide for the handicapped people in industry by providing that the labor commissioners of the various States shall inquire into each individual case and fix the wage for people who are handicapped on account of age or physical disability, and it also takes care of the period of training for 6 months when those who are employed as apprentices may have 6 months' time within which to familiarize themselves with the work before coming under the provisions of the bill. [Applause.]

[Here the gavel fell.]

Mr. COX. Mr. Chairman, I move to strike out the last word and rise in support of the amendment. There is much merit in what the gentleman from Georgia [Mr. RAMSPECK] said and what the gentleman from Tennessee [Mr. TAYLOR] has just said with reference to the constitutionality of the pending bill. If I had the confidence or if I have the confidence to believe the Supreme Court will adhere to the position, extreme though in many instances it has been, which has already been taken, then there would be no doubt whatever in my mind but that the Court will, if this bill is passed and is attacked in the Court, hold it unconstitutional. The bill seeks to establish Federal control over production, and under the continuous stream of commerce doctrine to apply Federal control at the point of the formation of intent in the mind of the individual to produce for commerce which shall run all the way to the point of consumption of the article produced. The Secretary is empowered to hold that a local producer who competes with an interstate operator in supplying a purely local market, which the interstate operator would otherwise serve, is in interstate commerce. The Secretary is also empowered to hold that a manufacturer, though selling nothing across State lines, if he use in his manufacture any article shipped in across State lines, is in commerce and comes under the law, or if in disposing of his production he should send an article across State lines, he would fall under the provisions of the law. It is, of course, known to all that the Supreme Court still holds that production is a local activity, subject alone to local control. The gentlewoman from New Jersey [Mrs. NORTON] sponsoring this bill stated yesterday that little power was delegated to the Secretary of Labor. Mr. Chairman, the power of life and death over all industry and, therefore, over all of the activities of the people, is, by the express provisions of the bill vested in the Secretary of Labor.

The gentleman from Massachusetts [Mr. HEALEY], who happens to be, as I understand, the legal expert of the Committee on Labor charged with the responsibility of defending the bill against attack on constitutional grounds, stated yesterday that while the purpose of the bill is to relieve the condition of substandard workers, yet the lowest-paid workers in the Nation, the farm laborers and the clerks in retail stores, are exempt under the law because they are not in commerce.

The CHAIRMAN. The time of the gentleman from Georgia has expired.

Mr. COX. Mr. Chairman, I ask unanimous consent to proceed for 5 minutes more.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. COX. By that solemn declaration on the part of the gentleman from Massachusetts he made disclosure that he is unacquainted with the provisions of his proposed law, because, Mr. Chairman, all production may be brought under the law. There can be no control of the activities of enterprise and the relationship as between employer and employee except that power be found drawn from the commerce clause of the Constitution, as is attempted in this instance, projecting it into the States to the extent of taking away from the free citizen the right to contract as he sees fit and the setting up of Federal control not only of his activities in productive operations but holding that he is in commerce from the point of the formation of an intent to engage in commerce.

Mr. Chairman, broader powers were never vested in a single individual than are given to the Secretary of Labor under the provisions of this bill. No such Federal dominion over the activities of the people ever dreamed of heretofore.

Mr. Chairman, this is not an attempt at oratory on my part, but is an attempt to strip away from this whole proposal all of the sentimentality with which advocates have endeavored to drape it and thereby conceal its wicked intent and purpose to establish Federal dominion over the lives of the people of this country.

Mr. CREAL. Mr. Chairman, will the gentleman yield?

Mr. COX. I regret I cannot yield. What will be the consequences, Mr. Chairman? Pass this law and into every hamlet in this Nation where men toil you will have a representative of the Secretary of Labor hand in hand with a representative of the C. I. O., which is gnawing away at the very vitals of America, going into the individual's place of business and virtually taking charge in the sense that the Secretary is vested with power to initiate inquiry and the making of investigation to determine if there be an excuse for the employment of Federal power to compel complete surrender of all those rights heretofore understood and believed to be natural and inalienable, and beyond the power of Congress to take. [Applause.]

The CHAIRMAN. The time of the gentleman from Georgia has again expired.

Mr. FISH. Mr. Chairman, I rise to oppose the amendment. The gentleman from Tennessee [Mr. TAYLOR], the author of this amendment, quoted me as saying that the pending bill was sponsored by the American Federation of Labor. I repeat that in principle the pending bill is similar to that legislation which has been consistently advocated by the American Federation of Labor. I further emphasize that this pending bill, the Norton wage-hour bill, has the wholehearted support of the American Federation of Labor through its president, William Green.

Mr. BOILEAU. Mr. Chairman, will the gentleman yield?

Mr. FISH. Yes.

Mr. BOILEAU. The gentleman, I imagine, also wants to make it clear that it has the support of the C. I. O.?

Mr. FISH. That is correct with certain reservations.

Mr. COX. Mr. Chairman, will the gentleman yield?

Mr. FISH. Yes.

Mr. COX. Is the gentleman not willing to make some careful study of the pending measure and come to a conclusion which to the gentleman's mind represents right and justice and support it entirely disregardful of the judgment or recommendation of any other political or social or business group?

Mr. FISH. That is precisely what I have done.

Mr. COX. Does the gentleman not represent what he believes is right?

Mr. FISH. I will tell the gentleman exactly what I believe. I believe that this is a fair, a just, and a humane bill. I say to the gentleman from Georgia and to the House that I think it is a justifiable criticism of Congress that this bill was not enacted into law 20 years ago. [Applause.] I have been waiting ever since I have been in Congress to vote for a uniform hour and wage bill to do away with sweatshop hours, wages, and intolerable labor conditions. I do not care who is for the bill or who is against the bill, it is a sound and equitable bill. Furthermore, as one who has fought communism for many years, I believe if the Members of the House want to help to stop the spread of communism and radicalism, they should support humane legislation of this type in order to provide social and industrial justice and a square deal for labor.

Mr. COX. Or else abandon the Government to them.

Mr. FISH. The people still control the destiny of our Republic through a free ballot and through free institutions. It does not make any difference who is for the bill or who is against it, the bill is meritorious, it is right, and it is in the interest of the American people. I believe in the Federal Constitution as much as does the gentleman from Georgia. I have stood for social and industrial justice for 20 years in public life, and I believe in those principles more today than ever before and in putting them into effect under the Constitution. I believe that is exactly what we are doing by this bill. [Applause.] The gentleman from Wisconsin wanted me to say that the C. I. O. is for this bill. That is correct; the C. I. O. is for this bill, all labor organizations are for it, unorganized labor as well as organized labor. Whether a certain person or group is for or against a bill does not make the bill meritorious. I am for this uniform wage and hour bill because I want this country to be worth living in for all the people, and to do so we must pay living wages.

Mr. COX. Mr. Chairman, will the gentleman yield?

Mr. FISH. I cannot yield further, I am sorry.

It is up to us as Members of Congress to legislate. Let us, as Al Smith says, look at the record, which discloses that the C. I. O. and President Roosevelt were combined in favor of the old bill that set up a commission and a differential in wages which was defeated in the House. That bill set up not only a commission but a superbureaucracy to control and regulate labor and industry. In all fairness to Mr. Green, the President of the American Federation of Labor, he opposed that bill, primarily because he was against setting up a board or commission to have a strangle hold over labor and industry. He fought that bill on principle without compromise, and he, more than any other factor, was responsible for its defeat. He is for the pending bill because it is almost identical in principle to the bill he has advocated from the very beginning. Whether you call it the American Federation of Labor bill or the Norton bill makes no difference to me, it is in line with Mr. Green's recommendations; but whether it is or not, I propose to support it because it is a meritorious, sound, fair, just, and humane bill. [Applause.]

[Here the gavel fell.]

Mr. COX. Mr. Chairman, I ask unanimous consent that the gentleman's time be extended in order that I may ask him a brief question.

The CHAIRMAN. Is there objection to the request of the gentleman from Georgia?

Mr. CREAL. Mr. Chairman, I object. The gentleman could not find time to yield to me.

Mrs. NORTON. Mr. Chairman, I ask unanimous consent that all debate on this amendment close in 10 minutes.

The CHAIRMAN. Is there objection to the request of the gentlewoman from New Jersey.

There was no objection.

Mr. MEAD. Mr. Chairman, I am sure everybody enjoyed the philosophical discussion of the purposes of our Constitution by the distinguished constitutional lawyer from Georgia. His legal talents are highly regarded. His observations are always interesting and illuminating. While his particular observation on this important subject is refreshing, it falls short of being sustaining so far as the millions of unemployed are concerned. They are clamoring for this bill; workers located in your district, in my district, and in the gentleman's district. I am sure that the gentleman's ob-

servations as they apply to the pending amendment will be neither convincing nor effective.

Now, then, the attitude of labor as it applies to this measure has been mentioned. In order to clear the atmosphere let me say that from the information I have no measure considered at this session has received more emphatic approval of labor organizations than this particular bill. I want to congratulate the committee, both Republicans and Democrats, for the work they have so ably completed in bringing this measure before the House. It has received the wholesome approval of labor; it has the sympathetic support of railroad labor. Railroad labor, however, asks for the adoption of an amendment which will extend the authority contained in the bill. That amendment will be presented at the proper time by the gentleman from Ohio [Mr. CROSSER]. I trust the committee will accept his amendment.

The escalator clause has been subject to some critical analysis because of the fact that it might apply too severely to the industries of the country. We are informed by the United States Weekly which reached us a week ago that average wages throughout the United States, including every portion of the country, range, if I recall the figures correctly, from a low of 39 cents an hour to a high of 59 cents an hour for unskilled labor. Surely a wage proposal that begins at 25 cents an hour and gradually increases until it attains a high of 40 cents an hour should not injure industry; and the modest proposal with regard to the regulation of hours beginning at 44 hours a week, lower than the average now applying in industry, and eventuating after 3 years in a 40-hour week, will not endanger the industries of America. This is a modest proposal, a proposal that will gradually permit industry to gear itself to the minimum standards contained in the bill.

Of course the bill is not by any means a perfect measure, but it is a forward step in the solution of this complex problem of unemployment.

It establishes minimum standards; it offers a small measure of protection to the lowest-paid group of workers in industry.

Another thought I would like to leave with you: This bill will no doubt go to conference, and there it will meet a Senate proposal which contains numerous provisions, including some of the provisions contained in the amendment offered by the gentleman from Tennessee. Let us send this clear-cut proposal to conference so our conferees will have a House bill to work upon. This action on our part will result in a better bill. It will speed it on its way to passage.

The House committee no doubt considered the proposal submitted by the gentleman from Tennessee. They gave it all of the thought and consideration that that measure was entitled to receive. They found that the bill pending before us is immeasurably superior. For that reason the Republicans and the Democrats on the committee voted to report this bill. The House bill exempts agriculture. It will ultimately aid industry, and it will not set up additional bureaus for its enforcement.

Let us therefore vote for this bill and send it to conference. The conferees will have a wide field from which to bring back a conference report. At that time we will have opportunity for further expression.

[Here the gavel fell.]

Mr. HEALEY. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I have requested this time merely to answer the remarks made by the gentleman who sits at my left during the course of his very eloquent speech, in which he referred to the fact that on yesterday he asked me why it was the underpaid workers in retail stores were not included within the terms of this bill. As I recall, I replied to him yesterday that he knew the answer. Of course, it does not lie within the power of Congress, as most of those stores are engaged in purely intrastate activities, to regulate hours and wages in those instances.

The gentleman stated in his remarks that in making that statement I was not familiar with the provisions of the bill. I call his attention to section 11, page 58, of the bill. Included among the exemptions are those of persons engaged in local retailing capacity. I do not know what caused the committee that reported this bill to include among those persons exempted from the terms of the bill persons engaged in local retailing capacity. I assume the reason was that they believed that because of the intrastate activity in which such persons were engaged the Congress would not have the power to legislate minimum wage and hour standards affecting them.

So far as persons on farms are concerned, I am sure if this committee attempted to regulate the hours and wages of persons engaged in agriculture my friend would be one of the very first to protest most vehemently against that. We all realize it is impossible for us to legislate the hours and wages of persons working on farms. They have seasons and their remuneration is based on an entirely different plan.

[Here the gavel fell.]

Mrs. NORTON. Mr. Chairman, I rise in opposition to the amendment. This bill was introduced on May 17 and has never been considered by the Labor Committee. Nobody knows what is contained in it. The bill has been brought in here without any discussion whatsoever and certainly does not meet the wishes of the Labor Committee. The members of the Labor Committee have discussed this bill among themselves and they are very anxious that the Committee of the Whole vote down the amendment.

Mr. Chairman, I ask for a vote on the amendment.

The CHAIRMAN. The question is on the substitute amendment offered by the gentleman from Tennessee [Mr. TAYLOR].

The amendment was rejected.

Mr. CELLER. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I am in favor of this bill and shall vote for it, but I want to take an exception most respectfully to what the gentleman from Massachusetts [Mr. HEALEY] just stated concerning whether or not this bill covers employees in retail establishments. While I have the greatest confidence in the gentlewoman from New Jersey, my esteemed friend, Mrs. NORTON, and her colleagues on the committee, I do not think the bill is clear enough in its terms and can readily be interpreted to embrace those in retail stores. Congresswoman NORTON said yesterday that employees in retail stores were not embraced in the bill. I am happy to hear that, but does the present wording of the bill say so? I doubt it. To fathom this bill as to retailing, we must make sure as to what two sections mean, towit, sections 6 and 11. The gentleman from Massachusetts read from page 58 (sec. 11), which implies at first blush that employees in local retail establishments may be deemed to be exempted from the provisions of the act; but he did not read far enough, because if you will refer to lines 5 and 6, page 58, you will find a delimitation; that is, "as such terms are defined and delimited by regulations of the Secretary of Labor." So that she is given discretionary power to place a meaning upon what is intended by "local retailing capacity." She is given free and untrammeled power. Her word is law. Her discretion is tremendous. In one breath we exempt "retailers," and in the other breath we say, "but only provided Miss Perkins says so."

Furthermore, refer to page 56 of the bill, lines 4, 5, 6, and 7. They are part of section 6, which also determines what industries and business are embraced in the act. There are three standards. First, substantial sales to other States; second, substantial purchases from other States; third, substantial deliveries or transportation to and from other States. It matters not if the business is local, purely local. If substantially that local store buys and receives substantially its stock and merchandise from outside the State, it affects the stream of commerce and is considered embraced in the bill.

That standard is as broad as a barn door and will allow almost anything to come in. It may embrace any business. Let us take a retail butcher shop in my district. I should say that practically all the purchases of that retail butcher in my district must involve interstate commerce in the sense

of this bill; namely, all the meat would come from outside New York State. The pork loins would come from Des Moines, possibly, the beef from St. Louis, the tenderloins from Chicago, and the fowl from New Jersey. Where can they buy outside the large packing establishments, most of which are located—where? Not in Brooklyn, from whence I come. Of course, they may have a branch establishment there, but most of that meat in fact would come from Chicago, from Cudahy, Swift, or Armour. There is no local meat. It practically comes entirely from the large packers. That the butcher "depends for his existence by substantial purchase of goods" in commerce, he comes under the act, despite the words of section 11.

Let us take a building contractor in my city. All that he purchases for the erection of a building in my district would have to come from outside the State. His purchases are substantially from outside New York.

The iron and steel come from Michigan or Pennsylvania, as well as the planks; trim and flooring from Oregon or Washington, the brass and the porcelain appliances likewise come from outside our State borders. Thus contractors doing a purely local business would come under the bill. I do not instance these facts in opposition to the bill, as I am in favor of it, but I believe we must use a greater degree of exactitude in our definitions.

The flour which the local grocery store sells will very likely come from Minneapolis, the pickles and the catsup from Pittsburgh, the preserves from California, the sugar from Colorado, the maple syrup from Vermont, the rice from Louisiana, and the fruit from Florida. That grocer might be deemed affecting the stream of commerce if the present wording of the bill remains.

I shall later offer suitable amendment to section 11.

I could take almost every single solitary retail establishment in my district, and if I were the Secretary of Labor I could very easily proclaim as the result of an examination that either the sales went substantially into other States or the purchases were from other States and, therefore, that business was associated with interstate commerce and was thus embraced in the bill.

Assuredly specific exemption without equivocation or reservation is needed to have local retailing employees removed from the jurisdiction of the bill.

Mr. MICHENER. Mr. Chairman, I rise in opposition to the pro forma amendment.

Mr. Chairman, the gentleman from New York [Mr. MEAD] made it very clear to us that this bill is going to conference. There is no Member among us so credulous that he believes the bill now before the House is going to be enacted into law in its present form. Our action today is for the purpose of sending the Senate bill to conference. The House Committee on Labor had its option. If the committee had wanted the bill before us today, and no other bill, it would have reported such bill, and it would have gone to the Senate for consideration on its merits. However, the committee adopted the other route, making it possible for the conference committee, and not the Congress, to write the law.

The bill we have before us today will never become a law. When the Ludlow resolution came before the House on motion to discharge the committee, as has this bill, the chairman of the Rules Committee said, "No bill has ever yet become a law by the method of discharging a committee."

The gentleman from New York has impressed upon us that organized labor, unorganized labor, and all people who labor are for this bill. I see the gentleman shakes his head. Perhaps he did not say "all people who labor," but that was the import of his statement. I come from a district where we have considerable organized labor.

Mr. MEAD. Mr. Chairman, will the gentleman yield?

Mr. MICHENER. I cannot yield for a speech, just for a question.

Mr. MEAD. I may say I stated that no bill has come before the House that has had so much approval from labor as this bill. I believe the gentleman will see that the remarks he attributed to me were made by the gentleman from New York [Mr. FISH].

Mr. MICHENER. The gentleman is always very fair. He is a representative of organized labor on this floor. He was elected as a representative of organized labor and always has been. The gentleman does a mighty good job, and as a rule I am able to go along with him. However, this is a time when the gentleman is wrong, and I cannot agree with him. I cannot believe that he is enthusiastic about this bill.

I realize that the national headquarters of the A. F. L. and of the C. I. O. have indicated to all Members of Congress their support of this measure. Their national conventions, however, have never given their approval. The locals throughout the country have been asked by their headquarters to write and wire the Members of Congress to support this bill. Along with other Members, I have received a number of such requests. I have also received letters from individuals who, when voting with the local union, loyally stand by the orders from the national headquarters, but who, when expressing their private views in a confidential way, have no hesitancy in condemning this Norton bill.

Inasmuch as the gentleman from New York [Mr. MEAD] attempts to impress upon us that all organized labor is for the bill, and that the Members of Congress should, therefore, vote for it, I read to you a letter received from Monroe Local No. 132, International Brotherhood of Paper Makers, Monroe, Mich., an affiliate of the A. F. L. The entire letter, printed on International Brotherhood stationery, under the seal of the local, is as follows:

INTERNATIONAL BROTHERHOOD OF PAPER MAKERS,
MONROE LOCAL, NO. 132,
Monroe, Mich., May 9, 1938.

The Honorable EARL C. MICHENER,
House Office Building, Washington, D. C.

DEAR MR. MICHENER: The members of Monroe Local, 132, of the International Brotherhood of Paper Makers, Monroe, Mich., have been out on strike for the last 5 weeks against drastic wage reductions put into effect by the River Raisin Paper Co. of that city.

We note the House Committee on Labor have finally accepted the American Federation of Labor's point of view and are bringing up the wage and hour bill, which provides for a universal Nationwide minimum rate of 25 cents per hour with a provision this is to be increased to 40 cents per hour within a period of 3 years.

At the request of our members, I am asking you in all fairness, do you think any American worker can support himself and family in decency and according to our American standards of living on that rate? If you do, then our members suggest that you try it yourself; that is, you limit your income to a rate the equivalent of 25 cents for an 8-hour day rating and give it a fair trial, and at the end of said trial vote as your experience of a 25-cent rate and your conscience guides you.

We think this wage rate to be the most unfair piece of legislation ever suggested for the American worker, and ask that you give your support to kill any attempt made to pass it.

Very truly yours,

MONROE LOCAL, 132,
CARL EBY,
Recording Secretary.

Now, it is evident that this local is opposed to this bill because its members feel that 25 cents an hour for the first year is what the bill defines and establishes as a "fair labor-standard wage." I am personally acquainted with a number of the members of this local and I am sure they are splendid, patriotic citizens and my friends. I am just as sure that this letter expresses their view.

I know nothing about the strike referred to in the letter, other than what I have read in the newspaper. This local was organized by my good friend, our colleague from Wisconsin, Mr. SCHNEIDER. We all recognize that Mr. SCHNEIDER is one of the outstanding leaders of the A. F. of L. in the Congress and in the country. He naturally thinks in terms of his organization. He is not radical. He has the confidence of all who know him, and he is another organized-labor leader whose judgment I often seek on matters pertaining to organized labor. Mr. SCHNEIDER tells me that Monroe Local No. 132 has between 1,000 and 1,500 members, and that the men are striking because of a threatened 15-percent reduction in wages below last year's contract. My understanding is that last year's contract called for around 50 cents an hour, and it is easy to see why these organized

union men are opposed to the Congress, by legislative fiat, fixing 25 cents an hour as a "fair minimum wage" when the men themselves are now on strike for double that amount. They undoubtedly feel, as many others throughout the country feel, that a minimum wage fixed by Congress will in many instances automatically become the maximum wage paid in many industries. Samuel Gompers, the great leader of the A. F. of L., always fought any suggestion to fix by legislation hours and wages for working people. He felt that job could be done better through the medium of collective bargaining and around the council table, where the employer and the employee, each having a stake in the venture, could compare notes and arrive at an equitable decision.

Again I assert that the gentleman from New York [Mr. MEAD] is wrong if he thinks that all of organized labor is ready to permit Congress to fix the hours employees may work and the compensation employers must pay.

Now, Monroe Local, No. 132, is one of the largest A. F. of L. locals in the congressional district which I represent; and if I follow the request of this local I must do everything within my power to prevent the passage of this bill. For the reasons mentioned by the local, and for the additional reasons which I shall give, I shall vote against this bill.

Mr. SCHNEIDER of Wisconsin and Mr. KITCHENS rose.

Mr. MICHENER. I regret that time makes it impossible for me to yield to my colleagues. I know they each appreciate the situation.

[Here the gavel fell.]

Mr. MICHENER. Mr. Chairman, I ask unanimous consent to proceed for 3 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

There was no objection.

The debate up to this time has been largely emotional rather than factual. I know of no one who favors sweatshops and the degradation of labor except possibly those few despicable individuals who indulge in the practice. No one is more bitterly opposed to this group than I am, and no one is more ready to do away with such practice, but this bill will not do the job.

It seems to me that it is well that we consider some of the salient features of this bill rather than vote blindly just so we can say that we voted for a wage and hour law. We all know there is little in a name of a bill. It is substance that counts. The enactment of a wage-hour law is of value to the people only to the extent that it gives relief and betters the general economic condition of the country. Having this in mind, let me call your attention to a few provisions of this bill:

In the first place, section 1 boldly proclaims that this law may be cited as the "Fair Labor Standards Act of 1938."

Section 4 in substance establishes 25 cents per hour as a "fair standard" of wages for the first year after the enactment of the law, with 5 cents an hour increase per year, and reaching a maximum of 40 cents an hour at the end of the third year.

Section 5 provides for an 8-hour day and a 44-hour week for the first year, reaching a 40-hour week at the end of the third year. Time and a half at the regular hourly rate is provided for all overtime.

Section 6 provides in part as follows:

The Secretary, as soon as practicable after the effective date of this section, shall, after due notice to interested persons and giving them an opportunity to be heard, determine the relation of the various industries to commerce. If, in the case of any industry, the Secretary finds (a) that the activities of such industry are Nation-wide in their scope, or (b) that such industry is dependent for its existence upon substantial purchases or sales of goods in commerce and upon transportation in commerce, or (c) that the relation of such industry to commerce is in other respects close and substantial, the Secretary shall issue an order declaring such industry to be an industry affecting commerce. Such order shall take effect at such time not more than 120 days after it is issued as the Secretary may designate in the order.

The wage and hour bill which was rejected by the Members of the House a few months ago placed discretion in a board to fix hours and wages and other standards of employment under certain conditions. The Congress overwhelmingly rebelled against such delegation of power. Here power is given to the Secretary of Labor to "determine the relation of the various industries to commerce." We found in the Schechter N. R. A. case that it was very difficult for even the Supreme Court to determine whether or not a particular industry was engaged in interstate commerce. Yet here we delegate to Mme. Perkins the authority and power to "issue an order declaring such industry to be an industry affecting commerce." I shall not consent to any such proposal.

The next section to which I want to call your particular attention is section 9, which is in part as follows:

SEC. 9. (a) The Secretary or his designated representatives may investigate and gather data regarding the wages, hours, and other conditions and practices of employment in any industry subject to this act, and may enter and inspect such places and such records (and make such transcriptions thereof), question such employees, and investigate such facts, conditions, practices, or matters as he may deem necessary or appropriate to determine whether any person has violated any provision of this act, or which may aid in the enforcement of the provisions of this act.

(c) Every employer subject to any provision of this act or of any order shall make, keep, and preserve such records of the persons employed by him and of the wages, hours, and other conditions and practices of employment maintained by him, and shall preserve such records for such periods of time, and shall make such reports therefrom to the Secretary as he shall prescribe by regulation or order as necessary or appropriate for the enforcement of the provisions of this act or the regulations or orders thereunder.

Now, section 9 is of special interest because this is one of the "snooping" sections of the bill. Imagine the feeling of the merchant or the industry up in your district when a "designated representative" presents himself in the office and demands the right to make an investigation and "gather data regarding the wages, hours, and other conditions and practices of employment in the industry." Yet the bill goes further and provides that this representative of Madam Perkins may "enter and inspect such places and such records." Yes; and that is not all; and here the ultimate is reached. I know of no previous law going quite so far, because this bill provides that this "investigator" may "make such transcripts thereof"—having reference to the books and records of the industry—as this "investigator" may deem advisable. Has the time come when a representative of a bureaucrat in Washington may brazenly enter the business offices of all industry throughout the country and, for reasons best known to himself or the Secretary of Labor, take away with him "transcripts" and copies of the records kept in the offices of these private business institutions? And all of this because the Secretary of Labor is given authority "to determine whether any person has violated any provision of this act, or which may aid in the enforcement of the provisions of this act." This would sound all right in Russia, but somehow it just does not seem to me that it fits in America. We do not want any pro-labor or pro-capital czars threatening or intimidating labor or capital. Bureaucratic tyranny is intolerable.

May I impress upon you that subdivision (c) above referred to requires every employer subject to any provision of this act to "keep and preserve such records * * * and make such reports therefrom to the Secretary as he shall prescribe." Talk about letting up on business! Here we go again. More reports, more work, more fear, more investigation, and the end not in sight.

Section 10 is the child-labor provision of the bill and the portions of this section to which I want to especially call your attention are as follows:

SEC. 10. (a) No producer, manufacturer, or dealer shall ship or deliver for shipment in commerce any goods produced in an establishment situated in the United States in or about which within 30 days prior to the removal of such goods therefrom any oppressive child labor has been employed.

(b) No employer engaged in commerce in any industry affecting commerce shall employ any employee under any oppressive child-labor condition.

(c) The Chief of the Children's Bureau in the Department of Labor, or any of his authorized representatives, shall make all investigations and inspections under section 9 (a) with respect to

the employment of minors and bring all actions under section 15 to enjoin any act or practice which is unlawful by reason of the existence of oppressive child labor, and shall administer all other provisions of this act relating to oppressive child labor.

I have read section 10 to you, but lest you do not fully appreciate, let me call your attention to the fact that any producer or manufacturer, or even dealer, who ships, or delivers for shipment, in commerce any goods produced in any industry, where child labor has been employed within a period of 30 days before the shipment, shall be guilty of a violation of the law. We are all opposed to child labor, and I have been one of those most insistent upon the enactment of the child-labor amendment to the Constitution, to outlaw the employing of children in industry. Yet I am not ready to send to jail a manufacturer or a dealer who inadvertently happens to sell or ship some goods where the law has not been lived up to, when the manufacturer or the shipper has no knowledge of the violation. That is unreasonable. It is morally wrong.

Subdivision (c) of section 10 gives the chief of the Children's Bureau in the Department of Labor about the same powers that are given to the Secretary of Labor to make investigation in private business, and places in this official the discretion to determine if and when industry is complying with this law. Now, the chief of the Children's Bureau is a very splendid woman, and I do not believe that she would knowingly desire anything that would be injurious to industry. Yet the principle is wrong. Such vast and extensive power should not be given to any bureaucrat.

Page 51 of the bill defines "oppressive child labor." Without quoting this long section, suffice it to say that the chief of the Children's Bureau in the Department of Labor is given authority to determine what "oppressive child labor" is in specified cases where the children range from 14 to 18 years of age.

Section 12 provides as follows:

The Secretary, to the extent necessary in order to prevent curtailment of opportunities for employment, shall by regulations or by orders provide for (a) the employment of learners, and of apprentices under special certificates as issued pursuant to regulations of the Secretary, at such wages lower than the minimum wage applicable under section 4 and subject to such limitations as to time, number, proportion, and length of service as the Secretary shall prescribe, and (b) the employment of individuals whose earning capacity is impaired by age or physical or mental deficiency or injury, under special certificates to be issued by the Secretary, at such wages lower than the minimum wage applicable under section 4 and for such period as shall be fixed in such certificates.

I wish I had time to elaborate on section 12, which permits Secretary Perkins to control the employment of "learners and of apprentices." Maybe I am a little skeptical, but for one I do not want to grant these powers without more study and consideration. I know how the National Labor Relations Board has used the powers given to it in the law. The A. F. of L. says its decisions are pro-C. I. O., and the employers and the independent unions join in the charge. The result is that business is harrassed. There were more strikes last year than any year in our history, yet Congress passed the Wagner Labor Act ostensibly to do away with strikes. Let us profit by that experience.

Section 13 defines what are prohibited acts as set up in the bill. Paragraph 2, subsection (a), is of special interest in that it provides that it shall be unlawful—

To transport, offer for transportation, ship, deliver, or sell in commerce, or to ship, deliver, or sell with knowledge that shipment or delivery or sale thereof in commerce is intended, any goods in the production of which any employee was employed in violation of section 4 or section 5, or in violation of any regulation or order of the Secretary issued under section 12; except that no provision of this act shall impose any liability upon any common carrier.

The part of section 13 above quoted makes it unlawful to transport, offer for transportation, ship, deliver, or sell in commerce * * * any goods in the production of which any employee was employed in violation of this act. Common carriers are excepted. Does it seem right, fair, or just to pass such an arbitrary law without the necessity of showing at least knowledge of violation on the part of those transporting or selling? It may be necessary to write such drastic regulations and statutes to control the business of our country, but it is this kind of thing that is driving businessmen out of business and bringing the Government into business. It is less legislation of this type and not more legislation of this kind that will help solve our present economic problems.

Subsection (b) of this section 13 provides as follows:

For the purposes of subsection (a) (2) proof that any employee was employed in violation of section 4 or 5, or in violation of any regulation or order of the Secretary issued under section 12, in any place of employment where goods were produced, within 90 days prior to the removal of the goods therefrom, shall be prima facie evidence that the goods were produced by such employee.

In other words, in order to make a case against an employer for paying less than the standard wage or working more than the maximum hours, all that is necessary for the Government to do is to prove that any employee was so employed, and that makes a prima facie case. The question of intent, knowledge, or willfulness of the employer is apparently not of concern to the framers of the bill. Imagine an employer, acting in good faith, hauled into court because he has violated some rule of the Secretary of Labor or of the statute itself without any knowledge of so doing or actual intent so to do.

Section 14 places a fine of not more than $500 or imprisonment for not more than 6 months, or both, on the violator of this law or any of the rules or regulations authorized therein. The law is written by Congress, but the rules and regulations are promulgated by the Secretary of Labor.

I am wondering how many Members who are going to vote for this bill have studied its terms carefully. There is too much desire here to get on the organized-labor band wagon. The primaries and elections are just around the corner and anything that bears the name of "fair labor standards" and "wage and hour" legislation is thought by some to be helpful.

There are few Members here who would vote today for the Senate bill, to which this Norton bill is an amendment, yet you are voting to make it possible for a half dozen Members of the House and Senate to write the kind of a bill they see fit, limited only by the House and Senate bills. This House bill contains no differentials; that is, it fixes a flat and uniform wage for each spot and place in the United States, regardless of working conditions, climatic conditions, cost of living, and what not. Without this provision the Members from the North will not support the bill. With this provision a majority of the Members from the South will not support the bill. The Senate bill permits a lower wage rate in the South, and if this bill comes back from the conference, it is almost a sure guess that it will contain differentials. Then, where are you Members from the North going to find yourselves? You are voting for this bill today on the theory that you are going to prevent your northern industries from going south. Oh, you may say, "I will vote for the bill today and get credit for voting for a wage and hour bill, because I know it will not come back from the Senate, and if it does come back from the Senate and is not as I want it, I shall then vote against it." The groups that are compelling you to vote today will be just as compelling when the conference report comes back. You are not helping yourselves politically and time will tell the story. You are not fooling anyone.

So far as I am concerned, there has been very little propaganda in regard to this bill. Not to exceed 40 telegrams and letters have been written to me for and against the bill. Five or six of these communications are from organized labor groups endorsing the bill. The remainder come largely from small-business men who are opposed.

Every farm organization, expressing its views to the Members of Congress, is absolutely opposed to the enactment of this bill. The National Grange submitted a letter to each Member, a copy of which has already been inserted in the CONGRESSIONAL RECORD, and I, therefore, quote but one paragraph which is:

If the enactment of the new wage and hour bill could reasonably be expected to do the country any good, we would be in

favor of it. Since we harbor the conviction that the net results of the passage of this proposed legislation would be harmful and demoralizing, we are against it.

The National Cooperative Milk Producers' Association likewise has submitted a long brief to the Congress, and I quote but one sentence, as follows:

The bill if enacted in its present form will be ruinous, not only to dairy farmers but to agriculture as a whole.

Time prevents further citations from organizations and individuals.

The best aid that can be given to the working man or woman today is a steady job with private industry at a living wage. When I say a living wage, I do not mean a wage that will simply provide shelter, buy the clothing to prevent suffering, and food that will prevent starvation. Industry should have the cost of production plus a profit and, by the same token, labor should have a living according to the American standard, with sufficient to provide for old-age security. Labor must have an adequate annual wage, not a niggardly hourly wage. If this bill even tended in this direction, that would be another thing.

We all realize that there are 13,000,000 people unemployed in the country today; that legislation has already been enacted making our national debt more than $40,000,000,000; that unemployment is increasing; that the reserves of our people have been exhausted; that our economic conditions are growing steadily worse; and that something must be done if our Nation is preserved. We have borrowed and spent. We have primed the pump. The remedies thus far advanced have been unavailing. It is high time that Congress faces the fact that the patient is gradually dying; that our American system of government is day by day being undermined; that a new economy is upon us; that the effort of the administration seems to be to change the very system under which we have become the greatest country in all the world—a system which undoubtedly has its shortcomings, but a system that has made the laboring man's standard of living, even now in America, superior to that anywhere under the sun. There is no need of telling the average American worker that this is the only country in the world where he may even aspire to most of the conveniences which he here enjoys. We have but to visit a modern factory, an ordinary construction job, or any other place where workingmen assemble to do their daily tasks to realize that our people own and ride in their own automobiles.

We have but to visit the average home of the average industrial worker in the United States to know for ourselves the neat and tidy, the wholesome homes in which most of these workers reside. We need but to inspect the telephone directories and make inquiry as to who buys radios to know what proportion of American workers enjoy these comforts of life. We need but visit the average public or parochial school to learn whose children constitute the vast majority of the students in these institutions. We need not go further than the floor of this very House to ascertain the possibility of the children of honest toil and labor holding positions of responsibility and honor in the councils of the Government. This is as it should be. This was not brought about by regimentation and spending but rather by thrift and toil plus American opportunity. I yield to none in my admiration for and my allegiance to the average American workingman. I come from among them. Like them, if I have made any success or accomplished anything in life, it has been due to the opportunities afforded me under the system of government which some now tell us is a thing of the past and should be changed. I resent any such philosophy.

Let me conclude with the statement that, in my judgment, the passage of either this bill or the Senate bill will at this time add to, rather than decrease, unemployment. This is not what we want. I am confident that the thinking workingmen in the Second Congressional District of Michigan, which I have the honor to represent, would much prefer to have the Congress devote its time to working out a program that will provide jobs rather than haggle over a bill regulating to death the few jobs we now have.

[Here the gavel fell.]

Mrs. NORTON. Mr. Chairman, I ask unanimous consent that all debate on this section do now close.

Mr. HOOK. I object, Mr. Chairman.

Mrs. NORTON. Mr. Chairman, I move that all debate on this section do now close.

The motion was agreed to.

The pro forma amendment was withdrawn.

The Clerk read as follows:

FINDING AND DECLARATION OF POLICY

SEC. 2. (a) The employment of workers under substandard labor conditions in occupations in commerce, in the production of goods for commerce, or otherwise affecting commerce (1) causes commerce and the channels and instrumentalities of commerce to be used to spread and perpetuate among the workers of the several States conditions detrimental to the physical and economic health, efficiency, and well-being of such workers; (2) burdens commerce and the free flow of goods in commerce; (3) constitutes an unfair method of competition in commerce; (4) leads to labor disputes burdening and obstructing commerce and the free flow of goods in commerce; and (5) interferes with the orderly and fair marketing of goods in commerce.

(b) The correction of such conditions affecting commerce requires that the Congress exercise its legislative power to regulate commerce among the several States by prohibiting the shipment in commerce of goods produced under substandard labor conditions and by providing for the elimination of substandard labor conditions in occupations in and affecting commerce.

DEFINITIONS

SEC. 3. As used in this act—

(a) "Person" means an individual, partnership, association, corporation, business trust, legal representative, or any organized group of persons.

(b) "Commerce" means trade, commerce, transportation, transmission, or communication among the several States or from any State to any place outside thereof.

(c) "State" means any State of the United States or the District of Columbia or any Territory.

(d) "Employer" includes any person acting directly or indirectly in the interest of an employer in relation to employee but shall not include the United States or any State or political subdivision of a State, or any labor organization (other than when acting as an employer), or anyone acting in the capacity of officer or agent of such labor organization.

(e) "Employee" includes any individual employed or suffered or permitted to work by an employer.

(f) "Agriculture" includes farming in all its branches and among other things includes the cultivation and tillage of the soil, dairying, the cultivation, growing, and harvesting of any agricultural or horticultural commodities, the raising of livestock, bees, foxes, or poultry, and any practices performed by a farmer or on a farm as an incident to such farming operations, including preparation for market, delivery to storage or to market or to carriers for transportation to market.

(g) "Employee employed in agriculture" includes individuals employed within the area of production engaged in storing for the farmer, preparing (but not commercial processing), or packing agricultural or horticultural commodities in their raw, natural or dried state, but does not include employees of transportation contractors engaged in transportation of farm products from farm to market.

(h) "Employ" includes to suffer or permit to work.

(i) "Industry" means a trade, business, industry, or branch thereof, or group of industries, in which individuals are gainfully employed.

(j) "Industry affecting commerce" means an industry with respect to which an order issued under section 6 is in effect.

(k) "Employer engaged in commerce" means an employer in commerce, or an employer engaged, in the ordinary course of business, in purchasing or selling goods in commerce.

(l) "Secretary" means the Secretary of Labor.

(m) "Oppressive child labor" means a condition of employment under which (1) any employee under the age of 16 years is employed by an employer (other than a parent or a person standing in place of a parent employing his own child or a child in his custody under the age of 16 years in an occupation other than manufacturing or mining) in any occupation, or (2) any such employee between the ages of 16 and 18 years is employed by an employer in any occupation which the Chief of the Children's Bureau in the Department of Labor shall from time to time find and by order declare to be particularly hazardous for the employment of such children or detrimental to their health or well-being; but oppressive child labor shall not be deemed to exist by virtue of the employment in any occupation of any person with respect to whom the employer shall have on file a certificate issued and held pursuant to the regulation of the Chief of the Children's Bureau certifying that such person is above the oppressive child-labor age. The Chief of the Children's Bureau shall provide by regulation or by order that the employment of employees of the age of 14 but under the age of 16 years in occupations other than manufacturing and mining shall not be deemed to constitute oppressive child labor if and to the extent that the Chief of the Children's Bureau determines that such employment is confined to periods which will not interfere with their schooling and to conditions which will not interfere with their health and well-being.

Mr. MARTIN of Colorado. Mr. Chairman, I offer an amendment to section 3.

The Clerk read as follows:

Amendment offered by Mr. MARTIN of Colorado: On page 51, line 12, strike out the paragraph down to and including line 14 on page 52 and insert in lieu thereof the following:

"(A) All goods, wares, and merchandise produced on or after January 1, 1939, wholly or in part through the use of child labor, transported into any State or Territory of the United States and remaining therein for use, consumption, sale, or storage, shall, upon arrival and delivery in such State or Territory, be subject to the operation and effect of the laws of such State or Territory to the same extent and in the same manner as though such goods, wares, and merchandise had been produced in such State or Territory, and shall not be exempt therefrom by reason of being introduced in the original package or otherwise.

"(B) It shall be unlawful for any person knowingly to transport or cause to be transported, in any manner or by any means whatsoever, or aid or assist in obtaining transportation for or in transporting any goods, wares, or merchandise produced on or after January 1, 1939, wholly or in part through the use of child labor, from one State or Territory into any State or Territory, where said goods, wares, or merchandise are intended by any person interested therein to be received, possessed, sold, or in any manner used, either in the original package or otherwise, in violation of any law of such State or Territory.

"(C) It shall be unlawful for any person knowingly to transport or cause to be transported, in any manner or by any means whatsoever, or aid or assist in obtaining transportation for or in transporting in interstate commerce any goods, wares, or merchandise produced on or after January 1, 1939, wholly or in part through the use of child labor, unless the outside of such goods, wares, or merchandise, or the package containing the same, if they be packaged, shall bear a conspicuous label conforming to the requirements of this section. Such label shall truthfully set forth—

"(1) The name and address of the shipper;

"(2) The name and address of the consignee;

"(3) The nature of such goods, wares, or merchandise; and

"(4) A summary statement of the kind or kinds of work in connection with which child labor was utilized in the production of such goods, wares, or merchandise and the type or types of places where such work was performed. In case a label conforming to the requirements of this section has been removed from goods, wares, or merchandise, or from a package containing the same, or such goods, wares, or merchandise have been removed from a package bearing such a label, prior to the time such goods, wares, or merchandise shall be offered for shipment in interstate commerce, the information set forth in such label pursuant to the requirements of clause (4) of the preceding sentence or of this sentence shall be incorporated in a new label affixed to such goods, wares, or merchandise so offered for shipment, or to the package containing the same if they be packaged, together with a statement that such information was taken from another label. The incorporation of such information and statement in the new label shall constitute compliance with the requirements of said clause (4) unless child labor shall have been used in connection with processing or fabricating such goods, wares, or merchandise after removal of the label therefrom or from the package containing the same or after removal thereof from the package bearing such label, as aforesaid, in which event the incorporation of said information and said statement shall be a requirement as to said new label in addition to those defined by said clause (4).

"(D) It shall be unlawful for any person who—

"(a) has produced goods, wares, or merchandise in any State or Territory, wholly or in part through the use of child labor, on or after January 1, 1939; or

"(b) has taken delivery of such goods, wares, or merchandise in any State or Territory with notice of their character whether by purchase or on consignment, as commission merchant, agent for forwarding, or other purposes, or otherwise, to transport or cause to be transported, in any manner or by any means whatsoever, or aid or assist in obtaining transportation for or in transporting such goods, wares, or merchandise in interstate or foreign commerce or to sell such goods, wares, or merchandise for shipment in interstate or foreign commerce or with knowledge that shipment thereof in interstate or foreign commerce is intended.

"(E) For the purposes of this section the term 'child labor' shall be defined, (a) as employment of a human being under the age of 16 years in any occupation, and (b) as employment of a human being under the age of 18 years at 'extra hazardous work' specified by regulations promulgated pursuant hereto which specification shall be based on facts found by the Secretary of Labor as to the relative possibility of injury or detriment to health involved in various types of employment after necessary information on the subject has been collected by him or derived by him from sources deemed to be reliable; the term 'package' shall be defined as a wrapping, container, or crate, and as a unit of rolling stock in which goods, wares, or merchandise may be shipped or transported in bulk; the term 'person' shall be defined as an individual, a corporation, a partnership, an association, a joint-stock company, or any unincorporated organization; and the phrase 'State or Territory' shall be defined to include the organized States and Territories of the United States, any District or possession thereof, or place noncontiguous but subject to the jurisdiction thereof; the words 'produced' and 'production' shall be defined to include manufacturing, processing, fabricating, and mining operations, but as used in this section shall not be construed to mean planting, cultivation, and harvesting of fruits, grains, vegetables, and other agricultural products or agricultural work in connection with dairying, livestock husbandry, and poultry husbandry.

"Oppressive child labor shall not be deemed to exist by virtue of the employment in any occupation of any person with respect to whom the employer shall have on file a certificate issued and held pursuant to the regulation of the Chief of the Children's Bureau certifying that such person is above the oppressive child-labor age.

"(F) Any person violating any provision of this section shall for each offense, upon conviction thereof, be punished by a fine of not more than $1,000, and such goods, wares, or merchandise shall be forfeited to the United States and may be seized and condemned by like proceedings as those provided by law for the seizure and forfeiture of property imported into the United States contrary to law: *Provided, however*, That no person who in conformity to paragraph (C) of this section and in good faith sets forth in a label information stated to have been taken from another label shall be deemed thereby to have violated this act so as to render himself subject to conviction, or goods, wares, or merchandise bearing or contained in a package bearing such label subject to forfeiture, in the event any of the information so stated to have been taken from another label proves to be false: *And provided further*, That no common carrier shall be deemed to have violated this section if, at the time it accepts goods, wares, or merchandise for transportation in interstate commerce in the regular course of its business, it shall rely in good faith upon a signed statement of the consignor that the obtaining of transportation for or the transportation of such goods, wares, or merchandise will not constitute a violation of this section, but any consignor who shall knowingly sign any false statement made to a common carrier as aforesaid shall be deemed thereby to have violated this section. The failure of any consignor to furnish such a statement to a common carrier at the latter's request shall excuse the common carrier from its obligations to accept any goods for transportation in interstate commerce. In any proceeding arising out of an alleged violation of this section, a showing that the goods, wares, or merchandise with respect to which the violation is alleged to have occurred were procured wholly or in part by a person who used child labor subsequent to January 1, 1939, and within 6 months of the date of the alleged violation at the place of employment where said goods, wares, or merchandise were so produced in whole or in part shall be prima facie evidence that the goods, wares, or merchandise with respect to which said violation is alleged to have occurred were produced wholly or in part through the use of child labor. In any such proceeding a copy of, extract from, or statement summarizing a record kept by or document filed with a government, church, or school authority establishing or purporting to establish the age or date of birth of a human being whose labor is alleged to have been used in the production of goods, wares, or merchandise shall be admissible in evidence when certified by or on behalf of such authority without further identification or authentication as prima facie evidence of the age of such human being. The adduction of such prima facie evidence shall cast upon the defendant or the party objecting to the forfeiture of goods, wares, or merchandise, as the case may be, the burden of rebutting or repelling such prima facie evidence by affirmative proof to the contrary. All records, returns, applications, and other information filed with or kept by any public office, officers, or authority pursuant to the act of August 14, 1935 (ch. 531, 49 Stat. 620), or any rule or regulation promulgated pursuant thereto, shall be available for inspection by any public official authorized or qualified to enforce this section or to prosecute a violation thereof, and such public official may require that copies of, extracts from, or statements summarizing any of such records, returns, applications, or other information be certified and delivered to him by or on behalf of any public office, officers, or authority by whom the same are kept or with whom they be filed. Any public official authorized or qualified to enforce this section may utilize in that connection, and shall be entitled to rely upon, any and all records, returns, applications, certificates, and other information collected by or filed with authorities charged with the administration and enforcement of the laws of any State relating to the education and employment of human beings that may be made available to such public officials by such authorities and are deemed by such public officials to be useful and reliable.

"(G) Any violation of this section shall be prosecuted in any court having jurisdiction of crime within the district in which said violation was committed, or from or into which any such goods, wares, or merchandise may have been carried or transported, or in any State or Territory, contrary to the provisions of this section.

"(H) (a) The Secretary of Labor, through the Children's Bureau or such other agency within the Department of Labor as he may designate, shall be charged with the enforcement of this section and shall be vested with full authority to administer its provisions and to prescribe such rules and regulations as may be necessary for its enforcement.

"(b) The Chief of the Children's Bureau or any person designated by him, pursuant to the regulations issued under the preceding subsection, shall have authority to enter and inspect at any time factories or other places in which articles are produced or held for interstate commerce and to inspect records relating to the employment of or to the shipment of articles therefrom, and to

make periodic reports of such inspections: *Provided*, That nothing herein contained shall be construed to authorize any invasion of the privacy of any home by search or inspection or otherwise."

Mr. MARTIN of Colorado (interrupting the reading of the amendment). Mr. Chairman, I ask unanimous consent that the further reading of the amendment, which is quite lengthy, may be dispensed with and that the amendment may be printed in the RECORD at this point.

Mr. CRAWFORD. Mr. Chairman, reserving the right to object, I dislike very much to object, but I do not know what this amendment is and I would like to hear it read, because I think it is a very imporant amendment.

Mr. MARTIN of Colorado. I intend to explain the amendment.

The CHAIRMAN. Is there objection to the request of the gentleman from Colorado?

There was no objection.

Mr. MARTIN of Colorado. Mr. Chairman, based on my former experience with this amendment last December, I appreciate the futility of offering it at this time, but it becomes my duty to again offer what is known as the Wheeler-Johnson child-labor amendment, and I do so with something more than a suspicion in my mind that eventually this amendment will receive something it has thus far never received at this end of the Capitol, to wit, consideration.

The Wheeler-Johnson child-labor amendment provides a three-way approach to the child-labor problem. First, it prohibits the sale or transportation of child-labor goods in interstate commerce; second, it subjects child-labor goods in interstate commerce to the child-labor laws of the States into which they are shipped; and, third, it provides for the labeling of the goods.

These last two methods—and they have the approval of such men as Edward Keating, the author of the first Federal child-labor law, who appeared in behalf of the Wheeler-Johnson amendment before the Senate Committee on Education and Labor—are intended to take care of the problem of child labor to the extent of labeling and of subjecting them to State law, in the event the first method falls under the constitutional ban as did the original child-labor legislation. If the first method stands, these two methods will be superfluous.

There is only a one-way approach to this problem in the House bill, and that is the prohibition of transportation in interstate commerce, and I have boiled down the substantive words of these two propositions so you can understand them simply and determine for yourselves which is the superior method of attempting to reach this great evil.

In the House bill the child-labor provision reads as follows:

No producer, manufacturer, or dealer—

Mind you, it is limited to those three—

shall ship or deliver for shipment any goods produced in an establishment in or about which within 30 days prior to the removal of such goods therefrom any oppressive child labor has been employed.

Mind you, there is no prohibition of sale of child-labor goods or other handling or disposition of them. There is simply a prohibition that the producer or the manufacturer or the dealer shall not ship in interstate commerce.

Now let me read you the comprehensive and all-inclusive language of the Senate amendment:

It shall be unlawful for any person who has produced goods, wares, or merchandise wholly or in part through the use of child labor on or after January 1, 1939;

Or has taken delivery of such goods, wares, or merchandise with notice of their character, whether by purchase or on consignment, as commission merchant, agent for forwarding or other purposes, or otherwise.

To transport or cause to be transported in any manner or by any means whatsoever, or aid or assist in obtaining transportation for or in transporting such goods, wares, or merchandise,

Or to sell such goods, wares, or merchandise for shipment, or with knowledge that shipment thereof is intended.

It will be noticed that under the House bill child-labor goods will be released 30 days after the cessation of child labor in the plant. This will open the door to many legal evasions.

In the Senate bill the ban on child-labor goods is permanent after January 1, 1939, and there is a further provision in the Senate bill making the employment of child labor in a plant after that date prima facie evidence that the product of the plant was produced by child labor.

Mr. MARTIN of Colorado. Mr. Chairman, I ask unanimous consent to proceed for 5 minutes more.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. MARTIN of Colorado. Mr. Chairman, a material difference between the two bills is that only producers, manufacturers, and dealers are specified in the House bill, and they are not forbidden to sell or dispose of the goods, while in the Senate bill any persons connected in any way with the processing, sale, handling, or transportation of the goods are specified. It includes purchasers, receivers, consignees, commission merchants, forwarding agents, aids, assistants, all persons. There can be no evasion through loopholes or omissions in the law and tricks in the legal trade under the Senate bill.

Another material difference is that while under the Senate bill occupations are to be classified as hazardous only after notice and hearing, under the House bill the Administrator may simply issue an order classifying occupations as hazardous. It is a fair question how far that provision will get in the courts.

Another difference worth noting is that under the House bill the Administrator may exclude from the protection of the law children between the ages of 14 and 16, just issue an order excluding any children between the ages of 14 and 16 under the House bill, if in the opinion of the Administrator it will not interfere with their health, well-being, or education. There is no exemption in the Senate bill. Child labor under 16 years of age is absolutely barred.

Another consideration is that the Senate bill places administration of child labor in the Secretary of Labor, where the House bill now places administration of wages and hours, but the House bill vests administration of child labor in a bureau chief. There is no sound basis for this division of jurisdiction; and, since apparently the Labor Committee has quit slapping Miss Perkins in the face and she is being reinstated in the good graces of the House Committee on Labor and given the administration of the more important subjects of wages and hours, there is no reason why she should not be given jurisdiction of child labor, as she is in the Senate Wheeler-Johnson amendment.

There is another important difference, and that is the administrator of child labor under the Senate bill is given power to investigate plants and records to determine whether the law is being violated, and there is no power of inspection in the House bill.

I said in the debate on this bill before, and I repeat it now, that this House legislation on child labor is nothing more than a gesture. It is open to a thousand legal evasions and objections. Child labor is only the stepchild of this bill. It has never been considered, but it will reach the point where it will be considered, and when it is I want to say that your little meager five-line skeleton will be put under the magnifying glass, and it will be found that there is no meat on it.

Mr. REED of New York. Mr. Chairman, will the gentleman yield?

Mr. MARTIN of Colorado. Yes.

Mr. REED of New York. Is there anything in the gentleman's amendment that deals with the large volume of goods coming into this country from foreign lands made by children who are sitting on benches where their feet will not even touch the floor?

Mr. MARTIN of Colorado. There is a prohibition of the sale, handling, or transportation of child-labor goods in the United States. In its territorial scope it is identical with the House bill. If one does not girdle the globe, neither does the other.

Mr. REED of New York. I say the whole thing is simply hypocrisy raised to the *n*th degree, and I am in a position to say so, because I voted for the submission of the constitutional amendment to stop this child labor.

Mr. MARTIN of Colorado. I believe that in the language of the Wheeler-Johnson amendment they have gone as far as humanly possible in bringing within the purview of this legislation every class of people who will be engaged in handling, manufacturing, or disposing of child-labor goods in any way. Manufacturers, processors, and dealers are only a fraction of the agencies who may handle manufactured products. Under the House bill they could manufacture a whole warehouse full of child-labor goods and sell them to the man next door, or set up dummy agencies to sell and transport them without violation of the law. [Applause.]

The CHAIRMAN. The time of the gentleman from Colorado has again expired.

Mr. SCHNEIDER of Wisconsin. Mr. Chairman, I am a member of the committee, and I rise in opposition to the amendment. I call the attention of the House to the fact that the amendment proposed by the gentleman from Colorado [Mr. MARTIN] provides for striking out the child-labor sections in this bill. His amendment will destroy completely the best feature of the bill. It is recognized by everybody who has studied the matter of child labor that it is the best legislation that has yet been conceived for the purpose of abolishing child labor so far as interstate commerce is concerned.

Sustantially this provision has been adopted by the Senate committee, it has been adopted by the House committee on two or three different occasions, and has been adopted by this House. It has not the opposition of any organization in the country that has come to my notice. The National Child Labor Association, which has been in existence since prior to the 1916 act enacted by the Congress, has advocated this provision, and has supported it. They are in favor of it. Every public organization in America interested in child labor is in favor of this provision. The gentleman from Colorado [Mr. MARTIN] admits that he is the only Member on this floor to defend the provision that he adduces for the purpose of destroying this provision.

The provision in this bill, Mr. Chairman, is identical in principle with the provision of the Child Labor Act of 1916. It provides not primarily for the prosecution of people but primarily for the prevention of the employment of children. That is the salient feature of this provision. It does not require the labeling of goods wherever child labor is employed as does the amendment pending. The amendment of the gentleman from Colorado [Mr. MARTIN] puts the products of children employed in industry in the same class with the products of prisoners; that is, it must be labeled in order to be shipped to hold up to the public that it is an article that is made by child labor. No manufacturer who is willing to exploit children without a work permit will hesitate to ship the products of their labor without putting a label on them. This was clearly brought out in testimony on the Wheeler-Johnson bill before the Senate Committee on Interstate Commerce. Such a requirement for labeling is not only highly complicated but would be ineffective.

Mr. MARTIN of Colorado. Mr. Chairman, will the gentleman yield?

Mr. SCHNEIDER of Wisconsin. I cannot yield.

Mr. Chairman, I call attention to the fact that the provision of this amendment requires the labeling of the products of child labor the same as that in the law that requires the labeling of prison-made goods; they must bear a label before they can be shipped from one State to the other, stating that they are prison-made goods; yet the consumer does not know he is purchasing prison-made goods because the goods are taken out of the cartons and placed upon the shelves, and then they cannot be identified. [Applause.]

Mr. Chairman, we of Wisconsin are gratified to see in this bill that the Nation is ready to adopt standards which will eliminate sweatshop child labor. I consider this bill the best we can enact for the announced purpose of abolishing child labor in interstate commerce.

States which have already adopted laws to correct these evils within their borders will welcome the help of similar high standards for the country at large. Wisconsin and other States with a 16-year standard for child employment too long have been faced with the competition of goods manufactured in low-standard States. I hope, Mr. Chairman, that the full meaning of this step has been impressed upon my colleagues. The moral effect of these provisions by itself is sufficient reason for our favorable action upon them.

We have seen that while the 1916 Federal child-labor law was in effect—and it contained similar provisions—the States with lower standards of child-labor control hastened to improve their laws so that they would be on an equal footing with the Federal standards. We can expect a similar effect from the passage of this bill. What will be the result? A tendency toward uniformly high State standards, even in the provisions of laws covering occupations within the States which cannot be said to affect interstate commerce.

To clarify just what the bill covers, I wish to call attention to its protection of children under 16 years now engaged in tasks too heavy for them, also its protection of those from 16 to 18 years employed in jobs dangerous even for adults, and for too hazardous for those youths in their middle teens.

The House is agreed that the bill shall not interfere with the work of children for their parents in and around the home. We have also exempted from its provisions children working in agriculture and allied employment. For light out-of-school jobs not detrimental to the child's health and welfare we have provided that the Children's Bureau may make specific exemption for those between 14 and 16 years, but not in mining or manufacturing occupations. In these ways, Mr. Chairman, we hold that we are trying to be fair—fair to the children and at the same time protecting their best interests.

The House bill is sound in administrative method. We have used two key principles. First, we recognize existing adequate State machinery now carrying out State laws. We permit the Children's Bureau, in charge of administration, to cooperate with and use the services of State and local enforcing agents already in office. These agents of the States have an obligation to protect their own State's children and this bill aids them in carrying it out. In the second place, we provide for properly executed work certificates to be issued to and held by the employers for their own protection. The employer who wishes to protect himself from any possible prosecution has simply to keep on file for all youths employed such authorized certificates issued by local officials—as is now done in some 43 States—attesting to the age and legality of employment of these youths. Therefore, Mr. Chairman, the whole purpose and effect of these certificates will be to prevent illegal employment of children, to avoid annoyance to employers who want to live up to the law, and to reduce prosecution to a minimum.

As I pointed out, with 43 States and the District of Columbia now issuing work permits, it would surprise me very much if all the rest of the States did not take steps to conform to the standards of the Federal administering agency. The indirect result of such action will be further to reduce the cost of administration. Even under existing conditions in the States the methods we have proposed, based on sound experience and approved by every responsible administering agency, are as economical as any that could be devised. Certainly the methods we propose are far more economical and effective than any depending primarily upon Federal investigation and Federal prosecution.

Mr. Chairman, arguments concerning the constitutionality of this bill have been raised. May I point out to the Committee that this method of child-labor control is not likely to meet with any objection of the Supreme Court? Recent decisions of the Court sustaining the Wagner Labor Relations Act and other measures have made it clear that the Congress is acting within the Constitution in preventing the products of child labor from being shipped in interstate commerce. It is necessary only for the Court now to hold to its present sustained reasoning in order to uphold the power of Congress in enacting this bill. If we are to make headway in wiping out what has been a fierce and often vicious competition of manufacturers who make a practice of employing

young children, it is necessary for the Congress to use this power. States have found themselves frequently powerless to enact adequate laws in the face of pressure from these competing forces. It remains for the Congress to assist in producing a universal standard to aid the States in their good intentions.

Mr. Chairman, I believe we should remind ourselves that this bill can only deal with child labor in interstate commerce. That represents perhaps one-fourth of the total employed children in the country today. While we are pushing this phase of the problem to a happy conclusion, we must recognize that further steps are necessary to protect other children, often heavily oppressed, through higher standards. The one best method of achieving this is the child-labor amendment which 28 States, including my own State of Wisconsin, have ratified. It is to be hoped that the Supreme Court, in deciding the cases now pending before it, in its wisdom will find that this child-labor amendment is still alive, and that we may see next year the ratification by the needed eight States.

[Here the gavel fell.]

The CHAIRMAN. The question is on the amendment offered by the gentleman from Colorado.

The amendment was rejected.

Mr. BIERMANN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. BIERMANN: Page 50, beginning in line 18, strike out subsection (g) and insert in lieu thereof the following: "(g) 'Employees engaged in agriculture' includes individuals employed within the area of production, engaged in the handling, packing, storing, ginning, compressing, pasteurizing, drying, or canning of farm products and in making cheese and butter."

Mrs. NORTON. Mr. Chairman, the committee has an amendment to take care of this, and the amendment will be offered at a later stage of the proceedings.

Mr. BIERMANN. Mr. Chairman, this is the amendment about which I think every Member has been circularized by the farm organizations.

It has been pointed out that the various labor organizations back the general provisions of this bill. If this is a good reason for supporting the bill in general, then I submit that the fact that every national farm organization in this country supports this amendment in principle is a convincing argument why every Member interested in the welfare of agriculture should vote for this amendment.

This bill is aimed at substandard labor conditions, and I submit that any Member of this House who is familiar with the kind of institution that this amendment I have offered is aimed at will agree with me when I say that substandard labor conditions do not exist in these institutions. In an amendment I inserted in the RECORD yesterday I included the word "processing." I call attention to the fact that in the pending amendment this word is stricken out. I struck it out for the reason that some Members thought that processing would include the making of cotton and wool into textiles, and rubber into finished products, and a long list of things of that kind. The amendment I have offered includes only the first processing of things that come off the farm. The important point is that the farmer pays the bill for this processing. Those of us who come from dairy sections know that the cost of making butterfat into butter or milk into cheese is borne by the farmer. There is no contention about that, no argument. The Members from the South will agree that the man who raises the cotton pays for ginning the cotton. When the cost of making butter, when the cost of making cheese, when the cost of ginning cotton increases the farmer gets just so much less; and our contention and the contention of the farm organizations is that this bill designed to help labor should not be so worded that it puts another burden on the agriculture of this country.

Mr. CURLEY. Mr. Chairman, will the gentleman yield?

Mr. BIERMANN. I yield briefly.

Mr. CURLEY. Will the gentleman read the exemption on page 58 where it says that no one employed in agriculture shall fall within the provisions of the bill? I call the gentleman's attention also to page 50 and ask him to read the different sections there and see if they do not accomplish the purpose of his amendment.

Mr. BIERMANN. I may say to the gentleman from New York that the agricultural organizations of this country who stand in relation to agriculture, the farmers, the same as the American Federation of Labor and the C. I. O. stands to labor, think the exemptions carried by the bill as drafted are not sufficient. It is just a question whether this House wants to follow the advice of the big farm organizations of the United States or whether they want to mulct the farmers of the United States to this further extent.

Mr. COFFEE of Nebraska. Will the gentleman yield?

Mr. BIERMANN. I yield to the gentleman from Nebraska.

Mr. COFFEE of Nebraska. This amendment would not take care of those employed in the handling of these seasonal crops outside of the area of production, would it?

Mr. BIERMANN. No.

Mr. COFFEE of Nebraska. In other words, the Grange amendment and the gentleman's amendment are not in conflict?

Mr. BIERMANN. No; they do not conflict.

Mr. THOMPSON of Illinois. Will the gentleman yield?

Mr. BIERMANN. I yield to the gentleman from Illinois.

Mr. THOMPSON of Illinois. May I ask the gentleman from Iowa whether his amendment would apply to a packing house located in Iowa and Illinois in the area of production, which employs two or three hundred men?

Mr. BIERMANN. Speaking frankly, I think that is something that would have to be worked out. There are some packing houses in the State of Iowa that this amendment would apply to perhaps; but may I say that all over this country it has been recognized that there should be a labor differential between the large city and the little town.

[Here the gavel fell.]

Mr. BIERMANN. Mr. Chairman, I ask unanimous consent to proceed for 5 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Iowa?

There was no objection.

Mr. WHITTINGTON. Will the gentleman yield?

Mr. BIERMANN. I yield to the gentleman from Mississippi.

Mr. WHITTINGTON. With respect to the question propounded by the gentleman from Illinois, may I remind the gentleman from Iowa that the word "packers" occurs in the present bill, so there is no difference between the amendment proposed and the provisions of the bill under consideration? As I understand the gentleman's amendment, it is merely a clarification of the definition of the word "employee" under the terms of the act?

Mr. BIERMANN. And it is the kind of clarification the farm organizations want. The question to be decided in voting on this amendment is whether or not the farmers of the United States are going to have their definition of "employee" as applied to agriculture or whether it is going to be written by people who have a city viewpoint. I do not find fault with the Committee on Labor, but I think whereas they are the experts who have knowledge regarding the big factories in Jersey City, New York City, and some of the other large cities, by the same token we who come from the farm areas are best qualified to say what terms should apply to labor in those areas. I may say that not a single employee in any one of these factories has made an objection to this, so far as I know.

Mr. WHITTINGTON. It is simply to permit the farmer to get his material prepared for market.

Mr. CURLEY. Will the gentleman yield?

Mr. BIERMANN. I yield to the gentleman from New York.

Mr. CURLEY. The gentleman spoke about various farm organizations.

Mr. BIERMANN. Yes.

Mr. CURLEY. The gentleman referred to the National Grange Association.

Mr. BIERMANN. Yes.

Mr. CURLEY. Does not the gentleman know that the National Grange Association is against this wage and hour bill?

Mr. BIERMANN. Let us not mix this up. I have a telegram here from the National Grange, the National Cooperative Association, National Cooperative Milk Producers Association, and others. The Farmers' Union endorses this amendment.

Mr. CURLEY. They are all against the whole bill.

Mr. BIERMANN. The American Farm Bureau?

Mr. CURLEY. Each one of those is opposed to every feature of the wage and hour bill.

Mr. BIERMANN. No; they are not.

Mr. CURLEY. I have the same communications the gentleman has.

Mr. BIERMANN. Has the gentleman a communication from the Farm Bureau?

Mr. CURLEY. Yes. I have the same communications that the gentleman has.

Mr. BIERMANN. I may say to the gentleman from New York that there are a great number of farm members in this House who would like to vote for this bill, but they do not want to vote for a bill that is going to bear down on their farm constituents.

Mr. CULKIN. Will the gentleman yield?

Mr. BIERMANN. I yield to the gentleman from New York.

Mr. CULKIN. The gentleman knows that the representatives of the various farm districts who wish to vote for this bill cannot vote for it unless they consider the due processes of nature?

Mr. BIERMANN. Yes.

Mr. CULKIN. For instance, a cow is milked at 9 o'clock in the morning and at 5 in the evening, 9 hours apart. Then the milk has to be brought to market or to the creamery 6, 10, 15, or 20 miles away. This bill does not apply and should not apply to that situation. It applies to the substandard conditions to which the gentleman already referred?

Mr. BIERMANN. I want to read a couple of sentences from a letter I received this morning from Edward A. O'Neal, president of the Farm Bureau Federation, in which he sets out the desirability of writing into this bill definitions such as proposed in my amendment. He states:

> We believe the bill should be clarified so as to assure the exemption of employees in such agriculture and horticulture industries in rural areas.

That is all my amendment takes in.

He states further, as follows:

> Failure to exempt these operations when performed in rural areas where conditions are so greatly different from the situation in large industrial and urban centers, will result in increased costs of processing and handling these products which will be reflected back in lower prices paid to farmers.

Mr. CRAWFORD. Will the gentleman yield?

Mr. BIERMANN. I yield to the gentleman from Michigan.

Mr. CRAWFORD. Does the gentleman's amendment exempt manufacturers of sugar beets in the rural areas?

Mr. BIERMANN. That is something that the Secretary will have to determine.

Mr. REILLY. Will the gentleman yield?

Mr. BIERMANN. I yield to the gentleman from Wisconsin.

Mr. REILLY. Does the gentleman's amendment cover a pea-canning set-up that is situated away from the farm on which the peas are grown?

Mr. BIERMANN. In a little town?

Mr. REILLY. In a little town; yes.

Mr. BIERMANN. But in the farm area?

Mr. REILLY. Yes.

Mr. BIERMANN. Yes; it does.

[Here the gavel fell.]

Mrs. NORTON. Mr. Chairman, I ask unanimous consent that all debate on this amendment close in 15 minutes.

Mr. HOPE. I object, Mr. Chairman.

Mrs. NORTON. Mr. Chairman, I ask unanimous consent that all debate on this amendment close in 20 minutes.

Mr. WADSWORTH, Mr. CULKIN, and Mr. HOPE objected.

Mrs. NORTON. Mr. Chairman, I move that all debate on this amendment close in 20 minutes.

The motion was rejected.

Mrs. NORTON. Mr. Chairman, I move that all debate on this amendment close in 30 minutes.

The CHAIRMAN. The question is on the motion of the gentlewoman from New Jersey.

The question was taken, and on a division (demanded by Mr. GILCHRIST) there were—ayes 97, noes 69.

So the motion was agreed to.

Mr. CURLEY. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, this is not a new question by any means. This is merely another of a series of attempts to sabotage this wage and hour bill. This is not the first time it has been attempted. A somewhat similar amendment was introduced in another body by a Member of that body, and that amendment was stricken out when it came to the House. I was the sponsor of the amendment to strike it out. In some mysterious manner it got back into the bill again, but when the bill came on the floor and certain questions were asked about that amendment and nobody knew anything about how it got back into the bill. I offered another amendment to strike it out, and my amendment was agreed to.

Those who are here today can see what has been going on, the lobbying and the going around soliciting and seeking support of every Member of the House to the Biermann amendment. I wonder what it is behind this bill that is so important. After all we have before us for consideration a wage and hour bill which it is contemplated will help the poor underdog who is being paid substandard wages.

Mr. BIERMANN. Mr. Chairman, will the gentleman yield?

Mr. CURLEY. I will yield in just a moment.

I represent a great dairy State, the largest in the country. I cannot understand why anybody should hold any brief for the cooperatives, which this amendment does. Let me show you exactly what the Standard Statistics Co. reports about certain cooperative organizations in the State of New York, where we have one of the greatest milksheds in the country. The gentleman from New York [Mr. CULKIN] knows more about that than I do, because he comes from up-State. The Standard Statistics Co. reports show that the Borden Co. and its subsidiaries earned a net income of $7,921,490 for 1936, as compared with a net income of $4,842,349 for 1935. The National Dairy Products Corporation, which controls the Sheffield Co., reported a net income of $13,282,028 for 1936, as compared with $9,338,205 for 1935. This bill will not interfere with such cooperatives whose employees are organized and the gentleman from Wisconsin [Mr. SCHNEIDER] can bear me out on that. They are already organized. This bill will not affect them at all, but the unorganized underpaid type.

Mr. CULKIN. Mr. Chairman, will the gentleman yield to me? The gentleman has referred to me.

Mr. CURLEY. I yield to the gentleman from New York.

Mr. CULKIN. The gentleman has just read the profits of the National Dairy Products Corporation and the Borden Co.

Mr. CURLEY. Yes.

Mr. CULKIN. Does the gentleman know that the dairymen of northern New York have their backs to the wall and are not getting a living price for their products?

Mr. CURLEY. Who is the cause of that?

Mr. CULKIN. Their land is being sold for taxes and they are being wiped out.

Mr. CURLEY. No; I am talking about the cooperatives that own that land, the Borden and the Sheffield cooperative organizations.

Mr. FULLER. Mr. Chairman, will the gentleman yield?

Mr. CURLEY. I yield to the gentleman from Arkansas.

Mr. FULLER. Is it not a fact there has not been a calf born in the gentleman's district in the last 15 years?

Mr. CURLEY. In reply to my friend's inquiry, I may say we have plenty of "bull" there.

I do not want to see anybody vote against this wage and hour bill. I want to see this Biermann amendment defeated. I do not know what there is to the amendment of the gentleman from Nebraska [Mr. COFFEE] and I am not going to say anything against his amendment, but I am against the amendment of the gentleman from Iowa [Mr. BIERMANN], for whom I have the highest respect and regard.

Mr. BIERMANN. Does the gentleman mean the people of New York City are better qualified to pass on what are proper wage and hour standards than are the people of Iowa?

Mr. CURLEY. They have a $2,000,000,000 milkshed there and they have something to say about it.

[Here the gavel fell.]

Mr. WADSWORTH. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I am prompted to impose upon the good nature of the committee for the next 5 minutes as a result of the remarks just delivered by the distinguished dairyman from New York City.

Mr. CURLEY. Mr. Chairman, will the gentleman yield?

Mr. WADSWORTH. I cannot yield. I have not yet got started. I know full well it is like bringing coals to Newcastle, or at least in a large degree bringing coals to Newcastle, for me to say much about farming before a group which contains many men who have had experience in it, but for the benefit of some of those who represent purely urban communities let me say a word or two about the effects of this bill in the farming regions if it should pass in its present form. I may not be able to cover the subject in 5 minutes, but if I am not, perhaps some other countryman will take up the story.

Let us look for a moment at the business of canning in a country canning factory. There are many of them in my district. I live within a mile of one and within 4 miles of another, and not to expose unduly any secret or make a remark of any particular importance, I sell sweet corn and peas to both of them.

The canning season starts in western New York, for example, first with early green peas around the first week or 10 days of June. The canning of peas goes on until the middle of July or toward the end of July with the later varieties winding up the season. Then there is an off season of 10 days or 2 weeks before sweet corn comes in. The sweet-corn canning season lasts clear through August and nearly all of September. It is followed in turn by tomatoes, carrots, and beets and spinach.

Now, all during that period that factory has to work very irregular hours. Just like the farmer, it is the slave of the sun and the weather. If we have about 2 days of unduly hot weather the heat suddenly ripens the crop more rapidly than the canning factory or the farmers have calculated. The result is it has to be rushed into the factory with all possible speed in order that it may be canned in proper condition. While that is being done, which generally is not over once or twice in 10 days, the people in the factory work overtime. They probably do not work overtime more than once in a week or 10 days and seldom more than 2 or 3 hours of overtime.

This is a recognized custom in the trade. No one ever complains against it. The labor conditions are excellent, the whole thing is seasonal and it is largely extra money to the operatives who get several weeks' work through the summer.

If that country canning factory is not exempt from the provisions of this bill, then all of its wage and hour limitations will be placed upon it, as well as the overtime provision, and when you increase the cost of processing fresh vegetables, you must expect one of two results. First, the factory must raise its price to the consumer—and I happen to know that they run on an exceedingly narrow margin—or else reduce the price paid to the farmer, and that is always what is done. Whenever you increase arbitrarily the cost of processing these fresh vegetables the farmer gets less per ton for them. I have been through it myself.

Mr. CURLEY. Mr. Chairman, will the gentleman yield?

Mr. WADSWORTH. I cannot yield.

The same thing is true in the dairy industry. We have scattered through the farming country country milk stations. The gentleman from New York has stated that the cow is milked at 6 o'clock in the morning. That is rather late on the average. The milk has to leave the farm at 7 o'clock iced to a temperature of 38° to 40°. It may have to go 20 miles to a country milk station. The milk station bottles it and the bottled milk is sold in the city. If the cost of running the milk station is increased by an act of Congress, then only one of two things can happen. The consumer must pay another cent or 2 cents for his milk—and you ask any milk dealer whether it is possible to raise the price of milk in the city. You would instantly have a housewives' strike on your hands. I know a milk dealer with whom I do business who raised the price 1 cent a quart in accordance with a suggestion made to him by the authorities, and he instantly had 400 cancelations of his orders. Consequently, the farmer must take a reduction.

These things should be exempt from arbitrary Federal statutes. [Applause.]

[Here the gavel fell.]

Mr. RANKIN. Mr. Chairman, I rise in support of the amendment to exempt cotton gins and other plants engaged in processing farm products from the drastic provisions of this legislation.

We need not deceive ourselves, Mr. Chairman, this so-called wage and hour bill in its present form, together with the spirit behind it, as expressed on this floor and in the cloak room, constitutes the most vicious assault of its kind that has been made against the South in 60 years. Nothing I have witnessed during all the years I have served in this body compares with it.

Mr. PATRICK. Do not forget the anti-lynching bill.

Mr. RANKIN. Let me say to the gentleman from Alabama that I shall never forget that pernicious measure, nor shall I ever forget some of the mean and vicious slanders that were directed against the white people of the South during the debate on it.

I do not have time to point out all the dangers in this legislation. It is being shoved through on the pretense that its advocates in the House are trying to help the laboring man, when as a matter of fact it is calculated to have the most baneful effect upon the laboring people of the South. I am talking about the people who work for a living, in the mills, in the lumber yards, in the factories and on the farm. I know something about it. I have been a day laborer, and I have worked on a farm. I rode a carriage at a saw mill for two years to get money to go to school one year. Many of the men with whom I worked will be thrown out of employment if this bill becomes a law. It will not raise their wages; it will just close the mill. That is what some of you want; you want to destroy southern industry and force all manufacturing establishments back into the large cities of the North and East.

You kid-glove Members from the cities need not attempt to tell me about the problems of the laboring man. I have had experience, and I know more about the problems of the man who toils for his daily bread than you will ever know.

It makes me a little tired to hear you window-sill farmers from New York, Boston, Pittsburgh, and Philadelphia attempt to tell us about the conditions of the farm laborers. You are not even interested in them. You know this bill will pile upon the farmers' backs untold burdens of expenses, without giving them the slightest benefit.

You propose in this bill to prevent any man working in any kind of industry unless he can get 40 cents an hour. That means that if he cannot get 40 cents an hour, then he

cannot work at all. He must either beg or seek the relief rolls. That destroys the very fundamental principle of human liberty. The greatest liberty a man can have on this earth is the liberty of working for his daily bread.

If you are honest and sincere in your pleas for the laboring man, why do you attempt to make this wide distinction between people working in industry and people working on the farm? A cotton farmer makes 1 cent an hour for his work for every cent a pound he receives for his cotton. Today cotton is about 8 cents a pound. That means that every cotton farmer makes about 8 cents an hour, and wheat, corn, and other farmers about in proportion. If you are going to do justice among the people who toil, why not write into this bill a provision to raise the farmers' pay to 40 cents an hour, which would mean 40 cents a pound for cotton and $4 a bushel for wheat? Instead of that, you are raising the prices of everything the farmer has to buy and leaving him with the bag to hold. You dodge that issue by saying that this does not apply to farmers. Now, if you think the farmers of this country are so stupid that they cannot see that this will pile additional burdens upon them in increased prices for the things they have to buy, without increasing the prices of the products of their farms, then you men from the South and West, who are supporting this monstrosity are in for a rude awakening.

If this bill would raise the wages of all the laborers in the country who are underpaid, God knows I would be glad to support it. But it will not do that, and you know it will not do that. It will simply close industrial establishments in the Southern States and in the Western States, throw thousands of people out of employment, concentrate industry back into the large cities and into large establishments where fewer people will be employed for the amount of goods produced—since machinery will take the place of manpower—and unload upon the unprotected masses, including farmers of the Nation, additional burdens that they will be unable to bear.

This will raise the prices of manufactured articles, with the result that goods will flow in from foreign countries. Then you will be clamoring to build the high-tariff wall higher in order to protect American manufacturers. That will add additional burdens to the farmers of the Nation, and destroy the efforts now being made by our distinguished Secretary of State, Hon. Cordell Hull, to rebuild our international trade. In my humble judgment, the laboring people of this country will curse the day this bill ever became a law, and will curse you for placing this vicious legislation upon the statute books of this Republic. [Applause.]

You say that we can manufacture goods more cheaply in the South and in the small towns throughout the agricultural belt than you can in the large cities of the East. That is true; what you manufacturers pay your laborers in wages over and above what they get in smaller towns of the South and West, is taken away from them in exorbitant rents, excessive prices for the necessities of life, exorbitant utility charges, and other similar expenses.

You do not want to give us any differentials or make any difference between the wages to be paid in the South and West and the wages to be paid in the large cities of the East. Yet, when the relief bill was before the House the other day an attempt was made to wipe out those differences and you voted it down—although it was shown that in the average Southern State a relief laborer only gets about $19 a month, while in New York he gets about $55 a month. But when it comes to placing this measure upon the statute books, to outlaw and destroy southern industry, you refuse any differentials whatsoever.

If this bill becomes a law without the Biermann amendment it will probably close thousands of cotton gins throughout the South. It will close the small canning plants and other processing establishments upon which the farmers depend for a market for their crops.

Some of you are consoling yourselves with the thought that the American people, and particularly the farmers, do not understand this legislation. You let this measure become a law in its present form and you will find out whether or not the people know what is in it before you, or your successors, come back to the Seventy-sixth Congress. [Applause.]

Some of you northern Democrats are saying that you can get along without the South, that you can have a northern Democratic Party. I have heard that argument quite often in recent months. Let me remind you that the Democratic Party originated in the South, and if it had not been for the South holding up the banner of Democracy in recent years there would be no Democratic Party today. If you should succeed in driving the South out of the party, it would not only mean the end of the party itself, but it would sound the death knell of democracy in America.

If I might be permitted to borrow from the lips of a great statesman of a century past and gone, an apostrophe to liberty, revise and appropriate it to democracy, which, to use his own language, are "one and inseparable," I would say that in the South, Sir, where the Democratic Party raised its first voice, where its youth was nurtured and sustained, there it still lives in the strength of its manhood and full of its original spirit. If discord and dissension shall wound it, if religious strife and blind ambition shall hawk at it and tear it, if communism, if fascism, if folly, if madness, if uneasiness under salutary or imaginary restraints shall succeed to separate it from those principles by which alone its existence is made sure, it will stand in the end by the side of that cradle in which its infancy was rocked; and it will fall at last, if fall it must, amidst the proudest monuments of its own glory and on the very spot of its origin. [Applause.]

Mr. BOILEAU. Mr. Chairman, I rise in opposition to the amendment. I agree with a great deal that has been said about this amendment. I agree to the general proposition that some amendment ought to be offered to this bill to permit the farmers to process their perishable commodities; but as a friend of the general proposition of controlling wages and hours in industry, I am unwilling to make any unnecessary exceptions. The gentlewoman from New Jersey [Mrs. NORTON], the chairman of the Committee on Labor, has agreed to accept an amendment which will be offered on page 53 of the bill, which, in my judgment, will meet the real substantial objections that have thus far been presented in the discussion of this amendment. That amendment will be offered as a substitute for the so-called Coffee or Grange amendment. That amendment will go far enough. The amendment that will be offered by the gentlewoman from New Jersey will exempt from the hour provisions of the bill, not wages, the first processors of milk and cream into dairy products, and the canners of fresh fruits and vegetables and fish and other canning processors. It will exempt the canning companies from the hour provisions of the bill for a period of 10 weeks in any one year, which, in my judgment, will give them ample time to do that which they have been demanding. In other words, canners have been demanding the right to can their perishable commodities when the supply is there and when there is need for promptly canning it to prevent waste.

Mr. CUMMINGS. Mr. Chairman, will the gentleman yield?

Mr. BOILEAU. No; I wish I had the time. That amendment will permit canners to operate for 10 weeks in the year without restriction on hours. They will have to pay the minimum 25 cents an hour, but they can work as many hours as needed to preserve the crop. If, perchance, 10 weeks are not enough, then they will have to pay time and a half for the extra time, but I do not think that they will have to do that. A canner from my own district was in my office the other day, and he said that, although now they pay only 22½ cents an hour, he did not object if they would put it up to 25 cents; and along with him was a canner from the great State of Arkansas who agreed to that proposition. He said if they had to agree to pay that same price all over it would not be bad on the industry. I submit if they have these 10 weeks' time in which they can work overtime without extra pay that is enough for the canner.

Getting back to the dairy industry, the amendment the gentlewoman will offer will permit all the year around processing of milk, skim milk, and whey and cream into dairy products without regard to the hour provisions, although the wage provision will be in effect. I submit that is necessary. The Committee on Labor has seen the necessity for it. They have gone a long way, and if we now vote in this bill the amendment, there is great danger of destroying the bill, because if you vote that, and along with it the Coffee amendment, the whole bill will be doomed, and if it is not voted down on the floor today it will have lost its effectiveness, because the provisions are too broad. I submit that all that is needed for the preservation and protection of perishable commodities is contained in the amendment that the gentlewoman will offer. We have no right to ask for more than that; we have no right to come here and say that we want wage and hour legislation to prevail in the cities and in the South, and we do not want others to come under the provisions of the bill. The committee has made sufficient concession, and we can go along with them, and we can have real protection. [Applause.]

The CHAIRMAN. The time of the gentleman from Wisconsin has expired.

Mr. WELCH. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I represent an urban district, entirely within the city of San Francisco. Regardless of this fact, during the 13 years I have been a Member of this body I have voted for every farm bill that has been presented to Congress. I will compare my record on farm legislation with that of any Member who has been here an equal length of time. I will be the last at this time to vote against an amendment that would be beneficial to the farming interests of this country. Unfortunately, Mr. Chairman, this amendment is premature. The distinguished gentlewoman from New Jersey, the chairman of the Committee on Labor, with the assistance of her committee, has worked out an amendment which will be offered as a committee amendment which I feel absolutely certain will take care of everything required by those who represent the farm interests in Congress; and I do ask at this time that no serious consideration be given to the pending amendment, but that we wait until the chairman of the committee has had an opportunity to present the committee amendment, which I believe will cover everything referred to by the gentleman from Wisconsin.

Mr. HEALEY. Mr. Chairman, will the gentleman yield?

Mr. WELCH. I yield.

Mr. HEALEY. I would like to ask, through the gentleman from California, a question of the gentleman from New York. The gentleman described the canning industry in northern New York. Does he believe an exemption of 10 weeks in any 1 year would be sufficient time for the seasonal activities of that particular industry?

Mr. WELCH. Mr. Chairman, I yield for that purpose.

Mr. WADSWORTH. I am familiar with the provisions contained in the amendment that I understand is to be offered by the chairman of the committee. Ten weeks is a little less than half the normal canning season.

Mr. WELCH. Mr. Chairman, I do not care to enter into a discussion with the distinguished gentleman from New York [Mr. WADSWORTH]. While I represent an urban district, I was born and raised on a farm, and I am somewhat familiar with farming conditions in the gentleman's district as I happen to have been born there. I know about the length of time required to process peas, corn, and other products raised in western New York. While as a rule I have great appreciation for the gentleman's judgment on farm problems, yet very few Members who have read the amendment that will be offered by the gentlewoman from New Jersey have voiced objection to it. On the other hand, with few exceptions all have agreed with it.

I hope, as I said a moment ago, the pending amendment will be voted down.

Mr. REES of Kansas. Mr. Chairman, will the gentleman yield?

Mr. WELCH. I yield.

Mr. REES of Kansas. Is the National Cooperative Milk Producers' Association in favor of the amendment to be offered by the gentlewoman from New Jersey?

Mr. WELCH. There are some cooperatives and some organizations, Mr. Chairman, that would amend it as far as they possibly could, and then destroy it. On the other hand, I do not think there is a producer in the United States who is in sympathy with the humanitarian purposes of this legislation who will not accept the amendment to be offered by the distinguished chairman of the committee.

[Here the gavel fell.]

Mr. GILCHRIST. Mr. Chairman, I offer a preferential motion.

The Clerk read as follows:

Mr. GILCHRIST moves that the Committee do now rise and report the bill back to the House with the recommendation that the enacting clause be stricken out.

Mr. GILCHRIST. Mr. Chairman, I take this means to get recognition and address the House for 5 minutes.

I am greatly interested in this amendment. The reason it should be passed was well stated by the gentleman from New York, because when any processing tax or extra cost that is put upon a farm product is paid by the farmer, he bears the cost, he always pays. Take, for example, the A. A. A. processing tax. Do you know what happened in connection with that tax? The Brookings Institution itself made a report in which it showed conclusively that the processing tax was borne by the farmer. That was verified afterward by the Department of Agriculture in a report to the Treasury Department in checking the spread on hogs after the processing tax was paid. This also showed conclusively that the farmer paid the tax. This processing tax was found to be unconstitutional and illegal, and we have refunded such illegal taxes to other people. Only this last week we refunded an illegal tax to the railways. I am not opposing it. Perhaps they were entitled to it. There is, however, a duty we owe to the farmers, and that is to repay them the tax illegally collected from them. There is a bill in here now for this purpose, but we cannot get it out of the committee for a vote on the floor. I have tried diligently to get such a vote, but all to no purpose. Now, unless you support the present amendment, you are going to put another burden upon the farmer.

The amendment provides that out in the open country, where the handling, packing, or storing of agricultural commodities is done, there shall be certain exemptions from the provisions of the bill. We should have such exemptions so as to apply them to our creameries and milk producers and cheese makers. Do not destroy these farm activities. There is no question of health involved in what is done out in the open country, because the conditions there are healthful. The tempo of work out there is slower than in cities.

The freight rates are very much against us out there. I live in a little village of 1,200 people. We do not have any reservoir of labor upon which we can draw in times of peak loads or seasonal activities. We have to go along during the year, and there is no place to which we can go to get extra labor, even by paying time and a half or two times what the common wages are.

There is no question involved as to the necessity for this amendment in the cities, and I would like to be for the bill if I can be. I deny the insinuation the gentleman from the city of Brooklyn made that we are trying to sabotage this bill. That gentleman has no interest in farms or farming. As was said by another, "There has not been a calf born in his district for 50 years." It is not the purpose to sabotage the bill, but if we do support the bill, it will be because it does not destroy our industries. The old bill provided for the things contained in this amendment. Why the change? The present bill takes care of the packing of apples, peaches,

and pears, but it does not provide for such things as the canning of corn, the canning of tomatoes, or any of the other industries that the little villages depend upon and must depend upon. You folks are going to deny them that right if you vote down this amendment. I know what is in the substitute amendment which has been talked about here. It is merely a red herring drawn across the trail. The 10 weeks spoken of in the committee substitute will not do. It will not rescue us from the situation that you are putting on us. It does not provide for the things that my colleague from Iowa has provided in his amendment.

Mr. BIERMANN. Will the gentleman yield?

Mr. GILCHRIST. I yield to the gentleman from Iowa.

Mr. BIERMANN. Did the gentleman in all his experience in Iowa ever hear of any labor man or any labor organization complaining of substandard labor conditions at one of these factories which would be affected by my amendment?

Mr. GILCHRIST. No; not at all. I presented an amendment which is much like but not exactly identical to this one. A gentleman from the American Federation of Labor came to my office and said that they were not opposed to it. Labor is not against it. The amendment offered by the gentleman from Iowa [Mr. BIERMANN] should be adopted. Having discussed the amendment, I now ask leave to withdraw my own preferential amendment.

[Here the gavel fell.]

Mr. GILCHRIST. Mr. Chairman, I ask unanimous consent to withdraw my preferential motion.

The CHAIRMAN. Is there objection to the request of the gentleman from Iowa?

Mr. FULLER. Mr. Chairman, I object.

Mr. THOMPSON of Illinois. Mr. Chairman, I rise in opposition to the preferential motion.

The amendment offered by the gentleman from Iowa, as well as section (g) of the committee amendment, is, in my opinion, entirely too far-reaching. I have no objection to exempting some of the small processors who do home curing and home canning from the provisions of this measure; but may I call the Committee's attention to the fact that in a large number of the smaller cities of our country, especially in the Middle West, there are many so-called small packing houses and canning plants. They are not so small after all. They employ, two, three, or four hundred men and women and process various agricultural products. They kill pork, beef, lamb, and send it to market, as well as can soups, vegetables, and fruits.

The canning plants in these small country towns do not do such canning for home consumption. They do it under contract for some of the large distributors of the country. The distributors from the large cities send out labels, and the commodities are then labeled and sent into interstate commerce to be consumed in the larger cities, and centers of population.

I think all will agree with me that these small canning plants and so-called small packing houses very frequently pay notoriously low wages and work their employees long hours during the season. If we are going to have constructive wage and hour legislation, we should protect the people in the small communities, the people in these one-industry towns and villages, who are obliged to work in these factories, there being no other employment available. I hope therefore the Committee will reject the amendment offered by the gentleman from Iowa.

Mr. Chairman, in this connection, and assuming that the committee will reject the Biermann amendment, I ask the chairman of the Committee on Labor, the gentlewoman from New Jersey, what is meant by the committee language in section (g), "but not commercial processing"? That is not clear in my mind, and I would like to have a better idea of the committee's interpretation of that language which is in parentheses.

Mrs. NORTON. I may say to the gentleman it does not include making fertilizer or any of those commercially processed articles.

Mr. THOMPSON of Illinois. May I ask the gentlewoman this question: Where there is a small packing house or small canning plant engaged in packing or in canning, what do they do with the commodity? What do they do with the pork and beef that they kill? What do they do with the vegetables they can? It must be for commercial consumption. They cannot eat it all themselves and, generally speaking, these plants are not cooperatives.

Mrs. NORTON. I may say that at the proper time I intend to offer an amendment which I think will take care of the small packing industries.

Mr. THOMPSON of Illinois. My understanding is that the amendment to be offered by the gentlewoman from New Jersey would affect only the question of overtime, the question of hours.

Mrs. NORTON. Hours; yes.

Mr. HEALEY. Will the gentleman yield?

Mr. THOMPSON of Illinois. I yield to the gentleman from Massachusetts.

Mr. HEALEY. The gentleman does not want to pay these people less than 25 cents an hour, does he?

Mr. THOMPSON of Illinois. Absolutely not. That is the reason I am opposing the amendment offered by the gentleman from Iowa [Mr. BIERMANN].

Mr. REILLY. Will the gentleman yield?

Mr. THOMPSON of Illinois. I yield to the gentleman from Wisconsin.

Mr. REILLY. How much of the year do the small packing plants run?

Mr. THOMPSON of Illinois. Some operate 12 months a year, others during the canning season only.

Mr. REILLY. They would not come under this act at all.

Mr. THOMPSON of Illinois. But that is not clear in my mind. I do not so understand.

Mr. FULLER. The gentleman does not mean to tell us that up in his district and around that territory they pay as low as 25 cents an hour for labor in packing plants, does he?

Mr. THOMPSON of Illinois. Yes; in some cases.

[Here the gavel fell.]

The CHAIRMAN. All time has expired.

Mr. WHITTINGTON. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. WHITTINGTON. May I ask if the Chairman has included the 5 minutes consumed by the gentleman from Iowa [Mr. GILCHRIST] which was on a preferential motion?

The CHAIRMAN. There still remains 5 minutes of the 30 minutes that the Committee agreed to by unanimous consent. Debate has closed on the preferential motion offered by the gentleman from Iowa [Mr. GILCHRIST].

The question is on the motion of the gentleman from Iowa.

The motion was rejected.

Mr. BEITER. Mr. Chairman, I rise in opposition to the Biermann amendment.

Mr. BIERMANN. Mr. Chairman, how has the time been divided so far?

The CHAIRMAN. This is an inquiry which the Chair anticipated might be made, and the Chair calls the attention of the gentleman from Iowa to the fact that of the 25 minutes which have been consumed so far, 15 have been consumed by those in favor of the amendment of the gentleman from Iowa and 10 minutes by those in opposition. Fifteen minutes have been consumed by Members on the Republican side and 10 minutes by Members on the Democratic side. The recognition of the gentleman from New York by the Chair evens the time all around.

Mr. BEITER. Mr. Chairman, like the gentleman from New York [Mr. WADSWORTH], I represent a district in which are located small canning factories.

First of all, before I take up the gentleman's argument, may I read the substitute proposed by the gentlewoman from New Jersey [Mrs. NORTON] for the amendment offered by the gen-

tleman from Nebraska [Mr. COFFEE]. The gentlewoman's amendment reads as follows:

(b) In the case of an employer engaged in the first processing of milk, whey, skimmed milk, or cream into dairy products, or in the ginning and compressing of cotton, or in the processing of cottonseed, the provisions of subsection (a) shall not apply to his employees in any place of employment where he is so engaged, and in the case of an employer engaged in the first processing of, or in canning, fresh fish or fresh sea food, or perishable fresh fruits or perishable fresh vegetables, or in handling, slaughtering, or dressing poultry or livestock, the provisions of subsection (a) shall not apply for 10 workweeks in any calendar year to his employees in any place of employment where he is so engaged.

The gentleman from New York stated that early in June or possibly the middle of June they would start the canning of peas and keep up this work for about 4 weeks, or until the middle of July. Then there would be a lull in the industry for about 4 weeks, or until the middle of August. From then on they would can corn, carrots, and possibly tomatoes.

The amendment which is offered by the gentlewoman from New Jersey does not state that the exemption shall be for 10 consecutive weeks, and by the admission of the gentleman from New York, they work the men 2 hours overtime, or possibly, at the outside, 3 hours overtime only about once a week, so you can see that a period of 10 weeks is ample. If the amendment is approved, it will give the small canning industries ample time to take up that slack. If it is not 10 consecutive weeks, well and good.

Mr. MOTT. Mr. Chairman, will the gentleman yield?

Mr. BEITER. I yield to the gentleman from Oregon.

Mr. MOTT. I may say to the gentleman that provision would not do the fish canneries on the Pacific coast very much good because they operate almost continually. There are only two or three months in the year when they do not operate, and many of the fish canneries also can vegetables and fruits.

Mr. BEITER. I am not as familiar with the fish canneries as I am with the fruit and vegetable canneries that the gentleman from New York has cited. What I have tried to point out is that by the gentleman's own figures the 10 weeks' exemption is ample time in which to take care of their commodities.

Mr. CULKIN. Mr. Chairman, will the gentleman yield?

Mr. BEITER. I yield to the gentleman from New York.

Mr. CULKIN. Does the gentleman believe the first processing of dairy products would include casein and dried milk?

Mr. BEITER. Yes; I believe it would.

Mr. CULKIN. I am very fearful of that, I may say to the gentleman.

Mr. DORSEY. Mr. Chairman, will the gentleman yield?

Mr. BEITER. I yield to the gentleman from Pennsylvania.

Mr. DORSEY. The provisions of this amendment do not require that it be 10 consecutive weeks, but a total of 10 weeks.

Mr. BEITER. I have stated that it would not be 10 consecutive weeks but a total of 10 weeks.

Mr. BOILEAU. Mr. Chairman, will the gentleman yield?

Mr. BEITER. I yield to the gentleman from Wisconsin.

Mr. BOILEAU. When I took the floor awhile ago I explained the Norton amendment and I did not refer to the cotton ginning. I am pleased to note that the gentlewoman from New Jersey has changed her amendment to exclude cotton ginning along with dairying. I am sure this helps her amendment considerably.

Mr. BEITER. I am sure that will help the proposal of the gentleman from Mississippi [Mr. RANKIN].

Mr. COFFEE of Nebraska. Mr. Chairman, will the gentleman yield?

Mr. BEITER. I yield to the gentleman from Nebraska.

Mr. COFFEE of Nebraska. I hope the gentleman will explain to the House that the Grange amendment is not now before the House, and that this substitute is gradually being enlarged, taking in anything that anybody wants, in order to torpedo the Grange amendment.

Mr. BEITER. I do not believe that is the case.

Mr. DEMUTH. Mr. Chairman, will the gentleman yield?

Mr. BEITER. I yield to the gentleman from Pennsylvania.

Mr. DEMUTH. I wish to remind the gentleman that in my congressional district we have the largest canning and preserving factory in the world, the H. J. Heinz Co. This is an employees' bill, not an employers' bill. I am for the bill. [Applause.]

Mr. MEAD. Mr. Chairman, will the gentleman yield?

Mr. BEITER. I yield to the gentleman from New York.

Mr. MEAD. Everyone in the House realizes the sincerity of the leadership of the gentleman from Wisconsin [Mr. BOILEAU], who took the floor a moment ago and expressed his attitude in favor of the amendment exempting agriculture which will be offered by the gentlewoman from New Jersey [Mrs. NORTON]. I really believe those who are in favor of the workers of the country will support that proposal rather than the pending amendment, which has been referred to as an employers' proposition.

Mr. BEITER. American industry has demanded and won the right to the discussion on this bill to put a floor under wages and a ceiling over hours for the workers of our country. Compulsory legislation on the part of the Government is most necessary to correct the evils that exist in the field of labor today. The bill is a liberation for those who spend their days in back-breaking toil at starvation wages. These conditions have been tolerated for years by those who believe the profit system can operate no other way. An aroused public opinion has forced the issue.

The proposal not only sets up a uniform standard of minimum wages and maximum working hours but it also does something definite to eliminate child labor. Recent events have proven that while everybody talks about the horrors of child labor nothing has yet been done to correct it. The proposed amendment to the Constitution which would permit the Congress to legislate definitely against child labor has not been approved by a sufficient number of States to ratify it. The New York State Assembly some few months ago adopted a resolution petitioning Congress to regulate or forbid interstate commerce in merchandise manufactured by child labor. But this same body has not ratified the amendment to the Constitution which would give Congress specific power in this matter. Unless we take action such resolutions are just more "talk" and brings us right back to where we started—with no definite action being taken to stop this heartbreaking exploitation of childhood.

The present bill presents another approach to the solution of this vexing problem.

Our problem here is definite. The only possible solution is a uniform national law improving the social and economic conditions of our workers with decent wages and humane working hours and definitely eliminating conditions which permit children to toil.

Employers have advanced many reasons why this bill should not be enacted into law but none of them, so far as I can see, are sound or convincing. There are some employers, I am glad to relate, who do not take this stand and want to stop the cheap-labor racket which is attracting many industries to the South. These employers know and appreciate that unfair competition in the wages of employees leads to other evils besides underpaid and undernourished workers.

A majority of the House membership has shown that they want the bill brought here for debate—let us not waste time in trying to amend it too much. The last time we tried to pass a wage-hour bill it was amended to its death. Let us not make the same mistake again. We have a good bill and other perfecting amendments, if needed, can be undertaken as experience and expediency dictate.

Those who are genuinely interested in the welfare of our workers and who are sincere in their desire to outlaw child labor will vote for this bill. Humanity demands it.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Iowa.

The question was taken; and on a division (demanded by Mr. BIERMANN) there were—ayes 130, noes 109.

Mrs. NORTON. Mr. Chairman, I demand tellers.

Tellers were ordered; and the Chairman appointed as tellers Mrs. NORTON and Mr. BIERMANN.

The Committee again divided; and the tellers reported that there were—ayes 159, noes 134.

So the amendment was agreed to.

Mr. MAAS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. MAAS: On page 49, line 23, after the word "thereof", insert "and shall include the Federal Government in the executive, legislative, and judicial branches, except the Army, Navy, and the Coast Guard."

Mr. MAAS. Mr. Chairman, I believe that when the Government urges or imposes upon the people any progressive, forward step it should itself set the example and lead such a movement. The effect of this amendment merely applies the same protection to Government workers as will be accorded to those in industries.

There are numerous cases where Federal employees work in excess of 40 hours, and there are too many cases where they work for less than 40 cents an hour. The amendment, by including the legislative employees, applies the principle to the Government itself, and I believe if we want industry to follow these progressive movements we should take the first step and set the example. [Applause.]

The CHAIRMAN. The question is on the amendment offered by the gentleman from Minnesota.

The question was taken; and on a division (demanded by Mr. SHORT) there were—ayes 33, noes 141.

So the amendment was rejected.

Mr. BLAND. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. BLAND: Page 50, insert after line 24, the following new paragraph:

" 'Fishery industry' includes all fishery operations in preparing to catch or take, or in catching, taking, harvesting, cultivating, or farming, any kind of fish, shellfish, crustacea, sponges, seaweeds, and other aquatic forms of animal and vegetable life, including going to and returning from such work; and loading, unloading, or packing such products for shipment, and the propagating, processing, marketing, freezing, curing, canning, storing, and distribution of the above products and byproducts thereof."

Mr. BLAND. Mr. Chairman, if this amendment is adopted there will be offered in section 11 an amendment containing the necessary exemptions with reference to this industry.

It will be noted that in this particular section agriculture is defined. I was interested in the remarks of the prime mover of this legislation, the gentleman from Massachusetts, in which he said that obviously agriculture should be exempted. By all the rules that apply to agriculture, and then some, the fishery industry ought to be exempted. If there is any industry under heaven that cannot measure its operations by the rules that are applicable under this bill, it is the fishery industry. It is as varied in the different sections of the country, almost, as the different fishing sections themselves, some by reason of participation in the fish caught, some by reason of wages, as well as various other operations. The industry is confronted not alone by the vicissitudes that apply to agriculture, but also wind, wave, action of the tide, fogs, and various other conditions that must, necessarily, determine operations in the fishery industry. You may legislate all you please as to number of hours, but the fish that are running will not obey your legislation. [Laughter.] You may legislate all you please with respect to any provision in this bill, but when it comes to fogs and waves and wind and tide you are dealing with a situation that is far beyond this bill or the operation of any bill. You are dealing, when you deal with the fishery industry, with a condition that needs assistance, that needs help, and has received just about as little as any industry in the country.

When the tariff law was written, fish were not being imported in the large quantities that they are now and fish were largely on the free list. The result is that we today are confronted not alone with various vicissitudes in this country, but we are confronted with Japanese fish coming into this country, and some taken practically from our own borders. I ask you, in defense of this great interest, that it be given the same benefits that are given to agriculture. [Applause.]

Mrs. NORTON. Mr. Chairman, I shall take just a moment or two to say that the purpose of the gentleman's amendment is already taken care of in section 11, where there is exemption of employees in the taking of fish, seafood, and sponges; also, in the amendment that the committee will offer on page 53, there will be a further exemption.

Mr. BLAND. Mr. Chairman, will the gentlewoman yield?

Mrs. NORTON. Yes.

Mr. BLAND. The exemption as to taking of fish, seafood, and sponges is a minor operation in fisheries, and only part of it, and shows that the committee evidently did not have a full contemplation of the fishery industry.

Mrs. NORTON. We feel that we have taken care of all that is necessary in that particular business. I ask for a vote.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Virginia.

The question was taken; and there were on a division (demanded by Mr. BLAND)—ayes 101, noes 128.

So the amendment was rejected.

Mr. CRAWFORD. Mr. Chairman, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

Amendment proposed by Mr. CRAWFORD: Page 52, after line 14, insert a new subsection, as follows:

"(n) 'Wage' paid to an employee includes the reasonable cost, as determined by the Secretary, to the employer of such employee of furnishing such employee board, lodging, housing, or other facilities, if such board, lodging, housing, or other facilities are customarily furnished by such employer to his employee free of charge."

Mr. CRAWFORD. Mr. Chairman, we face a practical fact that where board, lodging, or housing is furnished, unless it is taken into consideration, charges for that service will be increased in proportion to the amount of the wage increase. This amendment leaves the matter entirely up to the Secretary of Labor, and in behalf of the employee this type of relationship should be brought into the definition part of the act and made a part of the act. Everyone understands it; there is no need of taking a lot of time to discuss it or explain it. In the coal industry, and in many other industries, there is this realistic thing to deal with, and I think it must have been an oversight on the part of the committee in leaving that out of the definition portion of the bill.

Mr. O'MALLEY. Mr. Chairman, will the gentleman yield?

Mr. CRAWFORD. Yes.

Mr. O'MALLEY. I think the gentleman has in mind the lumber industry, where the workers in the forest are charged for board and lodging and it is placed against their wages.

Mr. CRAWFORD. Yes; a number of industries have that same problem.

Mr. O'MALLEY. And does the gentleman's amendment leave it to the Secretary to determine what a fair charge shall be?

Mr. CRAWFORD. Yes; it leaves it entirely in the hands of the Secretary. There is no way in which it will operate against the employee.

The CHAIRMAN. The question is on agreeing to the amendment offered by the gentleman from Michigan.

The amendment was rejected.

Mr. COOLEY. Mr. Chairman, I offer the following amendment which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. COOLEY: Page 50, line 20, after the word "farmer", insert "all persons employed in connection with the sale of leaf tobacco in auction warehouses."

Mr. COOLEY. Mr. Chairman, when the last wage and hour bill was before the House at the extraordinary session last fall, an amendment similar to the amendment that I have just offered was accepted by the chairman of the Committee on Labor. I hope that the amendment may be accepted by the Labor Committee at the present time, and if

not, that it may be adopted by the House. It is applicable only to those persons employed in auction warehouses in which leaf tobacco is sold. I cannot in the brief space of time at my disposal attempt to discuss in detail the operations of an auction warehouse but I call the attention of Members to the fact that auction warehouses are operated for the benefit of the farmers and in auction warehouses the farmer sells his tobacco. In the State of Georgia the entire leaf-tobacco crop is marketed in the brief space of 3 weeks. In North Carolina, Virginia, and in other sections of the country it takes longer, perhaps 3 or 4 months, but the point I wish to impress upon the House is that it is necessary for warehouses to remain open 24 hours each day. The farmers bring their tobacco in at every hour of the night, and these employees are permitted to sleep and loaf on the job until a farmer arrives with his tobacco. The tobacco is then taken from the truck or wagon and placed on the auction warehouse floor. There is not sufficient labor available at all times to operate on regular shifts of 8 hours each.

Mr. SIROVICH. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield.

Mr. SIROVICH. Who pays the wages of the man at the warehouse, the owner of the warehouse or the farmer who brings the tobacco?

Mr. COOLEY. The man who owns the warehouse pays the wages of the person assisting the farmer in unloading his tobacco.

Mr. SIROVICH. And the owner of the warehouse gets a commission on the sale of the tobacco.

Mr. COOLEY. The farmer pays the warehouseman a commission for services, which includes the services of the auctioneer.

Mr. SIROVICH. Why should the warehousemen be exempted?

Mr. COOLEY. The fact is that if these people are not made available by the warehouseman the farmer must unload his own tobacco and perform his own labor. The warehousemen heretofore have rendered that service for the farmer, and I am afraid that if they are put under this bill they will cease furnishing the service. Many of the farmers come in as early as 2, 3, or 4 o'clock in the morning, tired and exhausted; and if they do not have these laborers to help them unload their trucks or wagons, they will have to do it themselves. I hope the Members of the House will see the wisdom of putting this exemption in this bill.

Mr. CREAL. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield.

Mr. CREAL. Technically, does the gentleman think that that is an operation that becomes a part of interstate commerce? Does that tobacco partake of the nature of interstate commerce until it has reached the floor and been sold? Is not the warehouseman before that time the agent of the seller?

Mr. COOLEY. I am inclined to think the gentleman is correct; but to remove all question of doubt, I think this exemption should be included in the bill.

Mr. CREAL. Mr. Chairman, will the gentleman yield further?

Mr. COOLEY. I yield.

Mr. CREAL. The warehouseman charges 75 cents a hundred for handling this tobacco, and part of the service he renders is to help the farmer unload. If through the operation of this bill that charge were increased, would not the discrimination be against the farmer just the same as it is in the case of freight rates?

Mr. COOLEY. He would have to pay the bill or perform the labor himself. In all sincerity, I impress upon the House the desirability of this amendment. I certainly hope it will be adopted as it was before. It is applicable only to a very few people. It will work a great hardship upon the farmers if they are forced to place their own tobacco on the floors of these auction warehouses.

[Here the gavel fell.]

Mr. COCHRAN. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, the purpose of this legislation is not only to provide a minimum wage and maximum hours, but also to put more people to work; put more people to work is as important as wages and hours.

Mr. WHITE of Idaho. Mr. Chairman, will the gentleman yield at that point?

Mr. COCHRAN. No; I refuse to yield at the moment.

Mr. Chairman, the purpose of this amendment is to keep additional people from going to work. Here is a concrete example where if this legislation is put into effect, those who operate the tobacco warehouses will not be able to keep people on the job 24 hours a day, as the gentleman who offered the amendment admitted they do. He says they sleep there and that when the farmer comes he wakes them up and they help the farmer unload his trucks. What we want to do by this legislation is to require that when they work 24 hours a day they have three sets of employees, split their work up into three shifts of 8 hours each.

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. COCHRAN. I yield, because I referred to the gentleman's speech.

Mr. COOLEY. I think the gentleman misunderstood me. I made the statement that the warehouses of necessity remained open 24 hours of the day and in many instances the warehousemen kept their employees there. They were not actually working through the 24 hours. If a farmer came in at 2 o'clock in the morning, he would have to call on the warehouseman to help him unload.

Mr. COCHRAN. I understood the gentleman perfectly. They keep their warehouses open 24 hours a day and only want to employ one set of men. The retailer keeps his place open, the manufacturer keeps his place open, and they will be required to meet the provisions of the bill. Why not your tobacco men? I repeat, what we want to do is to put more people to work in this country, just as much as we desire to have a minimum wage and maximum hours; that is what we are trying to do and propose to do.

To do this we provide a minimum wage of 25 cents per hour for the first year, increasing at the rate of 5 cents an hour yearly until the wage scale will be 40 cents an hour. Further provisions are made for a 44-hour week at the outset, reduced to 42 hours the second year, and then to 40 hours a week thereafter. The minimum wage for a 44-hour week is $11 a week while 4 years after the passage of the act it will be $16 a week for 40 hours. All I ask is for those who oppose this bill to read its provisions that relate to minimum wages and maximum hours, stop and think for a moment, and then publicly let the people in their community know their opposition. Let them put themselves in the place of the workers we seek to help and see how soon they would change their views. We are not only doing something for the employee but we are also assisting the employer, because the increase in wages means an increase in buying power which brings better business. Who will contend that anyone receiving such a wage will be able to save any portion thereof for a rainy day? In setting this standard we also better the condition of the housewife and the children. Deprived of proper necessities of life today they are undernourished, not properly clad, and millions live in homes which not one person who opposes the measure would even care to enter.

We strike at those who for years have exploited their labor; at those who furnish unfair competition by selling their products at a price far below the producer who pays his employees a fair wage.

Say what you like about the National Recovery Act but the fact remains that act was beneficial to employees and to business, large and small. It was the chiseler, the sweatshop owner, and the like, that sought its destruction. This bill seeks to restore in part the N. R. A.

Those who care nothing about a reasonable standard of living for others so long as they can reap a harvest in dollars, those who deny a reasonable share of the profits of their industry to the men and women who are responsible

for those profits and those who would pay themselves hundreds of thousands of dollars in wages and bonuses annually, at the same time paying starvation wages to their employees, for selfish reasons oppose this legislation.

With millions of our citizens out of employment because of labor-saving and labor-displacing devices, are we to remain silent and not try and do something to put them back to work? Faced with another emergency—you and I know it is an emergency—I am not in favor of following the do-nothing policy of the Hoover administration. Either industry can open its doors to those who must have employment, or the Federal Government must continue to feed those unfortunate citizens and their families.

What did Chief Justice Hughes say in his opinion on the State minimum-wage law last year? Let me quote from his opinion, in part:

> The exploitation of a class of workers who are in an unequal position with respect to bargaining power and are thus relatively defenseless against the denial of a living wage is not only detrimental to their health and well-being but casts a direct burden for their support upon the community. What these workers lose in wages the taxpayers are called upon to pay. The bare cost of living must be met.

In plain words, Chief Justice Hughes points out it is the community that cares for its citizens when exploiters of labor refuse to do so. Is it not the taxpayers that pay the expenses of the community? Therefore, if in the end it is necessary to secure money for the upkeep of Government from those best able to pay, be it National, State, or local, is it not far better for the businessmen to take care of the worker in a way that will bring him labor for his money, rather than by taking care of the worker through the imposition of taxes?

We are not living in a world such as you and I knew as boys, nor in a world such as the forefathers knew. No business could exist today as it existed then. The standard of living of that day is not the standard of living today. We must meet the changed conditions. This is a step in the right direction. The principle of minimum wages and maximum hours is sound. No individual or corporation will suffer in the end by this legislation but, on the contrary, the millions of underpaid and overworked will benefit by a better standard of living, and as their purchasing power is increased the money will eventually be returned to the distributor and the producer.

I predict if this law is properly administered as Congress intends that it should be administered those who condemn it now will be highest in its praise.

Mr. Chairman, I say to the friends of this legislation that if they have kept their eyes open today and watched who voted for amendments they have found that it is the enemies of the legislation that attempt to adopt amendments. Those who voted for amendments, who refused to vote for consideration of the bill, will not on final roll call be found voting in favor of this measure, no matter what amendments are adopted. Let no one tell you that they will. Those who yesterday voted against considering this bill today voted against this committee on practically every vote that we have taken.

I say to the friends of this legislation: "Stay here; stand by your committee. Let us pass this legislation and not emasculate it as the enemies of the bill are trying to do."

This amendment should be voted down. [Applause.]

Mrs. NORTON. Mr. Chairman, I move that all debate on this amendment do now close.

The motion was agreed to.

The CHAIRMAN. The question is on the amendment offered by the gentleman from North Carolina [Mr. COOLEY].

The amendment was rejected.

Mr. KITCHENS. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, the President, on January 3, 1938, in his message to Congress stated that "no reasonable persons seeks a complete uniformity in wages in every part of the United States." This statement should be true. Unfortunately, there are those in the House under the President's statement who will be placed in the category of the unreasonable, because they insist that wages be uniform and without distinction between the efficient or inefficient, male or female, old or young, skilled, semiskilled, or unskilled, and regardless of whether industries or factories are small or great, rich or poor, highly mechanized, or not.

The avowed purpose of this bill is the establishment of fair labor standards in employments in and affecting interstate commerce among several States. It really classifies all laborers as unskilled because no provision is made for skilled or semiskilled labor. No minimum wage is set for semiskilled labor or for skilled labor, and no protection is given to such labor under this law. On the contrary, they are left as the prey of chiselers and exploiters of labor, because the great majority of them are unorganized and without protection. Necessarily, the unskilled laborer under this bill will profit at the expense of the semiskilled and skilled laborer, and such a law is unfair and unjust. Instead of protecting the efficient and those who have diligently applied themselves to learning their trades, they will be required to bear the extra cost burdens of the inefficient, untrained, and unskilled.

This bill involves the principles of price fixing. If we can fix the minimum price of labor in industry, then we can fix the minimum price for all farm products in interstate or foreign commerce. It necessarily follows, then, that Congress can fix the wages of money and salaries of all people engaged in any business in interstate commerce, and can fix the wages of owners of industry by limiting their profits.

No hearings have been held on this bill. Those behind the bill object to any amendments, and refuse to consider or support a comprehensive bill that will do justice to all laborers, farmers, consumers, and owners of industry. We are entering a wide field of Federal legislation, revolutionary in character, never before attempted, under a granted power only of regulation of interstate commerce as set forth in section 1, article I, of the Constitution. This bill, if constitutional, extends the interstate commerce clause to such an extent that Congress will have the absolute power, directly or indirectly, to control all labor, industry, and commerce in the United States. Whether such an extension of Federal legislation, in its attempt to regulate interstate commerce, will result in good or evil remains to be seen.

Certainly, this bill, as now proposed, will centralize and result in centralizing all labor and industry in an official or agency of the Federal Government. The ostensible object of the bill, that is, to regulate and eliminate substandard conditions of labor in interstate commerce, will meet wholehearted approval of all. It is only when laborers, farmers, and owners of industry receive a fair wage and fair price for their products that the country can prosper.

I admit that in the great industrial centers of the Nation there exists today a most desperate state of affairs. The present plight of the unemployed in such industrial centers is due to a lack of jobs, which is the same trouble as in my district. It is not due necessarily to the wage paid. I am not one of those who believes a laborer should receive all of nothing rather than part of something. I am not one of those who believes it better for a laborer and his family to starve if he cannot get the same wage that is paid in New York City, Chicago, or Philadelphia. I am not one of those who believes that if the small factories cannot pay the same wage and at same time pay higher freight rate than large $5,000,000, $10,000,000, or $100,000,000 plants, that such small factories should be put out of business, and their labor permitted to starve. I am not one of those who believes it is better to have a few large industrial plants, monopolies, rather than to have a large number of small factories scattered here, there, and yonder throughout the country. I shall not be misled by those who seek to build up industry in their sections at expense of labor and others in my section. I do not believe in cheap labor. I believe the laborer is worthy of his hire and entitled to a fair wage for his

work, and will support any bill to that end, but I cannot obtain my consent to support a bill which will make fish of one and fowl of another.

What consideration in this bill are you giving to the man who is unable to obtain a job? He is honest and deserving and has, probably, a wife and children who need to live. You are casting him aside for the benefit of more fortunate ones. You are saying to him, "You and your family cannot live on $40 per month, and therefore it is better that you should die of starvation than that you should receive less than $44 per week." You are saying to the skilled and semi-skilled, unorganized laborers, "We will leave you to bear, at your expense, the extra burden and discriminatory freight rate of the industry in which you work."

A great deal has been said about southern labor. Unnatural tears have been shed in behalf of southern labor. Yet I do not forget that during the year 1937 $214,000,000 were contributed by the Government to relief of people in the State of Pennsylvania, while only $211,000,000 were contributed to all the Southern States. I listened yesterday to one of the gentlemen from Massachusetts, who, in a complaining tone, mentioned that on his trip through the South he asked the manager of one plant whether he had any aliens working in the plant. The manager replied, "Yes; we have two, but they are going to leave today." I praise that manager and take the liberty of saying that no aliens, who have not filed declaration of intention to become citizens of this country, will be welcome in my State to take the place of our labor. The alien problem is causing a great deal of the trouble in the East and the North; and so far as I am concerned, I am prepared to vote to return every one who does not file application to become a citizen to their homelands and that without delay.

It is freely admitted by some distinguished and disturbed Congressmen from the North and East that the real object of this bill is to prevent industry from being further decentralized and seeking better and more peaceful climes in the South. The truth is, industry cannot be blamed for seeking a section of the country where labor, power, and raw material are plentiful. We welcome industry, but shall expect industry to pay a fair and reasonable wage.

One of the reasons why the bill is unfair, unjust, and discriminatory against about four-fifths of the United States and its citizens is failure to take into consideration the unequal freight rates in various sections of the country. Eastern and northern industry has advantages over southern, western, and midwestern industry due to higher freight rates in the latter sections. If this advantage can be held, and the same wage imposed, then no industry can exist, much less compete with northern and eastern industry. The effect of this bill will be to destroy present industry in great sections of the country, and prevent the obtaining of any new industry.

Only recently, at Birmingham, Ala., representatives from various Southern States met and appeared before the Interstate Commerce Commission at a hearing there in order to bring about more nearly a parity of freight rates for the South.

The New England States and Governors of those States had a great number of lawyers at Birmingham vigorously opposing fair or parity freight rates for the South. So one needs to watch reformers as they loll on their tongues, parrot-like, the expressions "slave labor," "sweatshops," and so forth. When I hear the voice of Jacob and see the hand of Esau, I know enough to beware.

The New England States have been getting the benefit of tariff for many years at the cost of the South and West. We have been paying that tariff on the fabricated products of the East in order to help eastern labor and industry. The result is most industry, as well as capital, is centralized in that section. I might mention also in this connection that the industry in the Northeast imported for many years alien labor, exploited that labor for many years at the expense of southern and western labor, and now is willing and anxious to further sacrifice southern industry, southern labor, and consumers for their benefit.

I wish to call your attention to the Fifteenth United States Census of Manufacturers. This census shows there are something over 200,000 small factories in the United States, and about 20,000 large factories. That census shows a laborer in a factory which produces products annually of the value of $1,000,000 or more, by use of machinery, greater capital, larger purchases, and greater coordination of effort, produces from two to four times as much as a man doing the same kind of work in a small factory with an output amounting to $50,000 or less per year. I ask, then, how a small plant can pay the same wages as a million-dollar plant, and then, in addition, pay higher freight rates? It occurs to me the only plants that can survive will be the large plants.

The President recently sent a message to Congress on monopolies and requested legislation to prevent monopolies. This bill, in my opinion, will create, centralize, and sectionalize industry in the New England States, and further protect and foster monopolies. I hear Members on the floor of the House and in the cloak rooms say that all small businesses, if unable to pay what they call a living wage, should be destroyed. But they lose sight of the fact that what is a living wage in one section is not in another. If a living wage is to be your guide, then what is a living wage? This bill purports to define it, but I disagree with the definition. It falls far too short. They prefer that he receive no wage at all unless he receives the same wages as paid by a large million-dollar factory. By their votes and their efforts, they are against all southern, western, and midwestern labor and industry, and favor monopolies and million-dollar corporations. They are against the farmers and the consumers likewise, because any aid to the large industrial corporations, or advantage to them given, and to their labor, will be at the expense of farmers and other laborers and consumers.

It is well known that the large industrial corporations and monopolies exist mostly in the New England States. No telegram comes to any Member of Congress from them opposing this bill; no, not one. All monopolists, by their silence, favor it and are not openly advocating it because of fear of arousing some to a sense of its selfishness and injustice. They agree with certain Members of Congress who say, "Let the small industrial plants perish." I do not blame monopolists and large mechanized factories for not opposing this bill. There is method in their inaction and silence, and we see no telegrams or propaganda flooding Congressmen's offices.

On May 4 Congressman FISH, of New York, on the floor of the House, stated:

> I am not blaming any friends from Tennessee and Kentucky; I am not blaming Democrats of the South who may have different issues in those States confronting them. I admit that every northern Democrat from an industrial city will vote for this bill.

Mr. FISH then added:

> I have heard no demand from capital or industry against it; I do not know a single big industrial corporation in America that is opposing this bill.

Mr. FISH then begged all Republican Congressmen to support the bill.

This bill will destroy jobs, because large industrial corporations with millions of capital will use more and more machinery. This cannot happen in small factories. High-speed machines in large factories will be further mechanized for replacement of men. To be sure, no new jobs will be created by this bill. The only real effect of same will be to destroy jobs in great sections of our country and increase jobs in new and large monopolistic industries and centers in New England. After all, I know that one section of our great country cannot and should not prosper on the ruins of labor and industry in other sections.

The large pulp mills, oil companies, and railroads are not affected by this bill. The bill also excludes from its protection farmers, retail clerks, horticulturists, livestock raisers, poultry people, packers of agricultural products of different kinds, outside salesmen, seamen on merchants' ships, those

engaged in taking fish and sea foods. In fact, the bill excludes every worker in intrastate business of all kinds, such as work in laundries and other local factories and business not doing an interstate business. Why burden all these people with excess cost of their needs by fixing a set wage and lesser hours accruing to benefit of large industrial establishments and their labor in New England States? This bill singles out interstate laborers as a class to give them higher wages and shorter hours. All intrastate laborers are given nothing whatever. They are left with the same wage, same hours, and are forced to help bear the burdens of increased wages, and so forth, of laborers in interstate commerce.

We pay no million-dollar bonuses to capitalists and industrialists in the South. Our industry is all of small capital. We pay no $100,000, $250,000, $500,000, and $1,000,000 salaries in the South. We know that such salaries and bonuses are paid in hundreds and hundreds of these large concerns in the North and East. This bill will enable such concerns to maintain and increase such salaries at the expense of southern and western industry and labor.

Pay rolls are met with money from bank deposits. They cannot be met without money. These pay rolls are met from demand deposits in our banks. The State of New York has around $750 demand deposits for each man, woman, and child in that State. In our State, and many other Southern, Western, and Midwestern States, we have around $50 in demand deposits per capita. In other words, in New York State there is available for labor 15 times as much money per capita as there is in Arkansas. In the State of New Jersey there is seven times as much money available for labor in demand deposits as in Arkansas. In Connecticut, where the population is 250,000 less than in Arkansas, the demand deposits are two and a half times that of Arkansas.

No Southern State has attained anywhere near as high per capita demand deposits as these New England industrial States. American wages must, of necessity, vary widely from State to State because of this great difference in available money for pay rolls. Wages are governed by the amount of money available and by the conditions existing at the particular plant. These discriminations and inequalities cannot be put upon the same basis, and a uniform wage, if attempted, will be impractical.

The shoes and socks on your feet, hat on your head, clothing you wear, belt around your body, buckle, watch, chain, tie, knife in your pocket, fountain pen you use, pencil with which you write, glasses, if any, you wear, are almost all made in the East and North. Go into your home, look at the glass windows, carpets, or rugs on the floors; sewing machine, radio, electric-light fixtures, lamps, clock on the mantel, trunks in the corner, bed springs, bedsteads, chairs, telephone, stove, gas heaters, electrical equipment, tables, kitchen utensils, knives, forks, plates, linens of all kinds, gun in the rack, shells therefor, fishing rods, cabinets, books in the library, auto in garage and see if any of them are made in Arkansas or in your State. The same would apply to the tools, harness, equipment, and machinery of the farmer. In truth, the same applies to all the machinery and equipment of the few factories we have.

In Arkansas we have coal, gas, oil, waterpower, manpower, and electrical power in great abundance. We have great forests with fine timbers. We have finest clays in America, bauxite, other minerals, and raw materials. We produce a million and a half bales of cotton per year and manufacture less than five thousand of it. We have some of the finest labor, eager and anxious for a job. Many other States are similarly equipped.

I am just wondering why one should vote to raise the price of what farmers, laborers, and other southern and western consumers have to buy in order to further help New England capital, monopolies, and large industrial corporations and their labor in the New England States. Why should one vote to further handicap, if not destroy, labor and industry of his own section to build up and further centralize and monopolize industry in the North and East? Why vote to further cripple his schools in obtaining revenues? Why vote to foreclose all chance to obtain new industries for our southern and western labor and revenue for our schools?

The children in New England and certain Northern States receive on an average $75 each per year for school purposes; while in the South, due to lack of taxes on industry, our children have an average of about $25. Why should one vote against giving his own people a fair opportunity to get an education and obtain jobs in factories and increase school facilities of children of the people he represents? Why should one vote to impose further burdens and excess cost of manufactured products upon the fathers and mothers of these children in order to aid the capitalists, monopolists, and large industrial corporations in the New England States?

After all, why deceive labor? Why put him in, restrict, and accustom him to this low wage and hour scale? If he has a family, a laborer cannot live in a large city on 25 cents per hour. Certainly, he cannot have any of the conveniences and luxuries of modern inventions anywhere on such a wage. Why not show some courage and work for a wage that will enable him to have not only the necessities but some of the luxuries? Furthermore, in some cities and sections rents and living expenses are higher than in other sections. In some cities educational and other advantages are more and better than in others. In some cities workers are compelled to pay transportation to reach their work. Under this bill, instead of decentralizing industry and scattering it over the country so that all may have a chance, it will centralize industry. Electricity is the motive power of industry today and can be transmitted to where the raw materials, resources, and laborers are instead of transporting the raw material. Under this bill laborers will be forced to migrate in large numbers to the large industrial cities, where frightful labor conditions already exist. Then, I hesitate to contemplate the result.

Again, this fixing of labor's minimum wage cannot but please great capitalists and financiers of America. They control these large industrial plants, railroads, and monopolies. They control the banking facilities. I can assure you that at one meeting and one stroke of the pen these financiers can make 25 cents an hour equal in purchasing power to 15 cents. They can make 40 cents per hour equal 25 cents. This can result by changing the purchasing power of the dollar. The slightest lowering of the discount rate by the bankers can lower and destroy this fixed wage. The lowering of bank-reserve requirements will have the same tendency and effect. The slightest expansion of the currency or credit will lower this fixed wage. Nothing will please the great financiers of America more than to place the American laborer in a strait jacket of a fixed wage, variable at their will.

There is no stability in the value of a dollar, nor of its purchasing power, in America today. Until such purchasing power of the dollar be more nearly stabilized there can be no fixed wage and we shall continue to have depressions. In truth, this bill turns over to the great northern capitalists, financiers, and industrialists the fixing of labor's wage through their control of credit and money. This bill and the principle involved surrender to the financiers and large industrialists labor's rights to contract and bargain. Why not remedy first the fundamental cause of our economic troubles? Our whole trouble is caused by undue expansion or contraction of money and credit, instability of purchasing and debt-paying power of the dollar.

I submit, if we are going to fix a minimum wage for some laborers, then fix minimum wage or price for the farmer and his products. Why not help him and his family, because his sweatshop requires as much hard work, perspiration, and longer hours than any other sweatshop in this country? If the farmer be given a fair price, the industrial laborer will prosper. If Congress, under this law, can fix minimum wage, it can fix maximum wage and price on all things in interstate commerce or having to do with interstate commerce. If Congress can fix minimum or maximum wage under this bill, then it can fix minimum or maximum salaries for all business in the United States. I submit that when all this great business is turned over to some bureau or secretary in Washington to manage, to

define what is and is not interstate commerce, then we have destroyed individual rights, collective rights, State rights, constitutional rights, and substituted the dictates of man for law and the Constitution.

In some sections of this country we have droughts, floods, calamities, and other sectional crop failures and disasters. Yet under this bill, as to wages, no relief can be given. The same wage must be paid as in the great, rich industrial sections of North and East. When it comes to W. P. A. or P. W. A. jobs or relief in the South, what is the attitude of these humanitarians who shed glycerin tears so copiously for southern labor? Well, they give him just about one-half. Various advocates of this bill argue, in effect, that the southern laborer out of a job and hungry is less hungry than a New York or Pennsylvania laborer, and that the one should receive $21 per month, while the other $40 to $55 per month. They argue that it is a kind of dole or charity out of Federal Treasury anyway, and we will penalize him because of his helplessness. This bill now before us contemplates a worse discrimination even than that.

It is my opinion that the title of this bill should read, "A bill for an act in the interest of and to help create more monopolies, aid the financiers and controllers of large industry, place labor and its fixed wage under their control through control of money and credit, regiment labor and industry, take away from labor the right to contract individually or collectively, cripple, if not destroy, present southern labor and industry, prevent further industry locating in South, West, or Midwest, deprive citizens in four-fifths of the country of jobs and opportunities for jobs, further deprive the children of southern, western, and midwestern parents of educational advantages, fair share of industrial taxes and wealth, occupational opportunities, and for other discriminatory purposes."

Arkansas already has one of the best child-labor laws in the Union, as well as protective laws for women in industry.

The real remedy for our labor situation, for industry, for farmers, and all the people is to bring down the value of the gold dollar to the purchasing value of the dollar of 1926, and to maintain and stabilize that parity or basis, and then legislate wages. The currencies of other nations are disorganized, disarranged, out of kelter, and we suffer because still tied to gold on an unfair ratio or basis as to dollar value.

I submit it is impossible to pass a fair, honest, and nondiscriminatory labor bill in this Congress now or to amend the one before us. Such a bill I would support.

We have some bad labor conditions in the South, and you have worse conditions in the North and the Northeast; but it is not wise to kill a patient in order to cure him.

I do not believe that the President can approve this bill because he says that, "No reasonable person seeks a complete uniformity in wages in every part of the United States." I believe in the President's great humanitarian objects. I do not believe he would knowingly commit an injustice or perpetrate a wrong upon any section of this country for the benefit of another section of the country. I do not believe he will agree to a bill that will foster monopolies by giving them an advantage at the expense of small industrial plants of this Nation. Some of the rest of you may defy him; but at all times, on all votes that I may cast in this House, I shall be reasonable and make every effort to be just and fair to all, and within the Constitution, which I swore to uphold, protect, and defend.

Mr. CREAL. Mr. Chairman, I move to strike out the last two words.

Mr. Chairman, I want to answer very briefly the remarks made by the gentleman from Missouri [Mr. COCHRAN], who said that the Members voting for these amendments would be the ones who would vote against the bill on the final call. May I say to the gentleman that his eyesight is either bad or he is very careless in observation or reckless in statement. He made the statement that he saw the Members file by here and vote for these amendments. May I say to him if he stands here long enough he will see me vote for this bill as I voted for the last bill. There are other Members here who will do the same thing, and I can name them. He wants to make it appear that the gentleman who offered this last amendment did so at the suggestion of the enemies of this legislation. You are undertaking to legislate here, but you refuse to take out something that you have no jurisdiction to assume control over.

When the tobacco goes on to the floor of the auction house, it is under the control of the agent of the seller at all times until it finally passes over the auction block. When the seller accepts the bid, the tobacco then passes out of the control of the seller or his agent and not until that moment does it become a part of interstate commerce. The grower may reject the price and during all this time the labor that has been performed on this tobacco by the warehouse is charged up to the farmer. I do not care what the legislation provides or what the Secretary of Agriculture may say, you cannot control that part of the labor which takes the tobacco from the wagon and unloads it onto the warehouse floor, or that labor which is used in putting it into baskets. All of this labor has been performed before the man buys the tobacco and places it in interstate commerce.

The theory may be that the employer is keeping more than his share of profits, that he ought to give more to the man who does the work. That man is paid by the tobacco grower just the same as if the farmer paid it out of his own pocket. It affects the price charged for selling the tobacco.

You expect eventually to move that man who unloads up to 40 cents an hour, but he will be paid by whom? He will be paid just the same as if the farmer reached down into his pocket and handed him that money. Of course, the farmer raises his tobacco some years for 10 cents an hour. Now, who ever heard of a man growing his own crop at 10 cents an hour and giving another man 40 cents an hour to unload it under the shelter of a roof, while the farmer in growing the tobacco worked under the blazing sun all day? This man on the inside will get 40 cents an hour out of the pocket of the tobacco grower.

Mr. Chairman, I think the committee made a serious mistake in refusing to agree to the amendment. I think the gentleman from Missouri made an unwise, unjust, and inaccurate accusation when he said that the gentlemen who offered amendments are opposed to the bill. There is not a rule on God's green earth that is not subject to an exception, except the Golden Rule. The law of gravitation is affected by the winds and other conditions. I do not believe the Labor Committee considers itself to be 100 percent perfect in everything, and there may be some things overlooked by them for the good of this bill after passage.

Mrs. NORTON. Mr. Chairman, I ask unanimous consent that debate on this section and all amendments thereto close in 15 minutes.

The CHAIRMAN. Is there objection to the gentlewoman from New Jersey?

There was no objection.

Mr. LORD. Mr. Chairman, I offer an amendment which I send to the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. LORD: Page 50, line 3, after the word "employee", strike out the balance of line 3 and all of lines 4, 5, and 6.

Mr. LORD. Mr. Chairman, this amendment which I have offered would compel the Government, the States, and labor organizations to come under the same rules that the farmers and manufacturers come under.

This section of the bill exempts the Federal Government, labor organizations, and certain others. The Federal Government is now employing in its hospitals people who work as long as 66 hours a week. I think I can safely say that every office in the Government here in Washington works their employees over hours and does not pay overtime for the work. One person told me he had worked 1,000 hours overtime and did not get one cent of pay for it. I think it would be hard to find an industry in which anyone is working 66 hours a week.

If we want to be consistent as a government, if we want to propose legislation providing for 40 hours a week, the Government itself should be included. We should not insist on Government employees working 66 hours a week for 25 cents an hour.

It is said that labor is back of this legislation. If labor wants this legislation, there is no reason why they should not come under the same regulations as industry.

I believe this should prevail, and we should not make fish of one and flesh of another.

Mr. SIROVICH. Mr. Chairman, will the gentleman yield?

Mr. LORD. I yield to the gentleman from New York.

Mr. SIROVICH. Will the gentleman be kind enough to tell the House in what department of Government men and women work 66 hours a week?

Mr. LORD. In the veterans' hospitals. I could tell you of many places where they work that long.

Mr. O'MALLEY. Mr. Chairman, will the gentleman yield?

Mr. LORD. I yield to the gentleman from Wisconsin.

Mr. O'MALLEY. Does the gentleman know of any labor organization that is employing anybody for less than 25 cents an hour and working them for more than 44 hours a week?

Mr. LORD. If they are, why should they ask to be exempted?

Mr. O'MALLEY. I do not know that they ask to be exempted.

Mr. LORD. If the gentleman will read the section which I am seeking to amend he will find they do.

Mr. GIFFORD. Mr. Chairman, will the gentleman yield?

Mr. LORD. I yield to the gentleman from Massachusetts.

Mr. GIFFORD. Would the gentleman's amendment cover goods produced by convicts in prisons, which, of course, are under the control of the State? If the gentleman will permit, may I ask the chairman of the Committee on Labor if the committee has not an amendment to offer covering prison-made labor?

Mrs. NORTON. No; we have no such amendment. This is a wage and hour bill.

Mr. GIFFORD. I wish the House would consider whether or not the gentleman's amendment would take care of prison labor. When the old bill was before us prison labor was taken care of by a committee amendment. I am greatly surprised that the committee or someone else does not offer that amendment.

Mrs. NORTON. The committee considered that question and decided not to offer any amendment on that feature.

Mr. LORD. This amendment applies to States and subdivisions, and they will take care of the prisons, as the gentleman from Massachusetts has suggested. I do contend and want to repeat that the Government should set the good example of wages and hours. It is unreasonable to ask attendants and nurses in hospitals to work 66 hours a week for 25 cents an hour and no overtime or increased pay for overtime. It is unfair and unjust to ask employees in nearly if not all departments to work overtime day after day with no pay for the work.

[Here the gavel fell.]

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York [Mr. LORD].

The amendment was rejected.

Mr. LORD. Mr. Chairman, that just shows the inconsistency of the Congress. That is all I want to say.

Mr. KERR. Mr. Chairman, I offer an amendment.

Mr. LORD. Mr. Chairman, I offer another amendment.

The CHAIRMAN. The Chair feels that in the 15 minutes remaining other Members who have amendments to offer should be recognized by the Chair. If there is any time remaining the Chair will be pleased to recognize the gentleman from New York.

The gentleman from North Carolina offers an amendment, which the Clerk will report.

Mr. LORD. Mr. Chairman, a point of order.

The CHAIRMAN. The gentleman will state it.

Mr. LORD. I objected to the request to close debate in 15 minutes, Mr. Chairman.

The CHAIRMAN. The Chair may state that the Chair heard no objection.

Mr. LORD. It was noisy in the Chamber, of course. However, I have a very important amendment the House will adopt before we adjourn, and I hope the Chair will bear with me and hear me on that amendment.

The CHAIRMAN. If the time is not exhausted before then the Chair will endeavor to recognize the gentleman from New York, but the Chair feels that since a limitation of 15 minutes has been placed on debate the Chair should not recognize one Member to offer two amendments consecutively.

The gentleman from North Carolina offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. KERR: On page 50, after subsection (g), insert a new subsection, as follows:

"(h) The processing of tobacco includes persons employed within the area of production in handling, redrying, and packing such tobacco prior to its storage."

Mr. KERR. Mr. Chairman, this amendment simply extends the definition of who is an employee in agriculture. It is needless for me to say that the tobacco farmer certainly deserves recognition whenever a matter involving his interest is before the House. I speak on behalf of the tobacco farmer, whose product contributes annually $400,000,000 in revenue to maintain our Government, and who grows that commodity which is exported in a sufficient quantity of tobacco to swing the balance of trade in behalf of this Government for the last 8 or 10 years. This amendment simply states that after the tobacco is sold, the laborer who engages in the process of saving it, redrying it and putting it in a package to ship it, this being purely a seasonal operation, shall be considered an agricultural laborer and excepted under this section. That is all the amendment proposes.

Mr. BOILEAU. Mr. Chairman, will the gentleman yield?

Mr. KERR. Certainly, I yield to the gentleman from Wisconsin.

Mr. BOILEAU. Does not the so-called Biermann amendment cover what the gentleman has in mind?

Mr. KERR. I do not believe it does, because this amendment goes further and provides that those who redry and pack prior to storage shall be classed as employees employed in agriculture. Tobacco must be stored to protect it and keep it from damaging, in order that it may be commercially processed and put into cigarettes and manufactured tobacco.

Mr. BOILEAU. The Biermann amendment is as follows:

"Employees engaged in agriculture" includes individuals employed within the area of production engaged in the handling, packing, storing, ginning, compressing, pasteurizing, drying, or canning.

And so forth.

Mr. KERR. Tobacco has to go through a particular process of redrying. It has to be stemmed, redried, and put into hogsheads. Then it is safely kept for several years, is processed thoroughly, and then goes into cigarettes and smoking tobacco.

Mr. BOILEAU. Would not that amendment include redrying?

Mr. KERR. No, I do not believe so. I think that refers to redrying of vegetables, which are sometimes dried. For instance, we have dried peaches, dried apples, dried prunes, and other dried fruits. The amendment does not cover tobacco, in my opinion.

Mr. O'MALLEY. Mr. Chairman, will the gentleman yield?

Mr. KERR. I yield to the gentleman from Wisconsin.

Mr. O'MALLEY. Does the gentleman's amendment seek to exempt from not only the hour but the wage provisions those persons engaged in processing tobacco?

Mr. KERR. The amendment simply seeks to include as agricultural employees those who are engaged in taking care of this great commodity of our country.

Mr. O'MALLEY. In spite of the millions made by the tobacco companies, the gentleman seeks to exempt the people who prepare tobacco?

Mr. KERR. I seek to protect the farmers. The agencies which make millions out of tobacco are the Government of the United States, the manufacturers, and those who advertise and distribute the tobacco products. I am seeking not to protect those agencies but to protect the farmers. If the farmer has to pay for these increased wages, necessarily it will reduce the price of his tobacco, and this is none too high now considering what others get out of this commodity.

Mr. O'MALLEY. Does the farmer pay for this processing that the gentleman's amendment would exempt?

Mr. KERR. Of course, he pays all the expense incident to it, because it reduces the warehouse price of his product; you may be sure that the purchaser and the manufacturer will take this cost into consideration.

I would like to have the attention of the chairman of the committee. I have tried to make this statement succinctly so the amendment would be understood, and I hope the chairman will accept the amendment. It simply extends the provision to those employees who redry and repack the farmers' tobacco so that it may be preserved for an indefinite time and handled by the manufacturer.

[Here the gavel fell.]

The CHAIRMAN. The question is on the amendment offered by the gentleman from North Carolina.

The question was taken; and on a division (demanded by Mr. KERR) there were—ayes 35, noes 102.

So the amendment was rejected.

The Clerk read as follows:

MINIMUM WAGES

SEC. 4. Every employer engaged in commerce in any industry affecting commerce shall, during the first 365 days from the effective date of the original order issued under section 6 with respect to such industry, pay each employee employed by him a wage at a rate not less than 25 cents per hour, and during each succeeding 365-day period pay each employee employed by him a wage at a rate not less than the rate applicable under this section during the immediately preceding period increased by 5 cents per hour; except that no provision of this act shall require any such employer to pay a wage at a rate in excess of 40 cents per hour.

Mrs. NORTON. Mr. Chairman, I ask unanimous consent that all debate on this section and all amendments thereto close in 40 minutes.

The CHAIRMAN. Is there objection to the request of the gentlewoman from New Jersey?

There was no objection.

Mr. CONNERY. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. CONNERY: On page 52 strike out section 4 and insert in lieu thereof the following:

"SEC. 4. Every employer engaged in commerce in any industry affecting commerce, shall from the effective date of the original order issued under section 6 with respect to such industry, pay each employee employed by him a wage at a rate not less than 40 cents per hour."

Mr. CONNERY. Mr. Chairman, there seems to be great eagerness on the part of the Members of the House to finish the consideration of this bill tonight, and I feel this particular amendment needs no lengthy dissertation on my part.

The amendment simply eliminates the so-called escalator clause, wipes out the 25-cent an hour wage provision and inserts in lieu thereof a minimum wage of 40 cents. In other words, it makes the 40-cent minimum wage per hour provision go into effect immediately, upon the bill becoming law.

Mr. RANDOLPH. Mr. Chairman, will the gentleman yield?

Mr. CONNERY. I yield to the gentleman from West Virginia.

Mr. RANDOLPH. I know the gentleman from Massachusetts has a keen interest in legislation such as we are trying to pass here today, and will not the gentleman admit that it is better for the friends of this type of legislation to allow a period for industry to adjust itself rather than have the charge made against us that we have dislocated business by establishing the 40-hour provision and the 40-cent rate?

Mr. CONNERY. In answer to the gentleman I may say that it seems to be the consensus of a great majority here that this wage and hour legislation is very badly needed, and my idea is, why wait for 3 years to get the full benefit of the provisions of this wage and hour bill?

The Department of Labor records show that the average wage per wage earner per month for 59 selected industries ranged from 49.9 cents per hour to 66.5 cents per hour. The imposition of a 40-cent minimum wage has long been expected by industry and I believe there are but few, if any, industries which will be at all disturbed by it.

The Department of Labor, in a report issued February 15, 1938, page 67, states:

If the cotton-goods industry is considered as a whole, it is among those with the lowest paid factory employees in the United States. In April 1937, the period largely covered by the present survey, all but 4 of the 89 principal manufacturing industries reported higher average hourly earnings than were found in the cotton-goods industry.

On page 68 of this Department of Labor report I note that in April 1937 unskilled male cotton operators averaged 40.3 cents per hour. Therefore, only 3.5 percent of the male common labor in the Northern States received less than 40 cents an hour. The July average entrance rate for common labor in all industries in New England was 49.5 cents an hour, almost equal to the average of workers, skilled and unskilled, in the cotton mills of that area.

Report No. 747 of the Department of Labor, printed in the April 1938 issue of the Monthly Labor Review on page 5, notes that the average hourly pay of unskilled female workers of southern cotton mills was 30.4 cents per hour. Page 6 shows that less than some 8 percent of the cotton mill workers of our country receive less than 27.5 cents an hour.

Page 10 of this same report lists the average hourly earnings in the cotton-goods industry of the various States, and the lowest wage recorded is 26.7 cents per hour in Mississippi.

This report indicates that the average low wage for female workers in the southern textile mills will exceed 35 cents an hour.

The average hourly earnings of female cotton-mill workers in 1937 is shown to be:

	Per hour
Massachusetts	$0.451
Connecticut	.448
Maine	.44
Rhode Island	.442
New Hampshire	.436
New Jersey	.47
New York	.435
Pennsylvania	.381
Tennessee	.366
South Carolina	.366
Alabama	.358
North Carolina	.35
Georgia	.349
Texas	.279
Mississippi	.267

In view of this, Mr. Chairman, it seems to me that the 25-cent provision we have in the bill at the present time is not going to benefit to any great extent the great mass of underpaid people in this country, and in view of that fact I believe we ought to put this 40-cent-per-hour minimum-wage provision into effect immediately, and I therefore hope the Committee will support me in this amendment. [Applause.]

Mrs. NORTON. Mr. Chairman, I rise in opposition to the amendment.

While many of us would like very much to have a higher floor in this bill, we recognize that to do so would probably cripple some of the industries of this country. So we are opposed to the amendment on that ground, and I ask that the amendment be defeated.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Massachusetts [Mr. CONNERY].

The question was taken; and on a division (demanded by Mr. CONNERY) there were—ayes 7, noes 33.

So the amendment was rejected.

Mr. HARRINGTON. Mr. Chairman, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

Amendment proposed by Mr. HARRINGTON to S. 2475: Page 53, after line 2, insert:

"MINIMUM COMPENSATION FOR FARMERS

"SEC. 4A. No person shall purchase for shipment in commerce, except for export abroad, any agricultural commodity from a farmer at a price which is less than the parity price for such commodity as proclaimed by the Secretary of Agriculture. The Secretary of Agriculture shall proclaim and cause to be published parity prices on all agricultural commodities on the first day of the month succeeding the enactment of this law and on the first day of every third month thereafter. Whoever violates any of the provisions of this section shall upon conviction thereof be fined not more than $500 or be imprisoned for not more than 6 months, or both."

Mrs. NORTON. Mr. Chairman, I make the point of order against the amendment that it is not germane.

Mr. HARRINGTON. Mr. Chairman, will the gentlewoman from New Jersey withhold her point of order?

Mrs. NORTON. I reserve the point of order, Mr. Chairman.

Mr. HARRINGTON. Mr. Chairman, I offer this amendment because unquestionably it is the last chance we will have at this session of Congress to save the American farmer from the economic consequences of another year of bumper crops and to safeguard the investment Government already has in agriculture.

One of the aims of the wage-hour bill is to get rid of the sweatshops. We have sweatshops on the farm, too. Our farmers do plenty of sweating, not only in the fields, but sitting up nights in the front room sweating over mortgages, grasshoppers, droughts, dust storms, boll weevils, heat waves, and cold waves, not to mention seed and feed troubles, and the price his crop will bring provided he is lucky enough to get a crop. Believe me, that is real sweatshopping. So, let us get rid of all the sweatshops while we are at it.

As stated, the amendment proposes to fix a minimum compensation for farmers on the same principle that the bill fixes a minimum wage for workers in industry. If we can fix a minimum wage for factory workers we can just as surely fix a minimum income for our farmers by pegging the minimum prices at which their products may move in interstate commerce.

Our good President has wisely said that if the neediest of our people are to benefit from the new recovery program, then we must establish a floor as the bottom of the industrial wage structure. Otherwise, the money we have appropriated will trickle right back into the hands of the rich.

Well, this argument applies to agriculture, too. We have appropriated billions of dollars to stabilize farm prices, but we still have the jitters in the farm belt because of the lack of a price bottom and because the food speculators still reap a large share of the benefits. Give the farmer a guaranteed minimum price for his products and we will not have to appropriate a half billion dollars a year for agriculture. Guarantee the farmer a parity price and our farm problem will pretty well solve itself.

There is nothing radical or revolutionary about this proposal. The parity principle is already incorporated in the farm act. The farm act adopts parity as the basis for crop loans, only Congress did not appropriate any money for the loans. The parity plan means a minimum of about 83 cents a bushel for corn, $1.25 a bushel for wheat, 13 cents for cotton, and a corresponding price for our other principal commodities. Parity simply puts the price of farm products on equality with the cost of the industrial products the farmer has to buy. Nobody can question the fairness of that.

Let me just breathe a word of reassurance to my friends from the cities and industrial centers. This parity-price plan is not going to hurt the consumer. It makes practically no difference to the housewife whether the price of wheat on the farm is 75 cents a bushel or $1.25 a bushel. Your loaf of bread costs just about the same. The speculators see to that. These food gamblers on the Chicago Board of Trade are the fellows who fix farm prices now. They buy, hoard, and corner the market so that the farmer is gouged at one end and the housewife at the other. By the time the food gamblers take their cut and each of a half dozen middlemen take a crack at it, you will find that the farmer's end of a loaf of bread is not enough to buy a postage stamp. No, my friends, the consumers will not suffer from this plan, but between you and me and the gate post, it is liable to put the speculators completely out of business.

And so, I urge you to join with us in putting over this amendment, cut the farmers in on the benefits of the wage-hour bill, give the farmers the buying power to absorb the surplus products of industry, and we will really be on our way out of the recession and back to prosperity for everybody. [Applause.]

Mrs. NORTON. Mr. Chairman, I insist upon the point of order that the amendment is not germane.

The CHAIRMAN. In the opinion of the Chair the amendment offered by the gentleman from Iowa is not germane, and, therefore, the point of order is sustained.

Mr. PHILLIPS. Mr. Chairman, I offer the following amendment which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. PHILLIPS: Page 52, line 17, after the word "shall", strike out the balance of section 4 and insert "not pay any employee less than at the rate of 53⅓ cents per hour."

Mr. PHILLIPS. Mr. Chairman, this amendment goes along with another one that I have to offer on page 53, which in effect calls for a 30-hour, 6-hour day, workweek. The minimum wage is based as stated in the amendment, the wage per week being in effect $16. I know a great many Members of this House who feel that this would be too radical a change, and many thus object to it. On the other hand, I venture the prediction that many Members of the House who today may oppose such an amendment will a short time hence be in favor of it and for this reason: We heard not so long ago about technocracy, and all that went with it about the machine taking the place of manpower to a very great degree. Millions of people are unemployed today. There are millions of young high-school and college students going out into the world without a chance to get a job unless in some way our industrial system be changed, so that work is more spread out. I am glad the committee has reported the bill it has today, but while we are at it, why not go the whole way? It is an experiment any way, and I think we should try the 30-hour workweek.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Connecticut.

The question was taken; and on a division (demanded by Mr. PHILLIPS) there were—ayes 2, noes 21.

So the amendment was rejected.

Mr. DIES. Mr. Chairman, I move to strike out the last word. I have made this pro forma amendment to describe briefly an amendment that I shall offer at the conclusion of the next section. That amendment will provide for limited flexibility, to be administered in the beginning by the labor commissioner or other State agency designated by law. Under the amendment the employer can file a written application with the State labor agency, or in the event there is no such agency, then with the Secretary of Labor, in the first instance. A public hearing is held, at which the testimony is taken down by an official reporter. The State labor commissioner takes into consideration various factors that were in the original bill. Then if he finds it is justifiable to reduce the wages below 40 cents and make the hours longer than 44, he may do so, but he cannot in any

event fix the wages at less than 25 cents an hour, or the hours longer than 44. Then the record of the proceedings is transmitted to the Secretary of Labor of the United States, who may reverse or modify the ruling of the State agency, if the Secretary of Labor finds that the order of the State agency is contrary to the evidence. It seems to me that an amendment of this kind would give necessary flexibility to the bill and at the same time would provide a definite floor for wages and a definite ceiling for hours. It would guard against any favoritism or abuse or any wide differential in rulings by the State agency, by providing for ultimate action by the Secretary of Labor. It does not require the creation of any new bureau, because practically all of the States have either a State labor commissioner or a board for minimum wages, and I think there are 20 which have such a board. Let me say this seriously and sincerely to those of you who are anxious to pass wage-hour legislation.

You are not going to enact any bill that does not give the employer his day in court. It is unwise to pass this bill as written and run into parliamentary difficulties in the Senate and long delay. If the Members of this House who are sincerely desirous of enacting this legislation would be willing to meet the opposition half way and concede that the State should have some voice in the set-up as we promised in our Democratic platform pledge, real progress will be made. I do not think anyone can deny that the Democratic Party, when it made the statement "any transactions and activities that inevitably overflow State boundaries call for both State and Federal action" promised the country that the States would have some voice in the determination of this wage and hour business. Many of the States have never been concerned over the question. Only some 20 have given any effort to dealing with the vast number of employees who are primarily engaged in intrastate commerce. If you give the States some voice in the determination of this question, if you provide for reasonable flexibility, making it possible for an employer to go to his own State agency where information is easily accessible to him, an agency that understands his needs and his problems, and enable it to take care of the peculiar social conditions that may prevail in that State, at the same time providing for ultimate action on the part of the Secretary of Labor so as to safeguard against what many of you fear, the interposition of favoritism, progress would be made. It does seem to me that such a proposition merits the serious attention and respect of the members of this Committee who are desirous not merely of passing legislation in the House but of obtaining before adjournment some practical, feasible, workable, and constitutional measure. When I offer this amendment therefor, I sincerely trust that the members of the Committee will give it their careful consideration, because I think you know as well as I that you are not going to finally pass this bill as written.

[Here the gavel fell.]

Mr. FERGUSON. Mr. Chairman, I rise in opposition to the pro forma amendment.

Mr. Chairman, there is some question in the minds of a number of Members as to whether the Biermann amendment took care of the processing of livestock and as to whether it was a substitute for the Coffee amendment. The Biermann amendment applied only to a definition of those engaged in agriculture and limited its application to the area of production. As you know, livestock is the greatest single asset of our farmers. Livestock consumes about 80 percent of the farm products. Livestock is marketed principally in the big centers, such as Kansas City, Chicago, and St. Louis.

I have here a chart that I prepared showing receipts on the 12 markets and the variation of the receipts on these markets. Each square represents a week and 5,000 head. You will see that the weekly receipts in 1936 varied from 138,000 cattle to 288,000. You notice how the chart goes up and down.

There is absolutely no way to control the marketing of livestock. If a farmer is out of feed, or in case of drought, he has to go in; they are on the market. This chart represents cattle alone. You see they reach a peak for 4 months which might be taken care of by the 10 weeks' provision in the proposed committee amendment; but the same is true of hogs. Hogs come in and form another peak. Sheep come in at another season and form another peak.

The packer pays one of the highest rates of wage in industry in this country. If the packer is going to be forced to pay time and a half for overtime he will just not buy any more cattle than he can process in the 44-hour week; and the farmers' cattle and hogs and sheep will stand there in the pens and suffer serious deterioration. If livestock are not sold the day they arrive the producer must continue to pay the cost of feeding the livestock until they are sold.

Mr. O'MALLEY. Mr. Chairman, will the gentleman yield?

Mr. FERGUSON. I cannot yield; I am sorry.

It is not a question of wages. The common-labor scale in the packing industry is 62 cents an hour and skilled labor draws well over $1 an hour minimum. So while the packer could increase his force of men, it must be remembered that the yearly average in the packing industry is less than 40 hours per week. Skilled extra help would be hard to get.

Just as surely as you put the processing of livestock in the bill and bring the packer under this 40-hour limitation it is going to reflect in the price paid the farmer, because the only way the packer will pay that price is to take it off of the product. He does it already. The Lord knows I am not here defending packers as a bunch of saints, but they are operating on a narrow margin. Statistics will show that they make less than one-fourth to one-half cent per pound on their meat products. An additional cost in the processing of this meat will mean that it has to be taken off the livestock producer.

You who think the packers make all the money, all the profit, are mistaken. I have here the monthly sale of carcasses in New York and the monthly average price of dressed beef.

Regardless of what price the distributor in New York pays for his beef—and it varies from 13 cents to 25 cents a pound—he adds from 15 cents to 25 cents a pound for distribution.

For the 6 years covered in this chart furnished by the Department of Agriculture a majority of the time the average price of retail beef was 100 percent or more greater than the cost of the dressed beef purchased from the packer. The packer operates on a narrow margin of profit. I hope the House will adopt the Coffee amendment and save the producers of livestock from being punished by this bill—unless the packer is exempt from the hour provisions of this bill to take care of peak runs of livestock.

[Here the gavel fell.]

Mr. CRAWFORD. Mr. Chairman, I offer an amendment, which I send to the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. CRAWFORD: Page 52, line 20, after the word "him", insert "an effective wage equal to"; and on page 52, line 21, after the word "hour", insert the words "proportionate to the Department of Labor Price Index as of June 1, 1938"; and on page 52, line 25, strike out the words "by 5 cents" and insert the word "proportionately", and then strike out down to line 3, page 53.

Mr. CRAWFORD. Mr. Chairman, Matthew Woll, vice president of the American Federation of Labor, said the other day:

To find the answer to this question two guiding principles which have always been at the foundation of the American labor movement must be thoroughly understood. The first is a firm belief in our present system—the system of individual initiative and private enterprise with its profit motive.

The second is that the American worker does not want to be supported by governmental relief payments any more than he desires to be supported by his neighbors, organized charity, or by standing in a bread line.

Quoting the executive council of the American Federation of Labor, Mr. Woll said:

The real remedy for unemployment is the creation and maintenance of work opportunities for working men and women in private industry.

Mr. Woll proceeded to say this also:

Finally, labor as well as industry must ever be on the alert to detect and guard against the fettering of freedom even when a kindly bondage is offered by friendly hands and under the illusion of immediate relief. It is this freedom which distinguishes the characteristic of the individualism of America. It ranks in importance with freedom of speech, freedom of the press, freedom to peaceably assemble, and freedom of conscience. It has to do with food, clothing, and shelter for all of us—those prime economic necessities without which no refinement, no culture, no civilization, however conceived or highly wrought, can exist.

Mr. Chairman, the chairman of the Committee on Labor made the observation just recently that an arbitrary minimum hourly wage will relieve the burdens of public charity. I deny that statement, because unemployment and not wages creates the relief problem. If you think this problem through, you must come to the conclusion an arbitrary wage level can only add to unemployment and increase the relief burden.

Why does the bill ignore the cost of living? Prices are now falling, but this bill proposes a progressive rise in wage to be enforced by criminal law.

May I ask the committee chairman this question: If a legal wage level is defensible and if a 25-cent or 40-cent minimum is proper today, then I submit such a statement could not be defended if prices continue to fall. And if prices should again swing into a continued rise and go up 10, 50, or 100 percent, what provision is there in the bill to move above the 40-cent rate?

If the bill, as its advocates claim, will check present drastic deflation and will inflate purchasing power and prices, then what provisions have you in the bill that will maintain the parity of wage and price levels? That is the real protection that labor should have. This would protect the worker against inflation, thus maintaining a real wage level at a livable standard.

Mr. Chairman, the amendment which I have offered is designed to give this real protection in the event prices advance as against the fixed wage set forth in this bill.

Collective bargaining is a grand thing. Collective bludgeoning, whether it be by picketing or criminal law, will never solve the problem of fair wages. There is such a thing as competition. Do you think continued unemployment of ten or fifteen million workers will ever permit fair wages?

Can we not comprehend that the problem of the business cycle and of economic stability and security is wrapped within the folds of money and banking and the answer does not lie in collective bargaining? Ignore money and credit control and you will find crowded relief rolls and labor exploitation.

[Here the gavel fell.]

Mrs. NORTON. Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from Michigan [Mr. CRAWFORD] and ask for a vote thereon.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Michigan [Mr. CRAWFORD].

The amendment was rejected.

The CHAIRMAN. The Chair recognizes the gentleman from Georgia [Mr. COX].

Mr. COX. Mr. Chairman, the statement of our esteemed colleague, the gentleman from Mississippi [Mr. RANKIN], in which he denounced the pending bill as a raid upon the South and the West prompts me to remark that the phrase, "Our country one and indivisible forever," is but the expression of a hope and is not the statement of a fact.

This country, Mr. Chairman, is divided into three distinct economic and social sections, the North, South, and West, with three distinct cultures and three distinct ways of life. The South had its cultural beginning in Jamestown in 1607, the North its beginning in Massachusetts 13 years later, the one cavalier and the other puritan. There was cooperation between the two to the extent that a general government was established upon a basis of compromise. Following the setting up of that general government the two sections entered upon their effort toward expansion and were, of course, attracted to the West. The rivalry between the two sections, the North and the South, each in its effort to spread its influence into the West, led to the War between the States.

After the war was over the South turned to the task of rebuilding herself with naked hands and worn-out tools. The Federal Government came down upon that stricken area of our country and wrested local governments from the control of the people. It set up a carpetbag rule which it supported by the bayonet. It took the franchise from the people who had developed southern civilization and gave it to their former slaves. It denied the people of that section, who had fought in defense of their homes and their civilization, the right to a seat in this body. It established a pension system which the South, stricken and impoverished though it was, was compelled in part to support, and which resulted in the accumulation of wealth in the North that was used for the industrialization of that area to the further disadvantage of the South. [Applause.]

[Here the gavel fell.]

Mr. COX. Mr. Chairman, I ask unanimous consent to proceed for 5 additional minutes.

Mrs. NORTON. Mr. Chairman, I shall be obliged to object.

The CHAIRMAN. The time has been limited, and there are 5 minutes remaining.

Mr. COX. Mr. Chairman, I ask unanimous consent to revise and extend my remarks in the RECORD so I may tell just a little more of this story.

The CHAIRMAN. Is there objection to the request of the gentleman from Georgia?

There was no objection.

Mr. O'MALLEY. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, the only party in ancient history who has not been brought into this debate is "Eliza crossing the ice," and I have expected she will be brought into this debate by the opponents of the bill any minute now.

Mr. Chairman, this bill is designed to enact a principle. That principle is the one of minimum wages and maximum hours for all industry. If the principle is worth the paper it is written on, it admits of no exceptions. I have a letter on my desk from a gentleman who states, "I am heartily in favor of a wage and hour bill provided my industry can be exempted." He wants a law for the other fellow and not for him—a peculiar but common American psychology of legislation. The real facts in the case indicate that a few exploiters of labor force decent business to follow their practices to survive. Thus a uniform law is needed. The attitude of a good many Members who are opposed to the principle of this legislation is to shoot it so full of holes that there is slight chance of it being effective. Their idea is to get so many exemptions into this bill that it will be impossible for the principle ever to be given a fair test after enactment. The friends of the workers in this House ought to get their backs up by this time and stop there being placed in this bill amendments which will make it impossible for the principle of minimum wages and maximum hours ever to be given a reasonable trial, to see whether or not decent wages and hours will increase employment and purchasing power. [Applause.]

I heard a gentleman whose parliamentary skill I admire say just a little while ago, "If we can get enough exceptions and exemptions in this bill we do not care whether it passes or not. It will not affect us, it never will work, and it will be repealed." This is what has been going on all afternoon. And we who favor a fair trial for a great principle have to get together and stop this guerrilla warfare on a bill to help the workers of the Nation.

An amendment will be offered to the next section by the distinguished gentleman from Nebraska [Mr. COFFEE]. I have here a list of the people and the industries it would exempt. It goes all the way down the line to exempt under the guise of agriculture every industry from the automobile

industry, which uses soybeans that are processed, down to the rubber industry. Amendments were offered here that would exempt the tobacco producer, and I suppose there will be an amendment that will exempt the tobacco smoker.

If we intend that this measure will ever get a chance to be proven effective, if the friends of the workers in this House—and I hope they will stay here until the bill is passed—expect the principle ever to be effective, we must give that principle a chance and not exempt 90 percent of the industries, and especially those notorious for the sweatshop wages that add little or nothing to needed purchasing power. I hope when further amendments to exempt industries of any character are offered, the friends of wage-hour legislation, who want to see this measure have a fair and decent chance to prove its worth, will stay here and vote down these amendments that propose to exempt employers who are paying less than 25 cents an hour or working their employees over 44 hours a week. I have advocated the principle of this bill throughout my public career, and I want it given a fair trial, not crippled and devitiated before it is ever put into effect by the exceptions its secret enemies are trying to write into it behind the disguise of helping the farmer. Wipe away the crocodile tears some of these "friends of the farmer" are shedding and you will find food speculators and employers of underpaid labor are the real benefactors from most of these exception amendments. [Applause.]

[Here the gavel fell.]

The Clerk read as follows:

MAXIMUM HOURS

SEC. 5. No employer engaged in commerce in any industry affecting commerce shall employ any of his employees for a workday longer than 8 hours, or shall, during the first 365 days from the effective date of the original order issued under section 6 with respect to such industry, employ any of his employees for a workweek longer than 44 hours, or during any succeeding 365-day period employ any of his employees for a workweek longer than that applicable under this section during the immediately preceding period reduced by 2 hours; except that no provision of this act shall require the maintenance by any such employer of a workweek shorter than 40 hours. No employee shall be deemed to be employed in violation of this section if he receives additional compensation for his overtime employment at the rate of one and one-half times the regular hourly rate at which he is employed, or times the rate applicable under or pursuant to this act, whichever is higher.

Mrs. NORTON. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mrs. NORTON: On page 53, line 4, after section 5, insert "(a)", and after line 21 insert the following:

"(b) In the case of an employer engaged in the first processing of milk, whey, skimmed milk, or cream into dairy products, or in the ginning and compressing of cotton, or in the processing of cottonseed, the provisions of subsection (a) shall not apply to his employees in any place of employment where he is so engaged, and in the case of an employer engaged in the first processing of, or in canning, fresh fish or fresh sea food, or perishable fresh fruits or perishable fresh vegetables, or in handling, slaughtering, or dressing poultry or livestock, the provisions of subsection (a) shall not apply for 12 workweeks in any calendar year to his employees in any place of employment where he is so engaged."

Mrs. NORTON. Mr. Chairman, this is the only amendment that the Committee on Labor intends to offer and it does so to give an additional time for the necessary work on certain agricultural commodities and seasonable products.

We found in our discussion of the bill in the Labor Committee, and since the bill was reported to the House, that there are certain seasonal commodities that should at least be exempted from the hours provision of the bill during what we call the peak season. So in order to be perfectly fair to these agriculturalists, Mr. Chairman, we decided to exempt them for 12 weeks of the year, from the hours provision of the bill and, of course, this period of 12 weeks applies to any part of the year and will, I understand, take care of all the seasonal products that have been suggested to us.

So, Mr. Chairman, I sincerely hope the committee will support this amendment and vote down the amendment that I understand is to be offered by the gentleman from Nebraska [Mr. COFFEE]. Our amendment takes care of everything that is necessary and everything that is seasonal, and we feel that to go any further than this amendment goes would be to take out the entire heart of the bill, and that, Mr. Chairman, we must resist.

Mr. DOCKWEILER. Mr. Chairman, will the gentlewoman yield for a question?

Mrs. NORTON. I yield.

Mr. DOCKWEILER. If a cannery, for instance, is attempting to can asparagus, it will have an exemption of 12 weeks?

Mrs. NORTON. Exactly.

Mr. DOCKWEILER. If that same cannery turns around and cans peas, will it be exempted for 12 weeks in that operation?

Mrs. NORTON. No; the same cannery would have only 12 weeks.

Mr. DOCKWEILER. Twelve weeks out of the entire year for whatever products its processes?

Mrs. NORTON. Yes.

Mr. BATES. Mr. Chairman, will the gentlewoman from New Jersey yield?

Mrs. NORTON. I yield.

Mr. BATES. I would like to ask the chairman of the committee to express to the House whether or not in the case of fish being handled and the vessel coming into port and discharging its cargo, which would require, for instance, 2 hours of work tonight, and with no other vessels coming in for, say, 2 weeks, depending upon their catch at sea, would that period of 2 hours constitute just 2 hours in the total hours allowed under the provision for 12 weeks?

Mrs. NORTON. It would constitute 2 hours of a workweek.

Mr. BIERMANN. Mr. Chairman, will the gentlewoman from New Jersey yield?

Mrs. NORTON. I yield.

Mr. BIERMANN. I would like to ask the chairman of the committee whether this 12-workweek provision applies to the entire section or does it simply apply to the canning of fresh fish or fresh sea food or perishable fresh fruits or perishable fresh vegetables, or in handling, slaughtering, or dressing poultry or livestock?

Mrs. NORTON. It simply applies to the things enumerated in the first part of the amendment.

Mr. BIERMANN. And it does not apply to dairying or to a cheese factory?

Mrs. NORTON. No; they are entirely exempt.

Mr. BIERMANN. From the hours provision of the bill?

Mrs. NORTON. Yes; from the hours provision of the bill.

Mr. MURDOCK of Arizona. Mr. Chairman, will the gentlewoman from New Jersey yield?

Mrs. NORTON. I yield.

Mr. MURDOCK of Arizona. Does the gentlewoman's amendment include the packing of fruit as well as the products of the cannery; the packing for instance, of oranges, grapefruit, and that sort of thing?

Mrs. NORTON. It does.

[Here the gavel fell.]

Mr. COX. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, continuing my remarks, interrupted a few moments ago——

Mr. CUMMINGS. Mr. Chairman, a point of order.

The CHAIRMAN. The gentleman will state it.

Mr. CUMMINGS. Mr. Chairman, I have no objection to the gentleman speaking on this amendment, but I do not care to sit here and hear him talk about things that happened 60 years ago.

Mr. COX. The speaker is wholly indifferent to what the gentleman thinks.

I submit, Mr. Chairman——

The CHAIRMAN. The question before the committee is the amendment offered by the gentlewoman from New Jersey. The Chair is unable to state that the gentleman

from Georgia was not addressing himself to the amendment, and the Chair trusts the gentleman will address himself to the amendment and proceed in order.

Mr. COX. Mr. Chairman, a system of freight rates was put into effect that has, through all the years, discriminated against the South and West. A discriminatory tariff was set up which, with other advantages, has operated to establish complete and absolute economic bondage of these two great areas of this country. The tariff has poured billions——

Mr. CUMMINGS. Mr. Chairman, I renew the point of order. The gentleman is not talking about the pending amendment.

Mr. COX. I submit, Mr. Chairman, I am discussing the bill and therefore——

The CHAIRMAN. The gentleman will state his point of order.

Mr. CUMMINGS. The gentleman is not discussing the amendment that is before this body. He is delivering a very fine address, but this is not the proper place for it.

The CHAIRMAN. The gentleman from Georgia will proceed in order.

Mr. COX. All right, Mr. Chairman.

Mr. Chairman, as I was about to remark, the tariff has poured billions of dollars into the lap of the North—the greatest gift that any modern government ever bestowed on one group of people at the expense of other groups. The Government has showered thousands of other blessings on the North at the expense of the South and West. The North has conquered and is ruling the South and West. It is in complete command of the mighty forces of the industrial, political, and social revolution in America.

With one-fifth of the area and with less than three-fifths of the population of the country, the North owns above 90 percent of the wealth of the Nation. The South, with little more than one-fourth of the area and a little more than one-fourth of the population, owns less than 5 percent of the total wealth. The North owns the greater number of the banks, the insurance companies, the railroads, telegraph and telephone companies, aviation and radio, the utilities, all branches of manufacturing, stocks and bonds, mining and oil. Through the corporate device it has swallowed America.

Now, Mr. Chairman, let me discuss the bill.

Invoking its constitutional power to regulate commerce among the several States, Congress in this wage-hour proposal is endeavoring to set up Federal control over production, which means control over all the activities of the people.

Calling the measure a "great humanitarian act" and saying that it will relieve the conditions of substandard workers, is the mere spreading of honey to catch flies, for it is neither the one nor will it accomplish the other.

Disguised as a labor act, providing a "floor for wages and a ceiling for hours," which is a rhetorical phrase that means nothing, it is actually a social-security measure, under which industry and labor are to be made the instruments of social-security experiments. Industrial questions are to be lifted out of the economic field and treated as social problems.

The bills puts into the hands of the Secretary of Labor the power of control over the production activities of operators who either buy or sell in interstate commerce or who compete in a purely local market with interstate operators. No regard is to be taken of the right of a free person to sell his labor at his own price or of another to buy it, and none is to be taken of the inability of an employer to pay the required wages.

No greater powers were ever given any one person than those put into the hands of the Secretary of Labor under this bill. To exercise wisely and without damage or injustice, these despotic powers would call for superhuman judgment and understanding, which it is doubted the Secretary possesses.

The administration of the act would call for an army of snoopers, inspectors, counselors, and other agents, particularly susceptible to partisan abuses and political manipulations, and would throw all business and industry into the political field.

Both employers and employees would do well to remember that Federal control is a two-edged sword that cuts both ways. The powers so vested in Federal authority could as easily be used by a government hostile to free industry to crush it, as it could be used by a government hostile to labor to enslave it. Remembering also the Secretary's attitude toward the sit-down strike, for months unable to determine that the seizing, the holding, and the confiscation of other peoples' property constituted a violation of law, and remembering the Secretary's close tie-up with the radical labor element of the country, and the support given the National Labor Relations Board, the partners of the C. I. O. in its partisan and prejudicial administration of the one-sided National Labor Relations Act, it is not unreasonable to wonder how this law would be administered.

This wage-hour bill is political and not economic; it will increase unemployment and not decrease it; it is bad and not good; it will destroy and not save.

The enactment of this measure, supplementing the National Labor Relations Act, would result in a wave of organization by the C. I. O. throughout the country and particularly in the South. The well-known and undenied communistic leadership of the C. I. O. in its field operations would be given an open field to spread communistic doctrines throughout the South and other parts of the country, and the labor and social unrest that would necessarily and inevitably result would change for the worse the whole industrial and social atmosphere of these regions.

The measure is monopolistic and so intended. It will destroy small industry, a purpose for which it is designed. It will freeze industrial development to those areas where now existing and foreclose the possibility of spread into outlying areas.

Under the sorry pretense of regulating commerce, the real purpose of the bill is to set up Federal dominion over the activities of the people. It is an attempt to regulate all industry and to destroy the reserved powers of the States over their local concerns. It is a proposal to push an alleged Federal power to the point of wiping out the distinction between commerce among the several States and the internal commerce of a State. It is not an honest effort to regulate commerce, but to use the commerce powers of the Constitution to regulate employer-employee relations, which, standing alone, are of purely State concern.

The courts have uniformly held that production is a local activity concerning which it is not within the competency of the Congress to legislate. The decisions of the Supreme Court in the Labor Board cases, decided in April 1937, do not support the claims of advocates of control.

The adoption of the measure would constitute the greatest single step toward centralized bureaucracy yet taken in the history of the Nation. It would lead to Federal control of wages generally, governmental regulation of hours and working conditions, and price fixing by governmental decree. And when this door is opened to the invasion of Federal interference with free competition, free labor, competitive price adjustment, and collective bargaining, we will have abandoned the capitalistic system as it has always operated and we will have undergone regimentation of industry and labor, just as surely as it exists anywhere in the world today.

The act is unconstitutional, in that it attempts to establish Federal control over all production under the pretense of regulating interstate commerce. If this principle is ever established, then those meager powers kept by the States will be gone, and liberty, as understood and practiced by the people, will be a thing of the past.

The attempt to create the impression throughout the country that all those who love their fellow man favor this act, while those who oppose it are motivated by greed and a desire to see that the poor stay poor, is simply a demagogic appeal to prejudice.

That this whole idea is alien to our American ideals and customs, that it is incompatible with our democratic system of government, that it seeks to take away from the people the right to live their own lives in their own way and to interpret their own needs in their own native voice; that it is, in part, the product of those whose thinking is rooted in an alien philosophy and who are bent upon the destruction of our whole constitutional system and the setting up of a red-labor communistic despotism upon the ruins of our Christian civilization, is apparent to all who read understandingly.

Mr. CUMMINGS. Mr. Chairman, I renew the point of order and insist that the gentleman obey the rules of the House.

The CHAIRMAN. The gentleman will state his point of order.

Mr. CUMMINGS. The gentleman from Georgia is not talking to the amendment offered by the Chairman of the Committee.

Mr. COX. Mr. Chairman, I ask unanimous consent to extend my remarks in the RECORD. What I have to say seems to disturb the gentleman from Colorado.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. COFFEE of Nebraska. Mr. Chairman, I offer the following amendment as a substitute for the Norton amendment, which I send to the desk.

The Clerk read as follows:

Substitute amendment offered by Mr. COFFEE of Nebraska: In line 4, page 53, add, after section 5, the following: "(a)"; add new subsection (b) after line 21, as follows:

"(b) In industries engaged in producing, processing, distributing or handling dairy products, poultry or poultry products, livestock or livestock products, or in those industries engaged in producing, processing, ginning, and compressing, distributing or handling other agricultural products which are seasonal or perishable, there may be employment beyond the established maximum workweek (or workday) without penalty by way of overtime payments or otherwise."

Mr. COFFEE of Nebraska. Mr. Chairman, the amendment just read is what is known as the Grange amendment, with the exception of two words added, "ginning" and "compressing." Those words are added in order to clarify the word "processing." Some of the cotton people thought "processing" might not cover ginning and compressing. When the wage-hour bill was before us last December, I offered this same amendment which was sponsored by the National Grange. It was adopted by a vote of 158 to 67. It was later incorporated in the Norton substitute bill by a vote of 130 to 35.

Mr. SABATH. Mr. Chairman, will the gentleman yield?

Mr. COFFEE of Nebraska. No, I cannot. I have only 5 minutes and was unable to get any time during the general debate. This amendment has been approved and endorsed by most of the livestock associations throughout the country, by the dairy organizations, the National Grange, and other farm organizations. The amendment has been carefully worked out and has been before the House for the last 5 or 6 months.

I appreciate, and I am sure the other Members from the agricultural sections of the country likewise appreciate, the attitude of the chairman of the Committee on Labor in making the concessions that she has in the amendment she has offered. This Grange amendment has caused these concessions to be made. I appreciate what has been done. However, I call attention to the fact that in the amendment presented by the chairman of the Committee on Labor "first processing" is exempted. That is a phrase that may be hard to interpret. What is first processing? Take, for instance, milk that comes into the dairy or the creamery. They bottle milk, buttermilk, and chocolate milk, and manufacture butter and ice cream for shipment in interstate commerce. These operations all take place under one roof and employees interchangeably handle all products. Are all these products, particularly ice cream and chocolate milk, the result of first processing?

Which of the employees would be exempt from overtime provisions and which would not? The principle has been recognized that we must exempt from overtime penalty the processors, producers, and handlers of these perishable and seasonal agricultural products. That principle is recognized, but only to the extent of 12 weeks per year, in the amendment offered by the gentlewoman from New Jersey. Are these weeks to be consecutive? Will 1 hour's overtime by some of the employees for 12 weeks close the exemption in spite of a seasonal run of perishable commodities? I know that some people object to the packing houses being exempted. I am talking from the standpoint of the livestock producer. Livestock and livestock products account for the major portion of the national farm income.

Mr. WOOD. Mr. Chairman, will the gentleman yield?

Mr. COFFEE of Nebraska. No. If I get some more time I shall be glad to yield. I am in the cattle business myself and ship cattle to Omaha, Sioux City, and Chicago. On weeks of heavy runs the employees in the packing houses will work more than 40 hours per week and be glad to have the work. When receipts are light they may work only 32 hours and get the minimum weekly guaranty. If the processor has to pay time and a half for overtime you gentlemen know who is going to pay for the overtime. It will be the producer. The packer can take care of himself. The extra cost will be either passed on to the consumer or taken from the producer. In this case you know and I know that it will be taken off the price of the cattle. I am also informed that the hiring wage in the packing centers is 62½ cents per hour for common labor, and runs to as high as $1.17 an hour for skilled labor.

This amendment does not interfere with the basic wage scale. It has to do only with the overtime provision, and exempts industries engaged in producing, processing, distributing, or handling dairy products, poultry or poultry products, livestock or livestock products, or those industries engaged in producing, processing, distributing, or handling other agricultural products which are seasonal or perishable.

The CHAIRMAN. The time of the gentleman from Nebraska has expired.

Mr. COFFEE of Nebraska. Mr. Chairman, I ask unanimous consent to proceed for 5 minutes, to yield for questions.

The CHAIRMAN. Is there objection?

Mr. WOOD. I object.

Mr. BOILEAU. Mr. Chairman, I rise in opposition to the substitute amendment.

Mrs. NORTON. Mr. Chairman, will the gentleman yield?

Mr. BOILEAU. I yield.

Mrs. NORTON. Mr. Chairman, I ask unanimous consent that all debate on this amendment close in 10 minutes.

Mr. FULLER. Mr. Chairman, I object.

Mrs. NORTON. Mr. Chairman, I move that all debate on this amendment close in 20 minutes.

The CHAIRMAN. The question is on the motion of the gentlewoman from New Jersey that all debate on the pending amendment close in 20 minutes.

The question was taken; and on a division (demanded by Mr. KLEBERG) there were—ayes 136, noes 68.

So the motion was agreed to.

Mr. BOILEAU. Mr. Chairman, the gentleman from Nebraska has offered an amendment which, if adopted, would absolutely destroy the effectiveness of wage and hour legislation, especially so far as hours are concerned. If you analyze this amendment, you will conclude that it exempts practically everything. I make this statement advisedly.

The pending amendment provides, so far as hours are concerned, that the industries engaged in processing, and so forth, livestock products are exempt from the hours provision; in other words, the processors of livestock products are exempt. This would exempt shoe factories, because the making of a pair of shoes is the processing of a livestock product, leather. Likewise it would exempt the woolen mills because wool is a livestock product.

In the gentleman's anxiety to gather a few southern votes among Members from cotton districts he has included ginning and the processing of other seasonal or perishable products. The only commodity I know that is ginned is cotton, and because they have the word "ginning" in there it must be assumed that cotton is a seasonable commodity. So the ginning of cotton is exempt. But, more than that, that means, according to the interpretation placed upon it by the author of this amendment, that it is a seasonal commodity and therefore the processing of cotton—in other words, the textile industry—is exempt. There is no question about that.

Mr. HEALEY. Mr. Chairman, will the gentleman yield?

Mr. BOILEAU. I yield.

Mr. HEALEY. Do not forget the gentleman's amendment also includes the handlers and distributors.

Mr. BOILEAU. Yes; the wholesalers. Here would be a wholesaler that sells a little butter, or cotton goods; they are handlers or distributors of cotton goods, and are exempt. They might also sell hardware, stoves, tractors, automobiles, and everything else; but just because they, according to the gentleman's own definition here, are an industry engaged in the processing of these commodities they are exempt and their entire operation is exempt. All they have to do is to sell a few pounds of butter or a few cotton shirts and all of their other activities would be exempt. You may say that that is an exaggerated interpretation, but that is the language of the amendment; and I submit that the amendment exempts, so far as hours are concerned, practically everyone.

Mr. COFFEE of Nebraska. Mr. Chairman, will the gentleman yield?

Mr. BOILEAU. I yield briefly.

Mr. COFFEE of Nebraska. Does the gentleman think any department of this Government would so construe that amendment?

Mr. BOILEAU. If this Congress is silly enough to adopt this amendment, we can expect our agents in the Department to follow our nonsense; yes. [Applause.] I submit that if this amendment carries, we can expect them to have no higher degree of intelligence than we have here. If we say this bill shall carry these exemptions, we can expect they will comply with our direction.

I do not want to scuttle this legislation. I want the wage and hour legislation, as proposed by the pending measure, adopted and I want it made effective. I submit that the friends of wage and hour legislation cannot support this amendment and I sincerely hope they will follow the leadership of the Committee on Labor.

The gentlewoman from New Jersey [Mrs. NORTON], has offered an amendment which will take care of the valid objections that might otherwise exist to this bill. It will permit reasonable treatment of perishable commodities only on the hours proposition. It is a reasonable, fair concession to agriculture, and I do not believe any agricultural leader should support the Coffee amendment. Those agricultural leaders are my friends. I have worked hard with them, but I do not believe those who are advocating this amendment understand its implications or else they are against wage and hour legislation.

Let us support the gentlewoman from New Jersey and vote down the Coffee amendment and accept the committee amendment which she has presented.

[Here the gavel fell.]

Mr. MOTT. I offer an amendment to the substitute amendment.

The Clerk read as follows:

Amendment offered by Mr. MOTT to the amendment offered by Mr. COFFEE of Nebraska: After the words "other agricultural" insert "fishery or sea food."

Mr. MOTT. Mr. Chairman, I cannot agree with the gentleman from Wisconsin that adoption of the Coffee amendment would exclude from the provisions of this bill the many articles he has named. According to the list he read, the Coffee amendment would exempt practically everything from textiles to automobiles. I do not believe that is a correct interpretation of the amendment. However, if it is, and if the amendment is to be adopted, then I think we certainly ought to include among the exemptions in this bill the processing of a product as perishable as fish.

Mr. Chairman, fish must be processed and canned on the day they are caught. The canneries must operate every day and usually they must operate every night when the fish are being taken. In this respect there is no difference between a salmon cannery and a fruit cannery. There is every reason why the processing of fish should be exempted from the provisions of the pending bill if the processing of fresh fruits and vegetables is to be exempted. That is all my amendment undertakes to do. It simply adds the words "fisheries or sea-food products" to the provisions of the Coffee amendment.

Mr. MAGNUSON. Will the gentleman yield?

Mr. MOTT. I yield to the gentleman from Washington.

Mr. MAGNUSON. May I ask the gentleman if there are any canneries in his district that pay less than the miserable wage provided in this bill? If they do, they should pay overtime.

Mr. MOTT. The Coffee amendment has nothing to do with wages, and neither has my amendment.

Mr. MAGNUSON. Or hours.

Mr. MOTT. The amendment has to do with hours only. No one in the gentleman's State or in my State, of course, works for so small a wage as 25 cents an hour and nobody works as long a week as 44 hours in any industry which would be affected by this bill.

Mr. MAGNUSON. That is right.

Mr. MOTT. In fact, no provision of this very modest wage and hour bill would affect anybody or any industry in the States of Oregon or Washington.

Mr. GREEN. Will the gentleman yield?

Mr. MOTT. I yield to the gentleman from Florida.

Mr. GREEN. I am very much in sympathy with the gentleman's amendment. I have the fishing industry in my State and in all probability we will lose our business to the Japanese fishermen unless we can get the protection offered by the gentleman's amendment.

Mr. MOTT. The amendment I have offered will affect every coast State in the Nation and every lake State.

Mr. GREEN. We will be put out of business if we do not agree to it.

Mr. MOTT. I can see no real objection to the amendment and I think it ought to be adopted.

[Here the gavel fell.]

The CHAIRMAN. The Chair recognizes the gentleman from Missouri [Mr. WOOD], for 2 minutes.

Mr. WOOD. Mr. Chairman, I hope the committee will not adopt the Coffee amendment to the committee amendment or the amendment to the Coffee amendment as submitted by the gentleman from Oregon. The gentleman offered the identical amendment to the bill in the last session and after we adopted his amendment he voted to recommit the bill.

Mr. Chairman, this amendment emanates from the Grange, the organization for which the gentleman from Nebraska speaks. The Grange in a letter advocating this amendment expressed the hope in the very same letter that this bill would be amended and then defeated. I am tired of the enemies of this bill coming in here and asking us to adopt amendments which will entirely emasculate the purposes and intent of the bill.

Mr. McKEOUGH. Will the gentleman yield?

Mr. WOOD. I yield to the gentleman from Illinois.

Mr. McKEOUGH. I may say to the gentleman from Missouri that I hold in my hand a letter written on the stationery of the National Grange dated May 20th. In the last paragraph, after recommending the enactment of the Coffee amendment, the following is stated:

While urging the adoption of this amendment, we sincerely hope that in the interest of the country as a whole the bill may be decisively rejected.

This sustains the gentleman's contribution.

Mr. WOOD. I think that should be enough for every Member of the House to vote against the amendment.

[Here the gavel fell.]

The CHAIRMAN. The gentleman from Florida [Mr. GREEN] is recognized for 2 minutes.

Mr. GREEN. Mr. Chairman, I hope the Committee will agree to the amendment offered by the gentleman from Nebraska and also the amendment to the amendment offered by the gentleman from Oregon.

We have a peculiar situation in my district in the menhaden fish industry. The fishers catch the fish and bring them in, and out of these fish are made fish meal and fish oil, which are sold at a very cheap price. It cost nothing to produce the fish, only to catch them. Those engaged in the menhaden fish industry of my district have wired me that if the processing of fish meal and fish oil is put under the provisions of this bill they will have to close up. The business they are now engaged in will go to the Japanese. Some of you have observed the Japanese fishers. It is a question of whether or not you want us to retain the fish-oil and fish-meal business, which is now enjoyed by the people in Florida, Virginia, and Oregon and other States, or give that business to the Japanese people. If you want us to retain it, accept the amendments offered by the gentleman from Oregon and the gentleman from Nebraska [Mr. COFFEE]. You well know the low standard of Japanese wages. They will undersell American menhaden industry if this bill is enacted without amendment.

Mr. SIROVICH. Mr. Chairman, will the gentleman yield?

Mr. GREEN. I yield to the gentleman from New York.

Mr. SIROVICH. I call to the attention of the gentleman and of my colleagues that if we adopt the amendment offered by the gentleman from Nebraska [Mr. COFFEE], together with the amendment offered by the gentleman from Oregon and the amendment offered by the gentleman from Florida, this bill, even if passed, will be wholly ineffective.

Mr. GREEN. I do not yield to the gentleman to take my time to make a speech in opposition to the menhaden fishing industry in my district. I plead with my colleagues to exempt fish processing from the provisions of this bill. I also urge consideration of amendments for fishing-industry exemption which will later be offered by the gentleman from Virginia [Mr. BLAND].

[Here the gavel fell.]

Mr. SABATH. Mr. Chairman, it appears to me that all those who are opposed to this measure are desirous of adopting amendments to emasculate and kill the bill. If you desire to kill the bill, do it, but if we are in favor of the bill let us eliminate the ridiculous amendments and get down to voting for the bill. The only way this can be done is to sustain the committee, which has given 3 months of hard study to this proposition.

I have observed that nearly all the gentlemen on the other side, as well as the gentleman from Nebraska, have voted for the amendment offered by the gentleman from Iowa for the purpose of killing the bill, but notwithstanding that fact they will again make the people at home believe they are with labor and for humane treatment of the wage earners of America.

Let us be honest and let us go on record. I am going to demand a record vote on all the amendments that may be adopted. Let us know who is who and what we are doing, and if we are for or against the bill.

[Here the gavel fell.]

Mr. HEALEY. Mr. Chairman, the Coffee amendment is all-embracing and all-inclusive. It affects virtually every important industry in the United States. If it is adopted, it will exempt practically all of these industries from the provisions of this measure which we have been considering for the last 2 days.

Let me enumerate a few of the industries that will be exempted if this amendment is adopted: Textile industry; garment industry; automobile industry; sugar industry; rubber industry; button industry; fertilizer industry; shoe industry; leather goods industry; bakers' industry; distilling industry; hemp industry; hosiery industry; seed industry; tobacco industry; canning industry; processing cotton; processing wool; processing soybeans; handling clothes, etc.; processing sugar; processing rubber; processing milk and livestock products; processing livestock products; processing hides; processing grains and dairy products; processing silk and cotton; linseed and cottonseed oil; and many other products which could be enumerated.

Mr. KELLER. Mr. Chairman, will the gentleman yield?

Mr. HEALEY. I yield to the gentleman from Illinois.

Mr. KELLER. What has been left out, if anything?

Mr. HEALEY. I do not believe anything has been left out.

[Here the gavel fell.]

The CHAIRMAN. The question is on the amendment offered by the gentleman from Oregon [Mr. MOTT] to the substitute amendment.

The amendment to the substitute amendment was rejected.

The CHAIRMAN. The question is on the substitute offered by the gentleman from Nebraska [Mr. COFFEE] to the amendment offered by the gentlewoman from New Jersey [Mrs. NORTON].

The question was taken; and on a division (demanded by Mr. COFFEE of Nebraska) there were—ayes 113, noes 145.

Mr. COFFEE of Nebraska. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chairman appointed as tellers Mrs. NORTON and Mr. COFFEE of Nebraska.

The Committee again divided; and the tellers reported that there were—ayes 122, noes 152.

So the substitute amendment to the amendment was rejected.

Mr. MOTT. Mr. Chairman, I offer an amendment to the Norton amendment.

The Clerk read as follows:

Amendment offered by Mr. MOTT to the amendment offered by Mrs. NORTON: Strike out "for 12 workweeks in any calendar year."

Mr. MOTT. Mr. Chairman, I ask unanimous consent to address the House for 1 minute in order to explain the amendment.

Mrs. NORTON. I object, Mr. Chairman.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Oregon [Mr. MOTT] to the amendment offered by the gentlewoman from New Jersey [Mrs. NORTON].

The amendment to the amendment was rejected.

Mr. PHILLIPS. Mr. Chairman, I offer an amendment to the Norton amendment.

The Clerk read as follows:

Amendment offered by Mr. PHILLIPS to the amendment offered by Mrs. NORTON: Page 53, line 4, strike out section 5 and insert:

"SEC. 5. (a) No employer engaged in commerce in any industry affecting commerce shall employ any of his employees for a workday in excess of 6 hours or a workweek in excess of 30 hours except that in cases of stated emergencies employees may be permitted to work 8 hours per day or 40 hours per week, whereupon the attaching compensation for this overtime period shall be not less than one and one-half times the regular existing and established rate."

Mrs. NORTON. Mr. Chairman, I make the point of order against the amendment that it is not germane.

The CHAIRMAN (Mr. MCCORMACK). The Chair is ready to rule. The amendment offered by the gentleman from Connecticut [Mr. PHILLIPS] is not in order as an amendment to the Norton amendment, and the Chair therefore sustains the point of order.

The question now recurs on the Norton amendment.

The amendment was agreed to.

Mr. CASE of South Dakota. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. CASE of South Dakota: On page 53, line 10, after the words "longer than", strike out the balance of the sentence and insert "48 hours."

Mr. CASE of South Dakota. Mr. Chairman, as a whole, the bill that we have before us is a better bill, I believe, than the one we sent back to the Labor Committee last December. It is definite and understandable, for the most part. It does not place objectionable powers of inquisition in the hands of irresponsible committees, as the old bill did.

I voted yesterday for the consideration of the bill because I believe that when sufficient Members sign a petition to discharge a committee that such a bill is entitled to fair consideration by the House. The natural inclination of every Member of the House, I believe, is to vote for a bill that carries a labor label. Every Member of this House wants to help labor and provide more jobs at better pay. We are somewhere in the stage of a severe depression. More men are walking the streets today than were a year ago. More people who have jobs are finding it harder to make ends meet than they did a year ago. More businesses that provide jobs are finding it harder to meet their pay rolls and pay their taxes than were a year ago. In such a situation it is all the more important that we consider this bill carefully to see if it will help labor.

Will this bill provide more jobs? Will it increase purchasing power? Will it improve conditions?

The people in my district apparently do not think so. Not one of them has written me or sent me a telegram asking me to vote for this bill. On the other hand, I have had several messages—all of them opposed to this legislation at this time. I have had a few communications from outside the district urging a vote for the bill but none from within the district.

A stockman writes me:

> We stockmen are opposed to this measure, as we know livestock marketings are seasonal and peak loads come at different times. If the handler of livestock has to pay full time for idle time and overtime for peak times, the producer will take the jolt in lower prices for his livestock. You, of course, are fully advised of the provisions in this bill, but I wanted you to know we are against it.

A businessman writes me:

> We feel that our industry will not be able to stand the burden that this will put on us.

I recognize that it is not popular here or considered politic to quote businessmen; but, after all, the people for whom we want to provide more jobs and take up the slack in the depression may be able to give us some valuable ideas on the state of their businesses and their ability to provide more jobs.

A man who is struggling to get a small mine into production reminds me that his ore has to cross State lines to get to market, and he asks me how any young mine can get on its feet if it has to operate on a 40-hour week. He points out that the lowest-paid man on his force gets more than 40 cents an hour now, and to reduce him from 48 hours to 44 or 40 hours a week means cutting the man's weekly pay—and several miles from town there is nothing for the workmen to do but sit around and wait for the next week.

A farmer sends me an editorial from the Minneapolis Tribune, which reads as follows:

> The fact that the National Grange, the National Cooperative Council, and the National Cooperative Milk Producers' Association are all opposed to the Black-Connery measure is deeply significant. These organizations, like Mr. Moscrip, perceive a serious threat to the farmer's welfare in this bill, and they are accordingly waging a militant fight against it.
>
> The friends of agriculture are not misled by the eloquent claims on its behalf; the fact that it is well intentioned does not blind them to the fact that it bodes no good for the farmer. The Black-Connery bill does not even provide differentials in wages and hours between urban and rural communities. It does not even exempt from its provisions persons engaged in the processing of seasonal or perishable agricultural commodities. What it does is to create a system of bureaucratic control over industry, and through that control and the disparities it will create threaten to impose new burdens on the farmer.
>
> The wage-hour bill is a snare and a delusion. Agriculture has nothing to gain by its enactment, and it has a tremendous stake in its defeat. If the House passes it on Monday it will be voting against every interest of the farmer, and agriculture will do well to hold to strict account whoever sanctions its betrayal.

Among the small businesses and shops there is a definite opinion that this bill will foster monopolies—in other words, it will be to the benefit of the big fellow in a competitive way. The larger businesses will be able to meet its conditions. They have the bookkeepers. They have the reserves to meet any demand for an increase in hour wages—or the strength to resist labor's natural demand for the same weekly wage for fewer hours. The larger industries are located where a reserve labor supply exists and can more readily accommodate themselves to a new schedule of hours.

In the face of this situation it is difficult for me to convince myself that the bill will help to provide jobs or to increase purchasing power, unless we change the provision on hours.

The little businesses, the young industries, the small shops, the small lumber mills, away from a supplementary labor supply, the small factories, the small mines, back in the mountains have been going nip and tuck to make ends meet under present conditions. They have been hanging on, striving desperately from pride or patriotism to keep going. These small enterprises that I know anything about are not paying starvation wages nor are they working their laborers 84 hours a week, or 72 or 60 hours a week. They are not paying 10 cents an hour or 15 cents an hour and very few of them are paying as low as 25 cents an hour.

I readily agree that the products of sweatshop labor and child labor should be outlawed from interstate commerce. Last December I said, "Bring a simple child-labor act before this body and it will pass with hardly a dissenting vote. Bring a simple bill to outlaw the products of sweatshop labor from interstate commerce and they will be outlawed as the products of labor were outlawed." But I do not think it is necessary to cripple and punish small business that is providing jobs for many people and giving them a wage on which they can comfortably live in order to outlaw child labor. And I am certainly opposed to the destruction of jobs and throwing people onto relief while they can get regular jobs at wages better than relief.

An amendment to set 48 hours as the ceiling for hours will save many jobs and it will support many wages at their present level instead of cutting them to what they will be if only 44 hours are permitted. Of course, 44 hours and 40 hours are desirable where the industry can adapt itself to that. But I would leave reduction below 48 hours at this time to be a matter of negotiation between employers and employee, and not make it a matter of legislative fiat.

A 48-hour week with the wage standards embodied in this bill will increase the purchasing power of labor in this country instead of reducing it as the proposed hour restrictions will do. The bill makes exemptions for the organized, articulate groups. You have exempted processors of farm products. But miscellaneous small businesses and mines and mills and industries that have been struggling to pay living wages and provide steady jobs get only another headache.

In the mood of the House at this late hour, no amendment is getting real consideration and I realize that argument for a change in the hours section is more or less futile.

A flat ceiling of 48 hours for the workweek, however, would meet most of the objections I have heard to the bill. Although I have not had a communication of any character from my district asking me to vote for this bill as it is, and I have had many in opposition; yet, because I believe that sweatshop conditions and child-labor conditions should be wiped out, I would be inclined to vote for the bill, as it is, if it were the only way to accomplish this result. But it is not the only way to do that and this bill goes far beyond attacking those conditions.

The fact is that the bill does create, and has created, fear among the small industries in lumber camps and in the mines and on the ranches and farms. If these people could be assured that they would be able to maintain a normal week of 48 hours with a full week's pay, they would feel differently about this legislation. I believe that this change

in the bill would be a general benefit to the country. [Applause.]

Mr. McCLELLAN. Mr. Chairman, the title of this bill, as it is commonly referred to, "wages and hours," has within itself an enticing and an alluring appeal; so much so that the title within itself tempts favorable consideration and acceptance of the merits of the proposal without an analysis and examination of the provisions of the bill. Especially is this true with those of us whose background in life has made us acquainted by personal experience with the trials and struggles of those who labor in both agriculture and industry. We who have toiled both in industry for low wages and worked on the farm where the products of our labor brought scant earnings, know what it is to earn our bread by the sweat of the brow. Having had these experiences, my information is first-hand, and I yield to no man in my desire to bring relief to the third of this Nation whom our President has pointed out as being ill-clad, ill-housed, and ill-fed.

If this bill, when in full operation, would contribute toward relieving this distress in a general way throughout the Nation, it would have my enthusiastic support. I would be most happy to stand here and plead for its enactment. In fact, I have striven, as I have studied this proposal, to find some way to justify voting for it. I want to help the laboring man, and especially the laborer of the South. I believe my voting record since I have been a Member of Congress will disclose that in every instance I have cast my vote in the interests of labor. I make this statement because many will say of those of us who vote against this bill that we are unfriendly to labor. That charge is positively untrue. We vote against it because in weighing what its effect and consequences will be we find that instead of being a general benefit to the people we represent, it will be seriously harmful and detrimental. In my judgment, taking the laborers as a whole, in my State, where this bill may benefit one, it will hurt others. Therefore, we must regard its effect as a whole and not accept what it may do in one local instance, as the final test of its merits. It is pretty much like the old maxim, "You can lead a horse to water, but you cannot make it drink." We can fix minimum wages, but we will be unable to compel industries to continue operating where they find they cannot exist and pay wages that would force them to operate at a loss, where the goods they produce must be sold in a competitive market.

Therefore, when this law goes into effect, if passed in its present form and so that within 3 years' time the lowest wages will be 40 cents an hour, that simply means that many of the smaller enterprises in the South will be compelled to cease operations. In the South we still use considerable manpower in industry, in the processing of goods, and in our manufacturing establishments. Our plants in the South are not as highly mechanized as are those of the North and East. Our industries and manufacturing plants in the South employ far more persons per volume produced than do the industries in the North and East where their plants are equipped with the most modern machinery. That means, Mr. Chairman, to pay wages in excess of what they can operate at a profit and at the same time compete with the highly mechanized establishments and equipment in the northern and eastern plants, they will have to shut down and cease operations. There is one thing sure—they will not operate without some reasonable hope of a profit, and the Congress is powerless to pass legislation that will force them to continue operating. The effect of this law will be bankruptcy for literally hundreds of southern industries. Every time one of these plants ceases to operate in the South it means the small operator is being driven out of business by Federal law. It is giving a special advantage to the manufacturing industries of one section of the country as against that of another. And so the result will be that as these plants close, the ranks of the unemployed will be increased, and for every laborer who benefits by this legislation in the South, two others will suffer because of it. And so, Mr. Chairman, paraphrasing, if I may, the admonition in the Bible, "What profiteth a man if he gains the whole world and lose his own soul?" I should ask, "What profiteth the laborer of the South if he gain the enactment of a wage and hour law—40 cents per hour and 40 hours per week—if he then lose the opportunity to work?" The laborer who is now working in the South and receiving wages of less than 40 cents per hour, but which wages are much higher than those paid by the Government for relief work, and who loses his job by reason of the plant in which he is at work being closed and driven out of business on account of this legislation, will find himself relegated to the ranks of the unemployed, and that means ultimately that he will be on relief.

At present his wages are not up to the amount this legislation proposes to fix for him, but of you drive out of business the plant where he is now employed and he thus becomes unemployed, where, in the name of high heaven, have you benefited this man when you take him out of regular employment and industry and drive him to the relief rolls, where the same Government says to him that in Arkansas he shall be paid only $26 per month for his wages? He was earning $50 a month before he was discharged from private industry, and this legislation in many instances will mean that he is driven from that job to the relief rolls and will earn a salary of only $26 per month. If this legislation meant that he would continue to work at 40 cents an hour and the industry in which he is employed could continue to operate and pay such wages, I would be most happy to support it, but, Mr. Chairman, if it means the relief rolls for many who are now employed in industry, then we do more harm than good by enacting this law. When the relief bill was up for consideration a few days ago, I pointed out the difference in W. P. A. wages paid by this Government to those relief workers in the South and to those paid by it in the Northern and Eastern States. Arkansas laborers receive an average of $26 per month. In the State of New York the same worker on relief is paid by the same Government $60 per month; in Connecticut he is paid $64; in Pennsylvania and a number of other States, $59 per month. These are the differentials that the Federal Government has imposed on the South. They are very unjust, and yet those insisting that the South be compelled by law to pay wages in industry comparable with those paid in the North and East were unwilling to eliminate these differences in the W. P. A. Many are taking an inconsistent position when they insist on a wage and hour law to close down southern industries and at the same time support differentials in relief that make the southern worker a victim of a discrimination and the rankest kind of injustice.

Mr. Chairman, we are doing something else when we pass this law. We are entering into the business of regulating and fixing the price of one of the greatest commodities—labor. This is the beginning. If legislation of this character will serve well with respect to one commodity, then we must of necessity and fairness and justice fix by law a minimum price for all other commodities. Pursuing this policy, we will next be compelled to fix the price of farm products, and I say to you, Mr. Chairman, if we pass this legislation with respect to minimum wages, then I shall advocate the enactment of a law to take care of the cotton farmer of the South and fix a minimum price for the product of his toil that will give to him, too, a living wage and a higher standard of living. [Applause.]

Someone will answer and say we have already taken care of agriculture. All right, let us make comparison. Under the present agriculture program, we have attempted to hold the price of cotton up to around 11 cents per pound, including parity payments. Now that price represents the extent to which the Federal Government is now willing to go with respect to aiding agriculture in the South, since cotton is our principal crop. Let us examine into this agricultural situation and see what the Federal Government is willing that the farmer of the South shall earn for his toil and labor in the production of his crop. I believe it is agreed that on an average, 250 man-hours are necessary in the production of a bale of cotton. Half of the cost of the production of cotton is assigned to labor. The other half is assigned to the

investment in the farm, livestock, and farm implements necessary to produce the crop. Therefore, Mr. Chairman, with cotton selling at 11 cents per pound, including the Government subsidy, if it takes 250 hours of labor for one man to produce a bale of cotton, then we have fixed wages of the cotton farmer in the South at 11 cents per hour. Working 10 hours a day, there is earned on the cotton farms of the South by those who toil in the cotton fields, from $1.10 to $1.30 per day, because they work from 10 to 12 hours, and often longer. This is the wages upon which the farmer must live, whereas we propose by this bill to guarantee to the man of industry 40 cents an hour, or nearly four times the wages of the farmer. It is out of balance; and one thing more, when we add the additional cost of labor this bill involves onto the production of the manufacturer, it is passed on to the consumer, and the 35,000,000 on the farms of America will have this added burden piled onto the heavy load they are already carrying. I am for the laboring man and I want to see him prosper, but, Mr. Chairman, the best way to make the laborer prosper is to bring prosperity to the farmer. When farm prices are good, laborers are in demand. When agriculture operates at a profit, all industries thrive and business is good. Instead of being a shortage of labor, there is need for workers. [Applause.]

Yes, Mr. Chairman, this measure has a tempting and an alluring title, and constitutes a snare that will deceive many into believing it offers them much higher wages and a higher standard of living. Some laborers today who vision a job at 40 cents an hour under this bill will find themselves earning relief wages instead.

If we want to be fair, we want to raise the price of agricultural products and place a floor under them so as guarantee to the farmers who produce the food we eat and the clothing we wear a fair wage for their toil and give them the security of a higher standard of living. Can the Federal Government do all of these things? If it can do it for one group that labors, it should do it for another.

There are some other things we should take into account in weighing this legislation. The passage of this bill will mean that southern industry, in order to survive, will cut the cost of production so as to compete with the northern and eastern competitors, and will, to the very limit of its financial resources, install labor-saving machinery in an effort to keep down the cost of production, and thus more people will be thrown out of employment. They will also seek to employ the younger men who are able to produce more by their labor within the same hours of work, and thus the age limit for workers generally in industry will be further lowered, and there will be thrown out of employment many who are 45 and 50 years of age and above that are now employed.

Instead of destroying these southern industries, this Government will do well to keep them and to encourage them to continue to give a pay roll for a number of employees rather than to destroy them and drive them out of business. Every man that is driven from his employment in industry today becomes a further burden on the Treasury of this Government. Can we stand it? We have made no substantial progress toward solving the unemployment problem that is so vexing and distressing, and so vital to the welfare of this Nation. We want to see wages as high as it is possible to make them and permit industry to operate. But our problem today is not so much higher wages as it is no wages. We all know there are many instances in which the laborer is underpaid and works longer hours than he should, and I would like to see these evils corrected, but to pass a law like this, that refuses to recognize any conditions and factors that do enter into the reasonableness of wages and what can and should be paid under given circumstances, will prove to be a boon to unemployment rather than the great benefits to the laborer that its proponents claim for it.

Mr. Chairman, I shall never turn my back upon those who labor and toil. I shall continue to vote for their interests in the light of my intelligence and judgment so long as I remain in Congress, but there are such things as proposals designed to benefit a special group of our people that, when correctly analyzed, it is revealed that while helping a few, it will harm many. That is exactly what we have in this proposed legislation, and, honestly believing that with all the sincerity I possess, I shall be compelled to vote against this bill. [Applause.]

Mr. SABATH. Will the gentleman yield?

Mr. McCLELLAN. Gladly.

Mr. SABATH. I am satisfied that the gentleman from Arkansas is interested in his people—both the farmers and the laborers—and wants to improve their condition and I believe he is unduly alarmed, because I believe this bill will eventually help the people in whom he is so interested.

Mr. McCLELLAN. I sincerely hope it does. There are none who need it so much as the farmers of the South.

The CHAIRMAN. The question is on the amendment offered by the gentleman from South Dakota.

The amendment was rejected.

Mrs. NORTON. Mr. Chairman, we intend to remain in session until this bill is voted on tonight. I want to give every member of the committee an opportunity to present any amendment that he desires to present; and in order to get a vote within a reasonable time, I ask unanimous consent that debate upon this section and all amendments thereto be limited to 20 minutes, the time to be equally divided between those who have amendments on the Clerk's desk. Is there objection?

Mrs. ROGERS of Massachusetts. Mr. Chairman, I reserve the right to object, to ask the chairman of the Committee on Labor if she will accept an amendment to eliminate the graveyard shift in industries which are not continuous, the shift that is so difficult for workers, because vitality is below normal between the hours of 12 o'clock midnight and 6 a. m.

Mrs. NORTON. I am sorry, Mr. Chairman, but I feel that I cannot do that.

The CHAIRMAN. Is there objection to the request of the gentlewoman from New Jersey?

There was no objection.

Mr. DIES. Mr. Chairman, I offer an amendment, which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. DIES: Page 53, after line 21, insert new section to be known as section 5 (a), as follows:

"SEC. 5. (a) Notwithstanding the provisions of sections 4 and 5, upon application to the State labor commissioner, or other State official designated by State law (or to the United States Secretary of Labor in case there is no State labor commissioner or other State official designated by law) of the State in which the industry is situated, by any employer subject to this act, and after public hearing and proper showing, the State labor commissioner or other State official designated by State law (or the United States Secretary of Labor in case there is no State labor commissioner or other State official designated by State law) shall establish a minimum-wage rate less than that provided in section 4 but not less than 25 cents an hour, or a maximum workweek more than that provided in section 5, but not more than 44 hours in any one week with respect to such industry if such action is justified by the following circumstances: (1) The cost of living, (2) the wages paid by employers who voluntarily maintain reasonable wage standards in similar occupations, (3) the wages established in similar occupations through collective labor agreements negotiated between employers and employees by representatives of their own choosing, (4) local economic conditions, (5) the relative cost of transporting goods from points of production to consuming markets, (6) the reasonable value of the services rendered, (7) differences in unit costs of manufacturing occasioned by varying local natural resources, operating conditions, or other factors entering into the cost of production, (8) the hours of employment observed by employers who voluntarily maintain reasonable maximum workweeks in similar occupations, (9) the hours of employment established in similar occupations through collective labor agreements negotiated by the employers and employees by representatives of their own choosing, and (10) the number of persons seeking employment in the occupation to be subject to the maximum workweek.

"(a) Such hearing shall be reported by an official reporter and the entire record of such hearing, together with the order of the State labor commissioner, or other State official designated by State law, shall then be forwarded to the Secretary of Labor of the United States. Upon receipt of this record the Secretary of Labor of the United States is hereby authorized to reverse or modify the order of the State labor commissioner, or other State

official, if the Secretary of Labor of the United States finds that such order is contrary to the facts as adduced at the hearing.

"(b) In the case of any State that does not have a State labor commissioner, or other State official designated by law, then until such time as such State designates a proper official the Secretary of Labor of the United States shall receive all applications provided for herein and conduct the hearings herein provided for either in person or through some deputy labor commissioner designated by the Secretary of Labor of the United States.

"(c) As soon as practicable after the receipt of the record of any hearing before the State labor commissioner or other State official designated by law, the Secretary of Labor of the United States shall issue an order either affirming, reversing, or modifying the order of the State labor commissioner, or other State official, and such order, when issued by the Secretary of Labor of the United States, shall supersede the order of the State labor commissioner, or other State official, who shall immediately change his order to comply with the order issued by the Secretary of Labor of the United States. Provided, however, that the order issued by the State labor commissioner, or other State official, shall be effective until such time as same is reversed or modified by the Secretary of Labor of the United States.

"(d) Any person aggrieved by an order issued by the Secretary of Labor of the United States under sections 4 and 5, may at any time obtain a review of such order by filing in the circuit court of appeals for the circuit in which is situated his principal place of business, or in the Court of Appeals of the United States for the District of Columbia, a written petition praying that such order be modified or set aside in whole or in part. A copy of such petition shall forthwith be served on the Secretary, and thereupon the Secretary shall certify and file in the court a transcript of the record upon which the order complained of was entered. Upon the filing of such transcript such court shall have exclusive jurisdiction to affirm, or if it is not in accordance with law to modify or set aside, such order in whole or in part. The judgment or decree of the court shall be final subject to review as provided in sections 239 and 240 of the Judicial Code, as amended (U. S. C., 1934 ed., title 28, secs. 346 and 347). The commencement of proceedings under this subsection shall not, unless specifically ordered by the court, operate as a stay of the Secretary's order."

Mr. DIRKSEN. Mr. Chairman, I reserve the point of order on the amendment. It is an amendment which seeks to confer authority upon the State.

Mr. DIES. Mr. Chairman, the present bill authorizes the Secretary of Labor to utilize the services of local agencies in the enforcement of this act. All my amendment proposes to do is to afford a decentralized agency where the employer can go and present his case in the event he cannot pay 40 cents an hour or operate on a 44-hour basis. In no event can the State agency or the Secretary of Labor fix the wage scale below 25 cents an hour or permit more than 44 hours in a week. A public hearing is provided for, and the record will be taken down by an official reporter. In case there is no local agency, then the amendment provides that the employer may appeal direct to the Secretary of Labor. After the local agency hears the evidence at a public hearing he can then make his order fixing the wage scale and the number of hours; but, as I say, in no event below 25 cents an hour or more than 44 hours a week. The record then goes to the Secretary of Labor, who has the right to reverse or modify the order. This will provide a limited flexibility, and it is in line with the Democratic platform pledge. Republicans who are insisting on turning relief back to the States, and Democrats who still give lip service to State sovereignty, and those who believe the President's message that there must be some flexibility as well as those who want some legislation at this session that is valid and workable, should seriously consider this amendment.

Mr. WHITE of Idaho. Has the gentleman made any calculation of the cost of this provision and the amount of personnel necessary to enforce it?

Mr. DIES. Most of the States already have labor commissioners, and already 20 of the States have minimum-wage and maximum-hour boards. It is a question of whether we believe in a decentralized agency. When this bill comes back from the Senate I think gentlemen will not recognize it and I predict that it will be the Senate bill with a Federal board. It seems to me that here is recognition of State sovereignty, permitting the States to have some voice in the determination of the matter so that the employer can go to his own local agency in the beginning, which agency understands the problems and is in a position better to adjust these local questions. This is what we did in the Social Security Act, and I propose practically the same thing with reference to this.

The CHAIRMAN. The time of the gentleman from Texas has expired. Does the gentleman from Illinois make the point of order?

Mr. DIRKSEN. Mr. Chairman, I make the point of order against the amendment on the ground that it is not germane to the bill. The pending bill contemplates the exercise of Federal power for the purpose of establishing minimum wages and maximum hours. The amendment contemplates a very affirmative exercise of power by the State labor commissioner. While there is related subject matter I think it is a very distinct departure from the sovereignty which is contemplated in this bill and, therefore, is not germane.

The CHAIRMAN. Does the gentleman from Texas desire to be heard on the point of order?

Mr. DIES. Only to call the Chair's attention to the fact that the present bill proposes to authorize the Secretary of Labor to utilize the services of local agencies in the State to carry out this act. All this amendment proposes is to authorize the State labor commission or State agency to approve exceptions upon given facts where the employer cannot operate upon the maximum provided in this bill.

Mr. DIRKSEN. With reference to the point just raised by the gentleman from Texas let me say that it may utilize the services of the State agencies only by consent and cooperation. It does not confer any authority or affirmative power upon State agencies. That power has been reserved unto the Federal sovereignty itself.

Mr. DIES. In reply to that, under the provisions of my amendment they cannot use any State agency without the consent of the State agency. In the event the State does not cooperate, the Secretary of Labor of the United States acts in the first instance.

The CHAIRMAN (Mr. McCORMACK). The Chair is prepared to rule.

The Chair, fortunately, has had the benefit of the extension of remarks made by the gentleman from Texas in the CONGRESSIONAL RECORD of May 16, and the Chair has taken advantage of the gentleman's notice in that extension of his intention to offer the amendment he has offered. The Chair, therefore, has been able to anticipate the amendment's being offered and a probable point of order being raised against it.

The Chair is of the opinion that the amendment offered by the gentleman from Texas imposes a limitation upon what might be termed the "escalator" provisions of the pending bill from 25 cents to 40 cents an hour over a 3-year period and from 44 hours a week to 40 hours a week over a like 3-year period. As will be found in the amendment offered by the gentleman from Texas this limitation applies if a State official finds that certain conditions exist. If so the Secretary of Labor has the power to approve or disapprove, but in no event can any recommendation be made of a salary less than 25 cents per hour nor a workweek in excess of 44 hours.

In the opinion of the Chair the pending amendment is a limitation or an exemption which does not clearly vest in the State officials power to pass State minimum-wage and maximum-hour legislation. Having in mind the broad objectives of the pending bill the Chair feels that the amendment is germane to the bill and is in order.

For the reasons briefly stated the Chair overrules the point of order.

The question is on the amendment offered by the gentleman from Texas.

The amendment was rejected.

Mr. CONNERY. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. CONNERY: On page 53 strike out all of section 5 and in lieu thereof insert the following:

"SEC. 5. No employer engaged in commerce in any industry affecting commerce shall employ any of his employees for a workday longer than 8 hours, or shall, from the effective date of the

original order issued under section 6 with respect to such industry, employ any of his employees for a workweek longer than 40 hours.

"No employee shall be deemed to be employed in violation of this section if he receives additional compensation for his overtime employment at the rate of one and one-half times the regularly hourly rate at which he is employed, or times the rate applicable under or pursuant to this act, whichever is higher."

Mr. CONNERY. Mr. Chairman, as will be observed, this is a companion amendment to the one I introduced under section 4. You can readily see I have been striving to have inserted in this bill a straight 40-cent minimum hourly wage and a 40-hour maximum workweek proposition rather than a 25-cent minimum hourly wage with a 44-hour workweek. The amendment I am now presenting simply strikes out the escalator provision, cuts out the 44-hour provision, and makes it a straight 40-hour workweek with time and a half for overtime, effective as soon as the bill becomes a law.

Whatever objection you had to raising the 25 cents an hour to 40 cents, as provided in my earlier amendment, surely you must agree that industry will suffer no great hardship if we cut out the escalator clause on the hours provision and insert a straight 40-hour week.

Mr. WHITE of Idaho. Mr. Chairman, will the gentleman yield?

Mr. CONNERY. I yield.

Mr. WHITE of Idaho. What becomes of contracts that may have been entered into to perform certain things based on present cost? The gentleman's amendment would raise the cost abruptly as soon as the bill becomes a law. What will happen to those contracts?

Mr. CONNERY. The situation would not be materially different than with the 44-hour provision, for it is a change of only 4 hours and goes into effect immediately instead of becoming effective at the end of the period of 2 years.

Mr. BRADLEY. Mr. Chairman, will the gentleman yield?

Mr. CONNERY. I yield.

Mr. BRADLEY. Will not the effect of the gentleman's amendment be simply to reduce the worker's wages $1 a week?

Mr. CONNERY. Not necessarily.

Mr. BRADLEY. The hours are reduced to 40. At 25 cents an hour this would make a reduction of $1 a week.

Mr. CONNERY. This reduction in hours will not curtail any worker's income, as the Department of Labor records show that even the southern cotton mills are not now and have not worked 40 hours per week for some years back. Again, this reduction of hours will provide millions of workers with jobs as soon as conditions become normal. In those small industries which must operate more than 40 hours per week, the workers would not suffer any loss because they would collect time and a half for such overtime over 40 hours.

Mr. BRADLEY. But it would reduce their income.

Mr. DUNN. Mr. Chairman, will the gentleman yield?

Mr. CONNERY. I yield.

Mr. DUNN. I believe in the gentleman's philosophy, but at this time in order to put this bill through, a bill which has the endorsement of the American Federation of Labor, the C. I. O., and the brotherhoods, I believe the gentleman better withdraw his amendment and come along with us.

Mr. CONNERY. Mr. Chairman, I have the utmost love and respect for the gentleman from Pennsylvania. He is a pal of mine. However, I have not seen any message come into this House in which the American Federation of Labor, the C. I. O., or any other labor organization has stated they were against the principle of putting in the straight 40-cent minimum hourly wage or the 40-hour maximum workweek provision at this time. It is true the labor organizations have backed this bill, but they have not gone so far as to say that they are against the amendment I am now offering to better this bill. Labor unanimously seeks a shorter workweek in order to relieve unemployment.

Mr. DUNN. May I say that in the Labor Committee I tried to put in the 5-day, 30 hours a week amendment. I was informed by a man representing the Federation of Labor that they were opposed to it.

Mr. CONNERY. I am with the gentleman on the 30-hour-week proposition, and this amendment I am asking for is a step in that direction.

I am for this wage and hour bill. As I stated yesterday on the floor of this House this bill is a genuine improvement over the monstrosity which was called a wage and hour bill last December. This bill definitely defines a minimum wage and shorter workweek. I seek to improve the bill by having this minimum, which I consider too low and of not enough assistance to our people, made 40 cents per hour and the workweek made 40 hours right now with time and one-half for overtime.

I sincerely hope we can improve this bill, but, if the majority votes to go slower I still intend to support the bill, as it is so much better than the bill we rejected last December. I felt at that time that the Labor Committee would, as they have done, report a better bill before the session closed.

[Here the gavel fell.]

The CHAIRMAN. The question is on the amendment offered by the gentleman from Massachusetts [Mr. CONNERY].

The question was taken; and on a division (demanded by Mr. CONNERY) there were—ayes 6, noes 35.

So the amendment was rejected.

Mr. COOLEY. Mr. Chairman, I offer an amendment, which I send to the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. COOLEY: Page 53, line 21, at the end of section 5, insert "*Provided, however,* That nothing in this section shall apply to persons employed in connection with the marketing of tobacco in auction warehouses."

Mr. COOLEY. Mr. Chairman, this is another effort on my part to exempt the employees in auction warehouses from the hour provisions of this bill. The other amendment I offered a moment ago would have had the effect of exempting these employees from both the wage and hour provisions, but as I pointed out when I was addressing the House at that time, auction warehouses remain open 24 hours a day. This does not mean that these employees actually work 24 hours a day, but the warehouses remain open that long.

May I again impress on the House the fact that in Georgia the entire tobacco crop is marketed in 3 weeks. It is necessary to use a large number of employees to unload the tobacco for the farmers when it is brought into the tobacco warehouse. I cannot understand why this amendment should be objectionable to the Labor Committee.

Frankly, I believe the Biermann amendment is sufficiently broad to include these employees. I do not believe they are engaged in interstate commerce. I likewise believe they are handlers of agricultural commodities and would come under the provisions of that amendment. But by introducing this amendment I seek to clarify the situation so that we may very definitely know that these laborers who assist the farmers in unloading their tobacco shall be exempted from the hour provisions of this act. I fear unless they are exempted definitely from the provisions that the warehousemen will cease to render this very valuable service to the tobacco farmers of our State.

Mr. CREAL. Will the gentleman yield?

Mr. COOLEY. I yield to the gentleman from Kentucky.

Mr. CREAL. Is it not true that these men to which the gentleman refers are in most cases the sons of farmers, the tobacco raisers themselves, who live in the immediate community, and these men work there unloading that tobacco for their neighbor farmers?

Mr. COOLEY. In many instances, I may say to the gentleman, the warehousemen employ farm boys to work in the warehouse and assist the farmers in placing their tobacco.

Mr. PATRICK. Will the gentleman yield?

Mr. COOLEY. I yield to the gentleman from Alabama.

Mr. PATRICK. The gentleman will agree with me that the purpose of this law is to distribute labor and work more evenly over the Nation?

Mr. COOLEY. That is true.

Mr. PATRICK. If the gentleman's amendment is accepted, will it not tend to defeat the very purposes of this bill?

Mr. COOLEY. Absolutely not.

[Here the gavel fell.]

The CHAIRMAN. The question is on the amendment offered by the gentleman from North Carolina [Mr. COOLEY].

The amendment was rejected.

Mr. PHILLIPS. Mr. Chairman, I offer an amendment, which I send to the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. PHILLIPS: Page 53, line 4, after section 5, strike out the whole section and insert a new section, as follows:

"No employer engaged in commerce in any industry affecting commerce shall employ any employees for a workday longer than 6 hours, or shall hereafter employ any of his employees for a workweek longer than 30 hours. No employee shall be deemed to be employed in violation of this section if he receives additional compensation for his overtime employment at the rate of one and one-half times the regular hourly rate at which he is employed, or times the rate applicable under or pursuant to this act, whichever is higher."

Mr. PHILLIPS. Mr. Chairman, as the Members of the House will observe, this is a corollary to the amendment I offered a few minutes ago. The argument has been presented and I will not take the time of the House further.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Connecticut [Mr. PHILLIPS].

The question was taken; and on a division (demanded by Mr. PHILLIPS) there were—ayes 13, noes 33.

So the amendment was rejected.

Mr. BOREN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. BOREN: Page 53, line 21, at the end of the section add "No person, firm, or corporation engaged in the drilling for, production of, or transportation of crude petroleum in interstate commerce shall employ or cause to be employed any worker for more than 40 hours in 1 week, nor more than 72 hours in any 2 consecutive weeks, nor more than 16 hours in any 2 consecutive days."

Mr. BOREN. Mr. Chairman, I ask unanimous consent to extend my own remarks in the RECORD and include therein the testimony presented before the Committee on Labor on this subject.

The CHAIRMAN. The Chair may state that consent to include extraneous matter will have to be obtained in the House.

Mr. BOREN. Mr. Chairman, I modify the request and ask to extend my own remarks in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

Mr. BOREN. Mr. Chairman, this amendment simply provides for maintaining the status quo in the oil industry. For the last 4 years the hours in the oil industry have been regulated on exactly this basis. I believe it is a proper method to approach the problem by industries, and I hope the Committee will see fit to place its stamp of approval upon what the oil industry has been doing for the last 4 years.

Under permission to extend my remarks, I include the following extract from the hearings on the Fair Labor Standards Act of 1937:

FAIR LABOR STANDARDS ACT, 1937

MONDAY, JUNE 14, 1937

UNITED STATES SENATE,
JOINT COMMITTEE OF THE SENATE COMMITTEE ON EDUCATION AND LABOR AND HOUSE COMMITTEE ON LABOR,
Washington, D. C.

The joint committee met, pursuant to adjournment, at 10 a. m. in room 357, Senate Office Building, Senator Hugo L. Black (chairman) presiding.

Present: Senators Hugo L. Black, James E. Murray, Rush D. Holt, Allen J. Ellender, Robert M. La Follette, Jr., and James J. Davis.

Representatives William P. Connery, Jr., Robert Ramspeck, Matthew A. Dunn, Reuben T. Wood, Jennings Randolph, Richard J. Welch, Fred A. Hartley, Jr., William P. Lambertson, Albert Thomas, Joseph A. Dixon, William F. Allen, and Santiago Iglesias.

The CHAIRMAN. The committee will be in order. Congressman BOREN.

STATEMENT OF HON. LYLE H. BOREN, REPRESENTATIVE FROM OKLAHOMA

Representative BOREN. I come before this committee to offer a proposed amendment or suggestion on pending legislation as affecting the oil industry. It will make a provision for the 36-hour workweek.

Recently, when the Connally oil bill and other legislation was before my own committee, I offered there an amendment that—

"No person, firm, or corporation engaged in the drilling for, production of, or transportation of, crude petroleum in interstate commerce shall employ or cause to be employed any worker for more than 40 hours in 1 week nor more than 72 hours in any 2 consecutive weeks, nor more than 16 hours in any 2 consecutive days."

Now, as you will readily see from that amendment, the intention was to establish a 36-hour week, but making a provision for 40 hours in any 1 single week, in order to make it possible to meet emergencies that would require overtime. Also the 16 hours in any 2 consecutive days is an attempt to establish the 6-hour working day but to make reasonable provision for emergencies that might arise because of necessities for overtime.

I present this amendment, gentlemen of the committee, because we have already established in the oil business, since code days, the 36-hour week. I do not mean to indicate that all oil companies abide by that program, but I think it is safe to say that 60 or 70 percent of the companies do abide by a program calling for the 36-hour workweek.

The oil industry is a special problem, and I am very anxious that we be allowed to maintain the standards in the industry that have already been tried and found to be what we want.

I represent one of the greatest oil-producing districts in America and am acquainted first-hand with the situation that has existed in that industry during the last 10 years, as affects the labor, marketing, oil consumption, and production control. I have been a laborer in the oil field and have engaged, to some extent, in the other end of the business, that of drilling for oil, and I know that the 36-hour week has been the answer to the labor problem in my district, and I feel certain, should there be a general provision for a 40-hour week without excepting this great industry, that this industry, which is the third largest industry from the standpoint of the amount of money invested and people concerned in its production, the third in the Nation. This industry needs the 36-hour workweek.

I want to point out again that there are certain companies—and I believe that would include some 60 or 70 percent of them—that are on a 36-hour workweek at the present time, and that they have a reasonable minimum rate of pay.

In offering the above amendment I added thereto before my committee, the Committee on Interstate and Foreign Commerce, that—

"No person, firm, or corporation engaged in the drilling for, production of, or transportation of crude petroleum in interstate commerce shall pay less than $5 per 6 hours for daily employment."

This amendment for a 36-hour workweek, or $5 a day, would not change the situation in the oil industry, except to bring the chiseler or scalper, or whatever you wish to call him, into line. It is important because competitive features will force the companies now operating on a 36-hour workweek to go to a 40-hour week, or a week of greater hours, if there is no provision made for a 36-hour workweek.

A large percentage of operators who have already gone back to long hours since the code days have been drawing their closer competitors into line with them, so the long-hour workweek is gradually coming back in the oil industry. I have seen it when there was a 12-hour workday, I have seen it when there was a 6-hour workday, and it is very important, in my industry—I mean I represent a district which is largely an oil industry—this great industry that we have in America, that we have some provision to maintain what might be termed the "status quo" in the oil industry, and if I may have permission, I would like to just take from the record in the hearings before the Interstate and Foreign Commerce Committee on the so-called Connally hot-oil bill, the statement that I made to that committee supporting the amendment that I offered, and also the statement of Mr. Harvey C. Fremming, president of the International Association of Oilfield, Gas Well, and Refinery Workers of America, who spoke subsequent to me introducting this amendment and utilizing most of his time in discussing the amendment that I proposed there.

I do not care, Senator, to make a lengthy statement. I think I have made it clear. What I want is a provision in this bill that will permit us in the oil industry to maintain what might be called the status quo that we have found to be the solution of our labor problem. I say that in realization that there are a few instances such as the man who is employed as a pumper taking care of one well, perhaps that is his sole job, that could be said that he works 24 hours a day because if the pump quits working at midnight, he probably lives close by and is accustomed to hearing that pump going, and if it fails to work—any of you who live in the oil fields know that when the pump stops working in the middle of the night it is sufficient to awaken you—and the man would go out and look after the well. As a matter of fact, there are few of the individual instances where a man might look after

one or two wells as a pumper or roustabout maintaining a lease that they could be said to be working on a 24-hour schedule, but who actually perhaps are not working more than 3 or 4 hours a day.

I offer this amendment realizing that there must be some exception made, and I presume that this committee will, in this legislation, make some special provision, or at least some provision for the type of exception which will occur in all industries. I know my own correspondence on this amendment brought from the hospitals letters saying that if a similar provision were instituted in the hospitals that the smaller hospitals that had nurses on call would not be able to function properly because of the emergencies that might arise there.

I feel that the adoption of this amendment will be the real answer to the labor problem in the oil industry, and if I am permitted to put in the record the two statements that I indicated you will see that the president of the International Oil Field Workers Union expresses the same opinion as the sentiment of all workers in the entire oil industry.

They had a convention just the other day in Kansas City of all the oil workers in America, and the record of that convention will show that the oil labor realizes that they need to maintain what I call the status quo, the 36-hour workweek.

That concludes my statement.

The CHAIRMAN. Thank you very much, Congressman.

Representative BOREN. If there are any questions I will be glad to answer them. May I be allowed to enter into the record these two statements?

The CHAIRMAN. Is there any objection? All right.

The statements referred to are as follows:

"STATEMENT SUBMITTED BY HON. LYLE H. BOREN, REPRESENTATIVE IN CONGRESS FROM THE STATE OF OKLAHOMA

"Mr. BOREN. Mr. Chairman and gentlemen of the committee, I want to offer for the record later a prepared statement, substantiating my proposal here, but I would like to propose to this committee that it add to H. R. 5366, at the conclusion thereof, after the word 'repealed', these words: 'And following section 2 of said act add:

"'No person, firm, or corporation engaged in the drilling for, production of, or transportation of crude petroleum in interstate commerce shall employ or cause to be employed any worker for more than 40 hours in 1 week nor more than 72 hours in any 2 consecutive weeks nor more than 16 hours in any 2 consecutive days: *Provided further*, That no person, firm, or corporation engaged in the drilling for, production of, or transportation of crude petroleum in interstate commerce shall pay less than $5 per 6 hours for daily employment.'"

"In substantiating this amendment, Mr. Chairman, I would like to offer later for the record a prepared statement, and due to the fact that the committee has other witnesses here who desire to be heard this morning, I will not take up more of your time.

"Mr. COLE. Might I suggest that in order to have the hearing printed, and I assume you would want your statement to follow what you have said here this morning——

"Mr. BOREN. Yes.

"Mr. COLE. That you submit it to us as early as possible.

"Mr. BOREN. I will do that. That is all I have this morning, Mr. Chairman."

STATEMENT SUBMITTED BY HON. LYLE H. BOREN, M. C.

"Mr. BOREN. Mr. Chairman, I would like to offer for the consideration of this committee, an amendment to H. R. 5366:

"'No person, firm, or corporation engaged in the drilling for, production of, or transportation of crude petroleum in interstate commerce shall employ or cause to be employed any worker for more than 40 hours in 1 week, nor more than 72 hours in any 2 consecutive weeks, nor more than 16 hours in any 2 consecutive days: *Provided further*, That no person, firm, or corporatoin engaged in the drilling for, production of, or transportation of crude petroleum in interstate commerce shall pay less than $5 per 6 hours for daily employment.'

"In offering this amendment to H. R. 5366, I am doing so in the belief that stability in the oil industry should provide stability in labor conditions in that industry, and that legislation aimed to aid the producers of oil should take into account the workmen engaged in that production.

"I represent one of the greatest oil-producing districts in America. I am acquainted first-hand with the situation that has existed in that industry during the last 10 years as affecting labor, oil production, oil marketing, and to some degree oil consumption and production control.

"I have seen crude oil sell as low as 10 cents per barrel in my home country. I think I have some first-hand knowledge of the chaotic conditions that have existed in the marketing fields, both in the crude marketing and retail marketing of the finished products. But, also, I am keenly aware of the labor conditions that have existed in the oil fields for the past 10 years. I have seen the 12-hour day as a common practice; then, under the N. R. A. code, as low as 6-hour day. I have witnessed the effect of unemployment and observed the general condition of the country where oil is produced, both under the long-hour and the short-hour day system. I want to point out to this committee that permanent legislation for the oil industry should take into account the laborer in that industry.

"The necessity for this amendment is clearly pointed out by the fact that oil has gone up from 10 cents to $1.27 a barrel in my district. That is to say, that the price of oil has increased more than 1,000 percent but the pay of the workmen has increased far less than 10 percent on an average.

"The evidence in my home county would indicate that employment has not increased at all with the increase in the market price of oil. Of course, I cannot point out specific figures, but I could give you numerous examples from my general acquaintance with the personnel engaged in the production of oil in my district. Labor Department figures indicate that there has been an 8-percent reduction in employment concurrent with a 900,000-barrel daily increase in crude production.

"I want to point out that there are certain integrated companies maintaining operation on a 36-hour workweek and at reasonable minimum rate of pay. I think it is safe to say there is a fair percentage of the companies engaged in oil production that are operating now on the basis that would be set up under the terms of my proposed amendment. Their experience under the N. R. A. brought them to the conclusion that this operation was the wisest policy.

"However, there is a large percentage of the operators who have already gone back to long hours, which in turn means less men on the pay roll and workmen engaged for longer hours without proportional increase in compensation.

"This means that the 12-hour day in crude production is finding its way back into the producing fields. This condition, while not common, is of sufficient strength to act as an example frequently pointed to by those in the industry who are attempting to be reasonably fair.

"It is evident that operators working under the code provisions, while facing the competitive factors relating to hours and rates of pay, must see stability and uniformity in hours of labor and rates of pay or natural economic laws will cause them to lengthen hours and bring their rates of pay down to a figure comparable to this type of competitive operations.

"My understanding of H. R. 5366 or S. 790, making permanent the Connally hot oil bill, is that in the name of conservation it seeks to establish, among other things, a uniform price. The bill has as its purpose, eonomic value to the operators involved with, of course, an element consistent with the general welfare involved in the economy affecting this great natural resource. Since this legislation is in fact an economic stabilizing measure, it is important that we should establish economic stabilization for the workers involved. It is upon this principle that I have submitted for your consideration the proposed amendment.

"Mr. COLE. Thank you.

"Colonel Thompson was to go on next, but if you are willing to give way to Mr. Fremming, who has to leave this afternoon for Chicago, Mr. Thompson, we will hear him.

"Mr. THOMPSON. I will be glad to give way.

"Mr. COLE. He has a statement which he does not think will take more than about 5 minutes.

"Mr. THOMPSON. I will give way with pleasure.

"Mr. COLE. Before we hear him, the committee has considered whether it will meet this afternoon or tomorrow morning. Mr. Mapes is on another committee which requires his appearance this afternoon.

"Mr. THOMPSON. That will suit me much better.

"Mr. COLE. And after Mr. Fremming's statement we will adjourn until 10 o'clock tomorrow.

"Mr. THOMPSON. Ten o'clock tomorrow morning?

"Mr. COLE. Yes; we may go on tomorrow afternoon and Thursday afternoon if we find it suits the convenience of the committee.

"Mr. Fremming, we will hear you now."

STATEMENT OF HARVEY C. FREMMING, PRESIDENT, INTERNATIONAL ASSOCIATION OF OIL FIELD, GAS WELL, AND REFINERY WORKERS OF AMERICA

Mr. COLE. Give your full name for the record.

Mr. FREMMING. My name is Harvey C. Fremming. I am president of the International Association of Oil Field, Gas Well, and Refinery Workers of America, and I appear here on behalf of that association. The theory of the association has from the inception of the recovery in the industry attempted to contribute to certain defined economic standards in the petroleum industry through its organization and its relationship to the industry and through its association with the industry.

My appearance, Mr. Chairman, has no immediate bearing on the bill, although I am not unmindful of the tremendous value of conservation, but may I be pardoned for saying that I do not look upon this as solely a conservation measure. I cannot bring myself to think of this as a conservation measure. It is purely an economic measure, and the use of the term "conservation" here to my mind is in fact a misnomer. We are not unmindful of the purpose of the bill and the desire to have it continued for the economic reasons involved, but at the same time we appreciate the efforts being made to maintain the price structure through this instrumentality, and we offer the suggestion that there is another factor involved and that is the human factor in the industry itself. And that is the reason the only purpose of appearing here, not to oppose the purpose of this bill itself but to call attention to the fact that there are some 85,000 workers in the petroleum industry, some of whom, by reason of unfair practices, are not going to benefit in the price-structure value of this bill, because some have failed to maintain reasonable competitive conditions in the production of oil. So that we have here the cost problem; we have the uneconomic situation of crude production, and it is our purpose, gentlemen, to ask for an amendment to

the bill which will provide for maximum hours, regulation of maximum hours, and minimum rates of pay as just previously introduced by Congressman BOREN, of Oklahoma. We support this amendment, and we support it for many reasons. I am not going into a lengthy discussion because of the courtesy of this committee in extending time to permit me to be heard this morning. There are many reasons why this can be appreciated not only in this one branch of the industry but because of the human factor as well; this, Mr. Chairman, is not merely a question of regulating the shipment of contraband oil—that is, oil produced in excess of State allowables. It goes much beyond that, as very aptly appeared from the inquiries here this morning by members of the committee.

The right to regulate maximum hours of employment and minimum rates of pay is no longer a fancy or a theory advanced by theorists that appear before committees of Congress, but the fixing of minimum rates of pay and maximum hours of employment are now regarded within the rights of Congress in regulating interstate commerce. And certainly commerce is affected materially where human conditions obtained within the industry itself, and that leads us to the labor factor, the human factor in the industry. It is upon that principle and that principle alone that we appear here this morning and urge that this committee amend the present bill to establish maximum hours and minimum rates of pay as provided in the amendment introduced by Congressman BOREN this morning, and I am going to limit my statement this morning to the suggestion contained in that amendment, although I think some day this committee could give consideration to the study of whether or not the subterranean movement of oil from day to day, although it may not reach the top of the crown, has some value in a consideration of what interstate commerce is, although our understanding of it today is largely due to the fact that the movement in interstate commerce, for the purpose of regulation, must be of articles on top of the ground. It is our theory that some day we may develop the proposition that subterranean movement of certain commodities up to the point of the law of capture affects interstate commerce.

Mr. Chairman, I think there are plenty of reasons, plenty of reasons and certainly economic reasons, for this committee to consider favorably the amendment presented by Mr. BOREN to this measure, to this bill, if it is to be a stabilizing factor in the field of economics. We are, of course, interested in that, but we are equally interested in the human equation of reducing that competitive factor in the production of petroleum. That is the principle underlying our support, and that is the main principle upon which I wanted to discuss this with you this morning. That is all I have to say. We could enter into a lengthy discussion of this principle, but the facts are known to you, and I think we all understand that the purpose today is one of stabilization in the industry, with all due respect to the statement made by the distinguished Secretary this morning; but the human equation is there, and we must give consideration to that in maintaining the proper economic relation today.

I am somewhat discouraged by the conduct of the industry itself. When we met here in Washington in the bleak, stormy days in July 1933, the industry itself lay prostrate; in fact, the industry was so concerned with price and was concerned with consumer requirements because of the competitive picture within the industry that at that time it agreed upon a code of fair competition which had for its purpose regulation of labor relations within the industry as applied to maximum hours and minimum rates of pay. Most of the substantial organizations in the industry have maintained that interest, but we still have our chiselers, if I may use the common expression, Mr. Chairman, among them—men or corporations who benefit not only from the economic factor but from all other stabilizing factors that have come as a result of that original code.

The Morgans and the Du Ponts—if I may be permitted to refer to them—the Morgans, the Du Ponts, and the Mellons are outstanding in that particular situation as regards long hours and low rates of pay, and who in fact, within the internal operation of the industry itself, are imposing hazards and hardships against maintaining stabilized conditions of employment and rates of pay which in turn reflect themselves in consumer purchasing power that maintain our national economy.

That is all I have to say this morning, Mr. Chairman. We hope you will see fit to accept the amendment presented by Mr. BOREN.

Mr. COLE. Thank you. May I ask if this amendment you approve, as suggested by Mr. BOREN, is in any legislation now pending before the Labor Committee?

Mr. FREMMING. No; and it is not contemplated. Incidentally, there is in the general legislation provision for 40 hours a week, and we have a different situation in this industry which has given every evidence of its willingness——

Mr. COLE (interposing). I mean generally.

Mr. FREMMING. The general legislation is for 40 hours.

Mr. COLE. Is that included here?

Mr. FREMMING. That is not included in this. I understand your point. But the general bill will provide for 40 hours, and that bill is to come from the executive branch, as I understand it. But it does not provide for 36 hours, which this amendment would.

Mr. COLE. The general bill, you understand, will come from the executive branch?

Mr. FREMMING. Yes.

Mr. COLE. Would that be satisfactory to you?

Mr. FREMMING. No; it just means 4 hours more per day, which in turn means a reduction in employee load in the industry.

Mr. COLE. All right.

Mr. PETTENGILL. As I understand you, you said that a great many of the companies had maintained the labor standards of the N. R. A.

Mr. FREMMING. Yes, Mr. PETTENGILL; in the petroleum code.

Mr. PETTENGILL. Yes; the petroleum code. What were the hours provided in that code?

Mr. FREMMING. 36 hours per week.

Mr. PETTENGILL. Thirty-six?

Mr. FREMMING. Yes. I should repeat there, Mr. PETTENGILL, the manner in which Congressman BOREN presented his amendment to the committee. The 40 hours he gave means not more than 40 hours in any 1 week, and not more than 72 hours in any 2 weeks, and not more than 16 hours in 2 consecutive days.

Mr. PETTENGILL. Was that taken from the N. R. A. code?

Mr. FREMMING. That is verbatim, almost verbatim from the code itself, and for 2 years we operated splendidly under that code.

Mr. PETTENGILL. Had the rates of increase in pay to labor been in proportion to the benefit of this increase of about 27 percent on crude oil at the well head?

Mr. FREMMING. I would not say that they would equal 27 percent. The wages were increased, for the most part, in the industry, and for the most part we still have the benefit of some increase by reason of this legislation. But they all did not go along. We still have, in some sections, 12 hours a day. That was eliminated in 1933 by the code. When you speak of benefits, you mean in dollars and cents?

Mr. PETTENGILL. Total dollars per person.

Mr. FREMMING. Yes, sir; they have benefited. I do not say to the extent of 27 percent, but I do not think 27 percent is the whole story, Mr. PETTENGILL, if it be remembered how they were up here asking for relief from this 10-cent oil, and 20-cent oil throughout the industry. I think it must be remembered that the 27 percent does not represent the benefit received by this industry; it merely means that on the average, but that does not represent the whole truth, and we should not be confused by it at all.

Mr. PETTENGILL. The 85,000 workers you represent, the greatest bulk of them, have had wage increases, have they?

Mr. FREMMING. Yes.

Mr. PETTENGILL. Commensurate with the increase in price of crude?

Mr. FREMMING. Not necessarily commensurate with that, but they have had increases, substantial increases.

Mr. PETTENGILL. Some of them have not been increased as much as 27 percent, but they have had increases?

Mr. FREMMING. Yes; I would say most of them, except in the chiseler group.

Mr. PETTENGILL. Out of the 85,000 total number represented by you, how many thousands do you think, to use your expression, are at the mercy of the chiseler?

Mr. FREMMING. Oh, I would say not to exceed 25 percent, not in excess of that. It is just about the same percentage that runs throughout the whole industry.

Mr. PETTENGILL. Yes.

Mr. FREMMING. About the same group that runs the hot oil, the chiselers who will not pay their workers.

Mr. PETTENGILL. Thank you.

Mr. WOLVERTON. Mr. Chairman.

Mr. COLE. Mr. Wolverton.

Mr. WOLVERTON. Does the proposed amendment of Mr. BOREN relate only to the production, or does it include refining and marketing employees?

Mr. FREMMING. Only the producing end. We have no special difficulty in refining and never have had; it is only in the producing and transportation end, but so far as the refining branch of the industry is concerned, we have never had any quarrel on that question; 36 hours is maintained in that industry, and there is no charge of chiseling with respect to the refining end.

As to the marketing end today, it is the most chaotic that we have ever had. For your information, we are now working on that branch of the industry and are very earnestly trying to be helpful insofar as the worker problem is concerned. The regulation of hours of employment, fixed at 40 hours a week, obtained in the code.

Mr. WOLVERTON. I was unfortunately engaged otherwise and did not hear the amendment.

Mr. FREMMING. Yes.

Mr. WOLVERTON. Is it different from the one which was presented to the Senate?

Mr. FREMMING. It is the same; it is the same.

Mr. WOLVERTON. If I remember correctly, in your amendment you ask for the base of 36 hours a week and the rate of pay to be fixed at $5 as a minimum rate.

Mr. FREMMING. That is right; yes; that is correct.

Mr. WOLVERTON. And that relates only to those engaged in the production end?

Mr. FREMMING. Yes; drilling, production, and transportation.

Mr. WOLVERTON. Is that limited only to States that have the benefit of the Connally Act?

Mr. FREMMING. No.

Mr. WOLVERTON. Has employment increased over the period of 3 years?

Mr. FREMMING. To the contrary, it has decreased.

Mr. WOLVERTON. The figures presented to us would indicate that 900,000 more barrels per day are being produced, and yet I understand you to say that at this time it is a fact that the number of employees has actually decreased?

Mr. FREMMING. That is correct, in the last 3 years.

Mr. WOLVERTON. How do you account for that fact?

Mr. FREMMING. One of the special factors is the improved method of petroleum recovery today, through technical development making it possible to bring a well to production at a much shorter period of time than it took in the past. For example, for the east Texas field, to which reference has been made on several occasions, the sum total of drilling time to 3,500 feet, usually 3,500 feet being the average, runs around 15 days. Seven or eight years ago that was an unheard-of thing.

Mr. PETTENGILL. How many days?

Mr. FREMMING. Fifteen days, full time, full drilling, including cementing time and everything, the construction of the derrick, spudding, and bringing the well to production, in 15 days.

Mr. PETTENGILL. That means drilling more than 200 feet a day?

Mr. FREMMING. Oh, yes. It is proper to say in that connection there are certain drilling hazards elsewhere that do not obtain in east Texas. For instance, in the Kettleman Hills field, for example, to bring in a well to production would take approximately 6 months; they may be able to drill in less time than 6 months, but if they can bring in a well in 90 days it is a happy condition.

Mr. WOLVERTON. What has been the percentage of decrease in employment?

Mr. FREMMING. It will be—the Bureau of Labor Statistics indicates that the reduction has been running about 8 percent since the code became effective. Of course, there was a tremendous increase in the employee roll when the code became effective in September 1933, but since that time there has been about an 8-percent reduction in the crude production—in the drilling end, not the refining end of the industry.

Mr. WOLVERTON. I understand. What accounts for this decrease in the production end?

Mr. FREMMING. That is chiefly based upon improved methods of production, based principally upon the technical development in drilling equipment, primarily.

Mr. PETTENGILL. What about the refining branch?

Mr. FREMMING. They have increased employment in that end, due to the requirements to take care of this 900,000 barrels of crude, and the consumer demand has increased proportionately, as we understand it. There was about a 22-percent increase in consumer demand last year.

Mr. COLE. Is that all?

Mr. PETTENGILL. I have nothing further.

Mr. FREMMING. Thank you, Mr. Chairman.

The CHAIRMAN. Congressman LUCE.

The CHAIRMAN. The question is upon the amendment offered by the gentleman from Oklahoma [Mr. BOREN].

The amendment was rejected.

Mr. FULLER. Mr. Chairman, I move to strike out the last two words.

Mr. Chairman, I realize it comes in rather poor grace to seek to obtain votes when you know a bill is going to pass. This bill is of vital importance to us who come from the South. You can ridicule us now, but we will be back here or Representatives from our districts of our political faith will be back here when many of those who ridicule us will not be here. You may seek to impose upon us and our section humiliation and disgrace and you may seek to heap sectionalism upon us, but there will come a day when you will repent politically in sackcloth and ashes. I do not blame any of the gentlemen who are at heart for this bill for supporting it. I believe that down deep in the hearts of at least 60 percent of the Members of this House they are not for this bill and are supporting it purely, solely, and entirely for political purposes. [Applause.]

We are not afraid of denunciation. We are not afraid of C. I. O.'s. We stand upon our merits and stand for the people who send us here. When you needed relief we have stood by you from the North who now seek to humiliate us. We have voted to give you relief that we south of the Mason and Dixon's line do not need, and we voted for it because you said the people of your districts and of your States were starving and in distress. We needed nothing in the way of slum-clearance houses, which we have given you. We who hail from south of the Mason and Dixon's line can get along without the relief that is being given today. We were so generous that we voted for the recent relief bill when we knew that the 11 Southern States, with 29,000,000 people, received less money for relief than the one State of Pennsylvania with 9,000,000 people. That is how we stood on this proposition. [Applause.] We wanted to grant relief for those in distress, though you do not return the sentiment. We have great regards for the wonderful Representatives from the State of Pennsylvania.

You are going to pass this bill, and we well know it. Those who are for this bill come here, like the gentleman from St. Louis, telling us this bill will give employment to the people.

Mr. HENNINGS. Mr. Chairman, will the gentleman yield? I am a gentleman from St. Louis.

Mr. FULLER. I refer to the gentleman from St. Louis [Mr. COCHRAN]. We who hail from the South know he hates the Democrats who represent the entire South. The gentleman does not apply the principles of this bill to the House restaurant he helps to operate here in Washington, where the Negroes serve for practically nothing.

This bill will not give employment to more people. The South will have its factories closed and its industries forced into bankruptcy, and many people will be thrown out of employment who are now making an honest and a legitimate living. But we are not going to come back to you to beg and pray for relief. We have been trying to do things for the people of the North. We have gone along with many Federal administration propositions which we were not for at heart, and we have done so because of loyalty to the party and the administration. I say to you who come from the North and who in these closing hours cast this stain and reflection upon the men who represent the South that if it were not for the South, the cradle of democracy, the South which has kept the home fires burning for the last 80 years, there would not be one of you here today, and there would not be a National Democratic Party. [Applause.]

We offer no apology for our attitude. When you state by words or by innuendo that we are engaged in slavery, that we have no respect for our laboring people, and that we are paying starvation wages to our people, you are either seeking to mislead or you are making statements concerning something about which you know absolutely nothing. [Applause.]

This bill is not the kind our President wanted when he said in his message no reasonable person would demand a uniform measure for the entire country. None of the advocates for this measure care that we have a long haul and from 50- to 100-percent increase over the North and East in freight rates. The wealthy industries of the Northeast and their representatives demand this bill to bankrupt the industries of the South. While they talk 25 cents per hour, it means 40 cents per hour. No living man is more for labor than I. I came from that class, and that class has made me what I am. I have worked as a union laborer, as a section hand, and upon the public works of the county, even for $1 per day with a pick and shovel for 10 long hours.

My relatives belong to this class. But I resist the efforts to ruin the canners, lumbermen, stave mills, poultrymen, dairymen, nurserymen, and other industries of my district. Were there a differential, the load would not be so severe. After all, the farmers will bear the burdens with the consuming public.

In the last few years we of the South have taken under protest much punishment. Our two-thirds Democratic convention rule has been abrogated. We have not received our proportionate share of relief, as is exemplified by the fact our W. P. A. laborers receive $21 per month while those of New York receive $55. If wages should be uniform in the entire Nation, why not pay the southern laborer the same as in the Northeast? We have witnessed a determined effort to humiliate the glorious South for political purposes by forcing upon us the unconstitutional so-called antilynching bill. And while our State rights have been ignored and we have been punished, which we became accustomed to years ago when a tribute was levied upon our people, we are for our country and will remain Democratic. [Applause.]

[Here the gavel fell.]

Mr. LORD. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, the amendment which I shall offer is to help the wood-distillation business in New York, Pennsylvania, Kentucky, Tennessee, and in many other States.

We distill wood to make charcoal, wood alcohol, acetate of lime, and other products. This industry requires work 7 days a week. It is impossible to shut one of these factories down at the end of the week. The profit in this industry is very small at the present time. The Government nearly ruined the industry when it changed the formula for denatured alcohol. There was a time when wood alcohol was used as a denaturant of grain alcohol. The Government has discontinued that and since then the business has just been hanging by its eyebrows, as it were. They tell me that if this bill goes through so that they could only work 40 hours a week and would have to pay 40 cents an hour, their business would be ruined.

The farmers during the winter months cut 4-foot wood and haul it in to the factory to get a little money to tide them over through the winter and spring. Others make this a yearly work, cutting and hauling wood for the factories. While the industry does not pay big wages and works long hours, it saves many from going on relief.

Should this bill become effective without exempting them from the provisions, the results may add many more to the relief rolls. I hope the amendment will be passed. [Applause.]

[Here the gavel fell.]

Mr. DIES. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. Dies: Page 53, line 21, after the word "higher," insert the following: "*Provided, however,* That overtime employment shall only be permitted in the case of emergency work which shall mean any work necessary for the protection or preservation of life or health, for the prevention of damage to property, or for maintenance or repair of property or equipment, or made necessary in the due course and conduct of production and to avoid undue disruption of business."

The CHAIRMAN. The question is on agreeing to the amendment.

The amendment was rejected.

The Clerk read as follows:

INDUSTRIES AFFECTING COMMERCE

SEC. 6. The Secretary, as soon as practicable after the effective date of this section, shall, after due notice to interested persons and giving them an opportunity to be heard, determine the relation of the various industries to commerce. If, in the case of any industry, the Secretary finds (a) that the activities of such industry are Nation-wide in their scope, or (b) that such industry is dependent for its existence upon substantial purchases or sales of goods in commerce and upon transportation in commerce, or (c) that the relation of such industry to commerce is in other respects close and substantial, the Secretary shall issue an order declaring such industry to be an industry affecting commerce. Such order shall take effect at such time not more than 120 days after it is issued as the Secretary may designate in the order. An order issued under this section shall be modified or revoked whenever the Secretary finds, after due notice to interested persons and giving them an opportunity to be heard, that the facts so require. The testimony upon any hearing provided for in this section shall be reduced to writing and filed with the Secretary.

Mrs. NORTON. Mr. Chairman, I ask unanimous consent that all debate on this section and all amendments thereto close in 10 minutes.

Mr. DIES. Reserving the right to object, Mr. Chairman, this is one of the most important sections of the bill, and I wonder if the gentlewoman from New Jersey would not let us have 20 minutes.

Mr. MAPES. Mr. Chairman, will the gentlewoman from New Jersey yield?

Mrs. NORTON. Yes.

Mr. MAPES. I think this is a fair illustration of the state of mind we get into when we convene at 11 o'clock and try to pass an important bill of this kind in one day's sitting. Of course, the membership of the House is in no state of mind to consider any legislation now on its merits. This is a very important section, and personally I would like to have at least 5 minutes on a motion to eliminate the section from the bill. Tomorrow we will probably do nothing.

Mrs. NORTON. Mr. Chairman, I ask unanimous consent that all debate on this section and all amendments thereto close in 20 minutes.

Mr. MAPES. Mr. Chairman, reserving the right to object——

Mrs. NORTON. Mr. Chairman, I move that all debate on this section and all amendments thereto close in 20 minutes.

Mr. MAPES. Mr. Chairman, I make the point of order that the motion is not in order. There has been no debate on the section, and I submit an amendment, which I send to to the Clerk's desk.

The CHAIRMAN. The point of order is sustained.

Mrs. NORTON. Mr. Chairman, I withdraw my motion.

Mr. MAPES. The motion has been withdrawn by a point of order and the ruling of the Chair.

The CHAIRMAN. The gentleman from Michigan offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. MAPES: On page 53, line 22, strike out all of section 6.

Mr. MAPES. Mr. Chairman, I would be glad to have the attention of the Chairman and the other members of the Committee in the consideration of the amendment which I have offered. Personally I cannot see how this section will do any good and I can see how it may cause constant annoyance to industry and embarass the courts in determining whether an industry is engaged in interstate commerce or not, when a question of a violation of this law comes before the court. It makes possible the creation of an army of snoopers to pry into the conduct of every business engaged in interstate commerce. Certainly a violation of this law as to wages and hours will be the easiest thing in the world to establish. It will not take an army of snoopers to find out whether an employer of labor is paying less than 25 or 40 cents an hour or whether he is working his employees more than 40 or 44 hours per week. His books will show that, and every person who works for him will know it. Any district attorney in the United States can find that out without any trouble. The section is not necessary for that purpose.

The section provides that the Secretary of Labor may pass regulations determining in effect what is interstate commerce, but there is no provision in the bill that a violation of the orders of the Secretary is unlawful. No penalty is provided for a violation of the orders of the Secretary. At best the findings of the Secretary in that respect can only be used as evidence upon the trial of a case in court. It may be argued that the Secretary of Labor finds this or that is interstate commerce, and therefore the court ought to so find. A court would be embarrassed if he felt that he must reach a different conclusion than the Secretary. The section can serve no good purpose and ought to be stricken from the bill.

Mr. HALLECK. Mr. Chairman, will the gentleman yield?

Mr. MAPES. Yes.

Mr. HALLECK. Has the gentleman from Michigan any idea how long it might take for the Secretary of Labor to determine just what industries are within the provisions of this act and what are not?

Mr. MAPES. No. Of course, it is a perfectly impossible task for anyone to perform, and as I read the bill it does not make an iota of difference whether she finds an industry is within interstate commerce or not. That is a question for the court eventually, and the court would only be embarrassed by any finding which the Secretary might make.

The CHAIRMAN. The time of the gentleman from Michigan has expired. The question is on the amendment offered by the gentleman from Michigan.

Mr. RANDOLPH. Mr. Chairman, the gentleman from Michigan would have the Members of this Committee believe that the Secretary of Labor is given power arbitrarily to exempt one industry from the provisions of this bill while subjecting another industry to them. That is not so.

Mr. MAPES. Mr. Chairman, will the gentleman yield?

Mr. RANDOLPH. I cannot yield just now.

Mr. MAPES. I think the gentleman misunderstood my statement.

Mr. RANDOLPH. I am sorry. I yield to the gentleman.

Mr. MAPES. One of the proponents of the bill made that statement before the Committee on Rules. My contention is that it does not matter at all what the Secretary of Labor

holds in regard to the matter. The court must determine whether an industry comes within the scope of the bill, regardless of the finding or regulation of the Secretary of Labor.

Mr. RANDOLPH. The bill directs, not authorizes, the Secretary to find, with respect to each industry, facts bearing on how extensive are its interstate operations. If those operations are in fact extensive, the Secretary is directed, not authorized, to issue an order declaring the industry to be one affecting interstate commerce. My sense of fairness tells me, and the gentleman knows, that no court in the land would convict anyone of violating a law as indefinite as this would be should his amendment be adopted. Would the gentleman from Michigan like to determine at his peril—peril of going to jail, mind you—whether the relation of the whole industry to interstate commerce is close and substantial when he is only one member of it? The gentleman knows that a criminal statute must clearly define not only those who are to be subject to it but also what constitutes a violation of it. If the gentleman will take the trouble to read the committee report on the bill he will find that this is the very reason section 6 of the committee amendment directs the Secretary of Labor to determine these facts in the first instance. He knows that if the bill were otherwise we might as well throw it in the wastebasket right now, and that is why he asks you to vote for his amendment.

Prior to the decisions of the Supreme Court in the National Labor Relations Act cases that Court had uniformly held, as a matter of law, that production did not affect interstate commerce so as to bring activities connected with production within the regulatory power of Congress. In the National Labor Relations Act cases, however, the Court held that the question whether or not production affected interstate commerce in the case of any particular industry or enterprise depended on facts.

Under the National Labor Relations Act those facts are determined in the first instance by the Labor Board. Under the bill those facts are to be determined in the first instance by the Secretary of Labor.

It is absolutely necessary, if the bill is not to be void for indefiniteness, that an administrative officer determine in the first instance these facts with respect to the industry involved. Congress cannot, and as a matter of fairness should not, require an individual employer to determine at his peril whether or not the facts with respect to the scope of the interstate operations of this industry are sufficient as a matter of law to make him subject to regulation by the Federal Government. He is only one member of the industry, and, although he knows the facts with respect to his own individual enterprise, he does not know, and has no way of finding out, those facts with respect to the whole industry. Hence the Secretary of Labor is directed to determine these facts.

Those who seek to write an artificial definition of what constitutes a close and substantial relation of an industry to interstate commerce should read the case of Santa Cruz Packing Co. against National Labor Relations Board, decided by the Supreme Court on March 28, 1938. The Chief Justice, in the course of his opinion, stated:

> There is thus no point in the instant case in a demand for the drawing of a mathematical line. And what is reasonably clear in a particular application is not to be overborne by the simple and familiar dialectic of suggesting doubtful and extreme cases. The critical words of the provision of the National Labor Relations Act in dealing with the described labor practices are "affecting commerce," as defined (sec. 2 (6)). It is plain that the provision cannot be applied by a mere reference to percentages, and the fact that petitioner's sales in interstate and foreign commerce amounted to 37 percent and not to more than 50 percent of its production cannot be deemed controlling. The question that must be faced under the act upon particular facts is whether the unfair labor practices involved have such a close and substantial relation to the freedom of interstate commerce from injurious restraint that these practices may constitutionally be made the subject of Federal cognizance through provisions looking to the peaceable adjustment of labor disputes.
>
> The question of degree is constantly met in other relations. It is met whenever the Interstate Commerce Commission is required to find whether an intrastate rate or practice of an interstate carrier causes an undue and unreasonable discrimination against interstate or foreign commerce. * * * It is met under the Federal Employers' Liability Act, where the question is whether the employee's occupation at the time of his injury is "in interstate transportation or work so closely related to such transportation as to be practically a part of it." * * * It is met in the enforcement of the Clayton Act in determining whether the effect of the described provisions in contracts for the sale of commodities is "to substantially lessen competition." * * *
>
> Such questions cannot be escaped by the adoption of any artificial rule.

Mr. CASEY of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. RANDOLPH. I yield.

Mr. CASEY of Massachusetts. I have some street-railway and bus companies up in my State that are intrastate in character. Assuming that 2 percent of their business might involve passengers and baggage coming from outside the State, could the Secretary of Labor rule that the business of these companies was interstate in character under the provisions of this bill?

Mr. RANDOLPH. No; I feel she would not so hold in such an instance.

[Here the gavel fell.]

Mr. SUMNERS of Texas. Mr. Chairman, I move to strike out the last word for the purpose of eliciting information from the Committee. I believe the Members of the House would like to know if, when a case under this bill goes to the court of appeals, it goes solely on the record made in the hearing before the Secretary of Labor? That is the first question. Secondly, when the appeal is taken, does a supersedeas go along with the appeal? What happens to a person adversely affected by the Secretary's order between the rendition of that order and the determination of the circuit court of appeals? I think all the Members here would like this information of anyone who can supply it.

Mr. COX. Mr. Chairman, does the gentleman refer to the penal section of the bill?

Mr. SUMNERS of Texas. Yes; that is what I am talking about.

Mr. WOOD. It does not go up on the record. That is the answer to the gentleman's first question.

Mr. SUMNERS of Texas. It does not go upon the record?

Mr. WOOD. No.

Mr. SUMNERS of Texas. Then upon what does the circuit court of appeals base its determination if it has no record before it?

Mr. WOOD. The record of the Secretary and additional testimony adduced before the court.

Mr. SUMNERS of Texas. That is what I asked. Additional testimony is taken before the court?

Mr. WOOD. Certainly.

Mr. COX. The gentleman is entirely in error about that, Mr. Chairman. There is no provision in the bill for the taking of testimony before the court to which the case is appealed.

Mr. CELLER. Mr. Chairman, will the gentleman yield?

Mr. SUMNERS of Texas. Yes; for information.

Mr. CELLER. I think the procedure is outlined on page 55, section 8:

> A copy of such petition shall forthwith be served on the Secretary, and thereupon the Secretary shall certify and file in the court a transcript of the record upon which the order complained of was entered.

The testimony the court of appeals would have would be the testimony taken before the Secretary of Labor.

Mr. COX. The question now arises as to whether a supersedeas on the findings of the Secretary of Labor is granted; and if granted, by whom?

Mr. SUMNERS of Texas. What I want to know is what happens to the business of the person affected between the time he appeals and the time the circuit court of appeals renders judgment.

Mr. DIES. His business is already gone.

Mr. CELLER. If the gentleman will read lines 18, 19, and 20 on page 55 he will find the following:

> The commencement of proceedings under this subsection shall not, unless specifically ordered by the court, operate as a stay of the Secretary's order.

Mr. SUMNERS of Texas. In other words, I assume he would have to seek from the circuit court of appeals a stay on the determination of the Secretary of Labor.

Mr. WOOD. The court is authorized to allow supersedeas in all cases.

Mr. COX. Under the language of the bill, if the Secretary should initiate an investigation and should make a finding adverse to an individual, the individual would have to suffer the imposition of the penalty, whatever the penalty might be, until the record of the proceeding might be perfected and the matter handled by the circuit court of appeals upon application for a grant of supersedeas of the order of the Secretary; in other words, under the language of the bill as drawn, a perfectly innocent party is at least for the time being deprived of his right of appeal, denied due process.

[Here the gavel fell.]

Mr. COOLEY. Mr. Chairman, I do not deem it necessary or appropriate at this time to impose upon the membership of this House an explanation of the reasons which actuated me, which were, of course, entirely satisfactory to me, at the time I voted to recommit to the Committee on Labor the wage and hour bill which came before us for consideration at the extraordinary session of the Seventy-fifth Congress last fall; nor shall I attempt to reconcile my position upon that bill with the position I have taken upon the measure now under consideration, further than to say that, although the two bills deal with the same subject matter and seek a solution of the same great problems, they are fundamentally, basically, and drastically different. The two bills contain very different methods of approach to the solution of the very vital, yet perplexing, problem—a problem which is national in its scope and upon the proper solution of which depends the welfare and progress of a large group of our people.

It is not possible in the limited time at my disposal to discuss with any degree of detail either the problem or the solution sought to be accomplished by either of the two measures.

I believe that Congress is justified in employing every reasonable and constitutional method which is necessary to prevent the maintenance of intolerable substandard labor conditions by a selfish minority of employers—employers who insist upon their right to exploit the men, women, and children of this Nation, and to cheat and to chisel to the end that they may engage in destructive, cutthroat competition at the great hazard of subjecting the American people to the paralyzing and devastating consequence of industrial warfare. All of us know that when a disreputable and vicious and selfish minority is permitted to maintain intolerable and unbearable labor conditions and to survive and thrive at the expense of the laboring man in any particular industry that the inevitable effect, the ultimate, yea, the immediate result is the lowering of the labor standards in the whole of the industry.

A great majority of our employers are humane, fair, just, and reputable, and are willing to approve, adopt, and embrace a program and a law which contemplates a reasonable regulation of hours and a fair, just, and reasonable regulation of wages. The American employers will welcome a reasonable and simple bill which may be easily and effectively enforced, but they insist upon being freed from the clutches of a bureaucratic government, boards, and administrators. This is a simple bill; the penalties provided, the fine and the imprisonment, will be imposed and inflicted upon all who in reckless disregard of its provisions trample upon the sacred rights of the laboring man to live. The malefactors will answer at the public bar of justice, before judge and jury in open court, which is the proper forum for the enforcement of our public laws.

The only power or function delegated to the Secretary of Labor is the duty to determine the relation of the various industries to interstate and foreign commerce, which, after all, is nothing more than a preliminary finding not binding upon the courts in which controversies may be determined, together with the duty to investigate and to collect and transmit to the Department of Justice information and data regarding wages and hours, conditions and practices of employment in the industries affected by this act, and to make and issue regulations and orders with reference to the employment of learners and those whose efficiency is impaired by age or other infirmities or disabilities. The Secretary of Labor is not given any power of enforcement.

The Chief of the Children's Bureau is authorized to make investigations and, if necessary, to institute proceedings for the purpose of restraining violations of the child-labor provisions of the act, and to administer the provisions relating to the oppression of children in industry.

Out of the meager minimums of $11 a week to begin with and $16 a week in the fourth year's operation of this bill I hope that we may all remember that the laboring man, who in most instances is the father of a family and the head of a household, will have to pay his house rent and for food and fuel, and for clothing and for medical and dental care and services for himself, his wife, and children, and for the education of his children, his taxes, together with a multiplicity of incidentals too numerous to mention.

We have heard a lot in recent years about developing and expanding our foreign markets for the products of our fields and factories. Our best market is the American market. If we would expand our great American market we must increase the purchasing power of the masses. I have always thought, maintained, and believed that the American farmer is not only entitled to the cost of production but to an adequate profit for the products of his fields and his labor, and that the American workingman is entitled to a fair, a just, and an adequate living wage. I do not think, and I never have thought, that the 1938 farm bill would have the effect of guaranteeing security and prosperity to the American farmer; neither do I believe that this bill will guarantee to the American workingman a fair and an adequate degree of security or prosperity, but I do believe that the farm bill and the bill now under consideration are both honest and sincere efforts to solve problems which must and will ultimately be solved by the people of this great Nation. I indulge the hope that this bill will accomplish even a part of that which its ardent advocates claim it will accomplish.

The working people of the Southland are as good as those in other sections of the world. A divine Providence has endowed the South and its people with differentials which no legislative body will or can ever take from us. We have fertile fields and forests and all the natural resources which make a people great, together with a climate unsurpassed in all the world.

I am sure that no one will contend that this bill is perfect. Neither is the farm bill. Both of them will have to be amended from time to time in the light of experience. I hope that we will soon find a happy solution of both the farm and the labor problems and that all sections of the country and all groups of our people may once again march together upon the highway of prosperity. [Applause.]

Mrs. NORTON. Mr. Chairman, I ask unanimous consent that all debate on this section and all amendments thereto close in 10 minutes.

The CHAIRMAN. Is there objection to the request of the gentlewoman from New Jersey?

Mr. McLEAN. Mr. Chairman, reserving the right to object, the gentlewoman from New Jersey will bear in mind that some of us have been here since 11 o'clock this morning waiting for an opportunity to express our views on this bill as a whole and on the principles therein involved. Are we to be cut off now without being heard?

Mrs. NORTON. We feel that we have been very liberal in connection with the debate on this bill. Many of the Members are very anxious to get home and we feel that we should be permitted to limit the debate.

Mr. McLEAN. May I ask what the great hurry is to finish the bill today?

The CHAIRMAN. Is there objection to the request of the gentlewoman from New Jersey?

Mr. CELLER. Mr. Chairman, reserving the right to object, may I ask the Chairman how many Members have amendments pending?

The CHAIRMAN. The Chair may say that there are four amendments pending.

Mrs. NORTON. Mr. Chairman, I move that all debate on this section and all amendments thereto close in 20 minutes and that the time be equally divided among those Members who have amendments pending at the desk.

Mr. MAPES. Mr. Chairman, I offer a preferential motion. I move that the Committee do now rise.

The CHAIRMAN. Does the gentleman have the motion in writing?

Mr. MAPES. It is very unusual for the Chair to ask that that motion be put in writing.

The CHAIRMAN. The question is on the motion of the gentlewoman from New Jersey [Mrs. NORTON] that all debate on this section and all amendments thereto close in 20 minutes.

The motion was agreed to.

Mr. MAPES. Mr. Chairman, I offer a motion, which I send to the Clerk's desk.

The Clerk read as follows:

Mr. MAPES moves that the Committee do now rise.

The CHAIRMAN. The question is on the motion of the gentleman from Michigan.

The question was taken; and on a division (demanded by Mr. MAPES) there were—ayes 69, noes 154.

Mr. MAPES. Mr. Chairman, I ask for tellers.

Tellers were ordered, and the Chairman appointed as tellers Mrs. NORTON and Mr. MAPES.

The Committee again divided; and the tellers reported that there were—ayes 50, noes 128.

So the motion was rejected.

Mr. WHITE of Idaho. Mr. Chairman, a parliamentary inquiry. Now that this motion has been rejected, what becomes of the 8-hour day for Congressmen?

The CHAIRMAN. The question is on the amendment of the gentleman from Michigan.

The amendment was rejected.

Mr. MASSINGALE. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. MASSINGALE: On page 54, line 5, after the word "purchases", strike out the word "or" and insert the word "and."

Mr. MASSINGALE. Mr. Chairman, my amendment is for the purpose of protecting what you would call the corner grocery store man or the filling-station man. If you will turn to subsection (b) on page 54 you will find that the Secretary is directed to determine whether or not a particular industry is dependent for its existence upon substantial purchases or sales of goods in commerce. I want you to get the significance of that language. It means that if the Secretary should find that a country storekeeper is purchasing his groceries from a wholesaler in another State, then he could rule and probably would rule, or she would, in this case, that that man's business consists of substantial purchases of goods in commerce. This being true, there would not be a single little grocery store or filling station in America that would not have to pay the wages and observe the hours specified in this bill, and that would ruin those businesses. If you add "and" and eliminate "or" you cure the whole situation.

Mr. Chairman, I have taken this matter up with members of the Committee on Labor but have not been able to get any consideration from them. A matter of such importance as this should not demand of a Member of Congress that he come in here and beg and importune the members of the committee to recognize a little amendment of this sort which might save a great deal of embarrassment to the little merchants of this country.

Mrs. NORTON. Mr. Chairman, will the gentleman yield?

Mr. MASSINGALE. In just a moment.

Mrs. NORTON. I just wanted to observe that local retailing is exempted in the bill.

Mr. MASSINGALE. The further provision in this bill which states that a man is protected in such things as clerkships would not be worth anything at all if the Secretary of Labor first determined that a substantial part of that country merchant's business was in purchase of goods from other States. If you put the word "and" in there it will make the provision understandable and will prevent the Secretary from finding that simply because the little country merchant orders his groceries from another State he comes under this bill.

[Here the gavel fell.]

Mrs. NORTON. Mr. Chairman, I did not hear the amendment. I should like to have the amendment restated.

The CHAIRMAN. Without objection, the Clerk will again report the amendment.

There was no objection.

The Clerk again read the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Oklahoma [Mr. MASSINGALE].

The question was taken; and on a division (demanded by Mr. MASSINGALE) there were—ayes 40, noes 101.

So the amendment was rejected.

Mr. MCLEAN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. MCLEAN: Page 54, line 18, insert a new section, as follows:

"SEC. 6 (a). On his own motion, or if any labor organization, or any trade or industrial organization, association, or group, which has complied with the provisions of this act, shall make complaint to the President that any article or articles are being imported into the United States in substantial quantities or increasing ratio to domestic production of any competitive article or articles and on such terms or under such conditions as to render ineffective or seriously to endanger the maintenance of the provisions of this act, the President may cause an immediate investigation to be made by the United States Tariff Commission, which shall give precedence to investigation under this subsection, and if, after such investigation and such public notice and hearing as he shall specify, the President shall find the existence of such facts, he shall, in order to effectuate the policy of this act, direct that the article or articles concerned shall be permitted entry into the United States only upon such terms and conditions and subject to the payment of such fees and to such limitations in the total quantity which may be imported (in the course of any special period or periods) as he shall find it necessary to prescribe in order that the entry thereof shall not render or tend to render ineffective any provision of this act."

Mr. HEALEY. Mr. Chairman, I believe the Clerk has read far enough in the amendment to indicate that the amendment is subject to a point of order. I make the point of order that this amendment deals with tariff matters, which are wholly without the scope of the subject under consideration.

The CHAIRMAN. The Chair believes the Clerk had better conclude the reading of the amendment. The Clerk will report the remainder of the amendment.

The Clerk resumed and concluded the reading of the amendment, as follows:

In order to enforce any limitations imposed on the total quantity of imports, in any specified period or periods, of any article or articles under this subsection, the President may forbid the importation of such article or articles unless the importer shall have first obtained from the Secretary of the Treasury a license pursuant to such regulations as the President may prescribe. Upon information of any action by the President under this subsection the Secretary of the Treasury shall, through the proper officers, permit entry of the article or articles specified only upon such terms and conditions and subject to such fees, to such limitations in the quantity which may be imported, and to such requirements of license as the President shall have directed. The decision of the President as to facts shall be conclusive. Any condition or limitation of entry under this subsection shall continue in effect until the President shall find and inform the Secretary of the Treasury that the conditions which led to the imposition of such conditions or limitations upon entry no longer exists.

The CHAIRMAN. The gentleman from Massachusetts [Mr. HEALEY] makes a point of order against the amendment.

Mr. MCLEAN. May I be heard on the point of order, Mr. Chairman?

The CHAIRMAN. The Chair will hear the gentleman.

Mr. McLEAN. Mr. Chairman, the amendment I propose was enacted as section 3 (e) of the National Industrial Recovery Act of 1933, which was the first attempt to enact a wage and hour statute. The scheme of the National Recovery Act contemplated that an increase in the cost of production, which would necessarily follow the proposed limitation of wages and hours, would require some compensating price fixing and protection to cover the difference. It also anticipated that such increased cost of production would open the door to importation from countries where wage and hour statutes do not exist. Therefore, this provision was made a part of the act.

In brief, it authorizes the President, when he shall find that any article or articles are being imported into the United States in substantial quantities or increasing ratio to domestic production so as to render ineffectual or seriously endanger the maintenance of the labor standards established, to direct that such article or articles shall only be permitted entry subject to such limitations in total quantity as he shall find it necessary to prescribe.

The amendment is pertinent and germane to the pending bill because it protects those who may be compelled to increase the cost of production against importations from countries where such costs are lower, where wage and hour statutes do not exist, and where living standards do not approach our own.

Prosperity affects employer and employee alike. If an employer has work to do, he will employ men to do it, and the more work he has to do the more men he employs, and the more men employed the greater the demand and the fewer men available, and the price of labor goes up. This will not come about so long as we consume goods manufactured under conditions inferior to our own.

The American workingman now enjoys the privilege of negotiating with his employer as to the value of his services and the conditions under which he will work. He is the master of his own destiny. Under the scheme provided in this bill that privilege will be delegated to a bureau in Washington, and with it he will surrender so much of his independence. If experience is to be taken as a guide, there is more to be gained by his negotiation with his employer directly or through his organization. This method also affords the employer the opportunity to set forth his own needs measured by the competition he must meet, in which his employees have a material interest.

If the bill has any value whatever, it must be as a part of an economic scheme which takes into consideration all the elements which order our lives. The law of supply and demand still exists.

Valuable lessons were learned by experiences under the N. R. A. Its research board found as facts that, so far as the regulation of wages and hours was concerned, it resulted in curtailment of production, decrease in the average standard of living, lower consumption of raw materials, including farm products, and lower prices for them, geographical realinement of industry, and higher production costs for farmers. It also showed that under the attempt to fix a minimum wage, while some were raised, a substantial percentage was lowered to the minimum.

The enactment of this legislation in its present form will increase production costs and thereby reduce tariff rates. It will invite the world to dump on our market merchandise produced by sweatshop methods and child labor—conditions we are endeavoring to eliminate.

The amendment I propose will prevent such inconsistency.

The CHAIRMAN. The Chair is ready to rule.

The amendment offered by the gentleman from New Jersey clearly is not germane to the bill. The Chair passed upon a similar amendment when the wage and hour bill was up for consideration last December. For the reasons stated then, which it is not necessary to repeat at this time, the Chair sustains the point of order.

Mr. PEARSON. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. PEARSON: On page 54, line 5, strike out the words "substantial purchases or."

Mr. PEARSON. Mr. Chairman, someone has said that Congress is the greatest deliberative body on earth, and I think the scene that has been enacted here today in the consideration of this bill is one of the most outstanding arguments I have ever seen against any such statement. I think legislation as important to the Nation as this bill is should be considered with some degree of sanity and order and consideration, instead of being debated in a state of utter confusion.

My amendment is a very simple amendment, and I hope I may have the attention of this Committee long enough to consider an amendment which is important and deserves the consideration of the membership of this House. We just disposed of an amendment almost the same in substance as mine offered a few moments ago by the gentleman from Oklahoma [Mr. MASSINGALE], and the Committee very promptly, in all of the confusion and disorder which prevailed, voted it down. My amendment is just enough different to justify me in presenting it to you again, and I want to ask you to consider it seriously and as an amendment offered in good faith to help this bill and not to destroy it.

If you will turn to page 58 of the bill you will find an express exemption going to local retailers and exempting them from the provisions of this bill, and the Lord knows they should be exempt because there is no one who would stand on the floor of this House and say that Congress has any jurisdiction over a man engaged in local intrastate business. So we have actually exempted at least this one group whom we all recognize as being entitled to such exemption. Now, if we leave the language in this bill as it is written on page 54, with the words "substantial purchases or sales of goods" remaining in the bill, you will absolutely go in the very teeth of this exemption to local retailers and say to them that if your business is substantially that of purchasing goods, which moved to him through interstate commerce, and even though you sell it locally and do not sell it in interstate commerce, you are subject to the provisions of this bill. This might be extended and applied to farmers and every group which buys rather than sells merchandise.

If I understand interstate commerce, it means the sale of merchandise which moves across State borders, and I can live in Tennessee and purchase a carload of merchandise to be shipped to me from Texas every day in the week, and if I do not sell that merchandise to someone in another State then I am not engaged in interstate commerce. If retail dealers buy merchandise which moves to them in interstate commerce, and this language is left in this bill, every local retailer in this Nation is subject to the provisions of the bill.

I want to ask this committee to reconsider the vote which they have just given on the amendment offered by the gentleman from Oklahoma [Mr. MASSINGALE] and sustain this amendment to strike this language out of the bill. [Applause.]

Mrs. NORTON. Mr. Chairman, I rise in opposition to the amendment. It has been stated time and time again that local retailing is exempted from the bill. I do not think there is any necessity for the amendment, and I hope the Committee will vote it down.

The CHAIRMAN. The question is on agreeing to the amendment offered by the gentleman from Tennessee.

The question was taken; and on a division (demanded by Mr. PEARSON) there were—ayes 58, noes 92.

So the amendment was rejected.

Mr. CELLER. Mr. Chairman, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. CELLER: Page 54, line 9, after the word "commerce", strike out the period, insert a semicolon and the words "but no such order shall be applicable to any retail industry, the greater part of whose sales is in intrastate commerce."

Mr. CELLER. Mr. Chairman, I am sorry that the amendment of the gentleman from Oklahoma [Mr. MASSINGALE] and the amendment of the gentleman from Tennessee [Mr. PEARSON] have failed. They would have solved the problem of whether or not what the gentlewoman from New Jersey

[Mrs. NORTON] said, namely, that retailing is exempted, is actually the fact. I have great respect for the gentlewoman from New Jersey, when she says that retailing is exempted, but when you read section 6 and section 11, you find that those words belie what may be the best of intentions on the part of every member of the Labor Committee with reference to retailing. I maintain with all of the energy in me, as a lawyer of 25 years' standing and experience in interpreting statutes, who has appeared in the highest courts of the land, that you cannot read section 6 and section 11 together and have the interpretation consistent with what the gentlewoman from New Jersey says, namely, that retailing is exempted from the bill.

Mr. Chairman, the responsibility is here with all of us. I say to the Members of the House that you are responsible, and that this is your last chance. On two other occasions you have voted down amendments which would have made clear beyond peradventure of a doubt that retailing is exempted. The courts will look to the debates in this House for what is meant by these words. That is the settled practice. If we vote it down a third time, there will be no chance for any court anywhere, no administrative official anywhere, to say that retailing is exempted. The decision rests with you Members of the House. If you want to eliminate retailing, you should say so in clear-cut language, and this amendment which I offer indicates in the clearest way that retailing is exempted.

Mr. CASEY of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. CELLER. Yes.

Mr. CASEY of Massachusetts. If the gentleman's amendment is adopted, it will clarify this grave doubt and expressly exempt retailing.

Mr. CELLER. Yes. My amendment says that any industry whose sales are substantially in intrastate commerce shall be exempted from the operation of the act. My amendment changes section 6, and when read in connection with section 11 there can now be no doubt whatsoever. Without my amendment, there is doubt. Dissolve all doubt, dispel all chance of misinterpretation by accepting my amendment. Accept it and then retail dry goods, retail butchering, grocers, retail clothing stores, department stores will all be exempt.

Your duty is to clarify this situation. The chairlady, Mrs. NORTON, agrees that it is not the intention to include retailing. That being the case, why not say so? My amendment actually says that.

Mrs. NORTON. Mr. Chairman, in view of the great misunderstanding there must be about this retailing feature of the bill, the committee will accept the amendment. There has been a great deal of doubt as to the understanding of that particular section, and I think this amendment will not weaken our bill, but will in fact strengthen it. Therefore, I ask the Committee to stand with us in accepting this amendment.

Mr. DUNN. If these retailers are paying sweatshop wages, why should they be exempted?

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York.

The question was taken; and on a division (demanded by Mr. CELLER) there were—ayes 145, noes 56.

So the amendment was agreed to.

The CHAIRMAN. The Chair recognizes the gentleman from Oklahoma [Mr. JOHNSON] to offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. JOHNSON of Oklahoma: Page 54, line 5, after the word "substantial", strike out the words "purchases or".

Mr. JOHNSON of Oklahoma. Mr. Chairman, this amendment is similar in effect to the amendment offered by the gentleman from New York [Mr. CELLER] and which has just been adopted. I sent my amendment to the desk early in the afternoon. It, like the amendment of my colleague from Oklahoma [Mr. MASSINGALE] and the one offered by the gentleman from New York, which amendment has been approved by this body, is to protect the little corner store, filling station, and other retailers who purchase a substantial part of their goods across the State line. Inasmuch as the amendment of the gentleman from New York has been adopted, I ask unanimous consent to withdraw the amendment.

The CHAIRMAN. The gentleman from Oklahoma asks unanimous consent to withdraw his amendment. Is there objection?

There was no objection.

Mr. PETTENGILL. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. PETTENGILL: At the end of section 6, add the following:

"All orders issued by the Secretary under this section and section 12 shall be filed with the Secretary of State and published in the Federal Register, and when so filed and published all persons and courts shall take notice thereof."

The CHAIRMAN. The gentleman from Indiana is recognized for 4 minutes.

Mr. PETTENGILL. I call the attention of the distinguished gentlewoman from New Jersey to my amendment which requires all orders to be filed with the Secretary of State and published in the Federal Register.

Under N. R. A. we had a tremendous amount of confusion with reference to orders, where they were, when they became effective. There was no provision in the statute for notice. In the "hot oil" case that came up from Texas the whole administration of N. R. A. was put in disrepute by the fact that nobody could find the orders. They were misplaced, misfiled, and if you found them in the hip pockets of a United States marshal you were lucky.

For the purpose of improving the administration of the bill, I offer this amendment. I understand that a tremendous number of orders will be issued under sections 6 and 12; it seems to me it is only fair to those who are charged with the administration of the bill and those affected by orders that the public have definite notice of the orders and that they should be filed with the Secretary of State and published in the Federal Register.

Mr. COCHRAN. Mr. Chairman, will the gentleman yield?

Mr. PETTENGILL. I yield.

Mr. COCHRAN. The gentleman's amendment is absolutely unnecessary, because the law that created the Federal Register absolutely requires any Government agency that issues a regulation to submit it to The Archives, and it is not effective until it is published in the Federal Register.

Mr. PETTENGILL. I have not read the act lately.

Mr. COCHRAN. The gentleman from New York [Mr. CELLER] is the author of the Federal Register Act. I am sure he will confirm what I say.

Mr. PETTENGILL. I do not see the gentleman from New York present at the moment.

Mr. COCHRAN. I may say to the gentleman from Indiana that I am positive the statement I make is correct, because I attempted to repeal the act. I know what the act contains and I know that no regulation of any governmental agency can become effective until it is published in the Federal Register.

Mr. SMITH of Connecticut. Mr. Chairman, will the gentleman yield?

Mr. PETTENGILL. I yield.

Mr. SMITH of Connecticut. The statement of the gentleman from Missouri is correct that they have to be filed in the Federal Register, and if they are of general applicability they must be published. If not of general applicability, they are filed and do not have to be published.

Mr. PETTENGILL. Would orders under section 12 with reference to apprentices, learners, and handicaped workers be subject to publication in the Federal Register?

Mr. SMITH of Connecticut. I believe they would have to be published.

Mr. PETTENGILL. The gentleman considers them of general applicability?

Mr. SMITH of Connecticut. Yes.

Mrs. NORTON. That is my understanding.

Mr. PETTENGILL. I think it will do no harm to adopt my amendment. I am not convinced that the Federal Register Act requires the publication of these orders and regulations.

[Here the gavel fell.]

The CHAIRMAN. The question is on the amendment offered by the gentleman from Indiana.

The amendment was rejected.

Mr. DIES. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. DIES: On pages 53 and 54, strike out all of section 6.

The CHAIRMAN. The gentleman from Texas is recognized for 2 minutes.

Mr. DIES. Mr. Chairman, I call attention to the fact that if the Secretary of Labor in her discretion holds that some industry does not come within this vague and indefinite definition that was conceived by some third-story attic philosopher, there is nothing in the law or in the bill that will enable a competitor to compel that industry to come within the act. There is a provision in the bill by which an industry may be held to come within the bill, but if the Secretary of Labor holds that an industry does not come within it, there is not anything that can bring that industry under this bill.

This is the most ridiculous section I ever saw in my life. I hold here a letter from Miss Perkins recognizing the administrative difficulty in this and suggesting that it can be cured by a simple amendment. In view of the great haste to put the endorsement of the Members of this House upon what the powers that be have decreed I know it will be of no avail.

[Here the gavel fell.]

The CHAIRMAN. The question is on the amendment offered by the gentleman from Texas.

The amendment was rejected.

The Clerk read as follows:

ATTENDANCE OF WITNESSES

SEC. 7. For the purpose of any hearing provided for in section 6 of this act, the provisions of sections 9 and 10 (relating to the attendance of witnesses and the production of books, papers, and documents) of the Federal Trade Commission Act of September 16, 1914, as amended (U. S. C., 1934 ed., title 15, secs. 49 and 50), are hereby made applicable to the jurisdiction, powers, and duties of the Secretary.

Mr. COCHRAN. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I realize the hour is late, but while I was called to the telephone the gentleman from Arkansas [Mr. FULLER] delivered what I consider to be a vicious attack upon me. When I came from the telephone, four gentlemen from the South advised me of the speech of the gentleman from Arkansas. I waited until I had the opportunity to read the stenographic report of the gentleman's speech.

During that speech the gentleman said, "We from the South know that he," referring to me, "hates every Democrat who represents the South."

Mr. Chairman, I resent that statement and I deny the statement. I can prove by the RECORD that it was not justified. If the late Speakers, the Honorable Joseph Byrns and the Honorable Henry Rainey, were alive today, they, too, would confirm the statement I am making. When Mr. Rainey was a candidate for the Speaker of this House, although he came from the North and was my neighbor, I had pledged my support to Joe Byrns for the speakership, and I never withdrew that pledge until he personally asked me to do so. When WILLIAM BANKHEAD, the present Speaker of the House, was a candidate for majority leader, there was a candidate from the North opposed to him. I pledged my vote to WILLIAM BANKHEAD and I kept my word. I voted for him not only for majority leader but later I voted for him as Speaker of the House.

When SAMUEL RAYBURN, our present majority leader, was a candidate for majority leader of this House, I pledged my vote to SAM RAYBURN, although there was a Democrat from the North opposed to him. I kept my pledge and I voted for SAM RAYBURN.

Mr. Chairman, that in itself is evidence that the statement of the gentleman from Arkansas was not justified.

I ask you to consult the RECORD. Refer to any bill that has been beneficial to the cotton farmers of the South, to the tobacco farmers of the South, and others; see whether or not I am not recorded as having been in favor of that legislation. There are only two bills that ever came before this House that I can recall that affected the South that I have not supported, and I have no apologies to offer for those votes. If I am not in error many Members from the South voted as I did. One involved the Gilbertsville Dam, which was considered the other day, and the other was the Florida ship canal.

I am willing to defend my vote on both, now or at any other time.

Mr. Chairman, nothing surprised me more than to read the remarks of the gentleman from Arkansas. I was here long before he ever came. I thought he was my personal friend, and I his personal friend.

Mr. Chairman, if any Member or Members from the South hates me, may I say to one and all of you, no matter how much you might hate me, I love you. [Applause.]

[Here the gavel fell.]

Mr. PALMISANO. Mr. Chairman, I move to strike out the last two words.

Mr. Chairman, the purpose of this bill is to increase wages and to shorten the hours of labor to relieve the unemployment situation. While I am in favor of this bill, and I might say that I supported the other wage and hour bill that was recommitted to the Labor Committee on December 17, 1937, I feel that this bill alone will not accomplish its purpose.

I have always believed that the proper way to relieve unemployment is to check labor-saving devices during a depression. On June 1, 1934, in the Seventy-third Congress, and again on January 11, 1935, I introduced a resolution directing the Secretary of Labor to make a survey of the labor-saving devices in order to ascertain the number of persons in the United States unemployed by reason of the use of each kind or type of such devices.

House Resolution 49 was reported out by the Labor Committee and passed in the Seventy-fourth Congress. The Secretary of Labor, in compliance with the said resolution, is now compiling a list of labor-saving devices.

I do not believe that the wage and hour bill alone will relieve the unemployment situation unless we check labor-saving devices. To give you an illustration, today a laboring man works about 44 hours per week. This bill provides 40 hours per week, which would be an increase of employment of 1 man for every 10 persons employed. This, in itself, to my way of thinking, is not sufficient. On the other hand, a labor-saving device is produced which will be operated by one person; the output of said device will be equivalent to 10 or 20 men's work. You will note that without checking labor-saving devices the wage and hour bill creating 1 job out of every 10 will not be sufficient.

Senate amendment 239 to H. R. 9682, known as the Revenue Act for 1938, inserted a provision authorizing the Secretary of the Treasury to make an investigation of labor-saving and labor-displacing machinery. I am sorry that the conferees on the part of the House saw fit to eliminate this amendment.

I am of the opinion that there are two things necessary for the proper distribution of wealth of this country and the employment of the unemployed. One is to retain the present income tax in the higher brackets and the other is to tax labor-saving devices during a depression.

I have been in touch with Mr. Isador Lubin, Chief, Bureau of Statistics, Department of Labor, whose office is compiling this list of labor-saving devices and Mr. Lubin informed me that he would file his report within the next 10 days. When this report is filed I trust that the Members of the House will examine this report so that we can prepare some

measure to tax labor-saving devices in the Seventy-sixth Congress. [Applause.]

The Clerk read as follows:

COURT REVIEW OF ORDERS

SEC. 8. Any person aggrieved by an order issued under section 6 may at any time obtain a review of such order by filing in the circuit court of appeals for the circuit in which is situated his principal place of business, or in the Court of Appeals of the United States for the District of Columbia, a written petition praying that such order be modified or set aside in whole or in part. A copy of such petition shall forthwith be served on the Secretary, and thereupon the Secretary shall certify and file in the court a transcript of the record upon which the order complained of was entered. Upon the filing of such transcript such court shall have exclusive jurisdiction to affirm, or if it is not in accordance with law to modify or set aside, such order in whole or in part. The judgment or decree of the court shall be final, subject to review as provided in sections 239 and 240 of the Judicial Code, as amended (U. S. C., 1934 ed., title 28, secs. 346 and 347). The commencement of proceedings under this subsection shall not, unless specifically ordered by the court, operate as a stay of the Secretary's order.

Mrs. NORTON. Mr. Chairman, I ask unanimous consent that all debate on this section and all amendments thereto, and all the following sections and all amendments thereto, close in 30 minutes.

The CHAIRMAN. Is there objection to the request of the gentlewoman from New Jersey?

Mr. TABER. Mr. Chairman, I object.

THE HOBBS AMENDMENTS

Mr. HOBBS. Mr. Chairman, I offer an amendment, which I send to the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. HOBBS: Page 55, lines 2 to 20, strike out section 8 and insert:

"SEC. 8. Any person who may feel aggrieved by any order issued under section 6 may at any time obtain a review of such order by filing in the district court of the district in which is situated his principal place of business, a written petition praying that such order be modified or set aside in whole or in part. On any such review the issue shall be tried de novo, and by jury if a jury trial be demanded in writing by either party within 30 days after the filing of the petition for review.

"A copy of the petition in every case shall be forthwith served upon the Secretary, by mailing it in the registered mail, return receipt demanded. Such return receipt shall be prima facie evidence of proper service.

"The judgment rendered upon any trial hereunder may be appealed from in regular order, as in case of any other appealable judgment: the same rules of practice and procedure which govern similar cases shall be applicable to cases hereunder."

Mrs. NORTON. Will the gentleman yield?

Mr. HOBBS. I yield to the gentlewoman from New Jersey.

Mrs. NORTON. Mr. Chairman, I ask unanimous consent that all debate on this section and all amendments thereto close in 5 minutes.

The CHAIRMAN. Is there objection to the request of the gentlewoman from New Jersey?

There was no objection.

Mr. HOBBS. Mr. Chairman, I desire most respectfully and earnestly to call your attention to lines 12, 13, and 14, page 55, wherein is stated the "joker" which damns the declared purpose of this bill to provide judicial review as false.

The caption of section 8, in bold type, reads:

Court review of orders.

There is no such thing in this bill.

The words to which I wish to call your attention are as follows:

Upon the filing of such transcript such court shall have exclusive jurisdiction to affirm, or if it is not in accordance with law.

The court may modify or cancel the order. In other words, the only criterion laid down in this bill by which to judge whether or not to modify or cancel a decision of the Secretary of Labor is that the decision holding that a firm is engaged in interstate commerce is not in accordance with law. What is the law that is referred to? It is that she must make an investigation—to suit herself—and make a determination of fact whether or not any given business is engaged in interstate commerce. Therefore, when she has made the investigation—to suit herself—and made the determination that this firm is engaged in interstate commerce, the only thing in God Almighty's world that can be done by the court, when the proprietor goes to court, is to determine whether or not she made the investigation and determination, and if she did, she complied with all the law that is in this bill; and the court would be under the necessity of "affirming" the determination reached by the Secretary, and her order, no matter how utterly erroneous her finding of fact might be!

I am not joking. This is not facetious. I expect the distinguished gentlewoman and the members of her committee, who believe in fairness, to give us a square deal on this thing and not "kid" us. You did it last time. The House adopted this same sort of amendment of mine during the wage and hour bill fight in December, and you ought to do it now.

You, who are the children of the Barons of Runnymede, who wrung from the unwilling hand of King John Magna Charta, which guaranteed trial by jury; you, who are descendants of the men who did away with star-chamber proceedings once and for all, by virtue of that same immortal document; you are not such as would deny to the humblest American citizen his "day in court"! You have said so repeatedly in this very debate. Therefore, I submit that when the Secretary of Labor makes an investigation and a determination affecting the rights of any man, or any business, deciding whether or not he or it comes under the terms of this act, that man or that business is entitled to the time-honored right of a "day in court"! Not for the childish pretext of seeing merely whether or not the Secretary has complied with the only two duties required of her by this act, but to determine whether or not, essentially and fairly, the Secretary is right or wrong.

In other words, you and every other citizen ought to have the right to challenge the justice, the equity, and the righteousness of the determination of the Secretary of Labor. She may know a great deal about the shoe market, but she is not infallible! I appeal in all fairness to you of this House, no matter what your convictions may be with regard to the merits of this bill, for this is not a partisan appeal I am making, to see that the rights of American citizens are respected! One of those rights of American citizens which should be respected is the right to "a day in court" and a jury trial. We grant that much—and usually more—to a confessed murderer or rapist! If we mean our oaths which bind us to uphold the Constitution, if we revere the proud traditions of our race, we should declare that the right of trial by jury should ever remain inviolate! [Applause.]

The CHAIRMAN. The question is on the amendment offered by the gentleman from Alabama [Mr. HOBBS].

The question was taken; and on a division (demanded by Mr. HOBBS) there were—ayes 109, noes 94.

Mr. BOILEAU. Mr. Chairman, I ask for tellers.

Tellers were ordered, and the Chairman appointed as tellers Mrs. NORTON and Mr. HOBBS.

The Committee again divided; and the tellers reported that there were—ayes 127, noes 136.

So the amendment was rejected.

Mr. HOBBS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. HOBBS: Page 55, line 13, after the word "to", insert "try and determine the issue of the correctness, vel non, of the Secretary's determination of facts and order, and to," and also strike out of lines 13 and 14 the words "if it is not in accordance with law."

The amendment was rejected.

The Clerk read as follows:

INVESTIGATIONS, INSPECTIONS, AND RECORDS

SEC. 9. (a) The Secretary or his designated representatives may investigate and gather data regarding the wages, hours, and other conditions and practices of employment in any industry subject to this act, and may enter and inspect such places and such records (and make such transcriptions thereof), question such employees, and investigate such facts, conditions, practices, or matters as he may deem necessary or appropriate to determine whether any person has violated any provision of this act, or which may aid in the enforcement of the provisions of this act.

Except as provided in section 10 the Secretary shall utilize the Bureau of Labor Statistics of the Department of Labor for all the investigations and inspections necessary under this section.

(b) With the consent and cooperation of State agencies charged with the administration of State labor laws, the Secretary may, for the purpose of carrying out the provisions of this act, utilize the services of State and local agencies and their employees and, notwithstanding any other provision of law, may reimburse such State and local agencies and their employees for services rendered for such purposes.

(c) Every employer subject to any provision of this act or of any order shall make, keep, and preserve such records of the persons employed by him and of the wages, hours, and other conditions and practices of employment maintained by him, and shall preserve such records for such periods of time, and shall make such reports therefrom to the Secretary as he shall prescribe by regulation or order as necessary or appropriate for the enforcement of the provisions of this act or the regulations or orders thereunder.

CHILD-LABOR PROVISIONS

SEC. 10. (a) No producer, manufacturer, or dealer shall ship or deliver for shipment in commerce any goods produced in an establishment situated in the United States in or about which within 30 days prior to the removal of such goods therefrom any oppressive child labor has been employed: *Provided*, That a prosecution and conviction of a defendant for the shipment or delivery for shipment of any goods under the conditions herein prohibited shall be a bar to any further prosecution against the same defendant for shipments or deliveries for shipment of any such goods before the beginning of said prosecution.

(b) No employer engaged in commerce in any industry affecting commerce shall employ any employee under any oppressive child-labor condition.

(c) The Chief of the Children's Bureau in the Department of Labor, or any of his authorized representatives, shall make all investigations and inspections under section 9 (a) with respect to the employment of minors and bring all actions under section 15 to enjoin any act or practice which is unlawful by reason of the existence of oppressive child labor, and shall administer all other provisions of this act relating to oppressive child labor.

EXEMPTIONS

SEC. 11. (a) The provisions of sections 4 and 5 shall not apply to (1) any employee employed in a bona fide executive, administrative, professional, or local retailing capacity, or in the capacity of outside salesman (as such terms are defined and delimited by regulations of the Secretary); or (2) any employee employed as a seaman; or (3) any employee of an employer subject to the provisions of Part I of the Interstate Commerce Act; or (4) any air transport employee subject to the provisions of title II of the Railway Labor Act; or (5) any employee employed in the taking of fish, sea foods, or sponges; or (6) any employee employed in agriculture; or (7) any employee to the extent that such employee is exempted by regulations or orders of the Secretary issued under section 12.

(b) The provisions of section 5 shall not apply to any employee with respect to whom the Interstate Commerce Commission has power to establish qualifications and maximum hours of service pursuant to the provisions of section 204 of the Motor Carrier Act, 1935.

(c) The provisions of section 10 shall not apply to any employee employed in agriculture.

Mr. KRAMER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. KRAMER: On page 58, line 20, after the "10" insert "in respect of child labor."

In line 21, strike out the period and add the following: "or to any child employed as an actor in motion pictures or theatrical productions."

Mr. KRAMER. Mr. Chairman, this is a perfecting amendment, exempting certain gifted children and granting the right to take advantage of an opportunity which is open to very few children. The ability to perform in motion pictures requires an intellectual gift and quality, something which is born in the exceptional child. Not only the motion picture industry but the movie-going public would be denied much pleasure and enjoyment if children were barred from the screen. The old and young are delighted with the unassuming appeal of America's little sweetheart, Shirley Temple; and the natural charm of the very talented Deanna Durbin; the wholesome fun of Spanky McFarlane, colored lad Buckwheat, Alfalfa, and the other children who compose Our Gang. Their pranks take us back to our own childhood. No one wants to forget those carefree days which we claim as the happiest of our lives. Without child actors we would not have had Tommy Kelly in Tom Sawyer and Huckleberry Finn, the Mauch twins in Prince and the Pauper, Virginia Weidler, Jane Withers, Jackie Moran, Sammy McKim, and the other delightful youngsters in amusing and entertaining films.

The stories of Charles Dickens have been brought back to us on the screen. Without child motion-picture players this would have been an impossibility. Those who saw the motion picture David Copperfield were deeply touched by the portrayal of the tragic little figure David by Freddie Bartholomew. There was more recently produced Captains Courageous, an excellent production, and the childish appeal of the young actor was truly dramatic. Many historical pictures have been brought to us also with child actors in the cast of characters.

The children who are employed as actors possess a distinct talent—a gift of God—and their employment is not labor in the sense of the word as applied to unfortunate youngsters, who, lacking in no distinct talent, are obliged to seek employment in some workshop, or elsewhere, for the few paltry dollars they can earn. Economic conditions have compelled them to assist in the breadwinning for the family and they are indeed pathetic little figures.

Dead End, a motion picture portrayal of life in the New York slums, had as actors in the principal roles several adolescent youngsters who had been born and reared in that very environment. They had little opportunity for becoming successful citizens in the business or professional world for they were very poor and only by the most courageous and persistent struggle could they ever hope to establish themselves. These young men were cast for the stage production of Dead End and were so successful that they were cast for the motion picture of the same name. They were thus removed from the atmosphere of slums and degradation and their contracts call for more motion-picture work. They are well on the way to becoming successful young men.

The motion-picture industry is very strict in the number of hours a child shall work; they must never lose their fresh charm of youth. Each child of school age must attend classes, and schools are provided by the motion-picture firms, being approved by the State board of education.

EMPLOYMENT OF THESE CHILDREN IS NOT LABOR

They are displaying a natural talent and they enjoy it. They are cared for far better than children in other walks of life. The theatrical profession is in a world by itself. The rules, code, and discipline is much stricter than that of the ordinary life of a child in the nonprofessional environment. Rest and relaxation comes first to the child stars—education next. They have every possible opportunity for education, and it is unfortunate that every child does not have the same opportunity. Through their work they acquire charm, grace, and poise.

Mary Pickford, who has now retired from the screen, was the first child actress of note. Her earlier childhood was a sad one, for there were many periods of poverty. However, the beautiful child attracted a great deal of attention and was selected to play the leading role in a film which necessitated a small girl to play the role of one of the characters. The public received her with a great deal of enthusiasm. More pictures followed in which she starred, and she soon became recognized as "America's Sweetheart." Mary Pickford is now an adult—most gracious—and most charitable, for she has never forgotten her own less fortunate days.

It is interesting to point out the various professions, talents, crafts, and vocations utilized in the production of motion pictures. There are in excess of 85 different professions and building-trades mechanics, exclusive of actors who are employed in the production of motion pictures.

The revenue obtained by the United States Government from the motion-picture industry is one worthy of our most serious consideration. Not only the income tax paid by the juvenile stars themselves but the income taxes paid by the adult stars and the thousands of persons employed in connection with the making of these pictures, including skilled and unskilled labor, also the revenue derived by the Government in taxes collected on the box-office receipts is worthy of consideration.

The number of child actors in the industry are not many, and they must not be cruelly cut off from the production of beauty, purity, love, and appeal of children. I sincerely ask your support on this constructive and meritorious amendment. [Applause.]

Mr. SCHNEIDER of Wisconsin. Mr. Chairman, will the gentleman yield?

Mr. KRAMER. I yield to the gentleman from Wisconsin.

Mr. SCHNEIDER of Wisconsin. The gentleman's amendment would exempt children engaged only in the making of moving pictures?

Mr. KRAMER. The gentleman is correct.

Mr. SCHNEIDER of Wisconsin. There are very few young people employed in that occupation?

Mr. KRAMER. Very few. There are hardly more than 10 employed at one time.

Mr. RAYBURN. If the gentleman will yield, I may say I understand that the amendment of the gentleman from California is acceptable to the committee.

Mr. KRAMER. I know you are all for Shirley Temple and the other child actors.

I was for the bill last December and am for this bill and have supported it.

Mr. RANDOLPH. I may say that when the bill was before us for consideration the previous time the committee accepted the amendment.

Mr. KRAMER. I may say to the gentleman and the Members of the House that I am unqualifiedly for this bill. [Applause.]

The CHAIRMAN. The question is on the amendment offered by the gentleman from California.

The amendment was agreed to.

Mr. BARTON. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. BARTON: Page 58, line 21, insert a new paragraph, as follows:

"(d) The provisions of section 5 shall not apply to any employee who is employed at a fixed annual wage not in conflict with section 4 of this act, whether that wage be payable weekly, biweekly, or monthly, providing that, in addition to such fixed annual wage, the employee shall receive additional compensation at the rate of one and one-half times his wage computed on an hourly basis for any work done in excess of 12 hours in any one day, or 60 hours in any one week, or 2,080 hours in any one year."

Mr. BARTON. Mr. Chairman, as the Members of the House know, there are in different parts of the country certain industries which are experimenting with what has come to be known as the annual wage. One of these industries is in Austin, Minn., the Hormel Packing Co., and it may be recalled that Mr. Jay Hormel, the president of that company, appeared before the Senate Committee on Unemployment and gave testimony as to the value of the plan and the success which it had attained, which testimony was reported and commented on all over the United States. The industry which he represents—and there are a number that are attempting the same experiment—has reached the point where the guaranteed annual wage is about $1,500, and the average number of hours worked in that industry is 35½. However, to achieve this guaranteed wage in an industry whose products are perishable, they work certain weeks a higher number of hours, and these are compensated for by other weeks when the hours are lower. So the average turns out to be 35½.

The amendment which I offer would not weaken the bill. It would apply at present only to a comparatively small number of employees, but the important thing is that it recognizes in this labor act the principle of the annual guaranteed wage. This principle, I believe, points the way along which future progress for labor in this country must be made.

Mr. PETTENGILL. Mr. Chairman, will the gentleman yield?

Mr. BARTON. I yield.

Mr. PETTENGILL. The gentleman's amendment would encourage the adoption of the annual wage by industry, a recommendation which has been made by President Roosevelt?

Mr. BARTON. That is the purpose of the amendment.

Mr. BOILEAU. Mr. Chairman, will the gentleman yield?

Mr. BARTON. I yield.

Mr. BOILEAU. Does not the gentleman believe that the 12-hour week exemption with respect to hours would take care of the situation of the companies the gentleman has referred to?

Mr. BARTON. In answer to the gentleman I may say that I would like to see this first wage and hour bill recognize by name the principle of the annual wage and leave the door open for further experiments such as those Mr. Hormel has carried on successfully.

Mr. BOILEAU. Of course, the gentleman would not want the annual wage to be too low?

Mr. BARTON. In his case I have the actual figures, about $1,500 a year.

Mr. BOILEAU. In his case he is exempted now for 12 weeks in the canning of perishable commodities; in other words, he has 12 weeks when he can work longer than the hours provided in the bill.

Mr. BARTON. Of course, I have not had a chance to check that with him.

Mr. SCHNEIDER of Wisconsin. Mr. Chairman, will the gentleman yield?

Mr. BARTON. I yield.

Mr. SCHNEIDER of Wisconsin. Does the concern in question ask to be exempt from the provisions of this bill?

Mr. BARTON. It asks to be exempt from the 40-hour provision, because, operating as it does, there are some weeks when they work more than 40 hours, and, of course, some weeks when they work less, but because of the economies effected they are able to pay the annual wage.

Mr. ANDRESEN of Minnesota. Mr. Chairman, will the gentleman yield?

Mr. BARTON. I yield to the gentleman from Minnesota.

Mr. ANDRESEN of Minnesota. I will say to the gentleman that the average workweek is 35 hours and the average pay is $1,500 a year, and that is spread over the year.

Mr. BARTON. And the average pay, I may say, is subject to no deductions on the part of the company.

[Here the gavel fell.]

Mr. WOOD. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I hope this amendment will not be adopted. While it is very true there are a few employers in this country who are experimenting with the annual wage, yet if you exempt the employers who have the annual wage, then all the chiseling employers of this country will immediately go upon an annual wage instead of a weekly wage, and this will give them an opportunity to get out from under the operation of the law.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York.

The amendment was rejected.

Mr. FORAND. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. FORAND: On page 58, line 11, after the figure "5", strike out all of line 11 and the word "sponges" in line 12 and insert in lieu thereof the following: "Any employee employed in the cultivation, growing, raising, harvesting, or taking of fish, shellfish, sea foods, or sponges and any practices performed by fishermen or water farmers as an incident to such fishing or fish-farming operations including preparation for market, delivery to storage or to market or to carriers for transportation to market."

Mr. FORAND. Mr. Chairman, I have asked for this time fully realizing we have been here almost 10 hours, but I do so because I want to clarify one part of the amendment. I have been assured by the chairman of the committee that this amendment is completely covered now in the bill.

Mr. RANDOLPH. Mr. Chairman, will the gentleman yield?

Mr. FORAND. Yes; I yield to the gentleman from West Virginia.

Mr. RANDOLPH. It is our understanding that the employees in which the gentleman is interested are covered by the broad exemption, and therefore that they are exempted.

Mr. FORAND. Thank you, Mr. RANDOLPH. Mr. Chairman, that is clear enough in the RECORD so that these people who are interested can refer to it at any time. The intent of the House is that all the employees mentioned in my amendment are exempt. Therefore, I ask unanimous consent to withdraw my amendment.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. BLAND. Mr. Chairman, I offer the following amendment which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. BLAND: Page 58, line 11, strike out the words "any employee employed in the taking of fish, sea foods, or sponges" and insert in lieu thereof the following: "Any employee employed in the catching, taking, harvesting, cultivating, or farming of any kind of fish, shellfish, crustacea, sponges, seaweeds, or other aquatic forms of animal and vegetable life, including the going to and returning from work, and including employment in the loading, unloading, or packing of such products for shipment, or in propagating, processing, marketing, freezing, canning, curing, storing, or distributing the above products or by-products thereof."

Mr. SABATH. Mr. Chairman, I make the point of order that that amendment has already been considered and voted down by the Committee.

The CHAIRMAN. The Chair calls the attention of the gentleman from Illinois to the fact that the amendment of the gentleman from Virginia is offered now to a different section from that to which it was offered before. The Chair calls attention to the fact that the effect of the amendment might be entirely different.

Mr. SABATH. Mr. Chairman, I withdraw the point of order.

Mr. BLAND. Mr. Chairman, I realize the apparent concession which was made just a moment ago, but I am not satisfied that the statement on the floor of the House is a sufficient concession for the Department to interpret that to be law, which by the express language is not law. This amendment is not the same. In the last amendment I was trying to define the fishery industry. I am now dealing with those persons who are exempt, and I call the attention of the Committee to the language with respect to the employment of persons in agriculture. It is said that persons employed in agriculture are exempt, and yet when we deal with the fishery industry we exempt only those who are employed in taking fish, sea foods, and sponges.

In other words, if you were to apply the same amendment to agriculture, you would exempt only the persons that are gathering the potatoes from the field, only the persons who are gathering the corn that has been raised, only the persons who are picking the cotton. You would not exempt the essential industry, the essential work, and essential employment that goes into the taking of the fish. In other words, when you are dealing with the nets in the sea you are not exempting the persons who have the labor of putting down those nets, you are not exempting the persons who again and again must go out to put out the nets, but you are exempting only the person who goes out and actually takes the fish out of the net after they are collected. By no process of interpretation of the English language can we make this amendment do that which I believe the committee intended it to do.

Mr. HEALEY. Mr. Chairman, will the gentleman yield?

Mr. BLAND. Yes.

Mr. HEALEY. The gentleman has taken into consideration the amendment already adopted?

Mr. BLAND. That dealt with processing, it did not deal with these fishermen who have a yearly operation in one kind of fish or another. I believe the intent of the committee was fairly good, and I cannot believe that the gentleman from Massachusetts intended to do the harm and detriment to his own fishermen along the Massachusetts coast that this language in this bill will do.

Mr. BATES. Mr. Chairman, will the gentleman yield?

Mr. BLAND. Yes.

Mr. BATES. Do I understand that there is no provision in this bill to take care of fishermen who go out in the water and get the fish?

Mr. BLAND. Only the men who take the fish, not the men who do the work incidental to it.

Mr. BATES. And the gentleman's amendment will clear up that situation?

Mr. BLAND. Yes. Applied to agriculture this kind of an amendment would apply only to the people taking the potatoes from the ground or who harvest the crop. All others employed in agriculture would be subject to the provisions of the bill. It would apply only to the people picking the cotton from the stalks and the people engaged in all of the other operations would be subject to the bill. I am only asking for the seafood and fishery industry that which has been done for agriculture.

The CHAIRMAN. The time of the gentleman from Virginia has expired. The question is on the amendment offered by the gentleman from Virginia.

The question was taken; and on a division (demanded by Mr. BLAND) there were—ayes, 151, noes 86.

Mr. LANZETTA. Mr. Chairman, I ask for tellers.

Tellers were ordered, and the Chair appointed as tellers Mr. BLAND and Mrs. NORTON.

The Committee again divided: and the tellers reported that there were—ayes 153, noes 100.

So the amendment was agreed to.

Mr. CUMMINGS. Mr. Chairman, I offer a preferential motion.

The Clerk read as follows:

Mr. CUMMINGS moves that the Committee do now rise.

The CHAIRMAN. This motion is not debatable. The question is on the motion.

The question was taken; and on a division (demanded by Mr. CUMMINGS and Mr. O'MALLEY) there were—ayes 49, noes 152.

So the motion was rejected.

Mr. CROSSER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. CROSSER: Page 58, strike out all after the semicolon in line 7, all of line 8 and line 9 down to and including the semicolon.

In lines 9, 11, and 12, respectively, strike out "(4)", "(5)", "(6)", and "(7)", and insert "(3)", "(4)", "(5)", and "(6)", respectively.

Line 15, insert "(1)" before "any" and, in line 19, after "1935", insert "; or (2) to any employee of an employer subject to the provisions of part I of the Interstate Commerce Act."

Mr. CROSSER. Mr. Chairman, I understand that the members of the committee are ready to accept this amendment. It is a very simple one which merely brings the railroad workers within the provisions of the wage section of the bill. I do not want to take the committee's time on something that is agreeable to them.

Mr. RAYBURN. Mr. Chairman, will the gentleman yield?

Mr. CROSSER. I yield.

Mr. RAYBURN. I understand, Mr. Chairman, that what the gentleman states is true, that the members of the committee are agreeable to the amendment he has offered.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Ohio.

The amendment was agreed to.

Mrs. NORTON. Mr. Chairman, I ask unanimous consent that all debate on this section and all amendments thereto close in 10 minutes.

The CHAIRMAN. Is there objection to the request of the gentlewoman from New Jersey?

There was no objection.

The CHAIRMAN. The Chair will state that there are four amendments pending. If there is no objection, the Chair will recognize for 2½ minutes each Member who has offered an amendment.

There was no objection.

Mr. PACE. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. PACE: On page 58, at the end of section 11, add the following subsection:

"(d) The provisions of section 4 shall not apply to any employer during the time he is subject to a greater charge for the transportation of property moving from one rate-making or geographical section (as now or hereafter designated by the Interstate Commerce Commission for rate-making purposes) into another rate-making or geographical section than the charge for the transportation of the same or like classes of traffic moving wholly within the destination rate-making or geographical section, distance considered."

Mr. MARTIN of Massachusetts. Mr. Chairman, a point of order.

Mr. PACE. Mr. Chairman, will the gentleman reserve his point of order?

Mr. MARTIN of Massachusetts. Mr. Chairman, I reserve the point of order against the amendment to permit the gentleman to make a statement.

The CHAIRMAN. The gentleman from Georgia is recognized for 2½ minutes.

Mr. PACE. Mr. Chairman, I do not believe there is any Member of the House more anxious than I to have a part in improving the working conditions and the standards of living of the wage earners of this Nation. It is, therefore, very difficult and somewhat embarrassing to be faced with a bill that you know will be harmful to your district.

My amendment proposes that the wage provisions of this bill shall be suspended until the discriminatory and differential freight rates that now exist between different sections have been corrected. This bill provides that it will not become effective for 4 months after its passage. You have shown a disposition here today to eliminate all differentials. It is my hope that you will in good faith go further and eliminate the very unfair, the very discriminatory freight rates that now exist between different sections of the country. We need your help. We have been trying for years to get these differentials corrected.

I feel that if you will adopt this amendment that by united effort we can within the 4 months before this bill becomes effective get the Interstate Commerce Commission to consider this Nation as one great nation, to consider the people in every section of this Nation on an equality, so that if there is not to be any differential in wages then there will not be any differential in freight rates and no section will have a preference over another.

What are we confronted with today? In the official territory, in the Northern States, the freight rate is 100. In southern territory it is 139. In southwestern territory it is 175, and in the western territory, the Pacific coast, it is 171.

There is no dispute as to this injustice. Here is the official report to this Congress, House Document No. 264, and here is what it has to say as to the effect of these discriminatory freight rates on my section:

> One of the basic principles of rate making for transportation purposes should be the prevention of rate barriers against regional or territorial development. Discriminatory or preferential rates unduly favoring some regions or territories as against others will surely operate to lower the future living standards of the American people by interfering with economic readjustments which are necessary for the national welfare.
>
> When manufactured or processed articles, therefore, are moved from these outlying territories to markets in eastern or official territory competition must be met, as a general rule, from manufacturers or producers of similar products located in eastern or official territory who can reach the same consuming points on intraterritorial freight rates that are materially lower, mile for mile, than the interterritorial rates which these outside shippers are compelled to pay. An attempt to meet such competition generally entails a deduction from the prices received by the disadvantaged producers, since the extra freight costs cannot be passed on to the consumers. Thus, manufacturing in the outlying territories is hampered, discouraged, and retarded despite the fact that certain areas in these regions possess, with the single exception of proximity to markets, all the economic factors necessary for a considerable industrial growth.
>
> The consumer, too, has a definite interest in this problem since transportation charges influence the prices of the products sold to him and the competitive situation of his market. The price of goods sold to the consumer in favorably situated rate regions tends to approach a figure slightly less than a price which would include freight charges on competitive goods from other regions less favorably located in regard to transportation costs. The consumer in regions in which comparatively high rates prevail may suffer also by having to pay prices that include more than transportation costs.

I hope you will approve this amendment, and give my section and the wage earners of my district the same opportunities and the same prospect of regular and profitable employment as you claim for your own people.

Mr. MARTIN of Massachusetts. Mr. Chairman, I make the point of order the amendment offered by the gentleman from Georgia [Mr. PACE] is not germane to this legislation which has to do with wages and hours. The amendment has to do with freight rates, which are not being considered in the present bill.

The CHAIRMAN. Does the gentleman from Georgia [Mr. PACE] desire to be heard?

Mr. PACE. Mr. Chairman, we are now considering section 11, which exempts certain persons from the effect of the provisions of this bill. I respectfully submit that the proposed amendment would suspend for a time from the effectiveness of the provisions of this act the employees who are subject to this discriminatory freight-rate situation. For these reasons I believe it is germane.

The CHAIRMAN. The Chair is ready to rule.

It is very evident to the Chair that the amendment offered by the gentleman from Georgia [Mr. PACE] is not germane to the pending bill or to any section of the bill, particularly section 11 of the bill.

The Chair sustains the point of order.

Mr. BELL. Mr. Chairman, I offer an amendment which I send to the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. BELL: Page 58, line 14, after the end of section 11 (a) substitute a semicolon for the period and add thereto the following: "or, (8) any employee of a street, suburban, or interurban electric railway, or any other firm, company, or individual engaged in the business of carrying passengers for hire, not included in the exemptions contained in this section."

Mr. CASEY of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. BELL. I yield to the gentleman from Massachusetts.

Mr. CASEY of Massachusetts. Mr. Chairman, my amendment, which is at the desk, is the same as the gentleman's amendment, and I therefore withdraw it and ask that the gentleman from Missouri [Mr. BELL] may be given the additional time.

The CHAIRMAN. Does the gentleman from Massachusetts withdraw his amendment?

Mr. CASEY of Massachusetts. I withdraw it.

Mr. BELL. Mr. Chairman, then I am entitled to 5 minutes?

The CHAIRMAN. The Chair may say to the gentleman from Missouri that there are three Members beside the gentleman who have amendments pending. There are still 7½ minutes remaining. The Chair recognizes the gentleman from Missouri [Mr. BELL] for 2 minutes.

Mr. BELL. Mr. Chairman, the bill as presently drawn will be a great benefit to certain groups of employees, as we all know. There are two or three great groups of employees who will be injured by the bill if they are not exempted from the effect thereof.

The committee in its wisdom saw fit to exempt the American railway employees; they also saw fit to exempt those employees engaged in air transportation. The employees engaged in streetcar transportation are asking in this amendment that you do the same thing for them that you did at the request of the Brotherhood of American Trainmen and that you did at the request of the employees of those engaged in air transportation.

In my home town of Kansas City, Mo., the streetcars go across a State line. On one side we have Kansas City, Mo., and on the other side Kansas City, Kans. Those men receive more money per hour than is provided in this bill, just as the railway trainmen receive more and just as the people engaged in air transportation receive more. That is one of the reasons why they are asking for the amendment. In

the morning there is a crowded peak period in transportation, then a lull, and another crowded peak in the evening. The men engaged in this line of business know it will be injurious to them if they are not exempted from the provisions of this bill.

The question was raised in the committee, and it was stated that they were exempt anyway because the streetcar companies operate within a city and do not cross State lines. That is true of most streetcar companies, but scattered throughout the United States here and there are a few of these companies that do cross State lines, just as in my community. It is only fair and right, and I believe it is just, that these employees be taken care of just the same as those in the inland cities where they do not cross State lines.

Mr. CASEY of Massachusetts. Will the gentleman yield?

Mr. BELL. I yield to the gentleman from Massachusetts.

Mr. CASEY of Massachusetts. Is it not true that in some States where the street railways and bus lines operate between two cities within a given State they sometimes carry passengers and goods from outside the State, and although it is a small part of the business they might be held under the terms of this bill to be dealing in interstate commerce.

Mr. BELL. That is true.

Mr. CASEY of Massachusetts. Unless they are specifically exempted.

Mr. O'MALLEY. Will the gentleman yield?

Mr. CASEY of Massachusetts. I yield to the gentleman from Wisconsin.

Mr. O'MALLEY. If they are receiving more money than the minimum provided in this bill, how would they come under the provisions of the bill, anyway?

Mr. BELL. The reason they come under it is on account of the hours. Here is a man that gets his streetcar to the end of the line, and he is prohibited from taking it back to the barn. It is going to hurt those men more than anybody else.

Mr. O'MALLEY. Does the gentleman think those employees would not like to work 4 hours less a week?

Mr. BELL. I know the employees have appealed to me for this amendment, and I know they want it. Their representatives have gotten in contact with me.

[Here the gavel fell.]

The CHAIRMAN. The question is on the amendment offered by the gentleman from Missouri [Mr. BELL].

The question was taken; and on a division (demanded by Mr. BELL) there were—ayes 62, noes 119.

So the amendment was rejected.

Mr. CREAL. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. CREAL: On page 58, at the end of line 14, strike out the period and insert a comma and the following: "or to weekly or semiweekly newspapers with a circulation of less than 3,000, the major part of which circulation is within the county where printed and published."

Mr. CREAL. Mr. Chairman, I wish to say a brief word to those who are supporting labor legislation and those who want this bill to pass. It is very easy for a man who has a lot of labor votes in his district to go along with this bill, but what about a man going along with you who has a 100-percent record for voting for labor when there is not a single mine or labor union in his entire district and he has not received a single letter from his district asking him to vote for the bill? That is my position. [Applause.] I believe I deserve more credit than some of you rampant Members who are voting for this bill and have large labor groups in your districts. I am voting for the bill because I am voting for the laboring man.

In your wisdom you have overlooked some things which should be in this bill. You very carefully exempted the retailers in the crossroads towns. The department stores and other such businesses are exempted. But here is a sleepy town of 800 or 1,000 people where every businessman in the town is exempted but the little country publisher, the one who publishes the news about the births, the deaths, and the marriages, and prints the church notices of the community. In 90 percent of the cases this man is in poorer financial circumstances than any of his neighbors up and down the street who are specifically exempted. There are 3,000 or 4,000 of these publishers and their average circulation is 1,200. They are an uncontaminated, free, and independent press. They have never been subsidized. Be the publisher Democratic or Republican, his opinions, good or bad are his own. These men are not unfriendly to this legislation.

This amendment was offered by me when the wage and hour legislation was considered previously, and it was adopted with practically no opposition. However, under this bill, because 1 or 2 percent of a paper's circulation goes outside to people who want to get the home-town paper to see whether or not Lucy got married, or whether Sally's baby has been born yet, because that infinitesimal bit of their business is with people outside the county, these publishers fall under the provisions of this bill, when on each side of this little printshop are the butcher and the baker, who are exempt and who are financially better fixed than he is. Is not that a great injustice? I am sure nobody meant to include such an injustice in this bill. All of you who have country newspapers in your district, vote for this amendment. [Applause.]

The CHAIRMAN. The question is on the amendment offered by the gentleman from Kentucky [Mr. CREAL].

The question was taken; and on a division (demanded by Mr. TAYLOR of Tennessee and Mr. MCKEOUGH) there were—ayes 140, noes 93.

Mr. O'TOOLE. Mr. Chairman, I ask for tellers.

Tellers were refused.

So the amendment was agreed to.

The CHAIRMAN. The gentleman from New York [Mr. LORD], offers an amendment which the Clerk will report.

Mr. LORD. Mr. Chairman, a point of order. I spoke on my amendment sometime ago. The amendment was to exempt the wood-alcohol industry. The vote was not taken then, Mr. Chairman, and I should like to have the vote taken now.

The CHAIRMAN. Does the gentleman offer his amendment?

Mr. LORD. I spoke on the amendment some time ago. I should like to have the amendment read now.

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Amendment offered by Mr. LORD: On page 58, line 12 after the word "agriculture", insert "or (7) any employee employed in the distillation of wood;" and in line 12, strike out "(7)" and insert "(8)".

Mr. LORD. Mr. Chairman, I shall not take the time of the Committee by speaking on the amendment, and ask for a vote.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York.

The question was taken; and on a division (demanded by Mr. LORD) there were—ayes 37, noes 121.

So the amendment was rejected.

Mr. BIERMANN. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. BIERMANN. At this point could I offer an amendment to the amendment offered by the gentleman from Kentucky [Mr. CREAL] which has just been agreed to?

The CHAIRMAN. An amendment already agreed to cannot be amended.

Mr. BIERMANN. I was on my feet before the gentleman from New York, Mr. Chairman.

The CHAIRMAN. The Chair may state to the gentleman that the amendment has already been agreed to, and an amendment to that amendment is not now in order.

The Clerk read as follows:

LEARNERS, APPRENTICES, AND HANDICAPPED WORKERS

SEC. 12. The Secretary, to the extent necessary in order to prevent curtailment of opportunities for employment, shall by regulations or by orders provide for (a) the employment of learners, and of

apprentices under special certificates as issued pursuant to regulations of the Secretary, at such wages lower than the minimum wage applicable under section 4 and subject to such limitations as to time, number, proportion, and length of service as the Secretary shall prescribe, and (b) the employment of individuals whose earning capacity is impaired by age or physical or mental deficiency or injury, under special certificates to be issued by the Secretary, at such wages lower than the minimum wage applicable under section 4 and for such period as shall be fixed in such certificates.

Mr. MURDOCK of Utah. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. MURDOCK of Utah: On page 59, line 11, after the word "certificates", strike out the period and insert a comma and the following:

"(c) The employment of individuals in mining operations in isolated sections under special certificate to be issued by the Secretary of Labor, for a longer workweek than the maximum fixed in section 5."

Mr. MURDOCK of Utah. Mr. Chairman, before offering this amendment I conferred with the chairman of the steering committee on this bill, with the chairwoman of the Labor Committee, and then conferred with the ranking Member on the minority side, and I was given to understand there was no opposition as far as they knew to my amendment.

All this amendment seeks to do is to take care of a situation prevalent in the Rocky Mountain mining districts, which is as follows: There are many mining operations out there where the operation is at least 30, 40, or 50 miles from any town. There is no picture show there and no recreation of any kind. The men go out there in the fall of the year and in all probability will be snowed in for a period of 3 or 4 months. If those men were unable or precluded from working every day they are out there it would be impossible to get anyone to go.

The very purpose of section 12 is to allow the Secretary of Labor to take care of conditions which would curtail employment, and that is exactly what would happen if this amendment were not adopted.

The amendment does not exempt anybody; all it does is to allow the Secretary of Labor to provide by regulations and rules promulgated by the Secretary to take care of this kind of a situation.

Mr. MURDOCK of Arizona. Mr. Chairman, will the gentleman yield?

Mr. MURDOCK of Utah. I yield.

Mr. MURDOCK of Arizona. The gentleman has found, has he not, from his correspondence that there are thousands of these small-mine operators throughout the Rocky Mountain region who do not object so much to the wage provision of this bill but do object to the hours provision, and it is for those men that we are appealing through this amendment? Let us vary this set rule to meet an unusual labor situation and help these pioneers.

Mr. MURDOCK of Utah. The gentleman is correct. The wages paid in all instances are much higher. I believe I could safely say they are 100 percent higher than the minimum provided here, but this is a condition that does not exist anywhere else in the United States; and if I thought there was any opposition from any member of the committee or any of the friends of this legislation, I would not have offered it, because I have gone down the line with you in signing the petition and in voting down amendments this afternoon.

Mr. WOOD. Mr. Chairman, will the gentleman yield?

Mr. MURDOCK of Utah. I yield.

Mr. WOOD. The amendment states "in isolated mining districts." It does not say "metal mining," and there are many large coal mines in isolated districts.

Mr. MURDOCK of Utah. I cannot imagine a coal mine being operated in such a locality, but I would personally be very happy to limit it to metal mining.

Mr. CASE of South Dakota. Mr. Chairman, will the gentleman yield?

Mr. MURDOCK of Utah. I yield.

Mr. CASE of South Dakota. But if the amendment said "metal mining" you would eliminate miners engaged in mining feldspar and other minerals of that sort which are in a very similar situation.

Mr. MURDOCK of Utah. That is true and I cannot conceive of a coal mine anywhere in the United States that is in an isolated section or in a section where there is no recreation, no picture shows, and no entertainment, and where all the men can do is either to go down into the mine and work their 8 hours, or sit around and look at a lot of blank walls, or something of that sort.

Mr. KELLER. Mr. Chairman, will the gentleman yield?

Mr. MURDOCK of Utah. I yield.

Mr. KELLER. I take great pleasure in calling attention to the fact that I lived in that country and know that this condition does exist and it is one that ought to be met and the amendment will not hurt this measure in any way whatever, and I think everybody knows that I am as good a friend of this legislation as any man in this House.

Mr. MURDOCK of Utah. I thank the gentleman.

Mr. KELLER. Will the gentleman accept the amendment with respect to metal mining?

Mr. MURDOCK of Utah. If somebody else would offer it I would have no objection to it.

Mr. MURDOCK of Arizona. Mr. Chairman, will the gentleman yield?

Mr. MURDOCK of Utah. I yield.

Mr. MURDOCK of Arizona. Will the gentleman ask unanimous consent to amend his amendment by having it apply only to metal mining?

Mr. MURDOCK of Utah. The only trouble about that, as the gentleman from South Dakota has pointed out, is that there may be some mining that is not metallic which would be injured by doing that, but so far as I am concerned I am willing to accept that amendment.

Mr. WHITE of Idaho. Mr. Chairman, will the gentleman yield?

Mr. MURDOCK of Utah. I yield.

Mr. WHITE of Idaho. Why not exclude nonferrous and noncoal mining and include all other kinds of mining?

Mr. MURDOCK of Utah. I am just as sure as I am standing here that the Secretary of Labor can be trusted on this matter and would exclude any mining that was not isolated, as I have described here. I hope the Committee will adopt the amendment.

[Here the gavel fell.]

The CHAIRMAN. The question is on the amendment offered by the gentleman from Utah.

The question was taken; and on a division (demanded by Mr. KELLER) there were—ayes 83, noes 139.

So the amendment was rejected.

The Clerk read as follows:

PROHIBITED ACTS

SEC. 13. (a) It shall be unlawful for any person—

(1) to violate any of the provisions of section 4 or section 5, or any of the provisions of any regulation or order of the Secretary issued under section 12;

(2) to transport, offer for transportation, ship, deliver, or sell in commerce, or to ship, deliver, or sell with knowledge that shipment or delivery or sale thereof in commerce is intended, any goods in the production of which any employee was employed in violation of section 4 or section 5, or in violation of any regulation or order of the Secretary issued under section 12; except that no provision of this act shall impose any liability upon any common carrier for the transportation in commerce in the regular course of its business of any goods not produced by such common carrier, and no provision of this act shall excuse any common carrier from its obligation to accept any goods for transportation;

(3) to willfully discharge or in any other manner discriminate against any employee because such employee has filed any complaint or instituted or caused to be instituted any proceeding under or related to this act, or has testified or is about to testify in any such proceeding;

(4) to violate any of the provisions of section 10;

(5) to violate any of the provisions of section 9 (c), or to make any statement, report, or record filed or kept pursuant to the provisions of such section or of any regulation or order thereunder, knowing such statement, report, or record to be false in a material respect.

(b) For the purposes of subsection (a) (2) proof that any employee was employed in violation of section 4 or 5, or in violation of any regulation or order of the Secretary issued under

section 12, in any place of employment where goods were produced, within 90 days prior to the removal of the goods therefrom, shall be prima facie evidence that the goods were produced by such employee.

PENALTIES

SEC. 14. Any person who violates any of the provisions of section 13 shall upon conviction thereof be subject to a fine of not more than $500, or to imprisonment for not more than 6 months, or both.

Mr. PETTENGILL. Mr. Chairman, a little while back I offered an amendment that orders and regulations issued by the Secretary shall be published in the Federal Register. A point was made that under the law that created the Federal Register that would follow anyway. I have looked that up and find that is not correct and that I was correct in offering the amendment.

Mr. SMITH of Connecticut. Mr. Chairman, will the gentleman yield?

Mr. PETTENGILL. Yes.

Mr. SMITH of Connecticut. The gentleman is correct. The Register Act provides that these orders must be published only in case a Presidential order has placed them in the classification which must be published under the act. Unless we include them in this act, as they are included in the Senate bill, it will not be necessary in all cases for those to be published in the Register. I think they should be, and we have the assurance of the chairman that it will be taken up in conference and that it will be provided for if possible.

Mr. PETTENGILL. I thank the gentleman and upon the assurance of the chairman of the committee that the matter will be taken up in conference I have nothing further to say.

Mrs. NORTON. I am very glad to give that assurance.

Mr. DIES. Mr. Chairman, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

Amendment by Mr. DIES: Page 61, after line 5, insert new section, which shall be known as section 14 (a), as follows:

"SEC. 14. (a) Any person in any State subject to this act who shall evade or attempt to evade the provisions of this act by increasing charges for housing, fuel, and lights furnished to his employees, or who shall decrease the wages of any of his employees now receiving in excess of the minimum wage provided in this act in order to offset the increase in the wages of those who receive less than the minimum provided in this bill shall be deemed guilty of the violation of this act and upon conviction shall be punished in accordance with the provisions of section 14."

Mr. BOILEAU. Mr. Chairman, I make the point of order that the amendment is not germane to the bill. The amendment proposes to fix the sale of commodities, and there is nothing in the bill to that effect.

Mr. DIES. It does not provide that.

The CHAIRMAN. Does the gentleman from Texas desire to be heard?

Mr. DIES. I see no reason why it is not germane. This simply says that any employer who increases charges for housing, fuel, or light, or who decreases the pay of those who now receive more in order to offset the increase in the pay of those who receive less shall be deemed guilty of a violation of the act. The purpose of the amendment is to protect those employees who are still left under the bill.

The CHAIRMAN. The Chair is prepared to rule. Without regard to the language of the amendment relating to housing, fuel, and light, the amendment of the gentleman from Texas relates to a group of employees who are not covered by the pending bill. This amendment relates to a group of employees whose wages are in excess of the minimum wage.

Mr. DIES. The Chair is entirely mistaken, if I may be permitted to say so. Throughout this country, especially in the Southland, a great many of the companies furnish housing, fuel, and lights at a nominal cost. The point involved here is that under this bill all they have to do is to increase those charges and thus evade the law.

The CHAIRMAN. The Chair calls attention to the fact that the language here is "or shall decrease the wages of any of his employees now receiving in excess of the minimum wage provided in this act."

Clearly that language applies to a group of employees not covered by this particular act. The Chair sustains the point of order.

The Clerk read as follows:

INJUNCTION PROCEEDINGS

SEC. 15. The district courts of the United States and the United States courts of the Territories shall have jurisdiction, for cause shown, and subject to the provisions of section 17 (relating to notice to opposite party) of the act entitled "An act to supplement existing laws against unlawful restraints and monopolies, and for other purposes", approved October 15, 1914, as amended (U. S. C., 1934 edition, title 28, sec. 381), to restrain violations of section 13.

Mr. DIES. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment by Mr. DIES: Page 61, after line 14, insert a new section which shall be known as section 15 (a):

"SEC. 15 (a) Any employer under collective bargaining contract with the union of his employees providing for higher minimum wage and shorter maximum hours shall be exempted from the provisions of this act as to the employees covered by such agreement and insofar as the agreement covers hours and wages. Any employer who voluntarily maintains higher minimum wages and shorter maximum hours shall be exempted from the provisions of this act as to employees who receive higher minimum wages and work shorter maximum hours."

Mr. BOILEAU. Mr. Chairman, a point of order.

The CHAIRMAN. The gentleman will state it.

Mr. BOILEAU. Mr. Chairman, I make the point of order that the amendment is not germane to the bill, not germane to the committee substitute, and particularly is not germane to this part of the bill. The amendment relates to exemptions. We have already passed the point where exemptions could be made. If the amendment is germane to any part of the bill, it is to that part dealing with exemptions. I maintain, therefore, that it is subject to a point of order when offered at this place.

The CHAIRMAN. Does the gentleman from Texas desire to be heard on the point of order?

Mr. DIES. No.

The CHAIRMAN. The Chair is prepared to rule.

Without passing upon all of the grounds advanced by the gentleman from Wisconsin in support of his point of order, the Chair will confine itself to the point that the amendment is not germane to the section of the bill to which it is offered.

It is clear to the Chair that the amendment relates to exemptions. If at all germane, it should have been offered to another section of the bill. For this reason, the Chair sustains the point of order made by the gentleman from Wisconsin.

Mr. BIERMANN. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, at the end of section 11, an amendment was adopted which was offered by the gentleman from Kentucky. I think it is a first-class amendment. It exempted the country weeklies and semiweeklies but is limited to those having a 3,000 circulation. Any country newspaperman will tell you we have got to go back and change that or we will be discriminating between weeklies and semiweeklies below that point and those above it.

Mr. CREAL. Mr. Chairman, will the gentleman yield?

Mr. BIERMANN. I yield.

Mr. CREAL. The average circulation of 3,600 papers is 1,200.

Mr. BIERMANN. I agree that the gentleman's statement is correct; but in certain districts, in scores of districts over this country, there are weekly papers that have over 3,000 circulation. I am going to ask unanimous consent to return to that point, not now but sometime, to return to that section; and the Member who offers objections will in substance be saying that we should have one rule for country weeklies and semiweeklies with less than 3,000 circulation and another rule for those with 3,100 circulation; and there are plenty of newspapers in the country districts that have over 3,000 circulation. I was in the newspaper business myself for 23 years. When I started I had something like

1,500 circulation; when I finished I had 3,500 circulation. Many other editors have had the same experience. If you do not change that figure some of you are going to have to go back and tell the editors who supported you that you voted to keep them under the rule, but voted to take somebody else out from under it.

Mr. COX. Mr. Chairman, will the gentleman yield?

Mr. BIERMANN. I yield.

Mr. COX. What is the gentleman's understanding of the meaning of all these exemptions? Is it that the groups affected cannot live under the provisions of the bill?

Mr. BIERMANN. That is a philosophical question the answer to which I will leave to somebody else.

Mr. O'MALLEY. Mr. Chairman, will the gentleman yield?

Mr. BIERMANN. I yield.

Mr. O'MALLEY. Why should country newspapers under 3,000 be exempted? Is it not a fact that when you start exemptions there is no place where the line can be drawn?

Mr. BIERMANN. If there is a butcher on one side of the editor and a groceryman on the other and they are exempted I do not know of any reason why the editor should have to obey these hours. They do not object to the wages but they do object to the hours.

When they get out the paper or have a big bill to get out they have certain hours. You have exempted those with a circulation under 3,000. You should exempt them up to 5,000 circulation. If you refuse to make this exemption 5,000 you will have to go back and do the explaining to the editors of your papers.

Mr. FLETCHER. Are there many weekly newspapers with a circulation over 3,000?

Mr. BIERMANN. There are plenty of them.

Mr. FLETCHER. In what way will this benefit the weekly newspaper?

[Here the gavel fell.]

The Clerk read as follows:

RELATION TO OTHER LAWS

SEC. 16. No provision of this act or of any order thereunder shall justify noncompliance with any Federal or State law or municipal ordinance establishing a minimum wage higher than the minimum wage established under this act or a maximum workday or workweek lower than the maximum workday or workweek established under this act, and no provision of this act relating to the employment of child labor shall justify noncompliance with any Federal or State law or municipal ordinance establishing a higher standard than the standard established under this act.

Mr. CASE of South Dakota. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, the gentleman from Iowa has put his finger on a point that may well be recognized. It is something that many Members of this House will have to explain. I refer to the exemption recently adopted for weekly newspapers under 3,000 circulation. Some of the Members of the House know of small daily newspapers in their districts that have a circulation under 3,000. How will you justify exempting the weeklies and not the small dailies?

The problem of hours does not bother the weekly newspaper so much as it does the daily newspaper up to 3,000 circulation. Anyone who has had experience with or has attempted to publish a small daily paper with a circulation under 3,000 knows that the problem of hours is much more serious there than it is in the case of a small weekly newspaper. You have to publish six times a week. You have six times the chance for press trouble or other machinery trouble and that means overtime. If you exempt the weeklies, as you have, how can you justify failure to exempt the small dailies? I want to call to your attention the fact you have another problem of explanation on that point.

And, as already pointed out, the increasing number of exemptions developed in this bill points to an essential weakness in the bill. Each exemption is based on some unworkable feature as it relates to a particular problem that you know of in your district or that someone else knows of in his district.

I was much interested in the remarks of the gentleman from Utah [Mr. MURDOCK] but I doubt if Members got the significance of what he was saying about the problem that will be created in the back mining districts where you have a small company trying to provide jobs for men and keep them off of relief.

It is a real problem to limit them to work on a 40-hour-a-week basis where the men are away from towns and where reserves or substitute employees cannot be had for a continuous operation. You will have there a problem of unworkability that will throw men on relief. You have the same thing in connection with small lumber operations.

These problems make me honestly believe it would be a wise thing for the Committee to now rise and take time to give some little thought to these phases of the bill before final vote. It is now about 10 o'clock, and the House has been in continuous session for 11 hours.

[Here the gavel fell.]

Mrs. NORTON. Mr. Chairman, I ask unanimous consent that all debate on this section and all amendments thereto do now close.

The CHAIRMAN. Is there objection to the request of the gentlewoman from New Jersey?

There was no objection.

The Clerk read as follows:

SEPARABILITY OF PROVISIONS

SEC. 17. If any provision of this act or the application of such provision to any person or circumstance is held invalid, the remainder of the act and the application of such provision to other persons or circumstances shall not be affected thereby.

EFFECTIVE DATE

SEC. 18. No order under section 6 shall take effect prior to 120 days after the enactment of this act.

Mr. HOBBS. Mr. Chairman, I offer an amendment which I send to the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. HOBBS: Page 62, lines 10 to 12, strike out section 18 and insert:

"SEC. 18. No order under section 6 shall take effect prior to 120 days after the enactment of this act, nor until the Secretary of Agriculture shall have certified that the average income of those engaged in work in agriculture in the United States of America is equal to, or greater than, the average income of those engaged in industrial work in the United States of America; and in making the calculations upon which such finding and certificate is based, the market value of those products of the farms consumed or used by those engaged in work in agriculture shall be taken into account and added to the amount of cash income."

Mr. BOILEAU. Mr. Chairman, I make the point of order that the amendment is not germane to the section to which it is offered and is not germane to the bill itself.

The CHAIRMAN. The Chair is ready to rule.

It is clear and evident that the amendment is subject to a point of order, in that it covers a new subject in no way related to the bill, is not germane to the bill, and the Chair therefore sustains the point of order.

Mr. BIERMANN. Mr. Chairman, on behalf of the country newspapers, I ask unanimous consent to return to section 11, and in the Creal amendment substitute the figure "5,000", in place of "2,000."

The CHAIRMAN. Is there objection to the request of the gentleman from Iowa?

Mrs. NORTON and Mr. SABATH objected.

The CHAIRMAN. The question is on agreeing to the committee substitute for the Senate bill.

The Committee substitute was agreed to.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly, the Committee rose; and the Speaker having resumed the chair, Mr. MCCORMACK, Chairman of the Committee of the Whole House on the state of the Union, reported that the Committee, having had under consideration the bill S. 2475, to provide for the establishment of fair labor standards in employments in and affecting interstate commerce, and for other purposes, pursuant to House Resolution 478, he reported the same back to the House with sundry amendments agreed to in Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered.

The question is on the amendment.

The amendment was agreed to.

The SPEAKER. The question is on the third reading of the bill.

The bill was ordered to be read a third time, and was read the third time.

Mr. LAMBERTSON. Mr. Speaker, I offer a motion to recommit.

The SPEAKER. Is the gentleman opposed to the bill?

Mr. LAMBERTSON. I am, Mr. Speaker.

The SPEAKER. The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. LAMBERTSON moves to recommit the bill S. 2475 to the Committee on Labor.

Mrs. NORTON. Mr. Speaker, I move the previous question on the motion to recommit.

The previous question was ordered.

The SPEAKER. The question is on the motion of the gentleman from Kansas to recommit the bill to the Committee on Labor.

Mr. COX. Mr. Speaker, I ask for the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 96, nays 315, not voting 16, as follows:

[Roll No. 85]

YEAS—96

Allen, Ill.	Dies	Knutson	Robertson
Arends	Douglas	Lambertson	Robsion, Ky.
Atkinson	Doxey	Lambeth	Rockefeller
Bacon	Drewry, Va.	Lamneck	Rutherford
Bland	Driver	Lanham	Satterfield
Boykin	Ford, Miss.	Luce	Shafer, Mich.
Brown	Fuller	McClellan	Short
Burch	Fulmer	McGehee	Smith, Va.
Caldwell	Gamble, N. Y.	McLean	Sparkman
Cannon, Mo.	Garrett	McReynolds	Starnes
Carlson	Guyer	Mansfield	Taber
Case, S. Dak.	Gwynne	Mapes	Taylor, S. C.
Chapman	Halleck	Michener	Taylor, Tenn.
Church	Hancock, N. Y.	Oliver	Tinkham
Clark, N. C.	Hobbs	Owen	Turner
Cluett	Hoffman	Pace	Vinson, Ga.
Cole, N. Y.	Holmes	Patton	Wadsworth
Collins	Hope	Peterson, Ga.	Warren
Colmer	Jarman	Plumley	West
Cooper	Jarrett	Rankin	Whittington
Cox	Johnson, Luther A.	Reece, Tenn.	Wilcox
Cravens	Kerr	Reed, N. Y.	Wolcott
Crawford	Kitchens	Rees, Kans.	Woodruff
Deen	Kleberg	Rich	Woodrum

NAYS—315

Aleshire	Clason	Englebright	Havenner
Allen, Del.	Claypool	Evans	Healey
Allen, La.	Cochran	Faddis	Hendricks
Allen, Pa.	Coffee, Nebr.	Farley	Hennings
Amlie	Coffee, Wash.	Ferguson	Hildebrandt
Anderson, Mo.	Cole, Md.	Fernandez	Hill
Andresen, Minn.	Connery	Fish	Honeyman
Andrews	Cooley	Fitzgerald	Hook
Arnold	Costello	Fitzpatrick	Houston
Ashbrook	Creal	Flaherty	Hull
Barry	Crosby	Flannagan	Hunter
Barton	Crosser	Flannery	Imhoff
Bates	Crowe	Fleger	Izac
Beam	Crowther	Fletcher	Jacobsen
Beiter	Culkin	Forand	Jenckes, Ind.
Bell	Cullen	Ford, Calif.	Jenkins, Ohio
Bernard	Cummings	Frey, Pa.	Jenks, N. H.
Biermann	Curley	Fries, Ill.	Johnson, Lyndon
Bigelow	Daly	Gambrill, Md.	Johnson, Minn.
Bloom	Delaney	Gavagan	Johnson, Okla.
Boehne	Dempsey	Gearhart	Johnson, W. Va.
Boileau	DeMuth	Gehrmann	Jones
Boland, Pa.	DeRouen	Gifford	Kee
Boren	Dickstein	Gilchrist	Keller
Boyer	Dingell	Gildea	Kelly, Ill.
Boylan, N. Y.	Dirksen	Gingery	Kelly, N. Y.
Bradley	Disney	Goldsborough	Kennedy, Md.
Brewster	Dixon	Gray, Ind.	Kennedy, N. Y.
Brooks	Dockweiler	Gray, Pa.	Keogh
Buck	Dondero	Green	Kinzer
Buckler, Minn.	Dorsey	Greenwood	Kirwan
Buckley, N. Y.	Dowell	Greever	Kniffin
Bulwinkle	Drew, Pa.	Gregory	Kocialkowski
Burdick	Duncan	Griffith	Kopplemann
Byrne	Dunn	Haines	Kramer
Carter	Eaton	Hamilton	Kvale
Cartwright	Eberharter	Hancock, N. C.	Lanzetta
Casey, Mass.	Eckert	Harlan	Larrabee
Celler	Edmiston	Harrington	Lea
Chandler	Eicher	Hart	Leavy
Citron	Elliott	Harter	Lemke
Clark, Idaho	Engel	Hartley	Lesinski
Lewis, Colo.	Mouton	Reed, Ill.	Sumners, Tex.
Lewis, Md.	Murdock, Ariz.	Reilly	Sutphin
Long	Murdock, Utah	Richards	Sweeney
Lord	Nelson	Rigney	Swope
Lucas	Nichols	Robinson, Utah	Tarver
Luckey, Nebr.	Norton	Rogers, Mass.	Taylor, Colo.
Ludlow	O'Brien, Ill.	Romjue	Telgan
Luecke, Mich.	O'Brien, Mich.	Ryan	Terry
McAndrews	O'Connell, Mont.	Sabath	Thom
McCormack	O'Connell, R. I.	Sacks	Thomas, N. J.
McFarlane	O'Connor, Mont.	Sadowski	Thomas, Tex.
McGranery	O'Connor, N. Y.	Sanders	Thomason, Tex.
McGrath	O'Leary	Sauthoff	Thompson, Ill.
McGroarty	O'Malley	Schaefer, Ill.	Tobey
McKeough	O'Neal, Ky.	Schneider, Wis.	Tolan
McLaughlin	O'Neill, N. J.	Schuetz	Towey
McSweeney	O'Toole	Schulte	Transue
Maas	Palmisano	Scott	Treadway
Magnuson	Parsons	Scrugham	Umstead
Mahon, S. C.	Patman	Secrest	Vincent, Ky.
Mahon, Tex.	Patrick	Seger	Voorhis
Maloney	Patterson	Shanley	Wallgren
Martin, Colo.	Pearson	Shannon	Walter
Martin, Mass.	Peterson, Fla.	Sheppard	Wearin
Mason	Pettengill	Simpson	Welch
Massingale	Pfeifer	Sirovich	Wene
Maverick	Phillips	Smith, Conn.	Whelchel
May	Pierce	Smith, Maine	White, Idaho
Mead	Poage	Smith, Wash.	White, Ohio
Meeks	Polk	Smith, W. Va.	Wigglesworth
Merritt	Powers	Snyder, Pa.	Williams
Mills	Quinn	Somers, N. Y.	Withrow
Mitchell, Ill.	Rabaut	South	Wolfenden
Mitchell, Tenn.	Ramsay	Spence	Wolverton
Moser, Pa.	Ramspeck	Stack	Wood
Mosier, Ohio	Randolph	Stefan	Zimmerman
Mott	Rayburn	Sullivan	

NOT VOTING—16

Barden	Ditter	McMillan	Snell
Binderup	Doughton	O'Day	Steagall
Cannon, Wis.	Gasque	Rogers, Okla.	Thurston
Champion	Griswold	Smith, Okla.	Weaver

So the motion to recommit was rejected.

The Clerk announced the following pairs:

On the vote:

Mr. Snell (for) with Mr. Griswold (against).
Mr. McMillan (for) with Mrs. O'Day (against).
Mr. Gasque (for) with Mr. Ditter (against).

General pairs until further notice:

Mr. Doughton with Mr. Binderup.
Mr. Weaver with Mr. Cannon of Wisconsin.
Mr. Smith of Oklahoma with Mr. Champion.
Mr. Rogers of Oklahoma with Mr. Barden.

The result of the vote was announced as above recorded.

The SPEAKER. The question is on the passage of the bill.

Mrs. NORTON. Mr. Speaker, on that I ask for the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 314, nays 97, not voting 17, as follows:

[Roll No. 86]

YEAS—314

Aleshire	Buckley, N. Y.	Curley	Fish
Allen, Del.	Bulwinkle	Daly	Fitzgerald
Allen, La.	Burdick	Delaney	Fitzpatrick
Allen, Pa.	Byrne	Dempsey	Flaherty
Amlie	Cannon, Mo.	DeMuth	Flannagan
Anderson, Mo.	Carter	DeRouen	Flannery
Andresen, Minn.	Cartwright	Dickstein	Fleger
Andrews	Casey, Mass.	Dingell	Fletcher
Arnold	Celler	Dirksen	Forand
Ashbrook	Chandler	Disney	Ford, Calif.
Barry	Church	Dixon	Frey, Pa.
Barton	Citron	Dockweiler	Fries, Ill.
Bates	Clark, Idaho	Dondero	Gambrill, Md.
Beam	Clason	Dorsey	Gavagan
Beiter	Claypool	Dowell	Gearhart
Bell	Cluett	Drew, Pa.	Gehrmann
Bernard	Cochran	Duncan	Gifford
Biermann	Coffee, Wash.	Dunn	Gilchrist
Bigelow	Cole, Md.	Eaton	Gildea
Bloom	Colmer	Eberharter	Gingery
Boehne	Connery	Eckert	Goldsborough
Boileau	Cooley	Edmiston	Gray, Ind.
Boland, Pa.	Costello	Eicher	Gray, Pa.
Boren	Creal	Elliott	Green
Boyer	Crosby	Engel	Greenwood
Boylan, N. Y.	Crosser	Englebright	Greever
Bradley	Crowe	Evans	Gregory
Brewster	Crowther	Faddis	Griffith
Brooks	Culkin	Farley	Haines
Buck	Cullen	Ferguson	Hamilton
Buckler, Minn.	Cummings	Fernandez	Hancock, N. C.

Harlan	Lewis, Colo.	O'Connor, N. Y.	Sirovich
Harrington	Lewis, Md.	O'Leary	Smith, Conn.
Hart	Long	O'Malley	Smith, Maine
Harter	Lord	O'Neill, N. J.	Smith, Wash.
Hartley	Lucas	O'Toole	Smith, W. Va.
Havenner	Luckey, Nebr.	Palmisano	Snyder, Pa.
Healey	Ludlow	Parsons	Somers, N. Y.
Hendricks	Luecke, Mich.	Patman	South
Hennings	McAndrews	Patrick	Spence
Hildebrandt	McCormack	Patterson	Stack
Hill	McFarlane	Pearson	Sullivan
Honeyman	McGranery	Peterson, Fla.	Sumners, Tex.
Hook	McGrath	Pfeifer	Sutphin
Houston	McGroarty	Phillips	Sweeney
Hull	McKeough	Pierce	Swope
Hunter	McLaughlin	Poage	Taylor, Colo.
Imhoff	McSweeney	Polk	Teigan
Izac	Maas	Powers	Terry
Jacobsen	Magnuson	Quinn	Thom
Jenckes, Ind.	Mahon, S. C.	Rabaut	Thomas, N. J.
Jenkins, Ohio	Mahon, Tex.	Ramsay	Thomas, Tex.
Jerks, N. H.	Maloney	Randolph	Thomason, Tex.
Johnson, Minn.	Martin, Colo.	Rayburn	Thompson, Ill.
Johnson, Okla.	Martin, Mass.	Reed, Ill.	Tobey
Johnson, Lyndon	Mason	Reilly	Tolan
Johnson, W. Va.	Massingale	Richards	Towey
Jones	Maverick	Rigney	Transue
Kee	May	Robinson, Utah	Treadway
Keller	Mead	Rogers, Mass.	Umstead
Kelly, Ill.	Meeks	Romjue	Vincent, Ky.
Kelly, N. Y.	Merritt	Ryan	Voorhis
Kennedy, Md.	Mills	Sabath	Wallgren
Kennedy, N. Y.	Mitchell, Ill.	Sacks	Walter
Keogh	Mitchell, Tenn.	Sadowski	Wearin
Kinzer	Moser, Pa.	Sanders	Welch
Kirwan	Mosier, Ohio	Sauthoff	Wene
Kniffin	Mott	Schaefer, Ill.	Whelchel
Kocialkowski	Mouton	Schneider, Wis.	White, Idaho
Kopplemann	Murdock, Ariz.	Schuetz	White, Ohio
Kramer	Murdock, Utah	Schulte	Wigglesworth
Kvale	Nelson	Scott	Williams
Lambeth	Nichols	Scrugham	Withrow
Lanzetta	Norton	Secrest	Wolfenden
Larrabee	O'Brien, Ill.	Seger	Wolverton
Lea	O'Brien, Mich.	Shanley	Wood
Leavy	O'Connell, Mont.	Shannon	Zimmerman
Lemke	O'Connell, R. I.	Sheppard	
Lesinski	O'Connor, Mont.	Simpson	

NAYS—97

Allen, Ill.	Driver	McClellan	Satterfield
Arends	Ford, Miss.	McGehee	Shafer, Mich.
Atkinson	Fuller	McLean	Short
Bacon	Fulmer	McReynolds	Smith, Va.
Bland	Gamble, N. Y.	Mansfield	Sparkman
Boykin	Garrett	Mapes	Starnes
Brown	Guyer	Michener	Stefan
Burch	Gwynne	Oliver	Taber
Caldwell	Halleck	O'Neal, Ky.	Tarver
Carlson	Hancock, N. Y.	Owen	Taylor, S. C.
Case, S. Dak.	Hobbs	Pace	Taylor, Tenn.
Chapman	Hoffman	Patton	Tinkham
Clark, N. C.	Holmes	Peterson, Ga.	Turner
Coffee, Nebr.	Hope	Pettengill	Vinson, Ga.
Cole, N. Y.	Jarman	Plumley	Wadsworth
Collins	Jarrett	Ramspeck	Warren
Cooper	Johnson, Luther A.	Rankin	West
Cox	Kerr	Reece, Tenn.	Whittington
Cravens	Kitchens	Reed, N. Y.	Wilcox
Crawford	Kleberg	Rees, Kans.	Wolcott
Deen	Knutson	Rich	Woodruff
Dies	Lambertson	Robertson	Woodrum
Douglas	Lamneck	Robsion, Ky.	
Doxey	Lanham	Rockefeller	
Drewry, Va.	Luce	Rutherford	

NOT VOTING—16

Barden	Ditter	McMillan	Snell
Binderup	Doughton	O'Day	Steagall
Cannon, Wis.	Gasque	Rogers, Okla.	Thurston
Champion	Griswold	Smith, Okla.	Weaver

So the bill was passed.

The Clerk announced the following additional pairs:

On the vote:

Mr. Griswold (for) with Mr. Snell (against).
Mrs. O'Day (for) with Mr. McMillan (against).
Mr. Ditter (for) with Mr. Gasque (against).

General pairs:

Mr. Doughton with Mr. Binderup.
Mr. Weaver with Mr. Cannon of Wisconsin.
Mr. Smith of Oklahoma with Mr. Steagall.
Mr. Rogers of Oklahoma with Mr. Barden.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

Mr. DUNN. Mr. Speaker, if the gentlewoman from New York, Mrs. O'DAY, and the gentleman from Indiana, Mr. GRISWOLD, had been here, they would have voted "yea" on the passage of this bill.

EXTENSION OF REMARKS

Mr. REED of New York, Mr. MAVERICK, Mr. JOHNSON of Oklahoma, and Mr. MOSER of Pennsylvania asked and were given permission to revise and extend their own remarks in the RECORD.

Mr. HENNINGS. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include therein an editorial from the St. Louis Post-Dispatch.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. CELLER. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD in five different particulars, one on Mooney, one on radio, one on Nazi poison propaganda, the President and spending, and the State Department.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

THE WAGE AND HOUR BILL

Mr. DISNEY. Mr. Speaker, my colleague the gentleman from Oklahoma, Mr. SMITH, asked me to announce that had he been present he would have voted "nay" on the motion to recommit and "yea" on the passage of the bill.

EXTENSION OF REMARKS

Mr. BOREN. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD by including some testimony before the Joint Labor Committee.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

Mr. WHITE of Ohio. I ask unanimous consent to extend my remarks in the RECORD and to include therein a newspaper article on the farm bill.

The SPEAKER. Is there objection?

There was no objection.

Mr. SHAFER of Michigan. I ask unanimous consent to extend my own remarks on the wage and hour bill.

The SPEAKER. The gentleman already has that privilege.

Mr. JENKINS of Ohio. Mr. Speaker, I ask unanimous consent to extend my remarks and to insert a resolution by a farm group in my State.

The SPEAKER. Is there objection?

There was no objection.

Mr. PHILLIPS. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and insert therein correspondence I have had with the President and various members of the Cabinet on the subject of helium and its export.

The SPEAKER. Is there objection?

There was no objection.

LEAVE TO ADDRESS THE HOUSE

Mrs. ROGERS of Massachusetts. Mr. Speaker, I ask unanimous consent to address the House for 15 minutes after any special orders heretofore made and the conclusion of the legislative program on Thursday next.

The SPEAKER. Is there objection?

There was no objection.

PERSONAL EXPLANATION

Mrs. NORTON. Mr. Speaker, I ask unanimous consent to proceed for half a minute.

The SPEAKER. Is there objection.

There was no objection.

Mrs. NORTON. Mr. Speaker, I do this to express my very grateful appreciation to the members of the Committee on Labor and the Members of the House for the splendid support I have had throughout this entire bill.

Also, I have had a message from the gentlewoman from New York, Mrs. O'DAY, who has been quite ill, asking me to say that if she were present she would have voted for the bill.

Also, Mr. Speaker, the gentleman from Indiana, Mr. GRISWOLD, regrets very much that he was unable to be present

today and wants me to say that if he had been present he would have voted for the bill.

ENROLLED JOINT RESOLUTION AND BILLS SIGNED

Mr. PARSONS, from the Committee on Enrolled Bills, reported that that committee had examined and found truly enrolled a joint resolution of the House of the following title, which was thereupon signed by the Speaker:

H. J. Res. 678. Joint resolution making an additional appropriation for grants to States for unemployment compensation administration, Social Security Board, for the fiscal year ending June 30, 1938.

The Speaker announced his signature to enrolled rolls of the Senate of the following titles:

S. 3526. An act to refund sums paid by the railroads and other carriers of the United States under the Railroad Retirement Act of 1934; and

S. 3949. An act to amend the Agricultural Adjustment Act of 1938.

JOINT RESOLUTION PRESENTED TO THE PRESIDENT

Mr. PARSONS, from the Committee on Enrolled Bills, reported that that committee did on this day present to the President, for his approval, a joint resolution of the House of the following title:

H. J. Res. 678. Joint resolution making an additional appropriation for grants to States for unemployment compensation administration, Social Security Board, for the fiscal year ending June 30, 1938.

ADJOURNMENT

Mrs. NORTON. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 10 o'clock and 52 minutes p. m.) the House adjourned until tomorrow, Wednesday, May 25, 1938, at 12 o'clock noon.

COMMITTEE HEARINGS

COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE

There will be a meeting of the Committee on Interstate and Foreign Commerce, at 10 a. m. Wednesday, May 25, 1938. Business to be considered: Hearing on H. R. 10348, foreign radio-telegraph communication.

There will be a meeting of the Committee on Interstate and Foreign Commerce at 10 a. m. Thursday, May 26, 1938. Business to be considered: Hearing on H. R. 10127, railroad unemployment insurance.

COMMITTEE ON THE DISTRICT OF COLUMBIA

The Subcommittee on Public Health of the Committee on the District of Columbia will meet Wednesday, May 25, 1938, at 10:30 a. m., in room 345, House Office Building, to consider H. R. 10341, amending Dental Practice Act.

COMMITTEE ON IMMIGRATION AND NATURALIZATION

The Committee on Immigration and Naturalization will hold executive hearings Wednesday, May 25, 1938, at 10:30 a. m., in room 445, House Office Building, for the consideration of H. R. 9907, and other unfinished business.

COMMITTEE ON THE POST OFFICE AND POST ROADS

A hearing will be conducted by the full Committee on the Post Office and Post Roads at 10:30 a. m. Thursday, May 26, 1938, on H. R. 9917, obscene literature.

COMMITTEE ON FOREIGN AFFAIRS

There will be a meeting of the Committee on Foreign Affairs in the Capitol Building May 25, 1938, at 10 a. m. to consider the following: S. 3104, claims, Republic of Mexico; H. R. 9933, Golden Gate International Exposition; H. R. 10687, certain citizens, American republics, education.

COMMITTEE ON NAVAL AFFAIRS

There will be a full open hearing before the Committee on Naval Affairs at 10:30 a. m. Wednesday, May 25, 1938, on H. R. 10722, to authorize the attendance of the Marine Band at the national encampment of the Grand Army of the Republic to be held at Des Moines, Iowa, September 4 to 8, inclusive, 1938.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of the rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1378. A communication from the President of the United States, transmitting a record of a judgment rendered against the Government by the United States district court, as submitted by the Attorney General through the Secretary of the Treasury, and which requires an appropriation amounting to $4,885.83 (H. Doc. No. 684); to the Committee on Appropriations and ordered to be printed.

1379. A communication from the President of the United States, transmitting a record of judgment rendered against the Government by the United States district court as submitted by the Attorney General through the Secretary of the Treasury, and which requires an appropriation amounting to $4,800 (H. Doc. No. 685); to the Committee on Appropriations and ordered to be printed.

1380. A communication from the President of the United States, transmitting a list of judgments rendered by the Court of Claims, which have been submitted by the Attorney General through the Secretary of the Treasury and require an appropriation for their payment amounting to $37,688.53 (H. Doc. No. 686); to the Committee on Appropriations and ordered to be printed.

1381. A letter from the Chairman of the Reconstruction Finance Corporation, transmitting the report of the activities of the Reconstruction Finance Corporation for the month of April 1938 (H. Doc. No. 687); to the Committee on Banking and Currency and ordered to be printed.

1382. A letter from the Acting Secretary of Commerce, transmitting the draft of a proposed act to amend the act of March 2, 1929, entitled "An act to establish load lines for American vessels, and for other purposes"; to the Committee on Merchant Marine and Fisheries.

1383. A letter from the Acting Secretary of the Interior, transmitting one copy of the legislation passed by the Municipal Council of St. Thomas and St. John, and approved by the Acting Governor of the Virgin Islands; to the Committee on Insular Affairs.

1384. A letter from the Secretary of Agriculture, transmitting the draft of a bill to authorize the Secretary of the Treasury to make and carry out agreements of indemnity to banks paying him moneys to cover checks or drafts issued by such banks payable to the United States or any agency or officer thereof which have been or may be lost or destroyed; to the Committee on Expenditures in the Executive Departments.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. ATKINSON: Committee on Claims. H. R. 9202. A bill for the relief of certain disbursing officers of the United States and certain officers and employees of the Interior Department; with amendment (Rept. No. 2446). Referred to the Committee of the Whole House on the state of the Union.

Mr. GEARHART: Committee on the Disposition of Executive Papers. House Report 2447. Report on the disposition of executive papers in the Treasury Department. Ordered to be printed.

Mr. GEARHART: Committee on the Disposition of Executive Papers. House Report 2448. Report on the disposition of executive papers in the Department of the Interior. Ordered to be printed.

Mr. GEARHART: Committee on the Disposition of Executive Papers. House Report 2449. Report on the disposition of executive papers in the Post Office Department. Ordered to be printed.

Mr. GEARHART: Committee on the Disposition of Executive Papers. House Report 2450. Report on the disposition of executive papers in the Veterans' Administration. Ordered to be printed.

Mr. GEARHART: Committee on the Disposition of Executive Papers. House Report 2451. Report on the disposition of executive papers in the Home Owners' Loan Corporation. Ordered to be printed.

Mr. GEARHART: Committee on the Disposition of Executive Papers. House Report 2452. Report on the disposition of executive papers in the Panama Canal. Ordered to be printed.

Mr. GEARHART: Committee on the Disposition of Executive Papers. House Report 2453. Report on the disposition of executive papers in the Works Progress Administration. Ordered to be printed.

Mr. GEARHART: Committee on the Disposition of Executive Papers. House Report 2454. Report on the disposition of executive papers in the Department of Agriculture. Ordered to be printed.

Mr. GEARHART: Committee on the Disposition of Executive Papers. House Report 2455. Report on the disposition of executive papers in the Department of Commerce. Ordered to be printed.

Mr. GEARHART: Committee on the Disposition of Executive Papers. House Report 2456. Report on the disposition of executive papers in the Civil Service Commission. Ordered to be printed.

Mr. DINGELL: Committee on Ways and Means. H. R. 9610. A bill to amend the National Firearms Act; with amendment (Rept. No. 2457). Referred to the Committee of the Whole House on the state of the Union.

Mr. KELLER: Committee on the Library. S. 3699. An act authorizing the Library of Congress to acquire by purchase, or otherwise, the whole, or any part, of the papers of Charles Cotesworth Pinckney and Thomas Pinckney, including therewith a group of documents relating to the Constitutional Convention of 1787, now in the possession of Harry Stone, of New York City; without amendment (Rept. No. 2458). Referred to the Committee of the Whole House on the state of the Union.

Mr. BATES: Committee on Naval Affairs. S. 2276. An act to provide for an additional midshipman at the United States Naval Academy, and for other purposes; without amendment (Rept. No. 2459). Referred to the Committee of the Whole House on the state of the Union.

Mr. MAY: Committee on Military Affairs. S. 3095. An act authorizing the Secretary of War to grant to the Coos County Court of Coquille, Oreg., and the State of Oregon an easement with respect to certain lands for highway purposes; without amendment (Rept. No. 2461). Referred to the Committee of the Whole House on the state of the Union.

Mr. MAY: Committee on Military Affairs. S. 3126. An act authorizing the Secretary of War to convey a certain parcel of land in Tillamook County, Oreg., to the State of Oregon to be used for highway purposes; without amendment (Rept. No. 2462). Referred to the Committee of the Whole House on the state of the Union.

Mr. MAY: Committee on Military Affairs. Senate Joint Resolution 243. Joint resolution to provide for the transfer of the Cape Henry Memorial site in Fort Story, Va., to the Department of the Interior; without amendment (Rept. No. 2463). Referred to the Committee of the Whole House on the state of the Union.

Mr. DELANEY: Committee on Naval Affairs. H. R. 9258. A bill to authorize the Secretary of the Navy to accept on behalf of the United States certain land in the city of Los Angeles, Calif., with improvements thereon; with amendment (Rept. No. 2464). Referred to the Committee of the Whole House on the state of the Union.

Mr. MAAS: Committee on Naval Affairs. H. R. 10594. A bill to provide for the creation, organization, administration, and maintenance of a Naval Reserve and a Marine Corps Reserve; with amendment (Rept. No. 2465). Referred to the Committee of the Whole House on the state of the Union.

Mr. MAY: Committee on Military Affairs. S. 3209. An act to authorize the Secretary of War to grant an easement to the city of Highwood, Lake County, Ill., in and over certain portions of the Fort Sheridan Military Reservation, for the purpose of constructing a waterworks system; without amendment (Rept. No. 2467). Referred to the Committee of the Whole House on the state of the Union.

Mr. MAY: Committee on Military Affairs. S. 3242. An act to aid in providing a permanent mooring for the battleship *Oregon;* without amendment (Rept. No. 2468). Referred to the Committee of the Whole House on the state of the Union.

Mr. THOMASON of Texas: Committee on Military Affairs. H. R. 10154. A bill to authorize the Secretary of War to lend War Department equipment for use at the 1938 National Encampment of Veterans of Foreign Wars of the United States to be held in Columbus, Ohio, from August 21 to August 26, 1938; without amendment (Rept. No. 2469). Referred to the Committee of the Whole House on the state of the Union.

Mr. MAY: Committee on Military Affairs. H. R. 10605. A bill to authorize the appropriation of funds for the development of rotary-winged aircraft; without amendment (Rept. No. 2470). Referred to the Committee of the Whole House on the state of the Union.

Mr. CELLER: Committee on the Judiciary. S. 3820. An act to authorize membership on behalf of the United States in the International Criminal Police Commission; without amendment (Rept. No. 2471). Referred to the Committee of the Whole House on the state of the Union.

Mr. RAMSAY: Committee on the Judiciary. S. 3684. An act to provide for the holding of terms of the district courts of the United States for West Virginia at Fairmont and Beckley; with amendment (Rept. No. 2472). Referred to the Committee of the Whole House on the state of the Union.

Mr. WALTER: Committee on the Judiciary. H. R. 9468. A bill to amend the act of May 13, 1936, providing for terms of the United States district court at Wilkes-Barre, Pa.; without amendment (Rept. No. 2473). Referred to the Committee of the Whole House on the state of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. CASE of South Dakota: Committee on Claims. H. R. 725. A bill for the relief of Edwin L. Wade; with amendment (Rept. No. 2434). Referred to the Committee of the Whole House.

Mr. THOMAS of New Jersey: Committee on Claims. H. R. 4115. A bill for the relief of Roy M. Young; with amendment (Rept. No. 2435). Referred to the Committee of the Whole House.

Mr. ATKINSON: Committee on Claims. H. R. 7991. A bill for the relief of Anna Mattil and others; with amendment (Rept. No. 2436). Referred to the Committee of the Whole House.

Mr. ROCKEFELLER: Committee on Claims. H. R. 9132. A bill for the relief of Celia Koehler; with amendment (Rept. No. 2437). Referred to the Committee of the Whole House.

Mr. COFFEE of Washington: Committee on Claims. H. R. 9282. A bill for the relief of the estate of D. B. Carter, of Richmond, Va.; with amendment (Rept. No. 2438). Referred to the Committee of the Whole House.

Mr. EBERHARTER: Committee on Claims. H. R. 9451. A bill for the relief of Russell Anderegg, a minor, and George W. Anderegg; with amendment (Rept. No. 2439). Referred to the Committee of the Whole House.

Mr. SMITH of Washington: Committee on Claims. H. R. 9543. A bill for the relief of Mr. and Mrs. Harold E. Theriault; with amendment (Rept. No. 2440). Referred to the Committee of the Whole House.

Mr. EBERHARTER: Committee on Claims. H. R. 9640. A bill for the relief of Shoshone Garage; with amendment (Rept. No. 2441). Referred to the Committee of the Whole House.

Mr. SMITH of Washington: Committee on Claims. H. R. 9888. A bill for the relief of William Henry Johnston, Jr.;

with amendment (Rept. No. 2442). Referred to the Committee of the Whole House.

Mr. RYAN: Committee on Claims. S. 1987. An act for the relief of George J. Leatherwood; with amendment (Rept. No. 2443). Referred to the Committee of the Whole House.

Mr. RYAN: Committee on Claims. S. 2890. An act for the relief of the parents of Clarence Daniel; with amendment (Rept. No. 2444). Referred to the Committee of the Whole House.

Mr. POAGE: Committee on Claims. S. 3587. An act for the relief of Mr. and Mrs. P. F. Nixon, parents of Herschel Lee Nixon, deceased minor son; without amendment (Rept. No. 2445). Referred to the Committee of the Whole House.

Mr. MAVERICK: Committee on Military Affairs. S. 2594. An act authorizing the President of the United States to summon Sam Alexander before an Army retiring board, and for other purposes; without amendment (Rept. No. 2460). Referred to the Committee of the Whole House.

Mr. MAVERICK: Committee on Military Affairs. S. 1564. An act for the relief of Charles D. Birkhead; without amendment (Rept. No. 2466). Referred to the Committee of the Whole House.

CHANGE OF REFERENCE

Under clause 2 of rule XXII, the Committee on Invalid Pensions was discharged from the consideration of the bill (H. R. 10498) granting a pension to Agnes Helen Van Horn, and the same was referred to the Committee on World War Veterans' Legislation.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. CELLER: A bill (H. R. 10734) repealing the act of July 31, 1912, prohibiting the importation and the interstate transportation of films or other pictorial representations of prize fights, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. LAMNECK: A bill (H. R. 10735) to extend the act of December 17, 1919, granting gratuities to dependents of members of the Regular Army dying from wounds or disease, to members of the Officers' Reserve Corps, United States Army; to the Committee on Military Affairs.

By Mr. O'BRIEN of Michigan: A bill (H. R. 10736) to amend section 2169, United States Revised Statutes, being title 8, section 359, United States Code; to the Committee on Immigration and Naturalization.

By Mr. MAVERICK: A bill (H. R. 10737) to authorize the Secretary of War to grant rights-of-way for highway purposes and necessary storm sewer and drainage ditches incident thereto upon and across Kelly Field, a military reservation in the State of Texas; to authorize an appropriation for construction of the road, storm sewer, drainage ditches, and necessary fence lines; to the Committee on Military Affairs.

By Mr. McREYNOLDS (by request): A bill (H. R. 10738) to meet the cost of travel and transportation of household effects of Government employees transferred other than by their own request; to the Committee on Expenditures in the Executive Departments.

By Mr. WALTER: A bill (H. R. 10739) granting the consent of Congress to the State of New Jersey and the Commonwealth of Pennsylvania to enter into compacts or agreements with respect to constructing, maintaining, and operating a vehicular tunnel under the Delaware River; to the Committee on Interstate and Foreign Commerce.

By Mr. SOUTH: A bill (H. R. 10751) to authorize the transfer of 5.88 acres of land by the Veterans' Administration to the American Legion, Department of Texas; to the Committee on World War Veterans' Legislation.

By Mr. BLAND: House Resolution (H. Res. 505) for the consideration of H. R. 10650; to the Committee on Rules.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bill and resolutions were introduced and severally referred as follows:

By Mr. BELL: A bill (H. R. 10740) granting a pension to Buena Vista McGannon; to the Committee on Pensions.

By Mr. BUCKLER of Minnesota: A bill (H. R. 10741) granting a pension to Marion L. Sargent; to the Committee on Invalid Pensions.

By Mr. CARLSON: A bill (H. R. 10742) granting a pension to Clara Belle Cross; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10743) granting an increase of pension to Maria J. Drabing; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10744) granting a pension to Deana Cross; to the Committee on Invalid Pensions.

By Mr. CASE of South Dakota: A bill (H. R. 10745) for the relief of Mr. and Mrs. Glen Kresha; to the Committee on Claims.

By Mr. CELLER: A bill (H. R. 10746) for the relief of Nicholas Geissler and Eva Geissler; to the Committee on Immigration and Naturalization.

Also, a bill (H. R. 10747) for the relief of Mr. and Mrs. Peter Galatro, parents of Michael Galatro, deceased minor son; to the Committee on Claims.

Also, a bill (H. R. 10748) for the relief of Anna Kusintzow, nee Anna Shephard; to the Committee on Immigration and Naturalization.

By Mr. EBERHARTER: A bill (H. R. 10749) for the relief of Herman Markowitz; to the Committee on Claims.

By Mr. GAMBRILL of Maryland: A bill (H. R. 10750) for the relief of Kenneth Armstrong; to the Committee on Military Affairs.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

5223. By Mr. FITZPATRICK: Petition of Locals Nos. 60, 61, 62, 65, and 66 of the United Shoe Workers of America of the Committee for Industrial Organization, endorsing the President's recovery program; to the Committee on Ways and Means.

5224. Also, petition of Locals Nos. 60, 61, 62, 65, and 66 of the United Shoe Workers of America of the Committee for Industrial Organization, urging the immediate enactment of the Wagner bill (S. 3390), which would force Federal officials to obey the law of the land and buy only from firms complying with the National Labor Relations Act; to the Committee on Labor.

5225. Also, petition of Locals Nos. 60, 61, 62, 65, and 66 of the United Shoe Workers of America of the Committee for Industrial Organization, urging the immediate enactment of the wage and hour bill, which would put a floor to wages and a roof to hours, thus increasing purchasing power and spreading the work; to the Committee on Labor.

5226. By Mr. FULMER: Resolution of the Richland County Bar Association, of Columbia, S. C., submitted by N. Heyward Clarkson, Jr., secretary, endorsing and approving the establishment of the third Federal district within the State of South Carolina with the clerk's office therefor at Columbia, S. C.; to the Committee on the Judiciary.

5227. By Mr. LAMBERTSON: Petition of Mrs. J. R. Whitaker and 104 other Shawnee County (Kans.) citizens, urging the Members of Congress not to enact into law the plan of the President of the United States to expend the vast sum of $7,500,000,000 in his so-called pump priming, and the enactment of taxation legislation which will permit business to employ once more the many millions of idle workmen in the production of articles of commerce, foodstuffs, and livestock so sorely needed by the citizens of this country; to the Committee on Ways and Means.

5228. By Mr. MERRITT: Resolution of the New York State Association of Manufacturing Retail Bakers, in convention, "that the Government withdraw from direct and competitive private business and eliminate radical and one-sided labor

legislation; that relief be given only to the aged, sick, lame, and disabled, and all others shall be compensated only for an honest day's work; and that the consuming public income should be created through real work and earnings instead of relief checks, thereby decreasing taxes and easing the minds of all Americans"; to the Committee on Labor.

5229. By Mr. SEGER: Petition of approximately 400 citizens of Paterson, N. J., and vicinity, submitted through the Paterson Morning Call, for enactment of the wage and hour bill; to the Committee on Labor.

5230. By the SPEAKER: Petition of the County Board of Lake of the Woods County, State of Minnesota, requesting consideration of their resolution dated May 18, 1938, with reference to House bill 4199, known as the General Welfare Act; to the Committee on Ways and Means.

5231. Also, petition of the Ladies Auxiliary, Switchmen's Union of North America, requesting consideration of their resolution with reference to railroad regulations; to the Committee on Interstate and Foreign Commerce.

5232. Also, petition of Louisiana Public Welfare Association, Baton Rouge, La., requesting consideration of their resolution dated April 30, 1938, with reference to social security; to the Committee on Ways and Means.

5233. Also, petition of the Board of County Commissioners of Skagit County, Wash., requesting consideration of their resolution with reference to House bill 4199, known as the General Welfare Act; to the Committee on Ways and Means.

5234. Also, petition of Nebraska Home Owners Association and the Women's Economic Federation, Omaha, Nebr., requesting consideration of their resolution dated May 20, 1938, with reference to the President's job relief program; to the Committee on Appropriations.

5235. Also, petition of Kern County Council, Labor's Nonpartisan League, Bakersfield, Calif., requesting consideration of their resolution with reference to appointing a commission to offer arbitration to the American Federation of Labor and the Committee for Industrial Organization; to the Committee on Labor.

SENATE

WEDNESDAY, MAY 25, 1938

(Legislative day of Wednesday, April 20, 1938)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

THE JOURNAL

On request of Mr. BARKLEY, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day Tuesday, May 24, 1938, was dispensed with, and the Journal was approved.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Calloway, one of its reading clerks, announced that the House had passed the bill (S. 2475) to provide for the establishment of fair labor standards in employments in and affecting interstate commerce, and for other purposes, with an amendment, in which it requested the concurrence of the Senate.

STANDARDS OF WAGES AND HOURS OF LABOR

Mr. HARRISON. Mr. President, I rise to a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. HARRISON. I inquire what disposition will be made for the present of the measure which has just been transmitted to the Senate by the message from the House?

Mr. BARKLEY. Mr. President, I was going to suggest that it lie on the table in order that I may confer with members of the committee as to what disposition should be made of it.

The VICE PRESIDENT. Unless some motion is made from the floor, the Chair will hold the message and the bill on the table.

Mr. HARRISON. I hope before any motion is made that at least someone will let me know so that I may be in the Chamber, for I have so many duties to perform that it is difficult for me to be here constantly, and I should like to know about the measure and the disposition proposed of it.

The VICE PRESIDENT. Without objection, the message and the bill transmitted by it will lie on the table.

CALL OF THE ROLL

Mr. LEWIS. Mr. President, in order to secure the presence of a quorum, I suggest that the roll be called.

The VICE PRESIDENT. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Adams	Dieterich	King	Pepper
Andrews	Donahey	La Follette	Pittman
Austin	Duffy	Lee	Pope
Bailey	Ellender	Lewis	Radcliffe
Bankhead	Frazier	Lodge	Reynolds
Barkley	George	Logan	Russell
Berry	Gerry	Lonergan	Schwartz
Bilbo	Gibson	Lundeen	Schwellenbach
Bone	Gillette	McAdoo	Sheppard
Borah	Glass	McCarran	Shipstead
Brown, Mich.	Green	McGill	Smith
Brown, N. H.	Guffey	McKellar	Thomas, Utah
Bulkley	Hale	McNary	Townsend
Bulow	Harrison	Maloney	Truman
Byrd	Hatch	Miller	Vandenberg
Byrnes	Hayden	Milton	Van Nuys
Capper	Herring	Minton	Wagner
Caraway	Hill	Murray	Walsh
Chavez	Hitchcock	Neely	Wheeler
Clark	Holt	Norris	White
Connally	Hughes	Nye	
Copeland	Johnson, Calif.	O'Mahoney	
Davis	Johnson, Colo.	Overton	

Mr. LEWIS. I announce that the Senator from Arizona [Mr. ASHURST] and the Senator from Oregon [Mr. REAMES] are detained from the Senate because of illness.

The Senator from Nebraska [Mr. BURKE], the Senator from Oklahoma [Mr. THOMAS], and the Senator from Maryland [Mr. TYDINGS] are detained on important public business.

The Senator from New Jersey [Mr. SMATHERS] is unavoidably detained from the Senate.

Mr. AUSTIN. I announce that the Senator from New Hampshire [Mr. BRIDGES] is absent because of the death of his wife.

The VICE PRESIDENT. Eighty-nine Senators have answered to their names. A quorum is present.

PETITIONS

Mr. HOLT presented a resolution adopted by the Common Council of the City of Morgantown, W. Va., favoring the making of an appropriation of $2,000,000,000 for the use of national mortgage associations, provided for by law, to buy urban home mortgages amortized over a period of 34½ years, at 4-percent interest; and further to secure the reduction of the interest rate on Home Owners' Loan Corporation mortgages to 4 percent, with an option to borrowers to have their amortization periods changed to 34½ years, which was referred to the Committee on Banking and Currency.

Mr. VANDENBERG presented petitions of sundry citizens of the State of Michigan, which were ordered to lie on the table, and one of the petitions was ordered to be printed in the RECORD, without the signatures, as follows:

CAMDEN, MICH., *May 19, 1938.*

To the Honorable ARTHUR H. VANDENBERG:

We, the undersigned, legal voters of Michigan, petition you to do all in your power to repeal the Crop Control and Wagner Acts, and to defeat the hour and wage bill; also, we urge you to use your influence to bring about a tariff high enough on farm products to create for the United States of America a favorable balance of trade.

PROMOTION OF PEACE—PETITION

Mr. AUSTIN. Mr. President, I wish to read the short text of a petition of young people, students, men and women, of Middlebury College. It starts with a quotation from Cordell Hull, Secretary of State, as follows:

What is most of all at stake today throughout the world is the future of the fundamental principle which must be the foundation of international order as opposed to international anarchy. (Secretary of State Cordell Hull, March 17, 1938.)

We, the youth of America, aroused to indignation by the daily events in Europe and Asia, ask that our Government act now to avert further catastrophe.

We call on our Congress to enact legislation distinguishing aggressors from the victims of aggression, and declaring an embargo on shipments of war materials and on credits to nations violating the Kellogg-Briand Pact.

We ask our Government to take the leadership in restoring peace in the world. Realizing that this can only be accomplished through the concerted efforts of all peace-seeking nations, we call on our President and our Secretary of State to cooperate with the governments of these nations.

This petition is signed by a large number of young men and women. I do not ask to have their names inserted in the RECORD, but I file the petition.

Together with the petition is a poll of students made on May 15 in which 477 students state their position. I ask unanimous consent to have this poll inserted in the RECORD.

The VICE PRESIDENT. Without objection, the petition presented by the Senator from Vermont will be received and referred to the Committee on Foreign Relations, and, without objection, the poll referred to by him will be printed in the RECORD.

The poll referred to is as follows:

U. S. P. C. POLL—477 POLLS

Check your preference.

In the long run which offers the better insurance against war for this country—

1. Isolation? 52.

2. A policy of cooperation with other nations? 425.

Isolation:

Do you believe a policy of isolation—

1. Should be backed by a large increase in the Army and Navy? 51 percent.

2. Or should we depend chiefly on measures of economic non-intercourse to protect us from war? 49 percent.

Collective security:

What sort of collective action do you advocate to check aggression—

1. Economic measures directed against the offending power? 58 percent.

2. Economic support for the victims of aggression? 14 percent.

3. The threat of collective armed resistance to aggression? 28 percent.

Do you advocate a revised League of Nations sponsored by the United States? (Yes or no.) Yes, 318; no, 101.

The Neutrality Act:

The present Neutrality Act prevents economic cooperation with other nations to prevent or resist aggression. Would you favor—

1. Repealing the act outright? 49 percent.

2. Amending it to permit economic aid to victims of aggression? 33 percent.

3. Not amending it at all? 18 percent.

In either case—

Do you favor the application of voluntary popular boycotts to goods coming from nations engaged in aggressive warfare? (Yes or no.) Yes, 374; no, 103.

Do you believe in a referendum on the question of a declaration of war by the United States? (Yes or no.) Yes, 247; no, 207.

Do you believe the embargo on war materials to Loyalist Spain should be lifted? (Yes or no.) Yes, 236; no, 222.

WHEAT PARITY PAYMENTS

Mr. WHEELER. Mr. President, I ask that the telegram which I send to the desk be inserted in the RECORD. The Farmers' Union in my State apparently is dissatisfied with the working of the Farm Act.

There being no objection, the telegram was ordered to be printed in the RECORD, as follows:

GREAT FALLS, MONT., *May 23, 1938.*

Senator B. K. WHEELER:

Present low prices of wheat nullify all hopes for improvement Montana agriculture in spite of good crop in sight. Winter wheat today 48 cents; parity price $1.17. Russell amendment to relief appropriation bill providing 8 cents parity payment very inadequate. Request you to do your best to get payment raised to provide Montana farmers a return nearer parity.

HAROLD BROWN,
Secretary, Montana Farmers' Union.

REPORTS OF COMMITTEES

Mr. SCHWELLENBACH, from the Committee on Agriculture and Forestry, to which was referred the bill (S. 3286) to authorize the addition of certain lands to the Wenatchee National Forest, reported it without amendment and submitted a report (No. 1878) thereon.

Mr. WHEELER, from the Committee on Agriculture and Forestry, to which were referred the following bills, reported them severally without amendment and submitted reports thereon:

S. 3132. A bill granting to certain needy persons the right to obtain fuel from lands of the agricultural experiment station near Miles City, Mont. (Rept. No. 1879);

S. 3157. A bill to empower the President of the United States to create new national forest units and make additions to existing national forests in the State of Montana (Rept. No. 1880); and

S. 3763. A bill to increase the period for which leases may be made for grazing and agricultural purposes of public lands donated to the States of North Dakota, South Dakota, Montana, and Washington by the act of February 22, 1889, as amended (Rept. No. 1881).

Mr. BAILEY, from the Committee on Claims, to which was referred the bill (S. 4005) for the relief of Ida May Swartz, reported it without amendment and submitted a report (No. 1882) thereon.

Mr. LOGAN, from the Committee on Claims, to which was referred the bill (H. R. 7759) for the relief of Susan Lawrence Davis, reported it with an amendment and submitted a report (No. 1883) thereon.

Mr. SMITH, from the Committee on Agriculture and Forestry, to which were referred the following bills, reported them each with an amendment and submitted reports thereon:

S. 1946. A bill to facilitate the control of soil erosion and flood damage originating upon lands within the exterior boundaries of the Angeles National Forest in the State of California (Rept. No. 1884); and

S. 2492. A bill to amend the Packers and Stockyards Act, as amended, by the addition of certain sections (Rept. No. 1885).

Mr. SMITH also, from the Committee on Agriculture and Forestry, to which was referred the bill (S. 2792) to authorize the withdrawal of national-forest lands for the protection of watersheds from which water is obtained for municipalities, and for other purposes, reported it with amendments and submitted a report (No. 1886) thereon.

He also, from the same committee, to which was referred the bill (H. R. 7933) to facilitate the control of soil erosion and/or flood damage originating upon lands within the exterior boundaries of the San Bernardino and Cleveland National Forests in Riverside County, Calif., reported it without amendment and submitted a report (No. 1887) thereon.

Mr. VAN NUYS, from the Committee on the Judiciary, to which was referred the bill (S. 3230) to amend an act entitled "An act to establish a uniform system of bankruptcy throughout the United States," approved July 1, 1898, and acts amendatory thereof and supplementary thereto, reported it without amendment and submitted a report (No. 1888) thereon.

Mr. COPELAND, from the Committee on the District of Columbia, to which was referred the bill (S. 3694) to provide for the issuance of a license to practice the healing art in the District of Columbia to Dr. Sigfried Speyer, reported it with amendments and submitted a report (No. 1889) thereon.

He also, from the same committee, to which were referred the following bills and joint resolution, reported them severally without amendment and submitted reports thereon:

S. 2651. A bill to name the bridge to be erected over the Anacostia River in the District of Columbia after the late "march king," John Philip Sousa, composer of the "Stars and Stripes Forever" (Rept. No. 1890);

H. R. 10312. A bill to amend section 3 of the act entitled "An act to protect the lives and health and morals of women and minor workers in the District of Columbia, and to establish a Minimum Wage Board, and to define its powers and duties, and to provide for the fixing of minimum wages for such workers, and for other purposes," approved September 19, 1918 (40 Stat. 960, 65th Cong.) (Rept. No. 1905); and

H. J. Res. 582. Joint resolution supplementing and amending the act for the incorporation of Washington College of Law, organized under and by virtue of a certificate of incorporation pursuant to class 1, chapter 18, of the Revised Statutes of the United States relating to the District of Columbia (Rept. No. 1891).

Mr. BILBO, from the Committee on Agriculture and Forestry, to which was referred the bill (S. 3986) to amend subsection (d) of section 202 of the Agricultural Adjustment Act of 1938, as amended, reported it without amendment and submitted a report (No. 1892) thereon.

Mr. SHEPPARD, from the Committee on Commerce, to which was referred the bill (S. 3989) to extend the times for commencing and completing the construction of a bridge across the Missouri River at or near Arrow Rock, Mo., reported it without amendment and submitted a report (No. 1893) thereon.

He also, from the same committee, to which was referred the bill (S. 3990) to extend the times for commencing and completing the construction of a bridge across the Missouri River at or near Miami, Mo., reported it with amendments and submitted a report (No. 1894) thereon.

Mr. HITCHCOCK, from the Committee on the District of Columbia, to which was referred the bill (H. R. 7834) to amend the act entitled "An act to provide compensation for disability or death resulting from injuries to employees in certain employments in the District of Columbia, and for other purposes," reported it without amendment and submitted a report (No. 1895) thereon.

Mr. OVERTON, from the Committee on the District of Columbia, to which was referred the bill (S. 3261) to amend paragraphs (b), (c), and (d) of section 6 of the District of Columbia Traffic Act, 1925, as amended by the acts of July 3, 1926, and February 27, 1931, and for other purposes, reported it with amendments and submitted a report (No. 1896) thereon.

Mr. KING, from the Committee on the District of Columbia, to which were referred the following bills, reported them severally without amendment and submitted reports thereon:

S. 3846. An act relating to the levying and collecting of taxes and assessments, and for other purposes (Rept. No. 1897);

S. 4025. A bill to amend the act of August 9, 1935 (Public, No. 259, 74th Cong., 1st sess.) (Rept. No. 1898);

H. R. 9404. A bill to provide for the establishment of a commissary or vending stand in the Washington Asylum and Jail (Rept. No. 1899); and

H. R. 9417. A bill to amend the District of Columbia Alcoholic Beverage Control Act (Rept. No. 1900).

Mr. KING also, from the Committee on the District of Columbia, to which was referred the joint resolution (S. J. Res. 290) for the designation of a street to be known as Oregon Avenue, and for other purposes, reported it with an amendment and submitted a report (No. 1901) thereon.

Mr. CAPPER, from the Committee on the District of Columbia, to which was referred the bill (S. 3435) to create a commission to procure a design for a flag for the District of Columbia, and for other purposes, reported it without amendment and submitted a report (No. 1902) thereon.

Mr. AUSTIN, from the Committee on the District of Columbia, to which were referred the following bill and joint resolution, reported them each without amendment and submitted reports thereon:

S. 4035. A bill to exempt the property of the Young Women's Christian Association in the District of Columbia from national and municipal taxation (Rept. No. 1903); and

H. J. Res. 658. Joint resolution for the designation of a street or avenue to be known as Maine Avenue (Rept. No. 1904).

Mr. WAGNER, from the Committee on Foreign Relations, to which was referred the concurrent resolution (S. Con. Res. 33) authorizing congressional representation at the exercises incident to the dedication of the Thousand Islands Bridge across the St. Lawrence River, reported it with an amendment, and, under the rule, the resolution was referred to the Committee to Audit and Control the Contingent Expenses of the Senate.

EXECUTIVE REPORTS OF COMMITTEES

As in executive session:

Mr. McKELLAR, from the Committee on Post Offices and Post Roads, reported favorably the nominations of sundry postmasters.

Mr. DIETERICH, from the Committee on the Judiciary, reported favorably the nomination of William Ryan, of Illinois, to be United States marshal for the eastern district of Illinois.

The VICE PRESIDENT. The reports will be placed on the Executive Calendar.

ENROLLED BILLS PRESENTED

Mrs. CARAWAY, from the Committee on Enrolled Bills, reported that on May 24, 1938, that committee presented to the President of the United States the following enrolled bills:

S. 3526. An act to refund sums paid by the railroads and other carriers of the United States under the Railroad Retirement Act of 1934; and

S. 3949. An act to amend the Agricultural Adjustment Act of 1938.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. POPE:

A bill (S. 4076) to amend the Federal Crop Insurance Act; to the Committee on Agriculture and Forestry.

By Mr. REYNOLDS:

A bill (S. 4077) to change the name of "Pickwick Landing Dam" to "McKellar Dam"; to the Committee on Agriculture and Forestry.

A bill (S. 4078) for the relief of Victor S. Banks; to the Committee on Finance.

A bill (S. 4079) to place David J. Gilmer on the retired list of the Army with the rank of captain; to the Committee on Military Affairs.

A bill (S. 4080) granting an increase of pension to William E. Norton; to the Committee on Pensions.

By Mr. HARRISON:

A bill (S. 4081) for the relief of Mrs. Quitman Smith; to the Committee on Claims.

By Mr. SMITH:

A bill (S. 4082) authorizing the Secretary of Agriculture to change the name of the Agricultural Adjustment Administration; to the Committee on Agriculture and Forestry.

By Mr. HAYDEN:

A bill (S. 4083) for the relief of Dica Perkins; to the Committee on Claims.

By Mr. BAILEY:

A bill (S. 4084) to allow credit in the accounts of certain former disbursing officers of the Veterans' Administration, and for other purposes; to the Committee on Claims.

By Mr. PEPPER:

A bill (S. 4085) for the relief of Capt. Guy L. Hartman; to the Committee on Claims.

By Mr. BYRD:

A bill (S. 4086) to provide for holding terms of the District Court of the United States for the Eastern District of Virginia at Newport News, Va.; to the Committee on the Judiciary.

By Mr. McADOO:

A bill (S. 4087) to provide for the payment of compensation to the widow of William R. Ramsey, Jr., who was killed in the performance of his duty as a special agent of the Federal Bureau of Investigation; to the Committee on Claims.

By Mr. SHEPPARD:

A bill (S. 4088) to authorize the Secretary of War to grant rights-of-way for highway purposes and necessary storm sewer and drainage ditches incident thereto, upon and across Kelly Field, a military reservation in the State

of Texas; to authorize an appropriation for construction of the road, storm sewer, drainage ditches, and necessary fence lines; and

A bill (S. 4089) to extend the benefits of the United States Employees' Compensation Act to members of the Officers' Reserve Corps and of the Enlisted Reserve Corps of the Army, who are physically injured in line of duty while performing active duty or engaged in authorized training, and for other purposes; to the Committee on Military Affairs.

By Mr. BARKLEY (for Mr. ASHURST):

A bill (S. 4090) to provide for the care and treatment of juvenile delinquents; to the Committee on the Judiciary.

AMENDMENT TO RIVER AND HARBOR AUTHORIZATION BILL

Mr. SHEPPARD submitted an amendment intended to be proposed by him to the bill (H. R. 10298) authorizing the construction, repair, and preservation of certain public works on rivers and harbors, and for other purposes, which was ordered to lie on the table and to be printed.

RELIEF AND WORK-RELIEF APPROPRIATIONS—AMENDMENTS

Mr. BILBO (for himself and Mrs. CARAWAY), Mr. GILLETTE, Mr. NYE, and Mr. WHEELER each submitted an amendment intended to be proposed by them, respectively, to the joint resolution (H. J. Res. 679) making appropriations for work relief, relief, and otherwise to increase employment by providing loans and grants for public-works projects, which were severally ordered to lie on the table and to be printed.

Mr. HALE, Mr. BAILEY, and Mr. SHIPSTEAD each submitted amendments intended to be proposed by them, respectively, to the joint resolution (H. J. Res. 679) making appropriations for work relief, relief, and otherwise to increase employment by providing loans and grants for public-works projects, which were severally ordered to lie on the table and to be printed.

FEDERAL PRISON SYSTEM—ADDRESS BY ATTORNEY GENERAL CUMMINGS

[Mr. MCGILL asked and obtained leave to have printed in the RECORD a radio address on the Federal prison system, delivered by Hon. Homer Cummings, Attorney General of the United States, on May 23, 1938, which appears in the Appendix.]

GOVERNMENTAL SPENDING—EDITORIAL FROM THE RANDOLPH (VT.) HERALD

[Mr. AUSTIN asked and obtained leave to have printed in the RECORD an editorial entitled "An Expensive 'Pump'," published in Randolph Herald, of Randolph, Vt., on May 19, 1938, which appears in the Appendix.]

THE NEGRO VOTE

[Mr. MINTON asked and obtained leave to have printed in the RECORD an interview by Kelly Miller with Dr. W. J. Thompkins, recorder of deeds, District of Columbia, published in the Washington Tribune, Saturday, May 14, 1938, which appears in the Appendix.]

MR. JUSTICE BLACK—ARTICLE BY JAY FRANKLIN

[Mr. HILL asked and obtained leave to have printed in the RECORD an article by Jay Franklin on Mr. Justice Black published in the Philadelphia Record of May 16, 1938, which appears in the Appendix.]

ACTIVITIES OF THE FEDERAL HOUSING ADMINISTRATION

[Mr. WAGNER asked and obtained leave to have printed in the RECORD a statement regarding the activities of the Federal Housing Administration, which appears in the Appendix.]

THE NORRIS DAM

[Mr. NORRIS asked and obtained leave to have printed in the RECORD an article published in the Sunday News of New York on May 22, 1938, entitled "The Mightiest Robot," and an editorial from the same newspaper entitled "Machines versus Men," which appear in the Appendix.]

FACTUAL SUMMARY OF ACTIVITIES OF THE FEDERAL DEPOSIT INSURANCE CORPORATION

[Mr. GLASS asked and obtained leave to have printed in the RECORD a factual summary of the activities of the Federal Deposit Insurance Corporation, which appears in the Appendix.]

DEVELOPMENT AND REGULATION OF CIVIL AERONAUTICS

Mr. MCCARRAN. Mr. President, I desire to address myself for about 2 or 3 minutes to a matter foreign to the subject under consideration.

Last evening, approaching what is publicly stated to be the largest and finest airport in the world, at the outskirts of the beautiful city of Cleveland, there happened one of the most disastrous and regrettable airplane accidents that have occurred in recent years in this country. A plane with some nine persons on board went down, and last night, as the darkness drew around that fair city, their bodies, so charred as to be beyond recognition, were found in the wreckage. Some of them had only recently left the Capital City to return to their homes in the West.

That accident, Mr. President, and accidents like it which have occurred during the past year or more, emphasize the one outstanding need in this country—that we cannot recede from the great stride of progress which the world is making in the way of commerce by air, but that as we go forward in that stride, as we must go forward as a Nation, we should go forward with every safety appliance that science and the study of mankind can devise.

The unfortunate accident of last night brings to this body a shudder and a shock, if you please, because for nearly 4 years we have been trying to put through this body a safety bill which will secure to those who give their encouragement to commerce by air, and those who travel by air, the greatest assurance of safety that a nation can afford. Today pending in this body, Mr. President, there is a bill dealing with this subject; in fact, there are two bills, if I may discuss them as one.

One of them, which passed this body after 3 days of serious and earnest debate, had in it a provision which would give the greatest measure of safety to those who travel by air in this country. The other bill does not afford an equal protection of safety. There is only one way to reconcile these two legislative proposals in such a way as to be fair and candid with the American people. That is that those bills, one having passed the House and one having passed the Senate, each of them having been scrutinized by the legislative body that passed it, shall go to a conference committee, there to be studied out, there to be worked out—it will take probably from 2 to 3 days of careful study on the part of zealous conferees—to the end that the legislation may go forward and that the Nation may have for its guidance the greatest provision of safety which can be applied to commerce by air.

I desire primarily, however, to draw to the attention of this body the fact that while the public travels by air, while the public patronizes air lines, the public is necessarily forever and always dependent upon those who sit at the controls of these great vessels that fly through the air. Today there is a small but wonderful army of youth in America which has given its time, its study, its life, its zeal, if you please, to commerce by air. It is sitting at the controls.

If I may be personal for just a moment, only for the purpose of illustration, on yesterday morning at 1 o'clock I left my home, and traveled by air until last night at 7:30. I arrived in the Capital City after traveling some 3,000 miles. Every inch of the way there sat at the controls of that great plane a young man who had in his hands my life and the lives of from 14 to 21 other men and women as we came across the country. Those men, their lives, their interests, their welfare are as much a part of our national life as anything else in all the world. They constitute the element of labor, they constitute the element of zealous toil, if you please, that is willing to give its courage and its determination and its life to build up and carry on the commerce of the country. Yea, more! Every one of those boys who sits at the controls as they come across the country is a potential soldier, because were this country to be called into war tomorrow there is not a man who sits today at the controls of a commercial plane who would not be a soldier most essential for the welfare of

this country; and there is not a commercial line that plies across the country today, or that traverses it from one end to the other, or that has scanned or surveyed the terrain, that would not be a potential agency of defense in time of war.

So we are dealing here with a subject which should not be made the subject of petty politics, which should not be made the subject of something of which advantage would be taken. It is a big subject. It is something worth while. After the Senate of the United States has passed upon one bill, and after the House of Representatives has passed upon another bill, each dealing with different phases of the subject, those bills should take the regular course and go to a conference committee, so that out of it all America, with more aviation-traveled miles than any other country in the world, with more money invested in that line of industry than any other country in the world, with more lives in jeopardy in that industry and in that endeavor than in any other country in the world, may take her place in the forefront of this great science and this great industry.

This is not a question of who shall have a position. This is not a question of who shall get a job. This is not a question of who may have a fat berth in a new agency. The question here is, Shall America go forward? Shall a country be developed? Shall a science be encouraged? Shall legislation be enacted so lofty and so worthy, so much worth while, that our Nation, looking to future generations, may say that in this, as in other things, we led a progressive world?

That is the object of the author of the civil-aeronautics bill now pending before this body. His object is to see to it that that bill shall go to conference, so that out of it we may bring the greatest measure of safety to the boys who sit at the controls of the great planes which carry human lives and commodities across the country. That is the aim and object of this proposed legislation. That should be the aim and object of everyone who is connected with it.

Mr. COPELAND. Mr. President, on the table is the aviation bill as it came from the House. We had hearings in the Commerce Committee, and 3 days of debate in the Senate, over the Senate bill. There are differences between the two bills. They are not complicated. I think they can be easily worked out in conference.

In my opinion, the bill should go to conference. I was on the floor of the Senate when the Senator from Missouri [Mr. TRUMAN] moved to accept the amendments of the House. It is unthinkable to me that we should do that. The Senator from Nevada [Mr. MCCARRAN] has now returned. He is the author of the bill and has a deep interest in the matter.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. COPELAND. I yield to the Senator from Kentucky.

Mr. BARKLEY. The other day I requested that the two bills be printed, so that Senators might study the differences between the House and the Senate bills; but in the rush of things I imagine that very few Senators have had an opportunity to study the differences.

I understand that there are only two or three real differences between the two bills: One with respect to the appointment of an administrator, provided for in the House bill; another with respect to the size of the board, the difference being between three and five; and the third difference being the retention in the House bill of certain language which the Senate struck out the other day on the motion of the Senator from Missouri [Mr. TRUMAN].

Are those the main differences between the bills, or are there others?

Mr. COPELAND. There are some important differences. There is also the matter in which the Senator from Tennessee [Mr. MCKELLAR] is interested. There are certain labor provisions as to which there is a difference between the two Houses. My judgment is that after conferees are appointed it will take very little time to reach a conclusion as to what we should recommend to the Senate.

Mr. O'MAHONEY. Mr. President, will the Senator yield?

Mr. COPELAND. I yield to the Senator from Wyoming.

Mr. O'MAHONEY. Is the Senator from New York aware that there is a very striking difference in the civil-service provisions of the two bills?

Mr. COPELAND. I am. That is one of the differences.

Mr. O'MAHONEY. The Senate bill provided that appointments should be made under the civil-service laws, and in compliance with the Classification Act of 1923.

Mr. COPELAND. I am aware of that.

Mr. O'MAHONEY. And the House struck out the provision as to the civil-service laws and the Classification Act practically entirely.

Mr. COPELAND. That is another reason why the matter should be dealt with in conference.

Mr. MCKELLAR. Mr. President, in my judgment, the bill should go to conference by all means. I have not examined it with that care with which I will examine it, but from what examination I have made I am quite sure there are even more differences than those which have been suggested here this morning. By all means the bill should go to conference. It is a most important measure, one of the most important that has been before the Congress for some time. It changes the whole system, and it ought to go to conference.

Mr. NORRIS. Mr. President, will the Senator from New York yield?

Mr. COPELAND. I yield.

Mr. NORRIS. I desire to get a clear understanding of the parliamentary situation. I wonder whether the Senator from New York would permit me to ask him two or three questions in order to clear up the situation.

Mr. COPELAND. Certainly.

Mr. NORRIS. As I understand, the Senate passed the bill and the House amended it, but, as a matter of fact, the amendment is an entirely new bill.

Mr. COPELAND. The Senator is correct. While it is an entirely new bill, yet, after all, the two bills are very much alike and differ only in certain particulars which have been mentioned. This matter has been studied very carefully by some of us since action was taken, and it is my thought that with the return of the Senator from Nevada it will take but a very short time to reconcile the differences and bring back an acceptable bill.

Mr. NORRIS. It seems to me that unless there is some special reason we should not accept an amendment which provides for an entirely new bill which has not been considered at all by the Senate.

Mr. COPELAND. I take that position.

Mr. NORRIS. It seems to me that the proper thing to do would be to send the bill to conference. The difference to which the Senator from Wyoming calls attention is quite an important difference, though the provision is a short one. It seems to me that with a bill of the importance of this one, which has been so well described by the Senator from Nevada, the possibility of appointments being made for political purposes should be avoided, and we will not avoid it if we accept the amendment of the House. We ought to send the bill to conference, it seems to me.

Mr. BARKLEY. Mr. President, will the Senator from New York yield?

Mr. COPELAND. I yield.

Mr. BARKLEY. I think there is no difficulty about this matter. It is the general consensus that the bill ought to go to conference, and if the Senator from New York will ask unanimous consent that the House amendment be disagreed to, that the Senate ask for a conference, and that the conferees be appointed, I think there will be no objection.

Mr. COPELAND. Mr. President, I make that request.

The VICE PRESIDENT. The Senator from New York requests that the Senate disagree to the House amendment and ask for a conference, and that the Chair appoint the conferees. Is there objection? The Chair hears none, and the Chair appoints as the conferees on the part of the Senate, as requested by the Senator from New York, the subcommittee of the Committee on Commerce having the bill in charge, namely, the Senator from New York [Mr. COPELAND], the Senator from Missouri [Mr. CLARK], the Senator from

Ohio [Mr. DONAHEY], the Senator from California [Mr. JOHNSON], the Senator from Maine [Mr. WHITE], and, in addition, the Senator from Nevada [Mr. MCCARRAN].

The VICE PRESIDENT subsequently said: The Chair has received a letter from the senior Senator from Missouri [Mr. CLARK], which the Chair will ask the clerk to read.

The letter was read, as follows:

UNITED STATES SENATE,
Washington, D. C., May 25, 1938.

Hon. JOHN N. GARNER,
The Vice President.

MY DEAR MR. PRESIDENT: I respectfully ask to be relieved from service of the Senate conferees on the conference committee between the two Houses on S. 3845. I am engaged in other important committee work and am a member of several other conference committees and will appreciate being relieved from this duty.

Very respectfully,

BENNETT CHAMP CLARK.

The VICE PRESIDENT. To fill the vacancy caused by the resignation of the senior Senator from Missouri, the Chair appoints the junior Senator from Missouri [Mr. TRUMAN].

RELIEF AND WORK-RELIEF APPROPRIATIONS

The Senate resumed the consideration of the joint resolution (H. J. Res. 679) making appropriations for work relief, relief, and otherwise to increase employment by providing loans and grants for public-works projects.

Mr. MILLER. Mr. President, I have no desire to delay the consideration of the pending business, but I do wish to submit a few remarks on the joint resolution, with particular reference to title I and title II. I doubt whether this is the time or the place to discuss the reasons why such a measure is necessary, or whether things might have been done in the past which would have altered our course. As I look at the situation, we are confronted with a condition rather than with a theory, and the joint resolution as reported by the Committee on Appropriations—and I think the committee has given careful consideration to it—is one which, in my opinion, is entitled to the serious consideration, if not the active support, of every Senator.

I should like to refer briefly to one section of the report of the House Committee on Appropriations on the joint resolution in reference to the need, and I do that with particular reference to title I, which is the Works Progress title. On page 11 of the report of the House committee we find this startling language:

> The need for continuing these programs on at least the current basis is apparent.

The committee is speaking of the W. P. A. activities.

> Since the fall of 1937 industrial production has fallen off by 32 percent.

That is a rather all-revealing statement. Industrial production has fallen off by 32 percent since the fall of 1937, or since this Congress has been in session.

> The national income has declined from an annual rate of $68,000,000,000 to a rate of about $56,000,000,000. Since September 1937 more than 3,000,000 workers have lost their jobs in private industry. Employment on the Works Progress Administration program has been expanded to meet the need arising from this severe decline, increasing from 1,400,000 workers in September to approximately 2,600,000 workers at the present time. At the same time, the number of families and unattached persons provided for by State and local direct relief has increased from approximately 1,300,000 in October to about 2,000,000 in March.

Mr. President, I have read these figures and the statement in an effort to show the futility of argument or the attempt to advance reasons why we should not undertake this course and why this joint resolution is not necessary at this time.

I should like further to call the attention of the Congress, and of the country, if I may, to the tremendous cost of the program. I know that is something which the Congress would like to avoid if it could, but, as stated before, we confront a condition. We may have our own opinion as to the cause of that condition, but, nevertheless, we have the condition confronting us today, and it appears to me that the object of any just government is to see to it that its citizens shall not suffer.

On page 8 of the report I find this statement:

> For the entire period 1933–37, inclusive, the total cost of public assistance and relief programs was $13,500,000,000 of which $10,000,000,000 came from the Federal Treasury and $3,500,000,000 from the State and local treasuries.
>
> If to these figures the cost of emergency public works is added, the total expenditure for the period 1933–37, inclusive, is $19,300,000,000 of which $14,200,000,000 came from the Federal Treasury and $5,100,000,000 from State and local sources.
>
> The expenditure of these sums, vast as is their total, has saved the lives and morale of millions of people in America. Public works of great value have been accomplished.

The statement I have read is from the report of the House Committee on Appropriations on the joint resolution. In the report there is also inserted a table which I should like to call to the attention of the Senate. It is rather illuminating. It is found on page 7 of the report, and it shows that in September 1937 there were 4,764,000 families receiving assistance under our relief program.

Mr. LEWIS. To what report is the Senator referring?

Mr. MILLER. It is the report of the Committee on Appropriations of the House of Representatives on the pending joint resolution. They held rather extended hearings, the report of the hearings containing some 800 pages.

In March of this year the number of families had increased to 6,544,000, and the number of persons receiving some kind of aid under the aid program of the Federal Government and the State governments had increased to 20,112,000.

We have the unemployment situation on our hands. It has been variously estimated that there are now 14,000,000 employables in the United States without employment. I know, of course, that the number varies. I believe the committee presided over by the Senator from South Carolina [Mr. BYRNES] says that there are 12,500,000 unemployed; the C. I. O. gives another figure, and the American Federation of Labor submits another figure; but for practical purposes we may safely say that there are approximately 13,000,000 employable persons in the United States who desire and want employment but who are unable to obtain it.

Industry has not or cannot take up the slack. More than 3,000,000 have been discharged from private employment during the last 5 or 6 months. Yet there has been transmitted to the Senate this morning a measure seeking to fix a flat compensation for workers of America. I wish to say, by way of digressing a little, that if that measure shall be enacted by the Congress, there will be more than 3,000,000 people thrown out of employment as a direct result of its enactment. But that is neither here nor there.

I should like to call the Senate's attention to another remarkable statement in the report of the House Committee on Appropriations:

> The purpose of the President's recommendations and of the committee in reporting the measure is to furnish with the greatest expedition consistent with prudent use of the funds as large a proportion of employment as should be contributed by the Federal Government in connection with the existing situation. In all such emergencies there is frequently great temptation to lay more stress on "projects" than on the "jobs" they will furnish.

I particularly wish to call the attention to the Senate to that part of the committee's report which suggests that sometimes more consideration is given to projects than to jobs. I am calling the attention of the Senate to that statement in the House committee's report, because before I conclude I wish to give some consideration to the matter of projects rather than jobs.

When the Federal Government entered upon the relief program the field was a new one. We had no precedents to go by. The operations were purely exploratory on our part. We began by making appropriations to be expended under the control of the President. I am not so certain that that was not the correct and proper procedure at the time. Now the work has progressed, we have gained experience, and we should profit by the experience which we have acquired during the last 4 years. I believe we are in a better position than ever before to make appropriations directly to

the executing agencies, and seek to hold them responsible for the administration of the money we entrust to them.

In that connection I should like to call attention to what the President of the United States said. This has particular reference to title I of the joint resolution, which I should regret very much to see interfered with by the Senate or by the House. I am a strong advocate of earmarking funds. I do not think the Congress should ever surrender its constitutional right to direct the expenditure of the public money which it appropriates and takes from the taxpayer. But if we are ever justified in doing so, it is under title I of the joint resolution making appropriations for work relief, relief, and otherwise to increase employment by providing loans and grants for public-works projects.

The President said in his message:

> We need to recognize nationally that the demands of no group, however just, can be satisfied unless that group is prepared to share in finding a way to produce the income from which they and all other groups can be paid.

It should be borne in mind that today in this Nation we have a group of 20,000,000 people who are receiving aid from the Federal Government and other agencies.

Mr. WHEELER. Mr. President, will the Senator yield?

Mr. MILLER. I yield.

Mr. WHEELER. I do not know whether or not the Senator noticed in this morning's newspaper a statement purported to be given out by Mr. Hopkins. I could hardly believe that it was correct, but I noticed a statement which quoted Mr. Hopkins to the effect that if he resided in Iowa he would vote for a Representative who is running against the Senator from Iowa [Mr. GILLETTE]. I was shocked at seeing such a statement from an administrative officer of the Government. Members of the Senate, and I myself, frequently, have denounced corporations which place instruction slips in the pay envelopes of their employees which say, in effect: "You should vote for such and such a candidate."

Mr. Hopkins, for whom I have always had a high regard, is supposedly carrying out a governmental relief program on a nonpartisan and a nonpolitical basis. His statement, in effect, says to the relief workers in Iowa: "You people ought to vote for Mr. WEARIN and vote against Senator GILLETTE." That statement is made at the very time when the Congress of the United States is about to appropriate money of the taxpayers of the United States for the purpose of taking care of the needy of this country.

Congress in appropriating funds for the relief of the underprivileged never intended that those funds should be utilized to slaughter a Member of this body. Because of this congressional created authority vested in Mr. Hopkins by the President, the W. P. A. apparently seeks to exercise it in such manner as would defeat our colleague the Senator from Iowa. Has the Congress builded a Frankenstein over which it has no control? Is this a robot which is to trample roughshod over its creators, just because one of the cogs or buttons that animate it does not like the color of a Senator's hair? Since when in this democracy is the election of a representative of the people dependent upon the whim of a bureaucrat? If the Congress has in effect sold its birthright for this mess of pottage, it is time the country knew about it and time we did something about it.

Senator GILLETTE formerly served in the House of Representatives of the United States and is now in this body. He is one of the outstanding men to have come to the Senate from the State of Iowa. He is honest, he is clean, he is decent, and he has the respect and the love, I think, of every Member of the Senate, regardless of which side of the Chamber Senators sit on.

It is improper for Mr. Hopkins, who has charge of Federal relief, to issue a statement of that kind in connection with the Iowa primaries. In the first place he should keep entirely free from any election; and it seems to me that on no basis whatsoever is there any justification for Mr. Hopkins to take part in a Democratic primary. I hope the people of Iowa will resent, as I think every Member of this body should, the political activities of men who have charge of the spending agencies. They should project themselves and their agency into no political election and particularly not into the Democratic primaries.

In the first place we do not know whether Mr. Hopkins was previously a Democrat. Certainly we know that Mr. Ickes was not a Democrat until he took over his present job. And yet it seems that some Government officials who never belonged to the Democratic Party are seeking to control the Democratic primaries. Why?

The Senator from Iowa [Mr. GILLETTE] during his service in Congress has worked for every farm bill, and supported legislation designed to benefit farmers, as few Members of the United States Senate have. He has voted for practically every piece of liberal legislation that has come before this body. And then for someone controlling relief expenditures to take the stand Mr. Hopkins has taken with respect to the Senator from Iowa, I think, is absolutely unjustified. He might as well, as I said before, have put into the pay envelope of every Iowa relief worker a slip on which is written, "You ought to vote for Mr. WEARIN."

The Relief Administration is denouncing certain practices and declaring that individual relief workers out in the field who are administering relief should not meddle in politics, and that they will be fired if they play politics. In my State, they called a man to Washington because of the fact that he was a friend of mine, and they threatened to fire him because he was my friend.

Yet, the chief officer of the relief agencies of the United States, which supposedly cares for poor, unfortunate people who depend upon W. P. A. checks to keep their souls and bodies together, issues a statement which tells Iowa relief workers: "If I lived in your State I would vote for Mr. WEARIN and against Senator GILLETTE."

Mr. President, that is reprehensible, and it should not be permitted to pass without criticism in this body under the present circumstances.

Mr. President, as I said a moment ago, I am for the pending relief measure. I am for it because I think it is necessary to help people who are in need. But I am convinced that in view of the activities of the Secretary of the Interior, and in view of the activities of Mr. Hopkins now, Congress should not permit these men to be able to juggle the relief funds so as to hamper one man or help another in a campaign for nomination on the Democratic ticket. We should not permit any action designed to help one individual to be elected to the Congress of the United States and to defeat another candidate for the same office. If Members of the Senate are to be elected or defeated because they vote their convictions and because administrative officials have been given wide and great powers, it becomes essential that we earmark funds and thus reduce the political effectiveness and power of certain appointees.

I beg the pardon of the Senator from Arkansas for taking up so much time on this subject, but I did want to call the Senate's attention to a matter in which I think it should have a very deep interest.

Mr. LEWIS rose.

Mr. JOHNSON of California. Mr. President, will the Senator yield? I want to inquire how the present discussion arose.

Mr. MILLER. I yield to the Senator from California.

Mr. WHEELER. The discussion arose because of a certain statement which appeared in this morning's newspapers. I could hardly conceive it, but a statement was published which purported to quote Mr. Harry Hopkins, W. P. A. Administrator, to the effect that if he were voting in Iowa he would vote for Mr. WEARIN, and would vote against Senator GILLETTE for United States Senator in the coming primaries.

Mr. JOHNSON of California. I thank the Senator. I had not seen the article. I do not know anything about it. I take it Mr. Hopkins is a resident of Iowa.

Mr. WHEELER. I do not know.

Mr. JOHNSON of California. He must be, or he would not think of doing such a thing.

Mr. WHEELER. No; he is not, I am told.

Mr. JOHNSON of California. The Senator must be in error. Mr. Hopkins must be a resident of Iowa, or he would not think of doing such a thing.

Mr. WHEELER. Mr. Hopkins, I am informed, votes in New York.

Mr. JOHNSON of California. If he has done such a thing as has been suggested, the Senator is quite right. The Senate ought to have the "guts" to denounce it, in unmeasured terms. I do not say that Mr. Hopkins has done the thing which is charged. This is the first I have heard about it. But if he has done it, we ought to have "guts" enough to denounce it as it ought to be denounced.

Mr. WHEELER. Let me say to the Senator, if I may, that Mr. Hopkins is not a resident of Iowa, because he is being talked of as a candidate for Governor of the State of New York.

Mr. JOHNSON of California. That would not make any difference.

Mr. WHEELER. He could not have a voting residence in Iowa and still be a candidate for Governor of New York unless we have changed our Constitution.

Mr. JOHNSON of California. There is no rule of law which applies to men who are distributing these great sums of money. No constitution affects them. The Constitution affects only men like the Senator and myself. It affects only ordinary individuals, such as United States Senators. It is realized that it affects United States Senators because it is felt that United States Senators will not resent this sort of conduct.

Mr. LEWIS. Mr. President——

Mr. MILLER. I yield to the Senator from Illinois.

Mr. LEWIS. I must join the Senator from Montana in his conclusion if his premises are correct.

Mr. WHEELER. If I may interrupt, I am assuming that what is stated in the press is correct. If it is not, then, of course, my remarks do not apply.

Mr. LEWIS. I assume that the Senator takes it for granted that what was stated by Mr. Hopkins was that he would enter Iowa, or was offering advice to Iowa, respecting a controversy between a gentleman by the name of WEARIN and the present Senator from Iowa [Mr. GILLETTE].

For myself, I have great joy in giving my praise and appreciation to the Senator from Iowa; but I would have my able friend understand that we, who know more intimately—or think we do—what was expressed, believe that Mr. Hopkins merely called attention to the fact that he had come from Iowa, that he had lived in that State, and, being asked concerning the gentleman, remarked that if he were voting in Iowa he would vote for the gentleman alluded to by my friend from Montana; but, as I understand the matter, he in no wise intimated anything further than a friendly preference, by one who formerly lived in Iowa, for one who had been a friend.

If my able friend is right in his premise, and if there is an attempt to dictate the selection of candidates, the Senator is quite right in opposing it, and we will all join the Senator from California [Mr. JOHNSON] in denouncing it.

Mr. WHEELER. It may be true that Mr. Hopkins came from Iowa. I do not know as to that. Certainly, however, Secretary Ickes did not come from Oregon; and he had many projects and many persons working under him in the State of Oregon. I think it is a reprehensible practice for men who are administering relief funds to go into the States and say, "I am for this candidate" or "I am for that candidate," when they know, and Mr. Hopkins knows, and every Member of the Senate knows, that the effect of such statements is that it will be said that Mr. Hopkins has given his blessing to those whom he likes and is seeking to influence the votes of those dependent upon his administrative agency for their very sustenance. It will be charged that Mr. Hopkins expects every W. P. A. employee in Iowa to vote as Mr. Hopkins would vote if he were an Iowa voter.

It has been reported that Mr. Hopkins is a candidate for Governor of New York and that he is thinking of running or that certain people are urging his candidacy for that great office. If that be true, I have no objection to it. He probably would make a great Governor of New York. I do not know as to that. If the people of New York want him as their Governor, that is fine. However, in his position, administering relief to needy individuals who are dependent upon it, he should keep out of the political arena, particularly when a contest is in progress between two Democrats or among three Democrats or four Democrats. He should studiously abstain from such activity, particularly when a man such as the Senator from Iowa [Mr. GILLETTE] is involved—a man whom, I repeat, every Senator, regardless of political affiliations, respects highly. In my judgment he is one of the best men Iowa has sent to the Senate in recent years.

Mr. LEWIS. In connection with the reference to Mr. Ickes, who is from Illinois, I should like to say at this particular moment that, from what we hear, he should be exempted from observations, as evidently he is engaged in domestic exigencies in foreign relations. [Laughter.]

Mr. GILLETTE. Mr. President, will the Senator yield?

Mr. MILLER. I yield to the Senator from Iowa.

Mr. GILLETTE. Mr. President, apparently I came into the Chamber at an inopportune time, when I was to some extent the subject of discussion. I certainly appreciate the very kindly references which have been made to me by Senators.

I had just prepared a very brief statement for the press, which I have brought into the Chamber with me, with reference to the matter under discussion. I know nothing of the statement attributed to Mr. Hopkins except the reports published in the press this morning. At the risk of being considered as doing an unbecoming thing, I think I am justified, in view of the discussion, in trespassing upon the Senator's time to read the statement which I had prepared to give to the press when the matter was called to my attention. I read:

> Mr. Hopkins as an individual has, of course, the undoubted right to express his personal views, even though it is with reference to a State of which he is not a resident. As the head of our great national relief agency, however, I am sorry that he has seen fit to make public expression that might be construed as an effort to advise W. P. A. workers and enrollees to take a political or partisan position. I am particularly sorry for a further reason: The President has again and again stated his neutral position as to contests for nomination within the Democratic Party. He took this high-minded position definitely as to Iowa. I feel that such statements as the one attributed to Mr. Hopkins, when made by men in high Government positions, are definitely unjust and unfair to the President, as carrying the imputation that he is not sincere in his statements of neutrality, but is practicing deception by countenancing interference in devious and dubious ways by others. The President has declared his neutrality. For one, I do him the justice of believing him.
>
> Regardless of the personal opinions of those in other States, the people of Iowa will select their own representatives in the Congress of the United States. I hope Mr. Hopkins will see fit to correct the position in which he has, perhaps unwittingly, placed the President and the national relief organization.

Mr. MILLER. Mr. President, I am sure every Senator present concurs in the statement of the Senator from Montana [Mr. WHEELER] as to the high regard in which the Senator from Iowa [Mr. GILLETTE] is held by all of us.

I do not know anything about the collateral discussion. I do not know what Mr. Hopkins may have done or may have in his mind. However, any man—I do not care who he is; whether he be a public relief administrator or what not—who attempts to play politics with human misery is not worthy of any office. If that is what Mr. Hopkins has in mind, the Congress should express itself in no uncertain terms.

I do not know what may be the result of the statement. So far as I am concerned, I have great faith in the American people. If Mr. Hopkins made the statement which is attributed to him, it is not the first time he has made such

statements. Last September he wrote a letter in reference to a campaign in another State which probably reacted——

Mr. CONNALLY. Will not the Senator name the State?

Mr. MILLER. I think probably many Senators know that it was the State of Arkansas.

Mr. President, I was reading from the message of the President to the Congress, and I was trying to discuss title I before proceeding to discuss title II. I should like to complete my statement regarding title I.

As I have stated, I am heartily in accord with the view that the Congress should exercise the right to earmark public funds taken from the taxpayers of the country, and direct, as nearly as possible, the expenditure of such funds. I think the Congress is justified in doing so because of the experience we have had during the past 5 years in the expenditure of public funds. In 1933, when we launched on this program, we did not have such experience.

Title I deals with a subject with respect to which it is most difficult for the Congress to exercise its constitutional power of direction, because, as I say, it deals with human misery and human need of a kind with respect to which it is difficult to make any specific statutory requirement. The provisions with respect to such expenditures must necessarily be general.

The President stated in his message to the Congress:

> We have at our disposal the national resources, the money, the skill of hand and head to raise our economic level—our citizens' incomes. Our capacity is limited only by our ability to work together. What is needed is the will.
>
> The time has come to bring that will into action with every driving force at our command. And I am determined to do my share.
>
> The responsibility for making this national will effective rests on every individual whether in the Government or in industry, or in finance, or in labor, or in the professional fields. Every man and woman in the United States has the great privilege of making this will productive. And the beneficiary will be the whole of the American people.

It is a terrible indictment upon our economic system that one-sixth of our people are receiving relief from the Federal Government and other agencies. Yet that is the fact.

Now it is proposed that, under the appropriation in the pending joint resolution, 2,800,000 people will be given employment for 8 months under the W. P. A.—the Works Progress Administration; approximately 275,000 under the N. Y. A.; and approximately 60,000 under the public-building program. Three hundred thousand are being cared for by the C. C. C., and, in addition to that, there will probably be 500,000 cared for by the Public Works Administration. That is about the limit to which we may go. If anyone can suggest a method whereby we can better earmark those funds for the relief of unemployment of the nature with which we must deal, taking into consideration the class of people who will receive the aid, with such a suggestion I am perfectly willing to go along, but I believe the Congress, notwithstanding the tremendous cost, notwithstanding the mounting public debt, is justified in making the appropriations outlined in title I of this joint resolution.

But, Mr. President, there is another matter to which I wish to call the attention of the Senate, and that is title II. Title II has to do with the Public Works Administration projects.

Mr. BORAH. Mr. President——

The PRESIDING OFFICER (Mr. ANDREWS in the chair). Does the Senator from Arkansas yield to the Senator from Idaho?

Mr. MILLER. I yield.

Mr. BORAH. I was interrupted in following the able Senator from Arkansas by another discussion which took place during the course of his remarks.

Mr. MILLER. I, too, have been considerably interrupted.

Mr. BORAH. My understanding is that the Senator is of the opinion that we cannot successfully earmark that which goes for immediate relief?

Mr. MILLER. That is correct.

Mr. BORAH. That seems to me to be true; but does the Senator think we can, with any degree of success, earmark the other funds to be appropriated?

Mr. MILLER. I do, and I now desire to discuss that question.

Title II of the joint resolution deals with the Public Works Administration projects. I should like to call the attention of the Senate particularly to the provision beginning in line 14, on page 20 of that title. An appropriation of $865,000,000 is provided—

> To be expended by such Administrator, subject to the approval of the President, for (1) the making of allotments to finance Federal projects, or (2) the making of loans or grants, or both, to States, Territories, possessions, political subdivisions, or other public bodies (herein called public agencies), or (3) the construction and leasing of projects, with or without the privilege of purchase, to any such public agencies.

I am frank to confess I do not know what is intended by that third clause, "the construction and leasing of projects, with or without the privilege of purchase, to any such public agencies." I do not know what is intended by that.

But under this title a fund of $865,000,000 is to be administered by the Administrator of Public Works, Mr. Ickes. It is said, and the hearings reveal the fact, that there are approximately 2,700 projects which already have been approved, and on which work is ready to begin. The average cost of those projects is $240,000. In this connection I wish to submit to the Senate that in the past the projects of the Public Works Administration have not furnished their proportionate share of reemployment, as have the W. P. A. projects.

An amendment has been proposed, or will be proposed, to earmark of that $865,000,000 a sufficient amount to complete the approved projects, which, as I have said, are about 2,700 in number. About 20 percent of those projects have been already abandoned by the local sponsors. So it will take approximately $400,000,000 of the fund to complete the 2,700 projects, or such part of the 2,700 projects as are ready to proceed. I am not so keen about those projects. I do not believe the Federal Government ought to encourage local communities and municipalities to plunge themselves into debt, oftentimes for the building of public works that serve no useful purpose. Auditoriums have been built in this country in which bats will live. The auditoriums will probably be occupied once every 6 months or so, and perhaps on the Fourth of July if rain should fall on that day. Other buildings of that kind have been constructed. There have been sewers built; there have been all kinds of projects built that add nothing to the happiness or the well-being of our Nation. So far as I am concerned, I think we would be perfectly justified in limiting not only to $400,000,000, but even to a less sum, the expenditures for such purposes, because, after all is said and done, we have a public debt of approximately $40,000,000,000, which will have to be paid, and the local communities will have to pay it some of these days.

I should like to say that we are facing one of two things. I remember some years ago hearing the phrase "rum, Romanism, and rebellion," or something like that. Let me tell the Senate that if we do not call a halt to some of the useless expenditures which are being made, we are facing three R's in this country today. The three R's to which I refer do not represent reading, writing, and arithmetic, either, but just so surely as we are sitting in the Senate they represent revolution, repudiation, and ruin in this country, unless the Congress asserts itself and directs the expenditure of public funds so far as it may be done.

I am not at all interested in the politics of the situation. I have very little fear of any Federal official going to my State and dictating to the people of Arkansas for whom they shall vote.

Mr. BORAH. The Senator has had some experience along that line.

Mr. MILLER. Yes; considerable experience.

I do not have any chips on my shoulders. I want to be peaceful and quiet; that is my nature; but, after all is said and done, there is not anything fundamentally wrong with the people of this country. They resent outside interference, and they ought to do so. They are amply capable of running their own affairs, as the Congress of the United States is capable of conducting its affairs. When we are under-

taking to dip down into the pockets of the people and take out, as is the case under title II, $865,000,000, plus $200,000,000, plus $25,000,000, plus $35,000,000—and that is what we are doing in title II of this bill—I do not think we should say to anybody, "Take that money, but do not deliver it for the purposes of direct relief; do not go out and employ this man or that man; but allocate that money to various communities." What are we here for?

Let me call the attention of the Senate to another matter: The Senator from New York [Mr. COPELAND] yesterday submitted an amendment which proposes to allocate $324,345,900 to the building of certain flood-control projects. There will be another amendment submitted, I understand, to allocate a portion of this $865,000,000 to the housing program of the Army, which will require about $84,000,000. These sums, together with the $400,000,000 for approved P. W. A. projects and about $10,000,000 for aviation projects, will just about exhaust the $865,000,000.

Now, what are we doing? What has Congress been doing to the people of the Nation in reference to appropriation authorizations? The Copeland amendment, which was submitted and is printed in the RECORD today, in my opinion, should be adopted if we are going to spend this money. I do not think any country will go far wrong in expending funds and building lasting public works that contribute to the welfare of the entire Nation, and certainly flood-control projects are recognized as essential and important.

By the Copeland amendment, as I have said, $324,000,000 are sought to be earmarked for flood-control purposes, the money to be expended in every State in the Union.

What is our obligation? I should like the Senate, when it comes to consider that amendment, to realize what is its obligation to the States. What have we heretofore done? I will state what we have done. We have authorized stupendous sums for river and harbor works in the United States. Listen to the figures. We have now on the books authorizations for some $330,393,557; and for general flood control we have now on the books, authorized by the solemn act of Congress, $649,074,000 plus, which includes, however, the $345,000,000 that will be authorized by House bill 10618, which will probably be passed next week by the Senate. Then, for the Mississippi River alone, we have authorized $331,046,576, making a grand total of $1,310,514,133.

What does an authorization of Congress mean? Are we going to do these things, or are we just playing, and exercising ourselves, and fooling the people? The Congress has solemnly said that those projects ought to be built, and we have authorized appropriations of $1,310,000,000 to build them. Under the Copeland amendment it is sought to take $324,000,000 of this money, which otherwise will be more or less wasted, and apply it on an obligation which the Congress has incurred and which the Congress heretofore has authorized. "Oh," it is said, "this is a work-relief bill." I know it is a work-relief bill; and that is all the more reason why the Copeland amendment should be adopted. Let me read what the Chief of Engineers of the Army says in reference to the matter of work relief.

Mr. WHEELER. Mr. President, will the Senator yield?

Mr. MILLER. I yield.

Mr. WHEELER. The Army engineers' work originally was done for work-relief purposes. For instance, the Fort Peck Dam was built in Montana as one of the first projects because of the fact that it would put men to work; and that is what the authorities were anxious to do at that particular time.

Have these projects been worked out by the Army engineers and are they ready to go forward?

Mr. MILLER. Mr. President, I had a little something to do—principally footwork—with the preparation of the Copeland amendment. The list of projects has been published in the RECORD; but I desire to say to the Senate that the projects on the list were selected by the Army engineers, and every one of the projects, except I believe four of them, has not merely engineering approval but legislative approval. They have all been found to be economical and feasible by the Army engineers, and most of them have been approved by the Congress and authorized by the Congress.

I have here a list of them, and following each one on the list is the statute or enactment by the Congress in which it was approved.

So there is not any doubt about our foundation. There is not any doubt about the fact that the projects ought to be built, and that we ought to proceed with them if we ever mean to do so. If we ever mean to solve the flood-control problem in this country, the soil-erosion problem, and all other kindred problems, we had better start on the task. I do not know where we are going to get the $1,310,000,000 to carry on this work unless we divert part of this money to these projects, and at the same time refuse to be misled by the claim—I do not care where it comes from—that this is not work-relief. The fact is that it is work-relief.

Let me read what the Army engineers say about that matter; and their records are correct:

> The records of this office indicate that on river and harbor projects—

Mind you, in the Copeland amendment there are, roughly speaking, $57,000,000 of river and harbor projects, and $267,000,000 of strictly flood-control projects.

The acting Chief of Engineers says:

> The records of this office indicate that on river and harbor projects an average of 75 percent of the amount appropriated goes to labor;—

That is, direct labor.

> 20 percent for materials—

And when materials are bought, something is done to aid employment—

> and 5 percent for overhead.

That is only the river and harbor work.

> Likewise, for flood-control projects, including those on the lower Mississippi River and tributaries, the division of costs is as follows: To labor, 76 percent; for materials, 18 percent; and for overhead, 6 percent.

I ask the Senate, in all seriousness, can any way be devised to expend a part of the money authorized in title II more judiciously than in that particular way, when each State will get its share of the money, not as a "pork barrel" proposition? You may hear something in this debate about "pork barrel" propositions; but the United States Army engineers do not engage in "pork barrel" projects. These projects have been approved. They will scatter the payment of this money in every State, and largely solve the unemployment problem. Senators who come from great cities may think they have the acute unemployment problem, but let me tell them something: We have it in the South. We have it everywhere. We have it in the rural communities; and by the time our famous farm act gets into operation, I shall not be surprised if the rural communities have it more acutely than any others, especially in certain areas of the country.

The inauguration of those projects—and they can be inaugurated within 30 days to 6 months; they are ready to go—will to a great extent solve the relief problem through the W. P. A. Unless some Senator can point out a reason why we should not undertake to say to the executing agencies and to the spending agencies, "You shall spend this money on this and that, and in this and that manner," I feel that I am justified in insisting that it be expended under the direction of Congress.

Mr. ADAMS. Mr. President, will the Senator furnish me a bit of information? I have been looking over the list of projects in the book and I find certain initial letters, "R" and "L" and "C." Can the Senator explain what those letters mean?

Mr. MILLER. "C" means channel work, "R" means reservoir, and "L" means levee. That is the way the projects are designated.

Mr. President, the people in the section of the country from which I come have spent millions and millions of dollars on the flood-control problem. The Congress has recognized that problem as being a national problem. I desire to insist, as strongly as I may, that Senators who have been here longer than I have, out of their wealth of experience and knowledge of national affairs and a desire to contribute to the welfare of the whole country, give serious consideration to directing the manner in which these funds shall be spent.

As I said a while ago, I doubt very much whether we can deal efficiently or wisely with W. P. A. funds, but there is no reason why we cannot deal in that manner with P. W. A. funds. There just is not any reason why we cannot do so.

To show the trend of things, we have already taken from local communities $5,000,000,000 for P. W. A. projects by making them put up their quotas. When is this sort of thing going to stop? My own school district, where my children go to school, is mortgaged today for $123,000. We are just barely able to pay the interest on the mortgage debt and can just barely maintain a school. That is our condition. Why force such communities to take this money? That is what we are doing on the P. W. A. projects. If we leave this $865,000,000 to be expended in that way we are going to see it dribbled out here and yonder over the country and expended wherever the directing agency or directing head may desire.

The Copeland amendment will remove it from politics, if there is any politics in it. Understand, I do not know. I do not know anything about politics; but, if there is any politics in it, the Copeland amendment will remove it; and with all the earnestness at my command I urge that the Senate give serious consideration to the Copeland amendment and to the Bailey amendment.

Mr. LODGE. Mr. President, will the Senator yield?

Mr. MILLER. I yield.

Mr. LODGE. May I ask the Senator how the list of projects found in this amendment was compiled?

Mr. MILLER. Yes; that is a very pertinent question. It was compiled after discussions with the Army engineers. I, myself, engaged largely in the discussions in cooperation with other Senators and the Committee on Commerce of the Senate, of which I am not a member, in an effort to select the projects. The matter of the selection of the projects was left to the wisdom and experience of the Army engineers, because, after all is said and done, they know the projects they are ready to proceed with, the projects which probably ought to have priority, and for that reason they selected them.

Mr. LODGE. So it is fair to say that this list was substantially compiled by the Army Engineers?

Mr. MILLER. It was compiled by the Army engineers. Not a single project was incorporated in the amendment that was not approved by the Army Engineers.

Mr. LODGE. Does the Senator know whether any projects which have been authorized have been left off?

Mr. MILLER. Yes.

Mr. LODGE. Some have been?

Mr. MILLER. Yes.

Mr. LODGE. But that was done on the recommendation of the Army engineers?

Mr. MILLER. It was not done, I will say, on the recommendation of the Army engineers, but the projects were left off simply because we could not do otherwise. I am sure the Senator knows that, for instance, a great many projects already authorized are not included in the Copeland amendment, but appropriations and allocations are being made to many projects which are not included in the Copeland amendment. This year, under the appropriation bill passed by the House and the Senate, a total of $207,020,000 is appropriated for flood control and river and harbor work. It will be remembered that the Senate passed a bill carrying an appropriation of $119,020,000 for river and harbor work, while the House of Representatives appropriated only $94,020,000, and for flood control we appropriated a total of $103,000,000. So, with allocations to these projects by the Congress, we will have literally a program of national flood control in operation in every State in the Union under the regular appropriations and under this one.

Mr. LODGE. Mr. President, what struck my attention, just having glanced at the amendment very superficially, was that in Massachusetts provision is made for flood control works on the Connecticut River, but none on the Merrimack River.

Mr. MILLER. I have discussed that with those interested, and I should like to discuss further with the Senator from Massachusetts the Merrimack River. It was not overlooked. It received much consideration.

Mr. WHEELER. Mr. President, will the Senator yield?

Mr. MILLER. I yield.

Mr. WHEELER. I notice that in the Copeland amendment the largest appropriations go to the State of Illinois, the State of Ohio, the State of Kentucky, and the State of Pennsylvania. I assume that is because of the fact that the largest part of the floods takes place in those areas. Is that correct?

Mr. MILLER. The Senator will remember that following the Mississippi flood of 1927 Congress embarked upon a program of control of the floodwaters of the Mississippi River and certain of its tributaries, and the local interests and the Federal Government have already spent approximately a billion dollars on that program. As I have said, we have authorizations for additional expenditures on that river of $331,000,000 plus. The States the Senator has mentioned are traversed by tributaries of the Mississippi River, which must be controlled in order to help relieve the problem on the Mississippi.

Mr. WHEELER. If I understand the Senator correctly, most of these projects will have to be built anyway?

Mr. MILLER. They have to be built.

Mr. WHEELER. I notice a very large number are in Kentucky.

Mr. MILLER. Yes.

Mr. WHEELER. Is that because of the floods on the Ohio River?

Mr. MILLER. Precisely.

Mr. WHEELER. I notice an appropriation of $1,200,000 for "Buckhorn (R)." What does the "R" stand for?

Mr. MILLER. That stands for "reservoir."

Mr. WHEELER. Booneville Reservoir, $1,500,000. Mining City Reservoir, $2,500,000. Nolin Reservoir, $1,500,000. No. 2 Green Reservoir, $1,000,000. Wolf Creek Reservoir, $2,500,000. Those are necessary because of floods on the Ohio River?

Mr. MILLER. Those items are included because of the contributing effect those tributaries have on the floodwaters; that is, on the entire national problem.

Mr. WHEELER. This is a program which has been laid out by the Army engineers, and which will have to be completed anyway if we are to carry out the program of flood control which we have heretofore talked about, and which we stated we were going to carry out.

Mr. MILLER. If the Congress of the United States carries out its commitments, it will spend a billion three hundred and ten million dollars on already authorized projects. What we are trying to do here is to take $325,000,000 from this bill and apply it on that obligation.

Mr. WHEELER. Then there are the West Virginia appropriations.

Mr. MILLER. Yes.

Mr. WHEELER. There is in West Virginia the project of the Ohio River locks and dams, $50,000; the Bluestone Reservoir, $4,000,000; the Burnsville Reservoir, $1,200,000. Are the projects in West Virginia for flood control on the Ohio River?

Mr. MILLER. Precisely.

Mr. WHEELER. If I understand the Senator correctly, then, by the so-called Copeland amendment we will earmark money for Mr. Ickes' projects?

Mr. MILLER. The proposed amendment provides:

That irrespective of any other provisions herein, the Administrator shall allot to the Secretary of War out of the funds provided in this title—

Title II—

the sum of $324,235,900 which shall be available and remain available until expended by the Secretary of War under the supervision of the Chief of Engineers of the United States Army in the construction of the river and harbor and flood-control projects hereinafter designated, provided that subsection (b) of section 201 shall not apply to the allocations and expenditures on said projects, to wit:

Then follow the projects. In other words, it takes from the $861,000,000 the sum of $324,000,000 plus, and definitely earmarks it.

Mr. WHEELER. This definitely earmarks it for the Army engineers?

Mr. MILLER. Yes.

Mr. WHEELER. What about the projects coming under the Interior Department which have already been approved? As I understand, many projects have already been approved.

Mr. MILLER. About 2,700 projects have already been approved by the P. W. A. As I recall, the hearings on the bill show that possibly it would take approximately $500,000,000 to complete those 2,700 projects, but about 20 percent of them have already been abandoned by the sponsors, so that to complete the projects already approved would require, say, $400,000,000.

Mr. WHEELER. I understood that someone made the suggestion that when Mr. Ickes appeared before either the House committee or the Senate committee he stated he thought the projects which had already been approved should be given preference.

Mr. MILLER. I think so, too, for the reason that I know of instances, as I am sure the Senator does, of communities having held local elections and issued bonds and prepared to meet their particular portion of the cost, and certainly those projects ought to be preferred.

Mr. WHEELER. I agree with that. In my State in a number of instances when the spending program first started many of the local communities spent considerable sums of money in working up the projects. In some instances it took a considerable time, and the projects came in late, although the sponsors were the first to take up such projects. They spent their money and finally had the projects approved by the P. W. A. in Washington, but by the time they had them approved the officials stated that there was no money for them, and consequently they were not allowed anything. Even after some of them had been approved, although money was not finally allotted to them, other projects came in which were approved, and money was allotted to them even after the officials had told some in my State that there was no money for them.

I feel that the projects which have been approved and which are still feasible, and which have not been abandoned, certainly ought to be earmarked and certainly ought to be given preference. What does this do with reference to them?

Mr. MILLER. This particular measure does not do anything with reference to them, but the Senator from North Carolina [Mr. BAILEY] proposed an amendment yesterday which, in my opinion, ought to be adopted, and if the Bailey amendment should be adopted it would result in definitely earmarking a sufficient sum from the $865,000,000 to guarantee the building of those approved projects.

Mr. President, we can earmark every dollar of this $865,000,000, and do it in a way that will contribute to the national welfare and relieve unemployment all over the country, by adopting the Bailey amendment, providing that preference shall be given to those approved projects, and by adopting the Copeland amendment and another amendment which I understand will be offered in reference to the military housing program.

Mr. President, I ask unanimous consent to incorporate in the RECORD as a part of my remarks a letter directed to me by the Acting Chief of Engineers in reference to the division of labor on these projects, and also a letter in reference to the authorizations already made by the Congress.

The PRESIDING OFFICER (Mr. OVERTON in the chair). Is there objection?

There being no objection, the matters were ordered to be printed in the RECORD, as follows:

WAR DEPARTMENT,
OFFICE OF THE CHIEF OF ENGINEERS,
Washington, May 24, 1938.

Hon. JOHN E. MILLER,
United States Senate, Washington, D. C.

MY DEAR SENATOR: In response to your recent verbal request, I am pleased to furnish the following information with respect to the division of costs pertaining to river and harbor and flood control projects carried out by the Engineer Department during the past few years when substantial sums of public works and relief appropriations have been made available for river and harbor and flood control projects prosecuted by this Department.

The records of this office indicate that on river and harbor projects an average of 75 percent of the amount appropriated goes to labor; 20 percent for materials, and 5 percent for overhead. Likewise, for flood control projects, including those on the lower Mississippi River and tributaries, the division of costs is as follows: to labor, 76 percent; for materials, 18 percent, and for overhead, 6 percent.

Very truly yours,

JOHN J. KINGMAN,
Brigadier General,
Acting Chief of Engineers.

WAR DEPARTMENT,
OFFICE OF THE CHIEF OF ENGINEERS,
Washington, May 24, 1938.

Hon. JOHN E. MILLER,
United States Senate, Washington, D. C.

MY DEAR SENATOR: In compliance with your verbal request, I am pleased to advise you as follows with respect to the outstanding authorizations for river and harbor and flood control projects under the jurisdiction of the Engineer Department.

River and Harbor: Including the sum of $37,097,350 contained in the pending river and harbor bill, H. R. 10298, the outstanding authorization for river and harbor projects totals $330,393,557.

Flood control, general: Including the sum of $345,000,000 contained in the pending flood control bill, H. R. 10618, the outstanding authorization for general flood control projects totals $649,074,000.

Mississippi River: Including the sum of $40,000,000 contained in the pending river and harbor bill, H. R. 10618, the outstanding authorization for flood control works on the lower Mississippi River and tributaries totals $331,046,576.

In the pending War Department civil appropriation bill, H. R. 10291, now in conference, the following sums are appropriated for river and harbor and flood control projects under the jurisdiction of the War Department for the fiscal year 1939:

River and harbor (as passed by the Senate)	$119,020,000
or	
as passed by the House	94,020,000
Flood control, Mississippi River and tributaries	31,000,000
Flood control, general	82,000,000
Total	207,020,000

I trust that the above information is sufficient for your purposes. However, I shall be pleased to furnish further data upon request.

Very truly yours,

JOHN J. KINGMAN,
Brigadier General,
Acting Chief of Engineers.

Mr. MILLER. Mr. President, I regret having taken as much time of the Senate as I have consumed, but I feel in all seriousness that the Congress ought to discharge its obligation, an obligation which it owes to itself, an obligation which it owes to the people whose money it is spending, and that it should exercise its constitutional right to direct where money shall be expended when it is possible to do so; and we have an opportunity to do that under title II.

Mr. ADAMS. Mr. President, will the Senator yield?

Mr. MILLER. I yield.

Mr. ADAMS. I wish to ask a question with reference to the amendment of the Senator from New York. Perhaps I should have propounded the question to the Senator from New York, but I should like to have an answer from the Senator from Arkansas if he can give me one.

Are the amounts which are set opposite the various projects in the amendment adequate to complete the projects?

Mr. MILLER. The Army engineers say so.

Mr. ADAMS. In each instance?

Mr. MILLER. No; not in each instance. Certain projects will take more money than the amount set forth, particularly in the matter of some reservoirs. But as to a great many of the projects, the amounts given will complete them.

Mr. ADAMS. The point which interests me, then, is the provision in the joint resolution that no project shall be inaugurated unless adequate money shall have been provided to complete the project.

Mr. MILLER. In order to avoid that provision, the Copeland amendment provides that subsection (b) of section 201 shall not apply to those projects. I might say that I imagine that was inserted in the amendment in order to avoid the complications to which the Senator has reference.

Mr. President, I also desire to submit for printing in the RECORD at this time, but I do not ask that it lie on the table, a proposal that may be necessary to add to the Copeland amendment in the form of a perfecting amendment. I merely want it to go into the RECORD as part of my remarks, because I am in dead earnest when I say that I think the Senate should adopt that amendment and at the same time probably should perfect it so as to guarantee the carrying out of the intent of the Congress.

There being no objection, the matter referred to was ordered to be printed in the RECORD, as follows:

SUGGESTED AMENDMENT FOR HOUSE JOINT RESOLUTION 679, TO PERMIT THE SECRETARY OF WAR TO TRANSFER FUNDS BETWEEN PROJECTS CONTAINED IN LIST OF RIVER AND HARBOR AND FLOOD CONTROL WORKS

Provided, That if the requirements of local cooperation, as set forth in the Flood Control Act approved June 22, 1936, as amended, are not met in sufficient time to enable prompt initiation of any project, the Secretary of War may, upon recommendation of the Chief of Engineers, reallocate the funds therefor to such other localities as may be in urgent need of flood protection.

Mr. LEWIS. Mr. President, I have prepared, and as will be found on the official table, something of a substitute for a portion of the pending joint resolution. This production partakes of an amendment to certain provisions of the pending bill.

I digress at this point to suggest to my colleagues that they may have noticed that from time to time I have presented certain views as to legislation, but have not brought bills out as my bills, so that they could be spoken of as Lewis bills. I should like to call Senators' attention to the fact that in the office with which I have been honored by this, my party, in which I am designated for the Senate as the whip, I am under the obligation of honor not to present bills bearing my name.

This is for the reason that, inasmuch as I have a right as whip to summon the members of my party to their seats for the purpose of answering to their names on a call of quorum, or of voting upon a measure which may be called an administration bill, it is the law of my official office and has been since the earliest time, when the creation of whip was first put into effect in the parliaments, that the whip's name should not be upon a bill, thus taking credit to himself for a measure with reference to which he is able to summon the members of his party or those in the body to support; when the theory of the support of the members may at the same time be on the assumption that it is an administrative measure. For that reason I have faithfully tried to comply with that practice and rule, and that is one of the reasons why I have indicated from time to time my desire to be excused from this office in order that I may take a more active part in matters which sometimes must run adverse to some of the policies of what is called the administration. To the opposite, I work to have my views embodied in the provisions of the general measures.

Today, however, sir, I wish to bring attention to what I feel is a serious phase in the precedent we are now establishing. Here before the Senate is a measure which has been proposed and explained by able Senators on the floor of the Senate. First by the eminent Senator from Colorado [Mr. ADAMS], who carries the burden of presenting the present measure, as he has ably done in other weighty measures often before, and then also by the Senator from Arkansas [Mr. MILLER], who has presented different features of the measure wherein he felt their application was hurtful or not beneficial, or wherein he felt that amendments proposed by some of his colleague Senators described by him may aid in strengthening the measure, or be of service in the way of making toward its perfection.

Mr. President, I observe in this measure that its object is to provide, among other things, for the Government lending money to the people, and lending particularly money for the purpose, sir, of supporting those whose number as dependents, our good friend the Senator from Arkansas in complete presentation told us, may amount to somewhere near 12,000,000.

Other Senators have alluded to a slightly lower figure, but the different Departments of our Government have all conceded that the number is a vast one. What is painful in this observation is that there seems to have been an increase over the figure as it stood a short time ago—and an increasing increase.

Mr. President, how long do you thing this program is going to continue? I know that eminent Senators of thoughtful nature, many who have been the advocates of the policies of the administration, have from time to time spoken of this as a "temporary undertaking," soon to be superseded by some form that will completely end the necessity for these payments to be made to those who call themselves unemployed and dependent.

I warn Senators that they are now not engaged in a temporary undertaking. This thing you have begun is on its way to a permanent feature of this Government. It will continue and multiply, not only to the embarrassment of finance, but to the complete destruction of all there is of the institutions and models of government such as this Republic is supposed to have been presented with in its beginning, and by which it is now sustained in its continuance.

Mr. President, what do you think will be the end of this multiplying charities to millions of citizens? It is destructive of independent government to educate the citizen who is in need or in any want that he can always be taken care of by the Government; such doctrine within short time will paralyze his initiative. He will no longer look for any means of taking care of himself. This Government cannot continue this multiplication, and adding more and more to the dependent millions, then lead them to live upon those of mankind who are industrious, without having these beneficiaries feel as a conviction that they are privileged to feed on the Government and fatten on the industrious.

In this respect, sir, they are not content to rest merely with themselves. They transmit to the coming generations of their children the belief and creed that it is the duty of government to maintain them. That it is their right to demand of government the complete sustenance of their lives. That, therefore, they should not labor or make effort to maintain themselves, because such is no longer necessary.

What is the end of this? I dare say, my fellow citizens, you cannot overlook the fact that you learn from the ancient law "that there is nothing new under the sun." This expression means that there is nothing new in the experience of each generation of mankind. We are told by Tennyson, in Idylls of the King:

> The old order changeth, yielding place to new.

That does not mean that the thing is new in itself. It is meant to indicate that it is new to those in the next generation, and from generation to generation. It may be, sir, that the present undertakings are new to the present generation, but the results that come from such a policy of government as this are old, and stand before us as an example and a warning.

I am not interested, sir, in historical allusions made by the philosophers, Locke and Buckle, who busied themselves in some discussion and prophecy. Neither am I interested in the statements of those who cite these philosophers to prove that many are now on their way to destruction because, in the nature of things, the people who lived in their time had fallen under the result. Those philosophers of that day and age do not live under the present exigency in our Government.

They do not survive under the circumstances which at present surround our Nation. They have not had experience with, and they know nothing of, the mankind that surrounds us.

But, sir, there is that principle of life which forever remains. It can be expressed in the forewarning that if we shall continue to leave the impress that our citizens, to any great number, may ever rest in complete confidence in the security that Government will always take care of them, you will paralyze their initiative, you will destroy their progressive instincts, at the end of which, sir, instead of having independent citizens you will have an army of dependent mendicants—and now, Mr. President, when they are such, and it is clear that they are to remain such from that time on, sir, such an example tends, sir, to discouragement of all around them; but worse than debasing the institutions of the Republic, it tends to lead those of mankind who are industrious to one of two beliefs—either that that which they are producing is to be filched from them by a wrongful process, to give to those who are doing nothing, or that other thousands shall come to say, "If these can be favored, why not us?" Let us all "fold hands and wait."

Mr. POPE. Mr. President——

The PRESIDING OFFICER (Mr. OVERTON in the chair). Does the Senator from Illinois yield to the Senator from Idaho?

Mr. LEWIS. I yield.

Mr. POPE. It is true that a certain percentage of those who are on relief are of the type the Senator refers to, those who would look to the Government indefinitely for their living; but is that not a very small percentage?

When I was out in my State 2 years ago I made inquiry of as many of the relief administrators as I could talk to and asked them the percentage of those who were on relief who would not get out and hunt other work, but who would indefinitely and continually look to the Government for their support and do as little work as possible for what they were getting.

The figures I obtained from those relief workers were from 5 to 15 percent. I would say the average of the class to which I refer would be 8 or 10 percent, judging by the figures given me by those relief administrators to whom I talked.

Is it not the idea of the Senator from Illinois that there must be a continuation of the policy of helping those who actually need help, the 90 percent, let us say, which would incidentally help 10 percent who, we will say, are not deserving generally, or does he feel that we can stop the policy of helping the 90 percent because there are 10 percent who will get the habit of looking to the Government for their living?

Mr. LEWIS. I answer the Senator from Idaho by saying that I concede that in all forms of organization of government, certain classes of people will not work, it matters not what opportunities they are offered. They will perform no toil, whether that attitude be attributed to the matter of their age, or disinclination, or a feeling that they can take advantage of circumstances. There are always a number of such persons in any form of civilization, and in any state. But to this are added those we must feed, as Christ did the hungered lined on the shores of Galilee. But I cannot overlook the fact that with business all around us crying out for improvement and for the multiplication of the number of employees, and with money being distributed in billions, there still remains a vast number of unemployed, a number which is increasing.

I must come to the conclusion that we have induced many to feel that it is unnecessary for them either to seek employment or to take it. In that way we have to a great degree increased the number of such dependents, and we are gradually inviting the number to accumulate and augment themselves merely because we are setting up the example before all mankind that those who claim to be helpless may be maintained and supported wholly by the Government, and that those who claim a partial disability in some form may have the remnant provided for by the Government.

However, in the final analysis, the result is that we are paralyzing the instrumentalities of energy; we are palsying every motion of initiative which leads honest men and women to rise to the high level which it was the theory of our Government to establish—independence and prosperity. Such is my view. Such is my prophecy as what may follow our policy and precedents as now to be made permanent in this bill before us.

I say to my able friend and to the Senate that there is another aspect of this whole matter which I regard as very serious and threatening.

In the community where I live—and, of course, able Senators know that I am largely influenced by that which we speak of as environment—citizens march up and down the streets claiming their right to have their salaries increased under the name of W. P. A. or P. W. A., as the case may be. They threaten the public men of the Government with political opposition unless this privilege is continued. There is a threat to band together the class of persons to whom I refer under a political organization. This is to terrorize those seeking public office, or those holding public office, with the threat that unless such persons of the organization are permitted to continue in employment by the Government which assures them compensation, but which involves no real honest effort on their own part, they will confederate together and politically displace public officials from office, sirs, humiliate them with defeat.

This leads me to bring to the attention of the Senate what I feel is a more provoking threat and danger. I ask if those numbers should continue that form of organization and be effective in it what will be the result on free and lawful government? What think you of the spectacle I record? Day before yesterday, in my city of Chicago, hundreds moved up and down before the city hall carrying great placards denouncing the Governor of the State because he could not hasten a legislative bill through the State legislature, then calling the mayor of Chicago a criminal because he had not been successful in having his city council carry through some local measure which was necessary to coalesce some action of the State and these with that of the Government. If such activities are continued, where will they lead us?

We give no warning to such people. Nobody steps out to say, "Gentlemen, hold up! You are educating your women and your children to the idea that the Government owes you this maintenance and is failing in some obligation by not continuing it. You overlook the fact that the Government takes out of its Treasury the funds to maintain you from a spirit of charity and a heart of humanity. You seek to terrorize and threaten your fellow man and to defile, slander, and malign officials if they do not continue in this form of obligation."

Sir, I see a danger. This danger will continue to multiply. Soon we shall have a political revolt, and from the political revolt we shall have internal insurrection, particularly in the large cities. From the insurrection we shall have rioting, and as a result of the rioting we shall be called upon to summon our constabulary to repress the rioting and violence.

When that time comes we shall have war within. We shall no longer need to concern ourselves with the dangers of war from without. We shall have war internal, which, though small in proportion to all population, will tend to depress securities, frighten the people, and attach to our communities the outrages of violence. Throughout all the world we shall be held up as a people characterized by lawlessness and surrender to public riot. That which is the honor of our country at present, obedience to the law, will promptly be converted to that which surrenders to violence—bloody riot and murdering lawlessness. When that time comes the man who now holds large investments in securities, the man who has money in the banks, and the man who is the owner of property, will waken to the fact that the present circumstances as created so clouds the valuation of what they have that the values will sink; and, so far from providing more employment, what they now have will be taken from them, and they will be unable to give any employment or be self-sustaining. Far from increasing that

which they now have, the result will be to decrease all they have, because they will be forced to close their portals in self-protection.

Mr. WHEELER. Mr. President, will the Senator yield?

Mr. LEWIS. I yield.

Mr. WHEELER. I think the Senator has given a very true and correct picture of what is likely to take place. As a matter of fact, we do not need to go back very far into European history to find that before the dictatorship in Italy practically the same thing came about in Italy, as it came about in Germany. There was a complete breakdown. I feel that the Senator is doing a distinct service to his country by pointing out these things at this time.

I have in my hand a telegram from a representative of a farm organization who was very much in favor of the farm bill, and urged us to vote for it. Now, however, he is telegraphing us and saying, "We have to have more money out of the Treasury of the United States in order to bring about parity."

That situation will continue unless we do something about it. Sooner or later a limit must be put on the amount of money appropriated out of the Treasury of the United States I do not know where the money is to come from. I think we must take care of persons who cannot obtain employment. However, if such persons revolt and make unreasonable demands which cannot be met by the Congress of the United States, or by the Governors of the States, then, as the Senator has pointed out, the business community will become so frightened that it will not start the wheels of progress, and will not provide employment. In my judgment that factor is one of the things which has brought about the depression through which we are going at the present time.

Mr. LEWIS. I appreciate the observation contributed by the Senator from Montana. I feel that any of us observing the situation would have to confirm his observations and conclusions.

That brings me, then, to the final answer: How can we continue the present state without completely exhausting the Treasury? Such a program will not only exhaust the Treasury but will exhaust the capacity of the taxpayer to pay further. If we continue the demand upon him, beyond his power to pay, we shall confiscate his property by appropriation in the form of law, in order to achieve the extraordinary results which we are undertaking.

It is one thing to provide for those who are hungry and needy until they can get on their feet and obtain some form of employment and self-help.

However, it is quite a different thing to have banded together thousands of those who have nothing to do themselves, but continually insist upon their privilege to live upon the Treasury of the Government and multiply their demands upon the Treasury, while great agricultural areas are calling for help and meeting no response, and while work exists in the cities with nobody to do it.

The final end will be that we shall not only have exhausted the feeling of independence within the citizens and taken away from them the impulse to help themselves, but we shall have exhausted the Treasury and reduced our great republic to an asylum for the dependents, by reason of having converted our citizens into helplessness and dependence through confessing to them that we regard them as unable to make a living, or unworthy or unable to be citizens of stable existence.

Mr. BONE. Mr. President, will the Senator yield?

Mr. LEWIS. I yield.

Mr. BONE. I have been greatly interested in the Senator's discussion of a very challenging aspect of American life. Upon one or two occasions I have burdened the Senate with a discussion of what seems to me to be a very vital part of the picture which the Senator paints. I refer to the effect of technological change in the society which we know.

The Senator will recall how slow the tempo of life was when he was a youth. It was even slower when his father was a boy. When my father was a little fellow, 2 months were required to cross the continent. Today the railroads of the country are hauling more freight with fewer men, and doing a better job with fewer and fewer men. I recall a statement made before the Interstate Commerce Committee by a man who was familiar with the operations in the steel industry. In one type or segment of work in the steel industry, with the aid of machines now being fabricated and put into operation, 15,000 men can do the work which 100,000 men formerly did. Obviously the greater efficiency achieved by that type of machinery creates a problem. I think it is so much a part of the problem which we face that we can not overlook it, because it thrusts us into what seems to me to be a great transition.

Approximately 600,000 young people come out of our colleges and schools every year. Necessarily they have to fit themselves into our economic pattern. Of course, if we are to become more efficient in our industrial machinery, we shall narrow the field of activity and the possibilities of employment for all our young people. I would not repel the machinery, but I cannot escape the honest conviction that it will become part of the duty of this body which we call the Congress to meet that issue head-on, with full recognition of its implications and the important part it plays in our life. Perhaps we shall have to meet the problem by shorter hours, by more real control of wages, or by leveling out employment so that we may avoid peaks and valleys. I suggest the problem to the Senator. I am sorry to have to encroach upon his time in order to do so.

It has seemed to me many times that right at the present moment we appear to be a hundred years behind science in our social thinking. If we would gear our thinking to the scientific achievements of the age and be utterly realistic about it we might have some hope for the future. I cannot visualize this civilization of ours, with all the energy we have and all the marvels of science which should be made to serve humanity instead of bewildering and bedeviling us, failing to find a solution of this problem.

A labor-saving device for the cotton industry, the Rust cotton picker, is being developed more and more every day. If that should finally develop into an efficient machine, the Senator from Illinois can well imagine what it might do to the cotton industry, perhaps revolutionize it as much as did Whitney's cotton gin. We are seeing such mechanisms introduced into every field of human activity, and sometimes men in their bitterness and their despair are tempted to cry out passionately against this whole movement.

I do not believe we ought to inveigh against the labor-saving machine; it ought to be a handmaiden of progress; but certainly it has thrust us into a great transition. What the Senator says about the increasing burden is true, but, with this somewhat labored explanation of my own viewpoint, I should like to have the able Senator from Illinois, before he takes his seat—for I esteem him very highly and I admire his sound judgment—tell us what part he thinks this change in technology and this increased efficiency, which might by some great tragic event become inefficiency so far as the mechanics of society are concerned, are playing in our economic difficulties.

Mr. LEWIS. Mr. President, of course no one who observes the situation around us but must concede that machinery and its multiplication has brought about great new problems. I feel that that is going to reach the point at some time when we must force certain classes of mankind that are out of employment to learn the use of these new machines in order that they may fit themselves not only to cooperate with them but to apply themselves in such manner that they may draw compensation from every form of new invention.

Mr. President, since my able friend from the State of Washington has made allusion to mechanisms and to what may be called the age of mechanisms, I may suggest that one of the principal sources of revenue this Government has overlooked is a tax on patents. There ought to be a tax upon all profits growing out of the use of patents. This would produce a large fund for the general welfare of the Treasury. Taxes upon the benefit of the patent, the value of the patent,

and the proceeds of the patent financially would do a great deal to stay the course for a while of other new patents bringing forth new machinery, leading, as at present, to the confusion the able Senator from Washington well points out. During such time as might elapse, at least the present generation would learn how to equip itself with knowledge so that they might adapt themselves to present mechanisms and in some degree lessen their great burdens, and, I may say, misfortunes which the Senator from Washington points out as a result of these multiplied mechanisms.

I then come to one of the points I wish to make—and, I take it, what I say will bear in part on some of the suggestions the able Senator has made and will offer some remedy.

I have referred to the proposed substitute on the table or to the amendment by me proposed. I reveal its purport. Instead of providing money for merchants and lending money to what we call business to do with as they choose, I would adopt another plan. I would at once, sir, contemplate how many thousands in each community have need, how many millions in the aggregate may at this time have need for the ordinary necessities of life. I would realize that there are demands in the markets of the world for the production of genius, mechanism, and industry. I would, sir, summon the merchants and manufacturers of America and let there be ascertainment, through a proper census, of what would be the demand in order to serve the actual needs of those of the various communities of the necessities of life. And, sir, I would advance the money to these merchants and manufacturers so that they might continue their work to produce to the full limit of the needs of the communities which they serve.

I would provide loans to them upon the condition that they open their mills, that they multiply their works to the full extent of the capacity of their mills; that they bring in the toilers who are out of work and put them to work and pay them. The money advanced by the Government to be just sufficient to meet any losses, to offset any losses of this undertaking on the part of the merchants, and manufacturers who would give credit to buyers around them. These who by the census the Government had ascertained can be trusted. They, then, sir, would get the benefit of this work and get the benefit of the money and the production. Then, when the buyers pay to the manufacturer the debt they owe to him, the manufacturer pays back to the Government the sum that is advanced to him, if it has been, on the basis of any loss, but gradually, as money is paid to him by those whom he has trusted, then, he returns proportionately to the Government the money that it trusts to him.

What will be the result finally? Sir, all the manufacturers of the country will be at work. Those who are working partly will be able to call upon their remaining forces, for they will be protected in this respect and invited to continue and multiply their efforts in order that they may furnish work.

What is the result? As I see it, it is that the people are all put to work, the citizen in need is provided for, the small man who has the desire to multiply his efforts may do so. The credit the Government has given to the manufacturer and to the merchant is returned as rapidly as the citizen can return it to those who trust him, and as business increases, as prosperity multiplies the final end. From this system we will put all substantially to work who are out of work and who will work, and we will supply all the people who need supplies.

We have, therefore, sir, solved the problem; we have removed those who live upon the Government like mendicants and beggars. We have given them an independent citizenship; we have given them priority in life and equality with mankind all about them and at the same time our Government does not lose its money, for credit is not advanced generally to merchants and businessmen, so-called, but is lent on the specific condition that the manufacturers open their mills, put their toilers to work, the loans in this case to which I allude to cover their actual losses. In the meantime, their profits are made from those who are able to pay in excess of those who are being provided for in order that work may be had and unemployment relieved.

The substitute which I tender in place of lending money to the merchants and businessmen would put them at once in connection with the Government in a field of cooperation. They become cooperative with the Government.

As I vision it, the mills begin to spin and hum their wheels of industry; manufacturers are able to turn out their material they may sell abroad any surplus after providing at home for American citizens. They are protected by the Government, and the Government loses nothing, for its census enables it to ascertain who may be trusted, from whom may come collections. While it may take some little time, it will take nothing like the time that will be required to have money returned to the Treasury by taxation; then it will relieve the citizen of the burden of the heavy tax that has to be laid upon him to meet the demand if those who are unemployed are continually to live upon the Government, with their increasing demands, and thus, sir, continue the exhaustion of the Treasury.

I see the danger of the situation as it now confronts us, and I feel that all of us are justified in tendering whenever we can some form of relief and some system which may rescue us from that which now threatens us, the desolation, sir, of industry and worse than that, sir, the death of initiation, the paralysis of prosperity and in the final end, sir, as I see it, the demoralization of the Republic.

I have presented my view briefly. I will later, sir, as the general measure goes forward, have occasion to discuss the particular amendment at the particular point of the bill where it appropriately attaches. Until then I will not burden the Senate further, having set forth the theory that the Senate may gather my object, and then I will abide the time to express the specific details of the measure in which I feel it can be applied. I appreciate the Senate's extraordinary indulgence of me up to this point of my thesis on our dangers and my doctrine of commercial relief.

Mrs. CARAWAY. Mr. President, it has not been my habit to address the Senate on every measure that is considered by this body. This pending measure, however, is of such importance that I desire to express my views and really to put myself on record.

My first campaign was made just before the Democrats came into power with the election of Mr. Roosevelt. During that campaign I promised my people that I would use my every energy toward securing legislation for the relief of those who really needed relief; that is, the people—and there were many—who were losing their homes, those who had lost their jobs, and the farmers who for so long a time could not get cost of production for their crops.

While the phrase "underprivileged" had not then been coined, I was espousing the cause of the underprivileged citizenship of our country. That promise I have kept. There is no need to go into the story of the last years of the Hoover administration, when the depression had grown worse and worse, with no action taken to alleviate its rigors. There seemed to be a sort of listless, apathetic acceptance of "hard times" and a feeling that there was nothing we could do about it. If, when Mr. Roosevelt was inaugurated, we had continued to take such an attitude, I shudder to think what the result would have been.

Suppose we had had no bank holiday; no loans to industry, banks, and railroads; no farm-control programs, with benefit payments; and no public-works or works-progress funds. Mr. President, I take pride in having been one of the Members of the Congress which, under a humanitarian President, took such immediate steps and enacted legislation of that kind.

It is true that some of those experiments have not succeeded. No great scientific discovery has ever been made without many costly experiments, some of which have failed, before the scientist achieved his aim. Are we not much more subject to failure when dealing with human equations, especially in a country where climate, population, and great

diversity of interests complicate any method whereby it is sought to give all our citizens equal consideration?

As an illustration of what I mean by diversity of interests, take flood control, for example. The South, especially Arkansas, Mississippi, and Louisiana, have spent many million dollars in the effort to protect themselves from the floodwaters sweeping down from the northern, western, and eastern streams into the Mississippi, overflowing the farms, and imperiling the very economic life of the Mississippi Valley. It has taken several major floods, not only of the Mississippi but pretty generally over the country, to make Congress and the public realize that flood control is a national governmental problem.

Call it suffering from some cause, companions in crime, or whatever you may, but the fact remains that when one section has a disastrous flood its people immediately need help, and the cry of "sectionalism" is heard no more.

The very things which have been accomplished and can be accomplished in the way of flood control under this joint resolution commend it to me.

This measure carries large increases in appropriations, it is true; but it also carries large benefits to every State in the Union in the opportunity to get good highways, good farm-to-market roads, better school facilities, and various other worthy features. Here I should like to say that I was instrumental in obtaining the first loan to schools for building purposes; and the boys and girls of my State and most of the other States have been enabled to attend school under circumstances which added to their well-being in a way that never would have been possible otherwise. The small towns and rural districts have been enabled and will be enabled to live under far more sanitary conditions. Women's work has been made very much lighter by rural electrification, water in the house, and other modern conveniences so long denied those not living in urban areas.

The C. C. C. camps and the National Youth Administration are of inestimable advantage to every State. All these things are worth every cent that has been spent on them. The aid which has been promised to the little-business men must be forthcoming if we are to have a recession from the recession. While that does not come under this joint resolution, it is an arm of the Government in this period. The R. F. C., in order to function properly, should use its authority granted by the Congress to encourage and help employers, so that the problem of relief may be minimized.

The only argument advanced here against this measure seems to be that it will cost much money. That is true; but when it goes to work relief—not dole—work of constructive permanent value, such as conservation, flood control, and reclamation projects, forestry, soil erosion, and many other worthy projects which can be planned and undertaken in periods when employment is at low ebb, the money will not be wasted. I think it will be a matter of economy whereby the natural resources of our country will be preserved, and the well-being of our people protected.

Of course there will always be unemployables. Families do not put a child to death, however, if it is defective and helpless. Should our Government, then, let its citizens starve because they are no longer able to work and thus to increase the national income?

Perhaps what we have done has not been done in the most economical way. Perhaps some of it is "boondoggling" and "pump priming." If it is, I am still in favor of continuing the work as outlined in this joint resolution until we can find a better way. If the critics would work out an effective plan whereby the situation could be taken care of and the unemployed could obtain work without such legislation as this, well and good; but the cry of cost is an unholy one. The United States can still afford to do this, despite the fact that our opponents incessantly harp on the fact that our gross national debt has been increased by $15,000,000,000 in the past 5 years. They do not subtract gold on hand, securities held by the Treasury, the H. O. L. C. and other mortgages, and cash in hand. Subtract those items and our debt will be brought down to less than $7,000,000,000.

I have figures from the Treasury Department which show that in 1932 our national income was $39,000,000,000. In 1933 it went up to $42,000,000,000, in 1934 to $49,000,000,000, in 1935 to $55,000,000,000, in 1936 to $64,000,000,000, in 1937 to $67,000,000,000, and, in spite of the recession, is expected to reach $60,000,000,000 this year—a total gain of $80,000,000,000 in national income in 5 years. To me that does not paint a gloomy picture, but rather denotes that this country and the present administration are still functioning along the line of establishing justice, insuring domestic tranquillity, providing for the common defense, and promoting the general welfare.

I am glad that a Democratic President, heading a Democratic administration, has the high courage and the kind heart which leads him to experiments such as this.

My philosophy of legislation, and really of life, is to be broad-minded enough to consider human relationships and the well-being of all the people as worthy of consideration, to realize that all human beings are entitled to earn, so far as possible, their daily bread, and to try to prevent the exploitation of the underprivileged.

Mr. VANDENBERG. Mr. President, I rise simply to present one exhibit for the RECORD.

The able Senator from Illinois [Mr. LEWIS] a few moments ago was discussing the disintegration which occurs in connection with public morale as the result of the relief formula which we are pursuing. Of course he is entirely correct in his notion that we confront a crisis in character in this country which even transcends the crisis in economics or policies. He neglected, however, to refer to one phase of the debauchery which is constant and persistent, and which, as I undertook to say last Monday, is inevitably related to a Federal activity of this sort.

I am referring to the inevitable result of a wedlock between politics and relief whenever there is a national distribution of largess. That, in turn, wittingly or otherwise, is bound to enslave the consciences of millions of victims of depression who find themselves under the impulsion to surrender their own political convictions in return for a chance to exist.

I want to read one exhibit which comes to my attention today. First, a letter from Garden City, Mo., dated May 4, 1938, on the letterhead of the Federal Works Progress Administration, addressed to Mr. John A. Maupin, of Creighton, Mo.:

DEAR SIR: Please do not report back for W. P. A. work. You have been released from the project.

Yours very truly,

WILLIAM HELMUTH.

The second letter:

FEDERAL WORKS PROGRESS ADMINISTRATION
Jefferson City, Mo.

GARDEN CITY, MO., *May 10, 1938.*

Mr. JOHN A. MOPPIN,
Creighton, Mo.

DEAR MR. MOPPIN: This [is] to advise you that I am willing to help you get back on this work if you feel you need the work and would like to be reassigned, provided—

The word "provided" is underscored—

you are willing to take a better attitude toward the administration and its operations. This was the cause of your lay-off by order of higher authority. Your work was all right but your attitude was wrong. I will be glad to help you if you wish to reconsider this matter.

Yours very truly

W. E. HELMUTH.

Mr. President, these are official communications. They were carried through the mails under Government frank. They represent, at least in this localized situation, the conception of equity and ethics that prevails in the administration of W. P. A. in respect to those who are in need. The exhibit speaks for itself, and needs no additional comment from me.

Mr. JOHNSON of California. Will the Senator please state who Mr. Helmuth was?

Mr. VANDENBERG. He writes on the letterhead of the Federal Works Progress Administration, and is obviously an

official of the Administration in the Missouri area. I will add that, for the sake of further identification, I have asked the senior Senator from Missouri to look up Mr. Helmuth, and find out a little more about him.

Mr. BORAH. Mr. President, I desire to make some observations while the pending measure is before the Senate. Many of my colleagues will doubtless be of the opinion that what I say is not strictly relevant to the joint resolution now pending, but I feel that it is relevant to the conditions which make necessary this and other measures which have been passed. I shall not go fully into the subject, but do no more than to show its relation to this question of depression.

Naturally, when we have these measures before us, we reflect upon what brought on the depression, and what keeps the depression with us, and how we shall ever be free from the necessity of dealing with the subject of depression. Whatever there may be of politics in administering relief during the depression, about which I do not offer any opinion at this time, it is clear to my mind that the depression came to us, not through political channels but through economic channels.

After 8 years of effort to deal with the subject successfully, we are again considering a measure which it is hoped will ameliorate the conditions, if not put an end to them. But after these 8 years the situation is as serious as at any time during the entire period. Want and abundance, hunger and waste, poverty and wealth, that is our problem. And we are no nearer to a solution than we were 8 years ago.

It ought to be apparent to everyone by this time that this economic break-down, or depression, as it is popularly called, has its roots in deep-seated and radical defects in our economic system. It ought to be apparent that it is not one of those depressions with which we have had to deal in times past, and which were of comparatively short duration.

In my opinion, the present depression, if we may call it that, had its origin in and is maintained in the exploitation of the great mass of the people by a very small number of the people. It has had its origin in a system which permits a very small number of our citizenry to practically control the economic life of a very large number of our people.

No one has ever satisfactorily explained the reason or cause of the depression of 1929. It was said at the time that the crash in the stock market was the cause of the depression, and it was for that reason that very able men, able financiers and economists and statesmen, were constantly saying that it would be over in 60 days, or 90 days, or in a short time. But it continued, and grew more and more acute. It is still with us.

The crash in the stock market was not the cause of some 50,000,000 people in the United States living on the bare necessities of life in 1929. It was not because of the stock-market crash, as was revealed after the depression began, that nearly half the people of the United States were living very near the brink of hunger.

After the disturbance came, it was not long before it was known that we had the extraordinary condition in this country of nearly one-half our people reduced to a minimum in purchasing power. There was something besides the crash in the stock market. There was something in the system that was operating throughout the entire country, aside from that which was temporarily apparently the cause of the trouble. It was not the crash of the stock market which had reduced the purchasing power of the great body of the people that had been in process for years.

Nor has anyone given any satisfactory explanation as to the cause of the break-down in 1937 and 1938. We had a severe depression in 1929, 1930, 1931, and 1932. In 1937 and 1938 we have had a condition which has been acute, and in some respects as depressing as the condition before, and at no time in the meantime has there been anything except what might be called an ameliorated depression.

When we are considering measures which will impose upon the people several billion dollars of taxes which the taxpayers must pay, and when we have been engaged from time to time in imposing these heavy burdens upon the taxpayers, we cannot but wonder why it is that in the richest country under the sun in natural resources, an industrious and frugal people seem to be unable to escape from this condition of affairs.

It has been said with reference both to 1929 and 1930 and with reference to 1937 and 1938 that the cause of the depression is overproduction. I think that if we could get rid of the idea of overproduction it would help us very much in arriving at a true understanding of the condition of affairs in this country. There has never been at any time an overproduction in this country, much less during the last 8 or 10 years.

It is cruel folly to say that overproduction is causing the present condition, when from this Chamber we can almost hear the cries of men and women for sufficient food to maintain life. And while there is a cry upon the part of some for food, there is another cry equally poignant coming up from those who have food to sell. They are equally in distress, but can find no market for their food. It has never seemed to me reasonable to say that there is overproduction when there are at least forty or fifty million people in the United States who have not sufficient food and twelve or fifteen million who are actually in great need.

I do not feel that these conditions arise out of overproduction or a crash of the stock market or political maneuvering of either one of the political parties. It arises out of a system which we have permitted to become the established system of this country, and I venture to say that so long as it remains the established system of this country we shall always have a large portion of our people living so close to the borderline of want that any economic disturbance of any nature or kind or of any moment will put them immediately upon the charity list.

It may seem a mere truism, but to my mind it is inherent in this situation and must be dealt with—to say that so long as millions of people have not sufficient to put them upon a decent living basis, that there can be no such thing as overproduction in this country.

Mankind has struggled for hundreds and thousands of years to create means and methods to produce enough for the people to eat and to wear, and has not yet succeeded, not because of the fact that the people do not produce but because they do not and have not devised a scheme of distribution.

The pending joint resolution has, first, the purpose of feeding those who are actually in need. There can be no differences between us with respect to that proposition. There certainly cannot be any politics as to that proposition. If the people are hungry, are in need of food, politics disappears when it comes to the question of providing food for them, and that portion of the measure, of course, will receive the support and approval of every Member of the Senate. If there is politics in the distribution of it, there will be no politics, I venture to say, in providing for the things needed for those in distress.

Mr. McCARRAN. Mr. President, will the Senator yield?

Mr. BORAH. I yield.

Mr. McCARRAN. Would not the Senator re-form his statement and say that there would be no politics in the provision, and there should be no politics in the distribution?

Mr. BORAH. Of course there should not be. It seems inconceivable that there should be politics in either providing or distributing food or shelter for the hungry.

Mr. COPELAND. Mr. President——

The PRESIDING OFFICER (Mr. POPE in the chair). Does the Senator from Idaho yield to the Senator from New York?

Mr. BORAH. I yield.

Mr. COPELAND. Sunday I attended a luncheon at one of the hotels, during which there was a rather interesting presentation of the application of chemistry to farm products with a view to increased production. I suppose in the last analysis there must be an answer—and the Senator from Idaho must answer the question: How is the buying power of the people to be provided for, if we have increased production over what we have at the present time, in order that there may be sales of those products? I am asking the question in perfect good faith, because I take the same view that the Senator from Idaho does, that there is nothing so fallacious as the doctrine

of scarity; yet, after all, there must be found an effective answer to the question as to how these products are to be put into the hands of the people when they are produced in even greater quantity than at present.

Mr. BORAH. Mr. President, if the Senator from New York [Mr. COPELAND] were in a position where he could say to every member of the community in which he lived what they must pay for that which they eat, and what they must pay for that with which they are clothed; if he could say to them what they shall pay for their automobiles, and for their gasoline, he would soon be in a position where he would have millions of dollars, and the balance of the community have only enough to live on. It might not be true with respect to the Senator from New York, because he is a very benevolent individual, but I would not trust very many persons if they were in such a position. [Laughter.]

Mr. COPELAND. I thank the Senator for his kind words. But to make the answer complete and responsive, it would seem to me that the Senator must point out how these prices are to be fixed, and what method would be used in making it possible to keep them down to a decent figure in order that the meager earnings of the people may be used to make these purchases.

Mr. BORAH. Mr. President, if you will take from private corporations the power to fix prices, and permit the law of competition to fix prices, I think you will have largely solved your problem.

Mr. MILLER. Mr. President, will the Senator yield?

Mr. BORAH. I yield.

Mr. MILLER. In that connection, does not the Senator think that the President in his last message to the Congress was on solid and safe ground when he advocated the regulation of competition in this country and the restoration of competition, particularly with reference to the class that the Senator just mentioned, those dealing in the necessities of human life and human existence?

Mr. BORAH. I think the President was entirely right when he advocated the destruction or control of monopoly and thereby the restoration of competition.

Mr. MILLER. My own individual opinion is that it was the most constructive message that the President has sent to the Congress in a long time.

Mr. BORAH. Naturally, I would think so, because I have been advocating it for many years. I have no hesitancy in saying that in my opinion the solution of that problem will go far in answering the question of how long we are going to continue to draw on the Treasury to take care of the poor people of this country.

Mr. MILLER. I think the Senator is absolutely correct.

Mr. BORAH. I said that the joint resolution is designed to restore purchasing power to the masses; that is aside from that portion of the measure which deals with the question of actually administering to the needs of those who have nothing to eat or to wear. The theory of that portion of the measure outside of title I is that it will restore purchasing power to the masses or restore consuming power. It would have that effect if it were possible for the Government through its contributions to reach the masses; but it is not possible for the Government, in my opinion, ever to reach the great mass of the people, because there stands between those people whose purchasing power we would restore and the Government of the United States a power which intervenes and fixes the price which those people must pay. In using the words "purchasing power," I mean something more than money—purchasing power has a wider meaning.

Let me call attention to a few figures to show the obstacles we must overcome in order to reach the great masses of the people. We shall never be free from the obligation of taking care of the poor unless we can restore purchasing power to them; and we cannot restore purchasing power to them if there intervenes between them and the Government a power which fixes the prices which they must pay. Let me give a few figures.

Five percent of the anthracite companies own 78 percent of the recoverable tonnage. Five percent of the people engaged in that business own and control 78 percent of the entire business. In other words, when the Government deals with that particular subject, it is in reality dealing with only 5 percent, because the 5 percent have the power to control the prices of the entire industry by reason of the power which they possess.

Five percent of the bituminous companies own 60 percent of the tonnage. Five percent of the iron and steel companies own 95 percent of the iron-ore reserves.

A few days ago we passed the naval-expansion bill. The Government will deal with about five companies when it comes to purchase most of the material which it will have to purchase in order to carry out the program, and those five companies are in control of 95 percent of the material which the Government will have to buy. Bear in mind that between the time the suggestion was first made that we expand the Navy and the time when the bill was passed the prices of such materials went up in some instances 15 percent and in other instances 95 percent.

Mr. McCARRAN. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. BANKHEAD in the chair). Does the Senator from Idaho yield to the Senator from Nevada?

Mr. BORAH. I yield.

Mr. McCARRAN. Based upon the very principle which the Senator is now discussing, does the Senator recall that in connection with competitive bidding in the past 5 years we have found that there was a fixation of prices; in other words, that in reality there was no such thing as competitive bidding for furnishing materials? There had been a meeting of the minds of those who controlled the essential commodities entering into great industries.

Mr. BORAH. I was informed by a very high authority that when invitations to bid were sent to seven different corporations for certain material which was desired with reference to railroads, seven responses came; and, in the language of my informant, there was not 5 cents difference in the seven bids.

I ask, How can we reach the masses under such a system? How can we reach the great body of the people who are not included among those in control? The so-called depression about which we talk, beginning in 1929 and existing to a greater or lesser extent up to the present time, was not a depression. It was the break-down of an economic system which was controlled by monopolistic power. We thought we were doing business with 130,000,000 people. In fact, we were doing business with about 30,000,000 people, and the 30,000,000 people were doing business with the remaining 100,000,000.

The Government was not reaching the great masses of the people in its philanthropic efforts to help them. It was reaching 5 percent. It was reaching only a small number. Whatever might have been the effect had the Government's effort reached the masses, it never reached them. It was stopped; and the profits went into the coffers of a very few persons.

These ideas I am expressing are called communistic, radical, or "red." Mr. President, anything which brings about relief for the great mass of the people is neither communistic, nor red, nor radical. It is the only hope on earth for democracy.

In Europe today there is not a dictator who did not receive his crown from the starving masses in his country. There would have been no Hitler, there would have been no Mussolini, there would have been no Stalin had it not been that the great body of the people had been reduced to a state of near starvation. As history shows, a man will at any time exchange his liberty for food to save his starving children.

Mr. ELLENDER. Mr. President, will the Senator yield?

Mr. BORAH. I yield.

Mr. ELLENDER. I am very much interested in the present discussion. The Senator states that 5 percent of the iron and steel companies own 95 percent of the iron-ore reserves. What would be the Senator's method of getting the control away from the 5 percent who own 95 percent of the reserves?

Mr. BORAH. In the first place, I should begin by breaking up the monopoly which owns such a large amount of steel. The 5 percent own it because they are monopolistically in control of it. A monopoly has no more right to exist in this country than any other unlawful thing.

Mr. ELLENDER. But how would the Senator divest the owners of these large reserves? By simply curbing monopolies?

Mr. BORAH. If a monopoly is in control of vast resources, the monopoly can be dissolved and ended. A dissolution can be compelled. In addition to that, I would prevent price fixing and all monopolistic practices under a licensing system.

Mr. ELLENDER. I grant that, however, the ownership would still remain with the 5 percent of the companies referred to by the able Senator.

Mr. BORAH. No; it would not necessarily remain with the 5 percent. The dissolution could provide for dividing the ownership among any number that might be desirable.

Mr. ELLENDER. However, the ownership would still resolve itself to the 5 percent who own 95 percent of the steel and other materials, would it not? By simply dissolving the monopolies, no agency of the Government would have the right to divide the property except among those who actually own it.

Mr. BORAH. I do not think that necessarily follows. If the monopoly is broken up, and monopolistic practices are prevented, the inevitable result would be a competitive condition in which others could acquire the resources. If the monopoly were broken up and destroyed, the other 95 percent would have an opportunity to build up and carry on their business and to enter the market and protect themselves by competition.

Mr. ELLENDER. But I insist that the 5 percent would still own 95 percent of the iron ore, would they not? As a matter of fact, would not the desired result have to be accomplished by taxation?

Mr. BORAH. I know what the Senator is coming to. However, I do know that if a monopoly is destroyed, it is then made possible for the small competitors to enter the competitive field; and in my opinion, in a very short time they would be in control of their proportionate share of the business of the country.

Mr. ELLENDER. It is my view that the mere destruction of monopolies will not make the ownership of these reserves revert to a greater number of people than now own it.

Mr. BORAH. The ownership might not revert, as the Senator speaks of reverting. However, if competition is established, the small-business men are thereby protected. For example, if it had been impossible under the law for the seven bidders to whom I referred to submit substantially the same bid, every small bidder in the United States could have sent in his bid in competition, and in that way could have secured his proportion of the business. I jointly with Senator O'MAHONEY have now pending a bill which it is our belief will put an end to monopoly and monopoly practices. It is not the fact that 5 percent controls 80 percent of a business that is alone important as the manner in which such power is used. We propose to prohibit the use of such practices as build up and maintain monopolies.

Mr. ELLENDER. But how could that be accomplished if 5 percent owned 95 percent of the actual steel, iron, and so forth, which go to make up the ships?

Mr. BORAH. If the seven men who submitted substantially identical bids violated the law, and if we had had the courage to enforce the law and send those seven bidders to jail for violating the law of the land, I think the small-business men over the country would have had an opportunity in the meantime to obtain part of the business.

Mr. ELLENDER. Nevertheless, the small men would have to bargain with those who own 95 percent of the iron and steel, or other commodities, would they not?

Mr. McCARRAN. Mr. President, will the Senator yield?

Mr. BORAH. I yield.

Mr. McCARRAN. The result which the Senator suggests does not follow, because the whole agency of monopoly grows out of a meeting of the minds of those in control, to evade the existing law. If there were something which would prevent a meeting of the minds to evade the existing law, then competition would come into existence by itself.

Mr. BORAH. I know the able Senator from Louisiana has an idea about taxing monopoly out of existence. However, I am not committed to that theory.

Mr. LUNDEEN. Mr. President, will the able Senator yield?

Mr. BORAH. I yield.

Mr. LUNDEEN. When monopolistic practices are broken up, the strangulation of new business, of possible business is curbed in part, and smaller concerns can have some hope to enter the field.

But here we find the stone wall of this powerful 5 percent; small business cannot go through that wall or over it or under it; if the larger groups can be broken up, as the Senator ably suggests, there can come into the market, into the field, the smaller industries and smaller groups; they are given hope and can enter business. But can that be done? I am not so sure.

Mr. BORAH. Not only that; but if the larger groups are broken up there is encouragement for the young men who want to enter into business, to start and build up a business. Thousands of young men in the country today who would undertake to start a business, as they have written me and told me, do not dare to risk their money and their means, because they know that there is a time coming when they will be crushed, if those having the power conclude it is to their interest to do so.

Mr. LUNDEEN. I think, if the Senator from Idaho will permit me further, keeping the lamp of hope burning for our youth is even more important, because when hope is crushed out of our youth, out of our young men and women, a staggering blow is struck at the future of the nation.

Mr. BORAH. Of course, if there are any who want a political dictatorship in this country, that is one thing; but what is the difference between a political dictatorship and an economic dictatorship? An economic dictatorship can control the destiny of a people as thoroughly as a political dictatorship. There can be no such thing as democracy under an economic dictatorship. The men who control the finances of the country and the men who control the economic resources of the country will in time control the politics of the country. If any group is in control of the finances and the economic resources of the country they will in time have absolute control of the politics of the country.

Mr. COPELAND. Mr. President, will the Senator yield?

Mr. BORAH. I yield.

Mr. COPELAND. I do not wish to divert the Senator, but when he made reference to the ownership of this and that by 5 percent of an industry, he was speaking, largely, of natural resources such, for instance, as iron and coal. What is the attitude of the Senator when it comes to concerns that make use of iron and steel, for example, the automobile industry and the electric utility industry and perhaps the manufacturers of containers of tin or glass? Such containers, of course add materially to the cost of the canned product when it reaches the consumer. But what is the relationship, so far as the fundamental cost of the material is concerned, between the 5 percent and these other industries? Are they likewise controlled by small groups?

Mr. BORAH. Monopoly is not so general in some of the manufacturing industries as it is in natural resources. I have often said that this country ought to erect a monument to Henry Ford, for if it had not been for Henry Ford we would have had, in my opinion, a complete monopoly in the automobile industry in this country. Instead of the people getting the advantage of lower prices and better automobiles they would have had poorer automobiles at still higher prices. In other words, the automobile manufacturers would not have been under the incentive or under the

necessity of making a better automobile because they could have fixed the prices of whatever automobile they saw fit to make.

Mr. COPELAND. I speak of Henry Ford with great respect. I know his thought is, and his feeling is, that he has not only developed a great business, but he has rendered a public service by making a car at a low price, within the reach of those who have small pocketbooks; but he succeeded, did he not, in overcoming the embarrassment of the monopolistic control of raw materials, such as iron and steel?

Mr. BORAH. He was able to overcome it to a certain extent, but had he gone in with the other makers of automobiles, then there would have been no competition at all. So long, however, as he was in the field and refused to join them there was strong competition.

Mr. COPELAND. And that competition continues?

Mr. BORAH. I am waiting to hear from the hearings being conducted in Milwaukee.

Mr. COPELAND. Let me make reference to the electric utilities. They make use of heavy machinery, made of great quantities of iron and steel, copper, and so forth. Are they the victims of a double evil from the fact that the raw materials cost them so much because of monopoly, and then, because of the lack of competition, the rates for the electric energy are kept high?

Mr. BORAH. I could not say as to that detail, but I know that monopolies work with monopolies; that is to say, where a raw material is involved and the relationship is with a monopoly, they naturally coordinate their work with that of those who are manufacturing. To what extent they go in any particular case, I cannot say.

Mr. COPELAND. Let me ask a further question.

Mr. BORAH. I will yield in just a moment. Any power vested in a private concern which is sufficiently strong to fix or to dominate prices must be detrimental to the people as a whole.

Mr. COPELAND. Let me ask one further question: My attention was diverted a moment ago. The Senator had a colloquy with the Senator from Colorado [Mr. JOHNSON] about business. Did the Senator make any reference to the chain stores in that connection?

Mr. BORAH. Not in that connection; but I have views on the chain-store question.

Mr. COPELAND. Does that system run into monopolistic control of business?

Mr. BORAH. Undoubtedly it does.

Mr. COPELAND. Then, to go back, with this foundation, how is the Senator going to stop it? What is his remedy?

Mr. BORAH. Does not the Senator think that is rather a defeatist position to take?

Mr. COPELAND. On my own part?

Mr. BORAH. Yes.

Mr. COPELAND. I would not concede that it is a defeatist attitude, for I have some convictions on the subject, but I wish to compare notes, if I may. I wish to know how the Senator would remedy the matter. He has given the subject, through many years, very great study; no man in the United States has studied the question of monopoly more deeply than has the Senator from Idaho.

Mr. BORAH. I think we can destroy monopoly by law, by prohibiting it, by punishing those who engage in the practice, and by supervising the conduct of corporations. We certainly can, under the law, punish those who sit together and agree upon prices; there can be no doubt about that. And there is no doubt in my mind that we can punish monopoly when it results from the action of several persons meeting together and accomplishing the same thing as when they sit about a table. I do not agree with the doctrine, which has been advanced, that four or five corporations that sit around a table and fix prices can be punished, but if one of them buys up all the rest of them and accomplishes the same result, he cannot be punished. He certainly can be punished. It is the public interest that is involved, and, if it is contrary to the public interest for anyone to have sufficient economic power to enable him to fix prices, we can prohibit him from doing so by prohibiting the purchase of the separate entities.

Mr. COPELAND. Mr. President, will the Senator permit me further?

Mr. BORAH. Yes.

Mr. COPELAND. There has been an effort through many years to control the price of electric current by means of public-service commissions in the various States. That is one effort in the direction of what the Senator has in mind, I take it. That same principle, applied all along the line, might bring such official control of monopolistic tendencies that the public would be protected. Does the Senator take that view?

Mr. BORAH. Yes; I take that view.

Mr. President, let us look at some more of these figures. Five percent of the copper companies own 55 percent of the copper reserves; 5 percent of the manufacturing companies produce 65 percent of the value of manufactures; 5 percent of retail establishments do 45 percent of retail business; 5 percent of all corporations own 77 percent of corporate assets.

Contemplate that situation for a moment: Five percent of all corporations own 77 percent of corporate assets. What can the other 95 percent do in a contest with the 5 percent owning 77 percent of the assets? What chance have they to survive in the business world, or in the business of manufacturing, as against the 5 percent?

The attention of the Senator from New York was distracted for a moment; but, I say, here are 5 percent of all corporations owning 77 percent of all corporate assets. Would the Senator advise a young man of ability, anxious to get into a certain line of business, to engage in competition with the 5 percent that control 77 percent of all corporate assets? In my opinion he would not have any chance except such chance as they were willing, out of their graciousness of mind, to give him.

I have in my files over a thousand letters, the writers of some of which in great detail tell me how they have been crushed and destroyed by the large combines. They have been really deprived of a livelihood along lines which they had chosen to follow for life. They simply could not contest with these great combinations, any more than a small army could contest with an army of a million.

Mr. President, I ask permission to insert in the RECORD the full list of figures, which relate to the percentage of control by small groups of various producing and manufacturing industries.

There being no objection, the list was ordered to be printed in the RECORD, as follows:

DATA SECURED FROM THE FEDERAL TRADE COMMISSION

5 percent of water-power companies control 75 percent of developed water power.

5 percent of anthracite companies own 78 percent of recoverable tonnage.

5 percent of bituminous companies own 60 percent of recoverable tonnage.

5 percent of iron and steel companies own 95 percent of iron-ore reserves.

5 percent of copper companies own 55 percent of copper reserves.

5 percent of petroleum companies own 50 percent of petroleum reserves.

5 percent of mining companies produce 60 percent of mine products.

5 percent of manufacturing companies produce 65 percent of value of manufactures.

5 percent of wholesale establishments do 45 percent of wholesale business.

5 percent of retail establishments do 45 percent of retail business.

5 percent of all corporations own 77 percent of corporate assets.

5 percent of all corporations receive 86 percent of corporate income.

5 percent of individuals own 68 percent of individual wealth.

The United States Steel Corporation owns 50–75 percent of iron-ore reserves.

The International Nickel Co. owns 90 percent of world reserves.

The American Telephone & Telegraph Co. owns 80 percent of United States telephone service.
The Western Union Co. owns 75 percent of United States telegraph service.
The Ford and General Motors Companies have 75 percent of United States production.
The International Harvester Co. has 50 percent of United States production.
In anthracite coal, eight companies produce 80 percent of United States tonnage.
In steel, United States Steel has 40 percent of United States mill capacity.
In steel, nine companies have 80 percent of United States mill capacity.
In bread, four companies have 25 percent of United States production.
In meat packing, two companies have 50 percent of United States production.
Four companies dominate completely the production of all flat glass and window plate glass in the United States.
Two sulphur companies control practically all the sulphur produced in the United States.
The four big tire companies manufactured 40 percent of renewal tires and practically all original tires in 1936.
In banking, 1 percent of the banks control 89 percent of the resources.
In matches, two companies dominate the field.
In moving pictures, three companies dominate the field.
In aviation, three companies dominate the field.
In natural gas, three companies dominate the field.
In electric power, four groups dominate the field.

Mr. COPELAND. Mr. President, I think the Senator has touched upon a matter that is of vital importance. There is no group in America so unfortunate at this time as youth, the boys and girls coming out of high school and out of college. They have no place to go, and nothing to do.

I myself am tremendously interested in anything which can be done by government, if that is possible—I do not know whether it is or not; I want to find out—to open to these young people the doors of opportunity that now are closed.

They have no chance to go into business. They have no chance to go into engineering or into the other professions. The doors are shut everywhere; and if we have any way to open those doors by improving conditions, perhaps the great monopolists will live simpler lives when that time comes. That would not be a disadvantage; but if the Senator has a program which will relieve the present situation, he deserves the same kind of a monument that he said Henry Ford ought to have.

Mr. BORAH. I do not claim that I have a panacea for all these evils; but I do hope that by constantly discussing this matter I shall interest men who have sufficient ability to solve it.

Mr. COPELAND. The Senator is modest.

Mr. WAGNER. Mr. President, would it interrupt the Senator if I should make a suggestion at this point?

Mr. BORAH. Not at all.

Mr. WAGNER. The Senator knows that I have had many discussions with him upon this very problem, which I think is the most serious confronting us at this time. My view is that if we have the will we shall find a way of restoring competition; but, knowing that the Senator from Idaho has given such great study to this subject, let me ask whether it may not require either a change of attitude on the part of the courts as to mergers, or a revision of our antitrust laws so that further tests may be made of mergers which the courts have previously approved. Have not such mergers brought about such terrific economic and monopolistic power that we should either make more legal tests of the mergers in time to come, or revise the law so as more strictly to enforce our ideas of competition?

Mr. BORAH. I think the Senator is correct. Of course, every institution is affected by the power of public opinion. It must be conceded, without attacking anybody, that in the past we have not seemed to realize the necessity of doing something with reference to the question of monopoly. Every time it comes up, or every time it is considered, it is thought that dealing with it will disturb business, that it will bring about a condition of affairs which will be worse than the condition we now have.

Take the case of the great United States Chamber of Commerce, which met a few days ago, and is supposed to represent the brains of the business world. The only thing they could say in reference to the subject was something discouraging, something calculated to make people believe that doing something about monopoly would bring about a far worse condition than anything we now have. That is an attitude which has been assumed by many persons. Those things go on; but I repeat that if we do not do something in regard to monopoly we are not going to give the people of this country an even chance to make a living.

Mr. WAGNER. Mr. President, of course the beneficial effects of the new spending program will be diminished through our failure heretofore to deal effectively with the monopoly problem.

Mr. BORAH. Of course. The two and a half or three billion dollars that we are going to appropriate in the second division of this joint resolution will go where? Mr. Ickes very properly said the other day—and I am sure we are all sending him our congratulations today—that we shall be buying material such as steel and cement, and other articles, but where will that money go? It is a grant or a subsidy to monopoly, and we cannot help it; there is no way to prevent it unless we destroy monopoly.

Mr. WAGNER. If the Senator wants any recent support for his views, let him study the statistics showing the increases in profits compared to the increases in wages, and also the increases in prices during the very period in which our earlier spending program was in progress, and he will see the terrific disparity in favor of profits and high prices.

Mr. BORAH. Take, for instance, the profits of three or four corporations which are dealing in foodstuffs, and so forth. The profits of some of those companies for the past few years have been tremendous.

Mr. WAGNER. The highest in all their history.

Mr. BORAH. Yes. The profits run up, in one instance, to 1,000 percent.

Mr. WAGNER. Yes.

Mr. BORAH. They were feeding the people. They were getting these enormous profits from the pennies and the nickels of persons who were on the verge of starvation. You cannot say to me that there is no power in this Government to stop that sort of thing. Think over this proposition: I did not intend to discuss it today; but suppose we should deny a corporation the right to do business through the channels of interstate trade until it conformed to certain requirements with reference to the manner in which it should do business in regard to monopoly, what would become of it? Senator O'MAHONEY and I have here a bill which has been pending for some time which provides that every corporation doing business in interstate commerce shall submit a statement of the facts as to what it is doing, and how it proposes to do it, to a commission. We can shut them out of the channels of interstate trade if they do not conform to nonmonopolistic practices. If that is done, shall we not be able to eliminate price fixing and all monopolistic practices?

As the Senator from New York [Mr. WAGNER] said, it has been a question of will power; it has been a question of determination. A few moments ago something was said about youth. I desire to read two items in connection with that matter.

One of them I have already read. Five percent of all corporations own 77 percent of corporate assets. Five percent of all corporations receive 86 percent of corporate income.

Now let me read what Mr. Aubrey Williams said.

Aubrey Williams, head of the National Youth Administration, states that 7,000,000 people between 16 and 25 are today unemployed, and are in neither colleges nor schools.

Of course, it is impossible to say just how many of those have been affected and their unemployment brought about by reason of the fact that the great channels of trade have been closed by those having the power, but I have no doubt, from the letters which I have received and from the

personal interviews which I have had, that many, many young men, 20 and 25 years of age, who were preparing to enter this or that line of business, have been discouraged and really prohibited from doing so by reason of the fact that that particular business or that particular channel of trade, as they believe, had been occupied by those against whom they could not contend.

There is today in certain lines of industry no opening for the young man. All he can hope for at best is a position of some kind, an engineer, or some position with a corporation which has control of a business. To become independent in an enterprise of his own there is no opening for him, and it would not take long for that young man to become so discouraged that he would not be regarded as a good citizen.

Mr. LUNDEEN. Mr. President——

The PRESIDING OFFICER (Mr. LEE in the chair). Does the Senator from Idaho yield to the Senator from Minnesota?

Mr. BORAH. I yield.

Mr. LUNDEEN. The Senator is making a very timely and a very able statement, one which should have been made a long time ago by many Senators.

Mr. COPELAND. Mr. President, I understand that there are from four to five million young people of school age who are not in school, and who are unemployed. Even worse than that is the fact that at the schools the facilities are not provided for these children. The depression has gone so far as to affect the school systems so seriously that no provision is made for the instruction of these youngsters, and from four to five million of them are unemployed and out of school.

Mr. BORAH. In banking, 1 percent of the banks control 89 percent of the banking resources. In matches, two companies dominate the entire field. In moving pictures, three companies dominate the entire field. In natural gas, three companies dominate the field. In electric power, four groups dominate the field.

Mr. LUNDEEN. Mr. President, will the Senator yield further?

Mr. BORAH. I yield.

Mr. LUNDEEN. Is not that a dictatorship of wealth?

Mr. BORAH. Of course.

Mr. LUNDEEN. Is not that dictatorship more powerful than any political organization or government? Is not that the most serious question of the day?

Mr. BORAH. Of course, Mr. President, as I stated a moment ago, those who control the economic power of the country will finally control its politics.

It was not my purpose to do more than call attention to the fact that we are today considering a joint resolution which appropriates several billion dollars. There is no way to avoid that. The situation is such that it must be considered. People cannot be permitted to go hungry. But we ought to take into consideration that this program cannot continue indefinitely. Is it possible to have a final remedy, a final restoration of prosperity among the great mass of the people, so long as 5 and 10 percent of the people of the United States control its natural resources, control its income, control things which are indispensable for the prosperity of the common people?

As Senators will readily understand, my remarks have not been made either for or against the pending joint resolution, because we are faced with a present condition. I am making my statement because, in view of the President's message and in view of other measures pending, I feel it my duty to call attention to the question of monopoly constantly when it can be done with any pertinency to the question under consideration.

I am firmly of the opinion that the question of monopoly inheres in the whole problem of relief and of restoration of prosperity in this country. I do not think we can reach the great mass of people whom we must reach if we restore prosperity; that we cannot reach the 85 or 90 percent if there stand between us and those people powers which control the economic welfare of that large group whom we are seeking to help.

Mr. COPELAND. Mr. President, will the Senator yield?

Mr. BORAH. I yield.

Mr. COPELAND. I take it that the position of the Senator is that 2 or 3 years ago we tried the treatment which we are about to repeat, and it did no more than alleviate the symptom. Now we have a similar condition which we are going to deal with in exactly the same way. I take it the Senator means that what we are doing is merely a palliative, that the fundamental thing is not touched at all.

Mr. BORAH. My view is that this is not a remedy; this is taking care of a situation which has to be taken care of, but the remedy lies, in my opinion, in other matters than those which we are now considering, and in time we shall necessarily come to consider those matters. This bill, if passed, will feed the hungry and temporarily bring relief. But I see in it no permanent cure for the awful economic affliction which is undermining and weakening the fine manhood and womanhood of our country.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States, submitting nominations, was communicated to the Senate by Mr. Latta, one of his secretaries.

RELIEF AND WORK-RELIEF APPROPRIATIONS

The Senate resumed the consideration of the joint resolution (H. J. Res. 679) making appropriations for work relief, relief, and otherwise to increase employment by providing loans and grants for public-works projects.

Mr. COPELAND. Mr. President, I have been very much interested in the remarks of the Senator from Idaho [Mr. BORAH], as I always am. I agree with him fully in his original statement that the stock-market break-down was not responsible for our depression. The stock-market break-down was merely one of the symptoms of the real disease.

There is something amazing about the response of the stock market to the sentiments of the public. Those sentiments may not be definitely determined upon or outlined. Nevertheless, one man says to another, "We are going to have trouble," and he gives his reasons for it. That information is passed along until it finally reaches that highly hysterical and nervous institution, the stock exchange, and then there is a crash. I can think of no instrument of precision, whether it is a thermometer, or a barometer, or some other device, which is so attuned and so responsive to the reactions and impulses which are found always in the human heart as is the stock exchange.

Mr. SCHWELLENBACH. Mr. President, will the Senator yield?

Mr. COPELAND. I yield.

Mr. SCHWELLENBACH. I think the Senator will recall that the popularly accepted indexes pointing to depression became apparent during the month of May 1929. Carloadings declined, steel production was down, inventories were high, all of the things which are popularly accepted as pointing to depression became apparent during the month of May 1929.

The Senator will recall that during that period of time the general impression, created by those who control public opinion in this country, the newspapers and the magazines, was that we were in a new era which was going to continue forever, and the stock market, to which the Senator has referred as being a very quick barometer, did not start to react until October, although the actual conditions existed in May.

Last fall, with the exception of increased reserves, so far as stocks of goods were concerned, inventories, none of the indexes to which I have referred was in existence, yet the stock market went down.

I ask the Senator whether it is not fair to conclude, by making a comparison between the two situations, that the self-same instrumentalities which kept the stock market up for a period of 5 months after under ordinary circumstances it would have gone down, public opinion created by the press

and magazines, and so forth, forced the stock market down last fall.

In other words, we cannot make an analysis of the situation last fall and compare it with the situation in 1929, and come to any other conclusion than that the depression, starting in September and October 1937, was brought about, not because of such fundamental conditions as existed in 1929, but because of a clearly false condition created as the result of the merciless propaganda, which has been conducted in this country in the last several years, of fear and hatred of the President of the United States. That is the thing which brought about the situation with which we are confronted at the present time.

Mr. COPELAND. Mr. President, I am very much interested in what the Senator from Washington has said, and I want to add a little bit to it. The charge was made in Washington last year—I think in November or December—that there was a sit-down strike on the part of capital, and that capital, big business—I do not care what it may be called—was determined to thwart the President and to bring discredit upon the administration. I was very much concerned about that statement, because I happen to be one of the representatives in this body from the State of New York, and live in the city of New York, and I felt that if this charge were well founded, the fault could be found in New York. I spent my vacation between Christmas and New Year last winter interviewing presidents of banks and trust companies and insurance companies, and directors of corporations.

Mr. CONNALLY. Mr. President, will the Senator yield to me for a question?

Mr. COPELAND. I yield.

Mr. CONNALLY. When the stock market goes up that is a good index that times are good, is it not?

Mr. COPELAND. I will learn what the rest of the question is, and then I will answer it.

Mr. CONNALLY. Well, then, when it goes down it indicates that times are bad, does it not?

Mr. COPELAND. Yes. Is that all?

Mr. CONNALLY. I wanted to get the answer from someone who lives near the stock market and who knows. I never get around there.

Mr. COPELAND. I think the Senator is facetious, but we will let it go at that. I will now return to what I was saying, and speak seriously.

Mr. CONNALLY. I was serious, Mr. President. I was trying to follow the Senator's argument. I apologize for interrupting him.

Mr. COPELAND. Very well. Whether the decline of the stock market is the cause of bad times or whether it is the effect I do not suppose makes much difference, because they go along together. But I will proceed with what I was saying.

I saw the financiers to whom I have referred and I said, "I am your representative. I have a right to know and I want to know the truth about the situation." I am counted by many in Washington as being a rather sympathetic representative of those interests, Mr. President.

Then, after having spoken to those men I was not satisfied fully, and I went to Detroit, and I found the answer right away in Detroit. An old boyhood friend of mine is the manager of the chief hotel in Detroit. I said to him, "Bill, how is business?" He said, "Terrible. We have had a falling off in registrations in this hotel"—the largest hotel in that city—"of 30 percent since the first of October."

Mr. President, that ought to have been sufficient warning to the automobile men in Detroit of what was coming.

Mr. WHEELER. Mr. President, will the Senator yield?

Mr. COPELAND. I yield.

Mr. WHEELER. I desire to offer an amendment to the pending joint resolution. The amendment is in line 14, page 20, to strike out "$865,000,000" and insert "$735,000,000."

In line 1, page 21, after the semicolon at the end of the line, I propose to add the following:

and the sum of $100,000,000 to be expended by the Secretary of the Interior for constructing, continuing construction, and expediting construction of projects already authorized under the reclamation law; and $30,000,000 to be expended by the Secretary of the Interior for meeting the public-works expenditures of projects provided for in title I, section (1) (d) (3) of this act.

I may say that the $30,000,000 is for the purpose of carrying out a program of the administration with reference to the Great Plains and the dust area.

The PRESIDING OFFICER. The amendment will be printed, and will lie on the table.

Mr. SCHWELLENBACH. Mr. President, will the Senator yield?

Mr. COPELAND. I yield.

Mr. SCHWELLENBACH. Recurring to the statement the Senator made as to big business going on a sit-down strike last fall. I have never been of a mind to present that theory. It seemed to me that the mere fact that men had been successful in business operations was sufficient proof that they would not be willing to destroy their own business by that method of operation. But I find that difficult to understand, in the light of the fact that for such a long period of time, for the last 5 years, there has been poured into the ears and minds of businessmen, through every medium, and with every sort of argument, that they must hate and they must fear the President of the United States, that everything that was being done was wrong, that our form of government was being destroyed, and that our financial situation was such that we were on the verge of ruin. One organization alone has sent throughout the United States in the period of less than a year, 16,000,000 pieces of literature to that effect. I know that the recipients of so-called weekly business letters every week receive that sort of propaganda.

We must have someone in this country upon whom the people can rely. The reason governments in other portions of the world have been destroyed is because of the loss of confidence of their people in their governments. The thing that is going to destroy democratic government in this country, if it shall be destroyed, is the work of those who control this propaganda which day in and day out, and week in and week out, and month in and month out, is poured into the minds of the American people, that they must fear and hate the head of their government.

Mr. COPELAND. Mr. President, I think there is very much of truth in what the Senator from Washington has said. I am going to return to it in a moment. I want to finish the comment that I entered upon a moment ago when I was interrupted by the able Senator from Montana. This hotel man knew that there were no customers in Detroit to buy automobiles. Why did not the General Motors Corporation find that out until Christmas? They just went along and employed their people and made cars, and it was on the 1st of January or thereabouts—it was in that week between Christmas and New Year's or thereabouts, that they laid off—I have forgotten how many, but a tremendous number of men. Why did they not know the situation? The truth is that we give altogether too much credit to the foresight, and mental equipment, and brains, and capacity of big business. And yet we in Congress seem so impotent and so lacking in leadership to bring about a different system that they "get way with it," to use the slang of the street. I did not find out anything last winter that made me think that these men were so smart and so capable. They just did not guess right, that is all.

The country needs leadership, and, in my opinion, it needs to have an understanding between the White House and business—an understanding which, as I view it, could be brought about.

I have in my desk—and when I was listening to the Senator from Idaho [Mr. BORAH] I took it out—a statement that was made to me last March by one of the leading utility men of America. I wanted to know what could be done, and what should be done, and what the trouble was. He said that under certain conditions the electric utilities would invest $4,000,000,000—just think of it, $4,000,000,000! I wanted to know why it was not invested, what was wrong, and what could be done in order to correct conditions so that this investment would be made.

Mr. BORAH. Mr. President, will the Senator yield?

Mr. COPELAND. I yield.

Mr. BORAH. When the Senator stated that he was not impressed with the mentality and the ability of the business leaders, he did not have reference to their mentality and ability with reference to business, did he? They have certainly done well in that respect. They have got the country.

Mr. COPELAND. I followed up what the Senator from Idaho was discussing in order to speak about the 5-percent ownership in certain enterprises involving raw materials, such as coal, iron, copper, and so forth; I wanted to find out if all the brains of the country are concentrated in this particular group.

I did not find any evidence of that sort of smartness on the part of the men with whom I talked last winter.

Mr. BORAH. If the Senator would examine the result of their mentality for the last 20 years, he would find plenty of evidence of their great ability in some lines.

Mr. COPELAND. It may well be that the 5 percent are so in control of the rest that they are running the industry, but apparently the men who think they are running it are not aware of the fact that they are being run.

Mr. BORAH. If I could say something off the record, I think I could explain the matter.

Mr. COPELAND. I shall consult the Senator privately and hear what he has to say. I think I know what it is.

Mr. SCHWELLENBACH. Mr. President, will the Senator yield?

Mr. COPELAND. I yield.

Mr. SCHWELLENBACH. A few minutes ago the Senator spoke about some public-utility men, saying that $4,000,000,000 could be put into circulation by expenditures by the public utilities.

Where are the public utilities to obtain the $4,000,000,000? They would obtain it by selling bonds and stocks. If they sell those bonds and stocks upon the same basis on which they have sold them in the past, it merely means that the people who invest their money in a certain percentage of the bonds and practically all the preferred stock will get bonds and stocks which have no value behind them. The only way in which the investors will ever be paid for their investment is to have utility rates so much higher that the great mass of the American people cannot afford to buy the electricity which is produced.

There is no desire upon the part of anybody to stop the utilities from developing and spending their $4,000,000,000; but there is a desire upon the part of many to stop them from operating upon the same basis on which they have operated in the past.

The Senator says there ought to be an agreement. It is impossible to make an agreement with the utility owners. They have fought it at every step. The only time they ever stop is when they finally lose a case before the Supreme Court of the United States. They then try to figure out some new way of starting at the beginning and doing it again.

As I stated a few minutes ago, I do not think there is any sit-down strike so far as big business is concerned; but there has been a sit-down strike so far as concerns' willingness to accept any sort of reasonable settlement of the economic problem with which the country is confronted as a result of conditions created in precisely the same way that the public utilities have created their conditions.

ALLEGED INTERFERENCE IN IOWA SENATORIAL ELECTION

Mr. WHEELER. Mr. President, I have just been advised that Governor Kraschel, of the State of Iowa, who has always been a New Deal Governor, a Progressive, and a liberal, friendly to the present administration, has just issued the following statement:

As a friend of all candidates in the Democratic primary, I resent the attempted influence by nonresident Federal appointees. It has been the hope of all Iowa Democrats that selection of candidates would be made without dictation by pseudo leaders. If I have been willing to withhold my personal influence from a contest that designates my running mate, I feel justified in expecting out-of-State Washington appointees to do as much. It is regrettable that Hopkins is the first to violate his declared policy of keeping W. P. A. out of politics.

I do not happen to know the Governor of Iowa, but he is to be congratulated upon making a statement of that kind. If the attempt is to be made to punish every Senator who has at some time or other voted his convictions, and if W. P. A. money, P. W. A. funds, or patronage, is to be used as a pay-off for votes in this body, then I believe it is time for Members of the Senate, and all right-thinking people, regardless of the party to which they belong, to make a protest. The people of this country will refuse to see their money appropriated by Congress and used for the purpose of paying political debts or attempting to defeat somebody for election to the United States Senate.

I hope this will be a lesson to Mr. Hopkins and to anybody else who falls in that category. Mr. Hopkins has proved himself an excellent Administrator in many ways. He should confine himself to the duties of his office, and above everything else, he should keep himself and his Administration free from politics.

I do not want to add anything to what I said previously, but too much of the same sort of activity has been going on in the various States. So far as I am concerned, even if I am the only Member of the Senate to protest, I wish to serve notice on those concerned that every time I hear about such political activity I shall call it to the attention of the public. Such conduct cannot go on under cover, because we shall find out about them.

Mr. MINTON. Mr. President——

Mr. WHEELER. I shall yield in a moment.

Such activities cannot go on under cover. They must be brought to light, so that it cannot be said that the administration lacks knowledge of such practices and permits others to issue similar statements. The administration must take full responsibility for statements by Ickes, by Hopkins, by Wallace, and by Mr. Farley with reference to these matters.

No Senator has objected to the spending of money to help the unfortunate people who could not find work by reason of the depression. I advocated such spending even before the present administration came into power. When money was needed in Arkansas by reason of the drought, I stood on the floor of the Senate and advocated the appropriation of sums for that purpose. I have consistently advocated the appropriation of money for the unemployed when the economic conditions of the country were bad. But to use the money intended solely for the needy and the underprivileged, whose sustenance is dependent upon such funds, to play politics with human misery, is beyond my comprehension. I think the American people will resent it, and I think any party which permits such a practice will be punished, and in my judgment rightly so.

Mr. McCARRAN. Mr. President——

The PRESIDING OFFICER. Does the Senator from New York yield to the Senator from Nevada?

Mr. COPELAND. I will yield in just a moment.

The Senator from Washington and I will resume our debate on the economic problem after the present political debate has ended. I have something to say in response to what the Senator from Washington asked me, but I shall choose a better time.

I yield the floor.

Mr. McCARRAN. Mr. President, in connection with the matter which arose out of the discussion by the Senator from Montana [Mr. WHEELER], I think the Senator from Montana takes matters too seriously, because I do not believe Mr. Hopkins means what he says. I always take Mr. Hopkins with a grain of salt.

Not very long ago, when a great author, Mr. Upton Sinclair, whose works are widely read, was a contender for a high position in the great Golden State of California and received the nomination, I recall that Mr. Hopkins stated in the press, "That is fine. He is one of us." Yet Mr. Hopkins did not go through with that expression. He did not carry

out the principles involved in that expression. Neither will he carry out the principles involved in the more recent expression which he has made.

Unfortunately, Mr. Hopkins is a "hair trigger" individual, as we know that class in the West. Sometimes they shoot from the hip. They do not always hit the mark. They shoot from any angle. They shoot just because they want to shoot. They do not follow up their mark.

They did not follow up their mark with Upton Sinclair. They will not follow up their mark in Iowa. Mr. Hopkins will not carry out his threat; and the Senator from Montana [Mr. WHEELER] need not worry too much about it.

Mr. Hopkins is a very fine gentleman. He has had a very wonderful work to perform. America looks to Mr. Hopkins to carry out a great philanthropic work. It is a great humanitarian work, and only a great humanitarian could carry it out. A great humanitarian can carry it out, with a great humanitarian nation behind him, without going into the political exigencies which sometimes arise. If Mr. Hopkins will carry out what he really intends to carry out, then none of us need be worried about him, because the fact that he expressed the opinion that Mr. Upton Sinclair was "one of us," and the fact that he has made an expression against a Member of the Senate, which expression was undoubtedly intended to defeat that Member of the Senate, if possible, do not weigh very much. Mr. Hopkins can carry out his work; he has ability, if he would just confine himself to the work which has been assigned to him.

Mr. KING. Mr. President, will the Senator yield for a question?

Mr. McCARRAN. I yield.

Mr. KING. Does the Senator approve or disapprove of the course of Mr. Hopkins in injecting himself into the political arena, and does he believe that his influence is so slight with the beneficiaries or those who are under his administration that it will not influence them?

Mr. McCARRAN. Mr. President, I am going to answer the question propounded by the Senator from Utah, I hope not extensively but to some extent. There is not any question about the fact that when one holds out a reward to a hungry person he has great and effective influence. May I, by way of illustration, tell a story of an actual incident that came into my early life when I was a prosecuting attorney? A murder took place in the county, and an Indian was held as the person responsible. I said to the sheriff of the county, "There is one admonition I wish to give you; do not hold out any hope of reward nor any threat. If he wants to make a statement, let him make it voluntarily." The sheriff had the Indian under arrest and in the county jail. In about a week from that time the sheriff came to me and said, "The Indian has confessed." I said, "How did you get the confession? Did you offer any hope of reward or fear of punishment?" He said, "No; I certainly did not." I said, "What did you do?" The sheriff replied, "Well, I had not been to see him for about 4 days. Then I went there and took a nice warm breakfast, and I placed it outside the cell door and I drew a rope over the beam of the jail and then I walked away." The rope had a loop in it. I said, "Did you say anything to him?" He said, "No." I said, "Finally what happened?" He said, "He sent word to me that he would talk, and he did talk."

Mr. President, that is the whole story. Hungry people will do anything, and a gesture from those who control the source of living in this country, whether it be the W. P. A. or any other agency, even though it be only such a gesture such as was made in the comment of the press that appeared this morning, is sufficient to cause those who are hungry to follow the one who made the gesture, if that one has the power to control the food supply. That is what is going on in this country.

They can say what they like; they can say they do not propose to control political agencies; that they do not propose to control the vote of this country. I will give them credit for decency in that respect; I will go so far as to say that Mr. Hopkins did not intend to control the vote of Iowa. I will go so far as to say that he did not intend to control the vote of the State of California when he said, "That is fine; he is one of us"; but I say that a hungry stomach yields to a mere suggestion, and those who cry for bread will listen to those who have control of the flour.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. McCARRAN. I yield.

Mr. BARKLEY. Inasmuch as this matter has been brought into the discussion here on the floor by reason of an article in the newspapers, I think it ought to be said in justice to Mr. Hopkins, because I happen to know, though I am not authorized in any way to reveal the conversation that occurred between him and me, that he was approached by a newspaperman and asked whether he had any views with respect to the senatorial primary in Iowa. He replied that though he had been born and reared in Iowa he was not then a citizen of Iowa nor a voter, and that probably he had no right to express his opinion; but that if he were a citizen and a voter of Iowa he would vote as the newspaper article indicated. I think it ought to be said that Mr. Hopkins, in my judgment, did not volunteer that statement in order to influence the vote of Iowa, but simply made it in reply to an inquiry from a newspaperman. The Senator will realize how difficult sometimes it is to avoid answering a newspaper inquiry.

I make this explanation not in justification of any activity that Mr. Hopkins or anybody else may engage in with respect to a contest in Iowa, but that is how the thing happened.

Mr. McCARRAN. In reply to the able Senator from Kentucky, I will say that his remarks emphasize exactly the thought that I am trying to bring out. There never was a time in America, with the millions of unemployed that we have, when those who have in their hands the control of the necessities of life should be more guarded and careful in their personal actions and personal expressions than now. There was never a time in democracy—and I use the word "democracy" in its world-wide sense—there never was a time when democracy leaned so much upon those who believe in democracy as it does today, and those who distribute the necessities of life in this country certainly have democracy on their shoulders, for democracy is the call of the people; it is the call of the hungry; it is the call of the American citizenship of today, for American citizens to the extent of from eight to ten million are out of employment, and it must be inferred that those who are out of employment are hungry. If they are hungry, then the one who controls that which is necessary to sustain life and to appease their hunger, if you please, is a powerful agency, and if it be said in the State of California, "Upton Sinclair is one of us," then there are millions in the State of California who are willing to say, "Well, if Harry Hopkins says Upton Sinclair is one of us, then he is one of us, and we are going to support him." I wonder what the State of California thinks about that?

The offhand remark. How often it is made. The able Senator from Kentucky explained, though he did not have to explain to me, because I think I know Harry Hopkins, and I do not believe and I am never going to believe until it is proven to me that Harry Hopkins is going to become a political agency to destroy men who have given their life to their Nation by serving in this body.

I am going to deal with that phase of the subject for just a moment. A man who comes to this body may in his own State be recognized as a great man and a great power, but unless he has the substance with which to sustain himself during whatever terms he may serve in this body he will leave this body a poorer man than he was when he came into it. He will leave it so poor that perchance he will wish to God he had never come to this body, because he could far better have remained in private life and have been a member of a democracy than to come here and expend his time, his life, and his energy, and whatever he may have accumulated before he came here. So I am not ready to believe that even Mr. Hopkins or anyone else is deliberately intent upon destroying men who come to this position because they exercise

the freedom of individual human judgment; for, after all, if we are not to exercise human judgment here, then why did we come here? Did we come here merely to follow the dictates of someone who was elected with us, perhaps by the assistance of our own efforts, perhaps by our joint efforts, perhaps by our will, our wish, our desire, and who sits in power? Did we come here to resign everything in the world that we have learned through the years of our lives to cherish—to be independent citizens of this country and to exercise our best judgment and to give to our country the best we had?

Did we come here to give out everything and forget all there was of principle? I do not believe that that was ever intended, and I do not believe that even Mr. Hopkins would do so if he came here as a Member of this body, because in Mr. Hopkins' administration he has exercised a free will and an independence that is admirable, and in many respects in the greater percentage of his activities, he has been an outstanding and worthy citizen and servant of the country.

So I, for one, am defending Mr. Hopkins. I do not believe that he would traduce a Member of the Senate; I do not believe that he would willfully use the money of the taxpayers of this country to cause them, because some of them are hungry, to say that they should follow him and vote against somebody because he had been an independent thinker in performing his duties as an American citizen.

RELIEF AND WORK-RELIEF APPROPRIATIONS

The Senate resumed the consideration of the joint resolution (H. J. Res. 679) making appropriations for work relief, relief, and otherwise to increase employment by providing loans and grants for public-works projects.

Mr. BILBO. Mr. President, on behalf of the Senator from Arkansas [Mrs. CARAWAY] and myself, I present an amendment to the pending measure, and ask that it be printed for the information of the Senate.

The PRESIDING OFFICER. The amendment will be received, printed, and lie on the table.

Mr. CLARK. Mr. President, in view of the explanation which was made by the Senator from Kentucky [Mr. BARKLEY] a moment ago of the statement made by the Works Progress Administrator, I should like to ask the Senator whether he is advised as to whether or not the report which is current among the newspapermen is true that before Mr. Hopkins gave out his statement the newspapermen were advised by Representative WEARIN's office that if they would go down to the W. P. A. they could get an interview from Mr. Hopkins on the subject of the Iowa primary race?

Mr. BARKLEY. Mr. President, I will say to the Senator that I have no knowledge or information at all on that subject.

Mr. CLARK. I will say to the Senator from Kentucky that I have no knowledge regarding it except what I have been told by several newspapermen to the effect that it is true.

I may say to the Senator from Kentucky that I certainly have no personal animosity toward the Works Progress Administrator. He is my personal friend, and has been ever since I have known him. I consider the remark that he made to newspapermen as to the Iowa primary, however, highly improper.

Mrs. CARAWAY. Mr. President——

Mr. CLARK. If the Senator from Arkansas will pardon me for just a moment; if the remark was made offhand it might bear the explanation given it by the Senator from Kentucky, but if the statement be true that Mr. WEARIN advised newspapermen in his office to go down to the office of the Works Progress Administrator to get a statement, the remark bears an entirely different construction.

Mr. BARKLEY. I, of course, agree with the Senator, that if it came about in that way the remark would bear a different interpretation. The information which I imparted a while ago as to how it happened came to me at first-hand. I had no reason to doubt its correctness.

Mr. CLARK. The Senator did not state that before. If the information came to the Senator at first hand from Mr. Hopkins, I should be entirely prepared to accept any statement Mr. Hopkins made. The Senator from Kentucky did not make that statement before.

Mr. BARKLEY. I meant to leave that impression by saying that I had no direct authority——

Mr. CLARK. It seems to me that too much has been done by leaving impressions.

Mr. BARKLEY. I stated that I was not authorized by Mr. Hopkins to quote him, and I am not now authorized; but I do not mind saying that the statement came to me at first hand.

Mrs. CARAWAY. Mr. President——

Mr. CLARK. If the Senator says he got the statement at first hand from Mr. Hopkins, I am entirely prepared to accept Mr. Hopkins' statement.

Mr. BARKLEY. I will say to the Senator from Missouri that Mr. Hopkins was born and reared in Iowa. He lived there until he was a grown man. I suppose it would be a natural thing for some inquiring newspaperman, nosing around for statements or information, to approach a former resident of Iowa as to a campaign that was in progress in the State; and, regardless of the propriety or impropriety of the statement, so far as it was concerned, it is easy to understand how it could have happened in that way. That is the only information I have about it.

Mr. CLARK. Mr. President, Mr. Hopkins has not lived in the State of Iowa for 25 or 30 years; and of course the Senator from Kentucky well recognizes the fact that there probably are not twoscore persons in the State of Iowa who would be interested in his personal opinions as to what he would do if he happened to reside in Iowa at the present moment, after not having lived there for many years. His views upon a political situation in the State would be of no greater importance than those of hundreds of thousands of other ex-Iowans, including ex-President Hoover. On the other hand, there are hundreds of thousands of persons in the State of Iowa dependent for their daily bread, for the food for their families tonight and tomorrow and next week, on the favor of the W. P. A., who depend upon being on relief, on having a check or a relief payment made to them next Saturday night, who might be tremendously influenced, who, being entirely honest and conscientious, might be somewhat influenced by what they conceived to be the desire of the one man who holds the power of life and death over them, which might be translated into being on the pay roll or off the pay roll. It is that point to which I am addressing myself. If the Director of the W. P. A. inadvertently, being suddenly "jumped up," as the Senator from Kentucky suggested, remarked what he would do if he happened to live in Iowa, that is one thing, although I think that is an impropriety.

Mrs. CARAWAY. Mr. President——

Mr. CLARK. If, on the other hand, it was in pursuance of a deliberate intention on the part of the Works Progress Administrator to indicate to persons who depend upon his favor for their daily bread how they should vote, I say it was not only an impropriety but it amounts to one of the greatest outrages ever committed in this country.

Mr. WHEELER and Mr. SHIPSTEAD addressed the Chair.

The PRESIDING OFFICER. Does the Senator from Missouri yield; and if so, to whom?

Mr. CLARK. I yield first to the Senator from Arkansas.

Mrs. CARAWAY. Mr. President, I merely desire to ask a question. Is it not barely possible that Mr. WEARIN, or whoever the Senator is talking about—I do not know the gentleman—might have had the newspaperman go and ask that question without any knowledge on Mr. Hopkins' part or any agreement between the two? In other words, might not Mr. Hopkins simply have been "put on the spot" without any knowledge on his part that that was to happen?

Mr. CLARK. I entirely agree with the Senator from Arkansas that that might be possible. I have the greatest admiration for Mr. Hopkins. I hope that is the way the thing happened. I am merely suggesting that if Mr. Hopkins

permitted Mr. WEARIN to "put him on the spot" in any such fashion as that, he committed a very grave indiscretion, which he should publicly disavow at the first possible moment.

Mr. WHEELER and Mr. SHIPSTEAD addressed the Chair.

The PRESIDING OFFICER. Does the Senator from Missouri yield; and, if so, to whom?

Mr. CLARK. I yield first to the Senator from Montana.

Mr. WHEELER. Mr. President, as I read the statement, Mr. Hopkins went further, and said that he made the statement because of the fine record that had been made by Mr. WEARIN.

I happen to know Mr. WEARIN, and I have not anything to say against him. As a matter of fact, I went into Iowa and campaigned in his congressional district to help him be elected. I think he is a nice young man; but what actually was said, as I recall the article, was that because of the fine record of Mr. WEARIN, Mr. Hopkins, if he were a voter in Iowa, would vote for him. Now, the man who is on the W. P. A. rolls would certainly come to the conclusion that Mr. Hopkins thought the record of the Senator from Iowa [Mr. GILLETTE] was not a good record; and he would very readily come to the conclusion that probably, because Mr. Hopkins said it, the Senator from Iowa had been voting against relief money for the W. P. A. worker.

That is the bad feature about the matter, as I see it. Certainly Mr. Hopkins is too smart politically, and has had too much experience in public office, to make inadvertent statements. He is not some little naïve person who has been in public office for a few brief months. He has been in public office for a long period of time, and has been in semipublic office for many years. He knows as well as any man in the city of Washington how to handle publicity and how to handle newspapermen. He knows when to make a statement and when not to make a statement. But he went further, and not only said, "I would vote for Mr. WEARIN if I were there," but he said he would do so because of Mr. WEARIN's great record, indicating that his record was better than the record of the Senator from Iowa, and indicating to the W. P. A. worker, so far as relief was concerned, because Mr. Hopkins was the head of the relief organization, that probably the Senator from Iowa had not voted for relief funds that he ought to have voted for to take care of unfortunate persons, although as a matter of fact the Senator from Iowa had voted for them.

Mr. SHIPSTEAD. Mr. President——

Mr. CLARK. I yield to the Senator from Minnesota.

Mr. SHIPSTEAD. The Senator mentioned the effect that such a statement might have on the consciences and the votes of residents of Iowa. Irrespective of the intentions of Mr. Hopkins, is it not also a fact that possibly the statement might have some effect on the consciences and votes of Members of Congress? [Laughter.]

Mr. CLARK. Mr. President, I like to think that Members of the Senate always vote from the highest conscientious convictions, without fear or favor.

Mr. SHIPSTEAD. I am not saying that the statement would have such an effect; but there is danger even to Members of Congress, who—God save the mark—are nothing but human beings, like everybody else. If such a statement could affect the consciences of hungry voters of Iowa, regardless of the intentions of Mr. Hopkins, if there is danger of citizens of Iowa having their consciences affected, does not the same danger exist in the case of vote-hungry Members of Congress?

We are all human beings, and must so remain until further notice, whether we are merely laymen or Senators or Representatives. We are all in the same boat when it comes to conscience. So I wanted to point to the danger of the other angle—that no matter what the intentions of Mr. Hopkins were, if there was danger of affecting the consciences and votes of residents of Iowa, the statement might have the same effect on the consciences and votes of Members of Congress.

Mr. CLARK. I can understand the argument of the Senator from Minnesota, and I am entirely ready to agree with him.

Mr. President, I rose simply because of the statement of the Senator from Kentucky [Mr. BARKLEY]; but before I take my seat I should like to say this:

I have known Mr. Hopkins ever since he first came to Washington. I have the very highest personal regard for him. I think I may say that we are intimate personal friends. I think he is a man of the highest integrity. I think he is a man of very great ability. I think he has done in a very splendid way one of the most difficult jobs in the history of the United States Government.

A few weeks ago, after Mr. Hopkins returned from Florida, it so happened that I had lunch with him; and I am going to indulge myself, as the Senator from Kentucky did, to quote Mr. Hopkins without his authority. I happened to have lunch with him, and he told me at that time of the difficulties that necessarily inured to his office in a great relief administration in trying to keep it away from political influences, and trying to assure the workers who were employed by the P. W. A. that they would never be required to vote in any particular way, either in a partisan sense or in a factional sense.

He told me about several particular States in which he had been having difficulty. He told me what his own conception of W. P. A. was; that is to say, that it was not to be engaged with factions or in partisan politics. He told me these things with the greatest possible earnestness; and having a very high regard for him, I believed everything he said.

A few nights later I listened while Mr. Hopkins spoke upon the radio in response to a speech made by the former President of the United States immediately preceding President Roosevelt—Mr. Hoover. He spoke as an honest man, speaking from high ideals, and I think he convinced any honest man in the United States listening to him. I know that he convinced me. I believe Harry Hopkins meant what he said, and I believe he still means it.

I say, Mr. President, that Mr. Hopkins has made a terrible mistake in the statement which he gave out to the public press today, interfering in a primary in the State of which he is not a citizen and of which he has not been a citizen for a good many years. It would not make any particular difference if John Smith said he lived in South Dakota and that he would vote for Bill Brown if he lived in Wyoming, or anything of that sort. But this gentleman happens to have in his hands, practically without check, except the authority of the President of the United States, the power of life and death over millions of our fellow citizens.

I am willing to accept every statement Mr. Hopkins made to me, and made over the radio, and every statement he has made to the public, as to his disinclination to have the W. P. A. take part in politics. But when Mr. Hopkins makes a statement such as that given to the public press this morning, how does he know what the local file leader will say? Does he not know that the local file leader will say to the man who is dependent on the W. P. A. check to sustain his family for the next week: "If you do not vote right in the primary, you lose your job. If you vote for GILLETTE, your family is going to be hungry next week. If you do not vote for WEARIN, let your family starve."

And if anyone questions this demand, the foreman or the file leader, as the case may be—and they will frequently be identical—may say it is the declaration of the Great White Father in Washington, who is about to be advanced to the Cabinet.

I acquit Mr. Hopkins of any intent of doing what he has actually done, but I do say that in the manly spirit which Mr. Hopkins has shown in his relationship to the American people from the time of his first appearance upon the stage of public affairs, it devolves on him to issue a courageous, forthright statement tomorrow morning disavowing what he has done, admitting his mistake, and again putting himself in readiness for the responsibilities of his great office.

Mr. AUSTIN. Mr. President, I hope it will not seem entirely out of place for a Member of the minority to call attention to a little bit of history which entirely corroborates the claim made by the Senator from Nevada [Mr. MCCARRAN] that, regardless of the intention of the Administrator,

there is a political influence and effect in the control of these funds appropriated for the aid of the poor and needy.

A committee of the Senate specially appointed to examine into campaign contributions during the campaign of 1936 received many complaints involving the use of W. P. A. funds and involving the influence of administrators, general and special, over such institutions as the C. C. C. Those complaints were examined by the committee as well as could be, considering many handicaps, and certain findings were made and reported by the committee to which I desire to allude, for they support the claim made that, even if we exonerate the Administrator of blame, nevertheless we find the political implications in the use of such funds during a campaign.

I read from page 14 of the report:

A preliminary report in connection with the Works Progress Administration charges was filed by the committee's investigator, Mr. Louis R. Glavis, on December 1, 1936, and was made public. It took up in detail the charges broadcast by radio, and presented from other sources to the committee, and concluded that on all except a few of the complaints which had not yet been investigated, no action appeared to be warranted. Complaint that individuals would be discharged, and that other Works Progress Administration employees had been discharged, were in some cases found to be erroneous. Some complaints were repudiated, and there were denials and explanations by the parties concerned. Alleged favoritism to Democratic contractors, and appointment of Democrats to Works Progress Administration administrative and relief jobs, either were not substantiated, or——

Mr. MINTON. From what is the Senator reading?

Mr. AUSTIN. I am reading from page 14 of the report of the Special Committee to Investigate Campaign Expenditures of Presidential, Vice Presidential, and Senatorial Candidates in 1936.

Mr. MINTON. That is the committee of which the Senator and I were both members?

Mr. AUSTIN. That is correct.

Mr. MINTON. The committee did not find that any W. P. A. money had been used to coerce anybody to vote in any particular way, did it?

Mr. AUSTIN. Yes; it did. That is what I am about to read.

Mr. MINTON. It is not my recollection that we found any such thing.

Mr. AUSTIN. If the Senator will listen to the remainder of the report, he will see that he assented at that time to a finding that, although the Administrator could not be charged with the fault, nevertheless local party leaders and local administrators took advantage of that situation. I have already read where the committee found that in some cases—only in some cases—were the charges found erroneous.

Alleged favoritism to Democratic contractors and appointment of Democrats to Works Progress Administration administrative and relief jobs either were not substantiated or were found to be related only to State or county political influences and not with Federal administration of the Works Progress Administration. In some instances it appeared that county and State political leaders were interested in the Democratic Party and attempted to influence voters by use of Works Progress Administration facilities.

I think that answers the Senator from Indiana directly.

Mr. MINTON. Was any attempt made by anyone who had anything to do with the administration of W. P. A. from the standpoint of the Federal Government to use the W. P. A. to influence anyone's judgment?

Mr. AUSTIN. I have just made clear that, notwithstanding there was no proof that the Administration at Washington should be charged with the thing, nevertheless the money and the facilities were used for political purposes.

Mr. MINTON. Not by anyone who was connected with the W. P. A. itself.

Mr. AUSTIN. Oh, yes; these administrators.

Mr. MINTON. The Senator's mind and mine are entirely at variance. If I understand what he is reading, it does not bear out what he is saying.

Mr. AUSTIN. I will read it again.

Mr. MINTON. What the Senator has been saying is that certain politicians who were connected with State administrations or municipalities tried to use the W. P. A., but no one connected with the W. P. A. itself tried to use it for political purposes.

Mr. AUSTIN. I submit that it is a rational interpretation of what I am about to read that the men who were discharged in some instances were discharged by local administrators of the Works Progress Administration. They could not be discharged by someone who was an entire stranger to their relations.

Mr. MINTON. Does the Senator say that there was any evidence before our committee that anyone was discharged from a job he had on W. P. A. because he was a Republican, we will say, or because of his politics?

Mr. AUSTIN. Mr. President, I had not intended to make a statement outside of this report, but I am willing to answer the question, and say that I think that there was sufficient evidence to justify a finding expressly and directly on that point. But this is the report of the committee I am reading.

Mr. MINTON. But the Senator did not find the rest of the committee agreeing with him?

Mr. AUSTIN. That is correct. Often the vote was divided in the committee.

Mr. MINTON. There was one other Republican on the committee besides the Senator. He did not agree with the Senator's view, I know.

Mr. AUSTIN. Perhaps the Senator knows something I do not know.

Mr. SCHWELLENBACH. Mr. President, will the Senator yield?

Mr. AUSTIN. Allow me to finish in this connection by reading a sentence to which I referred in my remarks, and then I will yield.

I repeat:

Complaint that individuals would be discharged, and that other Works Progress Administration employees had been discharged, were in some cases found to be erroneous.

That is, of course, a very artful report by the committee. Now I yield to the Senator from Washington.

Mr. SCHWELLENBACH. Mr. President, the Senator from Vermont, I think, last year spoke on the floor of the Senate concerning the activities of this committee, of which he was a member, and of which the Senator from Connecticut [Mr. LONERGAN] was chairman, and the Senator from Indiana [Mr. MINTON] and the Senator from North Dakota [Mr. FRAZIER] and I were members. I think at that time he indicated—and I am asking whether my information is correct—that the committee had cooperated very satisfactorily in attempting to make investigation of complaints, and that the majority members of the committee did not hold back in making investigations of complaints against Democratic candidates. I think the Senator expressed some satisfaction with the attitude of the members of the committee. Am I correct in my recollection?

Mr. AUSTIN. Perfectly correct.

Mr. SCHWELLENBACH. We did have coming in during the last month before the election a great flood of complaints, so many that the machinery the committee had was not sufficient to make a thorough investigation of them all. That is true, is it not?

Mr. AUSTIN. That is correct.

Mr. SCHWELLENBACH. I disagree with the Senator's recollection in this matter. I do not think we found any evidence that any W. P. A. official threatened any W. P. A. worker. Sometimes a county chairman or precinct committeeman would say, "You are working here, and I am the Democratic county chairman," but my recollection agrees with that of the Senator from Indiana. Regardless of that, however, will not the Senator agree that very largely the complaints which were made to our committee were not sustained by the investigation we made, and we tried as best we could to investigate the complaints?

Mr. AUSTIN. Yes, Mr. President. I do not quite see the relevancy of the questions of the Senator from Washington. They do not meet the report of the committee to

which I am referring, and which clearly implies that there were offenses, notwithstanding there was not sufficient evidence to show that any administrator here in Washington was responsible for them. In fact, I became pretty well satisfied that generally these cases complained of arose locally by reason of actions of men in the administration of W. P. A. funds and works who thought that perhaps it was wise for them and advisable for them to promote the interest of the administration, considering that the administration had charge of this business.

Mr. SCHWELLENBACH. I think the point of distinction and difference between the recollection and interpretation of the Senator from Vermont and that of the Senator from Indiana and myself is that I believe that our investigation showed no case where anyone working for W. P. A. within a State was using the office for political purposes.

Mr. AUSTIN. I wonder if the Senator would answer a question which I am sure is a fair one in view of his statement. I desire to ask the Senator how he considers it possible that some employees have been discharged unless they were discharged by a person in authority.

Mr. SCHWELLENBACH. Complaints were made that employees were discharged because of political activity, or because of the desire of some W. P. A. official to get them in a position so that they could be coerced, but I do not think we had any testimony or any evidence in our investigation which bore out those complaints.

Mr. AUSTIN. Mr. President, evidently we are in disagreement about this finding of the committee, and we probably will not settle it by further discussion.

I will read it again so there will not be any confusion:

> Complaint that individuals would be discharged, and that other Works Progress Administration employees had been discharged, were in some cases found to be erroneous.

I will proceed where I left off in the reading. I am reading at the top of page 15.

> In some instances it appeared that county and State political leaders were interested in the Democratic Party and attempted to influence voters by use of Works Progress Administration facilities, but that their activities were not condoned or encouraged by the Federal Works Progress Administration which previously had conducted a thorough investigation of its own into the charges.
>
> The Pennsylvania situation continued to occupy the attention of the committee at subsequent meetings. Investigators were twice ordered back to the State to check up on information following the filing of their preliminary report. At a meeting of the full committee on January 4, 1936, the charges were again fully discussed, and the final report of investigators considered. It was another voluminous report of statements from individuals who allegedly were victims of intimidation or coercion, or by those who made the complaints. It included numerous papers from the files of the Works Progress Administration.
>
> After fully considering all the evidence the committee dismissed the complaints from further consideration.

Now, Mr. President, what I claim is that that report is reliable. That is a report of an honorable special committee of the Senate, appointed to serve the very purpose of telling the Senate what occurred, and it shows one thing just as plain as day, and that is that, notwithstanding the care, notwithstanding the admonition of the Administrator in Washington, political use was made of W. P. A. funds and facilities.

I call attention to something which further corroborates the claim made by the Senator from Nevada in this connection, and that is the political use made of the organization of C. C. C. camps. This is not use by Mr. Hopkins. This is not use by any administrator under him. This is use by the Democratic National Committee of a charitable institution created by the Congress to help these young men, without regard to politics. Let us see what was done. Under the guise of general education and part of the training of these youths who were becoming first voters in the land, the secretary of the Democratic National Committee sent literature to the captain or major, or whatever rank the officer might have who was in charge of the C. C. C. camp, and asked him if he would not post literature telling these young men how they can vote in their own home; telling them what the laws of their several States are, what their rights and privileges are, and assuring them that they have the rights of American citizens, although they live in a camp. So far, fine!

If the Democratic National Committee did not identify the Democratic Party with that transaction any more than to handle the matter under the cover of the stationery of the secretary of the Democratic National Committee, probably no American citizen would complain. But I do complain, and I complain for the reason that they went further than that. The same secretary of the Democratic National Committee wrote to the Democratic county committee members where these camps were located and told them not merely to make available to these boys in their camps the literature telling them how to vote and where to vote, and so on, but said in effect, "We have found from experience that it is better to contact these men personally." Let me read that. I am reading from a letter that is published in the report of the committee, on page 19. I had better read the whole letter. The date of this letter is significant—September 21, 1936. I read:

> On September 21, 1936, the Democratic National Committee sent a letter to Democratic city chairmen, and to Democratic county chairmen in certain States and counties where Civilian Conservation Corps camps were located, reading as follows:
>
> "MY DEAR SIR: We note from our mailing list that you have in your county a Civilian Conservation Corps camp, and we are writing to suggest that you contact all the absentee voters from the various States in this camp. In order to assist in furnishing information on the various State voting laws, we are attaching an information sheet showing whether or not they can vote absentee.
>
> "We feel sure from the experience we have had in the past that it will be more effective for you as local representative of your Democratic Party to contact these camps locally and urge the voters to make application in ample time to receive their absentee ballots from their respective official.
>
> "If there is any information we can furnish from our bureau, please write us immediately and we shall be glad to assist you further in this connection.
>
> "Sincerely yours,
>
> "_____ _____."

I would not talk to Senators of the United States about the interpretation of that letter. They can get the import of that letter without any construction by me, and so I leave it. The whole point is that the great danger involved in appropriating huge sums of money to be spent on unnecessary projects, judging by the experience of the past, is in teaching these young men to look to Washington to find out how to cast their votes, to look to a certain party; it makes no difference whether it is Democratic, or Republican, or Progressive, or Independent, or any other party. I say that that is a vicious thing.

In further corroboration of the political implications of this type——

Mr. NORRIS. Mr. President, before the Senator leaves that point I should like to ask him a question.

Mr. AUSTIN. I yield.

Mr. NORRIS. Was this letter written by the Democratic National Committee?

Mr. AUSTIN. It was written by the secretary of the Democratic National Committee.

Mr. NORRIS. I suppose all parties did the same thing, did they not?

Mr. AUSTIN. Not that anyone is aware of.

Mr. NORRIS. I just happened to remember that a Senator, who is not now present, but who is a Republican, was narrating to me just a short time ago how in a primary in his State workers from another State who were working on a project in his State voted, and the amazing thing he said was that the number of Republican voters working on that project was sufficient to change the result in the matter of the nomination of an official in his State.

I agree that such practices ought to be abolished. I condemn them. But I do not understand how we could prevent a Democratic Senator or a Republican Senator from writing to the local representative of his party and trying to induce him to work his political ideas among people who are temporarily on a project but are entitled to vote in another place.

Mr. AUSTIN. I thank the Senator from Nebraska for the additional evidence of the thing I am pointing out. I say it makes no difference what party does it.

In answer to the question as to what we could do, I wish to say that I tried in the committee to get a more vigorous recommendation relating to that matter than the one which I am about to read. The upshot of it all was the paragraph numbered VI, on page 137, which reads as follows:

> It should be made unlawful for any person, corporation, group, organization, association, or for any officer, director, or agent of any corporation, or for any officer, director, or agent of any organization or association, unincorporated, or for any person holding a position, office, or employment, under or by the Government of the United States, or any bureau, department, or agency thereof, to influence or attempt to influence through fear, intimidation, or coercion, the vote of any person employed by them, or of any person who is dependent on public funds, in connection with an election at which Presidential and Vice Presidential electors, or a Senator or Representative in, or a Delegate or Resident Commissioner to, Congress are to be voted for.

That is one of the recommendations of the committee.

Mr. LUNDEEN. Mr. President——

The PRESIDING OFFICER (Mr. BILBO in the chair). Does the Senator from Vermont yield to the Senator from Minnesota?

Mr. AUSTIN. I yield to the Senator from Minnesota.

Mr. LUNDEEN. I should like to say to the Senator that certainly no one excuses the abuse of power on the part of an administration which controls the Government. Nevertheless, it seems to me that, no matter what administration is in power, it will use every honorable means in its possession to keep itself in power. If we do not like the administration, we must go out and seek an administration with a different philosophy. I believe, no matter which party is in power, it will resort to such methods, and so long as they are honorable methods no one can object. The Senator, I understand, is arguing against these practices by any party.

Mr. AUSTIN. Yes, indeed; and I should be glad to cooperate with others in framing a statute in an effort to remedy the situation.

Mr. MINTON. Mr. President, will the Senator yield?

Mr. AUSTIN. I yield.

Mr. MINTON. I should like to obtain an answer from the Senator as to whether or not he believes that the boys in the C. C. C. camps, who are away from home when election time approaches, and who are not advised as to whether the laws of their own States permit them to vote by absentee ballot, should be left without that information; and whether or not the Senator thinks it is wrong for political parties to furnish the boys with information as to how they may vote in their own States—not how they should vote, but how they may vote. Does the Senator think it is wrong for the various political parties to contact the boys and advise them that they may vote in their own States by absentee ballot, and how to go about it?

Mr. AUSTIN. Yes, Mr. President, the Senator does. The Senator believes it is part of their education, of course, to receive the information which was referred to in my first remarks touching the camps. I think such education is very worthy and important. But the thing which I think ought to be stopped is the use of a charitable organization by any political party, whether it be the one in power or the one out of power, or some other, as a political organization.

Our discussion proves all I sought to prove, which is the political implication of granting huge sums of money to be expended for this purpose.

Mr. NORRIS. Mr. President, will the Senator yield?

Mr. AUSTIN. I yield.

Mr. NORRIS. As I understand the answer of the Senator, I do not agree with him. The Senator says it would be wrong for any political party to furnish such information to the boys in C. C. C. camps. I think it is the general practice to do so. I have never known any complaint to be made about it. In a case such as the Senator puts, I think it is the general practice for any political party to try to inform persons who are employed on a project outside their own State how they may exercise the right to vote. It would probably be better if such activity were conducted by a nonpartisan organization; but there is no such organization. As I understand the law, it would not be possible to use public funds for the purpose. So under our present system, if the boys are to get the information, they are under the necessity of getting it through various political organizations.

However, I agree with the Senator in his view that any individual or organization using improper means should be punished. For example, letting a man understand that his job depends on his voting in a certain way is highly improper, and ought to be a crime. I think a law should be passed making it a crime. However, unless we provide that the public shall pay the expense of informing men in that situation what the laws of their States are, so that they may vote by absentee ballot, I do not see any reason why a political party which went no further than that should not give the information to the voters of another State.

Mr. AUSTIN. Mr. President, I think I have made myself clear. I am heartily in favor of the education of our youth, in camps and elsewhere, with respect to the rights and duties of citizenship. I have also tried to make it clear that I condemn the use for political purposes of a charitable organization such as the C. C. C. That is all there is to it.

Mr. LUNDEEN. Mr. President, will the Senator yield?

Mr. AUSTIN. I yield to the Senator from Minnesota.

Mr. LUNDEEN. I should like to ask the Senator from Nebraska if he would also favor the punishment of those who employ people in private industry and who say to their employees, "If you do not vote so-and-so, you will lose your job." We know that such efforts are constantly made, and are made on a large scale. They use economic terror to gain political power.

Mr. NORRIS. If the Senator from Vermont, who has the floor, will yield to me, I shall be glad to answer the question.

Mr. AUSTIN. I yield.

Mr. NORRIS. Of course, I favor the punishment of such persons. We know that such things have often been done, and probably are being done in every election. Such practices ought to be made illegal and ought to be punished. The attempts of the Federal Government and the State governments have been in that direction; but they have not always been successful. Persons who desire illegally to control votes have often circumvented the law. Of course, such activities should be punished.

While I am on my feet, if I may be permitted, I should like to say that under our present system, even with all the enlightenment we have, I do not believe it is possible for us to pass a law which will completely control the situation.

I know that I was very much aggrieved at the complaints which came to me from different localities—some from my own State—in which it was alleged that workers on various projects, who in reality were being supported by charity, were coerced, or that attempts were made to coerce them to vote in a certain way.

I investigated such charges as far as I could do so. I commenced at the top. I talked with Mr. Hopkins in Washington about it. I have numerous letters from persons in the localities where the attempted coercion took place. There was a great deal of it. I never found an instance where a man in authority was guilty, or was a participant, in my judgment, in anything of the kind. It is utterly impossible for Mr. Hopkins, for example, with millions of men all over the United States in his employ, to find out all the conditions which exist in all the localities of the Nation. He may do his very best, but it will be impossible for him to prevent some local politician, who perhaps acts on his own initiative, and may be working for a local candidate for office, from telling a worker that unless he votes in such and such a way, the local politician will have him removed from his job.

That has often occurred, but I do not know how it can always be avoided. I have never found any one high up in my own State, officially connected with these public works, who I thought was guilty of doing anything of that

kind. If we could prevent it altogether, of course we ought to do it; but we ought not to try to hold the man who has charge of the work responsible for the action of some committeeman in the State of Nebraska or in Minnesota who may have nothing whatever to do with the program, but who will go to a man working on the project and say to him, "I am chairman of the Democratic committee of this county, and I want Mr. Jones elected sheriff of this county. Unless you vote for him, I have sufficient power to prevent you from working longer here"; and many times his statement has the desired effect, and he gets the man's vote.

Mr. LUNDEEN. Mr. President, will the Senator yield at that point?

Mr. NORRIS. Yes.

Mr. LUNDEEN. So far as I am concerned, I am satisfied that a man of such sterling integrity and ability and well-known good qualities as Harry Hopkins has had nothing to do with any questionable methods of inducing voters to cast their votes for or against candidates; but I can readily believe that there have been employees under Mr. Hopkins who, without his knowledge, may not have been so scrupulous. Harry Hopkins has carried a terrific load upon his shoulders. He has done the best he could. No plans or blueprints were handed to him. He was suddenly forced to deal with chaos and hunger.

Mr. NORRIS. It may often happen, I will say to the Senator, that the man who is unscrupulous, and who really does the dirty work, who really controls the votes, is not an employee under Mr. Hopkins. He may have nothing to do with public works. He may be entirely an outsider, but a prominent man, say, a chairman of a county committee. The worker does not know the details of the whole machinery, and he may be given by this man to understand that he controls these things, and the man gets the worker's vote in that way.

Mr. LUNDEEN. But I will say to the Senator—and I know he agrees with me—that we should not blame Mr. Hopkins for an instance of that kind.

Mr. NORRIS. No.

Mr. HILL. Mr. President, will the Senator from Nebraska yield to me?

Mr. NORRIS. I yield.

Mr. HILL. Many of the W. P. A. projects are more or less what we may term "joint enterprises," are they not, in which perhaps the city makes certain contributions, perhaps the county makes contributions to other projects, and the State makes contributions to other projects? And a great deal of the supervision of the work is not done by the W. P. A. at all, but is done by some representative of the State or municipal government. Of course, we know that politics naturally creeps into State work or municipal work.

Mr. HATCH. Mr. President, is the Senator from Alabama quite correct when he refers to the supervision not being under the W. P. A.?

Mr. HILL. I say that in the case of some of the projects we have a joint enterprise. To illustrate, in my State of Alabama we have built a great many roads under what we call the three-way plan. Under that plan the W. P. A. puts up a third of the money, the county puts up a third, and the State puts up a third. As a consequence, we do not have complete control by the W. P. A. We have some State authority, some county authority, perhaps, and some W. P. A. authority; and in the same way other projects are joint enterprises.

The W. P. A. has just made a very substantial contribution to a very magnificent State highway building in the capital city of Alabama, Montgomery. In that case the W. P. A. put up part of the money, and the State of Alabama put up part of the money. Many times things are charged to the W. P. A. over which, perhaps, the W. P. A. has no control.

Mr. HATCH. I think that statement is quite correct. I am just interested in the general statement regarding the supervision of these projects. My understanding is that W. P. A. funds are spent for labor, that in the great majority of cases it was labor that the W. P. A. furnished, and that the labor was under the jurisdiction and supervision of the W. P. A. authorities.

Mr. HILL. That is true; but the Senator must remember that on some of these projects it is necessary to have highly paid engineers and men of that type who perhaps are not employed by the W. P. A. at all. I think some of the engineers who work on some of the roads built in Alabama have been men from the State highway department, and are not really answerable or responsible to the W. P. A. at all.

Mr. MINTON. Mr. President, as the hour is late, I do not intend to take more than a minute or two; but, to say the least, I was surprised at some of the statements or insinuations or innuendoes of the Senator from Vermont [Mr. AUSTIN].

I had the honor to serve with the Senator from Vermont on the committee which investigated the charges made after the campaign of 1936. If the Senator recalls the evenings of that campaign, he remembers that we could not turn on our radios and get anywhere near Pennsylvania without hearing Mr. Hard telling about the horrible and scandalous way in which W. P. A. was being conducted in the State of Pennsylvania; that it was being used to purchase the poor fellows who were on W. P. A., the hungry men to whom the Senator from Nevada [Mr. MCCARRAN] referred this afternoon; that they were being coerced and forced by the W. P. A. organization to support the Democratic Party.

The statements of Mr. Hard, which he broadcast to the country over the radio, were investigated by the investigators of our committee; and my recollection is that we did not find one of them substantiated.

Mr. AUSTIN. Mr. President, will the Senator permit a question?

Mr. MINTON. I yield.

Mr. MCCARRAN. Mr. President, I rise to a question of personal privilege.

The PRESIDING OFFICER. The Senator will state his question of personal privilege.

Mr. MCCARRAN. The Senator's sentence does not ring right to me.

The PRESIDING OFFICER. The Senator from Indiana has the floor.

Mr. MINTON. I yield to the Senator from Nevada. There seems to be some misunderstanding about what was said.

Mr. MCCARRAN. If the Senator from Indiana refers to me, he is mistaken, because I was not on that committee.

Mr. MINTON. No; I know the Senator from Nevada was not. I did not refer to the Senator from Nevada as being on the committee. I said that Mr. Hard's statements, which were broadcast over the radio, to the effect that W. P. A. was being used to coerce the hungry persons to whom the Senator from Nevada referred, just were not borne out by the facts, because our investigators found nobody at all who had been so coerced.

Mr. MCCARRAN. So long as the Senator from Indiana keeps himself straight, it is all right with me.

Mr. MINTON. I want to keep myself straight, because the Senator from Nevada did not have anything to do with that committee; but he did appeal very feelingly this afternoon, and I entirely agree with him, for the poor people who are on relief, and declared that they ought not to be coerced at all by the W. P. A. Our committee looked into that very thing in the last campaign, and we did not find any of those charges substantiated, that anybody was being coerced by the W. P. A. or by anybody connected with W. P. A.

Mr. AUSTIN. Mr. President, I think we were very conservative when we made the statement that where those complaints were made we found that they were in some cases erroneous.

I ask the Senator if he does not remember some correspondence, some letters between local administrators; I do not remember their names or the titles of the offices they held; but, as I remember, they were supervisors of work and had charge of pay rolls. Does not the Senator recall that we had correspondence, original letters brought in to

us which showed that at least one of those who had the patronage, the dispensing of these jobs, wrote that it was his opinion that a good Democrat would make a good supervisor, when the competition was between an engineer and a man who had no special training for the job?

Mr. MINTON. Oh, I have no doubt that Democrats recommended Democrats for jobs that they were not fitted to hold, but they did not get them. There was not any evidence that men were put on the W. P. A. rolls just because they were Democrats, and that men were kept off the W. P. A. rolls just because they were Republicans, or that men were coerced to vote the Democratic ticket because they happened to be hungry.

That just did not happen, and yet Mr. Hard was broadcasting it to the country every night. I say to you that the records of the committee do not contain a scintilla of evidence to the effect that W. P. A. authorities used W. P. A. to coerce anybody.

The Senator from Vermont has read only a part of the report. He very significantly skipped right in the middle of the report. I will read you the whole paragraph, and you will see the significance of it.

This was after all this broadcasting had been going on in Pennsylvania by Mr. Hard, and we were receiving letters stating that W. P. A. was being used to coerce people, and that political favoritism was being played on W. P. A. With all that before us, we started out with our investigators, and then we had a preliminary report made. I am reading from page 14, beginning at the paragraph that the Senator picked out from the center, and wound up on the tail end.

Mr. AUSTIN. Mr. President, will the Senator yield? I am sure he does not want to misrepresent the Senator from Vermont.

Mr. MINTON. I certainly do not.

Mr. AUSTIN. I think the Senator from Indiana has forgotten that that is exactly where the Senator from Vermont began.

Mr. MINTON. Well, perhaps the Senator did begin there, but he left out this paragraph.

Mr. AUSTIN. Hardly. The Senator from Vermont read right through from there to the end of the report.

Mr. MINTON. Certainly the Senator left Hamlet out. He left the heart of the paragraph out, and why he jumped over this I do not know.

Mr. AUSTIN. Mr. President, I cannot let that statement go. The Senator from Vermont did not consciously omit a word from the point where he began to read to the point where he ended reading. He was interrupted several times and went back into the paragraph and picked out sentences.

Mr. MINTON. I understood the Senator to read to the end of the third sentence of the last paragraph on page 14, at the bottom of the page, and I thought he missed the next sentence.

Mr. AUSTIN. No; I read through the entire paragraph.

Mr. MINTON. If the Senator read it I did not hear it, and I beg his pardon. A reading of that whole paragraph will reveal that there were no charges made before our committee that any favoritism or politics was used in W. P. A. by anyone who was connected with the W. P. A. If any attempt was made to do that, it was always made by some politician who was trying to intrude himself into the picture and profit for his party or for himself or for some of his friends by his contacts with W. P. A. But there never was one scintilla of evidence that anyone connected with the organization of W. P. A. out in the field in the States or here in Washington ever used or attempted to use W. P. A. for political purposes or to coerce or intimidate anyone who was on the W. P. A. rolls.

SPANISH-AMERICAN WAR VETERANS

Mr. LUNDEEN. Mr. President, the hour is late and I do not desire to keep the Senate in session, and I do not wish to speak at any great length. We have just been informed that the Spanish War veterans have been granted increased pensions under H. R. 5030, a bill which first passed the House of Representatives unanimously and later passed the Senate unanimously, and which today became the law of the land by the signature of the President of the United States.

SENATOR M'GILL, CONGRESSMAN GASQUE, AND CONGRESSMAN SMITH OF WASHINGTON

Certainly great credit is due the Senator who piloted H. R. 5030 through the Senate. The bill was presented to the Senate by the able Senator from Kansas [Mr. McGILL] and in the House of Representatives by Congressman GASQUE, ably assisted by Congressman SMITH of Washington.

PRESIDENT SIGNS H. R. 5030

Great credit must be given to the President who signed the bill and to the party in power which put the bill through with the consent and votes of all of the Members of the Senate and all of the Members of the House of Representatives. The vote was unanimous.

INCREASED TO $60 PER MONTH AT 65 AND $100 PER MONTH FOR DISABLED VETERAN AND ATTENDANT

At the age of 65 veterans of the War with Spain, the Philippine Insurrection, or the China Relief Expedition who served 90 days or more will receive $60 per month. One hundred dollars is granted any Spanish-American War veteran who is disabled or blind or so partly disabled as to need an attendant.

CIVIL WAR RATES FOR SPANISH-AMERICAN WAR VETERANS

On January 3, 1935, I introduced H. R. 1404. This bill provided $75 per month for Spanish-American War veterans reaching the age of 65, and $100 per month when an attendant is needed, and other liberal provisions granted the men of the Civil War—Civil War rates for Spanish-American War veterans. I am very proud of having first sponsored this principle for the brave men of 1898. As one of the men of the Spanish-American War, I think I can speak for my comrades when I say that they will long remember this day when the President and the Congress remembered them.

A WAR IN WHICH UNCLE SAM GAINED BILLIONS

This is one war which cost Uncle Sam nothing, for this Government gained some thirty or forty billions of dollars in property values for an expenditure of one billion. It is our duty to provide for the men of 1898, their widows and orphans, and so long as I remain in this honorable Senate I will speak for them and vote for them and fight their battles to the best of my ability.

I am very happy to speak for my Spanish-American War comrades, soldiers of America, than whom no braver men ever fought under any flag in all time.

STANDARDS OF WAGES AND HOURS OF LABOR

Mr. BARKLEY. Mr. President, I ask unanimous consent that the bill (S. 2475) to provide for the establishment of fair labor standards in employments in and affecting interstate commerce, and for other purposes, with the House amendment, be printed for the use of Members of the Senate.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

ANNIVERSARY OF THE ADOPTION OF THE ORDINANCE OF 1787

Mr. BARKLEY. Mr. President, from the Committee on the Library I report back favorably without amendment the joint resolution (H. J. Res. 647) to increase by $15,000 the amount authorized to be appropriated for the observance of the anniversary of the adoption of the Ordinance of 1787 and the settlement of the Northwest Territory. I ask unanimous consent for the present consideration of the joint resolution.

There being no objection, the joint resolution was considered, ordered to a third reading, read the third time, and passed, as follows:

Resolved, etc., That in addition to the amount authorized to be appropriated by section 4 of the joint resolution entitled "Joint resolution to provide for the observance and celebration of the one hundred and fiftieth anniversary of the adoption of the Ordinance of 1787 and the settlement of the Northwest Territory," approved August 2, 1935, as amended, there is hereby authorized to be appropriated not to exceed the sum of $15,000.

RELIEF AND WORK-RELIEF APPROPRIATIONS

The Senate resumed the consideration of the joint resolution (H. J. Res. 679) making appropriations for work relief, relief, and otherwise to increase employment by providing loans and grants for public-works projects.

Mr. ADAMS. Mr. President, I should like to inquire of the Senator from Kentucky whether he cannot get unanimous consent that we proceed with the relief joint resolution tomorrow.

Mr. BARKLEY. I shall be glad to confer with the Senator from Colorado about that between now and tomorrow.

Mr. ADAMS. And fix a definite time for taking it up?

Mr. BARKLEY. I hope we may resume consideration of the measure tomorrow.

Mr. McKELLAR. We might get consent to vote on the first amendment tomorrow, at any rate.

EXECUTIVE MESSAGE REFERRED

The PRESIDING OFFICER (Mr. BILBO in the chair), as in executive session, laid before the Senate a message from the President of the United States submitting two naval nominations, which was referred to the Committee on Naval Affairs.

(For nominations this day received, see the end of Senate proceedings.)

RECESS

Mr. BARKLEY. I move that the Senate take a recess until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 5 o'clock and 15 minutes p. m.) the Senate took a recess until tomorrow, Thursday, May 26, 1938, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate May 25 (legislative day of April 20), 1938

APPOINTMENTS IN THE NAVY

Rear Admiral James O. Richardson to be Chief of the Bureau of Navigation, in the Department of the Navy, with the rank of rear admiral, from the 11th day of June 1938, for a term of 4 years.

Capt. Walter B. Woodson to be Judge Advocate General of the Navy, with the rank of rear admiral, from the 20th day of June 1938, for a term of 4 years.

HOUSE OF REPRESENTATIVES

WEDNESDAY, MAY 25, 1938

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Our Father, we pray Thee that the constancy of Thy loving providence may awaken enduring gratitude in our souls. Whatever may be our weaknesses, let us think of ourselves as Thy children, seeking no reward more glorious than Thine approval. Bless us with the voice of Thine unuttered spirit, with the songs that sing in silence, and let us hear the tones that the heart loves so well. Oh, make our faith so steadfast that our faculties shall rise in a radiant morning of the soul. Blessed Lord, Thou who art supreme over all, help us to be faithful and true in life-giving and in life-sustaining ministries. Grant that we may see beneath life's busy activities the great good Thou art working among men; to this end may we learn to labor and to wait. Our Father, hold us to the truth, that amid conflicts and hardships life is a climbing vine that blossoms on the other side of the wall. In the name of our Savior. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. St. Claire, one of its clerks, announced that the Senate disagrees to the amendment of the House to the bill (S. 3845) entitled "An act to create a Civil Aeronautics Authority, and to promote the development and safety and to provide for the regulation of civil aeronautics," requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. COPELAND, Mr. CLARK, Mr. DONAHEY, Mr. JOHNSON of California, Mr. WHITE, and Mr. McCARRAN to be the conferees on the part of the Senate.

The message also announced that the Senate had passed a bill of the following title, in which the concurrence of the House is requested:

S. 4022. An act to amend the Federal Reserve Act in regard to charitable contributions, and for other purposes.

CALL OF THE HOUSE

Mr. TABER. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. RAYBURN. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 87]

Anderson, Mo.	Driver	Lewis, Md.	Rogers, Okla.
Atkinson	Duncan	Lucas	Scott
Barden	Elliott	McGehee	Smith, Okla.
Beiter	Englebright	McGranery	Somers, N. Y.
Bell	Fish	McGroarty	Spence
Boykin	Flannagan	McKeough	Steagall
Boylan, N. Y.	Fries, Ill.	McMillan	Sweeney
Bradley	Gamble, N. Y.	Maloney	Swope
Buckley, N. Y.	Gasque	Mansfield	Taylor, Colo.
Bulwinkle	Greenwood	Martin, Mass.	Thurston
Cannon, Wis.	Griswold	Mead	Tinkham
Casey, Mass.	Hancock, N. C.	Mitchell, Tenn.	Wadsworth
Celler	Holmes	Murdock, Ariz.	Wearin
Champion	Jacobsen	Norton	Weaver
Chapman	Johnson, Okla.	O'Connell, Mont.	Wene
Cole, Md.	Keller	O'Connell, R. I.	West
Cooley	Kennedy, Md.	O'Day	Whelchel
Cox	Kirwan	Oliver	White, Ohio
Crosby	Kleberg	Pettengill	Wolfenden
Curley	Kniffin	Pfeifer	Wood
Ditter	Kvale	Randolph	Woodruff
Doughton	Lanzetta	Reed, N. Y.	

The SPEAKER. Three hundred and forty Members are present, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

EXTENSION OF REMARKS

Mr. DOCKWEILER. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD on the subject of youth and democracy; also to extend in the RECORD an article by myself appearing in the American Bar Association Journal for May on the subject of the Nation's principal repository of legal literature.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

APPOINTMENT TO COMMITTEE

Mr. CULLEN. Mr. Speaker, I offer the following privileged resolution.

The Clerk read as follows:

House Resolution 506

Resolved, That ALFRED J. ELLIOTT, of California, be, and he is hereby, elected chairman of the standing committee of the House of Representatives on the Disposition of Executive Papers.

The resolution was agreed to, and a motion to reconsider was laid on the table.

SEVENTY-FIFTH ANNIVERSARY OF BATTLE OF GETTYSBURG

Mr. WOODRUM. Mr. Speaker, I ask unanimous consent for the immediate consideration of House Joint Resolution 693, making an appropriation to aid in defraying expenses of the observance of the seventy-fifth anniversary of the Battle of Gettysburg.

The Clerk read the title of the joint resolution.

Mr. TABER. Mr. Speaker, reserving the right to object, will the gentleman from Virginia explain this joint resolution.

Mr. WOODRUM. Mr. Speaker, this joint resolution makes an appropriation of $900,000 available to the War Department to carry out the purposes of the bill (H. R. 9784) introduced by the gentleman from Pennsylvania [Mr. HAINES],

and which passed the House by unanimous consent on May 16, 1938, authorizing an appropriation for the commemoration of the seventy-fifth anniversary of the Battle of Gettysburg and directing that each surviving veteran of the War of 1861 to 1865 be extended an invitation to attend this event as guests of the Government. This makes an appropriation for that purpose.

Mr. SNELL. Mr. Speaker, will the gentleman yield?

Mr. TABER. I yield.

Mr. SNELL. I notice this bill provides that the Army Band shall play at this celebration. I think this is an appropriate occasion for the Army Band to play, but I have had several experiences trying to get the Army Band to play for local celebrations similar to this.

They have always told me it is impossible to allow them to do that because it is against their regulations, and they do not allow them to play any place on account of the opposition of the musical union. How does the gentleman arrange for the band to play at this celebration?

Mr. WOODRUM. The only exception to that rule, I may say to the gentleman, is that Congress has always sent either the Marine Band, the Army Band, or Navy Band to play for the Confederate veterans and for the Union veterans at their annual conclave. This is a meeting of both of them. This is a joint convention.

Mr. SNELL. I agree with the gentleman. I think that is the proper place to have the national bands play, but I do not understand the regulations. I know from my own personal knowledge, at least I think I know, that they do play at certain places throughout the country, but we have never been able to get one to play at our local celebrations up in northern New York.

Mr. WOODRUM. I think this is the rule: The service bands do not play and are not permitted by the Departments to go any place unless it is a matter of national importance. That is, at Government expense. But we have on a number of occasions permitted the service bands to go to certain places to play where the local communities or the activity paid the expenses. That has always been done by a special act of Congress.

Mr. SNELL. Does the gentleman mean that each time the band does play at a private celebration, so to speak, or a local community celebration, we have to have an act of Congress for them to go?

Mr. WOODRUM. Unless it is of some national importance, where the Department can order them, or some national celebration.

Mr. SNELL. I think I know of some places within the last year that the bands have played and there has not been any act of Congress authorizing them to do it. I want every part of the country treated alike and the same. If they absolutely refuse to let the band go to any local community in any part of the United States, while I do not agree with that, it is satisfactory to me. I have had a great deal of trouble in this respect. They certainly will not let the band play up in northern New York, and I do not think it is right.

Mr. WOODRUM. The gentleman, I know, can visualize the difficulty the Government would have if it permitted these service bands to go every place. They are very fine bands, and it takes a lot of money to move them. It also takes them away from their home post.

Mr. SNELL. I refer to cases where the expenses are paid.

Mr. COCHRAN. Will the gentleman yield?

Mr. WOODRUM. I yield to the gentleman from Missouri.

Mr. COCHRAN. This matter has been up in Congress time and time again. Government bands should not be permitted to play anywhere other than at a celebration of national importance, such as the reunion at Gettysburg, because when you permit the bands to go to a community to play, they take work away from the musicians in that community. As far as my city is concerned, our musicians are 100 percent against bringing the Army, Navy, or Marine Band to St. Louis to compete with the St. Louis musicians.

Mr. SNELL. What are you going to do where they have not any music or where there is not a local band?

Mr. COCHRAN. Call on some band in a community nearby; but do not take Government bands that are being paid a salary, when you have musicians on the W. P. A. rolls who cannot get work. You speak of the Government interfering and engaging in business. That is just exactly what this is.

Mr. SNELL. Let us take Plattsburg, N. Y. There is no band there, and when they have a community celebration there, it seems to me that one of the service bands ought to be allowed to play there.

Mr. WOODRUM. Do they not let the barracks band play at these community celebrations?

Mr. SNELL. No.

Mr. WOODRUM. They do in most communities.

Mr. SNELL. I know they do in some places.

Mr. WOODRUM. I think that is up to the War Department.

Mr. SNELL. I have been down there, too.

Mr. WOODRUM. The local post bands participate in parades and every sort of local activity.

Mr. SNELL. I know they do in certain places, and that is why I am kicking, because they will not allow them to play at a local celebration up there.

Mr. WOODRUM. This has to do with the United States Army Band, not the local post band.

Mr. SNELL. But this is the first opportunity I have had to bring the matter to the attention of the House.

The SPEAKER. Is there objection to the request of the gentleman from Virginia?

There was no objection.

The Clerk read the House joint resolution, as follows:

Resolved, etc., That to enable the Secretary of War, under the direction of the Commission established by the joint resolution entitled "Joint resolution for the establishment of a commission in commemoration of the seventy-fifth anniversary of the Battle of Gettysburg in 1938," approved June 24, 1936, to carry into effect the provisions of the act entitled "An act to authorize an appropriation to aid in defraying the expenses of the observance of the seventy-fifth anniversary of the Battle of Gettysburg, to be held in Gettysburg, Pa., from June 29 to July 6, 1938," approved May 16, 1938, including the operation, maintenance, repair, rent, or, if necessary, purchase of automobiles, the reimbursement of other appropriations of the War Department for expenditures which may have been made therefrom in preparation for such celebration, and for any other contingencies and unforeseen expenses which the Secretary of War shall consider necessary and proper, there is hereby appropriated, out of any money in the Treasury not otherwise appropriated, the sum of $900,000, to remain available until June 30, 1939: *Provided*, That the leaders and members of the Army Band may be allowed not to exceed $5 per day each for actual living expenses while on duty in connection with such celebration and the payment of such expenses shall be in addition to the pay and allowances to which they would be entitled while serving at their permanent station: *Provided further*, That the Secretary of War shall make a detailed report to Congress of the expenditures hereunder.

The resolution was agreed to.

A motion to reconsider was laid on the table.

WILLIAM GRAVES SHARP

Mr. HARTER. Mr. Speaker, I ask unanimous consent for the immediate consideration of Senate Concurrent Resolution 35.

The Clerk read the title of the concurrent resolution.

The Clerk read the concurrent resolution, as follows:

Senate Concurrent Resolution 35

Whereas the late Hon. William Graves Sharp, with prophetic vision, introduced in the House of Representatives on April 21, 1913, the first bill which provided for the carrying of the mail by airplane; and

Whereas air-mail service now reaches every part of the Nation and has been extended to lands across the sea: Therefore be it

Resolved by the Senate (the House of Representatives concurring), That the Congress of the United States hereby honors and pays tribute to the memory of the Honorable William Graves Sharp for having introduced and supported the first bill providing for air-mail service.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

Mr. TABER. Mr. Speaker, I object.

The SPEAKER. The Chair thinks it proper to state at this time that this is Calendar Wednesday and all other

matters must be by unanimous consent. One of the committees has the call, and whatever is done must be done by unanimous consent.

EXTENSION OF REMARKS

Mr. BACON. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD on the subject of appropriations for the Civil Service Commission, and to quote a brief article on the same subject.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. JENKINS of Ohio. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by printing a short article which deals with the subject of pottery, about which I made a speech recently.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. WELCH and Mr. COFFEE of Washington asked and were given permission to extend their own remarks in the RECORD.

Mr. GIFFORD. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include therein an address made in Boston recently by J. N. Darling, and I ask that this address be printed, notwithstanding the fact it may be slightly more lengthy than the rules allow.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. TOBEY. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include therein an address delivered by the gentleman from Minnesota [Mr. KNUTSON] at Manchester, N. H., on May 22, in connection with the three hundredth anniversary of the landing of the first Swedish colonists in America.

The SPEAKER. Is there objection to the request of the gentleman from New Hampshire?

There was no objection.

Mr. MAPES. Mr. Speaker, I ask unanimous consent to extend my remarks in the Appendix of the RECORD and include therein an editorial from the Grand Rapids Press on wage and hour legislation.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. CARTWRIGHT. Mr. Speaker, I ask unanimous consent to extend my remarks twice in the RECORD, on two different subjects.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

Mr. HART. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by including therein an address by Admiral Land, Chairman of the United States Maritime Commission, delivered last Saturday night in New York at the National Maritime Day celebration.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

MONETARY AND CREDIT CONTROL

Mr. VOORHIS. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The Speaker. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. VOORHIS. Mr. Speaker, one of the three or four major problems which the Congress will have to meet, and better soon than late, is the problem of the relationship of the total monetary supply and credit supply of this country to our productive capacity.

In this connection, one of the very finest pieces of work that has been done is a bill (H. R. 9800) introduced by the gentleman from Nebraska [Mr. BINDERUP]. The gentleman from Nebraska is going to speak at the conclusion of the legislative business today, and possibly on future days, on the general subject of that bill and the problem of monetary and credit control and use in the national interest. I rise merely to urge the Members of the House to be here and take part in that discussion.

PERMISSION TO ADDRESS THE HOUSE

Mr. HILL. Mr. Speaker, I ask unanimous consent to address the House for one-half minute.

The SPEAKER. Is there objection to the request of the gentleman from Washington?

There was no objection.

Mr. HILL. Mr. Speaker, I propose to introduce a bill for the installation of an automatic voting machine, which will save time and also save the confusion we have in the Well of the House at the close of a second roll call when a vote is taken. Furthermore, the machine will record us correctly, so we will not be embarrassed in explaining our votes incorrectly recorded.

EXTENSION OF REMARKS

Mr. BUCK. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include therein a short table prepared by the United States Tariff Commission.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

THE WAGE AND HOUR BILL

Mr. BINDERUP. Mr. Speaker, I notice in the RECORD that on roll call No. 86 I am paired in a general pair. I wish it generally understood and I wish it to appear in the RECORD that if it had been possible for me to have been here on yesterday I would have voted "yea" on that roll call; that is, I would have voted for the bill.

EXTENSION OF REMARKS

Mr. CELLER. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD on the subject of the P. W. A.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

CALENDAR WEDNESDAY BUSINESS

The SPEAKER. This is Calendar Wednesday. The Clerk will call the committees.

DISTRICT OF COLUMBIA REVENUE ACT OF 1937

Mr. PALMISANO (when the Committee on the District of Columbia was called). Mr. Speaker, I call up the joint resolution (H. J. Res. 687) to amend title VI of the District of Columbia Revenue Act of 1937.

The Clerk read the title of the joint resolution.

Mr. PALMISANO. Mr. Speaker, I ask unanimous consent that the joint resolution may be considered in the House as in Committee of the Whole.

The SPEAKER. Is there objection to the request of the gentleman from Maryland?

There was no objection.

The Clerk read the joint resolution, as follows:

Resolved, etc., That subsection (b) of section 7 of title 6 of the District of Columbia Revenue Act of 1937, as amended, is amended to read as follows:

"(b) Any tax on tangible personal property (other than motor vehicles) levied against and paid by the taxpayer to the District, within the time prescribed by law for the payment of such tax by the taxpayer, shall be allowed as a credit against the tax imposed by this title for the taxable year in which such tax on tangible personal property is paid."

The joint resolution was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

FAIR TRADE PRACTICES ACT FOR THE DISTRICT OF COLUMBIA

Mr. PALMISANO. Mr. Speaker, I call up the bill (H. R. 9873) to protect trade-mark owners, producers, distributors, and the general public against injurious and uneconomic

practices in the distribution of competitive commodities bearing a distinguishng trade-mark, brand, or name through the use of voluntary contracts establishing minimum resale prices and providing for refusal to sell unless such minimum resale prices are observed.

The Clerk read the bill, as follows:

Be it enacted, etc., That the following terms, as used in this act, are hereby defined as follows:

(a) "Commodity" means any subject of commerce.

(b) "Producer" means any grower, baker, maker, manufacturer, bottler, packer, converter, processor, or publisher.

(c) "Wholesaler" means any person selling a commodity other than a producer or retailer.

(d) "Retailer" means any person selling a commodity to consumers for use.

(e) "Person" means an individual, a corporation, a partnership, an association, a joint-stock company, a business trust, or any unincorporated organization.

SEC. 2. No contract relating to the sale or resale of a commodity which bears, or the label or container of which bears, the trademark, brand, or name of the producer or distributor of such commodity and which commodity is in free and open competition with commodities of the same general class produced or distributed by others shall be deemed in violation of any law of the District of Columbia by reason of any of the following provisions which may be contained in such contract:

(a) That the buyer will not resell such commodity at less than the minimum price stipulated by the seller.

(b) That the buyer will require of any dealer to whom he may resell such commodity an agreement that he will not, in turn, resell at less than the minimum price stipulated by the seller.

(c) That the seller will not sell such commodity—

(1) to any wholesaler, unless such wholesaler will agree not to resell the same to any retailer unless the retailer will, in turn, agree not to resell the same except to consumers for use and at not less than the stipulated minimum price, and such wholesaler will likewise agree not to resell the same to any other wholesaler unless such other wholesaler will make the same agreement with any wholesaler or retailer to whom he may resell; or

(2) to any retailer, unless the retailer will agree not to resell the same except to consumers for use and at not less than the stipulated minimum price.

SEC. 3. For the purpose of preventing evasion of the resale price restrictions imposed in respect of any commodity by any contract entered into pursuant to the provisions of this act (except to the extent authorized by the said contract)—

(a) the offering or giving of any article of value in connection with the sale of such commodity;

(b) the offering or the making of any concession of any kind whatsoever (whether by the giving of coupons or otherwise) in connection with any such sale; or

(c) the sale or offering for sale of such commodity in combination with any other commodity

shall be deemed a violation of such resale-price restriction, for which the remedies prescribed by section 6 of this act shall be available.

SEC. 4. No minimum resale price shall be established for any commodity, under any contract entered into pursuant to the provisions of this act, by any person other than the owner of the trademark, brand, or name used in connection with such commodity or by a distributor specifically authorized to establish said price by the owner of such trade-mark, brand, or name.

SEC. 5. No contract containing any of the provisions enumerated in section 2 of this act shall be deemed to preclude the resale of any commodity covered thereby without reference to such contract in the following cases:

(a) In closing out the owner's stock for the bona fide purpose of discontinuing dealing in any such commodity and plain notice of the fact is given to the public: *Provided*, That the owner of such stock shall give to the producer or distributor of such commodity prompt and reasonable notice in writing of his intention to close out said stock and an opportunity to purchase such stock at the original invoice price;

(b) When the trade-mark, brand, or name is removed or wholly obliterated from the commodity and is not used or directly or indirectly referred to in the advertisement or sale thereof;

(c) When the goods are altered, second-hand, damaged, or deteriorated and plain notice of the fact is given to the public in the advertisement and sale thereof, such notice to be conspicuously displayed in all advertisements and to be affixed to the commodity; or

(d) By any officer acting under an order of court.

SEC. 6. Willfully and knowingly advertising, offering for sale, or selling any commodity at less than the price stipulated in any contract entered into pursuant to the provisions of this act, whether the person so advertising, offering for sale, or selling is or is not a party to such contract, is unfair competition and is actionable at the suit of any person damaged thereby.

SEC. 7. This act shall not apply to any contract or agreement between or among producers or distributors or between or among wholesalers or between or among retailers as to sale or resale price.

SEC. 8. If any provision of this act, or the application thereof to any person or circumstance, is held invalid, the remainder of the act, and the application of such provisions to other persons or circumstances, shall not be affected thereby.

SEC. 9. All acts or parts of acts inconsistent herewith are hereby repealed to the extent of such inconsistency.

SEC. 10. This act may be known and cited as the Fair Trade Act.

The SPEAKER (interrupting the reading of the bill). Without objection, the further reading of the bill will be dispensed with.

Mr. ARNOLD. I object, Mr. Speaker.

The Clerk resumed the reading of the bill.

Mr. PALMISANO. Mr. Speaker, I ask unanimous consent that the further reading of the bill be dispensed with and discussion of the bill be had under the rules of the House and the bill, of course, to be subject to amendment.

Mr. CELLER. I object, Mr. Speaker.

The Clerk resumed the reading of the bill.

Mr. PALMISANO (interrupting the reading of the bill). Mr. Speaker, I ask unanimous consent that the further reading of the bill be dispensed with and that the bill be printed in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Maryland?

There was no objection.

Mr. PALMISANO. Mr. Speaker, I yield 5 minutes to the gentleman from Illinois [Mr. ARNOLD].

Mr. ARNOLD. Mr. Speaker, this bill (H. R. 9873) is known as the Fair Trade Practices Act for the District of Columbia. I do not know that I would object to the passage of this bill for the District, but I do object to the way it is brought before the House. In committee on the last District day 10 members of the committee were present and it was brought out that hearings were held by a subcommittee on this bill and only one member of that subcommittee was present and no notice was given to interested people who wanted to appear. The bill was then reported back to the whole committee.

We find that the American Farm Bureau is opposed to this bill and that their membership in both Maryland and Virginia asked to be heard, but no further hearings were held by the subcommittee and these people had no opportunity to be heard.

In addition to this, the consumers of the District asked to be heard and they were not granted the opportunity. Under these conditions, 5 of the 10 members voted against reporting the bill and 5 members, including the chairman, voted to report it. Therefore the bill was killed. I had an engagement down in one of the departments and left at a quarter to 12 to fulfill the engagement and a member who had voted against reporting the bill was induced to change his vote, and the bill comes up here on the calendar today.

I do not think this is fair. I think this bill should have had proper hearings and that representatives of the American Farm Bureau in Virginia and in other States, as well as representatives of the consumers of the District, should have had an opportunity to be heard by the subcommittee.

Mr. COX. Mr. Speaker, will the gentleman yield?

Mr. ARNOLD. I yield.

Mr. COX. Was any indication given the gentleman after the committee first took action that it would call it up again during the same day and at the same session of the committee?

Mr. ARNOLD. No; I was not so informed. I had in mind going to some other member of the committee who felt as I did and raising the point of no quorum should it be called up again, but I felt the committee, surely, on the same day would not ask to report the bill.

Mr. COX. And the gentleman had no notice that any further consideration would be given it?

Mr. ARNOLD. That is correct.

Mr. BREWSTER. Mr. Speaker, will the gentleman yield?

Mr. ARNOLD. I yield.

Mr. BREWSTER. Do I understand that the gentleman was not present when reconsideration of the vote was had?

Mr. ARNOLD. That is correct. I had to go to the Department of Agriculture downtown and that reduced the

number of members to nine. Ten members were not a quorum. A member who had voted as I did was asked to change his vote, and did change his vote, and moved to reconsider. I had no previous notice of that.

Mr. BREWSTER. The gentleman will agree that if he had been there it would not have affected the result?

Mr. ARNOLD. I would have raised a point of no quorum if I had been present. Ten members did not constitute a quorum of the committee.

I presume all here are familiar with what the Fair Trade Practice Act does for the consumers of a certain area. In New York it was shown that after the Fair Trade Practice Act was passed in that State the price of 2,100 commodities advanced 10.8 percent. The commodities affected by this are controlled by corporations, and the records show that of the ownership of all corporations reporting from every part of the Nation, one-tenth of 1 percent of them own 50 percent of the assets of all, and of all corporations reporting, less than 5 percent own 85 percent of the assets of all of them; and that of all corporations reporting from every part of the country, one-tenth of 1 percent of all of them own 50 percent of the net income of all of them.

This is a bill that seeks to increase the profits of this one-tenth of 1 percent of the corporations that control these items, the price of which it is intended to stabilize, and fix at a sum under which a retailer and a wholesaler cannot cut.

Mr. COX. Mr. Speaker, will the gentleman yield?

Mr. ARNOLD. Yes.

Mr. COX. In other words, this is an effort to gouge the consumer.

Mr. ARNOLD. That is true.

The SPEAKER. The time of the gentleman from Illinois has expired.

Mr. PALMISANO. Mr. Speaker, I yield 15 minutes to the gentleman from New York [Mr. CELLER].

Mr. CELLER. Mr. Speaker, I opposed as vigorously as I could the Miller-Tydings Act, which is a price maintenance and price-fixing act; and by the same token of reasoning I must oppose this same principle involved in this current bill, as far as the residents of the District of Columbia are concerned. In the time allotted to me I cannot go into all of the details that actuate my opposition, but I call attention of the Members of the House to the fact that in bills of this character, which are contrary to principles of Democracy and the Democratic platform, the consumer is always gouged. In common parlance, the consumer gets the dirty end of the stick. In 1936 the Democratic platform announced as follows:

> We will act to secure to the consumer fair value, honest sales, and a decreased spread between the price he pays and the price the producer receives.

The effect of legislation of this character in every single State where it has been enacted is, beyond peradventure of a doubt, contrary to this doctrine of the Democratic platform and increases instead of decreases spread between producer and consumer. Some Democrats come here and have the temerity to fly in the face of that announced principle which sought to protect the consumer. Now we are doing everything in our power to hurt the consumer. When we passed the Miller-Tydings Act, we simply stated that we would leave unmolested any State that would adopt a price-maintenance statute. We simply absolved those who indulge in price maintenance under State statutes from prosecution under our antitrust monopoly acts. We simply gave them immunity, but we did not enunciate any doctrine, we did not espouse any cause that sought to fix prices. As far as I can remember, the Democrats in this country in season and out of season have done all in their power to prevent price fixing, to prevent price maintenance, which has a tendency, as we all know, to build up and foster monopoly. Now the Committee on the District of Columbia comes here and wants the members of Congress to espouse this principle of price maintenance, as has been done in numerous States. The President in accepting and signing the District of Columbia appropriation bill in the last session, roundly denounced, and I use those words advisedly, those who had the temerity, who had the cheek, to foist onto an appropriation bill in the Senate the so-called Miller-Tydings Act. The President never accepted, and so declared, the Miller-Tydings Act, and would not have signed the appropriation bill. Remember trickery, and no other word can describe the performance, by chicanery, they saddled onto an appropriation bill, which had to pass, which had to have the signature of the President, the Miller-Tydings Act in the Senate, and the President roundly denounced those who were responsible for that performance.

Mr. VOORHIS. Mr. Speaker, will the gentleman yield?

Mr. CELLER. Yes.

Mr. VOORHIS. The gentleman feels, and I agree with him as to the way the Miller-Tydings Act was passed, that if we pass this bill now the House would be definitely going on record in favor of this principle.

Mr. CELLER. There is no doubt about that, and that is what I am inveighing against. I do not want this House to go on record as espousing price fixing and price maintenance.

Mr. VOORHIS. Neither do I.

Mr. CELLER. And I fervently hope that the Senate will not accept it if we pass it; and further, I hope that the President will not accept it and will veto it if it does pass the Senate. I am confident that if his heavy strictures laid upon the Miller-Tydings rider means anything he would veto this bill if it passed.

Mr. COX. Mr. Speaker, will the gentleman yield?

Mr. CELLER. Yes.

Mr. COX. It has been my experience that these fair trade agreements are merely a device hit upon to enable combinations to operate in violation of the antitrust laws, or, in other words, to take them out from under the provisions of the antitrust laws.

Mr. CELLER. There is no doubt about that, and I say further, why not wait until the conference can get into swing that the President suggested with reference to a study and a revamping of the antitrust and monopoly statutes.

The distinguished chairman of my committee, the gentleman from Texas [Mr. SUMNERS], has offered a bill in pursuance of the suggestion made by the President; and Senator O'MAHONEY, of Wyoming, has done likewise in the other Chamber. So six Members of both Houses, three from this House and three from the other, and departmental heads will get together to study this whole proposition. Why should we do it piecemeal? Why should we come forward at this very late hour with the session coming to a close to adopt a bill which flies in the face of orderly procedure, logical procedure, procedure that should develop something constructive? I say wait, do not pass this bill now; wait until we can have the advantage of the deliberations of the men who will be appointed by the Speaker, who will be appointed by the Vice President, who will be appointed by the President to get together and study this proposition. Then we shall have something worth while; then we can come forward with a bill that we can stand by; then we shall at least have had the benefit of the study of these men.

Mr. ARNOLD. Mr. Speaker, will the gentleman yield?

Mr. CELLER. I yield.

Mr. ARNOLD. At least the gentleman thinks we should not pass a bill that has had only one hearing before a subcommittee with only one member present?

Mr. CELLER. Unquestionably so. This trouble goes back to the State legislatures who have railroaded through similar legislation. There is a monopoly called the National Retail Association of Druggists who have been gouging the public by elevating, unduly, prices on all advertised brands far out of due proportion.

I may say to the gentleman from Georgia that he raised a very interesting question when he stated that these bills were merely subterfuge to enable groups financially qualified, entrenched in tremendous power, financial and political, to get together and form combinations in restraint of trade. Who suffers? You suffer, I suffer, and the rest of the consuming public throughout the Nation suffers.

Let me show you how that is worked. Under these price-maintenance statutes any manufacturer can make what is

known as "vertical" agreements. A is a manufacturer, B is his competitor, and C is his competitor. A makes agreement with a wholesaler that the wholesaler shall charge a certain price and cannot sell below it. The wholesaler in turn makes the agreement with the retailer that the retailer must charge a certain price and cannot go below it, all originating from A. That is a "vertical" contract. B then knows exactly what those contracts are, what those price-maintenance arrangements are; they are public property. He makes the same arrangement with X and Y, his jobber, and the latter's retailer; and C does similarly with L and M. So you have three competitors making agreements which if they made them together, namely A, B, and C, would be violative of the Antitrust Act. They cannot make a "horizontal" agreement amongst themselves, A, B, and C, but they can make this other agreement whereby their product shall be sold at such and such a price. The "horizontal" agreement would be violative of the Clayton Act and violative of the Sherman Act; but you let them do the very same thing when you pass this kind of statute. A makes the vertical agreement with his distributors and retailers; B makes the same agreement with his distributors and wholesalers and retailers; and C makes the same agreement. In effect it is exactly as though A, B, and C got together and violated the Sherman law, only you throw around them the imprimatur of approval, you grant them immunity when you pass a statute of this character; and that is why I am opposed to it. I hope that as a result of the deliberations today and of the debates that you will oppose it.

I call attention to the fact that this bill involves the principle of a national policy which is of far wider consequence than ordinarily attaches to a local District of Columbia bill. The Members may not realize it, but they are being asked through this bill to place the Government on record as favoring the principle of price fixing on articles of everyday use. This is the reversal of the policies of the Federal Government for many years past. It is a subject which certainly merits careful study by congressional committees and not small, haphazard discussion in the closing days of the session.

Just imagine what is going to happen in the District of Columbia. Incidentally, I may say that the Federal Trade Commission has already summoned a number of liquor dealers for antitrust violations. I am afraid if you pass this bill they will be absolved. I have before me a release given to the afternoon papers of May 6, 1938, where the Federal Trade Commission issued complaints against six Washington, D. C., liquor wholesalers, the wholesale and retail dealers' association, and the secretary of the retail association, charging all of them with entering into agreements, combinations, and confederacies to suppress competition in the sale of liquor in the District of Columbia and the maintenance of uniform retail prices, discounts, and mark-ups by means of what? Listen: Boycotts, blacklists, and through coercive measures.

Pass this bill and you stay the hand of the Federal Trade Commission, because you say that the blacklist, these coercive measures, and these boycotts are legal. That is the legislation you are going to enact.

When the Miller-Tydings resale price-maintenance bill was before the Congress last year one of the principal arguments urged for its adoption was the fact that the Miller-Tydings bill did not call upon Congress to take any position on this matter of broad public policy. It was pointed out by sponsors both in the House and in the Senate that the Miller-Tydings bill merely enabled the various States that desired to adopt resale price-maintenance legislation to have a free hand in applying same within their States. It was repeatedly emphasized that Congress was not passing on the question of public policy involved in resale price maintenance and was not being asked to reverse its policy in this respect of many years' standing.

But today we have before us a demand that we reverse public policy on this broad and important principle. We are asked to go on record as favoring this weakening of our antimonopoly laws and turning over to manufacturers and associations of retailers the full and free right to fix the selling prices which consumers are to be charged for the ordinary necessities of everyday life. It is not even seriously denied by the proponents of this bill that its effects would be to raise prices to the consumer. Any such denial would be ridiculous. Actual experiences under these laws certainly prove the contrary. I will present a few figures on this point a little later in my discussion.

President Roosevelt urged Congress not to pass the Miller-Tydings bill, in a letter which he addressed to the Senate under date of April 24, 1937. This letter was written following a report which the President received from the Federal Trade Commission opposing this type of legislation. The President emphasized one sentence in the Commission's report by quoting it in his letter.

> There is great probability—
>
> Says the Commission—
>
> that manufacturers and dealers may abuse the power to arbitrarily fix resale prices by unduly increasing prices, resulting in bitter resentment on the part of the consuming public, especially in this period of rising prices.

The President went on to say the Miller-Tydings bill "should not, in my opinion, receive the consideration of Congress until the whole matter can be more fully explored."

This admonition from the President came, you will note, on a bill which did not commit Congress to the policy of price fixing. How much more important is it, then, for us to give thorough consideration before taking action on a bill which does definitely commit Congress to the policy of resale price maintenance as embodied in the present Palmisano bill.

With Congress about to set up a joint commission to study monopoly methods and price fixing, and to recommend legislation to remedy the evils therein, it is nothing short of ridiculous for Congress to take final action at this time upon the bill now before us. At the very least this bill should be recommitted and held for further study. My information is that only 2 hours of hearings were held on this bill and a large number of consumers organizations and other interested parties who desired to be heard were not given any opportunities to be heard. Such hearings as were held have not been printed and no opportunity exists for Members of Congress to gain a clear understanding of just what the bill involves.

Much has been made here, by the proponents, of the fact that some 43 States of the Union have enacted this type of legislation in the last 2 or 3 years. This is urged upon us as reason for Congress taking similar action for the District of Columbia. I want to say to you that merely because a number of State legislatures have taken foolish and short-sighted action at the behest of certain highly organized groups of retailers, is no excuse for the Federal Congress taking similar foolish and short-sighted action.

Many Members of this House have also served in their State legislatures. They know how easy it is for a highly organized special interest to lobby through a bill having a high-sounding and misleading name such as "fair-trade bill," particularly when consumer groups have no opportunity to be heard in opposition to the bill. After the first 33 States had passed bills similar to this one, a check was made to determine how many had held public hearings at which consumers could register their views. A careful check showed in only six cases had any public hearings of any kind been held, and in those six cases very few consumers groups were represented. The fact of the matter is that these bills were lobbied through most of the State legislatures very quietly and the consumers groups, farm groups, and others had no idea of what was involved until the laws were on the statute books. Since that time the two largest national farm organizations have adopted vigorous resolutions demanding the repeal of the Miller-Tydings Act, and the resale price maintenance laws in the various States. Numerous State farm organizations and consumers groups have likewise adopted such resolutions. I desire to place some of these resolutions in the record at this point.

As a sidelight on how these price-fixing bills got through the State legislatures, I want to read a brief item which

appears in the May 23, 1938, issue of one of the leading drug trade papers, viz, Drug Topics. This shows how the organized druggists are going at it to force this price-fixing bill through the State Legislature of Alabama, one of the few States that has so far resisted this bill. I read the article from Drug Topics of May 23:

ALABAMA MEN DINE LEGISLATORS

BIRMINGHAM, ALA.—The Birmingham Retail Druggists Association lined up all 14 candidates for the legislature from Jefferson County and exacted a pledge from each of them in favor of a fair-trade act at a recent luncheon meeting. Lehman Alley presided and V. C. Woods introduced the candidates.

Seven of the fourteen are to be elected. Regardless of whom is elected, the country will have a solid delegation in favor of fair trade.

The association's fair-trade committee, composed of E. W. Gibbs, Paul Tarrant, and N. G. Hubbard, are pulling wires to get fair-trade friends elected from the legislature from other counties. The measure lost by one vote in the last legislature but should go over next January, especially if rural legislators can be gotten in line, it was pointed out.

I also call attention to a report of the Connecticut grand jury investigation made on May 19 of this year, which resulted in the arrest of 27 prominent officials and politicians in that State on May 20. One section of this grand jury report pointed out in detail how large sums of money were improperly used by city and State officials and political leaders to lobby through the legislature of that State the fair-trade bill sponsored by the Connecticut Retail Druggists Association. Very significantly the grand jury also points out that the offices of the State pharmacy commission was the meeting place and headquarters of the clique of officials and lobbyists who put this so-called fair-trade bill through the Connecticut State Legislature.

I think these few references, ladies and gentlemen, will suggest to you that not too much weight should be given to the fact that a large number of the States now have this sort of legislation on their books. As soon as the consuming public wakes up to the realization of the deal that has been put over on them, we will see a revulsion that will wipe these laws off the statute books. Members of Congress may then be very glad that they had no part in enacting legislation of this kind.

Proponents of this type of legislation always hide behind the plea that all they desire is protection against "loss leader selling." Fellow Members of the House, I say to you in all earnestness that, in my opinion, this statement on the part of the proponents is far from being sincere and honest. The reason I make this statement so positively is because upon several occasions a very simple amendment has been offered the proponents of the bill which would definitely change it from an actual price-fixing bill to an antiloss leader bill, but the proponents have repeatedly refused to accept this amendment. They do not want an antiloss leader bill. They want not only a price-fixing but a profit-fixing bill, as I will show you a little later. It is even worse than that—these bills, together with the Miller-Tydings bill, will completely break down our antimonopoly laws so far as price fixing is concerned.

And if the small, independent druggist—the man who is howling loudest for this bill—was only wise enough to realize it, he would see that in the long run this legislation would build up for his chain-store competitor. The chain-store druggists are actively supporting this bill. They are smart enough to see that when the consumer is forced to pay higher prices for standard-brand drugs that makes it easier for the chain drug store to sell its own private brands. Give the chains a few years of that sort of price encouragement and protection on their private brands and then where will the small, independent retailer be with his high-priced standard brands? One big department store in New York City reported that following the enactment of the Feld-Crawford Fair Trade Act in New York its sales of private-brand drugs and cosmetics jumped more than 60 percent.

This terrible short-sighted scheme not only makes the consumer pay more, but in the long run will injure the small, independent retailer.

Now, let us see what would happen right here in the District of Columbia if this bill should become a law. Please do not forget that the prices set under this law are the actual selling prices, and not merely "floor" prices or antiloss leader prices. I have taken the trouble to look up the contract prices on a number of drugs and cosmetics and then to compare these prices with the current prices in the downtown chain drug stores. And when I say "chain drug stores" I do not mean the so-called cut-rate stores. In the cut-rate stores the prices are considerably lower. I find, for instance, one item like Eno's Effervescent Salt, which the popular priced chain drug stores are selling at 77 cents, would, under this law, have to be advanced to 89 cents, which is the contract price in effect wherever this law is on the State statute books. This is an increase of 15.5 percent which the consumer would have to pay for no good reason, since at the 77-cent price the druggist is making an excellent profit. Take another item widely used, viz, Hinds Honey and Almond Lotion. This product now sells at 32 cents in the average downtown popular-priced drug store, bune under the contract price it would have to sell for not less than 41 cents. This is an increase of 28 percent which the consumer would have to pay. I could mention other items, such as Dr. West's Tooth Paste, on which the increase would be more than 50 percent, and on one tooth powder the increase runs up to 62 percent. And these increases are in the city of Washington where prices are notoriously high without any price-fixing law in operation.

The only place where increases in prices due to these so-called fair-trade laws have been systematically compiled is in New York City. A very careful study was made from March 1937 to March 1938 covering 3,500 items on which prices were fixed under the Feld-Crawford Act. A much greater number of items were price fixed, but the present survey was limited to 3,500 items, and from this 3,500 items all items were eliminated which had been sold at less than cost prior to the enactment of the Feld-Crawford Act. On the basis of this study it was shown that the average increase in cosmetic prices was 8.6 percent; on drugs, 15.5 percent; on liquors, 11.8 percent; on books, 17.4 percent, and on miscellaneous items, 17.1 percent. This big increase in drug prices took place during the same period that the wholesale prices of drugs and chemicals to manufacturers dropped approximately 11 percent, according to the reports of the Bureau of Labor Statistics.

You, as consumers, will be interested also to learn just how high the margin of profit is on these goods after these price-fixing and profit-fixing schedules went into effect. The average gross margin on price-fixed cosmetics is now 65 percent on cost, or 39.5 percent of the selling price; on drugs 55 percent on cost, or 35.6 percent of the selling price; on liquors, 54 percent on the cost, or 35.3 percent of the selling price; on books, 70 percent on the cost, or 41.2 percent of the selling price; and on miscellaneous items, 62 percent on the cost, or 37.2 percent of the selling price.

Ladies and gentlemen, we have arrived at the day in many States where under these laws a retailer may be fined if he dares to sell these articles at a lower percentage of gross profit than I have indicated above. Does this appeal to you as good common sense and good national policy? I am sure the answer of any thinking person must be "no."

And do not overlook this point: These fixed prices are charged the poor "east side" consumer who pays cash and carries the articles away with him just the same as they are charged the well-to-do consumer who may have a charge account and ask for delivery service. This sort of legislation makes no allowance for the different classes of service and different types of stores. This point is well stated by Dr. E. T. Grether, of the University of California, who made a careful study of the effects of this same sort of legislation in the State of California, and who states—I quote:

Without doubt those consumers, who wish to buy standard drug products with a minimum of professional attention and merchandising services, are harmed by resale price maintenance, except insofar as they are able to obtain equivalent quality under private brands.

On this question of cost Dr. Grether in his report comes to the following conclusion:

There can be no doubt that resale price maintenance under the California Fair Trade Act has made for higher prices on advertised products sold through cut-rate and chain-store institutions.

The Federal Trade Commission, on May 6 of the present year, issued a complaint against six Washington, D. C., liquor wholesalers, and wholesalers' and retailers' trade associations in this city, and the attorney and secretary of the association, charging all of them with entering into "agreements, combinations, and confederacies to suppress competition in the sale of liquor in the District of Columbia through means of uniform resale prices, discounts, and mark-ups, by means of boycotts, blacklisting, and other coercive measures."

The Federal Trade Commission was able to bring this complaint and prosecute same in the District of Columbia for the simple reason that no such law is in effect in the District of Columbia as is now proposed to be placed on the statute books. With this law on the statute books, the Federal Trade Commission would be compelled to quash its proceedings just as it has been compelled to do in a large number of other cases throughout the United States in those States where resale price-maintenance laws are now in effect. In other words, the Federal Trade Commission would be compelled to give up all efforts to protect the consumers and honest retailers from such coercive measures as are cited in the above complaint of the Federal Trade Commission. In fact there would be no need for such coercive measures on the part of the wholesalers' and retailers' associations since this law would then permit these groups to do legally exactly what they are now doing illegally, namely, enforce fixed prices and profits.

The fact of the matter is, ladies and gentlemen, that this is the real purpose of these so-called fair trade acts.

These bills purport to be for the protection of the manufacturers' trade-marks and goodwill, and it was only on that basis that the Supreme Court was able to uphold the constitutionality of such laws. But who is it that appears in support of these bills before the State legislatures and the Federal Congress? Not the manufacturers. Many manufacturers are, in fact, opposed to this bill, although they hesitate to come out openly because of the retaliatory action that has already been taken in a number of instances by retailers' associations. I could give you some very interesting and very damaging illustrations of this sort of retaliatory action if time permitted.

Certain highly organized retail groups, notably the druggists, booksellers, and the liquor dealers and radio dealers in a few cities, have turned this law around from what on its face would appear to be its purpose—that of protecting the manufacturer—and have changed it into a coercive weapon with which to force manufacturers to fix retail selling prices at a price sufficiently high to guarantee the profits they demand. In the case of the druggists this goal of increased profits has been definitely fixed at one-third of the selling price, or 50-percent mark-up on the cost. This has been printed in their official organs as the purpose of these price contracts, and by one means or another they have been able to induce many manufacturers to increase the profit margin to that point. Last fall, when this group took steps to demand these price-fixing contracts on what amounted to a Nation-wide basis and with uniformly high profit margins, it became my duty, I felt, to call this attempt to the attention of the Federal Trade Commission. Because of its interstate character, this illegal action would have fallen under the jurisdiction of the Federal Trade Commission. But there is nothing to prevent this sort of action today within State limits in those States where the so-called fair-trade acts are in effect.

The very name "fair trade act" is indicative of the campaign of misrepresentation and misunderstanding that has accompanied the efforts to write these bills into law. There is nothing "fair" about this law. It is decidedly unfair to the consumer and violates all our principles of public policy against price fixing, heretofore held highly important by both the Federal Government and the several State governments.

I repeat that the sponsors of this bill, despite all their protests, do not want a mere anti-loss-leader bill; they demand a real price-fixing bill. The proof of this lies in the fact that the opponents of this bill, including myself, have on several occasions offered to withdraw our objections if a simple amendment were added providing that any minimum price fixed under the contracts legalized by this law shall not be higher than invoice or replacement cost plus 6 percent. That would be a real anti-loss-leader bill and at the same time would protect the consumer against needlessly high prices. But the proponents of this bill have constantly refused to accept this amendment. Therefore, they stand convicted of demanding not merely an anti-loss-leader bill but a real price-fixing bill.

I feel sure that this Congress, upon the eve of undertaking a study of price fixing, as well as other monopolistic practices, will not go on record in favor of the principle of price fixing by supporting this bill. This bill should be recommitted for further careful study by both Houses of Congress.

Herewith find deadly effect in the District of fixed prices on certain drug sundries:

	Compulsory contract price	Prices in chain drug stores, downtown (not cut rate)	Minimum percent of increased price required
Eno's Effervescent Salt, large size	$0.89	$0.77	15½
Baume Bengue	.59	.50	18
Vick's VapoRub, 1½ ounces	.27	.24	12½
Agarol, 16 ounces	1.09	.98	112
Ipana Tooth Paste	.39	.28	392
Dr. West's Tooth Paste	.20	.13	538
Calox Tooth Powder, 4 ounces	.39	.24	62½
Eskay's Neuro Phosphates, 16 ounces	1.69	1.38	152
Burroughs-Wellcomes Three Bromides (25)	.85	.69	23
Mennen's Talcum Powder, 4 ounces	.19	.17	11¾
Johnson & Johnson Baby Powder, 10 ounces	.39	.29	34½
Hind's Honey and Almond Lotion, 4½ ounces	.41	.32	28
Cutex Nail Polish, ¾ ounce	.31	.21	47½
Cutex Polish Remover	.31	.21	47½
Gem Razor Blades, single edge (10)	.53	.48	10½

[Resolution adopted by National Grange November 18, 1937]

REPEAL OF MILLER-TYDINGS RESALE PRICE MAINTENANCE ACT

Whereas the Miller-Tydings Resale Price Maintenance Act passed in the closing days of the last session of Congress, together with the so-called fair trade acts recently enacted by many State legislatures, not only weaken the antitrust laws, but enable manufacturers and distributors to fix prices without State or Federal supervision of any kind whatsoever, and in addition make it illegal for articles to be sold at less than the prices fixed; and

Whereas these State laws were enacted in most cases without public hearings, and with little or no understanding on the part of consumers as to their price-fixing and price-raising effects, and the Miller-Tydings Act was passed by subterfuge and in direct opposition to the expressed wishes of President Roosevelt, the Federal Trade Commission, all the leading farm organizations and many large consumer's groups: Therefore be it

Resolved, That the National Grange urges the immediate repeal of the Miller-Tydings Act and recommends to the State granges that they move to secure the repeal of the equivalent State laws erroneously called State "fair trade acts."

Resolution adopted by the Associated Women of the American Farm Bureau Federation, December 11, 1937:

"We demand the repeal of the Miller-Tydings Act ordinarily called the Federal Resale Price Maintenance Act."

The American Farm Bureau Federation on December 15, 1937, endorsed the resolution adopted by the Associated Women and, in addition, adopted the following resolution:

"We favor legislation that will more effectively regulate industry and labor, to the end that monopolistic practices shall be eliminated. We urge that Federal and State laws legalizing resale price maintenance be repealed."

Resolution adopted by Illinois State Grange on December 16, 1937:

"It is hereby resolved by the committee that we insist upon the repeal of the Miller-Tydings Act passed by the last session of Congress.

"We move to secure the repeal of this act, erroneously called the State 'fair trade act.'

"Whereas, it is the conclusion of the Illinois State Grange in annual session at Sycamore, Ill., on December 16, 1937, that such legislation is unwarranted, dangerous, and opposed to the best interests of farmers and the public in general: Therefore be it

"*Resolved*, That the Illinois State Grange go on record as being opposed to the Miller-Tydings Act."

Resolution adopted by the Illinois Agricultural Association, January 27–28, 1938:

"The Fair Trade Act of Illinois, as passed by the assembly at its fifty-ninth session, has no justification in our economic system. It contravenes every rule of reason and vitiates the long-established principle of law prohibiting unreasonable restraints of trade and illegal monopolies. This measure should be repealed at the next succeeding session of the general assembly."

Maryland State Farm Bureau adopted at its annual meeting in January 1938 a resolution condemning the Miller-Tydings Act and the Maryland so-called "fair trade act," and demanding their repeal.

FEDERAL TRADE COMMISSION,
Washington, May 6, 1938.

The Federal Trade Commission has issued a complaint against six Washington, D. C., liquor wholesalers, a wholesale and a retail dealers' trade association in that city, and the secretary of the retail association, charging all with entering into agreements, combinations, and confederacies to suppress competition in the sale of liquor in the District of Columbia through maintenance of uniform resale prices, discounts, and mark-ups by means of boycott, blacklisting, and other coercive measures.

Wholesale dealers named respondents are: Milton S. Kronheim & Son, Inc., 3301 K Street NW.; Marvin & Snead Sales Corporation, 219 G Street NW.; Phillip Horwitz and Leon Samet, trading as Loma Wine & Liquor Co., 1006 Fifth Street NW.; International Distributing Corporation, 917 E Street NW.; Washington Wholesale Liquor Corporation, 1119 Twenty-first Street NW.; and Globe Distributing Co., Inc., 2410 Eighth Place NE.

The respondent associations are District of Columbia Exclusive Retail Liquor Dealers' Association, 829 Woodward Building, and Wholesale Liquor Dealers of Washington, Inc., Investment Building, both engaged in attempting to obtain beneficial national legislation and local regulations, in enforcing observance of price maintenance policies and in promoting other business and member welfare interests. Manuel Davis is named respondent both individually and as secretary of the retail association.

According to the complaint, the respondents' price-maintenance program was made effective through unlawful agreements among the wholesalers and among the retailers, each acting separately and through their respective trade associations, and between the wholesale group and the retail group and their respective associations cooperating to bind the retailers and wholesalers and their associations to the maintenance of specified resale prices, discounts, and mark-ups.

Pursuant to this policy, it is alleged, the wholesalers, acting through their association, attempted to enforce their program by the following methods: (1) Reinstating as their customers price-cutting retailers to whom they had theretofore refused to sell, upon the agreement or understanding that the suggested minimum resale prices, discounts, or mark-ups be thereafter maintained; and (2) circulating and threatening to circulate among retailers, wholesalers, and other distributors reports or lists of retailers who have cut prices and reports of wholesalers who have continued to sell liquors to such price-cutting retailers.

In furthering the wholesalers' resale pricing program, Milton S. Kronheim & Son, Inc., and Globe Distributing Co., Inc., are alleged to have circularized the retail trade in the District of Columbia and to have requested all of their retail customers to enter into signed agreements to maintain their suggested resale prices. Kronheim & Son is alleged to have obtained almost 400 retailers' signatures to these agreements and to have refused to sell any retailer who would not sign the "Kronheim franchise agreement." Both the Kronheim and Globe companies issued lithographed "sub-franchise" certificates to retailers signing the agreements, according to the complaint.

District of Columbia Exclusive Retail Liquor Dealers' Association, acting directly and through the agency of its 150 members, who operate licensed retail stores selling packaged liquors, and Manuel Davis, individually and as association secretary, are charged with agreeing among themselves and with the wholesalers to perform and with having performed certain acts and practices such as (1) boycott and threats to boycott products of wholesalers permitting liquors to be sold to price-cutting retailers; (2) notification and request made through resolutions and joint action of committees to distillers and their distributors that, under penalty of concerted boycott and threats thereof by retailer association members, such distillers and distributors should supply only those District of Columbia wholesalers who comply with the respondents' price-maintenance program; and (3) notification of District of Columbia wholesalers not to supply price-cutting retailers under threatened penalty of boycott.

Davis is alleged to have obtained information concerning retailers, reporting instances of price-cutting on their part and making demands on distiller-sellers and respondent wholesalers that they blacklist such price cutters, and, acting individually and on behalf of the retail association, is alleged to have enforced such demand with boycotts and threats thereof upon those distiller-sellers and respondent wholesalers who refused to maintain the retail association's price program.

The respondents' agreements, combinations, and conspiracies are alleged to have resulted in obstruction of trade, suppression of competition among wholesalers and retailers, prevention of the sale of liquors at such lower prices as dealers might deem adequate and warranted by their respective selling costs, and elimination of the advantages in price which purchasers would otherwise obtain from a free and natural flow of trade.

The respondents' practices are alleged to constitute unfair competition and unfair and deceptive acts and practices in commerce, in violation of the Federal Trade Commission Act.

Twenty days are allowed for answering the charges.

[From the report of the grand jury indicting 27 persons in connection with alleged misappropriation of funds of city of Waterbury, Conn.]

The disclosures in connection with the corrupt activities of (city) Lieutenant Governor Hayes and Comptroller Leary in connection with the so-called steam sterilizer bill naturally led the grand jury into a broader and more general inquiry respecting the activities of paid lobbyists in the general assembly. In the 1937 session, among the bills in which Comptroller Leary had personally more than ordinary interest was the so-called fair trade bill. He gave active support to this bill, presumably because of his private business interests, such as Waterbury Brewing Co., the Diamond Ginger Ale Co., and his purported chain-store interests. From the evidence presented to this grand jury, it is reasonable to believe that the large sums of money paid to Charles E. Williamson and Harry E. Mackenzie by the city of Waterbury in 1937 were, in part at least, designed by Comptroller Leary to secure the influence and support of these political leaders in effecting the passage of this bill.

FAIR TRADE BILL BACKED BY DRUGGISTS

This fair trade bill had also as a particular sponsor the Retail Druggists' Association. This association, through solicitations from its members, collected a fund of approximately $13,000, practically all of which was spent in the 1937 session in securing the passage of the Fair Trade Act. Of this sum, approximately $6,000 was paid to Charles E. Williamson, who divided it equally with Harry E. Mackenzie. The balance of the fund was paid to various other lobbyists and attorneys in smaller amounts for the purpose of obtaining their influence and insuring passage of the bill.

As the investigation into the general lobbying situation developed, it became apparent that with each convocation of the general assembly in recent years there has been a simultaneous convocation of lobbyings, increasing in number and power as the years have passed and demanding and receiving exorbitant fees for so-called services in engineering the passage or defeat of proposed legislation. Active in this group during the past two sessions has been Charles E. Williamson, prominent politically and the holder of an office within his party. In addition to a total of $58,400 received by him from the city of Waterbury in 1935 and 1937 for his lobbying services, of which $29,200 was distributed to Comptroller Leary, $14,600 to Harry E. Mackenzie, and $14,600 retained by Williamson, as detailed heretofore, Williamson received from the several private interests which he represented during those two sessions a total of approximately $40,000. Out of this total of $40,000 he distributed during the two sessions in question very substantial sums to Daniel J. Leary and smaller amounts to certain other persons. In only very rare instances were these distributions made by check, it being apparently the accepted custom among the lobbyists to make their splits in cash and without preserving any record thereof. It was the source of considerable surprise to this grand jury to learn that Williamson and Mackenzie were permitted the use of the offices of the State pharmacy commission as a meeting place and headquarters, and it was there that many of the distributions, including payments from the city of Waterbury, through Comptroller Leary were made.

Equally prominent politically and equally active as a lobbyist was Harry E. Mackenzie, of Bethel. During the 1935 and 1937 sessions the income from his lobbying activities amounted to approximately $50,000, which sum included the $14,600 received from the city of Waterbury. Apparently in most instances Mackenzie was the recipient of distributions from others, it being his practice to conceal his financial interest in the passage or defeat of legislation. In relatively few cases was Mackenzie's employment directly by the person or corporation interested in the passage or defeat of legislation. In relatively few instances did he make any distribution out of the sums received by him from others. During both sessions he was active in behalf of the Druggists' Association and at the same time was receiving a salary of $3,900 a year from McKesson, Robbins Co., plus an expense account of approximately $3,000. It was primarily through his efforts that the offices of the pharmacy commission were secured as a meeting place and headquarters for himself and Williamson and Daniel J. Leary. As in the case of Williamson, practically all payments to Mackenzie were in cash, apparently for the purpose of concealing the amounts and recipients of various splits.

Mr. PALMISANO. Mr. Speaker, I yield 5 minutes to the gentleman from Illinois [Mr. DIRKSEN].

Mr. DIRKSEN. Mr. Speaker, first let me remark very briefly upon the subcommittee procedure in the District of Columbia Committee. Every member of the committee knows that the District Committee meets at 10:30 on Wednesday morning. That is carried in the RECORD. Everybody knows when a subcommittee is going to meet. It is not the province nor the responsibility of the chairman of any subcommittee to come around to your office and get you by the hand and say, "Will you please come over for a meeting?" Your responsibility is just the same as that of any other member of the subcommittee. When a Member is not there or if a Member has to attend another committee meeting, is that any reason why one man or even two men on a subcommittee should not function upon the business in hand?

Mr. Speaker, I have served on this committee since I became a Member of Congress. I did not ask for the assignment. The leadership on my side of the aisle assigned me to that committee and I have gone to quite a few meetings when there was only one man present, lots of meetings when there were only two and lots of meetings when the chairman and myself were the only 2 out of the 21 members attending. We cannot let the business of the District of Columbia stand still because Members are indifferent to their responsibilities to the Nation's Capital. So when they talk to you about inadequacy of the hearings, inadequacy of the testimony, and so forth, there is another side to the story and too often it is the indifference of the Members themselves rather than anything else that is responsible for that sort of thing.

With respect to the instant bill, may I say that this thing has been bouncing around here for some time. It is like the lunacy bill we have on the agenda this morning. I sat in on lunacy hearings 5 years ago in the District of Columbia. There have not been extensive hearings recently, but they were not necessary. As a matter of fact, we know something about what is going on and certainly a reasonably capacious mind ought to be able to carry over from one session to another the testimony and factual data that may be submitted from time to time. So when you talk about the fair-trade bill that is pending, every member of the House Judiciary Committee knows plenty about that bill. When we had that long discussion on the Miller-Tydings bill some time ago, it came not from the District Committee but from the Judiciary Committee of the House. This thing was ventilated in proper degree at that time.

What is behind the fair-trade bill? First of all, may I say that 42 States have fair-trade acts. My State has it, Michigan has it, California has it, Massachusetts has it, Wisconsin has it, and what we are seeking to do today is to place the District of Columbia on a parity with the other States, including the adjoining States of Virginia and Maryland. That is the fact. I do not care what kind of argument or contention is advanced, that is the fact.

My friend, the gentleman from Nebraska [Mr. MCLAUGHLIN], who acted as chairman of a subcommittee of the Judiciary Committee, will bear me out and can substantiate my statement, and I hope he will take the floor very briefly to expatiate on the subject.

What is behind the bill? I found out what it was years ago while driving a grocery wagon. I remember when a salesman would come into a grocery store, he would try to sell the proprietor of an independent store a bill of goods, trade-marked goods, if you please. The merchant would say, "No, I do not want any." That was true whether it was breakfast food, soup, or anything else. "Why not?" "Because there is a group store down the street that is selling the article for a price cheaper than I can buy it from you." The salesman would say, "I am sorry, but we cannot do anything about it. There is no legislation whereby we can compel group stores to sell this at a price so that the independent merchant can compete."

Out of that difficulty there arose a wave of opinion in the country that carried on, that was articulated through drug, hardware, and other retail enterprises, with the result that there are fair-trade acts on the statute books of 42 States today.

What does this act do? It says in substance that the manufacturer or producer can contract with the retailer and tell him, "You will have to sell this product for a certain price."

[Here the gavel fell.]

Mr. PALMISANO. Mr. Speaker, I yield the gentleman 2 additional minutes.

Mr. DIRKSEN. Mr. Speaker, they say, "You will have to sell it for this price." There might be exceptions. Suppose an officer of the law seizes those commodities? All right, we will make an exception in that case.

Suppose these goods are on the shelf of a merchant who goes into bankruptcy. All right, we will make an exception. Suppose he has to sell out for emergency reasons. All right, we will make an exception. There is the substance of the Fair Trade Act as it applies in 42 States of the Union, so what we are asking you to do today is put the District of Columbia on a parity with those States.

As to whether Congress took cognizance of it before, a case came from California and Illinois to the Supreme Court, and the Supreme Court held the State fair-trade acts constitutional. However, there was a twilight zone that had to be covered because of the interstate commerce feature, and that is when the Miller-Tydings Act was enacted by this House and by the Senate and signed by the President of the United States.

There is the whole case in a nutshell. I have no quarrel with anybody about the underlying theory. If a man is opposed to the whole theory of price maintenance, it is perfectly all right. But you know and I know that if they are going to conduct a Nation-wide study of the subject it will be 2 or 3 years before the results of that study will become manifest and can be translated in terms of legislation. Shall we wait all that time to give the District of Columbia the same benefits that have been conferred upon your State and my State by the chosen representatives of the people convened in the legislatures of your States? You can dismiss all this ballyhoo that has gone on with respect to this matter. We have fussed over this a long time. There is the issue, and I suggest to you that you support this bill and say to the people and to the merchants here, "We will put you on a parity with the rest of the States." Then, if the Congress in its wisdom or the President in his wisdom seeks to put an end to what they allege are monopolistic practices, let us start from a common threshold and bowl them all over, but not hold the District of Columbia in abeyance while all that is going on. That is the issue.

[Here the gavel fell.]

Mr. PALMISANO. Mr. Speaker, I yield 5 minutes to the gentleman from Missouri [Mr. COCHRAN].

Mr. COCHRAN. Mr. Speaker, hardly anything can be added to what the gentleman from Illinois has said. Three years ago last month I introduced a resolution which provided for an investigation of the American Retail Federation, which was then organized. This resolution was later amended. At the outset I was appointed chairman of the committee to carry out the provisions of the resolution, but, taken sick, I resigned as chairman, and the gentleman from Texas [Mr. PATMAN] was made chairman. The gentleman from Texas, Mr. PATMAN, Mr. BOILEAU, Mr. LUCAS, Mr. COLE of New York, Mr. DOCKWEILER, Mr. MCLEAN, and Mr. BLOOM deserve the thanks of the people of the country for what they uncovered by that investigation and for the legislation that was enacted as a result. If you want any hearings on this subject, all you have to do is read the hearings of that committee, several volumes, and you will find justification for the enactment of this bill.

My interest in this legislation is to try to save the independent retail merchant who is slowly but surely going out of the picture. The defeat of this bill today means a victory for the chain stores; there is no doubt about it. The gentleman from Texas [Mr. PATMAN] is here now, and he could talk to you for hours about the abuses that have been

charged to the chain stores, and properly so. I also see the gentleman from Wisconsin [Mr. BOILEAU] who is supporting the bill.

What does this bill do? There is a standard article that is sold by a manufacturer in the District of Columbia to the retail merchant and to the chain stores at the same price. The chain reduces the price below the cost of purchase, using it as a leader to get the customer into the chain store so they can sell the customer a lot of goods the chain manufactures. To entice the customer, the chain reduces the price on the standard article. Under the Robinson-Patman Act we provided that a manufacturer must sell in the same community to all merchants at the same price, no matter what quantity was purchased. That law resulted from the investigation and it has worked wonders for the independent merchant.

The gentleman from Illinois says 42 States have fair-trade practice acts. Why should not we, as the legislative representatives of the District of Columbia, give the District of Columbia the same legislation? If it is good for 42 States in the Union it is good for the District of Columbia. I say to you that more harm has been done in this country by the chain stores and the mail-order houses than by any other activity you can mention. If we could eliminate the chain stores and the mail-order houses tomorrow this depression would soon be over, because it would put the independent merchant back in the picture. What has become of the old traveling salesman? You never hear of him any more, and there used to be hundreds of thousands of salesmen going all over this country. Now, goods are sold by mail at reduced prices, and this means taking the sale away from the local community. In my own city there are possibly 2,500 chain stores, and what do they do? Not once, but twice a week, money is drawn out of the bank by one chain and sent to Cincinnati.

For another chain the money is drawn out of the bank and sent to New York. From another the money is drawn out of the bank and sent to Chicago, and for another likewise the money is drawn out of the bank twice a week and sent to Chicago. The earnings made from sales to the people of my community are going out of the city twice a week. The chain stores continually drain the city. If the independent merchant were in charge of those stores, every dollar of profit would be spent in the city. The money would rotate, it would go around, and be continually spreading.

It is the independent merchant who is going to be benefited by this legislation. The retail druggist is not gouging the public, as was indicated a moment ago. He is not even making a decent living for himself because of the opposition of the chain store. This bill will give him an opportunity to do a little better. I hope the House will do for the District of Columbia just exactly what our States have done for the cities of our States. [Applause.]

[Here the gavel fell.]

Mr. BREWSTER. Mr. Speaker, as a Representative of the State of Maine, I do not subscribe to the theory that 43 States cannot be wrong. But certainly when 43 States have enacted this legislation it is entitled to receive very careful and respectful consideration.

I suppose 75 to 80 percent of the Members on the floor live in States where this law has been adopted. There was no evidence presented to us to indicate that the law is not operating very satisfactorily in retarding the elimination of the individual retailer from our economic life.

Like my colleague from Illinois, I was raised behind a cracker barrel and drove a grocery cart in my boyhood days, and so I know what this proposition has meant. I come from a small town. The backbone of the thousands of small communities in this country has been Main Street, where the individual retailers were the citizens that looked after the community. As certainly as those retailers disappear, so certainly the national life of America is going to be transformed. The whole philosophy of this question is presented in this act.

Mr. ZIMMERMAN. Mr. Speaker, will the gentleman yield?

Mr. BREWSTER. Not at this point.

When 43 States have found it wise and expedient to adopt legislation of this character because of the admitted abuses to which the previous speakers have referred, it seems to me that we here are fully warranted in making this applicable to the District of Columbia—mindful of the fact that no monopoly is involved.

This simply means that you may not be able to buy your favorite brand of toothpaste. The act provides "which commodity is in free and open competition with commodities of the same general class." In other words, if there is a commodity that is an absolute monopoly and cannot be duplicated it does not come within the purview of the act, but if you have 50 brands of toothpaste, those brands may be protected where the advertising has made them such that they have national recognition, I think the development of our economic history has indicated that steps along this line are desirable if we are not to erect, in increasing measure, an impenetrable barrier between the producer on the one hand and the consumer on the other. The consumer may seem temporarily to be living in a fool's paradise, but he soon finds out he is also a producer and at the mercy of concentrated purchasing power.

[Here the gavel fell.]

Mr. PALMISANO. Mr. Speaker, I yield the gentleman 1 additional minute.

Mr. BREWSTER. As the independent retailer is relentlessly crushed between the gigantic merchandising units that are more and more coming to dominate the economic scene, the day may come when the individual merchant of Main Street will no longer be a factor in distribution. As certainly as that day comes, so certainly the consumers of America will be at the mercy of the monopolies that will then result. That is a situation to which I look forward with great and increasing concern. I hope this act may be adopted in order to give to the District of Columbia the same economic opportunities and benefits now accruing to 43 sister States.

Mr. PALMISANO. Mr. Speaker, I yield 3 minutes to the gentlewoman from Indiana [Mrs. JENCKES].

Mrs. JENCKES of Indiana. Mr. Speaker, I have been very much interested in the questions that have been brought forth by my predecessors in the debate on this bill, and I am coming here today, not only as a woman Member of the Congress, but as a woman who has conducted her own home and has bought these food and household commodities which will come to the District of Columbia householder under adverse circumstances if this piece of legislation is passed.

Today, as never before, the mother and the householder, the woman who is at the head of the home, is having a difficult time in making up her food budget. She is having a difficult enough time in buying sugar, bread, and bacon, and the things that today are trade-marked, and she takes her basket and her few pennies and goes to the nearest store in her neighborhood, not because she wants to get out and leave her home, because, perhaps, she is doing so at a sacrifice of time needed in other household duties, but by so doing, she practices the economic philosophy of "cash and carry," and she certainly is entitled to the benefit of her own labor and to the saving she can effect in this way. I have kept house myself and there was a time when I used to call up and say, "Charge it and deliver," and I have had the man to whom I sent such an order tell me the cost of the materials to him, that which he had to pass on to me, in order that I might have the advantage of that delivery service. I have also gone to the corner cash-and-carry grocery store with my basket and have taken advantage of the very fact that these things are sold cheaper, because I myself put an effort into getting a good selection and relieved the store of delivery costs.

I speak for every householder in the District of Columbia when I ask that they, too, may be permitted to have the advantage of their self-service, and I appeal to my colleagues here on the floor not to pass this greater burden on to the householder who today is having such a difficult time.

Now, before I sit down I want to say one word for my colleagues on the District of Columbia Committee of the House. There is not one of them, from our splendid chairman down to the newest member on the committee, who is not giving his very best efforts to the citizens of the District of Columbia.

When Members come to the floor and say they have not been given a proper hearing, there must be a misunderstanding, either on their part or on the part of someone else, because on every occasion citizens of the District of Columbia are treated courteously when they come to our committee hearings, and they are given all the time that they want or need. So I bespeak for my colleagues on the Committee on the District of Columbia the courtesy of this House.

The SPEAKER. The time of the gentlewoman from Indiana has expired.

Mr. PALMISANO. Mr. Speaker, this bill, as my colleagues have said, is similar to bills adopted in 43 of the States. The Congress has adopted a policy of protecting the little merchant by passing the Robinson-Patman Act. It has also passed the Miller-Tydings Act, and all we ask in this bill is that the people of the District be given the same privileges as the people of my own State and of other States. My State has a bill similar to this, and I say it is no more than fair to protect the merchants here and pass this bill and give them equal protection that the merchants of 43 States enjoy.

Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the bill.

The question was taken; and the Chair being in doubt, the House divided, and there were—ayes 33, noes 27.

Mr. CELLER. Mr. Speaker, I object to the vote upon the ground that there is no quorum present, and I make the point of order that there is no quorum present.

The SPEAKER. The gentleman makes the point of order that there is no quorum present, and objects to the vote upon that ground. Obviously, there is no quorum present. The call is automatic. The doorkeeper will close the doors, the Sergeant at Arms will notify absentees, and the Clerk will call the roll.

The question was taken; and there were—yeas 211, nays 81, not voting 135, as follows:

[Roll No. 88]

YEAS—211

Aleshire	Culkin	Gray, Ind.	Leavy
Allen, Ill.	Cummings	Green	Lemke
Andresen, Minn.	Daly	Greever	Lesinski
Ashbrook	Delaney	Guyer	Lewis, Colo.
Barry	DeMuth	Gwynne	Lord
Bates	Dies	Halleck	Luce
Beiter	Dirksen	Harlan	Luckey, Nebr.
Bernard	Dockweiler	Hart	Ludlow
Biermann	Dondero	Havenner	Luecke, Mich.
Bigelow	Dorsey	Healey	McClellan
Binderup	Dowell	Hendricks	McCormack
Bollenu	Drew, Pa.	Hennings	McFarlane
Boland, Pa.	Dunn	Hill	McGehee
Brewster	Eaton	Hobbs	McKeough
Brooks	Eberharter	Honeyman	McLaughlin
Brown	Edmiston	Hope	McLean
Buckler, Minn.	Engel	Houston	McReynolds
Byrne	Englebright	Hull	McSweeney
Carlson	Evans	Hunter	Magnuson
Casey, Mass.	Farley	Imhoff	Mahon, Tex.
Church	Ferguson	Jarman	Mapes
Clason	Fitzgerald	Johnson, Luther A.	Martin, Colo.
Claypool	Flaherty	Johnson, Lyndon	Mason
Cluett	Flannery	Johnson, Minn.	Merritt
Cochran	Fleger	Jones	Michener
Coffee, Nebr.	Fletcher	Keller	Mills
Colmer	Forand	Keogh	Moser, Pa.
Connery	Fries, Ill.	Kerr	Mosier, Ohio
Cooley	Garrett	Kinzer	Mott
Cooper	Gearhart	Kitchens	Nelson
Costello	Gehrmann	Lambertson	O'Brien, Ill.
Cravens	Gifford	Lambeth	O'Connell, Mont.
Crawford	Gilchrist	Lamneck	O'Leary
Creal	Gildea	Lanham	O'Neill, N. J.
Crowe	Gingery	Larrabee	O'Toole
Owen	Reed, N. Y.	Shannon	Thom
Palmisano	Reilly	Simpson	Tobey
Patman	Richards	Sirovich	Tolan
Patterson	Rigney	Smith, Conn.	Towey
Patton	Robinson, Utah	Smith, Va.	Treadway
Pearson	Rockefeller	Snell	Umstead
Peterson, Fla.	Rogers, Mass.	Spence	Wallgren
Pettengill	Romjue	Stack	Walter
Pierce	Rutherford	Starnes	Warren
Plumley	Sacks	Stefan	Welch
Poage	Sadowski	Sutphin	White, Ohio
Polk	Sanders	Sweeney	Wigglesworth
Powers	Satterfield	Swope	Williams
Rabaut	Sauthoff	Tarver	Wolcott
Ramsay	Schneider, Wis.	Taylor, Colo.	Wolverton
Ramspeck	Scrugham	Taylor, Tenn.	Woodrum
Rayburn	Seger	Teigan	Zimmerman
Reed, Ill.	Shanley	Terry	

NAYS—81

Allen, Del.	Dempsey	Jarrett	Robertson
Allen, La.	Dingell	Jenckes, Ind.	Robsion, Ky.
Amlie	Dixon	Johnson, W. Va.	Schuetz
Andrews	Doxey	Kee	Sheppard
Arnold	Drewry, Va.	Kelly, Ill.	Smith, Wash.
Beam	Eckert	Kocialkowski	Smith, W. Va.
Bell	Faddis	Long	Snyder, Pa.
Bloom	Fernandez	McAndrews	South
Boren	Ford, Miss.	Mahon, S. C.	Sparkman
Boyer	Frey, Pa.	Mansfield	Taber
Cannon, Mo.	Fulmer	Massingale	Taylor, S. C.
Cartwright	Gamble, N. Y.	May	Thomas, N. J.
Celler	Gambrill, Md.	Meeks	Thomas, Tex.
Clark, Idaho	Goldsborough	Mitchell, Ill.	Transue
Clark, N. C.	Gregory	Murdock, Utah	Vincent, Ky.
Coffee, Wash.	Griffith	O'Brien, Mich.	Voorhis
Cole, N. Y.	Hamilton	Pace	Whittington
Collins	Hancock, N. Y.	Parsons	Wilcox
Cox	Hildebrandt	Peterson, Ga.	
Crosser	Hook	Rankin	
Deen	Izac	Reece, Tenn.	

NOT VOTING—135

Allen, Pa.	Doughton	Kopplemann	Rich
Anderson, Mo.	Douglas	Kramer	Rogers, Okla.
Arends	Driver	Kvale	Ryan
Atkinson	Duncan	Lanzetta	Sabath
Bacon	Eicher	Lea	Schaefer, Ill.
Barden	Elliott	Lewis, Md.	Schulte
Barton	Fish	Lucas	Scott
Bland	Fitzpatrick	McGranery	Secrest
Boehne	Flannagan	McGrath	Shafer, Mich.
Boykin	Ford, Calif.	McGroarty	Short
Boylan, N. Y.	Fuller	McMillan	Smith, Maine
Bradley	Gasque	Maas	Smith, Okla.
Buck	Gavagan	Maloney	Somers, N. Y.
Buckley, N. Y.	Gray, Pa.	Martin, Mass.	Steagall
Bulwinkle	Greenwood	Maverick	Sullivan
Burch	Griswold	Mead	Sumners, Tex.
Burdick	Haines	Mitchell, Tenn.	Thomason, Tex.
Caldwell	Hancock, N. C.	Mouton	Thompson, Ill.
Cannon, Wis.	Harrington	Murdock, Ariz.	Thurston
Carter	Harter	Nichols	Tinkham
Case, S. Dak.	Hartley	Norton	Turner
Champion	Hoffman	O'Connell, R. I.	Vinson, Ga.
Chandler	Holmes	O'Connor, Mont.	Wadsworth
Chapman	Jacobsen	O'Connor, N. Y.	Wearin
Citron	Jenkins, Ohio	O'Day	Weaver
Cole, Md.	Jenks, N. H.	O'Malley	Wene
Crosby	Johnson, Okla.	O'Neal, Ky.	West
Crowther	Kelly, N. Y.	Oliver	Whelchel
Cullen	Kennedy, Md.	Patrick	White, Idaho
Curley	Kennedy, N. Y.	Pfeifer	Withrow
DeRouen	Kirwan	Phillips	Wolfenden
Dickstein	Kleberg	Quinn	Wood
Disney	Kniffin	Randolph	Woodruff
Ditter	Knutson	Rees, Kans.	

So the bill was passed.

The Clerk announced the following pairs:

General pairs:

Mr. Doughton with Mr. Jenkins of Ohio.
Mr. Bland with Mr. Short.
Mr. Fuller with Mr. Wadsworth.
Mr. Gavagan with Mr. Barton.
Mr. Vinson of Georgia with Mr. Wolfenden.
Mr. Cullen with Mr. Crowther.
Mr. Driver with Mr. Woodruff.
Mr. Weaver with Mr. Martin of Massachusetts.
Mr. McMillan with Mr. Knutson.
Mr. O'Connor of New York with Mr. Hartley.
Mr. Kleberg with Mr. Arends.
Mr. Maverick with Mr. Douglas.
Mr. Kennedy of New York with Mr. Maas.
Mr. Harrington with Mr. Rich.
Mr. West with Mr. Tinkham.
Mr. Flannagan with Mr. Carter.
Mr. Atkinson with Mr. Rees of Kansas.
Mr. Boykin with Mr. Oliver.
Mr. DeRouen with Mr. Bacon.
Mr. Gasque with Mr. Ditter.
Mr. Maloney with Mr. Fish.
Mr. Sullivan with Mr. Hoffman.

Mr. Bulwinkle with Mr. Smith of Maine.
Mr. Mead with Mr. Case of South Dakota.
Mr. Sabath with Mr. Holmes.
Mr. Sumners of Texas with Mr. Shafer of Michigan.
Mr. Schulte with Mr. Withrow.
Mr. Mitchell of Tennessee with Mr. Kvale.
Mr. Chapman with Mr. Jenks of New Hampshire.
Mr. Thomason of Texas with Mr. Burdick.
Mrs. O'Day with Mrs. Norton.
Mr. Kramer with Mr. Boylan of New York.
Mr. Greenwood with Mr. Johnson of Oklahoma.
Mr. Chandler with Mr. Wood.
Mr. Patrick with Mr. Somers of New York.
Mr. Elliott with Mr. Allen of Pennsylvania.
Mr. McGranery with Mr. Eicher.
Mr. Secrest with Mr. Steagall.
Mr. Boehne with Mr. McGrath.
Mr. Fitzpatrick with Mr. Barden.
Mr. Thompson of Illinois with Mr. Pfeifer.
Mr. Bradley with Mr. Turner.
Mr. O'Neal of Kentucky with Mr. Cole of Maryland.
Mr. Disney with Mr. Ryan.
Mr. Lucas with Mr. Duncan.
Mr. Lanzetta with Mr. Scott.
Mr. Schaefer of Illinois with Mr. Lea.
Mr. Quinn with Mr. Curley.
Mr. Lewis of Maryland with Mr. Rogers of Oklahoma.
Mr. Dickstein with Mr. Kniffin.
Mr. Kirwan with Mr. Crosby.
Mr. Whelchel with Mr. Haines.
Mr. Griswold with Mr. Nichols.
Mr. Buck with Mr. Mouton.
Mr. Buckley of New York with Mr. Murdock of Arizona.
Mr. Gray of Pennsylvania with Mr. Wearin.
Mr. Caldwell with Mr. Wene.
Mr. O'Connell of Rhode Island with Mr. Hancock of North Carolina.
Mr. Kelly of New York with Mr. O'Connor of Montana.
Mr. Harter with Mr. Randolph.
Mr. Kennedy of Maryland with Mr. O'Malley.
Mr. Jacobsen with Mr. Cannon of Wisconsin.
Mr. Citron with Mr. Champion.

The result of the vote was announced as above recorded.

A motion to reconsider the vote by which the bill was passed was laid on the table.

INSANITY PROCEEDINGS IN DISTRICT OF COLUMBIA

Mr. PALMISANO. Mr. Speaker, I call up the bill (S. 1225) to provide for insanity proceedings in the District of Columbia, which I send to the desk and ask to have read.

The SPEAKER. The gentleman from Maryland calls up the bill S. 1225, which the Clerk will report.

The Clerk read the bill, as follows:

Be it enacted, etc., That any person with whom an alleged insane person may reside, or at whose house he may be, or the father or mother, husband or wife, brother or sister, or the child of lawful age of any such person, or the nearest relative or friend available, or the committee of such person, or an officer of any charitable institution, home, or hospital in which such person may be, or any duly accredited officer or agent of the Board of Public Welfare, or any officer authorized to make arrests in the District of Columbia who has arrested any alleged insane person under the provisions of the act of Congress approved April 27, 1904 (33 Stat. 316), may apply for a writ de lunatico inquirendo and an order of commitment, or either thereof, for any alleged insane person in the District of Columbia by filing in the equity court of the District Court of the United States for the District of Columbia a verified petition therefor containing a statement of the facts upon which the allegation of insanity is based. All writs de lunatico inquirendo shall issue from the equity court of the District Court of the United States for the District of Columbia, and a justice holding said court shall preside at all inquisitions of lunacy.

SEC. 2. There is hereby established a Commission on Mental Health (hereinafter referred to as the Commission), which shall examine alleged insane persons, inquire into the affairs of such persons, and the affairs of those persons legally liable as hereinafter provided for the support of said alleged insane persons, and make reports and recommendations to the court as to the necessity of treatment, the commitment, and payment of the expense of maintenance and treatment of such insane persons. The said Commission shall be drawn from a panel of nine bona-fide residents of the District of Columbia who have resided in said District for a continuous period of at least 3 years immediately preceding their appointment, who shall be appointed by the judges of the District Court of the United States for the District of Columbia.

Eight members of said panel shall be physicians who have been practicing medicine in the District of Columbia, and who have had not less than 5 years' experience in the diagnosis and treatment of mental diseases, none of whom is financially interested in the hospital in which the alleged insane person is to be confined, and the ninth member shall be a member of the bar of the District Court of the United States for the District of Columbia who has been engaged in the general active practice of law in the District of Columbia for a period of at least 5 years prior to his appointment. Each physician member of the panel shall be assigned by the chief justice of the District Court of the United States for the District of Columbia to active service on the Commission for 3 months in each calendar year, and the chief justice may change such assignments at any time at his discretion. The two physician members on active service and the lawyer member shall constitute the Commission for the purposes of this act. The members to whom any case is referred shall continue to act in respect to that case until its final disposition, unless the court shall otherwise order. Physician members of the Commission may practice their profession during their tenure of office. The lawyer member of the Commission shall be chairman thereof, and it shall be his duty, and he shall have authority to direct the proceedings and hearings in such a manner as to insure dependable ascertainment of the facts, by relevant, competent, and material evidence, and so as to insure a fair and lawful conduct and disposition of the case. The lawyer member shall devote his entire time to the work of the Commission. The judges shall also appoint an alternate lawyer member of the Commission, who shall have the same qualifications as that member, and who may be designated by the chief justice to act as a member of the Commission in absence of the lawyer member; for such service the alternate shall receive $10 for each day of actual service. Original appointments of physicians shall be two each for 1, 2, 3, and 4 years, respectively, the lawyer member to be appointed for 4 years. Thereafter appointments shall be for 4 years each. The salaries of the members of the Commission and of employees shall be fixed in accordance with the provisions of the Classification Act of 1923, as amended. The Commissioners shall include in their annual estimates such amounts as may be required for the salaries and expenses herein authorized.

The said Commission shall act in all respects under the direction of the equity court. The court may compel, by subpena, the appearance of alleged insane persons before the Commission for examination, and may compel the attendance of witnesses before the Commission. If it shall appear to the satisfaction of the Commission that the appearance before it of any alleged insane person is prevented by reason of the mental or physical condition of such person, the Commission may, in its discretion, examine such person at the hospital in which such person may be confined, or, with the consent of the relatives, or of the person with whom such person may reside, at the residence of the alleged insane person.

The court may in its discretion appoint an attorney or guardian ad litem to represent the alleged insane person at any hearing before the Commission or before the court, or before the court and jury, and shall allow the attorney or guardian ad litem so appointed a reasonable fee for his services. Such fees may be charged against the estate or property, if any, of the alleged insane person, or taxed as costs against the petitioner in the proceedings, or, in the case of an indigent person, charged against the funds of the Commission, as the court, in its discretion may direct.

The office and records of the sanitary officer, District of Columbia, are hereby transferred from the Metropolitan Police Department to the Commission and the sanitary officer shall be secretary of the Commission. Suitable quarters shall be provided for the Commission by the Commissioners of the District of Columbia.

SEC. 3. Upon the filing with the court of a verified petition as hereinabove provided, accompanied by the affidavits of two or more responsible residents of the District of Columbia setting forth that they believe the person therein named to be insane or of unsound mind, the length of time they have known such person, that they believe such person to be incapable of managing his or her own affairs, and that such person is not fit to be at large or to go unrestrained, and that if such person be permitted to remain at liberty the rights of persons and property will be jeopardized or the preservation of public peace imperiled or the commission of crime rendered probable, and that such person is a fit subject for treatment by reason of his or her mental condition, the court, or any judge thereof in vacation, may, in its or his discretion, issue an attachment for the immediate apprehension and detention of such person in Gallinger Municipal Hospital, or any other hospital, for the purpose of preliminary examination. Any person so apprehended and detained shall be given an examination within 48 hours of his admission into Gallinger Municipal Hospital by the staff of Gallinger Municipal Hospital. If, as a result of such examination, the said staff of Gallinger Municipal Hospital shall certify that the said person is a proper subject for commitment the case shall be forthwith referred upon said certificate to the Commission; but, if as a result of such examination, the said staff shall find that the person is of sound mind he shall be discharged forthwith by said Gallinger Municipal Hospital and the petition dismissed. Nothing contained in this section shall deprive the alleged insane person of the benefit of existing remedies to secure his release or to prove his sanity, or of any other legal remedies he may have.

SEC. 4. Any petition filed in the equity court for a writ de lunatico inquirendo or for an order of commitment of any alleged insane person, unless said person shall have been discharged by the staff of Gallinger Hospital in accordance with the provisions of section 3 hereof, shall be forthwith referred by the court to the Commission for report and recommendation within such time as the court may designate, which time may be extended by the court for good cause shown. The Commission shall thereupon examine the alleged insane person and any other person, including any suggested by the alleged insane person, his relatives, friends, or representatives, whose testimony may be relevant, competent, and material upon the issue of insanity; and the

Commission shall afford opportunity for hearing to any alleged insane person, his relatives, friends, or representatives. At all hearings the alleged insane person shall have the right to be represented by counsel.

The Commission is hereby authorized to conduct its examination and hearings of cases elsewhere than at the offices of said Commission in its discretion, according to the circumstances of the case.

The Commission shall determine (1) the sanity or insanity of the alleged insane person, (2) the length of time the alleged insane person has resided within the District, and (3) the ability of the relatives, mentioned in section 11 of this act, or the committee of the alleged insane person to pay all or a portion of the maintenance of such person if confined to St. Elizabeth or any other hospital; and shall include such findings in its report.

SEC. 5. Notice of the filing of any petition hereinbefore provided shall be served personally upon the person alleged to be insane, at least 3 days (exclusive of Sundays and legal holidays) before the time set for hearing by the Commission as provided in section 4 of this act. If the petition be made by a person other than the wife, husband, father, mother, or other nearest relative, such notice shall also be served upon either such wife, husband, father, mother, or other nearest relative of said alleged insane person, if there be any such relative known to be within the District of Columbia; if not, upon the person with whom such alleged insane person may reside, or at whose home he may be or in their absence upon a friend of such alleged insane person; and if there be no such person or persons such service shall be dispensed with.

SEC. 6. Recommendations of the Commission must be the unanimous recommendation of the three members acting upon any case. If the three members of the Commission be unable to agree upon the recommendation to be made in any case, they shall immediately file with the court a report setting forth the fact that they are unable to agree on the case, and in that event the court shall hear and determine the case, unless the alleged insane person, or someone in his behalf, shall demand a jury trial, in which event the case shall be heard and determined by the court and a jury.

If the Commission shall agree upon a recommendation, it shall file with the court a report setting forth its findings of fact and conclusions of law and its recommendation based thereon which recommendation shall be in one of the following forms:

(1) That the person is of sound mind and should be discharged forthwith and the petition dismissed.

(2) That the mental condition of the alleged insane person is such that definite diagnosis cannot be made without further study, or that the mental incapacity of said person will probably be of short duration, and that said person should be temporarily committed to Gallinger Municipal Hospital or any other hospital in the District of Columbia, as provided in the act approved April 27, 1904, for observation or treatment for a period of not more than 30 days, during which said period the Commission shall examine the said person and make a recommendation as to the final disposition of the case.

(3) That the person is of unsound mind and (a) should be committed to St. Elizabeths Hospital, or any other hospital provided by section 4 of the act approved April 27, 1904, (1) at public expense, or (2) at the expense of those persons who are required by law, or who will agree to pay for the maintenance and treatment of said insane person, or (3) that the relatives of the said insane person, mentioned in section 11 of this act are able to pay a specified sum per month toward the support and maintenance of said insane person; (b) is harmless and may safely be committed to the care of his relatives or friends (naming them) who are willing to accept custody, care, and maintenance of said insane person under conditions specified by the Commission.

SEC. 7. Upon the receipt of the report and recommendation of the Commission, a copy of which shall be served personally upon the alleged insane person, his guardian ad litem or his attorney, if he have one, together with notice that he has 10 days within which to demand a jury trial, a demand for hearing by the court or a demand for jury trial for the purpose of determining the sanity or insanity of the alleged insane person may be made by the said alleged insane person or by anyone in his behalf, or a jury trial may be ordered by the court upon its own motion. If demand be made for a jury trial, or such trial be ordered by the court on its own motion, the case shall be calendared for trial not less than 10 days after demand for hearing by the court or for a jury trial, or unless the time is extended by the court. The Commission, or any of the members thereof, shall be competent and compellable witnesses at any trial or hearing of an alleged insane person. In any case in which a commitment at public expense, in whole or in part, is sought, the corporation counsel or one of his assistants shall represent the petitioner unless said petitioner shall be represented by counsel of his or her own choice.

The jury to be used in lunacy inquisitions in those cases where a jury trial shall be demanded or ordered shall be empaneled, upon order of the court, from the jurors in attendance upon other branches of the District Court of the United States for the District of Columbia, who shall perform such services in addition to, and as part of, their duties in said court.

SEC. 8. If no demand be made for a hearing by the court or by the court and a jury, the judge holding equity court shall determine the sanity or insanity of said alleged insane person, but such judge may, in his discretion, require other proofs, in addition to the petition and report of the Commission, or such judge may order the temporary commitment of said alleged insane person for observation or treatment for a period of not more than 30 days. The judge may, in his discretion, dismiss the petition notwithstanding the recommendation of the Commission. If the judge be satisfied that the alleged insane person is of sound mind, he shall forthwith discharge such person and dismiss the petition.

SEC. 9. If the judge be satisfied that the alleged insane person is insane, or if a jury shall so find, the judge may commit the insane person as he in his discretion shall find to be for the best interests of the public and of the insane person. In case of a temporary commitment, the court may make additional temporary commitments upon further examination by, and the recommendation of, the Commission.

SEC. 10. If an insane person be found by the Commission, subject to the review of the court, not to be a resident of the District of Columbia he may be committed by the court to St. Elizabeths Hospital as a District of Columbia patient until such time as his residence shall have been ascertained. Upon the ascertainment of such insane person's residence in some other jurisdiction, he shall be transferred to the State of such residence. The expense of transferring such patient, including the traveling expenses of necessary attendants to insure his safe transfer, shall be borne by the District of Columbia only if the patient be indigent.

Any insane person found by the Commission to have been a resident of the District of Columbia for more than 1 year prior to the filing of the petition, and any person found within the District of Columbia whose residence cannot be ascertained, who is not in confinement on a criminal charge, may be committed by the court to, and confined in, said St. Elizabeths Hospital, or any other hospital in said District, which, in the judgment of the health officer of said District, is properly constructed and equipped for the reception and care of such persons, and the official in charge of which, for the time being, is willing to receive such persons.

"Resident of the District of Columbia", as used in this section means a person who has maintained his principal place of abode in the District of Columbia for more than 1 year prior to the filing of the petition provided for in section 1 of this act.

If it appears that a person found to be insane is harmless and his or her relatives or committee of his or her person are willing and able properly to care for such insane person at some place or institution other than St. Elizabeths Hospital, the judge may order that such insane person be placed in the care and custody of such relatives or such committee upon their entering into an undertaking to provide for such insane person as the court may direct.

SEC. 11. The father, mother, husband, wife, and adult children of an insane person, if of sufficient ability, and the committee or guardian of his or her person and estate, if his or her estate is sufficient for the purpose, shall pay the cost to the District of Columbia of his or her maintenance, including treatment, in St. Elizabeths Hospital or in any other hospital to which the insane person may be committed. It shall be the duty of said Commission to examine, under oath, the father, mother, husband, wife, adult children, and committee, if any, of any alleged insane person whenever such relatives live within the District of Columbia, and to ascertain the ability of such relatives or committee, if any, to maintain or contribute toward the maintenance of such alleged insane person: *Provided*, That in no case shall said relatives or committee be required to pay more than the actual cost to the District of Columbia of maintenance of such alleged insane person.

If any person hereinabove made liable for the maintenance of an insane person shall fail so to provide or pay for such maintenance, the court shall issue to such person a citation to show cause why he should not be adjudged to pay a portion or all of the expenses of maintenance of such patient. The citation shall be served at least 10 days before the hearing thereon. If, upon such hearing, it shall appear to the court that the insane person has not sufficient estate out of which his maintenance may properly be fully met and that he has relatives of the degrees hereinabove mentioned who are parties to the proceedings, and who are able to contribute thereto, the court may make an order requiring payment by such relatives of such sum or sums as it may find they are reasonably able to pay and as may be necessary to provide for the maintenance of such insane person. Said order shall require the payment of such sums to the Board of Public Welfare annually, semiannually, or quarterly as the court may direct. It shall be the duty of the Board to collect the said sums due under this section, and to turn the same into the Treasury of the United States to the credit of the District of Columbia. Any such order may be enforced against any property of the insane person or of the person liable or undertaking to maintain him in the same way as if it were an order for temporary alimony in a divorce case.

SEC. 12. Any insane person who has been committed to St. Elizabeths Hospital, or any other hospital, and who shall have been released from such hospital as improved, or who shall have been paroled from such hospital (but who shall not have been discharged as cured), and who shall have been absent from the hospital on release or parole for a period of 6 months or longer, shall have the right to appear before the Commission for a hearing to determine the sanity and right to restoration to the status of a person of sound mind of said insane person by filing a petition therefor with the court upon a form to be provided by the Commission for that purpose. It shall be the duty of the Com-

mission to make such examination and observation of the insane person as may be necessary to determine such questions, and to make a report and a recommendation to the court. In the event the Commission shall find that the said person is of sound mind and shall recommend to the court the restoration of said person to the status of a person of sound mind such recommendation shall be sufficient to authorize the court to enter an order declaring such person to be restored to his or her former legal status as a person of sound mind. In the event the Commission shall find such person to be of unsound mind, it shall report that finding to the court. Upon the filing by the Commission of a report finding such person to be of unsound mind, the insane person shall have the right to a hearing by the court or by the court and a jury. For the purpose of making the examination and observations required by this section the Commission shall have the right to examine the records and to interrogate the physicians and attendants at St. Elizabeths Hospital or any other hospital in which such patient shall have been confined, who have had the insane person under their care, and the Commission may recommend to the court the temporary recommitment, for a period of not more than 30 days, of such person for purposes of observation, and the court is hereby empowered to order the temporary recommitment of such person for said purpose. At such trial by the court or by the court and a jury, an adjudication shall be made as to whether the person is of sound mind or is still of unsound mind.

SEC. 13. The same fees and mileage as are paid in the courts of the United States shall be paid in the case of witnesses subpenaed under the provisions of this act.

SEC. 14. The court in its discretion may require the petitioner to file an undertaking with surety to be approved by the court in such amount as the court may deem proper, conditioned to save harmless the respondent by reason of costs incurred, including attorney's fees, if any, and damages suffered by the respondent as a result of any such action.

SEC. 15. Any person who executes a verified petition or affidavit as provided in this act, by which he or she secures or attempts to secure the apprehension, detention, or restraint of any other person in the District of Columbia without probable cause for believing such person to be insane or of unsound mind, or any physician who knowingly makes any false certificate or affidavit, as to the sanity or insanity of any other person shall, upon conviction thereof, be fined not more than $500 or imprisoned not more than 3 years, or both.

SEC. 16. All acts or parts of acts in conflict herewith are hereby repealed.

SEC. 17. If any provision of this act or the application thereof to any person or circumstances is held invalid, such invalidity shall not affect other provisions or applications of the act which can be given effect without the invalid provision or application, and to this end the provisions of this act are declared to be severable.

Mr. PALMISANO. Mr. Speaker, I ask unanimous consent that the bill be considered in the House as in Committee of the Whole.

The SPEAKER. Is there objection to the request of the gentleman from Maryland?

There was no objection.

Mr. PALMISANO. Mr. Speaker, unless someone desires to ask a question, I shall move the previous question.

Mr. LEAVY. Mr. Speaker, this legislation is for the purpose of humanizing and modernizing legal proceedings in insanity hearings. I am sure there can be no objection to it when it is understood. There is no room for controversy about it. By reason of my own personal experience as a member of the bench for 10 years, and having heard 2,000 mental cases, I have been deeply interested in seeing if anything could be done for these unfortunate people in the District of Columbia who become mentally ill.

I went down to the local court about a month ago one Friday morning and listened to the insanity proceedings. Any Member of this Congress who would spend as much as 30 minutes in the court and note the archaic, barbaric, and cruel manner in which commitments proceed would say that we certainly ought to enact legislation such as this. I have given this thoughtful and careful consideration, because it so vitally touches the lives of those who live in this beautiful city. It protects every right of the person who is accused of being mentally sick. It safeguards them from the unwholesome and inhuman conditions that surround public jury trials that proceed on the basis of criminal court actions—the manner in which commitments are proceeded with in the District at the present time. The present practice tends to produce insanity where insanity does not exist. It proceeds upon the theory that the patient has committed a public offense.

The pending bill provides for a private hearing with two medical men and one man trained in the law sitting as a board. They carefully examine into all of the facts and circumstances and then make a report of their findings to a court, and the court then makes a commitment or requires further evidence, or refuses to commit. The bill provides that the accused or any relative of the accused may demand a jury trial. The bill further provides that hearings may be had not only in private but at the home of the unfortunate person if the person is unable to appear at the hospital or other place of hearing.

The bill recognizes the fact, Mr. Speaker, that mental trouble is an illness just as are physical troubles. It recognizes the fact that in America today there are more beds for people who are mentally sick than there are for those who are physically sick, and the number of mental cases is increasing out of all proportion to our population. This bill recognizes that here is a new field where American medical science can exert itself and perform real wonders as it has done in the field of physical ailments.

The disgraceful situation that has prevailed in the District of Columbia and still prevails in reference to insanity proceedings and commitments is the direct responsibility of every Member of this Congress. Dr. Winfred Overholser, Superintendent of St. Elizabeths, where there are nearly 6,000 unfortunate persons confined who have been committed through the District Court of the United States for the District of Columbia, pointed this out so clearly when he recently appeared before the Interior Subcommittee on Appropriations, of which I am a member. The local medical association, through a committee of specialists in psychiatry, have likewise pointed out the great need for legislation such as this we are now considering. Every State in the Union has long since modernized its old and harsh rules of procedure and given recognition to the fact that insanity is a mental disease very frequently susceptible to partial or complete recovery. In the District of Columbia there are now being heard in excess of 600 cases per year. Each of these unfortunate persons, with their heartbroken relatives and friends, are paraded before a courtroom packed with morbid curiosity seekers, and subjected to cross-examination by a police court lawyer and then a jury of 12 men, who, without ever leaving the jury box, pronounce a judgment of sanity or insanity. I sat there and listened to eight cases, which were heard within less than 1 hour, and the jury rendered a verdict without ever leaving the jury box in each case and in every case the individual was pronounced insane.

I have seen much in this beautiful city to approve and commend, but I have likewise seen much that deserves criticism, but in the matter of insanity proceedings, most severe condemnation is deserved and I doubt if any civilized country on earth conducts an inquisition into the mental condition of an unfortunate person under rules and practices and in an environment more inhuman than that which prevails in the District of Columbia. The responsibility does not rest upon the court, the jury, the police, nor even the police court prosecutor. The responsibility rests squarely upon the Members of this Congress. Here and now we have an opportunity to correct this evil and abuse. It affords me a great satisfaction to feel that I can, in a small way, be instrumental in bringing about a correction of an evil that has existed all too long, and perhaps gone unnoticed in the rush of other legislative matters.

I trust this bill will receive the unanimous vote of the House as it apparently received the unanimous vote of the Senate. [Applause.]

[Here the gavel fell.]

CALL OF THE HOUSE

Mr. COLLINS. Mr. Speaker, I make a point of order that a quorum is not present.

The SPEAKER pro tempore (Mr. LANHAM). Evidently there is no quorum present.

Mr. PALMISANO. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 89]

Allen, Pa.	Elliott	Lucas	Sabath
Andresen, Minn.	Evans	McClellan	Sadowski
Atkinson	Farley	McGrath	Scott
Barden	Fish	McGroarty	Secrest
Barton	Fitzpatrick	McMillan	Shafer, Mich.
Beiter	Flannagan	Maverick	Short
Buckley, N.Y.	Ford, Calif.	Meeks	Smith, Okla.
Bulwinkle	Frey, Pa.	Mitchell, Ill.	Smith, Va.
Burdick	Gasque	Mitchell, Tenn.	Somers, N. Y.
Caldwell	Gavagan	Murdock, Ariz.	Stack
Cannon, Wis.	Gingery	Murdock, Utah	Steagall
Carter	Gray, Pa.	Norton	Tarver
Cartwright	Greenwood	O'Connell, R. I.	Thomason, Tex.
Champion	Griswold	O'Connor, Mont.	Thurston
Chapman	Hancock, N. C.	O'Day	Tinkham
Clark, Idaho.	Harrington	Oliver	Wadsworth
Cole, Md.	Hartley	O'Neal, Ky.	Wearin
Crosby	Hildebrandt	O'Toole	Weaver
Crowther	Hoffman	Owen	West
Deen	Holmes	Patrick	Whelchel
DeRouen	Hook	Pettengill	White, Idaho
Ditter	Jacobsen	Quinn	Withrow
Doughton	Jenks, N. H.	Randolph	Wolfenden
Douglas	Keller	Rich	Wolverton
Drewry, Va.	Kirwan	Richards	Wood
Driver	Kleberg	Robinson, Utah	Woodruff
Eaton	Kvale	Rockefeller	
Eicher	Lewis, Md.	Rogers, Okla.	

The SPEAKER pro tempore. Three hundred and fifteen Members are present, a quorum.

On motion of Mr. PALMISANO, further proceedings under the call were dispensed with.

Mr. CELLER. Mr. Speaker, I regret to announce that our colleague the gentleman from New York [Mr. CURLEY] has been compelled to go to the hospital and will be absent indefinitely.

COMMITMENT PROCEEDINGS IN INSANITY CASES

Mr. PALMISANO. Mr. Speaker, I move the previous question.

The previous question was ordered.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

PERMISSION TO ADDRESS THE HOUSE

Mr. ENGEL. Mr. Speaker, I ask unanimous consent that on Tuesday next, after the disposition of matters on the Speaker's table and the legislative program for the day, that my colleague the gentleman from Michigan [Mr. HOFFMAN] may address the House for 20 minutes.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Michigan?

There was no objection.

HOURS OF DUTY IN THE FIRE DEPARTMENT OF DISTRICT OF COLUMBIA

Mr. PALMISANO. Mr. Speaker, I call up the bill (H. R. 7710) to provide shorter hours of duty for members of the fire department of the District of Columbia.

The Clerk read the title of the bill.

Mr. PALMISANO. Mr. Speaker, I ask unanimous consent that the bill may be considered in the House as in Committee of the Whole.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Maryland?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That hereafter, on or in lieu of Saturday and Sunday, there shall be granted to each officer and member of the fire department of the District of Columbia 2 consecutive days of compensatory time off during each week of 7 days, which shall be in addition to his annual leave and sick leave now allowed by law; and no member of the fire department shall be required to work more than 70 hours per week on night-platoon duty nor more than 50 hours per week on day-platoon duty: *Provided*, That compensatory time, in addition to regular annual and sick leave, shall be allowed for legal holidays on which any officer or member of the fire department is required to be on duty: *Provided further*, That whenever the Commissioners of the District of Columbia declare that an emergency exists of such a character as to require the continuous service of all members of the fire department, the chief engineer of the fire department shall have authority, and it shall be his duty, to suspend and discontinue the granting of the said compensatory days off per week during the continuation of such emergency, but compensatory time, in addition to the annual leave and sick leave now allowed by law, shall be allowed later to those affected by the extra time so worked during the said emergency period.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

RETIREMENT OF POLICEMEN AND FIREMEN IN THE DISTRICT OF COLUMBIA

Mr. PALMISANO. Mr. Speaker, I call up the bill (H. R. 5696) to provide for the retirement of certain members of the police and fire departments of the District of Columbia, the United States Park Police force, and the White House Police force.

The Clerk read the title of the bill.

Mr. PALMISANO. Mr. Speaker, I ask unanimous consent that the bill may be considered in the House as in the Committee of the Whole.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Maryland?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That section 12 of the act entitled "An act making appropriations to provide for the expenses of the government of the District of Columbia for the fiscal year ending June 30, 1917, and for other purposes," approved September 1, 1916, is amended by adding after the fourth paragraph of such section a new paragraph to read as follows:

"Whenever any member of the police department or the fire department of the District of Columbia, or of the United States Park Police force, or of the White House Police force has served 25 years or more as a member of one or more such departments or police forces he may, at his election, be retired from the service of any such department or police force, and shall be entitled to receive retirement compensation from the said policemen and firemen's relief fund, District of Columbia, in an amount equal to 50 percent per annum of the salary received by him at the date of retirement."

With the following committee amendment:

Page 2, line 5, after the word "forces", insert "and has attained the age of 55 years."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

REGULATION OF MANUFACTURE, DISPENSING, SELLING, AND POSSESSION OF NARCOTIC DRUGS IN THE DISTRICT OF COLUMBIA

Mr. PALMISANO. Mr. Speaker, I call up the bill (H. R. 7982) to regulate the manufacture, dispensing, selling, and possession of narcotic drugs in the District of Columbia, and ask unanimous consent that the bill may be considered in the House as in Committee of the Whole House on the state of the Union.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Maryland?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., The following words and phrases, as used in this act, shall have the following meanings, unless the context otherwise requires:

(a) "Person" includes any corporation, association, copartnership, or one or more individuals.

(b) "Physician" means a person authorized by law to practice medicine or osteopathy in the District of Columbia.

(c) "Dentist" means a person authorized by law to practice dentistry in the District of Columbia.

(d) "Veterinarian" means a person authorized by law to practice veterinary medicine in the District of Columbia.

(e) "Manufacturer" means a person who by compounding, mixing, cultivating, growing, or other process produces or prepares narcotic drugs, but does not include an apothecary who compounds narcotic drugs to be sold or dispensed on prescription.

(f) "Wholesaler" means a person who supplies narcotic drugs that he himself has not produced nor prepared on official written orders but not on prescription.

(g) "Apothecary" means a licensed pharmacist as defined by the laws of the District of Columbia and, where the context so requires, the owner of a store or other place of business where narcotic drugs are compounded or dispensed by a licensed pharmacist; but nothing in this act shall be construed as conferring on a person who is not registered nor licensed as a pharmacist any

authority, right, or privilege that is not granted to him by the pharmacy laws of the District of Columbia.

(h) "Hospital" means an institution or clinic for the care and treatment of the sick and injured, approved by the health officer of the District of Columbia as proper to be entrusted with the custody of narcotic drugs and the professional use of narcotic drugs under the direction of a physician, dentist, or veterinarian.

(i) "Laboratory" means a laboratory approved by the health officer of the District of Columbia as proper to be entrusted with the custody of narcotic drugs and the use of narcotic drugs for scientific and medical purposes and for purposes of instruction.

(j) "Sale" includes barter, exchange, or gift, or offer therefor, and each such transaction made by any person, whether as principal, proprietor, agent, servant, or employee.

(k) "Coca leaves" includes cocaine and any compound, manufacture, salt, derivative, mixture, or preparation of coca leaves, except derivatives of coca leaves which do not contain cocaine, ecgonine, or substances from which cocaine or ecgonine may be synthesized or made.

(l) "Opium" includes morphine, codeine, and heroin, and any compound, manufacture, salt, derivative, mixture, or preparation of opium.

(m) "Cannabis" includes all parts of the plant Cannabis sativa L., whether growing or not; the seeds thereof; the resin extracted from any part of such plant; and every compound, manufacture, salt, derivative, mixture, or preparation of such plant, its seeds, or resin, including specifically the drugs known as American hemp, marihuana, Indian hemp or hasheesh, as used in cigarettes or in any other articles, compounds, mixtures, preparations, or products whatsoever, but shall not include the mature stalks of such plant; oil or cake made from the seeds of such plant; any compound, manufacture, salt, derivative, mixture, or preparation of such mature stalks (except the resin extracted therefrom); oil or cake; or the sterilized seed of such plant which is incapable of germination.

(n) "Narcotic drugs" means coca leaves, opium, cannabis, and every substance not chemically distinguishable from them.

(o) "Federal narcotic laws" means the laws of the United States relating to opium, coca leaves, and other narcotic drugs.

(p) "Official written order" means an order written on a form provided for that purpose by the United States Commissioner of Narcotics, under any laws of the United States making provision therefor, if such order forms are authorized and required by Federal law and, if no such order form is provided, then on an official form provided for that purpose by the health officer of the District of Columbia.

(q) "Dispense" includes distribute, leave with, give away, dispose of, or deliver.

(r) "Registry number" means the number assigned to each person registered under the Federal narcotic laws.

ACTS PROHIBITED

SEC. 2. It shall be unlawful for any person to manufacture, possess, have under his control, sell, prescribe, administer, dispense, or compound any narcotic drug, except as authorized in this act.

MANUFACTURERS AND WHOLESALERS

SEC. 3. No person shall manufacture, compound, mix, cultivate, grow, or by any other process produce or prepare narcotic drugs, and no person as a wholesaler shall supply the same, without having first obtained a license so to do from the health officer of the District of Columbia. Licenses shall be issued for a period of 1 year and may be renewed for a like period. A fee of $5 shall be paid to the health officer for any license so issued or renewed. The said health officer is authorized to have printed such licenses as may be necessary and to be paid for out of the money collected by him for the issuance of licenses. At the close of each fiscal year any funds unexpended in excess of the sum of $100 shall be paid into the Treasury of the United States to the credit of the District of Columbia.

QUALIFICATIONS FOR LICENSES

SEC. 4. No license shall be issued under the foregoing section unless and until the applicant therefor has furnished proof satisfactory to the health officer of the District of Columbia of the following:

(a) That the applicant is of good moral character or, if the applicant be an association or corporation, that the managing officers are of good moral character.

(b) That the applicant is equipped as to land, buildings, and paraphernalia properly to carry on the business described in his application.

No license shall be granted to any person who has been convicted of a willful violation of any law of the United States, or of any State, relating to opium, coca leaves, cannabis, or other narcotic drugs, or to any person who is a narcotic-drug addict.

The health officer of the District of Columbia may suspend or revoke any license issued by said health officer under the provisions of this act for cause.

USE OF OFFICIAL WRITTEN ORDERS

SEC. 5. An official written order for any narcotic drug shall be signed in duplicate by the person giving said order or by his duly authorized agent. The original shall be presented to the person who sells or dispenses the narcotic drug or drugs named therein. In event of the acceptance of such order by said person, each party to the transaction shall preserve his copy of such order for a period of 2 years in such a way as to be readily accessible for inspection by any public officer or employee engaged in the enforcement of this act. It shall be deemed a compliance with this subsection if the parties to the transaction have complied with the Federal narcotic laws respecting the requirements governing the use of order forms.

SALE ON WRITTEN ORDERS

SEC. 6. (a) A duly licensed manufacturer or wholesaler may sell and dispense narcotic drugs to any of the following persons, but only on official written orders:

(1) To a manufacturer, wholesaler, or apothecary;

(2) To a physician, dentist, or veterinarian;

(3) To a hospital, but only for use by or in that hospital: *Provided*, That the official written order is signed by a physician, dentist, veterinarian, or pharmacist connected with that hospital; and

(4) To a person in charge of a laboratory, but only for use in that laboratory for scientific and medical purposes.

(b) A duly licensed manufacturer or wholesaler may also sell narcotic drugs to any of the following persons:

(1) On a special written order accompanied by a certificate of exemption, as required by the Federal narcotic laws, to a person in the employ of the United States Government or of the District of Columbia, or of any State, Territorial, district, county, municipal, or insular government, purchasing, receiving, possessing, or dispensing narcotic drugs by reason of his official duties.

(2) To a master of a ship or a person in charge of any aircraft upon which no physician is regularly employed, or to a physician or surgeon duly licensed in some State, Territory, or the District of Columbia to practice his profession, or to a retired commissioned medical officer of the United States Army, Navy, or Public Health Service employed upon such ship or aircraft, for the actual medical needs of persons on board such ship or aircraft, when not in port: *Provided*, That such narcotic drugs shall be sold to the master of such ship or person in charge of such aircraft, or to a physician, surgeon, or retired commissioned medical officer of the United States Army, Navy, or Public Health Service employed upon such ship or aircraft only in pursuance of a special order form approved by a commissioned medical officer or acting assistant surgeon of the United States Public Health Service.

(3) To a person in a foreign country if the provisions of the Federal narcotic laws are complied with.

Possession lawful

(c) Possession of or control of narcotic drugs obtained as authorized by this section shall be lawful only if obtained and used in the regular course of business, occupation, profession, employment, or duty of the possessor.

SEC. 7. A person in charge of a hospital or of a laboratory, or in the employ of the District of Columbia or of any State, or of any political subdivision thereof, or a master of a ship or a person in charge of any aircraft upon which no physician is regularly employed, or a physician or surgeon duly licensed in some State, Territory, or the District of Columbia, to practice his profession, or a retired commissioned medical officer of the United States Army, Navy, or Public Health Service employed upon such ship or aircraft who obtains narcotic drugs under the provisions of section 6 of this act, or otherwise, shall not administer, nor dispense, nor otherwise use such drugs, within the District of Columbia, except within the scope of his employment or official duty, and then only for scientific or medical purposes and subject to the provisions of this act.

SALES BY APOTHECARIES

SEC. 8. (a) An apothecary, in good faith, may sell and dispense narcotic drugs to any person upon a written prescription of a physician, dentist, or veterinarian, dated and signed, in ink or indelible pencil, on the day when issued, by the physician, dentist, or veterinarian prescribing said narcotic drugs. The prescription when issued shall also state the full name and address of the patient for whom, or of the owner of the animal for which, the drug is dispensed, and the full name, address, and registry number under the Federal narcotic laws of the person prescribing, if he is required by those laws to be so registered. If the prescription be for an animal, it shall state the species of animal for which the drug is prescribed. The person filling the prescription shall write the date of filling and his own signature on the face of the prescription. The prescription shall be retained on file by the proprietor of the pharmacy in which it is filled for a period of 2 years, so as to be readily accessible for inspection by any public officer or employee engaged in the enforcement of this act. The prescription shall not be refilled.

(b) The legal owner of any stock of narcotic drugs in a pharmacy, upon discontinuance of dealing in said drugs, may sell said stock to a manufacturer, wholesaler, or apothecary, but only on an official written order.

(c) An apothecary, only upon an official written order, may sell to a physician, dentist, or veterinarian, in quantities not exceeding 1 ounce at any one time, aqueous or oleaginous solutions of which the content of narcotic drugs does not exceed a proportion greater than 20 percent of the complete solution, to be used for medical purposes.

PROFESSIONAL USE OF NARCOTIC DRUGS

Physicians and dentists

SEC. 9. (a) A physician or a dentist, in good faith and in the course of his professional practice only, may prescribe in writing, administer, and dispense narcotic drugs, or he may cause the same to be administered by a nurse or interne under his direction

and supervision. Such a prescription shall be dated and signed by the person prescribing on the day when issued and shall bear the full name and address of the patient for whom the narcotic drug is prescribed and the full name, address, and registry number under the Federal narcotic laws of the person prescribing, provided he is required by those laws to be so registered.

Veterinarians

(b) A veterinarian, in good faith and in the course of his professional practice only and not for use by a human being, may prescribe in writing, administer, and dispense narcotic drugs, and he may cause them to be administered by an assistant or orderly under his direction and supervision. Such a prescription shall be dated and signed by the person prescribing on the day when issued and shall bear the full name and address of the owner of the animal; the species of the animal for which the narcotic is prescribed; and the full name, address, and registry number under the Federal narcotic laws of the person prescribing, provided he is required by those laws to be so registered.

Return of unused drugs

(c) Any person who has obtained from a physician, dentist, or veterinarian any narcotic drug for administration to a patient during the absence of such physician, dentist, or veterinarian shall return to such physician, dentist, or veterinarian any unused portion of such drug, when it is no longer required by the patient.

PREPARATIONS EXEMPTED

SEC. 10. Except as otherwise in this act specifically provided, this act shall not apply to the following cases:

(a) Prescribing, administering, dispensing, or selling at retail of any medicinal preparation that contains in one fluid ounce or, if a solid or semisolid preparation, in one avoirdupois ounce (1) not more than two grains of opium, (2) not more than one-quarter of a grain of morphine or of any of its salts, (3) not more than one grain of codeine or of any of its salts, (4) not more than one-eighth of a grain of heroin or of any of its salts, (5) not more than one-half of a grain of extract of cannabis, nor more than one-half of a grain of any more potent derivative or preparation of cannabis.

(b) Prescribing, administering, dispensing, or selling at retail of liniments, ointments, and other preparations that are susceptible of external use only and that contain narcotic drugs in such combinations as prevent their being readily extracted from such liniments, ointments, or preparations, except that this act shall apply to all liniments, ointments, and other preparations that contain coca leaves in any quantity or combination.

The exemptions authorized by this section shall be subject to the following conditions:

(1) No person shall dispense, or sell under the exemptions of this section, to any one person, or for the use of any one person or animal, any preparation or preparations included within this section, when he knows, or can by reasonable diligence ascertain, that such dispensing or selling will provide the person to whom or for whose use, or the owner of the animal for the use of which, such preparation is prescribed, administered, dispensed, or sold, within any two consecutive days with more than two grains of opium, or more than one grain of morphine, or of any of its salts, or more than four grains of codeine or of any of its salts, or more than one-quarter of a grain of heroin or of any of its salts, or more than one grain of extract of cannabis or one grain of any more potent derivative or preparation of cannabis.

(2) The medicinal preparation, or the liniment, ointment, or other preparation susceptible of external use only, prescribed, administered, dispensed, or sold, shall contain in addition to the narcotic drug in it, some drug or drugs conferring upon it medicinal qualities other than those possessed by the narcotic drug alone.

Such preparation shall be prescribed, administered, dispensed, and sold in good faith as a medicine, and not for the purpose of evading the provisions of this act.

Nothing in this section shall be construed to limit the kind and quantity of any narcotic drug that may be prescribed, administered, dispensed, or sold to any person, or for the use of any person or animal, when it is prescribed, administered, dispensed, or sold in compliance with the general provisions of this act.

No person other than a manufacturer or wholesaler shall dispense or sell tincture opii camphorata, commonly known as paregoric, to any person without a written prescription from a duly licensed physician, dentist, veterinarian, or other authorized person.

RECORD TO BE KEPT

Physicians, dentists, veterinarians, and other authorized persons

SEC. 11. (a) Every physician, dentist, veterinarian, or other person who is authorized to administer or professionally use narcotic drugs shall keep a record of such drugs received by him, and a record of all such drugs administered, dispensed, or professionally used by him otherwise than by prescription in accordance with the provisions of subsection (e) of this section. It shall, however, be deemed a sufficient compliance with this subsection if any such person using small quantities of solutions or other preparation of such drugs for local application shall keep a record of the quantity, character, and potency of such solutions or other preparations purchased or made up by him, and of the dates when purchased or made up, without keeping a record of the amount of such solution or other preparation applied by him to individual patients: *Provided*, That no record need be kept of narcotic drugs administered, dispensed, or professionally used in the treatment of any one patient when the amount administered, dispensed, or professionally used for that purpose does not exceed in any 48 consecutive hours (1) 4 grains of opium, or (2) one-half of a grain of morphine or of any of its salts, or (3) 2 grains of codeine or of any of its salts, or (4) one-fourth of a grain of heroin or any of its salts, or (5) 1 grain of extract of cannabis, or 1 grain of any more potent derivative or preparation of cannabis, or (6) a quantity of any other narcotic drug or any combination of narcotic drugs that does not exceed in pharmacologic potency any one of the drugs named above in the quantity stated.

MANUFACTURERS AND WHOLESALERS

(b) Manufacturers and wholesalers shall keep records of all narcotic drugs compounded, mixed, cultivated, grown, or by any other process produced or prepared, and of all narcotic drugs received and disposed of by them, in accordance with the provisions of subsection (e) of this section.

APOTHECARIES

(c) Apothecaries shall keep records of all narcotic drugs received and disposed of by them, in accordance with the provisions of subsection (e) of this section.

VENDORS OF EXEMPTED PREPARATIONS

(d) Every person who purchases for resale, or who sells narcotic drug preparations exempted by section 10 of this act, shall keep a record showing the quantities and kinds thereof received and sold, or disposed of otherwise, in accordance with the provisions of subsection (e) of this section.

FORM AND PRESERVATION OF RECORDS

(e) The form of records shall be prescribed by the health officer of the District of Columbia. The record of narcotic drugs received shall in every case show the date of receipt, the name and address of the person from whom received, and the kind and quantity of drugs received; the kind and quantity of narcotic drugs produced or removed from process of manufacture, and the date of such production or removal from process of manufacture; and the record shall in every case show the proportion of morphine, cocaine, or ecgonine contained in or producible from crude opium or coca leaves received or produced, and the proportion of resin contained in or producible from the plant Cannabis sativa L. received or produced. The record of all narcotic drugs sold, administered, dispensed, or otherwise disposed of shall show the date of selling, administering, or dispensing, the name and address of the person to whom, or for whose use, or the owner and species of animal for which the drugs were sold, administered, or dispensed, and the kind and quantity of drugs. Every such record shall be kept for a period of 2 years from the date of the transaction recorded. The keeping of a record required by or under the Federal narcotic laws, containing substantially the same information as is specified above, shall constitute compliance with this section, except that every such record shall contain a detailed list of narcotic drugs lost, destroyed, or stolen, if any, the kind and quantity of such drugs, and the date of the discovery of such loss, destruction, or theft.

LABELS

SEC. 12. (a) Whenever a manufacturer sells or dispenses a narcotic drug, and whenever a wholesaler sells or dispenses a narcotic drug in a package prepared by him, he shall securely affix to each package in which that drug is contained a label showing in legible English the name and address of the vendor and the quantity, kind, and form of narcotic drug contained therein. No person, except an apothecary for the purpose of filling a prescription under this act, shall alter, deface, or remove any label so affixed.

(b) Whenever an apothecary sells or dispenses any narcotic drug on a prescription issued by a physician, dentist, or veterinarian he shall affix to the container in which such drug is sold or dispensed a label showing his own name, address, and registry number, or the name, address, and registry number of the apothecary for whom he is lawfully acting; the name and address of the patient, or, if the patient is an animal, the name and address of the owner of the animal and the species of the animal; the name, address, and registry number of the physician, dentist, or veterinarian by whom the prescription was written; and such directions as may be stated on the prescription. No person shall alter, deface, or remove any label so affixed as long as any of the original contents remain.

AUTHORIZED POSSESSION OF NARCOTIC DRUGS BY INDIVIDUAL

SEC. 13. A person to whom or for whose use any narcotic drug has been prescribed, sold, or dispensed by a physician, dentist, apothecary, or other person authorized under the provisions of section 6 of this act, and the owner of any animal for which any such drug has been prescribed, sold, or dispensed by a veterinarian, may lawfully possess it only in the container in which it was delivered to him by the person selling or dispensing the same.

SEARCH WARRANTS

SEC. 14. (a) A search warrant may be issued by any judge of the police court of the District of Columbia or by a United States commissioner for the District of Columbia when any narcotic drugs are manufactured, possessed, controlled, sold, prescribed, administered, dispensed, or compounded, in violation of the provisions of this act, and any such narcotic drugs and any other property designed for use in connection with such unlawful manu-

facturing, possessing, controlling, selling, prescribing, administering, dispensing, or compounding, may be seized thereunder, and shall be subject to such disposition as the court may make thereof and such narcotic drugs may be taken on the warrant from any house or other place in which they are concealed.

(b) A search warrant cannot be issued but upon probable cause supported by affidavit particularly describing the property and the place to be searched.

(c) The judge or commissioner must, before issuing the warrant, examine on oath the complainant and any witnesses he may produce, and require their affidavits or take their depositions in writing and cause them to be subscribed by the parties making them.

(d) The affidavits or depositions must set forth the facts tending to establish the grounds of the application or probable cause for believing that they exist.

(e) If the judge or commissioner is thereupon satisfied of the existence of the grounds of the application or that there is probable cause to believe their existence, he must issue a search warrant, signed by him, to the major and superintendent of police of the District of Columbia or any member of the Metropolitan Police Department, stating the particular grounds or probable cause for its issue and the names of the persons whose affidavits have been taken in support thereof, and commanding him forthwith to search the place named for the property specified and to bring it before the judge or commissioner.

(f) A search warrant may in all cases be served by any of the officers mentioned in its direction, but by no other person, except in aid of the officer on his requiring it, he being present and acting in its execution.

(g) The officer may break open any outer or inner door or window of a house, or any part of a house, or anything therein, to execute the warrant, if, after notice of his authority and purpose, he is refused admittance.

(h) The judge or commissioner must insert a direction in the warrant that it be served in the daytime unless the affidavit is positive that the property is in the place to be searched in which case he must insert a direction that it be served at any time in the day or night.

(i) A search warrant must be executed and returned to the judge or commissioner who issued it within 10 days after its date; after the expiration of this time the warrant, unless executed, is void.

(j) When the officer takes property under the warrant, he must give a copy of the warrant together with a receipt for the property taken (specifying it in detail) to the person from whom it was taken by him, or in whose possession it was found; or in the absence of any person, he must leave it in the place where he found the property.

(k) The officer must forthwith return the warrant to the judge or commissioner and deliver to him a written inventory of the property taken, made publicly or in the presence of the person from whose possession it was taken, and of the applicant for the warrant, if they are present, verified by the affidavit of the officer at the foot of the inventory and taken before the judge or commissioner at the time, to the follow in effect: "I the officer by whom this warrant was executed, do swear that the above inventory contains a true and detailed account of all the property taken by me on the warrant."

(l) The judge or commissioner must thereupon, if required, deliver a copy of the inventory to the person from whose possession the property was taken and to the applicant for the warrant.

(m) The judge or commissioner must annex the affidavits, search warrant, return, inventory, and evidence, and at once file the same, together with a copy of the record of his proceedings, with the clerk of the police court.

(n) Whoever shall knowingly and willfully obstruct, resist, or oppose any such officer or person in serving or attempting to serve or execute any such search warrant, or shall assault, beat, or wound any such officer or person, knowing him to be an officer or person so authorized, shall be fined not more than $1,000 or imprisoned not more than 2 years.

PERSONS AND CORPORATIONS EXEMPTED

SEC. 15. The provisions of this act restricting the possession and having control of narcotic drugs shall not apply to common carriers or to warehousemen, while engaged in lawfully transporting or storing such drugs, or to any employee of the same acting within the scope of his employment; or to public officers or their employees in the performance of their official duties requiring possession or control of narcotic drugs; or to temporary incidental possession by employees or agents of persons lawfully entitled to possession, or by persons whose possession is for the purpose of aiding public officers in performing their official duties.

COMMON NUISANCES

SEC. 16. Any store, shop, warehouse, dwelling house, building, vehicle, boat, aircraft, or any place whatever, which is resorted to by narcotic drug addicts for the purpose of using narcotic drugs or which is used for the illegal keeping or selling of the same, shall be deemed a common nuisance. No person shall keep or maintain such a common nuisance.

NARCOTIC DRUGS TO BE DELIVERED TO STATE OFFICIAL, AND SO FORTH

SEC. 17. All narcotic drugs, the lawful possession of which is not established or the title to which cannot be ascertained, which have come into the custody of a peace officer, shall be forfeited, and disposed of as follows:

(a) Except as in this section otherwise provided, the court or magistrate having jurisdiction shall order such narcotic drugs forfeited and destroyed. A record of the place where said drugs were seized, of the kinds and quantities of drugs so destroyed, and of the time, place, and manner of destruction shall be kept, and a return under oath, reporting said destruction, shall be made to the court or magistrate and to the United States Commissioner of Narcotics, by the officer who destroys them.

(b) Upon written application by the health officer of the District of Columbia, the court or magistrate by whom the forfeiture of narcotic drugs has been decreed may order the delivery of any of them, except heroin and its salts and derivatives, to said health officer of the District of Columbia for distribution or destruction, as hereinafter provided.

(c) Upon application by any hospital within the District of Columbia not operated for private gain, the health officer of the District of Columbia may, in his discretion, deliver any narcotic drugs that have come into his custody by authority of this section to the applicant for medicinal use. The health officer may from time to time deliver excess stocks of such narcotic drugs to the United States Commissioner of Narcotics, or may destroy the same.

(d) The health officer of the District of Columbia shall keep a full and complete record of all drugs received and of all drugs disposed of, showing the exact kinds, quantities, and forms of such drugs; the persons from whom received and to whom delivered; by whose authority received, delivered, and destroyed; and the dates of the receipt, disposal, or destruction, which record shall be open to inspection by all Federal or District of Columbia officers charged with the enforcement of Federal and District narcotic laws.

NOTICE OF CONVICTION TO BE SENT TO LICENSING BOARD

SEC. 18. On the conviction of any person of the violation of any provision of this act, a copy of the judgment and sentence, and of the opinion of the court or magistrate, if any opinion be filed, shall be sent by the clerk of the court, or by the magistrate, to the board or officer, if any, by whom the convicted defendant has been licensed or registered to practice his profession or to carry on his business, and the said board or officer may in its or his discretion suspend or revoke the license of the convicted defendant to practice his profession or to carry on his business. On the application of any person whose license or registration has been suspended or revoked, and upon proper showing for good cause, said board or officer may reinstate such license or registration.

RECORDS CONFIDENTIAL

SEC. 19. Prescriptions, orders, and records, required by this act, and stocks of narcotic drugs, shall be open for inspection only to Federal and District of Columbia officers whose duty it is to enforce the laws of the District of Columbia or of the United States relating to narcotic drugs. No officer having knowledge by virtue of his office of any such prescription, order, or record shall divulge such knowledge, except in connection with a prosecution or proceeding in court or before a licensing or registration board or officer, to which prosecution or proceeding the person to whom such prescriptions, orders, or records relate is a party.

FRAUD OR DECEIT

SEC. 20. (a) No person shall obtain or attempt to obtain a narcotic drug, or procure or attempt to procure the administration of a narcotic drug, (1) by fraud, deceit, misrepresentation, or subterfuge; or (2) by the forgery or alteration of a prescription or of any written order; or (3) by the concealment of a material fact; or (4) by the use of a false name or the giving of a false address.

(b) Information communicated to a physician in an effort unlawfully to procure a narcotic drug or unlawfully to procure the administration of any such drug shall not be deemed a privileged communication.

(c) No person shall willfully make a false statement in any prescription, order, report, or record required by this act.

(d) No person shall, for the purpose of obtaining a narcotic drug, falsely assume the title of or represent himself to be a manufacturer, wholesaler, apothecary, physician, dentist, veterinarian, or other authorized person.

(e) No person shall make or utter any false or forged prescription or false or forged written order.

(f) No person shall affix any false or forged label to a package or receptacle containing narcotic drugs.

(g) The provisions of this section shall apply to all transactions relating to narcotic drugs under the provisions of section 10 of this act, in the same way as they apply to transactions under all other sections.

Exceptions and exemptions not required to be negatived

SEC. 21. In any complaint, information, or indictment, and in any action or proceeding brought for the enforcement of any provision of this act, it shall not be necessary to negative any exception, excuse, proviso, or exemption, contained in this act, and the burden of proof of any such exception, excuse, proviso, or exemption shall be upon the defendant.

Enforcement and cooperation

SEC. 22. It is hereby made the duty of the major and superintendent of police of the District of Columbia to enforce all provisions of this act, except those specifically delegated, and to cooperate with all agencies charged with the enforcement of the laws of the United States relating to narcotic drugs.

PENALTIES

SEC. 23. Any person violating any provision of this act shall upon conviction be punished, for the first offense, by a fine not exceeding $1,000, or by imprisonment for not exceeding 1 year, or by both such fine and imprisonment, and for any subsequent offense by a fine not exceeding $5,000 or by imprisonment for not exceeding 10 years, or by both such fine and imprisonment.

EFFECT OF ACQUITTAL OR CONVICTION UNDER FEDERAL NARCOTIC LAWS

SEC. 24. No person shall be prosecuted for a violation of any provision of this act if such person has been acquitted or convicted under any United States statute governing the sale or distribution of narcotic drugs, of the same act or omission which, it is alleged, constitutes a violation of this act.

CONSTITUTIONALITY

SEC. 25. If any provision of this act or the application thereof to any person or circumstances is held invalid, such invalidity shall not affect other provisions or applications of the act which can be given effect without the invalid provision or application, and to this end the provisions of this act are declared to be severable.

INCONSISTENT LAWS REPEALED

SEC. 26. All acts or parts of acts which are inconsistent with the provisions of this act are hereby repealed.

NAME OF ACT

SEC. 27. This act may be cited as the "Uniform Narcotic Drug Act."

With the following committee amendments:

Page 3, line 25, after the word "plant" and the semicolon, insert the following: "fiber produced from such stalks."

Page 4, line 4, after the word "therefrom" and the semicolon, insert "fiber."

Page 4, line 10, after the word "leaves", insert the word "Cannabis."

Page 4 line 18 strike out the words "health officer of the District of Columbia" and insert "Board of Pharmacy."

Page 4, after line 23, insert the following:

"(s) 'Board of Pharmacy' means the Board of Pharmacy of the District of Columbia as provided by act of Congress approved May 7, 1906, as mended (D. C. Code of 1929, title 20, part 3, sec. 198)."

Page 5, line 13, strike out "health officer of the District of Columbia" and insert "Board of Pharmacy."

Page 5, line 15, strike out "$5" and insert "$10."

Page 5 line 16 strike out "health officer" and insert "Board of Pharmacy."

Page 5, line 17, strike out "health officer" and insert "Board of Pharmacy."

Page 5, line 20, strike out "him" and insert "it."

Page 6, line 4, strike out "health officer of the District of Columbia" and insert "Board of Pharmacy."

Page 6, line 17, strike out "health officer of the District of Columbia" and insert "Board of Pharmacy."

Page 6, line 19, strike out "health officer" and insert "Board."

Page 7, line 5, after the word "act" and the period, strike out all of line 5 and lines 6, 7, and 8 and insert the following: "It shall be unlawful for a manufacturer or wholesaler to sell, barter, exchange, or give away any preparation or remedy described in section 6 of the act of Congress approved December 17, 1914, entitled 'An act to provide for the registration of, with collectors of internal revenue, and to impose a special tax upon all persons who produce, import, manufacture, compound, deal in, dispense, sell, distribute, or give away opium or coca leaves, their salts, derivatives, or preparations, and for other purposes", as amended, which contains not more than two grains of opium, or not more than one-fourth of a grain of morphine or not more than one-eighth of a grain of heroin, or not more than one grain of codeine, or any salt or derivative of any of them in one fluid or avoirdupois ounce, except in pursuance of a written order, on a form to be issued in blank by the District of Columbia Board of Pharmacy. Every person who shall accept any such order, and in pursuance thereof shall sell, barter, exchange, or give away any of the aforesaid preparations shall preserve such order for a period of 2 years in such a way as to be readily accessible to inspection by any officer or agent authorized for that purpose.

"The Board of Pharmacy shall cause suitable written order forms to be prepared for the purchase of narcotics for which no form is provided by the United States Commissioner of Narcotics, and shall cause the same to be for sale by said Board at a cost not to exceed $1 a hundred, to those persons who shall have registered under the Federal narcotic laws. The Board of Pharmacy shall keep an account of the number of forms sold and the names and addresses of the purchasers and the serial numbers of such forms sold to each purchaser. Whenever the Board of Pharmacy shall sell any such forms it shall cause the name and address of the purchaser thereof to be plainly written or stamped thereon before delivering the same. The said Board is authorized and directed to make such rules and regulations, not inconsistent with law, as it may deem necessary for the administration and enforcement of this act.

"It shall be deemed a compliance with this section if the parties to the transaction have complied with the Federal narcotic laws respecting official order forms if such order forms are authorized and required by Federal laws, or, if no such order form is provided, then with the rules and regulations of the Board of Pharmacy respecting official order forms."

Page 14, line 11, after the word "salts" and the comma, strike out the balance of line 11 and all of lines 12 and 13.

Page 14, strike out all of lines 24 and 25, and on page 15 all of lines 1 to 13, inclusive.

Page 15, line 14, strike out "(2)" and insert "(1)."

Page 16, strike out lines 4 to 8, inclusive, and insert the following:

"Manufacturers or wholesalers shall sell tincture opii camphorata, commonly known as paregoric, only in accordance with the provisions of sections 5 and 6 of this act on official written order forms provided for that purpose by the Board of Pharmacy. It shall be unlawful for any person to bring into or have in his possession for sale in the District of Columbia any paregoric unless an official written order form has been issued therefor. No person shall dispense or sell any paregoric at retail to any person without a prescription from a duly licensed physician, dentist, veterinarian, or other duly authorized person. Prescriptions shall be retained and filed as provided in section 8."

Page 17, line 6, strike out "preparation" and insert "preparations."

Page 17, line 12, after the word "patients" and the colon, strike out the balance of line 12 and all of lines 13 to 25, inclusive.

Page 18, line 19, strike out "health officer of the District of Columbia" and insert "Board of Pharmacy."

Page 25, line 23, strike out "health officer of the District of Columbia" and insert "Board of Pharmacy."

Page 26, line 2, strike out "health officer of the District of Columbia" and insert "Board of Pharmacy."

Page 26, line 5, strike out "(e)" and insert "(c)."

Page 26, line 7, strike out "health officer of the District of Columbia" and insert "Board of Pharmacy."

Page 26, line 8, strike out "his" and insert "its."

Page 26, line 9, strike out "his" and insert "its."

Page 26, line 10, strike out "health officer" and insert "Board of Pharmacy."

Page 26, line 14, strike out "health officer" and insert "Board of Pharmacy."

Page 29, after line 22, insert the following:

"The Commissioners of the District of Columbia are authorized to employ such personal services for the clerical work of the Board of Pharmacy as may be necessary to carry out the provisions of this act and to provide for the expenses of said board, including the cost of preparation and distribution of such official order forms as may be provided by the regulations of the Board of Pharmacy. Salaries of employees shall be fixed in accordance with the Classification Act of 1923, as amended. The Commissioners of the District of Columbia shall include in their annual estimates such amounts as may be required for the salaries and expenses herein authorized."

Page 30, line 11, after the word "act" and the comma, insert the following: "or of any regulation made by the Board of Pharmacy under authority of this act."

Page 30, line 14, strike out "not exceeding $1,000" and insert "of not less than $100 nor more than $1,000."

Page 30, line 17, strike out "not exceeding $5,000" and insert "of not less than $500 nor more than $5,000."

The committee amendments were agreed to.

Mr. PATMAN. Mr. Speaker, I move to strike out the last word.

Mr. Speaker, the Supreme Court of the United States on January 6, 1936, declared unconstitutional that part of the Agricultural Adjustment Act which permitted the levying of a processing tax for the benefit of growers of basic agricultural products and which provided for production control. This decision has placed the farmers in a deplorable condition. The Constitution clearly and unmistakably gives Congress the power to levy such a tax as the processing tax to promote the general welfare, and this power in the Constitution is by specific language. Congress carried out that power in the passage of the Agricultural Adjustment Act.

PROCESSING TAX

Through this law people in the United States paid 3 or 4 cents more for each shirt or a few cents more for every dozen handkerchiefs or a small fraction of a cent more for each loaf of bread, but the money was used to give the farmers of this Nation a fair price. It was intended to eventually give the farmers parity prices and parity incomes and to place them on equality with industry. This money went into the pockets of the farmer, and by promoting the interest of the farmers the general welfare of the Nation was thereby promoted.

SAME AS PROTECTIVE TARIFF

This is exactly what has been done for industry in this Nation for almost a hundred years. The people pay more for manufactured articles than they would have to pay were it not for the protective tariff. The difference in what they do pay and the world price, or what they would have to pay were it not for the protective tariff, goes into the pockets of the manufacturers, which in turn is paid to stockholders, officers, wage earners, and others. This is intended to increase the price of labor and assist what was at one time our infant industries.

The processing tax was intended to do the same thing, and did do the same thing for the farmers that the protective tariff is doing for industry. We were in no position to do away with the processing tax until a better method of assisting the farmers was discovered.

SUPREME COURT HOLDS FARMING LOCAL INDUSTRY

In order for the Court to hold that this law was unconstitutional they were compelled to hold that farming is a local industry and that it is not promoting the general welfare of the Nation to raise the buying power of almost one-third of the people of this country, who represent a submerged group. I estimate that a very large percentage of the people of this country who are ill-clad, ill-fed, and ill-housed are in the farm group, and I cannot understand how any court can hold that it is not promoting the general welfare of the people to help such a large group, who are so greatly in need of help, who are discriminated against, and who will use the assistance granted to help all other classes and groups in the Nation.

SIXTEENTH AMENDMENT

In 1895, by a 5–to–4 decision, the Supreme Court held unconstitutional an income-tax law passed by Congress. It required many years for Congress to submit and finally get adopted by three-fourths of the States a constitutional amendment which gave Congress the specific power to levy and collect an income tax. When the question of amending the Constitution was before Congress, the Members wisely decided that the language to be used in the proposed amendment to be submitted should be clear, unambiguous, absolutely to the point, and could not be construed but one way and that was to give unlimited power to Congress to levy and collect taxes on incomes. So the amendment was written, giving Congress the power to levy and collect taxes on incomes—with the use of a phrase that is just as understandable as the English language can be made—"from whatever source derived."

PLAIN LANGUAGE

Anyone can devote his entire time and attention to the question of preparing a phrase that will give Congress complete and full power to levy a tax on incomes on anybody on any kind of incomes the remainder of his life, and if he lives to be 100 years old, it is my belief that he will not be able to submit language that will embrace more or include more than the language in the sixteenth amendment. In other words, Congress was given the power to lay and collect taxes on income from whatever source derived.

LANGUAGE PLAIN

Does this language include the power of Congress to levy and collect income taxes on the salaries of Federal judges, United States Senators, Representatives in Congress, State, county, or city officers, dividends on stocks or bonds, profits made by doctors, lawyers, and other professional men in the pursuit of their professions, income from State bonds, income from Federal bonds, income from any legal activity engaged in by any person, firm, or corporation, or any income from any illegal activity engaged in by any person, firm, or corporation? The answer is, Yes. It includes the power of Congress to pass a law that will cause all these classes and groups to pay taxes on incomes from any source if the English language means what it says.

The exact language of the sixteenth amendment to the Constitution is, "The Congress shall have power to lay and collect taxes on incomes, from whatever source derived * * *."

FEDERAL JUDGE SALARY HELD NOT TAXABLE

The first case that came up under this amendment was one involving the salary of a Federal judge. Congress had passed an income-tax law to compel him to pay such a tax along with others. The judge said that the Constitution provided that his salary could not be diminished during his term of office and that he had been appointed before the sixteenth amendment was effective.

Government counsel contended that the Constitution had been amended by the sixteenth amendment, which gave Congress the right to tax his salary; furthermore, even if the Constitution had not been amended, the Federal judge's salary was not diminished; it was actually paid to him; that he placed it in his own pocket and later on he was called upon to take part of that money from his pocket and assume the ordinary duties of citizenship, that is, to pay the same part, in proportion, to the support of the Government that all other citizens earning the same amount were required to pay.

Ordinarily one would think that the argument was unanswerable and that there would be no way to read around the language in the sixteenth amendment. However, the Court did read around this language and, by a 7 to 2 decision, held that the Federal judge's salary was not taxable. This, incidentally, exempted their own salaries from taxation. I do not claim this influenced their decision.

It is not encouraging to the people to start out on a battle lasting perhaps a decade to amend the Constitution when it can be read around so easily, especially in view of the fact that the people made their language so plain and clear in the sixteenth amendment, and it was read around.

COUNTRY SHOULD REMAIN PROGRESSIVE UNDER LEADERSHIP OF PRESIDENT ROOSEVELT

The Court has demonstrated, however, that if the people are progressive and want progressive legislation, the members of the Court are willing to be liberal in their views—more liberal than they have been in the past. They have demonstrated this only in the last year or year and a half. Therefore, if the people desire the Supreme Court to render decisions in accordance with what many of us consider to be common sense and reason and without technically construing every word in the Constitution when considering statutes intimately touching the general welfare they should see to it that this country remains progressive as it is today under the leadership of our great President, Franklin D. Roosevelt.

WILL OUR AGED CITIZENS CONTINUE TO RECEIVE ASSISTANCE?

Should this country go reactionary at the elections this fall, the people will have no assurance that any of the New Deal measures will pass the constitutional test by the Supreme Court.

It should be remembered that there are many important measures that have not been declared constitutional. If the country remans progressive, probably they will be upheld. If the country goes reactionary, they will possibly be held unconstitutional.

I refer particularly to the following laws that have not been held constitutional.

(a) Soil Conservation Act.

(b) Old-age assistance.

(c) New railroad retirement law.

(d) The new relief bill, including W. P. A. and expenditures for the needy and hungry.

(e) Securities and Exchange Act, which is the only proper control over Wall Street.

(f) Truth in Securities Act.

(g) Holding Company Act.

(h) Federal Power Commission, insofar as it applied to navigable streams, the act has been declared constitutional but not so as to nonnavigable streams.

(i) T. V. A., which is now permitting the American people to save $550,000,000 a year. The Supreme Court, in passing upon one T. V. A. case, only passed upon the question of erecting Wilson Dam, which was erected under war powers, and the decision was specifically limited to it. This dam was

used to make munitions for war purposes. Now 18 utilities are challenging the whole T. V. A. program.

(j) Rural electrification.

(k) Electric Home and Farm Authority.

(l) Commercial Credit Corporation, which makes loans to farmers.

(m) Feed and seed loans.

(n) Production credit corporations and associations.

(o) Civilian conservation camps.

(p) Rural resettlement under farm security, including loans to tenants to buy homes.

(q) Federal housing.

(r) Guaranty of bank deposits, and others.

People who are receiving old-age assistance and those who are interested in them should wake up and realize the situation. Farmers and other people who are interested in the prosperity of the farmer should consider what might happen if the country should go reactionary. All the railroad employees, their loved ones, friends, and well-wishers should take heed. Our poor, unfortunate people who are receiving relief because they are unable to obtain a job to earn a living and those who are interested in these good people should give consideration to this subject. Those who want the greed of Wall Street restrained and the racketeering activities of this group curbed should consider what might happen if the country goes reactionary. All people affected by these other laws and those who believe that the general welfare of the country is being promoted by their enactment should seriously consider what might happen if the country goes reactionary. I do not believe it will go reactionary. I think it will remain progressive.

GET THE TRUTH TO THE PEOPLE

The public has a very fertile mind; the public is honest; the public is fair; the public will do what is right and just if the public receives the truth. It is our duty as representatives of this Government to get the truth to the people.

A MEETING AT THE BANKERS' CLUB TO DECIDE "WHERE DO WE GO FROM HERE"

Shortly after the reorganization bill was killed I was told that a small Wall Street group, assembled in the Bankers' Club in New York City, and after enjoying a few minutes' conversation about the defeat of the President on the Supreme Court proposal to enlarge the Court and his more recent defeat on the reorganization bill, one of this group stated:

Now since we have upset the President on his Court plan and we have defeated him on the reorganization bill, where do we go from here?

Another spoke up and said:

Industries should not be compelled to pay any part of the tax to provide for unemployment compensation or old-age benefits for their employees; all of this money to create a reserve for these purposes should be paid by the employees or not at all; we must get that tax repealed because industry has to pay such a large part of it.

Another spoke up and said:

The Securities and Exchange Act is causing us lots of trouble. Why should the Government be in the position of protecting the public in the sale of securities? Why should we not be allowed to sell securities as we have in the past, and if the people make a bad guess or a bad buy that is their mistake and should be no concern of our Government. The repeal of this law should be one of our first objectives.

Another spoke up and said:

This yardstick to determine the cost of electric power has cost the power companies hundreds of millions. The Government should not be allowed to create such a yardstick and we should oppose any part of our Federal funds being used to purchase existing utilities or to erect and install utilities in competition with them regardless of the rates charged the people.

It is interesting to note how quickly those who are selfishly interested take advantage of every opportunity to go back to what they call the old order of things. If they can get the country to become reactionary they will likely be successful in achieving their objectives.

COURT CAN DECIDE EITHER WAY AND HAVE PLENTY OF PRECEDENTS TO FOLLOW

The courts have plenty of precedents to pick from regardless of the way they want to hold. If they really want to hold a law constitutional, plenty of precedents can be found to support their views. If they want to hold a law unconstitutional, they can also find plenty of precedents to support their views.

There is only one way the people can be sure that the sound and necessary laws their chosen representatives have placed upon the statute books will be upheld in the courts, and that is to stand by Franklin D. Roosevelt and elect New Deal candidates at the polls so that the liberal sentiment of the country will be clear to the judiciary.

Mr. Speaker, I ask unanimous consent to revise and extend my own remarks in the RECORD and to insert certain excerpts and statements.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

EXTENSION OF REMARKS

Mr. WHITE of Ohio. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include therein some tables on Federal, State, and local finance.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Ohio?

There was no objection.

CALENDAR WEDNESDAY BUSINESS

ZONING OF THE DISTRICT OF COLUMBIA

Mr. PALMISANO. Mr. Speaker, I call up the bill (H. R. 9844) providing for the zoning of the District of Columbia and the regulation of the location, height, bulk, and uses of buildings and other structures and of the uses of land in the District of Columbia, and for other purposes, and ask that the bill be considered in the House as in Committee of the Whole.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Maryland?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That to promote the health, safety, morals, convenience, order, prosperity, and general welfare of the District of Columbia and its planning and orderly development as the National Capital, the Zoning Commission created by the act of March 1, 1920 (41 Stat. 500), is hereby empowered, in accordance with the conditions and procedures specified in this act, to regulate the location, height, bulk, number of stories and sizes of buildings and other structures, the percentage of lot which may be occupied, the sizes of yards, courts, and other open spaces, the density and distribution of population, and the uses of buildings, structures, and land for trade, industry, residence, recreation, public activities, or other purposes; and for the purpose of such regulation said Commission may divide the District of Columbia into districts or zones of such number, shape, and area as said Zoning Commission may determine, and within such districts may regulate the erection, construction, reconstruction, alteration, conversion, maintenance, and uses of buildings and structures and the uses of land. All such regulations shall be uniform for each class or kind of building throughout each district, but the regulations in one district may differ from those in other districts.

SEC. 2. Such regulations shall be made in accordance with a comprehensive plan and designed to lessen congestion in the street, to secure safety from fire, panic, and other dangers, to promote health and the general welfare, to provide adequate light and air, to prevent the overcrowding of land, and to promote such distribution of population and of the uses of land as would tend to create conditions favorable to health, safety, transportation, prosperity, civic activity, and recreational, educational, and cultural opportunities, and as would tend to further economy and efficiency in the supply of public services. Such regulations shall be made with reasonable consideration, among other things, of the character of the respective districts and their suitability for the uses provided in the regulations, and with a view to encouraging stability of districts and of land values therein.

SEC. 3. The regulations heretofore adopted by the Zoning Commission under the authority of the above-mentioned act of March 1, 1920 (41 Stat. 500), and in force at the date of the taking effect of this act, including the maps which at said date accompany and are a part of such regulations, shall be deemed to have been made and adopted and in force under this present act and shall be and continue in force and effect until and as they may be amended by the Zoning Commission as authorized by this act.

The Zoning Commission may from time to time amend the regulations or any of them or the maps or any of them. Before putting into effect any amendment or amendments of said regulations, or of said map or maps, the Zoning Commission shall hold a public hearing thereon, at least 15 days' notice of the time and place of which shall be published in a daily newspaper or newspapers of general circulation in the District of Columbia. Such published notice shall include a general summary of the proposed amendment or amendments of the regulation or regulations and the boundaries of the territory or territories included in the amendment or amendments of the map or maps, and the time and place of the hearing.

SEC. 4. Any amendment of the regulations or any of them or of the maps or any of them shall require the favorable vote of not less than a full majority of the members of the Commission.

SEC. 5. A Zoning Advisory Council is hereby created to be composed of a representative designated by the National Capital Park and Planning Commission, a representative designated by the Zoning Commission of the District of Columbia, and a representative designated by the Commissioners of the District of Columbia. No amendment of any zoning regulation or map shall be adopted by the Zoning Commission unless and until such amendment be first submitted to said Zoning Advisory Council and the opinion or report of such Council thereon shall have been received by the Commission: *Provided, however,* That if said Council shall fail to transmit its opinion and advice within 30 days from the date of submission to it, then in such event the Zoning Commission shall have the right to proceed to act upon the proposed amendment without further waiting for the receipt of the opinion and advice of said Council.

SEC. 6. The permissible height of buildings in any district shall not exceed the maximum height of buildings now authorized upon any street in any part of the District of Columbia by the act of Congress approved June 1, 1910, and amendments thereto, regulating the height of buildings in the District of Columbia.

SEC. 7. The lawful use of a building or premises as existing and lawful at the time of the original adoption of any regulation heretofore adopted under the authority of the aforesaid act of March 1, 1920, or, in the case of any regulation hereafter adopted under this act, at the time of such adoption, may be continued although such use does not conform with the provisions of such regulation. The Zoning Commission may, in its regulations, provide for the termination of nonconforming uses, either by specifying the period or periods within which nonconforming uses shall be required to cease or by providing a formula or formulas whereby the compulsory termination of a nonconforming use shall be so fixed as to allow a reasonable period for the recovery or amortization of the investment in the nonconformance. The Zoning Commission may in its discretion provide in the zoning regulations for the restoration, reconstruction, extension, or substitution of nonconforming uses upon such terms and conditions as may be set forth in the regulations.

SEC. 8. A board of zoning adjustment is hereby created which shall be composed of five members appointed by the Commissioners of the District of Columbia, namely, one member of the National Capital Park and Planning Commission or a member of the staff thereof to be designated in either case by such Commission; one member of the Zoning Commission or a member of the staff thereof to be designated in either case by such Commission; and three other members, who are bona fide residents of the District of Columbia, to be designated by the Commissioners of the said District.

The representative of the National Capital Park and Planning Commission may be changed from time to time by such Commission in its discretion and in case of a vacancy in the position by death, resignation, or other disability, a new representative shall be designated by the said Commission and appointed by the Commissioners of the District of Columbia to fill said vacancy. The representative of the Zoning Commission may be changed from time to time by such Commission in its discretion and in case of a vacancy in the position by death, resignation, or other disability, a new representative shall be designated by the said Commission and appointed by the Commissioners of the District of Columbia to fill said vacancy. The terms of the three members designated by the Commissioners of the District of Columbia shall be 3 years each, excepting that, in the case of the initial appointments, one shall be for a term of 1 year and one for a term of 2 years. In case of any vacancy in the position of any of the three members designated by the Commissioners of the District of Columbia, the same shall be filed for the remainder of the term.

The Zoning Commission may provide and specify in its zoning regulations general rules to govern the organization and procedure of the Board of Adjustment not inconsistent with the provisions of this act, and the Board of Adjustment may adopt supplemental rules of procedure which shall be subject to the approval of the Zoning Commission. The Board of Adjustment shall choose its chairman and its other officers. All meetings of the Board shall be open to the public. The Board shall keep minutes of its proceedings showing the vote of each member upon each question, or, if absent or failing to vote, indicating such fact, and shall keep records of its examinations and other official actions, all of which shall be immediately filed in the office of the Board and shall be a public record.

The regulations adopted by the Zoning Commission may provide that the Board of Adjustment may, in appropriate cases and subject to appropriate principles, standards, rules, conditions, and safeguards set forth in the regulations, make special exceptions to the provisions of the zoning regulations in harmony with their general purpose and intent. The Commission may also authorize the Board of Adjustment to interpret the zoning maps and pass upon disputed questions of lot lines or district boundary lines or similar questions as they arise in the administration of the regulations.

The Board of Adjustment shall not have the power to amend any regulation or map.

Appeals to the Board of Adjustment may be taken by any person aggrieved, or by any officer or department of the government of the District of Columbia or the Federal Government affected, by any decision of the inspector of buildings granting or refusing a building permit or granting or withholding a certificate of occupancy, or any other administrative decision based in whole or part upon any zoning regulation or map adopted under this act. The Commissioners of the District of Columbia may require and fix the fee to be charged for an appeal, which fee shall be paid, as directed by said Commissioners, with the filing of the appeal.

Upon appeals the Board of Adjustment shall have the following powers:

(1) To hear and decide appeals where it is alleged by the appellant that there is error in any order, requirement, decision, determination, or refusal made by the inspector of buildings or the Commissioners of the District of Columbia or any other administrative officer or body in the carrying out or enforcement of any regulation adopted pursuant to this act.

(2) To hear and decide, in accordance with the provisions of the regulations adopted by the Zoning Commission, requests for special exceptions or map interpretations or for decisions upon other special questions upon which such Board is required or authorized by the regulations to pass.

(3) Where, by reason of exceptional narrowness, shallowness, or shape of a specific piece of property at the time of the original adoption of the regulations or by reason of exceptional topographical conditions or other extraordinary or exceptional situation or condition of a specific piece of property, the strict application of any regulation adopted under this act would result in peculiar and exceptional practical difficulties to or exceptional and undue hardship upon the owner of such property, to authorize, upon an appeal relating to such property, a variance from such strict application so as to relieve such difficulties or hardship, provided such relief can be granted without substantial detriment to the public good and without substantially impairing the intent, purpose, and integrity of the zone plan as embodied in the zoning regulations and map.

The concurring vote of not less than a full majority of the members of the Board shall be necessary for any decision or order.

SEC. 9. A copy of any map established by said Zoning Commission and of its zoning regulations shall be filed in the office of the Engineer Commissioner of the District of Columbia. A copy of any regulation or any amendment adopted after the passage of this act shall be published once in one or more daily newspapers printed in the District of Columbia for the information of all concerned.

SEC. 10. It shall be unlawful to erect, construct, reconstruct, convert, or alter any building or structure or part thereof within the District of Columbia without obtaining a building permit from the inspector of buildings, and said inspector shall not issue any permit for the erection, construction, reconstruction, conversion, or alteration of any building or structure, or any part thereof, unless the plans of and for the proposed erection, construction, reconstruction, conversion, or alteration fully conform to the provisions of this act and of the regulations adopted under this act. In the event that said regulations provide for the issuance of certificates of occupancy or other form of permit to use, it shall be unlawful to use any building, structure, or land until such certificate or permit be first obtained. It shall be unlawful to erect, construct, reconstruct, alter, convert, or maintain or to use any building, structure, or part thereof or any land within the District of Columbia in violation of the provisions of this act or of any of the provisions of the regulations adopted under this act. The owner or person in charge of or maintaining any such building or land or any other person who erects, constructs, reconstructs, alters, converts, maintains, or uses any building or structure or part thereof or land in violation of this act or of any regulation adopted under this act, shall upon conviction for such violation on information filed in the police court of the District of Columbia by the corporation counsel or any of his assistants in the name of said District and which court is hereby authorized to hear and determine such cases, be punished by a fine of not more than $100 per day for each and every day such violation shall continue. The corporation counsel of the District of Columbia or any neighboring property owner or occupant who would be specially damaged by any such violation may, in addition to all other remedies provided by law, institute injunction, mandamus, or other appropriate action or proceeding to prevent such unlawful erection, construction, reconstruction, alteration, conversion, maintenance, or use, or to correct or abate such violation or to prevent the occupancy of such building, structure, or land.

SEC. 11. The Commissioners of the District of Columbia shall enforce the regulations adopted under the authority hereof. Nothing herein contained shall be construed to limit the authority

of the Commissioners of the District of Columbia to make municipal regulations which are not inconsistent with the provisions of this act and the regulations adopted hereunder.

SEC. 12. Wherever the regulations made under the authority of this act require a greater width or size of yards, courts, or other open spaces, or require a lower height of buildings or smaller number of stories, or require a greater percentage of lot to be left unoccupied, or impose other higher standards than are required in or under any other statute or municipal regulations, the regulations made under authority of this act shall govern. Wherever the provisions of any other statute or municipal regulations require a greater width or size of yards, courts, or other open spaces or require a lower height of buildings or smaller number of stories or require a greater percentage of lot to be left unoccupied or impose other higher standards than are required by the regulations made under authority of this act, the provisions of such other statute or municipal regulation shall govern.

SEC. 13. The word "amend," "amendment," "amendments," or "amended," when used in this act in relation to the zoning regulations, shall be deemed to include any modification of the text or phraseology of the regulations or of any provision of the regulations or any regulation or any repeal or elimination of any regulation or regulations or part thereof or any addition to the regulations or any new regulation or any change of or in the wording or content of the regulations. The word "amend," "amendment," "amendments," or "amended," when used in this act in relation to the zoning maps or any map, shall be deemed to include any change in the number, shape, boundary, or area of any district or districts, any repeal or abolition of any such map or any part thereof, any addition to any such map, any new map or maps, or any other change in the maps or any map.

SEC. 14. Appropriations are hereby authorized to carry out the provisions of this act for the fiscal year ending June 30, 1938, and thereafter the Commissioners of the District of Columbia are authorized and directed to include in their annual estimates such amounts as may be required for salaries and expenses incident to such purposes. The Commissioners are authorized to employ such personal services as may be necessary to carry out the provisions of this act, and the salaries of such employees, other than members of the Board of Zoning Adjustment, are to be fixed in accordance with the provisions of the Classification Act of 1923, as amended. The Commissioners shall fix the compensation of the members of the Board of Zoning Adjustment, without reference to the provisions of the Classification Act: *Provided, however*, That no compensation for service as a member of said Board shall be provided for any member who holds a salaried public office or position in the District of Columbia or the Federal Governments.

SEC. 15. The act entitled "An act to regulate the height, area, and use of buildings in the District of Columbia and to create a Zoning Commission, and for other purposes," being the act of March 1, 1920 (41 Stat. 500), excepting the provisions thereof creating the Zoning Commission, providing for its membership and service without additional compensation, is hereby repealed. All laws or parts of other laws in conflict with the provisions of this act are hereby repealed.

Mr. COLE of New York. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. COLE of New York: On page 10, lines 7 and 20, before the word "alter", insert the word "substantially."

Page 10, lines 11 and 14, before the word "alteration", insert "substantially."

Page 11, line 1, before the word "alters" insert "substantially."

Mr. COLE of New York. Mr. Speaker, as the bill is now drawn, a person who desires to alter his building is required to get a permit from the zoning authority. If he fails to get a permit, he is subject to a penalty of $100 per day. The effect of that requirement would be that any home owner who desired to cut an opening in any room or install a new window or a new doorway would have to get a permit and would be subject to a penalty of $100 a day for failure to do so. The amendment I have offered requires that the alteration be a substantial alteration before the owner or constructor is required to get a permit and be subject to the penalty. I trust my amendment is satisfactory to the chairman of the committee.

Mr. PALMISANO. Mr. Speaker, this amendment is satisfactory to the committee.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York.

The amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

AMENDMENT OF DISTRICT OF COLUMBIA DWELLING ACT

Mr. PALMISANO. Mr. Speaker, I call up the bill (H. R. 10642) to amend an act entitled "District of Columbia Alley Dwelling Act," approved June 12, 1934, and for other purposes, and ask unanimous consent that the bill may be considered in the House as in Committee of the Whole.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Maryland?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That the act approved June 12, 1934, entitled "District of Columbia Alley Dwelling Act," be, and the same is hereby, amended as follows:

TITLE I

SEC. 1. This title may be cited as title I of District of Columbia Alley Dwelling Act amendments of 1938.

SEC. 2. That section 1 is amended to read as follows:

"It is hereby declared to be a matter of legislative determination that the conditions existing in the District of Columbia with respect to the use of buildings in alleys as dwellings for human habitation are injurious to the public health, safety, morals, and welfare, and it is hereby declared to be the policy of the United States to protect and promote the welfare of the inhabitants of the seat of the Government by eliminating all such injurious conditions by employing all means necessary and appropriate for the purpose, and that control by regulatory processes having proved inadequate and insufficient to remedy the evils, it is in the judgment of Congress necessary to acquire property in the District of Columbia by gift, purchase, or the use of eminent domain in order to effectuate the declared policy by the discontinuance of the use for human habitation in the District of Columbia of buildings in alleys, and thereby to eliminate the communities in the inhabited alleys in said District, and to provide decent, safe, adequate, and sanitary habitations for persons or families substantially equal in number to those who are to be deprived of habitation by reason of the demolition of buildings under the terms of this act, and to prevent an acute shortage of decent, safe, adequate, and sanitary dwellings for persons of low income, and to carry out the policy declared in the act approved May 18, 1918, as amended, of caring for the alley population in the District of Columbia, and to that end it is necessary to enact the provisions hereinafter set forth."

SEC. 3. That section 1 (a) is amended to read as follows:

"That in order to remedy the conditions and evils hereinbefore recited and to carry out the policy hereinbefore declared, the President is hereby authorized and empowered to acquire by purchase, gift, condemnation, or otherwise—

"1. Any land, buildings, or structures, or any interest therein, situated in or adjacent to any inhabited alley in the District of Columbia;

"2. Any land, buildings, or structures, or any interest therein, within any square containing an inhabited alley, the acquisition of which is reasonably necessary for utilization of the property acquired, by replatting, improvement, or otherwise, pursuant to the provisions of this act; and

"3. Any other land, together with any structures that may be located thereon, in the District of Columbia that may be necessary to provide decent, safe, adequate, and sanitary housing accommodations for persons or families substantially equal in number to those who are to be deprived of habitation by reason of the demolition of buildings pursuant to the provisions of the District of Columbia Alley Dwelling Act and title I hereof."

SEC. 4. That section 1 (c) is amended to read as follows:

"The Authority is hereby authorized and empowered to lease, rent, maintain, equip, manage, exchange, sell, or convey any such lands, buildings, or structures acquired under this act, for such amounts and upon such terms and conditions as it may determine: *Provided*, That sales of real property shall be made to the highest responsible bidder on terms satisfactory to the Authority after advertising for 3 consecutive weeks in at least one daily newspaper of general circulation and published in the District of Columbia: *Provided, however*, That the Authority may, without advertising, sell such property to a quasi-public institution or agency at not less than the cost of such property to the Authority, including improvements: *Provided further*, That if any such lands, buildings, or structures are required for the purposes of the United States or of the District of Columbia, they may be transferred thereto upon payment to the Authority of the reasonable value thereof."

SEC. 5. That section 3 is amended by adding thereto the following:

"(e) In carrying out the provisions of this act, the Authority is hereby authorized and empowered (1) to procure services or make any purchase without regard to the provisions of section 3709 of the Revised Statutes (41 U. S. C. 5), provided the aggregate amount involved is not more than $100, (2) to purchase books of reference, directories, and periodicals that are necessary in connection with its work."

SEC. 6. That section 3 (b) is hereby amended by adding thereto the following:

"The Authority is hereby authorized and empowered to accept gifts of money from private sources; to borrow from the Treasury of the United States not to exceed $1,000,000 in the fiscal year ending June 30, 1939, and a like sum in each of the four succeeding fiscal years, upon such terms and conditions as the President

may deem advisable, and appropriations for such purpose are hereby authorized out of the general fund of the Treasury."

SEC. 7. That section 3 (d) is amended to read as follows:

"The total amount paid for property or properties acquired, except by condemnation in any square shall not exceed 30 percent over and above the current assessed value of all the property or properties acquired in such square to carry out the provisions of this act."

TITLE II

SEC. 201. This title may be cited as title II of District of Columbia Alley Dwelling Act amendments of 1938.

SEC. 202. As used in this title—

(a) "Housing project" shall mean any low-rent housing (as defined in the United States Housing Act of 1937), the development or administration of which is assisted by the United States Housing Authority.

(b) "Development" shall mean any or all undertakings necessary for planning, financing (including payment of carrying charges), land acquisition, demolition, construction, or equipment, in connection with a housing project, but not beyond the point of physical completion.

SEC. 203. In addition to its other powers, the Alley Dwelling Authority (herein referred to as the "Authority") shall have the power to acquire sites for and to prepare, carry out, acquire, lease, and operate housing projects as defined in section 202 of this title and to construct or provide for the construction, reconstruction, improvement, alteration, or repair of any such housing project or any part thereof in the District of Columbia.

SEC. 204. For the purposes of this title the Authority shall be considered a public housing agency within the meaning of and to carry out the purposes of the United States Housing Act of 1937 and as such is empowered to borrow money or accept contributions, grants, or other financial assistance from the United States Housing Authority for or in aid of any housing project in the District of Columbia in accordance with the United States Housing Act of 1937, to take over or lease or manage any such housing project or undertaking constructed, owned, or operated by the United States Housing Authority, and to those ends to comply with such conditions and enter into such mortgages, trust indentures, leases, or agreements as may be necessary, convenient, or desirable: *Provided*, That the tax exemption of the property of the Authority shall be deemed a contribution by the District of Columbia in accordance with the requirements of section 10 (a) or section 11 (f) of the United States Housing Act of 1937 requiring local contributions. It is the purpose and intent of this title to authorize the Authority to do any and all things necessary to secure the financial aid of the United States Housing Authority in the undertaking, construction, maintenance, or operation of any housing project by the Authority.

SEC. 205. For the purpose of aiding and cooperating in the planning, undertaking, construction, or operation of housing projects, the District of Columbia as a contribution, or any department, instrumentality, or agency thereof, may upon such terms, with or without consideration, as it may determine:

(a) Dedicate, sell, convey, or lease any of its property to the Authority;

(b) Cause parks, playgrounds, recreational, community, educational, water, sewer, or drainage facilities, or any other works which it is otherwise empowered to undertake, to be furnished adjacent to or in connection with housing projects;

(c) Furnish, dedicate, close, pave, install, grade, regrade, plan or replan streets, roads, roadways, alleys, sidewalks, or other places which it is otherwise empowered to undertake;

(d) Enter into agreements with the Authority respecting action to be taken pursuant to any of the powers granted by this act;

(e) Cause services to be furnished to the Authority of the character which it is otherwise empowered to furnish;

(f) Enter into agreements with the Authority respecting the elimination of unsafe, insanitary, or unfit dwellings; and

(g) Do any and all things necessary or convenient to aid and cooperate in the planning, undertaking, construction, or operation of such housing projects.

SEC. 206. The Commissioners of the District of Columbia are hereby authorized to loan to the Authority such amounts as may be necessary to enable the Authority to comply with the provisions of the United States Housing Act of 1937, and appropriations for such purpose are hereby authorized out of the revenues of the District of Columbia, and the Authority is empowered to accept such loans.

SEC. 207. Notwithstanding any other evidences of the intention of Congress, it is hereby declared to be the controlling intent of Congress that if any provision of either title of this act, or the application thereof to any person or circumstance, is held invalid, the remainder of this act, or the application of such provision to persons or circumstances other than those as to which it is held invalid, shall not be affected thereby.

With the following committee amendments:

Page 1, line 9, after the word "that", insert "the first paragraph of."

Page 4, line 8, after the word "made", insert "at public sale."

Page 4, line 14, after the word "agency", insert "not organized or operated for private profit."

Page 5 line 5 after the word "work" insert "(3) to secure architectural and engineering services without regard to the civil-service laws or the Classification Act of 1923, as amended."

Page 5, line 17, after the word "Treasury", insert a colon and the following proviso: "*Provided*, That the Authority shall be obligated for the payment of interest at the going Federal rate as defined in the United States Housing Act of 1937."

Page 8, line 4, after the word "any", strike out "of its" and insert "needed."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

BRIDGE ABOVE RAILROAD TRACKS, DISTRICT OF COLUMBIA

Mr. PALMISANO. Mr. Speaker, I call up the bill (H. R. 10643) to amend the act of August 9, 1935 (Public, No. 259, 74th Cong., 1st sess.), and ask unanimous consent that the bill may be considered in the House as in Committee of the Whole.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Maryland?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That so much of the act of August 9, 1935 (Public, No. 259, 74th Cong., 1st sess.), as relates to the Baltimore & Ohio Railroad Co. and the Philadelphia, Baltimore & Washington Railroad Co. constructing a suitable viaduct bridge above the said railroads connecting Brentwood Road and T Street NE. with New York Avenue, as requires the construction thereof within 2 years after being directed so to do by the Commissioners of the District of Columbia, is hereby amended by extending such time for initiating this construction to October 20, 1940, and for the completion thereof within 18 months thereafter.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

DESIGNATION OF "OREGON AVENUE"

Mr. PALMISANO. Mr. Speaker, I call up the joint resolution (H. J. Res. 672) for the designation of the street to be known as "Oregon Avenue," and for other purposes.

The Clerk read the title of the joint resolution.

The Clerk read the joint resolution, as follows:

Resolved, etc., That, in honor of the State of Oregon, Daniel Road NW., in the District of Columbia, is hereby renamed "Oregon Avenue" and shall hereafter bear the name of "Oregon Avenue."

SEC. 2. The street in the District of Columbia known as "Oregon Avenue" prior to the enactment of this joint resolution is hereby renamed "Swann Street" and shall be a part of the street heretofore designated as "Swann Street."

With the following committee amendment:

Page 1, line 7, after the word "Columbia", insert "running through squares 132 and 152."

The committee amendment was agreed to.

The joint resolution was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

FLAG FOR THE DISTRICT OF COLUMBIA

Mr. PALMISANO. Mr. Speaker, I call up the bill (H. R. 9475) to create a commission to procure a design for a flag for the District of Columbia, and for other purposes, and ask unanimous consent that the bill may be considered in the House as in Committee of the Whole.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Maryland?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of War, the Secretary of the Navy, and the president of the Board of Commissioners of the District of Columbia be, and they are hereby, created a commission to procure a design for a distinctive flag for the District of Columbia, the seat of the Capital of the Nation: *Provided*, That in the selection of such design the commission hereby created shall have the advice of the Commission of Fine Arts.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

YOUNG WOMEN'S CHRISTIAN ASSOCIATION, DISTRICT OF COLUMBIA

Mr. PALMISANO. Mr. Speaker, I call up the bill (H. R. 10673) to exempt the property of the Young Women's

Christian Association in the District of Columbia from national and municipal taxation, and ask unanimous consent that the bill may be considered in the House as in Committee of the Whole.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Maryland?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That all property of the Young Women's Christian Association of the District of Columbia located in the District of Columbia and occupied and used by such association for its legitimate purposes shall be exempt from all national and municipal taxation so long as such property is so occupied and used.

SEC. 2. The Young Women's Christian Association of the District of Columbia is hereby relieved from any accrued liability to the United States or the District of Columbia for taxes imposed upon any of the property of such association located in the District of Columbia for any tax period during which such property was occupied and used by such association for its legitimate purposes.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

COSMETOLOGY

Mr. PALMISANO. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 6869) to regulate the occupation and practices of cosmetology, to create a District of Columbia Board of Cosmetology for the examination and licensing of persons to carry on or to teach such practices, to insure the better education of such practitioners, to provide rules regulating the proper conduct and sanitation of cosmetological establishments and schools, for the protection of the public health, and to provide penalties for violation thereof, with Senate amendments thereto, and concur in the Senate amendments.

The Clerk read the title of the bill.

The Clerk read the Senate amendments, as follows:

Page 12, line 14, strike out all after "training" down to and including "made" in line 18.

Page 17, line 17, strike out "third" and insert "second."

Page 17, line 19, after "prescribe", insert "The Commissioners of the District of Columbia are hereby authorized and directed to provide suitable quarters for such examinations."

Page 19, line 16, strike out all after "SEC. 21." down to and including "it" in line 21, and insert "The sanitary regulations for the control of beauty shops and manicuring establishments in the District of Columbia shall be such as are now in force or which may from time to time be promulgated by the Health Department of the District of Columbia, which said department shall have full and complete charge of the enforcement of said sanitary regulations. It."

Page 20, line 8, after "provide", insert ": *Provided further*, That nothing in this act contained shall be construed to limit or repeal any existing rules, regulations, or laws relating to health or sanitation."

Amend the title so as to read: "An act to provide for the examination and licensing of those engaging in the practice of cosmetology in the District of Columbia."

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Maryland?

There was no objection.

The Senate amendments were concurred in.

A motion to reconsider was laid on the table.

BARBERS IN THE DISTRICT OF COLUMBIA

Mr. PALMISANO. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 7085) to regulate barbers in the District of Columbia, and for other purposes, with Senate amendments thereto, and concur in the Senate amendments.

The Clerk read the title of the bill.

The Clerk read the Senate amendments, as follows:

Page 8, line 9, strike out "health", and insert "Board."

Page 11, after line 19, insert:

"(f) Persons engaged in the practice of physiotherapy or massaging, stimulating, or exercising of the head, neck, arms, bust, or upper part of the body, when done for the purposes of health and hygiene."

Page 12, line 6, after "repealed", insert ": *Provided*, That nothing in this act contained shall be construed to limit or repeal any existing rules, regulations, or laws relating to health or sanitation."

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Maryland?

There was no objection.

The Senate amendments were concurred in.

A motion to reconsider was laid on the table.

Mr. PALMISANO. Mr. Speaker, I ask unanimous consent that further business in order on today, Calendar Wednesday, be dispensed with.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Maryland?

There was no objection.

UNITED STATES DISTRICT COURT AT WILKES-BARRE, PA.

Mr. WALTER. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk a bill (H. R. 9468) to amend the act of May 13, 1936, providing for terms of the United States district court at Wilkes-Barre, Pa.

The Clerk read the bill, as follows:

Be it enacted, etc., That the act entitled "An act to provide for terms of the United States District Court for the Middle District of Pennsylvania to be held at Wilkes-Barre, Pa.," approved May 13, 1936, is amended to read as follows:

"That terms of the United States District Court for the Middle District of Pennsylvania shall be held at Wilkes-Barre, Pa., on the second Monday of April and second Monday of September of each year: *Provided, however*, That all writs, precepts, and processes shall be returnable to the terms at Scranton and all court papers shall be kept in the clerk's office at Scranton unless otherwise specially ordered by the court, and the terms at Scranton shall not be terminated or affected by the terms herein provided for at Wilkes-Barre."

Mr. WALTER (interrupting the reading of the bill). Mr. Speaker, I ask unanimous consent that the further reading of the bill be dispensed with.

Mr. MAPES. Mr. Speaker, reserving the right to object, unanimous consent has not yet been granted to consider the legislation.

The SPEAKER pro tempore. The consent has not been granted. The Clerk is reporting the bill for the information of the House.

Mr. MAPES. I understood the gentleman from Pennsylvania to ask unanimous consent to have the bill considered as read.

The SPEAKER pro tempore. The gentleman from Pennsylvania asks unanimous consent to dispense with the further reading of the bill. Is there objection to the request of the gentleman from Pennsylvania?

Mr. MAPES. That does not assume that consent to consider the bill has been granted?

The SPEAKER pro tempore. The Chair will put the request of the gentleman for present consideration of the bill after action has been had on his immediate request. Is there objection to dispensing with the further reading of the bill?

There was no objection.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. MAPES. Reserving the right to object, Mr. Speaker, will the gentleman explain the purpose of the legislation?

Mr. WALTER. Under existing law the authorization for holding terms of court at Wilkes-Barre contains the provision that the authority shall exist so long as suitable accommodations can be provided without expense to the United States. A new post-office building has been constructed that contains quarters and all the accommodations necessary for holding court. The Department of Justice has taken the position that because of this provision in the bill it is impossible to furnish heat or light in the quarters thus provided, as well as janitor service, and the object of the bill is to remove this limitation so that terms of court can be held in the building erected for that purpose.

Mr. MAPES. May I ask the gentleman if the other members of the Committee on the Judiciary know that it was planned to call the bill up now?

Mr. WALTER. Yes; I have spoken to the gentleman from Michigan [Mr. MICHENER] and the gentleman from Kentucky [Mr. ROBSION], and they are both in agreement.

Mr. MAPES. Mr. Speaker, I do not expect to be able to correct the practice, but I think it is a very unfortunate prac-

tice, on these days set aside for the consideration of special legislation, for the Speaker even to entertain a unanimous-consent request to pass other legislation. It is a practice which has grown up particularly in the last few years and I think it is very unfortunate. The membership of the House ought not to be required to stay here to make sure that legislation is not going to be called up unexpectedly or that no one anticipated would be called up. This practice requires the Members who want to be here when legislation is considered to be on the floor unnecessarily almost every minute of the time.

I am not going to object to the gentleman's request, but being here at this particular time I want to register my protest against the procedure.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

The bill was ordered to be engrossed and read a third time, was read the third time and passed, and a motion to reconsider was laid on the table.

THE NEW FARM ACT

Mr. BIERMANN. Mr. Speaker, I ask unanimous consent to proceed for 1 minute.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Iowa?

There was no objection.

Mr. BIERMANN. Mr. Speaker, there has been considerable misinformation regarding the purposes and the effect of the new Farm Act. I think even on this floor Members have said that it is a program of scarcity. Of course, it is not that at all. It is a program to balance production and distribution. Other Members have indicated that the crop-control provision is compulsory. Of course, it is not compulsory. The farmer may go in or stay out as he pleases.

There has also been considerable misinformation about the corn-acreage allotment of my part of the country.

For the enlightenment of the Members of the House and other readers of the CONGRESSIONAL RECORD, Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD at this point by including parts of an enlightening address by the Secretary of Agriculture recently delivered over the radio.

The SPEAKER pro tempore. The gentleman from Iowa asks unanimous consent to extend his own remarks in the RECORD at this point and include portions of an address by the Secretary of Agriculture, to which he has referred. Is there objection to the request of the gentleman from Iowa?

There was no objection.

The matter referred to follows:

For 2 weeks or more middle western farmers have been planting corn. Each man has been deciding for himself whether he will take part in the triple A farm program. I want to talk to the farmers who still are trying to make up their minds about the program and to the city people who will be affected by what they do.

It is important that everyone know what is likely to happen if the Corn Belt farmers back their program and what may happen if they do not. The businessmen, laborers, and consumers who live in the cities have a big stake in the farmers' decision. One reason is that almost all are feeling the effects of the business decline.

The country needs a strong, safe anchor that will keep it from being swept down the stream of deflation as it was in 1932. It needs to keep its engines working so as to be able to pull back upstream to recovery. The farm program can provide both a strong, safe anchor and at least one important engine of recovery.

ACREAGE ALLOTMENTS

Five years ago President Roosevelt signed the first Agricultural Adjustment Act. And just 3 months have passed since the Agricultural Adjustment Act of 1938 became a law.

Under the new farm act every farm in the 566 counties where corn is grown commercially has a corn-acreage allotment. This is the farm's share in the national volume of corn production that will supply all domestic and export needs and, in addition, to maintain an ever-normal granary reserve consisting of double the usual carry-over of corn. This will give better protection against possible crop failure in the future. The goal for the Nation is abundance. The goal for the farmer is conservation of his soil and of his income.

As the Corn Belt farmers finish planting corn, they are individually laying the groundwork for their incomes from corn next fall. They are making plans, too, for their livestock herds and incomes from livestock in 1939 and 1940. What the Corn Belt farmers do now will have an important influence on the prosperity of the rural areas of the Middle West for the next 2 years. This in turn will affect the buying power of the Middle West for the goods turned out by the labor and industry of eastern cities.

BIG CORN CARRY-OVER

Why do Corn Belt farmers need a farm program? The answer is that they produced a big corn crop last year, and, because of the droughts of 1934 and 1936, there are 12,000,000 head fewer than the usual numbers of livestock to eat it. On April 1, over a billion bushels of last year's corn crop was still in the farm cribs. This was nearly 300,000,000 bushels above average. The corn carry-over next October 1 is expected to be twice the average.

The sober fact is that, with ordinary weather and no farm program, the corn surplus might go up to the highest in history. The result would be a threat of painfully low corn prices. The break of livestock values that always follows a corn price collapse woud be just around the corner.

For the sake of the consumer, we are glad that the ever-normal granary for corn is now full. But in order that the ever-normal granary may prove to be a permanent benefit to consumers, it is essential that farmers show their ability to control the overflow.

CHANCE FOR COOPERATION

Formerly, the farmers were helpless to protect themselves when excessive supplies piled up, and business and industry had to share the injury. But the new Farm Act gives the farmers a chance to carry out a cooperative program. If they will only cooperate with each other and with the Government, they can control the overflow and protect the soil, the consumer, and their own incomes.

Every Corn Belt farmer decides for himself whether or not he will take part. If he does take part and plants his crops in line with his allotment, the farmer can assure himself definite payments. He can assure himself that he will avoid the waste of soil that comes from producing soil-depleting crops that are not needed.

GOOD PROPOSITION

The payment to the farmer is intended to make up for his sacrifice in adjusting his acreage. If the farmer thinks he cannot keep within his allotment he will still be eligible to receive some payment if he does not exceed his allotment too much. Taking part in the program is a good business proposition for him as an individual as well as for the Corn Belt and the whole country.

* * * * * * *

The problem now facing the Corn Belt is so serious that petty and political considerations might well be set aside to make possible the most widespread and united support of the farm program. But instead, new and violent attacks are launched. If successful, these attacks would wreck the usefulness of the farm program for meeting the present emergency. All kinds of baseless accusations are brought.

WOULD AVOID QUOTAS

Most absurd of all, the corn acreage allotments are denounced as "compulsory." The fact is that staying within the allotments is strictly a voluntary proposition. Participation is not only voluntary but, if most farmers should take part, that would head off the need for a referendum next fall on the more rigorous "marketing quota" provisions for corn.

Farther South, the cotton and tobacco farmers are now using the marketing quotas. They voted for these quotas to meet surplus conditions which, in the Corn Belt, have been averted by the two great droughts.

A WORD TO CRITICS

The problem of these southern farmers has been and is extremely difficult because the total supplies of their crops are so large. They have met very courageously problems more serious than anything the Corn Belt has faced in the last 4 years.

So far as the corn program is concerned, the greater the participation now the less likelihood there will be of a vote on marketing quotas next fall.

If the critics of marketing quotas really were as anxious as we are to avoid a situation which will make their use necessary, these critics would be urging, not opposing, voluntary cooperation at this time.

Where would the course urged by these "old deal" opponents of the farm program really lead? I want to go on record on that right now. In my opinion, their course if followed would lead the farmers back to a disaster like that of 1932.

TO PREVENT OVERFLOW

But no one is pretending that carrying out the farm program is a bed of roses. This program does not eliminate the problem, but deals with it in a systematic way. That is where the acreage allotments come in. A large reserve has been built up for the over-normal granary and the allotments are the best way that has been worked out to keep an overflow from swamping the farmer.

It is a short time since the act was passed and it is not surprising that there are injustices in some of the allotments. But in the main the farmers' committees have worked hard on them and have done a good, honest job. Many committeemen are still working against time to iron out any mistakes that remain.

CONTROL AGAINST DEFLATION

Now I want to emphasize especially what this program means to businessmen, professional people, and factory and office workers in the cities and towns.

To businessmen, I would point out that so far as farm purchasing power and the farm market are concerned, the Farm Act gives farmers an opportunity to protect themselves against another uncontrolled deflation like that of 1932.

Under the act certain contingencies are to be met with positive steps that are provided for in advance. Without an effective farm program the farm situation could easily be a drag on business. But with an effective farm program the farmers can do their share to bring recovery.

After all, what the people of the United States really want is to have an abundance of needed goods produced on the farm and in the factory and to have these goods distributed to the people who need them. No one wants scarcity, and least of all the farmers.

BIGGEST CROPS EVER

The farmers wonder why on earth they should be accused of scarcity. They know that last year their production of the 55 leading crops was 6 percent greater than ever before in the history of the United States.

At the present moment they know that if ordinary weather continues only their own efforts in cooperation with each other and with the Government will keep them from being swamped by a wasteful and devastating overproduction once more.

But as they look around they see that there is scarcity. Although farm production is up, nonfarm production is a third less than a year ago. In the last year farm prices have fallen 25 percent, while nonfarm prices have fallen only 4 percent.

FACTORIES CLOSED

City scarcity has been brought about by closed factory doors and smokeless factory chimneys, by the idleness of factory workers who have lost their jobs. The farmers realize the average businessman can't help reducing employment when his markets collapse.

But they wonder why the businessmen and the labor leaders do not work out cooperative arrangements among themselves—calling on the Government for such aid as they need—to assure balanced abundance of production.

* * * * * * *

The farm policies are abundance policies, and the farmers call on the city people to join with them in bringing about that balanced production and distribution which mean abundance for all. Let us rejoice in our abundance and work in sensible fashion to make it a blessing and not a curse.

And, meantime, the farmers ask both business and labor for wholehearted support to help them succeed with the program that is their contribution toward good business for the Nation.

LEAVE TO ADDRESS THE HOUSE

Mr. HOOK. Mr. Speaker, I ask unanimous consent that on Friday next, after the disposition of legislative matters and of all special orders, I may be permitted to address the House for 15 minutes.

The SPEAKER pro tempore. Is there objection?

There was no objection.

Mr. PATRICK. Mr. Speaker, I ask unanimous consent to address the House for 10 minutes on Friday next, after the disposition of business on the Speaker's table, the legislative business of the day, and other special orders heretofore made.

The SPEAKER pro tempore. Is there objection?

There was no objection.

HELIUM

Mr. PHILLIPS. Mr. Speaker, I ask unanimous consent to proceed for 1 minute.

The SPEAKER pro tempore. Is there objection?

There was no objection.

Mr. PHILLIPS. Mr. Speaker, yesterday I obtained consent to place in the RECORD some correspondence that I have had with the President and with various Members of the Cabinet on the subject of helium. I take the floor at this time to preface that correspondence by these few remarks. It occurred to me in the discussion of the helium problem that some of us feel we should not export any helium. On the other hand, many of us feel that it is a shame that humanity must suffer because of the fact that we do not seem to have dirigibles in which to put this helium. The Germans have. Therefore, this thought presented itself: Would it be possible for us to trade excess farm crops, such as wheat, cotton, or corn with the Germans for one or two dirigibles, to be operated by a United States Government corporation?

The SPEAKER pro tempore. The time of the gentleman from Connecticut has expired.

Mr. PHILLIPS. Mr. Speaker, I ask unanimous consent to proceed for 1 minute more.

The SPEAKER pro tempore. Is there objection?

There was no objection.

Mr. PHILLIPS. Mr. Speaker, my suggestion is that with the excess farm crops we purchase some dirigibles, to be operated by a 100-percent United States Government corporation, possibly giving the Germans 10 or 20 or 30 percent, whatever would be fair, of the profits of the operations of the line. With that thought in mind, and inasmuch as I was near New York last Saturday, I sought and obtained an interview there with Dr. Eckener, and in connection with that I have addressed the President a letter; also, a letter to various members of the Cabinet; and I respectfully refer the Members of the House to that correspondence, which I shall put into the RECORD, if possible, tomorrow. In closing, may I say that Dr. Eckener—and he is a very polite and affable gentleman and speaks better English than I do—expressed himself as feeling that the dirigible is still a commercial possibility.

The SPEAKER pro tempore. The time of the gentleman from Connecticut has again expired.

Mr. PHILLIPS. Under permission to extend my remarks and include therein correspondence with the President and members of the Cabinet on the subject of the export of helium, I herewith append copy of letter addressed the President and a copy of a letter I sent to various members of the Cabinet:

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, D. C., May 23, 1938.

Hon. FRANKLIN D. ROOSEVELT,
President of the United States,
The White House, Washington, D. C.

MY DEAR MR. PRESIDENT: The other night, on my way to Connecticut by train, I was reading Commander Rosendahl's new book, entitled "What About the Airship?" In this book he speaks of the history and prospective future of the dirigible and he also reminds us that the Germans constructed for us the obsolete (and should be demolished) *Los Angeles*, now decommissioned at Lakehurst.

As you know, I have been very much opposed to letting the Germans have any helium, and this feeling of mine is stronger than ever, and I might add has received the approbation, as demonstrated by my mail and otherwise, of many people in and out of Congress. However, it has to me seemed a shame that the development of the dirigible—a promising art of transportation—should be held up because of international situations, thus prejudicing the welfare of mankind as a whole.

Turning the matter over in my mind while reading Commander Rosendahl's book, it occurred to me that a common meeting ground between us and the Germans might be arranged now as it was after the war, when they made a dirigible for us as follows: (1) Trade off surplus wheat, corn, or cotton which they may need for one or more dirigibles which the Germans shall turn over to us; (2) the United States Government to organize a commercial dirigible line, using these dirigibles, the latter to be operated by Americans trained by the Germans; (3) the Germans to receive some fair percentage of the profit from the commercial operations of such a line of dirigibles.

With this thought in mind I sought and received an interview with Dr. Eckener last Saturday in New York City, a few hours prior to his departure for Germany on that day. It is not fair to quote other people without their consent, and I, therefore, do not quote Dr. Eckener. However, I received the distinct impression that he reacted somewhat favorably to my suggestion, although I assume that he must take such a subject up with high authority in Germany. I told him that I would place this idea before you. I do it herewith. If you should wish to discuss this matter at further length with me, I would, of course, be very happy to do so.

I might add that I told Dr. Eckener quite frankly that I did not believe the United States should let any helium out of its possession to any foreign nation today. I told him, too, that, in my opinion, the majority of the Members of Congress felt the same way about it as do a majority of the American people.

With warm personal regards,

Very sincerely,

ALFRED N. PHILLIPS, JR.

CONGRESS OF THE UNITED STATES.
HOUSE OF REPRESENTATIVES,
Washington, D. C., May 23, 1938.

Hon. CORDELL HULL,
Secretary of State, Washington, D. C.

MY DEAR MR. SECRETARY: As you know, I believe that it is the feeling of the majority of the Congress, as well as of the American people, that at this time the United States should not allow any helium to leave its possessions for other countries except for hospital or other medical use.

In conference with Dr. Eckener in New York last Saturday I told him the same thing. However, I suggested the following to Dr. Eckener, and which suggestion I have today referred to the President: (1) That the Germans trade us one or more Zeppelins for some of our surplus farm commodities—wheat, corn, or cotton; (2) that the United States Government organize a commercial dirigible line to operate such airship or airships using American crews, these crews having been trained by Germans; (3) that the Germans receive some fair percentage of profit accruing from the commercial operation of such an air line.

I told Dr. Eckener that I would refer this suggestion to various governmental authorities here. Accordingly I am writing you thus.

Trusting that this or some similar suggestion may be worked out satisfactorily to the benefit of all concerned,

Very sincerely,

ALFRED N. PHILLIPS, Jr.

This is similar to a letter sent the Honorable Harold L. Ickes, Secretary of the Interior; Hon. Daniel C. Roper, Secretary of Commerce; Hon. Henry A. Wallace, Secretary of Agriculture; Hon. Harry H. Woodring, Secretary of War.

While on the subject of helium and dirigibles I commend to the attention of all Members of Congress Commander Rosendahl's book on this subject, this book recently published and entitled "What About the Airship?"

ORDER OF BUSINESS

Mr. MAPES. Mr. Speaker, I rise to a parliamentary inquiry.

The SPEAKER pro tempore. The gentleman will state it.

Mr. MAPES. Mr. Speaker, the special orders which have been entered from time to time have provided for speaking after the close of the legislative business of the day. On one or two occasions recently unanimous consent has been requested and granted at the close of those speeches to take up and pass some particular bill. May I ask the present occupant of the chair if the House today may be assured that there will be no further legislation today?

The SPEAKER pro tempore. The present occupant of the chair states for the information of the gentleman from Michigan that no further legislative business is contemplated today than the two special orders.

Under special order heretofore made, the Chair recognizes the gentleman from Nebraska [Mr. BINDERUP] for 30 minutes.

GOVERNMENT MONETARY CONTROL

Mr. BINDERUP. Mr. Speaker, before beginning the regular schedule of discussion of my bill today—H. R. 9800—a bill for monetary control, first introduced in the Seventy-fourth Congress and again in the Seventy-fifth Congress, I wish first to make a few outstanding observations:

First. Ninety-seven percent of all of the Nation's money is created by the banks in demand bank deposits, disregarding the constitutional provision in section 8, article I, that provides Congress shall create our money supply and regulate the value of money, which value is established by and according to the volume of money in circulation. We have 15,000 banks in the United States that mint and unmint our money; that tinker with our money supply from the minute they open their doors in the morning until they close at night, loaning their credit by taking your notes and giving you a checkbook. They do not have the money, as evidenced by the statement of the Comptroller of the Currency, whose statement shows the banks have loaned to the people $26,000,000,000, when all the money in circulation is only $6,000,000,000. Thus the banks have loaned the people $20,000,000,000 of thin air and are drawing their interest thereon.

A great deal has been said in earlier terms of Congress and in this term of Congress about the danger there is of Congress tinkering with our monetary supply, when the trouble really is that Congress should have tinkered more with our money system, at least to the extent that they should have prevented 15,000 banks from doing this very thing, without system and without control, each bank acting individually, without restraint.

I call attention to the fact that banks create booms and depressions, inflate and deflate our money supply, prompted by four characteristics of human nature—selfish greed, or desire for unjustified profits, optimism, and fear. By this method they contract our money supply, and the dollar goes up in value and labor and all commodities go down, causing foreclosures and bankruptcies. Here Wall Street and international bankers and large combinations of vast capital buy; then they deliberately inflate our money supply by lending their credit as money—checkbook money or fountain-pen money—thus making prices go sky high, at which point they sell. It is the endless circle that destroys nations, destroys purchasing power, that appears on the surface as overproduction of labor and commodities. They expand and contract our money supply, without any control whatever by Congress or by the Federal Reserve Board, thereby raising and lowering prices of commodities according to their own liking.

The Federal Reserve Board and the Federal Reserve banks have three ways of creating deflation. They have three ways of creating recessions and depressions, or panics and unemployment. But after they once start these recessions and these panics, and a downward spiral of prices, they have no way of stopping them. To substantiate this fact, I wish to quote Marriner Eccles in his article in the Fortune magazine:

> Monetary control is thus an indispensable instrument in controlling booms and depressions. This single instrument, however, has its limitations. Although upper and lower limits to business activity and price movements may be set by effective monetary control, the distance between these limits appears to be wide enough to permit fluctuations of such magnitude as to keep us far from the goal of stable prosperity.

Truly, Mr. Eccles; but why this lack of control? Let me reply. Simply because you lack, first, a legislative mandate that gives you complete control in place of a mere policy by Congress that limits your control; second, because you try to control by taking into the picture Wall Street and the coupon clippers, and our interests are contrary to theirs. They want the very thing we desire to eliminate, namely, fluctuating money, purchasing power. They make their money by prices rising and falling, buying and selling accordingly. You cannot take your enemies to your bosom in accomplishing monetary control. But you can go to the people, the friends of our plan; they will cooperate, for all the interests of the people are identical.

The Federal Reserve Board have no way of creating money or expanding our money supply or of raising price levels. In writing the Federal Reserve Act Congress just forgot this, the most important of all. The situation is as if a general should supply his bugler with three bugle calls for retreat and forget to give him a single bugle call to halt a retreat or to advance.

The Federal Reserve System is an attempt to use bank policy in managing credit. But there is no clear understanding of the relationship of bank policy to commodity prices, and there is no general acceptance of the principle that these banks should consider commodity prices. By means of the discount rate and the purchase and sale of securities it is possible for the banks to do but little in stabilizing prices. The Federal Reserve law involves the questionable idea that the currency should be increased when business is active and curtailed when depressions come. The most illogical and erroneous plan, entirely reversing the plan for monetary control, that should rather restrict inflation by too much money in boom times and supply the sufficient amount in times tending toward depressed prices. The idea that when men are willing to give more notes—inflation—these notes creating more of our demand bank deposit money, is a risky business and a destructive plan. It tends to violent fluctuations rather than to stabilized prices. The most severe panics this Nation has ever had were since the inception of the Federal Reserve Banking Act in 1920. We started out with the panic of 1920, then followed the panics of 1929 and 1937.

I make the charge, and challenge anyone to deny it, that every one of these panics was started intentionally, deliberately, and premeditatedly by the Federal Reserve Board and the Federal Reserve banks of the United States. I am going to write to Mr. Eccles, Chairman of the Federal Reserve Board, and include these statements and ask him to answer. I feel sure he will, and I want to read Mr. Eccles' reply to you as soon as I receive it.

And now I want to thank you, Mr. Speaker, and this Congress, for the extraordinary privilege that has been extended me to speak for 5 consecutive days on the monetary plan of my bill, H. R. 9800, the bill for monetary control of 1938, a bill that furnishes the only definite plan for the elimination of unemployment that has been troubling this Congress, the thing that has been troubling the world for years. I would like to add, as a little introduction, that I have devoted the greater part of my life, as far as study is concerned, to monetary questions, to banking, and to currency. In order to qualify and fortify myself in this great unequal fight against the opposing forces, Wall Street and international bankers—I use these terms because they have been established in the minds of the American people as the symbol of monetary monopoly and selfish greed, the power that has become more powerful than Government itself—in a conversation with President Roosevelt about a year ago, our President approved my earlier suggestion that I go to Europe at my own expense to confer and learn from outstanding monetary students as well as big banks, thus to strengthen my position, in order to be better prepared to explain the plans of the bill that I have introduced in this Congress for the second time, the bill for Government monetary control.

Let me start out with a little prefatory statement in order to fortify myself that I may, as I always do, gain an inspiration from the greatest statesman this Nation has ever produced. Thomas Jefferson, he who could see through the mists and the clouds and the shadows of a great but mismanaged monetary system, said:

> If the American people ever allow private banks to issue their money, first by inflation and then by deflation, the banks and the large corporations that will grow up around them will deprive them of all their property, and their children will wake up homeless on the continent their fathers conquered.

And how well we recognize today the truth of this prophecy of this great statesman. Within the last few days I have received a letter from my district in Nebraska, a report from the agricultural department in my State, in which the writer discloses the startling facts that in three of the outstanding counties of my district, in the Republican Valley, in 1937 in one county 10 percent of the farms were foreclosed; in another one 14, and in the third 22 percent. And then bear in mind, if you please, that twice as many farms are deeded over to the mortgagees by mutual agreements for the privilege of staying one or two more years without rental. When I read that I am convinced that the statement of Thomas Jefferson, "Their children will wake up homeless on the continent their fathers conquered," has become true; the prediction has become a reality.

And this, if you please, in the Republican Valley of Nebraska. I want to quote from the Stock Yards Journal of Omaha, Nebr., this in the year 1928: "More livestock is being shipped from the Republican Valley in Nebraska than from any other like area in the United States." In our great country we are losing our farms by foreclosure, and the Nation is losing its homes, the units in the foundation of our Government, without which no Nation can live, for a group of renters, roaming nomads, have no interest in their Government. How could they love a Government that had robbed them of their homes by a system of inequitable laws that failed to protect the worthy citizens against predatory plundering greed, and sacrificed the Nation's homes? It was Goldsmith who said:

> Ill fares the land to hastening ills a prey,
> Where wealth accumulates and men decay.
> Princes and lords may flourish or may fade
> A breath can make them as a breath has made,
> But a bold peasantry, our country's pride,
> When once destroyed can never be supplied.

Thomas Jefferson said further:

> The issuing of the Nation's money should be taken away from the banks and should be given back to the people where it belongs, and as the Constitution provides.

There is another great statesman whose writings inspire me—a great Republican. And let it here be known that the bill I have introduced is decidedly a nonpartisan bill. It was the Republicans themselves who in their platform said that if they were elected to power in Congress they would restore to the people their constitutional right to coin, and regulate, and control their own money. Let me here quote from their platform of 1932:

> We pledge a sound currency at all hazards. We will restore to the Congress the authority lodged with it by the Constitution to coin all money and regulate the value thereof.

It was the Progressive Party that said the same thing. Let me quote from the platform of the Progressive Party, 1934:

> Credit and money should be controlled by the people through Government-owned central banks—

Meaning, as I understand it, the Federal Reserve banks—which will make the monopoly of credit in private banks impossible.

Let me quote the Farmer-Labor platform of 1934:

> Congress shall exercise the constitutional power to coin money and to regulate the value thereof.

Only one party went further on that great issue and assumed a still greater responsibility. That was the Democratic Party. The Democratic Party said for 35 years to the people, they said it again in 1932, and made it still stronger in 1936. I quote from the very first plank of the Democratic platform in 1932:

> We maintain that the depression of 1920 and the depression of 1929 were due to the indefensible contraction of credit for private profit at public expense and we pledge the Democratic Party to preserve a sound currency at all hazards. The Democratic candidates pledge their endorsement of this platform 100 percent. We promise to restore property values and to endeavor to establish a dollar of uniform permanent debt-paying power.

And the Democratic Party promised the people in 1936:

> We approve the object of a permanent sound currency stabilized so as to prevent the former wide fluctuations in value, injuring, in turn, the producers, debtors, and property owners, on the one hand, and wage earners and creditors, on the other—a currency which will permit full utilization of the country's resources.

Listen to us, said the Democratic Party to the people—

> We know just exactly what is the matter with the country. The entire fault lies in the Republican Party. They destroyed our great Nation by the curtailment of credit, by the contraction of currency, taking away from the people their money supply that collapsed prices, first in 1920 when they took away from the people over $10,000,000,000, and then again in 1929 when they took away over eight billions of our money supply that measures values and establishes prices according to its own supply. Elect us to Congress and we promise you we will correct this monster evil. We will give back to the people their constitutional right to control their own money supply and velocity that regulates prices of labor and all commodities. If you will only elect us Democrats, we will put back into the veins and arteries of trade and commerce the necessary amount of money to again raise the price level to correspond with fixed charges such as interest and taxes and all other fixed charges.

So I say that the greatest responsibility falls on the Democratic Party because they have made this pledge over and over again for 35 years, since the time of William Jennings Bryan. And this sacred promise to the people has remained nothing but a mere promise, an unfulfilled obligation in reply to our mandate from the people we represent. Let me refer for a moment to James A. Garfield. I always like to quote a Republican authority when I refer to a Democrat, as the issue I present in my bill for monetary control is positively nonpartisan. I would recommend to anyone who wants to know about the monetary question and wants to understand it, that he read the writings of Mr. James A. Garfield, wherein he said, among many other emphatic statements:

> Whoever controls the volume of money in any country is absolute master of all trade and industry.

And it would not much have changed the thing if James A. Garfield had made that passage read that the power that controls the volume of money in every country holds within

the palm of its hand the welfare of every man, woman, and child. The power that controls the volume of money in every country positively and absolutely controls employment and unemployment. It controls and dictates poverty or progress. It distributes happiness or sorrow at its own will. It exchanges the cupboard of plenty for soup kitchens and bread lines.

Mr. Speaker, I want to make a statement, and I hope I may not be considered radical, because the righteousness of the cause I propound is such that I should guard against this more than anything else, that I may not create any prejudice in the minds of my fellow man. I say premeditatedly and after full consideration that Wall Street and the international bankers and large organizations and associations and corporations of vast capital are the political cancers at the heart of our great Government. They would crucify humanity upon the altar of human greed. They are more dangerous to the principles of a great, free democracy than is a standing foreign enemy upon our shores.

In all the prisons of the world and down in the depths of hell there is no system, there is no group of men who have created more misery and want, more starvation and deprivation, more sorrow and suffering, more suicides, murders, and wars than selfish greed and centralized wealth, concentrated in money monopoly, that creates our booms and depressions.

Now please do not call me radical. Let me ask you, Am I radical because I want to give back to the people their constitutional right to coin and control their money, or are they radical that have taken from the people this, their constitutional right and privilege? I remember at one time making that statement over the radio and I well remember a letter I got in reply. I want to mention this because it goes right to the very point I want to emphasize. I received a letter from a certain man in Omaha, Nebr., after having made the statement over the radio, in which the writer said:

> You are always raving and ranting about the international bankers and about these large organizations of vast capital. Why do you always talk about that out here in Nebraska? We don't have any international bankers out here. Why do you not go to New York and talk to Wall Street? Why don't you go down and tell J. Pierpont Morgan about it. We are not interested out here, and anyway what's the use of telling us about it?

I never answered that letter, although I usually answer my correspondence. But, if I should ever meet that man from Omaha, I would like to tell him a little story about Wendell Phillips when he became so enthusiastic about the freedom of the slaves that he left his home and traveled along the north side of the Mason and Dixon's line talking about the sinfulness of human slavery and urging the Nation to abandon this sinful way. One day his train was moving along slowly and stopped at a little station. A number of men got on the train wearing their round, high collars, frock coats, and silk hats. Wendell Phillips made up his mind that it was just a bunch of preachers who had likely been attending a conference. The train had just started out when one of the southern ministers came up, tapped him on the shoulder, and said, "I believe I recognize in you that young upstart who is traveling around here talking about making the slaves free. Am I right?" Wendell Phillips replied, "Yes; I have consecrated my life to that holy cause, that our Nation may forever discontinue human slavery." The minister said, "What is the use of talking about that up in the North? They don't have any slaves up here. Why don't you go down to the slave owners in the South and talk to them?" Wendell Phillips replied, "I believe I recognize in you a minister of the gospel, do I not?" And the minister said, "Yes." "It is your business to preach against the devil and the imps of hell, is it not?" The minister again replied that it was, and Wendell Phillips replied "Then why don't you go to hell and do your preaching?"

I want to bring out especially this fact that all reform comes from the outside. Reform never comes from the inside. When our monetary system is to be changed, as it will and must be if this Nation shall live, that reform must come from the outside and not from the inside. Not from the Federal Reserve Board, in its present status paid by the Federal Reserve banks. How impossible. Would you expect protection from our police department if their salaries were paid by the bootleggers, kidnapers, and racketeers, and you had not even supplied them with the power to enforce your rights, neither gun nor club nor the right to determine nor power to arrest? Well, that is about what you have done with the Federal Reserve Board. You gave them a big job when you asked them to control predatory, plundering Wall Street, and maintain a price level and an equal purchasing power of the dollar and to stop booms and depressions, and you did not even give them any power to enforce. Did not even supply them with mandatory legislation and a definite plan, but left them vulnerable to the ravages of selfish greed. The Federal Reserve Board under their present authority could no more control our money supply than they could control the wind. So let us give them mandatory power and if they fail to use it, fire them all or any number thereof immediately.

Another mistake: With few exceptions we have always appointed bankers on our Federal Reserve Board. If that policy is right, why do not we appoint the presidents of railroads on the Interstate Commerce Commission to regulate the railroads, or the presidents of breweries to control the liquor traffic? We should allow the present members of the Federal Reserve Board to remain for the time they have been appointed and then replace them with new members, not bankers. For the Federal Reserve Board members need not understand banking; there should not be a banker on the Federal Reserve Board, because the Government must go out of the banking business and quit lending money, and the banks must go out of the Government business and quit creating money.

It was the original intention of the Constitution that we, the people, should create the money. And by custom it was planned that the banks should lend the money, but using the phrase of our good friend the gentleman from New York, Mr. HAMILTON FISH, "We have traded overcoats." The result has been that today the banks create the money and the Government lends the money, contrary to the intent of the Constitution.

I want to make another outstanding statement, if you please, and let it be remembered. There never was in the history of our Nation nor in the history of any nation in the world a period of unemployment but what that period of unemployment was preceded by a period of money scarcity. And there never has been a period of money scarcity in the history of any nation in the world but what it was followed by a period of unemployment. So we do know what causes unemployment and we do understand what causes money scarcity.

In this present period of economic darkness, how many million times the people have asked, "What is the trouble with our great Nation?" Sitting upon the largest pile of gold that has ever been accumulated in any nation, and surrounded by all the great blessings that an Almighty God could give to a people, with so much to eat that we are destroying the precious foodstuffs, wheat, and meats, while millions are starving and other millions are hungry, and still other millions would fain have more; destroying cotton, the great staple product, destroying thus clothing and bedding, while millions are cold and freezing and ragged; too much of the great necessities as well as the luxuries of life, too much of everything, too many natural resources and too much labor, and still in want and suffering. The farmer is losing his farm and the laboring man is losing his job and his home, and the Nation is losing its homes, that are the units in the great foundation of our Government, and without these home units our great Nation cannot live.

Thus in the midst of plenty and abundance we are starving to death and the great institutions of civilization are being destroyed. We have asked each other, How can it be? What is this strange, peculiar power that causes the collapse of a great Nation in the midst of plenty? But we do know

what causes this disastrous condition. We do know what causes unemployment, panics, and depressions. We know, for we have definitely linked together money scarcity, maldistribution, and unemployment. We do know money is the wheels of distribution and without these wheels the world stands still, or even worse, it goes back to the dark ages.

But there must be a more direct approach to the solution of this disastrous condition, a first step to the solution of this terrible evil of booms and depressions, that so disastrously affect the welfare of every man, woman, and child. Yes; there is. The first trouble is an uninformed public that cannot see nor find the cause, and unless we know the cause it is impossible to find a cure. The first trouble is, we do not understand our money system, and the second trouble is that the other fellow (Wall Street) does understand. And there is an infallible law that knowledge is light and wisdom is power and the small minority that do know and understand have ever made slaves out of the great majority of those who do not know, that cannot understand.

The maldistribution of wealth is caused merely because we, the great masses, do not understand distribution. The little minority does understand, and the minority that understands is more powerful and more mighty than the vast majority that does not understand. If the people do not understand our money system, the first logical step is to simplify our system so it is easier to understand, in fact so that every child can understand, as every child must use it from the time we buy our first stick of candy in life until the doctor and undertaker are paid at the other end of life. Let us, my fellow Members of Congress, face things as they are. Let us quit just merely complaining, but rather look to the cause and find the remedy or cure.

I shall never forget my first disappointment and surprise when first I came to Congress over 4 years ago and began to speak of the cause of our depressions and spoke of the money question. Nearly every Congressman I talked to shook his head and waved his hands and said, "Don't talk to me about the money question, because that is a thing I cannot understand. That is too complicated for me." Well, it is somewhat complicated, and there is no reason why it should be complicated. So the bill I am presenting to you in the next session of Congress simplifies the monetary system.

Why should we, for example, have gold for money, and silver for money, and subsidiary coins of various consistencies of alloy and silver, and Federal Reserve notes, Federal Reserve bank notes, the Treasury notes of 1890, greenbacks, and all of these various kinds of money? Why this complicated system?

First, let us relieve that positively unnecessary conglomeration and confusion. Why not take all the gold and all the silver and all the various kinds of money and put them into one sack? Then in the sack let us put a billion times more, not alone the gold that is down in Kentucky, but the natural resources of the earth, the gold that is still out in the Rocky Mountains. Let us put all of that prospective gold in there with it. Let us put in the sack the energy and honor of the greatest people in the world, and $300,000,000,000 of national wealth. Then we have put into the sack exactly the same as we base all our Government bonds on, and here I wish to pause a moment to challenge the Congress. I say, why not? And I challenge the world to show even the slightest shadow of a reason why this should not be done, and thus simplify our money system as the first step, and have just one kind of money.

Let anyone try to explain the impossible, why we should issue gold certificates on gold alone, and silver certificates on silver alone, and Federal Reserve notes and Federal Reserve bank notes on banks alone, that are so miserably weak and uncertain that every bank in the Nation would have gone broke a few years ago had not Uncle Sam come to the rescue and given them $3,500,000,000 to use at 3½ percent and extending payment indefinitely if they could not pay, and we are still extending payment. Why not base all our money on everything, collectively, and call it Government credit. I say again, the same as we base Government bonds and postage stamps on.

Consider the gold down in the hole in Kentucky, where we are trying to hide it so other fools believing in gold cannot get it. We have lately had a vast army down there in Kentucky maneuvering around that hole, practicing in case some foreign enemy might come over to take this gold. We have had tanks, airplanes, and machine guns and every conceivable implement of war there to stimulate our imagination. Would it not be wonderful if all this gold could fall through to the center of the earth where no one could get it and we did not have to protect it, as it certainly has no value except for filling decayed teeth, and so forth.

Thirty-three nations of the world are now off the gold standard, or in a sort of a twilight zone like ourselves, where we do not really know if we are halfway on a gold standard or entirely off. Our money no longer states, "Payable in gold," but just "lawful money." And how silly to protect this gold with shot and shell, when J. P. Morgan or international bankers could take all that gold out of the hole with the stroke of a fountain pen. Under the international agreement that trade balances must be paid in gold, suppose England or other foreign nations should suddenly become a little frightened, perhaps because of some local or foreign war scare, and would all at once decide to sell their industrial bonds and other securities they hold in this country, which amount to about $10,000,000,000, thus creating a trade balance in Europe's favor. They could take all the gold out of that hole down there in Kentucky with a fountain pen. The same operation as we performed last week when we took $1,400,000,000 out of the hole with a fountain pen, writing a telegram, and distributed this amount in the 12 privately owned Federal Reserve banks. No; not taking the gold out of the hole, but just switching the title or ownership from Uncle Sam to these banks.

Just who was it that prompted this unfair deal? Do not tell me it was the will of the people, for by this procedure we donated to the banks just another cold $27,600,000,000 combining with the donation the previous privilege granted to the banks allowing them to expand the gold through the Federal Reserve Banking System 20 times by substituting notes on Tom, Dick, and Harry, and Government bonds, just giving the United States Government credit on their books for these bonds placed as security, the banks still owning the bonds, still drawing the interest, still remaining tax-free. Through the small commercial banks only 5 percent gold reserve is necessary, and suppose J. P. Morgan wanted to take the gold out with a fountain pen. He would just make a fictitious sale of billions of dollars in securities to some of his English cohorts or branch banks, and they, in turn, would sell the American securities here and demand the trade balance created in connection with European goods sold here; demanding exchange in the English pound would make it necessary for us to take gold to buy the English pounds and would transfer our gold out of the Kentucky hole.

And so you can call the entire Army and all the tanks and cannon and airplanes around that hole down there in Kentucky, and with all this, just a fountain pen can transfer all the gold out of the hole. Yes; truly the pen is mightier than the sword.

Yes, my friends and fellow Members of Congress, gold is the most deceptive money any nation ever had. It is like the story of the Irishman's flea. An interesting little thing happened out in my district relative to gold. When we conscripted gold in 1934 we had a banker who liked gold awfully well, a genuine gold-standard banker. A lady brought in a few thousand dollars in gold she had had buried for a number of years, now brought out by the President's edict when he conscripted all the gold. This banker was just going to Canada, and he took with him some of this gold. When he got to Canada he went to a bank there and said, "I want to get change for this $20 gold piece," and the banker gave him his change which was 19 cents short of the $20. The banker protested this short change. "Why,

I gave you $20 in gold," said he. And the banker said, "Your gold piece is 19 cents short in weight; some of its weight has been worn away by usage."

Our good banker took back his gold piece and handed the Canadian banker a couple of $10 bills, greenbacks, and the banker smiled and said, "That's real money," and gave him in change 100 percent and explained, "You see your gold is based on gold only, while your greenbacks are based on the entire credit of your Nation, and are always good for just what they say on the face of them. Your gold coins are dishonest; they lie most of the time and are seldom good for the amount stated on the face."

So I say the first thing we should do is to have money that is irredeemable money. Let us have money behind which there is the wealth of the country, just one kind of money, and eliminate this silly and corrupt variety that creates a mystery of our money system.

Some time ago I was talking with a member of the Federal Reserve Board, and, apparently a little impatient with me, he said, "My goodness, can't you see we have just as much money in circulation today as we had in 1926, the date you are taking as your standard or yardstick, determining your price level, which amount was $26,000,000,000 then, the same as it is now?" and I said to him, "But, my good man, Uncle Sam has grown about 10,000,000 people since that time. He has thousands of new industries, each taking more money, and money has been lost and destroyed and used in the arts. So the same amount is not nearly enough. In fact you are about $18,000,000,000 short and much more than that in actual circulation. And, as I said, Uncle Sam grows not alone in population"——

Mr. WHITE of Idaho. Mr. Speaker, will the gentleman yield?

Mr. BINDERUP. Yes; I yield to the gentleman from Idaho [Mr. WHITE].

Mr. WHITE of Idaho. Is it not a fact that in 1890 we had 60,000,000 population and that now we have more than 130,000,000?

Mr. BINDERUP. Yes. Consequently the volume of money must grow, not alone to keep up with the population, because population may be the smaller part of it, but to keep up with the thousands of new industries and inventions and industries.

SHALL THE BLIND CONTINUE TO LEAD THE BLIND?

Mr. Speaker, the thing that is holding back business is not the fear of commodities going up and down but the fear that our dollar will go up or down. We cannot know just what the bankers will do with our money, and we are scared to invest in anything. The best investment now is, as it has been for sometime, an investment in dollars, for as they become more scarce or fail to keep up with a growing nation, they are raising daily in purchasing power. So I, for example, like all others, am investing in dollars in a tin can, or a sock, or in idle demand bank deposits, and again, like all others, because of a ridiculous monetary system, contribute to the Nation's collapse.

When you note our price level on 784 commodities you will see that they vary but little in a barter one for the other, but when you measure the entire 784 commodities which rise and fall all together, there is a terrible variation in general prices that makes business most unsafe, because the dollar becomes scarce or more plentiful, just as our bankers decree in loaning or calling loans that constitute our demand deposits, which are 97 percent of our money supply, checkbook money, and that varies the price of the 784 commodities, according to its own supply as compared with the supply and demand for commodities.

Mr. CRAWFORD. Mr. Speaker, will the gentleman yield?

Mr. BINDERUP. Yes, I yield to the gentleman from Michigan.

Mr. CRAWFORD. When the gentleman makes the statement that he fears money going up and down instead of commodities, he means he fears the expansion and contraction lever being pulled so that this thing we call money is destroyed.

Mr. BINDERUP. That is what I mean, and I thank the gentleman for bringing that point out more forcefully and clearly.

Mr. CRAWFORD. While I am on my feet, in view of the fact that the time is about up, I wish in the gentleman's next presentation, he would be prepared to comment upon a statement made by Dr. Goldenweiser, one of the experts at the Federal Reserve Board, in which he said in substance—and I will give the gentleman the exact quotation if he wishes—that we have no monetary control, that we never did have any monetary control and that we cannot have any monetary control in this country until we are ready to turn over to the monetary-control organization our entire economic activity with reference to production, exchange, prices, and all the rest that goes along with it.

Mr. BINDERUP. That is very good. I will be pleased to comply with this request. I am glad to know Mr. Goldenweiser has thus expressed himself, for the principles giving the Federal Reserve Board control under a definite mandate from Congress are contained in my bill. You know it is a fact, just as Mr. Goldenweiser stated. In a meeting recently when Mr. Eccles, Chairman of the Board of Governors of the Federal Reserve Banks, replied to a question asked by a member of the Committee on Banking and Currency, as to whether there was such a thing as monetary control by the Federal Reserve Board, and he, Mr. Eccles, said he did not believe there was and that we had no monetary control. And he spoke the absolute truth. We do not have monetary control even to the smallest extent. Monetary control is absolutely and positively only in the hands of the banks that inflate and deflate our money supply by making and calling loans. Again the member of the Committee on Banking and Currency asked Mr. Eccles, in my presence:

> Is it not possible, Mr. Eccles, that there is some plan whereby we can halt these terrible declines and depressions that destroy our Nation?"

And Mr. Eccles answered and said:

> I do not know; I do not know if there is. We are still studying it.

And again Mr. Eccles was asked:

> But it seems to me that there ought to be some way found whereby we could eliminate these disastrous booms and depressions that are destroying us.

And again Mr. Eccles repeated his former answer, stating that he did not know of any way, and Congress does not seem to know any way so it is a case of the blind leading the blind.

But Mr. Eccles is right in one way—there is no way to provide Government monetary control so long as we take the international bankers, the enemies of humanity, into the picture with you and take them to your bosom as a partner in this great program. These bankers are the very poison that makes it impossible for the Federal Reserve Board to function. Because their interests are exactly opposite to ours, they want to destroy our plan for Government control and retain this great privilege for themselves as they have in the past; for it is a mighty privilege to create the Nation's money with a fountain pen by selling their worthless credit as the basis for the Nation's money. Remember the banks have issued over $10,000,000,000 of this fountain-pen money since the year 1933, and we, the people, are paying over a billion dollars to these bankers for the use of such trash as money that bankrupts the Nation on an average once every 6 or 7 years.

[Here the gavel fell.]

Mr. CRAWFORD. Mr. Speaker, I ask unanimous consent that the gentleman from Nebraska may proceed for 10 additional minutes.

Mr. WHITE of Idaho. Mr. Speaker, reserving the right to object, will not the gentleman modify his request and make it 15 minutes? I would like to ask the gentleman from Nebraska some questions.

Mr. RAYBURN. Mr. Speaker, reserving the right to object, I am perfectly willing of course for the gentleman to go ahead as long as he wants to but I think he may prefer to follow his original plan of taking half an hour each day. Further than that, I am so much interested in the things the gentleman is saying that I want to hear all he has to say, yet I have got to go in 5 minutes. I really want to listen to his able address.

Mr. WHITE of Idaho. Mr. Speaker, will the gentleman yield?

Mr. RAYBURN. I yield.

Mr. WHITE of Idaho. Has the majority leader any objection to the gentleman's answering questions?

Mr. RAYBURN. I am not going to enter any objection.

The SPEAKER. The Chair may state that there is another special order for today.

Mr. KELLER. Reserving the right to object, will not the gentleman modify his request to make it 5 minutes?

Mr. BOILEAU. Mr. Speaker, reserving the right to object, and I shall not, I just want to remind the Members that the gentleman from Nebraska has permission to address the House for 30 minutes on five consecutive days. I am sure the gentleman has planned his subject accordingly, and I am sure if we let him proceed in his own way he will give us a good deal of help. I am sure if we just let him present the matter to us in his five installments we will all get more out of it.

Mr. MARTIN of Colorado. Mr. Speaker, reserving the right to object, and I shall not, I would like to ask the gentleman when he is going to discuss his plan for keeping money in circulation.

Mr. BINDERUP. I will answer that very briefly.

Mr. MARTIN of Colorado. I do not want the gentleman to answer it now, but I just want to know when he is going to do it.

Mr. BINDERUP. This will all be included within the 5 consecutive days I am privileged to speak. In my talk today I plan to dwell on the fundamental principles of government, monetary-control statistics, and a bit of history on the money question and lay the foundation or the basis on which my monetary bill is builded. I am very grateful to our majority leader, Mr. RAYBURN, and to the Congress for this extraordinary privilege granted me in being allowed to speak on my bill for 5 consecutive days, and I hesitate in asking for more time which, however, I do greatly appreciate.

The SPEAKER pro tempore. Is there objection to the request that the gentleman from Nebraska may proceed for 5 additional minutes?

There was no objection.

Mr. FLETCHER. Mr. Speaker, will the gentleman yield?

Mr. BINDERUP. I yield to the gentleman from Ohio.

Mr. FLETCHER. I would like to ask the gentleman from Nebraska if he does not have his program arranged in the form of continuity for using 30 minutes on 5 consecutive days.

Mr. BINDERUP. I do.

Mr. FLETCHER. If at the end of that time we want to extend his time we can give the gentleman further time on an additional day. In this way we shall get the complete continuity and conclusions if we do not interrupt him.

Mr. BINDERUP. I thank the gentleman. I am very glad to be interrupted because that shows a desire for information. That shows something has been left vague in the minds of my listeners. That is the reason I welcome the opportunity to proceed these 5 additional minutes.

Mr. GUYER. Mr. Speaker, I would remind the gentleman that there is another special order pending.

The SPEAKER pro tempore. The gentleman has already been recognized for 5 additional minutes.

Mr. BINDERUP. Mr. Speaker, answering the question, because it was a very splendid question and brings up an important phase, I go back to the time the Federal Reserve bank was first contemplated in 1913. At that time 11 plans were under consideration. They soon disposed of seven of them, keeping only four; and in these they included the plan of open-market operations—buying and selling Government bonds—raising and lowering the rediscount rate, and the raising of reserves back of demand deposits. Three of the plans contemplated taking money out of circulation. Only one plan contemplated putting money into circulation—through the buying of bonds.

The original plan was to sell bonds when you wanted to take money out of circulation and to buy bonds when you wanted to put money into circulation. We have been up against an epoch or time when we wanted to put money into circulation. So we followed our original plan—the plan of the Federal Reserve Board to buy bonds and put money out into circulation—but we found by that process that we immediately eliminated the monetary control of money by the Federal Reserve Board and turned the entire plan over to Wall Street. We found that as soon as the Federal Reserve Board had made the purchase of a bond it was helpless to go on further with the procedure, so they just sat with a canceled check in their lap. They sat with folded arms holding a Government bond marked "paid" and that was all they could do. They had no further power to complete the transaction or the control of money expansion. They had turned the money over to Wall Street and now Wall Street had become the monetary authority absolutely, positively, and alone, of the United States, and it was up to them whether they wanted to put that money into circulation or not. They knew that by the Federal Reserve System we were trying to give monetary control over to the Government as the Constitution provided, but they did not want to destroy their own wonderful business. They knew they had made their billions of dollars by creating the Nation's money with a fountain pen, money with which they had bought the railroads, utilities, the big insurance companies that held the mortgages on our farms, and everything else. They knew the value of this extraordinary privilege or graft, this special privilege of issuing the Nation's money.

And so we found the Federal Reserve System contemplated going into partnership with the Devil Wall Street and international bankers, our very enemies of our plan that, in this, we had taken to our bosom, in our plan the very power that wanted to destroy us, the very cancer, the poison that would destroy us.

And so our plan for putting money into circulation was thrown into the lap of J. P. Morgan, the symbol of money monopoly, and is it any wonder the Federal Reserve Board were stuck? And the worst of it was we had no other plan. We discovered that this plan for expansion of our money supply to keep pace with increased population was impossible. And so we tried to experiment by actually using one of the instrumentalities of the Federal Reserve Act to take money out of circulation, in an effort to put money into circulation. I refer to selling bonds. And so we are now using a screw driver in place of a monkey wrench. The plan of selling bonds was never intended to be used for putting money into circulation, and it just cannot be done, and we should know it by this time. It is the most destructive plan that could possibly be used; it takes money out of circulation, in place of putting money into circulation. We sell our bonds and then we get credit on the books of the big bankers, mostly in New York City, but in a few other large cities. Of course, we never get any money; we just give them Uncle Sam's bond, and we get a checkbook and check on these banks and it becomes a mere bookkeeping transaction; checks that flow in and out of all the banks in the Nation and remain and constitute 97 percent of our money until Uncle Sam pays his bonds, and that apparently means forever, as Uncle Sam never pays, and if he did the Nation would go bankrupt. What a monetary system, builded on debts, public and private! If we pay our debts we go broke, and if we do not pay our debts the law will foreclose, so it is damned if you do and damned if you do not.

While this corrupt system costs us over a billion dollars a year in interest now that the people must pay in taxes, I have said before, and I repeat, suppose it does. Suppose it

costs two, three, or four billion dollars a year. That is not the worst of it. This is a great Nation with unlimited natural resources. And unfair and unjust and unreasonable as it is, we could still live and have a great Nation and a happy people. But let me tell you of the disastrous consequences of this plan—the plan that is destroying us.

The worst of it is when the bankers get these bonds they begin to peddle them out. They sell them, on a commission usually, to 15,000 small banks, located in the rural districts of our Nation, where the people are now starving to death for want of a circulating medium of exchange, and here the 15,000 smaller banks gather up all the money—demand deposits and time deposits in the banks' surpluses and undivided profits—and as the Nation's people have become shorn of equities by monetary contraction in the past, and still going on, and prices of all commodities still on the downward decline, no mortgages are safe for the banks, so they invest in these Government bonds and deplete further the people of the Nation of money, piling it up in the large banks where it remains dormant. Leo Crowley testified recently before the Banking and Currency Committee that $15,000,000,000 was dormant in the member banks of the Federal Deposit Insurance Corporation. Is it any wonder the Nation is hastening toward disaster with such a monetary program?

And all this money piled up in the banks lies dormant, just waiting for the inevitable—for Uncle Sam to vote more bonds.

About all we have left for a circulating medium is butter and eggs and a little garden truck—going back to the days of barter. And why? Because we are trying to expand and increase our money supply by using the plan of contraction for expansion. To show just the effect our present plan of selling bonds has on the country, let me cite you just one bank; which is the complete picture of all the banks and perfectly reflects just what we are doing in the way of taking money out of circulation.

In 1933 this little bank [referring to a chart], like all banks, did not have any Government bonds, having sold all they had to save their banks as all the banks did in 1933. Now this little bank has on hand nearly $200,000 in Government bonds. All this money was taken out of the veins and arteries of trade and commerce, dug out of the earth in a rural community that constitutes purchasing power of the Nation, and salted away in Government bonds. We gathered up nickels, dimes, and pennies and we took little reserves and demand deposits to buy bonds. We thereby took that money out of circulation and piled it into the big banks. That is the reason there are $15,000,000,000 lying idle now in our banks, and the rest of the Nation is in want, positively depleted of a circulating medium of exchange. And the more you take out by this nefarious plan of selling bonds, the less purchasing power we have, and the less loans banks can make and the more demand there will be for Government bonds, until our people are completely broke. We are taking the money out of the rural districts, where the purchasing power of the Nation is and should be, and piling it up in the big banks until we cannot move. There could not have been a more radical, miserable plan concocted for putting money into circulation than to sell bonds, even though you do use—for some 90 days—this fictitious banker's credit, this printing-press money, that vanishes out of the channels of trade and industry like the dew before the summer sun.

This Congress must not adjourn before this disastrous, vicious plan of money expansion is discontinued and a decent, reasonable, practical plan is adopted. [Applause.]

Mr. PIERCE. Mr. Speaker, will the gentleman yield?

Mr. BINDERUP. Yes; I yield to my good friend, the gentleman from Oregon [Mr. PIERCE].

Mr. PIERCE. I rise to suggest that we do not ask the gentleman from Nebraska any question unless he indicates that he would like to have us do so, so that he can carry the thread of his argument through. To my mind these are the outstanding speeches in this Congress. If the gentleman is right, this country ought to know it; this country ought to be moving along those lines. If money is the sole cause of the difficulty, these study clubs ought to be everywhere in our country. I suggest to the gentleman that if he wants any questions asked he should indicate it to us, and if he does not, then I hope our colleagues will not interrupt the gentleman and that he may proceed to give the thread of his argument, which is very interesting to me.

Mr. BINDERUP. Mr. Speaker, I thank the gentleman for his kind consideration and assistance to me in delivering this message in a comprehensive and attractive manner.

I was asked a short time ago, and consequently the matter is paramount now in my mind, a question by a Member of Congress who said to me, "Why is it that you suggest to expand our money supply through the lower-income groups through the indigents of the Nation, the unworthy, the failures?"

What a crime to call our old people and the noble farmers that have lost their farms the indigents of the Nation. These are the victims of a government that faltered and fumbled and allowed predatory wealth and money monopoly to take from them their everything; that robbed them of their homes and farms and deprived them of their jobs or any method whatsoever of making a living. Payment of old-age pensions is the Nation's honor debt to its worthy citizens. If you want to see the indigents of the Nation, go down where I was some time ago, to Atlantic City, and see the idle rich young men and women loafing around without anything to do. Go among the idle rich in any city, and there you will find the worthless indigents of our country, who have succeeded in creating wealth with a fountain pen and an unjust privilege granted by a government destitute of a plan to protect these who have suffered.

A plan, providing as my bill does, to rehabilitate the farmers, the hundreds of thousands of them, who lost their farms by mortgage foreclosures because our Government fumbled and faltered by allowing money monopoly to destroy our money, the very substance in which their mortgages stipulated payment; lost their farms through no fault of their own only to the extent they should have seen to it that we had governmental monetary control long ago so that these catastrophes could not happen.

I recognize that a monetary plan must protect both the creditor and the debtor. My good friend the Congressman from ———— also asked, "Why not give more to the W. P. A. or in loans to small-business men?" I answered my good friend by saying, "Because if I give the money to W. P. A., I would be creating more dole and no jobs, where with my bill I create more jobs and no dole. If I loan to small-business men, I would merely be creating more debt and interest and no customers. My bill provides for more customers without any debt and without any interest. It is necessary to get fundamentally to the bottom of the whole thing in order to solve this monetary question. By going half way down you help only the upper half that do not need help so much, but by going all the way down you help all the people. By going all the way to the very bottom, where we find the most needy, you help everyone as money naturally moves upward and not downward. You cannot help the farmer by helping the banker, but you can help the banker by helping the farmer.

The all-important thing about my bill is that it provides for expanding our money supply from the bottom. We have long since discovered that you cannot expand from the top by requiring the people to bribe down their money by interest or a ransom paid for the use of their own money.

Money is the wheels of trade and industry, but it must be honest money. It must be dependable wheels that do not break down and destroy trade and industry. It must be controlled money. You cannot depend on the wheels running straight without having control.

You cannot throw money into the channels of trade and industry carelessly and without measuring the necessary

amount to establish and maintain a price level. Money must be measured into circulation scientifically in exact measure and under a plan giving 100-percent velocity, and you cannot hand over to selfish interests the necessary amount of money determined upon and depend upon them to turn it into the veins and arteries of trade and commerce. Money must be forced into circulation by a monetary governmental authority, an agent of the Congress, under specific instructions to maintain the price level to protect the creditor and debtor alike. Money must be forced into circulation among the people—not the banks—through the lower-income group, the class that are cold and hungry. They will not hoard our money supply nor destroy our plan. No monetary plan can possibly succeed if we take the banks into the picture, into our monetary control plan; only the people must take part in this great program.

Our present monetary system is like driving an automobile with a loose steering gear. First, it runs us into the inflation ditch, and then, when we finally get out, it runs us into the deflation ditch. Money is like an automobile in this also, that it is the greatest vehicle for passenger transportation, but you must have control; you must have a brake on the car that is dependable or it becomes the poorest and most undependable vehicle of all, and money is the greatest vehicle for transportation in exchange of all commodities. But you must have control. You must have dependable brakes on your money system or it becomes the most disastrous vehicle.

My bill provides for monetary control by the Government through a monetary authority, an agent of Congress; expansion and contraction necessary to maintain a definite price level and stability to our money system are thus under definite governmental control.

Expansion and contraction necessary to maintain a definite price level of commodities will respond immediately to the will and command of our Government monetary authority.

By authority of this bill we control money—Government credit—by telegraph, radio, or the Associated Press in a mere news item. This may seem strange to you, fellow Members of Congress, but there is nothing new about this. Only 2 weeks ago our Government wanted to expand our money supply—based on Government credit—to the extent of $1,400,000,000, so we just sent a telegram to each one of the 12 Federal Reserve banks, giving each bank a certain credit, asking them to place in their ledgers a certain figure, meaning Government credit, and said to them, "We, the Government, will just check on you for this amount." Truly, we gave the banks a mortgage on some gold they could not have, for if they really came into possession of this gold they would be fined or jailed under the act of 1934, when we conscripted all gold and provided that anyone having gold in his possession or gold certificates in his possession, would be punished by law. And gold was purchased for Government bonds, and the Government bonds were based on Government credit. So why all this red tape? It is all bunk, merely the relic of some antique superstition still lingering in the minds of old dreamers, but only those who are destitute of ability to originate a single new thought. The only parallel to this gold superstition that I know of is an old hermit down in my district who still believes in witchcraft and still believes the world is flat.

I said that under our plan as contained in this bill for Government monetary control, expansion and contraction of our money supply and velocity will respond in 5 minutes. Suppose our monetary authority should announce through radio or public press that on the first of next month we would start paying to 3,339,000 old needy people over 60 years of age, widows, orphans, blind, and invalids, the Nation's honorary roll of dependents, $50 per month, or $1,602,000,000 per year. We would immediately have established equities or purchasing power for this group, and being cold and hungry and in want they would immediately call up their merchants on the very assured governmental plan of getting this money. Even before it was issued we would have established credit that would answer in cooperation from merchants or bankers immediately, as the merchant needs the business and the banks are anxious to lend their dormant deposits to those with an assured income. Thus we would immediately start the dormant $15,000,000,000 now held in the banks into circulation. The needy would immediately start buying some little home and employ the carpenters and the painters. The merchant would hire extra help; orders would be rushed in to the jobber and the wholesaler, and these would rush orders into the factories, and labor would again be employed in a healthy manner without selling bonds that take money out of circulation, without interest on bonds that is penalizing the people so unjustly, without doles, and so forth.

One billion six hundred and two million dollars new money into circulation means an annual increased national income of approximately $5,000,000,000 a year as the national income is no less than three times the new money in circulation. In 1929 every dollar changed hands over 50 times; even though we did not increase the velocity of our money more than this, this would create $1,602,000,000 times 50 or an additional $80,000,000,000 in business transactions annually, but, of course, it would do a great deal more than this, by starting our $15,000,000,000 dormant demand deposits into circulation and gradually amplify the velocity of these as well.

It is hard to estimate the amount of prosperity this purchasing power to the Nation's honored dependents would establish. And it does not cost us a penny to do it, as statistics show that Uncle Sam grows 4 percent a year; and we must furnish by law the necessary amount of money, the lifeblood of Uncle Sam, in the same proportion that he grows. This means that in the year 1937 we should furnish Uncle Sam with exactly $1,614,000,000 in new money, so this is ample to take care of social dividends of $50 per month to the needy. And they at once hand it to the merchants for goods and it goes right into the 15,000 small commercial banks scattered over the Nation either as demand or time deposits. And as we have established a credit, equity, or purchasing and debt-paying power among our people, the banks will not invest in Government bonds but rent out these time deposits at home where the money belongs.

Suppose we had taken this $1,602,000,000 and sold bonds to get it out by using bankers' credit money. In 90 days every dollar would be back in the big banks, adding only to the amount of dormant bank deposits. Why? Because you failed to create a lasting purchasing and debt-paying power among the lower-income group. Let me give you another picture of just what this bill will do. There are, as I said, 3,339,000 citizens in our land without any income whatsoever—these figures estimated by the Social Security Administration. According to the American table of mortality, estimating the average age as 65 years, this group will live 12 years. So 12 times 3,339,000 times $50 equals over $20,000,000,000 credit and purchasing power on which bankers can base their loans if they so desire. And merchants can extend credit if they wish, thus taking our dormant bank deposits into circulation and keeping them among the people. But we will do much more than this. This bill provides for $1,000,000,000 for rehabilitation of farms, putting farmers that can pass what we might call a civil-service examination on their own farms, on the amortization plan, 1½ percent interest and 1½ percent payment on principal, payable direct to our Uncle Sam; building homes once more, the units in the foundation of our Government.

And that is a good way to kill communism and radicalism and preserve our democratic government. For, believe me, my fellow Congressmen, you cannot kill communism and fascism and nazi-ism with sword and gun nor with shot and shell. But you can choke them all to death with justice and righteousness. In this manner you can take the skeleton of

a radical and make a most patriotic citizen, who will love his country and support it, and a great nation shall come out of the mists and the clouds and the darkness of a great but mismanaged Government, and through the eyes of patriotism they shall once more behold the flag, the emblem of justice and liberty, and we, the people, shall be victorious, as the greatest of all books teaches that we cast our bread upon the waters and it came back a thousandfold.

Every nation that ever was and is no more died because it failed to solve the problem of distribution.

This Congress must never adjourn until we, the people's Congress, shall have solved this problem. That was the sacred covenant we gave to our people when we were elected. Do you remember, you Democrats, Republicans, Farmer-Laborites, and Progressives, when we said we would restore to the people their constitutional rights? Coin and control their own money? And we waved our party platforms and said, "Trust us. We will not let you down."

Mr. BINDERUP. Mr. Speaker, I ask unanimous consent to revise and extend my own remarks in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Nebraska?

There was no objection.

Mr. BINDERUP. Mr. Speaker, may I ask so that I may know definitely, if I have permission to address the House on Friday, Saturday, Tuesday, and Wednesday of next week after the disposition of the legislative business in order for the day, as my request originally called for?

The SPEAKER pro tempore. The Chair quotes from the calendar:

> On motion of Mr. BINDERUP, by unanimous consent, ordered, that on Wednesday, May 25, 1938, immediately after the reading of the Journal and disposition of business on the Speaker's table, and all legislative business of the day, he be permitted to address the House for 30 minutes.

That was agreed to on May 20, 1938.

Mr. BINDERUP. Mr. Speaker, my unanimous-consent request prior to that embodied 30 minutes for 5 consecutive days. In conclusion, I did say that which may have seemed bewildering, when I asked for permission to address the House on this particular day afterward. However, the original request was for 5 days. I would like to be clear on that.

The SPEAKER pro tempore. The Chair may say, without having the RECORD before him, the Chair cannot answer the gentleman's question definitely. However, the gentleman may renew his request.

PERMISSION TO ADDRESS THE HOUSE

Mr. BINDERUP. Mr. Speaker, I ask unanimous consent that after the disposition of business on the Speaker's table, and at the conclusion of all legislative business in order for the day, I may be allowed to address the House for 30 minutes on Thursday and Friday of this week and Tuesday and Wednesday of next week.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Nebraska?

There was no objection.

EXTENSION OF REMARKS

Mr. RANDOLPH. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include a very splendid address by the distinguished Assistant Secretary of War, Hon. Louis A. Johnson, of West Virginia.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from West Virginia?

There was no objection.

Mr. WHITE of Idaho. Mr. Speaker, I ask unanimous consent to file with the Clerk a petition addressed to the Members of the House and to insert at this point in the RECORD a brief statement in that connection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Idaho?

There was no objection.

Mr. WHITE of Idaho. Mr. Speaker, there is presented herewith a petition signed by a large number of citizens of many of the important communities of Idaho, urging the consideration and passage of H. R. 4199, commonly known as the Welfare Act, to provide for a national old-age pension.

Mr. VOORHIS. Mr. Speaker, I ask unanimous consent that my colleague the gentleman from California, Mr. SCOTT, may have permission to extend his remarks in the RECORD and include therein a radio address by himself.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. VOORHIS. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include therein a speech on the legal aspects of tax-exempt privileges by Mr. John Philip Wenchel, Chief Counsel of the Bureau of Internal Revenue.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. HILL. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include therein some remarks I made at the presentation of a plaque to Senator BONE because of his fine work on the bill creating the National Cancer Institute.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Washington?

There was no objection.

FOREIGN-TRADE AGREEMENTS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from West Virginia [Mr. RAMSAY] is recognized for 30 minutes.

TRADE AND TRADE TREATIES

Mr. RAMSAY. Mr. Speaker, it may surprise the House to learn that at the present time, notwithstanding the education and enlightenment that has taken place during the past 6 years, that there are violent partisans who have convinced themselves that the American workman, who has suffered so much unemployment, can be fooled again into voting the Republican ticket, upon the theory that the trade agreement signed by our Government with Czechoslovakia during the last week of April in 1938 caused the lay-off of a great number of workmen during the fall of 1937. Through rhetorical distortions, misleading inferences, and unsupported assumptions, attempts are being made to mislead workmen as to the effects of these trade agreements.

These trade-agreement "feudists," in order to discredit the program, claim that "Congress has surrendered its right to pass tariff laws"; and that "the signing of these agreements has caused large increases in the importation of goods and merchandise into this country."

When you inquire, "What increases and in what period of time?" they cite you as their starting point to the tragic year of 1932, when all trade and commerce, both foreign and domestic, was almost destroyed and ruined by the Grundy Tariff Act of 1930.

It should not be forgotten that the act of 1930 had been protested by some 30 or 40 nations, who immediately retaliated by enacting tariff laws and embargoes against our trade and commerce which drove our goods from the European markets.

The figures for this tragic era of importations are cited against those for the comparatively prosperous year of 1937. It may be recalled that our import trade fell from the high record of 1929, the last year before the act of 1930, from about $4,500,000,000 to the sum of $1,433,000,000 in 1932—the depression low of imports in recent years.

Of course, there has been a measure of recovery. The enemies of trade treaties apparently desire that this country's imports and exports should remain at the low figures of 1932, when the entire national income was only about $40,000,000,000. Do not they and everyone else know that

our income had reached the height of about $68,000,000,000 in 1937, when foreign trade, both imports and exports, had increased by about 100 percent over 1932?

I desire to remind those who oppose these treaties that our exports and imports keep pace with the increased earning power of the American people, which greatly advanced between 1932 and 1937. I am sure those who shriek and storm—for political purposes—against these treaties know this full well, but believe a man out of work will not take time to analyze the facts sufficiently well to detect their false clamor, or their subtle manner of only stating half-truths, and the drawing of false inferences from a partial statement of facts. Such methods are followed for the sole purpose of deceiving unfortunate men and women out of employment. They are being daily fed on this unwholesome and synthetic diet, with important vitamins missing.

Before workers follow these fake leaders I desire to furnish them with facts and figures that will enable them to approach this subject armed with the weapons of truth.

The charge that low imports into this country will of itself create high employment is not borne out by the facts and figures furnished by Government agencies.

In 1929, when imports were about $4,500,000,000, the index of employment, based on the figures 1923–25 as 100, stood at 109. The number of unemployed in the country was estimated at two or two and one-half millions.

In 1932, when imports had fallen to about one and one-third billions, this employment index fell to 63, and unemployment had risen to about twelve and one-half millions. These figures show the complete fallacy of the policy of economic isolation in effect in 1932 and still advocated by a few die-hard politicians. The foreign trade of the United States has markedly increased since the inauguration of the trade-agreements program and the modification of the isolationist's policy.

NOBODY IS BEING "SOLD DOWN THE RIVER"

In the farming regions opponents of the program cry out that agriculture is being "sold down the river." In the industrial sections the false claim is that factories are being closed and workers are being "sold down the river" because our Government has entered into trade agreements with foreign nations.

Both of these claims cannot be true. Unbiased opinion well knows that neither is. It is the old game of attempting to work both sides of the street. As a matter of fact, the trade agreements are being carried out free from sectional bias for the benefit of the country as a whole.

There is no justification for the charge that this group or that group is being sacrificed at the expense of another. Naturally it is to be expected that in an agreement with predominantly agricultural countries some limited concessions will be made on agricultural products. That is necessary if we are to obtain beneficial concessions for our export industries.

In the agreements with highly industrialized countries the careful guarded concessions which the United States makes must be on industrial products, but the interests of each are carefully considered and studied before there is any easing of excessive trade barriers.

In trade agreements no one seeks to injure American farmers, workers, or producers. The cheap talk being peddled for political purposes to this effect is pure tommyrot.

ATTEMPTS TO MISLEAD WORKERS

The current conception that American labor is best served by shutting out every trickle of imports in order to save the American market for American workers is unsound.

Labor leaders are frequently approached and secretly urged by selfish groups to array workers against the trade-agreements program. Labor is frequently influenced to pull the chestnuts out of the fire for others, because an embargo on imports for a short period of time will benefit a certain limited group of workers, but this can only be accomplished at the expense of American labor generally and of the country as a whole.

It is frequently urged that tariffs must be raised higher and higher so that high wages will be maintained in the United States. I am glad to learn that labor at last is beginning to see that this is not true, because wages are higher in export industries or those not depending upon tariffs than in protected branches of industry. Wages paid in export industries having little or no tariff protection are higher than those in a typical list of so-called protected industries. This is not to argue that the tariff protection is not of some immediate benefit to the workers in these industries. It does show, however, that high tariffs do not necessarily go with high wages or that high wages are the result of tariff protection.

I am not opposed to necessary tariffs, even for protection where necessary. At the present time two bills I introduced pertaining to a possible increase of tariff are now before the Ways and Means Committee of the House.

Like a former West Virginia Senator, I, too, "believe in protecting American industry by the broad shield of the American law."

Protection was extremely high in 1932, but wages were very low. The two do not run parallel by any means. For example, in 1935 the average wages in 12 groups of export industries were $1,354, and the average in 12 so-called protected industries amounted to only $827 per year.

In view of these facts, workers should not be misled by the fallacious statements that high tariffs bring them some tangible results in the nature of more dollars in their pay envelopes. Many of the people who are beating their breasts about the welfare of workers in relation to tariffs are really more concerned about dividends, interests, and profits; the income of machines which have in reality displaced workers, as in the glass industry.

IMPORTANCE OF THE EXPORT TRADE OF WEST VIRGINIA

So much has been said regarding imports and loss of jobs, that one might easily be led to overlook the other side of foreign trade which is of interest to West Virginia and other States.

In 1929 West Virginia exported $41,249,000 worth of products. This had fallen to $14,683,000, or a reduction of 64 percent, in 1932—that tragic year from which the Republicans usually measure the increase in imports with recent years, when our unemployment had risen to the highest figure of our State history. These same carping critics never mention the benefits to workers of exports of coal, iron and steel, petroleum, lumber, and chemical products from West Virginia. It is fairly well known that the manufactures of iron and steel are important to my State. Critics of trade sometimes charge that the imports of iron and steel have been destroying the jobs of American workers.

An examination of the records will show that the exports of these products from the United States give employment to thousands and thousands of workers. The following figures indicate the relationship of imports and exports of iron and steel products, and the importance of the latter:

Exports and imports of iron and steel products

Year	Exports	Imports
1929	$291,921,000	$46,309,000
1932	151,770,000	30,385,000
1937	356,015,000	33,970,000

This table shows that the exports in 1937 exceeded those for 1929 and were more than 10 times as great as the imports.

Thus it is seen that, instead of imports taking away American jobs, many workers received their wages because of the exports of these products. The imports are seen to be insignificant in comparison.

It so happens that exports of these products are holding up much better than domestic sales at the present time. Workers should no longer listen to a selfish minority which would rob them of their jobs created by our exports of steel to foreign countries.

While considering these facts and figures, remember that during the last year our exports of steel, iron, and machinery reached the high total of $356,000,000, at the same time making a new high in the exportation of tinplate.

The general total has never been exceeded but four times in the history of our country, and three of the former high exports in these products occurred during the World War.

It is claimed by steel manufacturers that 60 percent of this great sum was paid in wages to workers. If this be so, then 177,000 men, at an annual wage of $1,200 was, or could have been, employed out of the income received from these steel products.

Is it the desire of these critics to absolutely destroy our foreign trade and commerce? If not, will they please inform the legislators of this country how we may prohibit all importations and still continue to sell to the rest of the world 10 percent of our goods and products? Will other nations continue to buy from us when we place embargoes against them?

How could these foreign countries pay for our goods—even if they desired to trade with us—when we say to them: "If you desire to do business with us, bring the cash"? If they refuse to trade with us—which, of course, they would do if we accept the theory of the trade isolationists—then 10 percent of our workmen would be immediately thrown out of work, adding three million more to the great army of unemployed.

I am criticized by partisan papers because I have supported the trade-agreements program, under which certain reductions in duty have been made.

Mr. RANDOLPH. Mr. Speaker, will the gentleman yield?

Mr. RAMSAY. I yield to the gentleman from West Virginia.

Mr. RANDOLPH. I think the gentleman is giving a splendid address. I should like to remind the gentleman of certain facts which the gentleman knows, that only a few days ago the United States Chamber of Commerce, meeting in Washington, D. C., gave its approval to the trade agreements this administration has entered into with other countries.

Mr. RAMSAY. The gentleman is correct. I will remark about those facts later if I have time.

The fact that I have supported this program does not mean I want the products of West Virginia to bear more than their fair share of the necessary price of the trade-recovery program. I want my State and district to obtain as many benefits on concessions for exports as possible.

There appeared in the Washington Post (Republican) on May 6, 1938, an article regarding international cooperation. That article indicates that some 14,000,000 persons in the United States depend upon foreign trade for their livelihood. I wish to quote from that article an excerpt regarding the necessity and importance of export trade:

FACTORY EXPORTS FELL SHARPLY FROM 1929 TO 1932

It was no blessing to American industry that our exports of manufactured and semimanufactured products fell from three and three-tenths billions of dollars in 1929 to eight-tenths billion in 1932. It was no blessing to either industry or agriculture that our total exports declined to the low ebb of one and one-sixteenth billions of dollars in 1932. Some 14,000,000 persons in the United States depend upon foreign trade for their livelihood. A decline in our international trade inevitably has a direct effect upon employment in this country. This accounts, in no small part, for the fact that, even during our best months in 1935 to 1937, when production and employment were at their highest, we still had a persistent reservoir of some six or seven million unemployed persons.

The National Foreign Trade Council recently conducted a survey among its members to ascertain the importance of American export trade in the current depression. The survey produced some interesting facts. In the heavy-machinery industry, domestic orders fell to about 10 percent of production capacity, while export orders brought production up to 90 percent of factory capacity. In the steel industry, exports in 1937 increased 160 percent over 1936. In the farm-implements industry, export sales were 30 percent of total sales in 1937. In the typewriter industry, export orders were 26 percent of total sales in 1937. In the refrigerator industry, export orders showed a 25-percent increase during 1937. In the petroleum industry, exports amounted to $350,000,000 in 1937. These increases in exports occurred in a year in which domestic orders were rapidly declining, and indicate the importance of foreign trade to the solution of unemployment in the United States.

Mr. FLETCHER. Mr. Speaker, will the gentleman yield?

Mr. RAMSAY. I yield to the gentleman from Ohio.

Mr. FLETCHER. I notice that the papers in the gentleman's district are absolutely misrepresenting the alleged failure of these trade agreements in the most demagogic style.

Mr. RAMSAY. The gentleman is correct.

Mr. FLETCHER. I believe we all owe a debt of gratitude to the gentleman for making this factual statement of the truth regarding imports and exports.

Mr. RAMSAY. I recently read an article criticizing the trade treaties. In an effort to show that the balance of trade had been against America, the writer stated that American tourists last year had spent $500,000,000 abroad. In order to make it still further ridiculous, he stated that we had spent over a billion dollars for gold and $200,000,000 for silver, and blamed that on the Hull trade treaties.

Mr. SHORT. Mr. Speaker, will the gentleman yield?

Mr. RAMSAY. I yield to the gentleman from Missouri.

Mr. SHORT. Of course, the gentleman comes from a great mining State and he perhaps knows that I represent a great lead and zinc mining district, Joplin, Mo., which, along with southeastern Kansas and northeastern Oklahoma is the greatest lead- and zinc-producing region in the world. I do not want to misrepresent my people, but I certainly am constrained to rise here in their defense and inform the gentleman that not only the economic royalists, the mine operators themselves, who clip coupons, but the miners, the boys who go down into the bowels of the earth and work with their hands, are gravely concerned over the proposed reciprocal-trade agreement with Canada and the United Kingdom because there has been a threat to cut the tariff on lead and zinc. If that tariff is cut 50 percent, the few mines that are struggling to keep open today in that great tri-State area will be forced to close.

Mr. RAMSAY. Of course, I do not know what will be in the British trade treaty, and neither does the gentleman. I am just dealing with the situation as it is at the present time.

Mr. SHORT. It is too bad that the Congress does not know, but of course we have abdicated our powers and turned over to the Executive the authority to negotiate these treaties without their ever being considered, let alone ratified by the United States Senate.

Mr. FLETCHER. Will the gentleman yield in order that I may make a statement in reply to the gentleman from Missouri?

Mr. RAMSAY. I yield.

Mr. FLETCHER. I was raised within 8 miles of McKinley's farm. My father was a Republican, and I recall he had charge of the county committee. Mr. McKinley, who was a high-tariff man at that time, had a lot of stock in a tin mill and he went into bankruptcy under the high tariff. My father and other farmers went around collecting a McKinley aid fund to give to Mr. McKinley, who had gone broke under your high tariff. Mr. McKinley himself changed his mind about the tariff, and, if the gentleman will recall, and he may not as he is rather young, but the gentleman might be able to look it up, in his speech in Buffalo Mr. McKinley showed the beginning of a change in mind toward the reciprocal-trade agreements. The present Chief Justice of the Supreme Court of the United States, Mr. Hughes, approved of this plan, as you recall, when Mr. Harding was President. The other day Mr. Charles P. Taft, of Ohio, who is a candidate for the United States Senate, made a statement in absolute refutation of all you gentlemen on that side of the aisle have said during this long and windy session of Congress.

Mr. RAMSAY. Let me explain to my friend from Missouri, who seems to be alarmed about the effect of these trade agreements, what effect they are having at the present time.

CURRENT TREND IN FOREIGN TRADE

For those alarmists still weeping about the figures of import trade for 1936 and 1937, the following tabulation is presented to indicate more recent trend in the foreign trade of the United States:

Foreign trade of the United States for the first quarter of 1937 and 1938

	1937	1938	Increase (+) or decrease (−)
Exports	$712,355,000	$827,781,000	+$115,426,000
Imports	825,626,000	507,044,000	−318,582,000
Total	−113,371,000	+320,737,000	

The above figures should please those who are still howling about the smallness of the so-called favorable trade balance in 1937. It is seen from the above table that exports exceeded imports by $320,737,000 for the first quarter of 1938 over 1937. There was an increase of exports of $115,426,000 as imports decreased by $318,582,000 during this period. For those who believe only in exports, the above picture should be satisfactory. Realists, however, know that exports cannot continue at the present rate with such a decline in imports. The one cannot maintain its pace without the other being affected.

Foreign trade is mutual, and we must look at both sides of the picture. A nation must buy if it is going to sell, and we must sell or further close down our industries, and enlarge our list of unemployed.

VOLUME VERSUS VALUE FIGURES

I have been criticized for quoting the value figures of foreign trade, such as shown above. Volume figures have a limited use in the study of foreign trade.

A paper in my district has attempted to take me to task for not showing quantity figures in a recent analysis I made regarding imported products. Whether to use volume or value figures depends upon the point of view or the purpose in mind. Incidentally, in this paper which criticized my use of value figures, the editorial later showed value figures to indicate how badly the glass industry had been hit by imports. Why did it not stick to volume figures? It would mean absolutely nothing to compare tons of exports of scrap steel with tons of imported rubber. There is no basis for comparison of such figures, neither would such a comparison indicate the real well-being of the individuals involved in such an exchange of quantities of goods.

The price or value is the important consideration to the producers and sellers of products. Farmers and other producers are interested in the amount of money received for their sales. They are not interested in selling either at home or abroad two pounds of cotton or other products for the price of one. National income is measured in dollars, not in tons, gallons, or yards.

This critical editorial in the paper of my district implied that I was attempting to dodge the real facts of the situation or conceal something by not showing the volume of imports of glassware and chinaware products. I could not conceal such facts if I tried. On the imports of such products the record is open to any one who desires to read.

In this same contradictory editorial, it was inferred that the foreigners were putting one over on us in the value they used in their exports to us. Reference was made to the "fictitious trade dollar."

If the present dollar is fictitious, then our own economic system is fictitious. This is the only kind of dollar in circulation in the United States.

As far as the valuation of imports is concerned, we are now following practically the same system we have followed for the last 100 years. A large part of that time the system was administered by Republicans. The fact that the present value system has been in force for a long time does not necessarily mean that it cannot be improved upon. But it so happens that those who advocate a valuation based on the domestic market price (implied in the editorial) are really advocating a higher schedule of duties; but they dare not come out in the open and say as much. Apparently they did not get enough of Grundyism in 1930 and in the subsequent disaster.

Before the passage of the Tariff Act of 1930 there was no specific duty on chinaware. Previous tariffs on pottery ware were based on ad valorem duty only. Then a cup and saucer were counted as one, but under the Tariff Act of 1930, placing a specific duty on pottery ware of 10 cents per dozen, as well as an ad valorem tariff, the customshouse adopted the rule of counting each piece, and thereafter a cup and saucer were counted as two pieces.

About that time Japan had taken advantage of the method of counting and were shipping into this country large numbers of cups and saucers that numbered only one-half what the same number now designates. This the critics of trade treaties never explain, but, I am sure, accounts for their partiality for volume instead of value.

THE JAPANESE BOGEY

The critics of foreign commerce always attempt to capitalize on the emotionalism of the Japanese bogey with respect to imports under trade agreements. In the first place, it should be emphasized once and for all that there has been no trade-agreement negotiation with Japan; and, in the second place, as respects the most-favored-nation treatment, Japan has received very little benefit in the reductions thus far made in the 17 trade agreements in effect. To the enemies of foreign trade the road is always full of ghosts, Japanese or others, and they fully believe the equality of treatment is only giving our market away to the terrible foreigners. The record does not bear out their dire assumptions.

In a recent speech before the Chamber of Commerce of the United States, George P. Auld, a businessman, stated:

> The scope of the generalizations actually made by the United States, however, has been closely limited by narrowing the definitions of the products covered by the agreement concessions, and an escape clause in the agreements makes those limitations effective. A proof of this lies in the figures of our imports from Japan during the first 9 months of 1937, included in which was an amount of $1,800,000 (or less than 2 percent) that represented items coming in under agreement concessions generalized in Japan.

In discussing the dollars-and-cents trade of Japan, we ought to be able to examine the figures from a factual standpoint and not from an emotional basis.

The old cry used to be "Chinese coolie labor," but now the hue and cry is "cheap Japanese labor." From all of the emotional stuff we see in the papers one might conclude that it does not cost anything to produce products in Japan. Now, I maintain, if undue damage results to our industries from the importation of Japanese manufactures into the United States at unfair prices, suitable specific action to remedy that situation should be taken.

The Tariff Commission has studied Japanese trade for years. It has apparently not seen fit to recommend action to the President.

The red herring of quoting the daily wages in Japan alongside the similar rate of wages in the United States, and then assuming that this completes the true cost picture, is forever dragged into a discussion of foreign trade.

It should not be forgotten that we sell much more to Japan than we buy from that source, so I feel we should be sane businessmen and face these facts. To conclude that American workers are called upon to work for 40 cents a day because the Japanese are alleged to work for that amount, is as fallacious as it is dishonest. That comparison has about as much validity as to say that the wages of a steamshovel operator could be no greater than the operator of a shovel or wheelbarrow. Do they not compete in doing the same kind of work? Note that nothing is said in either instance of the productivity and other phases of the Japanese and American workers or the steamshovel operator and the wheelbarrow-shovel man. The one comparison has about as much validity as the other.

IMPORTED SHOES NOT PINCHING

Although the production of shoes does not concern my State or district, I should like to comment upon the trade agreement with Czechoslovakia, as regards the concession

granted on shoes. Reduction in duty on some types and binding the rates on other types was limited to imports up to one and one-quarter percent of the domestic production. The new influx of shoes which it was suggested might destroy the domestic industry, could amount—over and above previous imports—to something less than one-half of 1 percent of our production. The public will surely soon become surfeited with such extreme exaggerations and misrepresentations. Fair-minded persons have begun to wonder whether the opponents of the program really want a fair consideration of its possible benefits to the public, or would rather have it junked for narrow and selfish reasons.

An article in the Annalist of March 1938, on various business activities of New England, has the following to say about shoes:

Although a number of New England shoe manufacturers have expressed disapproval with the tariff concessions granted by the United States Government (in the Czechoslovak agreement) a perusal of the provisions of the treaty will show that their markets have been left practically untouched.

The Boston Herald, following the signing of the agreement with Czechoslovakia, stated in part,

We can simply conclude that most of the distressful remarks from Washington and local territory are made for political effect without a careful study of the facts, the figures, and the past of shoemaking here and abroad. * * * The hard-headed manufacturers will take a more encouraging view of their own abilities and their industries than most of the politicians seem to have. Manufacturers were afraid that the duty on a certain type of shoes would be lower. It remains unchanged. They wondered whether the Czechoslovak shoes would be dumped on us in huge volume. They will not be. * * * Moreover, there are carefully drawn provisions for preventing any disastrous developments.

Evidence since that time indicates that there has been a general pick-up in the shoe industries, and that there was such a demand for the Easter trade that workers were asked to work Saturday afternoon but refused. The following depicts the conditions in the shoe industry:

[From the Washington Star of April 24, 1938]

OUTLOOK CLEARS IN SHOE INDUSTRY

Prospects for all branches of the shoe and leather industry have improved since the beginning of the current year, according to Poor's Stock Reports.

Demands for shoes, leather, and hides have been outdistancing production, and stocks of all are reported relatively low. Labor costs have been reduced. Favorable to the makers of the cheap shoes is the fact that the demand for footwear is but moderately affected by low consumer purchasing power, but it tends to shift less expensive makes during times of economic distress.

[From the Brockton (Mass.) Enterprise and Times of April 16, 1938]

SHOE EXPORTS GAIN—IMPORTS SHOW DECLINE

Exports of leather footwear in February of this year showed considerable gains over January and also for February of last year, with 204,278 pairs, valued at $572,136, being sold abroad, a gain of 55 percent in value over January and 40 percent over February 1937, according to Hide and Leather, international shoe and leather weekly.

GLASS PRODUCERS SAY REDUCED TARIFFS HAD LITTLE TO DO WITH GLASS CONCERN SHUT-DOWNS

There has been considerable talk in my district regarding the agreement with Czechoslovakia and its effect on glass. Press reports indicate that some glass firms have closed down since the signing of that agreement. I made certain inquiries regarding the firms in my district, and one important manufacturer said:

I could not honestly say that the tariffs have had anything to do with the condition of the glass business since last July, as the Czechoslovak agreement does not go into effect until tomorrow. How that agreement will affect us, we do not know, but we rather suspect that it will tend to increase imports of glassware.

This manufacturer went on to say that he himself imported certain glass products from Czechoslovakia, because the cost if made by American labor would be prohibitive.

In the same correspondence the manufacturer indicated that probably 90 percent of all the tumblers that are made in this country at this time are made by machinery. These factories which have closed appear to be more affected by the machine-made industry than by imported products. Anyway, it is to be expected that a strong and efficient American industry will not fold up until it actually sees the effect of an agreement. The competition of the glass companies apparently affected the Louis Glass Co. and the West Virginia Glass Specialty Co., under the same management, which are reported to have closed the day the Czechoslovak agreement went into effect. It may be true the competition from Japan and Czechoslovakia have had an effect, but the volume of imports as a whole compared with domestic production is not such as to give rise to the fear that the domestic market is being turned over to foreign producers. The reduction in the rate of duty on glass tableware was only slight, from 60 to 50 percent ad valorem.

In order to present the real facts and figures dealing with such imports and exports, I requested the Tariff Commission and the Department of Commerce to furnish figures showing the effect these trade treaties have had upon the American commerce in glass and pottery ware. From these figures furnished me, I give the following, which will speak for themselves, and answer all general charges made about these subjects:

Glassware

1929, glassware of all kinds:	
Imports	$13,992,000
Exports	10,931,000
	3,061,000
1937, glassware of all kinds:	
Imports	10,172,000
Exports	9,784,000
	388,000

Our exports of glass under trade treaties with Canada and Cuba show as follows:

(1935 first year of trade treaty with Canada and Cuba)

Exports, glassware of all kinds to Cuba:	
1935 (before treaty)	$311,261
1935 (after treaty)	1,211,510
1936 (after treaty)	1,177,460
1937 (after treaty)	1,555,235
Exports, glassware of all kinds to Canada:	
1935 (before treaty)	2,896,855
1936 (after treaty)	3,622,749
1937 (after treaty)	4,375,765

Pottery ware

While the record for pottery ware is not quite as astonishing, it is as follows:

Imports, pottery ware of all kinds:	
1929	$15,025,634
1937	7,200,065

It will be readily seen that the importation of glass and pottery ware into the United States for the year of 1937 was less than one-half what it was under the great Republican year of 1929, when we never heard mention of such imports.

The figures show that instead of these treaties increasing importations of glass and pottery ware, they are now much less than they were in the great Hoover year of 1929, and that in Cuba and Canada our trade treaties have greatly increased the exports of our glassware, to the benefit of the manufacturer and workers of this country.

The tariff on importations of pottery ware is now exactly where it was under the Hoover administration, except the Tariff Commission can, if it believes it necessary to protect this industry, increase the tariff 50 percent.

No treaty with any nation has lowered this tariff in any particular, regardless of inferences to the contrary.

EFFECTS OF TRADE AGREEMENTS

The best answer to the cry that the trade-agreements program has been one-sided and is giving the foreigners all the advantages through the most-favored-nation principle is a survey of the actual results of the trade-agreements program.

The program did not get well under way until January 1936, when the Canadian and Brazilian agreements went into effect. The Netherland, Swiss, and a number of other agreements went into effect later, so that 1936 may well be taken as the starting point of the effectiveness of agreements.

The exports from and imports into the United States for the 2 years, 1934–35—preagreement years—and 1936–37, are compared as follows:

[Millions of dollars]

United States exports	1934–35 average value	1936–37 average value	Increase 1936–37 over 1934–35	
			Value	Percent
Total, all agreement countries	757	1,074	+317	+41.9
Total, all nonagreement countries	1,451	1,827	+376	+25.9
UNITED STATES GENERAL IMPORTS				
Total, all trade-agreement countries	774	1,125	+351	+45.2
Total, all nonagreement countries	1,077	1,629	+552	+51.3

No one ascribes all of the increase in trade to the agreements alone. However, no one can deny that they have substantially stimulated foreign commerce. During the 2-year period of 1936–37, in comparison with the preceding 2-year period, the increase in United States exports to trade-agreement countries was 41.9 percent, while the increase of exports to all other countries was 25.9 percent. These facts have been made available to all who desire the full record.

The exports for 1937 over 1936 increased by $889,000,000, while imports increased by only $662,000,000. That does not indicate that American markets are being opened up to foreign goods for nothing in return.

REPUBLICAN SUPPORT OF AGREEMENTS

At the beginning of these remarks I spoke of the partisan attacks being made on trade treaties. I want it understood that there are able Republican supporters for this program.

A recent public institute poll indicated that nearly two-thirds of the Republicans answering the questionnaire favored the principles of the program.

It is fairly well known that a long parade of Republican leaders, such as Charles P. Taft, son of the President who negotiated an agreement with Canada; Colonel Frank Knox, recent second-place "white hope" of the Republican Party; Robert Lincoln O'Brien, for several years Republican Chairman of the Tariff Commission; Winthrop W. Aldrich, son of the late Nelson Aldrich, of Rhode Island, who, as a leader in the Senate, sponsored the high protective rates of the Payne-Aldrich Act, are all supporters of Mr. Hull's trade-agreements program.

Winthrop W. Aldrich recently said:

> Secretary Hull is not proposing to do away with all protection, nor am I, but we have let our protective tariff run wild and we must moderate it. I believe it is economically impossible for this country to isolate itself from the rest of the world, and I assert that the superiority of the interests of all the people over those of any minority group or groups is obvious.

It is to Mr. Aldrich's credit that he realized the difference in our position as a creditor nation from that of 30 years ago, when his father sponsored high protection. Many of the adherents of his party are still living in the past three or four decades. Mr. Aldrich has had the courage to cast aside the loyalty to a threadbare principle, which no longer has any validity. He believes the tariff policy of the country should be geared to the conditions confronting us.

David Lawrence, in commenting on Mr. Aldrich's stand, recently said:

> Secretary Hull's policies have been under fire from the extreme protectionists, and there is much doubtless to be said in favor of different methods of negotiating reciprocity agreements, but on the basic idea of making reciprocal-trade agreements effective without submitting them to the logrolling and frustration of congressional committees more and more Republicans are coming to realize that their 1936 Cleveland convention plank was a gross mistake and that its correction is essential if a large block of independent votes is to be won to the Republican standard. Mr. Aldrich speaks not only as a businessman but as a conspicuous Republican, and incidentally, he happens to be president of that all-important body of businessmen known as the Chamber of Commerce of the State of New York. Not in so many months has so strong an ally for Secretary Hull's policies come forth from the Republican ranks to take his stand for removal of tariff barriers by negotiation of reciprocal-trade agreements.

Figures quoted from the departments show that since entering into trade agreements with foreign nations our export trade with these countries with whom we have signed has increased 41.9 percent, while our export trade with nontreaty countries has increased 25.9 percent.

This fact alone should convince all of us that there is more "heat" than fact about this charge of foreign competition and the argument that the trade treaties entered into by our Government with foreign nations is destructive of our trade and commerce is a complete fallacy.

South America consumes $20,000,000 of glass products each year. Most all of this trade, with the exception of Cuba, goes to Germany and Belgium. Our trade agreement with Cuba shows the possibility of securing a large bulk of this rich commerce for ourselves.

Is this great effort of Secretary Hull to be destroyed by unfair and untrue propaganda? Are the manufacturers of our own country to be denied the benefits of this ever-growing trade and commerce of South America, the most-sought-for plum of all well-informed nations for future expansion of their trade and commerce? Are the hysterical mouthings of uninformed political hatred and ill will to sway and guide our efforts to improve trade conditions?

Tariff revisions under these trade agreements are not arrived at by the old-time lobbying methods of a Grundy. Neither are they arbitrary changes based on guesswork, but are only arrived at after a careful, unbiased survey of the relative needs of the countries involved by the various committees of the State Department.

Each agreement has only been another step toward a rational world distribution under the prevailing world conditions that face the participating countries.

In initiating these trade treaties, Secretary Hull has done an outstanding piece of work, one, I know, that is not sufficiently well understood to be fully appreciated. In such matters we cannot afford to be biased merely by political affiliations. We must, if we desire to aid the welfare of our country, forget our politics and think of these treaties as they really are, designed solely for the purpose of extending and increasing our world trade and commerce.

The Czechoslovak trade treaty only went into effect during April of this year. No person can say with exact certainty what the effect will be on our exports and imports. The committees of the Department of Commerce, who have studied and proposed its terms, feel it will operate like all former treaties that have been made—in favor of our trade in manufactured goods. That has really been the effect of other treaties. Let us at least give this last treaty a fair chance to operate before we pull down the pillars of the temple in our imagined partisan wrath.

Our past economic history proves to us that to enjoy complete prosperity we must encourage export trade and commerce. Nothing can aid our desires and needs for such trade like international good will and friendship, that is so successfully being cultivated by these trade agreements now being negotiated by our brilliant Secretary of State, Cordell Hull. [Applause.]

EXTENSION OF REMARKS

Mr. O'CONNOR of Montana. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD at this point.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Montana?

There was no objection.

GENERAL WELFARE ACT NATION'S GREATEST NEED

Mr. O'CONNOR of Montana. Mr. Speaker, as we approach the end of the seventy-fifth session of Congress, it is well that we take stock and see what is lacking in our program so far. We can then turn our eyes to the future and determine that this need must be filled.

Our greatest need, as I see it, is a measure that will give real security to our aged and at the same time give to American business the impetus it needs to put us on the road to industrial recovery. As I look back upon our work I realize

more and more that the measure that will fill this need is the proposed general welfare act, H. R. 4199, which has been pigeonholed in the Ways and Means Committee without even being given a hearing, although one has been requested in writing by 154 Congressmen.

Although backed by all forces seeking a national old-age pension that will bring a purchasing power now, and although actively sponsored by 92 Members of this House who have pledged themselves to its support, either with or without amendments, this measure seems doomed to die with this session of Congress. The 126 signatures on the discharge petition filed at the Speaker's desk by Congressman HARRY SHEPPARD, of California, may possibly be increased enough to bring them to the 218 mark, but I doubt that this can happen before we adjourn.

But when we come back in January, Mr. Speaker, I predict that the new measure which will be introduced along this line will make such remarkable progress that even the older Members of this House will begin to wonder what is taking place. I can see it coming, as the progress made at this session of Congress has been truly remarkable.

When we started there were but seven members of the General Welfare Act steering committee promoting the bill. This committee was increased to 40 in May 1937. I became a member at that time and have attended most of the meetings the committee has held. Its membership has now been increased to 64, and the steering committee resolution, which the 40 original members signed in August 1937, now has 92 signatures, 47 of them obtained since the beginning of the year, an increase of over 100 percent in 4 months' time. The signatures on the request to the Ways and Means Committee for a hearing have increased during this same period from 75 to 154, also an increase of over 100 percent, and the signatures on the discharge petition have risen from 104 to 126 during this period.

Coincident with this remarkable spurt this bill has made of late is a new attitude toward the measure on the part of my colleagues in Congress. No longer do we hear it referred to as a "crackpot" measure. It is being considered as a reasonable piece of legislation, and when it appears again in January 1939 it will undoubtedly be made more so, as we progress as time goes on and learn how to make even more rapid progress by being reasonable in our demands and by not asking for things which the Nation is not prepared to grant. A start must first be made before we can gain all of the objectives which we desire; but in the end, Mr. Speaker, we will reach them.

These objectives, in the main, are:

First. Real protection to all the aged citizens of our Nation, regardless of the misfortunes some of them may have suffered in life which made it impossible for them to be contributors to the special fund we now provide for those who are able to work and out of their wages buy annuity policies.

Second. A purchasing power now, to bring industrial recovery. Taxing workers 3 percent on their gross income and taxing their employers 3 percent on their pay roll on the top of this, as the Social Security Act contemplates, might be justified if it brought to business an equivalent return at the present time. But to wait for the buying power until the present workers are 65 years old ruins everything. We must be placed on a "pay as you go" basis as far as old-age pensions are concerned before they can be used for recovery purposes.

With these thoughts, Mr. Speaker, I leave this matter until the year 1939, which I predict will bring to the old people of this Nation a just compensation for their years of struggle, which in turn will bring to the entire Nation the prosperity we have been seeking.

Are we in Congress going to fail the aged people of this country who built our homes, schoolhouses, churches, public buildings, and conquered a wilderness that we of the younger generation could live in a reasonable degree of comfort? Millions of these people are today in need. If we fail them, are we entitled to truthfully say that we believe in the great truths and principles of what we understand to be Americanism?

EXTENSION OF REMARKS

Mr. COLLINS. Mr. Speaker, I ask unanimous consent to extend my own remarks in the Appendix of the RECORD on the pay and hours of work of firemen in the District of Columbia and in other American cities and the cost to the taxpayers of the District of Columbia of the 60-hour-week bill which was passed by this body today.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

Mr. BACON. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to quote therein from a letter I received this morning.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

PERMISSION TO ADDRESS THE HOUSE

Mr. MAPES. Mr. Speaker, I ask unanimous consent that at the conclusion of the legislative program tomorrow and following other special orders, the gentleman from New York [Mr. LORD] may address the House for 20 minutes.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Michigan?

There was no objection.

MOTION PICTURES—BLOCK BOOKING

Mr. PETTENGILL. Mr. Speaker, I ask unanimous consent to proceed for 3 minutes.

The SPEAKER pro tempore. Is there objection?

There was no objection.

Mr. PETTENGILL. Mr. Speaker, I take this opportunity to advise the House that last week the Senate passed the so-called Neely-Pettengill block-booking, blind-selling bill, and it is now over here for action by the House. I do not know of any bill which has come up in many years which has had such widespread support from people who have no interest in legislation except to unselfishly improve the conditions of living for themselves and their children in their home communities. The National Congress of Parents and Teachers, the Y. W. C. A., the Y. M. C. A., and other great institutions and associations are interested in clean motion pictures, in behalf of some 80,000,000 picture goers every week. I ask unanimous consent to include a list of some of these associations composing millions of our fellow citizens who are interested in this legislation.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Indiana?

There was no objection.

The matter referred to is as follows:

NATIONAL ORGANIZATION URGING PASSAGE OF NEELY-PETTENGILL BLOCK-BOOKING BILL (S. 153 AND H. R. 1669)

American Association of University Women.
American Baptist Publication Society.
American Federation of Teachers.
American Home Economics Association.
Association of Childhood Education.
Associated Film Audiences.
Board of Temperance and Social Welfare, Disciples of Christ.
Catholic Boys Brigade of the United States, Inc.
Catholic Central Verein of America.
Catholic Daughters of America.
Catholic Order of Foresters.
Committee on Moral and Social Welfare, Lutheran Church in America.
Council of Women for Home Missions.
Editorial Council of the Religious Press.
Federal Council of Churches of Christ in America.
Girls' Friendly Society of the United States of America.
Knights of Columbus.
Motion Picture Research Council.
National Board of Young Women's Christian Associations.
National Congress of Parents and Teachers.
National Council of Catholic Women.
National Council of Protestant Episcopal Churches.
National Council of Young Men's Christian Associations.
National Education Association.
National Grange.
National Motion Picture League, Inc.
National Woman's Christian Temperance Union.
National Women's Trade Union League of America.

The National Sentinels.
United States Daughters of 1812.
Allied States Association of Motion Picture Exhibitors.

SOME OF THE STATE ORGANIZATIONS WHICH HAVE ENDORSED THE LEGISLATION

Forty-six State organizations of the National Congress of Parents and Teachers have endorsed the bill.

Following are some of the other State organizations which have endorsed it:

Independent Exhibitors, Inc. (covering States of Maine, New Hampshire, Vermont, Massachusetts, and Rhode Island).
Allied Theater Owners of New Jersey, Inc.
Motion Picture Theater Owners of Maryland, Inc.
Motion Picture Theater Owners of Western Pennsylvania (covering western Pennsylvania and West Virginia).
Allied Theaters of Michigan, Inc.
Co-operative Theaters of Michigan, Inc.
Allied Theater Owners of the Northwest, Inc. (including Minnesota, North and South Dakota, and Montana).
Allied Theaters of Illinois, Inc.
Associated Theater Owners of Indiana, Inc.
Independent Theaters' Protective Association of Wisconsin and Upper Michigan.
Independent Theater Owners of Ohio, Inc.
Cleveland Motion Picture Exhibitors' Association.
Allied Theater Owners of Texas, Inc.
Allied Theater Owners of Louisiana.
Allied Theater Owners of Connecticut.
Allied-Independent Theater Owners of Iowa-Nebraska.
Motion Picture Theater Owners of Nebraska and Western Iowa.
Detroit Council of Catholic Organizations.
Allied Youth of Detroit, Mich.
Society of Mayflower Descendants of Ohio.
Northern Baptist Convention, Education Department Diocese of Pennsylvania Christian Social Service and Institutions.
Pennsylvania Council of Churches.
Church of the Holy Trinity, Brooklyn, N. Y.
Massachusetts Civic League.

Mr. MAPES. Mr. Speaker, will the gentleman yield?

Mr. PETTENGILL. Yes.

Mr. MAPES. In my correspondence with those interested in the legislation, I have said to them that as a member of the Committee on Interstate and Foreign Commerce, I am very glad to cooperate with the gentleman from Indiana and friends of the legislation to have this bill brought up and considered in committee at the earliest possible time. Has the gentleman any hope of having the legislation considered at this session of Congress?

Mr. PETTENGILL. I have.

Mr. MAPES. Has the gentleman any assurance that it will be?

Mr. PETTENGILL. I have no such assurance.

Mr. MAPES. The gentleman has hope, but no assurance?

Mr. PETTENGILL. I do not want to quote anybody, but when the gentleman asks me if I have hope, I say that I have, and I have reason for it. I thank the gentleman for his cooperation in this matter. Long hearings have been conducted on this legislation both in the House and in the Senate. The legislation has been pending now for 3 or 4 years and I hope Members, especially the new Members, will not insist on further hearings on the bill. The Senate took up the matter without new hearings, relying on the hearings in a previous session. I earnestly urge friends of the legislation to give all possible assistance toward bringing it to action in the House at this session.

Mr. MICHENER. Mr. Speaker, will the gentleman yield?

Mr. PETTENGILL. Yes.

Mr. MICHENER. I have received many letters in favor of the bill. Will the gentleman tell us who is opposing the bill?

Mr. PETTENGILL. The Will Hays Motion Picture Trust. Whatever may be said of this matter, it is monopolistic in the highest degree, and in view of the President's recent message on monopoly, it seems to me that this is a peculiarly appropriate time for the House to consider this legislation.

The SPEAKER pro tempore. The time of the gentleman from Indiana has expired.

EXTENSION OF REMARKS

Mr. BACON. Mr. Speaker, in this morning's New York Times there is a short article that refers to me in connection with the relief bill. I ask unanimous consent to extend my remarks by including that article in the Appendix.

The SPEAKER pro tempore. Is there objection?

There was no objection.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows:

To Mr. VINSON of Georgia, for 10 days, on account of important business.

To Mr. POLK, for the remainder of the week, on account of death in family.

To Mr. ATKINSON, indefinitely, on account of illness.

SENATE BILL REFERRED

A bill of the Senate of the following title was taken from the Speaker's table and, under the rule, referred as follows:

S. 4022. An act to amend the Federal Reserve Act in regard to charitable contributions, and for other purposes; to the Committee on Banking and Currency.

ADJOURNMENT

Mr. SMITH of West Virginia. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 4 o'clock and 36 minutes p. m.) the House adjourned until tomorrow, Thursday, May 26, 1938, at 12 o'clock noon.

COMMITTEE HEARINGS

COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE

There will be a meeting of the Committee on Interstate and Foreign Commerce at 10 a. m. Thursday, May 26, 1938. Business to be considered: Hearing on H. R. 10127, railroad unemployment insurance.

There will be a meeting of the Committee on Interstate and Foreign Commerce at 10 a. m. Tuesday, May 31, 1938. Business to be considered: Hearings on H. R. 10620, entitled "To remove existing reductions in compensations for transportation of Government property and troops incident to railroad land grants."

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. MAAS: Committee on Naval Affairs. H. R. 10722. A bill to authorize the attendance of the Marine Band at the National Encampment of the Grand Army of the Republic to be held at Des Moines, Iowa, September 4 to 8, inclusive, 1938; with amendment (Rept. No. 2474). Referred to the Committee of the Whole House on the state of the Union.

Mr. MAVERICK: Committee on Military Affairs. H. R. 10737. A bill to authorize the Secretary of War to grant rights-of-way for highway purposes and necessary storm sewer and drainage ditches incident thereto upon and across Kelly Field, a military reservation in the State of Texas; to authorize an appropriation for construction of the road, storm sewer, drainage ditches and necessary fence lines; without amendment (Rept. No. 2475). Referred to the Committee of the Whole House on the state of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. GILDEA: Committee on Immigration and Naturalization. H. R. 7606. Bill for the relief of Albert Richard Jeske; without amendment (Rept. No. 2476). Referred to the Committee of the Whole House.

Mr. LESINSKI: Committee on Immigration and Naturalization. S. 3758. An act for the relief of Emily Gertrude Toby; without amendment (Rept. No. 2477). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. LEA: A bill (H. R. 10752) to authorize Federal cooperation in the acquisition of the Muir Wood Toll Road, located in Marin County, State of California, and for other purposes; to the Committee on the Public Lands.

By Mr. WILCOX: A bill (H. R. 10753) to amend an act entitled "An act to establish a uniform system of bankruptcy throughout the United States," approved July 1, 1898, and acts amendatory thereof and supplemental thereto; to the Committee on the Judiciary.

By Mr. LAMBETH: A bill (H. R. 10754) to amend certain sections of the act entitled "An act providing for the public printing and binding and the distribution of public documents," approved January 12, 1895, as amended; to the Committee on Printing.

By Mr. COCHRAN: A bill (H. R. 10755) to authorize the Secretary of the Treasury to make and carry out agreements of indemnity to banks paying him moneys to cover checks or drafts issued by such banks payable to the United States or an agency or officer thereof which have been or may be lost or destroyed; to the Committee on Expenditures in the Executive Departments.

By Mr. HILL: A bill (H. R. 10756) to provide for the installation of an automatic machine for recording and counting votes in the House of Representatives; to the Committee on Accounts.

By Mr. PETERSON of Florida: A bill (H. R. 10757) authorizing the construction and equipment of a marine hospital in the State of Florida; to the Committee on Merchant Marine and Fisheries.

By Mr. BOLAND of Pennsylvania: Resolution (H. Res. 507) requesting information relating to railroads; to the Committee on Interstate and Foreign Commerce.

By Mr. WILCOX: Joint resolution (H. J. Res. 698) to permit the transportation of freight by foreign-owned vessels between the port of Fort Pierce, Fla., and the ports of Portland, Oreg., and Seattle, Wash.; to the Committee on Merchant Marine and Fisheries.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. CHURCH: A bill (H. R. 10758) for the relief of Herbert Wenzel; to the Committee on Claims.

By Mr. GINGERY: A bill (H. R. 10759) granting a pension to Maude E. Boyden; to the Committee on Invalid Pensions.

By Mr. HAINES: A bill (H. R. 10760) for the relief of Martha G. and Arnold E. Orner, Sally C. Guise, and the estate and minor children of Dale W. and Gladys M. Guise; to the Committee on Claims.

By Mr. JOHNSON of West Virginia: A bill (H. R. 10761) granting an increase of pension to Isabel Gammon; to the Committee on invalid pensions.

By Mr. SACKS: A bill (H. R. 10762) for the relief of Ciro Maglione; to the Committee on Immigration and Naturalization.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

5236. By Mr. DEROUEN: Petition of the Louisiana Public Welfare Association, State of Louisiana, petitioning and urging the Congress of the United States to amend the Social Security Act by providing financial participation by the Social Security Board of an amount equal to 50 percent of the funds granted by States for assistance to dependent children, and to the sick, the infirm, and those otherwise physically or mentally handicapped between the ages of 16 and 64; to the Committee on Ways and Means.

5237. By Mr. KENNEDY of New York: Petition of the Women's City Club, New York City, urging enactment of the wage-hour bill; to the Committee on Labor.

5238. Also, petition of the Transport Workers Union of Greater New York, N. Y., urging enactment of the wage-hour bill; to the Committee on Labor.

SENATE

THURSDAY, MAY 26, 1938

(Legislative day of Wednesday, April 20, 1938)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

THE JOURNAL

On request of Mr. BARKLEY, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day Wednesday May 25, 1938, was dispensed with, and the Journal was approved.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States, submitting nominations, were communicated to the Senate by Mr. Latta, one of his secretaries.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Chaffee, one of its reading clerks, announced that the House had passed the bill (S. 1225) to provide for insanity proceedings in the District of Columbia.

The message also announced that the House had agreed to the amendments of the Senate to each of the following bills of the House:

H. R. 6869. An act to regulate the occupation and practices of cosmetology, to create a District of Columbia Board of Cosmetology for the examination and licensing of persons to carry on or to teach such practices, to insure the better education of such practitioners, to provide rules regulating the proper conduct and sanitation of cosmetological establishments and schools, for the protection of the public health, and to provide penalties for violation thereof; and

H. R. 7085. An act to regulate barbers in the District of Columbia, and for other purposes.

The message further announced that the House had passed the following bills and joint resolutions, in which it requested the Senate:

H. R. 5696. An act to provide for the retirement of certain members of the police and fire departments of the District of Columbia, the United States Park Police force, and the White House Police force;

H. R. 7710. An act to provide shorter hours of duty for members of the fire department of the District of Columbia;

H. R. 7982. An act to regulate the manufacturing, dispensing, selling, and possession of narcotic drugs in the District of Columbia;

H. R. 9468. An act to amend the act of May 13, 1936, providing for terms of the United States district court at Wilkes-Barre, Pa.;

H. R. 9475. An act to create a commission to procure a design for a flag for the District of Columbia, and for other purposes;

H. R. 9844. An act providing for the zoning of the District of Columbia and the regulation of the location, height, bulk, and uses of buildings and other structures and of the uses of land in the District of Columbia, and for other purposes;

H. R. 9873. An act to protect trade-mark owners, producers, distributors, and the general public against injurious and uneconomic practices in the distribution of competitive commodities bearing a distinguishing trade-mark, brand, or name through the use of voluntary contracts establishing minimum resale prices and providing for refusal to sell unless such minimum resale prices are observed;

H. R. 10642. An act to amend an act entitled "District of Columbia Alley Dwelling Act," approved June 12, 1934, and for other purposes;

H. R. 10643. An act to amend the act of August 9, 1935 (Public, No. 259, 74th Cong., 1st sess.);

H. R. 10673. An act to exempt the property of the Young Women's Christian Association in the District of Columbia from national and municipal taxation;

H. J. Res. 672. Joint resolution for the designation of a street to be known as "Oregon Avenue," and for other purposes;

H. J. Res. 687. Joint resolution to amend title VI of the District of Columbia Revenue Act of 1937; and

H. J. Res. 693. Joint resolution making an appropriation to aid in defraying expenses of the observance of the seventy-fifth aniversary of the Battle of Gettysburg.

CALL OF THE ROLL

Mr. BARKLEY. I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Dieterich	King	Pepper
Andrews	Donahey	La Follette	Pittman
Austin	Duffy	Lee	Pope
Bankhead	Ellender	Lewis	Radcliffe
Barkley	Frazier	Lodge	Russell
Berry	George	Logan	Schwartz
Bilbo	Gerry	Lonergan	Schwellenbach
Bone	Gibson	Lundeen	Sheppard
Borah	Gillette	McAdoo	Shipstead
Brown, Mich.	Glass	McCarran	Smathers
Brown, N. H.	Green	McGill	Smith
Bulkley	Guffey	McKellar	Thomas, Utah
Bulow	Hale	McNary	Townsend
Burke	Harrison	Maloney	Truman
Byrd	Hatch	Miller	Vandenberg
Byrnes	Hayden	Milton	Van Nuys
Capper	Herring	Minton	Wagner
Caraway	Hill	Murray	Walsh
Chavez	Hitchcock	Neely	Wheeler
Clark	Holt	Norris	White
Connally	Hughes	Nye	
Copeland	Johnson, Calif.	O'Mahoney	
Davis	Johnson, Colo.	Overton	

Mr. LEWIS. I announce that the Senator from Arizona [Mr. ASHURST] and the Senator from Oregon [Mr. REAMES] are detained from the Senate because of illness.

The Senator from North Carolina [Mr. BAILEY] is unavoidably detained.

The Senator from North Carolina [Mr. REYNOLDS], the Senator from Oklahoma [Mr. THOMAS], and the Senator from Maryland [Mr. TYDINGS] are detained on important public business.

I ask that this announcement stand of record for the day.

Mr. AUSTIN. I announce that the Senator from New Hampshire [Mr. BRIDGES] is absent because of the death of his wife.

The VICE PRESIDENT. Eighty-nine Senators have answered to their names. A quorum is present.

INTERNATIONAL EXPOSITION OF PARIS, 1937

The VICE PRESIDENT laid before the Senate a letter from the Secretary of State, transmitting, pursuant to law, a detailed statement of expenditures, together with other reports, concerning the participation of the Government of the United States in the International Exposition held in Paris, France, from May 24, 1937, through November 25, 1937, which, with the accompanying papers, was referred to the Committee on Foreign Relations.

PETITIONS AND MEMORIALS

The VICE PRESIDENT laid before the Senate the memorial of Emma R. Frye, of Queens Village, N. Y., remonstrating against the enactment of the President's proposed recovery program, which was ordered to lie on the table.

He also laid before the Senate a resolution adopted by York Local No. 777 of the North Dakota Farmers Union, Leeds, N. Dak., protesting against the enactment of House bill 9604, the so-called May industrial mobilization bill, which was referred to the Committee on Finance.

He also laid before the Senate a resolution recently adopted by the Democratic State convention of South Carolina, favoring amendment of section 313, paragraph (a) of the so-called Farm Act, so that if amended the provision referred to would read as follows: "*Provided, however,* That to prevent in any case too sudden reduction in acreage of tobacco production on any farm, the marketing quota for flue-cured tobacco for any farm shall not be reduced to a point less than 75 percent of the 1937 production on any farm or in any State," which was referred to the Committee on Agriculture and Forestry.

Mr. WALSH presented a petition of sundry citizens, being employees of the Springfield, Mass., post office, praying for the enactment of legislation to improve the working conditions of substitute postal employees, which was referred to the Committee on Post Offices and Post Roads.

HOUSE BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were severally read twice by their titles and referred, or ordered to be placed on the calendar, as indicated below:

H. R. 9475. An act to create a commission to procure a design for a flag for the District of Columbia, and for other purposes;

H. R. 10642. An act to amend an act entitled "District of Columbia Alley Dwelling Act," approved June 12, 1934, and for other purposes;

H. R. 10643. An act to amend the act of August 9, 1935 (Public, No. 259, 74th Cong., 1st sess.);

H. R. 10673. An act to exempt the property of the Young Women's Christian Association in the District of Columbia from national and municipal taxation; and

H. J. Res. 672. Joint resolution for the designation of a street to be known as "Oregon Avenue," and for other purposes; to the calendar.

H. R. 5696. An act to provide for the retirement of certain members of the police and fire departments of the District of Columbit, the United States Park Police force, and the White House Police force;

H. R. 7710. An act to provide shorter hours of duty for members of the fire department of the District of Columbia;

H. R. 7982. An act to regulate the manufacturing, dispensing, selling, and possession of narcotic drugs in the District of Columbia;

H. R. 9844. An act providing for the zoning of the District of Columbia and the regulation of the location, height, bulk, and uses of buildings and other structures and of the uses of land in the District of Columbia, and for other purposes;

H. R. 9873. An act to protect trade-mark owners, producers, distributors, and the general public against injurious and uneconomic practices in the distribution of competitive commodities bearing a distinguishing trade-mark, brand, or name through the use of voluntary contracts establishing minimum resale prices and providing for refusal to sell unless such minimum resale prices are observed; and

H. J. Res. 687. Joint resolution to amend title VI of the District of Columbia Revenue Act of 1937; to the Committee on the District of Columbia.

H. R. 9468. An act to amend the act of May 13, 1936, providing for terms of the United States district court at Wilkes-Barre, Pa.; to the Committee on the Judiciary.

H. J. Res. 693. Joint resolution making an appropriation to aid in defraying expenses of the observance of the seventy-fifth anniversary of the Battle of Gettysburg; to the Committee on Appropriations.

REPORTS OF COMMITTEES

Mr. SHEPPARD, from the Committee on Military Affairs, to which were referred the following bills, reported them severally without amendment and submitted reports thereon:

S. 3517. A bill for the relief of David B. Monroe (Rept. No. 1906);

S. 4069. A bill to authorize the Secretary of War to lend certain property to the reunion committee of the United Confederate Veterans to be used at their annual encampment

to be held at Columbia, S. C., from August 30 to September 2, 1938 (Rept. No. 1908); and

S. 4088. A bill to authorize the Secretary of War to grant rights-of-way for highway purposes and necessary storm sewer and drainage ditches incident thereto upon and across Kelly Field, a military reservation in the State of Texas; to authorize an appropriation for construction of the road, storm sewer, drainage ditches, and necessary fence lines (Rept. No. 1907).

Mr. McKELLAR, from the Committee on Appropriations, to which was referred the joint resolution (H. J. Res. 693) making an appropriation to aid in defraying expenses of the observance of the seventy-fifth anniversary of the Battle of Gettysburg, reported it without amendment.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time and referred as follows:

By Mr. NEELY:

A bill (S. 4091) granting an increase of pension to Susan E. Watts; to the Committee on Pensions.

By Mr. OVERTON and Mr. ELLENDER:

A bill (S. 4092) creating the Louisiana-Vicksburg Bridge Commission; defining the authority, power, and duties of said commission; and authorizing said commission and its successors and assigns to purchase, maintain, and operate a bridge across the Mississippi River at or near Delta Point, La., and Vicksburg, Miss.; to the Committee on Commerce.

By Mr. BERRY:

A bill (S. 4093) to encourage the prospecting for and development of the mineral resources in the southeastern United States and to establish an assay office, testing laboratory, and experiment station at or near Knoxville, Knox County, Tenn.; to the Committee on Mines and Mining.

By Mr. McADOO:

A bill (S. 4094) granting an increase of pension to Minnie Wetmore Cole; to the Committee on Pensions.

By Mr. McKELLAR:

A bill (S. 4095) to amend the National Housing Act, as amended, to provide loans for the acquisition of inexpensive homes; to the Committee on Education and Labor.

STANDARDS OF WAGES AND HOURS OF LABOR—AMENDMENT

Mr. OVERTON submitted an amendment intended to be proposed by him to the amendment of the House of Representatives to the bill (S. 2475) to provide for the establishment of fair labor standards in employments in and affecting interstate commerce, and for other purposes, which was ordered to lie on the table and to be printed.

CONSTRUCTION AND REHABILITATION AT MILITARY POSTS—AMENDMENTS

Mr. SHEPPARD submitted an amendment intended to be proposed by him to the bill (S. 4000) to authorize appropriations for construction and rehabilitation at military posts, and for other purposes, which was ordered to lie on the table and to be printed.

Mr. NYE and Mr. FRAZIER, jointly, submitted an amendment intended to be proposed by them to the bill (S. 4000) to authorize appropriations for construction and rehabilitation at military posts, and for other purposes, which was ordered to lie on the table and to be printed.

RELIEF AND WORK-RELIEF APPROPRIATIONS—AMENDMENTS

Mr. BONE, Mr. LUNDEEN, and Mr. SMITH each submitted an amendment and Mr. BILBO submitted amendments intended to be proposed by them, respectively, to the joint resolution (H. J. Res. 679) making appropriations for work relief, relief, and otherwise to increase employment by providing loans and grants for public-works projects, which were severally ordered to lie on the table and to be printed.

Mr. GUFFEY and Mr. MURRAY, jointly, submitted an amendment intended to be proposed by them to the joint resolution (H. J. Res. 679) making appropriations for work relief, relief, and otherwise to increase employment by providing loans and grants for public-works projects, which was ordered to lie on the table and to be printed.

UNITED STATES NAVAL ACADEMY

Mr. WALSH. Mr. President, I ask unanimous consent to have printed, with illustrations, as a Senate document, a factual statement prepared at my request, as chairman of the Committee on Naval Affairs, by the Bureau of Navigation of the United States Navy Department, containing information as to the history, entrance requirements, the curriculum, athletics, after-graduation service of midshipmen, and other facts about the United States Naval Academy located at Annapolis, Md.

The VICE PRESIDENT. Is there objection? The Chair hears none, and the statement will be printed as requested.

ADDRESS BY JAMES A. FARLEY BEFORE COMMONWEALTH CLUB OF CHICAGO

[Mr. LEWIS asked and obtained leave to have printed in the RECORD an address delivered by Hon. James A. Farley before the Commonwealth Club of Chicago on Monday, May 23, 1938, which appears in the Appendix.]

THE FUTURE OF AMERICAN YOUTH—ADDRESS BY JOHN HAMILTON

[Mr. CAPPER asked and obtained leave to have printed in the RECORD an address on the subject of the Future of American Youth, delivered by John Hamilton, chairman of the Republican National Committee, before the Young Republican convention of Colorado, at Pueblo, Colo., on Saturday, May 21, 1938, which appears in the Appendix.]

PIONEERING IN HONESTY—ADDRESS BY J. EDGAR HOOVER

[Mr. McADOO asked and obtained leave to have printed in the RECORD an address delivered by J. Edgar Hoover, Director, Federal Bureau of Investigation, at the commencement exercises, Oklahoma Baptist University, Shawnee, Okla., May 23, 1938, on the subject Pioneering in Honesty, which appears in the Appendix.]

RELIEF AND WORK-RELIEF APPROPRIATIONS

The Senate resumed the consideration of the joint resolution (H. J. Res. 679) making appropriations for work relief, relief, and otherwise to increase employment by providing loans and grants for public-works projects.

Mr. MALONEY. Mr. President, I desire to offer to the pending joint resolution an amendment, which I send to the desk and ask to have read.

The VICE PRESIDENT. Without objection, the clerk will read as requested.

The Chief Clerk read as follows:

Amendment intended to be proposed by Mr. MALONEY to the joint resolution (H. J. Res. 679) making appropriations for work relief, relief, and otherwise to increase employment by providing loans and grants for public-works projects, viz:

On page 21, beginning with line 2, strike out through line 5, and insert in lieu thereof the following: "and no funds appropriated under this title shall be allotted for any project of the character described in clause (2) or (3) of subsection (a) of this section which will compete with any privately owned or operated public utility whose rates are subject to public regulation on the date of enactment of this joint resolution (1) until such public utility has been notified by the Administrator that a competing project of such character is proposed to be financed with such funds, and (2) until such public utility (A) has rejected, or has failed to accept within 30 days after it is made, a bona fide offer by a public agency, or by or on behalf of the United States, to purchase the property of such public utility at a price fixed by a board of arbitration appointed as hereinafter provided, or (B) has failed to appoint within the time specified a member of the board to be created for the purpose of fixing such price: *Provided*, That the board of arbitration in each such case shall consist of three members, of whom one shall be appointed by the public utility, one by the public agency which is to construct such competing project or to which such project is to be leased, and one by the two members so appointed, and all such appointments shall be made within 30 days after the notification by the Administrator to the public utility as provided in clause (1) of this subsection: *Provided further*, That if the members of any such board appointed by the public utility and the public agency are unable to agree upon the third member of the board within such 30-day period, then the Governor of the State in which the competing project is proposed to be located shall, within 10 days after the expiration of such period, appoint a third member of such board: *Provided further*, That the price fixed by the board for the property of the public utility in any such case shall be fair and reasonable, shall be agreed upon by at least two members of the board, and shall be fixed within 60 days after the third member of the board is

appointed: *Provided further*, That in any case in which the Governor of any such State fails to appoint a third member of a board of arbitration within the time specified for such appointment by him, and in any case in which any such board fails to fix the price for the property of the public utility within the time specified therefor, funds appropriated under this title may be allotted for the competing project."

The VICE PRESIDENT. Under the agreement of the Senate, committee amendments to the joint resolution will be first considered. The first committee amendment has been stated. The amendment of the Senator from Connecticut will be printed and lie on the table for consideration at such time as he may desire to call it up.

Mr. MALONEY. Mr. President, I was about to make that request, and I do not intend to discuss the amendment at great length at this time; but I should like to discuss it for a few minutes, with the hope that I may attract the attention of the Members of the Senate to the proposal.

Mr. SCHWELLENBACH. Mr. President, will the Senator yield?

Mr. MALONEY. I yield.

Mr. SCHWELLENBACH. I did not hear the first part of the Senator's amendment. Is it a proposed substitute for the committee amendment?

Mr. MALONEY. I am going briefly to explain that phase of the matter.

Mr. President, this amendment deals with a part of the relief joint resolution which is being much discussed and is receiving considerable attention on the part of the public. I had been informed—and the information came to me by way of the press—that the committee amendment appearing on page 21 of the joint resolution had what is known as administration approval. By way of the press I later learned that there was a probability that the majority leader, the Senator from Kentucky [Mr. BARKLEY], would offer an amendment in connection with this particular part of the joint resolution. I had hoped that at that time I might make an effort to perfect the amendment which I understood was to be offered by the majority leader. Again, still later, I learned from the press that the so-called committee amendment and the other amendment to which I have referred had been abandoned. So the proposal I offer today has been somewhat hurriedly prepared, and I discuss it now only in the hope that I may focus sufficient attention upon it to have the help of others in attempting to perfect it if the suggestion appears to be wise.

I do not know that I am in accord with the committee amendment, Mr. President, because the committee amendment provides that none of the money appropriated under the joint resolution shall be allotted to municipalities or political subdivisions desiring to acquire funds with which to build power projects which would compete with projects already in existence. Of course, I am opposed to building projects which would compete with existing power projects; but if the sovereign States of this country delegate to the municipalities within their borders the right to create and operate utility plants and take over existing plants, I think it fitting and proper that the Federal Government, which loans and grants money for other public projects, should loan and grant money for power projects.

If public ownership of utilities is on its way—and I have a feeling that it is to come—my amendment is intended only to provide for an orderly process of acquiring them. My amendment is intended to steer us away from confiscation, from chaos, from ruination and waste. If we are to have public ownership of utilities in this country, there is a right way and a fair way and an American way of bringing it about; and that way is to see that the stockholders in power companies, the persons who have risked their savings, many of them plain people, shall get a fair return and not be turned out in the cold.

I have found that it is not easy to write an amendment which would accomplish the object I have in mind; but my amendment provides for setting up a board of arbitration of three members. It provides, first, that after an application for a loan is made, the Administrator shall serve notice on the utility in question that an application is under consideration, and that the utility shall appoint one member of a board of arbitration. It provides further that the municipality or the political subdivision or public agency shall appoint one member of the board of arbitration; and it next provides that these two persons shall appoint a third and final member of the board of arbitration.

That seems rather simple, Mr. President, but it might give an unfair advantage to the utility company if we should stop there, because it might refuse to appoint a member. So provision is made that if the utility company fails in that respect, it is in order for the Federal Government to make the allotment. The amendment further provides that if the members of the board of arbitration appointed by the public utility and the municipality or political subdivision or agency are unable to agree upon a third member, which failure to agree would cause delay and impossibility of action, the Governor of the State in which it is proposed to create the utility shall name the third member.

Further provision is made, in order that there shall be no delay, that the board of arbitration shall act within a very limited period of time. The amendment provides that if action becomes necessary, the Governor shall act within a very limited period of time. It further provides that if the Governor should fail in the responsibility delegated to him, the allotment may be made.

I think the amendment provides every possible protection for the municipality or the political subdivision or the public agency which wants to enter the public-utility field. I think it provides the necessary protection, in keeping with the solemn responsibility we have as Members of Congress, to protect the persons who have invested their money in public utilities.

Mr. President, this is a power age. There are some public-utility operators who believe that the way to success for private industry is through a sufficiently wide distribution to permit low-cost power. It seems to me that it does not make much difference whether we have public ownership or private ownership if the utility is fairly and properly operated. I believe in a wide distribution of power and in the assumption of a complete public service on the part of the utility. I believe that that is the economical way, and the way of cheap power. I have believed in rigid regulation, not only of power companies, but of industry whenever and wherever it appeared necessary for the common good. I voted for the original T. V. A. Act. I voted for the "death sentence" of the holding-company bill in 1935. I hold no brief for the power companies; but I know that the way to create chaos and uncertainty and confusion and waste is to confiscate these properties without fair and proper hearing and payment.

We have had much trouble with the railroads in late years; and, in my opinion, a large part of the reason for the trouble has been duplication which resulted in waste. Between Washington and New York, for one shining example, are parallel railroad systems, one of which is no more necessary than that I have two thumbs on one hand. Are we going to make the same mistake again with this great industry? Are we going in competition with existing plants—plants that were constructed by sweating men—to build publicly owned plants that will create waste through necessary abandonment of existing plants?

I do not think the Senate wants to take that step, Mr. President. I do not think we want to play a part in any abuse of power. As the proposal is made under this relief joint resolution that we shall loan money to municipalities for this purpose, I think we want to make certain that we shall protect the rights of persons who feel that they are oppressed, who feel that they are paying too much, that we shall give them their rights, that we shall let them have their own public-utility plants if that is their desire; but I think

we should also provide, in making that possible, rather than permitting them to enter into a wasteful competition, that they shall offer a fair price for properties which under the law they may acquire.

Because there is no opportunity to vote on this proposal now, I shall not take more of the time of the Senate this afternoon, but since this appears to me to be a matter of great magnitude, I felt that I should briefly explain the amendment and its purposes. If the occasion appears to warrant it, I shall take the liberty of taking a little more of the time of the Senate later on.

Mr. JOHNSON of Colorado. Mr. President, I desire to speak upon the provision in subparagraph (4), beginning with line 21, page 21, of the pending joint resolution, providing an appropriation for "projects for penal and correctional facilities under the Department of Justice, including the acquisition of land for sites therefor." This is a tremendously important appropriation, which, in my opinion, should have the approval of this body. Out of a small portion of this appropriation should come a regional jail for the Rocky Mountain area and for other areas not yet provided with housing for caring for short-term Federal prisoners.

The rate at which the Federal prison population is growing makes it imperative that additional facilities be provided for their care and treatment if serious social disturbances are to be corrected. There has been a continual growth in the number of Federal prisoners since 1925, with the exception of a short period immediately following the repeal of the Prohibition Act. Today there are 17,164 men and women in all of the Federal penal and correctional institutions, which have an aggregate normal capacity of only 13,743. Leavenworth Penitentiary, for example, has a normal capacity of 1,800, and a population of 2,975, which is almost 1,200 in excess of the number which can properly be accommodated. The result is that the prison officials have been required to resort to the unwholesome practice of "doubling up," or placing two prisoners in a single cell. They have also had to resort to using corridors, basements, and improvised dormitories for housing the constantly increasing number of Federal prisoners. Despite the fact that several new penal institutions have been constructed in the past few years, the population has continued to increase more rapidly than new facilities are being provided.

The population of all the Federal penitentiaries, reformatories, and jails under the Department of Justice is 953 in excess of the number of all Federal prisoners in the same week last year. In other words, in a single year the Federal prison population has increased sufficiently to fill one new institution. This increase does not necessarily represent, in my judgment, a growing lawlessness on the part of our citizens or a more active vigilance on the part of our enforcement officers, but it does indicate a shift in responsibility for law enforcement from the States to the central government. New criminal statutes enacted by Congress in the past 5 years have resulted in substantial additions to the population of Federal correctional institutions. Kidnaping, bank robbery, and drug addiction are now prosecuted almost exclusively in the Federal courts. Moreover, the enactment of such statutes as the Securities Exchange Act, the "hot oil" statutes, and the National Stolen Property Act has added considerably to the load of our Federal penal institutions.

The Congress has recognized the additional responsibilities which these acts throw upon governmental agencies by increasing the appropriations for the Federal Bureau of Investigation, the Alcohol Tax Unit, the Secret Service, and other enforcement agencies. Just the other day, for instance, we approved the conference report on the bill authorizing the appointment of 20 additional Federal judges. Everywhere provision has been made to care for this increasing load upon the Federal law-enforcement system without making corresponding additions to our prison facilities. I do not mean to say that our very able and hard-working Committee on Appropriations has not given careful consideration to the requests they have received from the Budget Bureau, but it does seem apparent that our prison system has not been kept abreast of the widening jurisdiction of the Federal Government over criminal offenses. Therefore I am glad that the Congress now has the opportunity of voting funds for new prison facilities, together with the acquisition of the necessary land to provide modern housing and grounds for such a purpose.

As I have stated, I am particularly anxious that under the terms of this measure provision be made for correcting the highly unsatisfactory and deplorable conditions which exist with reference to the housing of short-term Federal offenders. Now the Department of Justice boards out in local institutions most of its prisoners who have sentences of less than a year. This has long been recognized as an unsatisfactory method of handling short-term Federal offenders. I know from first-hand experience that conditions in many of the county jails in this country are incredibly shocking. They are dirty, unsanitary, insecure, and graft-ridden to a degree which makes them veritable "hell holes" and active breeders of crime.

When Judge Joseph B. Hutchinson was elevated to the bench of the district court in Texas he felt that it was his duty to find out something about the jails to which he would be sending prisoners. So he did the unusual thing; he himself went on a tour of inspection in order to ascertain just what were the conditions in the jails.

Every judge should do that. I know that many of them are familiar with the penitentiaries and the jails to which they send men who come before the bar of justice. But all of them should know something in detail about the conditions of the jails. Otherwise the sentences they impose might mean far more than they intend. A year in a certain jail might mean something far different from the kind of a year with which the judge is familiar in his ordinary experience in life.

This is what Judge Hutchinson found when he went on a tour of inspection. I quote from a speech he made before the Attorney General's conference on crime in December 1934. He said:

> It became then, my imperative duty to go into county jails and find out at first hand what kind of institutions they were, and what was implied in a sentence to the county jail beyond what the law in terms prescribed. I found there conditions which apparently taken for granted by those in charge of the jails, struck me as so medieval and barbarous, and so contrary to the ordinary principles of democracy and social justice that I was shocked beyond expression. It was not any direct and malevolent cruelty toward the inmates on the part of their custodians which I found so shocking, but the very conditions of the jailing. I found that men with lungs and hearts, nerves and brains like mine were penned up for months on end with hardly a single decent thing to do. They had no access to the open air, no opportunity for any kind of exercise except in the "bull pens" and run-arounds inside of dark walls. No provision was made for their worth-while occupation or their improvement, no segregation of prisoners was attempted, no processes of restoration begun. The convicted and the unconvicted, the beginner and the hardened were condemned to a congregate life necessarily degrading.
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> I was amazed at the heartbreaking, morale-destroying indifference of society in permitting the maintenance of the system I saw in force. Shiftless, sloppy, antisocial, it rapidly destroyed those it had taken captive if they stayed any time there. I do not need to extend these strictures.

In America approximately 1,000,000 men and women annually get into jail. Sixty percent of these unfortunates may be classed as chronic social problems: alcoholics, vagrants, petty thieves, and other petty offenders. Thirty percent of this jail populaton await trial for some very serious infraction of our laws. The other 10 percent are serving short sentences for some misdemeanor—for nonsupport, traffic violations—and a certain number are not charged with crime at all, but are held as witnesses.

At the receiving door of the jail, society, if it were organized and equipped to do so, has a wonderful opportunity to deal effectively with most of the antisocial problems which make incarcerations necessary. Instead of grasping this opportunity and making the most of it, however, society too often permits the jail to become the open door to a life of crime. Many a weak character, charged with a minor infraction of the law, has found an unnatural but irresistible

influence in his first short-term jail sentence that has warped his whole life and made of him a costly liability to society for the balance of his days.

Americans have known these indisputable facts for years, but little has been done to correct the evils which are so obvious. If we should but meet this difficult problem squarely, the jail would cease to be the crime school for the criminal education of the delinquent and the weak, and could assume its proper function of curing and correcting the antisocial disease of criminal tendency at its first manifestation. Weak characters should be fortified, strengthened, and encouraged in their efforts to build up a resistance against error and not depressed and weakened by the very institutions which are supposed to have been erected to control crime. Such a ridiculous policy is just as silly as to maintain a filthy hospital fairly creeping with vermin and disease in which to nurse the sick. Society will not promote a cure in that kind of a hospital nor crime prevention in that kind of a jail.

I want to take this opportunity to pay Attorney General Cummings a much-deserved tribute for his deep interest in the jail phase of crime prevention and crime control. General Cummings realizes the importance of the jail in the crime problem. The encouragement, cooperation, and helpfulness that he is giving to Mr. James V. Bennett, Director, Bureau of Prisons, an enthusiastic public servant, is really getting results. Congress should respond to their good efforts and save the country money by wisely spending money in jail improvement.

Recently Attorney General Cummings published a very enlightening article in Liberty magazine, entitled "The Scandal of Our Jails." I should like to quote from it at this point:

> Most of us, who try to live in such a manner that we won't go to jail, know little about what jails are like, and less about what they are for. If we think about them at all, we associate them exclusively with crime punishment. We never think of them either as instruments to crime prevention or as obstacles to that goal.
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> * * * * * * *
>
> Perhaps the worst blot on the American penal picture is the county jail. And yet the average citizen knows nothing about this institution in his midst.

Senators may think that a county jail does not affect the Federal Government, but I want them to bear in mind that the Federal Government uses county jails in which to place its prisoners at so much per day, on a per diem basis, and the condition of these jails does become the responsibility of the Federal Government.

I continue to quote from Attorney General Cummings:

> In the United States there are over 3,000 county jails, each one operating independently and for the most part under the jurisdiction of officials elected without consideration as to their qualifications or experience in prison work. In many instances these officials have numerous other remunerative interests and responsibilities and give little of their time to management and control of the jail. They have no qualms about delegating authority to the lowest bidder in the community, who acts more or less as a janitor, with the result that the actual management of the jail is left to the prisoners. In fact, Federal inspectors have been met at the doors of some jails by prisoners who had the keys, and apparently full control.
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> * * * * * * *
>
> None of us like to read about horrors—at least, when they are real horrors, for which unconsciously we may be somewhat to blame—so I will be brief; but the reports of our investigators on the sanitary and moral conditions in large numbers of our local jails reveal a state of things which could scarcely have been tolerated in the dungeons of the Dark Ages.
>
> No attempt is made in these offending institutions to separate male criminals from female criminals, adult criminals from youthful ones, or even to segregate prisoners with contagious diseases. Immorality of the grossest sort rages unchecked. Cells are vermin-infested. Fire hazards are ignored.
>
> It might be assumed that local boards of health would be responsible for checking the cleanliness and sanitation of these local institutions; but our investigation showed that 2,204 out of about 3,000 county jails were never visited or inspected by local boards of health or other sanitary organizations. The following is quoted from an inspector's report:
>
> "The sewage system has been out of commission for some time. The septic tank overflows not far from the jail kitchen, causing bad odors and great menace to health; also, causing most of the sanitary facilities to be stopped up. Since the windows have neither heavy screens nor fly screens, great swarms of flies today were seen all over the food which the prisoners were eating, and they had direct access to this awful cesspool.

Mr. President, in the last few months the people of my State of Colorado have had brought home to them in a striking manner the situation prevailing in our own county jail at Denver. About the middle of last March a 16-year-old boy by the name of George Coover was brutally murdered while confined in the county jail in Denver because he refused to submit to indignities or was unable to comply with the orders of a "kangaroo court" which was permitted to operate in that jail. In this jail the most vicious and brutal prisoners were permitted to band themselves into a mock court, and the entire management of the jail was apparently turned over to them. They fined men for breaking into the jail; they required those who could not comply with the orders of the court to perform the most menial and distasteful tasks; and they exacted acts which were revolting beyond description of those not in the favor of the "kangaroo court." Because young Coover did not comply with the orders of the "prison tier sheriff," as he is called, he was brutally and repeatedly beaten until he died. Young Coover, in America, in 1938, was sacrificed to a vicious system of degeneracy and cruelty not surpassed in dungeons of the Dark Ages nor by the traditional wicked people of Sodom and Gomorrah.

In fairness, it should be recorded here that the people of Colorado were greatly aroused and horrified over this situation in their local jail, brought out in the open by this tragic incident, and are taking action as best they can to remedy conditions.

Our Federal courts in the State of Colorado day after day are imposing sentences upon persons convicted in their courts and sending them to jails of the kind just described. But the Federal Government itself should not be dependent on the bad or indifferent local jails, usually operated on the fee system, and should be able to provide its own facilities for housing its prisoners.

We cannot escape the responsibility. We cannot blame the communities. We cannot say, "Well, that is Denver's problem," because it is not Denver's problem. It is our problem, since we have prisoners in jails of that kind.

The Federal Government should not have to take anything the local authorities are willing to grant. This whole question was studied by a special committee of the House of Representatives in 1929, and they reported that in their judgment the only remedy was for the Government to construct its own detention farms in strategic centers of population. It was their feeling that if the Government showed the States that it might be possible to centralize detention facilities the States would follow their example and require the elimination of social cesspools.

Some progress has been made in this particular, and the Federal Government has constructed about five regional jails. One of them is located in the Detroit area, one near Minneapolis, one near Los Angeles, one on the Mexican border, and one in northern Florida. The Rocky Mountain area, however, has not yet been provided with one of these institutions, and I believe a detention farm should be constructed out of a small part of the funds provided in this bill to serve the Federal Government in that region. Operating costs would be no greater than what is now being paid for the support of these same prisoners in local institutions under the most unsatisfactory conditions. I feel quite certain that the public would be afforded a much greater amount of protection if the Government would take some steps in the direction I have suggested. Incidentally, such an institution would help to reduce the overcrowding in some of the larger prisons by making it possible to remove those prisoners who could safely be trusted in an institution of the type suggested.

If this provision of the joint resolution finally is agreed to, a splendid location can be selected by the Department of

Justice in some State in the Rocky Mountain area which will measure up to all of the requirements of the Administrator of Public Works and the Director of the United States Bureau of Prisons.

Let me say in summary that out of this fund adequate provision should be made to take care of the overcrowding existing in our penal institutions and a reasonable provision made for future needs. Moreover, from $5,000,000 to $8,000,000 ought to be allotted for additional Federal detention farms to care for short-term Federal offenders in such parts of the country, including the Rocky Mountain area, as have not yet been provided with these facilities. Let us have some practical prison reform by cleaning up these local jails and "hoosegows" through which nearly a million men and women pass every year.

Attorney General Cummings in one of his addresses on this question pointed out that in the million men and women who enter our jails each year we have that group of people which is causing most of the trouble to our courts of justice; that we have them segregated; that we have them in a position where we can do something with them; that we have them separated from the other folks of the community. We have a wonderful opportunity, if we were only alive to it, to minister to these people, because after all they are abnormal persons. There is something wrong with them, and they might respond to treatment. Dealing with them is a practical way to prevent crime and stop the spread of lawlessness, which will conserve both the human element and the taxpayers' money.

I wish to say in conclusion that oftentimes we look upon the appropriations in such bills as the lending and spending bill as a waste of funds. I cannot see it in that light at all. When we buy better jails we are buying with that money something we need badly. I am sure that every dollar that is put into the cause which I have brought before the Senate today will not be wasted, but will bring great returns—perhaps one hundredfold. It is difficult to estimate the returns we receive from dollars so expended. So when we buy with public funds things that the country needs we are not wasting the funds at all; we are conserving them.

Mr. DAVIS obtained the floor.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. DAVIS. I yield.

Mr. BARKLEY. I do not know how much time the Senator from Pennsylvania proposes to occupy, and I do not wish to cut him off, but this is the fourth day the joint resolution has been under consideration, and we have not even reached the first amendment. Much discussion has been indulged in, a large portion of which, it seems to me, has had no relation to the joint resolution. It seems to me that the discussion relevant to the joint resolution might take place when the amendments are under consideration.

I do not want to interrupt the Senator from Pennsylvania; but I do express the very earnest hope that we may at once proceed to consider the amendments to the joint resolution, and take them up in order, so that we may make some progress. This is the fourth day the joint resolution has been under consideration, and we have not made any progress. I hope Senators will cooperate and try to make some progress. Everyone is talking about adjournment and is desirous of adjourning; but Congress cannot adjourn until certain legislation is completed, and the joint resolution is one of the measures without the passage of which we ought not to consider adjourning.

I hope Senators will cooperate in an effort to make progress in the consideration of the joint resolution. I do not wish my statement to be interpreted as any reflection on the Senator from Pennsylvania, or any desire to cut him off from speaking, but I hope he and others will help us make some progress with the joint resolution.

Mr. DAVIS. Mr. President, I assure the Senator from Kentucky that I shall gladly join him at any time in obtaining a vote on the joint resolution. However, I have been trying for 2 days to obtain the floor to express briefly some views on the pending measure. My duties as a member of the joint committee appointed to investigate the Tennessee Valley Authority necessitate my absence from the Chamber in the afternoon, and I am rising to speak now because the committee reconvenes at half past 1. I shall take but 15 or 20 minutes' time to speak on the joint resolution.

Mr. President, I have maintained from the beginning of the Government's vast spending program in 1933 that it would fail to produce sound economic results if it were not accompanied by measures which would encourage business and stimulate private enterprise. I do not begrudge a single dollar which the Government has spent to provide food, shelter, and clothing for the unemployed. I know that thousands of needy citizens would have been utterly deprived of the necessities of life had it not been for this program. I have consistently voted for it. I expect to continue to support it, but I wish to make my position clear.

In my judgment, the people of the country do not object to taxes in order to pay relief and work-relief bills. The American people are fair-minded and charitable. They wish to help their neighbors in distress. However, they are thoroughly alert to the dangers of the present situation. They are acquainted with the many discouragements which have handicapped business in recent years, and they know that the centralization of work-relief administration leads to unbridled opportunities for political profiteering.

I am not trying for one moment to indicate that the local administration of relief would entirely remove it from politics. Neither do I claim that the administration of relief by the Republican Party, rather than the party now in power, would remove politics from relief. I do contend, however, that we cannot indefinitely continue along the road we have been traveling in recent years without complete economic collapse, and that it is time for us to mend our ways now, before it is too late.

It is impossible for the Government to put out $20,000,000,000, irrespective of the party in power, without giving rise to some political abuses. I think administration leaders should frankly admit this fact. Unfortunately, they have not done so. On the other hand, they take every opportunity to gloss over the difficulties. This is, indeed, the very root of our problem. There has been a dangerous disinclination to face our economic problems in a fair and nonpartisan way. There is no place in economic and social legislation for extreme partisanship. In speaking on this measure, I do not speak as a partisan.

Mr. President, I ask unanimous consent to have printed in the RECORD, as a part of my remarks, a statement of opinion presented to me by a notable group of women leaders from Pittsburgh.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

REPORT OF OPINION OF DELEGATION FROM PITTSBURGH, ALLEGHENY COUNTY, PA., REGARDING PUMP-PRIMING BILL

The delegation present this morning representing many types of organizations of Pittsburgh and Allegheny County, Pa., have come to express our personal opinion of certain provisions of the pump-priming bill. This bill, introduced into the House of Representatives May 9, 1938, appropriating over $3,000,000,000 for relief and pump priming provides for the administration of this vast sum by the Chief Executive of the United States. Since the passage of this bill in the House on May 12, we have interested our community in an amendment which we desire to call to your attention this morning. We do not object to the pump-priming bill, but we wish to register our disapproval of the method of administering this sum of money.

We admit two points very definitely. The country is in great need of immediate relief to the men and families unemployed at the present time. It has been estimated that 13,000,000 of American people belong to that class. We are fearful that the Nation is drifting slowly but steadily into financial collapse. To meet the relief problem means the expenditure of vast sums of money, but to prevent the occurrence of this collapse means the most careful and economic administration of public funds. We also admit that this relief problem is of national scope, but this national scope refers only to the area of the Nation. Therefore, we believe that the condition of the country justifies a bill for

the expenditure of money for the welfare of those unable to secure employment.

We believe the fundamental weakness of the bill in its present form is the centralization of the power of administration of the funds in the hands of the Chief Executive. To take this power of administration from the local municipalities and States is basically wrong. The problem of the poor and unemployed is not a new problem. We are not faced with something that is unknown in history. For centuries this problem has been present in all organized society. A long-established principle for the handling of relief both in England and in America is that it is peculiarly a function of local government. The problem is Nation-wide in area, but it can be solved only by local units of administration.

A historical example of the results of a whole nation unit of administration of relief is that of the Roman Empire. Vast sums of money were administered by the ruler of that great empire, providing free sustenance and entertainment for the inhabitants of Rome and other large cities. This has been cited as one of the fundamental reasons for the downfall of the Roman Empire.

We believe that the administration of this relief money should be in the hands of local commissions. These commissions should represent the finest citizens of each municipality. The personnel of these commissions should be nonpartisan. And the most fundamental requirement should be that they serve without pay. Unpaid commissions have proven their value in the past, and at this great crisis of our Government can prove effective again. The conclusions may be drawn that unpaid commissions will not work. Two excellent examples might be cited. In England justices of the peace, whose duties are of far greater scope than the persons of that title in the United States, serve effectively without pay. During the crisis of the World War the local draft boards in the United States served in each municipality without pay. No one can deny the effectiveness of their work.

We, therefore, propose that an amendment be added to the pump-priming bill relieving the President or Chief Executive of the power of administration of these several billions of dollars for relief, and to provide for the administration of this fund through local, nonpartisan, unpaid commissions, composed of representative citizens of each municipality. We recommend this amendment because we believe most firmly that administration of this fund locally will prevent any political patronage, will save millions of dollars for administration, will be carefully allotted to those in each community who need funds for the necessities of life, and will save the taxpayers millions of dollars. We express our interest in this proposed amendment not only for our own sakes as taxpayers but because we realize that already the lives of our children have been mortgaged by debt created during these past two depressions beyond their ability to pay.

Mrs. Arnold M. Replogle, president of the National Legislative Council on State Government; Mrs. H. W. Adams, member of the board of the Legislative Health Council, executive committee member of the Maternal Health Center, member of the Legislative Council; Mrs. J. E. Baldridge, active in D. A. R.; Mrs. W. Z. Burns; Mrs. T. C. Cheeseman, Federation of Clubs, Board of Girl Scouts of Allegheny County; Mrs. S. J. Corbett, president of the Outlook Alliance, honorary lifetime president of Bellevue Womans Club; Mrs. Carl S. Coler; Mrs. Samuel D. Ewart, president of the College Club; Mrs. Stephen Goodale, member of the board of the College Club and past president; Mrs. Eva Holliday, Dormont Women's Club; Mrs. Vernon L. Hubbard; Mrs. Frank Johnson, member of Federation of Clubs; Mrs. Florine Koegler, Women's City Club of Pittsburgh; Mrs. William B. McFall, president of Fortnightly Review, Mount Lebanon Women's Club, Federation of Clubs; Mrs. D. Edwin Miller, head of Women's Auxiliary of the Salvation Army, president of Allegheny County Scholarship Association; Mrs. John M. Phillips, past president of the Federation of Women's Clubs of Pennsylvania; Mrs. John Charles Runk, Federation of Women's Clubs of Pennsylvania; Mrs. Thomas J. Tyndall, very active in Parent-Teachers Association, Federation of Clubs of Pennsylvania, Woman's Club of Duquesne; Mrs. T. D. Yensen, active in Forest Hills club work; Mrs. John W. Rehling, deputy commissioner of Girls Scouts of Allegheny County, first vice president of Women's Club of Pittsburgh.

Mr. DAVIS. Mr. President, in my judgment, this petition represents the desire of our citizens to approach unemployment and relief problems in a fair-minded and responsible way. These women represent a large number of other practical and helpful American women who would be willing to serve on nonpartisan relief boards in every community throughout the Nation without a dollar's compensation. They would be willing to work faithfully; and no one can deny their fine abilities. These women are animated by the true American spirit. They come to the Government offering their splendid services as volunteers. This is the spirit which has led this country to victory and glorious achievement in the work of the Red Cross, the Salvation Army, the Community Chests, and the Committee for the Mobilization of Human Needs.

If our Government at this critical time in our national history refuses to accept the offer of citizens, both men and women, who now come forward as volunteers, the administration will have something for which to answer which it will never be able adequately to explain. What these noble women from Pittsburgh are now ready and willing to do, men and women all over the country in every district, county, and community likewise want to do. The acceptance and utilization of their services will help to remove politics from relief and will provide a great saving for the Government. More funds can be made directly available to the needy and the way can be gradually paved for the restoration of relief and work relief to State and local administration.

Mr. President, I am not asking for any abrupt change. I am not denying the need for work-relief funds. I am asking something which I believe to be thoroughly reasonable and practicable. I ask that nonpartisan boards of volunteer workers be instituted throughout the country, in every State, city, and county, so that the cost of administering work relief may be diminished and more money may be made available at once to those who are in distress.

I have made crystal clear, by my consistent vote for relief, work relief, and public works, that I look upon these problems in a thoroughly nonpartisan way. I ask that those who administer these funds practice the same consideration in behalf of national needs. In my judgment, the administration could not now do anything which would be more helpful to the country as a whole than to give leadership to our people in giving American business and free enterprise encouragement and fair play. Since 1933 I have witnessed attack after attack upon business made by various leaders of the administration. Business has come to believe that the administration is opposed to the making of a fair profit. If this be true, it is indeed a situation which will finally lead to national disaster. The fact that business generally believes this to be true is now holding back the course of economic recovery. In appreciation of this difficulty, the executive council of the American Federation of Labor has made a most timely declaration.

Mr. President, I ask unanimous consent to have printed in the RECORD, as a part of my remarks, the official text of the statement issued by the executive council of the American Federation of Labor on May 4.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

The executive council of the American Federation of Labor regards the present moment as most opportune and timely for a declaration of its basic aims and objectives.

Unemployment can only be overcome through the creation of work opportunities for working men and women in private industry. This is the real remedy for unemployment. The time has arrived when, through cooperation, understanding, and a proper regard for the rights of all employers and employees, industry and labor should get together and seek to find a way by which this real remedy for idleness can be applied.

The American Federation of Labor is committed to the principle of private ownership, private initiative, and the protection of private property. The right to own and manage property must be conceded and safeguarded.

Working people must be accorded the right to organize and bargain collectively. The highest wages which industry can afford should be paid, and a fair return upon legitimate investments to those who own private property must be freely conceded.

Labor and capital can cooperate, develop efficiency, and production through labor organizations developed by the workers and through the organization of industry, as developed by industrial management.

Through the establishment of contractual relationships, industrial peace can be promoted and industrial production stabilized. Contracts entered into between organized labor and industrial management must be regarded as sacred obligations. They must be religiously observed.

The principle of industrial democracy through which labor and management may solve their common economic problems should be recognized and applied in all industrial relationships.

Organizations of labor should be governed by democratic policies, rules, and procedure. This is the American way. It is in conformity with modern requirements and democratic principles.

Through the development of teamwork between industry and labor, many economic wrongs can be righted, many of industry's

legislative burdens can be remedied, and the maximum of service which industry and labor may render can be given the entire Nation.

Labor invites industry to discard the weapons of industrial warfare directed against labor by employers' associations both now and in days gone by. Let us all have a new vision of the changed attitude between labor and capital. It means the substitution of cooperation and understanding for industrial strife. All of this is easy of accomplishment, because all that is required is to respect and recognize the economic, legal, and industrial rights of both labor and capital.

Mr. DAVIS. Mr. President, the American Federation of Labor has taken the first step in what I hope will be a movement for general appeasement in this country. I believe the administration could do nothing more helpful than to put its official stamp of approval upon this document, and to follow this chart in its future relations with American business.

I ask unanimous consent to have introduced in the RECORD at this point, as a part of my remarks, a few brief telegrams and a letter which I have received, indicating opposition to the so-called Boileau amendment. It is asserted that it would throw many men out of work, because the Government would be placed in direct competition with lime and limestone manufacturers.

There being no objection, the communications were ordered to be printed in the RECORD, as follows:

CONSHOHOCKEN, PA., *May 21, 1938.*

Hon. J. J. DAVIS,
United States Senate:

Boileau amendment to House Joint Resolution 679 includes projects for the production of material for fertilizing soil for distribution to farmers. This would put the Government in direct competition with lime and limestone manufacturers and would in many and probably most cases ruin these manufacturers, also throwing many men out of work. We would appreciate your opposing this as forcefully as possible.

G. AND W. H. CORSON.

WHITEROCK QUARRIES,
Bellefonte, Pa., May 19, 1938.

Hon. JAMES J. DAVIS,
United States Senate, Washington, D. C.

DEAR SENATOR DAVIS: We hope that you will vote against the relief bill which provides for State production of fertilizing materials, for the reason that we feel this is a further attempt to put government into business. Furthermore, we doubt if the various States could produce fertilizing materials as cheaply as they are able to purchase them under existing economic conditions.

I understand that the bill in question is House Joint Resolution 679, and we hope that you will give this measure your very careful consideration, in which event we believe that you will oppose it.

Respectfully yours,

RAY C. NOLL.

HILLSVILLE, PA., *May 20, 1938.*

Senator JAMES DAVIS,
Senate Building, Washington, D. C.:

House Joint Resolution No. 679 provides for the building and operating of agricultural liming plant with moneys from Federal relief bill. Please vote "no" on this bill when it comes up for passage in the Senate. The production, sale, and distribution of agricultural limestone products is a very competitive commodity and is widely distributed over the State wherever suitable deposits of limestone occur. The building and operating of additional plants by the Government cannot be of as much benefit to the farmer as the present money allowance given him on the limestone products he buys. The capacity of plants privately owned is at least three times greater than the demand. The building of more plants can only result in curtailed output of present established producers and cause further unemployment to their workmen, which now have only 2 and 3 days per week. We beg you, in the interest of employees, truckers, distributors, and taxpaying establishments, to vote "no" on this resolution.

Respectfully yours,

F. O. EARNSHAW,
President, Carbon Limestone Co.

NEWCASTLE, PA., *May 19, 1938.*

Hon. JAMES J. DAVIS,
United States Senate, Washington, D. C.:

We are opposed to the Boileau amendment in House Joint Resolution 679, lines 24 and 25 of page 2, lines 1 and 2 of page 3. Wherever limestone is produced in Pennsylvania there are plants producing agricultural lime, which is entirely a seasonable business, so further governmental competition would not help the unemployment situation. We strongly urge you to recommend through the appropriations committee that this amendment be stricken out of the relief bill.

UNION LIMESTONE CO.

NEWCASTLE, PA., *May 19, 1938.*

Hon. JAMES J. DAVIS,
Senate Office Building, Washington, D. C.:

We wish to voice our opposition to amendment of relief bill as offered by Congressman BOILEAU, of Wisconsin, and accepted by the House, and identified as House Joint Resolution 679, lines 24 and 25, page 2, and lines 1 and 2 of page 3.

Would be injurious to established industry. Wherever limestone is found in Pennsylvania plants are in operation producing agricultural lime.

Being a seasonable product, would not be an aid to unemployment, and only tends to further aggravate governmental competition. We urge you to protest the acceptance of this particular amendment.

NEWCASTLE LIME & STONE CO.

Mr. DAVIS. Mr. President, I am unwilling to support at the present time any measure which will give occasion for increased unemployment. I believe Government policy should now be to encourage business institutions already at work, rather than to attempt Government-financed projects which may compete unfairly with them. Private enterprise is having a desperate struggle to survive. It needs fair treatment and encouragement from the Government rather than punitive measures and unfair competition.

Mr. GERRY. I suggest the absence of a quorum.

The PRESIDENT pro tempore. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Dieterich	King	Pepper
Andrews	Donahey	La Follette	Pittman
Austin	Duffy	Lee	Pope
Bankhead	Ellender	Lewis	Radcliffe
Barkley	Frazier	Lodge	Russell
Berry	George	Logan	Schwartz
Bilbo	Gerry	Lonergan	Schwellenbach
Bone	Gibson	Lundeen	Sheppard
Borah	Gillette	McAdoo	Shipstead
Brown, Mich.	Glass	McCarran	Smathers
Brown, N. H.	Green	McGill	Smith
Bulkley	Guffey	McKellar	Thomas, Okla.
Bulow	Hale	McNary	Thomas, Utah
Burke	Harrison	Maloney	Townsend
Byrd	Hatch	Miller	Truman
Byrnes	Hayden	Milton	Vandenberg
Capper	Herring	Minton	Van Nuys
Caraway	Hill	Murray	Wagner
Chavez	Hitchcock	Neely	Walsh
Clark	Holt	Norris	Wheeler
Connally	Hughes	Nye	White
Copeland	Johnson, Calif.	O'Mahoney	
Davis	Johnson, Colo.	Overton	

The PRESIDENT pro tempore. Ninety Senators have answered to their names. A quorum is present.

Mr. COPELAND obtained the floor.

Mr. VANDENBERG. Mr. President, will the Senator from New York permit me to present one or two telegrams and brief observations in connection with them?

Mr. COPELAND. I yield.

Mr. VANDENBERG. I read a telegram from William B. Taylor, of Detroit, Mich., the director of welfare for the United Automobile Workers' Union. In other words, this is a request and suggestion coming from labor itself with respect to the relief problem, and I think it is so typical of the contemplation which the country is calculated to confront in its larger cities during the next few months that it is worth emphasizing. I read the telegram from Mr. Taylor:

In order to prevent mass starvation in many communities in Michigan it is important that a portion of funds to be appropriated for W. P. A. be allocated for direct relief. Urge you use your influence in this direction.

Mr. President, here is the contemplation: The unemployment problem is constantly becoming more acute, and there is no prospect of a recession in the recession; as it becomes more acute, the relief problem in the larger cities proportionately becomes more acute. It is simply a physical impossibility to consider meeting the total problem in the larger cities on a work-relief basis. The work could not be made, to begin with, and it could not be paid for if it were made. The direct relief formula inescapably and unavoidably must be at the bottom of adequate relief facilities in communities such as Detroit and even in lesser industrial centers. What I am saying applies just as much to other sections of the country as it does to Michigan.

Mr. President, it seems to me that this emphasizes what I was trying to say last Monday. It seems to me that it is impossible much longer to subdivide relief and subdivide the relief challenge, undertaking to say that part of it, as respects employables, shall be handled by the Federal Government at Federal expense, and that the rest of it, as affects unemployables and such employables as cannot be employed by W. P. A., shall be handled by local authorities at local expense. As this telegram indicates, the problem is now multiplying to such an extent that funds for direct relief must be increased. Local resources are not equal to this necessity in many places. It seems to me that what I was undertaking to say on Monday, and the objectives which I set forth in the substitute which I have offered for title I, are almost inescapable as we proceed into the realities of our problems this summer and fall.

I submit that a given community—let us use Detroit as an example—should have an opportunity to allocate the sum total of its relief funds to its own problem in the fashion that its problem requires.

W. P. A. has been very generous with Detroit—still using Detroit as an example—there is no complaint in the world about the work-relief attitude that has been displayed up to date. But there cannot be a W. P. A. attitude toward this problem which meets it or which saves it from a dire and desperate crisis in the very near future.

The House relief joint resolution specifically declines the use of any Federal funds for direct relief; the Senate joint resolution sets aside $50,000,000 for optional direct-relief purposes. The $50,000,000, in my judgment, will not be a drop in the bucket compared to the necessities which will be confronted as this situation develops during the next few months.

I submit that this contemplation squarely sustains the theory of relief legislation which I was undertaking to present on Monday last, and which subsequently will come before the Senate for a vote when my substitute for title I is presented.

When the relief problem reaches such magnitude that it no longer can be met by W. P. A. assistance through provision of work relief, we have certainly come to a point where all our relief resources, as a whole, should be dedicated to the problem as a whole under one responsibility which undertakes to survey the problem as a whole.

That is just exactly contrary to the theory of the pending legislation. With the single exception of the one $50,000,000 appropriation for direct relief, the pending legislation continues on the old theory that there is divided responsibility, continues the old discriminations which, as I indicated 2 days ago, result in paying one reliefer $53 a month, and another reliefer $22 a month, each citizen of equal rights, each confronting the same necessities, yet one enjoying what amounts to a special favor because he happens to fall within a classification which the Federal Government has adopted on the strength of its resources, while the other one is forced to a sub-subsistence basis because he is unfortunate enough to fall into the category which the Federal formula asserts must be solely and completely a local responsibility.

Mr. President, this telegram from Mr. Taylor, which is duplicated by numerous other telegrams from industrial areas, it seems to me presents the Senate with the unavoidable question whether the time is not already here when the relief problem must be confronted as a whole, and relief resources must be put at the disposal of States and local communities to be handled as a whole, under a single responsibility which can fit the resources to the local needs.

While I am on my feet I desire to present one other protest from the Detroit area, and again from labor sources. This time it is a letter from Mr. Frank X. Martel, the president of the Detroit and Wayne County Federation of Labor. I wish to read what Mr. Martel has to say:

> It has been repeatedly announced by Gov. Frank Murphy and others that the national administration has given unlimited authorization to place everyone in Michigan to work that needs work, through the W. P. A. Up to the present time, with the exception of a favored few, the W. P. A. administrators in Michigan have refused to accept for W. P. A. employment anyone except those who are first placed on welfare and then transferred to the W. P. A.
>
> Many thousands of worthy citizens have battled for the past 6 or 8 years to keep off the welfare. They do not want the dole; they are trying to keep their names clear from having accepted charity; they want work and in this group will be found most of the skilled mechanics of this community who are now unemployed.
>
> Louis J. Nims, State director of W. P. A., and his assistant, Max Barton, Wayne County director of W. P. A., have insisted on a policy of refusing to accept on W. P. A. for employment anyone unless they are first placed on relief. This has resulted in a discrimination against many thousands of decent citizens in this community. It has also resulted in placing on work as skilled mechanics men who are unfit by training for this work. It is depriving those trained through regular channels of an opportunity to work at their trade. It is training new men to take their place and it is depriving the people and merchants of this community of funds set up by the Federal Government for relief of unemployed while forcing the State and cities to carry on welfare some 70,000 people who could and should be transferred to W. P. A. and many thousands of men who want work on W. P. A. but can't get on without first taking the pauper's oath.
>
> We ask—

This is the Detroit and Wayne County Federation of Labor which poses the question—

> We ask, Are you going to stand for this?

Are we going to stand for what? For a Federal regulation which insists that a victim of the depression cannot enjoy work relief aid via W. P. A. except as he approaches it through the public welfare, and has himself first been on direct relief.

I understand that that practice is universal. It virtually amounts to the requirement of a pauper's oath in order to approach work relief under W. P. A. I have never known the Senate or the House to approve the pauper's oath in any form related to this sort of legislation whenever that issue has arisen; yet here, in connection with the Federal contribution to relief, we virtually confront the situation—it is precisely this in net result—that a pauper's oath must precede a place upon W. P. A. The net result, of course, is directly and emphatically to discriminate against those, shall we say, thriftier citizens who have been endeavoring through the years, from their own scant resources, still to maintain themselves on the basis of their own equipment and purpose to take care of themselves.

That is another of the discriminations. I agree with Mr. Martel's letter that it is a perfectly insufferable discrimination, and it is a discrimination which ought not to be tolerated.

I want to continue Mr. Martel's letter:

> We demand in the name of decency and fair treatment that the thousands of abandoned mechanics who are now being discriminated against by Nims and Barton be accorded a fair treatment and an opportunity for employment on W. P. A. in accord with the intent of Congress when the appropriation was made and the law passed.
>
> This organization has stood squarely behind the President in his administration. There is only one way to properly remedy this condition—

Without continuing to read the letter—because it proposes the removal of certain W. P. A. officials in Michigan, a matter upon which I have no opinion, because at the moment I am not interested in that phase of the matter—I ask that the entire letter may be printed in the RECORD.

The PRESIDENT pro tempore. Without objection, it is so ordered.

(See exhibit A.)

Mr. VANDENBERG. I again emphasize the fact that the letter deals with one more of the discriminations which are inherent in the dual relief system which the joint resolution once more undertakes to perpetuate upon the country.

The discriminations cannot be defended. Discriminations as between two like families on the same street in the same town, with equal relief necessities, one of which is forced to live on $22 per month while the other lives on $53 per month, are un-American and indefensible. Now comes the discrimination to which Mr. Martel referred—a discrimination as between the citizen who has tried to support himself, and who, simply because he has succeeded

in keeping off relief up to date, is now refused work relief under W. P. A., and the chap who willingly has gone to relief for the past 4 or 5 years, and, because he has fine relief credentials, can qualify for a job under W. P. A.

The discriminations, I repeat, are inherent in the formula which the pending joint resolution insists upon fixing once more upon the country. Worse than that, however, is the original challenge which was submitted in the telegram from Mr. Taylor, that until the States and local communities are permitted to deal with their relief problem as a whole, so that they may assess all of their relief resources and allocate them equitably to all who shall be dependent upon the communities for relief—until this is changed, and until it is changed, I very respectfully submit, as is proposed in the substitute I have offered for title I, the relief problem will not only continue to plague the Government of the United States, it will not only continue to threaten and jeopardize the public credit of the United States, but it will continue to be an utterly inhumane thing in its inequalities as between citizens of the United States.

Mr. BORAH. Mr. President——

Mr. VANDENBERG. I yield to the Senator from Idaho.

Mr. BORAH. Am I to understand from the telegram that the person sending it is of the opinion that if the administration of relief were turned over entirely to the local authorities it could not only be administered more equitably and justly, but it could be administered at less expense?

Mr. VANDENBERG. No; the telegram does not deal with those phases of the matter at all. Those are my observations regarding the system against which the telegram protests. So far as the telegram is concerned, it confines itself to an assertion that unless more of the pending funds are made available for direct relief, instead of practically all being made available for work relief, there will be "mass starvation in many communities in Michigan."

I wonder if I have made myself clear to the Senator.

Mr. BORAH. I think I understand the matter as the Senator explains it; but I am asking the question because I am not yet clear—although I presume I should be, because I have listened to the discussion—wherein the Senator's program would work more equitably and at less expense than the program we now have or the one which is proposed by the pending joint resolution.

Mr. VANDENBERG. I shall be very happy to briefly advert to that subject again.

Mr. BORAH. I think it is exceedingly important.

Mr. VANDENBERG. I do, too.

Mr. BORAH. And I want to be sure I understand the proposition as the Senator understands it.

Mr. VANDENBERG. Let me very briefly summarize my conception of the thing. I am not now undertaking to quote the author of the telegram; I am merely saying that, so far as the telegram is concerned, it verifies the existence of a condition which, in my judgment, cannot be met under the existing system.

So far as my own opinion goes, I say to the Senator, first, that if all of the available Federal funds for relief for the next 12 months were to be divided equitably by nonpartisan authorities here in Washington and allocated to the States on the basis of a formula which should consider the extent of unemployment, local resources, and the other factors which are usually included in connection with Federal allocations, each State would then receive and would know precisely what the sum total of Federal contribution would be to its entire relief problem for the ensuing year.

Suppose the State of Idaho were to receive $100,000,000 as its share of the sum total allocation for the year.

Mr. BORAH. From the Federal Government?

Mr. VANDENBERG. From the Federal Government. Then the State of Idaho, knowing what local tax resources it could afford to add to its $100,000,000, could decide for itself what its total resources would be for the ensuing year, both Federal and local. Then it could count its employables who are on relief and its unemployables who are now on direct relief, and it could decide for itself whether it could still afford to have any work relief at all. Perhaps it cannot afford to have any work relief at all if the problem has grown so large and there are so many people dependent on relief that there is not enough money to provide work relief for anyone. The State can then decide, in the presence of the actual resources available for relief, how much per capita it can spend upon those who require relief.

At the present time in the State of Idaho, under the existing system, this is what happens. I do not know the exact Idaho figures; I am now using the figures for the average of the country. This is what happens in Idaho if Idaho's experience is that of the average of the country. Idaho has so many employables who need relief. They live on $53 a month, which comes from the Federal Treasury. Idaho also has an equal or perhaps a larger number of so-called employables who are not eligible for Federal help, and who must rely solely and exclusively upon State and local resources. Such persons average $22 a month. So, in Idaho at the present time there are two classes of reliefers, the special, privileged class among reliefers, those who get work relief by way of Federal support, enjoying a living at the rate of $53 a month, if it may be called enjoying it. Those who are so unfortunate, however, as to be dependent upon State and local resources live on only $22 a month, citizens in the same town, on the same street, enjoying equal rights, having equal necessities and equal appetites, one consigned to live on $22 a month, and the other given the privilege of living on $53 a month. Again I say, if that is a privilege, I am sorry I have to use the word.

If the problem in Idaho reaches the point where there are so many persons who cannot be employed on work relief that they must be cared for by State and local resources—I mean the $22-a-month class—if that class reaches the point where Idaho no longer can raise even $22 a month to support them, then I submit that Idaho confronts a desperate crisis. What I am saying, and what my substitute would undertake, would be to say to Idaho, "Idaho, here is the money we were going to send you at $53 a month for your employables. Take that and put it with your local resources, and decide for yourself how much of it you can afford to spend per capita. If you cannot afford to have work relief, you might just as well admit it and not try to have it. If you have to go back to what is unhappily called a dole, if there is no escape from it, you might better go to it than to run away from a word; and, in trying to escape from a word, run into complete bankruptcy, both of the Federal Government and of all your local and State governments alike."

Are not the nonpartisan relief authorities in Idaho infinitely better off in dealing with the sum total of their problem if they have received this money which the Federal Government is willing to spend upon the relief problem in Idaho, and Idaho is allowed to put that in its own common relief purse, supplemented by such funds as Idaho itself can afford to spend? Then Idaho, intimately acquainted with its own problem, knowing infinitely better than anyone in Washington can know what the Idaho necessities are, can apply these total resources to its total relief problem and produce equity as between its citizens.

Mr. BORAH. I now understand how it can produce equity; I think that is clear enough. But if conditions continue to develop as they have been developing, the ultimate end of the proposition is inflation or repudiation.

Mr. VANDENBERG. I have not any doubt in the world of that, or else a capital levy, or something like it. But I submit to the Senator that we are running infinitely faster toward one of these three dire alternatives, namely, inflation, repudiation, or a capital levy, when we continue to proceed on this present pump-priming theory, because we know what pump priming does to the Federal Budget, and we know that pump priming does not cure the economic situation. We have taken the biggest dose of it in the last 6 years that any nation ever took or ever could take, and that

dose was a failure. Yet all that we are offered today is a smaller dose of the same thing that failed before. So if we are at all in danger of this ultimate repudiation, or inflation, or supertaxation by a capital levy, we are infinitely more in danger of it by continuing the amazingly inept formula which is perpetuated in the pending joint resolution.

Mr. POPE. Mr. President, will the Senator yield?

Mr. VANDENBERG. I yield to the junior Senator from Idaho.

Mr. POPE. Before the W. P. A. was established we had the Federal emergency relief organization, and the Federal Government sent to the Governor of our State a certain amount of money, to be used by the State officials and the local officials in giving relief. As I understand, that was similar at least to the suggestion made by the Senator.

I was told that in one community in a State where local officials were on the relief board one or two of them decided to run for office. They went out into the community and rounded up all the people they could and put them on the relief rolls, because it was their thought that that would assist them in their campaigns for election. In this community it was claimed that there was an unusually large amount of money being used, too much. It was also said that in some instances the local officials, in order to get money to give to these people, would make their list just as large as they could. I do not know this to be true, but there were many charges of that sort.

If the Senator's proposal were followed and the money were turned over to the State to be administered in about the same way that the I. E. R. A., as it was called in Idaho, or the F. E. R. A., as it was called in the Nation, was administered, would not that situation exist as it did before and would we not have politics in the situation to a large extent? Now at least we do not have existing the situation of local administrations trying to make political capital out of relief.

I ask the Senator whether the same tendency would not exist under his proposed substitute?

Mr. VANDENBERG. Mr. President, the Senator has asked a perfectly fair question, and it is one I should like briefly to discuss. I cannot answer it in a word.

I have no doubt that we will have politics in relief no matter who administers relief, whether it is a Federal authority or a State authority or a local authority, a Republican authority or a Democratic authority or any other authority. That is a sin and a shame, but it is a fact. Our only hope is to circumscribe it as much as possible.

I call the attention of the Senator to the fact that the administration of the relief fund under the substitute for title I, which I have offered and which was offered in the House of Representatives and voted down, the direction and administration of the fund would be in charge, first, of a nonpartisan relief commission in Washington, which, in turn, would require the erection of nonpartisan relief authorities in each State as the recipients and administrators of the Federal funds. To that extent the situation would totally differ from the situation which the Senator describes as existing a few years ago, because at that time the local distribution, insofar as it was supervised at all externally, was supervised by Federal authority.

I think we have now reached a point, I may say to the Senator, in addition, where there exists a far more acute local sense of outrage, upon the one hand, and of responsibility, upon the other hand, for the appropriate administration of relief. I think that every community in this country has had enough object lessons in waste and exploitation and indolence so that the community is instantly more acute today than ever before to the challenge of the relief problem. Therefore, I think that if we could ever get the responsibility for the administration of relief back to the States and to the local governments, we would have it policed because of a sense of local responsibility and a feeling of neighborhood opinion, which are the only things in this world that ever can cause it to be successfully policed. It will never be policed so long as these funds come direct from Washington and continue to be explicit from Washington, and no local responsibility is involved, because, again, unfortunate as it may be, the fact remains that the best of our constituents back home still seem to feel that if a check comes from Washington it comes from some magic pot of gold which no one ever has to replace or pay for.

Mr. POPE. Mr. President——

The PRESIDING OFFICER (Mr. GILLETTE in the chair). Does the Senator from Michigan yield to the Senator from Idaho?

Mr. VANDENBERG. I yield.

Mr. POPE. I did not mean to suggest a few moments ago that all the local authorities by any means, or even any considerable number of local authorities, went so far as to attempt to get men on the rolls for political reasons or for local reasons, but it is said that did occur at least a number of times. I often heard that the local officials would try to get all the money they could; they would increase the number on the rolls in every way that seemed to them to be fair under the law, and so it was exceedingly difficult to cut down the numbers on those rolls.

The complaint was often made that those who had charge would pad the rolls, they would keep them up, because it meant relief, it meant money for their local communities, and the question of local pride would enter into the consideration, and in some cases there would even be a competition or a rivalry to get money. That is the point I wanted to call to the Senator's attention.

Mr. VANDENBERG. I have no doubt that that condition occurred, and I have no doubt that it would still occur in perhaps lesser degree; but my view is that to whatever extent it occurs it cannot be remotely the menace that exists in the opportunity for manipulation and political prejudice and favoritism inherent in a system that distributes three or four or five billion dollars from one central point in Washington to fortunate and, perhaps, subservient beneficiaries throughout the country.

Mr. LUNDEEN. Mr. President, will the Senator yield?

Mr. VANDENBERG. I yield.

Mr. LUNDEEN. When the Senator says that Idaho—assuming that to be the State—is to get $100,000,000, who is to determine how the allocation is to be made of the amount, say, of $150,000,000 to Utah and $100,000,000 to Idaho? What authority is proposed to determine the amount?

Mr. VANDENBERG. I shall be very glad to read to the Senator from Minnesota the precise machinery that is provided for that purpose:

> Such amount shall be allocated by the Federal Relief Board (hereinafter established), with the approval of the President, among the several States upon the basis of the board's findings and conclusions with respect to the facts concerning and weight to be given to unemployment and living costs in, and population and financial resources of, the several States.

The Federal relief board hereinafter to be established is—

> Composed of three members appointed by the President, by and with the advice and consent of the Senate. Not more than two of the members of the board shall be members of the same political party.

Mr. LUNDEEN. Will the Senator again yield to me?

Mr. VANDENBERG. Yes, indeed.

Mr. LUNDEEN. What I am interested in is this: The power proposed to be given the board is a tremendous power; and does the Senator feel that his amendment safeguards the situation?

Mr. VANDENBERG. It is a tremendous power, Mr. President, and it is a terribly dangerous power, in spite of all the safeguards that anyone can provide; but I submit to the Senator that the only choice we have is what seems to be the lesser of two evils; and if it is a tremendous power, it is at least a better safeguarded power in the hands of three nonpartisan administrators than it is when it is left exclusively and solely in the hands of a single Presidential executive, who, of necessity, is a political officer of the Government.

Mr. LUNDEEN. If the Senator will permit me again to interrupt him, I wish to say that I am greatly interested in knowing whether the Senator feels that under this provision we would have better safeguards than we have at present?

Mr. VANDENBERG. Very definitely so.

Mr. LEWIS. Mr. President, may I ask the Senator from Michigan a question?

Mr. VANDENBERG. I am glad to yield to the Senator from Illinois.

Mr. LEWIS. Assuming the board proposed by the Senator from Michigan has been constituted, assuming that the members vote to transmit money to the different States or counties—to what organization in the respective counties, cities, or States is it the Senator's object or purpose to trust this expenditure after the money has reached the States from the board proposed by the Senator?

Mr. VANDENBERG. I shall be very glad to answer the Senator. I now read from page 2 of the substitute:

(b) The sum allocated to a State under subsection (a) shall be paid quarterly by order of the Federal Relief Board to the State if—

(1) The Governor has certified to the Federal Relief Board that there has been established a board of relief trustees in such State, the membership of which is not composed solely of individuals who are members of the same political party, and that such board has the power and duty of receiving and disbursing sums which may be granted such State under this section.

Mr. LEWIS. Who does the able Senator think will constitute that board in the State?

Mr. VANDENBERG. As the language indicates, the State has its own option to create its own board of trustees in any fashion it may see fit, so long as it comports with this general criteria.

Mr. LEWIS. Then if appointed by the Governor of the State, the board is appointed by an official who comes into office through politics, and naturally appoints those in whom he has confidence? Would the Senator not say so?

Mr. VANDENBERG. Yes.

Mr. LEWIS. Then, under those circumstances, are we not back right to where we now are, that the Governor transmits the power to some of his chosen people after the money has been transmitted by the administrator in Washington?

Mr. VANDENBERG. I do not think so.

Mr. LEWIS. That would be my viewpoint, I will say to the Senator.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. VANDENBERG. I yield.

Mr. BARKLEY. When Congress enacted the Social Security law it provided that the Federal Government should put up one-half of the expenses of administering the old-age pension administration in the States, and provided for the administration of the unemployment insurance feature of that law an outright grant 100 percent. The Federal Government did not retain any jurisdiction whatever over the appointment of the agents who are to administer the law in the States. It did require a certain amount of matching on the part of the States with respect to old-age pensions. It did not require such matching with respect to unemployment insurance.

Does the Senator know of any State in the Union where the old-age pension gratuities or payments are being administered wholly by the State under officers appointed by the chief executive of the State, or does he know of any State where the unemployment insurance is being so administered by agents appointed by the State, with the Federal authority having not even the power to accept or reject the appointments, or have any control over them? Does the Senator know of any such State that is free from politics in the administration of the old-age pension law and the unemployment insurance law, notwithstanding the fact that in one case half the money is being put up by the Federal Government and in the other case all of it?

Mr. VANDENBERG. I am sorry, I do not have the information regarding those local administrative units.

Mr. BARKLEY. I call attention to it, because the Senator seems to be laboring under the impression that notwithstanding the money for relief is to be appropriated by the Federal Government, yet if it shall be under the control of some State authority the situation is therefore purified to the extent that no politics will enter into the situation.

Mr. VANDENBERG. No, Mr. President; I said a moment ago that I know there is to be politics in relief; no matter what formula we have and no matter what party administers it, we are bound to have politics. It is inherent in democracy. My only hope is to find the lesser of the evils in this aspect, and I continue to have the feeling in regard to the relief problem that the closer we get back to the home folks themselves with respect to it, the closer we are to the only kind of scrutiny that can ever hope to police it.

Mr. BARKLEY. Unfortunately, I think it is true that the closer we get back home, the more political scrutiny is engaged in, because the local influence of friends and acquaintances and lifelong associations may have some political effect upon a local administrator, whereas it would not reach all the way to Washington—at least, presumably it would not—in determining who should be the beneficiaries of the relief funds provided.

I realize all the difficulties the Senator has in mind, and I am fairly well acquainted with some of them.

Mr. VANDENBERG. I am sure the Senator speaks feelingly.

Mr. BARKLEY. When the Federal Government puts up the money for relief, or for any other purpose, to be administered by the States, I think it is a mistake to assume that the State authority will not take the same advantage in the administration of that appropriation that it does in the case of funds raised by the State's own methods of taxation, and expended directly.

For 25 years we have been appropriating money to build highways in the United States, and we have been requiring the States to match the Federal funds in the construction of highways; yet it is unfortunately true that there never has been an administration in any State with which I am acquainted which has not used its highway department to perpetuate itself or its friends in office, and thereby used also the funds granted by the Federal Government. The personnel of all the State highway commissions is controlled by the State administration, and not by the Federal Government in Washington. It is unfortunately true that we cannot remove such things from politics, because in a sense politics now enters into everything because of the complexity of our economic and social problems, which require the Government—whether it be Federal, State, or local—to enter in some way the equation with respect to everything which affects every local community in the United States.

Mr. POPE. Mr. President, may I ask the Senator from Michigan one other question regarding a matter which disturbs me?

Mr. VANDENBERG. Surely.

Mr. POPE. Let me say that I am very deeply interested in any suggestion to take this whole subject out of politics. I realize that one who advocates that course is on solid ground.

Let us suppose, however, that the amendment offered by the Senator from Michigan were adopted. Would not State legislation be required to give somebody within the State power to appoint the board to which the Senator refers? I know that such necessity existed with reference to the social-security legislation, and it took 2 or 3 or 4 years to have the necessary State statutes passed.

Mr. VANDENBERG. Let me interrupt the Senator at this point to say that he has put his finger precisely on an unanswered question, so far as my substitute is concerned.

I fully realize that the point the Senator now raises is a pertinent one, and that textually the substitute does not meet it. Let me state to the Senator my theory of procedure.

I have no notion that my substitute, as drawn, is adequate in many of its phases. I am offering it solely as a means to test the sentiment regarding a general principle. If the Senate, unexpectedly—and it would be most unexpectedly—should adopt the substitute, I should say the appropriate course would be immediately to recommit the bill, so that the theory and principle of the substitute could then be adequately and safely developed by the Appropriations Committee.

Mr. POPE. Would it be possible for State legislatures to pass the necessary legislation to put into effect the Senator's proposal, or any similar proposal, in time for those who need relief to receive it? In other words, would not that procedure absolutely stop relief, so that the needy people could not obtain it because of the lack of machinery?

Mr. VANDENBERG. No; I do not think so. I think it would be possible to authorize the Governor to create emergency machinery.

EXHIBIT A

DETROIT AND WAYNE COUNTY FEDERATION OF LABOR,
May 23, 1938.

DEAR SIR: It has been repeatedly announced by Governor Frank Murphy and others that the national administration has given unlimited authorization to place everyone in Michigan to work that needs work, through the W. P. A. Up to the present time, with the exception of a favored few, the W. P. A. administrators in Michigan have refused to accept for W. P. A. employment anyone except those who are first placed on welfare and then transferred to the W. P. A.

Many thousands of worthy citizens have battled for the past 6 or 8 years to keep off the welfare. They do not want the dole; they are trying to keep their names clear from having accepted charity; they want work and in this group will be found most of the skilled mechanics of this community who are now unemployed.

Louis J. Nims, State director of W. P. A., and his assistant, Max Barton, Wayne County director of W. P. A., have insisted on a policy of refusing to accept on W. P. A. for employment anyone unless they are first placed on relief. This has resulted in a discrimination against many thousands of decent citizens in this community. It has also resulted in placing on work as skilled mechanics men who are unfit by training for this work. It is depriving those trained through regular channels of an opportunity to work at their trade. It is training new men to take their place and it is depriving the people and merchants of this community of funds set up by the Federal Government for relief of unemployed while forcing the State and cities to carry on welfare some 70,000 people who could and should be transferred to W. P. A. and many thousands of men who want work on W. P. A. but can't get on without first taking the pauper's oath.

We ask: Are you going to stand for this?

The only contact the people of this community have with the Federal Government is through their Congressmen and Senators.

We demand in the name of decency and fair treatment that the thousands of abandoned mechanics who are now being discriminated against by Nims and Barton be accorded a fair treatment and an opportunity for employment on W. P. A. in accord with the intent of Congress when the appropriation was made and the law passed.

This organization has stood squarely behind the President in his administration. There is only one way to properly remedy this condition and that is to remove Nims and Barton from being in charge of W. P. A. in Michigan and place someone in charge of the administration of W. P. A. in Michigan who will be interested in a proper administration of W. P. A.

Can we count on your help in our efforts to bring relief in the form of honest employment for the thousands of skilled mechanics who are now being deprived of work on the W. P. A.?

Very truly yours,
DETROIT AND WAYNE COUNTY FEDERATION OF LABOR,
FRANK X. MARTEL, *President*.

Mr. COPELAND. Mr. President, I listened with great interest to what the Senator from Michigan said about the needs of the country. He said he had a telegram or some message from his State. I have had one from mine. It reads as follows:

MY DEAR SENATOR COPELAND: You must know Chemung County and Elmira are in bad shape. An agent of the Phoenix Insurance Co. made a canvass and reported we were the worst hit. All the factories discharged most of the workers. Unemployment on every side. Men walking the streets look for a job. What can we do? Isn't there some way we can make Congress act? Will writing Senators or Congressmen do any good? To whom should the voters write? Any suggestions? Thanking you.

——— ———.

This letter is from an old doctor friend of mine in that section of the State. He signs himself as a "taxpayer here for more than 50 years."

I doubt if there is the slightest difference of opinion on this floor as to the necessity of appropriations for relief. I have no doubt of it, and I desire such appropriations to be made. I frankly confess, however, that I am not satisfied with the use which has been made, or alleged to have been made, of funds heretofore appropriated for relief purposes. No matter how much effort is made to explain away or to cast doubt or question upon charges that such funds or the workers employed under those funds have been exploited for political purposes, I have no doubt that such things have happened.

Last summer I was an alleged candidate for mayor of New York City. I know the people of New York City as well as any man living there. I had private visits from W. P. A. workers and many conferences with those who are employed. They expressed their fear that if they voted for me there would be reprisals.

I am not here to say that their fear was well founded. I could not prove it in every instance; but I know that in order to obtain the benefits of relief in New York it was necessary to go through a certain organization and to obtain the approval of that organization. Without enlarging upon that subject, I wish to say, so far as I am concerned, that I am determined to do everything I can with honor to earmark the funds appropriated by this joint resolution in order that they may be so expended that the relief which we seek shall be afforded, and at the same time that any use of the funds for political purposes shall be prohibited.

To me, all persons in want look alike. I do not care whether they are Republicans, Democrats, Farmer-Laborites, greenbackers, or prohibitionists. I do not care what the political complexion of a given individual may be. I am determined, so far as I can do it, to make sure that suffering people shall not be exploited for political reasons. I do not want human misery made the football of politics.

For the reasons which I have indicated, I desire to have the funds earmarked so far as may be. I am not asking at this moment that there shall be any reduction in the amount of money appropriated; but I am asking that the funds shall be used as the Congress of the United States determines they ought to be used, and that no group or individual shall determine how the money is to be spent. If any allocation of funds is to be made, it should be made by the Congress. Our authority and our constitutional right should not be delegated to another or to others.

I had intended to speak at considerable length this afternoon, but the Senator from Michigan—and I do not resent it, of course—saw fit to enter the discussion. Therefore, I shall satisfy myself for the present by offering an amendment. Let me say to the clerk that I shall send to the desk a corrected copy. I find that some errors have crept into it. I desire to offer an amendment on page 22 of the bill, at the end of the second line, as follows:

Provided, That of the above sum, $80,000,000—

Subject to some correction—

shall be allotted by the Secretary of War for construction at military posts and stations, in priorities previously established by the Secretary of War, as follows:

Then the amendment lists the places at which the Secretary of War has determined that necessity exists for military housing. This plan, if adopted by the Congress, would result in the expenditure of money in certain quarters where money should be expended. These projects are so widely scattered that practically every State in the Union would be benefited. At the same time I may say that in completing these projects we would have exactly the same amount of relief. Needy citizens would be engaged on these projects, they would be paid wages for their work, and would be given the relief to which they are entitled. Yet the designation is so specific that we would be certain that the money would be spent for the given purpose and not used for any political purpose.

I ask consent, Mr. President, that this amendment may be printed and lie on the table, and that the amendment in full may be included in the body of the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

Amendment intended to be proposed by Mr. COPELAND to the joint resolution (H. J. Res. 679) to make an appropriation for work relief, relief, and otherwise to increase employment by providing loans and grants for public-works projects, viz:

On page 22, line 2, before the period, insert the following: ": *Provided*, That of the above sum $80,801,248 shall be allotted to the Secretary of War for construction at military posts and

stations in priorities previously established by the Secretary of War, as follows:

"Fort Lewis, Wash., barracks, quarters for officers and noncommissioned officers, warehouse, garage, utilities, and addition to hospital, sufficient to house the Fifteenth Infantry, $2,689,240.

"Fort Bragg, N. C., barracks, $413,500.

"Fort Riley, Kans., academic building (this releases two barracks), $405,000.

"Fort Monroe, Va., barracks, $335,000.

"Fort Humphreys, near District of Columbia, reproduction plant and heating plant, $144,880.

"Fort Knox, Ky., barracks, quarters for officers and noncommissioned officers, $2,899,200.

"Fort Crook, Nebr., barracks, $193,000.

"Carlisle Barracks, Pa., noncommissioned officers' quarters, school building, warehouse, fire and guard house, $894,800.

"Fort Monmouth, N. J., barracks and Signal Corps laboratory, $377,500.

"Madison Barracks, N. Y., barracks, noncommissioned officers' quarters, and water supply, $359,500.

"Fort DuPont, Del., barracks, $413,500.

"Savanna Ordnance Depot, Ill., magazines and accessories, $1,023,413.

"Chanute Field, Ill., school building, hangars, and grading, $1,412,622.

"Fort Bliss, Tex., barracks, noncommissioned officers' quarters, and radio station, $463,000.

"Fort Washington, Md., officers' quarters, $30,000.

"Fort MacArthur, Calif., barracks, $138,500.

"Fort Myer, Va., barracks and addition to hospital, $284,500.

"Fort Ethan Allen, Vt., noncommissioned officers' quarters, $257,500.

"Fort Thomas, Ky., barracks, $415,000.

"Fort Sam Houston, Tex., barracks, addition to hospital, and basement in transmitter building, $1,533,700.

"Fort Douglas, Utah, medical detachment barracks, $42,000.

"Jefferson Barracks, Mo., barracks, addition to barracks, and nurses' quarters, $205,500.

"Fort Devens, Mass., barracks, officers', noncommissioned officers' quarters, water towers, and telephone construction (sufficient to house additional battalion and make available space at another post for antiaircraft battalion), $992,800.

"Fort Leavenworth, Kans., auditorium and reproduction plant, $600,000.

"Fitzsimons General Hospital, Colorado (to this should be added $1,250,000 as a veteran building share for construction of this hospital, making a grand total of $3,020,000), $1,770,000.

"Chanute Field, Ill., barracks, hospital, and warehouses, $1,464,900.

"Air Corps Technical School, Denver, Colo., ground construction of runways, lighting and bombing facilities, gas storage, warehouse, $815,900.

"McChord Field, Wash., barracks, hangars, warehouses, and central heating plant, additional system, $2,494,350.

"Fort Sill, Okla., barracks and addition to, $1,238,700.

"Ogden Ordnance Depot, Utah, magazine building and appurtenances, $1,229,369.

"Delaware Ordnance Depot, N. J., magazines and rail facilities, $504,000.

"Fort Mason, Calif., warehouse, $1,360,000.

"Presidio of San Francisco, Calif., barracks, noncommissioned officers' quarters, $593,870.

"Fort McPherson, Ga., radio station and dental clinic, $108,000.

"Fort Huachuca, Ariz., barracks and hospital, $500,500.

"Carlisle Barracks, Pa., sterilizing plant and officers' quarters, $384,500.

"Fort Sheridan, Ill., barracks and noncommissioned officers' quarters, $656,900.

"Fort Bliss, Tex., stable, stable guards' quarters, and shops, $473,400.

"Fort Snelling, Minn., barracks and telephone exchange, $145,340.

"Fort Riley, Kans., noncommissioned officers' quarters, $275,520.

"For MacArthur, Calif., barracks, $276,000.

"Fort McDowell, Calif., barracks, $687,500.

"Fort Barrancas, Fla., barracks, $276,000.

"Fort Bragg, N. C., officers', bachelor officers', nurses' quarters and telephone exchange, $689,250.

"Fort George G. Meade, Md., barracks and cooks' school, $963,000.

"Fort Douglas, Utah, barracks, $300,000.

"Fort Benjamin Harrison, Ind., barracks, noncommissioned officers' and nurses' quarters, $736,460.

"Jeffersonville Quartermaster Depot, Ind., barracks, $175,000.

"Jefferson Barracks, Mo., officers' and noncommissioned officers' quarters, $154,200.

"Holabird Quartermaster Depot, Md., barracks, $638,250.

"Presidio of San Francisco, Calif., barracks and cooks' school, commissary, warehouse, and noncommissioned officers' quarters, $582,470.

"Fort Slocum, N. Y., barracks, $521,600.

"Fort Benning, Ga., barracks and fire station, $191,300.

"Fort Crockett, Tex., barracks and noncommissioned officers' quarters, $772,320.

"Fort Ethan Allen, Vt., motorization housing, $165,700.

"Fort Hoyle, Md., barracks and noncommissioned officers' quarters, $839,600.

"Edgewood Arsenal, Md., officers' quarters, $309,600.

"McChord Field, Wash., barracks, officers' and noncommissioned officers' quarters, warehouse, and communications, $1,346,500.

"Chanute Field, Ill., officers' and noncommissioned officers' quarters, warehousing, and sewerage system, $591,900.

"Air Corps Technical School, Denver, Colo., hangar and gas and oil storage, $388,780.

"Holabird Quartermaster Depot, Md., officers' and noncommissioned officers' quarters, $326,560.

"Fort Knox, Ky., motor shops, nurses' quarters, children's school, and ordnance shop addition, $445,700.

"Fort Lewis, Wash., noncommissioner officers' quarters, $314,880.

"Fort Logan, Colo., garage, repair shop, and noncommissioned officers' quarters, $189,250.

"Savanna Ordnance Depot, Ill., magazines and appurtenances, $780,000.

"Fort MacArthur, Calif., shops, gas storage, and noncommissioned officers' quarters, $344,650.

"Fort Sill, Okla., barracks, noncommissioned officers' quarters, and addition to nurses' quarters, $719,875.

"Aberdeen Proving Ground, Md., barracks, noncommissioned officers' quarters, and ordnance school building, $846,940.

"Raritan Arsenal, N. J., barracks, $158,100.

"Fort Clark, Tex., sewage-disposal plant and garage, $82,300.

"Vancouver Barracks, Wash., noncommissioned officers' quarters, $147,680.

"Fort Bliss, Tex., bachelor officers' quarters, $128,800.

"West Point, N. Y. (Stewart Field), hangar, shop, and incidental buildings, $270,000.

"Camp Dix, N. J., water supply, $100,000.

"Fort Monmouth, N. J., school for officers and enlisted men, $296,700.

"Delaware Ordnance Depot, N. J., barracks and dispensary, officers' and noncommissioned officers' quarters, $265,500.

"Fort Devens, Mass., noncommissioned officers' quarters and garage, $186,060.

"Fort Hancock, N. J., addition to barracks, noncommissioned officers' and officers' quarters, $262,000.

"Fort Huachuca, Ariz., motorization housing, warrant officers' quarters, gas and oil storage, $83,071.

"Jefferson Barracks, Mo., incinerator, gun shed and shops, $102,500.

"Fort Jay, N. Y., barracks and noncommissioned officers' quarters, $1,135,700.

"Fort Brady, Mich., barracks, $300,000.

"Madison Barracks, N. Y., hospital alteration, garage, and shops, $315,600.

"Fort Moultrie, S. C., warehouse and commissary, $40,300.

"Fort Myer, Va., warehouse, magazine, fire station, and receiving station (Battery Cove), $129,745.

"New Cumberland General Depot, Pa., officers' and noncommissioned officers' quarters, $54,360.

"Plattsburg Barracks, N. Y., shop and hospital modernization, $238,000.

"Schenectady General Depot, N. Y., officers' and noncommissioned officers' quarters, $68,650.

"Kelly Field, Tex., officers' and noncommissioned officers' quarters, warehouses, hospital, $682,800.

"McChord Field, Wash., headquarters, administration building, and gas storage, $160,200.

"Air Corps Technical School, Denver, Colo., officers' and noncommissioned officers' quarters, magazines, machine-gun range, and railroad, $423,600.

"Air Corps airways program, buildings and grounds at various minor stations, $522,900.

"Sacramento Air Depot, Calif., dock, $75,000.

"Randolph Field, Tex., cadet barracks, $350,000.

"Patterson Field, Ohio, hangar, barracks, hospital, and equipment repair building, $1,265,000.

"Duncan Field, Tex., equipment, repair, and engine-test building, $335,000.

"Mitchel Field, N. Y., completion of runways, $400,000.

"Maxwell Field, Ala., completion of runways, $300,000.

"March Field, Calif., completion of runways, $210,000.

"Fort Sheridan, Ill., noncommissioned officers' quarters, $157,440.

"Fort Slocum, N. Y., noncommissioned officers' quarters, freight shed, and pier (Neptune dock), $197,350.

"Fort Huachuca, Ariz., water supply reconstruction, $161,000.

"Fort Sill, Okla., addition to hospital and construction and improvement of concurrent camp, $628,000.

"Fort Monroe, Va., hospital modernization, $422,000.

"Fort Missoula, Mont., addition to barracks, fire station, and guardhouse, including $79,880 for purchase of materials for other construction, $308,880.

"Fort Benning, Ga., cooks' school and barracks, and warehouse depot, $1,019,100.

"Fort Reno, Okla., barracks, $175,000.

"Fort Leavenworth, Kans., apartment building and school for children, $1,368,000.

"Fort Des Moines, Iowa, hospital reconstruction, $111,000.

"Fort Hoyle, Md., barracks, $692,000.

"Edgewood Arsenal, Md., bachelor officers' quarters, $216,000.

"Letterman General Hospital, Calif., hospital wards, $345,800.

"Presidio of Monterey, Calif., hospital, $300,000.

"Fort Belvoir, Va., garages and shops, $347,100.

"Fort Story, Va., water tower, $20,600.

"Fort Totten, N. Y., motor park, $304,000.

"Fort D. A. Russell, Tex., motor shop, truck and gun shed, $77,818.

"Fort Niagara, N. Y., barracks, $324,000.

"Fort Belvoir, Va., barracks, noncommissioned officers, officers' quarters, and shops, $1,159,200.

"Fort Sheridan, Ill., hospital, school for cooks, motor housing, $1,229,800.

"Camp Dix, N. J., barracks, officers' and noncommissioned officers' quarters, warehouses, and utilities, $1,100,000.

"Plattsburg Barracks, N. Y., officers' noncommissioned officers' quarters and barracks, $862,000.

"Presidio of San Francisco, Calif., officers' quarters, $474,000.

"Fort Clark, Tex., rehabilitation, $500,000.

"Scott Field, Ill., barracks, quarters, utilities, runways, warehouses, hangars, and shops, $4,472,450.

"Hamilton Field, Calif., runways and night lighting, $380,000.

"Barksdale Field, La., runways, $660,000.

"Selfridge Field, Mich., runways and night lighting, $817,500.

"Navigation aids at various stations, $300,000.

"Wright Field, Ohio, runways, $660,000.

"Muroc Lake, Calif., barracks, storage, navigation facilities, $353,500.

"Bolling Field, near District of Columbia, barracks, heating plant, hangar, and miscellaneous buildings, $1,066,000.

"March Field, Calif., barracks, $330,000.

"Langley Field, Va., barracks, $440,000.

"Fort Wayne, Mich., noncommissioned officers' quarters, $68,000.

"Frankford Arsenal, Pa., office building and extension to building, $255,000.

"Fort Francis E. Warren, Wyo., barracks, medical detachment, and gymnasium, $277,500.

"Camp Joseph T. Robinson, Ark., barracks, quarters, and technical facilities to quarter one battalion, antiaircraft artillery, $3,240,100.

"Fort Ontario, N. Y., noncommissioned officers' quarters, barracks, and warehouse, $298,875.

"Philadelphia Quartermaster Depot, Pennsylvania, administration building and warehouse, $480,000.

"Army medical library and museum, District of Columbia, building, with the utilities, accessories, and appurtenances thereto, $3,750,000.

"Total, $84,551,248.

"*Provided further*, That the military reservations of Bolling Field and Fort Humphreys, situated within the District of Columbia, are exempted from the general provisions of this subsection as to such location."

Mr. COPELAND. Mr. President, I should like to say more about this proposal, but I will do that on another occasion. I am to preside at a conference committee meeting at 2 o'clock, and I must leave the floor on that account, but at another time I shall discuss this matter and also another amendment or two which I have to offer, and shall go somewhat into detail regarding the amendment which I presented here 2 days ago providing for river and harbor and flood-control projects.

In closing, let me say that I am not standing here to dispute the necessity of large expenditures by the Government to meet present distressing conditions. In my great community, New York City, with its population of 7,000,000, we know as much about poverty all the time as can the citizens of any other community know. Those of us who live there and are cognizant of present conditions know that never before in our history was there such distress as exists there today. Therefore, I shall gladly support a measure, if properly formulated, to provide the money necessary to carry on the affairs of our country until we may have recovery.

Mr. President, I cannot resist saying just one further word. There is an item in this bill providing for $75,000,000 for the National Youth Administration. No other class of our people have been so badly hit by the economic conditions of the present day as have the boys and girls, the young men, and the young women. What encouragement or opportunity is afforded them? There is no opportunity today for the graduate of the high school or the college. Where is he or she going to find work? Where are they going to find any opportunity to expend their energies? We must preserve the youth of our Nation. So that one particular item in the bill is one which appeals to me, perhaps, more than all the others. At the proper time I shall enlarge upon this theme and submit more in detail the views I hold regarding other features of the bill.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Chaffee, one of its reading clerks, announced that the House insisted upon its amendment to the bill (S. 3845) to create a Civil Aeronautics Authority, and to promote the development and safety and to provide for the regulation of civil aeronautics, disagreed to by the Senate; agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. LEA, Mr. CROSSER, Mr. BULWINKLE, Mr. EICHER, Mr. HOLMES, and Mr. WADSWORTH were appointed managers on the part of the House at the conference.

RELIEF AND WORK RELIEF APPROPRIATION

The Senate resumed the consideration of the joint resolution (H. J. Res. 679) making appropriations for work relief, relief, and otherwise to increase employment by providing loans and grants for public-works projects.

Mr. CAPPER. Mr. President, I rise in support of the amendment offered by the Senator from Michigan [Mr. VANDENBERG] to the pending recovery relief joint resolution. I am particularly interested in his substitute for title I of the measure.

There are today, according to the latest figures of the American Federation of Labor, more than 11,200,000 American men and women without jobs. We all agree that these unfortunate victims of the depression must be cared for and I would not reduce the amount appropriated by title I for relief purposes. But I believe the time has come when we might as well face the problem of unemployment and relief in realistic fashion. It looks as if it were a permanent problem, and to meet it adequately will, I believe, require a permanent program.

I never quite have understood the difference between employables and unemployables, except that this difference has been the excuse given for having the so-called employables needing relief entirely cared for by the Federal relief agency. On the other hand, the unemployables are to be cared for locally.

In practice the principal difference between these two classes seems to be that those who receive their relief funds from the administration get an average of $53 a month, while those who have to depend upon their own home folks for relief average only $22 a month.

One effect of this differential seems naturally to be that those on relief regard the national administration as more helpful than the local administrations in power. This is not my idea of the measurement of the adequacy of a relief system.

I realize that when the Federal Government stepped into the field of local relief for the unemployed, it was necessary that something be done, and that it be done quickly. Federal administration of local relief, as an emergency measure, was so well justified that I gave it my unqualified support.

But this has been going on long enough now to indicate quite plainly that relief is a permanent problem, as I have already stated. And it will require a permanent program.

That program of relief should be a planned program; it should be financed out of current revenues except in times of dire emergency; and it should be within the abilities of the various units of government to support on a current basis.

I also believe that this permanent program should be administered by the States under Federal regulation rather than partly by Federal administration in every locality and partly by local administrations. In addition to the discriminations already pointed out, this dual administration brings about a costly duplication of administration and administrative personnel. Also it fails to obtain the local responsibility, administratively and financially, that a permanent relief program should have.

I would not be in favor of the Federal Government furnishing the funds for relief and turn the funds over to be administered locally. Such a procedure would encourage extravagance and corruption and competition among local communities and States as to which units could get the most from the Federal Treasury.

But I do contend that it would be better than the present W. P. A. set-up to have the Federal Government make grants in aid to the States and then allow and require the States

to administer the entire relief for unemployed program in the States. We have recognized that principle of joint financing and local administration, under Federal supervision, in a number of fields. It is not necessary to enumerate them to make this point.

I also maintain that this measure should be written in language which will make it certain that the funds distributed by W. P. A. and P. W. A. cannot be used for political purposes. Every item should be definitely earmarked in a manner that will take this huge appropriation completely out of politics.

The so-called Vandenberg amendment to title I of this bill seems to provide a sane, sound, realistic, and workable solution to this feature of the relief problem.

The amendment, as I understand it, provides that a national nonpartisan board shall make the allotment of Federal funds to States on the basis of need. States will be required to match Federal funds to the extent, at least, of 25 percent. Then the relief program in each State will be administered by a nonpartisan board. We will have local responsibility both for financing and administration and incentives for economy, efficiency, and fairness in administering the program.

If I were going to list the apparent advantages of the proposed system over the dual system now in use, I should list them something like this:

First. It will eliminate the present unfair discrimination between the arbitrarily defined "employables" and "unemployables" that gives to one class of those on relief twice—sometimes more than twice—as much as is received by the neighbor next door in the same predicament.

Second. It will eliminate costly duplications and wastes in overhead. Thereby there will be more relief for the same expenditure of money.

Third. It will eliminate divided responsibility—part Federal, part State, part local—in the administration and financing of relief. There still will be a joint responsibility, but that responsibility will be definitely placed in each and every locality.

Fourth. It will enable hard-pressed State and local governmental units to deal equitably and intelligently—they will know what they have to work with—with the relief problem on a long-time basis.

Fifth. Local taxpayers will have a more complete and vivid realization that relief funds not only are received in their communities but also have to be raised in part in their own communities and that they have to be paid. Too many people have a feeling that money from Washington "just happens." That feeling will wreck our Government if it becomes a fixed belief.

Mr. President, I could elaborate upon these points at considerable length, but I have no desire to go over in detail the ground which has been so completely and plainly covered by the senior Senator from Michigan [Mr. VANDENBERG]. I do not believe pump priming from the Federal Treasury is a permanent solution of unemployment at all; and I say it is time to be working out a permanent program, not another stop-gap modeled along lines that already have proved to be a failure.

The pump-priming program suggested by the President possibly may produce a temporary improvement in economic activities. I hope it will do so. While it lasts, the second "shot in the arm" always makes the patient feel a little better. But what I do say is that pump priming will not produce a permanent and lasting recovery. If our army of unemployed is to go back to useful work, and if the life-giving stream of wages from industry is to begin to flow once more through the stores and banks of our land, it will have to be brought about largely by private enterprise.

I should like to see the administration cooperate in good faith and wholeheartedly with business. The administration should take the lead in obtaining the cooperation of capital and labor, finance and industry with government. Neither government, nor industry, nor finance, nor labor working alone can force the other elements of our society to bow to a program for the advancement of its own ideas and welfare.

Let me add that as an emergency measure I am supporting, and I believe Congress should approve, the appropriation of some $200,000,000 proposed to make parity payments on our surplus exportable crops as defined in the new Farm Act.

I do not believe these parity payments should be financed permanently from relief funds. If it were possible to finance them during the coming crop year from a regular taxing program, I should not urge an appropriation for parity payments from relief funds. But growers of wheat, cotton, and, very likely, of corn are faced with an emergency. Commodity loans will not meet that emergency. If the commodity loans are much above world price levels, they automatically shut off exports. On the other hand, if the commodity loans are low enough to allow free export movement to get rid of burdensome surpluses, they threaten to be too low to save our farmers from heavy financial losses that will be ruinous in thousands of instances. But if parity payments, say, of 25 cents a bushel on wheat, could be made to cooperating farmers on their base acreage production, or even on that part of their base acreage production needed for domestic consumption, I believe the wheat growers could be tided through the next season; and I say this would be a good investment for the people of the United States.

Farm income promises, I should say threatens, to be 20 or 25 percent below what it was last year. Millions of jobs in industry depend absolutely upon farm purchasing power.

So I have no hesitation in urging Senators to support the amendment that has been offered to this joint resolution to provide for the parity payments authorized in the Agricultural Adjustment Act of 1938.

There is more that could be said on this subject also, but I shall not further trespass upon the time of the Senate.

Mr. HOLT obtained the floor.

Mr. LODGE. Mr. President, if the Senator will yield, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. POPE in the chair). Does the Senator from West Virginia yield for that purpose?

Mr. HOLT. I do.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Adams	Dieterich	King	Pepper
Andrews	Donahey	La Follette	Pittman
Austin	Duffy	Lee	Pope
Bankhead	Ellender	Lewis	Radcliffe
Barkley	Frazier	Lodge	Russell
Berry	George	Logan	Schwartz
Bilbo	Gerry	Lonergan	Schwellenbach
Bone	Gibson	Lundeen	Sheppard
Borah	Gillette	McAdoo	Shipstead
Brown, Mich.	Glass	McCarran	Smathers
Brown, N. H.	Green	McGill	Smith
Bulkley	Guffey	McKellar	Thomas, Okla.
Bulow	Hale	McNary	Thomas, Utah
Burke	Harrison	Maloney	Townsend
Byrd	Hatch	Miller	Truman
Byrnes	Hayden	Milton	Vandenberg
Capper	Herring	Minton	Van Nuys
Caraway	Hill	Murray	Wagner
Chavez	Hitchcock	Neely	Walsh
Clark	Holt	Norris	Wheeler
Connally	Hughes	Nye	White
Copeland	Johnson, Calif.	O'Mahoney	
Davis	Johnson, Colo.	Overton	

Mr. LEWIS. Mr. President, I desire to reannounce the absence of certain Senators and the reasons therefor as given by me this morning upon the first roll call.

The PRESIDING OFFICER. Ninety Senators having answered to their names, a quorum is present.

Mr. HOLT. Mr. President, yesterday while there was a discussion of politics in the Work Progress Administration taking place in the Senate I was not present. I read the RECORD with a great deal of interest this morning. I wish it might have been possible for me to be present yesterday to participate in that particular debate, but since that was not possible, I desire to discuss the subject, Is there any politics in the W. P. A.; and if there is any politics in the W. P. A., does Harry Hopkins know about it?

Of course, I do not think it is necessary for me to discuss at any length the statement Mr. Hopkins gave out about Iowa, the place he left for more fertile fields. I refer to his statement, that if he were in Iowa he would vote for a certain candidate for the United States Senate. Of course, Mr. Hopkins would like to determine who was to be in the United States Senate from each of the 48 States, because it would make it much easier for Mr. Hopkins to do what he desires and to carry out the great humanitarian work of reelecting those people who do not dispute his will.

It was stated yesterday that there was some politics in the W. P. A. Frankly, there is so much politics in the W. P. A. that every time it moves it oozes out somewhere. It just oozes out every place in the W. P. A. I admit that in the last couple of years they have put a certain protection around it so that politics will not ooze out to public view, as noticeably as it did in the 1936 campaign; but the W. P. A. is filled with politics, and, contrary to the statements which some believe, Harry Hopkins knows about it, Harry Hopkins practices it in the W. P. A.

He can sit back with hypocrisy and say, "Vote as you please." He can give out that statement, but whenever an election is impending in a particular State, and he or some other members of the official family is particularly interested in getting the right fellow elected, why is it that there is a great increase in the number of projects given to that particular State? That has been the case in primary elections this year. Harry Hopkins used projects to try to elect certain men to the United States Senate, and the House, and he knew when he was doing it that the purpose of the approval of those projects was to help a particular individual whom he wanted elected to the Senate or House or to be continued in Congress.

Harry Hopkins says, "Vote as you please; there is no politics in the W. P. A." Yet he plunged headfirst into the Iowa election, and said, "If I were there I would vote for a certain gentleman from that State." That is a good cue, and no matter how dumb politicians may be, they know what is meant. It will be recalled that 2 years ago, when this question of politics came up, Harry Hopkins said, "I cannot be responsible for these dumb politicians." But I do not believe there is a politician in the State of Iowa so dumb that he did not understand what Mr. Hopkins meant when he said to send to the Senate of the United States a certain individual.

There is not a man in this body who does not know that the W. P. A. is going to be used in the State of Indiana to attempt to beat the senior Senator from Indiana [Mr. VAN NUYS] because he was independent and honest enough to vote his convictions. Senators will remember that back during the reorganization fight W. P. A. shoved so many projects down the center aisle of the Senate that it was almost necessary to move some of the Members back. During the Supreme Court fight, if they could not give you a promise of one of the six additional Supreme Court judges, they would build a courthouse in your home town. [Laughter.] It all depends. The difference was that they promised some the judges and others the courthouses. Nevertheless, there is no politics in the W. P. A.—none whatsoever!

A Member of the Senate who wants to believe that can do so. I have no objection to his believing it, but the American people do not believe it.

Right at this time the newspapers are being furnished with information as to a particularly large number of projects, always noting that Senator X, who has voted right, makes the announcement. Of course, I do not believe the newspapers would distort that news, as the junior Senator from Indiana might think they would; nevertheless, I know that announcements of many projects are being sent out over the country. It is said that Podunkville is going to get the leaves raked off the front yard, and some crossroads is going to build a monkey house, as they built for the Senator from Tennessee. [Laughter.]

These projects all means that someone on the pay roll is going to get to work to help a particular Senator and that particular Senator gets it announced publicly that he says they are going to reindex the court files or are going to drag the river to see if there are any prehistoric rocks in it. [Laughter.]

They have changed a little. In New York in 1935 and 1936 they spent thousands of dollars tracing the history of the safety pin. [Laughter.] Of course, that put people to work. However, they were more interested in the political import of the safety pin to the people of the State of New York than they were in finding out whether King Tut used a safety pin when he went out. [Laughter.] They no doubt found out what happened to the safety pin, where it came from, and all that. There are plenty of deserving, good Democrats who voted right and supported the candidate who also voted right, and we find that those projects in their communities have been approved with a great deal of enthusiasm. Contrast that with those who voted wrong.

I understand that they have even put members of the W. P. A. to work preparing speeches, good speeches to be used in the campaign. Of course, there is no politics in the W. P. A. Harry Hopkins says there is not. But before I conclude I want to discuss two States, and I know all my colleagues will know what States they are.

Hopkins says there is no politics in W. P. A., but if Senator Somebody votes all right on the reorganization bill and Senator Somebody Else votes wrong, Senator Somebody, the first, is going to get to name the W. P. A. administrator in his State, and Senator Somebody Else is going to get something, but it is not going to be assistance. The W. P. A. is used by Harry Hopkins, with his distinct and personal knowledge, to force Members of the United States Senate and Members of the House of Representatives to vote as Harry Hopkins wants them to vote. If Members of this body do not think so, try to buck the W. P. A. Administration and then go down and ask Harry Hopkins about a project. That is the best way to find out about it.

The fair-haired boys down at the W. P. A. are the boys who always "go along." They are the ones who vote right here on the Hill.

Another thing, it is very interesting to note the great increase of need just before primary election time. Just watch the increases in the W. P. A. in States where they have a particular interest in the primary or in the general election.

I shall not cite West Virginia at any length, because I desire to discuss some other States. I think it would be interesting to discuss the State of Pennsylvania a little later on. I have not discussed Pennsylvania, because Harry Hopkins says there is no politics in the W. P. A. and that a dear beloved boss, a Member of this body, would not practice any politics.

Let us now refer to the State of West Virginia. Five weeks before the primary election in my State there were 56,403 employees on the W. P. A. roll.

Five weeks after the primary election there were only 43,457 persons on the W. P. A. roll, a decline of 13,000. Of course, Senators know W. P. A. would not play any politics at all. None whatsoever. Those 13,000 found jobs in 5 weeks' time. W. P. A. would not play politics. But who causes the increase of the allotment of personnel, or the decrease?

Let us look at the following year, 1937, one year after the primary election. That year there were not 56,000 persons on the W. P. A. rolls, but 37,381 persons employed on W. P. A., or a difference of 19,000, because they did not need those 19,000 politically in the State of West Virginia.

If they have any need in the primary this year, of course, they will put the people back on the rolls. At the same time they have taken care of a few of the hungry people. They have given whole mouthfuls into the hungry politicians. They give the hungry individual a crumb, and they give the hungry politicians a whole loaf of bread.

Senator Sorghum, who supports the program, announces to his people back home that he has gotten a project in his

State to take care of the hungry people in a particular community.

O Mr. President, there is no politics connected with W. P. A. Who O. K.'s the project? Harry Hopkins O. K.'s it, and he knows when he O. K.'s it that it will have particular benefit for a particular Senator or for a particular Representative. Then it is said that if there is politics Harry Hopkins does not know anything in the world about it. If Harry Hopkins is too "dumb," using his own expression, not to know there is politics in the W. P. A., he is not capable to handle 10 cents, let alone the billion of dollars that he has handled as he desires, as he wants, as he thinks should be used to make Senators realize that they ought to vote "right."

So it is we find that in all these things, with these projects, personnel, the whole set-up of the W. P. A. is used by certain Senators and Representatives, and when both Representatives and Senators are in bad the projects are usually given to the Governor if he is satisfactory. It just depends upon whether one Senator is good and one is bad. The good Senator gets the project, and the bad Senator gets it in the neck. [Laughter.]

Probably Harry Hopkins' organization announces that Representative WEARIN, of Iowa, whom he must know well, had received W. P. A. projects for Iowa. Was that because Mr. GILLETTE was against the Supreme Court bill?

I know I have been criticized because I am a Democrat and because I opposed the use of the W. P. A. by cheap Democrats in order to starve people into submission to make them accept political ideas. I shall continue to expose such use. I shall continue so long as I have breath in my body to point out a wrong wherever I find it.

I should like to place in the RECORD what President Roosevelt said in 1932 about our political racketeers, when he told all of us that it would be important that we expose graft and corruption in politics wherever we might find it. I shall not take the time of the Senate to read that statement, but I ask that it be inserted in the RECORD. I agree with him that the wrongs should be exposed.

The PRESIDING OFFICER (Mr. MCGILL in the chair). Without objection, it is so ordered.

The statement is as follows:

The root of the racketeers' continued existence in your Government lies in your own complacency. It is shown in the attitude of the citizen who smiles good naturedly over the election of his friend to a local Government position for which he is in no way qualified. This is the first step toward condoning the giving of contracts to the bosses' friends, or the taking of commissions from the agent who sells equipment.

Real honesty on the part of a public official is attained when he really strives to get 100 cents of results out of every taxpayer's dollar. This honestly can come only by a change of attitude on the part of the public in communities where graft and extravagance exist.

Leadership must educate the public if it expects to get the public response necessary for effective action. Real leadership must drive home the urgency of constant watchfulness at all times, not spasmodically. Leadership must remove partisanship from watchfulness. Leadership must acknowledge that corruption is among men first, last, and all the time, no matter to which political party they belong. Leadership must acknowledge that the party in power is the party with the opportunity to be corrupt. Leadership must re-create a sense of proportion about graft.

In almost every community there are men honest and courageous enough to attack corruption wherever they see it. But their fault and the fault of the press of the Nation is that graft is not large enough to "see" until it has assumed scandalous dimensions.

In communities spending half a million dollars a year, a wastage of $100,000 through inefficiency and corruption is not often considered a scandal in the eyes of the leaders. But when a great city spends one hundred millions of dollars a year and wastes twenty millions of it annually, certain people are in a frenzy. Yet in proportion the wastage is the same in the first community as in the second.

As soon as the people realize that "a little graft" in a small community is the same as "an odious scandal" in a large community, we will begin to have more honesty and efficiency everywhere.

FRANKLIN D. ROOSEVELT.

Mr. HOLT. Some Senators brand the minority report as a Republican document. I do not care how it is branded. Senators may brand it whatever they wish. The question is not, Who wrote it? but the question is, Is it the truth? And if it is not the truth, why is it not denied? This is what the minority report says about this measure in "priming the election":

In 1934 there were 2,283,000 more people aided by Federal relief funds in November than in June.

November, as I understand, is the general month in which citizens vote. I think that is right. Of course, it is quite unique that between June and November there were 2,283,000 more persons added to the relief rolls.

In 1936, also an election year, we find that between July and November there was an increase of 1,213,000 persons on relief.

The old political calculation is that every person added to the pay roll means five more voters. I do not blame the Members of the Congress who feel that they would like to stay in the Senate and in the House for taking that into consideration. I know they do. Some of them may not admit it, but nevertheless it is the case.

Here is a very interesting thing. In 1934 there was an increase. In 1936 there was an increase.

Let us now look at 1933 and 1935 and 1937 which were not election years. Let us see whether there was an increase. We find that in 1933 there was a decrease between June and November of 3,243,000 persons, whereas in 1934 there was an increase of 2,283,000 persons on relief rolls, according to this report.

Mr. President, the W. P. A. officials felt that people have short memories, and so long as they were on the W. P. A. projects at election time Representative WEARIN could get the support in Iowa, and whoever runs against Senator VAN NUYS will get the support in Indiana, and whoever opposes that distinguished Senator from Georgia [Mr. GEORGE] will also get the support of the W. P. A. Do not be fooled about that one bit.

But in 1935, between the months of June and November, there was a decrease of 3,165,000 persons. They did not need them. That was not an election year.

In 1934 and 1936 the numbers on the relief rolls were increased, and in 1935 and 1937 the numbers on relief rolls were decreased.

Harry would not play any politics with relief. Those 3,000,000 people found jobs overnight just as soon as the election returns were counted.

Let us look at the report as to 1937. We find that between June and November 1937 there was a decrease of 2,648,000 persons on the relief rolls. As I said before, in 1936 there had been an increase in the persons on the relief rolls during the same period of the year.

According to this report, at the very same time that they were increasing the number of persons on the rolls, the index of business activity was also increasing, not as the result of the W. P. A. but as the result of poll priming that they wanted in this particular election.

You know and I know that this money is going to be spent as a political fund, and out of the Treasury of the United States there will be paid the campaign funds of those Senators who vote as the administration tells them to vote. The tragedy is that they do it under the sugar-coating of taking care of the hungry and unfortunate citizens. It depends upon who you are for whether you are hungry or not, and to the W. P. A. it depends upon who you support politically whether or not you need clothes. If you are an administration supporter they will not put you on with relief status; they will put you on as a boss. In one project that I investigated in the State of West Virginia, a road project, six engineers were employed. Of course those men were needed as engineers on that road, and I imagine every one of those engineers was for the ticket in the fall.

I am quoting from a story dated April 29 concerning Harry Hopkins. The newspaper article says:

In response to questions Hopkins said he could not say anything now about the merits of charges by one politician against another, but added this—

Here is what the great Harry Hopkins said. He was not going to have politicians get the best of him:

I don't intend to let these babies operate on me.

That is Harry Hopkins speaking—

I don't intend to let these babies operate on me.

Oh, let one of these politicians start to be against him and he will operate on the politician, do not be fooled about that. [Laughter in the galleries.]

Into this operating room are brought only those who have political diseases that he can detect.

I see my distinguished and good friend from Massachusetts [Mr. LODGE] is present in the Chamber, and although this suggests a side line, I might quote from the same article as to what Harry Hopkins said about the Senator's report.

Hopkins dismissed the charges of waste and extravagance in W. P. A. made in the minority report of the Senate committee investigating unemployment and relief with these words, "I think it's nuts." [Laughter.]

Mr. LODGE. But he did not disprove any of the facts.

Mr. HOLT. No. I have not heard of any dispute of those facts, but he still thinks "it's nuts."

We need another W. P. A. Director. Of course, I know that my word will not be heeded at the White House with respect to Hopkins' dismissal. I am not being fooled into believing that just because I ask that Harry Hopkins go he will go. Instead, he will probably get a raise in salary. [Laughter.]

I never try to fool myself. I try to be practical about it. I think this speech will do a lot of good in West Virginia, because every time I deliver a speech on the W. P. A. a few more hundred are added to the W. P. A. forces in West Virginia. If I speak long enough and often enough, there ought to be as many employed in 1938, when we do not elect a Senator, as there were in 1936, when one was elected.

Talking about other matters, I think the Senate wants specific examples. I want to discuss the great Keystone State of Pennsylvania.

In an article in the Saturday Evening Post, which to my knowledge has never been denied, there is a story about the spoils system. I quote from that article:

At present the Pennsylvania W. P. A. has only 6,000 nonrelief workers and few more than 2,000 administrative employers, as already stated. But in the all-important year 1936 its nonrelief workers were many more than 10,000 and its administrative employees numbered about 3,000. None of these jobs have required advance certification of need. In the Jones W. P. A. they have required another kind of certification—clearance from the Guffey organization.

Perhaps I should explain who Jones is. Jones used to be a director of the W. P. A. in Pennsylvania. He now edits a paper called Economic Security, which was used in the recent election in Pennsylvania, about which election Senators may have heard. Eddie Jones possesses the absolute support of the junior Senator from Pennsylvania [Mr. GUFFEY]. This is what the Senator from Pennsylvania is reported to have said about Jones and the W. P. A.:

I just put in Eddie Jones and left the rest to him.

But let me get back to the article:

Relief officials and some Pennsylvania politicians piously deny this, but Joe's more truthful henchmen are frank in admitting it. As Bailey once remarked, "Those are designated jobs. If good Democrats can have them, why shouldn't they? Hell's bells!"

I am quoting from the article. I do not use that language myself, except when talking about the W. P. A.

To go ahead with the article:

Jones has left the W. P. A., and is now exercising his publicizing talents for Lieutenant Governor Kennedy, the Lewisite labor candidate for the governorship.

May I digress long enough to say that Kennedy was a candidate in the Pennsylvania election.

Let me go ahead with the article:

But Jones has been succeeded by J. Banks Hudson, a Jones alter ego trained in Jones' methods. And even today, with the national election long over, anyone whose travels take him near the Pennsylvania W. P. A. knows that it stinks as insistently of politics as a 10-day dead whale on a beach stinks of whale.

That is pretty bad.

The tone of its administration was admirably expressed early in its history, in Jones' own presence, by John F. Laboon, a Jones district administrator.

This is quoting Mr. Laboon. I do not know who Mr. Laboon is, but this is quoting him:

"Any W. P. A. worker who is not in sympathy with the W. P. A. program and the Roosevelt administration," bellowed Mr. Laboon to a Pittsburgh meeting of W. P. A. foremen and supervisors, "will be eliminated from the W. P. A. pay rolls in this district as quickly as I can act. I want you men to report all such cases to me without delay."

An election was held recently in Pennsylvania. I quote from the Pittsburgh Press of Sunday, April 24, 1938. This is the headline:

GUFFEY aides see W. P. A. men. Workers charge "squeeze" put on relief rolls.

I quote from the article:

Despite threats of a Federal investigation of charges that Works Progress Administration forces were being lined up for the C. I. O.-Guffey ticket in the Pennsylvania primary, supervisors and foremen in Allegheny County yesterday were summoned to Hotel Henry, headquarters of the ticket.

It brought the first clear-cut charge that a "squeeze" was being tried, that W. P. A. rolls were to be "maced" for votes, and that United States Senator JOSEPH F. GUFFEY's swing to the John L. Lewis forces was not an idle gesture.

There is no politics in the "squeeze."

Upward of 75 men, all either supervisors or foremen of the Works Progress Administration, received "invitations" during the week to see Frank Dixon, chairman of the "Veterans Division," Kennedy Campaign Committee of Allegheny County.

More than a score responded, many of them not veterans, for the cards were sent to virtually all division heads of the W. P. A.

Most of them were ushered into a conference room with Mr. Dixon one at a time. Many declined to discuss what went on behind the closed doors. Others told of the conversation.

One said he was sent word last week that he must let 20 men go because they were wearing "Jones for Governor" buttons.

Think of that. "Because they were wearing 'Jones-for-Governor' buttons."

The word meant, he said, that none of the W. P. A. workers were to support Charles Alvin Jones for Governor. Mr. Jones is the slated Democratic candidate.

"When I went in to Kennedy headquarters at the Henry Hotel, I told Mr. Dixon that I came regarding the card that was sent me," he said.

"I hear you have been working against us," the W. P. A. worker quoted Mr. Dixon with replying.

"Well, I haven't done anything against you on the job," the worker said he replied, "but I have been working in the town."

"Were you at the North Side meeting?" Mr. Dixon was said to have asked. "You saw Kesner (James E. Kesner, Allegheny County W. P. A. director) and Art Bender there, didn't you?"

"Yes," the W. P. A. worker replied, "but I thought we were to remain neutral in the W. P. A.," the worker answered.

Poor fellow! He will be unemployed. Do not worry about that. He is one of the dumb politicians who does not understand.

"Kesner and Bender's presence at the meeting should have been a 'tip-off' for you," Mr. Dixon replied.

The W. P. A. foreman then told Mr. Dixon that he had been informed that he would be transferred or dismissed because of working for Jones.

"That is only rumors, I do not know," Mr. Dixon was said to have replied. "You can make peace yet."

In other words, "you can make a mistake, but if you make peace with us we will get you back on the W. P. A. pay roll. Of course, if you make peace with JOE GUFFEY's organization, you might even get to be a foreman."

I suppose he told him that. That is not in the article.

I said a moment ago that the W. P. A. worker might be dumb. He must not have been dumb, because here is the question he asked:

"What if Jones and Earle win?" the W. P. A. worker asked.

That was a logical question. He was working for them.

"You know JOE GUFFEY will be in for 2 more years; he will take care of things," Mr. Dixon said.

Any person who says there is politics in W. P. A. is disputing Mr. Hopkins' word. Mr. Hopkins oozes politics wherever he goes.

I am sure I want to be fair to my colleague, so I am going to quote what he says about politics in the W. P. A. I quote from the Pittsburgh Press of Saturday, April 23. This is what the Senator from Pennsylvania [Mr. GUFFEY] said when they asked him if he had anything to do with the W. P. A. in politics:

"Let them try to prove it," he said, when informed that Mr. Kelly had asked the President to send G-men to Harrisburg to investigate his charges of W. P. A. coercion. "I am opposed to political use of W. P. A. and have never interfered with its administration."

Senators may believe that if they wish. In all fairness to the Senator, I thought I ought to quote it. He and Mr. Hopkins do not believe in using politics in the W. P. A. in the State of Pennsylvania.

The workers were sent a magazine, known as "Economic Security." That sounds fine. That means that you are going to get something. It was published by the Nored Corporation, and the address, according to this paper, is 1835 Third Street, Harrisburg. This paper tells us what "Nored" means.

My colleague said he was going to leave everything to Eddie Jones. Eddie was the publisher of this paper. His name is Edward Noel Jones. He is a former W. P. A. administrator in Pennsylvania, appointed by Hopkins. So they took the "No" from his name. That is where they got the first part of the name.

It may be wondered where they got the "red" from. We find that his wife's name was Penelope Redd. Penelope Redd was the wife of Mr. Edward Noel Jones, so they took the "No" from "Noel" and the "red" from "Redd" and got the "Nored" Corporation. We find that the Nored Corporation published a magazine which was to be circulated among the W. P. A. workers in the State of Pennsylvania. It was to be circulated free if the workers would read it, and the publishers were to get a dollar if they could. It all depended on whether or not they could get the dollar. If they thought they could get a dollar, you subscribed, and if you did not subscribe, you could still receive Economic Security.

Nevertheless, they passed out copies of this so-called Economic Security in the State of Pennsylvania to W. P. A. workers. In this publication there was a signed article by J. Banks Hudson. Who is J. Banks Hudson? He is the W. P. A. administrator for the State of Pennsylvania, and in this Economic Security we find that J. Banks Hudson tells them all about W. P. A. Then right over here [indicating] is an advertisement about the distinguished Senator who gets all these relief jobs, and all these relief appropriations in the Senate. The purpose is to convince them they need him in the Senate. The President also has said, "I need Joe in the United States Senate." But, nevertheless, we find that in connection with these W. P. A. projects in the State of Pennsylvania there are many interesting developments relative to the use of politics in the W. P. A. I know what is in the minds of some Senators. It is said they fired 10. Yes; they got an unfortunate 10. But whom did they get? Some poor worker who happened to have a job as foreman who was forced to go out and work for the politicians. They never went beyond the foreman. They did not touch the head of the organization; they did not touch the district director. They did not stop JOE GUFFEY from announcing that he was going to have a project for them "up Salt River."

So some poor unfortunate in the State of Pennsylvania who was carrying out orders got caught and lost his job; in fact, there were 10 of them. They disciplined 8 others in Luzerne County which is the county where a family is on the pay roll; 179 relatives on the pay roll. However, I am not discussing nepotism; that is neither here nor there today; I am discussing the fact that in Pennsylvania when the thing came to the front it was not a State W. P. A. director that got fired; it was not JOE GUFFEY who got touched; it was not any of the district W. P. A. directors at all; but some poor little foreman who did not make peace with the organization and support it. So it is we find that there is no politics.

Now, I should like to refer to an editorial from the Pittsburgh Press entitled "How about GUFFEY?" It states that three W. P. A. foremen in Allegheny County, who were fired, "got it on the chin"; they had to go out and try to find jobs; they are on the unemployment list. They were too dumb to know what to do, and they got caught. They were the so-called "dumb politicians" whom Harry Hopkins talks about. We find that W. P. A. was cleaned up in that manner. The big bosses were not touched.

Here is something from the Pittsburgh Post-Gazette of April 27, 1938. The headline is, "W. P. A. jobs slip out of Scully's grip." Scully is mayor of Pittsburgh, if any of the Senators do not know. We find that during the recent campaign in Pennsylvania the W. P. A. jobs did slip out of his grip. They found out that some of these fellows were playing politics. Mr. Kesner found that out. He is W. P. A. director for Allegheny County. He found there was some politics there. The papers say he dismissed a number of men, yet during his talk with the reporters, telling about dismissing them, Mr. Kesner was wearing a button of the Kennedy-for-Governor ticket. The reporters may have said to him, "You fired these men for playing politics, yet every day you are meeting these men—I suppose they said if they got into his office—and I see this button for Kennedy on your coat." Reporters ask funny questions sometimes. They asked that question of him, and here is what he said:

I do not consider the wearing of a button a political activity. That is a personal matter with the individual. But when a superintendent or supervisor talks to workers on the job and urges them to support this or that ticket, then I do consider it political activity.

But now let us look to see what happened according to this account. Here is the statement:

Pat Welsh, one of the men transferred by Kesner, had a different explanation: "I was demoted," he said, "because I refused to wear a Kennedy button." Welsh was taken from his $250-a-month job as general superintendent of the Hill Top and West End division and assigned to a $180-a-month job at East Deer Township, 40 miles from his Beechview home.

That was an expensive button for Welsh, for they transferred him 40 miles from home and cut $70 from his salary. Oh, no; there is no politics in W. P. A.

I read further from the Pittsburgh Post-Gazette:

June Davin was demoted from superintendent of North Side project to general foreman at Castle Shannon.

They, of course, would not want it to be understood that Mr. Hopkins knew anything in the world about that. He did not know anything about it. It was some of these local politicians trying to play politics. Who appointed J. Hudson Banks? Mr. Hopkins appointed him. Who recommended him? Of course, I am not on the inside, and I cannot say definitely, but I would wager that Mr. J. Banks Hudson, who is W. P. A. director for the State of Pennsylvania, got his job because he was recommended by the junior Senator from Pennsylvania. I cannot say that definitely, because they do not give me any inside information.

But, nevertheless, Mr. J. Banks Hudson is director of W. P. A. there, and he, in turn, appointed Mr. Kesner, who was director of relief for Allegheny County, and he, in turn, appointed others. Who appoints the State organization? The politicians right here in Washington, right here in the United States Senate—that is, if they vote right they appoint them, and if the Senators do not vote right they go over to the other House of Congress and get somebody there to make the recommendation.

There is another thing that I should like to say: I could go further into conditions in the State of Pennsylvania, because Pennsylvania is so rotten and corrupt with W. P. A. politics that even the Kennedy ticket ran a pretty good race up there with W. P. A. support. The same thing is true every place we go; we see the same development of politics in W. P. A. State after State shows it. Yet we hear men

say, "It is local. Harry Hopkins does not know anything about it." What is he doing sitting here in Washington if he does not know anything about it? I am saying that he found out quickly in some States that the candidate who was the loser was playing politics. Here is a funny thing. Wherever they find politics they fake an investigation.

Back in 1936 I said these W. P. A. investigators going into a W. P. A. investigation looked to me like sending "Baby Face" Nelson to investigate Dillinger. I think that is the case, and I think it will be so proven as to the W. P. A. investigators. Who appoints the men who investigate the W. P. A.? Mr. Harry Hopkins. Do you think, Senators, if they would come back here and report that Harry Hopkins was playing politics or that W. P. A. was playing politics that they would hold their jobs very long? No. Whom do we find going into the States to investigate W. P. A.? We find W. P. A. itself. Of course, they do not find anything. Sometimes they wait until the election is over to determine who was wrong. I know of such instances. They wait until the election is over, and then they find that someone did play politics, but the fellow who played politics was the one who got a licking in the election.

Nearly always it is the man who got caught was for the losing man; but the man who was for the winning ticket did not play any politics according to them. Watch the Florida investigation. They will not find that there was any politics down there. Probably they spent enough money in Florida to build a concrete road from Key West, Fla., to San Francisco, I presume, but it will not be shown that there was any politics played in Florida; none whatsoever; was it all done because of great love for the State of Florida? It was the first time in years that Florida got that much money. Nevertheless, I think it will be found that all of the investigations will prove that the men who were on the losing ticket are "playing politics."

I wish to quote something more; and I challenge Mr. Hopkins, or I challenge any Senator on the floor, to dispute these statements if they are not true. You can try to fool the people, but sometime, somehow they are going to find out the truth. Here is a letter which I have in my possession. There is no politics, and yet the administrative assistant of the W. P. A. wrote this:

> I hand you herewith a list of doctors in Ohio County. Separate the Democrats from the Republicans and list them in order of priority, so that we may notify our safety foreman and the compensation men as to who is eligible to participate in case of injury.

Oh, no; there is no politics! "Separate the Democrats from the Republicans"; separate the goats from the sheep. I have that letter in my possession; I used it before on the floor of the United States Senate; but I think it worth while to refer to it again, and, therefore, I have done so.

Mr. Hopkins undertook to investigate, and the man he sent to do the investigating is now investigating relief for the United States Senate. Is that not a funny thing? The man who was sent down to West Virginia to whitewash W. P. A. in West Virginia is now a counsel of the committee of the United States Senate investigating relief. But here is another letter—I also have this in my possession—from a W. P. A. director:

> The time to correct mistakes is before they are made, if possible.

Listen to that—

> The time to correct mistakes is before they are made, if possible. Consequently, we do not want anyone on this job who is not right. These hundreds of applications going on should be taken around to designated—

Listen—

> to designated leaders and then be used accordingly.

They are to be taken around "to the designated leaders!" There is no politics at all in this. They just happened to pick that man out of the air to be a "designated leader," to determine whether or not he should correct the mistakes. As they said, "The time to correct mistakes is before they are made, if possible;" so "Get the right boys on, so that we will not have to fire them and cause a stink." That is what they mean. In other words, "Get the boys on that you are sure of, that will deliver the goods 100 percent, and get the other crowd off."

Now going ahead with the letter, and what they want the designated leaders to do, it says:

> Take them to the designated leaders in each county, and sort them. Then the local leaders cannot blame the personnel office if the right boys are not on.

Listen to that!

> Take them to the designated leaders, and let them sort them. Then the local leaders cannot blame the personnel office if the right boys are not on. This, to my mind, is paramount if this organization is to accomplish what it has to do in the next year.

Oh, no; you would not think there was any politics at all in the W. P. A.—none whatsoever—but they are going to take the names of the men who are employed on relief, and take them to the "designated leaders," and sort them, so that they will not make any mistakes at election time.

Here is another letter from which I want to quote. This is what was said:

> We have earnestly tried to be very broad-minded in permitting the advisers to consult with the party leaders in their respective counties in order that we may be assured—

Listen to this:

> We have earnestly tried to be very broad-minded in permitting the advisers to consult with the party leaders in their respective counties in order that we may be assured of complete harmony and support at the next primary and general elections.

I wonder if they had the same kind of consultation in the great Keystone State of Pennsylvania?

Here is another letter from which I am going to quote: I nearly missed this letter. I have so much material that I could talk for many, many hours; and I may talk again later on, because I should like to take up different States. I should like to discuss the Hague machine in the State of my friend from New Jersey [Mr. SMATHERS]. That would be an interesting one; but I cannot do it today. I have so much material that I cannot get to it; but I want to quote from this letter, which I have in my possession. This is what it says:

> I am only aiming to solidify and keep together the Democratic organization. On all appointments made here by Senator ———

You may fill in the blank—

> he always checks my office first, and we try to check the ones who are deserving and who we know will be dependable ——— workers.

The blank refers to the same Senator. In other words, "We want to check them to see if they will be good workers."

> Now, to make the organization strong, I must still be at the head of it until after the primary.

This man got a little shaky, and thought he was going to be allowed to go, and he said he had to be at the head. In the letter which he wrote to this Senator, he said, "You leave me at the head, because I have to be here until after the primary."

No politics in W. P. A.! Harry Hopkins year after year, playing politics as we have seen in States all over the country, says that there is no relief in the W. P. A., or, rather, no politics in W. P. A. What I started inadvertently to say is the truth. There is not very much relief in the W. P. A. There is more interest in the politics in it than there is relief; and we find that money is spent for bosses instead of for the poor unfortunates who are in need of relief.

Now, let me show you how he does that. He says, "We spend only 5 percent for administration;" but do you know that in the cost of administration he does not count the project supervisors; he does not count the timekeepers? I have heard—I have not checked the statement, but, knowing the W. P. A. as I do, I do not doubt it—that on one project a timekeeper had an entire day to figure out the time of four workers. Those timekeepers are not listed on the W. P. A. administrative pay roll. The foremen are not listed, and therefore the administrative expense is kept under 5 percent.

They said that in the State of West Virginia there were only 410 persons on the administrative pay roll. Back in 1936, when we made an investigation of the W. P. A. in my State, I found that there were 2,235 persons employed in administrative or supervisory capacities. In that group, only 575 were listed as administrative employees, but the other 1,660 were on the pay roll, receiving good wages.

Another thing: It is very interesting to cite these things. Let us go down to the State of Louisiana. Back in the days when the late Huey P. Long was in the United States Senate, check the projects that were given Louisiana. Now, since Louisiana has become converted, check the projects in the State of Louisiana. Check the number on the pay roll, check the projects given, check the money poured into the State of Louisiana, and then determine for yourself whether there is any politics in W. P. A.

Now I want to quote from another State; and I am quoting a letter that has already been made public. I shall not give the name of the State, but you may fill it in. This is a letter which was made public politics in W. P. A. I said last year, when I was speaking here, that in the initials "WPA", the "W" stands for "Waste", the "P" stands for "Politics", the "A" stands for "Administration", and what is left goes to the hungry people.

But let me quote from this letter. It says:

It has become common talk among our people that the State administrator of the Works Progress Administration in ——— has openly and boldly stated that he and his organization will leave nothing undone to achieve the reelection of ———; and, accordingly, every Federal relief agency in ——— is frankly and brazenly operating upon a political basis. For the first time in our observation, the Works Progress Administration, which was conceived and established to feed the families of the unemployed, irrespective of the politics, race, or creed of those to be served, through its directing heads is seeking to drive hungry and destitute people to vote for a certain candidate for office.

Meetings and conferences have been held in practically every county of the State by key men in places of importance with the Works Progress Administration, at which definite instructions were given to select agents that no one should be placed on Federal relief except upon the advice of ———'s campaign managers in the respective counties.

Then the letter goes ahead to say that the employees have been approached for money; and down here farther it says:

Instructions have gone out from the head—

Not from the bottom, but from the head—

of the Works Progress Administration in —— that all records pertaining to employment and salaries must be kept confidential and secret. The rank and file of the citizenship are denied the right of knowing how many persons are on the Federal relief pay roll, what salaries are paid, and what duties and responsibilities are imposed upon those employed. Persons are being employed who do no definite work, but they are instructed to spend their entire time in political activity. Practically every Federal project is top-heavy with foremen, part of whom confine their time and attention to keeping certain men definitely in line for ——, part of whom spend their time checking up on the loyalty to ——; of men already placed on the W. P. A. * * * A tremendous waste of money is the result of this arrangement.

So we find that State after State has shown these particular instances of politics in it. If only one State were pointed out to Harry Hopkins, and then he said, "There is no politics in relief," there might be an excuse for him. How can he sit back and say that Frank Hague is not using the W. P. A. for political purposes in the State of New Jersey?

I read an editorial—I do not know whether there was any verification of it or not, and it says that the W. P. A. spent, in the city of Newark, $565,000 a mile for roads. You know, they sing about "the golden street." The golden street must be in the city of Newark, if that is true; so we may walk up the golden street of Newark instead of the golden street of the days to come, and the W. P. A. spent the money. Why did they spend that much money? Was it because the vice chairman of the Democratic National Committee might have control of the money, to be used as he desires?

It may interest you, going up now to the State of Massachusetts, I believe, to quote a letter which was made public some time ago. Here is the letter:

DEAR COMMITTEEMAN: Contact all houses in your division and get the names of all men on relief; also of those holding W. P. A. jobs. Urge them to register Democratic on March 26 or else lose their jobs.

Sincerely yours,

CHARLES MCDONALD.

Of course, there is not any politics in the W. P. A.—none whatsoever!

Here is another one which was made public today, telling about this. It says, speaking about a W. P. A. official:

He asked each employee if they were registered, and, if so, what precinct they were registered from, and what candidate they intended to support in the coming primary.

If you are in this precinct, and a Republican, and hungry, you are not the right person to get relief; but if you are in this district, and are working for the man who voted for the Supreme Court change and voted for the reorganization bill and voted for everything the administration wanted, you will get help.

So we find that in the State of Iowa Harry Hopkins has come out publicly for the first time and done something that he has been doing privately for many, many months. He has played the game with the Members of the Senate who voted as he wanted them to vote. He has played it by allowing them to name the officials, and there is not a Senator present today who does not know, if you let anyone control the organization what effect it will have on the men under the head of the organization.

Why is it that these W. P. A. workers have been taken from their work in order to go to political meetings and hear the favorite candidate of Harry Hopkins in the particular election which might be involved? I could cite an actual record of a case like that. Yet they say that if Harry Hopkins knew about this, he would straighten it out. Yes; he would straighten it out. When did Harry Hopkins ever step on the toes of a man who voted in the United States Senate for bills which the administration wanted? If there is such an instance, I hope that some one present will give me the benefit of a citation to it. If not, why is it that Harry Hopkins does not know that there is politics in relief. The Public Treasury is to be used for a campaign fund in order that men can go back to their congressional seats, whether in this body or in the other?

That is what this money is going to be spent for. I hate to think of it. We need to appropriate money for relief. We need to do it because conditions are bad, even if they "planned it that way." Things are bad in this country. The President said in Charleston, S. C., "We planned it that way, and don't let any one tell you differently." Nevertheless, there is many a person hungry right now, while I am speaking.

We need relief more today than for years, because private industry has been driven to close its doors by policies not based on common sense. Factory doors have been closed. People in the city of Detroit are walking the streets looking for jobs, in the city of Cleveland the people are wanting work, idle are found in the city of Washington. These people need relief. Is it not a pity that the millions and billions we appropriate will not feed more of the hungry because of the politics in the administration, which adds waste and extravagance?

My colleagues realize that I am telling the truth. Many Senators have told me in the cloakroom, "I know you told the truth, but we cannot afford to say that openly." Why cannot a Member of the United States Senate say openly that the W. P. A. is used for political purposes? That is an admission in itself that they know that the W. P. A. is being used for political purposes, and if they open their mouths they will be hit on the head with it.

We can find throughout the country hungry people remaining hungry while politicians are on the pay roll at enormous salaries. Out of this relief fund will come money for the National Emergency Council, part of whose business it is to clip newspapers and tell the administration if they are getting along all right in each of the States of the Union. That is the purpose of the National Emergency Council. It

went out of existence in December, or at least it was to go out of existence, according to an Executive order, but with an election year coming along the President revoked his Executive order, and the N. E. C. is back at work. It will have a lot to do. Let me quote what the director of the N. E. C. said he will have to do. These are not my words. This is his testimony as found on page 612 of the report:

> The first half of the fiscal year 1938 and the fiscal year 1939 are not comparable.

Then he tells why the fiscal year 1938 and the fiscal year 1939 are not comparable.

> So far as fiscal years are concerned, that period is comparable with 1936 because of the fact that the demands for information during an election year are tremendous compared with demands during an off year.

Oh, no; there is no politics; they are not using the money for that. The demands for information during an election year are so much more important. It was not important to tell the people in 1937, but it is important to give them information in 1938, as it was to increase the number of employees on the relief pay rolls between June and November of election year, and take them off in the years when we did not have elections. I am not going to be a party to it. They may get away with using the Public Treasury to blackjack United States Senators into voting for bills. They may get away with using the Public Treasury to blackjack the Members of the House of Representatives into voting for bills. They may get away with that, but when the American people once find it out, they will immediately have their patriotism aroused and the consequences will come. I welcome that day.

I think that of all politicians the cheapest politician I know of is the man who will starve a hungry man because he cannot control his vote. I think the politician who is the cheapest is the man who will make little children go hungry because their father is a Republican, or because their father does not vote for the right Democrat in the primary election. Those are cheap politicians. Those are the men who should have the stigma of condemnation of the American people.

We know these things are true. Harry Hopkins knows they are true. As I stated at the beginning, politics oozes out of every place possible in the W. P. A., politics not alone to control local offices, but to make the United States Senate and the House of Representatives of the United States of no more consequence than the Reichstag is under Hitler. That is the purpose. "Vote right and you get projects. Vote wrong and we will tell the people that you fought against relief." Out of human misery they are making a political game.

Oh, the conscience of Harry Hopkins, if he has one, must indeed be something that would be worthy of the study of the medical profession for years to come.

I would have some regard for the great controller of the Iowa election, where the tall corn grows taller and the projects grow larger in Mr. WEARIN'S district, back in those districts where we find Harry Hopkins participating, if he had the manhood to stand up and say, "Yes, there is politics in the W. P. A. We are using the W. P. A. to feed the people, and we are also using it to elect those men who will vote right in the United States Senate." I would have more respect for him. A highway robber is better than a pickpocket. Let us condemn a man who goes off in a corner with Senators and plans how he can get away with politics in the W. P. A. and not get caught. Harry Hopkins does that, and we all know he does it.

I wish it had been possible for me to have been here yesterday to discuss this matter. I did not have time to prepare these remarks. I did get the Pittsburgh papers, and a little more information about some other places. Before the debate is concluded I want the people to find out the truth about the W. P. A., how the relief funds are used, not just to feed the hungry, but to control the Congress of the United States, so that they can have, not a few Charley McCarthys but a majority. I think that some of them ought to have telephones directly from Jimmy Roosevelt's desk, so that they may not go wrong in case of a quick vote and lose a W. P. A. project. I hope that the people of the United States will realize that in W. P. A. there is waste and politics, because some are afraid to speak their minds and vote their own sentiments. I can say that; some Democrats will not.

The PRESIDING OFFICER (Mr. HATCH in the chair). The question is on agreeing to the first amendment of the committee.

Mr. HOLT. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Dieterich	King	Pepper
Andrews	Donahey	La Follette	Pittman
Austin	Duffy	Lee	Pope
Bankhead	Ellender	Lewis	Radcliffe
Barkley	Frazier	Lodge	Russell
Berry	George	Logan	Schwartz
Bilbo	Gerry	Lonergan	Schwellenbach
Bone	Gibson	Lundeen	Sheppard
Borah	Gillette	McAdoo	Shipstead
Brown, Mich.	Glass	McCarran	Smathers
Brown, N. H.	Green	McGill	Smith
Bulkley	Guffey	McKellar	Thomas, Okla.
Bulow	Hale	McNary	Thomas, Utah
Burke	Harrison	Maloney	Townsend
Byrd	Hatch	Miller	Truman
Byrnes	Hayden	Milton	Vandenberg
Capper	Herring	Minton	Van Nuys
Caraway	Hill	Murray	Wagner
Chavez	Hitchcock	Neely	Walsh
Clark	Holt	Norris	Wheeler
Connally	Hughes	Nye	White
Copeland	Johnson, Calif.	O'Mahoney	
Davis	Johnson, Colo.	Overton	

The PRESIDING OFFICER. Ninety Senators having answered to their names, a quorum is present.

The question is on the first committee amendment, which will be stated.

The LEGISLATIVE CLERK. The first committee amendment is on page 1, line 3, after the resolving clause, to insert:

> This joint resolution may be cited as the "Work Relief and Public Works Appropriation Act of 1938."

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

Mr. COPELAND. Mr. President, I sent forward two amendments——

Mr. BARKLEY. They are not in order now.

Mr. COPELAND. Why not?

Mr. BARKLEY. Under the unanimous-consent agreement committee amendments are first to be considered.

The PRESIDING OFFICER. The committee amendments have not been considered.

Mr. BARKLEY. I suggest to the Senator from New York that under the unanimous-consent agreement already entered into the committee amendments must be disposed of before amendments are offered from the floor.

Mr. COPELAND. I suppose I have a right to the floor, Mr. President.

The PRESIDING OFFICER. The Senator from New York has been recognized.

Mr. COPELAND. I wish to present an amendment, and I ask that it be stated from the desk, on page 3 of the joint resolution, in line 12, after the numerals "$285,000,000", to insert:

> Of which $1,500,000 shall be allotted to the Department of Agriculture for establishment or maintenance of aerological stations for observing, measuring, and investigating atmospheric phenomena.

My second amendment is on page 20, at the end of line 21, to insert:

> Of the foregoing sum there is appropriated and there shall be allotted $10,000,000 to be expended by the Department of Commerce for the establishment, construction, alteration, and modernization of aids to air navigation, and acquisition of necessary sites by lease or grant.

Concerning the importance of these amendments, which I shall press at the proper time, I desire to make some comments upon the necessity——

Mr. BARKLEY. Mr. President, will the Senator yield to me to make a brief statement?

Mr. COPELAND. I yield.

Mr. BARKLEY. As the Senator knows, I have been urging speedy consideration of the joint resolution, together with all amendments which have been proposed by the committee, and all that may be offered from the floor. I have no desire to cut off legitimate debate on the joint resolution at any point. I do not know whether or not the rumor is true, but the rumor is afloat that a deliberate effort is to be made to delay a vote on the joint resolution until next week. In view of that situation, I wish to advise the Senate that the usual Saturday recess will not be taken, and that we shall be in session on Monday, if the joint resolution is not disposed of this week, unless the Senate otherwise decides.

I make that statement because Senators may have engagements which they may wish to change or cancel. I myself have been compelled to cancel two engagements in my own State, because I think the passage of the joint resolution is more important than any speech I or any other Senator could make in his own or any other State.

I feel that the Senate is entitled to that information at this time. Unless we can dispose of the joint resolution before Saturday, we shall be in session on Saturday; and unless we can dispose of it on Saturday, we shall attempt to meet on Monday.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. COPELAND. I yield.

Mr. CLARK. So far as I am concerned, I have not occupied the time of the Senate for more than 10 minutes in connection with the pending joint resolution, and I do not intend to occupy more than 10 minutes in its future discussion. However, Mr. President, it seems to me that in the case of a measure involving probably the most stupendous appropriation ever made in the history of any nation, or in the whole history of the world, totaling nearly $5,000,000,000, while much of the debate has not been on the measure itself, consideration for a week, or even 2 weeks, is not unduly long discussion of a measure of such magnitude.

So far as I am concerned, I intend to be in Washington on Saturday anyway. I shall be glad to stay with the Senator from Kentucky on Saturday, on Sunday, if he desires, and on Monday, or at night sessions. However, it seems to me that the threat of pressure comes at an unduly early time in the discussion.

So far as I am concerned, I am engaged in no filibuster, and do not desire to engage in a filibuster. I desire to see the joint resolution passed at the earliest practicable moment, and to see the Congress adjourn at the earliest practicable moment. I suggest that the threat of the majority leader comes unduly early in the discussion of this measure.

Mr. BARKLEY. If the Senator from New York will yield further, I am making no threat. In view of the suggestion which is afloat, as everybody knows, that we shall not be permitted to vote on the measure this week, I merely made the statement that we ought not at this late time in the session to be taking our usual week-end recess, and we ought to meet on Saturday and on Monday.

In order that Senators might accommodate themselves to that program, I felt that I should make the announcement. I am not objecting to legitimate debate; but, inasmuch as we are to have debate, I think it ought to proceed speedily and without the customary week-end recess.

Mr. CLARK. Mr. President, I am satisfied that Senators will be glad to remain in session tonight, tomorrow, tomorrow night, Saturday, Saturday night, Sunday, and Monday if the Senator from Kentucky so desires.

However, there has been no suggestion of a filibuster. I am afraid the Senator from Kentucky has been listening to some cloakroom rumor or to some discussion in the President's room among our newspaper friends, who are suggesting a filibuster. So far as I know, there has been no such suggestion on this floor.

Mr. BARKLEY. I have not been in the President's room and I have not received the rumor from any newspaper reports. The rumor has been thick on the floor of the Senate, having been discussed among Senators; and I have not been compelled to go outside the Chamber in order to hear it.

I am not objecting to legitimate debate. Any Senator has a legitimate right to debate a measure as long as he desires to do so. Inasmuch as that program is to be followed, I think we ought to remain in session day after day until the joint resolution is disposed of.

Mr. CLARK. I am certain many Senators will be glad to stay with the Senator from Kentucky as long as he may desire, maintaining a quorum on the floor as far as possible, and disposing of the public business as fast as it can be disposed of.

Mr. BORAH. Mr. President, I am quite willing to remain here on Saturday and Monday; but I hope the Senator from Missouri will not penalize the Senator from Kentucky by holding us to night sessions.

Mr. NORRIS. Mr. President——

The PRESIDING OFFICER. Does the Senator from New York yield to the Senator from Nebraska?

Mr. COPELAND. I yield to the Senator from Nebraska.

Mr. NORRIS. I ask that the amendments offered by the Senator from New York be stated from the desk.

The PRESIDING OFFICER. The amendments have not been sent to the desk and have not yet been offered. As the Chair understood, the Senator from New York announced that he would later offer the amendments.

Mr. COPELAND. I will say to the Senator from Nebraska that I am seeking to earmark the funds in relation to two projects. First, I wish to earmark $1,500,000 for the purpose of completing Weather Bureau stations which are necessary for the protection of aviation. Second, I am asking for $10,000,000 to complete the work necessary to install ground facilities for the protection of aviation.

Mr. NORRIS. Has the Senator offered his amendments?

Mr. COPELAND. I was told by my leader that, under the agreement, I could not offer them at this time. I read them.

Mr. NORRIS. Are the amendments of the Senator from New York amendments to committee amendments?

Mr. COPELAND. They are amendments to the joint resolution, but I am told that they are not now in order. I should like to explain them.

Mr. NORRIS. Why are they not in order?

Mr. COPELAND. The committee amendments must first be considered.

Mr. NORRIS. I understand that; but the Senator's proposed amendments are amendments to committee amendments, are they not?

Mr. COPELAND. No; they are amendments to the joint resolution.

The PRESIDING OFFICER. The Chair will make a statement as to the parliamentary situation. The first committee amendment has been agreed to. The question now is on the second committee amendment, to which several Senators have proposed amendments, which have been printed and are now lying on the table.

Mr. NORRIS. Mr. President, there is so much disorder in the Chamber that we cannot hear the statement of the Chair.

The PRESIDING OFFICER. Let there be order in the Chamber. At least one Senator expresses a desire to be informed as to the present parliamentary situation. The Chair will again state it, in the hope that there will be sufficient order, at least, for the Senator who made the inquiry to hear.

The first amendment of the committee has been agreed to. The question now is on the second committee amendment. To that amendment several Senators have sent to the desk amendments which have been printed, but none of which have been called up. The Senator from New York [Mr. COPELAND] has the floor.

Mr. SCHWELLENBACH. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. SCHWELLENBACH. By "the second committee amendment" does the Chair mean the one on page 2, line 3?

The PRESIDING OFFICER. The committee amendment on page 2, line 3, is now the pending question.

Mr. COPELAND. Mr. President, may we have the amendment stated?

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. On page 2, line 3, after the word "Administration", it is proposed to strike out "$1,250,000,000" and insert "$1,425,000,000", so as to read:

(1) To the Works Progress Administration, $1,425,000,000, together with the balances of allocations heretofore made or hereafter to be made to the Works Progress Administration under the Emergency Relief Appropriation Act of 1937 and the joint resolution of March 2, 1938, which remain unobligated on June 30, 1938.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment just stated.

Mr. COPELAND. Mr. President, in connection with the pending amendment, and other provisions of the joint resolution, I am seeking, I say frankly, to earmark as much of the funds appropriated by the measure as possible. I have no present desire to suggest any reduction in the total amount of money carried by the joint resolution. I am determined, so far as I am personally concerned, to do what I can, in honor, to make certain that the money appropriated shall be used for the benefit of the people and shall not be used as political fodder, as, in my judgment, has been the case in the past.

I do not regard it as morally decent for the Congress of the United States to abdicate its responsibilities and its powers and turn over to anybody, any individual or any board, the allocation and the expenditure of the sums to be appropriated by the pending joint resolution. That and nothing else is what I have in mind. I am going to do all I can, in decency, to earmark the appropriations provided by the joint resolution so that the money shall be expended for purposes which will add to the national wealth, to the physical welfare of the Nation as well as to the sustenance of people who are in distress, to feeding, clothing, and sheltering them. That is my object, and I do not see how any man can question the propriety of such a position.

It is my opinion that every informed person in the United States is convinced that the money appropriated in the past, while I have no doubt that it has been honestly expended, has been so placed as to influence elections.

I heard debate here yesterday with reference to one of our colleagues and the efforts being made to defeat him. I stood here shoulder to shoulder with a group of Senators from both sides of the aisle to fight against the proposed change in the Supreme Court. I am not a candidate for office next fall, but there are Senators here who will then be candidates for office. Senators who stood on the floor to fight for the preservation of that chief American institution—the Supreme Court. So far as I can do it, I desire to prevent the possibility of reprisals against anyone of that gallant band.

It will make little difference to me personally, Mr. President, how this money shall be spent. To me human beings are all alike. I do not care whether the man fed is a Republican or a Democrat; I do not care whether he is a New Dealer or the kind of a Democrat I am. If he is in need, I want him to be helped; I want him to be helped, even if he votes against me when I am a candidate for office. But I would not be true to the fellowship represented here, to the friendships I am proud to have in this body, I would not be true to my convictions if I did not use every ounce of energy I possess to make it impossible for the juggling of these funds in order that this, that, or the other Senator may be defeated, or someone who takes a different view from the views that we hold may be elected.

Mr. President, I have no more desire to be here next Saturday or next Monday than has any other Senator. There is just one place to which I want to go. It is a farm in the mountains of my State. I would rather be there now than any other place in the world. I want to go there just as soon as I can. But I am ready to stay here indefinitely if by remaining I can have some small part in accomplishing the objective I have in my mind and which I have presented to the Senate.

Mr. LUNDEEN. Mr. President——

The PRESIDING OFFICER (Mr. LEE in the chair). Does the Senator from New York yield to the Senator from Minnesota?

Mr. COPELAND. I yield.

Mr. LUNDEEN. It seems that one trouble with legislation during the past few years is that it has been too hastily considered. If the Senator will permit me, I should like to say that we have not studied legislative proposals as carefully as we should have done. I remember that not so very long ago, in a moment of legislative hysteria, a bill was passed in Congress without even being printed and without being read. I opposed that bill on the floor of the House for that very reason. If I remember correctly, the bill related to banking legislation in the 1933 emergency.

A little while later it was found necessary to amend it. We discovered that it had not been considered as thoroughly as it should have been. I think there should be a reasonable amount of debate. I certainly want to do everything I can to aid in remedying present economic conditions. It does not make any difference to me what party puts forward a measure with that object in view, I will try to go along. But we should debate more thoroughly and study more carefully the provisions of the pending measure. I think the Senator from New York is absolutely correct in bringing this matter to our attention. Whether or not we agree with him, he is certainly contributing to the thought and the debate upon the subject, and that can do no harm, for certainly hastily considered and enacted legislation and half-baked legislation, such as is passed from time to time, is not going to provide any cure or remedy. We then have to go back to the starting point, and often we find ourselves below the starting point. We cannot afford to do that very many times more. We have now come to the point where we have to get down to bedrock; and perhaps we have not so much more time to get down to bedrock as we think we have.

Mr. COPELAND. I thank the Senator for his very sensible statement. I agree with him 100 percent. It means nothing to me personally what the joint resolution carries; but I am a Member of this body. I took a solemn oath at the Vice President's desk, and I do not intend to shirk any responsibility which is mine. I do not intend to hide behind anybody's skirts.

It is our duty to tell how to spend this money. If we do not write a measure which is acceptable to the White House, the President has a constitutional power to veto the bill, and he has a perfect right to do it. I shall honor him for any position he may take which comes from the conviction of his soul; but I have a conviction in my soul, Mr. President. I am not willing to be a party to the enactment of any sort of legislation concerning which there can be any breath of scandal when the legislation is enacted and administered.

Will anyone rise and say that there has not been the breath of scandal in connection with the expenditure of funds which we in our wisdom have voted, and have turned over to governmental administrators to expend? Can anyone say that there was no scandal connected with it? Every Member of the Senate knows that there was scandal connected with it. Why should the head of any poor family in New York City, or in Colorado, or anywhere else, be given an intimation by some circuitous route that "If you do not do so-and-so, you will lose your job and get no money from the relief funds"? I do not want that to happen.

The other day I submitted an amendment to this joint resolution, which lies on the table, proposing that we earmark $325,000,000—for what? For river and harbor projects

and flood-control projects, every one of which has had a survey. Every one of these projects is first passed upon by a committee of the Senate, sent to the Army engineers for examination and survey, brought back from the Army engineers if found economically feasible and worthy, approved by a committee, brought to the floor of the Senate, and by a Senate vote approved and the authorization provided for.

Mr. MINTON. Mr. President, will the Senator yield?

Mr. COPELAND. I yield to the Senator from Indiana.

Mr. MINTON. I am not informed about the authorizations, but I have heard it stated that many of the so-called projects about which the Senator has been talking have not even been surveyed. Is that true?

Mr. COPELAND. That is not true. I have been chairman of the Commerce Committee for a number of years, and I was well instructed by my predecessors in that office, including the able Senator from California [Mr. JOHNSON]. I took pride, 2 years ago, in presenting to the Senate the bill and being able to say, "This is not a 'pork barrel' bill. Every item here has been approved." I suggested that the Senator from Indiana [Mr. MINTON] be given a gold medal because he wanted something taken out of the bill. That never happened before, and it probably never will happen again. It was one of the most amazing legislative spectacles I have ever witnessed.

These projects have been approved; and if there is a project here which is not a worth-while project or is an unauthorized project, it must come out.

We have a total of about $511,000,000 worth of projects which have been authorized. There is in the Army engineers' office a book called the Blue Book. It contains projects which have been examined, passed upon, and found to be economically feasible or otherwise by the Army engineers. The projects total over a billion dollars. From time to time during the past 3 or 4 years we have actually authorized projects amounting, as I recall, to about $511,000,000. From those projects we selected a number, reducing the total to $325,000,000; and I want to say that I asked that a number of New York projects be omitted. I say that here now so that 2 years from now, when I run for the Senate, somebody may pick it up and show that I admitted that I had done that; but I wanted to do that, and other men on the committee did the same thing, and the amendment which I offered was adopted upon motion and by action of the Commerce Committee.

Mr. LUNDEEN. Mr. President, will the Senator yield?

Mr. COPELAND. I yield to the Senator from Minnesota.

Mr. LUNDEEN. I should like to make an inquiry concerning the Senator's amendment. Some of the States seem to have only one project, or perhaps none. Other States seem to have quite a number of projects. I wonder how the selection of these projects was arrived at. I do not mean to intimate that the list is unfair at all, but I am just wondering how it was arrived at.

Mr. COPELAND. I will tell the Senator. The fact is we had to hunt pretty hard to find approved projects in some States. There are many States that have no rivers of any consequence and certainly no coast line, and we did not find very much there that had been approved. For instance, in Vermont we found only one project, known as the Union Village Reservoir, $1,878,600. That was the reason.

My friend from West Virginia [Mr. NEELY] is extremely fortunate in his allocations; I mean fortunate, if it is a good thing to have a considerable amount of money allocated for flood-control and river projects in West Virginia, and of course it is. He must have twenty or twenty-five million dollars of projects in his State. Perhaps he has added up the projects. Why has he that many? Because his State borders on the Ohio River. Some of the worst floods we have had in America have been on that river. Then he has in his State great tributaries of the Ohio River, and in order to complete the work in the valley it is necessary to build reservoirs in West Virginia to hold back there the water which otherwise would flow into the Ohio and then down into the Mississippi Valley. So we did not undertake to make any 7- or 10- or 5-percent allocation, so as to give every State an equal amount. The question was, Where will the money do the most good and where is it likely to preserve life and property to the greatest extent?

Mr. NEELY. Mr. President, will the Senator yield?

Mr. COPELAND. I yield.

Mr. NEELY. I desire to express my gratitude to the able Senator from New York for the sympathetic consideration he has given to the various West Virginia projects to which he has referred and which, as the Senator has just indicated, are important not only to West Virginia but to everyone who lives in the Mississippi Valley.

Mr. COPELAND. I thank the Senator.

Mr. LUNDEEN. Mr. President——

Mr. COPELAND. I yield to the Senator from Minnesota.

NORTH HARBOR OF MINNEAPOLIS

Mr. LUNDEEN. I wish to inquire of the Senator from New York concerning the item of $1,000,000 for the Mississippi River between the mouth of the Missouri River and Minneapolis. I wonder if, by any chance, that includes some work on the north harbor of Minneapolis, within the city limits of Minneapolis.

Mr. COPELAND. Would that be above the Falls of St. Anthony?

Mr. LUNDEEN. Yes.

Mr. COPELAND. No; it does not include that item.

Mr. LUNDEEN. Will the Senator permit me to make a short statement at this point?

Mr. COPELAND. Yes.

Mr. LUNDEEN. I should like to say to the Senate that in the State of Minnesota, in the great city of Minneapolis—the largest center in the Northwest, where we have a population center of over a million within a radius of 25 miles, one of the few centers in the world where is found a population of over a million—we have there the north-harbor project, which is above the Falls of St. Anthony. There are no locks at the Falls of St. Anthony; the land comes down very gently to the water's edge and furnishes ground for warehouses, and freight can be trucked from a barge on the river through the warehouse and onto the railroad tracks just back of the warehouse, or where the warehouse could be built. This is an important project, and it just so happens that this was where we had the great lumber mills of Minnesota and the Northwest, which have now been taken away, and nothing has been built there to replace them. It will make the greatest inland harbor in America.

BUILD THE NORTH HARBOR OF MINNEAPOLIS NOW

I am just wondering whether or not it would be possible in this improvement on the Mississippi River to include this harbor. It seems it would come within the scope of the proposed river improvement because when the 9-foot channel was put through it included Minneapolis, and that means the north limit of Minneapolis, which would include this harbor site. Any other contention is absurd. It is vital to the prosperity and business of our great city of Minneapolis. We must have this harbor where we could load our barges and carry on business.

Some might say to the Senator from New York, "Here is your harbor below the Falls of St. Anthony. But it is down over a hundred feet below the level of the city, the freight has to be trucked up, and the incline to the railroad is very steep." It is too small; it is a village harbor, that is all. So that our north harbor is an essential project for Minneapolis and Minnesota and the whole Northwest. I would like to see a larger item in the bill covering this matter, and I would like to see this project included if possible.

LAKE TRAVERSE PROJECT

Here is another item, "Flood control, Lake Traverse, S. Dak. and Minn." I happen to know that that is a worthy project. Perhaps the remarks of the Senator may apply

to us when he says that in some States it is rather difficult to find approved projects. Perhaps we will have to set about to get approval for some of our projects all over again, and how long shall we of Minnesota be left standing at the door waiting for the initial north-harbor appropriation?

MINNETONKA LAKE LEVEL

We have stormed at the administration for years to have our marvelous and beautiful Lake Minnetonka restored. Some of our good citizens are getting discouraged. So far as I am concerned, I will go on demanding these worthy and necessary improvements and I will persist until I win. These projects mean work for our Minnesota unemployed. I know the Senator is sympathetic with our north harbor, and I thank him for yielding.

Mr. LODGE. Mr. President——

The PRESIDING OFFICER (Mr. LEE in the chair). Does the Senator from New York yield to the Senator from Massachusetts?

Mr. COPELAND. I yield.

Mr. LODGE. Yesterday, when this amendment was first brought before the Senate, and when I had had opportunity to read it but briefly, I derived the impression that there was nothing provided for Massachusetts on the Merrimack. Since then I have had a chance to study the amendment, and I find there is a $2,000,000 item for Franklin Falls in New Hampshire. I believe the Senator will agree with me that that item will of course benefit the people who live in the more thickly populated communities at the Massachusetts end of the Merrimack.

Mr. COPELAND. That is correct.

Mr. LODGE. I ask the Senator further whether it is not true that all the projects listed in Massachusetts are approved by the Army engineers, and in fact if every project which is not appropriated for in some other way and has been approved by the Army engineers is not included in the Senator's amendment.

Mr. COPELAND. That is correct.

Mr. LODGE. I think the Senator has made a very fine statement.

Mr. COPELAND. I wish to say, in reply to the Senator from Minnesota, who spoke about the North Harbor at Minneapolis, that some of us tried to include in the Army bill an item of $7,000,000 for the work above the Falls of St. Anthony on the Mississippi River. From a study of the map I am familiar with the needs of that section. Not alone are the sawmills of which the Senator spoke important, but there are great grain elevators and flour mills above the Falls of St. Anthony and there can be no doubt that the completion of that project would be of great benefit to Minneapolis. At least that is my opinion.

I thought of reminding the Senator that there are certain other agencies of transportation which are sometimes jealous of water development. I have not heard of any indications of enthusiasm from the railroads in that section for the development of this project, but it is one which should be completed, as I view it.

At another time I shall speak in much greater detail about the flood-control bill. I rose today to speak about matters relating to aviation.

Mr. McNARY. Mr. President, will the Senator yield?

Mr. COPELAND. I yield.

Mr. McNARY. I recall that a few days ago the Committee on Commerce, of which the able Senator from New York is chairman, reported an authorization bill covering a large number of flood-control projects. The Senator now has an amendment pending. Does the amendment include all the projects included in the flood control authorization bill?

Mr. COPELAND. I would not say all of them, but a large number of them.

Mr. McNARY. The amendment is not a duplicate of the bill reported by the committee?

Mr. COPELAND. No, because it picks up projects approved 2 years ago and 3 years ago.

Mr. McNARY. Why did not the Senator include all those which the committee reported favorably, as well as those he now mentions as being supplemental?

Mr. COPELAND. The Senator is entitled to a frank answer. I myself, as a member of the committee, did not think we ought to earmark the entire amount. The Senator from North Carolina [Mr. BAILEY] has presented an amendment authorizing the completion of projects which heretofore have been examined and found meritorious by the Public Works Administration, all approved projects. It did not seem as if we could take all the money for these projects, and we did not have any idea of increasing the sum. If we had taken all the money, there would not have been anything for the other projects which have been approved by the Public Works Administration. It is a question as to which are the most urgent.

I return now to the matter of aviation. We were shocked yesterday to hear about the burning of the airplane at Cleveland. I think I am correct in saying there was nothing the Government could have done to prevent the accident, which occurred because of conditions in the plane itself.

Mr. McADOO. Mr. President, will the Senator yield for a question?

Mr. COPELAND. I yield.

Mr. McADOO. I notice that in the Senator's amendment he specifies the projects in the various States to which the $324,235,900 is to be applied. How were these determinations made with respect to the different States? In other words, how was it decided which projects the money was to be spent upon, and the amount to be allotted each of the projects?

Mr. COPELAND. My answer to the Senator is, to repeat what I said to the Senator from Oregon a little while ago——

Mr. McADOO. I regret I was not on the floor at the time.

Mr. COPELAND. I stated that if we were to include in this bill every project which has been surveyed and recommended by the Army engineers and authorized by the Congress, it would consume every dollar of this appropriation.

Mr. McADOO. I concede that. The point I want to get at is as to the allocations which have been made. Who determines the projects and the amounts to be allocated to the different projects in the various States? Let us take my own State, for instance. Who selects the projects in that State, with the suggested allocations?

Mr. COPELAND. In the original list——

Mr. McADOO. What is the original list?

Mr. COPELAND. The list of all the projects heretofore approved, amounting in all to nearly $512,000,000. It would be extremely selfish for those of us who are interested in water improvement to take all the money which has been set out in the bill for that purpose. So we did a little figuring. Has the Senator the amendment before him?

Mr. McADOO. I have. The items pertaining to California appear on page 23. All I wanted to know was the manner and the method by which the determinations were made with respect to projects for my State.

Mr. COPELAND. I will tell the Senator how that was done. There is an authorization of $2,000,000 for San Diego Harbor in California. In the amendment we made the item $1,000,000, because we were seeking to take projects which could be started at once and, if possible, completed within a year. Many of the projects in the Senator's State will take several years to complete. So we made inquiry of the War Department and found that $1,000,000 could be used within the year for San Diego Harbor.

Mr. McADOO. I am interested to know who advised this distribution and made the selection of the places. Was it done by the Commerce Committee as a whole, or by the Senator from New York as chairman, or by the Army engineers?

Mr. COPELAND. Oh, no; there was a group from the committee, made up of those who are particularly interested in waterways. I want the Senator to be convinced that utter fairness prevailed in the matter. As I said a little while ago—

and it will be used against me a couple of years from now in New York—I requested that a good many million dollars be omitted in New York because I did not want to be charged with favoritism.

Mr. McADOO. The point that strikes me at once is that I myself was not consulted as to my State.

Mr. COPELAND. No; but the Army engineers were consulted.

Mr. McADOO. That is what I am getting at. They recommended these distributions, and the particular projects for the particular localities.

Mr. COPELAND. Yes. Let me show the Senator how that was done.

Mr. McADOO. Pardon me just a moment. The amendment provides that over $300,000,000 shall be expended by the Secretary of War in the various States.

Mr. COPELAND. Yes.

Mr. McADOO. Who determined the amount that should be allocated to the State of California? Was that determined by the Army engineers?

Mr. COPELAND. Yes. We did it in this way: When the report was made covering all the projects outstanding, representing $512,000,000, we saw at once that we could not venture to ask for that amount of money. So we asked the Army engineers how we could spend $325,000,000, and the ultimate allocation represented by the amendment was made upon their recommendation.

Mr. McADOO. As I look over this list, I note that some projects in the State which are very important, and in a very large degree exigent, are entirely omitted.

Mr. COPELAND. They are omitted because they are not authorized.

Mr. McADOO. No; we have many projects that are already authorized and are not covered in the amendment.

Mr. COPELAND. Authorized by the Congress?

Mr. McADOO. Yes; authorized by the flood-control legislation. Take, for instance, the Santa Maria River. It is a very important project. I do not see any allocation in the amendment for that project. The Santa Maria River went on a rampage a year ago and washed out everything in sight, including the concrete highway bridge on the main artery between Los Angeles and San Francisco. I think the Army engineers have made a final report on the project. The survey was authorized.

Mr. COPELAND. The survey was authorized, and it may be that the Army engineers have recommended it; but unless we have overlooked a single item, I do not think the Congress has authorized it.

Mr. McADOO. Congress has authorized the survey.

Mr. COPELAND. Congress has authorized the survey; yes.

Mr. McADOO. Congress has authorized the survey, and the survey has been made, and the report has been made. It has also authorized the project. However, I shall not interrogate the Senator further until I have looked into the question a little more thoroughly, and then I shall ask him if he will be so kind as to indulge me with a little more information.

Mr. COPELAND. I will be very glad to give the Senator the information later, but I think I can give it to him now, subject to correction.

If the Santa Maria River project was surveyed, examined, found economically justified, recommended to the committee, and authorized by Congress—if all those steps had been taken, it would have been included in the amendment.

Mr. McADOO. I may say to the Senator that, of course, I am not fully informed as to whether every one of those steps has been taken. I shall not press the question any further. I shall look into the subject, and I shall ask the Senator to indulge me a little later with further information.

Mr. COPELAND. I shall be very glad to give it to the Senator. We tried to be extremely generous with California. I myself have a great personal interest in California.

Mr. McADOO. I wish to say to the Senator at once that he has always been very fair to my State. I have no complaint to make about the matter, but I was only looking into it with the view of getting some correction made if that shall be necessary.

Mr. COPELAND. Tomorrow, after having examined the record, I shall ask the Army engineers to advise me.

Mr. McADOO. I thank the Senator.

Mr. COPELAND. I wish to make a further statement. Los Angeles County needs a great deal of help. One of the most startling statements I ever heard made before the Commerce Committee was made by General Pillsbury some years ago. It was so startling that I asked him to repeat it. The Senator does not know that I practiced medicine for a little while in Los Angeles, so I have always had an interest in Los Angeles. General Pillsbury said that in Los Angeles County are found the makings of the most terrible flood disaster that could happen in the United States.

Mr. McADOO. It has come since. His prediction was correct.

Mr. COPELAND. Yes; his prediction was correct. I asked him to repeat his statement. He did repeat it. When the disastrous flood recently occurred there I thought, "Well, General Pillsbury is thinking about what he told us."

In view of our feeling about that situation, the Senator will find that in the amendment as presented we have included $8,800,000 for Los Angeles County against the authorized appropriation of $11,800,000. Five million dollars was authorized for the Santa Ana River, and we granted $3,000,000. I shall talk to the Senator about that, because this matter, of course, is subject to such correction as may be needed.

I have not proceeded far with respect to aviation, and I desire to pursue that subject. One of the most remarkable advances of modern times is the development of aviation. We are now flying airships as great as the next largest of the ships used by Columbus in his trip to discover America, and there will be launched very shortly an airship which will be greater in tonnage and capacity than the largest of Columbus' ships. Airships are now made that have greater capacity than a Pullman car.

I am sometimes disturbed by the progress of invention and development in the field of aviation, because I think I may say I have knowledge of the inadequacy of the ground facilities, the navigational aids, the weather reporting, and the other factors which enter into safe flying.

The air is a great ocean. As the merchant marine developed, it was found necessary for governments everywhere to provide lighthouses, range lights, buoys, and other devices for the protection of navigation upon the sea.

Navigation in the air is remarkably like navigation on the sea in many respects. But I often think about the old colored man who said that he liked to travel on a railroad train better than on a ship, because, he said, "If the railroad train runs off the tracks, why, there you is; but if the ship sinks, where is you?" That suggestion could be applied with even greater force to aviation.

I do not want to pose as a habitual prophet, but I prophesied the disasters which occurred north of Los Angeles and in the Rocky Mountains. With the lack of navigational facilities and weather reporting, such disasters were inevitable. A plane cannot be sent through the air in all sorts of weather with hope of safe landing unless there are devices to steer the ship and to make known to the pilot at all times where he is.

We have spent much money during the past few years in correcting the serious lack of navigational aids; but we have fallen down. For a number of years we made no appropriations. In 1933, 1934, 1935, and 1936 we pared down the appropriations for air protection in the interest of economy, in the interest of dollars. It was not until the death of our colleague, the late Senator Cutting, that any serious effort was made by the Congress to go extensively into a study of aviation with a view to determining what, if anything, should be done to bring about greater safety in the air.

Senate Report 2455, of the Seventy-fourth Congress, is a report of the Safety-in-the-Air Committee. I observe from

the caption of the report that the committee consisted of the Senator from Missouri [Mr. CLARK], the Senator from Maine [Mr. WHITE], the Senator from Ohio [Mr. DONAHEY], and myself, from the Committee on Commerce. The report plainly sets forth the great mistake of our financial policy in effect at the time the report was presented, on the 20th of June 1936.

We made another report—Senate Report No. 185—toward the close of the first session of the Seventy-fifth Congress. These reports clearly point the way to a logical policy. The reports were written after several years of intensive investigation of the reasons why our beloved colleague died, and also of what we might do to protect other citizens of the United States against such a calamity.

Of course, expenditures for public works should not be blindly made at the sacrifice of our national defense. My experience tells me that the present Congress is on the verge of doing that very thing, at a time when the air is filled with war on two continents, and the Congress, spurred by the advice of our President, is loosening the purse strings and pouring huge sums into implements of war. However, I fear that in this great program of national defense there are gaps which must be filled at some time or other by congressional action.

STANDARDS OF WAGES AND HOURS OF LABOR

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. COPELAND. I yield.

Mr. BARKLEY. I ask that the Chair lay before the Senate the wage and hour bill.

The PRESIDING OFFICER (Mr. SCHWELLENBACH in the chair) laid before the Senate the amendment of the House of Representatives to the bill (S. 2475) to provide for the establishment of fair labor standards in employments in and affecting interstate commerce, and for other purposes.

Mr. THOMAS of Utah. Mr. President, I ask unanimous consent that the Senate disagree to the amendment of the House, ask for a conference with the House on the disagreeing votes of the two Houses thereon, and that the conferees on the part of the Senate be appointed by the Chair.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Utah?

Mr. HARRISON. Mr. President, I shall not object to the request of the Senator from Utah. Assurance has been given that in the conference every section of the country will be represented. I am very much interested in the proposed legislation, and I hope something may be worked out in the conference which will be fair to every section of the country.

Therefore, I shall offer no objection to the request.

Mr. OVERTON. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. OVERTON. The bill was passed by the Senate and sent over to the House, and the House struck out everything after the enacting clause. What is now before the Senate is the amendment of the House to the Senate bill. What would be the authority of the conferees? Would they have authority to rewrite the bill? It is my recollection that the Vice President so held at the time the farm bill was before us for consideration.

Mr. McKELLAR. Mr. President, I am sure the Senator is correct about the matter.

Mr. OVERTON. As I understand, every feature of the legislation will be in conference.

The PRESIDING OFFICER. The Chair has been informed by the Parliamentarian that the conference will have very wide latitude in passing upon the questions involved in the legislation.

Mr. OVERTON. Will the ruling of the Vice President in the case of the farm bill apply to the wage and hour bill?

The PRESIDING OFFICER. Until the precise question is presented to the Chair, of course, that question cannot be answered. It is the opinion of the present occupant of the Chair that if precisely the same question were presented in connection with the wage and hour bill which was presented on the farm bill, the ruling of the Chair would be the same as it was upon the farm bill.

Is there objection to the request of the Senator from Utah? The Chair hears none.

The PRESIDING OFFICER appointed Mr. THOMAS of Utah, Mr. WALSH, Mr. MURRAY, Mr. PEPPER, Mr. ELLENDER, Mr. BORAH, and Mr. LA FOLLETTE conferees on the part of the Senate.

RELIEF AND WORK-RELIEF APPROPRIATIONS

The Senate resumed the consideration of the joint resolution (H. J. Res. 679) making appropriations for work relief, relief, and otherwise to increase employment by providing loans and grants for public-works projects.

Mr. COPELAND. Mr. President, when I was interrupted——

Mr. BARKLEY. Mr. President, does the Senator from New York desire to continue or to conclude his remarks tonight?

Mr. COPELAND. I wish to follow the desire of my leader.

Mr. BARKLEY. I have no desire except that which is in the mind of the Senator from New York. If he wishes to suspend now, or cannot conclude his remarks this afternoon, I am willing to move a recess after we shall have had a brief executive session.

Mr. COPELAND. Very well; I yield for that purpose.

EXECUTIVE SESSION

Mr. BARKLEY. Mr. President, the Senator from Iowa [Mr. GILLETTE] has a small bill which he has asked to be permitted to take up at this time. It is a bridge bill which will not consume any time. Meanwhile, I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE MESSAGES REFERRED

The PRESIDING OFFICER (Mr. SCHWELLENBACH in the chair) laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

EXECUTIVE REPORTS OF COMMITTEES

Mr. SHEPPARD, from the Committee on Military Affairs, reported favorably the nominations of several officers for promotion, and also for appointment, by transfer, in the Regular Army.

Mr. McKELLAR, from the Committee on Post Offices and Post Roads, reported favorably the nominations of sundry postmasters.

The PRESIDING OFFICER. The reports will be placed on the Executive Calendar.

UNITED STATES COAST GUARD

Mr. COPELAND. Mr. President, from the Committee on Commerce I report back favorably the nominations of certain young men to be ensigns in the Coast Guard, and ask unanimous consent for their present consideration. If that request is granted, I shall ask unanimous consent that the President be notified of their confirmation, because the commencement exercises are to take place the first of next week.

The PRESIDING OFFICER. Is there objection to the present consideration of the Coast Guard nominations? The Chair hears none. The nominations will be read.

The legislative clerk proceeded to read sundry nominations of ensigns in the United States Coast Guard.

Mr. COPELAND. I ask unanimous consent that the nominations in the Coast Guard be confirmed en bloc.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and the nominations are confirmed en bloc.

Mr. COPELAND. I ask unanimous consent that the President be notified of the confirmation of these nominations.

The PRESIDING OFFICER. Without objection, the President will be notified of the confirmation of the Coast Guard nominations.

If there be no further reports of committees, the clerk will state, in their order, the nominations on the Executive Calendar.

THE JUDICIARY

The legislative clerk read the nomination of William Ryan to be United States marshal for the eastern district of Illinois.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

POSTMASTERS

The legislative clerk proceeded to read sundry nominations of postmasters.

Mr. McKELLAR. I ask unanimous consent that the nominations of postmasters be confirmed en bloc.

The PRESIDING OFFICER. Without objection, the nominations of postmasters are confirmed en bloc.

That concludes the calendar.

LEGISLATIVE SESSION

Mr. BARKLEY. I move that the Senate resume legislative session.

The motion was agreed to; and the Senate resumed legislative session.

MISSISSIPPI RIVER BRIDGE, DUBUQUE, IOWA

Mr. GILLETTE. Mr. President, I ask unanimous consent for the present consideration of Senate bill 3892, Calendar No. 1951.

The PRESIDING OFFICER. The clerk will state the title of the bill.

The CHIEF CLERK. A bill (S. 3892) creating the City of Dubuque Bridge Commission and authorizing said commission and its successors to purchase and/or construct, maintain, and operate a bridge or bridges across the Mississippi River at or near Dubuque, Iowa, and East Dubuque, Ill.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on Commerce with amendments.

The amendments were, in section 9, page 14, line 18, after the word "thereof", to insert "shall be applied to the purposes specified in this act. The members"; on page 17, after line 18, to insert a new section, to be known as section 12; and in line 24, to change the number of the section from 12 to 13, so as to make the bill read:

Be it enacted, etc., That in order to facilitate interstate commerce, improve the postal service, and provide for military and other purposes, the City of Dubuque Bridge Commission (hereinafter created, and hereinafter referred to as the "commission"), and its successors and assigns, be, and are hereby, authorized to construct, maintain, and operate a bridge or bridges and approaches thereto, across the Mississippi River at or near the cities of Dubuque, Iowa, and East Dubuque, Ill., at a point suitable to the interest of navigation, in accordance with the provisions of the act entitled "An act to regulate the construction of bridges over navigable waters," approved March 23, 1906, subject to the conditions and limitations contained in this act. For like purposes said Commission, or its successors and assigns, are hereby authorized to purchase, maintain, and operate all or any existing bridges for vehicular traffic crossing the Mississippi River at or near the city of Dubuque, Iowa, and may acquire control of any or all such existing bridges by purchase of stock in any corporation owning any such bridges, or by a conveyance from such corporation, and, in any case, said Commission shall be authorized to maintain and operate said bridge or bridges subject to the conditions and limitations contained in this act.

SEC. 2. There is hereby conferred upon the Commission and its successors and assigns the right and power to enter upon such lands and to acquire, condemn, occupy, possess, and use such real estate and other property in the State of Iowa and the State of Illinois, including real estate and other property acquired for or devoted to a public use or other purposes by the State of Illinois or the State of Iowa, or any governmental or political subdivisions thereof, as may be needed for the location, construction, operation, and maintenance of any such bridge and it approaches, upon making just compensation therefor, to be ascertained and paid according to the laws of the State in which such real estate or other property is situated, and the proceedings therefor shall be the same as in the condemnation of private property for public purpose in said State, respectively.

SEC. 3. The Commission and its successors and assigns are hereby authorized to fix and charge tolls for transit over such bridge or bridges in accordance with the provisions of this act, subject to the approval of the Secretary of War, as provided by the act of Congress approved March 23, 1906.

SEC. 4. The Commission and its successors and assigns are hereby authorized to provide for the payment of the cost of such bridge or bridges as may be purchased or constructed, as provided herein, and approaches (including the approach highways which, in the judgment of the Commission, it is necessary or advisable to construct or cause to be constructed to provide suitable and adequate connection with existing improved highways) and the necessary land, easements, and appurtenances thereto, by an issue or issues of negotiable bonds of the Commission, bearing interest at the rate or rates of not more than 6 percent per annum, the principal and interest of which bonds, and any premium to be paid for retirement thereof before maturity, shall be payable solely from the sinking fund provided in accordance with this act, and such payments may be further secured by mortgage of the bridge or bridges. In like manner, bonds may be issued to pay the cost of improvements and permanent repairs to any bridge or bridges purchased. All such bonds may be registerable as to principal alone or both principal and interest, shall be in such form not inconsistent with this act, shall mature at such time or times not exceeding 25 years from their respective dates, shall be in such denominations, shall be executed in such manner, and shall be payable in such medium and at such place or places as the Commission may determine. The Commission may repurchase and may reserve the right to redeem all or any of said bonds before maturity in such manner and at such price or prices, not exceeding 105 and accrued interest, as may be fixed by the Commission prior to the issuance of the bonds. The Commission, when it deems it to be to the best interest of the Commission, may issue refunding bonds to repurchase and redeem any outstanding bonds before the maturity thereof: *Provided*, That the refunding bonds shall mature at such time or times, not exceeding 50 years from the date of approval of this act, as the Commission may determine. The Commission may enter into an agreement with any bank or trust company in the United States as trustee having the power to make such agreement, setting forth the duties of the Commission in respect to the purchase, construction, maintenance, operation, repair, and insurance of the bridge or bridges, the conservation and application of all funds, the security for the payment of the bonds, the safeguarding of money on hand or on deposit, and the rights and remedies of said trustee and the holders of the bonds, restricting the individual right of action of the bondholders as is customary in trust agreements respecting bonds of corporations. Such trust agreement may contain such provisions for protecting and enforcing the rights and remedies of the trustee and the bondholders as may be reasonable and proper and not inconsistent with the law.

The bridge or bridges purchased or constructed under the authority of the act shall be deemed to be Federal instrumentalities for interstate commerce, the Postal Service, and military and other purposes authorized by the Government of the United States, and said bridge or bridges and the bonds issued in connection therewith and the income derived therefrom shall be exempt from all Federal, State, municipal, and local taxation. Said bonds shall be sold in such manner and at such time or times and at such price as the Commission may determine, but no such sale shall be made at a price so low as to require the payment of more than 6-percent interest on the money received therefor, computed with relation to the absolute maturity of the bonds in accordance with standard tables of bond values, and the face amount thereof shall be so calculated as to produce, at the price of their sale, the cost of the bridge or bridges, acquired and/or constructed, and approaches and the land, easements, and appurtenances used in connection therewith when added to any other funds made available to the Commission for the use of said purposes. The cost of the bridge or bridges acquired hereunder and the cost of the bridge to be constructed as provided herein, together with approaches and approach highways, shall be deemed to include interest during construction of the said bridge, and for 12 months thereafter, and all engineering, legal, architectural, traffic-surveying, and other expenses incident to the construction of the bridge and the acquisition of the necessary property, incident to the financing thereof, including the cost of acquiring existing franchises, riparian rights, plans, and works of and relating to the bridge or bridges now owned by any person, firm, or corporation, and the cost of purchasing all or any part of the shares of stock of any such corporate owner, or by conveyance from such corporation, if, in the judgment of the Commission, such purchases should be found expedient. If the proceeds of the bonds issued shall exceed the cost as finally determined, the excess shall be placed in the sinking fund hereinafter provided. Prior to the preparation of definite bonds the Commission may, under like restrictions, issue temporary bonds or interim certificates, with or without coupons, of any denomination whatsoever, exchangeable for definite bonds when such bonds that have been executed are available for delivery.

SEC. 5. In fixing the rates of toll to be charged for the use of such bridge or bridges, in accordance with the act of Congress approved March 23, 1906, the same shall be so adjusted as to provide a fund sufficient to pay for the reasonable cost of maintaining, repairing, and operating the bridge or bridges and approaches under economical management, and to provide a sinking fund sufficient to pay the principal and interest of such bonds as the same shall fall due and the redemption or repurchase price

of all or any thereof redeemed or repurchased before maturity as herein provided. All tolls and other revenues from said bridge or bridges are hereby pledged to such uses and to the application thereof as hereinafter in this section required. After payment or provision for payment therefrom of all such cost of maintaining, repairing, and operating and the reservation of an amount of money estimated to be sufficient for the same purpose during an ensuing period of not more than 6 months, the remainder of tolls collected shall be placed in the sinking fund, at intervals to be determined by the Commission prior to the issuance of the bonds. An accurate record of the cost of the bridge or bridges and approaches; the expenditures for maintaining, repairing, and operating the same; and of the daily tolls collected, shall be kept and shall be available for the information of all persons interested. The Commission shall classify in a reasonable way all traffic over the bridge or bridges so that the tolls shall be so fixed and adjusted by it as to be uniform in the application thereof to all traffic falling within reasonable classes, regardless of the status or character of any person, firm, or corporation participating in such traffic, and shall prevent all use of such bridge or bridges for traffic except upon payment of tolls so fixed and adjusted. No toll shall be charged officials or employees of the Commission, nor shall toll be charged officials of the Government of the United States while in the discharge of duties incident to their office or employment, nor shall toll be charged members of the fire department or peace officers when engaged in the performance of their official duties.

Within a reasonable time after the construction of any bridge or bridges, or the purchase of any bridge or bridges, the Commission shall file with the Bureau of Public Roads of the United States Department of Agriculture a sworn itemized statement showing the cost of constructing or purchasing the bridge or bridges and their approaches, the cost of acquiring any interest in real or other property necessary therefor, and the amount of bonds, debentures, or other evidence of indebtedness issued in connection with the construction or purchase of said bridge or bridges.

SEC. 6. Nothing herein contained shall require the Commission or its successors to maintain or operate any bridge or bridges purchased hereunder, if and when all bonds issued for account of such bridge or bridges shall have been retired or provision for the payment of interest on and retirement of such bonds from the revenues from any other bridge or bridges shall have been made at the time of issuance of such bonds. Any bridge or bridges so purchased, with appurtenances and property thereto connected and belonging, may be sold or otherwise disposed of or may be abandoned or dismantled whenever in the judgment of the Commission or its successors, and subject to the approval of the Chief of the Bureau of Public Roads, United States Department of Agriculture, and the United States Secretary of War, it may be declared expedient so to do, and provisions with respect to and regulating any such sale, disposal, abandonment, or dismantlement may be included in proceedings for the issuance and sale of bonds for account of any such bridge or bridges. The Commission and its successors may fix such rates of toll for the use of such bridge or bridges as it may deem proper, subject to the same conditions as are hereinabove required as to tolls for traffic over the bridge to be constructed provided tolls shall be fixed and revised from time to time for traffic over all bridges so as not to adversely reflect upon the earnings of any bridge or bridges for account of which bonds may be outstanding. An accurate record of the cost of purchasing or constructing each such bridge; the expenditures for maintaining, repairing, and operating the same; and of the daily tolls collected shall be kept and shall be available for the information of all persons interested.

SEC. 7. After payment of the bonds and interest, or after a sinking fund sufficient for such payment shall have been provided and shall be held for that purpose, the Commission shall deliver deeds or other suitable instruments of conveyance of the interest of the Commission in and to the bridge or bridges extending between the State of Iowa and the State of Illinois, that part of said bridge or bridges within Iowa to the State of Iowa or any municipality or agency thereof as may be authorized by or pursuant to law to accept the same (hereafter referred to as the "Iowa interests") and that part of said bridge or bridges within Illinois to the State of Illinois or any municipality or agency thereof as may be authorized by or pursuant to law to accept the same (hereinafter referred to as the "Illinois interests"); likewise the Commission shall deliver deeds or other suitable instruments of conveyance of the interest of the Commission in and to any bridge that may cross the Mississippi River between the city of Dubuque, Iowa, and the State of Wisconsin, that part of said bridge within Iowa to the State of Iowa or any municipality or agency thereof as may be authorized by or pursuant to law to accept the same (hereafter referred to as the "Iowa interests"), and that part of said bridge within Wisconsin to the State of Wisconsin or any municipality or agency thereof as may be authorized by or pursuant to law to accept the same (hereafter referred to as the "Wisconsin interests"), under the condition that the bridge or bridges shall thereafter be free of tolls and be properly maintained, operated, and repaired by the Iowa interests, the Illinois interests, and the Wisconsin interests, as may be agreed upon; but if the Iowa, Illinois, or Wisconsin interests, as the case may be, fail to accept, or are not authorized to accept, their respective portions of said bridge or bridges, then the Commission may deliver deeds, or other suitable instruments or conveyance of said portions, to any other interest which may accept and may be authorized to accept the same, under the condition that the bridge or bridges shall thereafter be free of toll and be properly maintained, operated, and repaired by said interests to whom said conveyances are delivered; but if either the Iowa interests or the Illinois interests or the Wisconsin interests, or any other interest hereinabove mentioned, shall not be authorized to accept or shall not accept the same under such conditions, then the bridge or bridges shall continue to be owned, maintained, operated, and repaired by the Commission, and the rates of tolls shall be so adjusted as to provide a fund of not to exceed the amount necessary for the proper maintenance, repair, and operation of the bridge or bridges and approaches under economical management, until such time as the Iowa interests, the Illinois interests, the Wisconsin interests, or any other interest hereinabove mentioned, shall be authorized to accept and shall accept such conveyance under such conditions. The rate or rates of toll for crossing any bridge now existing or hereafter constructed which abuts upon or enters into the corporate limits of the city of Dubuque, Iowa, shall not be reduced below the rate or rates now in effect on existing bridges so long as any indebtedness of said Commission for the account of any bridge or bridges shall be outstanding and unpaid.

(a) Notwithstanding any restrictions or limitation imposed by the act entitled "An act to provide that the United States shall aid the States in the construction of rural post roads, and for other purposes," approved July 11, 1916, or by the Federal Highway Act, or by an act amendatory of or supplemental to either thereof, the Secretary of Agriculture or any other Federal department or agency of the United States Government may extend Federal aid under such acts for the construction of said bridge or bridges out of any moneys allocated to the State of Iowa with the consent of the State highway commission of said State, and out of moneys allocated to the State of Illinois with the consent of the department of highways of said State.

SEC. 8. For the purpose of carrying into effect the objects stated in this act, there is hereby created the City of Dubuque Bridge Commission, and by that name, style, and title said body shall have perpetual succession; may contract and be contracted with, sue and be sued, implead and be impleaded, complain and defend in all courts of law and equity; may make and have a common seal; may purchase or otherwise acquire and hold or dispose of real estate and other property; may accept and receive donations or gifts of money or property and apply same to the purposes of this act; and shall have and possess all powers necessary, convenient, or proper for carrying into effect the objects stated in this act.

The Commission shall consist of W. M. Clemens, Charles G. Kretschmer, Charles T. Landon, Thomas M. Stampfer, of Dubuque, Iowa, and R. E. Werner, of East Dubuque, Ill.; such Commission shall be a public body corporate and politic. Each member of the Commission shall qualify within 30 days after the approval of this act by filing in the office of the Secretary of Agriculture an oath that he will faithfully perform the duties imposed upon him by this act, and each person appointed to fill a vacancy shall qualify in like manner within 30 days after his appointment. Any vacancy occurring in said Commission by reason of failure to qualify as above provided, or by reason of death or resignation, shall be filled by the Secretary of Agriculture. Before the issuance of bonds as hereinabove provided, each member of the Commission shall give such bond as may be fixed by the Chief of the Bureau of Public Roads of the Department of Agriculture, conditioned upon the faithful performance of all duties required by this act, the cost of such surety prior to and during the construction of the bridge shall be paid or reimbursed from the bond proceeds and thereafter such costs shall be deemed an operating expense. The Commission shall elect a chairman and a vice chairman from its members, and may establish rules and regulations for the government of its own business. A majority of the members shall constitute a quorum for the transaction of business.

SEC. 9. The Commission shall have no capital stock or shares of interest or participation, and all revenues and receipts thereof shall be applied to the purposes specified in this act. The members of the Commission shall be entitled to a per diem compensation for their services of $10 for each day actually spent in the business of the Commission, but the maximum compensation of the chairman in any year shall not exceed $1,200, and of each other member shall not exceed $600. The members of the Commission shall also be entitled to receive traveling-expense allowance of 10 cents a mile for each mile actually traveled on the business of the Commission. The Commission may employ a secretary, treasurer, engineers, attorneys, and other such experts, assistants, and employees as they may deem necessary, who shall be entitled to receive such compensation as the Commission may determine. All salaries and expenses shall be paid solely from the funds provided under the authority of this act. After all bonds and interest thereon shall have been paid and all other obligations of the Commission paid or discharged, or provision for all such payment shall have been made as hereinbefore provided and after the bridge or bridges shall have been conveyed to the Iowa interests, the Illinois interests and the Wisconsin interests, as herein provided, or otherwise disposed of as provided herein, the Commission shall be dissolved and shall cease to have further existence by an order of the Chief of the Bureau of Public Roads made upon his own initiative or upon application of the Commission or any member or members thereof, but only after a public hearing in the city of

Dubuque, Iowa, notice of the time and place of which hearing and the purpose thereof shall have been published once, at least 30 days before the date thereof, in a newspaper published in the city of Dubuque, Iowa. At the time of such dissolution all moneys in the hands of or to the credit of the Commission shall be divided and distribution made between the interests of the States, as may be determined by the Chief of the Bureau of Public Roads of the United States.

SEC. 10. Notwithstanding any of the provisions of this act, the Commission shall have full power and authority to negotiate and enter into a contract or contracts with the State Highway Commission of Iowa and the Department of Highways of Illinois, the State Highway Department of Wisconsin, the city of Dubuque, Dubuque County, Iowa, or any county or municipality in the State of Illinois, whereby the Commission may receive financial aid in the construction or maintenance of a bridge or bridges and approaches thereto, and said Commission in its discretion may avail itself of all of the facilities of the State Highway Commission of the State of Iowa and the Department of Highways of the State of Illinois with regard to the construction of said proposed bridge or bridges, and the Commission may make and enter into any contract or contracts which it deems expedient and proper with the State Highway Commission of Iowa and the Department of Highways of Illinois, whereby said highway departments or either of them may construct, operate, and maintain or participate with the Commission in the construction, operation, maintenance of said bridge or bridges to be constructed hereunder, and approaches. It is hereby declared to be the purpose of Congress to facilitate the construction of a bridge and proper approaches across the Mississippi River at or near Dubuque, Iowa, and East Dubuque, Ill., and to authorize the Commission to promote said object and purposes, with full power to contract with either the State Highway Commission of Iowa or the Department of Highways of Illinois or with any agency or department of the Federal Government, or both, in relation to the purchase or condemnation, construction, operation, and maintenance of said bridges and approaches.

SEC. 11. Nothing herein contained shall be construed to authorize or permit the Commission or any member thereof to create any obligation or incur any liability other than such obligations and liabilities as are dischargeable solely from funds contemplated to be provided by this act. No obligation created or liability incurred pursuant to this act shall be a personal obligation or liability of any member or members of the Commission but shall be chargeable solely to the funds herein provided, nor shall any indebtedness created pursuant to this act be an indebtedness of the United States.

SEC. 12. The design and construction of any bridge which may be built pursuant to this act shall be in accordance with the standard specifications for highway bridges adopted by the American Association of State Highway Officials.

SEC. 13. The right to alter, amend, or repeal this act is hereby expressly reserved.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

RECESS

Mr. BARKLEY. I move that the Senate take a recess until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 5 o'clock and 3 minutes p. m.) the Senate took a recess until tomorrow, Friday, May 27, 1938, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate Thursday, May 26 (legislative day of April 20), 1938

PUBLIC UTILITIES COMMISSION, DISTRICT OF COLUMBIA

Richmond B. Keech, of the District of Columbia, to be a member of the Public Utilities Commission of the District of Columbia for a term of 3 years from July 1, 1938. (Reappointment.)

COAST GUARD OF THE UNITED STATES

TO BE ENSIGNS, TO RANK FROM JUNE 2, 1938

Alexander William Wuerker
John Edward Dale Hudgens
Arthur Pfeiffer
George Edward Howarth
Benjamin Franklin Engel
Robert Waldron
George Thomas Murati
James Weldon Williams
Henry Parsons Kniskern, Jr
Cornelius Garret Houtsma
Edward Carlton Allen, Jr.
Arthur Bright Engel
James Anderson Hyslop
Benjamin Dey Shoemaker, Jr.
Raymond Allen Tuttle
Donald Marcus Morell
Charles Eugene Leising, Jr.
Benjamin Palmer Clark
Thomas Reece Sargent, III
John A. Pritchard, Jr.
Edwin Bruce Ing
Winslow Hurlburt Buxton
James Baird Weaver

APPOINTMENTS, BY TRANSFER, IN THE REGULAR ARMY

TO FIELD ARTILLERY

Second Lt. Carl Baehr, Jr., Cavalry, with rank from June 12, 1936, effective June 12, 1938.

TO COAST ARTILLERY CORPS

Second Lt. Laurence John Ellert, Air Corps, with rank from June 12, 1936.

CONFIRMATIONS

Executive nominations confirmed by the Senate May 26 (legislative day of April 20), 1938

UNITED STATES MARSHAL

William Ryan to be United States marshal for the eastern district of Illinois.

COAST GUARD OF THE UNITED STATES

TO BE ENSIGNS, TO RANK FROM JUNE 2, 1938

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Raymond Allen Tuttle
Donald Marcus Morell
Charles Eugene Leising, Jr.
Benjamin Palmer Clark
Thomas Reece Sargent III
John A. Pritchard, Jr.
Edwin Bruce Ing
Winslow Hurlburt Buxton
James Baird Weaver

POSTMASTERS

CALIFORNIA

Mary D. Briggs, Los Angeles.
Hyle W. Rapp, Loyalton.

GEORGIA

Marion Lucas, Savannah.

NORTH DAKOTA

Orpheus H. Halverson, Northwood.
Sadie E. Uggen, Woodworth.

WEST VIRGINIA

Ada B. Steiner, Berkeley Springs.
James H. Moyer, Cass.
Thomas R. Moore, Charles Town.
John W. Fisher, Moorfield.
Frederick W. Horchler, Newburg.

WISCONSIN

Albert Hess, Arcadia.
John F. Loschky, Arpin.
Theodore E. Wozniak, Athens.
Charles P. McCormick, Belleville.
Edward R. Kranzfelder, Bloomer.
George Heiderer, Butternut.
Alex G. Mohr, Cambria.
John S. McHugh, De Pere.
August H. LaRenzie, Eagle River.
Ronald F. North, Eau Claire.
Tessa B. Morrissy, Elkhorn.
Melvin I. Dunn, Fall River.
Fern M. Dagnon, Ferryville.
Claude E. Rochon, Florence.

Matthew J. Hart, Glidden.
Reginald L. Barnes, Greenwood.
James R. Alexander, Hayward.
Carl J. Mueller, Jefferson.
Frank Heppe, Kewaskum.
Wenzel M. Dvorak, La Crosse.
Frank M. Doyle, Ladysmith.
May K. Powers, Lake Geneva.
Walter E. Smith, Lodi.
Ruth S. Foley, Maiden Rock.
Thomas F. McDonald, Marshfield.
John K. Wotruba, Milladore.
Roswell S. Richards, Monticello.
Axel L. Olson, Mountain.
Nicholas Abler, Mount Calvary.
Lillian N. Hughes, New Richmond.
John W. Johnson, Pepin.
Rudolph I. Baumann, Phillips.
John P. Pabst, Pittsville.
Louis H. Schultz, Reedsburg.
Adelbert O. Randall, Rosendale.
William J. Corry, South Milwaukee.
Louis J. Thompson, Spooner.
John C. Reinke, Stone Lake.
Bethel W. Robinson, Superior.
Alfred H. Hadler, Thiensville.
William S. Wagner, Thorp.
Louis H. Rivard, Turtle Lake.
Elmer A. Peterson, Walworth.
John T. O'Sullivan, Washburn.
Edward A. Peters, Waterloo.
James W. Carew, Waupaca.
Frank P. McManman, Wisconsin Dells.

HOUSE OF REPRESENTATIVES

THURSDAY, MAY 26, 1938

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Almighty God, our Heavenly Father, who art the hope of all the ends of the earth, remember us in love and guide us by Thine infinite wisdom. Grant Thy blessing upon these Thy servants of our Republic. Clothe them with the spirit of wisdom and truth. So rule in all hearts and so bless us in all endeavors that justice and contentment may prevail. We pray, so purify our spiritual visions that we may see Thee; renew our inward lives through the unseen and eternal. O Thou whose nature is love, whose spirit is goodness, whose will is peace, make Thy face to shine upon us and be gracious unto us. Oh, lift up Thy countenance upon us that we may see the glowing pathways of righteous duty and service. In the holy name of Jesus. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. St. Claire, one of its clerks, announced that the Senate had passed without amendment a joint resolution of the House of the following title:

H. J. Res. 647. Joint resolution to increase by $15,000 the amount authorized to be appropriated for the observance of the anniversary of the adoption of the Ordinance of 1787 and the settlement of the Northwest Territory.

The message also announced that the Vice President had appointed Mr. TRUMAN a member of the committee of conference on the part of the Senate on the bill (S. 3845) to create a Civil Aeronautics Authority, and to promote the development and safety and to provide for the regulation of civil aeronautics, vice Mr. CLARK, resigned.

Mr. TABER. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. RAYBURN. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 90]

Anderson, Mo.	Dirksen	Lambeth	Secrest
Andrews	Ditter	Lesinski	Shafer, Mich.
Arnold	Dockweiler	Lucas	Shanley
Atkinson	Doughton	McGranery	Sirovich
Barden	Douglas	McGroarty	Smith, Maine
Binderup	Drew, Pa.	McMillan	Smith, Okla.
Bland	Elliott	Maas	Somers, N. Y.
Boehne	Fish	Magnuson	Steagall
Boren	Fitzpatrick	Martin, Mass.	Sullivan
Buckley, N. Y.	Gasque	Mitchell, Tenn.	Taylor, Colo.
Bulwinkle	Gifford	Norton	Thurston
Byrne	Gildea	O'Connell, R. I.	Tinkham
Cannon, Wis.	Goldsborough	O'Connor, Mont.	Vincent, Ky.
Champion	Gray, Ind.	O'Day	Vinson, Ga.
Chapman	Gray, Pa.	Oliver	Wallgren
Claypool	Greenwood	Palmisano	Wearin
Cole, Md.	Griswold	Pettengill	Weaver
Cole, N. Y.	Hancock, N. C.	Polk	Wene
Creal	Hart	Quinn	Whelchel
Crosby	Hoffman	Ramspeck	White, Idaho
Culkin	Holmes	Reece, Tenn.	Wilcox
Curley	Hook	Rich	Wolcott
Daly	Hunter	Richards	Woodruff
Deen	Kennedy, Md.	Rogers, Okla.	
Delaney	Kniffin	Sadowski	
DeMuth	Kvale	Scott	

The SPEAKER. On this roll call 324 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

WAR DEPARTMENT APPROPRIATION BILLS, 1939

Mr. SNYDER of Pennsylvania. Mr. Speaker, I ask unanimous consent to have until midnight tonight to file a conference report on the bill (H. R. 9995) making appropriations for the Military Establishment for the fiscal year ending June 30, 1939, and for other purposes, and on the bill (H. R. 10291) making appropriations for the fiscal year ending June 30, 1939, for civil functions administered by the War Department, and for other purposes.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

WHAT IS WRONG WITH WALL STREET?

Mr. KRAMER. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD at this point on What Is Wrong With Wall Street?

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. KRAMER. Mr. Speaker, in these days of depressed financial conditions it is indeed refreshing to learn of at least one Wall Street banker who is not discouraged, but on the contrary highly pleased with the program enacted by Congress in the last few years which is designed to curb dishonesty and greedy speculation in the capital markets.

I refer to John J. Bergen, a youthful Wall Street underwriter whose courage, foresight, and tenacity in this period of stress are indeed edifying and encouraging to the observer. I have never met Mr. Bergen. I know him only through his intimates.

From these people I learn that Mr. Bergen foresaw that the old Wall Street, its traditions, its methods of doing business, some of its personnel, and its reactionary attitude toward changing social conditions were fast crumbling. Did Mr. Bergen sit idly by, criticizing and condemning the Democratic Party and this Congress and the Securities Exchange Commission for alleged ineptitude? Did his wails resound through these walls? Did he lament the passage of the so-called lush days, when almost any man of integrity and energy could amass a fortune? He most certainly did not.

Mr. Bergen changed the entire structure of his widespread banking interests. He kept pace with our changing times and conditions. He studied regulations of the Securities and Exchange Commission and framed his banking structure to meet its requirements, despite many difficulties in attempting to follow out Securities and Exchange Commission regulations. The result has been, I understand from those who

know him, that Mr. Bergen's banking interests have been more prosperous than ever. Here was a man who knew the sting of early defeat; a man who had struggled for every penny he ever earned, making a financial comeback when banking houses all about him were tumbling with distressing rapidity.

Mr. Bergen is still a young man. Well might the bankers of this country look to him for guidance and leadership. He did not balk at regulation of his profession. He threw his books open to S. E. C. He abided by its regulations, according to their interpretation of the acts of Congress, a course which frequently brought hardships. He cast aside old-time worn-out banking methods in favor of progressive ideas. He was the pioneer in new ways of supplying industry with much-needed capital. John J. Bergen should rightfully be called the Lindbergh of Wall Street.

What is wrong with Wall Street? On the answer to that question hinges the prosperity of a whole Nation, for Wall Street seems to be the financial bellwether, leading the country along the path of prosperity when the market is good and taking us along the road of depression when the market tumbles.

Some bankers have told me that nothing is wrong with Wall Street but that the fault lies with so-called Wall Street leaders who, set in their ways, refuse to acknowledge the trend of changing times and methods for financing industry. They are attempting to merchandise capital through avenues and by means of methods that have long been outmoded. That seems to be one of the few important professions that refuses to see the light of day and to set its house in order accordingly.

Let us suppose the medical profession or the legal profession held to theories and practices of 100 years ago. Would we have made progress? Would we have healthier families? Would we have the efficient court systems we see everywhere in this country today? We would not. Let us suppose the railroads continued to operate with outmoded equipment, telephone and telegraph communication had not been perfected, or the sugar refiners still brought sugar to the corner grocery store in barrels where it was sold by the old hand-rolled cone method. It is not difficult to visualize what a multiplicity of such examples would mean to a country, the very foundation of which has been progressive change for more than 150 years. Wall Street alone seems to have feared change. It seems that this vast financial sector of the country still dreams and works in the atmosphere of 1890.

We Americans have been universally recognized and lauded for the rapid strides we have made in technological developments. We have set the pace for many countries of the world in all types of engineering, medicine, law, and contemporary intellectual advancement. We have invariably been the first to discard the obsolete; to reverse methods in favor of more efficient and cheaper production so that all the people might enjoy the good things of life. Even our courts have kept stride with the times by reversing previous decisions in favor of changing social and economic conditions. Progress is based on change without which there can be no progress. Without change there can be only stagnation and decay.

I believe it is because Wall Street clings so tenaciously to the old order of doing things that there has been stagnation in the capital markets in which there should be nothing but liquidity if a country is to survive. Wall Street has an important place in our economic set-up. Banking institutions there and the men at the head of them perform services of inestimable value, but a good part of their functions becomes nullified in a period of financial decadence such as we are now experiencing. Wall Street must look to new methods for conducting its business and employ methods embraced within the frame of the Securities and Exchange Commission.

The Securities and Exchange Commission, of course, is not perfect. I believe with our President that time will perfect that machinery. But at least it is a good start in the right direction. There seems to be some misapprehension in Wall Street concerning interpretations of the Securities and Exchange Commission. Banking houses say they are under mental strain because of a conflict in interpreting Securities and Exchange Commission regulations, but all this, I feel sure, will be cleared up with the passage of time.

Meanwhile, Wall Street might well follow the lead of John J. Bergen, a youthful banker who believes our present form of democracy is not incompatible with keeping liquid the capital markets of a great nation. He has shown the way toward governmental cooperation. He has prospered because he had the vision to see that intelligent change is preferable to stagnation and financial "blues crying." Let Wall Street look around for leaders like this man.

CIVIL AERONAUTICS BILL

Mr. LEA. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (S. 3845) to create a Civil Aeronautics Authority, and to promote the development and safety and to provide for the regulation of civil aeronautics, with a House amendment, disagree to the Senate amendment, and agree to the conference asked by the Senate.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from California? [After a pause.] The Chair hears none, and appoints the following conferees: Messrs. LEA, CROSSER, BULWINKLE, EICHER, HOLMES, and WADSWORTH.

ANNOUNCEMENT

Mr. IZAC. Mr. Speaker, I ask unanimous consent to proceed for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. IZAC. Mr. Speaker, yesterday afternoon about 100 Members of the House listened to a very enlightening address delivered by our colleague the gentleman from Nebraska [Mr. BINDERUP] on the question of monetary control. I call attention to the fact that the gentleman has obtained permission to speak for 30 minutes on each of 4 consecutive days, in which speeches he will tell us other things about the fundamentals of monetary control. I bespeak for him the continued interest of the Members.

[Here the gavel fell.]

Mr. DRIVER. Mr. Speaker, I ask unanimous consent to address the House for one-half minute to make an announcement.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. DRIVER. Mr. Speaker, I desire to announce to the House that the Select Committee Investigating the Tennessee Valley Authority is now holding hearings in the Senate Office Building. The House members of that committee, Messrs. MEAD, THOMASON of Texas, WOLVERTON, JENKINS of Ohio, and myself, are attending these meetings during the sessions of the House. I make this announcement in order that the RECORD may reflect the fact of our absence and the duties in which we are engaged.

EXTENSION OF REMARKS

Mr. REILLY asked and was given permission to extend his own remarks in the RECORD.

NATIONAL LABOR RELATIONS BOARD

Mr. MEAD. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. MEAD. Mr. Speaker, a great deal has been said about the attitude of labor in its respect for the National Industrial Labor Relations Board's decisions, and about labor's attitude in complying with regulations. I bring to the attention of the House a situation that has developed recently in my State wherein the Bigelow Carpet Manufacturing Co., of Amsterdam, prior to the termination of its contract with the workers, and without the formality of negotiations, broke the contract, reduced the wages of the workers, and forced what is from all appearances a lockout in that manufacturing center. The chamber of commerce,

the newspapers, and everybody else there, I am informed, seem to sympathize with the workers. That company, however, has steadfastly refused to comply with the regulation to submit to established principles of law or to negotiate with its workers.

I point out that at this critical period of our country's history, when compliance and cooperation of every element of our citizenship is required in order that we may solve our problems, this ought to be noted and placed in the RECORD. That organization should be censured and disciplined for public information.

STATEMENT WITH REFERENCE TO THE BIGELOW SANFORD CARPET CO. STRIKE

The Bigelow Sanford Carpet Co. is one of the three largest companies in America in that industry. It employs 6,000 persons out of a total of 30,000 persons in the carpet and rug industry, most of which is located in New York State. Its annual sales approximate $30,000,000, out of a total of $125,000,000 for the entire industry.

The company has two plants of equal size, each employing about 3,000 persons. One is located at Amsterdam, N. Y., and the other at Thompsonville, Conn.

Specific agreements exist at the Amsterdam plant, but only a verbal understanding exists at the Thompsonville branch.

I am informed that the company announced that they would put a wage reduction into effect on Monday, May 9. They notified the local unions, and would not negotiate the issue. After this refusal the locals met and decided to attempt to negotiate with the company. They agreed that if the company refused to rescind the wage cut the employees' committee would be empowered to call a strike.

The employees' committee met in New York on Monday, May 9, the day that the wage reduction went into effect. They called on the company officers and urged them to rescind the wage reduction and to bargain collectively with the workers, and, if necessary, to submit the question to arbitration. The company refused to bargain or to arbitrate and declared the decision of the management could not be reviewed; it was final.

The result was that on the following Tuesday meetings were called by the locals and the strike began on Wednesday. Both plants are completely shut down. Local merchants have petitioned the company to settle the issue, but the company has refused to even arbitrate. The town and local governments have cooperated with the strikers. In Thompsonville the strikers have been deputized. Even the reactionary papers have referred to the strikes as "ideal" because of the orderliness with which they are being conducted. Nevertheless, temper is rising daily because the local managements are antagonistic and are issuing vituperative statements.

Simultaneously the unions started court action to enjoin the company from violating the agreements that existed. Through court maneuvers the company has succeeded in delaying the hearings, even though they failed to have the issue thrown out of court.

The unions have also filed charges against the company for violation of the National Labor Relations Act.

A complaint against the Bigelow Sanford Carpet Co. was filed with Mrs. Elinore M. Herrick, director of the New York State division of the National Labor Relations Board. This is another step taken by the employees in their effort to compel this company to observe its obligation of collective bargaining with the organized workers of Amsterdam and Thompsonville concerning the 10-percent wage reduction which was instituted by the company. The union has demanded the restoration of the 10 percent and immediate collective bargaining concerning the wage question. The workers declare that they want "negotiation, conciliation, arbitration the American way." The company simply refuses to negotiate.

EXTENSION OF REMARKS

Mr. BACON. Mr. Speaker, I ask unanimous consent to extend my own remarks in the Appendix of the RECORD and include two short tables covering expenditures, tax receipts, and so forth, having to do with fiscal affairs.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. PLUMLEY. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and insert therein a speech I made at Bennington, Vt., on last Sunday.

The SPEAKER. Is there objection to the request of the gentleman from Vermont?

There was no objection.

THE LATE HENRY R. GIBSON

Mr. TAYLOR of Tennessee. Mr. Speaker, I ask unanimous consent to proceed for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

Mr .TAYLOR of Tennessee. Mr. Speaker, the morning newspapers today carry the sad intelligence that at his home on yesterday the Honorable Henry R. Gibson, a former Member of this body, at the ripe old age of 101 years passed to the Great Beyond.

Judge Gibson, as he was familiarly known, was a predecessor of mine, having represented the Second District of Tennessee for a period of 10 years, entering this body on March 4, 1895, and voluntarily retiring on the 4th day of March 1905. Judge Gibson rendered an unusual and outstanding public service. Few men possessed such a versatility of talent. He was a soldier, lawyer, jurist, author, and statesman, and he exhibited extraordinary ability in every capacity in which he served.

His Gibson Suits in Chancery is a masterpiece on legal jurisprudence. This work has been translated into many languages, and is used as a textbook at Yale and other American institutions. Every lawyer in Tennessee will proudly acknowledge that this volume on chancery practice is absolutely indispensable, and I understand it is used extensively by members of the bar in many other States. His last legal contribution was a codification of the laws of Alaska, which I understand is now in general use in that far-away northwest Territory. Judge Gibson was the last member of the Tennessee Constitutional Convention of 1876 to pass away. As a testimonial and in recognition of his valuable contribution to the legal lore of the Volunteer State, the Legislature of Tennessee some time ago adopted a joint resolution to that effect, which was written on parchment and transmitted to the now deceased.

Judge Gibson was a man of impeccable integrity. In his public career he displayed the courage of the cavalier, and his private life was the essence of rectitude and chastity.

Mr. Speaker, the people of my district and the State of Tennessee are proud of the contribution this distinguished man made to his State and to his country.

When Judge Gibson retired from Congress he took up his residence in Washington, and continued to reside here until his death. He remained here in order to be near the great libraries of the National Capital, where he carried on extensive research.

He leaves a widow by a second marriage and two daughters by his former marriage, the daughters being Mrs. Joe T. Brownlee and Mrs. Walter Wells, both of whom reside in the city of Washington. [Applause.]

PERMISSION TO ADDRESS THE HOUSE

Mr. CONNERY. Mr. Speaker, I ask unanimous consent to proceed for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. CONNERY. Mr. Speaker, many Members of the House have expressed deep interest in my efforts on behalf of securing an investigation of radio monopoly and the Federal Communications Commission. This morning I had the privilege of appearing before the Rules Committee to request such investigation. I am very hopeful that we may be successful in our effort to secure an investigation.

Mr. Speaker, I ask unanimous consent to have inserted in the RECORD at this point the statement I made before the Rules Committee this morning.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

The statement follows:

THE NEED FOR AN INVESTIGATION OF THE RADIO MONOPOLY

1. Proven inefficiency of the Commission to protect the public.

2. Existence of a dangerous radio monopoly which has been promoted and protected by some members of the Commission.

3. The broadcasting of indecent, profane, and obnoxious radio programs, with little or no action on the part of the Commission.

4. Broadcasters challenging the honesty of elected officials, such as alleging that votes of the members of a legislative body can be bought for $100 down to a pound of tea, without any action on the part of the Commission.

5. No apparent effort on the part of the Commission to insure the carrying out of the Communications Act wherein licensees hold and secure renewal of licenses only when public interest, convenience, or necessity is served.

The Communications Act of 1934, under which the Communications Commission operates, requires (sec. 307) that radio licensees serve public interest, convenience, and necessity. Law further requires that before license can be renewed, Commission must certify that public interest, convenience, or necessity is being served (sec. 309).

Commissioner Sykes testified before House Appropriations Committee that renewal of license is perfunctory and a clerical performance despite the law, which reads as follows:

"SEC. 309. (a) If upon examination of any application for a station license or for the renewal or modification of a station license the Commission shall determine that public interest, convenience, or necessity would be served by the granting thereof, it shall authorize the issuance, renewal, or modification thereof in accordance with said finding."

Commissioner Sykes' testimony was as follows:

"Mr. WOODRUM. To what extent do they (licenses) have to be reconsidered? Is it a perfunctory proposition, unless there are some charges made?

"Mr. SYKES. Yes.

"Mr. WOODRUM. So far as the application is concerned, if there are no charges, it is merely a clerical operation?

"Mr. SYKES. Yes."

(From p. 365, 1938 House appropriations hearings.)

Public interest, which the Congress specifically sought to serve and protect, cannot be served by those licensees residing thousands of miles away from the community served by their radio station when they have no interest or even knowledge of the needs of those communities. The radio monopoly, carrying chain programs duplicated in almost every area, serving sometimes a hundred or more stations, naturally can offer a more attractive program than the submerged little station which honestly seeks to serve the people of its community.

The Commission in granting licenses has taken into consideration not whether the applicant can or will serve public interest, but, in the main, will the radio station be profitable? A few weeks ago the head of the radio monopoly, Mr. Sarnoff, addressed a meeting and his speech was printed in a 15-page booklet. Nowhere in the book will you find where he contended that his company was serving public interest, convenience, or necessity. His whole motive was profits.

The inefficiency or lack of interest on the part of the Commission as to whether the law is being carried out and whether or not radio stations are serving public interest, convenience, or necessity, deprives local people from being able to secure radio licenses to serve their home communities because almost every desirable wave length of high power has been gobbled up by the National Broadcasting Co., the Columbia, the Mutual, and their affiliates.

Stations have put on indecent and obnoxious radio programs. I have many complaints of blood-curdling children's programs such as Dick Tracy, Lone Ranger, Gang Busters, and others of the same kind which the writers claim are a menace to the children of our Nation. Other programs have been put on which are so indecent that, following my talks with leaders of the House, I have decided they are not fit for publication in the CONGRESSIONAL RECORD. One of these programs is so indecent that even listing the characters named in the program, to my mind, would be obnoxious. Yet this program, and presumably others of its kind, were broadcast into thousands of unsuspecting American homes.

In at least one case, even with a sworn-to transcription of this program on file with the Commission with a formal complaint, no action has been taken by the Commission as a whole other than to renew the license.

A few years ago a station on the Pacific coast, KNX, was cited for 44 violations of the law in 1 day. The employee of the Commission who built up this case, presumably in the public interest, was rewarded by the Commission by being demoted. The owner of the station, realizing he was in trouble, sold his station to the Columbia for one and one-quarter million dollars. What went with the sale of the radio license is hard to ascertain, as Columbia has built its own studios and its own transmitter. This radio frequency or license which was sold to Columbia for one and one-quarter million dollars, plus a commission of $100,000 to a radio broker, cost the seller nothing other than his investment of some $200,000. In other words, a Government franchise was sold to one of the monopoly group for something more than a million dollars, out of which the Government received nothing.

It is charged that radio stations have indulged in political activities, using the facilities of their stations and the services of their employees to defeat Congressmen and other public officials seeking reelection, without any reprimand on the part of the Commission. This can happen to any member of this committee or any Member of the House.

There is on file in the Commission a sworn complaint made by a former employee of a radio station in Boston that the station used its facilities and the personal service of its paid employees in an effort to defeat my late brother, "Billy" Connery. This was carried on without the slightest knowledge on our part and I only learned of it on April 1 of this year, after this sworn complaint had been filed with the Commission.

This station, according to this sworn statement, financed the Republican candidate's campaign. Its employees are alleged to have prepared the speeches of my brother's Republican opponent and the station is said to have entered into fake contracts to pretend that the Republican candidate was paying for the radio time which he used. The so-called editorial page of this radio station was allegedly used to promote the campaign of the Republican candidate while at the same time denouncing my brother's character as well as his Democracy.

This same radio-station owner, who, I understand, under one name or another, holds nine radio licenses, permitted his so-called editorial commentator to allege that any member of the Massachusetts Legislature could be purchased for something between a pound of tea and a hundred dollars.

This same radio licensee permitted such vulgar and malicious utterances over his station last November and December that a responsible Boston daily Democratic newspaper described these broadcasters in an editorial as "The hatchet men of the air."

That the radio monopoly controls the activities of some members of the Commission is general talk. Any time a question comes up which concerns the National Broadcasting Co. Commissioner Brown is said to be very active and credited with taking very good care of their interest, while when a matter comes before the Commission concerning the Columbia Broadcasting Co. Commissioner Sykes is said to be very active in their behalf.

Some months ago two lawyers specializing in radio matters were brought before the Commission for disbarment for, let us say, unethical practice, to put it mildly. One of these lawyers was reprimanded for tampering with the files, while the other was suspended for 60 days. The suspended lawyer's defense was that what he was charged with was common practice, and, strange as it might seem, the Commission has never made an inquiry to ascertain whether or not his sworn contention that that for which he was disbarred for 2 months was common practice before the Commission.

An additional reason for this investigation is the arrogance shown in these subsidized publications supported by the radio monopoly.

I hold here a copy of a subsidized publication, allegedly, as the title states, covering the communications industry and claiming to be an authentic record of Congress, which has deliberately distorted even the contents of the CONGRESSIONAL RECORD.

On page 21 I find that on May 6 I am credited with assailing Commissioner Craven, when the printed facts are that I made no mention of him, directly or indirectly. I did, however, without the slightest concealment, criticize Chairman McNinch at that time.

A more subtle form of propaganda in behalf of the radio monopoly, printed possibly in return for one of the $40,000 advertisements of R. C. A. in one of the Time magazines, appears in Time in its issue of May 16. In this issue we find the black flag of bigotry raised anew from whence it generally originates, namely, Wall Street. Apparently the financiers controlling this publication believe the time has arrived for the return of bigotry and intolerance, and this sheet has decided to become a spokesman for the bigots and the intolerants of the present day.

While we find more than 20 names referred to in this story, in only one instance do we find the religion of anyone mentioned, derisively, and that happens to be myself. I have no hesitancy in proclaiming that I am a Catholic and that I detest bigotry and intolerance.

Chairman McNinch, who is honored by this publication by having his picture on the front page and whom the subsidized publication seeks to protect from criticism, deserted the Democratic Party in 1928, was honored by Hoover in 1930, and unless he is willing to plead guilty to being an ingrate could hardly say that he supported Roosevelt in 1932 and 1936.

The public interest should be protected and those radio stations which are serving public interest should not be made to suffer because of the actions of the radio monopoly or the apparent subserviency of the members of the Communications Commission to the radio monopolists.

For the reason herein given, I believe that a congressional investigation should be made of the radio monopoly and the Communications Commission in order that the House may enact the necessary legislation which will be helpful and not harmful.

INVESTIGATION OF UN-AMERICAN ACTIVITIES

Mr. DIES. Mr. Speaker, I call up House Resolution 282 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

House Resolution 282

Resolved, That the Speaker of the House of Representatives be, and he is hereby, authorized to appoint a special committee to be composed of seven members for the purpose of conducting an investigation of (1) the extent, character, and objects of un-American propaganda activities in the United States, (2) the diffusion within the United States of subversive and un-American propaganda that is instigated from foreign countries or of a domestic origin and attacks the principle of the form of government as guaranteed by our Constitution, and (3) all other questions in relation thereto that would aid Congress in any necessary remedial legislation.

That said special committee, or any subcommittee thereof, is hereby authorized to sit and act during the present Congress at such times and places within the United States, whether or not the House is sitting, has recessed, or has adjourned, to hold such hearings, to require the attendance of such witnesses and the production of such books, papers, and documents, by subpena or otherwise, and to take such testimony as it deems necessary. Subpenas shall be issued under the signature of the chairman and shall be served by any person designated by him. The chairman of the committee or any member thereof may administer oaths to witnesses. Every person who, having been summoned as a witness by authority of said committee, or any subcommittee thereof, willfully makes default, or who, having appeared, refuses to answer any question pertinent to the investigation heretofore authorized, shall be held to the penalties provided by section 102 of the Revised Statutes of the United States (U. S. C., title 2, sec. 192).

Mr. BOILEAU. Mr. Speaker, this is a very important matter and there will be no opportunity for discussion thereof except under the rule which provides only 1 hour's general debate.

Mr. Speaker, I ask unanimous consent that the time for debate on this resolution be extended 1 hour, which will make a total of 2 hours, the time to be equally divided between those for and against the resolution.

The SPEAKER. The gentleman from Wisconsin asks unanimous consent that the time for debate on the resolution be extended 1 hour, and that control of the time of general debate be equally divided between those favoring and those opposing the resolution. Is there objection?

Mr. BOILEAU. Mr. Speaker, I did not ask that control of the time be distributed, but that the time be divided equally. I am perfectly willing that gentlemen otherwise designated may control the time if the time is equally divided between those for and against.

The SPEAKER. The Chair may say that if the unanimous-consent request is granted, the Chair will recognize one gentleman to control an hour of the time in favor of the resolution and another gentleman to control the time in opposition. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

The SPEAKER. The gentleman from Texas [Mr. DIES] is recognized for 1 hour. May the Chair inquire if there is any member of the Committee on Rules who is opposed to the resolution?

Mr. O'CONNOR of New York. Mr. Speaker, I understand that the 1 hour, which will be in control of the gentleman from Texas, has been extended to 2 hours, so that he will be in position to yield half of the time to a Member on the minority side.

Mr. BOILEAU. No.

The SPEAKER. As the Chair remembers the unanimous-consent request of the gentleman from Wisconsin, it was that one-half of the time be controlled by a Member in favor of the resolution and the other half by someone opposed.

Mr. O'CONNOR of New York. I did not so understand.

The SPEAKER. And that unanimous-consent request was granted.

Mr. MAPES. Mr. Speaker, the usual practice is to give control of one-half of the time to the minority side of the committee.

The SPEAKER. The Chair was endeavoring to ascertain if there is any member of the Committee on Rules on the minority side who is opposed to the resolution.

Mr. MICHENER. Mr. Speaker——

The SPEAKER. For what purpose does the gentleman from Michigan rise?

Mr. MICHENER. To submit a unanimous-consent request, Mr. Speaker. I am very much interested in the integrity of the rules and in the practice as we have always understood it here, and I believe that is what we all want to maintain. In view of that, I ask unanimous consent that the proceedings just had with respect to the unanimous-consent request of the gentleman from Wisconsin be vacated, and that the time of the chairman of the Committee on Rules be extended to 2 hours, to be disposed of in the usual way, it being understood, of course, that those opposed to the resolution will have time.

Mr. BOILEAU. Reserving the right to object, Mr. Speaker, I wish to say that the Republican members of the Committee on Rules and other committees have always been very fair to those of us in the minority parties. I have no desire to disrupt the ordinary procedure. May we have the understanding, Mr. Speaker, that half of the 2 hours will be given to Members who wish to speak in opposition to the resolution? I do not care who controls the time. I am perfectly willing that an hour be under the control of the gentleman from Texas [Mr. DIES] and an hour under the control of the gentleman from Tennessee [Mr. TAYLOR], if they will advise the House that they will endeavor to give half the time, respectively, to Members opposed to the resolution.

Mr. MAVERICK. Reserving the right to object, Mr. Speaker, I see no reason to object to that request, because I am opposed to the resolution and the gentleman has already agreed to give me time. I believe that both the gentlemen in control of the time will be fair, although they are in favor of the resolution.

The SPEAKER. The Chair can only submit the parliamentary question now pending. Is there objection to the request of the gentleman from Michigan?

Mr. BOILEAU. Reserving the right to object, Mr. Speaker, if the gentleman from Tennessee and the gentleman from Texas have an understanding about the time and will divide the time between those for and against the resolution, that is all the assurance I want.

Mr. TAYLOR of Tennessee. I shall be pleased to allow time to those opposed to the resolution.

The SPEAKER. Is there objection to the request of the gentleman from Michigan that the proceedings with reference to the unanimous-consent request of the gentleman from Wisconsin be vacated, and that the time be extended 1 hour and the gentleman from Texas have control of the 2 hours?

There was no objection.

Mr. DIES. Mr. Speaker, I yield 1 hour to the gentleman from Tennessee [Mr. TAYLOR].

Mr. KELLER. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. KELLER. Will there be any opportunity to offer amendments, and if so, when and how?

The SPEAKER. That is a matter entirely within the control of the House. The Chair may state, however, that if the motion for the previous question on the resolution should be voted down, the resolution would be open to amendment.

Mr. DIES. Mr. Speaker, I yield myself 10 minutes.

Mr. Speaker, this resolution, as it shows on its face, is for the purpose of investigating un-American activities.

I desire to make it plain in the beginning of my remarks, Mr. Speaker, that this investigation is not directed at any race, and that the impression which has been created in some quarters that this investigation is directed at the German-American people is unfounded. I would not have anything to do with any investigation that sought to cast an aspersion upon the German-Americans of this country. I know of no more loyal citizens than the majority of German-Americans in this Nation. My own mother is of German descent. I desire to refute some of the unfounded charges that have been made to the effect that this investigation is aimed in that direction. This investigation is not directed at any race, for we all live in America, peoples of all races and of all creeds. While we may have our differences with regard to economic questions or methods that men use to achieve cer-

tain objectives, it seems to me that certainly all Americans of every political faith can agree upon those inherent and fundamental rights that distinguish this country from all foreign nations. I have often believed that the distinction between the American form of government and the forms of government which prevail in many European countries is the conception we have in America that we derive fundamental and inherent rights not from society, not from governments, but from Almighty God, and having derived those fundamental rights from God, no man or no majority of men can deprive us of the inherent right to worship God according to the dictates of our conscience or to speak our opinions and our convictions as we feel them. I can assure the House here and now that if I have anything to do with this investigation it will in no sense be an effort to abridge the undisputed right of every citizen in the United States to express his honest convictions and enjoy freedom of speech.

Mr. WARREN. Mr. Speaker, will the gentleman yield?

Mr. DIES. I yield to the gentleman from North Carolina.

Mr. WARREN. The wording of this resolution is most unusual. I do not recall a similar case. This resolution seeks to set up an investigating committee, but nowhere in the resolution do you provide for a report to Congress. This means that the lid is off. It would mean that you could come back here next January and ask for permission to file a report or to extend the inquiry over a period of years, if you cared to do so. I believe 7 months is long enough to investigate any subject on earth. The gentleman controls the previous question, and I am wondering if he would accept an amendment for a new section providing that the committee shall file its report to the House on January 3, 1939, or may file its report earlier, in case the House is not in session, with the Speaker of the House for printing as a public document. I may say this has nothing to do with whether or not I support the resolution. All I am asking is, Will the gentleman permit the filing of the report?

Mr. DIES. I may say to the gentleman it was my understanding and belief that any committee created by this Congress would terminate at the expiration of the Congress. I see no objection to the amendment, as far as I am concerned.

Mr. WARREN. I hope the gentleman will accept the amendment. If not, we will just have to vote down the previous question so we can amend the resolution.

Mr. DIES. I see no objection to the acceptance of the amendment. It is perfectly all right with me, because I believe the committee ought to conclude its hearings by that date.

Mr. MAVERICK. Mr. Speaker, will the gentleman yield?

Mr. DIES. I yield.

Mr. MAVERICK. We do not want to be barred from offering other amendments, and if the resolution is to be open for one amendment, it ought to be opened for all amendments; and if the gentleman agrees that it may be opened for one amendment, would the gentleman agree to open it for all other amendments?

Mr. DIES. That is not a matter for me to agree to. That is a matter for the action of the House.

Mr. O'CONNELL of Montana. Mr. Speaker, will the gentleman yield?

Mr. DIES. I yield.

Mr. O'CONNELL of Montana. I have an amendment with respect to the Jersey City situation which I think ought to go in the resolution. [Laughter.]

Mr. DIES. As I was saying, Mr. Speaker, when I was interrupted, I have absolutely no patience with any effort in this country to abridge the rights of speech. I opposed a movement in my country which spread from one section to the other, and which was aimed at religious freedom and directed at certain races, and any effort in this country to create prejudice toward certain people on account of the fact that they happen to belong to certain racial groups is unworthy of the fundamental ideals of Americanism, as I understand them.

Now, I know the argument will be used, What is the value of an investigation? I have a mass of information that has been supplied to me that is shocking, information which shows the extent of the Nazi and Communist movements in the United States. I am not one of those who are inclined to be alarmists. I am not inclined to look under every bed for a Communist, but I can say to this House that there is in my possession a mass of information showing the establishment and operation of some 32 Nazi camps in the United States, that all of these camps have been paid for, that they claim a total membership of 480,000, that they assemble in these camps, and I have seen photographs that have been furnished from various sources showing the fact that in these camps men are marching and saluting the swastika, if that is the proper word for it. Not only is this true, but I have information in my possession that certain individuals and groups in America have contributed funds for the purpose of encouraging the Fascist or Nazi movement in this country, and may I say in that connection that so far as I am concerned I regard communism and nazi-ism and fascism as having one underlying principle—dictatorship—the theory that government should have the right to control the lives, the fortunes, the happiness, the beliefs, and every detail of the life of the human being, and that man is a pawn of the government, rather than the American conception that government is created for the benefit of mankind.

Mr. JOHNSON of Minnesota. Mr. Speaker, will the gentleman yield?

Mr. DIES. I yield.

Mr. JOHNSON of Minnesota. If the gentleman says he has positive information that there are 31 bund camps now organized in the United States, why does he not, as a member of the Rules Committee, see that the bill (H. R. 10003), the Voorhis bill, to forbid private military companies and organizations is passed by the House, rather than go on a fishing expedition all over the country when you have the information now?

Mr. DIES. I will say to the gentleman that I never knew there was such a bill until this morning, when it was shown to me, I believe, by the gentleman from Texas [Mr. MAVERICK].

Mr. JOHNSON of Minnesota. Will not the gentleman admit that when he knows the condition that exists in respect to Nazi activities in the United States, that the thing to do is not to waste 7 months on that committee, but to pass an act immediately?

Mr. DIES. That is easy to talk about, but the most difficult matter in the world is to deal with this subject. In the first place neither the gentleman, nor I, nor any Member of this Congress would sanction any legislation that might have as its effect the abridgment of the right of free speech in America. I care not what the gentleman's views are, I care not what his economic or religious or political views are, and I respect every man in this House who believes in his views, but I do believe that every man's right to express those views should be safeguarded.

Mr. HARLAN. Mr. Speaker, will the gentleman yield?

Mr. DIES. Yes.

Mr. HARLAN. Is it not true also that there is a matter involved here that is a great deal more comprehensive than mere military drilling, in that it is to the interest of the people of the United States to find where these funds are coming from?

Mr. DIES. That is right.

Mr. HARLAN. And what other activities they are engaged in, and who is the leader, and the general program of undermining our institutions. They would not be covered by a merely military organization.

Mr. DIES. The gentleman is absolutely correct.

The SPEAKER. The gentleman from Texas has used 10 minutes.

Mr. DIES. Mr. Speaker, I yield myself 5 minutes more. In connection with some of the information that has come to my attention. I have seen affidavits signed by supposedly reputable people, charging that in one of the principal Nazi

camps only recently a speech was made by one member of this bund advocating the assassination of the President of the United States. In addition to that, on the other hand, I hold here a letter which was written to my colleague, the distinguished chairman of the Committee on Rules, the gentleman from New York [Mr. O'CONNOR]. I cannot read the name of the man who signed the letter, because I have been asked not to do that, but the charge is made in the letter that in the city of New York the Communists are preparing to picket the home of the gentleman from New York [Mr. O'CONNOR]—and I do not deny the right of men to picket industries where there is a labor dispute—and to harass and humiliate and to use every effort and purpose to bring about the political destruction of this Member of Congress.

Mr. CRAWFORD. Mr. Speaker, will the gentleman yield?

Mr. DIES. Yes.

Mr. CRAWFORD. The gentleman made such a clear-cut statement, with which I agree, a moment ago with reference to communistic activities, that I ask him whether he heard Browder's radio address last night, beginning at 10:30 and ending at 10:40 on this subject, and I suggest if the gentleman did not hear it, that he move heaven and earth to get a copy of it, because it was a hair-raiser.

Mr. DIES. I thank the gentleman.

Mr. KELLER. Mr. Speaker, will the gentleman yield?

Mr. DIES. Yes.

Mr. KELLER. How many committees or commissions have already been appointed by this House for a similar purpose?

Mr. DIES. There was one committee appointed some years ago headed by our distinguished colleague the gentleman from Massachusetts [Mr. MCCORMACK] that performed a very useful function. Let me say to the gentleman that I believe all depends upon the way the committee is handled. I can conceive that a committee constituted or composed of men whose object it is to gain publicity, or whose object it is to arouse hatred against some race or creed, or to do things of that sort, might do more harm than good. On the other hand, investigations have a useful purpose. The other body creates committees constantly to investigate. I am not in a position to say whether we can legislate effectively in reference to this matter, but I do know that exposure in a democracy of subversive activities is the most effective weapon that we have in our possession. Always we must keep in mind that in any legislative attempt to prevent un-American activities, we might jeopardize fundamental rights far more important than the objective we seek, but when these activities are exposed, when the light of day is brought to bear upon them, we can trust public sentiment in this country to do the rest.

Mr. KELLER. Was there not another committee headed by the gentleman from New York [Mr. FISH]?

Mr. DIES. I do not know about Mr. FISH's committee.

Mr. KELLER. And did they not get about all the publicity possible before this country?

Mr. DIES. I know the gentleman from Illinois is a liberal-minded gentleman, but let me say to the gentleman that some of these groups, especially the Communists, are very strong in their advocacy of freedom of speech in this country. In Russia, however, they have destroyed freedom of speech, and people throughout that great area are mere pawns in the hands of unscrupulous bureaucrats.

Mr. KELLER. What was the recommendation of the McCormack committee and what have we done about it?

Mr. DIES. Oh, I have only a few minutes, and the gentleman must not ask me to go into that.

Mr. COCHRAN. Mr. Speaker, will the gentleman yield?

Mr. DIES. Yes.

Mr. COCHRAN. If this resolution passes, naturally the gentleman, or whoever is made chairman, will be appealing for an appropriation. Can the gentleman give us any idea as to the cost of this investigation?

Mr. DIES. Let me say to the gentleman that so far as I am concerned, I am opposed to lavish expenditure of money on these investigations. I shall oppose any effort to create an army of useless agents running around over the country, and I shall be opposed to any effort to pad any rolls, or to put any political friends on the pay roll, and so far as I am concerned, if the House votes this investigation I shall insist upon an economical investigation with sufficient funds to do the work.

As to the amount involved, I do not know; that is a matter that the Committee on Accounts will go into. I am sure it will be handled properly.

Mr. COCHRAN. As a member of the committee which will be required to vote this money—and, of course, the committee will consider it mandatory to vote the money if this resolution passes—I feel that the House should know now what sort of request is going to be made, how much money is going to be asked to carry out this resolution.

[Here the gavel fell.]

Mr. DIES. Mr. Speaker, I yield myself 5 additional minutes.

As I said a moment ago, the gentleman's committee will consider the matter, and that committee has shown a disposition in the past to be very careful about appropriating large sums.

Mr. COCHRAN. There is no limitation whatsoever in the resolution pending. There is nothing in the world to prevent the gentleman from Texas or anyone else offering an amendment to a resolution appropriating a certain amount to double, triple, or even quadruple the amount recommended by the committee.

Mr. DIES. I assure my distinguished friend from Missouri that that will not be done.

Mr. COCHRAN. I think the House should have some information as to whether it will cost $5,000, $10,000, $20,000, or $25,000.

Mr. DIES. I do not know. What does the gentleman think about it?

Mr. COCHRAN. I do not think we should spend more than $20,000 on the investigation. I would like an expression from the gentleman on that.

Mr. DIES. As I said, it is rather difficult for me to give an expression, because I do not know.

Mr. COCHRAN. The gentleman will have an idea just the minute this resolution passes.

Mr. STEFAN. Mr. Speaker, will the gentleman yield?

Mr. DIES. I yield.

Mr. STEFAN. I may say to the gentleman from Texas that while in his opening remarks he expressed deep sympathy to the patriotic German-Americans and that he is opposed to anything which would inflame Americans toward one particular race, I call the gentleman's attention to the fact that this country has been flooded with publicity regarding subversive activities. The gentleman's committee's investigation is going to be followed with a tremendous amount of publicity which I fear may inflame the American people against innocent but honest and good patriotic German-Americans. I caution the gentleman to use every effort in his power, if he is going to be chairman of this committee, to oppose anything that might be done in his committee to put publicity out into our country which will inflame one race against another.

Mr. DIES. I am in entire sympathy with the gentleman's statement. As I said a moment ago, there is no one who detests more sincerely or more deeply than I any attempt to inflame the American people against any group within our boundaries.

Mr. STEFAN. I hope the gentleman will carry that attitude throughtout the investigation.

Mr. DIES. I hope I may now be permitted to proceed with my statement, which thus far has been rather disconnected. This resolution has been endorsed by the American Legion. I ask unanimous consent to incorporate the resolution of endorsement at this point in the RECORD.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

The matter referred to follows:

THE AMERICAN LEGION,
NATIONAL LEGISLATIVE COMMITTEE,
Washington, D. C., May 25, 1938.

Hon. SAMUEL DICKSTEIN,
Chairman, Immigration and Naturalization Committee,
House of Representatives, Washington, D. C.

MY DEAR MR. CHAIRMAN: There is now pending before the House Rules Committee House Resolution 282, introduced by Mr. DIES, of Texas; and speaking for the American Legion, I desire to urge a favorable report on this resolution. The purposes of this legislation have long been advocated by our organization. The New York convention, September 20–23, 1937, unanimously adopted the following resolution:

"*Be it resolved by the American Legion in this its national convention in New York City (1937)*, That we reaffirm our opposition to communism, fascism, nazi-ism, and all other forces and organizations that seek to destroy the free institutions of our constitutional system; and be it further

"*Resolved*, That we condemn, and will oppose, all alien organizations which in our country promote loyalty to some other government or system, and we request that Congress investigate and make public its findings on organizations in the United States which are militantly serving Germany, Italy, Russia, Spain, or any other alien power or system; and be it further

"*Resolved*, That we urge national legislation that will punish American citizens who advocate the overthrow of our Government by force, fraud, or violence, and deport all aliens who so advocate such overthrow."

Again, at the meeting of the national executive committee at Indianapolis, Ind., on May 5 and 6, 1938, in taking a militant stand against all un-American influences, they there reaffirmed the American Legion's opposition to communism, fascism, nazi-ism, and all other forces and organizations that seek to weaken or destroy the free institutions of our constitutional system.

I shall appreciate very much if you will call this action to the attention of the Rules Committee.

Very truly yours,

JOHN THOMAS TAYLOR,
Director, National Legislative Committee.

Mr. DIES. It has been endorsed by the Veterans of Foreign Wars. I ask unanimous consent to include at this point in the RECORD their endorsement.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

The matter referred to follows:

VETERANS OF FOREIGN WARS OF THE UNITED STATES,
Kansas City, Mo., May 24, 1938.

Re House Resolution 282.
The Honorable MARTIN DIES,
House of Representatives, Washington, D. C.

MY DEAR SIR: We were happy to note that the Rules Committee made a report recently recommending the favorable consideration by the House of Representatives of House Resolution 282, to authorize the appointment of a special committee of seven House Members to conduct an investigation to determine the extent, character, objects, and sources of un-American propaganda activities in the United States designed to accomplish the overthrow of our representative form of constitutional government.

The purposes and sources of such activities ought to be exposed, in the full light of publicity, for the information of all loyal citizens, so that corrective steps may thereupon be devised.

We sincerely hope that the Members of the House of Representatives will, by formal vote, authorize a full investigation into these un-American activities, evidently inspired and financed by foreign sources.

Respectfully yours,

M. W. RICE,
Legislative Representative.

Mr. DIES. I also ask unanimous consent to insert in the RECORD a list of a large number of patriotic organizations, including the German-American Union for Culture, endorsing this resolution.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

The matter referred to is as follows:

ORGANIZATIONS ENDORSING INVESTIGATION OF UN-AMERICAN ACTIVITIES

American Legion.
American League for Peace and Democracy.
Allied Organizations of the Grand Army of the Republic.
Committee for Industrial Organization, Newark, N. J.
Democratic Central Committee, Indiana.
Daughters of America.
Deutsche-Amerikanischer Kultur Verband (German-American League for Culture).
Farmers Educational and Cooperative Union, Local No. 68, Pennsylvania.
Federal Council of the Churches of Christ in America.
Fraternal Patriotic Americans, Inc.
Disabled American Veterans of the World War.
General Executive Board, State Councils of Junior Order of United American Mechanics, Inc.
House of Representatives of the State of Indiana.
Heights Jewish Club, Inc., New York City.
International Workers Order.
International Typographical Union.
Jewish War Veterans of the United States.
Ladies of the Grand Army of the Republic.
New York City Federation of Women's Clubs, Inc.
Non-Sectarian Anti-Nazi League.
Non-Partisan League, Massachusetts.
Senate of the General Assembly of the State of Indiana.
Toby Edison Memorial Club, Newark, N. J.
United Spanish War Veterans.
United War Veterans Council.
Veterans of Foreign Wars of the United States.

Mr. LUCKEY of Nebraska. Mr. Speaker, will the gentleman yield?

Mr. DIES. I yield.

Mr. LUCKEY of Nebraska. Is this resolution broad enough to include investigation of foreign propaganda aimed at embroiling the United States in foreign wars, either in Europe or in Asia?

Mr. DIES. There have been a number of charges that a tremendous amount of foreign money is being spent in the United States for that purpose. I recently saw the statement in one of the newspapers that France has set aside in their budget a certain amount of money for propaganda in the United States. I am sure that the committee could legitimately go into the question as to the amount of funds sent for propaganda purposes in the United States. [Applause.]

[Here the gavel fell.]

Mr. TAYLOR of Tennessee. Mr. Speaker, I yield myself 15 minutes.

Mr. Speaker, I not only favor this rule but I am in enthusiastic accord with the resolution which it makes in order. I desire to commend and congratulate my colleague from Texas [Mr. DIES] on his introduction of this meritorious measure, because the time has come when we must not only investigate subversive influences and un-American activities now rampant in the United States but we must proceed to arrest and throttle them if our boasted democracy is to continue.

This resolution is not confined to any particular type or denomination of un-Americanism. It embraces all varieties—nazi-ism, communism, and fascism—and none of these "isms" has any place on American soil. There is room in the American atmosphere for but one flag, and that flag is the red, white, and blue—Old Glory. There is place in the American dictionary for but one "ism," and that is old-fashioned, simon-pure Americanism. And any man or woman who would hoist any other flag than Old Glory or preach any other "ism" except Americanism is not only unworthy of American citizenship, they are not even entitled to temporary residence in this "land of the free and home of the brave."

Mr. KNUTSON. Will the gentleman yield?

Mr. TAYLOR of Tennessee. I yield to the gentleman from Minnesota.

Mr. KNUTSON. How long ago has it been since we had a similar committee make such an investigation?

Mr. TAYLOR of Tennessee. Almost 5 years ago.

Mr. KNUTSON. How much did it cost?

Mr. TAYLOR of Tennessee. About $25,000.

Mr. KNUTSON. It is my recollection it cost $100,000.

Mr. TAYLOR of Tennessee. Oh, no.

Mr. KNUTSON. Yes. They came back several times.

Mr. McCORMACK. The gentleman is mistaken. It cost a little less than $30,000.

Mr. KNUTSON. What did it accomplish?

Mr. TAYLOR of Tennessee. It accomplished a great deal.

Mr. McCORMACK. The gentleman from Minnesota is covering a very large field.

Mr. KNUTSON. Well, what did it accomplish?

Mr. McCORMACK. I do not want to take up the gentleman's time.

Mr. TAYLOR of Tennessee. I yield to the gentleman.

Mr. McCORMACK. It brought to the attention of the American public the damnable efforts that were being made in this country. It aroused public opinion. As a result, several pieces of legislation have been enacted into law. Several bills are now pending that passed the House and are in conference. I am sure a conference report will be presented within a few days. One requires propagandists in the employ of any foreign agency to register so that the American people will know who those paid propagandists are.

Mr. KNUTSON. Is it necessary to go through all that again?

Mr. McCORMACK. I am not going to take up any more time. I will discuss that in my own time, if I get any.

Mr. TAYLOR of Tennessee. The activity has increased very materially since that time.

Mr. Speaker, a few years ago I had the privilege and honor to serve on a special commitee, headed by the distinguished gentleman from Massachusetts [Mr. McCORMACK], which investigated un-American activities in this country. While our committee was considerably handicapped on account of lack of funds and inadequate power to enforce its processes, I think the committee did an excellent job. As a result of our investigation and findings certain salutary legislation has resulted. We discovered in our probe that there are certain well-organized un-American movements operating in this country which were parented and financed by foreign governments, and which are inimical to the welfare of this Nation. We found an active communistic movement in our land, which recognized no other government than that enthroned in Moscow, and we found a very active Nazi movement which recognized no other authority save that of the German Fuehrer, Adolph Hitler. We also found a Fascist movement, which was more or less passive and desultory, which had its foundation in Rome and paid tribute alone to Mussolini.

I am sure that the investigation conducted by the McCormack committee had the direct effect to retard the growth and activities of these movements for a while, but as a result of an apparent lethargy of interest in patriotism generally prevalent throughout the land and a manifest disposition on the part of those in authority to either ignore or minimize the seriousness of this menace to the perpetuity of our Government these movements have taken on fresh courage and are becoming daily more arrogant and audacious.

When we investigated Nazi and other propaganda pursuant to House resolution 198, Seventy-third Congress, the Nazi organization in this country was known as "the friends of New Germany." While at that time their activities were a gross prostitution of the privileges which they were accorded in this country, nevertheless there were few signs of militarism in their maneuvers. But today, Mr. Speaker, under the new designation—German-American Bund—they have vastly increased their number, have acquired by purchase some 30 camp sites where they carry on military training schools attired in a foreign uniform and under a foreign flag. I understand that in these camps they assemble the youths on the holy Sabbath and teach them to goose-step and heil Hitler. I understand that as a feeble pretense they sometimes have an American flag inconspicuously displayed, but it is so deluged with drapery bearing the swastika insignia that our flag dwindles into comparative insignificance.

Mr. Speaker, we have no place in our scheme of government for dual citizenship. We must be either American or alien. There can be no qualification or reservation when it comes to allegiance to our flag and to our country. No man can maintain allegiance to the United States and at the same time bear allegiance to some foreign king, potentate, or dictator no more than he can serve both God and mammon. Such a performance is a sheer mockery "of the purest ray serene," and it is the purpose of this investigation to develop the facts to the end that the necessary legislation may be enacted to put a stop to this sort of skullduggery. [Applause.]

Think of it, Mr. Speaker, American soil, purchased undoubtedly with foreign money, dedicated and used as camps in which to assemble, and clad in a foreign uniform, under a foreign flag, and to the music of foreign military airs, hail a foreign ruler, and drill and parade in the honor, and at least constructively, in the service of a foreign government.

Mr. KNUTSON. Will the gentleman yield?

Mr. TAYLOR of Tennessee. I yield to the gentleman briefly.

Mr. KNUTSON. Is not the Department of Justice aware of these activities?

Mr. TAYLOR of Tennessee. I do not know. It may be they are, but I doubt if we have statutes which would cover this.

Mr. KNUTSON. Why not bring in legislation based on the information presented to the Rules Committee?

Mr. TAYLOR of Tennessee. We expect to make a thorough investigation of this matter with that in view.

Mr. KNUTSON. Well, just assume all the gentleman says is true, why not bring in legislation putting a stop to it and giving the Department of Justice the authority to put a stop to this?

Mr. TAYLOR of Tennessee. Why does not the gentleman introduce such a bill?

Mr. KNUTSON. Because I am not aware of what the gentleman charges.

Mr. PATRICK. Will the gentleman yield?

Mr. TAYLOR of Tennessee. I yield to the gentleman from Alabama.

Mr. PATRICK. It seems to me the most important thing involved in this matter is what is an un-American and what is an American activity? Who is to pass on that question? Some things have been mentioned that perhaps we would concede to be un-American. But what is un-Americanism? I know those things to which the gentleman refers may be, but, as this will be put into legislation, what will determine when anything is un-American so that we can put a finger on it and say that is it?

Mr. TAYLOR of Tennessee. The Congress will finally prescribe that.

Mr. KNUTSON. Goose-stepping, for instance.

Mr. HAINES. Will the gentleman yield?

Mr. TAYLOR of Tennessee. I yield to the gentleman from Pennsylvania.

Mr. HAINES. In other words, as Theodore Roosevelt said, any man who says he is an American but something else also is not an American at all?

Mr. TAYLOR of Tennessee. The gentleman is correct.

Mr. Speaker, it is nigh unto inconceivable that such a travesty could happen here in this proud, intelligent, and patriotic country. It is a menace to good citizenship. It is a national scandal and must be eradicated in the name of national decency, if nothing more.

Aside from the military aspects of the bund, it preaches intolerance, bigotry, and race and religious persecution. This conduct violates the sacred tenets upon which our Government was founded—race, color, and creed are made inviolable under the terms of the Bill of Rights, which is our ark of the covenant.

Mr. KELLER. Will the gentleman yield?

Mr. TAYLOR of Tennessee. I yield to the gentleman from Illinois.

Mr. KELLER. Was the gentleman not a member of one of the committees that worked on this matter?

Mr. TAYLOR of Tennessee. I just stated that a moment ago.

Mr. KELLER. What recommendation did that committee make?

Mr. TAYLOR of Tennessee. We made a number of recommendations.

Mr. KELLER. What has been done?

Mr. TAYLOR of Tennessee. Legislation has been passed and another bill is now pending in conference which resulted from the recommendations we made at that time. The report is on file in the document room, and if the gentleman will apply there he may get the report of the committee.

Mr. ROBSION of Kentucky. Will the gentleman yield?

Mr. TAYLOR of Tennessee. I yield to the gentleman from Kentucky.

Mr. ROBSION of Kentucky. Is it not true the House and Senate have passed a bill which is now in conference dealing with some of the very things to which the gentleman refers?

Mr. TAYLOR of Tennessee. The gentleman is correct.

Mr. JOHNSON of Minnesota. Will the gentleman yield?

Mr. TAYLOR of Tennessee. I yield to the gentleman from Minnesota.

Mr. JOHNSON of Minnesota. I think the purposes of this resolution are already known to every American. Is it not true that the March of Time about 3 months ago showed a 30-minute newsreel in this city depicting these camps? Is it not also true that there is pending before the House a bill which will accomplish what you gentlemen intend to accomplish a year from now?

Mr. TAYLOR of Tennessee. If you will present the bill, I will support it.

Mr. JOHNSON of Minnesota. The bill is H. R. 10003, the Voorhis bill.

Mr. TAYLOR of Tennessee. I thank the gentleman.

Mr. Speaker, a few days ago, in the Madison Square Roof Garden in New York City, 18,000 militant Communists assembled, denounced and advocated the overthrow of this Republic, and sang the Communist anthem, the Internationale, with red flags flying and Old Glory only conspicuous by absence. Communist radicals recently for the second time had the unmitigated audacity and depravity to desecrate that hallowed shrine sacred to every red-blooded American—Plymouth Rock—by enveloping it in red paint. The miserable wretches who committed this dastardly deed ought to be hunted down like rattlesnakes and kicked out of the country. [Applause.]

One thing is certain, Mr. Speaker, unless we arrest this insidious un-American influence, it is only a question of a short time until a revolution will ensue and the soil of our great country will be soaked in blood. Incendiary and un-American propaganda is being smuggled into this country by truckloads. Members of the American Legion and other patriotic organizations who are trying to suppress this deadly menace single-handed are being clubbed and sent to the hospital by these alien racketeers. It is up to Congress to do something. Why sit we here idle and supine, so to speak, when the very soul of this Republic is being violated and debauched. It is not only our responsibility, but it is our duty to ourselves, to our flag, and to our country to act now before it is too late.

Mr. Speaker, I feel that I would be derelict in my personal duty if in this connection I failed to pay deserved credit to one of our colleagues, the chairman of the Committee on Immigration, the distinguished gentleman from New York, Hon. SAM DICKSTEIN. SAM may be subject to an accusation of a degree of laxity so far as his immigration views may be concerned, because he has a big heart, brimful of milk of human kindness, and naturally many of these so-called hardship cases appeal to him, but so far as alien un-American activities are concerned, SAM DICKSTEIN has made a record for himself of which any patriotic American might be justly proud. He has fought these subversive influences in season and out, at considerable expense to himself, and often under threat of personal violence. He has treated these threats with courageous contempt, and he has disdained to dignify his traducers by even a slight show of recognition. In his gallant fight against the sabotage of our American institutions, he is entitled to your support today, and to show our appreciation of his valuable services, I trust this resolution will be adopted by a unanimous vote. [Applause.]

Mr. Speaker, a great deal of the difficulty which this resolution seeks to correct has grown out of a lax if not a deliberately negligent and unsympathetic administration of our immigration laws. When I first came to Washington, on March 4, 1919, we had practically no immigration policy. Upon my own request, the Republican leadership placed me on the Committee on Immigration and Naturalization, and I have remained on it ever since, being at present the ranking minority member. Due to my seniority and rank on the committee, under the procedure of the House, I will automatically become chairman of this important committee when the political complexion of the House changes, if I should be at that time in Congress. And I confidently predict that if that change in congressional complexion does not come in the election this fall, it is sure to come in 1940, and for good and sufficient reasons, too, which I shall not undertake to discuss here today.

As I stated before, we had no immigration policy prior to 1919. We were admitting aliens from every part of the globe except Asia, and America had become the dumping ground and melting pot for every character of mankind except Asiatics, and quite a few of them had managed to get in before the Exclusion Act was passed. We were admitting aliens by the hundreds of thousands without any regard whatever to their qualification for American citizenship. We were admitting the aged, the indigent, the halt, the lame, and the blind without any method whatever of selection or even inspection. We were admitting thousands of criminals, thousands of persons suffering from malignant, infectious, and contagious diseases, thousands of Communists, anarchists, and syndicalists.

One of the chief reasons which inspired my ambition to come to Congress was to help stop the indiscriminate flow of immigration to this country. Mr. Speaker, we have hundreds of thousands of good citizens in this country who were born abroad. I have several hundred of them in my district, and I am proud of them. I am proud of their loyalty to our country and its traditions. I am proud of the thrift they have displayed and the contribution they have made to my district and to my country. They came to America to better their condition and to help us build up this country, and to that end they consecrated their talents unstintedly. They availed themselves of the first opportunity to renounce foreign political ties and become naturalized American citizens. But, on the contrary, Mr. Speaker, we have millions of others who came over imbued with an entirely different spirit and different viewpoint. They care nothing about America or American institutions and traditions. They wanted to exploit America for their own selfish benefit and gratification. They never tried to become assimilated. They did not want to be absorbed; and that is one of our problems today. They have never become citizens, and hundreds of thousands of them are a burden to our society—inmates of jails, asylums, and other public institutions. They have jammed our relief rolls at the expense and to the exclusion of worthy native-born and naturalized citizens.

Shortly after I came to Washington, Mr. Speaker, the Immigration Committee reported out a bill to drastically restrict immigration, and it passed the Congress and became the law. I helped write the first restrictive immigration law ever placed on the statute books, and since then I have helped write many amendments, with the result that if the law were only enforced our immigration problem could be reduced to a minimum.

Pursuant to law, and under an Executive order issued by the President, during the last years of the Hoover administration more aliens were deported when added to the number who voluntarily departed than the total number admitted for the same period. For instance, in 1932 there were 19,426 deportations of aliens, whereas in 1934, under Mme. Perkins, Secretary of Labor, the number had dwindled to 8,879; and yet there are nearly a million—some estimates say more than 3,000,000—aliens in this country illegally, from whose ranks the Communist Party draws a considerable part of its following. There is in this country a large alien-minded element which wants to break down the quota barriers against restricted immigration and open the gates wide to the riffraff of Europe; and I blush to say that the policies of Miss Frances Perkins have been far more friendly toward this alien

element than toward American citizenship, and particularly American labor. The case of the notorious Harry Bridges of the west coast is important because it is symptomatic.

While we Members of Congress who have been contending all the while for a greater rigidity in our restriction of immigration, we have been fortunate in having the support of all of the patriotic organizations of the Nation. Mr. Speaker, I desire to pay especial tribute to two of these organizations which have rendered conspicuous service in this respect. I refer to the American Legion and the Junior Order United American Mechanics. For the vigorous fight these two organizations have persistently waged against the admission of undesirable aliens, they have earned and certainly deserve the gratitude of the American people.

Mr. Speaker, I am not a Legionnaire, but I am member of the Junior Order, and have been for almost a quarter of a century, and I prize my membership in this red-blooded organization very highly. In paying tribute to the splendid work performed by this organization, during my first term in Congress, on December 11, 1920, in a speech on the subject of immigration, I made the following statement:

> There is an organization in the United States that has done more to arouse the Nation and quicken the public conscience to the dangers which lurk in unrestricted indiscriminate immigration than any other influence or agency in the whole country. The organization to which I refer is the Junior Order United American Mechanics. This splendid society is essentially an American institution. While it is comparatively in its infancy, having been organized in 1853, it has already almost achieved one of the chief objects for which it was organized—the restriction of immigration. The members of this patriotic order have assiduously gone about over the country industriously spreading the gospel of "America for Americans," and warning the people of the perils of unrestricted immigration, and have thereby created a sentiment of which the measure under consideration is a glorious culmination and crystalization. And for this patriotic, philanthropic service this great order and its membership are entitled to the gratitude of the Republic.

Mr. Speaker, I want to reassert the sentiment which I expressed almost 20 years ago, because I know it is fully justified by the record.

We must preserve America for Americans. For the descendents of the heroes of Concord, Valley Forge, and Kings Mountain to fold their arms in indolence and allow this great country to be wrecked and overthrown by influences imported from Russia would be the greatest tragedy that history has yet recorded. [Applause.]

Mr. DIES. Mr. Speaker, I yield 7½ minutes to the gentleman from Texas [Mr. MAVERICK].

Mr. TAYLOR of Tennessee. Mr. Speaker, I yield 7½ minutes to the gentleman from Texas.

INVESTIGATION—INVOLVES FUNDAMENTAL QUESTIONS

Mr. MAVERICK. Mr. Speaker, first I want everyone to know that I have no unfriendly feeling for the various gentlemen who have spoken in favor of this resolution. I concur with one of my friends in his praise of the flag—I concur with another one on his praise of constitutional liberties. But I disagree with methods and conclusions of these gentlemen.

And, gentlemen, this is an extremely serious question. We are now getting into fundamental questions of government, and some of those who seek to help certain groups in this country may be doing them an extreme injury.

In the first place, a measure like this with the same purposes was overwhelmingly voted down by this same Seventy-fifth Congress. It was the Dickstein resolution.

And this resolution is the Dickstein resolution and not the Dies resolution. All of the propaganda made in favor of it, before and since this resolution has been introduced, has been made by the gentleman from New York [Mr. DICKSTEIN].

Bear in mind this is to investigate Nazis, not Communists, all of the agitation, all the talk has been against the German-American bund, the so-called German-American Fascists or Nazis. Of course others will drag the red herring around and talk of Communists and the "red menace."

CERTAIN GROUPS WILL BE HURT AND NOT HELPED

Now, I wish to say something in line with my statement that many times people who think they are helping certain groups often harm them. What I say is also a delicate question.

But I earnestly and sincerely believe that this character of legislation will engender race hatred, and will be, in the end, of considerable danger to the Jewish people of this country, and probably other minority groups.

I believe that this is the entering wedge of religious persecution.

We must be perfectly frank and agree that should racial hatred be engendered and should we unfortunately go the route of other countries, the Germans will get the best of it because there are more persons of German extraction here than there are Jews. I very much fear that this resolution will be the beginning of hard feeling between the German and Jewish elements in this country—both of which elements are, of course, as good Americans as any other groups of Americans.

As you know, the Jewish people are now being unjustly charged as being communistic as a race, and, of course, it is not true. But I obtain a great deal of correspondence which is indicative of a feeling which might be stirred up, because the American people are human beings like all others. What I fear is that if we begin an investigation like this, that it will be the beginning of various groups accusing each other of all kinds of unfortunate faults.

HUNGER IS THE BASIS OF VIOLENCE AMONG PEOPLES

Historically, hunger has always been the basis of religious or racial persecution, and violent action among peoples. In Greece, if someone expressed an unorthodox idea, he was called a Persian; when Rome got to have hard times, they accused a man of being a Greek if he did not agree with orthodox economic opinions.

In this country today, we have a tragic situation of millions of unemployed. Eight, ten, or twelve millions. If once the spark of intolerance and hatred is ignited, if people are hungry, if we who are in Congress haven't sense enough to settle true fundamental problems, it may be the match that sets off the persecutions that now exist in Europe.

Mr. Speaker, there is another thing—this investigation concerns, or might concern, international relations. It might cause international repercussions and do this country a great deal of harm. Such matters should be handled by the State Department.

Mr. McCORMACK. Mr. Speaker, will the gentleman yield?

Mr. MAVERICK. Very briefly.

Mr. McCORMACK. Does the gentleman intimate that the Americans of German blood in this country will become bigots?

Mr. MAVERICK. No; I do not believe they would be bigots. They are like all other people.

Mr. McCORMACK. I believe the gentleman ought to clarify his statement in the RECORD, because that would be a very unfair position in which to leave a great group of American citizens.

Mr. MAVERICK. The gentleman speaks about the great group of German people in this country. I have lots of Germans in my district, too, and I see no difference in them than in other good people.

When the matter came up before in the gentleman's other investigation, the gentleman's committee complimented the Germans because there were so many Germans, but gave the Russians hell.

That is the way it always is. It is human nature to damn anybody when he is not present. You can go to a Tammany meeting and cuss Republicans because there is none of them there.

Mr. McCORMACK. I challenge the gentleman to show that in the report anybody was damned by the special committee of which I was chairman.

Mr. MAVERICK. Well, my friend, it was the conclusions that were reached.

Anyhow, it was stated today the Nazis claim 480,000 members in this country—and that a member of the German Bund advocated the assassination of the President of the United States.

To this I can only say that from any viewpoint, this might be interpreted as a charge that approximately 500,000 members of the German bund—one half million—desire to overthrow this government, or that there are now one half million German-American traitors in this country.

It may be there are traitors in this country; but if there are, they are very few, and if anyone advocates or conspires to kill the President, we have laws governing this situation now. Moreover, if such an assassination had been attempted, it would have been known immediately to the Secret Service or the Department of Justice and it would have been attended to. If someone intends to assassinate the President, the thing to do is to act at once, and not to make speeches about it and investigate for the next seven months after the deed has been accomplished. Personally, I think it better to refrain from talking about assassination of the President—and if anyone has any remote information of that kind, to report it immediately to the proper authorities.

This is an example of what we may expect of this curious resolution, which is going to investigate everything "un-American." What the resolution is going to do is give blanket powers to investigate, humiliate, meddle with anything and everything in people's affairs in America, from the German Saengerfest to B'nai B'rith, and every other organization or individual in America.

A CONGRESSMAN'S HOUSE IS PICKETED—THEREFORE A NATIONAL INVESTIGATION

I want to show you this resolution is absolutely unnecessary. It is said that the Communists went out and picketed a Congressman's house. Do you mean to tell me a congressional investigation is going to stop picketing in a local place? Not under the American Constitution.

That is all hypocrisy, and you know it.

It was also said that "they"—nobody knows who—painted the Plymouth Rock red.

Do you suppose if an august body of Congressmen assembles it will keep people from painting Plymouth Rock red, white, blue, green, or any other color? The painting of rocks is a local matter, and everybody knows it; and certainly investigations are not going to stop such practices, whether done by Communists with malice aforethought or by college boys as a prank.

FOREIGN PROPAGANDA AGENCIES ALREADY REQUIRED TO REGISTER

Mr. Speaker, there is one further demonstration of the fact that this bill is unnecessary. There is a bill which was fathered in this House by the gentleman from Massachusetts [Mr. McCORMACK], H. R. 1591. It requires the registration of persons employed by agencies to disseminate propaganda in the United States. It goes into the details of what is meant by a foreign principal—and says that is the government of a foreign country, a foreign political party, or any foreign business, partnership, or association, or individual. It requires, as I have just indicated, a registration of all such persons engaged in foreign propaganda.

I have talked to Mr. McCORMACK, and he believes that this bill covers that particular situation. We cannot by an investigation—or by investigating for the rest of our natural lives, or by passing a law, prevent the "dissemination of propaganda"—or to put it into better language, the expression of ideas as originated in this country. We have freedom of speech, and we must protect it as long as we protect the Constitution.

Concerning the report on the bill, of which Mr. McCORMACK is the author, it says:

> This required registration will publicize the nature of subversive or other similar activities of such foreign propagandists, so that the American people may know those who are engaged in this country by foreign agencies to spread doctrines alien to our democratic form of government or propaganda for the purpose of influencing American public opinion on a political question.

Now let me read further from the report. It says—

> This bill does not in any way impair the right of freedom of speech, or of a free press, or other constitutional rights. On the other hand, this measure does provide that an alien coming to or in the United States for propaganda purposes of a political nature, and American citizens who accept foreign political propaganda employment, shall register; and this was found necessary, in a number of cases, through the revelations of the Committee on Un-American Activities.

Which brings out important points, that is, it will not violate constitutional rights, will protect us against foreign propaganda—and that a committee has already made the investigation and another one is not necessary.

And note the effectiveness of the legislation—

> We believe that the spotlight of pitiless publicity will serve as a deterrent to the spread of pernicious propaganda. We feel that our people are entitled to know the sources of any such efforts, and the person or persons or agencies carrying on such work in the United States.

And already having such facilities, why waste the taxpayers' money on a fake side show?

My friends, this bill is already in conference, and will be enacted. So this matter is thoroughly covered.

If the matter is covered already by a previous and similar investigation, why go on investigating again? It is like getting an automobile, and then investigating it instead of riding in it.

The answer is that this investigation will merely stir up some trouble, and will do no good whatever.

WILL AN INVESTIGATION TAKE TITLE AWAY FROM NAZI CAMPS?

Now, they talk about the fact that the Nazis have camps. Suppose we have a congressional investigation, could we by that investigation divest some bund of the fee simple title to some camp? You know we could not do that. Not under our Constitution.

THE KU KLUX KLAN RAISED ENORMOUS SUMS AND OWNED PROPERTY

Do not forget that the Ku Klux Klan raised enormous sums and owned a great deal of property. They owned property in various parts of the United States. People got excited about it. As I remember it, I did so myself.

I fought the Ku Klux Klan, and considered it a troublesome and disturbing element. But what happened? They got bigger and bigger, but American public opinion, which can always be depended upon, wiped them off the face of the map.

I do not want to make any odious comparisons, because the Nazis are of foreign origin and have no place in our country. But as I have said, a considerable amount of legislation is already on the books in reference to this, we are about to pass the legislation indicated by Mr. McCORMACK, and we have enough information to pass any additional or necessary legislation.

And then people tell me that Nazis break up meetings. So do the police. So do Communists. The answer is that the various States can enact laws if necessary—that disorder is protected in every State, city, community in America, and can be stopped by the police. But no investigation we make will affect the situation.

Then they talk about the Communists. Of course, I do not know whether we are chasing Nazis or chasing Communists, but it is the same old stuff, and I will now try to explain some legislation. We have a report from the Department of Justice, and we have the bill that has been introduced by the gentleman from California [Mr. VOORHIS].

WE PASS THE BUCK—INSTEAD, LET US ACT

Gentlemen, we have plenty of proposed legislation before this House right now that will cover this situation. Further, the gentleman from Massachusetts [Mr. McCORMACK] and his committee did a good job, or at least uncovered information and analyzed the principles of this question. Certainly then, no further investigation is necessary.

There is no use in kidding the public, much less ourselves, for we know enough now to pass the necessary legislation to cover the situation fully.

But what are we doing?

We are passing the buck.

We are coming in here and making pompous "patriotic" speeches, "Oh, how we love the flag! Oh, how we love America!" And then we are going to traipse out of Congress, doing nothing. The American people are going to laugh at us and say, "What did you do for us?"

"Oh, man," we can answer, "we fixed you up. We passed a resolution to investigate un-American activities."

SWEATING AND BELLOWING, THE KING'S ROYAL DRAGOONS

Yes, my friends, we can tell the people that we passed a resolution, and there will be lots of pictures in the papers. The "flash-bulb" boys and the photographers will rush back and forth, and there will be a lot of sweating and oratory about the flag.

But I ask you: This inquisition, this pompous going about the country, like the King's Royal Dragoons, swaggering about the country like inquisitors, is it going to increase dividends in business?

Is this dragoonade going to put any groceries in anybody's stomach? Will it educate a single child?

Is this investigation going to put 12,000,000 people to work?

What good, I ask you, is this resolution going to do? It is evasion, I tell you, evasion.

Oh, you say, we are going to investigate "un-American activities." Un-American! Un-American is simply something that somebody else does not agree to. If you are for the wage and hour bill, if you are for freedom of speech, if you are for a fair living wage—that apparently is un-American to some people.

Here, let me read you something else—I have in my hand a very finely written brochure, a part of which is as follows:

"Mr. Opposition: I am opposed to the wage and hour bill. It is un-American. It limits our freedom and liberty."

There is no telling what "un-American" means to some people. It is apparent that even the Supreme Court has held unconstitutional—and hence, un-American I suppose—the State and District wage and hour laws. By now, these same laws are held constitutional, and hence not against our form of government.

The Supreme Court has changed its opinions on dozens of legal principles and laws in the last 1 or 2 years.

Nobody knows what is un-American.

I ask you, What is un-American?

Mr. KNUTSON. The goose-step.

Mr. MAVERICK. Oh, principally it is un-American if you do not agree with somebody. That is what un-Americanism is, I suppose.

REPUBLICANS SAY ROOSEVELT IS UN-AMERICAN—WILL HE BE INVESTIGATED?

I do not know what this committee is going to investigate. All you can find out is that seven men, each according to his own judgment will investigate "un-American activities." Judge not, lest ye be judged.

The Republicans say that what Roosevelt does is un-American, and other people may say that some other thing is un-American. The Republicans on the committee can investigate Mr. Roosevelt and the Democrats can investigate Mr. Landon, Mr. Browder, Mr. Thomas—everybody who ran against Roosevelt. This will be the greatest fishing expedition that Congress ever undertook in the history of the United States.

WE HAVE SUFFICIENT INFORMATION NOW—A WASTE OF MONEY

Further, this is a waste of money; there is no question about it. There is no reason for this investigation, because we have right now all the information necessary.

We all know about the Nazi camps, where they are, and everything else. We all know that a Congressman's house has been picketed—not one but several.

LET THE PEOPLE EAT—HEADLINES INSTEAD OF GROCERIES

We do not have to investigate to find out what we already know; and if we do investigate, the only reason for our investigating will be for us to go around here and scare the people with exciting stories, making them suspicious of their fellow Americans, which will get the committee members headlines in the papers; in other words, the motto will be, "Feed the people headlines instead of groceries and jobs." [Applause.]

WHY NOT INVESTIGATE REAL FACTS—THE INEQUALITIES OF THE SOUTH?

Now, what could we do that might be of benefit to the country? We hear a great deal about the South. We hear a great deal about the inequalities of the South, and I want to tell you serious inequalities actually exist.

If we really wanted to be somewhat or slightly statesmanlike, if we really wanted to be students, if we really wanted to look into the economic welfare of this country, why doesn't this House that is getting so big-hearted and patriotic pass a resolution to investigate the inequalities of freight rates and the other inequalities affecting the people of the South so they will be enabled to comply with the requirements of the Minimum Wage Act? [Applause.]

This is something that is sincere.

This is something that is honest.

But this investigating "un-American activities" is simply fourflushing and ballyhooing around before the people of the United States, propagating more hysteria to sidetrack the real questions—and I want to tell you that the economic questions of this country will never be solved until you solve the problems of the South, and I am not a professional southerner or a baiter of southerners, either.

WHY NOT INVESTIGATE UNEMPLOYMENT?

There is another thing I want to bring to your attention. We had numerous requests for investigation of unemployment, but what did we do at the last session?

We sat together like a covey of scared quail and passed a resolution to have a 1-day census of the unemployed, and flew away to our districts. As a result, at this very moment we do not know the cause of unemployment, nor even have any idea about it.

We refused to investigate the question of unemployment.

Now, what's more important than that?

What is going to stop communism and fascism and all the violations of our Constitution except we go into these problems, these fundamental questions, instead of indulging in this superficial ballyhoo and bunk?

Now, Mr. Speaker, I want to make this statement about the resolution: We have had these resolutions before, and, as far as I know, they did not do any good; but if they did do any good, they have procured all the information that is necessary, and we do not need any more resolutions like this.

I want to say this to the Democratic Party: We are charged with the responsibility of governing the people, and we ought to do it. And I want to say this to the Republicans: If you join in this, you are joining in ballyhoo and stupidity.

We have got problems to meet, and we do not meet problems properly in any such manner as this. This resolution is a slipshod written one, and if we leave this Congress in the shape we are in now, we will leave it on a sour note and we will leave it on a note of tom-tom beating, and we will not be accomplishing anything for the welfare of the American people.

Mr. FLETCHER. Mr. Speaker, will the gentleman yield?

Mr. MAVERICK. I yield.

Mr. FLETCHER. I asked the gentleman to yield to make this inquiry: I believe the gentleman from New York [Mr. FISH] made a very extensive and detailed investigation of this matter at one time under the inspiration of various organizations. Was anything ever done as a result of his findings with respect to this subject, that the gentleman recalls?

Mr. MAVERICK. Well, we have had one Republican investigation that caused some furor, and that was the Fish investigation; and then we had the other one by Mr. McCORMACK and Mr. DICKSTEIN. I think we have had about a 50–50 proposition on these foolish things, and that ought to be enough.

I do say that out of the McCormack resolution the very thing that we are talking about is in conference right now, which I mentioned earlier in my speech. Gentlemen here voted for it, and that was to make it so that foreign organizations or agents have to register. That meets the situation, and what we are proposing to do now is to investigate the picketing of a Congressman's house and the painting of Plymouth Rock red. Nonsense!

Mr. JOHNSON of Minnesota. Mr. Speaker, will the gentleman yield?

Mr. MAVERICK. Yes.

Mr. JOHNSON of Minnesota. The gentleman said that the resolution is somewhat narrow. On the other hand it is general. On the first page there is the language:

All other questions in relation thereto that would aid Congress in any necessary remedial legislation.

Under that they could investigate Old Faithful geyser in Yellowstone National Park.

Mr. MAVERICK. Certainly. You have a resolution here that covers every question of fancy, fact, or imagination on the earth.

Mr. FLEGER. Mr. Speaker, will the gentleman yield?

Mr. MAVERICK. Yes.

Mr. FLEGER. The gentleman said something about the unemployment situation. Is not unemployment the germ that creates racial hatred and prejudice that is brought about? Is not that what we are trying to remedy now, and does not that exist in the world today?

Mr. MAVERICK. That is true.

We should attack the unemployment situation.

That is what brought on nazi-ism in Germany. It was unemployment, distress. That is the reason that the Nazis got away with that stuff.

So we ought to attack the unemployment situation.

But I want to answer another argument that was made here. They say if you go to Germany or to Russia they will not let you criticize over there. No; we still have freedom of speech, press, and religion here, and that's the reason that the United States of America is a great country. [Applause.] It is because we let the Jew or the German or anybody else who lives here say what he pleases, even if he criticizes our form of government, our President, or our flag, because our form of government, our flag, and our country stand against all the onslaught of mere speech. Truth, in the end, decides. The essence of democracy is freedom of speech and religion and the security of government lies in each man having a right to live like a human being.

Mr. KNUTSON. Mr. Speaker, will the gentleman yield?

Mr. MAVERICK. Yes.

Mr. KNUTSON. I think the gentleman is right when he intimates the purpose of this resolution is merely to provide a group of Congressmen with board and room during the summer months.

Mr. MAVERICK. I do not mind the board and room—what worries me is the trouble that will be caused.

Mr. FORD of California. Mr. Speaker, will the gentleman yield?

Mr. MAVERICK. Of course.

Mr. FORD of California. Does the gentleman believe that people in camps heiling Hitler and saluting the swastika are engaging in activities that we ought to permit in the United States?

Mr. MAVERICK. No! But since you say it and it is common knowledge, why spend 7 months investigating what we already know? The answer to it is to be found in the Voorhis bill or similar legislation. Pass such legislation and you can stop uniformed bullies.

We have all the necessary information. But what we are doing here is merely evading the issue by a lot of loud talk, and I conclude by saying that I hope we will vote against this resolution.

Mr. ROBSION of Kentucky. Mr. Speaker, will the gentleman yield?

Mr. MAVERICK. I yield to my friend.

Mr. ROBSION of Kentucky. I have not had an opportunity to investigate the Voorhis resolution or bill. Does the gentleman from Texas recommend the Voorhis bill, and will he vote for it, if it comes up?

Mr. MAVERICK. I do not know that I shall vote for it letter for letter, but it has been referred to the Military Affairs Committee because it involves military uniforms, and, in effect, "private armies."

So let me repeat, we already know that the Nazis are walking around in uniforms, and I do not believe this country should permit any private army. The Congress of the United States has a right to protect the Constitution and its laws, and we do not have to have an investigation in order to do that. In fact, it is our duty to do so, and when we have the information upon which to legislate, and we don't do it, we are not doing our duty, and are bamboozling the public.

We already know all we want to know about these Nazis, as well as Communists. This resolution is merely an excuse to do nothing.

Mr. STARNES. Mr. Speaker, will the gentleman yield?

Mr. MAVERICK. Sure.

Mr. STARNES. The House Immigration Committee has before it a bill, which it tabled, which would handle this very situation without the necessity of an investigation.

Mr. MAVERICK. Mr. Speaker, if we pass this resolution we are just passing the buck, and the American people will know it. It is a mania—it comes every now and then, about every 3 or 4 years. If we adopt this resolution it is adopting a scapegoat for the things we should have done.

We know very well that if we set our minds to it, we can pass the necessary legislation to cover all situations discussed today. We know very well that this resolution is to raise a big smoke screen, for us to go home without really meeting fundamental questions. Remember, my friends, headlines do not fill people's stomachs, nor loud speeches educate a child. [Applause.]

Mr. TAYLOR of Tennessee. Mr. Speaker, I yield 4 minutes to the gentleman from New Jersey [Mr. THOMAS].

Mr. THOMAS of New Jersey. Mr. Speaker, the largest Nazi camp happens to be in my district. That is Camp Nordland, at Andover, N. J. If the last speaker, the gentleman from Texas [Mr. MAVERICK], would go to that camp, he would change his mind about an investigation, just as I have changed my mind over the past year. There are things that take place there that we have no conception of, that we just cannot realize could happen in this country, and I shall tell the gentleman about it. In the first place, everyone who goes there is, first of all, a Nazi, and secondly, an American. They spend most of their time goose-stepping and singing Nazi airs and they display the swastika. It was not until after some of the old-time residents near there complained that they even showed the American flag.

Mr. MAVERICK. Mr. Speaker, will the gentleman yield?

Mr. THOMAS of New Jersey. I have only a few minutes. If I could have more time, I should be glad to yield. Most of their speeches have to do with preaching allegiance to Hitler. Nothing was ever said until complaints were made about preaching allegiance to the President of the United States. Young boys and girls are taken there and taught to pay respect not to the United States, not to the President of the United States, but only to Hitler and the Nazi Government. Consequently I think that one of the greatest dangers in a camp such as that is the fact that we are educating young boys and girls, our children, born in this country, to grow up, not to be Americans, but to be something else, to be Nazis, perhaps.

So, as I said before, I was originally opposed to this resolution. Since I have had it brought right home to me, however, I have come to the conclusion that we have got a job to do, and that the sooner we get to it the better off we shall be in this country.

I hope that this committee, when appointed, will not devote all of its time to nazi-ism. We have another problem in this country which is more acute and far-reaching than even the Nazi problem, and that is the issue of communism. The Communists outnumber the Nazis in this country at least 5 to 1. They are right in our own Government. They control certain W. P. A. projects, certain departments in the W. P. A.

[Here the gavel fell.]

Mr. TAYLOR of Tennessee. Mr. Speaker, I yield 2 additional minutes to the gentleman from New Jersey.

Mr. THOMAS of New Jersey. For these reasons an investigation such as this is, to my mind, the ideal and proper thing to do.

In closing, Mr. Speaker, let me point out one other thing we should investigate just as much as the two we have already mentioned; and that is the propaganda being disseminated by the agencies of our National Government. [Applause.] These in reality are just as un-American as the propaganda that is being spread by these so-called un-American groups. Furthermore, our present National Government is spending millions of dollars of the taxpayers' money just to perpetuate the bureaucrats in office. If you think they are not then I suggest that you urge the Rules Committee of this House to bring out House Resolution 433 to investigate the dissemination of propaganda by governmental agencies. Much of this is contrary to a Federal statute enacted on October 12, 1913, and therefore on legal grounds, as much as on any others, the matter should be investigated by our present Congress.

I hope you will pass the pending resolution and I hope also you will consider the resolution which I recently introduced. [Applause.]

[Here the gavel fell.]

Mr. TAYLOR of Tennessee. Mr. Speaker, I yield 10 minutes to the gentleman from Wisconsin [Mr. BOILEAU].

Mr. BOILEAU. Mr. Speaker, the danger of writing a resolution as broad as this certainly is apparent after hearing the remarks of the distinguished gentleman, my friend from New Jersey. You fellows on the Democratic side are going to support this resolution. I do not know whether the gentleman from New Jersey is going to be a member of the committee or not, but if he is you will have from him an effort to investigate the New Deal, as he claims it to be un-American. [Applause.] He is not alone in that feeling. The fact of the matter is there are many Members of the House who, if they happened to be appointed to this committee, would take the same position he has expressed.

And then my good friend, the gentleman from Texas, showed here just the other day that he thinks that those of us who advocated the wage and hour bill are un-American, that that is an un-American activity. Knowing the gentleman from Texas to be a very high type of gentleman and a great American patriot, if he conscientiously and honestly believes that the wage and hour bill is un-American, and I think he gave us reason to believe the other day that he thought so, he will be fighting to see whether or not the A. F. of L., the C. I. O., and other organizations—yes, and whether or not some Member of Congress who advocated the wage and hour bill were not paying their obligation to some un-American organization.

Mr. DIES. Mr. Speaker, will the gentleman yield?

Mr. BOILEAU. I am very sorry, I cannot. And then there are many Members of this House who believe that the reorganization bill we had up here not long ago was un-American. We heard expressions on the floor of the House to that effect, and I know there are certain Members of the House, whom I do not see on the floor at the present moment, who believe that it is un-American. I suppose, therefore, that will be another jolt at the New Deal and the Democratic administration and they will want to investigate Members of Congress, the distinguished chairman, and other members of the Reorganization Committee on the ground that they were un-American in advocating that legislation.

My only purpose in bringing out these points is to bring to you, if I can, a realization of the danger that lurks in depriving American citizens of their rights of freedom of speech and freedom of assemblage, even though you might think there is some good objective to be gained. [Applause.] The greatest right we have, one of our cherished traditions, is the right of freedom of speech and freedom of assemblage. I say to you here and now that, so far as I am concerned, I care not what a man may say or in what group or with what clique he may gather, so long as he is an American citizen, so long as he is exercising his right as an American citizen to freedom of speech and freedom of assemblage I, for one, will take no action that will prevent his exercise of these rights. [Applause.]

If we pass this resolution, we will in effect be saying to American citizens, "Be careful! Be careful with whom you associate, and be careful where you go, because a handful of Members of Congress down there in Washington who take unto themselves the consciences of the American people, who try to control your conscience and mine, who try to say what you shall think and with whom you will associate, will hold you before the American people as enemies of our great democracy. They will call you unpatriotic, and it will take you the rest of your life to convince the American people that you are really patriotic."

Mr. Speaker, I want to make it very clear to my colleagues here today that I am not standing up here defending any man or woman who advocates the overthrow of the American Government by force or violence. If that is what you are trying to get at, then have the courage of your convictions and say in this resolution that you want to investigate the extent and character of propaganda designed to overthrow our form of government by force and violence. If that is what you mean, say it in the resolution.

It was stated on the floor here a few moments ago that ex-service men's organizations are supporting this resolution, and I do not deny the accuracy of that statement; but being an ex-service man myself, and having been thrown in association with many ex-service men, I am convinced in my own mind that those ex-service men who have expressed approval of this resolution meant in their own hearts, at least, to express approval of an investigation into activities and propaganda designed to overthrow our form of government by force and violence. They meant nothing beyond that.

Mr. Speaker, after the 2 hours' general debate is over and the previous question is voted on, I hope the membership of the House will vote down the previous question so that we may be given an opportunity to amend the resolution to take the un-Americanism out of this so-called American resolution, so we can say to the American people that so long as they exercise their rights in the American way, if you please, of freedom of speech and freedom of assemblage, in advocating such changes as they may see fit to advocate in our Government, so long as they advocate that being done under our Constitution in the constitutional way, and without advocating the overthrow of our Government by force and violence, their constitutional rights shall be protected, and they shall have the rights that were given to them in the Constitution of the United States and rights which, in my opinion, the gentleman from Texas, the gentleman from New York, or any other gentleman has no right to deprive them of.

Mr. McCORMACK. Will the gentleman yield?

Mr. BOILEAU. I yield to the gentleman from Massachusetts.

Mr. McCORMACK. Would the gentleman vote for a bill making it a crime to knowingly and willfully advocate the overthrow of our Government by force and violence?

Mr. KELLER. That already is the law.

Mr. McCORMACK. I am talking to the gentleman from Wisconsin, and I do not need your observation. I asked the gentleman a simple question, Would he vote for such a law?

Mr. BOILEAU. I am going to answer the question. I may say if we can find words in the English language that will make it unlawful for a man to advocate the overthrow of our Government by force and violence without endangering the American citizens in their rights as American citizens, I would support the legislation. I say to the gentleman, however, it is a very difficult thing to give some Department of the Government the right to say whether that which you say or that which I say may constitute advocating the overthrow of our Government by force.

Mr. McCORMACK. I said "advocate knowingly and willfully."

Mr. BOILEAU. I understand the gentleman's language. When it comes to the question of knowingly and willfully, so long as you leave that up to human beings to define and to

determine whether it is knowingly or willfully, you are treading upon very dangerous territory. I agree with the sentiments expressed by the gentleman, and I agree with his objectives, but I shall be very careful in casting my vote upon any such proposition until I am assured that my vote may not deprive an American citizen of his right to free speech.

Mr. McCORMACK. Can my friend address to the House any stronger language than "knowingly and willfully"? Furthermore, will my friend bear in mind that in connection with any criminal statute some innocent person might be convicted of its violation, but they do have their constitutional right of trial by jury, the only thing that human ingenuity can give him?

Mr. BOILEAU. I submit to the gentleman I am in sympathy with his objective if it can be obtained without endangering the rights of American citizens, but as yet I have not seen language written in English—and I understand no other language—that in my judgment makes it absolutely sure it will not be abused, and I am willing to take the chance of having the benefit of the doubt cast in favor of the individual who seeks to express his religious, economic, or political beliefs.

I want to suggest an amendment which I shall offer in the event the membership of the House votes down the previous question. I have no misgivings about this. I know you are not going to vote down the previous question, because some of you are afraid you may be called Communists if you do, some of you are afraid you will be called un-American if you do; but if you do vote down the previous question and give me the opportunity to offer this amendment, I believe it will obtain the objective that most of you have deep down in your hearts. My amendment is as follows:

After the word "of", where it appears the second time, strike out the rest of the first page and insert in lieu thereof the following: "The extent and character of propaganda activities in the United States which have as their objective the overthrow of the Government of the United States by force and violence."

Mr. PHILLIPS. Will the gentleman yield?

Mr. BOILEAU. I yield to the gentleman from Connecticut.

Mr. PHILLIPS. The discussion as I have heard it between the gentleman from Massachusetts and the gentleman from Wisconsin turns on the question of the overthrow of the United States Government by force and violence.

Mr. BOILEAU. I do not advocate that.

[Here the gavel fell.]

Mr. DIES. Mr. Speaker, I yield 7½ minutes to the gentleman from Washington [Mr. COFFEE].

Mr. COFFEE of Washington. Mr. Speaker, pending before the House of Representatives today is a resolution introduced by the genial and capable gentleman from Texas [Mr. DIES]. Actuated as he is by the loftiest and most patriotic motives, nevertheless, there are those of us who like to denominate ourselves as more or less liberal who believe that this is a disguise for a smelling expedition aimed at liberal organizations in the United States. Particularly, the word "subversive" has been glibly used by certain speakers who have been the protagonists of this resolution on the floor of this House. The word "subversive" can be defined in numerous ways. It depends on the mental attitude with which one looks at the adjective. Does he view it objectively or does he view it subjectively? If he views it subjectively, is he not more likely to permit what Justice Stone, of the Supreme Court, says are economic predilections to characterize his understanding of the word "subversive." The speaker who preceded me has declared that the gentleman from Texas is conscientiously opposed to wage and hour legislation. If he viewed the word "subversive" subjectively and permitted his prejudices on the subject of wage and hour legislation to tincture his definition of "subversive" or "un-American," would he not develop a penchant to regard as un-American those of us who have championed the cause of wage and hour legislation?

I want to know who is going to define "un-American." What are its economic and political connotations? What infallible instrument or high tribunal of justice will lay down a definition which will be accepted by the American people? "Un-American" is a relative term. What was American 75 years ago is un-American today and vice versa. This country was founded upon the recognition of the doctrine of free speech and its preservation against all hazards.

This Government was founded upon the philosophy of the French revolutionists, one of whom was the great novelist Voltaire. Voltaire said, in writing a letter to Helvetius:

I may not agree with a single word you say, but I will fight to the death to uphold your right to say it.

Let the gentlemen who espouse this remarkable resolution, this resolution aimed at undermining and sterilizing free speech in the United States, apply to this situation the very doctrine upon which the American Government was founded—

I may not agree with a single word you say, but I will fight to the death to uphold your right to say it.

Jefferson said this country should encompass "free men, free speech, and a free church."

Who is un-American now? Oh, I recall we had the Fish committee a few years ago, which was a witch-pursuing expedition designed to hold up to public obloquy and condemnation every liberal political organization in the United States. Then we had another, a Democratic committee, the McCormack committee. Are we going to repeat now? My God, the whole Nation is crying out for succor in its distress. It is pleading for legislative aid to extirpate financial distress from the Senate and the House, and you spend the solemn time of the House of Representatives, in the ninth year of the depression, in trying to investigate what you characterize as un-American activities. To what a low degree have we sunk in the legislative chambers of the Congress of the United States.

We know the Nazis in the United States are marching in uniform. Why, the F. B. I., under the leadership of Mr. Edgar Hoover, who wants more money for his organization, according to his statement, has photographs and complete data anent these "anti-American," these "un-American" organizations, if you please. If we have the data, let us legislate, but why start a bogey-chasing expedition? Why establish a committee, the chairman and members of which can march into your State and into mine, sit around a table surrounded by newspaper reporters and motion-picture photographers, and receive endless publicity designed to mitigate or curtail all independent thinking? Communism! Why, it was suggested on the floor of this House that because the Plymouth Rock was desecrated the other day with red paint, ipso facto it must have been done by the Communists. We are told that a certain Member of this House, the chairman of one of our important committees, had his home picketed by what he termed Communists, so we are going to pass a resolution to investigate un-American activities.

Some of the men who came here touted as liberals, elected by the common people on the representation they were going to fight for the liberal cause, have now become tired and exhausted. These men came to Congress with a wealth of thought, and after a few terms in these perfumed halls they have ended by being dominated by the thought of wealth. I have witnessed several metamorphoses in my 18 months' service here.

The last sentence on the first page of the Dies resolution states that "All other questions in relation thereto shall be investigated by the committee." Where are we going to stop on this snooping, punitive expedition? Are we going to open up the whole field of political and economic endeavor in the United States? What are we doing to promote Americanism in the United States? "Americanism" is an abused word. It is as abused as the word "love" in the United States. Everybody talks about it, and nobody knows anything about it. It is like what our dear friend the gentleman from Nebraska [Mr. BINDERUP] found out. Everybody talks about money and banking and nobody besides himself, with a few exceptions, knows anything about it.

Americanism! I believe it is American to do certain things which the gentleman from Texas [Mr. DIES] would never believe it were American to do. I believe in Government operation of the Federal Reserve System. I have no doubt my friend the gentleman from Texas would say that was un-American and bordering upon communism.

Mr. PHILLIPS. Mr. Speaker, will the gentleman yield?

Mr. COFFEE of Washington. I yield to the gentleman from Connecticut.

Mr. PHILLIPS. Would the gentleman call American or un-American exercising the right of free speech and being paid by some foreign government for so doing?

Mr. COFFEE of Washington. Being paid by some foreign government?

Mr. PHILLIPS. Yes. Suppose some foreign government pays an individual to get up and use his right of free speech. Is that American or un-American?

Mr. COFFEE of Washington. Personally, I would not call that American; at least, it would be failing to exercise good judgment. However, my distrust of this legislation gravitates from my fear that it is aimed at progressive movements, parties, ideas. Inveighing at communism per se is a puerile pastime. Attempting to eliminate the social injustices which breed discontent is a laudable objective. Let us engage in that pursuit. Let us decline to temporize and refuse to embark upon running after will-o'-the-wisps when there are mountains of ice and apathy around us to melt.

Mr. MAVERICK. Mr. Speaker, will the gentleman yield?

Mr. COFFEE of Washington. I yield.

Mr. MAVERICK. That is already covered by the bill, but does not the gentleman think this would put the Democratic Party in a silly position when it looks like we are going to be investigated ourselves?

Mr. COFFEE of Washington. I recall that the Democratic Party was called communistic during the campaign of 1936.

[Here the gavel fell.]

Mr. DIES. Mr. Speaker, I yield 7½ minutes to the gentleman from Massachusetts [Mr. MCCORMACK].

Mr. TAYLOR of Tennessee. Mr. Speaker, I yield the gentleman from Massachusetts 2½ minutes.

Mr. McCORMACK. Mr. Speaker, during the course of the remarks of some of the preceding speakers reference was made to the special committee, of which I had the honor to be chairman. They very kindly refrained from making any critical comment in my presence, although I sensed a desire to do so on the part of some. One of the speakers has talked about the Fish committee as a "red baiting" committee. I caution that distinguished gentleman that the use of names is a dangerous field to enter into and is also a sign of weakness. Mr. FISH is not a "red baiter." You know when one calls a man a "red baiter" he can call someone else a "red lover." I simply refer to this so that some of our friends who have a tendency to enter into the field of personalities may realize in the future that when they open the issue the other fellow has a chance to say something in return.

Mr. MAVERICK. Mr. Speaker, will the gentleman yield?

Mr. McCORMACK. Certainly.

Mr. MAVERICK. The gentleman made a statement somewhat to the effect that nobody criticized him personally, but he saw an intention on the part of some to do so. Does not the gentleman think that when we do not say anything about him that it is a little mean in a way for him to say we have bad intentions? [Laughter.] I may say to the gentleman that I did not have any such intention.

Mr. McCORMACK. I could not conceive of the distinguished gentleman from Texas having anything but good intentions; and if anything I said intimates anything to the contrary with reference to other gentlemen, I simply want to say that some of them conveyed that message in a subtle manner. For example, my friend who has just spoken called the gentleman from New York and his committee a "red baiting" committee, and then he referred to the McCormack committee, and he said nothing about that committee being a "red baiting" committee, but the remark followed up his rather unkind and unnecessary and gratuitous and improper reference to the special committee of which the distinguished gentleman from New York [Mr. FISH] had been chairman.

Now, the committee of which I was chairman made an investigation by reason of a resolution which contained the same language that is contained in the pending resolution. Certainly no one accuses that special committee of doing anything that was not right. We received thousands of editorial compliments, and never one editorial comment of an adverse nature was addressed against the special committee of which I had the honor to be chairman.

What is un-American in the political field is entirely different from what is un-American so far as the basic fundamentals of our country are concerned.

I dislike hearing one Member accuse another of supporting un-American legislation when it is proposed and pending in this House, and I do not believe that gentlemen who advance the argument against this resolution that because somebody supported the wage and hour bill—and I supported it—that is un-American.

When anyone advances the argument that such legislation is un-American they do not mean that it is un-American so far as the fundamentals of our Government are concerned. I heard references made to the reorganization bill being un-American, but I never misinterpreted the state of mind of those who expressed such opinions. They were confining themselves strictly to the political field. Certainly, they were not impugning the motives of those who supported such legislation—and I did—so far as the fundamentals of our Government are concerned, and the great purposes for which our Government stands.

Mr. O'MALLEY. Mr. Speaker, will the gentleman yield?

Mr. McCORMACK. I yield to the gentleman, briefly.

Mr. O'MALLEY. Can the gentleman assure us that if this committee is created we will have a membership of gentlemen who would be able to distinguish, like the gentleman does, between what is un-American or otherwise?

Mr. McCORMACK. My friend flatters me, and I am sufficiently human to express my appreciation, but, of course, I cannot answer the gentleman's question.

Mr. BOILEAU. Mr. Speaker, will the gentleman yield?

Mr. McCORMACK. I yield.

Mr. BOILEAU. Does the gentleman agree with me that about the only thing that is un-American is the advocacy of the overthrow of our form of government by force and violence?

Mr. McCORMACK. I think the gentleman made a very fine contribution to this debate, but there is just one further field I might suggest to my friend.

If the previous question is voted down, there should be included the activities of foreign agencies in the United States seeking to mold public opinion or to form group action, not for the purpose of the overthrow of the Government but for the purpose of influencing the domestic or the external policies of our Government. Such activities are equally subversive of our institutions, and if the previous question is voted down, I suggest to the gentleman that he incorporate some such language in his amendment.

Mr. MAVERICK. Mr. Speaker, will the gentleman yield?

Mr. McCORMACK. I yield.

Mr. MAVERICK. Is not that covered by the bill H. R. 1591?

Mr. McCORMACK. I was coming to that.

Mr. BOILEAU. Mr. Speaker, will the gentleman yield at that point?

Mr. McCORMACK. I yield to the gentleman.

Mr. BOILEAU. I believe we can all agree upon the particular point the gentleman brings out without having an investigation; and when it comes to the question of investigating, that should be confined to the extent and character of the propaganda designed to overthrow our Government by force and violence.

Mr. McCORMACK. Or whatever activities are being engaged in in the United States, which emanate from abroad, the objective of which is to create group action or to in-

fluence American public opinion in a manner so that our domestic and external activities will be affected. In other words, for instance, the activities in this country prior to our entrance into the World War, when foreign nations spent money and tried to influence public opinion on each side of that conflict. They sent their paid propagandists into the United States, and in my opinion that is wrong and a proper subject of inquiry. That is one of the things that I have in mind.

Mr. BOILEAU. The gentleman from Massachusetts [Mr. McCORMACK] and myself have advocated narrowing down this resolution.

Mr. McCORMACK. And the gentleman from Massachusetts, when his special committee was in existence, narrowed it down to these fields, and I am sure that my friend from Wisconsin will agree to that.

Mr. BOILEAU. Although I might not be in entire accord with the gentleman's objective, I say now that if he will join us who believe it should be narrowed down and vote down the previous question, I think there are enough of us here to amend the resolution in accordance with the views expressed by the gentleman from Massachusetts and myself, and I think we would be doing a great service to the American people if we could do that.

Mr. McCORMACK. And then would the gentleman vote for the resolution?

Mr. BOILEAU. If only those two propositions are in it; yes.

Mr. McCORMACK. That is fair. The gentleman's position is fair.

Mr. BOILEAU. Will the gentleman cooperate to the extent of voting down the previous question?

Mr. McCORMACK. Of course I have no control over that.

Mr. BOILEAU. The gentleman can vote against the previous question, and he is a very influential Member of this House, and can influence others to do that.

Mr. McCORMACK. Personally, I think the gentleman from Texas [Mr. DIES] in having expressed a willingness to accept the amendment the gentleman from North Carolina [Mr. WARREN] proposed should also be willing to accept the amendment of the gentleman from Wisconsin, with the additional suggestions that I have made, making it broad enough so that an investigation can be made not only of those movements which are dedicated to the ultimate overthrow of government by force and violence, but as to any other activities, the objective of which is to form American public opinion on a political matter, or group action in arraying Americans against Americans, so as to ultimately affect the domestic and external policies of our country.

Mr. BOILEAU. The gentleman means only when they originate in foreign countries.

Mr. McCORMACK. Of course.

Mr. BOILEAU. The gentleman's suggestion is not in entire accord with my views, but it comes close enough so that as far as I am concerned I shall vote for his amendment together with the one I have suggested, if we can vote down the previous question.

The SPEAKER. The time of the gentleman from Massachusetts has expired.

Mr. TAYLOR of Tennessee. Mr. Speaker, I yield the gentleman 5 minutes more.

Mr. McCORMACK. Might I suggest to my friend from Wisconsin that when the last special committee was created, in its operation under my chairmanship, the committee confined itself to those fields of investigation.

Mr. SIROVICH. Mr. Speaker, will the gentleman yield?

Mr. McCORMACK. Yes.

Mr. SIROVICH. The gentleman has made a constructive suggestion. Does he realize that if we wanted to do through a congressional committee what he suggests that it would necessitate an investigation of the ambassadors and foreign ministers and others in this country, and we could not do that?

Mr. McCORMACK. Oh, the gentleman knows that under no conditions could we summons or directly investigate an accredited representative of a foreign government. Evidence that might lead into that is an entirely different proposition, if we obtain the evidence independent of the accredited representative or those associated with him. It is perfectly germane. For example, take the charges that are made about the Spanish Ambassador. Whether they are true or not, I do not know. I do know that someone called my attention to a lot of pamphlets that were sent through the mails from the Spanish Embassy, using the franking privilege. If I sent them through the mail it would cost me $1.89, but that is sent under the diplomatic privilege. I do not know how extensively that is going on, but that was called to my attention, where it came out of the Embassy of the Spanish Government. Someone made a request for certain information, and they sent them all that stuff, and it would have cost $1.89, I am informed, to send it first-class mail. How extensively that is going on I do not know. If there is a violation of franking privilege, the American people are entitled to know it.

Mr. KRAMER. The gentleman will recall that in the investigation of which the gentleman was chairman, information was brought out that the Silver Shirts were cooperating with the Nazis, and where they had German propaganda going on, and when they carried that out, they would join the things up and make an attack on some part of the Government with the purpose of overthrowing it.

Mr. McCORMACK. Brushing aside everything, we know what un-American means in the sense of this resolution. It does not relate, as feared by some, to the C. I. O. or the A. F. of L., or to this or that bill. Everyone knows what un-American means in the sense that it is used in the pending resolution, and this committee, whoever is in charge, would have the responsibility of confining its investigation to facts that we feel are of a subversive nature.

As a result of our investigation we made several recommendations, four pieces of legislation and two others that did not require legislation.

One or two of them have become law, another bill is pending in conference between the two branches. In my opinion that is one of the most important features of legislation the Congress could pass to meet any effort emanating from abroad operating in the United States through paid agencies, whether alien or resident, to formulate American public opinion on any question, whether it be nazi-ism, communism, fascism, war, or any other political subject. That bill passed the House unanimously. My friend, the gentleman from Wisconsin, supported it and my friend from Texas supported it. I took it up specially and called it to their attention. The bill passed the Senate unanimously and is now in conference on two minor amendments. The conferees, I understand, have or will soon agree. This bill was recommended by the special committee of which I was chairman. This bill would go a long way toward meeting the situation.

Mr. MAVERICK. Mr. Speaker, will the gentleman yield?

Mr. McCORMACK. I yield.

Mr. MAVERICK. Is it not a fact that insofar as it covers foreign propaganda emanating from a foreign source that if it is enforced it is an adequate piece of legislation?

Mr. McCORMACK. Yes; as adequate as human beings and legislators can accomplish under our scheme of government having in mind freedom of speech and freedom of the press. The pending resolution of investigation should pass. [Applause.]

[Here the gavel fell.]

Mr. DIES. Mr. Speaker, I yield 1 minute to the gentleman from Pennsylvania [Mr. DUNN].

Mr. DUNN. Mr. Speaker, the resolution which is being considered before the House today is for the purpose of appointing a committee to investigate the un-American activities that are supposed to be going on throughout our country.

According to statistics there are, at the present time, approximately twelve to thirteen million people unemployed in the United States, which means that a big percentage of the

population is suffering because of the lack of food, shelter, clothing, and other essentials. In my opinion, this inhuman treatment of our fellow men is abominable, outrageous, and very much un-American. The committee should be authorized to investigate the cause of this unemployment condition.

President Roosevelt and some of the Members of Congress have tried to remedy the unemployment situation. If all the Members of Congress would think as much of their fellow men as they do of themselves there would not be any unemployment in the United States; all those who would be able to work would have a job at a saving wage; the aged and others who, because of a physical disability, cannot be employed would be given adequate pensions; sweatshops, child labor, slum district, and poorhouses would not exist.

Mr. TAYLOR of Tennessee. Mr. Speaker, I yield 2 minutes to the gentleman from Wisconsin [Mr. O'MALLEY].

Mr. O'MALLEY. Mr. Speaker, I am overwhelmed with the generosity accorded those in disagreement with this resolution in the matter of time; they cannot get any. I fear the committee will be as arbitrary as the conduct displayed today. It seems to me that we are all tired out toward the end of this session. Apparently the open season on damn foolishness has begun, and we ought to adjourn before we lend ourselves to much more of this type of political ballyhoo.

Whenever a parliamentary body in any country of the world has found itself unable to deal with the economic problems that face the people dependent upon it, they go on a witch hunt. Here we are coming toward the end of the Seventy-fifth Congress faced with 12,000,000 unemployed, faced with a recession that is growing steadily, so we are going to offer the only solution we can think of, an investigation to try to determine what is un-American. Certainly a brilliant wind-up that should make our workless and hungry citizens very pleased and happy over their representation. If anything endangers our Government it is stuff like this in the closing days of Congress.

I have never been worried about anybody picketing my house. I do not think any Member of Congress should worry about that. If most of these terrible radicals you are so worried about were offered some doughnuts and coffee they will probably stop picketing your house and sit down on the porch. Radicals do not make conditions, but conditions make radicals. The place to start is to eliminate the things that create these poor, deluded followers of other theories of government.

This resolution can do no good. The Department of Justice is entirely competent to deal with every violation of law that we know exists. The Department of Justice has said time after time that the reason it could not deal with some of these camps and some of these people wearing uniforms is that they have no law under which to arrest and prosecute them. Why do we need an investigation? Why does not the committee bring out a bill making these things illegal? Then the Department of Justice, for which we appropriate millions of dollars every year, could enforce that law. The people of my section do not need any congressional committee to tell them what is good Americanism. And when any organization attacks our Government or advocates its destruction, our people back home will take care of them quicker and more effectively than any committee of Congress can. The thousands of dollars this investigation will cost is a waste of money. This is political faking for election purposes. Bring in a bill making illegal the things you complain about and let the departments enforce it, instead of authorizing another junket.

Mr. DIES. Mr. Speaker, I yield 3 minutes to the gentleman from Missouri [Mr. COCHRAN].

Mr. COCHRAN. Mr. Speaker, this resolution has progressed to such a point that it would be unwise for this House to fail to approve it, because we sent word to the country—some newspapers, always critical, will make it appear, if the resolution is defeated, that the House of Representatives has declined to investigate un-American activities. That is the situation as I see it. I do not want to be accused of refusing to vote for legislation to investigate un-American activities. It is for this reason, having confidence that the Speaker will appoint a committee that will be fair, that I am going to support this resolution.

Now, I want to again ask the gentleman from Texas, as it will be my duty in part to bring in a resolution to provide the expenses for this special committee, kindly to give the House some idea, before the resolution becomes effective, as to how much money he thinks it is going to take to carry on this investigation.

Mr. DIES. I wish I could answer the gentleman's question, but it seems to me that first we must create the committee. I may not even be a member of the committee.

I cannot make any statement as to what the committee is going to do.

Mr. COCHRAN. If the resolution passes today, as it will, the gentleman knows as well as I do that there will be a resolution dropped into the hopper without delay calling for an appropriation. You are delivering a mandate to the Committee on Accounts when you pass this resolution to appropriate money to carry out the purposes of the resolution. The gentleman should advise the Members of the House whether he expects $5,000, $10,000, or $15,000.

Mr. DIES. As I understand, if the resolution passes and the committee is appointed, then we have to go to the Committee on Accounts to get the necessary funds.

Mr. COCHRAN. That is right.

Mr. DIES. That is for the gentleman and the other members of the Committee on Accounts to determine.

Mr. COCHRAN. Will the gentleman abide by the decision of the Committee on Accounts if he is chairman of the committee?

Mr. DIES. I will have to.

Mr. COCHRAN. No. A majority of the Members of the House can overrule the Committee on Accounts. Will the gentleman support the amount recommended by the Committee on Accounts?

Mr. DIES. The gentleman might make it so low I could not.

Mr. COCHRAN. The gentleman wants us to vote for a resolution, but still declines to name what he feels is a reasonable amount for expenses. I am going to support the resolution for the reasons stated, but I certainly hope the gentleman from Texas will not be unreasonable in his demands when he appears before the Committee on Accounts.

[Here the gavel fell.]

Mr. TAYLOR of Tennessee and Mr. KNUTSON asked and were given permission to revise and extend their own remarks in the RECORD.

Mr. TAYLOR of Tennessee. Mr. Speaker, I yield 4 minutes to the gentleman from Pennsylvania [Mr. EBERHARTER].

Mr. EBERHARTER. Mr. Speaker, this resolution is pending before the House today, I am safe in saying, because of the persistency and the activities of one Member of the House. Of course, the resolution which that Member introduced and any other companion bills which he may have introduced to correct a situation of which he complains are not reported by the Committee on Rules. However, the present resolution offered by the gentleman from Texas is the result of the activities and the persistency of the gentleman from New York [Mr. DICKSTEIN].

For the most part, I have felt that he was unnecessarily alarmed in regard to un-American activities and propaganda, because I could never bring myself to believe that any considerable portion of the American public would for a moment lend an attentive ear to any un-American propaganda. I believe that the American people have too much common sense, too much sound judgment, and too much reverence for their institutions and fondness for the privileges which they enjoy in our American form of government to listen for an instant to any blandishments offered by propagandists favoring a totalitarian state. Nevertheless, it appears to me that there have been so many charges made which many of the people of our country seriously believe to be true and there has been so much dust raised that the question should be settled once and for all. For this reason, I have come to the conclusion that the Congress should pass a resolution providing for an investigation.

There is one thing about an investigating committee of this sort, and that is it very often results in advertising the tenets and beliefs of those very persons whom it is the desire of the investigating committee to suppress. It often has the tendency to make those few who may be dissatisfied with conditions in this country learn these beliefs and tenets and lean toward that propaganda which we all deplore. However that may be, as was said by the gentleman from Missouri [Mr. COCHRAN], I also have enough faith and confidence in our Speaker that he will appoint as members of this investigating committee men of a character and caliber who will hold this investigation within proper bounds; members who will not use the broad power granted by the resolution for any other purpose than to ascertain the truth or the falsity of the charges which have been made concerning the activities and propaganda against the principles of our form of government and our beliefs in the fundamental righteousness of the democratic form of government. I ask the membership to vote favorably on the passage of this resolution, believing, as I do, that any committee appointed by the Speaker will be fair, just, and impartial both in its investigation and its findings.

[Here the gavel fell.]

Mr. DIES. Mr. Speaker, I yield 3 minutes to the gentleman from California [Mr. FORD].

Mr. FORD of California. Mr. Speaker, I do not very often find myself in the position of supporting a measure of this type that has for its purpose an investigation of so-called un-American activities. A great many have seemed to be in doubt as to what un-American means. I want to make just one statement in this connection. As it appears in this resolution, it seems to me to mean, among other things, nazi-ism. That is un-American, and I deplore its existence in this country. The establishment of camps organized by a foreign power, and financed by a foreign power, which teach the young people of this country the philosophy of nazi-ism, which is "actual" the philosophy that would deny the very thing that some of you men advocate in the way of freedom of speech and assembly.

In my experience I have noticed that most of the people who advocate this free-speech stuff are the people who want to exercise freedom of speech in a way that is derogatory to good, sound, American principles. Of late that has become rather general. Those same people, on the other hand, are advocating communism, nazi-ism, fascism, and other isms. The very freedom of speech and assembly which they advocate would cause them to be suppressed in one split second in any of the ism countries.

Mr. Speaker, I do not care what these other nations have in the way of a government. That is their business. But I do not want them to try to attempt to inaugurate it in our country [applause] and I am not going to have it. They can have any kind of philosophy to animate their governmental principles which they desire; that is their business; but I do not want them coming over here to the United States, organizing camps, "heiling" Hitler, wearing a foreign uniform, and saluting a foreign flag under the American flag. [Applause.]

As a man dedicated to freedom of speech, of ideas, of religion, and of the press, I want to reiterate that I am naturally disinclined to advocate investigations into what is called un-American activities. Before supporting any such investigation I must be sure that it is not an attack on our liberty of free speech or upon any other of our cherished liberties.

That is a fine and tolerant philosophy with which I agree. But do not forget this salient fact: Many of the people who advocate free speech for themselves and free expression of their ideas are advocating a system of government that is now suppressing and will continue to suppress all free speech, free press, and the right to free religion.

This investigation seems to be motivated by right principles, seems to be based on evidence of what may prove to be a definite plot against our country, our system, our way of life. From all accounts democracy itself is the issue.

Any effort to destroy the American system, to replace our free representative government, our democracy, with some system transplanted from the Old World, must be stopped. Plainly, fascism is threatening our lives. Whether it is called fascism, nazi-ism, or by any other name, this is something that is hateful to all true Americans. And it is something that must be stopped in this Nation.

For it runs counter to every American principle. It abhors free speech, free religion, the free press. It abhors democracy, representative government, the right of the people to decide through their freely elected representatives the policies and the laws of the country. It discriminates among races, abusing and hounding to their very death innocent people because of their race or color or religion. This must be stopped, must not be permitted to get a foothold in the United States. It is subversive, destructive, anti-American.

The sure way, the American way, the President's way of preventing the spread of un-American doctrine, is for the Government to continue to place the welfare of the people before every other consideration. Widen opportunity for all the people, provide employment, make it possible for all who need work to get jobs, and the foreign seed with its poison will not grow in America.

Mr. TAYLOR of Tennessee. Mr. Speaker, I yield 4 minutes to the gentleman from Illinois [Mr. MASON].

Mr. MASON. Mr. Speaker, last year this Congress appropriated $1,000,000,000 as a defense fund against possible enemies from without, imaginary enemies from without, some people believe. This Congress appropriated $1,000,000,000 again this year as a defense fund against possible enemies from without. We have also authorized the appropriation of an extra $1,000,000,000 for the expansion of the Navy, supposedly as a defense against possible enemies from without. We do know that enemies within are much more dangerous than enemies without, and it is enemies within at whom this resolution is aimed.

There is not a Member of Congress who does not realize that the world is in a critical condition. The staff writer of the Christian Science Monitor has this to say about present world conditions:

> Democracy throughout the world is under unprecedented external and internal attack as communism and fascism aggressively assert the superiority of their unproved systems. It is timely, therefore, that the democracies reexamine their own doctrines and their own records. A rededication to and a reinvigoration of the spiritual, moral, and political concepts of democracy should be the purpose of this reexamination. It is similarly imperative that the defects in representative democracy be detected and corrected.
>
> By representative government is meant government with the ultimate control resting with the people, with all the political liberties of criticism and opposition scrupulously maintained, and with impartial justice open to all who seek redress from wrongs.
>
> By dictatorship is meant a government arbitrarily imposed from the top, with political freedom abolished and the individual subordinated to the state.

This is the condition that exists in the world today.

We have been told this probe may turn into a fishing expedition, and we have been told it may be a publicity stunt. That is possible; but what is absolutely needed, and what the purpose of this resolution should be, is to probe into the cancerous growth on the body politic, those open sores that have become aggravated in the last few years. It seems to me that whoever may be appointed on this committee has the responsibility and should see to it that this probe is directed at the things that are troubling our American society today—nazi-ism, communism, and other un-American isms.

[Here the gavel fell.]

Mr. TAYLOR of Tennessee. Mr. Speaker, I yield the remainder of my time to the gentleman from Kentucky [Mr. ROBSION].

Mr. ROBSION of Kentucky. Mr. Speaker, we have under consideration House Resolution 282. This resolution provides that the Speaker of the House of Representatives appoint a special committee to be composed of seven members for the purpose of conducting an investigation of (1) the extent,

character, and objects of un-American propaganda activities in the United States; (2) the diffusion within the United States of subversive and un-American propaganda that is instigated from foreign countries or of a domestic origin and attacks the principle of the form of government as guaranteed by our Constitution.

Mr. Speaker, I favor the adoption of this resolution. It seems to me it should be adopted by this House without a dissenting vote in view of the startling information that has come to the committees of the House and the statements made by various Members here in our presence today.

No great nation was ever destroyed from outside attacks. Great nations have fallen almost without exception because of attacks from within. There are several large groups in this country who have been for some time, and are now, making attacks from within. I refer to Communists, Fascists, and Nazi groups.

There has been established on American soil what is known as the Nazi or German bund in many communities and in several of the States. This Nazi group forms themselves into camps. They wear the Nazi uniform, have the Nazi flag, they meet with great frequency, and the youth of this country and the men who belong to these camps in marching use the German goose step, carry the swastika or German flag, and they give the Nazi salute required by Hitler. They pledge themselves to Hitler and the Nazi cause, and we are advised that only occasionally is the American flag displayed, and when it is, it is in some inconspicuous place. These camps are made up of Germans and their sons. Many of them are alien Germans. Many are not American citizens. It is said there are approximately 500,000 members of these camps.

The question arises, Who is instigating and financing the training of German men and boys on American soil and pledging them to Hitler and requiring them to give the Hitler salute? We learn from the press that such groups have been formed in various South American countries of German men and their sons. Such groups were formed in Austria—in fact, they had a regular Nazi Party in Austria—and with Hitler they recently succeeded in overthrowing the Austrian Government and placing it under the heel of Hitler and his Nazi Party. The world has been brought to the brink of another World War over the formation of the Nazi Party in Czechoslovakia. Through intrigue and other means, Hitler has succeeded in uniting something like 3,500,000 Germans in Czechoslovakia against that Government. They goose-step, carry the swastika—German flag—give the Hitler salute, and pledge themselves to Hitler. The purpose of Hitler and his Nazis in Czechoslovakia was to overrun and take that country.

This same army of Nazis is being built up in this country. In the event of war between this country and Germany there is little doubt but what we would have to fight this group of Nazis in America.

There is another more numerous group being built up in almost every section of the United States—the Communists. They pay homage to Stalin. They give their allegiance to the Communist Party. The Communists in this country admit freely that the Communist Party is world-wide and its capital is Moscow in Russia. These Communists are busy undermining our Government, our institutions, our churches, and our schools. They, like these Nazis, are busy putting out subversive propaganda. They seek not only the overthrow of this Government but of every other government. Their desire is to bring all the people of the world under the rule and control of the Communist Party at Moscow in Russia.

Now, the purpose of this resolution is for a committee of this House to make a thorough investigation not only of communism and nazi-ism but of the Fascists and every other organization in this Nation that is putting out this un-American propaganda and engaging in un-American activities in the United States and diffusing within our country subversive and un-American propaganda. Let us find out what un-American and subversive activities are being carried on and who it is that is instigating these activities and providing the money to carry them on.

We have no Communists or Nazis in my congressional district. Our people are intensely patriotic and American. There is no place in my district for the red flag of communism, swastika, or any other flag except the Stars and Stripes. We still believe in the old-time religion, our Constitution, and our institutions. Hitler, Stalin, and Mussolini have no appeal for the citizens of my district. We are opposed to the youth of our land marching under any flag except the Red, White, and Blue. We oppose their pledging their allegiance to any government except our own.

CONDEMNED BY COMMUNISTS

A group of Communists met in Louisville recently and passed resolutions, according to press reports, condemning my record in Congress and calling upon the people of my congressional district to defeat me for reelection.

I am not surprised that my record in Congress is unsatisfactory to the Communists. I am not for them. I strongly oppose their policies, their attitude toward our Government and our institutions and their hatred of religion and religious freedom. In this particular instance I rejoice in the enemies that I have made. I consider it an honor for any Member of the United States Congress to be denounced by the Communists.

FAVOR FREEDOM OF SPEECH, PRESS, RELIGION, AND ASSEMBLY

Every day we are warned that we must not take action against these Communists, Nazi-ists, and other un-American and subversive groups, as this country guarantees freedom of speech, of the press, of assembly, and of religion. I favor, and all those supporting this resolution favor, freedom of speech, press, assembly, and conscience as provided in our Constitution. These should not be used, however, by foreign governments and alien groups to destroy this Government. Let those who have the right to use these priceless guaranties be sure they do not abuse them.

Hitler would not permit one score persons in Germany to hold secret meetings and parade in public carrying the American flag and pledge their support to the United States Government and at the same time denounce Hitler and his Government. Why then should we permit 500,000 people in this country to do that same thing and threaten the overthrow of this Government? There is no freedom of speech, of the press, of assembly, or of religion in Russia under Stalin. Not even a citizen in Germany, Russia, or Italy is permitted to speak or write against their respective countries or against Stalin, Hitler, or Mussolini. Now, why should we permit a lot of Communists from Russia or elsewhere who hate religion, who hate this Government, and desire to see it overthrown and a communistic dictatorship established to organize on American soil, march under the red flag of communism, and engage in subversive propaganda and activities for the purpose of destroying our Government?

We are spending now more than a billion dollars a year for national defense. Why build a great navy to protect us from foreign attacks and at the same time take a lot of these foreign enemies into our bosom to destroy us?

This investigation should be thorough and fair. The American people are entitled to know what these alien and foreign-minded Americans are up to and who it is that is furnishing the brains and the money to build up these un-American organizations in this country, and then Congress should not hesitate to pass such measures as are necessary to protect our country—should not hesitate to apprehend and send out of this country its enemy aliens.

Our country is the only nation of the world that is providing jobs or relief for millions of aliens. If these aliens and alien-minded Americans desire to serve Hitler, Stalin, Mussolini, and other dictators and desire to affiliate with the Communist, Nazi-ist, and Fascist Parties, they should leave this country and go to the foreign countries where they can enjoy all the oppression of dictators. [Applause.]

Mr. TAYLOR of Tennessee. Mr. Speaker, for the first time since I have been a Member of this body, I make the point of order a quorum is not present.

The SPEAKER pro tempore. One hundred and forty-nine Members are present, not a quorum.

Mr. COOPER. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 91]

Anderson, Mo.	Daly	Jacobsen	Scott
Andrews	Delaney	Kerr	Shafer, Mich.
Arnold	DeMuth	Lanzetta	Smith, Okla.
Atkinson	Ditter	Lesinski	Steagall
Barden	Doughton	Lewis, Md.	Sullivan
Bland	Douglas	Long	Sumners, Tex.
Buckley, N. Y.	Drew, Pa.	Lucas	Sweeney
Bulwinkle	Elliott	McGroarty	Taylor, Colo.
Burch	Fish	McMillan	Thomason, Tex.
Byrne	Fitzpatrick	Maas	Thurston
Cannon, Wis.	Flannery	Martin, Mass.	Tinkham
Champion	Gasque	Mitchell, Tenn.	Vincent, Ky.
Chandler	Gifford	Mosier, Ohio	Vinson, Ga.
Chapman	Gildea	Mouton	Wearin
Clark, N. C.	Gray, Ind.	Norton	Weaver
Claypool	Gray, Pa.	O'Connell, R. I.	White, Idaho
Cole, Md.	Greenwood	O'Connor, Mont.	Wilcox
Cole, N. Y.	Griswold	O'Day	Wolcott
Cox	Hancock, N. Y.	Oliver	Wolfenden
Crosby	Hartley	Pettengill	Wood
Crosser	Hoffman	Pierce	Woodruff
Crowther	Holmes	Polk	
Culkin	Honeyman	Rich	
Curley	Hunter	Rogers, Okla.	

The SPEAKER. On this roll call 333 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

Mr. DIES. Mr. Speaker, I yield the balance of my time to the gentleman from New York [Mr. O'CONNOR].

Mr. O'CONNOR of New York. Mr. Speaker, in my opinion, this is a serious question which confronts the Congress as the only organization of the Government which can deal with it. The executive department cannot, the judicial department cannot, and it is, typically, a question for Congress as to whether or not they are going to stand by the present form of Government and prevent this un-American activity that is rampant in our Nation. That it would, if successful, ultimately destroy our democratic form of government many of us feel sure.

There is no question here of Jew or German. That issue is exaggerated. It is, in national effect, very minor, so I hope that no Members will be influenced by the German vote in their districts, because I have, proportionately, as many Germans in my district as any Member of this House. Moreover do I hope that no Member will be influenced by the number of Jewish citizens in his district, because while I have, substantially, no Jews in my district, I am deeply concerned that no anti-Semitism arise anywhere in my own State of New York or in any State of the Union.

This question simmers down to an un-American activity in our midst. There is no question but what a radical movement is sweeping this country. It is represented principally by the Communist movement. The allies of the Communists have joined forces. If you do not believe this is true, you have not observed what has been going on in recent years. There are millions of people parading our streets waving red flags seeking to undermine our Government. Violence has already occurred on our streets.

Some reference was made here today to me personally and about the Communists picketing my home last night. That is not unusual. That happens about once a month. Of course, under the law they have no right to picket my home because I have no labor dispute with anybody, but so powerful is this group with high Government officials that the police are forbidden to enforce the laws.

Let me read some extracts from a letter just received by me today:

MAY 25, 1938.

Congressman JOHN O'CONNOR,
Chairman, House Rules Committee, Washington, D. C.

DEAR CONGRESSMAN O'CONNOR: The Communists picketed your home this evening and distributed the enclosed circular, also held a mass meeting at the corner of Third Avenue and Thirty-fifth Street—

That is within 100 feet of my home—

I have deposited affidavits accumulated during 2 years that I have been studying communism from the inside that will lead to congressional investigation of communism and in time of war would send many to the firing squad.

Mail is no longer safe, as there is a Communist within every New York City branch post office. In the office or at the phone of every large industry there is a Communist spy. They claim a unit in the New York Fire Department.

No one is safe on W. P. A. in New York City who does not join the C. P. The light, heat, water, and power plants of the Nation are at the mercy of Communist spies.

Official orders from Moscow called for the enlistment of Communists in the Army, Navy, National Guard, and R. O. T. C. This order was issued officially December 28, 1937.

They now propose to communize the railroad unions by official instructions so that by tieing up the railroads they control all major and basic industries and movement of food, etc.

Little do the people of this Nation realize what is happening, but they are due for an awakening. Let's hope not too late.

The proposed constitution to be adopted at the tenth national convention, convening the 26th in New York City, is a deliberate fake.

Under protection I will go before Congress and testify to the nefarious plans of communism toward America and its people.

They are a secret organization. They are teaching in secret that the Constitution is merely to create a quasi-legal status to fight "red baiting."

Three thousand members in the Sixteenth Congressional District will make a house-to-house canvass against you, as stated at the street meeting tonight.

Incidentally the Hague case was built by the Communists to destroy the Democratic Party in New Jersey and arranged by Communists on W. P. A. who, while working for W. P. A., were devoting the time building communism. One Mike Kantor has been assigned by the Communist Party to locate at Pittsburgh, Pa., and bring on the same situation that was developed at Jersey City. I worked for 12 years on the late New York World and supplied advance information of the proposed activities of the Communist Party in Jersey.

And, incidentally, right in New York today, about 21 spies of a foreign nation are about to be indicted. Millions of dollars have admittedly been spent by that nation in our country for propaganda purposes.

Within a month or so our National Guard of New York has tried to weed out the Communists who had deliberately enlisted in our armed force.

All this is a great compliment to me. If ever I were defeated for public office, it is my solemn wish that I go down to defeat fighting the Communists, the enemies of our Government and all religion. I have here a great headline in one of the great papers of New York, the Herald Tribune, which says:

O'CONNOR first on the blacklist of Communists in America.

Few men are paid that compliment, decreed by the National Organization of the Communists of America on instructions from Russia.

I contemplate using as my epitaph "JOHN O'CONNOR, public enemy No. 1 of the Communists."

Mr. Speaker, as I stated in the beginning, the matter rests wholly with us in Congress.

It is a sad commentary, but the fact is that some of our Departments of Government are replete with Communists. They have wormed their way in through diverse means—often, I regret to say, because of the leanings and the sympathies of the heads of some of our agencies. The people of our country do not generally know this, but they should, and as far as my feeble voice can carry they will know it, and at the appropriate time I shall name names.

Even the heads of some of our departments are Communists or have similar leanings. For instance, the head of one of the greatest governmental departments was a registered Socialist in New York City. He will not deny that.

Mr. BIERMANN. Mr. Speaker, will the gentleman yield?

Mr. O'CONNOR of New York. I yield to the distinguished gentleman from Iowa for a brief question.

Mr. BIERMANN. Is the gentleman prepared to answer whether or not that is Harry Hopkins?

Mr. O'CONNOR of New York. The matter to which I refer is officially recorded in the board of elections of the city of New York.

It is the Congress alone that is able to save this Government of ours from this destructive movement which has grown up tremendously during this depression so that it

is now a dangerous radical un-American movement throughout the country. We just must stop it now. We must investigate its strength, its sources, its activities, and its leaders, in high or low places.

I have heard the argument made here that this is an anti-German movement. It is absolutely not. I would be no party to such an un-American movement. The decent German people of our country are against what this so-called bund, headed by one Fritz Kuhn, is doing. The decent people of our country—Jew, German, Irish, American, and all the other racial stocks—are against the Communist movement. If any gentleman thinks this radical, un-American movement has not grown during these last few years, and sometimes by encouragement from high places, then he has not looked around and observed the obvious facts.

Why, Mr. Speaker, I saw 50,000 people march through our streets with the red flags of communism. They were of all races and all colors. We in Congress here are the only ones who can do our duty to our established Government by investigating this monster and stopping this conflagration before it sweeps us out of control of our Government. I am not talking about any political party. I am talking about my country, and in the last analysis I do not care what party is in power if the fate of my country is concerned. But I do not want to see any group that is against our republican form of government get control of these United States. [Applause.]

That is why we are here today debating this subject. We are here to protect our own Government, which we swore to protect when we took our oath before this Speaker's desk. Let us not go off on any tangent; let us do our duty as American citizens, whether we be Democrats, Republicans, or Progressives. Let us save this country—and I am serious—let us save it from this horde of radicals, this horde of Communists, before the hour becomes too late. [Applause.]

Mr. WARREN rose.

Mr. DIES. Mr. Speaker, I yield to the gentleman from North Carolina for the purpose of offering an amendment.

Mr. WARREN. Mr. Speaker, I offer the following amendment, which I send to the desk.

Mr. MAVERICK. Mr. Speaker, I reserve the right to object.

The SPEAKER. The gentleman from Texas [Mr. DIES] controls the time, and he has yielded to the gentleman from North Carolina to offer an amendment.

Mr. MAVERICK. Mr. Speaker, a parliamentary inquiry.

Mr. BOILEAU. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman from Wisconsin will state his parliamentary inquiry.

Mr. BOILEAU. How much time remains in control of the gentleman from Texas?

The SPEAKER. The Chair is advised that 1 minute and a half remains of general debate.

Mr. MAVERICK. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. MAVERICK. If an amendment be offered by agreement with the gentleman from Texas [Mr. DIES] from the Committee on Rules, does that mean that the resolution is open to amendment by all Members?

The SPEAKER. It does not, necessarily.

Mr. MAVERICK. The parliamentary inquiry I want to make is, under the rules, if one particular man in charge of the time permits a certain amendment, has he the power to arbitrarily deny that privilege to others who wish to offer amendments?

The SPEAKER. The gentleman in charge of the resolution, the gentleman from Texas [Mr. DIES], under the rules has the right to yield to any Member for the purpose of offering an amendment. The gentleman from Texas [Mr. DIES] if he does not desire to yield to other gentlemen for the purpose of offering an amendment, can move the previous question. If in the judgment of the House the previous question should not be ordered, the House can vote down the motion for the previous question, which would throw the resolution open to further germane amendments.

Mr. MICHENER. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. MICHENER. Going further along the line the Speaker has suggested, if the chairman of the Committee on Rules yields for an amendment, and that amendment is offered, then the amendment is subject to debate, for and against, under the rules of the House, is it not?

The SPEAKER. If the gentleman from Texas [Mr. DIES] in charge of the resolution, yields to the gentleman from North Carolina for the purpose of offering an amendment, the gentleman from North Carolina would be entitled to control 1 hour on the amendment. The Clerk will report the amendment.

The Clerk read as follows:

Amendment offered by Mr. WARREN: Page 2, line 18, insert:
"SEC. 2. The committee shall file its report with the House on January 3, 1939, or may file the same earlier in the event the House is not in session with the Speaker of the House, for printing as a public document."

Mr. WARREN. Mr. Speaker, that is the amendment which was mentioned earlier in debate, and which the gentleman from Texas said he would be glad to accept.

Mr. DIES. Mr. Speaker, I move the previous question on the amendment and the resolution to final passage.

The SPEAKER. The question is on the motion of the gentleman from Texas, ordering the previous question on the amendment of the gentleman from North Carolina and on the resolution to final passage.

Mr. BOILEAU. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. BOILEAU. Is it not possible, before the gentleman from Texas moves the previous question, to have recognition in opposition to the amendment?

The SPEAKER. It is not, unless the gentleman from Texas withdraws his motion for the previous question.

Mr. BOILEAU. No such opportunity can be had?

The SPEAKER. Not under the rules.

The question is on the motion of the gentleman from Texas.

The question was taken; and on a division (demanded by Mr. BOILEAU) there were—ayes 191, noes 41.

Mr. BOILEAU. Mr. Speaker, I ask for the yeas and nays.

The yeas and nays were refused.

So the previous question was ordered.

The SPEAKER. The question is on the amendment offered by the gentleman from North Carolina.

The amendment was agreed to.

The SPEAKER. The question is on the adoption of the resolution.

The resolution was adopted, and a motion to reconsider was laid on the table.

EXTENSION OF REMARKS

Mr. ROBSION of Kentucky. Mr. Speaker, I ask unanimous consent to revise and extend my remarks on the resolution just passed.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. HOUSTON. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include therein a brief newspaper article.

The SPEAKER. Is there objection to the request of the gentleman from Kansas?

There was no objection.

Mr. PATMAN. Mr. Speaker, I ask unanimous consent to extend my remarks on two subjects and to include certain excerpts.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. DICKSTEIN. Mr. Speaker, would it be in order to ask unanimous consent to address the House for 3 minutes?

The SPEAKER. Not at this juncture. The Chair has agreed to recognize the gentleman from Ohio [Mr. LAMNECK], and can now entertain only requests to extend remarks.

Mr. SANDERS. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include therein a short explanatory statement of the agricultural situation.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. BINDERUP, Mr. WHITE of Ohio, and Mr. DUNN asked and were given permission to revise and extend their own remarks in the RECORD.

Mr. BIERMANN. Mr. Speaker, I ask unanimous consent to extend in the RECORD what I consider to be an able discussion of the subject of fascism that appeared in the Des Moines Register of May 20.

The SPEAKER. Is there objection to the request of the gentleman from Iowa?

There was no objection.

Mr. PLUMLEY. Mr. Speaker, I ask unanimous consent to extend my own remarks and to include therein a letter and accompanying document received from Mr. Packard, president of the Vermont Farm Bureau Federation.

The SPEAKER. Is there objection to the request of the gentleman from Vermont?

There was no objection.

PERMISSION TO ADDRESS THE HOUSE

Mr. VOORHIS. Mr. Speaker, I ask unanimous consent that on tomorrow, after the legislative program of the day and other special orders, that I may address the House for 15 minutes.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

WORLD POULTRY CONGRESS, CLEVELAND, 1939

Mr. LAMNECK. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H. R. 10155) to permit articles imported from foreign countries for the purpose of exhibition at the Seventh World's Poultry Congress and Exposition, Cleveland, Ohio, 1939, to be admitted without payment of tariff, and for other purposes. This bill has been unanimously reported by the Ways and Means Committee.

The Clerk read the title of the bill.

Mr. MAPES. Mr. Speaker, reserving the right to object, will the gentleman from Ohio explain the bill?

Mr. LAMNECK. Mr. Speaker, this is a bill to permit the importation of exhibits in connection with a poultry exposition that will be held in Cleveland, Ohio, in the year 1939, beginning in July. It follows the customary action taken in connection with all other expositions of a similar nature. It provides that no tariff shall be assessed against imports in connection with the exposition.

Mr. MAPES. I understand it is unanimously reported by the Committee on Ways and Means.

Mr. LAMNECK. The gentleman is correct.

Mr. TREADWAY. Mr. Speaker, will the gentleman yield?

Mr. MAPES. I yield.

Mr. TREADWAY. Is it not also a fact that this courtesy has been extended by Congress to foreign exhibitors in the case of other expositions?

Mr. LAMNECK. This is exactly the same kind of resolution.

Mr. REED of New York. Mr. Speaker, will the gentleman yield?

Mr. MAPES. I yield.

Mr. REED of New York. Is it not also true that this is a reciprocal courtesy extended between countries in the case of international expositions?

Mr. LAMNECK. That is correct.

Mr. BIERMANN. Are these chickens raised by the cheap foreign labor that the Republicans are so afraid of?

Mr. LAMNECK. I do not know anything about that.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That all articles which shall be imported from foreign countries for the purpose of exhibition at the international exposition to be held at Cleveland, Ohio, beginning in July 1939, by the Seventh World's Poultry Congress and Exposition, or for use in constructing, installing, or maintaining foreign buildings or exhibits at the said exposition, upon which articles there shall be a tariff or customs duty shall be admitted without payment of such tariff, customs duty, fees, or charges under such regulations as the Secretary of the Treasury shall prescribe; but it shall be lawful at any time during and/or within 3 months after the close of the said exposition to sell within the area of the exposition any articles provided for herein, subject to such regulations for the security of the revenue and for the collection of import duties as the Secretary of the Treasury shall prescribe: *Provided*, That all such articles, when withdrawn for consumption or use in the United States, shall be subject to the duties, if any, imposed upon such articles by the revenue laws in force at the date of their withdrawal; and on such articles, which shall have suffered diminution or deterioration from incidental handling or exposure, the duties, if payable, shall be assessed according to the appraised value at the time of withdrawal from entry hereunder for consumption or entry under the general tariff law: *Provided further*, That imported articles provided for herein shall not be subject to any marking requirements of the general tariff laws, except when such articles are withdrawn for consumption or use in the United States, in which case they shall not be released from customs custody until properly marked, but no additional duty shall be assessed because such articles were not sufficiently marked when imported into the United States: *Provided further*, That at any time during or within 3 months after the close of the exposition any article entered hereunder may be abandoned to the Government or destroyed under customs supervision, whereupon any duties on such article shall be remitted: *Provided further*, That articles, which have been admitted without payment of duty for exhibition under any tariff law and which have remained in continuous customs custody or under a customs exhibition bond, and imported articles in bonded warehouses under the general tariff law may be accorded the privilege of transfer to and entry for exhibition at the said exposition under such regulations as the Secretary of the Treasury shall prescribe: *And provided further*, That the Seventh World's Poultry Congress and Exposition shall be deemed, for customs purposes only, to be the sole consignee of all merchandise imported under the provisions of this act, and that the actual and necessary customs charges for labor, services, and other expenses in connection with the entry, examination, appraisement, release, or custody, together with the necessary charges for salaries of customs officers and employees in connection with the supervision, custody of, and accounting for articles imported under the provisions of this act, shall be reimbursed by the Seventh World's Poultry Congress and Exposition to the Government of the United States under regulations to be prescribed by the Secretary of the Treasury, and that receipts from such reimbursements shall be deposited as refunds to the appropriation from which paid, in the manner provided for in section 524, Tariff Act of 1930.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

AMENDMENT OF NATIONAL FIREARMS ACT

Mr. DINGELL. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H. R. 9610) to amend the National Firearms Act.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. McFARLANE. Mr. Speaker, reserving the right to object, may we have an explanation of the bill? What does it do?

Mr. DINGELL. Mr. Speaker, this bill has been reported unanimously by the Ways and Means Committee. It has for its purpose relief from an excessive tax which has paralyzed a small but reliable concern producing a certain type double-barreled firearm used principally by scientists. One barrel is 22 caliber and the other 44 caliber, a 4–10, used for fine shot on birds. The Department of Justice agrees that these arms have a very legitimate purpose and were not intended to be restricted under the National Firearms Act, which was passed to curtail or restrict the sale of sawed-off shotguns, machine guns, and firearms of that kind. Under the circumstances the Department agreed to go along, and made a favorable recommendation. There is no controversy over the bill.

Mr. MURDOCK of Arizona. Mr. Speaker, reserving the right to object, may I ask the gentleman if he has received any complaints from sportsmen's organizations in opposition to this bill?

Mr. DINGELL. This has nothing to do with what the gentleman has in mind. It is an entirely different matter.

Mr. PEARSON. Mr. Speaker, reserving the right to object, if I understand the gentleman correctly, this is not the bill

prepared by the Attorney General for the purpose of requiring the registration of firearms?

Mr. DINGELL. Not at all. This has nothing to do with the registration bill pertaining to pistols and other kinds of firearms.

Mr. CRAWFORD. But this does have the approval of the Attorney General?

Mr. DINGELL. It does have the approval of the Attorney General and the control is still in the hands of the Government insofar as tracing shipments and sale of this type of rifle is concerned. It is really a double-barreled proposition.

Mr. CARLSON. Mr. Speaker, reserving the right to object, does this in any way affect collectors of guns or those who have collections of guns? Are they required to register?

Mr. DINGELL. No; it has nothing to do with that. As a matter of fact, we seek to bring about relief by permitting the sale of this type of gun which is used very largely by scientists.

Mr. O'MALLEY. This in no way affects the sportsman's possession of small arms, rifles, or pistols?

Mr. DINGELL. It does not in any way.

Mr. O'MALLEY. I have had some communications in reference to that.

Mr. DINGELL. Yes; we have had some communications in that connection, too, but this has nothing to do with that matter.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That subsection (a) of section 2 of the National Firearms Act, relating to registration and licensing of importer, manufacturer, and dealer, is amended by striking out the period at the end of the paragraph and inserting a colon and the following: "*Provided*, That such license shall not apply to any gun with two attached barrels from which only a single discharge can be made from either barrel without manual reloading: *Provided further*, That either barrel is 12 inches or more in length."

SEC. 2. That subsection (a) of section 3, relating to the tax rate of "firearms", is amended by striking out the period at the end of the paragraph and inserting a colon and the following: "*Provided*, That the transfer tax shall not be in excess of $1 on any gun with two attached barrels from which only a single discharge can be made from either barrel without manual reloading: *Provided further*, That either barrel is 12 inches or more in length."

With the following committee amendments:

Page 1, line 4, after the word "act", insert "approved June 26, 1934."

Page 1, line 7, strike out "such license shall not apply to" and insert "the manufacturer's license shall not be in excess of $25 and that the dealer's license shall not be in excess of $1 on."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

EXTENSION OF REMARKS

Mr. O'MALLEY. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein a summary of my voting record and the bills I have introduced during the Seventy-fifth Congress.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

RADIO MONOPOLY INVESTIGATION NEEDED

Mr. McFARLANE. Mr. Speaker, I ask unanimous consent to insert at this point in the RECORD a statement which I made before the Rules Committee today in connection with a resolution to investigate the radio monopoly.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. McFARLANE. Mr. Speaker, I make the following statement today before the House Rules Committee advocating the investigation of the communications monopoly:

Mr. Chairman, on last Thursday, upon your invitation, I made a statement before your committee advocating your favorable consideration of the resolutions to investigate the radio monopoly. Before completing this statement, it was necessary for the committee to adjourn because of the early meeting of the House.

In concluding my statement to you, I would like to point out that since my statement was given to your committee, I have received a telegram from one of the elected representatives of the people, admitting he was perhaps the one referred to by stating that he had conferred with counsel for the Radio Corporation of America to have the antitrust suit of the Government continued until after the general election. He makes further statements concerning his law firm, which are entirely out of line with the statements I have in affidavit form. This admission on his part places on your committee the additional responsibility of the necessity of an investigation to go thoroughly into the corruption and debauchery practiced by the radio monopoly.

According to inquiry made by some members of the committee, it seems to be overlooked that corruption not only included elected representatives of the people but also those filling judicial offices.

Let me further call to your attention that the consent decree entered into between the United States Government and the radio monopoly in 1932 in effect perpetrated this monopoly, as is well recognized by the vice president of the American Telephone & Telegraph Co., as shown from pages 193 and 194 of Television; a Struggle for Power. Speaking of the proposed consent decree, Mr. Jewett said:

"Thus, while a casual reading of the agreement by one not thoroughly conversant with all the factors may appear to establish the basis for an enlarged free development in most of the fields, this is not actually the case."

Mr. G. E. Folk, general patent attorney of the American Telephone & Telegraph Co., assured his company that the consent decree in no way imperiled their monopolistic rights with this statement:

"Would we wish to grant to others the right, for example, to compete with us under our patents in our present field of long-distance communication, both wire and wireless telephony and telegraphy?"

Last week I called your attention and wish to again stress the importance of the debauchery practiced upon the investors in radio stock. The financial audit made of Radio Corporation of America showed that 6,580,375 shares of stock, with a market value of $290,000,000, were issued to General Electric and Westinghouse, electrical manufacturers, which two companies at that time controlled, both by stock and by representation on the board of directors the Radio Corporation of America. That 6,580,375 shares of stock, with a value at date of issue of $290,000,000, were issued to General Electric and Westinghouse for assets stated to have been worth $39,900,000. This $39,900,000 was subsequently written down to some $24,000,000; that preferred stock, with redemption value of $80,000,000 and an annual dividend rate of more than $4,0000,000, was issued by Radio Corporation of America in consideration of some $17,000,000.

Incidentally, Mr. Chairman, some 2,000,000 shares of stock of Radio Corporation of America, which was turned over to General Electric as part of the original deal, and which was canceled at the time of this consent decree, was never returned to Radio Corporation of America. In passing, I might say that the common-stock holders had been fleeced in dividend earnings of $28,000,000, while the corporation earned less than $12,000,000.

Further, as a result of this infamous consent decree the General Electric and Westinghouse Cos. received a total rental each year of approximately one and one-half million dollars simply because they happen to have owned radio licenses issued for periods of 6 months and it had been leased over a 10-year period to their then owned 100-percent subsidiary.

Not only have the stockholders of R. C. A. been fleeced, but competitors of R. C. A. have been bankrupt. At the time this consent decree was entered into there were some 125 licensees of R. C. A., while today I understand the number has been reduced to 5, and of these 5 it is a question as to how many of them are controlled by R. C. A.

In other words, gentlemen, the monopoly is more airtight in the communications field today than ever before, and while we are talking about doing something about monopoly here are facts before us not only of monopoly, but debauchery and corruption for profit.

The recent telephone investigation clearly shows how the monopoly has thrived under the consent decree. It says in part:

"The chief criticism has been that these agreements have fostered monopolies in a number of fields foreign to the primary field of the telephone company by effectuating the pooling of the thousands of patents owned by the parties by dividing between the parties the many fields in which the patents have application, and by throwing into the patents of others desiring to engage in these fields the obstacle presented by the combined patent and financial resources of the telephone companies—the Western Co., the General Electric Co., the Radio Corporation of America, and the Westinghouse."

Speaking of the 1932 agreement which was accepted by the court in the consent decree, Eilan Miller, staff engineer of the Telephone Co., characterizes the new agreement as follows:

"We are in a position to enter any field we choose so far as our own patents are concerned; however, the extent to which we can enter any field from which we were formerly excluded depends upon our ability to effectively carry out such a program under our own patents or patent rights, and it is, of course, evident that the patents of the radio group play an important part in those fields which they formerly exclusively controlled."

In closing, gentlemen, let me remind you that this great monopoly existing in the communications field which controls the molding of public opinion in this country cannot and will not be broken up

unless your committee approves investigation resolutions which will permit the exposure of these known existing evils so that the people of this country may know the truth. Free press, free speech, freedom of thought and action are imperiled unless your committee acts favorably on these resolutions at this session.

EXTENSION OF REMARKS

Mr. MAVERICK. Mr. Speaker, I ask unanimous consent to insert in the RECORD a letter writter to me and my answer thereto.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

ORDER OF PROCEDURE

Mr. MAPES. Mr. Speaker, may I ask the majority leader what will come up tomorrow?

Mr. RAYBURN. Bills on the Private Calendar will be called; then we will proceed to the consideration of the omnibus claims bill, part of which we considered some time ago.

Mr. MAPES. Will any other omnibus bills be brought up except the one that we partially considered the other day?

Mr. RAYBURN. No. The gentleman from California [Mr. BUCK] has a bill which I understand has the unanimous report of the Committee on Ways and Means. He expects to ask unanimous consent the first thing tomorrow to have that bill considered. There is nothing else I know of for tomorrow.

Mr. MAPES. Is it planned to adjourn from tomorrow until next Tuesday?

Mr. RAYBURN. Yes.

Mr. MAPES. I have been requested to ask if the House will meet at 12 tomorrow?

Mr. RAYBURN. Yes.

The SPEAKER. Under a previous special order of the House, the gentleman from Massachusetts [Mr. TREADWAY] is recognized for 20 minutes.

PROPOSED FEDERAL TAX COMMISSION

Mr. TREADWAY. Mr. Speaker, the President has well said that "taxes have grown up like Topsy in this country."

It seems to be universally conceded that the Federal tax system needs a very thorough overhauling. Every tax bill in recent years has been rushed through Congress without adequate examination and analysis, or careful consideration as to its probable effect either on taxpayers or on the revenue. As a result, we have a hodgepodge of tax laws which are steadily becoming more incoherent and more complex. Sound principles of taxation have been abandoned. The taxing power has been used for other than revenue purposes, and rates have been increased far beyond the point of diminishing returns. There has been no stability whatever either in the forms or incidence of taxation. More and more, the bounds of Federal and State taxation have been allowed to overlap.

On numerous occasions in the past, studies and investigations have been made of the Federal tax system with a view to its improvement and simplification, but no lasting progress has been made along this line. Doubtless one reason for the failure of past investigating bodies to accomplish much has been the restricted composition of their membership. In every case, they have been composed either of Members of Congress or representatives of the Treasury, or both, and naturally they have been somewhat biased in favor of existing laws which the Members had helped to draft or administer. Of course, political expediency also has been a factor.

In order to accomplish some of the reforms in taxation which long have been sought but never achieved, I have today introduced a joint resolution calling for the appointment of a nonpartisan Federal Tax Commission, to be composed of 10 members 4 of whom would be Members of the House and Senate, and 6 of whom would be appointed by the President as representatives of agriculture, labor, business and industry, individual taxpayers and consumers, tax lawyers and accountants, and tax economists. Later on in these remarks I shall discuss the reasons which impelled me to set up a commission of this sort.

The first section of the resolution contains a declaration of policy, covering 10 different items. I shall refer to each of these items briefly.

First. It is declared to be the policy of Congress "to establish a stable, more permanent Federal tax policy." One of the principal troubles with our tax policy in recent years has been that we have really had no definite tax policy. It certainly should be possible to establish some fixed principles of taxation which could be adhered to for at least a few years, with such changes in rates and exemptions as the revenue needs might dictate. In the last 4 years we have had four different methods of corporate taxation. Under the Revenue Act of 1934, corporations paid a flat tax upon their net income. Under the Revenue Act of 1935, the President's graduated corporate income tax was adopted. Before this tax ever went into effect, Congress adopted the President's plan for an undistributed-profits tax. Under the bill recently passed, we have still another form of taxation, in which small corporations are treated one way and large corporations another, with a combination of treatment for corporations in between the two groups. It is no wonder that business cannot face the future confidently. Taxation is an important factor in corporate planning, and while business can usually adjust itself to changing rates of taxation, it must have reasonable assurance of the character and basis of such taxation.

Second. It is declared to be the policy of Congress "to raise the necessary revenue for the support of the Government with the least possible burden on individual taxpayers and business enterprises." This item needs no explanation. While taxes are a necessary evil, they should not be levied and collected in such a manner as to oppress or unduly burden the taxpayer. The unlamented undistributed-profits tax was of this character.

Third. It is declared to be the policy of Congress "to give due regard to the natural economic law of diminishing returns in fixing tax rates." We have learned by experience that there is a point beyond which an increased rate of taxation will produce less revenue. In the opinion of many, the highest brackets of the income tax have already passed this point. Excessive rates not only dry up the sources of revenue but tend to drive investments into tax-exempt securities. Or, as in the case of the capital-gains tax, they may prevent taxable transactions from being entered into. The recent action by Congress in putting a 15-percent ceiling on the taxation of capital gains—a principle long advocated by the Republican minority—was a belated recognition of the law of diminishing returns as applied to such transactions.

Fourth. It is declared to be the policy of Congress "to base Federal taxes, insofar as may be practicable and expedient, upon the principle of ability to pay." This is a fundamental rule of equitable taxation. The income tax is based on this principle, and if my resolution should be agreed to, it would be within the province of the commission to go into the question of the possible broadening of the tax base so as to extend this principle somewhat further than its present narrow limits.

I realize, of course, that we probably cannot do away with all taxes which are not based on ability to pay. Some taxes, like the taxes on liquor and tobacco, probably would have to be continued.

Fifth. It is declared to be the policy of Congress "to eliminate insofar as possible indirect and hidden taxes." With so many taxes of this type on the statute books, the taxpayer never knows just how much he is paying for the luxury of being governed. Last November I presented to the House certain data showing the extent of the so-called "hidden-tax burden." It was shown that the man with only $80 monthly income, who owned no automobile and no real estate, paid $116 a year in hidden taxes. The man with $150 monthly income, who owned a second-hand car and no real estate, paid an annual total of $229 in hidden taxes. Of course, these figures included Federal, State, and local taxation, but the Federal share is approximately one-half the total.

The gentleman from New Jersey [Mr. THOMAS] has introduced a resolution which would require that food commodities be labeled in such a manner as to show the amount of taxes hidden in the purchase price. It would not be a bad idea to extend this requirement to all commodities. If this were done, the great masses of our people, who have been led to believe that the rich were paying for the cost of government, would have revealed to them the startling information that it is really they who are bearing the major portion of the tax burden.

If our people were made more conscious of the tax burden that they are actually but unwittingly bearing, there would probably be less pressure on the Government for appropriations.

Sixth. It is declared to be the policy of Congress "to simplify the Federal tax system, including the forms of taxation, the statement of the law, and the methods of administration." Simplification of the tax laws has long been one of my hobbies. I regret to say, however, that the work of simplification which was originally carried out by the Joint Committee on Taxation has largely been undone in recent years. I know it has been said, and properly so, that you cannot have simple tax laws applying to our complex business structure. But there is such a thing as making our tax laws unnecessarily complex. For example, the tax on corporations could just as well be levied on net income at either a flat or graduated rate. Instead, Congress has just passed a bill which sets up as complicated a scheme of corporation taxation as has ever been devised, and for no good reason except to continue the vicious principle of taxing undistributed earnings. Under the new bill the tax is simple enough for corporations of $25,000 or less net income, but when they get above this figure the trouble begins.

A flat tax on corporations would have required less than one page of the law to state. The new law covers 16 pages of complicated text, including the Chinese puzzzle "notch provisions," the dividends-paid credit, the consent-dividends credit, and so on. This new law will be a bonanza for tax lawyers and accountants, but it will be a headache for the taxpayer.

Admitting that it is not possible to have tax laws that can be read and understood by school children, nevertheless it is possible to have a relative degree of simplicity. Congress does not have to go out of its way to make the law complex and ambiguous.

Seventh. It is declared to be the policy of Congress "to alleviate hardships and inequities in the application and administration of the internal-revenue laws." This item is self-explanatory. No one will deny that these hardships and inequities exist. The recent revenue revision was only a partial step in their elimination. Much work along this line remains to be done.

Eighth. It is declared to be the policy of Congress "to minimize double taxation by coordinating the Federal tax system with those of the State and local governments." Multiple taxation is steadily becoming a more and more serious problem. With the States and local communities, on the one hand, seeking out every possible source of revenue, and with the Federal Government, on the other hand, doing the same thing, it is natural that there has been a great deal of overlapping. There is need for some definite allocation of the tax field to the various taxing authorities. It has been stated that in the United States today there exist some 175,000 different taxing units. Of course, not all of them levy on the same taxpayers, but we do have many clear-cut cases of duplicate taxation on the part of the Federal and State Governments, particularly in the case of incomes, estates, liquor, tobacco, and certain other outstanding examples.

This subject is one which is really worthy of a separate and independent study. However, the commission which I propose could very well make a preliminary investigation and possibly make some recommendations for at least partially correcting the existing duplication.

Ninth. It is declared to be the policy of Congress "to prevent tax evasion and avoidance." Some work along this line was done by the Hill subcommittee in 1934 and by the Joint Committee on Tax Evasion and Avoidance in 1937, but a great deal has been left undone. Two of the methods of legal tax avoidance referred to in the President's message in 1937, namely, percentage depletion and community property, were passed over "for lack of time." The matter of tax-exempt securities and tax-exempt salaries might also very well come within the jurisdiction of the proposed tax commission. I have long advocated a constitutional amendment to deal with this particular problem, but if the matter can be handled by legislation, as suggested by the President, so much the better. It may be that the decision of the Supreme Court last Monday in the Port of New York Authority case portends a change of attitude on the part of the Court if the issue is squarely presented to it. At any rate, the proposed commission could give consideration to the matter and make a recommendation one way or the other.

Tenth. The last item is more or less of a "basket clause," declaring it to be the policy of Congress "to make such other changes as will improve the Federal internal revenue system." It is of course impossible to detail in advance all the possible improvements that could be made. The commission would not be confined to the specific items set forth in the resolution.

In setting up the commission I have tried to keep the number as small as possible, considering the broad composition of the membership. I have provided for four congressional Members, two from the House and two from the Senate, in each case one from the majority and one from the minority party. Congress certainly should have representation on such a commission. Moreover, in keeping with its nonpartisan character, I have given the minority equal representation. Of course, it must be remembered that the commission would have no power to legislate, but only to recommend. Hence the majority party would have the opportunity to approve, reject, or alter any recommendations which might be made. Under the terms of the resolution, the congressional Members would be chosen by the House Ways and Means Committee and the Senate Finance Committee.

The other six members of the commission would be made up of representatives of different groups interested in the tax problem, to be appointed by the President. One would be a representative of agriculture, one of labor, one of industry, one of business and industry, one of individual taxpayers and consumers, one of tax lawyers and accountants, and one of tax economists. In this way, the problems to be investigated would be approached from a number of different viewpoints. Agriculture has its problems, labor its problems, and business and industry their problems. Likewise, individual taxpayers and consumers have a viewpoint to be represented. Tax lawyers and accountants are familiar with the problems that arise in the administration of the law. Tax economists have in mind the underlying principles of sound taxation.

In the past, tax revisions have to a large extent represented too much of the Treasury viewpoint. While it is true that public hearings have been held, they have usually been called on short notice, and without any bill prepared, and taxpayers have not had ample opportunity to present their views. Moreover, after the hearings are over and the committee sits in executive session to draft a bill, the Treasury representatives are present to reassert their views and criticize the viewpoint of taxpayers, without any opportunity for the latter to counteract this influence. I have purposely omitted naming any Treasury representative on the commission for the reason that the Treasury can appear before the commission in public hearings, and of course it will later have the opportunity to appear before the Ways and Means Committee and Senate Finance Committee in secret executive session.

Numerous organizations have urged the appointment of a tax commission along the general lines of the one set up in my resolution. The American Farm Bureau Federation, for example, has criticized past tax commissions because they have not included representatives of the "major economic

interests," agriculture, industry, and labor. My resolution gives even broader representation than the Farm Bureau recommends. The National Association of Manufacturers has recommended as follows:

We, therefore, suggest that a nonpartisan national commission be appointed to undertake a comprehensive study of the entire Federal, State, and local tax systems and make recommendations for its improvement and simplification. Such a committee should be composed of representatives of the Congressional Joint Committee on Internal Revenue Taxation, the Treasury Department, major branches of productive enterprise, and of independent tax economists.

It should consider both principles and particular forms of taxation, and the manner in which they affect the taxpayer, who must continue to have income if the Government is to have revenue. Such a commission as we propose should endeavor to present constructive suggestions for the elimination of what the President in his 1936 tax message termed "inequalities in our system," including the lessening of tax duplications which operate to prevent proper distribution of tax burdens.

This would be the right approach to a problem of such magnitude. The recommendations of such a commission when acted upon by Congress would tend to take the principles of taxation out of the realm of yearly congressional tax revisions, with all of the accompanying uncertainties and disturbances. Congress would then need to regularly consider only the rates needed to secure necessary revenue. The effects of tax policies and burdens upon our economy are such that none can escape. They are of such paramount importance in the welfare of the Nation that every effort should be made to insulate the formulation of such tax policies from continual legislative adjustments.

I subscribe in general to this admirable statement. My resolution provides for the type of commission recommended, although differing in details.

Let me quote from one other organization, the American Institute of Accountants. In a brief filed in connection with the recent revenue revision, that organization states:

Will this revision approach the problem purely from the angle of increasing the revenue by further tightening of existing provisions or the introduction of further changes in form and incidence of taxation; or will there be a conscientious endeavor to simplify existing law, to determine sound principles in harmony with long-range economic principles, and in recognition of conservative business practices? Revisions of taxation may appear to reduce the potential revenue of the Treasury, but some changes are imperative to the very existence of many corporations and from that standpoint, as well as from the angle of renewed confidence and related stimulation of commerce, will increase the revenue. It seems desirable also to broaden the base of income taxation by the reduction of specific exemptions and otherwise, facilitated by an extension of the principle of withholding at the source. We do not presume to suggest that a simple tax may be devised. In such a case simplicity is relative. Nor do we have the temerity to propose that accountants could formulate fixed principles of income taxation which would be acceptable either to the Government or taxpayers as a whole. We do, however, seek participation in the solution of that problem.

My resolution endeavors to give these accountants, along with other groups, such participation.

Just one further word in closing. The study which my resolution contemplates would necessarily require a good deal of time. It should not be hurried. One trouble in the past has been that whenever those in control wanted to pass over some controversial item it would be done on the alleged excuse of lack of time. I want to give the commission plenty of time. Hence, I have provided that it shall have until January 3, 1941, to make a report. That is 2½ years. If necessary, the time can be extended further. Unless we give the commission plenty of time, it is a waste of effort and money to set it up.

Mr. Speaker, in offering my resolution, I do so as a means of stirring up public discussion of the important problem with which it deals, and in the hope that it will result in definite action being taken to bring about the much-needed overhauling of our tax structure. We have already waited too long to undertake this broad study, which would enable us to establish a more sound, more equitable, and more understandable tax system, and obviate the necessity for frequent changes in the forms and incidence of taxation, thereby encouraging business stability. [Applause.]

I shall now read the resolution I am introducing:

Resolved, etc., That it is hereby declared to be the policy of Congress—

(1) To establish a stable, more permanent Federal tax policy;

(2) To raise the necessary revenue for the support of the Government with the least possible burden on individual taxpayers and business enterprises;

(3) To give due regard to the natural economic law of diminishing returns in fixing tax rates;

(4) To base Federal taxes, insofar as may be practicable and expedient, upon the principle of ability to pay;

(5) To eliminate, insofar as may be possible, indirect and hidden taxes;

(6) To simplify the Federal tax system, including the forms of taxation, the statement of the law, and the methods of administration;

(7) To alleviate hardships and inequities in the application and administration of the internal-revenue laws;

(8) To minimize double taxation by coordinating the Federal tax system with those of the State and local governments;

(9) To prevent tax evasion and avoidance; and

(10) To make such other changes as will improve the Federal Internal Revenue System.

SEC. 2. There is hereby established a Federal Tax Commission (hereinafter referred to as the "Commission") to be composed of 10 members, as follows:

(1) Two members who are members of the Committee on Finance of the Senate, one from the majority and one from the minority party, to be chosen by such committee.

(2) Two members who are members of the Committee on Ways and Means of the House of Representatives, one from the majority and one from the minority party, to be chosen by such committee.

(3) Six members (none of whom holds any office in the Government of the United States or is engaged in the activities of any political party) to be chosen by the President, with the advice and consent of the Senate, one of whom shall be representative of agriculture, one of labor, one of business and industry, one of individual taxpayers and consumers, one of tax lawyers and accountants, and one of tax economists.

SEC. 3. It shall be the duty of the Commission—

(1) To make such investigations as it may deem necessary or advisable in order to carry out the purposes of this resolution;

(2) To publish from time to time, for public examination and analysis, proposed measures for carrying out the policy of Congress herein expressed; and

(3) To report to the Congress from time to time, and in any event not later than January 3, 1941, the results of its investigations, together with such recommendations as it may have to make.

SEC. 4. (a) The Commission shall meet and organize as soon as practicable after at least a majority of the members have been chosen, and shall elect a chairman and a vice chairman from among its members, and shall have power to appoint and fix the compensation of a secretary and such experts and clerical, stenographic, and other assistants as it deems advisable. A vacancy in the Commission shall not affect the power of the remaining members to execute the functions of the Commission, and shall be filled in the same manner as the original selection.

(b) The Commission is authorized to hold hearings and to sit and act at such places and times, to require by subpena or otherwise the attendance of such witnesses and the production of such books, papers, and documents, to administer such oaths, to take such testimony, to have such printing and binding done, and to make such expenditures as it deems advisable. The cost of stenographic services in reporting such hearings shall not be in excess of 25 cents per hundred words. Subpenas for witnesses shall be issued under the signature of the chairman or vice chairman.

(c) The Commission is authorized to utilize the services, information, facilities, and personnel of the departments and agencies in the executive branch of the Government, of the Joint Congressional Committee on Internal Revenue Taxation, and of the office of the Legislative Counsel.

(d) The Commission shall have the same right to obtain data and to inspect returns as the Committee on Ways and Means of the House of Representatives or the Committee on Finance of the Senate, and to submit any relevant or useful information thus obtained to the Congress.

(e) The members of the Commission shall serve without compensation for such service, but they shall be reimbursed for travel, subsistence, and other necessary expenses incurred by them in the performance of the duties vested in the Commission.

(f) There is hereby authorized to be appropriated so much as may be necessary to carry out the purposes of this resolution. Amounts appropriated for the expenses of the Commission shall be disbursed by the Division of Disbursement, Treasury Department, upon vouchers approved by the chairman or vice chairman.

(g) All authority conferred by this resolution shall terminate on the expiration of 3 years from the enactment of this resolution.

The SPEAKER. Under a previous order of the House, the gentlewoman from Massachusetts [Mrs. ROGERS] is recognized for 15 minutes.

Mrs. ROGERS of Massachusetts. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include therein certain items from Senate Document 156. This is a list of products on which the United States will consider granting concessions to Great Britain and our 1936 dutiable imports of each article according to the two

lists submitted by the State Department on January 8 and 24, showing the share of the United Kingdom and other countries in our total imports of each article listed.

The SPEAKER. Is there objection to the request of the gentlewoman from Massachusetts?

There was no objection.

Mrs. ROGERS of Massachusetts. Mr. Speaker, however much the American people today are removed from the actual scenes of armed conflict raging over the world, they are not removed from the economic consequences that are flowing from those conflicts. We are face to face with their shattering force and effect, and we are paying a price of war in the economic terms of unemployment and depression and of disturbed and upset world conditions as certainly as if an armed foe had crossed our borders.

Today as a result of cheaply produced goods that are pouring through our ports, many of them either misbranded or counterfeits of commodities which our own factories are making, our country is being invaded by Japan in an economic way as certainly and as energetically as China is invaded by the military forces of Japan, with a rain of destruction and death upon Chinese cities and towns and upon unoffending civilian men, women, and children.

As the conditions of war with China force the industry of Japan to a basis of more intensified regimentation, a hand of disastrous and ruthless competition reaches across the Pacific to tighten upon our own national economy and to make war upon our industrial activity and our industrial employment.

In our own country we are struggling with the effects of a puzzling economic depression, which of itself has greatly increased the volume of unemployment and reduced the industrial activity and pay rolls upon which a large part of the American population is dependent for a livelihood. At the same time, the volume of imports of Japanese goods, made for the most part at a fraction of the costs of manufacture of similar American products, is rapidly increasing and reaching the highest level in our history.

Current reports of the Department of Commerce give indication of a vast increase in recent months in the volume of Japanese commodities and products coming into the United States. American exports to Japan have greatly increased in these months as well, according to these reports, but an increase that is confined almost wholly to two commodities—raw cotton and scrap iron. On the other hand, the increase in Japanese imports into the United States is confined almost exclusively to manufactured goods which come into direct competition with similar products that are being turned out by American mills and factories.

If the imports from Japan were truly Japanese; if they were the indigenous products of Japanese national skill, or so typically Japanese as to be unobtainable from any other source, it would make little practical difference to American wage earners and American employers what the conditions were under which the articles were produced or to what extent the volume of Japanese imports increased.

This, however, is not the case. The great bulk and volume of what we are getting from Japan today in manufactured products are articles which were originally invented and produced in the United States. They are imitations of American products, which have been counterfeited in Japan and are being sent into this country inferior in quality and brutally lower in price. The consequence is unquestionably to be read in the mounting toll of unemployment among our own industrial workers.

Since Japanese goods for the most part are copies of American products, they are not adding materially to the broad stock of goods obtainable in the American market. They are merely competing with real American products and displacing such products in the home market.

The competition of these imitations is not only a violation of trade practices and business ethics as recognized and adhered to in this country, but a direct attack as well upon American standards of living. It is needless to go into the deplorable conditions of labor under which such goods are produced in Japan. They are to be found, with minute description, in almost every report of industrial conditions in Japan that comes to us. We know of the low wages, the long hours, the sweatshop conditions, and the rigorous employment under which goods are produced in the mills and factories of Japan.

Wage scales in this or any other country follow an inexorable law of price. This country or no other country can fill its markets with cheaply produced products and commodities of other lands and continue to pay high wages in the making of the same products, or for that matter, even continue to keep wage earners employed. Sooner or later standards of living and wage scales must succomb to the remorseless effects of such competition.

This explains in clear terms why the American standard of living is menaced today by the growing volume of Japanese products. This gives a clear indication of why the fate of China in the war with Japan has a direct bearing upon our own economic fortunes, for with China in the grip of Japan's industrial hierarchy, the threat of today promises to be multiplied and remultiplied in ratio to China's vast population and her great stores of raw materials and natural resources which must fall to the lot of Japanese industry and of Japanese exploitation.

The competition of cheaply produced Japanese products and imitations with American goods is not confined to our home markets. It extends into all of the foreign countries to which American products are shipped and with which we have a foreign trade. Only recently it came to my attention that a popular American brand of men's hosiery, with a trade-mark name of more than 20 years' standing, was meeting with competition in South American countries from a Japanese imitation selling for about one-fifth the price of the American product. A perfect imitation of the American label and trade-mark appeared on the Japanese product with the exception that the letter "v" in the second word of the trade name had been changed to "w." This difference was scarcely distinguishable because of the use of Old English lettering in the trade-mark.

I believe that some of the Members may recall that not so very long ago I had on the floor of the House those very trade-marks in order that you might compare the almost imperceptible difference. Anyone purchasing those stockings might easily be fooled.

The Japanese make matches which compete with the Swedish matches and they have named a place in Japan "Sweden," and also, of course, they compete with matches made in the United States of America. In buying the matches you see the "Sweden," and you do not notice underneath in tiny letters the word "Japan," so you believe when you are buying those matches that you are buying Swedish matches.

Mr. SEGER. Mr. Speaker, will the gentlewoman yield for an observation?

Mrs. ROGERS of Massachusetts. I yield to the gentleman from New Jersey.

Mr. SEGER. There is a hard-rubber company in my district that makes combs and has made them for 25 years. On these combs appear "USA" in gold. The Japanese have founded a city called Usa, and they put "USA" on their combs.

Mrs. ROGERS of Massachusetts. I believe that is probably the case with many commodities.

Mr. LUCKEY of Nebraska. Mr. Speaker, will the gentlewoman yield?

Mrs. ROGERS of Massachusetts. I yield to the gentleman from Nebraska.

Mr. LUCKEY of Nebraska. Is this the method to which Japan is resorting to pay for the scrap iron we are sending over there?

Mrs. ROGERS of Massachusetts. Japan was doing this before the scarp iron was sent over there, but, of course, in sending increased amounts of scrap iron and other commodities we were helping still more to carry on the war with China.

I hold in my hand two flags, one made in Japan and one made in the United States. I know it angers my colleagues just as it does me to see replicas of the Capitol, the White House, the Washington Monument, and the Lincoln Memorial bought by people who find on them, when they turn the objects over, the phrase "Made in Japan."

You see these flags I hold here? The one made in America is of better quality, but if people were buying a number of them, the one from Japan, of inferior quality, would do. Let me quote the prices on these flags. The heavy silk flag was made in America and the other in Japan. The American-made silk flag sells at $18 a gross, while the Japanese product wholesales here at $7.50 a gross, a difference of $10.50 a gross. Anyone buying in large quantities would naturally buy the cheaper product. The American product usually retails at between 20 and 25 cents, while the Japanese article can be sold for as low as 7 cents. Naturally a purchaser, not realizing that it will make a difference to our workers, will buy the cheaper product. One does not notice these articles are imported, because they often are marked in such a way as to make it very difficult to distinguish the fact they are made in Japan.

Mr. PIERCE. Mr. Speaker, will the gentlewoman yield?

Mrs. ROGERS of Massachusetts. I yield to the gentleman from Oregon.

Mr. PIERCE. Is there a tariff on such articles, or do they come in free?

Mrs. ROGERS of Massachusetts. A little later on I am going to bring out the tariff phase of the matter, but there is a tariff on these items.

The reason I refer you to this list of articles that will come under the proposed reciprocal-trade agreement with the United Kingdom is because the articles I have were on the agenda. If we negotiate a reciprocal-trade agreement with Great Britain, this china and these metallic articles you see here will all come under the provisions of that agreement, and Japan will receive an added advantage.

Mr. PIERCE. That is because of the most-favored-nation clause?

Mrs. ROGERS of Massachusetts. Yes; on account of the most-favored-nation clause. This is why I refer you to Senate Document 156, which was presented to the Senate by Senator O'MAHONEY, of Wyoming. There is shown in that document the volume of metallic objects that is coming in, and of kitchenware and china. I called the attention of the House some weeks ago to the hats made in Japan as compared with those made in this country. I do not have with me at this time the figures regarding the prices, but the ones made in Japan sell on the counters of the stores in the United States for a price much lower than the prices of felt hats made in this country. Of course, the felt is not so good in the Japanese hats.

I have in my hand a woolen sweater, and such objects are on the list of commodities that are being taken up in connection with the proposed treaty with Great Britain. One very interesting thing about this sweater is the fact that the "Made in Japan" on the zipper is taken off by a machine, so it is impossible to see the tag reading "Made in Japan."

(2) Woolen sweater: This article, it will be noted, has the "Made in Japan" stamp filed off the zipper slide. The practice of Japanese exporters filing off the "Made in Japan" stamp was the subject of an editorial in the foreign-events section of the New York Sunday Journal-American of May 1, a copy of which is attached.

Mr. RANDOLPH. Mr. Speaker, will the gentlewoman yield?

Mrs. ROGERS of Massachusetts. I yield to the gentleman from West Virginia.

Mr. RANDOLPH. Has the gentlewoman had her attention called to the fact that in Japan towns are being given American names?

Mrs. ROGERS of Massachusetts. I just brought out that fact.

Mr. RANDOLPH. I am sorry, I did not hear it.

Mrs. ROGERS of Massachusetts. I shall be pleased to have the gentleman's comment on it, however.

Mr. RANDOLPH. I certainly believe we must approach as quickly as possible this problem the gentlewoman presents today.

Mrs. ROGERS of Massachusetts. I know from the gentleman's record he is vitally interested in this question. Among these exhibits is a piece of American vitrified hotel china, selling at $1.28 per dozen, plus packing, at factory in West Virginia. The Japanese copy of this plate, with case and packing included, is 48 cents per dozen at factory.

We are an easygoing people. We are inclined to look with admiration upon this pretty pocket-size field glass, made in Japan, with adjustable lenses, all neatly packed, and selling, duty paid, in Boston and New York, for less than a dollar. We do not realize that this article was sold in Japan at wholesale for less than a quarter, and that a similar article made in this country must retail for many times the price at which this product is offered for sale. Without thinking of the harmful effects upon the workers who make binoculars in the United States, we are inclined to chuckle and say, "Wonderful! I do not see how they do it."

(3) Binoculars: It will be noted that the "Japan" name stamped on the binoculars has been painted over with black paint when the binoculars were made and is therefore hardly distinguishable. Frank X. A. Eble, formerly United States Customs Commissioner, who is now heading the "Made in America" Club, declared that when he was Customs Commissioner he insisted that all articles be clearly marked.

The flow of visitors and tourists to Washington each year is the largest source of business and revenue in the National Capital. The importance of the tourist business is exceeded by only one other factor—the pay rolls of the Federal Government.

Visitors and tourists to the National Capital spend hundreds of thousands of dollars annually for souvenirs and mementoes—little remembrances that will endure for a lifetime to remind them of happy days and hours spent in the environs of the dome of this Capitol and amid the scenes where some of the most inspiring and epochal events in our national history have taken place.

Here before me I have a collection of souvenirs of the National Capital, chosen at random in visits to the souvenir shops and the counters where reminders of Washington are offered to visitors and tourists. I have more than a score of these articles—metallic reproductions of this Capitol Building, of the White House, of the beautiful memorial to Abraham Lincoln, of the monument to the memory of George Washington—and each and every one of them bearing the label "Made in Japan."

I will give you a brief description of some of the commodities on the table beside me:

(4) Toy kazoos: These articles were obtained from the Kirchhof Patent Co., Newark, N. J. Mr. C. H. Dietze, executive head of the company, points out that the American-made product has been poorly copied by Japanese and that the Japanese product has a lead base so that a child, putting the kazoo into his mouth in case he had a cold sore or cut lip, or if he fell and cut himself with the toy, might easily obtain lead poisoning. The American-made product is made to sell for 5 cents and the Japanese product is sold in this country, after the duty is paid, at 1 cent.

(5) Toy badges: These are also made by the Kirchhof Patent Co. The one marked "Junior Fire Chief" with the horizontal clasp, as you will note, is a much better product and sells for 2 for 5 cents. The one with the vertical clasp is inferior and was made to sell for 1 cent. The important thing here is that the Japanese product was made as an exact duplicate of the American product. The Japanese product was introduced within 6 months from the time the American product was put on the market, and forced the Kirchhof Patent Co. to meet the competitive price.

(6) Pottery ware—teapot: The data on this hotel teapot is clearly shown on the card attached. This item, manufactured in Japan, as you will note, has a landed cost in the

United States of 86 cents per dozen. The American-made product, manufactured by the Hall China Co. of East Liverpool, Ohio, sells for $4.16 a dozen. The Japanese again have clearly imitated the American-made product.

(7) American vitrified hotel china: This article, an American-made product, sells at $1.28 per dozen, plus packing at the factory where it is made in West Virginia. The Japanese item, identical in style, shape, and design, sells for 48 cents per dozen.

(8) Japanese plate "B": This plate, a Japanese product, wholesales at 70 cents per dozen. The identical American product costs $2 per dozen at the factory. The article sells at 15 cents, bringing the seller a 100-percent profit in spite of a 70-percent ad valorem duty and a specific duty of 10 cents per dozen. It is estimated shipping costs run about 16 cents per dozen.

(9) Grill plates: The Japanese article wholesales in San Francisco at $1.80 to $2 per dozen. This is plainly marked on the back of the broken plate. The American product, identical in size, shape, and so forth, wholesales at $6.75 per dozen at the factory, package costs added.

(10) Taylor Smith blue plate (marked No. 4): The Japanese product retails at $5 for a 53-piece set, while the American product at the factory costs $6.21 for a 53-piece set.

Following are the glassware items which I have on the table at my side and the data on them:

(1) Marked No. 3: This Japanese-made article, picked up at S. H. Kress Co., New York, retails at 20 percent less than the American product which it imitates. The American manufacturers declare this retail price represents greater profit than the American price, as the cost to manufacture it in Japan is far less than the cost to manufacture here.

(2) Whisky glass: Two years ago Japan began to export to this country this product which is identical to an American-made whisky glass. The Japanese-made whisky glass sells at 3 for 10 cents, while it costs 10 cents retail for one of the American-made whisky glasses.

(3) This Japanese imitation of Libby glass cut ware (marked No. 5) sells at $1.98 per dozen retail, while the American product must retail at $2.50. Again the margin of profit to the seller is probably greater in the case of the Japanese product due to cheaper costs to manufacture.

(4) Identification mark No. 6: This glass is an interesting example of the fidelity with which the Japanese imitate the American products. You will note that there are bubbles in the stem of this glass. A couple of years ago, American manufacturers, through some error, permitted a number of their glasses of inferior quality to get on the market. The glasses were inferior because there were air bubbles in the stem. Shortly thereafter, Japan sent imitations of the product to be sold here, with the air bubbles faithfully reproduced. The price of this Japanese product, of course, runs below that of the American-made original.

The American people admire cleverness. We appreciate that substitutes may be shoddy, but when these cheap and often shoddy substitutes come into our markets in times of depression, and a growing volume of unemployment, when Americans are obliged to buy for price as well as for quality, we must feel that the inflow of these commodities is a real and dangerous attack upon American standards of living, upon American pay rolls, and upon American employment.

Under the continued impact of such condition, only one outcome can be certain, and that is that profits and wages must succumb to ferocious price slashing. And when that happens, it is not merely labor that suffers but the whole country as well from one end of it to the other, for if wages dwindle, purchasing power dwindles, trade languishes, and the disease of idleness and unemployment spreads. The ultimate sufferer is the Nation as a whole.

While plutocratic and military groups are fighting for the economic and political mastery of the Orient, let me cite the figures from the reports of the Japanese Government of the wages that are paid to the workers in Japanese industry. These figures show how remorselessly Japan can undersell American mills and factories in the American market with imitation and counterfeit American goods.

The statistical reports of the Japanese Department of Commerce and Industry reveal that in the textile mills of Japan an average wage of 4½ cents an hour is paid, and in the rayon mills, 2½ cents an hour.

In the pottery industry, the wage is 6 cents an hour; for leather work, 39 cents a day; for carpenters, 60 cents a day; for male day labor, 43 cents a day, and for female day labor, 25 cents a day. The average wage is $3.50 a week or less. In the textile industry, for instance, according to these reports of the Japanese Department of Commerce and Industry, Japanese weavers work at their looms for 80 hours a week and earn approximately $2.04 a week. In the rush seasons they work about 100 hours a week and earn about $3 in wages, or 3 cents an hour.

These figures apply to organized industries, where the workers are regularly employed. And yet they are not a true picture of the wage condition or wage rates in Japan, because they are typical of the higher-paid workers—the "cream of the jobs" in industry. Statistics as to the compensation in the lower strata of workers are not available in sufficient quantity to give a clear conception of this picture; there is indication that the Japanese Department of Commerce and Industry has not compiled statistics on these rates of pay that will convey an adequate conception of them.

Yet we know there are sweatshops in Japan, and while there is no official record of the earnings of the people who work in them, yet we know they are worse off and their earnings are infinitely lower than are the wages of those in the higher forms of industrial employment. Fortune magazine contends that one-third of the Japanese imports into the United States are produced in small family sweatshops, unregulated by factory laws and mercilessly underpaid.

We cannot be deluded by the contention that all of this is very far off, away across a huge ocean, and that for that reason it does not affect American employers and workers. Nor can we be influenced by the claim that the cost of living in Japan is much lower than it is in the United States. It is not the domestic prices that prevail in Japan or the costs of living for its working population that primarily concerns us as Americans; it is the prices for which the Japanese goods poured into America are offered for sale in competition with our own products.

What are we to do about it? What can we do about it?

First, we must demand official consideration and official cognizance of the conditions under which foreign goods are supplied to us and take the necessary steps to protect and safeguard our wage levels and volume of employment.

Second, we must watch for patent infringements, the counterfeiting of trade-marks, and those border-line cases of improper industrial practice and violation of business ethics where American goods are brazenly imitated. We should exert an effort to the end that trade-mark usage and declaration of country of origin rules shall be defined more fully to prevent deception and misbranding.

Third, we as Americans must be fully aware that patronage of such goods as are cheap imitations of our own products constitute an attack upon our standards of living, based on fair prices, high wages, and freedom of employment.

Fourth, our present tariff system should be used for protection against the practices which we condemn and special legislation enacted to fill the loopholes through which misbranded and unbranded commodities are leaking into our home markets.

Few in America realize that as ruinous as is Japanese competition today, it must become many times worse if Japan in its undeclared war upon China is successful and its boundless treasure house of raw materials is placed at the disposal of Japan's industrial lords for exploitation. Today Japan buys a large part of her raw materials abroad, including cotton from the United States, and in the competitive world markets. The problem of these markets will be solved if the

Japanese armies are successful in China. Japan and her overlords will then be free to launch upon a greater and more far-flung economic invasion of the United States than we as a people have heretofore believed possible.

In my opinion, it means that if Japan is successful in China, Japan will grow her own cotton in China and in time completely wipe out our foreign cotton market. I believe it is a tremendously serious problem for us all to face, and one which requires careful and immediate action. [Applause.]

EXTENSION OF REMARKS

Mr. RANDOLPH. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include therein an editorial.

The SPEAKER. Is there objection to the request of the gentleman from West Virginia?

There was no objection.

The SPEAKER. Under the previous order of the House, the gentleman from Nebraska [Mr. BINDERUP] is recognized for 30 minutes.

The SPEAKER pro tempore. Under previous order heretofore entered, the gentleman from Nebraska [Mr. BINDERUP] is recognized for 30 minutes.

GOVERNMENT MONETARY CONTROL

Mr. BINDERUP. Mr. Speaker, there is only one fountain from which all wealth comes. It is labor, combined with the natural resources of the earth. There are only three things that can cause unemployment:

First. If the natural resources that God gave to man should be exhausted.

Second. If labor should refuse to work.

Third. If government fails in equitable distribution.

We know, in the first place, that the natural resources, a gift from God, are inexhaustible. And yet they should not be wasted.

We know that labor is ever pleading that they may dip their hands deep into the fountain, the natural resources of the earth, and shape these into blessings for humanity.

But the third, equitable distribution of the Nation's wealth, that is where we fail.

I want to repeat, and I want to shout it from the mountaintop, that the Nation's Congress may know and read the handwriting on the wall, "that every nation that was and is no more died because the people failed to solve the problem of distribution"; that in the unequal fight of the toilers, who produce the Nation's wealth—and I mean mental as well as physical toil—I repeat, in this unequal fight against predatory, plundering, and selfish greed, the arch enemy of men and nations, civilization crumbles. For it is as true today as it was when Abraham Lincoln said, "A nation wherein the people are divided against themselves cannot live." Eventually one class dies of lust, luxury, leisure, and overindulgence, as a result of too great wealth, and the other class dies of misery and poverty because of unequitable distribution. Thus nations pass away with only a yellow page in history—a sad monument to a civilization that once was but is no more.

Mr. TRANSUE. Mr. Speaker, will the gentleman yield?

Mr. BINDERUP. I yield to the gentleman from Michigan.

Mr. TRANSUE. I would like to have the gentleman explain at this time, if he will, how in his plan or his bill he proposes that this money is to be put in at the bottom.

Mr. BINDERUP. I thank the gentleman from Michigan. I shall be glad to do that at this time, as it is the most important feature of my bill—expansion of our money supply by creating a consuming and purchasing power among the lower-income group, the group that is at the bottom of our economic ladder. I wish further to explain how a continual income to the lower-income brackets of our Nation stimulates the entire structure of our economic life. I said that a social dividend to all needy old people over 60 years of age, to the widows, orphans, blind, and invalids, the Nation's honored needy, would add much more than $5,000,000,000 to our national income and create a purchasing power that would start our $15,000,000,000 dormant bank deposits to become active, to circulate. I can best further explain this by taking just a few actual examples.

A certain old couple living in my district lost their nice little home to the Home Owners' Loan Corporation, a Government institution. They had brought up a fine family and had given their children a first-class education, but it left the old people with a little mortgage on their home. And when, in 1920, land and home values fell from $66,000,000,000 to $28,000,000,000, thus wiping out two-thirds of farm and home values, this by action of the Federal Reserve Banking System, hell's instrumentality of destruction when in the hands of international bankers. So these good people, like millions of others, became roaming nomads, without a home, patrons of W. P. A., subjects of charity. The old man came frequently to my office and visited the local bank, begging, sad, and humiliated, for a loan of only $600 to buy a little old house on the outskirts of town. However, it was impossible to secure such a loan; but one day he got a letter from Washington that he and his wife had been allowed an old-age pension. It was only $19 per month each; but, overjoyed by the contents of this letter, he came rushing into my office, showed me the letter, and said, "Now you will let me have the $600, won't you? You see, we now have an income of $38 monthly, and we can pay you $25 per month out of this." And I said, of course, I would. Later in the day, however, he met me and said the banker wanted to let him have the money and he thought he should patronize the banker because really loaning money was the banker's business. So now we both wanted to let him have the money. Thus, because of a little insignificant $19 per month pension to these old people we took out of the dormant deposits held in this little local bank $600 and turned it into circulation. But we did much more than that; we created another home, another unit in the foundation of our Government. We took dependents from the W. P. A. rolls and we dried the tears on the cheeks of two of the greatest old people I have ever met. They tell me that these old people never forget; that they never eat a meal but what they first thank God for a government that gave them back a home.

I know of a very similar story of a tyrant, a corrupt monetary international-banker system, that steals from the people that which is justly theirs and piles it in the banks, issues a daily statement telling the people of all the money piled in the banks, and chains them with a corrupt monetary system just close enough so they can see and realize that it is just before them but just out of their reach, while they are suffering and dying for the want of that which is justly theirs, the Nation's circulating medium of exchange.

The Federal land bank was foreclosing the home and farm of Mr. and Mrs. Alfred Johnson. I had tried to secure a moratorium, an extension, or a new loan for them, but in vain. One day a Mr. and Mrs. Dover came to my office and told me they had been allowed an old-age pension of $38 per month, and I suggested that they buy the house and 20 acres on the Alfred Johnson farm near town and in this way help the Johnsons save the remaining 140 acres of their farm. This they did, at a cost of $2,000, borrowing it from the bank and agreeing to pay $25 a month out of their pension, and giving a mortgage on the house and the 20 acres. So notice the magic of money when it comes as new money direct from the Government to the lower-income groups. With this $38 a month pension we took these two old people off relief rolls, helped them secure a home, saved two others from losing their farm and being forced onto relief rolls, afforded two families homes, and built two more units in the foundation of our Government.

We put $2,000 of idle, dormant bank deposits into circulation, satisfied the mortgage company, saved the expense and disgrace of foreclosure, increased the national income $6,000, helped to reduce taxes by widening the tax base, helped to raise the price level of commodities and labor, and helped to strengthen democracy. Yes; we found the way—the only way; and all this because of a pension of only $19 per month

to old people of over 65 years of age. Now imagine what we can do with a pension of $50 to all old people over 60 years of age and with aid to widows, orphans, the blind, cripples, and invalids. I say we can scarcely estimate what this alone will do in the way of bringing back prosperity. Still one more example out of the millions. One old lady in my district took her old-age pension, went to the bank, and on the strength of it borrowed $300, agreeing to pay $10 monthly out of her pension, bought a little restaurant, took her son and family off relief and put them in the restaurant with her, and they are now making a living without a disgraceful dole.

But we will do more than this. I told you before that even if we raise our living standard only to the price level of 1926 and considering that Uncle Sam grows 4 percent a year, which is proved by 50 years' statistics, and knowing, if we know anything, that if Uncle Sam grows 4 percent he must have 4 percent more money added to the veins and arteries of his body or he cannot live. We are short of new money in the veins and arteries of trade and commerce to the extent of $18,000,000,000 and we have $15,000,000,000 demand-bank deposits which are dead, lying idle in the bank vaults. That means no less than $33,000,000,000 short in our circulating medium of exchange, the wheels of trade and industry. Is it any wonder that we are starving to death in the midst of plenty and that we are forced back to the Dark Ages, to the exchange of our goods and services on the old barter system?

But I said my bill will do much more by expanding the money supply among the lower-income groups at the bottom of the ladder. This bill provides for $1,000,000,000 every year for resettlement of farmers on their own farms. Under my bill, an amendment to the present Jones-Bankhead Act passed in the last session of Congress, it is provided that farmers, renters, farm hands, or anyone who can qualify under what we might term a civil-service examination, showing that they do understand farming, are eligible under this bill for Government financing up to the extent of $8,000, repayment to be made on the amortization plan, 1½-percent interest and 1½-percent payment on principle each year. This not only puts an additional $1,000,000,000 of new money into circulation yearly but it also—like the $50 social dividends to people over 60 years—establishes a credit base whereon the bankers can lend their dormant money for horses, cattle, hogs, and machinery.

For example, I said to a banker in my district, "James Corbit is going to avail himself of the Jones-Bankhead Act and will get a certain 80 acres of land, equipped with an irrigation well, a little tar-paper shack for a home, and a baled straw barn. How much money would you let Jim have." The banker took it under consideration and later stated that he would let Jim have $3,000, taking a mortgage on stock and machinery at 6-percent interest. The potential possibilities of this would show that we could put $1,000,000,000 new money into circulation yearly which would establish at least 125,000 farms. Supposing each of these farmers would take the above-mentioned loan of $3,000 from his banker, it would release no less than $375,000,000 of dormant bank deposits yearly. We believe, however, it will be possible to establish twice as many farms without exceeding the price level of 1926, and that we will create by the Jones-Bankhead Act and this monetary control bill, 250,000 farms with $2,000,000,000 of new money in circulation each year for at least several years. It is only in an effort to be safe that we suggest $1,000,000,000 and 125,000 farms.

It must be remembered that a price level will not start to raise until demand exceeds capacity to produce. As factories and farms can produce much cheaper at full capacity than when operated at only part capacity, there will be complete employment long before we reach our full capacity to produce, so definitely it will be a shortage of labor that will raise the price level as labor will be exhausted long before the natural resources of the earth are exhausted.

Mr. HILL. Will the gentleman yield?

Mr. BINDERUP. Yes; I yield to the gentleman from Washington.

Mr. HILL. Why does not selling bonds as we are now doing put money into circulation, using the money or bank credit to check on? I do not believe the gentleman from Nebraska has made this quite clear.

Mr. BINDERUP. I thank the gentleman for calling attention to this important matter. Selling bonds to the big banks and checking on the credit of these banks, which, of course, is all we do, we never get a cent of money—currency—from the banks, simply credit on the books, merely a bookkeeping transaction; I say selling bonds to these bankers merely puts money into circulation for a few months, probably 3 months, and by that time the big banks have sold these same bonds we are checking on, to the people or to the small commercial banks in the rural districts, so they take out of circulation the same amount of money we put into circulation. This plan is most illogical; it is the endless circle that gets us nowhere in the way of recovery, only further in the mire when we should be expanding our money supply in new money, over a billion and a half yearly in order to keep up with the physical growth of Uncle Sam.

It reminds me of a story of the kids asking, "Say, Johnnie, why do you take castor oil?" and Johnnie said, "Because my mother gives me a nickel every day to take it." The kids: "What do you do with your nickels?" Johnnie: "I put them in my bank." And the kids asked, "But when your bank is full what do you do?" and Johnnie replied, "Then mother opens the bank, takes the money, and buys more castor oil."

Now, compare this ridiculous, foolish plan with the plan provided for in my bill. First, my bill puts into circulation directly, through social dividends, $1,602,000,000 yearly, in new money, with the establishing of a credit base which can be used by the banks for lending dormant bank deposits. As I said, 3,339,000 needy old people, widows, orphans, cripples, the blind, and invalids, estimating their average age at 65 years, would have an expectancy or would live exactly 12 years on an average; thus 3,339,000 recipients of $50 per month for 12 years equals $20,000,000,000, a lasting base of credit.

[Here the gavel fell.]

Mr. LEAVY. Mr. Speaker, I ask unanimous consent that the gentleman from Nebraska may have 5 additional minutes.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Washington?

There was no objection.

Mr. LEAVY. I want to ask this further question of the gentleman from Nebraska. The gentleman said the banks cannot circulate other than their demand deposits which are secured 100 percent.

Mr. BINDERUP. In my bill the deposits of a bank are definitely divided as between demand deposits and time deposits. As to demand deposits, the banker becomes merely custodian for the depositor, charging him for services in taking care of his checking account. As to time deposits, it is different. Here he becomes a broker for his time depositors, lending their money for them, making a commission from the difference in the interest paid the depositor and the interest charged the borrower.

Mr. LEAVY. So, if the banker lends that money which represents accumulated savings, has he not utilized the accumulated savings to expand the circulating medium?

Mr. BINDERUP. Yes; but that would allow the exact amount of our money supply to remain in circulation even though it is deposited in the banks, as the banks would immediately loan their time deposits into circulation. But we must do more than this, we must increase our money supply daily, and my bill provides that we increase our volume of money no less than $8,000,000 a day besides increasing the velocity of money. [Applause.]

[Here the gavel fell.]

EXTENSION OF REMARKS

Mr. BACON. Mr. Speaker, I ask unanimous consent to place in the Appendix of the RECORD an article by Dean Andrews, of the Syracuse University Law School, and an editorial of comment thereon.

The SPEAKER pro tempore. Is there objection?

There was no objection.

USE OF RELIEF FUNDS FOR PARTISAN POLITICAL PURPOSES

The SPEAKER pro tempore. Under special order, the Chair recognizes the gentleman from New York [Mr. LORD] for 15 minutes.

Mr. LORD. Mr. Speaker, I reserved this time that I might call attention to a letter from Judge Brady M. Stewart, of Louisville, Ky., who is the manager of Governor Chandler's campaign for nomination for the Senate of the United States. I intended to ask permission to extend this letter in the RECORD, but I notice that on page 2144 of the Appendix of the RECORD my colleague the gentleman from New York [Mr. BACON] has extended the letter, so those who want to refer to it may do so at that point in the RECORD.

I shall refer to a few brief lines in this letter. I direct attention—and I quote—to the—

Willful misuse of certain Federal functions in this Commonwealth.

I quote:

It has become common talk among our people that the State administrator of the Works Progress Administration in Kentucky has openly and boldly stated that he and his organization will leave nothing undone to achieve the reelection of Senator BARKLEY; and, accordingly, every Federal relief agency in Kentucky is frankly and brazenly operating upon a political basis. For the first time in our observation, the Works Progress Administration, which was conceived and established to feed the families of the unemployed, irrespective of the politics, race, or creed of those to be served through its directing heads, is seeking to drive hungry and destitute people to vote for a certain candidate for office. Meetings and conferences have been held in practically every county of the State by keymen in places of importance with the Works Progress Administration, at which definite instructions were given to selected agents that no one should be placed on Federal relief except upon the advice of Senator BARKLEY's campaign managers in the respective counties. Furthermore, these same agents have been required to inform all those individuals who seek Federal assistance that, unless they are for the candidate for Senator whom the heads of the relief administration are supporting, there will be neither relief funds nor jobs for them.

Mr. Speaker, this is something we never thought could transpire in these United States. The taxpayers' money is being used to put forward some candidate for office in this country; someone who is supposed to represent the people in this Congress. I refer to Kentucky, also Florida and Iowa, where the taxpayers' money is, according to this letter, being used for votes and the poor, needy people going hungry.

Mr. CULKIN. Mr. Speaker, will the gentleman yield?

Mr. LORD. Yes.

Mr. CULKIN. Does the gentleman remember that this was the way that the ancient Republic of Rome fell? It was through the dictators' use of the money of the people for bread and circuses.

Mr. LORD. I think the gentleman is quite right. That is the way Rome fell.

Mr. CULKIN. And history may repeat itself in this country.

Mr. LORD. History apparently is repeating itself; and this boring from within and wasting the taxpayers' money will surely ruin our Nation if not stopped.

I call attention to another quotation from the letter:

Republicans who have been certified for relief work in an impartial manner, and have worked for some time as Federal employees, have been instructed by agents of the Works Progress Administration to change their registration and vote for Senator BARKLEY, on penalty of being released therefrom in case of refusal.

This we call free America.

We saw in the paper a few days ago that Harry Hopkins said that any W. P. A. worker who engaged in politics in their respective districts and States would be immediately released from office. In fact, he went so far in Pennsylvania as to release them, according to newspaper articles. However, I am informed now—and I think reliably—that those relieved from office happen to be Republicans. This is all entirely out of politics—or is it? I again quote:

Instructions have gone out from the head of the Works Progress Administration in Kentucky that all records pertaining to employment and salaries must be kept confidential and secret.

I wonder why it is necessary to keep them confidential and secret. Of course, during the primary campaign in Florida for United States Senator, to which I have referred before, it is said—and it has never been denied—that everyone was put on the pay roll that would vote the right way. This is another such instance, I assume.

The favored one, of course, was nominated for office down in Florida, but it was a matter of using the taxpayers' money to carry out the political wishes of the administration. Now, in Iowa Mr. Hopkins, of whom I have always held in high regard, has in a rather undercover way told the W. P. A. worker how to vote.

Mr. Hopkins in a recent address over the radio emphatically declared that no person receiving Federal relief would lose his job for voting as he saw fit. That is like it was up in New England in the early days when people came to this country to establish a place where everyone could worship God as he saw fit; but if they did not worship God according to the dictates of those in power, they were called witches and their ears were cut off or their tongues were cut out. So it is in this instance; they can vote as they see fit so long as they vote the way the W. P. A. dictates. This was discussed at some length in the Senate yesterday, Mr. Chairman, and I do not need to go into detail. It was brought up by the majority side, by the administration side, in the Senate, and I was in hopes that it would be by the majority side in the House. I dislike to bring it to the attention of the House, but I know that many of those on the New Deal side, while desirous of bringing it up, rather hesitate to do so, and I am doing so more on account of taking their part in this campaign, taking the side that it should be brought out. They do not want to bring it to the attention of the country for fear of what will happen to them, for it will be just another case where they will not be on the side of the heaviest artillery ($ $ $). It will be just too bad for them. So I hope that the real Democrats in this Congress on this side of the House will wake up and come to the rescue of the Nation in this time of stress as Senator WHEELER, Senator BURKE, and others of the Democratic Party have in the Senate, and not leave it for the Republicans to call the attention of the taxpayers to the brazen way the New Dealers are spending their money.

[Here the gavel fell.]

EXTENSION OF REMARKS

Mr. VOORHIS. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include therein a radio address delivered by myself.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows:

To Mr. CURLEY, indefinitely, on account of illness.

To Mr. DALY, indefinitely, on account of illness.

To Mr. GRAY of Indiana, for today, on account of official business.

To Mr. WOODRUFF (at the request of Mr. MAPES), indefinitely, on account of illness.

SENATE ENROLLED BILL SIGNED

The SPEAKER announced his signature to an enrolled bill of the Senate of the following title:

S. 1225. An act to provide for insanity proceedings in the District of Columbia.

ADJOURNMENT

Mr. HILL. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock p. m.) the House adjourned until tomorrow, Friday, May 27, 1938, at 12 o'clock noon.

COMMITEE HEARINGS

COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE

There will be a meeting of the Committee on Interstate and Foreign Commerce at 10 a. m. Friday, May 27, 1938. Business to be considered: Hearing on H. R. 10127, railroad unemployment insurance.

There will be a meeting of the Committee on Interstate and Foreign Commerce at 10 a. m. Tuesday, May 31, 1938. Business to be considered: Hearings on H. R. 10620 entitled "To remove existing reductions in compensation for transportation of Government property and troops incident to railroad land grants."

COMMITTEE ON THE JUDICIARY

There will be a hearing before the Special Subcommittee on Bankruptcy of the Committee on the Judiciary at 10 a. m. on Wednesday, June 1, 1938, on H. R. 10387, to amend the act entitled "An act to establish a uniform system of bankruptcy throughout the United States," approved July 1, 1898, and acts amendatory thereof and supplementary thereto, and for other purposes (sec. 77), (relative to railroad reorganization). The hearing will be held in the Judiciary Committee room, 346 House Office Building.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1385. A letter from the Secretary of War, transmitting a letter from the Chief of Engineers, United States Army, dated May 17, 1938, submitting a report, together with accompanying papers, on a reexamination of Missouri River, from Kansas City, Mo., to Sioux City, Iowa, with view to determining if waterworks improvements at Leavenworth, Kans., have been damaged by navigation improvements, the extent of such damages, and advisability of remedial action, requested by resolution of the Committee on Rivers and Harbors, House of Representatives, adopted March 25, 1938; to the Committee on Rivers and Harbors.

1386. A letter from the Secretary of War, transmitting a letter from the Chief of Engineers, United States Army, dated May 18, 1938, submitting a report, together with accompanying papers, on a reexamination of Sabine-Neches Waterway, Tex., requested by resolution of the Committee on Rivers and Harbors, House of Representatives, adopted April 14, 1938; to the Committee on Rivers and Harbors.

1387. A letter from the Secretary of War, transmitting a letter from the Chief of Engineers, United States Army, dated May 18, 1938, submitting a report, together with accompanying papers, on a preliminary examination of Goldsborough Creek, Wash., authorized by the Flood Control Act, approved June 22, 1936; to the Committee on Flood Control.

1388. A letter from the Secretary of War, transmitting a letter from the Chief of Engineers, United States Army, dated May 18, 1938, submitting a report, together with accompanying papers, on a preliminary examination of Ottawa River, Ohio, authorized by the River and Harbor Act, approved August 26, 1937; to the Committee on Rivers and Harbors.

1389. A letter from the Secretary of War, transmitting the draft of a bill to extend the benefits of the United States Employees' Compensation Act to members of the Officers' Reserve Corps and of the Enlisted Reserve Corps of the Army, who are physically injured in the line of duty while performing active duty or engaged in authorized training, and for other purposes; to the Committee on Military Affairs.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. SMITH of Connecticut: Committee on Military Affairs. H. R. 10725. A bill to amend the act entitled "An act for making further and more effectual provision for the national defense, and for other purposes," approved June 3, 1916, as amended, and for other purposes; without amendment (Rept. No. 2478). Referred to the Committee of the Whole House on the state of the Union.

Mr. EDMISTON: Committee on Military Affairs. S. 1694. An act authorizing the Secretary of War to convey to the town of Montgomery, W. Va., a certain tract of land; without amendment (Rept. No. 2485). Referred to the Committee of the Whole House on the state of the Union.

Mr. SIROVICH: Committee on Patents. House Joint Resolution 671. Joint resolution to create a Bureau of Fine Arts in the Department of the Interior for the promotion of art and literature through the use of copyrighted and copyrightable material and to define the powers and duties of said Bureau, and for other purposes; with amendment (Rept. No. 2486). Referred to the Committee of the Whole House on the state of the Union.

Mr. MAY: Committee on Military Affairs. H. R. 10567. A bill to authorize appropriations for construction and rehabilitation at military posts, and for other purposes; without amendment (Rept. No. 2487). Referred to the Committee of the Whole House on the state of the Union.

Mr. PATTON: Committee on the Territories. H. R. 7844. A bill to amend the act of Congress entitled "An act to establish an Alaska Game Commission to protect game animals, land fur-bearing animals, and birds in Alaska, and for other purposes", approved January 13, 1925, as amended; with amendment (Rept. No. 2488). Referred to the Committee of the Whole House on the state of the Union.

Mr. KELLER: Committee on the Library. H. R. 10217. A bill to provide for the competitive selection, subject to the approval of Congress, of the design for the Thomas Jefferson Memorial; with amendment (Rept. No. 2489). Referred to the Committee of the Whole House on the state of the Union.

Mr. BLOOM: Committee on Foreign Affairs. H. R. 9933. A bill to authorize the United States Golden Gate International Exposition Commission to produce and sell certain articles, and for other purposes; without amendment (Rept. No. 2490). Referred to the Committee of the Whole House on the state of the Union.

Mr. BLOOM: Committee on Foreign Affairs. House Joint Resolution 688. Joint resolution creating the Niagara Falls Bridge Commission and authorizing said commission and its successors to construct, maintain, and operate a bridge across the Niagara River at or near the city of Niagara Falls, N. Y.; without amendment (Rept. No. 2491). Referred to the House Calendar.

Mr. MAY: Committee on Military Affairs. H. R. 7693. A bill to authorize the Secretary of War to transfer to the Government of Puerto Rico certain real estate of the War Department; with amendment (Rept. No. 2492). Referred to the Committee of the Whole House on the state of the Union.

Mr. MAY: Committee on Military Affairs. H. R. 10455. A bill to authorize the Secretary of War to proceed with the construction of certain public works in connection with the War Department in the District of Columbia; with amendment (Rept. No. 2493). Referred to the Committee of the Whole House on the state of the Union.

Mr. MAY: Committee on Military Affairs. H. R. 9014. A bill to authorize the conveyance to the Lane S. Anderson Post, No. 297, Veterans of Foreign Wars of the United States, of the house and site at Lock No. 6, Kanawha River, South Charleston, W. Va.; with amendment (Rept. No. 2495). Referred to the Committee of the Whole House on the state of the Union.

Mr. LUTHER A. JOHNSON: Committee on Foreign Affairs. S. 3104. An act for the payment of awards and appraisals heretofore made in favor of citizens of the United States on claims presented under the General Claims Convention of September 8, 1923, United States and Mexico; without amendment (Rept. No. 2496). Referred to the Committee of the Whole House on the state of the Union.

Mr. SHANLEY: Committee on Foreign Affairs. H. R. 10687. A bill to authorize the President to permit citizens of the American Republics to receive instruction at professional educational institutions and schools maintained and

administered by the Government of the United States or by Departments or agencies thereof; without amendment (Rept. No. 2497). Referred to the Committee of the Whole House on the state of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. SPARKMAN: Committee on Military Affairs. H. R. 5604. A bill for the relief of William Kelley; without amendment (Rept. No. 2479). Referred to the Committee of the Whole House.

Mr. FADDIS: Committee on Military Affairs. S. 652. An act for the relief of John B. Jones; without amendment (Rept. No. 2480). Referred to the Committee of the Whole House.

Mr. HARTER: Committee on Military Affairs. S. 1239. An act for the relief of John W. Beck; without amendment (Rept. No. 2481). Referred to the Committee of the Whole House.

Mr. HARTER: Committee on Military Affairs. S. 2883. An act for the relief of George H. Lowe, Jr.; without amendment (Rept. No. 2482). Referred to the Committee of the Whole House.

Mr. FADDIS: Committee on Military Affairs. S. 3490. An act for the relief of Benjamin H. Faith; without amendment (Rept. No. 2483). Referred to the Committee of the Whole House.

Mr. MAY: Committee on Military Affairs. S. 3917. An act authorizing the President to present gold medals to Mrs. Robert Aldrich and posthumously to Anna Bouligny; with amendment (Rept. No. 2484). Referred to the Committee of the Whole House.

Mr. TURNER: Committee on Military Affairs. H. R. 656. A bill for the relief of Elmer W. Haas; without amendment (Rept. No. 2494). Referred to the Committee of the Whole House.

Mr. HARTER: Committee on Military Affairs. H. R. 8799. A bill to provide for the reinstatement of First Lt. William B. Blaufuss, United States Army, retired, to the active list of the Regular Army as a first lieutenant; with amendment (Rept. No. 2498). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. RAMSPECK: A bill (H. R. 10763) to amend section 6 of the Civil Service Retirement Act of May 29, 1930, as amended; to the Committee on the Civil Service.

By Mr. KING: A bill (H. R. 10764) to amend section 73 of the Hawaiian Organic Act approved April 30, 1900, as amended; to the Committee on the Territories.

By Mr. PATRICK: A bill (H. R. 10765) authorizing the establishment and maintenance by the War Department of a harbor and channel at Orange Beach, Ala., and providing for the lighting and dredging thereof; to the Committee on Rivers and Harbors.

By Mr. HAVENNER: A bill (H. R. 10766) to amend an act entitled "An act to amend an act entitled 'An act to establish a retirement system for employees of carriers subject to the Interstate Commerce Act, and for other purposes,' approved August 20, 1935," approved June 24, 1937; to the Committee on Interstate and Foreign Commerce.

By Mr. O'CONNOR of New York: Joint resolution (H. J. Res. 699) to amend sections 101, 102, 103, and 104 of the Revised Statutes of the United States, relating to congressional investigations; to the Committee on the Judiciary.

By Mr. TREADWAY: Joint resolution (H. J. Res. 700) establishing a Federal Tax Commission, and for other purposes; to the Committee on Ways and Means.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BERNARD: A bill (H. R. 10767) for the relief of Edwin J. Sasser; to the Committee on Claims.

By Mr. HAMILTON: A bill (H. R. 10768) to confer jurisdiction upon the Court of Claims to hear, determine, and render judgment upon the claims of the persons named in this act for overtime service in the Norfolk (Va.) Navy Yard, Portsmouth, Va., between the years 1878 and 1882; to the Committee on Claims.

By Mr. KEOGH: A bill (H. R. 10769) for the relief of Thomas F. Kenney; to the Committee on Claims.

By Mr. SNYDER of Pennsylvania: A bill (H. R. 10770) granting a pension to John William Marshall; to the Committee on Invalid Pensions.

By Mr. WOOD: A bill (H. R. 10771) granting a pension to Royster Alexander White; to the Committee on Invalid Pensions.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

5239. By Mr. KENNEDY of New York: Petition of the National Congress of Parents and Teachers at Washington, D. C., urging support of Neely-Pettengill bill; to the Committee on the District of Columbia.

5240. Also, petition of the Equitable-Mutual Homestead Association of New Orleans, La., urging adoption of House bill No. 10112, presented by Congressman J. O. FERNANDEZ, of Louisiana; to the Committee on Banking and Currency.

5241. Also, petition of the Roland German-American Democratic Society of Greater New York, Inc., urging enactment of the Celler bill (H. R. 10013); to the Committee on Immigration and Naturalization.

5242. By Mr. LEAVY: Resolution of the Okanogan County Pomona Grange, No. 53, of Okanogan County, Wash., pointing out the need of a greater circulating medium and condemning the private issue and control of money and urging upon Congress the enactment of legislation that will restore to Congress the constitutional right to coin money and regulate the value thereof and establish a system of circulation which will take care of the needs of the Nation; to the Committee on Banking and Currency.

5243. Also, resolution of Okanogan County Pomona Grange, No. 53, Okanogan County, Wash., relative to the establishment of a byproduct experiment station as provided for in the Bankhead-Jones Act of 1938 and requesting that one such laboratory and experiment station be established in the northwestern part of the United States at Pullman, Wash., where the State College of Washington is located; to the Committee on Agriculture.

5244. By the SPEAKER: Petition of the Peace Officers Association of Los Angeles County, Los Angeles, Calif., petitioning consideration of their resolution dated May 11, 1938, with reference to funds for the Federal Bureau of Investigation; to the Committee on Appropriations.

5245. Also, petition of the State Democratic Executive Committee, Columbia, S. C., petitioning consideration of their resolution with reference to the Federal Farm Act; to the Committee on Agriculture.

5246. Also, petition of the Industrial Commission of Utah, Salt Lake City, Utah, petitioning consideration of their resolution dated May 17, 1938, with reference to the Social Security Board; to the Committee on Ways and Means.

SENATE

FRIDAY, MAY 27, 1938

(Legislative day of Wednesday, April 20, 1938)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

THE JOURNAL

On request of Mr. BARKLEY, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day Thursday, May 26, 1938, was dispensed with, and the Journal was approved.

MESSAGES FROM THE PRESIDENT—APPROVAL OF BILLS AND JOINT RESOLUTIONS

Messages in writing from the President of the United States were communicated to the Senate by Mr. Latta, one of his secretaries, who also announced that the President had approved and signed the following acts and joint resolutions:

On May 18, 1938:

S. 2650. An act to authorize the completion, maintenance, and operation of the Fort Peck project for navigation, and for other purposes.

On May 20, 1938:

S. J. Res. 284. Joint resolution to authorize an appropriation for the expenses of participation by the United States in the Third Pan American Highway Conference; and

S. J. Res. 285. Joint resolution to authorize and request the President of the United States to invite the International Union of Geodesy and Geophysics to hold its seventh general assembly in the United States during the calendar year 1939, and to invite foreign governments to participate in that general assembly; and to authorize an appropriation to assist in meeting the expenses necessary for participation by the United States in the meeting.

On May 21, 1938:

S. 2257. An act for the relief of Helene Landesman;

S. 3149. An act authorizing the Interstate Bridge Commission of the State of New York and the Commonwealth of Pennsylvania to reconstruct, maintain, and operate a free highway bridge across the Delaware River between points in the city of Port Jervis, Orange County, N. Y., and the borough of Matamoras, Pike County, Pa.; and

S. 3213. An act to amend the act entitled "An act authorizing the Oregon-Washington Board of Trustees to construct, maintain, and operate a toll bridge across the Columbia River at Astoria, Clatsop County, Oreg," approved June 13, 1934, as amended.

On May 23, 1938:

S. 842. An act to provide for an investigation and report of losses resulting from the campaign for the eradication of the Mediterranean fruitfly by the Department of Agriculture;

S. 2676. An act to amend the act approved August 24, 1935, entitled "An act to authorize the erection of a suitable memorial to Maj. Gen. George W. Goethals within the Canal Zone";

S. 2966. An act authorizing the Comptroller General to settle and adjust the claim of H. W. Adelberger, Jr.;

S. 3220. An act to authorize the Secretary of the Treasury to transfer the title and all other interests in the old tower clock from the Escambia County Courthouse Building, acquired by the Government by deed, to the Pensacola Historical Society of Pensacola, Escambia County, Fla.; and

S. J. Res. 253. Joint resolution extending for 2 years the time within which American claimants may make application for payment, under the Settlement of War Claims Act of 1928, of awards of the Mixed Claims Commission and the Tripartite Claims Commission, and extending until March 10, 1940, the time within which Hungarian claimants may make application for payment, under the Settlement of War Claims Act of 1923, of awards of the War Claims Arbiter.

On May 24, 1938:

S. 750. An act to grant relief to persons erroneously convicted in courts of the United States;

S. 1242. An act for the relief of Stanley A. Jerman, receiver for A. J. Peters Co., Inc.;

S. 2644. An act for the relief of Sherm Sletholm, Loneata Sletholm, Lulu Yates, Madeline Yates, and the estate of Ella A. Morris;

S. 3103. An act for the relief of the Comision Mixta Demarcadora de Limites Entre Colombia y Panama; and

S. 3290. An act to impose additional duties upon the United States Public Health Service in connection with the investigation and control of the venereal diseases.

On May 25, 1938:

S. 2967. An act authorizing the Comptroller General to settle and adjust the claim of Tiffany Construction Co.; and

S. 3595. An act to authorize the purchase and distribution of products of the fishing industry.

On May 26, 1938:

S. 1700. An act for the relief of William A. Patterson, Albert E. Rust, Louis Pfeiffer, and John L. Nesbitt and Cora B. Geller, as executors under the will of James T. Bentley.

CALL OF THE ROLL

Mr. LEWIS. Mr. President, I must suggest the absence of a quorum, in view of the importance of the debate which is to take place today.

The VICE PRESIDENT. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Adams	Davis	Johnson, Calif.	O'Mahoney
Andrews	Dieterich	Johnson, Colo.	Overton
Austin	Donahey	King	Pepper
Bankhead	Duffy	La Follette	Pittman
Barkley	Ellender	Lee	Pope
Berry	Frazier	Lewis	Radcliffe
Bilbo	George	Lodge	Russell
Bone	Gerry	Logan	Schwartz
Borah	Gibson	Lonergan	Schwellenbach
Brown, Mich.	Gillette	Lundeen	Sheppard
Brown, N. H.	Glass	McAdoo	Shipstead
Bulkley	Green	McCarran	Thomas, Okla.
Bulow	Guffey	McGill	Thomas, Utah
Burke	Hale	McKellar	Townsend
Byrd	Harrison	McNary	Truman
Byrnes	Hatch	Maloney	Tydings
Capper	Hayden	Miller	Vandenberg
Caraway	Herring	Milton	Van Nuys
Chavez	Hill	Minton	Wagner
Clark	Hitchcock	Murray	Walsh
Connally	Holt	Norris	Wheeler
Copeland	Hughes	Nye	White

Mr. LEWIS. I announce that the Senator from Arizona [Mr. ASHURST], the Senator from Oregon [Mr. REAMES], and the Senator from New Jersey [Mr. SMATHERS] are detained from the Senate because of illness.

The Senators from North Carolina [Mr. BAILEY and Mr. REYNOLDS], the Senator from West Virginia [Mr. NEELY], and the Senator from South Carolina [Mr. SMITH] are detained from the Senate on important public business.

I ask that this announcement stand of record for the day.

Mr. AUSTIN. I announce that the Senator from New Hampshire [Mr. BRIDGES] is absent because of the death of his wife.

The VICE PRESIDENT. Eighty-eight Senators have answered to their names. A quorum is present.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Calloway, one of its reading clerks, announced that the House had passed the following bills, in which it requested the concurrence of the Senate:

H. R. 9610. An act to amend the National Firearms Act; and

H. R. 10155. An act to permit articles imported from foreign countries for the purpose of exhibition at the Seventh World's Poultry Congress and Exposition, Cleveland, Ohio, 1939, to be admitted without payment of tariff, and for other purposes.

ENROLLED BILLS AND JOINT RESOLUTION SIGNED

The message also announced that the Speaker had affixed his signature to the following enrolled bills and joint resolution, and they were signed by the Vice President:

S. 1225. An act to provide for insanity proceedings in the District of Columbia;

H. R. 6869. An act to provide for the examination and licensing of those engaging in the practice of cosmetology in the District of Columbia;

H. R. 7085. An act to regulate barbers in the District of Columbia, and for other purposes; and

H. J. Res. 647. Joint resolution to increase by $15,000 the amount authorized to be appropriated for the observance of the anniversary of the adoption of the Ordinance of 1787 and the settlement of the Northwest Territory.

HOUSE BILLS REFERRED

The following bills were each read twice by their title and referred to the Committee on Finance:

H. R. 9610. An act to amend the National Firearms Act; and

H. R. 10155. An act to permit articles imported from foreign countries for the purpose of exhibition at the Seventh World's Poultry Congress and Exposition, Cleveland, Ohio, 1939, to be admitted without payment of tariff, and for other purposes.

MISSOURI RIVER BRIDGE, RANDOLPH, MO.

The VICE PRESIDENT. The Chair lays before the Senate a message from the President of the United States, to which he invites the attention of the Senator from Missouri [Mr. CLARK]. The message will be read.

The Chief Clerk read as follows:

To the Senate:

I regret to be compelled to advise the Senate that enrolled S. 3532, "An act to extend the times for commencing and completing the construction of a bridge across the Missouri River, at or near Randolph, Mo.," which was received at the White House on May 19, 1938, in the course of its various references, has become lost and that careful and thorough search has failed to discover it. The last approval day is Tuesday, May 31.

In the circumstances I request that a duplicate bill be authorized.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, *May 27, 1938.*

The VICE PRESIDENT. The message will lie on the table.

Mr. CLARK. Mr. President, I send to the desk a concurrent resolution and ask unanimous consent for its immediate consideration.

The VICE PRESIDENT. The concurrent resolution will be read.

The Chief Clerk read the concurrent resolution (S. Con. Res. 37), as follows:

Resolved by the Senate (the House of Representatives concurring), That the Speaker of the House of Representatives and the President of the Senate be, and they are hereby, authorized to sign a duplicate copy of the enrolled bill (S. 3532) entitled "An act to extend the times for commencing and completing the construction of a bridge across the Missouri River at or near Randolph, Mo.," and that the Secretary of the Senate be, and he is hereby, directed to transmit the same to the President of the United States.

The VICE PRESIDENT. Is there objection to the present consideration of the concurrent resolution?

There being no objection, the concurrent resolution was considered and agreed to.

BERYL M. M'HAM—VETO MESSAGE (S. DOC. NO. 179)

The VICE PRESIDENT laid before the Senate a veto message from the President of the United States, which was read, referred to the Committee on Military Affairs (with the accompanying papers), and ordered to be printed, as follows:

To the Senate:

I return herewith, without my approval, Senate bill No. 1465, entitled "An act for the relief of Beryl M. McHam."

The enactment provides that the said Beryl M. McHam, whose official records show that he was dishonorably discharged from Army service July 7, 1920, and again on July 23, 1936, pursuant to sentences imposed by general courts-martial, shall be held and considered to have been honorably discharged from the military service of the United States on July 7, 1920, it being provided that no pay, compensation, benefit, or allowance shall be held to have accrued prior to the passage of this act.

Under date of March 1, 1934, I vetoed S. 558, Seventy-third Congress, an enactment of similar purport, and I am constrained to agree with the recommendation of the Secretary of War, contained in his letter of May 23, 1938, transmitted herewith, that the present bill should not be enacted into law.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, *May 26, 1938.*

FRED G. CLARK CO.—VETO MESSAGE (S. DOC. NO. 180)

The VICE PRESIDENT laid before the Senate a veto message from the President of the United States, which was read, referred to the Committee on Claims (with the accompanying bill), and ordered to be printed, as follows:

To the Senate:

I return herewith, without my approval, Senate bill (S. 51) entitled "An act for the relief of the Fred G. Clark Co."

The bill proposes to provide for the payment to the Fred G. Clark Co. of the sum of $7,586.61 in full settlement of its claim for losses said to have been suffered by reason of compliance with certain orders of the War Industries Board, during the World War.

It appears that on September 16, 1918, the War Industries Board took control of the wool grease production of the country, and instructed various dealers in that commodity to make no deliveries or sales without its approval. The Fred G. Clark Co. was one of the dealers who received such notice. These restrictions were lifted on October 29, 1918.

After this action of the Board, the market price of wool grease dropped. The claimant had a considerable quantity of wool grease on hand on September 16, 1918, which it sold at a loss subsequently to the removal of the restrictions. It brought suit against the Government in the Court of Claims to secure reimbursement. After a trial on the merits, the petition was dismissed on the ground that as a matter of law the claimant was not entitled to recover.

The purpose of the bill under consideration is to recompense the claimant in respect of losses as to which a court of competent jurisdiction declined to accord the plaintiff any redress.

The governmental action of which the claimant complains was not directed specifically against him, but was a comprehensive regulation affecting an entire industry, promulgated in the exercise of the war powers of the President. The incidence of any profits or losses indirectly resulting from such a general governmental activity must of necessity rest where it fell. As a matter of policy, it would hardly be appropriate to reimburse every person who sustained pecuniary losses due to any one of the numerous regulations of industry, which were adopted during the World War, just as those persons who derived a financial benefit because of such governmental action, can hardly be asked to pay such gains into the Treasury.

In view of the foregoing considerations, I am constrained to withhold my approval from the bill.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, *May 26, 1938.*

AMENDMENT OF FEDERAL ALCOHOL ADMINISTRATION ACT

The VICE PRESIDENT laid before the Senate a letter from the Administrator of the Federal Alcohol Administration Division transmitting a draft of proposed legislation to amend sections 2 (h), 4 (d), and 5 (a), (b), (c), (d) of an act entitled "Federal Alcohol Administration Act" (Act of August 29, 1935, c. 814, 49 Stat. 977 ff., as amended), which, with the accompanying papers, was referred to the Committee on Finance.

DISPOSITION OF EXECUTIVE PAPERS

The VICE PRESIDENT laid before the Senate letters from the Archivist of the United States, transmitting, pursuant to law, lists of papers and documents in the files of the Departments of the Treasury, Interior, and Agriculture, the Civilian Conservation Corps, and the Social Security Board, which are not needed in the conduct of business and have no permanent value or historical interest, and requesting action looking to their disposition, which, with the accompanying papers, were referred to a Joint Select

Committee on the Disposition of Papers in the Executive Departments.

The VICE PRESIDENT appointed Mr. BARKLEY and Mr. GIBSON members of the committee on the part of the Senate.

MEMORIAL

Mr. COPELAND presented a memorial of sundry citizens of Jamestown, N. Y., remonstrating against the manner of the administration of the so-called Labor Relations Act by the National Labor Relations Board, and also against the act itself, and favoring the prompt amendment thereof, which was referred to the Committee on Education and Labor.

WATER SUPPLY PROJECT FOR ISLAND OF MOLOKAI, HAWAII

Mr. LUNDEEN presented a resolution adopted by the Board of Supervisors of the County of Maui, Territory of Hawaii, which was referred to the Committee on Territories and Insular Affairs and ordered to be printed in the RECORD, as follows:

Whereas the island of Molokai is urgently in need of water for the cultivation and development of the large areas of fertile lands, which but for the lack of water could be utilized to produce an abundance of farm products for our local needs, a project which has been strongly advocated by the former commanding general of the Hawaiian Department, United States Army, Major General Drum, as a necessary link in our national defense; and

Whereas there is now pending in the Congress of the United States, a bill for the appropriation of $5,000,000, to be used for the development and conservation of water on said island of Molokai: Now, therefore, be it

Resolved, by the Board of Supervisors, County of Maui, Territory of Hawaii, that it does hereby endorse the aforesaid project and urgently request Congress to favorably consider the passage of said bill; and be it further

Resolved, that a copy of this resolution be forwarded to the Governor of Hawaii, Delegate SAMUEL WILDER KING, the commanding general, Hawaiian Department, United States Army, and the commandant, fourteenth naval district, United States Navy, with the request that they endorse this resolution and forward copies of same to the President of the United States, Speaker of the House of Representatives, the President of the Senate, United States Congress, and chairman of the Committee on Territories of the said Senate.

REPORTS OF COMMITTEES

Mr. LOGAN, from the Committee on Military Affairs, to which were referred the following bills, reported them each with an amendment and submitted reports thereon:

S. 4042. A bill to amend the World War Adjusted Compensation Act (Rept. No. 1909); and

S. 4043. A bill extending the benefits of the Emergency Officers' Retirement Act of May 24, 1928, to provisional, probationary, or temporary officers of the Army, Navy, Marine Corps, and Coast Guard who served during the World War (Rept. No. 1910).

Mr. LEE, from the Committee on Military Affairs, to which was referred the bill (S. 2911) to promote peace and the national defense through a more equal distribution of the burdens of war by drafting the use of money according to ability to lend to the Government, reported it with amendments and submitted a report (No. 1911) thereon.

Mr. THOMAS of Oklahoma, from the Committee on Indian Affairs, to which was referred the bill (S. 3283) to authorize the Secretary of the Interior to place certain records of Indian tribes with State historical societies under rules and regulations to be prescribed by him, reported it with amendments and submitted a report (No. 1912) thereon.

Mr. CHAVEZ, from the Committee on Indian Affairs, to which was referred the joint resolution (S. J. Res. 212) to investigate the claims against the United States of certain members of the Wisconsin Band of Pottawatomie Indians, reported it with amendments and submitted a report (No. 1913) thereon.

Mr. McGILL, from the Committee on Pensions, to which was referred the bill (H. R. 7880) to amend the Veterans' Regulation No. 10 pertaining to "line of duty" for peacetime veterans, their widows, and dependents, and for other purposes, reported it without amendment and submitted a report (No. 1915) thereon.

Mr. BULKLEY, from the Committee on Finance, to which was referred the bill (H. R. 10155) to permit articles imported from foreign countries for the purpose of exhibition at the Seventh World's Poultry Congress and Exposition, Cleveland, Ohio, 1939, to be admitted without payment of tariff, and for other purposes, reported it without amendment and submitted a report (No. 1914) thereon.

Mr. O'MAHONEY, from the Committee on the Judiciary, to which was referred the bill (H. R. 8046) to amend an act entitled "An act to establish a uniform system of bankruptcy throughout the United States," approved July 1, 1898, and acts amendatory thereof and supplementary thereto, and to repeal section 76 thereof and all acts and parts of acts inconsistent therewith, reported it with amendments and submitted a report (No. 1916) thereon.

BILLS AND JOINT RESOLUTION INTRODUCED

Bills and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. LOGAN:

A bill (S. 4096) to authorize the erection within the Canal Zone of a suitable memorial to the builders of the Panama Canal and others whose distinguished services merit recognition by the Congress (with accompanying papers); to the Committee on Military Affairs.

By Mr. SHEPPARD:

A bill (S. 4097) to amend the Reconstruction Finance Corporation Act; to the Committee on Banking and Currency.

A bill (S. 4098) to amend the Communications Act of 1934 so as to prevent monopolies and to prohibit excessive duplication of broadcasting programs in any area; to the Committee on Interstate Commerce.

By Mr. McGILL:

A bill (S. 4099) granting an increase of pension to Mary E. Knight; to the Committee on Pensions.

By Mr. GILLETTE (for himself and Mr. HERRING):

A bill (S. 4100) to authorize the attendance of the Army Band at the National Encampment of the Grand Army of the Republic at Des Moines, Iowa, from September 4 to 8, 1938, both dates inclusive; to the Committee on Military Affairs.

By Mr. SHIPSTEAD:

A bill (S. 4101) authorizing the Port Authority of Duluth, Minn., and the Harbor Commission of Superior, Wis., to construct a highway bridge across the St. Louis River from Rices Point in Duluth, Minn., to Superior in Wisconsin; to the Committee on Commerce.

A bill (S. 4102) to set aside certain lands for the Chippewa Indians of Minnesota in the State of Minnesota, and for other purposes (with an accompanying paper); to the Committee on Indian Affairs.

By Mr. TYDINGS:

A bill (S. 4103) to amend section 73 of the Hawaiian Organic Act, approved April 30, 1900, as amended; to the Committee on Territories and Insular Affairs.

By Mr. THOMAS of Oklahoma:

A bill (S. 4104) for the relief of John Shook; to the Committee on Claims.

A bill (S. 4105) relating to allowances to certain naval officers stationed in the Canal Zone for rental of quarters; to the Committee on Naval Affairs.

By Mr. BANKHEAD, Mr. McGILL, and Mr. GILLETTE:

A bill (S. 4106) to amend section 302 of the Agricultural Adjustment Act of 1938, relating to loans on wheat, cotton, and corn; to the Committee on Agriculture and Forestry.

By Mr. LEE:

A bill (S. 4107) to promote farm ownership by amending the Bankhead-Jones Farm Tenant Act to provide for Government-insured loans to farmers; to encourage sale of farms held by absentee owners to farm tenants; and to enable tenant farmers to become owners of farm homes through long-term, low interest-rate loans on farms, and for other purposes; to the Committee on Agriculture and Forestry.

By Mr. SHIPSTEAD:

A bill (S. 4108) to provide for an 8-hour day on tugs on the Great Lakes; to the Committee on Commerce.

By Mr. COPELAND:

A joint resolution (S. J. Res. 302) to provide that the United States extend to foreign governments invitations to participate in the Third International Congress for Microbiology to be held in the United States during the calendar year 1939, and to authorize an appropriation to assist in meeting the expenses of the session (with accompanying papers); to the Committee on Foreign Relations.

RELIEF AND WORK RELIEF APPROPRIATIONS—AMENDMENTS

Mr. BONE, Mr. GILLETTE, Mr. HOLT, and Mr. WHEELER each submitted an amendment; Mr. BYRD submitted several amendments; Mr. SMITH and Mr. GUFFEY jointly submitted an amendment; and Mr. BANKHEAD, Mr. MCGILL, and Mr. GILLETTE jointly submitted an amendment intended to be proposed by them to the joint resolution (H. J. Res. 679) making appropriations for work relief, relief, and otherwise to increase employment by providing loans and grants for public-works projects, which were severally ordered to lie on the table and to be printed.

Mr. THOMAS of Oklahoma submitted two amendments intended to be proposed by him to the joint resolution (H. J. Res. 679) making appropriations for work relief, relief, and otherwise to increase employment by providing loans and grants for public-works projects, which were ordered to lie on the table, to be printed, and to be printed in the RECORD, as follows:

On page 4, line 19, after the word "persons", to insert a semicolon and the following: "and of the sums made available by this paragraph $2,000,000 may be used for payments to farmers for cover crops, listing, and special practices in extreme drought areas, and in areas damaged and/or destroyed by hail, rust, or grain pests."

On page 9, line 22, after the word "Administration", to insert a colon and the following: "*Provided*, That in no case shall the monthly compensation for persons engaged in projects under the foregoing appropriation be less than $40 and in no case shall the hourly compensation of such persons be less than 30 cents."

AUTHORIZATION OF WORKS ON RIVERS AND HARBORS AND FOR FLOOD CONTROL—AMENDMENTS

Mr. JOHNSON of Colorado submitted an amendment intended to be proposed by him to the bill (H. R. 10618) authorizing the construction of certain public works on rivers and harbors for flood control, and for other purposes, which was ordered to lie on the table and to be printed.

Mr. THOMAS of Oklahoma submitted two amendments intended to be proposed by him to the bill (H. R. 10618) authorizing the construction of certain public works on rivers and harbors for flood control, and for other purposes, which were ordered to lie on the table, to be printed, and to be printed in the RECORD, as follows:

Amendment intended to be proposed by Mr. THOMAS of Oklahoma to the bill (H. R. 10618) authorizing the construction of certain public works on rivers and harbors for flood control, and for other purposes, viz:

On page 8, line 5, strike out all after "Engineers" down to and including "session" in line 9 and insert the following:

"Canton Reservoir on the North Canadian River in Oklahoma, estimated cost of construction, $7,800,000; estimated cost of lands and damages, $850,000; total estimate, $8,650,000, as set forth in House Document No. 569, Seventy-fifth Congress, third session;

"Mannford Reservoir on the Cimarron River in Oklahoma, estimated cost of construction, $6,100,000; estimated cost of lands and damages, $1,800,000; total estimate, $7,900,000, as set forth in Committee Document No. 1, Seventy-fifth Congress, first session;

"Oologah Reservoir on the Verdigris River in Oklahoma, estimated cost of construction, $4,745,000; estimated cost of lands and damages, $3,600,000; total estimate, $8,345,000, as set forth in Committee Document No. 1, Seventy-fifth Congress, first session;

"Tenkiller Ferry Reservoir on the Illinois River in Oklahoma, estimated cost of construction, $10,890,000; estimated cost of lands and damages, $1,500,000; total estimate, $12,390,000, as set forth in Committee Document No. 1, Seventy-fifth Congress, first session;

"Wister Reservoir on the Poteau River in Oklahoma, estimated cost of construction, $4,360,000; estimated cost of lands and damages, $2,200,000; total estimate, $6,560,000, as set forth in Committee Document No. 1, Seventy-fifth Congress, first session."

Amendment intended to be proposed by Mr. THOMAS of Oklahoma to the bill (H. R. 10618) authorizing the construction of certain public works on rivers and harbors for flood control, and for other purposes, viz:

On page 9, after line 10, insert the following:

"The Lugert-Altus flood-control and reclamation reservoir, located on the North Fork of the Red River in Oklahoma, is hereby authorized for construction at an estimated cost of $2,497,000, on the following basis as to a division of the cost of construction:

"(a) The Chief of Engineers shall report to the President on or before August 1, 1938, the value of said Lugert Reservoir as a flood-control works, and the value so reported shall be the amount herein authorized to be appropriated as a charge against any funds appropriated and available for the construction of flood-control projects.

"(b) The remainder of the estimated cost of such Lugert Reservoir, viz, the estimated total cost of the reservoir, less the amount reported by the Chief of Engineers as the value of said reservoir as a flood-control project, is hereby authorized to be appropriated for the construction of said Lugert Reservoir for reclamation and irrigation, as reported in Senate Document No. 153 (75th Cong., 3d sess., and as further authorized by the last paragraph on page 37 of Public Act No. 497 (75th Cong., 3d sess.)), providing that the construction of said Lugert Reservoir and Altus reclamation project shall not be undertaken until the Chief of Engineers and the Secretary of the Interior join in an agreement as to the division of cost of the construction of the said reservoir as provided herein."

ADDRESS BY SENATOR DAVIS TO HIS CONSTITUENTS

[Mr. MCNARY asked and obtained leave to have printed in the RECORD a radio address delivered by Senator DAVIS to his constituents on May 21, 1938, following his nomination in the Pennsylvania Republican primary, which appears in the Appendix.]

AMERICA'S ECONOMIC FUTURE—ADDRESS BY SENATOR MURRAY

[Mr. MINTON asked and obtained leave to have printed in the RECORD a radio address on the subject America's Economic Future delivered by Senator MURRAY on the evening of May 26, 1938, which appears in the Appendix.]

THE FEDERAL HOUSING ADMINISTRATION—ADDRESS BY STEWART M'DONALD

[Mr. BARKLEY asked and obtained leave to have printed in the RECORD an address on the Federal Housing Administration delivered by Stewart McDonald, Federal Housing Administrator, before the National Association of Mutual Savings Banks, New York, Friday, May 6, 1938, which appears in the Appendix.]

OUR INLAND SEAS—ADDRESS BY THAD H. BROWN

[Mr. BULKLEY asked and obtained leave to have printed in the RECORD a radio address on the subject of Our Inland Seas delivered by Thad H. Brown, member of the Federal Communications Commission, at a meeting of the Ohio Society in New York City, April 21, 1938, which appears in the Appendix.]

TAXATION AS A WEAPON AGAINST WAR—STATEMENT BY BENJAMIN C. MARSH

[Mr. FRAZIER asked and obtained leave to have printed in the RECORD a statement by Benjamin C. Marsh, secretary of the People's Lobby, Inc., Washington, D. C., on the subject of Taxation as a Weapon Against War, which appears in the Appendix.]

DEVELOPMENT AND REGULATION OF CIVIL AERONAUTICS

[Mr. MCCARRAN asked and obtained leave to have printed in the RECORD an editorial entitled "Wise Encouragement for Aviation Expected," published in the Chicago Herald and Examiner of May 24, 1938, which appears in the Appendix.]

IN MEMORIAM—AMELIA EARHART

Mrs. CARAWAY. Mr. President, I do not desire to detain the Senate in the consideration of the measure now before us, but Monday will be Memorial Day. Within the past year Amelia Earhart, one of the 12 most notable women of the past hundred years, has passed on. She was a woman who symbolized to a remarkable degree the courage, the pioneering spirit, and the broad achievements of American womanhood. She had only 39 years of life, but into those years she poured a spirit so untrammeled that the world of men and women has a truer conception of what heights a woman may reach when she girds herself to competition on an equal footing with men.

She was an ardent feminist and a humanitarian. She once decided to become a doctor, and to that end took a course in science, combining with that course a study in sociology. I think it quite fitting to call attention to the fact that this is Amelia Earhart Week, signifying the national appeal sponsored by a national committee, of which

Mrs. Roosevelt is the honorary chairman, and in Washington by a committee headed by Mrs. James J. Davis, to establish a worthy and living memorial in honor of Amelia Earhart.

I cannot state better the underlying motives of this national appeal than in the words of Mrs. Roosevelt:

I hope we will be able to interest a great many people in order that something of the personality, spirit, and courage which Amelia Earhart represented to us shall be carried on to the younger generation.

Our President, Franklin D. Roosevelt, writes as follows:

I am glad to learn that the indomitable spirit which surmounted so many obstacles and pointed the way to new feminine achievements is to be commemorated in the Amelia Earhart Foundation. This foundation should, like her own radiant spirit and personality, be free in scope and idealistic in expression. Planned on such lines it can become an active force in molding the destinies of those who come under its influence.

Also, if I may do so without violating the rules of this body, I express the hope of general participation by the American people in establishing so worthy and lasting a memorial to one of our great characters, through national scholarships in science and sociology, in order that other young women, through succeeding generations, may be trained along such lines as will equip them to render distinguished service such as Amelia Earhart rendered to our Nation.

RELIEF AND WORK-RELIEF APPROPRIATIONS

The Senate resumed the consideration of the joint resolution (H. J. Res. 679) making appropriations for work relief, relief, and otherwise to increase employment by providing loans and grants for public-works projects.

Mr. AUSTIN. Mr. President, I wish to address the Senate on the joint resolution which is the unfinished business of the Senate.

Borrowing and spending and "busting" the Nation's business paves the way for autocracy. It breaks the morale of youth. It lowers the standard of ideals. It encourages pauperism. It softens and weakens character. It bankrupts industry. It prepares the people as does nothing else for "security," as it has been called, on a low level, at any cost—even the cost of liberty.

Mr. President, spending huge sums of the people's money is a classic method of undermining republics. The oracle, even at the zenith of power of old Troy, said:

> Yet come it will, the day decreed by fate,
> The day when thou, oh, noble Troy, shall bend
> And see thy warriors fall, thy glories end.

And that day came as a sequel of an orgy of spending.

In support of that claim I am going to refer to good authority, Dr. R. J. C. Dorsey, professor of Roman law, Washington College of Law, member Concilium, Riccobono Seminar of Roman Law in America, the Catholic University of America. In an article in the National Republic will be found the following by him:

Caesar controlled the treasury of Rome and personally had the administration of all financial and monetary matters. He had his own tax collectors. A multitude of citizens had been fed by doles of food which probably kept them from starvation, and this part of the population had to be continued to be fed. Under the Sempronian law every Roman citizen settled in Rome possessed a legal right to bread and corn. The cost was enormous. At one time there were about 320,000 on the dole in Rome, but this number was reduced to 150,000 and the list annually revised so as to include only the needy. In the rest of Italy there were many poor. The state was not bound to protect the totally helpless fellow citizen from want. Charity dictated that he should be given some assistance, and when the number of unfortunates was small they could be easily cared for. When mass poverty prevailed the question became acute. Solonian, and later legislation of Attica, held that it was the duty of the community to provide for its invalids and poor generally, and Caesar applied this theory to the state and used it as a means to ingratiate himself with the mob. In order to pay for this dole Caesar took the rich booty he had seized in Gaul, the stock of cash in the Roman treasury, the treasures taken from the Italian and Spanish temples, amounts raised from forced loans, excessive fines, confiscated estates, and peremptory orders to pay drawn on those he picked for that purpose. Many citizens fled to foreign lands to escape the wholesale confiscation. Caesar further spent immense amounts in buildings.

You see, the combination existed there that we have here in this joint resolution.

His military budget was enormous. Rome gained in commodiousness, grew in magnificence, but its citizens irrecoverably lost all political supremacy.

Omitting now, and proceeding to a quotation made by this distinguished authority from Leckie's History of European Morals, condensed, I find this, which corroborates the claim which I assert, that we have been pursuing and are continuing to pursue the classic method of undermining republics:

The theory of the Roman Empire was that of a representative despotism. The various offices of the Republic were not annihilated, but they were gradually concentrated in a single man.

That is, they had a reorganization.

The senate was still ostensibly the depository of the supreme power, but it was made in fact the mere creature of the Emperor, whose power was virtually uncontrolled.

That sounds quite modern, does it not?

The nobles were gradually depressed, ruined, or driven by the dangers of public life into orgies of private luxury. The poor were conciliated, not by any increase of liberty or even of permanent prosperity, but by gratuitous disbursement of corn and public games.

Another well-known illustration of this ancient method of undermining republics is that of Pericles. Pericles had his P. W. A., as probably all of us will remember; and many of the great works of art which were erected upon the mountains of Greece were no doubt physical assets, as are many of the structures which have been built under the American P. W. A. Pericles was able to call upon his enemies for money by going out and seizing their property, but he bled white the wealth of Greece; and, following Pericles, the decline of the Republic occurred.

Mr. WHITE. Mr. President, will the Senator yield?

The PRESIDENT pro tempore. Does the Senator from Vermont yield to the Senator from Maine?

Mr. AUSTIN. I do.

Mr. WHITE. Before the Senator gets entirely away from Rome, I desire to call his attention to something that Gibbon said about spending public money in Rome.

In one of the very early chapters of Gibbon's Rome, he undertakes to assign the greatest single cause contributing to the break-down in the morale of the Roman people and the disintegration of the Roman Empire. He says, in substance, that it was this:

Roman interests started out in the first instance to bind the Pretorian Guard to themselves with public money. Then, when they lost complete confidence in the Pretorian Guard, they took the public money and sought to buy the loyalty of the Roman legions scattered throughout the length and breadth of the Roman Empire. Then other emperors, still taking public money, purchased the senate of Rome, and then, according to Mr. Gibbon, these emperors took public money and purchased the influential citizens of Rome. In summary Gibbon says that use of public money, demoralizing the armed forces of the nation, the senate of the nation, and the people of Rome, was the greatest single influence leading to the downfall of the Empire.

The historian to whom we of New England pay homage always, John Fiske, in one of his histories, I am not sure which, but I think in the Beginnings of New England, adopts as his the conclusions of Mr. Gibbon with respect to the demoralizing consequences of the use of public money.

With these prefatory words, I ask the Senator from Vermont if he cannot see a close analogy between what happened in Rome according to the authority of Mr. Gibbon and what is happening in our country today through the use of public money?

Mr. AUSTIN. Mr. President, I answer in the affirmative. We have had 5 years of experimentation with this type of governmental activity, and we have some results which I

think the discussion on the floor of the Senate brought to light during the past 2 or 3 days, the corrupting effect of the encouragement of the citizens of a republic to lean upon their government for bread, and clothing, and shelter, and the other necessities of life. I say corrupting effect, and I mean by that, not that direct corruption which has been charged at times in the expenditure of the fund; I mean that logical consequence of the youth of the country being assured by their government a more abundant life, and having held out to them by political power that their Government owes them a job, that their government owes them security, that if they are faithful to the government which makes these promises they will have these things. At one time, we recall, in the zeal and heat of campaign, they were promised that no man should go hungry, and that every man should have a job.

When those promises are followed up by laws passed by the Congress of the Republic, appropriating the people's money not yet collected from them by way of taxation, in other words, forcing money out of them for it will have to be ultimately paid by them into the Treasury, the effect of forcing from the people these huge sums of money and expending them to carry out this grand promise of a more abundant life, and of security, and of a job for every man owed to him by his government—and how true is the philosophy that a man off the pay roll is a man on the tax roll—the psychological and the spiritual effect is irresistible that these young people should consider it entirely easy for them, their future entirely assured, initiative wholly unnecessary, for they have security assured to them.

Mr. LOGAN. Mr. President, will the Senator from Vermont yield?

Mr. AUSTIN. I yield.

Mr. LOGAN. I wish to ask the Senator from Vermont whether those promises, that no one should go hungry, and of the more abundant life, were any more grandiose than the promise made a few years ago that everyone should have an automobile in his garage and two chickens in every pot? Were they not about the same?

Mr. AUSTIN. Yes; I think they were, but the difference is that in the one case an effort was not made to deliver those things out of the Federal Treasury. The effort then was to develop opportunity for the individual. Youth was given the sanction of government, the sanction which grows out of a fair attitude of government toward the Nation's business. The administration to which the Senator refers did not undertake to "bust" business. It was not the keynote of its policy to destroy enterprise. It did not undertake to seize upon business and make a monopoly of it. On the other hand, its policy was free competition, regulation only upon that minimum basis which was consistent with a maximum of competitive enterprise, thus affording to the youth of the United States the opportunity of employment, to have two chickens in the pot and an automobile in the garage, if the youth would seize upon the opportunity and turn it into those articles.

Mr. LOGAN. Mr. President, the Senator says that administration did not attempt to "bust" business; but it "busted" it just the same, whether or not it attempted to, did it not?

Mr. AUSTIN. That is not my understanding of what happened, but is far from it.

Mr. LOGAN. Business was "busted," was it not?

Mr. AUSTIN. Business was "busted," but it was "busted" because of the reaction from the World War, which ultimately reached us. It was slow in coming. We were the last nation in the world to feel the depression and to get the break-down which followed the war.

Mr. LOGAN. The Senator has referred to Pericles. Even to this day the time of Pericles is referred to as the Golden Age of Pericles.

Mr. AUSTIN. Yes.

Mr. LOGAN. The Senator is also familiar with what took place in Egypt. Joseph followed a business which I think perhaps the Senator from Vermont would approve, but after 7 years of Joseph's efforts, did not the people find themselves much worse off than they did after the Golden Age of Pericles?

Mr. AUSTIN. If I recall what the Senator refers to, I would answer him in the affirmative, but I am not certain that I do. The policy of the collection of grain and cattle finally resulted in the impoverishment of the people, the ruler possessing all the wealth and the people being extremely poor.

Mr. LOGAN. I may say that what happened was that Joseph, acting for the ruler during the 7 abundant years, collected into his granaries that which the people had raised and which they did not need. At the end of that time he did not give it to the people, but he sold it to them. First, he got all their money by selling it to them. Then he took all their cattle and all their other personal property. They still were hungry, and he took all their land. So in the end, following this penurious policy of Joseph, the people were much worse off than they were in following the plan adopted in the Roman Empire, referred to by the Senator from Maine, or immediately following the Golden Age of Pericles in Greece.

Mr. AUSTIN. Mr. President, the matter is relative. I think exactly the same type of consequence occurred in all those cases. If we should survey the history of the world, we would find that principle just as surely working in the same direction everywhere. We would find that when the central government overtaxed the people and put them in a condition where it must support them the standard of living was lowered, the morale of the people was lowered, their intelligence was lowered, their hope and their courage were lowered, and finally they acquiesced and said, "The only security for us is to lay ourselves in the arms of the mighty ruler. We give up our freedom and our liberties for security." And that is where we are heading.

Mr. LOGAN. Mr. President, will the Senator yield further?

Mr. AUSTIN. I yield.

Mr. LOGAN. There may be much truth in what the Senator says. I have proposed an amendment to the pending joint resolution which in its ultimate effect I regard as of much more importance than the measure itself. I hope we will have an opportunity to discuss it fully. If the policy prescribed in the amendment I have offered had been followed in the first place, I do not believe it ever would have been necessary to expend these tremendous sums of money, but since we have gotten into it I hardly think the Senator from Vermont or anyone else would say we should stop now and let everything go to smash.

Mr. AUSTIN. Mr. President, I always respect and benefit by the comments of the Senator from Kentucky, and I am always interested in every measure he introduces into this body, and I shall study his amendment with great interest. Of course, I think no person would be so hasty as to deny what the Senator from Kentucky asserts at this moment. Of course, having gotten into this situation, we cannot cut appropriations right off. That would be, in my opinion, most disastrous and would hasten not only the economic ruin of this country but it would also hasten that other dread thing, the overturning of the Republic, because we would have disorder, and then it would be necessary for some strong leader such as our President to step out and save the situation. So the Senator from Kentucky and I are not apart in the matter of principle.

Mr. LOGAN. Mr. President, will the Senator further yield?

Mr. AUSTIN. I yield.

Mr. LOGAN. Let me ask the Senator if it was not because of that situation that we were forced to begin this program in 1933 when things were in such condition that it was necessary that something be done, else we would have revolution; so we embarked upon it, not as a deliberate policy but because we were forced into it by reason of the peculiar and dangerous condition that prevailed at the time?

Mr. AUSTIN. Mr. President, I believe it. I believed it then, and I voted for the large appropriation that was made,

after negotiations with the leader on the other side, with my own leader, and members of the committee, looking to breaking down the appropriation into categories which I thought at that time would be a sufficient earmarking of the appropriation, so that we could at least claim that the Congress had preserved its rights and had performed its duty and obligation.

Now we have had the experience. We have tried out the method, and I think the evidence is conclusive—it certainly persuades me—that the use of that method is a mistake in many particulars. It works out badly economically, it works out badly spiritually, and it works out badly politically; and therefore we have something to do today. It is not to cut this off. That is not my theory.

Mr. LOGAN. May I ask the Senator one other question, because I am not combating what he has said about the bad effect of what he is speaking about? We have spent about $8,000,000,000 on relief, leaving out of consideration the loans which have been made. By the expenditure of those $8,000,000,000 through a period of about 3 or 4 years the income of the citizens of the Nation was increased by $100,000,000,000. That was not a very bad investment, was it, if that be true?

Mr. AUSTIN. If that be so. My understanding is that the increase was about 100 percent—from $40,000,000,000 up to $80,000,000,000.

Mr. LOGAN. The Senator is perhaps speaking about 1 year. The first year it was about $20,000,000,000, the next year perhaps about $30,000,000,000, and the next year around $40,000,000,000, making a total increase in the income of the citizens of the Nation of about $100,000,000,000. That increase was largely brought about by the expenditure of the $8,000,000,000. If the present expenditure should have the same effect, perhaps it would not be bad as a business proposition, but it might be bad so far as it affects the morale and the spirituality of the people.

Mr. AUSTIN. Mr. President, the Senator and I would not disagree greatly. I want to say that I intend to try to discuss the cause of the failure of the scheme and to account for the lack of permanency in the effect of pump priming. I do not want to take it up at this period.

Mr. LOGAN. If the Senator wants to discuss the cause of the failure he has no further to look than the action of the Governors of the Federal Reserve Board, when they deliberately started this decline and the recession in prices.

Mr. AUSTIN. Mr. President, I was going to refer to that and claim that that was one of the fundamental causes of the trouble. But there are others to which I will refer, with the consent of the Senator, later.

Mr. BORAH. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Vermont yield to the Senator from Idaho?

Mr. AUSTIN. I yield.

Mr. BORAH. Did I understand the Senators to agree to the suggestion that the depression of 1929 was superinduced or caused by the action of the Federal Reserve Board?

Mr. AUSTIN. No.

Mr. LOGAN. If I may answer, I will say no; but the indirect cause was the failure of the Federal Reserve Board to act at the time it should have acted. The depression of 1920, which ruined the farmers, was caused directly by the Governors of the Federal Reserve Board; and their failure to act caused the 1929 depression.

Mr. BORAH. Mr. President, what was it that caused the condition which the Federal Reserve Board failed to take cognizance of and act upon?

Mr. LOGAN. The encouragement or allowing of the tremendous inflation and gambling on the stock markets and the increase in prices, when the Board had the power to stop it in time to have avoided the tremendous boom which took place.

Mr. BORAH. I do not want to take the Senator's time, but I wish the discussion would trend toward determining, if we can, what caused the economic collapse in 1929.

Mr. LOGAN. If the Senator from Vermont would just let me say a word.

Mr. AUSTIN. I yield.

Mr. LOGAN. I hope that I may have an opportunity to discuss at some length, before we have completed the debate on the joint resolution, what, in my judgment, has caused all the trouble that we have had since 1920, and I hope to be able to discuss what, in my judgment, caused the trouble in 1929.

Mr. BORAH. I understand the Senator has reference to the money question.

Mr. LOGAN. That is correct; pure and simple.

Mr. BORAH. May I ask one more question?

Mr. AUSTIN. I yield to the Senator.

Mr. BORAH. Is the Senator of the opinion that the money system which we had at that time accounted for the fact that in 1929, the greatest wealth-producing year, perhaps, in the history of this country, there were nearly 50,000,000 people living on the bare necessities of life?

Mr. LOGAN. Most assuredly. My judgment is that all the difficulty we have had has been due to the failure to understand the question of money and the manipulation of money for the advantage of some as against those 50,000,000 who did not and who do not have the bare necessities of life.

Mr. AUSTIN. Mr. President, I should like to continue discussing the particular aspect upon which I was talking when the Senator from Kentucky helped me out so generously as well as the Senator from Idaho, and that is the inevitable corrupt effect of devoting the people's money to unlimited, unrestricted expenditures by a centralized authority, particularly a centralized authority which may have ambitions, and which depends on votes for support in the country, and depends on votes in the legislative body for putting through its theories, for, Mr. President, it is to be observed that whenever a condition of collapse exists in a country, government is always tempted to reform the government; government is always tempted to find, if possible, the causes of the collapse and to abolish those causes; government strives, as it is striving today, to build something new. Government has a "new deal," in other words.

Suppose that that new deal contemplates the concentration of authority in a government that has thrived and grown to be the leader, perhaps, of thought, of spirituality, of inventive genius, and of production, of all the countries of the earth; suppose that that new deal, as judged from its acts and from the bills it presents to a legislative body and asks to have passed, shows a tendency to autocracy; then what is the effect of giving over to that centralized authority the power of judgment and control over the spending of the people's money to the tune of billions of dollars, sums that are so great that one can hardly comprehend them? I say it is just inevitable that those who want that money, those in our body who seek it in the form of projects, those out in the field who seek it in the form of wages and salaries, are bound to be obsequious and subservient to and coat-tail riders of that man who determines where that money is going.

Mr. BORAH. Mr. President——

Mr. AUSTIN. I yield.

Mr. BORAH. Is that not true in the economic world just the same as in the commercial world, and could there be any greater concentration of financial or monetary power than we had in this country in 1929?

Mr. AUSTIN. I do not agree to both those questions. I do not agree fully to either of them. I would admit that there were and there are now concentrations of economic power that amount to empires, but they are limited in number, they are limited in amount of capital, and they are limited in number of persons.

I cannot accept the dogma that the Nation's business is in any such condition. My own experience in business, though it is limited, I will admit, has led me to believe the contrary, and I have never seen anything that was easy in business. On the contrary, I have always found the keenest competition in any activity in which I was ever interested. I never did get anything easily. It always came hard. That is the story of all my neighbors and friends. I believe that to be the condition generally in the Nation's business.

Mr. BORAH. I have no doubt the Senator's experience has been the experience of almost every man who deals as a

small dealer, or what we call an independent businessman. He does not get anything easily. He has to fight for it. He does business and fixes his prices under the rules and principles laid down by a higher economic power.

Mr. AUSTIN. Mr. President, there is power in the economic world which, in certain cells, has grown to the point of absolutism, has grown to the point of autocracy. It is those cells with which we should be concerned. However, I say it is just too bad for us, as legislators, to give to the people of America the impression that we, the administration of the Government of the United States, are against the Nation's business and that in order to cure the few bad cells we are going to enact laws which will capture the personnel, the capital structure, and the rules of business, and run the whole thing from Washington.

In my opinion, nothing is so great a hindrance and impediment to recovery as that attitude of Government toward the business of America. The Senator from Idaho and I are making a study at this time as a result of which we may come to an agreement. I am making no promises, and I do not ask him to make any to me. Each of us looks at the problem from a different point of view. However, Mr. President, I do not believe it is wholesome for this country right now, when we are in the midst of a very bad time economically, for Congress, or any other part of the administration of government, to threaten the business of America.

Mr. BORAH. I agree with the Senator; but I do not think it is a bad thing to have business operate under established law. I want a government of law and not a government of bureaus.

Mr. AUSTIN. I agree to that statement.

Mr. BORAH. If we establish the laws of the country upon a proper basis, business cannot complain when it is compelled to operate under those laws.

Mr. AUSTIN. Not at all.

Mr. BORAH. Take the case of the oil industry today, if I may refer to it: There is not a particle of doubt in my mind that four or five oil corporations are now dictating the prices and the oil policy of the United States. Is it better that these oil companies control or that the laws of the United States control?

Mr. AUSTIN. I do not know what the facts are about the oil business. I have no knowledge at all of it. However, assuming that what the Senator from Idaho says is correct, there is no reason in the world why such control cannot be stopped under the law as it is. We do not need any reform of government to stop it. We have laws which expressly forbid such control, and all we have to do is to enforce them.

Mr. BORAH. I am not asking for any reform of government. I think the Government is sufficient and efficient to carry out the policy if we will only invoke the power we have under the Constitution of the United States. I am not asking for any change of government. I am only contemplating the fact that there will be a change of government if we do not bring these powers under the domination of law.

Mr. AUSTIN. That is one of the things which I recommended when I was discussing the confirmation of the appointment of Mr. Jackson as Solicitor General. I stated at that time that I was in favor of rewriting the antitrust laws, and of setting forth in law, where none now exists, the antitrust policy of the Government, and defining monopoly, which is not defined today, more precisely setting forth what is prohibited, and clearly allowing business to know what it is not a crime for it to do. Of course, the recommendation of the minority amounts to little more than a voice in the wilderness. However, to accomplish the end I had in mind, I recommended the formation of a nonpolitical, nonprosecutory commission to look into that question from an abstract point of view and undertake to rewrite the antitrust laws.

We have at hand an excellent organization to help us in that work. There is in the American Bar Association a body which has specialized in the revision and rewriting of the law of the country for some 10 years, and it has become a very expert institution, which we could summon to our aid if we wanted to do that sort of thing. How far the President's proposal will go, and whether it will have the objective of really encouraging business instead of busting business, yet remains to be seen.

I understand that the Senator from Wyoming [Mr. O'MAHONEY] has a joint resolution pending relating to this matter, with a view of creating a legislative commission to join with a commission from the executive branch of the Government in making a study of the kind referred to. That is not exactly what I should like, but that does not matter. I should be glad to see such a thing done. I shall vote for that sort of resolution, and help it, for I am as determined as any Senator that we shall encourage free competition in the country, that we shall encourage free effort by individuals, that we shall afford all the opportunity that is possible, free from regulation by government, consistent with the rights of the consumer, the rights of the laborer, and the rights of all competitors in the field. I am as much opposed as any man to special rights, special protection, special help, and special subsidies for this, that, and the other. We have observed that such treatment has repercussions all through the field of economy. It dislocates the whole equilibrium, and sets things ajar, so that all of a sudden prices go up, as they did in 1937, and thereupon comes the declaration from the President of the United States that prices are too high, and that they must be beaten down.

What is the result, and what is the psychological effect upon business? Prices in some businesses are too low to enable the businesses to live, and prices in some businesses are higher than should be charged. The effect is a complete collapse of business. Never in our history has there been such a speedy decline in industrial activity as there was following the declaration of the President, and certain conduct of the Federal Reserve Board, and other economic events which occurred about May 1937.

Mr. BORAH. Mr. President, will the Senator yield?

Mr. AUSTIN. I yield.

Mr. BORAH. Suppose four or five corporations are doing business in a particular field, and they get together and say, "Prices are too low. They must go up, and we will put them up." Is not that a problem with which we have to deal?

Mr. AUSTIN. It certainly is. It is a violation of law to do so, and it can be stopped. It can be stopped in two ways. It can be stopped by a cease-and-desist order of the Federal Trade Commission; and, since the Senator from Idaho secured an amendment to the Clayton Act, it can be prosecuted as a crime.

Mr. BORAH. The Senator and I agree in some things.

Mr. AUSTIN. I am very glad to be in such good company.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. AUSTIN. I yield.

Mr. BARKLEY. Is it not possible that the very circumstance referred to by the Senator from Idaho may occur without corporations or individuals getting together physically? Four or five corporations or individuals might get together mentally without ever getting together physically. It is sometimes very difficult to prove a mental assembly, unless a physical congregation goes along with it. May not the situation which caused the President to issue his statement that prices were too high in certain lines have been produced by the very condition referred to by the Senator from Idaho, in which a few individuals or corporations get together to take advantage of an existing situation by boosting prices higher than they should be?

Mr. AUSTIN. I heard the testimony on that point given by Mr. Jackson. There may have been companies which did that sort of thing. However, it is my judgment that there are very few commodities in America with respect to which prices can be so controlled. Competition is so keen that some fellow is bound to break loose from any such agreement, or tacit understanding in which there is no contract. He is bound to undersell the others, and he will take the field. The American market and every other market in the world are price markets. No attention is paid to personnel. The relationship with contractors amounts to very little. Every man in business is out for profit. That is the motive which drives him. There is no investment, and no service by a laborer, save for profit. So it is that when a

tacit arrangement such as has been suggested is undertaken, it cannot last.

Mr. BARKLEY. While it is impossible to name offhand a large number of commodities which may be controlled by manipulation, by organization, or by a common understanding, there is practically no competition any longer in the manufacture and sale of agricultural implements, for example. There is really no competition with respect to cement, because whenever the price of cement goes up with respect to the product of one company, it goes up with respect to all of them. Except as to the local taxes on gasoline, the price of gasoline goes up or down uniformly, in all parts of the country, regardless of the company. It may be that that is the result of telepathy, or it may be that there is a bellwether in the industry who fixes the price, and the rest follow along like sheep. In that case the combination is difficult to prove. It is difficult to prosecute because of the difficulty of getting the evidence. However, we know that such things happen.

It was developed in 1930, when we had a tariff on cement, that there was really no competition in the cement market. The price was fixed; it was the same no matter what the company was, subject to transportation charges away from the coast, and transportation was limited to about 50 miles from the coast on either side of the country because cement could not economically be transported further than 50 miles because of its weight and the cost of transportation. It was shown, and it never has been denied, and it is still so, that whenever there is a change in these prices on the part of one company all the other companies go along in the same channel. That may be simply a coincidence, but if so it is a coincidence in which there seems to be no change.

Mr. BORAH. It is not a coincidence.

Mr. BARKLEY. I myself do not think so.

Mr. BORAH. It is the result of a thoroughly organized system.

Mr. BARKLEY. But the mechanics by which the fixation of prices is arrived at are difficult to prove. It may occur out on the golf links, where two men are engaged in a game for recreation that one makes a suggestion to the other, and the thing is accomplished. It happens perhaps in ways such as that, but such things are difficult to prove.

Mr. SHIPSTEAD. Mr. President, will the Senator from Vermont yield to me?

Mr. AUSTIN. I yield to the Senator from Minnesota.

Mr. SHIPSTEAD. I think we have a very good and reliable witness as to how it is done, not only in the case of cement but also in relation to steel, and I assume it is done in the same way in other fundamental industries under the system of the control of prices and production—a system, I think, which is destructive to our national life. We have put the farms into the same system. I think it will work out the same for the farm as it has for business.

But Mr. Irwin, of the United States Steel Corporation, testified before a subcommittee of which I was a member about 3 years ago when we were trying to find out why the prices were so uniform. We have had an illustration within the last 3 weeks of prices being fixed, for notice was given by the Carnegie Steel Co. that the price of steel would continue so; although the production of steel has dropped from 90 percent of capacity to 30 percent capacity, the price remains the same. Other steel companies followed the United States Steel Corporation in maintaining prices.

While we were some years ago questioning the so-called independents as to the high prices of cement and steel on Government contracts and other contracts, always the answer was the same. We asked them how and why they fixed the price. They said, "We follow the market." When Mr. Irwin, who was the last witness, came to the stand he was asked the same question. He said, "That is easy; we set the price and the rest of them follow." I do not know where we could get a better witness than Mr. Irwin.

It is quite evident that the practice exists, not only in the case of steel and cement but more or less generally under this system of the control of prices and the control of production, of withholding the operations of machinery and production in order to maintain a price. As I have stated on this floor before, when they cannot get their price they close their factories and throw their men on the streets. That puts them on relief; that again makes necessary appropriations for relief; that again raises taxes and adds to costs; that in turn raises prices; and that again reduces production, because it reduces sales. Under that system they have a cycle where, in the last analysis, costs get so high nothing can be produced, because nothing can be sold.

Mr. MINTON. Mr. President, will the Senator from Vermont yield to me?

Mr. AUSTIN. I yield.

Mr. MINTON. The Senator from Minnesota remembers the testimony before our committee as to cement prices, that when the Government was advertising for thousands of barrels of cement it received from, I think, something like 10 or more bidders identical bids even to the third decimal point? Not once, but three times, the Government advertised for bids, and each and every time it got identically the same bids from these companies scattered all over the country, even to the third decimal point.

Mr. SHIPSTEAD. If the Senator from Vermont will indulge me for just a moment, I had reliable information that on a Public Works or W. P. A. project in Minnesota there was an independent dealer in cement who bid $20,000 on one contract below the uniform price of the other cement dealers. He got the contract, but he found himself in such a condition after that that he could not get any cement to sell. The manufacturers of cement, he said, would not sell cement to him because he had not kept up the price. That was notice to the other cement dealers that they had better keep the price uniform or they would have no cement at all to sell.

Mr. AUSTIN. Mr. President, I am indebted to the learned Senators for their contributions to my discussion. They called attention to cement and also to another commodity. I may say, however, from experience, that when a producer of a commodity, which is available on the market from many other producers, by the excellence of the service he renders and by the fine quality of his product is enabled to obtain a good price, I have seen others in the same business follow him, because of his example, and try to get an equal price, but when they found they could not get that price because of a difference in quality or a difference in service, then they started a competition that was very keen.

Now, assume the case of cement—I suppose cement in all its particulars is very similar whoever produces it—and it is probable that a leader may be able to guide the way of the price of cement and hold it there, but it is not at all unnatural to suppose that some man who has not made his "wad" will say, "Now, I will get some profit out of this thing by charging a little less and selling more, and, by the increased volume of my business, I can make a clean-up." Why he does not do it, I do not know; in fact, I know nothing about that particular commodity. But, Mr. President, I am not opposed to the idea of prosecuting men who violate the antitrust laws. Someone may rise and say, "But how do you know that he has done so?" Very well. If our antitrust laws are obscure, if our antitrust policy has not been clearly expressed and defined, let us go to work and properly express and define it. I do not believe I am in controversy with anybody about that, but I am in controversy with the Senate of the United States, the House of Representatives, or any executive department of the Federal Government, at a time when we need all the courage we can summon for daring adventure and risk in business in order to pour into the current of the Nation's business some new capital, by speeches upon the platform, or by bills in Congress, undertaking to create the impression that the Government of the United States is hostile, that is out to "bust" business, and that it is bound to have all business into a catch-all because of the actions of a few malefactors, if they are such. That is my point.

So far as this huge appropriation goes, I shall continue to claim that it has a corrupting influence upon the morals,

upon the economic and upon the political life of the United States, and tends toward the undermining and the destruction of the Republic.

Can you imagine, Mr. President, a greater racket affecting our sense of ethics than the racket of adjusting our positions in Congress to our interest in a project or projects or for good will for the future? I cannot. Can you imagine a more rotten type of bribery than that which buys the franchise of a voter out in the country by virtue of his necessity and for the consideration of bread? I cannot. These things are a necessary consequence of a government that depends upon political support, and particularly upon one individual, depending upon political support, handling the dole, handling the gifts and grants, saying where they shall be expended, in what manner they shall be expended, and naming the personnel who shall execute the projects. In my opinion, there is not a bill pending in the Congress, there is not a bill that has been passed during the New Deal in Congress, that has had within it such undermining power as has this huge appropriation for public works.

Understand, I am for the relief of the poor and the needy, as I have already proved, and as I shall continue to exemplify in the future. I want to see them taken care of reasonably, not foolishly. I want such an organization for the administration of relief that some judgment may be exercised in doling out money for relief. I do not want to find women coming to me to make their wills who show that they have $4,000 in a savings bank in my town, and who at the same time are on the dole for relief. Can that be done from Washington? It cannot. Neither can the administration of the C. C. C. camps on a reasonable basis be handled from Washington.

Mr. President, I remember an occasion, not long after the disaster down on the keys of Florida, when warnings were put up along the Atlantic coast of a storm on the ocean; and the Administrator here in Washington telegraphed up to Vermont, in the Green Mountains, and declared a holiday, for fear the boys in camp might be hit by that storm from the Atlantic Ocean, showing, of course, how kind-hearted he was, but also showing how utterly impossible it is for a bureaucrat in Washington to know the local conditions. He did not know enough about affairs in the Green Mountains to know that a wind from the ocean never gets in there; certainly not a destructive wind.

Mr. President, I think another bad thing about this joint resolution is the centralization of power in the person—not merely centralization of power in Washington but centralization of power in the President, the Chief Executive of the United States—power over the lives and welfare of individuals in the several States, a thing which is away beyond the Constitution. One may not with safety assert, with respect to relief of destitution, that it is unconstitutional; but I say that the natural trend, the natural effect of this huge appropriation turned over to the President is to centralize in one person in the United States control over the activities of millions of citizens of the country.

Not only that, but the way in which the appropriation is set up, the system by which it is handled, creates a supergovernment over the local governments. That supergovernment has the elements of absolutism.

There is no appeal. There is no current control. Read the report of the Acting Comptroller General, and see how the funds of project contributors are put into local banks and checked out without ever being turned into the Treasury of the United States. There may be a good audit; it has been claimed that that is so; but the matter has all the elements of absolutism. One who was out upon a quest for absolutism in a government could have no more useful tool at his command than billions of dollars to spend just as he wished to spend them.

Mr. President, we are told today that those who favor this program want to make democracy work; that they want to have business upon a democratic basis; that they want somehow to bring about a reform that will make democracy work. Formerly we heard it called "security." For a long, long time the keynote, the slogan was "security." You could not go down the corridors of a hotel without hearing somebody talking about "security." "Oh, security, security is what we are after." Well, after the experience of 5 years, "security" turned out to be a farce. Instead of security we find, after 5 years of experience, that there is more insecurity and more unemployment than there was at the beginning.

Of course, the use of new definitions is necessary when it is sought to do something which is obviously against the psychology and the ideals of a people. If their freedom is to be taken away, freedom must be redefined so that they will think they are having the old form of freedom. If an autocracy is to be created by slow and imperceptible degrees, sneaking along upon pussyfooted gumshoes so that nobody will discover that it is taking place, and the so-called reform comes from various and different sources, so that one who fixes his attention in one place will not notice what is happening in the other places, there must be a new definition for democracy. If it is sought to bring about autocracy, it must be called democracy, and the people must be satisfied with that definition.

All over Europe, the term "democracy" was used to describe types of government which today we would not recognize as democracy. Think of the "democracy" of Russia, where, from an imperial government, they became a soviet. Such liberty as a people ordinarily enjoy was converted into license, and the government was called a democracy. Today, we know that the government which exists there is as absolute and autocratic as any one-man power can be.

So it is with Mexico, and with Spain, and with France, and with Germany, and with Italy. We may call them what we please, but there is taking place in some of them, and there has already been effected in others, the centralization of power which deprives the individual of his freedom.

Take the situation of labor in Germany: There is a labor front in Germany which is called democratic. There, those in power try to make democracy work, but they make it work from on high, just as the effort here might ultimately make democracy work by fiat from the White House.

Mr. President, what is the meaning of this so far as the joint resolution now pending before the Senate is concerned? I say, in the first place, that title I—the one which is affected by the Vandenberg amendment—ought to be struck out, and the Vandenberg amendment ought to be substituted for it, because, in my opinion, that will to a great degree, take politics out of the administration of these funds. It will to some degree ascertain the wise and the fair and the just way of distributing relief. Moreover, in my opinion it will be an economy, and will tend to save the country from—well, I am not going to assume that the country is going to be bankrupt—from still further debt.

As to the remainder of the joint resolution, it means either that all the pump-priming part of the joint resolution should be struck out, or that we should specify the projects upon which the money is to be expended. In other words, we found that dividing into categories a huge sum of money, as we did 5 years ago, did not enable Congress to retain control of the spending of the money. It turned the administration loose, so that it could move funds about here and there, favor this locality, deny another locality, choose to penetrate business with a Government competitor, in fact do anything that it wished to do with the money; do the thing which was most humane, do the thing which was most expedient, and perhaps, as a byproduct, do the thing which was political.

This is the old, old story; this is the old conflict between the governed and the government. This is the old conflict between the providers and the spenders. It is ancient history that kings and others having autocratic power were dependent upon their people for money, as our Government is dependent upon its people for money, and therefore whatever progress has been achieved by the human race in constitutional development has been achieved along the line of this conflict between the spenders and the providers, the governed and the government. The providers have gradually through history held back the appropriation of money until they could have something to say about to whom it

would be spent, for what purpose it would be spent, whether or not the expenditure was wise, and whether or not the money would do more good to the people in the pockets of the people than in the purse of the ruler. Thus, from time to time, there has been a forward movement by the human race toward freedom, because freedom depends upon that safeguard, the control of the purse.

For the sake of memory, for the sake of that lesson which always strikes a rational man most forcibly, namely, the lesson of experience, I am going to take the time to refer to some history regarding this step in constitutional history, which depends upon the providers keeping control of the expenditure of money they pay in as taxes. I read from a very able and excellent study by the late Senator Fess, of Ohio:

By the time of Edward III the custom of request through the form of parliamentary petition for legislation believed to be desirable was practiced. When once parliamentary right to disapprove the grant of taxes was conceded, it would soon follow that the parliamentary right to inquire into royal expenses and also a right to supervise the expenditure would be demanded. This contest ran through the years. It was attempted under the great Edward in 1277, but could make no headway under a reign of that character of statesmanship.

That is, he was too great, he was too powerful. No one will dispute that we have a very vigorous and powerful and energetic President, for which I thank God.

Under less capable leaders, such as his grandson, it was not difficult for Parliament to make a condition of voting to grant to be given a voice in their expenditures, to say how and where and for what purpose the tax was to be expended.

I now wish to refer to a more spectacular figure, whose life was lost in the struggle between the providers and the spenders.

It will be understood that the English monarch at that time was Charles I, the King who lost his head under the ax because he insisted upon the control of the purse and because the people of Great Britain insisted upon control of it through their representatives in Parliament. Here is a quotation from a declaration of this tyrannical King:

"If you should not do your duty in contributing what the state needs, I must, in the discharge of my conscience, use those other means which God has put into my hands, to save that which the follies of some particular men may otherwise hazard to lose."

The intensity aroused by this royal threat was not relieved by the follow-up of his chief spokesman, who supplemented the King's statement with an additional threat ending: "Remember His Majesty's admonition. I say remember it."

Senators are all familiar with what followed. A revolution occurred, in which Charles I paid the penalty for insisting upon this right.

I continue to read from Dr. Fess:

To prevent the serious possibility involved now obvious to the King, he signed the famous Petition of Rights. It will here be noted that Charles I, the greatest exponent of the divine right of the King, and the greatest opponent of parliamentary meddling with the royal prerogative, signed a statute presented to him by his greatly despised Parliament, thereby extending parliamentary control over taxation as no measure ever before presented had contemplated; and by this act denying the King powers, some of which in some form or another had been exercised by all the kings before him. This famous statute declared—

I think it is worth while to note the origin of this power, the deep-rooted position it occupied in the Anglo-Saxon civilization, how dearly it cost the Anglo-Saxon people, because we are about to give away some of it, we are about to part with the control by the providers and surrender to the spenders absolute disposition of the people's money. Hear this old statute. This was in that famous Petition of Rights which marked the progress of human liberty—

that no person hereafter be committed to make or yield any gift, loan, benevolence, tax, or such like charge, without common consent by act of Parliament, and that none be called to make answer, or take such oath, or to give attendance, or be confined, or otherwise molested or disquieted concerning same or for refusal thereof.

There was a grant by the King of the liberty of independence of vote. They had to fight for it, but we give it away daily and do not fight for it, partly because of the inevitable corruption of patronage and the disposal of projects to this State and that.

I read on:

A principle of the famous Justinian code, "That which touches all must be approved by all," was adopted first by Edward I, at the opening of the fourteenth century and has continued as a constitutional principle upon which is based England's financial system.

A principle of the famous Justinian Code, "That which touches the House of Commons took supreme control and regarded this its most important as well as ancient prerogative. This control includes the power to direct the expenditure of revenue, since the long-fought right of parliamentary control of grant would be totally nullified if the revenue could be expended at the will of the Crown.

That is my argument today in the Senate of the United States, 250 years thereafter.

This authority to direct expenditure is not coexistent with the control of appropriation but came in a later day as one contribution of the revolution of 1688. The right is expressed in the Bill of Rights of the following year, "The grant of supply and the control of public expenditure belong inalienably to Parliament and preeminently to the House of Commons."

I stop quoting there to comment that our forefathers found that right so necessary to the protection of the liberties of the people, that is, the right to control the purse, that they made it an identifying characteristic of our Government, and we followed the English system in detail. We made it necessary to appropriate by Congress, and we made it an absolutely exclusive privilege and power of the House of Representatives, which corresponds to the House of Commons, to originate revenue legislation.

The grant of supply, and the control of public expenditure, belong inalienably to Parliament, and preeminently to the House of Commons.

This became a maxim of the British system and a maxim of the American constitutional form of government.

Mr. DAVIS. Mr. President——

The PRESIDING OFFICER (Mr. ELLENDER in the chair). Does the Senator from Vermont yield to the Senator from Pennsylvania?

Mr. AUSTIN. I yield.

Mr. DAVIS. Is it not a fact that the British King, while he may enter the House of Lords, is excluded from appearing before the House of Commons?

Mr. AUSTIN. I cannot answer that. Perhaps the Senator from Pennsylvania will inform us about it.

Mr. DAVIS. I am sure that the British King cannot now even appear in the House of Commons, cannot even go and sit in the gallery and listen to a discussion taking place in the House of Commons.

Mr. AUSTIN. Mr. President, I wish to continue the reading of this article.

The history of the House of Commons discloses the fact that its supreme power lies in the control of the purse of the Nation.

That is the control with which we are concerned here.

This position grew out of the fact that appropriation without provision for securing compliance with its terms is of no consequence. It is the very essence of the British system that the right of appropriation must be accompanied by the right of Parliament to see that the expenditure is made in accordance with the specific purposes for which it was made. To this power was later given the right to examine the expenditures as fundamental in the system; to inquire into the wisdom, faithfulness, and economy of the expenditure, with the right to control that expenditure.

Mr. President, there was nothing in the reorganization bill which concerned me so much as that element of it which would abolish congressional control of the spending of the people's money. By that element of the reorganization bill there was an effort made at reform of the most fundamental characteristic of our type of government, that is to say a reform that would surrender to the Chief Executive that exclusive duty which the people imposed upon Congress, the control over all expenditures. We are doing it by the present measure to the tune of $4,000,000,000, approximately, but in the reorganization bill we would have made it a principle of government, and would have allowed

the Chief Executive, with a free hand, to have the expenditure of all the people's money.

We have heard rumors that that sort of legislation is apt to crop up again in the present Congress. I sincerely hope that it is dead and interred.

Mr. HATCH. Mr. President, will the Senator yield?

Mr. AUSTIN. I yield.

Mr. HATCH. The Senator is familiar, is he not, with the declaration of the Republican Party upon that subject to which he has just referred?

Mr. AUSTIN. Oh, my, do not ask me to remember the Republican platform. I did not write it, anyway.

Mr. HATCH. I had occasion some days ago to read that section of the Republican platform and put it in the RECORD. In view of what the Senator has just said, and knowing his high regard for every declaration that was made by the Republican Party, I would suggest that he refer to the Republican platform of 1932.

Mr. AUSTIN. Mr. President, usually the platform of a great political party is a very noble and high-sounding document, and it ought to be made to guide a great party in its deliberations and in its conduct, but it ought not to be regarded as shackles upon its arms or as a means of suppression of its judgment.

Mr. HATCH. The Senator is not familiar with that section to which I referred?

Mr. AUSTIN. I say I cannot remember to what the Senator referred.

Mr. HATCH. In 1932 this was the declaration of the Republican Party on reorganization of government:

Efficiency and economy demand reorganization of Government bureaus. The problem is nonpartisan and must be so treated if it is to be solved.

Thus far we both agree on that.

As a result of years of study and personal contact with conflicting activities and wasteful duplication of effort, the President is particularly fitted to direct measures to correct the situation. We favor—

That is the Republican Party—

legislation by Congress which will give him—

That is the President—

the required authority.

Mr. AUSTIN. Mr. President, that does not prove to be the thing about which I was terrified. The Senator from New Mexico had me terrified with the idea that possibly the Republican Party had committed itself to the abolition of this fundamental right of the people to control the expenditure of their money. I can now say that we did not take that stand.

Mr. CONNALLY. Mr. President, will the Senator yield to me for a question?

Mr. AUSTIN. I yield.

Mr. CONNALLY. I want to say that I thoroughly agree with the abstract principles that the Senator from Vermont has announced about the control by Congress of the purse, of money. I think that giving to the representatives of the people the control of the purse has really been the outstanding reason for the growth of democratic institutions.

However, as a practical, concrete proposition, what are we going to do about a measure like that before us, when in the nature of things it will be impossible for Congress to pick out the various little projects and the various individual plans for which this money is to be expended? If we do not give the authority to the President, we will have to give it to some subordinate appointed by the President directly or indirectly. Would not that system be just as bad and really worse than giving the authority to the President? If we give it to the President, we certainly centralize the responsibility on him. If we give the power to some subordinate who is beholden to the President or to someone high in authority for his job, and there was an effort made to compel him to allocate funds and yet not take the responsibility, what would the Senator say about that?

We are now confronted with a proposition of actuality rather than theory, of hard granite-like facts rather than beautiful ethereal propositions with which we would like to deal. What are we going to do?

Mr. AUSTIN. Mr. President, if the Senator is ready for an answer——

Mr. CONNALLY. My question is not a hostile one. I have a high regard for the Senator from Vermont, and I am satisfied that if his party were in power he would be one of the controlling spirits of it, and probably dominate it, and probably put his plan into effect. Therefore, what would that plan be if his party were in power and he were the leader of his party, say, on the floor of the Senate?

Mr. AUSTIN. Mr. President, the Senator from Texas is usually reasonable and courteous and eloquent in his questions, as he has been in this one, and I am going to answer him by saying that I could not take either extreme of the dilemma that he speaks of. I think Congress should go as far as it can go in earmarking the expenditure of funds.

Of course, I am handicapped in answering that question by this always-present thought that unless there is a necessity for the thing for which the fund is to be expended we ought not to appropriate. If there were a necessity for a project somewhere we would not have any difficulty at all specifically appropriating for it. The difficulties which are caused by the haze of uncertainty which the Senator from Texas refers to, are difficulties due to the fallacy of the joint resolution itself. We ought not to be appropriating money for unborn ideas. We ought not to be appropriating money and turning it over to anyone who will have to go out and find a place to use it. If we knew that there were certain improvements necessary, or certain public works, we could take care of them by our appropriation, and I do not doubt for a moment that a committee of Congress could handle the situation.

As a matter of practical answer to the Senator from Texas I will say that we already have pending, or on the table to be offered if seen fit, amendments which would allocate these funds to specific projects by name and place and amount. So far as the principle goes I would trust a President to do the describing of the project, but I would want him to send it to us and say, "Gentlemen, here is something which I recommend, but it is for you to appropriate the money." That is our business.

Mr. LOGAN. I gather from what the Senator says that he does not believe we ought to build pyramids; that we ought to build something better than that; that we ought not to invest our money in pyramids or monuments.

Mr. AUSTIN. That is correct. I am in favor of monuments and memorials to the great and to the near great, and to commemorate progress of the human race, but I do not think we ought to take a people when it is down, the way the American people are today—they are flat—and just pile on top of them $4,000,000,000 of debt for projects that are not yet conceived of and certainly are not necessary.

The point I am discussing, however, is another thing. It is something perhaps equally as important as the money. It is a principle of government. It is not only a principle of government, it is one of the oaken beams that supports the entire superstructure of our Government as it did that of old England.

I repeat, the history of the House of Commons discloses the fact that its supreme power lies in the control of the nation's purse. And I say that the same is true of the House of Representatives and the Senate of the United States.

I now continue to read:

In England the parliamentary control of expenditures has in the last 60 years been regarded of no less importance than the parliamentary control of the grant, hence the emphasis placed upon the machinery of expenditure to insure accuracy and economy. During the immediate hundred years preceding the present time complete control over the machinery of the treasury by Parliament has taken place. In 1848 it was declared: "This House cannot be the effectual guardian of the revenues of the States unless the whole amount of taxes and of various other sources of income received for the public account be either paid in or accounted for to the exchequer."

Right now that principle is being violated. The sums which are paid in by sponsors are not covered into the exchequer, according to the report of the Acting Comptroller General, who complains about it and advises the Congress about it. Congress sits by and does nothing. According to that report millions of dollars are being dumped into local depositaries, out of which they are checked without any current control, and without fitting them into the bookkeeping of the Treasury of the United States.

I continue to read:

This was repeated in 1857: "It is essential to a complete parliamentary control of the public money that no portion of it should be arrested in its progress to the consolidated fund from which alone it can be issued and applied with parliamentary sanction."

That is the same complaint which is made by the Acting Comptroller General with respect to W. P. A. funds.

This practice of complete parliamentary control, not alone over grants, but how the grants must be applied, was made a matter of law as well as custom by the statute of 1866. Henceforth moneys were put in a consolidated fund from which all grants were to be applied in accordance with the direction of Parliament. For example, if drafts are made upon the consolidated fund for one kind of service it cannot be diverted to another kind of service. One of the elements most sharply scrutinized is accuracy, that no confusion may arise.

One of the faults I find with this method of parting with control over the expenditure of the people's money is the laxness which permits the transfer of percentages of one fund, under one category, into another fund under another category.

Mr. President, I hope you are not getting tired of listening to me, for I have only just begun.

I object to the pending measure for another reason. The effect of borrowing and spending is to prevent recovery. We are just turning, for the moment, from a field of great importance, which deals with the form of government, with the spirit of the people, with the morale of youth, with opportunity, with inspiration, with conditions which will cause boys and girls to climb upward and to overcome difficulties and obstacles and to make achievement, even of the highest character and kind—we are turning from that very important field, which the spending measure menaces, to the economic problem.

The effect of borrowing and spending does not tend to recovery. In the first place, we have the clog on business of the taxes which are the inevitable result of spending. No man is going to put his money out at risk and hazard in the great adventure of competition in business; no man is going to finance a new idea or a progressive invention, while he is confronted with this measure and its consequences, because as the sunlight follows the darkness, he is certain that his money, his effort, his service, and his sacrifice are going to be loaded down with the obligation created today.

Just look at the story of the billions of debt from year to year during the past 5 years. In 1930 our debt was $16,000,000,000, in round numbers. In 1932 it was $20,000,000,000. In 1934 it was $28,000,000,000. In 1936 it was $34,000,000,000. In 1917 it was $37,000,000,000.

I shall quote from something, Mr. President, and I ask who said this:

And now a word as to this foolish fear about the crushing load the debt will impose upon your children and mine. This debt is not going to be paid by oppressive taxation on future generations. It is not going to be paid by taking away the hard-won savings of the present generation.

It is going to be paid out of an increased national income and increased individual income produced by increasing national prosperity.

The deficit of the National Government has been steadily declining for 3 years running—

He was speaking in 1936.

The deficit of the National Government has been steadily declining for 3 years running, although, technically, this year it did not decline because we paid the bonus this year instead of in 1945. Without the bonus the deficit would have declined this year.

The truth is that we are doing better than we anticipated in 1933. The national income has gone up faster than we dared then to hope. Deficits have been less than we have been led to hope. Deficits have been less than we expected. Treasury receipts are increasing.

The national income was thirty-eight billions in 1932. In 1935 it was fifty-three billions, and this year it will be well over sixty billions.

My impression is that it reached the neighborhood of eighty billions before we hit the toboggan in 1937.

If it keeps on rising at the present rate, as I am confident it will, the receipts within a year or two will be sufficient to care for all ordinary and relief expenses of the Government—in other words, to balance the annual Budget.

Who said those words, Mr. President? They are taken from a speech delivered by the President of the United States at Pittsburgh, Pa., on October 1, 1936, during a political campaign.

One can hardly blame him. There was a feverish spurt of purchasing, stimulated solely by the contribution of the people's money through the Treasury of the United States to workmen and others engaged on W. P. A. projects and to the poor for relief; and while that lasted, of course, there was consumption. Goods had to be produced and producers made profits. The profits were taken away by the Government in the form of punitive taxes.

But, Mr. President, was the President of the United States correct? Was he justified in believing that there was any sound recovery? Wihin 12 months after that we found that it was all a dream, that it was all a fallacy. There was no sound foundation for the idea that the national income would continue to increase. Sometime early in 1937—I think it was in May—a deflationary policy was adopted because of the President's belief that some prices were too high, and down came the balloon. Never in all our economic history have we had such a collapse as took place in the second half of 1937 and which continues to this day.

Mr. LUNDEEN. Mr. President——

The PRESIDING OFFICER. Does the Senator from Vermont yield to the Senator from Minnesota?

Mr. AUSTIN. I yield.

Mr. LUNDEEN. Has the Senator any figures or data showing where we are heading for now in relation to national income?

Mr. AUSTIN. Yes.

Mr. LUNDEEN. If the Senator has, I hope he will place them in the RECORD.

Mr. AUSTIN. Mr. President, I have not quite reached that point. That material is quite deep down in my stack of material. I should like to continue through the stack, and not mix it up.

Here is something else:

Let us have the courage to stop borrowing to meet the continuing deficits. Stop the deficits. Let us have equal courage to reverse the policy of the Republican leaders and insist on a sound currency.

Those were the words of Franklin D. Roosevelt when he was a candidate for President, in a radio address at Albany, N. Y., July 30, 1932, interpreting the party platform.

Again I quote from him.

I regard reduction in Federal spending as one of the most important issues of this campaign. In my opinion, it is the most direct and effective contribution that government can make to business.

I am not reading consecutively; I skip now to another part of the address where he said:

I called attention in my address at Pittsburgh Wednesday night to the great importance of Federal Budget making as the foundation of the national credit. I pointed out that the Hoover administration had been responsible for deficit after deficit; that as one disastrous year succeeded another, no attempt was made to arrange the finances of the country so that at least the mounting loss of revenue might not be turned into a deficit for the next year.

My, my! That was awful of Mr. Hoover, was it not?

It is my pledge and promise that this dangerous kind of financing shall be stopped and that rigid governmental economy shall be forced by a stern and unremitting administration policy of living within our income.

That is from the address of the candidate for President, Mr. Roosevelt, delivered at St. Louis, Mo., on October 22, 1932.

Mr. LUNDEEN. Mr. President, will the Senator yield there?

Mr. AUSTIN. Yes; I yield.

Mr. LUNDEEN. That was under the Old Deal, was it not? Now we have a New Deal, so that the philosophy of spending is probably correct under the New Deal.

Mr. AUSTIN. I have no doubt in the world that the Senator is correct. One of the characteristics, perhaps the most fundamental characteristic, of the New Deal is spending, not only spending but spending just as you please, that is without limitation, without earmarking; turn over to the leader all the funds and let him decide where the spending is to be made. Why? Because there is not any administrative power in any government equal to the power of the purse unless it is the power of the sword. That is the reason why the Old Deal undertook to adhere to the constitutional principle of the providers stipulating where the spenders should place the money; and we observe that they did not provide for unnecessary and undiscovered use.

Again, I read from a speech by the Presidential candidate on October 19, 1932, at Pittsburgh, Pa.:

> I have sought to make two things clear: First, that we can make savings by reorganization of existing departments, by eliminating functions, by abolishing many of the innumerable boards and commissions which over a long period of years have grown up as excrescences on the regular system. These savings can properly be made to total many hundreds of millions of dollars a year.
>
> In the latter philosophy, and not in the philosophy of Mr. Hoover—which I think is responsible for so much of our trouble—I shall approach the problem of carrying out the plain precept of our party, which is to reduce the cost of the current Federal Government operation by 25 percent. Of course that means a complete realignment of the unprecedented bureaucracy that has assembled in Washington in the past 4 years.

Mr. President, no comments on that pronouncement are necessary at a time when the annual expenditures have run beyond the receipts of the Government by billions of dollars; at a time when bureaucracies have multiplied to such an extent that I think I would be regarded as rash and intemperate if I undertook to state what the percentage of increase in bureaucratic government has been under the New Deal.

But those now in power say, no matter that the spending and borrowing and borrowing and spending may retard recovery by tearing the life out of business; no matter about that; nevertheless, there is a certain other thing that the spending and borrowing will do and that is, it will "make democracy work." They even ask, "If the courts, if the judicial department of the United States is out of step with public opinion, as expressed at the polls by great mandate of the people, who must yield?" The courts, of course, must yield, no matter that there are constitutional inhibitions and limitations designed for the express purpose of limiting the people when they constitute a majority, no matter that our forefathers and the founders of this type of government, the finest in the world, always recognized the possible excesses of the demos, always knew that the mob yields to temptation at a time of trouble and that if there is to be stability, if there is to be permanency of free institutions it is necessary in the charter of government to provide limitations upon the power of the people. That is why we have a Senate. If it were not for the objective of limiting the power of the people and preventing the influence of emotional waves and the yielding to temptation in time of trouble, we would not have to have a body in our parliament whose members go before the people for reelection only once in 6 years. The Senate is a limitation upon the excesses of the majority.

It is said also by adherents of the New Deal that we must democratize business; we must "make democracy work" by making the court yield. When the court is in conflict with the vote of the people at the polls the court must yield. That is their idea of "making democracy work," as if we were a pure democracy. Have we forgotten the type of government we have? Benjamin Franklin thought that it was a republic, and he said it would remain a republic so long as the people were competent to keep it so; but we are presented today with proposals on the theory that we must democratize this country more than it is democratized; that we must penetrate the household; we must take into the kitchen food from Washington; we must regulate the lives of the people, their business and hours and wages, and price and quantity and the fields and the acres. That is democracy; that is "making democracy work."

The idea seems to be that if we have a few malefactors of wealth, if we have some concentrations of capital in this country, which are obviously autocratic and are doing harm to our civilization and to our social system and even to our political system, then let us raise the devil with everybody; let us "make democracy work" by operating on it from on high; let us give it power; let us give Washington power; let us give one man in Washington power to spend billions upon billions of dollars, so affecting the economy of this country, so affecting the social condition of this country, so affecting the moral conditions of this country, and the political condition of this country as to make it less resistent to attack upon the Republic. And we are getting less resistence. The polls taken by various institutions show that our people are becoming complacent; they are being deluded by having held out to them promises of more abundant wealth and security. Now, they are going to be treated to a democratizing of business and nothing we can do, Mr. President, will help along that road more than turning over to the President of the United States, to expend without earmarking and without limitation, billions of dollars of the people's money.

But it is a futility. This country is not going to be overturned by this generation. I have faith in the civic virtue of the people of America. Otherwise, I should not waste energy on this floor to make any such talk as I am making. Do I not know that what I say will not change a vote here? I do know it.

Let me call attention to some extracts from a very admirable address by a Vermont philosopher—a man whom I regard as a great lawyer, too—George L. Hunt, of Montpelier, Vt. I read a few of these extracts to let you know how Vermonters look at the sort of thing that they talk about as a democracy, for I think Mr. Hunt expresses the belief and the sentiment and the confidence of Vermonters, who have a unique history with respect to the establishment of the representative form of government which is known as a republic; for they had a republic of their own there in the mountains, and were themselves able to maintain it throughout the American Revolution. They financed their own Army which contributed to the common cause of liberty, at the same time defending their own borders against their neighbors and against the common enemy. They went through years of difficulty and trial in order to save the Republic. Do not forget it.

The people of Vermont appreciate a republican form of government, and what they see confronting them arouses them to action, arouses them to fight, although the fight may be by only a few. I have found in experience, however, that when men are in earnest, when they have strong convictions, when they feel deeply, a few are more effective than a great mob of coattail riders who have not much feeling, and who have no greater interest than a certain expediency. I predict that the time will come, and not far in the future, when the pendulum will swing; and then men like myself, who are dubbed "conservatives," will be found standing out on the front-line trenches to prevent a swing too far in that direction. Perhaps we shall be few, but we shall be there just the same, and we shall be fighting along, even if we are reduced to a very small number.

Now let me read extracts from this address by Mr. Hunt:

> Whatever the method of voting, whether by acclamations and murmurs, as in the early Homeric, Teutonic, and Spartan assemblies, or by the showing of hands and more rarely by the use of crude ballots, as in Athens, or by recording the votes as given, as in early Rome, the result was taken to be the will of all and not safely to be questioned by anyone.

This concept of the majority principle first found expression, during the rise of the English common law, in the executive clause of Magna Carta, empowering a committee of 25 barons to enforce its provisions, as follows:

"If perchance those 25 are present and disagree about anything, or if some of them after being summoned are unwilling or unable to be present, that which the majority of those present ordain or command shall be held as fixed and established, exactly as if the whole 25 had concurred in this."

That is the end of the quotation from Magna Carta; and that is the foundation of a doctrine which we have taken to our bosoms in America, and we have magnified it to the point where it is overemphasized; and we have a President considering that because he has a majority, and it is a large one, he has a mandate from the people; in other words, that majority is the only thing to govern men in legislative policy and in their conduct toward constitutional principles, or, rather, their misconduct toward them.

History shows that such an idealistic concept of the majority principle, that is, that the decision of the greater number is, indeed, the will of all, became lost in practical administration. Contests naturally developed factions, which persisted after the decision. The majority, instead of using its victory for the good of all, gave short shrift to the defeated minority, which, on its part, instead of submitting to the will of the majority for the common good, kept alive its old antagonism. Thus the ancient pure democracies, where popular factional voting was the only tribunal of determination and the court of last resort, became governments by force ruthlessly employed by the numerical majority with little or no regard for the numerical minority. They were historic failures.

Justice Holmes has said:

"It is true that if the will of the majority is unmistakable, and the majority is strong enough to have a clear power to enforce its will, and intends to do so, the courts must yield, as must everybody else, because the foundation of sovereignty is power, real or supposed."

* * * * * * *

You will note that he did not say "the courts ought to yield"; he said they "must yield."

In these days of the ascendancy of pure democracy—if not, indeed, of some form of government more disastrous to freedom and individual rights—there is a woeful confusion of ideas and terms. "Democracy," "democratic form of government," "minority rule" are expressions commonly used by those who should know better as descriptive of our governmental structure and ideals. In fact, if one insists upon the "demos," we are a representative democracy; ours is not a democratic, but rather a republican, form of government; and with us, as to the real and fundamental rights of the individual, the majority does not rule. The present trend demonstrates the fallacy of the idea, which has been called the keystone of the democratic credo, that as a rule truth, reason, and justice are on the side of the majority.

* * * * * * *

Bryce in The American Commonwealth, commenting on the dangers of tyranny in the majority, might have been writing of our own times. He said:

"A majority is tyrannical when it cuts short the discussion needed to give the minority a fair chance of convincing it that it is wrong, or when it passes laws restricting individual freedom in matters which law need not touch, or even when it subjects to social penalties persons who disagree with it in matters not essential to the common welfare."

That is the end of the quotation from Bryce.

In his chapter on Government by Public Opinion, he cites, as a grave danger, that minorities may not sufficiently assert themselves. He points out the natural tendency to acquiesce promptly and loyally in the decision of a majority, and urges as the duty of patriotic statesmen to resist and correct, rather than to encourage, the dominant sentiment, to remind it that it is fallible and to rouse it out of its self-complacency. He says that "a great variety of social conditions, of modes of life, of religious beliefs * * * will prove centers of resistance to a dominant tendency, like rocks standing up in the river, at which he whom the current sweeps downward may clutch;" that the intensity of belief in a small group and individual energy in the minority are factors making a minority a match for a majority huger but less instinct with vitality; and that in a free country, 10 men who care are worth a hundred who do not. But he significantly states that these natural compensations are uncertain and tend to diminish with the progress of democracy.

This is what Bryce says about it:

The longer public opinion has ruled—

I want you to notice this—

The longer public opinion has ruled, the more absolute is the authority of the majority likely to become, the less likely are energetic minorities to arise, the more are politicians likely to occupy themselves, not in forming opinion, but in discovering and hastening to obey it.

Mr. President, he was talking about our times. You have witnessed the scene in the Senate of the United States time after time.

The founders of our country were well aware of the dangers of democracy inherent in the tyranny of the majority. While the immediate occasion of the Revolution was "a long train of abuses and usurpations" by British autocracy, when they undertook "to provide new guards for their future security," they were as careful to guard against the tyranny of the majority as to cast off the rule "whose character was marked by every act which may define a tyrant."

I shall close this reading with a quotation which Mr. Hunt made from Calhoun, as follows:

The numerical majority, perhaps, should usually be one of the elements of a constitutional democracy; but to make it the sole element, in order to perfect the Constitution and make the Government more popular, is one of the greatest and most fatal of political errors.

Mr. DAVIS. Mr. President, will the Senator yield?

Mr. AUSTIN. I yield.

Mr. DAVIS. I have listened with great interest to the remarks the Senator has been making the past hour, and I think I might sum them up in just a few words, that the Senator believes that free enterprise must be encouraged, restrictive taxation must be curtailed, civil service must be restored, and the principles of social legislation brought into conformity with the economic realities of today.

Mr. AUSTIN. Mr. President, that is a very good statement, and I thank the Senator from Pennsylvania for it.

Mr. DAVIS. And does not the Senator believe that we have tried to do too much in a hurry in the last few years, so that the Government has become so vast as to become unbalanced, and practically has gone beyond control?

Mr. AUSTIN. I think that is a fair criticism. I think we started off with this dogma, "Let us have action. Let us do something. So long as it is affirmative and positive, let us do it. Change. All change is progress. Let us go forward. Let us do something. Hanging will cure a pain in the neck, so let us hang the man."

From all quarters the "smart boys," with their untried theorics, came down out of the colleges, and into every window there was shoved in a theory. Put in some form or proposition of law, one would be sent to one committee, another to another committee, and thus they were separated from each other, and the whole united front of this attack was not seen. The public rarely knows all the danger that lies here in the legislation proposed by these theorists, who want to do something so long as it is positive and not negative, and who have succeeded to a marked degree.

I say, Mr. President, that when we surrendered to the President of the United States control over the coinage of money, we changed the form of our Government, unless it shall be challenged and upset. When we surrendered to the President of the United States the power to make treaties with foreign countries without ratification by the Senate, we surrendered one of the sacred obligations and duties of the Senate of the United States. When we wrote into an agricultural bill a provision giving the President the power to levy taxes, we surrendered a fundamental duty and obligation exclusively possessed by the Congress of the United States, and preeminently by the House of Representatives. When we pass the pending measure, Mr. President, which turns over to the President of the United States huge sums of the people's money for expenditure in any way he sees fit, we surrender the most fundamental characteristic of our form of government, that is, control by the providers over the spenders.

We are going mighty fast. I am not going to use the energy that would be necessary for me to explain four of the bills which have been pending in the Committee on the Judiciary, and in charge of subcommittees on which I have served, but in passing I will observe of them that they contain elements of reform of the most fundamental character, and diversion from the development of Anglo-Saxon civilization in very important particulars.

Mr. President, I say that it will be a futility notwithstanding this gift of power; it will be utterly impossible for the

President of the United States to change these people. Underneath all this complacency, underneath this superficial willingness to accept the gifts of Santa Claus, underneath the sincere hope, perhaps, of many that it is possible for a government to give to its people a more abundant life, and to distribute the wealth of the people upon a more equitable basis—underneath all that will be discovered a foundation of character that is American. The American Government cannot be toppled as a government of a country which has for its tradition an empire, and the subserviency of the people to absolute autocracy, can be toppled. Our people are born of free men. They are the sons and daughters of men who fought for liberty, and they know that tradition, and they have the spark of independence in their souls. It is there. It may be slumbering at the present time, but I say that when they know what is happening to them, when they perceive this flood of bills coming through our windows on all sides designed to subvert the Republic and to set up an autocracy, they will not take it. You cannot fool them by talking about democracy, you cannot continue to fool them by talk about democratizing business and putting democracy into business. They are going to know the price of it, they are going to see that if you repeat what has occurred during the past 5 years their liberties are going. That is the price of democratizing business from on high.

If we follow the course we have started, of investing the President of the United States with the power to regulate the acres which shall be planted in this country; if we continue that trend which is represented by investing the President of the United States with power over business, so that through the S. E. C., through the N. L. R. B., through the Guffey-Vinson Coal Commission, and all these various hands and arms and fingers of the Executive, he may control the supply, he may control the price. He may even control the machinery we use in production, he may control the personnel of management, he may control wages and hours, and no man may continue to be a free American, to sell his services at the highest price he can get, and to work and strive and struggle to improve his condition. I say that when the American citizen learns that this centralization of authority for the purpose of putting democracy into business is costing him his liberty, he will revolt, and he will not take it. That is the price of these New Deal policies; it is the loss of liberty, it is the undermining of the Republic, and there is not one thing which is more vicious in its tendency than the measure we are now considering, appropriating billions of dollars to equip one man in this country to carry on that work which is so enervating to the civic virtue of this country.

Mr. President, what will become of local self-government, what will become of self-discipline of the individual, what will become of the rehabilitation of self by the men and women of America, what will become of self-reform if we continue to weaken and soften and discourage the young people of America by doles and assurances and promises of the more abundant life? You do not have to have government handing down democracy; you do not have to have the democratizing of business by a flat from the White House. You have the law of cause and effect working, and the outlook for the young people of the country is bad.

Mr. President, that slogan of "Make democracy work" is headed for the same graveyard that the slogan "Security" was interred in. Security? Just think of what has happened to security during the New Deal. Men and women were taught to believe that if they were off the pay roll, then the President, this man who is the most popular man in the United States today, would see to it that they had a job, and if they did not have a job they would have a dole, they would have money to keep them in supplies and food.

Then all of a sudden that expression of confidence which they felt was pricked, and burst like a bubble. There was withdrawn from the purchasing power of these people more than $150,000,000 a month. Of course, business took a tumble, and these poor people were disillusioned. Security went out of the window. There was not any security at all. During this time those who were not on doles and who had not enjoyed the benefit of W. P. A. jobs but were self-supporting, they, too, discovered that there was not any security for them. They could not depend on business at all. The prospect of disaster in the future was apparent. There was not any new capital going into the currents of the Nation's business. The only additional buying power that was causing this support in 1936 came from Washington, and was really nothing but an exchange of money from one hand into another. It was not new capital at all. It did not refresh the flow of business. We must have new capital in business if we are to have recovery.

This is the strangest collapse in the history of the world, and it ought to have tremendous significance to us, and I think it ought to have great significance to the people of America. Here we were with our banks unstrained, having no worries, perfectly sound, perfectly liquid. They had so much money in their tills that money was cheap. Anyone with security and some without could get loans. The banks wanted to make loans. It was difficult to find people who would make loans. Speculative loans, which have heretofore been so great in periods of disaster and depression in the world, were practically negligible, and all loans, speaking generally of the United States, were secure. Moreover, there had not been any wave of overbuilding, and prices were not unduly inflated in relation to wages. Inventories were not particularly big, although they did become big by reason of Government stimulation of purchasing power a little later in 1937. Now, there was also a dole to stabilize purchasing power throughout this period.

Mr. President, can you conceive of a depression, and a very accelerated depression, occurring under such conditions as that? I say it is one of the strangest collapses in American history. There were abnormal causes, of course. There were war scares. The world was full of war clouds. There was primarily the Government attack on business. There was the often expressed and still expressed hostility of government to mere bigness. There was the disapproval of profit expressed in punishment, expressed in tax on thrift, in interference with progress, in punitive taxes. If you made a profit you were taxed a huge tax because you made it. Under the measure before us, of course, you realize you will be taxed much more.

Not only that. If you tried to be thrifty and saved that profit for the welfare of the industry and of its employees—in other words, for the real security that exists in our system—then you got cracked with another tax because you did not distribute it in dividends. Then there ran through this like a connecting thread a philosophy of redistribution of wealth.

Mr. President, that is not all. There was a circumstance and a condition in this country that had tremendous effect in breaking down the confidence of businessmen and investors, and that was the failure of government to govern. The failure of government to govern is one of the most distressing things that can occur in the United States of America, and that is exactly what happened. We had sit-down strikes. There were seizures by one man of another man's property by force, which were tolerated by government, State and Federal. These things, Mr. President, can be justly charged with being a part of the cause of that strange collapse of business.

(At this point Mr. AUSTIN yielded to Mr. HARRISON, who referred to the statement by the President with reference to the tax bill; to Mr. BARKLEY, who asked to have inserted in the RECORD the address delivered by the President today at Arthurdale, W. Va. The remarks of Mr. HARRISON and Mr. BARKLEY appear at the conclusion of Mr. AUSTIN'S speech.)

Mr. AUSTIN. Mr. President, at this point I should like to call attention to the difference in the purchasing power of the people in 1928, 1929, 1930, and the years following, as a fact to be considered in studying the strange collapse from which we are now suffering. I make the claim that from 1928 to 1931 there was poured into the current business of the United States, from private capital, purchasing power which sustained the prosperity of the country, and in fact lifted it to unusual and extraordinary high levels, and

that during the New Deal there was substantially no addition to purchasing power contributed by private capital.

I shall read a few figures to sustain my claim. In 1929 there was injected into the current of business, through new corporate capital assets, $8,200,000,000. During the same year the contribution by the Federal Government was $600,000,000; whereas in 1933 the new capital through corporate private investment was only $161,000,000, and there was contributed by the Federal Government $1,856,000,000. In 1934 private investment was $178,000,000, whereas the Federal Government contributed $3,238,000,000. In 1935 private investment was only $412,000,000, whereas the Federal contribution to purchasing power was $3,154,000,000.

In 1936 private contributions were $1,215,000,000, whereas public or Federal contributions were $4,025,000,000.

In 1937 we noticed the change; and the change accounts in large degree for the collapse. In 1937 there was an investment of private capital of $1,159,000,000, whereas the Federal Government's contribution dropped suddenly from $4,000,000,000 to $900,000,000. In other words, during the 8 years from 1930 to 1937 there was a deficit of over $17,000,000,000 in new purchasing power, in spite of Government injections of money into the current of business.

Mr. President, I am nearly through. My comment upon the depression of 1930 to 1936 is that it excited reform legislation as well as recovery legislation. Both types of legislation failed. The reform legislation did not remove the cause of the depression. The recovery legislation was only temporarily effective, and exhausted itself as soon as the Government stimulus was withdrawn. Notwithstanding the spending of billions of dollars, we have now a collapse of the Nation's business and an increase of unemployment, which equals the unemployment at any time during the depression.

Just notice these figures: In 1933 there was unemployment to the extent of 11,000,000 persons, and a national debt of $21,000,000,000; in 1937 there was unemployment to the extent of 11,000,000 persons, and an actual debt of $37,000,000,000. In other words, there was a needless increase in our national debt of $16,000,000,000, with no benefit whatever in security of our people and no benefit whatever in permanently removing the menace of unemployment from our social system. As a matter of fact, Mr. President, the Biggers survey of unemployment, up to April 1, 1938, shows total unemployment enumerated 10,822,912 persons, and the added estimate of the Bureau of Labor Statistics, submitted by Mr. John Lewis in the hearings at page 771, shows an approximate total of unemployment of 13,714,000 persons. This is eloquent proof of the fact that the billions of dollars expended by the Government have not brought about recovery.

These simple figures establish another significant fact that bears upon our consideration of the pending bill, and that is that pump priming is a failure; pump priming does no permanent good economically.

The attempt of the administration through radio broadcasts and newspaper publicity to account for the collapse by charging it to business and by accusing business of being on a sit-down strike was alarming. The hostility of Government to business so expressed discourages instead of stimulates efforts toward recovery. The promotion of legislation that would centralize in Washington practically complete control of the Nation's business still further depresses the courage of those who in former recoveries have made daring investments and initiated the advances in production which called out an enlarged purchasing power.

New investment was characteristic of former sound recovery; it was entirely absent in the feverish upturn of 1936. In its place the New Deal factor of public spending was the only support for consumption stimulus. No net addition to the national purchasing power was made. Therefore, when Government spending was reduced consumption dropped, production decreased, and unemployment grew.

Mr. President, those are simple truths; they are obvious to anyone who can consider rationally current events. That being so, what we ought to do, as I see it, is to provide for relief by means of the so-called Vandenberg substitute for title I of the pending joint resolution; and we ought not to adopt the remainder of the measure; but, if we do adopt it, then, we should insist upon earmarking the expenditures not only in the interest of economy but also in the interest of preserving the fundamental principles of our free government.

I thank the Senate for its considerate attention.

TAX REVISION—ADDRESS BY THE PRESIDENT AT ARTHURDALE, W. VA.

During the delivery of Mr. AUSTIN's speech,

Mr. HARRISON. Mr. President, will the Senator from Vermont yield to me for an interruption?

Mr. AUSTIN. I yield to the Senator from Mississippi.

Mr. HARRISON. I thank the Senator for yielding.

Mr. President, I have just listened to the President of the United States deliver an address at Arthurdale, W. Va., to school children and others who were there assembled. In his address the President took occasion to discuss the tax bill which was recently passed by the Congress. The President announced that for various reasons he would permit the measure to become law tonight without his signature.

The President made certain statements in his address with respect to which I, as one who had something to do with the writing of the measure, think something should be said, so I ask unanimous consent that at the convening of the Senate tomorrow I may be permitted briefly to address the Senate.

The PRESIDING OFFICER (Mr. BILBO in the chair). Is there objection to the request of the Senator from Mississippi? The Chair hears none, and it is so ordered.

Mr. BARKLEY. Mr. President, I ask unanimous consent that the address by the President of the United States, delivered at Arthurdale, W. Va., today, and just concluded a few moments ago, which was referred to by the Senator from Mississippi, may be printed in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

The address by the President of the United States is as follows:

At last after many attempts I have succeeded in coming to Arthurdale—and I greet you as friends because you are Mrs. Roosevelt's personal friends and because I have heard so much about you.

Much has been written about you good people, about the conditions of life in certain towns in this part of the world, and about what the Government has done here at Arthurdale. The Nation has heard about Scotts Run, with its very poor conditions of life, and the Nation has heard about Arthurdale, with its vastly improved conditions of life. But I think I voice the thoughts of you who live here when I say to the country over the radio that about the last thing you would want would to be publicized as some rare and special type of Americans.

Let me put it this way, and I think and hope that you will agree with me when I say:

In 1933 the whole Nation knew that it faced a crisis in economic conditions, but the Nation did not realize that it faced a crisis in social conditions. If anyone were to ask me what is the outstanding contribution that has been made to American life in the past 5 years, I would say without hesitation that it is the awakening of the social conscience of America.

As one part, and only one part, of the effort of your Government to improve social conditions, we undertook in dozens of places scattered over almost every part of the country to set up, with the cooperation of the local people themselves, projects to provide better homes, a better chance to raise foodstuffs, and a better chance to make both ends meet in maintaining a reasonably decent standard of life through the passing years.

Many different types of projects were undertaken—some of them in wholly rural sections, some in cities, some in suburbs, some for industrial workers, some for miners, some, like Arthurdale, a combination of industry and farming. These projects represent something new, and because we in America had no experience along these lines, there were some failures—not a complete failure in the case of any given project, but partial failures due to bad guesses on economic subjects like new industries or lack of markets.

On the whole, however, the percentage of good guesses in the average of these projects has been extraordinarily high, and for this success the principal part of the credit properly should go to the individual families who, themselves, have come to live in these new communities.

The lessons we have all learned will save a hundred times their cost in dollars as fast as Government or private capital—or as I hope, both—go on with the inevitable task of improving living conditions throughout the country and helping Americans to live as modern science has made it possible for them to live. The extra cost of pioneering ventures such as this represents development

cost which we justifiably charge off as the inevitable cost of all progress—just as we have in the past charged off the huge Government share in the development costs of the railroads, the cables, the airplanes, and the improved highways that made the automobile possible. But what is equally important to me, the lessons learned from this first bold Government venture will save human lives and human happiness as well as dollars in this march of progress ahead of us.

This is a high-school graduation and I am speaking just as much to you who graduate today as to your parents and your grown-up friends. You are the citizens of tomorrow—not just this graduating class but thousands of other high-school graduating classes in every State of the Union.

When you, today's graduates, were of grade-school age we, your elders in the United States, were asleep at the switch and your Government also was asleep at the switch. For many years, other nations of the world were giving serious consideration to and taking definite action on social problems while we were pushing them aside with the idea that some day we would get around to meeting them.

We had heard of the ideals of ending child labor, of initiating a 5-day week, of shortening working hours, of putting a floor under wages, of clearing slums, of bringing electricity into homes, and of giving families the chance to build or buy a home on easy terms, of starting old-age pensions and unemployment insurance. But all these things were in the greater part a beautiful dream—a dream until Government, 5 years ago, tired of waiting, stepped in and started to make the dreams come true.

Government has done little more than to start the ball rolling. Government knows how much more there remains to be done. But Government hopes, now that it has taken the first risks and shown the way, that private capital and businessmen will see how much it is to their own advantage—and profit—to keep the ball rolling—and keep it rolling so well that the inevitable wider improvement in American social conditions will come about in normal course of private enterprise without compelling Government to use large amounts of taxpayers' money to keep America up to date.

Many sincere people—good citizens with influence and money—have come to West Virginia mining towns in the past 2 or 3 years, to see the conditions under which American families lived, conditions under which, unfortunately, many American families still live. Many of these people have come to see me after their visit to Scotts Run or similar places and have expressed to me their surprise and their horror at things they have seen. They have said: "I did not imagine that such conditions could exist in the United States."

They have wanted to help at the particular spot they have seen—but the lesson which I have found it difficult to get across to them has been the fact that they have seen only one spot or two spots—tiny, single spots on a map of the United States, a map which is covered over with hundreds and even thousands of similar spots. Un-American standards exist by no means in a few coal towns only. They exist in almost every industrial community and they exist in very many of the farming counties of the country.

Now of course, pending the time that private capital and private enterprise will take up the burden, the money Government thus spends to encourage the Nation to live better—especially that part of the Nation which most needs it—is taxpayers' money.

Two questions, therefore, arise: "Is that spending justified from the point of view of the individual taxpayer and how should the money be raised?"

So far as the taxpayer's individual interest is concerned, I always look at it this way.

Taxes, local and State and Federal combined, are nowhere near as high in this country as they are in any other great nation that pretends to be up to date. If I were a businessman making and hoping to continue to make good profits, I would remind myself as I paid my income tax, moderate by the standards of other nations, that the most important factor in the kind of an active economic life in which profits can be made, is people—able, alert, competent, and up-to-date people—to produce and to consume. Money invested to make and keep the people of this Nation that kind of people is therefore a good business investment.

And if I were the same man thinking about inheritance taxes and what I could leave to my children, I would say to myself that to leave them a living in a nation of strong and able men and women is to leave them a better heritage of security than a few thousand dollars saved on an inheritance tax.

Now, how should taxes be paid?

For a great many years, the Nation as a whole has accepted the principle that taxes ought to be paid by individuals in accordance with their capacity to pay. To put it another way, it has meant a graduated tax on a man's increase in wealth. For instance, a poor man or poor family whose increase in wealth in a given year is below a certain figure pays no direct Federal taxes at all; when the family gains more than $2,500 in a year the family pays a small percentage on these gains.

As the gains get still larger, the percentage of the tax goes up so that when a family's wealth increases to say $100,000 a year, they have to pay a third of it to the Federal Government. In the case of still richer people, they may have to pay more than half of their large incomes to the State and Federal Governments.

Last week the Congress passed a new tax bill. It contained many good features—improvements in tax administration, the elimination of a number of nuisance taxes on articles in common use, the lightening of the tax burden on the small corporation as I recommended to the Congress last Fall. I hope that these changes made by this tax bill may be helpful to business and that this belief may, in itself, be a factor in the revival of business enterprise.

But, on the other side of the ledger, I cannot help but regret that two very fundamental principles of government must once more be called to the attention of the public.

Both of them, stripped of every attempt to confuse, are extraordinarily simple and can be understood by every citizen.

In 1936 many large corporations, especially those owned or controlled by a comparatively small number of very rich stockholders, were in the habit of failing to declare dividends they had earned. Thus their stockholders were in a position to leave the profits their money had made in the controlled corporation—paying the Government on these profits only the normal corporation tax of from 10 to 15 percent. Thus, these stockholders avoided paying a personal income tax at a rate which in many cases would have involved a tax payment of 50 percent or even higher because the stockholders were in what is known as the upper brackets of the personal-income tax.

The Treasury Department found many instances of closely held corporations which, starting with the comparatively modest capital of several million dollars had, over a period of years, grown into corporations worth several hundreds of millions of dollars without ever declaring a dividend to their stockholders. This meant a definite, though of course strictly legal, device by which these stockholders greatly increased their wealth year by year without having to pay to the Government more than a normal corporation tax, thus escaping very large sums of personal income-tax payments.

The Revenue Act of 1936 sought to end this serious loophole.

In principle our objective was right but in practice the act as finally worked out in the Senate undoubtedly did prevent many small corporations from normal and reasonable business expansion, from building up adequate surpluses, or from paying off old debts.

The tax bill this year sought to get rid of these inequitable features but to retain at the same time the principle of stopping tax avoidance. As finally passed, the bill retains that principle but the penalty for withholding dividends to stockholders is so small—only 2½ percent at the most—that it is doubtful whether it will wholly eliminate the old tax-avoidance practices of the past.

It is true that the bill seeks to strengthen the authority of the Government to act against companies which clearly seek to avoid surtaxes for their stockholders by failing to declare dividends out of their profits; and I hope that this new provision, together with the recent favorable decision of the Supreme Court in interpreting the prior law, will retard the revival of the old evil. It seems to me that it is the definite duty and interest of the public and of the legislative and executive branches of the Government to watch very closely to see what happens during the coming year.

We must always remember that this old method of greatly increasing private fortunes through the withholding of corporate dividends was open and useful only to those citizens who already had wealth large enough to control these large corporations—people whose personal income was already large enough to put them in the higher surtax brackets.

The position of the administration is, therefore, this:

We are delighted to remove any existing barriers against every little business in the Nation which is seeking to set itself squarely on its own feet; seeking to pay off its debts and seeking to make a reasonable profit, but the administration does not want large closely held corporations making large profits to be used as a vehicle by the small number of their owners in order to avoid legitimate income taxes.

For a number of years it has been recognized that this progressive taxation of wealth realistically should apply not only to salaries and dividends and bond coupons but also to other forms of wealth such as increase in one's capital by selling any form of property at a profit.

This new bill wholly eliminates the progressive-tax principle with respect to these capital profits: it taxes small capital profits and large capital profits at exactly the same rate.

In other words, if you or I sell stocks, which we have held for a few years, at a profit of, let us say, $5,000, we have to pay a tax of 15 percent on that profit; whereas the man who has made a profit of $500,000 on stocks he has owned is required, under this new bill, to pay a tax of only 15 percent, just as you and I would. Nobody, by any stretch of the imagination, can say that this new provision maintains the principle of payment in proportion to ability to pay.

Some people who have favored this abandonment of principle have justified their position on the ground that one has to abandon principles once in a while when there is an emergency, and that the abandonment of this particular principle will encourage many rich men to take a risk with their capital and invest it in new enterprises.

But this school of thought finds it difficult to answer the fact that almost all—about 80 percent of all capital gains reported—are profits made in the stock market; profits made not by developing new companies but by buying stocks of old companies low and selling them high, or by the still possible method of selling stocks short; selling stocks you do not own and then buying them in at a lower price.

The abandonment of the principle of progressive tax payments in accordance with capacity to pay may encourage a small amount of capital to go into new productive enterprises, but chiefly it will

help those who make large profits in buying and selling existing stocks.

New productive enterprise is not created by the buying of stocks of established companies when they are low and selling them when they are high. I should like to see a revision of our tax laws which would really encourage new enterprise and new investment and the undertaking by private capital of projects like this that the Government has undertaken here at Arthurdale. But there is no assurance that untaxed savings will go into such new investment or new enterprise. They may be hoarded or lost in the inflation or deflation that occurs in the shuffling about of existing investments.

We should adopt tax policies which will encourage men to venture and to build new productive wealth. Unless something is added to the combined wealth of the Nation, one man's capital gain may be nothing more than another man's capital loss.

It will be noted that in this analysis of this abandonment of principle I have attacked no person. I have merely called the attention of the country to certain clear-cut, inescapable facts, and especially to the fact that this tax bill, which in many respects is a good one, actually abandons the accepted principle of progressive taxation at a point which is very important in our economic life.

Here again is an example of a provision of law which actually and in plain English gives an infinitely greater tax concession to the man who makes a very great profit than to the man who makes a comparatively small profit. It helps the very few, therefore, at the expense of the many. To carry on government a total sum has to be raised. If the many who make small capital gains have to pay the same rate as the few who make large capital gains, it means that the tax rate for the little fellow must be higher than if we had stuck to the accepted principle of a graduated tax.

In accordance with recommendations made during several past years, I hope the Congress will undertake a broader program of improving the Federal tax system as a whole in the light of accepted principles of fairness in American taxation and of the necessary incentives in our economic life.

You will see the difficulty in which your President has been placed. This tax bill contains features that ought to become law, but it contains several undesirable features, especially the ones I have just been talking about.

If I sign the bill—and I have until midnight tonight to sign it—many people will think I approve the abandonment of an important principle of American taxation. If I veto the bill, it will prevent many of the desirable features of it from going into effect.

Therefore, for the first time since I have been President I am going to take the third course which is open to me.

I am going to let the act go into effect at midnight tonight without my approval.

By so doing I call the definite attention of the American people to those unwise parts of the bill I have talked to you about today—one of them which may restore in the future certain forms of tax avoidance, and of concentrated investment power, which we had begun to end, and the other a definite abandonment of a principle of tax policy long ago accepted as part of our American system.

Two things we can well remember.

The first is that our whole tax system, State, local, and Federal, can and must be greatly improved in the coming year.

The second is that we in this country are getting more practical results in the way of bettering the social conditions of the Nation out of our taxes than ever before in our history. That is why it is a pretty good idea to talk taxes not only to parents but to the younger generation of America.

I am proud of what I have seen here today, and I am proud of all of you who are helping so greatly to make this community an American success.

REGISTRATION OF COLLECTIVE TRADE-MARKS

After the conclusion of Mr. AUSTIN's speech,

Mr. McADOO. Mr. President, I ask unanimous consent for the present consideration of House bill 9996, being Calendar No. 1856, which was before the Senate a few days ago. The bill has to do with the registration of collective trade-marks. The Senator from Vermont [Mr. AUSTIN] objected to the bill at that time because of a phrase in the measure which he thought was ambiguous. I have had a consultation with the Senator and also with the Commissioner of Patents, and we have all agreed to the deletion of the phrase, "even if it does not possess an industrial or commercial establishment," which appears on page 2. With that deletion I ask that the House bill be passed.

Mr. AUSTIN. Mr. President, I previously objected to the bill, but since that time I have studied the bill, and I am satisfied with the amendments which have been suggested. I do not object to its present consideration, and will not object to its passage.

I should like to have inserted in the RECORD two letters from men who appear to be experts on the subject, who have written to me since the objection was made by me.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

NATIONAL LUMBER MANUFACTURERS ASSOCIATION,
Washington, D. C., May 24, 1938.

Hon. WARREN R. AUSTIN,
Senate Office Building, Washington, D. C.

DEAR SENATOR AUSTIN: When Senator MCADOO yesterday called up H. R. 9996 for consideration, you asked that it go over until you had an opportunity to study it.

We are interested in the enactment of this bill. As you no doubt know, the lumber industry has been trying for many years to standardize the grades and sizes of lumber. I need not remind you of the many benefits to the consuming public, as well as to the industry itself, which result from such standardization. One important method of securing adherence to established standards, and identifying standard lumber as such to the consumer, has been through the use of association grade- and trade-marks. Each of the several regional lumber manufacturers' associations in the United States employs a staff of inspectors to mark or to check the application of association grade- and trade-marks, and insure consumers getting the grade of lumber they purchase.

When the average consumer goes to a lumberyard to purchase No. 1 common boards, he has no way of ascertaining whether he is getting No. 1 or No. 2 in the absence of marking. Where it is marked with a reputable association mark, he has a guaranty of quality. But there is at present a weakness in that guaranty. The marks may have been forged. The Federal Government has refused heretofore to grant such marks the protection of the trade-mark registration laws. H. R. 9996 proposes to remedy this condition.

I would like to call your attention to an absurdity in the present situation. Under the act of June 20, 1936, foreign trade associations are accorded the benefit of trade-mark registration in this country. Thus a member of the British Columbia Lumber & Shingle Association who exports his lumber to the United States where it competes with the identical domestic product is entitled to the protection of its mark, and our Federal courts will afford such protection. The domestic manufacturer, on the other hand, unable to register his mark, is unprotected in the Federal courts.

Similarly, because domestic registration is a prerequisite to foreign registration, American associations are foreclosed from securing protection of their marks in export markets until H. R. 9996 is passed.

There is no opposition to the enactment of this bill. May we not urge that you do what you can to secure early action in the Senate, that final enactment may be accomplished before the expected early adjournment of Congress?

Very truly yours,

NATIONAL LUMBER MANUFACTURERS ASSOCIATION,
HENRY BAHR.

WASHINGTON, D. C., *May 24, 1938.*

The Honorable WARREN R. AUSTIN,
Senate Office Building, Washington, D. C.

SIR: I am advised that you objected to approval of H. R. 9996 at yesterday's session, and it occurs to me that you may probably require more information as to the purpose of this bill before giving it your approval.

The bill was originally drafted by me and introduced in the House by request by my good friend, Representative LUTHER A. JOHNSON, of Corsicana, Tex., under H. R. 8602. It was found that there was a very considerable support for this proposal, and it was fully discussed without opposition of any kind at the recent hearings before a subcommittee of the House Committee on Patents on H. R. 9041, which is a bill to completely revise the Federal trade-mark laws.

While considerable opposition developed to various provisions of H. R. 9041, it was found that sentiment was unanimously in favor of promptly making provision for registration of domestically owned, so-called collective trade-marks, and it was agreed that the bill introduced by Representative JOHNSON should be reintroduced by Representative LANHAM, chairman of the Patents Committee, with two slight amendments. It was then approved by the House subcommittee and by the House Committee on Patents and shortly thereafter by the House. While it was pending before the Senate Committee on Patents, the Commissioner of Patents decided that it would be better to incorporate the desired provision in the present trade-mark laws than to enact a separate provision of law, and this fact accounts for the amendment offered by the Senate committee and approved by the Senate. There is no difference in substance between the bill now pending in the Senate and the bill originally introduced by Representative JOHNSON under H. R. 8602.

I sponsored this legislation without retainer from any client or group of clients, and merely because I have from time to time been solicited to register marks of this character and have been compelled to advise that such marks are not registrable under the existing law.

Briefly, the situation is as follows:

In enacting the present trade-mark laws, the Congress included associations as among those entitled to registration of trade marks, but the Patent Office has held that an association may not register a mark unless such association is actually engaged in selling and shipping the goods which bear the mark. In other words, if an

association of traders adopts an emblem or trade-mark, and if such association acts as a cooperative selling organization, it may register the mark under the present law; but if the association does not actually sell the goods but merely controls the use of the mark by its members, then it may not register its mark under the present law.

Since 1911 we have been obligated by treaty provisions to provide registration for such marks, and in 1936 Congress, as a result of representations by the State Department and the Patent Office, fulfilled this obligation but inadvertently restricted the benefits thereof to foreign associations and failed to provide for registering marks of similar associations, etc., domiciled in the United States. At that time I proposed an amendment of the pending legislation, but it was the opinion of the Commissioner of Patents that any amendment of the then pending bill would jeopardize the enactment thereof at that session. In deference to his opinion and on the understanding that amendatory legislation would be introduced at the next regular session of the Congress, I withdrew my suggestion. The present bill simply aims to correct this situation and extend to domestic, as well as to foreign, nontrading associations the benefits of Federal registration for trademarks used subject to their control.

The present bill also specifically makes such registrations available to States, municipalities, etc. For instance, if there should be an association of maple-sirup producers in your State and this association should adopt an emblem to be used on maple sirup produced and sold by members of the association, then such an emblem could be registered in the Patent Office under the provisions of H. R. 9996, although it may not be so registered today.

The same would be true of the great seal of the State of Vermont if, for instance, the State should enact a law permitting the use of such seal on maple sirup produced in Vermont.

I may state that I am a fellow Republican and that the present proposal is not an administration bill, but is a proposal which has received, so far as I am aware, unanimous approval from all who have considered it. As you probably know, Federal trade-mark registration is not a grant but is merely prima facie evidence of the registrant's claim; so what is proposed is merely to permit Federal recognition of rights that may now be claimed under the common law but which have up to this time been denied the privilege of the procedural advantages resulting from Federal registration.

I feel sure that this legislation will sooner or later be availed of by your State and by associations domiciled in your State and that there is nothing in the bill that will prove in any way objectionable. Nevertheless, if there is anything in the present verbiage of the bill to which you have objection, I am sure that any amendment you might propose would be accepted and agreeable to all those interested.

I should be very glad if you could see your way clear to withdrawing your objection to this bill in order that it may become law at the present session and thus make available to the citizens of your State, as well as to the citizens of other States, the privileges of registration of these collective trade-marks now enjoyed in this country only by foreign citizens.

Very truly yours,

C. P. CARTER.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill (H. R. 9996) to authorize the registration of certain collective trade-marks, which had been reported from the Committee on Patents with an amendment, which amendment had been heretofore agreed to, to strike out all after the enacting clause and to insert:

That section 1 of the Trade-Mark Act of February 20, 1905, as amended, is amended by adding at the end thereof the following new paragraph:

"By similar procedure, any natural or juristic person, including nations, States, municipalities, and the like, which exercises legitimate control over the use of a collective mark, may apply for and obtain registration of such mark, even if it does not possess an industrial or commercial establishment."

SEC. 2. Section 1 (b) of the Trade-Mark Act of March 19, 1920, as amended, is amended to read as follows:

"(b) All other marks not registrable under the act of February 20, 1905, as amended, except those specified in paragraphs (a) and (b) of section 5 of that act, including collective marks of natural or juristic persons, and nations, States, municipalities, and the like, exercising legitimate control over the use of the trade-mark sought to be registered even though not possessing an industrial or commercial establishment, which have been in bona fide use for not less than 1 year in interstate or foreign commerce, or commerce with the Indian tribes by the proprietor thereof, upon or in connection with any goods of such proprietor upon which a fee of $15 has been paid to the Commissioner of Patents and such formalities as required by the said Commissioner have been complied with: *Provided*, That trade-marks which are identical with a known trade-mark owned and used in interstate and foreign commerce, or commerce with the Indian tribes, by another and appropriated to merchandise of the same descriptive properties or which so nearly resemble a known trade-mark owned and used in interstate and foreign commerce or commerce with the Indian tribes by another and appropriated to merchandise of the same descriptive properties as to be likely to cause confusion or mistake in the mind of the public or to deceive purchasers, shall not be placed on this register."

SEC. 3. Section 4 of the Trade-Mark Act of February 20, 1905, as amended, is further amended by deleting therefrom the following: "*Provided further*, That subject to the provisions of section 5 of said Trade-Mark Act (U. S. C., title 15, sec. 85) registration of a collective mark may be issued to an association to which it belongs, which association is located in any such foreign country and whose existence is not contrary to the law of such country, even if it does not possess an industrial or commercial establishment."

SEC. 4. Registrations heretofore granted under that portion of section 4 of the Trade-Mark Act of February 20, 1905, as amended, repealed by section 3 of this act, shall hereafter have the same force and effect as if granted under section 1 of this act, and applications pending under such portion of such section 4 shall be considered in accordance with the provisions of section 1 of this act.

SEC. 5. Section 29 of the Trade-Mark Act of February 20, 1905, is amended to read as follows:

"SEC. 29. In construing this act the following rules must be observed, except where the contrary intent is plainly apparent from the context thereof: The United States includes and embraces all territory which is under the jurisdiction and control of the United States. The word 'States' includes and embraces the District of Columbia, the Territories of the United States, and such other territory as shall be under the jurisdiction and control of the United States. The terms 'person' and 'owner,' and any other word or term used to designate the applicant or others entitled to a benefit or privilege or rendered liable under the provisions of this act, include a firm, corporation, or association as well as a natural person. The term 'juristic person' includes a firm, corporation, association, or similar organization capable of suing and being sued in a court of law. The terms 'applicant' and 'registrant' embrace the successors and assigns of such applicant or registrant. The term 'trade-mark' includes any mark which is entitled to registration under the terms of this act, and whether registered or not, and a trade-mark shall be deemed to be 'affixed' to an article when it is placed in any manner in or upon either the article itself or the receptacle or package or upon the envelope or other thing in, by, or with which the goods are packed or enclosed or otherwise prepared for sale or distribution."

The PRESIDING OFFICER. Is there objection to reconsideration of the vote by which the committee amendment was previously agreed to? The Chair hears none, and the vote is reconsidered.

The clerk will state the amendment offered by the Senator from California [Mr. MCADOO] to the committee amendment.

The CHIEF CLERK. In section 1, on page 2, line 23, of the committee amendment, after the words "such mark", it is proposed to strike out "even if it does not possess an industrial or commercial establishment."

The amendment to the amendment was agreed to.

The amendment, as amended, was agreed to.

The PRESIDING OFFICER. The question is on the engrossment of the amendment and the third reading of the bill.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read a third time and passed.

REGISTRATION OF PERSONS EMPLOYED TO DISSEMINATE PROPAGANDA—CONFERENCE REPORT

Mr. PITTMAN submitted the following report:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 1591) to require the registration of certain persons employed by agencies to disseminate propaganda in the United States, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 2, 3, and 4.

That the House recede from its disagreement to the amendment of the Senate numbered 1, and agree to the same.

KEY PITTMAN,
PAT HARRISON,
WM. E. BORAH,
Managers on the part of the Senate.

HATTON W. SUMNERS,
EMANUEL CELLER,
U. S. GUYER,
Managers on the part of the House.

Mr. PITTMAN. Mr. President, I move the adoption of the conference report.

The motion was agreed to.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Chaffee, one of its reading clerks, announced that the House had concurred in the concurrent resolution (S. Con. Res. 37) authorizing the signing and presentation to the President of the United States of a duplicate copy of the bill (S. 3532) to extend the times for commencing and completing the construction of a bridge across the Missouri River at or near Randolph, Mo.

DUPLICATE ENROLLED BILL SIGNED

The message also announced that under authority of Senate Concurrent Resolution 37 the Speaker had affixed his signature to a duplicate copy of the enrolled bill (S. 3532) to extend the times for commencing and completing the construction of a bridge across the Missouri River at or near Randolph, Mo., and it was signed by the Vice President.

RELIEF AND WORK-RELIEF APPROPRIATIONS

The Senate resumed the consideration of the joint resolution (H. J. Res. 679) making appropriations for work relief, relief, and otherwise to increase employment by providing loans and grants for public-works projects.

Mr. BULOW. Mr. President, I beg the indulgence of the Senate for a short time to make a few brief remarks regarding the pending measure. We are about to appropriate for our immediate needs upward of $3,000,000,000 of borrowed money that children yet unborn will be called upon to repay. It is a stupendous sum—a sum so great that no human mind can visualize its magnitude, and yet that sum, stupendous as it is, will not take care of every human cry of hunger, want, and suffering that rises from every nook and corner of our great country.

From almost every section of the land comes the sympathetic cry that localities cannot handle the relief roll and that response must come from the National Government or else—or else—no language can portray a picture of the result, and yet it may be but history repeating.

During the ages mighty empires, kingdoms, and republics have been wiped from the face of the earth, not by foreign foes, but by their own economic systems. Murmurings of unhappiness and discontent, tragic murmurings, have been heard before, and governments that failed to respond to the human cry have passed into memory and are recorded only upon the tablets of time. We may think that this cannot happen here; we may feel secure; we may boast of our great Republic and point with pardonable pride to our great achievements accomplished in 150 years of national life; yet let us not overlook the lesson taught by the history book in which is recorded the record of civilization's march from the Garden of Eden to this hour. We may boast of a great civilization; we may pride ourselves upon high ideals; but let us not forget that the pangs of hunger will drive the most civilized man back to tooth and claw, the first great law of nature. What would happen to the people of this country if the Federal Government should fail to respond now to the needs—to the immediate needs—in many sections of conjested population where more than half of the people are dependent upon charity from no fault of their own but because of the economic situation in which they have been engulfed. With relief refused them, with food denied them, a revolution would be at hand which might easily lead to the end of this Republic.

RELIEF SUMS MUST BE VOTED

These huge relief sums must be voted even in the fact of the dark picture that an indefinite continuation of this policy will lead to ultimate national ruin. The funds must be voted now, in the hope that during our day, during the time when we bear the burden of civilization's march, we may soon find a way, through planned economy or otherwise, to restore to the humblest citizen of this land the opportunity to lead an abundant life, free from charitable contributions, and may banish starvation in a land of plenty. I do not know what the answer is; no one man can write the solution; but it seems to me that many minds working together in an earnest effort can find the remedy. If we could, by an effective law, abolish human selfishness, greed, and avarice, it would be an easy matter; but all the laws on earth will not change the heritage of human instinct, human ambition, selfishness, and greed—most of our trouble. It does seem to me, however, that experience of the past ought to teach us enough from which we could evolve rules and regulations that would guide us as a people to a higher plane in this civilization's march, rather than to the precipice.

I have talked with many able men upon the situation. Everyone has a little different idea of the cause and a little different idea of the remedy. It does seem to me that the mass mind of the American people ought to possess enough wisdom and be smart enough to handle the situation.

"PUMP PRIMING" IS NOT THE SOLE REMEDY

For almost 10 years we have been trying so-called pump priming in different activities. Experience has demonstrated that that is not the remedy and some other solution must be found. It is hard to reconcile the situation that actually exists. We are told that more than 10,000,000 idle men, willing to work but who can find no work, have no jobs; and at the same time thousands of other men having jobs refuse to work, engage in sit-down strikes, and refuse to let willing workers work. Some solution must be found for this situation.

Employer and employee ought to be on friendly terms with one another. One is dependent upon the other; and when one fails the other also is doomed. Neither can survive without the other. Both are to blame for the present situation. Some remedy must be found, adjusting the conflict between labor and capital, if we want the recession to end. This is the foremost task of the Nation, and, in my judgment, is of far more importance for the safety of our country than is the building of great navies or armies.

As I see the matter, if we mind our own business we are in no danger from a foreign foe, but we are in serious danger of going to pieces by reason of the disturbing conditions that exist within our own country today. The Nation cannot long survive a situation that is constantly adding to its relief roll hundreds of thousands of its citizens dependent upon their Government for daily sustenance. The so-called pump priming alone will not cure that situation. Pump priming will do no good unless there is someone to work the handle when the pump is primed. We have been doing a good job of pump priming for several years, but it has not accomplished much. There must be something fundamentally wrong.

We hear a great deal of complaint about overproduction. There can be no overproduction until after every human need and want is satisfied. There cannot be too much food until after every hungry stomach is filled. The trouble lies in our distributing system. Our efforts should be directed toward working out a plan by which the food can be properly distributed, and freely flow in channels of trade and commerce from the producer who has too much to the consumer who has too little. If in our planned economy we can settle that problem, we shall have traveled a long way down the road to a more abundant life.

CONTROL OF MONETARY SYSTEM MUST BE RETURNED TO CONGRESS

People differ as to the cause of our difficulty and differ as to a remedy. My own notion is that the volume of money in free circulation and the volume of credit available to those who make use of credit have more than anything else to do with bringing about good times or bad times. I make the prediction that in due course of time, if we want to restore economic equilibrium and bring about a more abundant life to the average citizen of our country, the methods used by the Federal Reserve System in their attempt to level the peaks of prosperity into the valleys of depression by curtailment or expansion of credit will have to be abandoned. If it continues to be necessary to strike down the peaks of prosperity in order

to fill up the valleys of depression by regulating the value and volume of money and by manipulating the credit structure of the Nation to do that job for all the people, that authority must be returned to Congress, as the founding fathers intended. Congress must recapture that power and perform its duty in behalf of all the people, as the Constitution intended; and that authority must not be left with the Federal Reserve System or any other semiprivate system that extends or curtails the credit of the Nation at its own sweet will, without being responsible to anybody, in the interest of a select and favorite few, and to the detriment of the great mass of men and women who constitute and who are the backbone of this great Nation of ours.

Nearly everyone agrees that it was the Federal Reserve authority that wrecked our economic structure in 1920 and dealt a knockout blow to agriculture, the basic industry of the Nation, from which we have not recovered in almost two decades. Last year, when recovery was well on its way, the Federal Reserve Board became alarmed, and was seized with fear of returning prosperity, and decided that it was time to level off the peaks of prosperity that were getting out of line, and dragged them down into the valley of depression.

Following the precedent set by the Federal Reserve System in 1920, it nipped prosperity in the bud, headed off recovery's march, and brought on the recession by compelling every bank in the country to increase its inactive reserve fund and curtailing the flow of money and credit to a deserving people. It has been said that money is the lifeblood of the Nation. The stranglehold that the Federal Reserve Board has upon every bank in the country must be broken in order to permit prosperity to return to the land. Prosperity cannot and will not return to this great country of ours as long as we permit any board—be it the Federal Reserve or any other—to manipulate at its own sweet will, and control as it desires, the lifeblood upon which we exist.

DICTATORSHIP OF FEDERAL RESERVE SYSTEM MUST BE DESTROYED

The Federal Reserve Board now has absolute control of that lifeblood, and now holds within the hollow of its hand the authority and power to mete out life or death to agriculture, commerce, business, and industry. That power and that absolute dictatorship must be destroyed. Bitter experience has taught us that no board or commission or set of men should be permitted to do what the Federal Reserve did in 1920, forcing the farmers to liquidate their debts immediately upon call, without regard to harvest time and the seasonable marketing of crops, in utter disregard of orderly liquidation that had been the custom during the years and by such drastic order driving hundreds of thousands of men and women—toilers upon the farm producing the food that keeps the Nation alive—into bankruptcy and ruin, preparing them and their children as fit subjects for the relief rolls of today.

Again, no board or commission should have the power to do what was done in 1929, forcing every country bank in the land to invest its funds and fill its note pouches with useless stocks and bonds, on the theory that bank funds must be invested in so-called liquid assets, thereby wrecking the sound banking structure of the Nation. Those so-called liquid assets were too liquid, and overnight, like the mist, vanished into thin air.

Again, last year, when the sun of prosperity was spreading its welcoming light through the land and reflecting happiness and human encouragement everywhere, the Federal Reserve Board decided that some of the peaks of recovery were getting too high, were getting out of line, and that recovery must be halted. So the order went forth to every bank in every community that the local bank must not use so much of its money as an aid to recovery but must use it to increase the idle reserve fund piled up in the Federal System to be manipulated by the Federal Reserve Board. In the opinion of the Federal Reserve Board, the fruits of prosperity to be given to a waiting and anxious people were not quite ripe, and must be withheld, and the recession was on.

Mr. President, the power to control money, finances, and credit must be restored to Congress before we can hope for a return to normal prosperity. Congress must so arrange matters that the bankers in my community and the bankers in every other man's community shall have a right to use the portion of the Nation's lifeblood which is placed in their keeping for the benefit of the people of their communities and not for the sole benefit of the kings of finance.

Mr. President, I lay no claim of having any knowledge about the technique of money or about the science of high finance.

All I know is what I have gained from actual experience in my knocking around for a little more than 60 years in an effort to make a living for myself and family. In that experience I have reached certain conclusions as to how I ought to handle my own business affairs in order to get along. I must confess that if the methods used by the Government in the administration of its affairs are right, I have reached the wrong conclusions in the handling of my own affairs.

The way I have run my own business does not square with the way the Government runs its business. To give an example or two illustrating the difference, when the payment of the soldiers' bonus was being considered by Congress I said to myself, "BILL BULOW, suppose this were your debt; what would you do about it, and how would you settle it?" The Government had already acknowledged and created the debt, but it was not to be due until 1945. A great depression was on and the soldiers needed and could make use of the money, and the Government was willing to pay before the due date. How should the thing be arranged?

I introduced a bill in the Senate along the lines I would follow if it were my own business. My bill provided for the payment of the bonus by issuing Government notes without interest—paper money, greenbacks—to be recognized as money for the payment of all debts, public and private, to be redeemed and retired by the Government in 1945, when the soldiers' adjusted-compensation certificates were due. I figured that would be about the way I would handle the thing if it were my own individual matter.

I soon discovered that I was all wrong from a Government standpoint. The powers that be, which run the Government, said my policy was unsound, that it could not be done that way, that the only way it could be done was the Government way, to issue interest-bearing bonds, deposit those bonds in the Federal Reserve, and issue thereon paper money, greenbacks, and pay the bonus. The money the soldier got was the same kind of money provided in my bill; the only difference was that under my proposal there would have been no interest obligation. Under the Government's plan, the soldier will have to contribute his share of annual interest for a period of 10 years, and then some.

Now, I give another example. If I were seeking to buy up and corner all the gold in the world and bury it in Kentucky, and hire an army to keep thieves away, as the Government is doing, I would not issue interest-bearing, tax-exempt bonds to borrow the money to buy the gold. I would issue gold certificates, without interest, to settle the purchase price.

BE IN MORTAL FEAR OF THE INTEREST COLLECTOR

My experience has taught me to be in mortal fear of the man who collects interest. Interest obligations almost ruined me. Interest obligations will ruin the Government unless halted. At this time the Government pays a billion dollars a year in interest; under the present Government methods of handling its business, interest will soon be two billions a year, and then three billions, to bankruptcy. The man who invented interest created a Frankenstein monster that threatens ultimate ruin. The Budget has been unbalanced for several years. We are spending billions of dollars every year above our income. This cannot continue indefinitely. Somehow, and some way, the Budget must be balanced if we are to survive. However, millions of people cannot be permitted to starve in order to bring that about. Necessary appropriations must be voted to take care of hunger needs.

I do not subscribe to the philosophy of applying the rule of subtraction to worth-while needy and necessary appropriations and the multiplication table to appropriations for battleship building in an effort to balance the Budget. Many suggestions have been advanced. Just now the finger is being pointed at business, and it is being said that men who are engaged in business enterprises are to blame for the recession—that business has not worked in harmony with the Government administration suggestions. Let us assume for the moment that the so-called businessman engaged in industrial enterprises has failed to respond. It might be worth while to consider what the reason for such failure might be, and we might discover that the businessman was not altogether to blame.

SIT-DOWN STRIKES MUST BE ENDED

If I had money for which I was seeking an investment, and had in contemplation entering into some enterprise that required the employment of labor, I would hesitate to invest my money for fear that when that business was well established I might be confronted with a sit-down strike. My employees themselves might not only refuse to work but might prevent anyone else from working in my establishment. With that situation existing all over the country as it does today, I would hesitate to invest my money. In some way, somehow, the answer must be found to terminate the sit-down strike. There seems to be a lot of idle money in the country. Banks are full of it, but they hesitate to lend under present conditions, and who can blame them? Whatever the causes of the recession may be, I am convinced that the sit-down strike has played a major part in bringing it about and is today one of the primary causes preventing recovery.

While I have little personal knowledge of the Nation-wide industrial situation, let me attempt to paint a picture that came under my own observation, which no doubt is similar to the condition in other communities.

In February 1894 I landed at Sioux Falls, S. Dak., and started to practice law, and my home has been within 35 miles of that city ever since. At the time I located in South Dakota, this country was just beginning its recovery from a great depression. It was the second Cleveland administration, and no one at that time had ever heard of a depression or a recession. We just called it hard times and let it go at that. During the entire life of the Nation we have had alternating periods of prosperity and periods that were not prosperous. Up until now these periods have been designated as good times or hard times. The New Deal has added "depression" and "recession" to our lexicon of descriptive words, which may sound a little better but refer to the same kind of hard times that we have experienced many times before, and history is just repeating.

The picture that I want to give is this: When I landed in Sioux Falls in 1894 I found a thriving little village, made up of a wonderful set of people. I have seen that village grow into a thriving city, the metropolis of the great State of South Dakota. I have watched the establishment and growth of many small business and industrial enterprises, employing a lot of labor. For 40 years its people were prosperous. Employer and employee were content and happy, getting along in perfect harmony, everything was fine. Then one day there came to that city, to that peaceful and contented people, the professional labor agitator, and in due course of time he became a carpetbag dictator in one of the labor organizations and staged a strike. During the course of the city's growth a packing plant had been erected, which developed into one of the best packing plants in the entire country and was the foremost employer of labor in the city, not only aiding in the growth and welfare of the city but rendering distinctive service to the entire surrounding countryside, furnishing a market to the farmer where he could dispose of and have processed his most important crop—his livestock. For many years there was no trouble. Employer and employee were getting along fine. They were a happy and contented family. A foreign labor agitator induced one branch of the employees to strike, to quit work themselves, and to prevent the other employees from working. The main cause for the strike was because the great majority of the men and women working in that packing plant were content and refused to join and pay dues in a particular union. The strike became bitter and destructive, necessitating the Governor of my State to call out the State militia to protect human life and save property from being destroyed. This happened in the community where I have lived and with whose people I have mingled for more than 40 years, during all of which time that people had been peaceful, law-abiding, contented, and happy until the foreign labor racketeer appeared upon the scene.

LABORING MAN SHOULD ORGANIZE UNIONS OF HIS OWN CHOICE

I do not know the picture in other communities, but this picture I know and I speak advisedly upon it. I do not wish to be misunderstood. I find no fault with legitimately organized labor. I believe that the laboring man should organize and form unions of his own choice, but the choice should be optional to him, and no man should be forced to join a union against his free will by the use of methods incompatible with human liberty. I am in sympathy with the laboring man and woman, and everything possible that can be done should be done to better their conditions and give them an opportunity to lead a more abundant life. But I have the utmost contempt—and I cannot find language to describe that contempt—for the man who claims to be a labor organizer and under the guise of being helpful to labor goes into a peaceful, happy, and contented community where the laborer and his employer are in harmony and getting along fine and starts sowing seeds of discord, and in due course of time uses every method that he can think of to force every worker to join an organization which he sponsors and pay exorbitant dues to that organization for the privilege of being permitted to continue to work—all under the guise and under the promise that the organizer will perform wonders for that community.

Many a community has been wrecked by the professional labor agitator—this bloodsucker, this leech, this parasite in human form—who exists and feeds and has his being by chiseling from the sweat of honest toil. This man who comes into my community, into your community, and into hundreds of other peaceful and happy communities as labor's friend with a promise that he will better labor and with loud protestations of brotherhood, dressed in the garb of a good Samaritan, secures the faith and confidence of a trustworthy people, collects his tribute in dues from those who join his organization, and then wrecks and destroys the peace and happiness of the people of that community, is as low down as any human being can get. He is nothing but a low-down, contemptible cur—far lower than the proverbial snake in the grass. When the people of any community see the professional labor agitator coming, if there is a fence rail handy and some tar and some feathers, the people of that community can render no better service and perform no more patriotic duty than to stage an old-fashioned ride. In my opinion, the professional labor agitator is the most contemptible racketeer that this country has yet produced.

The staging of the sit-down strike and forcibly preventing men from working until they have joined and paid their dues to any labor organization is un-American, is unpatriotic, and wrong. If our Government continues to countenance that sort of a thing the end of human freedom is in sight. The spirit of American law has been developed by generations of free people. Its first fundamental precept is to guarantee to every man within our borders, to every man under the protection of our flag, a free and equal opportunity to work out his own destiny. Freeman of America must never permit the recognition of the doctrine of any so-called C. I. O. committee or any organization of any kind which sends its emissaries over the country and exacts a tribute from every workingman in the land before that man can exercise his God-given right to earn a living for himself and his family. The laboring man must be left free to exercise his right to join organizations only upon his own choosing; he must be left free to choose his own field of labor.

Under the spirit of the American law no man has the right to say to another man, "You cannot work until after you have paid a tribute to me and to my organization." No man has

a right to say to another man, "You shall not work if that other man wants to work." The future of this country depends upon the laboring man and the laboring woman—the people who toil, and who by such toil produce the wealth of the Nation.

We hear much about the unequal distribution of wealth; that too great a percentage of it is in too few hands. That is undoubtedly true, but no legislation that this body can pass will alter the Almighty's created plan. I subscribe to the doctrine that all men were created free, but all were not endowed with equal talents. The beacon light of history shines upon comparatively few individuals of the human race in its long march from the Garden of Eden.

Under the same circumstances and given identical opportunities, one man has success and another failure. Among the countless millions of men through the ages who have played their parts in civilization's march, there were few successes and many failures, and thus, no doubt, that march will continue in conformity with the Creator's plan. All the laws that we may write upon the statute books will never make two men creatively equal. One man is not content until he has explored the story of the unknown stars, and the other is happy and satisfied when he sees the tree tops. All the laws written by mortal man will never change that fundamental creative condition. The best that we can do is to enact and enforce such rules and regulations as will safeguard equal opportunity alike to all men, and then it is up to each of us to work out our individual destiny.

WASHINGTON IS NOT THE "MECCA" FOR ALL HUMAN PROBLEMS

I am afraid that a dangerous philosophy is developing among the people of this Nation—that is a philosophy of regarding Washington as a mecca to which they may go for an answer to all human problems. Too many people have a philosophy and a belief that our Government at Washington owes them a living. That is a dangerous philosophy and one that cannot be maintained. All that a government can do and all that a government ought to do is to protect every man and furnish him with an equal opportunity, and having done that, then it is up to that man to make his own living and in addition to making his own living, contribute his share of government cost for that opportunity.

I intend to vote for the pending measure, but I do so with many grave misgivings. The experience of the past years and the expenditure of billions of dollars has taught us that pump priming is not the whole answer to an adjustment of our economic disturbances, and that other methods must be adopted to restore prosperity to the land.

But for the moment huge sums must be appropriated to take care of the present relief roll. Men, women, and little children must not be permitted to starve in a land of plenty.

It is to be hoped that our field of planned economy will be broadened, and not confined entirely to pump-priming activities, which mortgage the future. Many laws have been passed to cure our economic ills, all with the best of intentions, but experience has taught that many have done more harm than good, and we ought not to hesitate to amend or promptly repeal harmful laws. Too many harmful regulatory measures have been passed. All lines of business are in constant fear of what Washington will do next. That fear will have to be banished before business will feel free to travel the road that absorbs the waiting laborer standing by the wayside. Before men will risk their money in business enterprises, the Government's threatened strangle hold must be released as much as possible.

JEFFERSONIAN DOCTRINE MUST NOT BE ENTIRELY ABANDONED

Our country is so big and its interests are so diversified that it is next to impossible to write a national law which will do exact justice to every community. We would profit much if we, in a small way, were to heed the advice and teachings of the founder of the Democratic Party—the immortal Thomas Jefferson—who advocated the doctrine that the people who are least governed are best governed. We have drifted far away from that doctrine and in our planned economy are seeking to regulate human life in minute detail. Freedom of opportunity and initiative must not be destroyed. The power to tax must not be used as the power to destroy, neither should the Government of all the people enter into competition with its citizens in a field where governmental competition destroys the ability of the individual to make a living for himself and family; neither must collective bargaining be permitted to merge into dictatorship. Men of America must remain free to live a life of their own choosing; and the authority of one man over another, be he great or small, must end at the cross road of human freedom under law.

Mr. President, we have drifted far out into an uncharted sea away from democratic ideals of local self-government and local responsibilities. We must not entirely abandon the democratic Jeffersonian doctrine that the people are best governed when least governed. No President, no Congress, no board or commission in Washington can write satisfactory ordinances regulating the daily lives and activities for the people in my home city of Beresford. My people are capable of self-government, can do a lot better and will do a good job if the National Government does not handicap them too much. The founding fathers established a government of free people. They fought with all their might against a centralized and dictatorial government. They never intended that the National Government at Washington should regulate the daily life and daily activity of the people in every community in the land. Mr. President, the founding fathers would turn over in their graves if they could be informed that the Government which they founded was today trying to tell grown-up men and women how many hours a day they could work and how many hours they could not work.

O Mr. President, we are attempting to chart a dangerous course for a free people. Do you think that the men and women of this Republic, through whose veins courses the blood of their patriotic fathers, who first unfolded to the winds of Heaven our glorious flag—the Stars and Stripes—and dedicated that flag to be forever the banner of the free—do you think that the sons and daughters of such fathers will submit to having a Federal officer stationed at the door of their homes telling them what hours they must work and what hours they must not, what work they must do and what work they must not do, the pay they must receive and the pay they must not receive for their toil? Ah, Mr. President, Americans never will submit to that kind of regulation from their Government, at least not while the men of America remain free and maintain the sacred heritage of human liberty bequeathed to them by their fathers.

I thank the Senate.

LETTER FROM UTAH POWER & LIGHT COMPANY

Mr. SCHWARTZ. Mr. President, I should like to occupy the time of the Senate briefly this afternoon to make a few remarks in reference to a letter which I have received from the president of the Utah Power & Light Co. What I shall say will have nothing to do, I hope, with the more controversial matters which may come up before a committee in reference to the T. V. A.

Under date of May 10, 1938, Mr. G. M. Gadsby, president and general manager of the Utah Power & Light Co., addressed to me the following letter:

Hon. HARRY H. SCHWARTZ,
United States Senate, Washington, D. C.

MY DEAR SENATOR SCHWARTZ: The attached leaflet was included in the annual report of this company recently mailed to some 16,000 stockholders in the four States of Colorado, Idaho, Utah, and Wyoming.

Quite a few of those stockholders are residents of Wyoming. He proceeds:

We purposely did not suggest that the stockholders write you. Speaking on behalf of our stockholders, however, it will be a great service if, after taking the 2 minutes required to read the statement enclosed, you find it consistent to use your good efforts to secure such protection as our industry locally may merit in the framing of the so-called "spending-lending" bills.

In the first place, Mr. President, Mr. Gadsby does no service to me in saying that he did not request his stockholders to write to me. As a matter of fact, I prefer the technique of Mr. Gannett. I prefer that they ask their

stockholders to write to us. It will be recalled that when the reorganization bill was up, Mr. Gannett wrote to practically every professional man, and a great many other men throughout Wyoming, and urged them immediately to wire to their Senators to take a certain position on the reorganization bill. Of course, I received one such letter addressed to me at my office in Casper, and it amused me a great deal, because it urged me to send a telegram to the senior Senator from Wyoming, or to call him immediately by telephone. I was advised that he was one of the 8 or 10 Senators who would determine the fate of the reorganization bill. I was asked to urge the senior Senator from Wyoming to take a certain course in regard to that bill.

I replied to Mr. Gannett that I thought probably Senator Joe would think I was silly if I sent him a telegram down the hall in the same building in which I had my office in Washington; and furthermore, from my own acquaintanceship with the senior Senator from Wyoming, I knew he had a very excellent mind of his own, and would be able to make up his own mind how to vote on the reorganization bill.

Mr. President, attached to the letter from Mr. Gadsby is a printed statement entitled "As a Stockholder You Are Interested."

In order to be entirely fair to Mr. Gadsby, I ask that the printed statement be inserted in the RECORD at this point in connection with my remarks.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

As a stockholder you are interested—

Government cooperation instead of Government competition can become a vigorous stimulant for a new recovery.

A Federal spending program has again been offered as a way out of the new depression. All recognize, however, that steady jobs are the real answer and such jobs can come only when private industry is active.

Government competition dries up private industry in any field in which the Government starts doing business. The electric utilities are an outstanding example.

In 1937 the electric utilities in the United States of America employed for regular operation and maintenance 280,000 persons, with a pay roll of $402,000,000. These same privately owned utilities paid taxes in the total amount of $307,000,000. So, the industry is still a large employer and a very lucrative tax source.

Whenever the Federal Government goes into the electric business through such developments as T. V. A., Bonneville, or Grand Coulee, or by financing and subsidizing municipal electric plants with grants and loans, it drives out the privately owned systems, dries up a pay roll, and cuts a limb off the tax-source tree.

In the present depression almost every business has slowed down; the effective cure is to use every possible means to have business speed up again. The plight of the electric utilities is perhaps more aggravated than that of other business, but the figures below for this one member of the industrial family show clearly what has happened.

Now for the few figures:

In the 5 years—1926 to 1930—the electric utilities spent for new lines and equipment	$4,216,000,000	
Averaging per year		$843,000,000
In the 5 years—1933 to 1937—the electric utilities spent for new lines and equipment	$1,215,000,000	
Averaging per year		243,000,000
An annual curtailment of 72 percent, or		600,000,000

This is a shrinkage of 400,000 jobs—building for the utilities and working in the various plants, mines, and forests supplying materials.

Now the two questions:

In the new proposed Federal spending program, would it not be wise to restrict grants and loans so that Government money will not be used to destroy enterprises giving regular employment at good wages?

Don't you believe Congress should provide in making any Federal appropriations that the money will not be spent to duplicate and hence destroy existing taxable property serving a useful purpose?

NON-COOPERATIVE ATTITUDE OF PRIVATE UTILITIES

Mr. SCHWARTZ. I wish to deal chiefly with the part of the statement which refers to the cooperation, or lack of cooperation, on the part of the Government with private utilities in working out the problems which confront both of them. I wish also to discuss a few figures to which Mr. Gadsby refers, and, finally, his characterization of what he calls competition by Government with private utilities.

I shall not furnish the Senate with a great deal of my own individual opinion regarding the subject. However, because I desire to have the facts go into the RECORD, and because I wish some of the 16,000 stockholders—incidentally voters—in Wyoming and adjacent States to know the facts from reliable authority, I shall more completely set forth, but not at great length, the observations of a few gentlemen whose views are entitled to credit.

In the matter of cooperation I think I am entitled to say that Dr. Arthur E. Morgan has for many years been an outstanding citizen who has sought to find a fair method of cooperation between the public and the private utilities. Anything he might say as to the attitude of the private utilities would not be overdrawn to their detriment. In his article in the September 1937 issue of the Atlantic Monthly, Dr. Arthur E. Morgan makes a statement with regard to the attitude of the utilities some 10 years ago. Of course, the question of cooperation between the public and the private utilities dates further into the past than that. I recall that in the State of Wyoming several municipalities have had publicly operated utilities in operation, some of them for 20 years. I recall in particular the town of Torrington, which for many years boasted that by reason of the public operation of its own utility, at a rate which was comparable with or lower than that of the private utilities, it had been tax-free, it had paved its streets, and was paying its police officers out of the returns from the publicly operated utility.

This is what Dr. Morgan said about the attitude of the private utilities in the matter of cooperation some 10 years ago:

About 10 years ago the vice president and manager of a large utility system, in chiding the writer—

Dr. Morgan—

for allowing a public discussion of the subject, said that his company had won its territory and intended to hold it by every means in its power; that the question of public and private ownership was a closed issue in that territory, and that "the least suggestion or encouragement" to discuss it in public would be considered an offense by his company. At about the same time writers of small financial means were threatened with expensive libel suits for publishing official evidence of under-cover utility propaganda through the secret subsidizing of engineers and educators. That is, there seemed to be an effort to keep the public in the dark as to the methods used in that fight.

Bringing the matter of utility cooperation down to a later date, Dr. Arthur E. Morgan, in his article in the Saturday Evening Post of August 7, 1937, said:

The abuses by utility companies, with their willingness in numerous cases to use litigation before the courts and commissions for the purpose of delay and obstruction, and to bring pressure upon legislatures to maintain excess investments and improper charges, have led some people to believe that a fight to the finish is the only way of meeting the issue. Men in high positions in the utility field continue to make irresponsible and misleading statements, complicating the issue and tending to confirm the opinion of extremists that a fight to the finish is the only course to be taken.

I merely give those two excerpts showing that if there is a lack of cooperation it is not all on the side of the Government.

Mr. LUNDEEN. Mr. President——

The PRESIDING OFFICER. Does the Senator from Wyoming yield to the Senator from Minnesota?

Mr. SCHWARTZ. I yield.

Mr. LUNDEEN. The Senator is now reading from those who also, for a while at least, wrote our schoolbooks?

Mr. SCHWARTZ. In another part of Dr. Arthur Morgan's article, which I did not quote, he referred to propaganda written by private utility interests which was sent out to the public schools.

Mr. LUNDEEN. They intended to make the youth of America understand that the czars of the public utilities are, shall I say, our aristocracy of wealth. They wanted our children to know that they had a divine right to hold the empire they had won. As I understand it, one of these czars stated, "We have won our empire, and we are going to hold it by every means."

Mr. SCHWARTZ. "We are going to hold it by every means."

Mr. LUNDEEN. I think the time has arrived—if the Senator will permit me to state further—when we, the people,

will show these czars some day, I hope in the not too distant future, who is master in America.

Mr. MINTON. Mr. President, will the Senator yield at that point?

Mr. SCHWARTZ. I yield.

Mr. MINTON. The Senator himself has adverted to the question of propaganda in schoolbooks and the influence of utilities in the schoolrooms. I think it might not be out of place to mention the fact that it was revealed, as the Senator will recall, a year or two ago, when the Federal Trade Commission was investigating the utility holding companies, that they carried their campaign of propaganda and influence into the newspaper field, and that the chain of newspapers owned by Mr. Gannett, to whom the Senator referred a while ago, and who is also chairman of the great National Committee to Uphold Constitutional Government, had received financial backing in the form of stock and bond ownership from utilities to the tune of $2,700,000; and his newspapers were not the only ones, but many more newspapers throughout the country, it was revealed in that investigation, had received in the form of investments in their stocks and bonds millions and millions of dollars of utility money.

Mr. SCHWARTZ. I am glad to have that information. I will confess that I did not have it. I had a rather high regard for Mr. Gannett, because he stated in the printed matter that he sent to me that he was part of an organization that was expending a great deal of time and money and making great sacrifice in the interest of the public, and on the back of the communication was an invitation to subscribe and send anywhere from $5 up to $5,000, according to just how big a sucker one was.

EXPANSION OF PRIVATE UTILITIES

Now, let me give a few figures furnished by Mr. Gadsby to stockholders in Wyoming.

He shows—and rightly—that in the 5 years from 1926 to 1930 the utilities spent for new lines and equipment $4,216,000,000. Some of that amount was probably spent as it has been spent in Wyoming. They approach a little fellow who is running a small private utility in a town and say: "What is your price?" If the man is courageous he puts the price where he wants to put it, and they give him a check. But, anyway, in those 5 years cited, which were the top and peak in the history of utility expansion, they spent an average of $843,000,000 a year.

It is significant that Mr. Gadsby starts out with 1926 and stops with 1930. He omits 1931 and 1932 in his comparison; then picks up the record again and charges the present administration with responsibility for the lack of public-utility extension during the years 1933 to 1937. Why he should charge this administration with what was happening in 1933, when we were still down in the cellar where we slid after the debacle of 1929 and 1930, I do not know, unless he wanted to make a case. But from 1926 to 1930 the utilities expended in millions of dollars annually. In 1926, $722,000,000; in 1927, $794,000,000; in 1928, $754,000,000; in 1929, $853,000,000; and in 1930, $919,000,000, which total is correctly given in this statement. But, as I said a moment ago, that was the peak of utilities expansion in all their history. Then came the slump. So he leaves out, in making his comparison, the year 1931, when there was a drop from $919,000,000 to $596,000,000, and 1932, when there was a drop to $285,000,000.

Mr. MINTON. Mr. President, will the Senator yield?

Mr. SCHWARTZ. I yield.

Mr. MINTON. Were these large investments to which the Senator has referred made out of capital invested in the company or taken from depreciation funds? Does the Senator know as to that?

Mr. SCHWARTZ. No. I asked the proper authority, the Power Commission, to furnish these figures. I got them from that source.

Mr. MINTON. Of course, we all know that utilities collect as part of their operating expense, which comes out of the pockets of the rate payers, large depreciation accounts, and those depreciation accounts have not been spent throughout the years of the present administration. The utilities still have in their depreciation accounts that money which they collected from the rate payers, ostensibly to restore their plants as they might wear out. But they have not spent the money; they have not even spent an appreciable part of the depreciation funds which they have been collecting out of the pockets of the rate payers throughout the years. If they wanted to cooperate they might, at least, spend what they are collecting from the rate payers and placing in their depreciation accounts.

Mr. SCHWARTZ. That is all true. However, Mr. President, I am addressing myself more particularly to the fairness or unfairness of this propaganda that Mr. Gadsby is sending out to 16,000 small stockholders, who, in the aggregate, probably do not own a great deal of his company but who happen to have each one vote.

In 1933, which he charges up now to the present administration, there were only expended $129,000,000; in 1934, $147,000,000; in 1935, $192,000,000, and as we began to pull out of the depression in 1936, $290,000,000, and in 1937, $456,000,000. If he had taken the years fairly and had shown the relative conditions in the country generally over the two periods of years he would not be able to charge the unfavorable result, as I shall show from another part of his memorandum to his stockholders, to the lack of cooperation and the competition of public utilities with privately owned utilities.

I wish to read a line or two from this memorandum.

> Whenever the Federal Government goes into the electric business through such developments as T. V. A., Bonneville, or Grand Coulee, or by financing and subsidizing the municipal electric plants with grants and loans, it drives out the privately owned systems, drys up a pay roll, and cuts a limb off the tax-source tree.

Mr. LUNDEEN. Mr. President, will the Senator permit an interruption there?

Mr. SCHWARTZ. Certainly.

DIRECTOR J. D. ROSS AND MR. R. H. KIPP LEADERS IN PUBLIC POWER

Mr. LUNDEEN. The Senator refers to the Bonneville Dam and I notice in the press, I think, today, that the director of that project, Mr. J. D. Ross, who was formerly a member of the Securities and Exchange Commission, and previously the able and distinguished superintendent of the city light electric system of Seattle, and who is now in charge of the Bonneville project, states that the rates for current from that project will be the lowest rates that America has ever known; that they will be so low that homes in that region may be heated by electricity. That is what Government ownership is doing at the great Bonneville Dam, and the people of America built that dam, it belongs to them. I merely wish to call attention to his statement. May I say further I have visited that dam and the site before it was built, in all five times, and I owe much to the people of Portland and to R. H. Kipp in particular? Mr. Kipp is executive secretary of the Willamette Valley Advisory Board, an agency of State planning. These good people had vision and the great State of Oregon and the beautiful city of Portland will profit because of their vision.

BENEFICIAL EFFECT OF GOVERNMENT COMPETITION

Mr. SCHWARTZ. Mr. President, in reference to the destructive effect of Government competition with the privately owned utility, I desire to read from pages 21 and 22 of the annual report of the Tennessee Valley Authority for the fiscal year ended June 30, 1937. Under the head of "Private Utility Experience," it is said:

> The effects of unusually low rates have been demonstrated outside the communities actually served by T. V. A. in the experience of private utility companies serving other communities in the valley and nearby. The Commonwealth & Southern Corporation, which has several subsidiary companies in this area, states in its annual report for 1936:
>
> "The residential rates of our operating companies continued to decline and are among the very lowest in the United States. The more than 1,000,000 electric residential customers of the system during the year paid an average per kilowatt-hour of only 3.53 cents, which was 25 percent lower than the national average. Likewise, the average annual use of these residential customers increased from 820 kilowatt-hours to 955 kilowatt-hours, which is 230 more than the national average."

The annual report continues:

An even better record was made by the three principal southern subsidiaries of the corporation, the Tennessee Electric Power Co., the Alabama Power Co., and the Georgia Power Co., whose residential customers paid averages of 3.13, 3.20, and 3.37 cents, respectively, for their energy. These averages represented reductions of 46 percent in cost of electricity for residential customers of the Tennessee Co., 31 percent for those of the Alabama Power Co., and 35 percent for those of the Georgia Co. since 1933. Each has shown considerable increases in use on the part of its residential customers.

The Georgia Power Co. points with pride to the fact that Georgia has the highest domestic consumption of electricity east of the Rockies. The average residential use of current for the Nation rose about 20 percent from 1933 to 1936, but in the Georgia Power Co. it rose 47 percent; in the Alabama Power Co., 44 percent; and in the Tennessee Electric Power Co., 92 percent.

The record for sales of electric appliances shows the three southern companies of the system with total sales per customer for 1933 to 1936 almost twice as great as those of two comparable northern companies.

The financial statements of the southern subsidiaries show a generally more rapid rate of recovery from the depression lows than in two large northern companies, both as regards net income before preferred dividends and as regards balance available for common stock and surplus. From 1934 to 1936 the gross earnings of the Georgia Power Co.—

That is, under these 46-percent reductions—

increased 20 percent, net income increased 29 percent, and the sum set aside for retirements and depreciation increased 30 percent. Fixed charges were earned only one and sixty-three one-hundredths times in 1934. After 2 years the company earned its fixed charges one and eighty-one one-hundredths times.

Substantial increases in gross earnings and net income are also to be found in the statements of the Alabama Power Co. and of the Tennessee Electric Power Co. It may be stated generally that, while reducing their rates, these companies have greatly expanded their income and have improved their financial condition.

I shall add just a short further statement, showing what really happened to the business and earnings of the private utilities in the Tennessee Valley and adjacent territory during the period of T. V. A. operations.

Mr. Gadsby, president and general manager, advises his 16,000 local stockholders in Wyoming and adjacent States that the T. V. A. drives out privately owned systems and dries up pay rolls.

Director David E. Lilienthal, in his statement made yesterday before the joint congressional committee investigating T. V. A. matters, gave the following brief statement of the business and financial experience of privately owned public power utilities since 1933 in the Tennessee Valley and adjacent areas. He said:

The most impressive proof of what I have just stated, however, is that so far every utility company within range of the activities of the Authority has shown a progressive increase in both gross and net revenues year by year since the creation of the Authority, and most of the companies in that area in 1937 reached an all-time high in volume of sales of electricity.

For example, the Tennessee Electric Power Co., operating in the very heart of the Tennessee Valley, increased its gross revenues from $12,400,000 in 1934 to over $16,160,000 in 1937, an increase of over 30 percent. During the same period its margin of earnings for common stock more than tripled, changing from $337,000 in 1934 to $1,050,000 in 1937. Certainly this is not financial adversity.

Likewise the Alabama Power Co. increased its revenues almost $5,000,000 in this same period, and the return to its common-stock holders, all the common stock being held by the Commonwealth & Southern Corporations, advanced more than $1,000,000, reaching a level three and one-half times the common stock earnings of 1934. I am sure you will find these typical examples of the experience of the privately owned utilities in the valley during the period of the Authority's operations.

He makes this promise to the committee:

And we shall present later statistical analyses for the important utilities in the valley to that effect.

He continues:

Even more interesting from a public point of view is the fact that this remarkable financial improvement in the privately owned utilities was accompanied by substantial reductions in the charges for service and tremendous increases in average consumption. To illustrate, in 1933, when the T. V. A. started, the average cost of electric energy to domestic users of the Tennessee Electric Power Co. domestic users was 5.77 cents per kilowatt-hour, and an average annual usage of 612 kilowatt-hours. In 1937 the average cost per kilowatt-hour had declined from 5.77 cents to 2.9 cents, and the annual consumption on the lines of the privately owned Tennessee Valley Electric Co. had more than doubled, reaching an average of 1,353 kilowatt-hours.

This experience is typical, and to show it I submit to your committee charts which picture these factors for three of the larger companies in the valley area, which charts will appear in a supplemental volume to this record.

I include these statements in my remarks more particularly for the benefit of the stockholders of the Utah Power & Light Co.

Mr. HILL. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Wyoming yield to the Senator from Alabama?

Mr. SCHWARTZ. I do.

Mr. HILL. Is it not true that the greatest boon that ever happened to the insurance companies was when the Government of the United States went into war-risk insurance? It made the people of the country insurance-minded; it made them insurance-conscious; and it did more to enable the private companies in this country to sell life insurance than anything that had ever happened before that time.

Does not the record show that when the Government has gone into the power business, and has provided loans for municipalities, it has advertised the benefits and the blessings of power in a way that the private companies never have done and perhaps never could do? It has made the people power-conscious; it has made them realize the benefits and blessings of power; and, as a result, it has greatly increased the demand for power from the private companies, and has greatly increased the markets for the power of the private companies. Is not that true?

Mr. SCHWARTZ. That is undoubtedly true, as demonstrated by the figures I have just read. It is also true that it is not the practice of the private utility companies to lower rates and try to get a larger volume of business. Their practice has been to keep up the rates and be content with a smaller volume of business. They have not been in the habit of going out into the rural communities and seeing if they could figure out a basis upon which the farmer and the rancher, and the farmer's wife and the rancher's wife, could get electric current.

Mr. HILL. In other words, if the Senator will yield further, the action of the Government stimulated them and forced them into what we call in common parlance, in American industry, mass production, by means of which really the greatest profits are derived. Is not that true?

Mr. SCHWARTZ. Undoubtedly.

Mr. HILL. Just as Mr. Ford, turning out his thousands of automobiles, makes a great deal more profit than a company turning out a very few automobiles.

I do not want to interrupt the Senator's speech further; but I wonder if he has the figures showing the capital outlay of the private utilities in 1932 as compared with their capital outlay in 1937.

Mr. SCHWARTZ. I have not those figures. If the Senator from Alabama has them, I shall be glad to have them placed in the RECORD.

Mr. HILL. I shall be glad to give them to the Senator at this point.

The capital outlay by the private utilities in 1932—that, of course, was before the P. W. A. came into being, and before there were any loans by the Government for the construction of any municipal plants—amounted to approximately $200,000,000; whereas the capital outlay of the same companies in 1937, when the P. W. A. was in full blast, so to speak, amounted to more than twice that much, or some $450,000,000; illustrating that instead of the P. W. A. loans proving harmful to the private power companies, the loans forced them to more than double their capital outlay, their growth and their expansion to meet the demands for power from consumers.

Mr. SCHWARTZ. And, incidentally, that increased their earnings.

Mr. HILL. Certainly, it increased their earnings.

GENERATION OF POWER FROM COAL

Mr. SCHWARTZ. Mr. President, I think I stated a moment ago that Mr. Gadsby had seemed to overlook Boulder Dam among the instrumentalities which are doing so much damage to the private utilities.

Speaking of the operations at Boulder Dam, the United States owns all the power plant equipment up to the transmission lines, but does not operate the plants. The plants are operated by two entities—the city of Los Angeles and the Southern California Edison Co. The companies pay the operating and maintenance costs and compensation cost for machinery, amortized over a period of 10 years, the United States to remain owner after that period.

The city generates for the metropolitan district of southern California, Nevada, Burbank, Pasadena, and Glendale, besides itself. Most of the power generated is taken by the city. The Southern California Edison Co., generates for itself, operating the plant, and for the Nevada-California Co., both private companies.

I have in mind an idea of the cost of the generation by the private utility. At the operation at Boulder Dam the cost of the falling water used for the generation of electric energy is 1.63 mills for firm power and five-tenths of a mill for secondary. The cost at the switchboard, that is, the point of transmission, including the cost of capital charges, annuity, and depreciation reserve, is 2.25 mills for firm power, and 1.12 mills for secondary power. To the consumer in Los Angeles the cost will be between 3 and 4 mills for firm energy, with lower special rates for load power.

Recently in an ex parte hearing before the Department of the Interior, and Mr. Margold, at the time he was in the West, eminent engineers and attorneys on behalf of operators made a demonstration that the cost I have mentioned was too high and ought to be lowered. They made a demonstration which was reasonably accurate, which showed that as a matter of fact they could generate power at Los Angeles with coal cheaper than the cost at which they were getting the falling water. That coal, by the way, comes from Colorado, Wyoming, Utah, and territory in that vicinity. It is mined by union labor, and is hauled a thousand miles, or whatever the distance is, to Los Angeles, and they still make a demonstration that the rates given are too high, and that with coal they could produce power much cheaper.

It would be well for Mr. Gadsby to bear in mind that some of these 16,000 stockholders may get the idea that they should have their own publicly operated utilities right in the coal-producing regions, where they could generate the power very much cheaper than the price for which Mr. Gadsby's company is furnishing it to them.

Mr. LUNDEEN. Mr. President, will the Senator yield?

Mr. SCHWARTZ. I yield.

SENATOR GEORGE W. NORRIS

Mr. LUNDEEN. The Senator is making a very able statement on this great problem of public power in the country, and, with his permission, I should like to say that the legislative genius who directed the battle against these public utilities—yes, in the very forefront of that battle—was the senior Senator from Nebraska [Mr. NORRIS], and the tenacity and the courage he has shown is unequaled in legislative history.

Mr. SCHWARTZ. I concur in the Senator's statement. I will go farther and say that at all times I have been perfectly willing to follow the Senator from Nebraska in all his activities, and I have observed his course for a good many years.

Mr. LUNDEEN. I may say to the Senator that I have humbly followed the Senator from Nebraska.

Mr. SCHWARTZ. He is not only a great leader, he is a wise leader, out in the front of this great battle. He has not gone out in front and damned the utilities. Theodore Roosevelt described a leader as one who went out in front and led, but did not get far enough out in front to be shot in the back.

SOURCE OF POWER COMPETITION QUESTION

Finally Mr. Gadsby concluded with the following to his stockholders:

> Now the two questions:
> In the proposed Federal spending program, would it not be wise to restrict grants and loans so that Government money will not be used to destroy enterprises giving regular employment at good wages?
> Don't you believe Congress should provide in making any Federal appropriations that the money will not be spent to duplicate and hence destroy existing taxable property serving a useful purpose?

This is not the genesis of the amendment which appeared in the pending measure. They had to go a little further.

Some few weeks ago the United States Chamber of Commerce, which speaks ex cathedra when it expresses itself on the utility question, and speaks for the private utilities, in its pronouncement of "a nonspectacular, inexpensive program" for business recovery, concluded by saying:

> It asked that Government "cease further subsidized competition with private utilities" and that an early understanding be reached so that utilities could proceed confidently with expansion. The potential spending prospects of this single industry alone approximate the new Government spending program.

So we find the genesis dating back to that point.

In this morning's newspaper we find one idea of the new program. We are now advised that the big dynamos clustered around 23 Wall Street, in New York City, propose a new basis of cooperation between themselves and the United States. According to the public press, the proposition is that the Government retire from the power business and the big holding companies will create a pool of money and take care of the unemployed.

Mr. President, someone should page Mussolini and Hitler. The big boys over here have the money, the brains, and the will to show these European "pikers" a real brand of fascism. Only, Mr. President, fascism cannot flower in America. The Government is not in the utility business—the people are. What is going on is not revolution; it is evolution; and I do not believe anyone has yet found a formula by which evolution can be stopped.

Mr. Gadsby should rest his economic soul in peace, follow the example of his private-utility friends in the Tennessee Valley, and cease to act as an electric exciter designed to create unfounded fears in the minds of his 16,000 small stockholders who vote in Wyoming and adjacent States.

Mr. THOMAS of Oklahoma. Mr. President, I have today offered an amendment to the relief measure now under consideration. The amendment provides that in no case shall the compensation under the Public Works program be less than $40 monthly.

This amendment is necessary to wipe out an inequality and injustice to hundreds of thousands of workers on the W. P. A. program who today are paid wages as low as $21 a month. These workers, particularly in the South, where the lowest minimum prevails, are in extreme poverty. Studies have been made of the cost of living in comparable northern and southern cities, and it is found that the difference in living costs is very small.

The following figures were compiled by the National Industrial Conference Board in a study of living costs from one part of the country to the other, computing the United States average as 100:

East	102.1
South	96.5
Middle West	98.7
Far West	103.6

The following are the figures as to living costs in various cities of population of over 10,000:

500,000 and over	103.9
250,000 to 500,000	99.6
100,000 to 250,000	99.4
10,000 to 100,000	98.3

The only other figures available on the average living costs, according to the Costs of Living Division of the Labor Department, were prepared by the W. P. A. in 1935. I have in my hand the results of the W. P. A. survey and a large

number of North Atlantic, South Atlantic, North Central, South Central, and Western areas, and the difference in the living costs for a W. P. A. family of four—husband, wife, and two children—in different sections of the country, is less than 7 percent.

Obviously, therefore, there is no justification for a $21-a-month wage in the South for unskilled labor as compared with $55 or $60 a month in the North. Under the present wage scales the laborer in the North receives more than 100 percent, or double the wage that the southern worker receives for relative work.

The fixing of a $40 monthly minimum wage in the South could supply greatly needed purchasing power for these southern workers and raise their standard of living. I believe that the Federal Government should not put its stamp of approval upon wages to its own employees as low as $21 a month.

I understand, according to Mr. Corrington Gill, Assistant Administrator, Works Progress Administration, that the additional cost to W. P. A. of a $40 monthly minimum wage would be approximately $6,500,000 monthly, or about 3 percent of the program. Surely this additional cost is justified by the benefits that would accrue to so many of our poverty-stricken citizens.

Therefore, I propose that on page 9, line 22, after the word "Administration", to insert a colon and the following:

Provided, That in no case shall the monthly compensation for persons engaged in projects under the foregoing appropriation be less than $40 and in no case shall the hourly compensation of such persons be less than 30 cents.

I ask unanimous consent to have printed in the RECORD some figures giving the budgets prepared by W. P. A. for a family of four in various areas.

There being no objection, the matter was ordered to be printed in the RECORD, as follows:

(The following figures taken from an emergency budget prepared by the W. P. A. for a family of four—husband, wife, and two children. This is for relief clients; regular maintenance for an average family would be somewhat higher.)

North Atlantic area:	
Boston, Mass	$958
Buffalo, N. Y	902
New York, N. Y	982
Philadelphia, Pa	925
Pittsburgh, Pa	930
Portland, Maine	922
Scranton, Pa	932
Providence, R. I	885
Rochester, N. Y	925
Bridgeport, Conn	920
Fall River, Mass	898
Binghamton, N. Y	878
Manchester, N. H	890
South Atlantic area:	
Atlanta, Ga	911
Baltimore, Md	927
Jacksonville, Fla	869
Norfolk, Va	892
Richmond, Va	910
Washington, D. C	1,014
Clarksburg, W. Va	853
Columbia, S. C	845
Winston-Salem, N. C	873
North Central area:	
Chicago, Ill	973
Cincinnati, Ohio	936
Cleveland, Ohio	965
Detroit, Mich	944
Indianapolis, Ind	859
Kansas City	899
Minneapolis, Minn	1,014
St. Louis, Mo	956
Cedar Rapids, Iowa	850
Columbus, Ohio	841
Milwaukee, Wis	971
Omaha, Nebr	909
Peoria, Ill	913
Sioux Falls, S. Dak	938
Wichita, Kans	910
South Central area:	
Birmingham, Ala	836
Houston, Tex	869
Memphis, Tenn	877
Mobile, Ala	815
New Orleans, La	882
South Central area—Continued.	
Dallas, Tex	$854
El Paso, Tex	832
Knoxville, Tenn	844
Little Rock, Ark	820
Louisville, Ky	872
Oklahoma City, Okla	874
Western area:	
Denver, Colo	855
Los Angeles, Calif	936
Portland, Oreg	885
San Francisco, Calif	1,001
Seattle, Wash	837
Albuquerque, N. Mex	948
Butte, Mont	932
Spokane, Wash	894
Tucson, Ariz	920

OBSERVANCE OF SEVENTY-FIFTH ANNIVERSARY OF THE BATTLE OF GETTYSBURG

Mr. GUFFEY. Mr. President, I ask unanimous consent that the Senate take up for consideration Calendar No. 2012, House Joint Resolution 693, which provides for an appropriation in connection with the observance of the seventy-fifth anniversary of the Battle of Gettysburg.

Mr. McNARY. Mr. President, the able junior Senator from Pennsylvania spoke to me about this measure during the day. I have looked it over, and I think it is meritorious, so I hope it will be passed.

The PRESIDENT pro tempore. Is there objection to the request of the Senator from Pennsylvania?

There being no objection, the joint resolution (H. J. Res. 693) making an appropriation to aid in defraying expenses of the observance of the seventy-fifth anniversary of the Battle of Gettysburg, was considered, ordered to a third reading, read the third time and passed, as follows:

Resolved, etc., That to enable the Secretary of War, under the direction of the Commission established by the joint resolution entitled "Joint resolution for the establishment of a commission in commemoration of the seventy-fifth anniversary of the Battle of Gettysburg in 1938," approved June 24, 1936, to carry into effect the provisions of the act entitled "An act to authorize an appropriation to aid in defraying the expenses of the observance of the seventy-fifth anniversary of the Battle of Gettysburg, to be held in Gettysburg, Pa., from June 29 to July 6, 1938," approved May 16, 1938, including the operation, maintenance, repair, rent, or, if necessary, purchase of automobiles, the reimbursement of other appropriations of the War Department for expenditures which may have been made therefrom in preparation for such celebration, and for any other contingencies and unforeseen expenses which the Secretary of War shall consider necessary and proper, there is hereby appropriated, out of any money in the Treasury not otherwise appropriated, the sum of $900,000, to remain available until June 30, 1939: *Provided*, That the leaders and members of the Army Band may be allowed not to exceed $5 per day each for actual living expenses while on duty in connection with such celebration and the payment of such expenses shall be in addition to the pay and allowances to which they would be entitled while serving at their permanent station: *Provided further*, That the Secretary of War shall make a detailed report to Congress of the expenditures hereunder.

PROPOSED STUDY OF THE BROADCASTING INDUSTRY

Mr. WHITE. Mr. President, there has been on the calendar of the Senate since August 16 of last year a resolution presented by me, reported from the Committee on Interstate Commerce by the distinguished chairman of that committee, the Senator from Montana [Mr. WHEELER], proposing a study of the broadcasting industry in the United States and of communications between the United States and foreign countries, and of various phases of those two general problems. The resolution also authorizes such an investigation as will disclose the facts from which an intelligent study of the whole subject matter may be made.

I shall try in my brief remarks to stimulate the interest of the Senate in the resolution in the hope that before final adjournment it may come to a vote in this body.

Mr. President, no real study has been made of communication problems, particularly problems of communication by radio, in more than 25 years, by any committee of this or the other body of the Congress.

In 1912 Congress passed the first general legislation dealing with radio communication. At that time radio communications was limited largely to communication between ships and between ships and shore. In 1912 there were probably 600

vessels upon the oceans of the world equipped to carry on communications by radio. In the intervening years there has come a most amazing development. In 1912 transoceanic point-to-point communication was in its very swaddling clothes. Radio broadcasting was at that time unborn. Today we have in the United States something like 740 broadcasting stations. We have in excess of 47,000 amateurs licensed to communicate. We have between 6,700 and 7,000 commercial stations in this country making use in some 25 or 26 different ways of radio frequencies.

Mr. WHEELER. Mr. President, will the Senator yield?

Mr. WHITE. I yield.

Mr. WHEELER. I understand that some of the lobbyists who are in Washington representing the National Broadcasting Co. and some of the other broadcasting chains have stated that they would not object to an investigation if I did not do the investigating. I have no desire to conduct that investigation, and I can assure them publicly now that if an investigation shall be had—and I think one should be had, and I think the Senate should authorize the Senate Interstate Commerce Committee to conduct such an investigation—I shall appoint a subcommittee to conduct the investigation; so under those circumstances the broadcasting companies could withdraw their opposition to the investigation.

Mr. President, I think the proposed investigation should be had. I think the United States Senate ought to make a study of the general radio situation, particularly in view of the internal situation in the Federal Communications Commission. I hope the Senator from Maine will press for an investigation. I hope the Senate will adopt his resolution for an investigation.

I wish to say that I have great confidence in Mr. McNinch. I believe in his honesty and integrity. I think he is trying to do a very good job. However, notwithstanding the fact that the Commission is conducting some kind of investigation, I think the Senate Interstate Commerce Committee should conduct an investigation of the radio situation, not with the idea of delving into the charges that have been made against the Commission and the quarrels alleged to have taken place within the Commission, but a study ought to be made of the whole radio industry, and the whole set-up, with the view, perhaps, of enacting some legislation which a great many people think is necessary. So I am very hopeful that the Senator's resolution will be adopted.

Mr. WHITE. Mr. President, I am very glad to have that interruption by the Senator from Montana. I quite agree with him as to the character of the study that should be made. I have personally no interest whatsoever in particular actions or particular facts, except as those facts and those actions throw some light on a present or a future problem. I am in complete accord with the Senator from Montana in that attitude. I had not heard that the broadcasting companies were opposing the adoption of the resolution.

I wish to add my personal view that there could be no one found who is more capable of conducting the study than the distinguished Senator from Montana. During my time of service upon the committee of which he is chairman I have come to have a profound admiration for his industry, for his ability, for his courage, and for his character. There is no Member of this body for whom I entertain a warmer regard and for whom I have a higher respect than the Senator from Montana.

Mr. President, I have referred to the radio stations now in existence. I have made reference to commercial stations. I have made reference to amateurs. At the present time there are many new uses of radio just coming into being. We have facsimile transmission. We have television. New demands are being made by aviation for frequencies to be used by aircraft. We have new insistence that broadcasting frequencies be made available for international broadcasting in the short waves.

The amazing development which has taken place has brought with it many problems, problems which I think should be studied by some committee of the Senate. I, too, have a high regard for the new chairman of the Federal Communications Commission. However, I want to point out to the Senator from Montana and to the Senate that the Communications Commission is essentially an administrative body with quasi-judicial functions.

Most of the problems which are confronting us today involve questions of policy and questions of principle, and I conceive it to be the duty of the legislative body to determine matters of fundamental policy, and to lay down the principles which shall guide an administrative body in the performance of its legitimate functions. Mr. President, the Federal Communications Commission should neither have the right, nor should it have placed upon it the burden of determining questions of governmental policy.

Mr. WHEELER. Mr. President, will the Senator again yield?

Mr. WHITE. I yield.

Mr. WHEELER. I thoroughly agree with what the Senator has said with reference to the Federal Communications Commission and the general radio situation. I also call the Senator's attention to the fact that at least one member, and I think two members, of the Federal Communications Commission have openly and publicly stated that an investigation should be made. Under those circumstances it seems to me that the Senate cannot very well refuse to have an investigation made, particularly when one of the Democratic members of the Commission has openly and publicly stated that there should be a Senate investigation. He has openly made charges which reflect upon other members of the Commission. I am not familiar with the truth or falsity of those statements. But at least, when such a thing is going on in the Commission, and statements of that kind are being made, and when members of the Commission say that the Senate ought to investigate the situation, it seems to me there can be little excuse for us not to pass a resolution to make the proposed inquiry.

As the Senator knows, the question of high-power stations also faces the country. A treaty is pending before the Foreign Relations Committee which, in my judgment, would sanction high-power stations. I am personally opposed to high-power stations because I think if they are permitted to be established in this country it will only be a short time before we shall have an absolute monopoly on the part of a couple of chains and a few individuals connected with the radio industry in the United States. The question is one which ought to be studied and reviewed by Congress to determine what should be the future policy with reference to this matter, as well as with reference to many other kindred matters which are of vital importance, not only to the radio industry itself but in even greater degree to the people of the United States. Nothing of the kind has been done for some considerable period of time, and I think an opportunity exists for the Committee on Interstate Commerce of the Senate to do a real constructive job in conducting the suggested investigation.

Mr. WHITE. Mr. President, the Senator from Montana has suggested one of the problems which I think we face. I want to call to the attention of the Senate other problems which I think involve questions of fundamental policy that should be determined by the Congress of the United States itself. I can suggest these problems. I am not so sure as to the answers of them.

One of the questions which has been under agitation for a long while is the question of chain broadcasting. As early as 1927, the Congress recognized that there might be special and peculiar problems arising from the development of chains throughout the United States; and it wrote into the original 1927 act—which authority is carried in the 1934 act—authority in the Communications Commission to make special rules and regulations for the Government of stations engaging in chain activities.

Mr. President, nothing has been done in the intervening years under that general authority so granted to the Commission. As early as November 1935, one of the Commissioners, disturbed by the developments which were taking

place, introduced in the Commission a resolution. On November 6, 1935, this Commissioner moved that the broadcast division be directed to report to the Commission:

(a) Whether in its opinion the Commission should adopt special regulations under section 301 (i) of the Communications Act for the regulation of chain broadcasting; and (b) in the event that the adoption of such special regulations is believed by that division to be desirable, the proposed text of such regulations.

Although that resolution was introduced and that motion made as long ago as November 1935, so far as my knowledge goes, the broadcast division has never acted upon the motion. The Commission itself has never acted upon the motion. It is reported that the Commission is about to undertake a study of this problem. This involves a study by the Commission of its own acts of commission and of omission.

The development of chain broadcasting in the United States is a problem of great interest to our entire country and to all those who are concerned with the radio industry.

What are the pertinent facts with respect to chain broadcasting? In the United States there are something over 250 stations, let us say 275—I digress at this point to say that I am making this talk with such brief preparation that I have not brought up to the latest hour the figures I shall use, but I think those I shall put into the RECORD are sufficiently accurate to illustrate the points I wish to make—let us say, 275 stations of sufficient power and operating on such time as to be of general interest to the radio public of the United States. I think it may fairly be said that the great listening public of the United States listens to those 275 stations for its programs.

Of that number of stations, approximately 240 are owned or are in some form connected, by affiliation or otherwise, with the three great broadcasting chains in the United States.

The National Broadcasting Co. owns or controls some 17 stations, and is affiliated with some 87 others. The Columbia chain owns 9 stations, I believe, and has affiliated with it over 90 additional stations. I think the ownership of the Mutual chain is very limited; but the Mutual chain has in excess of 40 stations associated with it in its broadcasting activities. More than 240 out of approximately 275 of the principal stations in the United States which are listened to by the American public are controlled, owned, associated, or affiliated with one or the other of the three great chains.

Mr. President, that is not the whole picture presented by the problem of chain broadcasting. Of the 2,356,600 watts allocated for full nighttime use, 2,309,000 watts, or all but 47,600 watts, are allocated to stations which are a part of the chain-broadcasting systems of the United States. Out of 2,356,600 watts allocated to the stations of the United States of the class I have mentioned, all but 47,600 watts are allocated to stations which are a part of the chain systems of the United States.

There are 51 stations in the United States with authority for full nighttime operation, and with power in excess of 1,000 watts. Every one of the 51 stations with wattage in excess of 1,000 watts, and with authority for full nighttime operation, is a chain station. There is not a single station in the United States today with wattage in excess of 1,000 watts and operating full time at night which is not a chain station. There are 40 so-called cleared channels in the United States, and every cleared channel is assigned to a station which is a chain station.

That, in a very brief way, is the story of the chains, and of the stations associated therewith. I submit to the Senate that those facts present a problem not only to the Communications Commission but to this body, which, together with the House of Representatives, has a responsibility in the determination of the policies which shall obtain and the principles which shall be followed in the regulation of the broadcasting industry. I do not see how we, as responsible public officials, can turn our backs upon the questions presented by these facts, and leave to an administrative body, a quasi-judicial body, the determination of matters of grave public policy.

The chairman of the Interstate Commerce Committee, the Senator from Montana [Mr. WHEELER], has referred to superpower as a problem. He has put his finger upon one of the questions which ought to engage our attention. Throughout the United States people are disturbed by the question of the power which is to be allocated to stations in the United States for broadcasting purposes. Stations have been authorized for experimental purposes with power as high as 500,000 watts. There is the liveliest dispute among radio engineers as to the wisdom of this policy, and as to the effects of the operation of a 500,000-watt station upon all stations of lesser power in the United States.

Lately, the question whether the Government shall build a Government station and assign to it a wattage of 500,000 watts for the purpose of carrying on international broadcasting has been presented to the Congress. This, again, is a question of public policy. It is not a judicial question. It is not an administrative problem to be dealt with solely by an administrative body, but is a question involving the public interest, on which the Congress of the United States ought to have opinions and ought to express opinions.

The question of advertising by radio is one about which people throughout the country are talking. We are asked again and again, "Is there not some way to stop offensive advertising by radio?" I do not pretend to know what shall be done about it; but I do say that the question of advertising is a live public question, which ought to be studied by some responsible agency of the Congress of the United States.

Another question of great interest is that of the term of licenses issued to applicants. Under the law, the Communications Commission may issue a license for a broadcasting station for a period of 3 years, and for other stations for periods running up to 5 years. As a matter of practice, and seemingly as a matter of policy, the Commission limits broadcasting licenses to 6 months. Is the congressional authority to license the stations for 3 years sound? Should 3-year licenses be issued? There are various views on that question. Those who contend for the shorter license period do so on the theory that it gives flexibility of control to the Commission over the broadcasting industry in the United States. However, it involves a vast amount of administrative detail, because every 6 months all such stations in the United States must come to the Commission and file applications for renewals of licenses.

In the opinion of many of the broadcasters, the short license period involves an unwise policy, because they say to us that investment predicated upon a 6-month license cannot be expected, and that the short license period interferes with stability in the industry. It is said that the imposition of such a limited license period retards research, and retards the development of the industry.

Mr. President, I express no opinion as to the merits of the conflicting claims; but again I say that a question is presented which Congress should study.

That is a question which, in my judgment, challenges the attention of the Congress of the United States. Some responsible agency in this body or in the other body should give heed to the questions which are raised, and should express some opinion on the problem, to guide our administrative body.

Mr. President, the question of trafficking in licenses is a live question. It was written into the 1927 act, and again into the 1934 act, that licenses should be issued only to those who satisfied the Commission that the issuance of the licenses would serve a public interest, or meet a public convenience or a public necessity. It was written into the law that there should be no assignment or transfer of licenses except upon the written consent of the Federal Communications Commission. That was to make it certain that the holders of licenses and the users of frequencies under licenses should at all times be within the reach of the licensing authority, and that their activity might be thereby controlled.

Mr. President, there was also written into both the 1927 act and the 1934 act a provision designed to prevent the

assertion of a vested right in any license or in any frequency; and yet we have seen growing up in this country the practice of trafficking in licenses, selling stations, assigning frequencies, and indulging in all sorts of financial transactions which resulted in vesting the real operating control of stations in others than the original licensees thereof. I am not going to take the time to go into any detail with respect to this matter. I made some reference to the subject more than a year ago, when I spoke in the Senate. I confine myself now to the assertion that by devious means, sometimes with Commission approval and sometimes without Commission approval, the purpose of the Congress in writing into the law the provisions to which I have alluded has been evaded or avoided, and there has been going on this trafficking in frequencies and in licenses, and tremendous values have been placed upon the frequencies. Stations have been sold and licenses have been assigned for sums of money which by no possibility could represent anything but the capitalized value of a frequency. That, I assert, is a clear violation of the congressional purpose; and the entire subject matter merits the consideration of this body.

Then there is the problem of censorship; and I shall allude only in a very hurried way to two or three others.

Mr. President, the law provides that there shall be no power of censorship in the Commission, but there is no provision in the law prohibiting or making unlawful the exercise of censorship by a particular station. All over the country we hear complaints that this and that and the other station, directly or indirectly, in truth and in fact, exercise censorship over the utterances of those who talk upon the radio. They demand in advance the manuscript from which a person is to speak. They sometimes insist upon deletions from the manuscript. That is censorship, not by the Commission but by a particular station; and censorship is equally effected by withholding the opportunity to speak and by permitting a person to speak only at such an hour that no one is listening, and in other ways.

There is another question which is intimately involved with the question of censorship. I do not undertake to give answer to the problem of censorship, but there is another question which is intimately involved in it. If a station is to have no power of censorship, if it is to have no control over the words uttered over its instrumentalities, should the station be liable for what is said?

If we are to hold that there is no right of censorship in a station, then it seems to me we ought to hold that there is no liability in a station for what is said. It is an anomalous thing that a station should be held liable—and it has been held liable in some jurisdictions in this country—for words uttered, if at the same time it is to have no control whatever over the utterance of the words.

The question of censorship, the question of station liability, the question of the liability of the speaker himself for words uttered over a station, are not administrative questions to be determined by an administrative body. They are questions involving principle; they are questions involving a policy of law; and the Congress of the United States should meet them.

The question of newspaper ownership is one of great interest. While I do not know the exact figures, there are today not far from 225 radio stations in the United States which are owned or in some manner controlled by publishing interests. There is a school of thought which holds that if there is any virtue at all in the principle of competition it should apply to competition in access to the public mind of America. There are those who say that no one interest—newspaper interest, if you please—should also have access to and control over radio, the other great means of mass communication in the United States; but that these two means of reaching the ears and the eyes and the minds of the American people should be maintained as competitive services. I do not undertake to answer that question, but I say to the Senate that it is a real question which should be studied by someone in authority, and a determination as to what is sound public policy should be reached with respect to it.

I have sometimes been amazed at the seeming indifference of the newspapers themselves to what I think are the implications and the possibilities involved in publishing ownership of radio facilities. There are some newspapers which may be called pioneers in the radio industry. I have in mind a particular newspaper which has had a radio license for probably 12 years, at least. That newspaper probably has invested in its radio plant substantially in excess of half a million dollars. That particular newspaper is owned by a man of courage and of independence and of great wealth. I cannot help having the feeling, however, that to whatever degree any newspaper makes an investment in radio, and risks an investment upon a frequency and a license issued to it for only 6 months at a time, which may be revoked by governmental authority, and a renewal of which may be denied by governmental authority, the newspaper is subjecting itself in an extraordinary degree to the possibility of governmental persuasion.

I have thought that the greatest danger to a free press in the United States is involved in this expansion of newspaper investment in radio, which in turn is immediately and directly subject to governmental control, for the Commission can destroy any radio station in the United States, and the whole investment, possibly running to three-quarters of a million dollars, it can destroy this almost overnight, if it has the will to do so.

I say, therefore, Mr. President, that here is another great public problem. I have great sympathy with these newspapers which have made their investments. I have admiration for the courage of men who go out and pioneer, who go out on the highway of commercial venture and risk hundreds of thousands of dollars thereon. But I am not sure what the results are to be if the present tendencies continue, and without expressing an opinion as to the sound answer, I should like to see that question studied, and the Congress of the United States express an opinion on it. If the past is past, we can at least consider what the future policy in this regard is to be.

The question of monopoly is involved, monopoly of the transmission of information and news and opinion to the American people. I happen to be one of those who do not want to see such a monopoly developed here in the United States.

Mr. President, there are other questions. The question of the foreign communications is of immediate interest. I shall not talk about that, because I apprehend Senators prefer to adjourn at this time, but there are real questions immediately at issue in the field of foreign communications.

All of these are in my opinion of supreme importance to the American people. They are all problems involving principle and policy, and we in the Congress have no right to evade our responsibility. We ought to undertake a study of the problems, we ought to undertake to find an answer for them, we ought to lay down the general and the broad rules which shall guide and which shall control our creature, the administrative body.

I have spoken of this, and I have hurried on, and have not said half I should like to say, but I have made this statement in the hope that it might stimulate some interest in the Senate in this general question. I think we are going to fail in our duty to the listening public of America if we do not direct our energies and our minds to these problems, and I hope that those in authority in the Senate, those who have the responsibility for the legislative program during the remaining days of the session will feel justified, will feel in truth compelled to permit the resolution to which I have referred to come before the Senate for a vote. If the Senate does not want to adopt the resolution I shall have no cause for complaint, but I think we ought to have a right to express ourselves on it.

INVESTIGATION OF SENATORIAL CAMPAIGN EXPENDITURES

Mr. BARKLEY. Mr. President, I submit a resolution and ask for its immediate consideration.

The PRESIDING OFFICER. The resolution will be read for the information of the Senate.

The legislative clerk read the resolution (S. Res. 283), as follows:

Resolved, That a special committee consisting of five Senators, to be appointed by the Vice President, is hereby authorized and directed to investigate the campaign expenditures of candidates for the United States Senate, in both parties, the names of the persons, firms, or corporations subscribing the amount contributed, the method of expenditure of said sums, and all facts in relation thereto, not only as to the subscriptions of money and expenditures thereof but as to the use of any other means or influence, including the promise or use of patronage, or use of any public funds, and all other facts in relation thereto which would not only be of public interest but which would aid the Senate in enacting any remedial legislation or in deciding any contests which might be instituted involving the right to a seat in the United States Senate.

No Senator shall be appointed upon said committee from a State in which a Senator is to be elected at the general election in 1938.

The investigation hereby provided for, in all the respects above enumerated, shall apply to candidates and to contests before primaries, conventions, and the contests and campaign terminating in the general election in 1938.

Said committee is hereby authorized to act upon its own initiative and upon such information as in its judgment may be reasonable or reliable. Upon complaint being made before said committee, under oath, by any person, persons, candidate, or political committee, setting forth allegations as to facts which, under this resolution it would be the duty of said committee to investigate, the said committee shall investigate such charges as fully as though it were acting upon its own motion, unless, after a hearing upon such complaint, the committee shall find that the allegations in said complaint are immaterial or untrue.

Said committee is hereby authorized, in the performance of its duties, to sit at such times and places, either in the District of Columbia or elsewhere, as it deems necessary or proper. It is specifically authorized to require the attendance of witnesses by subpena or otherwise; to require the production of books, papers, and documents; and to employ counsel, experts, clerical, and other assistants; and to employ stenographers at a cost not exceeding 25 cents per one hundred words.

Said committee is hereby specifically authorized to act through any subcommittee authorized to be appointed by said committee. The chairman of said committee or any member of any subcommittee may administer oaths to witnesses and sign subpenas for witnesses; and every person duly summoned before said committee, or any subcommittee thereof, who refuses or fails to obey the process of said committee or who appears and refuses to answer questions pertinent to said investigation shall be punished as prescribed by law.

The expenses of said investigation, not exceeding in the aggregate $30,000, shall be paid from the contingent fund of the Senate on vouchers signed by the chairman of the committee or the chairman of any subcommittee.

All hearings before said committee shall be public and all orders or decisions of the committee shall be public.

The committee shall make a full report to the Senate on the first day of the next session of the Congress.

Mr. McNARY. Mr. President, I understand the resolution is in the form which has been followed for a great many years. I hope the resolution may be agreed to without objection.

The PRESIDING OFFICER. Is there objection to the immediate consideration of the resolution?

There being no objection, the resolution was considered and agreed to.

INVESTIGATION OF INTERSTATE RAILROADS AND AFFILIATES

Mr. WHEELER. Mr. President, I should like to have the Senate proceed to the immediate consideration of Calendar No. 1907, Senate Resolution 273, authorizing an extension of time for the investigation of railroad financing. The resolution does not call for the appropriation of any money. We are concluding the investigation, but it is necessary to have this extension of time in order to make our report. I ask unanimous consent for the present consideration of the resolution.

Mr. McNARY. Mr. President, the Senator from Montana has conferred with me, and I see no objection to the immediate consideration of the resolution.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Montana?

There being no objection, the resolution (S. Res. 273) was considered and agreed to, as follows:

Resolved, That Senate Resolution 71, Seventy-fourth Congress, first session, agreed to May 20, 1935, authorizing an investigation of railroad financing and certain other matters, as continued by Senate Resolution 227, Seventy-fourth Congress, second session, and as amended by Senate Resolution 86, Seventy-fifth Congress, first session, is hereby continued in full force and effect during the sessions, recesses, and adjourned periods of the Senate in the Seventy-sixth Congress, and the Committee on Interstate Commerce is hereby authorized to expend from the contingent fund of the Senate, during such sessions, recesses, and adjourned periods, the amounts heretofore authorized for said purposes.

THE FARM PROGRAM

Mr. POPE. Mr. President, I have had prepared some very interesting and valuable data concerning the farm program and matters incidental to it. These data relate to the adjustment and conservation programs, rehabilitation, soil and water, forest conservation, wildlife, plant defense, livestock defense, commodity futures markets, roads, and research. I ask unanimous consent to have the data inserted in the RECORD as a part of my remarks.

There being no objection, the data were ordered to be printed in the RECORD, as follows:

I. ADJUSTMENT AND CONSERVATION PROGRAMS

When the first session of the Seventy-fifth Congress adjourned, August 21, 1937, the Agricultural Adjustment Administration was checking compliance and distributing payments among farmers in connection with the 1936 agricultural conservation program carried on under the provisions of the Soil Conservation and Domestic Allotment Act; it was also checking compliance with the 1937 conservation program and beginning the distribution of payments in connection therewith; and it was carrying out marketing agreement, surplus removal, and other programs under the Agricultural Marketing Agreement Act of 1937 and related legislation.

Payments in connection with the 1938 agricultural conservation program totaled $381,342,688 on September 30, 1937, at which time they were practically complete. About 84 percent of this total was paid in consideration of diversion of crop land from soil-depleting crops, and the balance in consideration of adoption of soil-building practices, including the establishment and maintenance of soil-improving crops.

Payments in connection with the 1936 agricultural conservation program are distributed as the degree of compliance with the program provisions is checked on individual farms. On April 30, 1938, distribution of these payments totaled $186,138,888.

Under the Marketing Agreement Act of 1937, marketing agreement programs for commodities specified in the act have been carried on. From September 1, 1937, through May 23, 1938, eight new programs have been established and are in operation. In the past 4 years the Federal Surplus Commodities Corporation has purchased and removed from regular market channels some two and three-fourths billion pounds of farm products, which have been distributed through relief channels. By these measures price collapses due to local or temporary market gluts have been avoided and waste has been prevented.

In 1937 a marketing-agreement program for potatoes was adopted to meet the situation created by a very large late-potato crop (329,000,000 bushels) that year. The program involved a marketing agreement covering eight potato-producing States, diversion of potatoes to low-value uses, and surplus purchases for relief use. The latter two measures removed from regular market channels some 25,000,000 bushels of potatoes, while the quality of potatoes marketed was improved under the marketing agreement.

The 1938 agricultural conservation program was formulated in the fall of 1937 after conferences with representative farmers and farm leaders from all 48 States. Its provisions were announced tentatively September 20, 1937. They included maximum acreage goals for soil-depleting crops and also minimum goals for soil-building crops and practices. Payments to cooperating farmers were conditioned upon achieving these goals, which were established for individual farms as well as for the country as a whole.

Individual acreage goals were set up for several principal soil-depleting crops and a general goal was set up for other soil-depleting crops, including wheat. That national goal for corn was ninety-two to ninety-six million acres; for cotton, twenty-nine to thirty-one million acres; for general soil-depleting crops, one hundred and forty-five to one hundred and fifty-five million acres. The total national soil-depleting crop acreage goal was two hundred and seventy-five to two hundred and ninety million acres.

On October 25, 1937, some revisions in the program were announced. The 1937 cotton crop (eighteen and two-tenths million bales) was the largest on record, and the cotton-acreage goal was lowered to from twenty-seven to twenty-nine million acres. Potato growers in commercial areas in a referendum ended October 2, 1937, voted for a national potato-acreage goal of 3,100,000 to 3,300,000 acres.

Provisions were made for distributing the national soil-depleting crop-acreage goals among States, counties, and individual farms. Rates of payment were calculated on the basis of the conservation needs of the country and were adjusted to State and local conditions.

In the calendar year 1937 agricultural production in the United States was larger than in any other year for which there are Government records. It exceeded by 8 percent the average for the years 1924–29. The increase was due largely to high crop yields. Gross farm income in 1937 was estimated at ten and three-tenths billion dollars, the highest since 1929. Farm prices averaged high for the year because of high levels in early months, but dropped rapidly when the 1937 harvests reached the market. The average for the entire year was 121 percent of the 1909–14 level, but the

December average was 104 percent, and the decline has continued into 1938.

On February 16, 1938, the Agricultural Adjustment Act of 1938 was approved. It continued the provisions for agricultural conservation programs and also provided for beginning an ever-normal granary for farm products, with mechanisms to stabilize marketings of farm products in order to stabilize prices and farmers' incomes.

It authorized acreage allotments for five listed crops—cotton, corn, wheat, tobacco, and rice—to be distributed among farms producing these crops. It authorized loan programs to enable farmers to carry over from good years supplies which are greater than market requirements, and to market them in years of lower production. As a final stabilizing device it provided for quotas to limit the marketings of the listed crops. These quotas can be applied only if they are approved by at least two-thirds of the producers affected, who vote in a referendum on the application of the quotas.

Soil-depleting crop-acreage goals set up under the agricultural conservation program of 1937 conformed in general to the acreage allotments for the five listed crops, calculated according to the formula in the Agricultural Adjustment Act of 1938, although some revisions were necessary. The allotments were apportioned among States and counties and among individual farms through local committeemen.

Supplies of cotton and of flue-cured, fire-cured, and dark air-cured tobacco reached in 1938 the high levels at which, under the Agricultural Adjustment Act, marketing quotas might be applied. In referendums held March 12, 1938, producers of these commodities favored application of the quotas. The vote in favor of quotas was 92 percent among one and one-half million cotton growers voting, 86 percent among 250,000 growers of flue-cured tobacco, and 81 percent among 50,000 growers of fire-cured and dark air-cured tobacco. Marketing quotas are calculated on a formula set up in the act and are equal to a year's domestic and export requirements plus a carry-over larger than normal. The cotton marketing quota established for the 1938 crop as a result of the referendum is between ten and eleven million bales, depending upon the yield from the quota acreage.

The crop-insurance program for wheat is another measure contributing to the establishment of the ever-normal granary. The Federal Crop Insurance Corporation created under the act offers wheat growers insurance on their yields, beginning in 1939. Premiums are payable in wheat which is to be stored for use in paying losses, and thus will constitute a part of the Nation's reserve supply.

Local administration of the conservation and ever-normal granary programs is carried on, as in the past, through county and local committees of farmers elected by other farmers who are members of the 2,967 county conservation associations. There are some 5,000,000 farmer members of these associations, and as many county committees as there are associations. There are approximately 22,000 local or community committees.

II. Rehabilitation

Through loans, grants, debt adjustments, educational service, housing, and other means the Farm Security Administration has continued to help farm families on or near relief to become permanently self-supporting. The work of the F. S. A. is divided into three phases:

A. REHABILITATION

Loans averaging about $300 each are made to destitute and low-income farm families who cannot obtain from any other source adequate credit to carry on farming operations. Each loan is accompanied with technical guidance in sound farming practices.

Between July 1, 1937, and April 27, 1938, such loans were made to 168,352 families, including more than 840,000 men, women, and children. The total sum advanced was $49,810,317.

An additional 352,635 families who had borrowed money in previous years continued to receive guidance in farming methods from F. S. A. county supervisors.

The rehabilitation program began in 1935. Including this year's loans approximately $200,000,000 has been loaned to more than 620,000 families. Although much of the money will not fall due for several years, about $50,000,000 already has been repaid into the Federal Treasury. More than 47,000 borrowers have paid off their debts in full.

Living standards of families helped by the rehabilitation program have risen markedly. A recent survey of 230,000 rehabilitation borrowers disclosed that their average net worth, over and above all debts, had increased $252 between the time they first sought assistance and the end of the 1937 crop year. This represents growth in net assets of 42 percent, adding $58,000,000 to the tangible wealth of their communities.

The 230,000 families nearly doubled their consumption of home-produced meat, milk, and eggs, and during the 1937 crop year they stored away more than 63,000,000 quarts of home-grown fruits and vegetables.

In cases of extreme distress where weather conditions or the unavailability of good farm land makes rehabilitation loans impracticable the Farm Security Administration has made direct-relief grants. Such grants usually average about $20 per month per family. Between July 1, 1937, and April 27, 1938, more than 175,000 families received one or more grant payments, totaling $18,552,117.

Within the same period local farm-debt adjustment committees have helped more than 12,000 farm families overburdened with debt to make amicable adjustments with their creditors. The total indebtedness involved was scaled down from $44,794,000 to $33,812,000, a reduction of more than $10,000,000. Approximately $458,000 in back taxes has been paid to local governmental agencies as a direct result of this activity.

B. RESETTLEMENT PROJECTS

By approximately the end of the current fiscal year F. S. A. will have completed 126 resettlement projects started by the Resettlement Administration and its predecessor agencies. This work includes:

Development of 748,854 acres of land into community sites and farms; construction of 13,937 homes, 30,600 barns and other farm buildings, 18 schools, community, and business buildings, 8 sewage-disposal plants, 200 miles of water mains, 3,000 miles of streets and roads.

More than 39,180,000 man-hours of work were provided between the initiation of the projects in November 1935 and October 31, 1937. On the average, 15,400 men—all certified through W. P. A. offices—were employed each month during this period.

C. TENANT PURCHASE PROGRAM

Under the Bankhead-Jones Farm Tenant Act $10,000,000 was appropriated for loans during the current fiscal year to enable competent tenants, sharecroppers, and farm laborers to purchase their own farms. This sum will provide for the purchase of approximately 2,100 farmsteads in 325 counties. Loans are repayable over a 40-year period at 3-percent interest.

III. Soil and Water

Under the authority conferred by Federal and State legislation of the past 5 years, agencies of the Department of Agriculture, cooperating with land owners and users, have developed new means of conserving soil and water. Drought, dust storms, floods, and the increasingly visible ravage of the countryside by erosion have spurred this effort along the following related lines during the past 10 months:

A. SOIL-CONSERVATION DISTRICTS

Twenty-five States now have soil-conservation district laws patterned generally after the so-called Standard State Soil Conservation Districts Act, forwarded by President Roosevelt to the Governors of all States in February 1937. By May 15, 1938, farmers in 11 States had formed 39 districts, covering more than 19,000,000 acres. Probably there will by July 1 be more than 70 districts, covering 32,000,000 acres. Of the districts already organized, 27 have requested and are receiving assistance from the Soil Conservation Service of the Department of Agriculture under a definite formula for cooperation.

From the standpoint of a permanent agriculture, the formation of soil-conservation districts is a most significant development. It is now generally recognized that effective soil defense can be achieved only through the treatment of all land within every natural region according to soil, slope, climate, and land-use practices. Obviously this treatment cannot be undertaken without the whole-hearted support and active cooperation of landowners and land users. In those States where soil-conservation districts are active there now exists a common ground where public agencies can join individual initiative in working toward the common objective of better land use and stabilized soil resources.

B. DEMONSTRATIONS OF EROSION CONTROL

With the completion of field operations in 43 demonstration areas during the year work in these areas was placed on a maintenance, or self-sustaining, basis.

In its demonstration program the Service has now completed the application of conservation measures to about half of the 10,400,000 acres of private land under agreement and in addition finished operations on about 3,000,000 acres of public land in the West and Southwest. The total number of individual farmers cooperating with the Service in demonstration work is approximately 56,400. Work on other projects and in areas around C. C. C. camps assigned to soil-conservation activity continued to move forward steadily during the year.

C. RESEARCH IN EROSION CONTROL

In the field of research the year saw definite progress in the accumulation of fundamental scientific facts necessary for the development, testing, and improvement of soil- and moisture-conserving land-use practices.

D. FLOOD CONTROL

The organic Flood Control Act of 1936 recognized that a complete flood-control program involves work on the watersheds, where the floods form. A subsequent appropriation act allotted to the Department of Agriculture $500,000 for surveys of certain designated watersheds.

By July 1, 70 preliminary examinations will be completed and some detailed surveys will be under way. Watersheds of particular hazard are being surveyed first. These include the whole of the Ohio Basin; the Ozark-Ouachita highlands, draining into the lower Missouri; the White, middle and lower Arkansas, Red, Ouachita, and Yazoo Basins of the lower Mississippi Valley; the Merrimack and Connecticut Valleys in New England; the Susquehanna River in New York and Pennsylvania; the watersheds of the Piedmont and southeast uplands; the western Gulf region; the Colorado and Rio Grande Basins; and watersheds in California.

The purpose of the surveys is to determine the adjustments which must be made in land use and the "upstream engineering" measures necessary not only to protect and prolong the usefulness of Federal investments downstream but also to have all watersheds make their maximum contribution to a decrease in flood hazards.

E. POPE-JONES WATER FACILITIES ACT

The Water Facilities Act gives to the Secretary of Agriculture authority to formulate and carry out a program for storing and using water in arid or semiarid areas of the United States.

Existing law grants to the Department authority to carry out most of the recommendations of the Great Plains Committee. Authority was lacking, however, to develop water facilities until the passage of the Pope-Jones Water Facilities Act.

Plans are now under way to expend, in 1939, an appropriation of $500,000 in constructing water facilities wherever such facilities are needed to supplement or complete the land-use programs of the Department in arid and semiarid areas. Structures and installations will be located only where they will help to promote proper utilization of the land.

F. TITLE III BANKHEAD-JONES FARM TENANT ACT

The Bankhead-Jones Farm Tenant Act authorizes and directs the Secretary of Agriculture to develop a program of land utilization, including the retirement of lands which are submarginal or not primarily suitable for cultivation, in order thereby to correct maladjustments in land use.

The program under the act is directed primarily toward changing, by means of public purchase, existing patterns of land occupancy and consequent agricultural use which cause, or are likely to cause, rural poverty, waste of public funds, unduly expensive or inefficient local government, or waste and misuse of the land resources.

In the current year steps were taken to acquire 2,100,000 acres under a $10,000,000 appropriation. On account of emergency conditions in the Great Plains area, 80 percent of the program was carried on there.

IV. Forest Conservation

A. ACQUISITION OF LAND FOR NATIONAL FOREST PURPOSES

Early in President Roosevelt's first administration a new impulse and purpose was given to the program of acquisition of lands for national forest purposes, which had been initiated by the act of March 1, 1911, and enlarged by the act of June 7, 1924, but had made relatively slow progress up to March 1, 1933. The number of formally authorized purchase units was increased from 42 to 83, and the acreage of lands approved for purchase from 4,727,680 acres to 16,457,625 acres, of which about 11,700,000 acres will finally prove to be purchasable. The progress made in the 58 months from March 4, 1933, to December 31, 1937, was two and one-half times as great as that made during the preceding 22 years.

B. NATIONAL FOREST REFORESTATION AND TIMBER SALES

During 1937 approximately 144,000,000 trees were planted on 155,000 acres of potential timber-growing land located for the most part on national forests and purchase units in the East, South, and Middle West.

In the fiscal year 1937, timber sales, exclusive of those affected for the exchange of land, involved a total volume of 1,096,000,000 board feet, which is the greatest annual cut since 1930.

C. RECREATIONAL USE OF THE NATIONAL FORESTS

There has been a rapid increase in the use of the recreational resources of the national forests by the general public. The number using these facilities has been steadily increasing to the 1937 total of approximately 30,000,000. The improved camp grounds now number 4,132.

D. FOREST RESEARCH

Renewed attention is being given investigations of watershed conditions which will be most effective in mitigating flood losses.

E. CIVILIAN CONSERVATION CORPS

C. C. C. camps assigned to national forests during 1937 carried on the wide conservation program begun in 1933. The total number of national forest camps for 1937 was 451 with national forest camps in 39 States, Alaska, and Puerto Rico.

Under the general supervision of the Forest Service, there were during 1937, on the average, 242 State forest camps, and 146 C. C. C. camps on private forest land, where the program is limited to improvements of value, fire protection, and control of forest insects and diseases.

F. COMMUNITY FORESTS

More than a thousand towns, cities, villages, school districts, counties, and other local governmental units report ownership of community forests. A bulletin, Community Forests, was issued in January 1938 to meet the increasing demand for information on the utilization of tax-delinquent, abandoned, or other waste land for the establishment of local public forests. Investigations indicate the multiple value of community forests as an aid to reduction of local taxes and means of giving employment to local labor in a low initial-cost undertaking which will be self-liquidating and profitable to the community; and as a method of protecting watersheds and reservoirs, extending recreation areas, increasing refuges for wildlife and flowers; and enhancing the general property value.

G. EMERGENCY RELIEF WORK

During the 12-month period ending June 30, 1937, the sum of $16,385,760 was allotted to relief-work projects under the supervision of the Forest Service. During the past winter employment on such projects was afforded nearly 100,000 relief workers.

H. COOPERATION WITH STATE FORESTRY AGENCIES

Agreements signed in the spring of 1938 between the States of Illinois and Missouri and the Department of Agriculture bring to 47 the number of States now cooperating in forestry under the Clarke-McNary law passed in 1924. This legislation provides for the allotment of Federal funds to States matching such appropriations for carrying on fire-protection work in forests and furnishing forest-tree seedlings for plantings on farms. The Territories of Hawaii and Puerto Rico and all States except Arizona now participate.

State and private owners of forest land cooperating under the law have increased their protection funds by nearly two-thirds during the last 3 years. The Federal Government is contributing slightly over 18 percent of the $8,000,000 expended this year on cooperative fire protection. Each Federal dollar helps to obtain about $5 worth of protection.

I. PRESIDENTIAL MESSAGE TO CONGRESS ON FOREST CONSERVATION

The President's message of March 14, 1938, to Congress in which he summarized the need for a current study of the national-forest problem and a policy and plan of action with respect to it has resulted in renewed public recognition of the national importance of a coordinated forest-conservation program.

J. FOREST PROTECTION

The lowest recorded burn and a new low record for man-caused forest fires characterized the 1937 fire season on the 158 national forests. Only 495 acres per million were damaged by forest fires. The lowest previous record for an entire season was 800 acres per million in 1933.

K. TRANSFER OF AREAS PURCHASED BY FARM SECURITY ADMINISTRATION

Since November 1937 approximately 475,000 acres of land suitable for national-forest purposes have been transferred by Presidential proclamation or administrative order of the Secretary of Agriculture from the Farm Security Administration to the Forest Service upon recommendation of the bureaus concerned and approval by the coordinator of land-use planning.

L. LOW-COST HOUSING

An increase of $100,000 in the regular appropriation for forest-products research has permitted continued study of wood as a material for construction of better homes for more people at prices they can afford to pay.

M. PRIVATE FORESTRY

Private owners, with more than three hundred and eighty of the nearly four hundred million acres of their commercial forest lands still without adequate forest management, hold the key to our forest situation.

In helping solve this problem the Forest Service has (1) studied individual ownerships and combination of ownerships, both private and public; (2) cooperated with States and organized groups of forest industries; (3) analyzed factors affecting private forestry; (4) made extensive surveys of political units; and (5) explored aspects of State and Federal legislation affecting forestry practices by private owners. The underlying purpose has been to promote better forest practices, including sustained yield.

N. WILDLIFE

The importance of the national forests as a beneficial environment for wildlife has received increasing recognition. More than 75 percent of the big game in the Western States range on the national forests during summer months. Big-game populations in 1937 represented a net increase of nearly 150 percent since 1924.

V. Wildlife

The Bureau of Biological Survey has continued the Federal wildlife program by acquiring and developing refuges, conducting the work with the needs of employment in mind and as part of a coordinated program for wise land use and for soil and water conservation.

Since last August 53,006 acres transferred to the Survey by Executive orders and 159,097 by purchase have increased the refuge area by 212,103 acres, involving 4 additional refuges. The new acquisitions raise the totals to 11,523,945 acres in 249 refuges, slightly more than half the acreage, and 141 of the refuges having been acquired since July 1, 1933.

Thirty-four C. C. C. camps are now working on refuges, an increase of five camps since last July.

Seventy-three W. P. A. projects are doing similar work, employing 4,456 workers, of whom 4,336 are on relief. Since last July the number of States with these projects has increased from 10 to 22. On April 1 this year 1,274,477 man-hours had been expended since last July 1, representing earnings of $736,435, as compared with $1,525,183 for the entire fiscal year 1937.

The wildlife program has advanced on other lines also. A notable new development has been the planning of an extensive program for Federal aid to the States in wildlife restoration. Authorized by an act of Congress approved September 2, 1937, the new program will start on July 1.

VI. Plant Defense

As in every year since 1933, the Department has advanced its plant pest control and eradication programs in cooperation with Federal efforts to give work to the unemployed and needy. These programs have given employment to as many as 27,725 men at the peak and an average of about 16,000. Their work has ad-

vanced programs of controlling or eradicating white pine blister rust, barberries (a host of wheat-stem rust), gypsy moth, citrus canker, phony peach, Dutch elm disease, peach mosaic, the white-fringed beetle, grasshoppers, chinch bugs, and Mormon crickets. Thus science applied by the labor of men who could not get private employment has saved crops and livestock worth millions of dollars. The status, in late May, of these plant-defense campaigns was as follows:

White pine blister rust: Since 1933, 13,458,000 acres covered, valuable timber resources saved, up to 20,000 men per year employed, the campaign advanced 5 to 10 years beyond what it would have been without the assistance of relief labor. Total emergency funds expended since 1933, $11,026,204.

Barberry eradication: Over 2,000 men now employed. Nearly 28,000,000 barberry bushes destroyed in past 10 months. The work, associated with Department's long-time program of breeding rust-resistant varieties of grain, promises eventually to bring under control the scourge of black stem rust of grain which in the past has damaged crops of the northern United States to the extent of 100,000,000 bushels in a single year.

Gypsy moth: From July 1 to December 31, 1937, 1,750,000 man-hours of employment given to eradication workers. With the help of the extra workers made available on emergency funds, the barrier zone in New England has held, except for one escape of an infestation into Pennsylvania. This is now being eradicated.

Dutch elm disease: Not content—as Britain and France have been—to let this disease march on to eventual extinction of the stately elm, a vigorous effort to stamp out the disease by finding and destroying infected trees has been made. To date this effort has provided 16,666,000 man-hours of W. P. A. employment. At mid-May the number of men employed was 2,700. Nearly 4,500,000 trees had been removed by the work crews.

Phony peach: This virus disease threatens the peach industry in 15 States. To control it infected trees or potentially infectible trees in the wild must be eradicated. From 1935 to date over 68,000,000 trees have been destroyed to remove the possibility of infection.

Peach mosaic: This disease threatened extinction of the Rocky Mountain peach industry. It has now been brought under control through the destruction of 350,000 infected, abandoned, or worthless trees.

Citrus canker: This is probably the most insidious menace ever to threaten the citrus industry. It is a bacterial disease. It is a bacterial disease of the trees. For 20 years it had been in the Gulf coast belt. In 1935, with emergency funds a drive began to stamp it out by removing trees that might spread infection. To date more than 27,000,000 have been destroyed. It now seems that the disease has been eradicated.

White-fringed beetle: This serious pest was discovered in Florida and Alabama in 1936. It was not previously known to exist in this country. It menaces Gulf coast agriculture so seriously that last August and subsequently funds—now totaling $200,000—were made available to suppress the small infestations known to exist over about 340 square miles in four States. With these funds and with enforcement of stringent regulations by the States, there is hope that the beetle will be kept from spreading into other territory.

Thurberia plant destruction: The aim of this campaign is to destroy an Arizona mountain plant which harbors a weevil that would be very damaging if introduced into cultivated cotton. A crew employed from relief rolls, numbering, on the average, 200 men, and working under very hazardous conditions has, to date, destroyed 1,250,000 plants and cleared 175,000 acres.

Grasshopper control: The continuing problem of grasshopper control was dealt with as follows in the past 8 months: The 1937 campaign was completed at lower cost than previous drives because of use of a new, inexpensive poison bait formula. The fall surveys in 1937 showed probable heavy infestations in 24 States during the 1938 crop season, and a need for 180,000 tons of bait. With Federal funds 66 percent of this amount of bait has been procured, and is now in store at strategic points in each of the 24 States. In the cooperative program the United States Department of Agriculture supplies bait materials and supervision; the States furnish labor and equipment.

Mormon cricket control: To protect crops of western farmers from this devastating insect, W. P. A. workers dusted with materials poisonous to the crickets some 325,000 acres in the summer of 1937. Their work protected 1,130,000 acres of crops. Last fall's insect pest survey indicated heavier infestation this season than last. However, a fund of $480,000 has been set aside from the appropriation to the Department for control of emergency and incipient outbreaks of insect pests and plant diseases. Federal and State workers are thus ready this year to combat the pest before it reaches and damages crops.

VII. Livestock Defense

Rapid progress toward suppression of three serious livestock diseases and pests continued throughout the past year.

Tick eradication: In the cooperative campaign against cattle-fever ticks in the South, the provisions of the Emergency Relief Appropriation Act enabled the Bureau of Animal Industry to employ additional workers for 1,280,662 man-hours during the fiscal year 1937. As a result the campaign showed good progress in those areas of the South that are still infested with this injurious parasite. Under the direction of regular employees, the augmented personnel was able to make more than 28,000,000 inspections or dippings of ticky animals for which more than 13,000 dipping vats were used in the course of this accelerated eradication work.

The activity further reduced the quarantine area, which is now less than one-twentieth as large as when eradication work was undertaken in 1906.

Bang's disease: Agglutination blood tests of cattle in this project are now being made at the rate of approximately 720,000 per month. These cattle are contained in about 62,500 herds. During the 46 months in which this activity has been in progress, such tests have been applied to 24,436,841 cattle, located in 1,855,195 herds. These totals include a considerable number of retests. A total of 1,501,141 reactors have been obtained, most of which have been eliminated from the herds. The owners of reacting cattle receive the salvage, plus the Federal indemnity; which, at this time, averages about $26.50 per head. The total expenditure for indemnity and operating during the 46-month period is about $49,000,000.

Tuberculosis: During the first 10 months of the present fiscal year, tuberculin tests were applied to 11,541,652 cattle, contained in 817,429 herds. A total of 77,082 reactors were obtained, 39,729 of which were in the State of California. During the present fiscal year approximately $1,675,000 of emergency funds will be used for operating expenses and indemnity in tuberculosis eradication work. Since August 1, 1937, the States of New Jersey and New York have been added to those in which all the counties are in the modified accredited area, making a total of 46 States in that status. Most all the counties in South Dakota are now in the modified accredited area, and all but 19 counties in California are also in that status. Tuberculosis eradication work has also been conducted in Puerto Rico and the Virgin Islands during the present fiscal year.

VIII. Commodity Futures Markets

Trading on the commodity exchanges of the country, which is of such vital importance in the marketing of agricultural commodities, has been rigidly supervised by the Commodity Exchange Administration. A representative of that Administration sits with the business-conduct committee of the principal exchanges to assure complete cooperation between the Federal Government and the exchange in regulating transactions and suppressing improper and illegal operations. For the first time authentic information concerning volume of futures transactions and open commitments in cotton, butter, eggs, potatoes, and millfeeds has been compiled and currently published.

Examination of the books and records of all futures commission merchants has been undertaken for the purpose of assuring full compliance with that section of the Commodity Exchange Act which requires segregation of customers' moneys received to margin or guarantee trades in commodity futures. Prosecution of several companies and individuals who failed to segregate customers' funds was recommended to the Department of Justice.

In response to charges of manipulation in 1937 September corn prices in Chicago, an exhaustive investigation of this situation has been made.

Detailed information concerning trading accounts which are controlled by persons other than the owner has been compiled. At the instance of the Commodity Exchange Administration the New York Cotton Exchange and the New Orleans Cotton Exchange adopted minimum margin requirements. After exhaustive hearings the required notice of intention to deliver on a futures contract in grain was extended from 3 to 7 days, thereby assuring that grain can be brought into the market from a large surrounding area which will tend to discourage attempts to manipulate prices. Numerous instances of the issuance of apparent or alleged false information to influence prices were investigated and remedial measures taken where required.

Under the provisions of an act approved April 7, 1938 (Public, No. 471, 75th Cong.), wool has been added to the commodities under the supervision of the Commodity Exchange Administration. This act will permit supervision over all transactions on the wool-tops futures exchange.

IX. Roads

Highway improvement has been one of the outstanding measures adopted by the present administration to give employment and at the same time provide urgently needed public improvements from which everyone benefits. The greatly enlarged program has been administered by the Bureau of Public Roads of the Department in cooperation with the State highway departments.

In the 5-year period from July 1, 1933, 100,400 miles of road have been completed—more than 70 miles for each working day. Measured in terms of miles the rate has been 155 percent of that in the preceding 4 years. In terms of service the rate has been even greater because of higher standards of road construction, improvement of multiple-lane highways, and costly work on main arteries in and near cities. The Federal-aid system has been brought to a much higher degree of improvement, and many dangerous curves and grades have been eliminated.

For the first time Federal assistance has been given in the improvement of main routes through cities. Practically every city had serious traffic problems where the main highways brought large volumes of traffic to the city limits and there modern improvements ended. Street widening and surfacing and construction of by-pass routes have been costly, but there is no large city that has not benefited from such improvements.

Much had been said about the need for secondary or farm-to-market roads, to serve our rural population located back from

the main highways, but Federal assistance did not begin until the recovery program was initiated. The program to date, including roads approved for construction, includes 26,700 miles.

Improvement of extensions of the Federal-aid system through cities and secondary-road construction has been made a permanent part of Federal-aid policy.

In the special program for elimination of hazards at grade crossings authorized in 1935, 1,745 crossings have been eliminated, 328 crossing structures have been reconstructed, and 625 crossings have been protected by safety devices. Additional crossing eliminations are being made under a regular Federal-aid authorization for each of the fiscal years 1938 and 1939. The total program includes over 3,416 crossing eliminations. The rate of improvement has been about twice as great as in the preceding 4 years. Many of the most hazardous crossings, and those in the suburbs of cities that caused great delay to traffic, had previously been passed by because of their large cost. Numerous projects of this kind have been included in the program.

Employment has been the principal objective in all of the work done. In the 5-year period the direct employment given on road jobs has amounted to nearly 9,000,000 man-months.

Under authority of legislation enacted during the past 4 years a complete survey is being undertaken of the condition of all rural highways in 46 States, the use made of the highways and how they are financed. For the first time we will have complete maps of all the rural highways for the major portion of the country. The surveys are intended to make it possible to carry on the greatly broadened highway program on a carefully planned and continuing basis.

X. RESEARCH

The Department continued its long-time research programs to obtain new facts and develop improved methods upon which are based the action programs discussed in the foregoing sections. Benefits arising out of the Department's research accrue to the farmer and the general public alike. The research workers delve into such problems as developing better crops and livestock and controlling plant and animal pests and diseases, but they also investigate the purity of foods and drugs and study weather conditions for the benefit of aviation as well as farmers and the public. Economic data are gathered and disseminated to keep the public informed on prices, trends, production, and other important subjects.

Results of research on numerous subjects were made available during the past year. These results are being applied on the farm and in the home and by Federal agencies of the Department and States which deal with land-use problems.

The Bankhead-Jones Farm Research Act of 1935 set up a special research fund and gave the Secretary of Agriculture authority to establish regional laboratories to conduct research into basic laws and principles relating to agriculture. The first was a soybean laboratory at Urbana, Ill. Research is underway at a regional swine laboratory at Ames, Iowa. Nine laboratories, in all, have been approved but not all as yet are in operation.

EXECUTIVE SESSION

Mr. BARKLEY. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE REPORTS OF A COMMITTEE

Mr. McKELLAR, from the Committee on Post Offices and Post Roads, reported favorably the nominations of sundry postmasters.

The PRESIDING OFFICER (Mr. MINTON in the chair). The reports will be placed on the Executive Calendar.

POSTMASTER AT LOS ANGELES, CALIF.—NOTIFICATION TO THE PRESIDENT

Mr. McADOO. Yesterday, Mr. President, the Senate confirmed the nomination of Mary D. Briggs to be postmaster at Los Angeles, Calif. I ask unanimous consent that the President may be notified.

The PRESIDING OFFICER. Without objection, the President will be notified of the confirmation of the nomination.

The clerk will state the nominations on the calendar.

POSTMASTERS

The legislative clerk proceeded to read sundry nominations of postmasters.

Mr. BARKLEY. I ask that the nominations of postmasters be confirmed en bloc.

The PRESIDING OFFICER. Without objection, the nominations are confirmed en bloc.

IN THE ARMY

The legislative clerk proceeded to read sundry nominations in the Army.

Mr. BARKLEY. I ask that the nominations in the Army be confirmed en bloc.

The PRESIDING OFFICER. Without objection, the nominations are confirmed en bloc.

RECESS

The Senate resumed legislative session.

Mr. BARKLEY. I move that the Senate take a recess until 12 o'clock noon tomorrow.

The motion was agreed to; and the Senate (at 5 o'clock and 17 minutes p. m.) took a recess until tomorrow, Saturday, May 28, 1938, at 12 o'clock meridian.

CONFIRMATIONS

Executive nominations confirmed by the Senate May 27 (legislative day of April 20), 1938

APPOINTMENT, BY TRANSFER, IN THE REGULAR ARMY

Lt. Col. Warner William Carr to Adjutant General's Department.

Maj. George Andrew Lockhart to Quartermaster Corps.

Capt. Joseph Conrad Odell to Quartermaster Corps.

PROMOTIONS IN THE REGULAR ARMY

John Roy Douglas Matheson to be colonel, Corps of Engineers.

William Gaston Simmons to be lieutenant colonel, Cavalry.

Henry Thomas Kent to be major, Infantry.

POSTMASTERS

COLORADO

Edward H. Applegate, Jr., Lamar.

FLORIDA

Dudley H. Morgan, River Junction.

KENTUCKY

Nathaniel M. Elliott, Corbin.
Dorothy Moore, Morgantown.
Mason E. Burton, Somerset.

NEW HAMPSHIRE

Charles S. Stone, Andover.
Roy T. Hildreth, Bethlehem.
Edward J. Conley, East Kingston.
Hazel J. Hayes, Rye Beach.

PENNSYLVANIA

L. Banks Wetzel, Beaver Springs.
Harry E. Cuppett, Bedford.
Elizabeth D. Bermingham, Blossburg.
Leo Walker, Clairton.
Earle H. Crummy, Dravosburg.
Philip S. McDermott, Duquesne.
Mayme A. Moore, Oakdale.

RHODE ISLAND

Grace B. Almy, Little Compton.

WASHINGTON

Walter W. Lindley, St. John.

HOUSE OF REPRESENTATIVES

FRIDAY, MAY 27, 1938

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Lord God of the ageless past, we bless Thee that we live today in a united country with one heart and soul. We are grateful for the chivalrous heroes of the past who were inspired to deathless deeds of heroism. Grant, as the memorial days return, sacred to the North and the South, that the tears of the Gray and the tears of the Blue may mingle as they fall upon the dust of their precious dead. May all differences of feelings and all bitterness be buried so deep that they shall never again be resurrected. Graciously bless our whole land. May there be no North, no South, no East, no

West, and no past in the grip of a dead hand, but an enduring Republic towering above the discordant masses of earth. We pray Thy blessing upon all whom we love, upon our friends everywhere, and upon those whom men remember only to hurt and hate. The poor and the outcast, may they find rescue. Oh, let Thy kingdom come, from which shall be banished all hatred and in which dwelleth peace, joy, and brotherly love. In the name of the Christ. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Frazier, its legislative clerk, announced that the Senate disagrees to the amendment of the House to the bill (S. 2475) entitled "An act to provide for the establishment of fair labor standards in employments in and affecting interstate commerce, and for other purposes," requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. THOMAS of Utah, Mr. WALSH, Mr. MURRAY, Mr. PEPPER, Mr. ELLENDER, Mr. BORAH, and Mr. LA FOLLETTE to be the conferees on the part of the Senate.

The message also announced that the Senate had passed the following concurrent resolution, in which the concurrence of the House is requested:

Senate Concurrent Resolution 37

Resolved, by the Senate (the House of Representatives concurring), That the Speaker of the House of Representatives and the President of the Senate be, and they are hereby, authorized to sign a duplicate copy of the enrolled bill (S. 3532) entitled "An act to extend the times for commencing and completing the construction of a bridge across the Missouri River at or near Randolph, Mo.," and that the Secretary of the Senate be, and he is hereby, directed to transmit the same to the President of the United States.

The message also announced that the Senate had passed a bill of the following title, in which the concurrence of the House is requested:

S. 3892. An act creating the City of Dubuque Bridge Commission and authorizing said Commission and its successors to purchase and/or construct, maintain, and operate a bridge or bridges across the Mississippi River at or near Dubuque, Iowa, and East Dubuque, Ill.

CALL OF THE HOUSE

Mr. TABER. Mr. Speaker, I make the point of order a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. RAYBURN. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 92]

Anderson, Mo.	Doughton	Larrabee	Romjue
Andrews	Douglas	Lea	Rutherford
Arnold	Drewry, Va.	Lesinski	Sacks
Atkinson	Elliott	Lewis, Colo.	Sadowski
Barden	Evans	Lewis, Md.	Satterfield
Barton	Fish	Long	Schulte
Bates	Fitzpatrick	Lucas	Scott
Bland	Flannery	McGranery	Shafer, Mich.
Boehne	Fieger	McGroarty	Sirovich
Boykin	Ford, Calif.	McLean	Smith, Maine
Buckley, N. Y.	Frey, Pa.	McMillan	Smith, Okla.
Bulwinkle	Gasque	Maas	Snell
Byrne	Gifford	Magnuson	Somers, N. Y.
Cannon, Wis.	Goldsborough	Mahon, S. C.	Steagall
Cartwright	Gray, Pa.	Martin, Mass.	Sullivan
Celler	Green	Mason	Sutphin
Champion	Greenwood	Mead	Taylor, Colo.
Chandler	Griswold	Mitchell, Tenn.	Thomas, N. J.
Chapman	Hamilton	Mosier, Ohio	Thurston
Clark, N. C.	Hancock, N. C.	Mouton	Tobey
Claypool	Hart	Norton	Towey
Cole, Md.	Hartley	O'Connell, Mont.	Treadway
Cole, N. Y.	Healey	O'Connor, Mont.	Vincent, Ky.
Cooley	Holmes	O'Day	Vinson, Ga.
Crosby	Hunter	Oliver	Wearin
Culkin	Izac	Pettengill	Weaver
Curley	Jenkins, Ohio	Pfeifer	Wene
Daly	Jenks, N. H.	Polk	Whelchel
Delaney	Kelly, N. Y.	Quinn	White, Ohio
De Muth	Kennedy, N. Y.	Ramspeck	Withrow
Disney	Kerr	Randolph	Wolcott
Ditter	Kniffin	Rockefeller	Wolfenden
Dorsey	Kvale	Rogers, Okla.	Wood

The SPEAKER. Two hundred and ninety-four Members have answered to their names. A quorum is present.

On motion of Mr. RAYBURN, further proceedings under the call were dispensed with.

CONSTRUCTION OF BRIDGE ACROSS THE MISSOURI RIVER AT OR NEAR RANDOLPH, MO.

Mr. RAYBURN. Mr. Speaker, I ask unanimous consent for the present consideration of Senate Concurrent Resolution No. 37.

The Clerk read the concurrent resolution, as follows:

Senate Concurrent Resolution 37

Resolved by the Senate (the House of Representatives concurring), That the Speaker of the House of Representatives and the President of the Senate be, and they are hereby, authorized to sign a duplicate copy of the enrolled bill (S. 3532) entitled "An act to extend the times for commencing and completing the construction of a bridge across the Missouri River at or near Randolph, Mo.," and that the Secretary of the Senate be, and he is hereby, directed to transmit the same to the President of the United States.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

Mr. MAPES. Mr. Speaker, reserving the right to object, will the gentleman from Texas explain the purpose of this resolution?

Mr. RAYBURN. Mr. Speaker, the situation is that before this bill got to the President for his signature is was misplaced or lost. This is a resolution to allow the President to sign a duplicate.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

The concurrent resolution was agreed to, and a motion to reconsider was laid on the table.

PRIVATE CALENDAR

Mr. RAYBURN. Mr. Speaker, I ask unanimous consent that it may be in order today to consider bills on the Private Calendar, after which it may be in order to consider the omnibus claims bill, which was partially considered last week but not completed.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

Mr. MAPES. Mr. Speaker, reserving the right to object, may I ask the majority leader a question? The Committee on Claims has reported another omnibus claims bill which has not been called up. Does the gentleman's request cover that bill?

Mr. RAYBURN. No; I did not include that.

Mr. MAPES. The gentleman included only the one that has been partially considered?

Mr. RAYBURN. Yes.

Mr. ENGLEBRIGHT. Mr. Speaker, reserving the right to object, as I understand it, there are several Senate bills to be brought up today. Will they come up after the omnibus bill or between the consideration of bills on the Private Calendar and the omnibus bill?

Mr. RAYBURN. It makes no difference to me.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. FULLER. Mr. Speaker, I ask unanimous consent to address the House.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

FEDERAL ASSISTANCE TO THE STATES FOR PUBLIC EDUCATION

REPORT OF PRESIDENT'S COMMITTEE

Mr. FULLER. Mr. Speaker, on February 23, 1938, the President of the United States transmitted to this House the report of the Advisory Committee on Education, which committee had about a year ago been appointed by the President with instructions to study the whole field of Federal relations to State and local conduct of education and to report in time for action early in 1938.

This report, now pending before the House Committee on Education, is a memorable document and is considered by

many nationally known educators and many officials and leaders of national organizations not composed of educators to be the best of its kind ever made by a national deliberative body. This report, Mr. Speaker, offers a final answer as to whether Federal aid for education is needed and how it can be granted without control of States and local school districts in the conduct of schools.

PERSONNEL OF COMMITTEE

The committee that made the report was composed not only of leading educators in the Nation but also leading representatives of business, labor, agriculture, and leading authorities in some of our Federal departments.

BILL ON FEDERAL AID

Since the submission of the report of the advisory Committee on Education to the Congress, a bill has been drafted to carry out the principal recommendations of the report. The bill sponsored by Senator PAT HARRISON, of Mississippi, chairman of the Finance Committee, and Senator ELBERT D. THOMAS, of Utah, chairman of the Committee on Education and Labor, is now on the Senate Calendar and is fully expected by its sponsors to be passed by the Senate during this session of Congress. A similar bill by Representative FLETCHER is pending before the House Committee on Education.

It is my hope, Mr. Speaker, that our House Committee on Education will take immediate steps to report favorably to the House a bill based substantially on the report of the President's Committee. For my part I think this legislation ought to be enacted now.

PROGRAM RECOMMENDED

The President's Committee has recommended a very modest but very fundamental program of assistance to the States for financing public education. It recommends that grants be made for the improvement of public elementary and high schools, for training teachers, for school buildings, for our State departments of education, for educational opportunities for adults, and for library services for rural inhabitants. A study of the report shows that the following grants would be made available:

First. Funds for lessening inequalities of educational opportunity among the States, $40,000,000 in 1939–40, increasing annually to $140,000,000 in 1944–45. These funds would be apportioned to the States on the basis of the number of children 5 to 19 years old and financial ability to support schools. In general the greater the need of a State for additional funds to maintain its public schools the larger the amount that State will receive.

Second. Aid for teacher training, $2,000,000 in 1939–40, $4,000,000 in 1940–41, $6,000,000 in 1941–42 and thereafter each year through 1945. These funds will be apportioned to the States in the same proportion as the funds for elementary and high schools.

Third. Aid for school buildings, $20,000,000 in 1939–40, $30,000,000 in 1940–41, and thereafter each year through 1945. These funds also will be apportioned to the States in the same proportion as the funds for elementary and high schools, and are to be matched dollar for dollar by State or local funds.

Fourth. Aid for State departments of education, $1,000,000 in 1939–40, $1,500,000 in 1940–41 and $2,000,000 each year thereafter through 1945. Each State will receive $5,000 per year and the remainder of these funds will be apportioned to the States in the same proportion as the funds for elementary and high schools.

Fifth. Grants to the States for adult education, civic, part-time, vocational, and general, $5,000,000 in 1939–40, $10,000,000 in 1940–41, and $15,000,000 each year thereafter through 1945. These funds will be apportioned to the States according to the number of adult inhabitants in each.

Sixth. Grants to the States for library services for rural inhabitants, $2,000,000 in 1939–40, $4,000,000 in 1940–41, and $6,000,000 each year thereafter through 1945. These funds are to be apportioned to the States on the basis of the number of rural inhabitants in each.

TOTAL OF PROPOSED ALLOTMENTS

According to the program outlined above, the allotments for distribution to the States for the first year, 1939–40, will amount to $70,000,000 and the allotments during the sixth year, 1944–45, will amount to $199,000,000. That these amounts are modest is shown by the fact that when they reach their maximum they will barely be 10 percent as much as the States and local communities now pay for public schools and the amount for the first year is barely the cost of one battleship.

REASONS FOR FEDERAL AID FOR EDUCATION

Mr. Speaker, the reasons why our Federal Government must bear its fair share of the cost of public education are perfectly obvious to anybody who has examined the facts.

EDUCATION AND DEMOCRATIC GOVERNMENT

In the first place, in a representative democracy such as ours the Federal Government, no less than the States, has an interest in the education and welfare of the citizens of the Nation. During the World War the young men were citizens of the Nation before they were citizens of the States. When it was found that nearly one-fourth of the young men in the draft were not sufficiently well educated to write a letter home nor read a column in a newspaper, the Nation suddenly discovered that it too had to pay the penalty of neglected educational opportunity.

NATIVES OF ALL THE STATES LIVE IN ALL THE OTHER STATES

It is of great significance to note that about one-fourth of the people of the United States now live in States other than their native States. Recently a check of the biographies of Senators and Congressmen appearing in the Congressional Directory shows that of the 89 Senators for whom the information is given 36—or 40 percent—were not born in the States they now represent. Of the 349 Congressmen for whom the information is reported, 102—or nearly 30 percent—were not born in the States they represent.

Our people have always moved about very freely. They will continue to do so, because the large cities and industrial areas do not rear a sufficient number of children to replace their population as deaths occur. But the great agricultural areas produce from 20 to 30 percent more children than are required to replace the rural population as deaths occur.

The South has only one-third of the Nation's population, but it produces over one-half the excess of births over deaths in the entire Nation. Under these conditions there is certain to continue to be migrations of people from one section to another. All sections of the Nation must be interested in the kind of schools found in all other parts of the Nation.

INEQUALITIES OF OPPORTUNITY

There are great differences in opportunity to get an education in this country, and the least opportunity is nearly always where there are the greatest number of children as compared to the number of adults.

Some measure of these inequalities can be obtained from the fact that the annual expenditures per school child range from $19 per child in one State to $124 per child in another State. In some States the average annual salary per city teacher is $2,800, while in other States the average salary is only $800. Although $800 per year seems to be ridiculously little for the annual salary of a person supposed to be competent to teach our children, it looms large in comparison with the average annual salary of rural teachers in these same States, $500.

MILLIONS NOT IN SCHOOL

Actually over 3,300,000 children between 5 and 17 years old are not during each year enrolled in any school. In eight States there are over 25 percent of the children who get no more than 150 days of schooling a year. Alabama has over 18,000 children in these short school terms and Arkansas has over 25,000.

Indeed, the President's Advisory Committee is right when it says:

> The educational services now provided for a considerable percentage of the children are below any level that should be tolerated in a civilized country.

POOR SCHOOLS NOT DUE TO POOR EFFORT

It has been freely assumed in the past that some States have little money for schools because they refuse to levy taxes. Nothing can be further from the truth. The States that have the least to spend for schools levy the highest rates of taxes and the largest number of kinds of taxes. For the most part, the very States that are in greatest need levy the highest gasoline, cigarette, sales, inheritance, and income taxes to be found in the Nation. In my State we have a tax of 6 cents per gallon on gasoline, a tax of 5 cents per package on cigarettes, a sales tax of 2 percent on retail sales, inheritance taxes, at the same rates levied by the Federal Government; severance taxes, corporate and personal income taxes, property taxes for both State and local government. In fact, we have all the taxes and more, too, than the tax experts have ever recommended. The cigarette tax, which goes to the schools of the State, produces over $1,000,000 annually. Notwithstanding our dire need, an attempt was made last year in our legislature by certain senators to cut this tax to 3 cents and deprive our children and teachers of approximately a half million dollars—all in the interest of the American Tobacco Trust.

The experts have estimated that if some of the rich States would levy the same taxes at the same rates as some of the poor States, the rich States would raise twice as much revenue as they now raise, not just twice as much as the poor States. Two hundred and fifty thousand teachers to whom is entrusted the education of 7,000,000 children receive an annual salary of less than $750, which is less than is paid elevator operators, porters, and chambermaids here in Washington.

Teachers, outside of the colleges and wealthy centers, receive less pay for ability, education, and good accomplished than any class or profession in America.

RICH IN CHILDREN, POOR IN INCOME

The Nation's income and the Nation's children have a tendency to be in different places. For example, the farmers of the United States have about 31 percent of the Nation's school children but only 9 percent of the national income. The farmers of the South have 17 percent of the Nation's school children but only 3⅓ percent of the national income. My own State, Arkansas, has 1.7 percent of all the school children in the Nation, but the people of Arkansas have only 0.7 percent of the national income from which to pay for the education of those children.

EFFECT OF ABSENTEE OWNERSHIP ON TAXATION

Furthermore, the States most in need of additional funds for the support of their public schools are the States whose natural resources and industries are owned and controlled by persons who are residents of other States. Before the Senate Committee on Education and Labor last year a distinguished economist from the University of Texas made the statement that Texas is the richest foreign colony owned by Manhattan. He produced the records to prove his statement.

The effect of the great concentration of the ownership of wealth in this country on local and State ability to levy and collect taxes can readily be seen from the fact that nearly 50 percent of the corporate wealth of the Nation is owned by 15 corporations, the telephone company alone controlling more wealth than is contained in the borders of 21 States. I make no attack on business by pointing to these facts, but I do say that it is a fair proposition that the Federal Government, through its taxing and spending powers, return a reasonable portion of the wealth produced in the States suffering the effects of absentee ownership back to those States to maintain adequate public schools.

FEDERAL AID NECESSARY

There is small wonder that the President's Advisory Committee concluded that "no sound plan of local or State taxation can be devised and instituted that will support in every local community a school system which meets minimum acceptable standards. Unless the Federal Government participates in the support of the schools several millions of the children in the United States will continue to be largely denied the educational opportunities that should be regarded as their birthright."

I have always supported legislation to provide for the Federal Government bearing its fair share of supporting public education. My record in supporting on the floor of this House appropriations for vocational education under the Smith-Hughes and George-Deen Acts is well known. Here is another great proposal coming directly from our great President to assist the youth of the Nation in the areas where they most need it. I am ready to cooperate to the fullest extent in securing the passage of such legislation.

GENERAL EXTENSION OF REMARKS

Mr. O'CONNOR of New York. Mr. Speaker, I wish to submit a unanimous-consent request, which I send to the Clerk's desk.

The Clerk read as follows:

Mr. O'CONNOR of New York asks unanimous consent that all Members of the House shall have the privilege until the last edition authorized by the Joint Committee on Printing is published to extend and revise their own remarks in the CONGRESSIONAL RECORD on more than one subject, if they so desire, and may also include therein such short quotations as may be necessary to explain or complete such extension of remarks, but this order shall not apply to any subject matter which may have occurred or to any speech delivered subsequent to the adjournment of Congress.

The SPEAKER. Is there objection to the request of the gentleman from New York?

Mr. TABER. Mr. Speaker, reserving the right to object, is it the purport of the request that the Members may extend their remarks more than one time?

Mr. O'CONNOR of New York. Yes.

Mr. TABER. It states "on more than one subject," but does not say "on more than one occasion."

Mr. O'CONNOR of New York. It means on more than one occasion, too. This is to save the time of the Members rising and asking permission to extend their own remarks. This resolution has been introduced toward the close of each session for some time.

Mr. TABER. Mr. Speaker, it was not my purpose to object, but I wanted to see that the membership thoroughly understood it.

Mr. RICH. Mr. Speaker, reserving the right to object, may I ask the gentleman what he means by the inclusion of articles with the Member's address. Does that mean that anyone wishing to take a newspaper editorial or a newspaper comment may insert that or anything else he chooses to insert with his address?

Mr. O'CONNOR of New York. It does not mean that at all. It states "short quotations."

Mr. RICH. What does the gentleman mean by "short quotations"?

Mr. O'CONNOR of New York. Short quotations from the Constitution, from laws, and so forth; that is all.

Mr. RICH. It does not mean newspaper articles or quotations of that kind?

Mr. O'CONNOR of New York. No; or editorials or anything else.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

TENT CATERPILLARS

Mr. JONES. Mr. Speaker, I ask unanimous consent that the Committee on Labor may be discharged from the further consideration of the joint resolution (H. J. Res. 630) authorizing the Director of the Civilian Conservation Corps to cooperate with the State and subdivisions thereof in destroying tent caterpillars, and that the resolution may be referred to the Committee on Agriculture. I have consulted the chairman of the Committee on Labor, and this action is agreeable to the gentlewoman.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

EXTENSION OF REMARKS

Mr. HENDRICKS. Mr. Speaker, I ask unanimous consent that the gentleman from Florida [Mr. GREEN] may be permitted to extend his remarks in the RECORD and include therein a brief editorial from the Washington Herald of May 26.

Mr. RICH. Reserving the right to object, Mr. Speaker, the gentleman has heard the discussion just held with the chairman of the Committee on Rules in connection with his unanimous-consent request, to the effect that we were not going to permit newspaper editorials to be placed in the RECORD. For the life of me, I cannot see why the membership of the House wants to insist on putting newspaper editorials in the RECORD. The CONGRESSIONAL RECORD is not supposed to be a digest of newspaper articles; it is supposed to be a record of what transpires in the House of Representatives.

Mr. HENDRICKS. That is exactly the reason I asked unanimous consent, because the request of the gentleman from New York would not permit placing this editorial in the RECORD. This is a brief editorial, and similar requests have been granted before.

Mr. RICH. I realize that, but if you want to make the CONGRESSIONAL RECORD a record of what transpires in the House of Representatives, neither the gentleman nor any other Member of Congress will request that newspaper editorials be inserted in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Florida?

Mr. RICH. I object, Mr. Speaker.

FLORIDA SHIP CANAL

Mr. HENDRICKS. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Florida?

There was no objection.

Mr. HENDRICKS. Mr. Speaker, the gentleman from Florida [Mr. GREEN] was called home to be with his wife during her illness. He asked me to insert these remarks in the RECORD. Since I have been unable to obtain permission to do so, I wish to read the remarks of my colleague [Mr. GREEN] and an editorial that appeared in the Washington Herald of May 26:

The Florida ship canal is undoubtedly the most important waterways project now before the American people. It will do all for the American people as cited in the favorable report given this project by the House Rivers and Harbors Committee. It also will carry even greater benefits to the American people in the course of time than its most fervent advocates now believe. The tonnage in the West and the South is rapidly increasing. The tonnage which will go through this canal will show a substantial increase with every generation. Its completion is in the interest of economy. It will also give employment which is now so greatly needed by millions of idle people in this Nation. It gives an avenue for expenditure on a project of lasting and permanent benefit to the people of this country and at the same time the cause of unemployment is relieved.

I include herewith a splendid editorial which appeared on the editorial page of the Washington Herald of May 26, 1938. I commend this broad-minded and comprehensive view to my colleagues:

"FLORIDA SHIP CANAL

"Distribution of the products of agriculture and industry is one of the major problems of the Nation. Work relief is one of the cardinal principles of the administration.

"Two needs can be met by resuming construction of the Florida ship canal. This canal will shorten the distance between Gulf and Atlantic ports by 400 miles. A protected route will benefit life and property and serve the Nation to immeasurable advantage in time of war.

"The area thus to be served includes three-fourths of the population, about the same proportion of the country's resources in agriculture and manufacture, 84 percent of its wholesale and retail trade and of its finance. Only 18 percent of the mineral wealth of the Nation is located outside the territory to which the canal will bring the advantages of cheap transportation.

"If labor is to benefit by wage-hour legislation, industry must get its profits out of reduced transportation costs. The railroads, staggering under their pyramided indebtedness—they have yet to retire a bond issue except by issuing a larger one to take its place—can no longer serve the country economically in their present status.

"While waiting for them to accept or avert the bankruptcy that constantly threatens and make a new and honest start, let the people of the Eastern and Southern States, where living levels are lowest, discover the benefits of low-cost distribution."

WINES, BRANDY, AND FRUIT SPIRITS

Mr. BUCK. Mr. Speaker, I ask unanimous consent for the present consideration of the bill (H. R. 10459) to amend certain provisions of law relative to the production of wines, brandy, and fruit spirits so as to remove therefrom certain unnecessary restrictions; to facilitate the collection of internal-revenue taxes thereupon; and to provide abatement of certain taxes upon wines, brandy, and fruit spirits where lost or evaporated while in the custody and under the control of the Government without any fault of the owner.

The Clerk read the title of the bill.

Mr. REED of New York. Reserving the right to object, Mr. Speaker, and I shall not object, I merely wish to say that this bill was reported unanimously by the Committee on Ways and Means. However, I believe it only fair to the House that on account of the length of the bill the gentleman explain its features.

Mr. BUCK. Mr. Speaker, this bill deals chiefly with certain changes in the administrative provisions of the laws relating to wine and brandy, and corrects certain inequities. This can best be explained by giving a simple illustration of one of them. At the present time it is perfectly possible to withdraw in bond tax-free still wines, but not sparkling or carbonated wines. We correct that situation, and so we go down the line and correct a number of injustices and inequalities in the administrative provisions. This is not a tax bill, or, of course, I would have brought it up as a privileged bill.

Mr. REED of New York. Further reserving the right to object, Mr. Speaker, I may say this bill was submitted to the Treasury officials, and the gentleman has a report in which it is stated the bill is acceptable to them.

Mr. BUCK. This bill was submitted to the Treasury, and approved by the Treasury, and cleared by the Bureau of the Budget. The amendments, all clarifying, bring the text of the bill in line with the Treasury suggestions. The bill is unanimously reported by the Committee on Ways and Means.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That section 618 (a) of the Revenue Act of 1918 (U. S. C., 1934 ed., title 26, sec. 1303) is amended to read as follows:

"SEC. 618. (a) That under such regulations and upon the execution of such notices, entries, bonds, and other security as the Commissioner, with the approval of the Secretary, may prescribe, domestic wines subject to the taxes imposed by sections 611 and 613 as amended, may be removed from the winery where produced, free of tax, for storage on other bonded winery or bonded storeroom premises or from such premises to other such bonded premises, or for exportation from the United States or for use as distilling material at any regularly registered distillery or industrial alcohol plant: *Provided, however*, That the distiller using any such wine as distilling material shall, subject to the provisions of section 3309 of the Revised Statutes, as amended, be held to pay the tax on the product of such wines as will include both the alcoholic strength therein produced by fermentation and that obtained from the brandy or wine spirits added to such wines at the time of fortification: *Provided further*, That suitable samples of brandy or fruit spirits may be withdrawn under rules and regulations to be prescribed by the Commissioner of Internal Revenue, subject to the approval of the Secretary of the Treasury, which samples shall be tax-free if for laboratory analysis and tax-paid if for any other use: *Provided further*, That the Commissioner of Internal Revenue, under rules and regulations to be my him prescribed subject to the approval of the Secretary of the Treasury, shall remit or refund all fortification taxes assessed or paid upon the quantity of fortifying spirits contained in wines exported, or which have become unfit for use as wine and are used as distilling material."

SEC. 2. Section 410 of the Liquor Tax Administration Act (U. S. C., 1934 ed., Supp. III, title 26, sec. 1320a) is amended to read as follows:

"SEC. 410. Under rules and regulations to be prescribed by the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, distillers may collect, in locked tanks, distillates containing one-half of 1 percent or more of aldehydes or 1 percent or more of fusel oil (heads and tails) removed in the course of distillation. The distillates so collected may, under regu-

lations prescribed by the Commissioner, with the approval of the Secretary, be removed from such distillery for denaturation or be destroyed in the manner prescribed by the Commissioner, under the supervision of an internal-revenue officer to be designated by the Commissioner, and when so denatured or destroyed shall not be subject to the tax imposed by law upon distilled spirits. Such distillates so collected in fruit brandy distilleries may, under regulations to be prescribed by the Commissioner, with the approval of the Secretary, be drawn into approved casks, barrels, or other containers and stored in the brandy deposit room of the fruit brandy distillery where produced pending removal for denaturation or destruction."

SEC. 3. The Commissioner of Internal Revenue, under rules and regulations to be by him prescribed with the approval of the Secretary of the Treasury, upon the presentation of proof to his satisfaction of the loss by leakage, evaporation, theft, or otherwise of brandy or fruit spirits, intended for the fortification of wine, from storage tanks in bonded warehouses or from steel drums filled therefrom, and in the fortification room of a bonded winery, not occurring as the result of any negligence, connivance, collusion, or fraud on the part of the winemaker or his agents, is hereby authorized to remit or refund the taxes assessed or paid upon such lost brandy or fruit spirits: *Provided, however,* That such remission or refund shall be allowed only to the extent that the winemaker is not indemnified or recompensed for such loss.

SEC. 4. The first paragraph of section 602 of the Revenue Act of 1918, as amended (U. S. C., 1934 ed., Supp. III, title 27, sec. 74b), is amended by inserting in lieu of the period at the end thereof a colon and the following: "*Provided,* That under the provisions of this section insofar as applicable, the Commissioner of Internal Revenue may, under rules and regulations to be by him prescribed, subject to the approval of the Secretary of the Treasury, permit the transfer of fortifying spirits containing more than 159° proof up to and including 192° proof by pipe line from registered fruit distilleries and receiving cisterns in such distilleries to storage tanks in the internal-revenue bonded warehouse located on the distillery premises to be warehoused in such storage tanks and transferred by pipe line to the fortification rooms of contiguous wineries when required."

SEC. 5. Subdivision (g) of paragraph "Fifth" of section 3244 of the Revised Statutes, as amended (U. S. C., 1934 ed., Supp. III, title 26, sec. 1394 (e) (3)), is amended to read as follows:

"(g) Notwithstanding the foregoing provisions of this section, each person making sales of fermented malt liquor or wine to the members, guests, or patrons of bona fide fairs, reunions, picnics, carnivals, or other similar outings, and each fraternal, civic, church, labor, charitable, benevolent, or ex-service men's organization making sales of fermented malt liquor or wine on the occasion of any kind of entertainment, dance, picnic, bazaar, or festival held by it, if such person or organization is not otherwise engaged in business as a wholesale or retail liquor dealer or as a wholesale or retail malt liquor dealer, shall pay, before any such sales are made and in lieu of the special taxes imposed by subdivision (a) of this paragraph and subdivision (a) of paragraph 'Fourth' of this section (U. S. C., 1934 ed., Supp. III, title 26, sec. 1934 (b) (1)) a special tax of $2 as a retail dealer in malt liquors, if fermented malt liquor only is sold, or a special tax of $2 as a retail dealer in liquors if wine only, or wine and fermented malt liquor only, are sold for each calendar month in which any such sales are made."

SEC. 6. The fourth paragraph of section 605 of the Revenue Act of 1918, approved February 24, 1919 (U. S. C., 1934 ed., title 26, sec. 1151 (b)), is amended to read as follows:

"The taxes imposed by the first paragraph of this section shall not attach to cordials or liqueurs on which a tax is imposed and paid under sections 611 and 613 of this act, as amended, nor to the mixing and blending of wines, where such blending is for the sole purpose of perfecting such wines according to commercial standards, nor to blends made exclusively of two or more pure straight whiskies aged in wood for a period not less than 4 years and without the addition of coloring or flavoring matter or any other substance than pure water and if not reduced below 90 proof; nor to blends made exclusively of two or more pure fruit brandies distilled from the same kind of fruit, aged in wood for a period not less than 2 years and without the addition of coloring or flavoring matter or any other substance than pure water and if not reduced below 90 proof: *Provided,* That such blended whiskies and blended fruit brandies shall be exempt from tax under the first paragraph of this section only when compounded under the immediate supervision of a revenue officer, in such tanks and under such conditions and supervision as the Commissioner, with the approval of the Secretary, may prescribe."

SEC. 7. The second paragraph added to section 605 of the Revenue Act of 1918, as amended, by section 319 (b) of the Liquor Tax Administration Act (U. S. C., 1934 ed., Supp. III, title 26, sec. 1151 (f)), is amended to read as follows:

"The manufacture of vermouth with fortified sweet wine on bonded winery premises shall not be deemed to be rectification within the meaning of paragraph 'Third' of section 3244 of the Revised Statutes, if distilled spirits other than necessary in the production of approved essences, whether or not such essences are produced on the bonded winery premises, used in the manufacture of vermouth, are not added to the fortified sweet wine used in the manufacture thereof or to such vermouth during or after its manufacture. Such vermouth may be manufactured on bonded winery premises, but only in a separate department thereof having no interior communication with any other department or part of such premises, under such supervision and in accordance with such regulations as the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, shall prescribe."

With the following committee amendments:

Page 2, line 3, strike out the word "and" and insert "or."

Page 4, line 7, after the word "therefrom", insert "while such drums are in such warehouse."

Page 4, line 14, after the word "the" where it occurs the second time, insert "distiller or."

Page 6, line 11, strike out "and" where it occurs the second time, and insert "or."

Page 7, line 15, after the word "essences", strike out the remainder of the line and all of lines 16 and 17.

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

Mr. BUCK. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD in regard to the bill just passed.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. BUCK. Mr. Speaker, the bill which the House has just passed, H. R. 10459, is largely amendatory of the existing law, and the amendments are designed to correct existing inequalities and injustices. There is, however, some new legislation contained in the bill, and I believe it desirable to set out its provisions a little more fully than was possible in answering the reservation of objection made by the gentleman from New York [Mr. REED].

A revision of regulations 7, dealing with wines, was made by the Bureau of Internal Revenue following the passage of the Liquor Tax Administration Act of 1936, and a similar revision of the regulations governing brandy and fruit spirits is now in preparation. These revisions have been, on the whole, quite satisfactory both to the grape and wine industry and to the Treasury Department. It has been discovered, however, that there were certain corrections which should be made which could not be accomplished without statutory legislation. These corrections have been agreed upon by representatives of the grape growers, the wineries, and the Treasury Department, and are embodied in this bill.

The first section of the bill makes it clear that champagne, sparkling wine, and artificially carbonated wine taxed under section 618 of the Revenue Act of 1918 may be removed in bond free of tax in the same manner as domestic still wines taxed under section 611 may now be removed. This section also authorizes the Commissioner of Internal Revenue to permit samples of brandy or fruit spirits to be withdrawn tax free if for laboratory analysis. Universities and agricultural colleges from time to time have use for such samples. When withdrawn for commercial purposes, the amendment provides that such samples must be tax paid.

The second amendment under section 1 provides for the refund of fortification taxes assessed or paid upon the quantity of fortifying spirits contained in wines exported or which have become unfit for use as wine and are used as distilling material. This is in accordance with the universal rule that internal-revenue taxes are withheld or withdrawn from exported merchandise. Distilling material when made into brandy or fruit spirits will pay the full tax when sold or otherwise used, and the provision as to distilling material avoids duplicate taxation.

Section 2 of the bill allows distillates containing one-half of 1 percent of aldehydes or 1 percent or more of fusel oils, which now must be collected in locked tanks, to be run off into casks or barrels and remain upon the bonded premises until finally disposed of by denaturation or destruction. These distillates contain material which is objectionable as to taste and odor and cannot be blended with the normal run of brandy.

The bill also provides for the remission or refund of taxes assessed or paid upon brandy or fruit spirits which have been lost by leakage, evaporation, or theft while in a bonded warehouse, whether from storage tanks or from steel drums or in

the fortification room of a bonded winery. At the present time the law allows this only in the case of brandy stored in barrels. It is unfair that a tax should be collected upon merchandise which has been lost or destroyed without fault on the part of the maker and while under the guard of the Treasury Department.

A new provision of law in the bill will permit the transfer of fortifying spirits of more than 159° proof plus up to 192° proof by pipe lines from fruit distilleries to storage tanks in the internal-revenue bonded warehouses located on the distillery premises to be warehoused in such storage tanks for transfer by pipe line to the fortification rooms of contiguous wineries. This is a matter of economy of operation and will be under the supervision and regulation of the Bureau of Internal Revenue.

At the present time vendors of fermented malt liquors selling only to members, guests, and patrons of picnics, carnivals, and similar outings pay a special tax of $2 as retail dealers for each calendar month for which such sales are made. This bill extends the same special rate to vendors of wine operating under the same conditions.

A further amendment gives the manufacturers of brandy the right to blend two or more pure fruit brandies distilled from the same kind of fruit if aged in wood for a period of not less than 2 years. This parallels the present provision for the blending of whiskies which is allowed if the blends are 4 years old. Brandy of 2 years of age is of the same relative maturity as whisky of 4 years of age. The mixing and blending of brandies in Europe is universal. It is essential in the production of competitive products of the same quality.

The final section of the bill merely corrects existing law relative to the uses of essences in the manufacture of vermouth. These essences are made by steeping herbs in alcohol. Necessarily some minor degree of the alcohol remains in the essence. Under existing law, if strictly construed, such essences could not be used in the production of vermouth on bonded winery premises as now allowed by law.

All of these changes have received the approval of the Treasury Department, and the favorable report rendered by the Acting Secretary of the Treasury, Hon. Roswell Magill, has been presented to the Bureau of the Budget, which in turn has advised that there is no objection on its part. The enactment of this law will tend to bring about stability and equity in the manufacture and distribution of wines and brandies. It is primarily an administrative measure. No changes in tax rates are involved in the bill. It is gratifying to note that there has been no opposition to its passage.

EXTENSION OF REMARKS

Mr. SMITH of West Virginia. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include therein a statement of the mayor of South Charleston, W. Va., in reference to the naval ordnance plant in that city.

The SPEAKER. Is there objection to the request of the gentleman from West Virginia?

There was no objection.

Mr. MITCHELL of Illinois. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include therein a letter from the Housing Authority and my answer to that letter on the housing question.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

PRINTING OF HOUSE RULES AND MANUAL

Mr. LAMBETH. Mr. Speaker, by direction of the Committee on Printing, I send to the desk a privileged resolution and ask for its immediate consideration.

The Clerk read as follows:

House Resolution 469

Resolved, That the Rules and Manual of the House of Representatives for the Seventy-sixth Congress be printed as a House document, and that 1,600 additional copies shall be printed and bound for the use of the House of Representatives, of which 700 copies shall be bound in leather with thumb index and delivered as may be directed by the Parliamentarian of the House for distribution to officers and Members of Congress.

The resolution was agreed to.

A motion to reconsider was laid on the table.

EXTENSION OF REMARKS

Mr. HOFFMAN. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

THE C. I. O. IN MICHIGAN

THE MOTOR INDUSTRY LED THE WAY TO RECOVERY

Mr. HOFFMAN. Mr. Speaker, out of the dismal, miry swamp of depression in which the people of the Nation were struggling, bogged down and sinking, following the wild speculation of 1929, the motor industry of Michigan led a hopeful, trusting Nation on to the firm, hard, and smooth highway used by private industry and at the end of which was individual and national prosperity.

Efficient organizations, reaching into every nook and cranny of the Nation, searching out and purchasing the products of farm, forest, and mine which went into the manufacture of its motor vehicles, gave employment to, and distributed profits among, hundreds of thousands of workers, laborers, mechanics, and businessmen in every hamlet, village, and city throughout the land.

These organizations had proven the soundness of the theory that, by greater efficiency, an ever-increasing wage could be paid and an ever-improving product sold at an always lessening price.

GAVE EMPLOYMENT DURING DEPRESSION

Buttressed and fortified by huge surpluses which had been accumulated notwithstanding the payment of fair wages and substantial dividends during the years of prosperity, this industry was enabled, and its guiding spirits had the courage, when the blight of a world-wide depression struck us with paralyzing force, to continue operations, although on a reduced scale, and to give jobs which enabled the workingmen to provide food, clothing, and shelter for those dependent upon them.

Up out of those dark, gloomy days, marching far in advance, without beating of drum or blaring of trumpet, this industry led our people. About this there is no mistake, for there were, at that time, no other great industries in the Detroit area in Michigan, and we have the testimony of one who has done much to hamper and destroy the constructive policies of the motor industry that Detroit and Michigan had attained recovery.

WAGES WERE HIGH IN MICHIGAN

In the New York papers of March 20, 1937, we have Governor Murphy saying that in Detroit—

> There is a general picture of high wages, good condition, security, and recognition which is one of the best in the country. Wages here are the highest of any place in the country or in the world.

These conditions of high wages and plentiful employment so pridefully described by the Governor had been prevalent during the closing months of 1936, but some, who evidently knew, early foretold, if they did not predict, the coming assault which was to paralyze the motor industry and slow up national recovery.

COMING OF COMMUNISM PREDICTED

Shortly after Murphy's return from the Philippines to become candidate for Governor of Michigan, a weekly of national circulation published a statement purporting to have been made by him, quoting President Roosevelt as saying:

> If communism breaks in America, it will be in the Detroit area, where it will first manifest itself.

A pertinent query in many minds is this: How did Murphy, how did the President, know unless Lewis told him, that, when communism broke in America, it would first manifest itself in the Detroit area? Or did Murphy misquote him?

The closing months of 1936 gave us factories working overtime, with wages almost, if not fully, as high or higher than during the boom days of 1929.

MOTOR INDUSTRY READY TO GIVE EMPLOYMENT

There stood the factories. There were the piles of raw material waiting to be fabricated. There stood the ma-

chinery by means of whose magic touch those mountains of raw material, gathered from farm, from forest, and from mine, were changed as by a miracle into machines of power and precision to make more accessible to hundreds of thousands of families not only the necessities of life but pleasure, recreation—all those things which make life more worth living.

There were the men, thousands of them, satisfied—the vast majority of them—with wages, working conditions, places of employment, eager and anxious to continue at their tasks, to earn the money which would bring not only present comforts but future security to them and their families.

Then, out of a clear industrial sky, like one of the plagues of old, upon peaceful Michigan cities descended the red menace, making true the prophecy that when communism broke in America it would break first in the Detroit area.

UNDER FALSE COLORS

With the support of the National Labor Relations Board, the interpreting agent and the executive arm of the National Labor Relations Act, which became law on the 5th day of July 1935, and the announced purpose of which was to diminish the causes of labor disputes, to protect the right of the individual worker to join or not to join the union of his choice; to secure to him the right of collective bargaining, the Communists in the C. I. O., like a pack of hungry wolves, tore into the ranks of the men in Michigan who had jobs and who wanted to work.

THE WRECKERS CAME

Earl Browder, the Communist candidate for President in 1936, it was who had prophesied their coming when he threatened:

We industrial unionists are going to take over the industries some day for three very good reasons:
1. Because we need them.
2. Because we want them.
3. Because we have the power to get them.

Many regarded his threat as idle talk; his announced move as something which could not happen here.

Earl Browder threatened; John L. Lewis and his communistic followers acted. Earl Browder, the American Communist leader, told us what he would do; John L. Lewis and his C. I. O. executed the threat.

The purpose of the invasion was to further the cause of communism. The leaders were Communists. The methods used were those of the Communists.

THE GOVERNOR AND THE PRESIDENT AIDED

Either knowingly or unwittingly, the Governor of the State and the President of the United States—the first by active assistance; the second by silence when silence was a potent force—gave the aid which turned the tide of battle decisively against the forces of law and order, against the personal right of the individual to work.

Under the guise of protecting men who were making no complaint, of bettering the conditions and increasing the wages of those who were satisfied with wages, hours, and places of employment, the radical element which had been ousted from the American Federation of Labor, armed and using strong-arm methods, by force and in violation of State and Federal law, took possession of and held to ransom factories in the cities of Michigan.

THEY FOUGHT THEIR FELLOW WORKERS

These men not only defied State and Federal authority; they not only destroyed property; they not only used coercion, intimidation, and force, but they drove from their jobs honest, peaceful, law-abiding men, who asked only that they be not denied the right to work.

These invaders levied tribute upon the workers of Michigan. They levied tribute by force, in defiance of the principle established by our Revolutionary forefathers, that money could only be taken from the citizen through his chosen representatives.

For 44 long days these armed invaders, at a cost of a million dollars a day to those they pretended they came to aid, worked their will in Michigan.

They took possession of the entire city of Flint. Men, women, and children used the thoroughfares of that city only by permission of these invaders.

Their activities spread to other cities in Michigan. Chrysler, which had thought itself beyond the battle line, felt the force of the assault. Its factories, too, were closed, as were many others—not because wages were too low, hours too long, or working conditions unfavorable, but because C. I. O. demanded recognition and sole bargaining powers.

DEMANDED A MONOPOLY OF LABOR

C. I. O. demanded in Michigan at this time not benefits for its members or for those who were employed, but its demand—and about this there is no mistake—was that John L. Lewis and his organization be acknowledged as the boss of all labor.

It sought to establish the proposition that labor, like coal and iron and grain, was a commodity to be purchased in the open market through brokers or middlemen.

John L. Lewis and C. I. O. demanded that he and it be recognized as having a monopoly of labor.

C. I. O.'s demand was and is that if factory, mine, or mill owner would give employment, would hire men, he must come to it and bargain for that service.

The demand of the C. I. O. was and is that here in America, if man would work, he must first sign on the dotted line of the C. I. O. membership card and pay tribute through dues and fees before he pays for or purchases the food, clothing, or shelter which may be necessary to sustain him and those dependent upon him.

John L. Lewis has added to the Ten Commandments an eleventh, which is that in America: Thou shalt not work without the consent of the C. I. O. and the payment of the dues imposed by it.

Words may be used, arguments may be made, and the floodgates of denunciation and vilification may be opened; passions may be aroused; envy and hatred may be sown broadcast against those who give employment; but the cold, hard fact remains that the demand of Lewis and of the C. I. O. is, as stated, that he and it be recognized as the man and the organization who shall determine when men shall work and when they shall remain in idleness.

Power over the daily lives, over the welfare—yes, over the very existence—of American citizens has never heretofore been demanded by any man.

Big business has frequently and justly been condemned, not only because of its practices but because of its very bigness. Here is a monopoly of labor greater than any combination business ever effected. Here are the privileged few—the leaders, not elected but self-appointed, and their chosen organizers—who have collected millions of dollars from the man who toils, who have used that money not for the betterment of those who contributed but for their own personal advancement.

LEWIS PUTS ON PURPLE ROBES

Lewis and his kind condemn in no uncertain terms the avarice, the greed, the selfishness of those they are pleased to term "economic royalists"; but Lewis draws a salary of $25,000 a year. Lewis has an expense account of thousands upon thousands of dollars. He lives in a home which is not a hovel. He rides in a vehicle which is somewhat different from an oxcart.

No one envies Lewis his prosperity; but his conduct, his manner of living, show that he does not choose to share in the hardships or the simple ways of living of those whose lack of material prosperity he deplores.

While he would lead the army of the underprivileged, he does not choose to march at their head clothed as they are clothed, eating as they eat, but, aping those givers of employment whose alleged greed he so bitterly denounces, he rides at the head of his army on cushioned seat, resplendent in all the regalia of the pampered rich, and, in tails and fashion's latest raiment, seeks recognition at the door of that society against whose leaders he wages industrial warfare.

His acts belie his words of sympathy for those upon whose earnings he lives in luxury.

THE LOSS TO THE WORKERS

What did the C. I. O. bring to Michigan, to the country as a whole?

To the workers of General Motors it brought a wage loss of $44,000,000. Other millions were lost to the stockholders of that corporation. The corporation lost $22,000,000. Chrysler's workers lost in wages $10,000,000. The retail merchants of Detroit and the immediate vicinity sustained a loss of $6,000,000; the wholesalers' loss was $7,750,000.

During 1928, 1929, 1930, and 1931 strikes in this country cost the workers 28,193,455 days. That was a 4-year loss.

During 1936 there were 2,172 strikes, 788,648 workers involved, and 13,901,956 days lost.

During 1937 there were 4,590 strikes, 1,850,350 workers involved, and 28,230,130 days lost.

Last Sunday, William J. Cameron, who probably knows more about conditions in Michigan than any other living man, told us in a radio address that during the last 2 years, when employment was the one thing most desired, more than 42,000,000 days' work was left undone by those engaged to do it. He further said that those figures did not represent unemployment but actual employment suppressed by that voluntary stoppage known as strikes.

He stated:

In those 2 years the Nation and individuals lost 115,000 years of 365 days each, or, in terms of the 5-day week, 161,590 years.

By far the major portion of this appalling lost time and wages, gone forever, can be charged directly to the C. I. O.

The persecution of the employer can be attributed to envy, hatred, or to a sincere belief that workers have been persecuted, misused, and abused. But to what motive can be attributed the persecution of the individual, independent worker, or the like treatment of members of a rival union? Is it to establish a dictatorship over labor for the purpose of collecting revenue?

If this be not the object, then there remains the thought that the destruction of industry as it now exists and the freedom of the worker to join or not to join the union of his choice must be abolished, as a necessary step in the changing of our form of government.

Is it true that Lewis and the C. I. O. are but pawns in that game of the President's advisers, described by Bainbridge Colby, the distinguished Secretary of State in Wilson's Cabinet, who, in 1934, said:

So completely has the administration turned its interest and its energies away from business recovery that it is openly charged, and indeed admitted, that a substantial number of the President's immediate advisers are not desirous of business revival, feeling that to prolong the depression will produce a better psychological background for the prosecution of their revolutionary designs. The overturn of our institutions, including the Constitution, is their avowed goal.

That the C. I. O. is interested in something more than the betterment of labor has been demonstrated by its conduct.

In Michigan it not only closed factories and violated the law with impunity, defied the law-enforcing officers, but it seized and held possession of the State capital at Lansing, Mich., for a day, and for no other purpose than to demonstrate its power.

For a like purpose, although it had a signed contract with Consumers Power Co., in the Saginaw Valley it pulled the switches in the power plants and threw a goodly portion of the State into darkness.

It is backed by high authority. Otherwise it would not dare to defy the law-enforcing officers.

OTHER STATES DID NOT YIELD TO LAWLESSNESS

In Connecticut, Governor Cross; in Indiana, Governor Townsend; in Ohio, Governor Davey; in Illinois, Governor Horner; each put an abrupt stop to its unlawful activities, prevented a reign of terror by a declaration that the law must be observed.

COMMUNISTS IN THE C. I. O.

In Michigan the President's chosen Governor knew that the leaders of this movement who received his direct aid in their lawlessness were reds, for he said:

Communists deliberately created disorders in the Lansing labor holiday, the Consumers Power Co. strike, and in some phases of the sit-downs. They not only sought disorders but they sought bloodshed. They wanted bloodshed, and they sought to draw us into a fight.

Here is the frank admission that the Communists of the C. I. O. marched into Michigan, armed, seeking bloodshed. It was the blood of peaceful, law-abiding citizens, working at their daily tasks, that they sought.

Where was the man who, with uplifted hand, had sworn before God to uphold the law of the land and to protect the citizens of his State? And what did he do?

He was on the scene and, by his silence and by his acts, he gave license to those seekers of innocent blood to accomplish their purpose and, if necessary, to shed the blood of the innocent.

LAW-ABIDING CITIZENS REFUSED PROTECTION

To the innocent, law-abiding citizen, by his conduct and his acts, he said:

Give way; yield to the demands. Surrender your jobs, your right to work, for I will not protect you; for if I do, blood will be shed, and bloodshed must be avoided.

Governor Murphy gave to the people of Michigan the hard choice of shameful, humiliating surrender, or of themselves individually assuming the risk of resisting the armed invading gangsters.

THE PRESIDENT KNEW OF THE LAWLESSNESS

The President of the United States was aware of the situation, for Governor Murphy told us that the President—

is watching Michigan every hour in connection with the strike situation.

He often calls morning, noon, and night to express his interest and great concern and to give his advice.

The Communist leaders of the C. I. O. brought to Michigan the Roosevelt depression. They there sowed the seeds of a national depression.

The Communist leaders of the C. I. O. brought to Michigan and established there the doctrine that the law need not be obeyed; that neither property right nor personal right, the right to work, was secure or would be protected.

WELFARE FUNDS FINANCE STRIKES

The Communist leaders of the C. I. O. initiated in Michigan and established in many places throughout the country the doctrine that men may quit their jobs, although they have no demand except that the union be recognized as the bargaining agent for all workers in that plant; then demand and receive support for themselves and their dependents out of the funds appropriated by the Federal Government for the relief of the unfortunate and the unemployed.

They have thus financed their strikes, paid their pickets, through the use of Federal relief funds.

They have in their papers printed the demand that members of the unions can only be excused from the payment of regular dues, when on relief, by paying dues to the W. P. A. Auxiliary, a union organization.

Thus from those on relief work they are collecting, for the union treasury, which heretofore has contributed more than a million dollars to the New Deal campaign fund, money appropriated for relief and for welfare work.

The Communist leaders of the C. I. O. brought to and established in Michigan the practice that men may be forced to quit their jobs by outside organizers, go on relief, and be supported by the farmers and the other workers of the State.

The Communist leaders of the C. I. O. brought to Michigan and established there the doctrine that there is within the Government an invisible government which controls and directs the people's elected and appointed law-enforcing officials.

The Communist leaders of the C. I. O. have demonstrated that, for the time, at least, in Michigan men will work only when and after they have signed allegiance to the C. I. O. and contributed to its war chest.

Communists in the C. I. O. have in Michigan made good their demand that, before men can work to earn the money

which buys food, clothing, and shelter for themselves and their families, they must pay the dues levied by the C. I. O.

A MONOPOLY OF LABOR

For the first time in the history of our country the Communists in the C. I. O. have, in some instances, brought about their purpose to establish a monopoly of labor, to sell man and his labor, as in the days of slavery, like a commodity.

As a general proposition, no longer in Michigan, in the industrial centers, can a man bargain with another who would employ him; and, if John L. Lewis has his way, like dumb cattle driven to the stockyards and the slaughter pen, the toil of the man who works—yes, the man himself—will be sold to the captains of industry by John L. Lewis, the captain of labor.

Communists in the C. I. O., for the first time in our history, have, on a Nation-wide front, attempted to array the man who works, in open battle line, against the man who provides the jobs, and this despite the acknowledged fact that such a battle is ruinous to both and that neither can succeed without the help and cooperation of the other.

The bringing about of the situation which has just been described is proof positive that it is not solicitude for the worker, the betterment of his condition, which these men are seeking, but that it is collectivism which they would establish.

Michigan is doomed to lose its commanding position as an industrial State, unless it breaks the power of the radical leadership in the C. I. O.

C. I. O. SHOULD PURGE ITSELF

The rank and file of the C. I. O.—sincere, conscientious, honest, patriotic men—can do this itself, if the membership so wills, by refusing longer to submit to the domination of a few.

THE REMEDY

There should be an amendment of the Wagner law, so that it will accomplish its avowed purpose—the diminishing of the causes of labor disputes; a change in the personnel of the N. L. R. B.; a strengthening of the hands of the American Federation of Labor and an adherence by that responsible labor organization to the principles enunciated and followed for so many years by Samuel Gompers.

As Michigan started the Nation toward recovery, so, too, it is hoped that Michigan in November of 1938 will, by an overwhelming vote of its people, repudiate the communistic leadership of the C. I. O.; announce its faith in the responsible, constructive program of the American Federation of Labor; consign Governor Murphy to the political oblivion which he so richly deserves, and elect a Governor not only with ability and courage, but with a determination to see that all have equal opportunity under the law.

ST. LOUIS BOND ISSUE ELECTION—SEPTEMBER 1935

Mr. LAMBERTSON. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Kansas?

There was no objection.

Mr. LAMBERTSON. Mr. Speaker, the following editorial appeared in the St. Louis Post-Dispatch of May 23, 1938:

A MISCARRIAGE OF JUSTICE

On the shelves of the board of election commissioners are rows and rows of ballot boxes containing evidence of wholesale fraud in the river-front bond issue election of September 1935.

They can be seen, felt, photographed. They are physically of this world. If they were opened and their contents examined, the basis would be laid for indictments, trials, and prison terms for election officials who stuffed them with fraudulent ballots.

But the ballots will never be examined and no one will ever pay a penalty for the fraud, because the Supreme Court of Missouri has declared the ballots legally nonexistent.

The decision is undoubtedly good law. It was concurred in by all the members of the court. It is one of those instances where good law conflicts with justice, the interest of the community, ordinary horse sense.

By good law, we mean proper interpretation of the statutes. In deciding the case, the court had before it a law of 1877 requiring destruction of ballots 1 year after an election; it had before it another law, passed in 1895 and amended in 1921, applying to cities of 100,000 or more, permitting preservation of ballots for more than a year, provided there was pending an election contest, criminal prosecution, or grand-jury investigation.

It was on the latter statute that Circuit Attorney Miller relied in his attempt to open the ballot boxes, but the supreme court held it to be unconstitutional because it was local and special legislation. Hence the 1877 statute governed and it makes destruction of ballots mandatory after 1 year.

Not until nearly a year after the election did an investigation reveal that it was crooked. Upon receiving the proof, the circuit attorney ordered the ballot boxes held for purposes of prosecution. In the few days remaining before the year was up, it was, of course, humanly impossible to act, yet the law made it necessary to act in those few days or not at all.

The law of 1877 is changed by a constitutional amendment permitting the use of ballots as evidence in election contests, grand-jury investigations, etc. But the amendment was passed in 1924 and does not validate the law of 1895, or its amendment in 1921.

It would have been necessary, if the river-front bond issue election ballots were to be useful as evidence, for the legislature to pass a new statute under authority of the amendment. It did not do so.

So a confusing situation arose which compelled the supreme court to deny grand juries, prosecutors, and courts access to ballots which actually exist, because they are legally nonexistent.

The confusion is chargeable to the legislature. It is the latest of a long series of events showing that Missouri is badly governed. The legislature for many years has been incompetent or worse. In this instance, it may have been mere incompetence that a confusing situation was permitted to exist; it may also have been that the confusion was purposeful—to further the ends of those who thrive by corruption at the polls.

So, regardless of the admitted correctness of the court's decision, we have here a gross miscarriage of justice. Through a technical loophole, a horde of election thieves have gained immunity for their crimes, and a crooked election has, for all practical purposes, been validated.

Democracy is predicated upon honest elections—yet here is a dishonest one which, because of the curious workings of the law, becomes binding.

How much longer are the people of Missouri going to take it on the chin before they rise in their might to demand decent government? How many miscarriages of justice are enough?

BRIDGE AND CAUSEWAY NEAR CEDAR POINT AND DAUPHIN ISLAND, ALA.

Mr. HOBBS. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H. R. 10275) to extend the times for commencing and completing the construction of a bridge and causeway across the water between the mainland, at or near Cedar Point, and Dauphin Island, Ala.

The Clerk read the title of the bill.

Mr. MAPES. Mr. Speaker, reserving the right to object, will the gentleman explain the purpose of the bill?

Mr. HOBBS. The purpose of the bill is simply to extend the time for commencement and completion of a bridge from the mainland to Dauphin Island, off the shore of the State of Alabama. It has the approval of both the War and Agriculture Departments.

Mr. MAPES. It is in the usual form for that kind of bill?

Mr. HOBBS. Yes; and this is merely an extension.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the times for commencing and completing the construction of a bridge and causeway between the mainland at or near Cedar Point and Dauphin Island, Ala., heretofore authorized to be built by Dauphin Island Railway & Harbor Co., its successors and assigns (Mobile County, Ala., and Highway Bridge Commission, Inc., an Alabama corporation, transferees), as last extended by Public Law No. 138, Seventy-fifth Congress, approved June 9, 1937, are hereby extended 1 and 3 years, respectively, from the date of approval of this act: *Provided*, That it shall not be lawful to commence the construction of said bridge until plans thereof shall again be submitted to and approved by the Chief of Engineers and by the Secretary of War.

SEC. 2. The right to alter, amend, or repeal this act is hereby expressly reserved.

With the following committees amendments:

Page 1, line 9, after the word "corporation", insert "and Alabama Bridge Commission, an agency of the State of Alabama."

Page 2, line 4, after the word "act", strike out the remainder of section 1.

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

SIGNING OF DUPLICATE SENATE BILL

The SPEAKER. The Chair desires to state that pursuant to Senate Concurrent Resolution 37 the Chair has signed a duplicate copy of the Senate bill (S. 3532).

THE PRIVATE CALENDAR

The SPEAKER. In pursuance of the unanimous consent agreement heretofore entered into, the Clerk will call the first individual bill on the Private Calendar.

WILLIAM FRANKLIN BOURLAND

The Clerk called the first bill on the Private Calendar, H. R. 6461, conferring jurisdiction upon the Court of Claims to hear, examine, adjudicate, and enter judgment in any claim which William Franklin Bourland, of the Chickasaw Nation of Indians, may have against the United States, and for other purposes.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That jurisdiction be, and is hereby, conferred upon the Court of Claims of the United States, with right of appeal to the Supreme Court of the United States by either party, notwithstanding the lapse of time or the statutes of limitations, to hear, examine, determine, adjudicate, and render judgment, according to right and justice, on any or all claims de novo upon a legal and equitable basis, of whatsoever nature, which William Franklin Bourland, of the Chickasaw Nation of Indians, may have against the United States, for the purposes of compensating said William Franklin Bourland for the services as delegate, rendered to the Chickasaw Nation, and the United States thereof, including, but without limiting the generality of the foregoing claims arising under or growing out of any treaty or agreement of the United States, law of Congress, Executive order, or any misfeasance or nonfeasance on the part of the United States with respect thereto, or arising under or growing out of any act of Congress in relation to Indian Affairs which claims have not heretofore been determined or adjudicated on their merits by the Court of Claims of the United States or the Supreme Court of the United States.

SEC. 2. Any and all claims against the United States within the purview of this act shall be forever barred unless suit be instituted or petition filed as herein provided in the Court of Claims within 5 years from the date of approval of this act, and such suit shall make William Franklin Bourland, of the Chickasaw Nation of Indians, party plaintiff and the United States party defendant, and the plaintiff shall have the right to amend any suit heretofore or hereafter filed by him in the Court of Claims. Such petition shall set forth the facts on which the claim or claims for recovery is or are based and shall be verified by an attorney or attorneys employed to prosecute such claim or claims under contract with said William Franklin Bourland, which said contract has been executed in accordance with existing law. Such petition may be made upon information and belief and no other verification shall be necessary: *Provided, however*, That official letters, papers, documents, and records, or certified copies thereof, may be used in evidence, and the departments of the Government shall give access to such attorney or attorneys of said William Franklin Bourland, of the Chickasaw Nation, to such treaties, papers, correspondence, or records as may be needed by said aforementioned attorney or attorneys.

SEC. 3. The Court of Claims shall have full authority by proper orders and process to bring in and make parties to any such suit any or all persons deemed by it necessary or proper to the final determination of the matters in controversy.

SEC. 4. In any such suit as aforesaid, any claims which the United States may have against the said Chickasaw Nation of Indians, and any payment or compensation which the United States may have made to said Chickasaw Nation of Indians prior to date of adjudication shall not operate as an estoppel or be pleaded as set off in such suit.

SEC. 5. A copy of the petition shall in each case be served upon the Attorney General of the United States, and he or some attorney from the Department of Justice to be designated by him is hereby directed to appear and defend in the interests of the United States in such case.

SEC. 6. If the Court of Claims shall find that the said William Franklin Bourland, of the Chickasaw Nation of Indians, had performed services or discharged his duties for any reasonable period whatsoever as a delegate of said nation to Washington or served from January 1 to June 20, 1910, inclusive, without just compensation therefor and for any and all expenses incurred by him, it is hereby declared that such action shall be sufficient grounds for equitable relief and the court shall render judgment in favor of said William Franklin Bourland, of the Chickasaw Nation, and shall award him just and full compensation for all such services rendered and expenses incurred in that capacity as delegate, based upon a quantum meruit; such judgment in favor of the plaintiff shall be paid out of the funds of any funds in the United States Treasury belonging to the Chickasaw Nation not otherwise appropriated: *Provided*, That if the Court of Claims shall determine that the United States by reason of any delay on the part of its authorized agents in making compensation for said services from the date of their performances by the said William Franklin Bourland, of the Chickasaw Nation, then the said court is hereby authorized to award and enter judgment, as justice and equity may demand, for damages due to such delay at 4 percent per annum of the stipulated or agreed amount set out for compensation of delegates to Washington, D. C., signed or executed in any such agreement with the Chickasaw Nation and the United States; and to compute such interest from the date the said performance of services were first commenced by the plaintiff; and with reference to all claims of any suit herein authorized, the decree of the court shall be in full settlement thereof.

SEC. 7. That upon final determination of any suit instituted under this act, the Court of Claims shall decree such amount or amounts as it may find reasonable to be paid the attorney or attorneys, employed by said William Franklin Bourland, for the services and expenses of said attorney or attorneys rendered and incurred, such reasonable fees to be based upon a quantum meruit: *Provided*, That in no case shall the aggregate amounts decreed by the Court of Claims for fees be in excess of the amount stipulated in the contract of employment: *Provided further*, That any expenses incurred by the attorney or attorneys and paid out of tribal funds shall be deducted from the amount so awarded by the court for expenses.

With the following committee amendment:

Strike out all after the enacting clause and insert:

"That the Secretary of the Interior be, and he is hereby, authorized and directed to pay, out of any funds in the United States Treasury belonging to the Chickasaw Nation not otherwise appropriated, the sum of $1,000 to William F. Bourland in full payment for services as a delegate of said nation to Washington from January 1 to June 20, 1910, inclusive."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

The title was amended so as to read: "A bill for the relief of William F. Bourland."

CONGRESS CONSTRUCTION CO.

The Clerk called the next bill, H. R. 8586, for the relief of George W. Mason, trustee for the Congress Construction Co.

The SPEAKER. Is there objection to the present consideration of the bill?

There was no objection.

Mr. COSTELLO. Mr. Speaker, I ask unanimous consent that a similar Senate bill (S. 3113) may be considered in lieu of the House bill.

There being no objection, the Clerk read the Senate bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to George W. Mason, trustee for the Congress Construction Co., of Chicago, Ill., the sum of $3,335.51 in full settlement of the claim of said company against the United States for increased cost of labor incurred due to increase of wages at the request of Government officers and/or to the National Reconstruction Administration and/or the President's reemployment agreement in the performance by said company of contract with the United States Engineers Office known as W-559-eng-2933 dated September 29, 1932, for the construction of dikes and revetment at Walker's Bar, Ohio River: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

Mr. COSTELLO. Mr. Speaker, I offer an amendment to make the Senate bill conform to the House bill.

The Clerk read as follows:

Amendment offered by Mr. COSTELLO: After the words "sum of", on page 1, line 7, strike out "$3,335.51", and insert in lieu thereof, "$6,402.60."

The amendment was agreed to.

The bill was ordered to be read a third time, was read the third time and passed.

A similar House bill and a motion to reconsider were laid on the table.

GEORGIA MARBLE CO.

The Clerk called the next bill, H. R. 8633, for the relief of the Georgia Marble Co.

The SPEAKER. Is there objection to the present consideration of the bill?

There was no objection.

Mr. COSTELLO. Mr. Speaker, I ask unanimous consent that a similar Senate bill (S. 3092) may be considered in lieu of the House bill.

There being no objection the Clerk read the Senate bill as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to the Georgia Marble Co., of Tate, Ga., the sum of $8,338.88 in full settlement of the claim of said company against the United States for increased cost of labor incurred due to the National Recovery Administration and/or the President's reemployment agreement and/or the applicable approved code in the performance of its contract with the War Department dated July 1, 1933, for furnishing certain quantities of different-type headstones: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be read a third time, was read the third time, and passed.

A similar House bill and a motion to reconsider were laid on the table.

KATE DURHAM THOMAS

The Clerk called the bill (H. R. 8643) for the relief of Kate Durham Thomas.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of $5,000 to Kate Durham Thomas, of Charlotte, N. C., widow of Henry C. Thomas, late an agent in charge in the United States Secret Service, who died as a result of injuries received while engaged in an official investigation.

With the following committee amendments:

Page 1, line 8, after the word "died", insert "August 17, 1936."

Page 1, line 9, after the word "received" insert "in an automobile accident near Sanford, N. C."

Page 1, line 10, strike out the period, insert a colon, and the following: " *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The committee amendments were agreed to; and the bill, as amended, was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

HUGH H. NEWELL

The Clerk called House Joint Resolution 146, granting insurance payments to Hugh H. Newell.

There being no objection, the Clerk read the joint resolution, as follows:

Resolved, etc., That the Administrator of Veterans' Affairs be, and he is hereby, authorized and directed to pay, out of the appropriation for military and naval insurance, to Hugh H. Newell (claim No. C–1271394) the monthly payments of $57.50 each due him from January 9, 1918, under certificate or policy of war-risk insurance granted by the United States to him under the provisions of article IV, section 400, of the War Risk Insurance Act, as amended October 6, 1917, on account of total permanent disability incurred by him in line of duty in active wartime service.

With the following committee amendments:

Page 1, line 7, strike out "$57.50" and insert "$25."

Page 1, line 8, after the word "under" strike out the remainder of the line, and lines 9, 10, and 11, and all of line 1 on page 2, and insert the following: "the terms of section 401 of the War Risk Insurance Act, as amended June 25, 1918, and December 24, 1919, on account of total permanent disability existing at time of discharge and during the period he was protected under the provisions of the War Risk Insurance Act."

The committee amendments were agreed to and the joint resolution, as amended, was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

QUIRINO G. POLANCO

The Clerk called the bill (H. R. 8898) for the relief of Quirino G. Polanco.

The SPEAKER. Is there objection?

Mr. COSTELLO and Mr. HANCOCK of New York objected and the bill was recommitted to the Committee on Immigration and Naturalization.

JOHN BODROG

The Clerk called the bill (H. R. 5059) for the relief of John Bodrog.

Mr. COSTELLO and Mr. HALLECK objected and the bill was recommitted to the Committee on Immigration and Naturalization.

ELIZABETH VRESH ET AL.

The Clerk called the bill (H. R. 6820) for the relief of Elizabeth Vresh (Yalga Vres), her son, Frederick Vresh, and her daughter, Sylvia Vresh Bronowitz.

Mr. COSTELLO and Mr. HANCOCK of New York objected and the bill was recommitted to the Committee on Immigration and Naturalization.

STANLEY KOLITZOFF AND MARIE KOLITZOFF

The Clerk called the bill (H. R. 8275) for the relief of Stanley Kolitzoff and Marie Kolitzoff.

There being no objection, the Clerk read the bill as follows:

Be it enacted, etc., That the Secretary of Labor is directed to cancel forthwith the outstanding warrant for arrest, order of deportation, warrant of deportation, and bond, if any, in the case of aliens Stanley Kolitzoff and Marie Kolitzoff, insofar as such future warrants or orders are based on the alleged unlawful entry of such aliens into the United States prior to the enactment of this act. Hereafter, for the purposes of the immigration and naturalization laws, such aliens shall be considered to have been at Northport, Wash., on July 14, 1936, lawfully admitted to the United States for permanent residence.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

J. W. BEAMS

The Clerk called the bill (H. R. 1141) for the relief of J. W. Beams.

There being no objection, the Clerk read the bill as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of $2,500 to J. W. Beams, of Barbourville, Ky., in full settlement of all claims against the Government of the United States for permanent physical injuries suffered by him on June 14, 1934, when a truck in which he was riding on Kentucky State Highway No. 80, near Hyden, Ky., was forced to leave the highway and overturned, by reason of the negligence of the driver of a four-mule team and wagon which was operated by and in connection with the Civilian Conservation Corps, in blocking the highway: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendments:

Page 1, line 8, strike out the words "permanent physical."

Page 2, line 3, strike out the proviso and insert "*Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The committee amendments were agreed to, and the bill as amended was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

FRIEDA WHITE

The Clerk called the bill (H. R. 7855) for the relief of Frieda White.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Frieda White, Marked Tree, Ark., the sum of $10,000. Such sum shall be in full settlement of all claims against the United States on account of damages sustained by the said Frieda White resulting from the death of her husband, Frank White, who was killed by J. L. Kidd, Federal Alcoholic Tax Unit agent, on the 8th day of June 1937, near Marked Tree, Ark.

With the following committee amendments:

Page 1, line 6, strike out "$10,000. Such sum shall be" and insert "$5,000".

Page 1, line 10, strike out "was killed" and insert "died of wounds inflicted".

Page 2, line 5, after the word "claim", insert "and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The committee amendments were agreed to and the bill as amended was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

BEN L. KESSINGER AND M. CARLISLE MINOR

The Clerk called the bill (H. R. 7987) for the relief of Ben L. Kessinger and M. Carlisle Minor.

Mr. HANCOCK of New York and Mr. COSTELLO objected, and the bill was recommitted to the Committee on Claims.

LONG BELL LUMBER CO.

The Clerk called the next bill, H. R. 8193, for the relief of the Long Bell Lumber Co., Ponca City, Okla.

There being no objection, the Clerk read the bill as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to the Long Bell Lumber Co., of Ponca City, Okla., the sum of $177.10 in full settlement of all claims against the United States for losses incurred in delivering certain material used in fencing the Kaw City Cemetery at Washunga, Okla., under the jurisdiction of the Pawnee Indian Agency: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent, attorney, or attorneys on account of services rendered in connection with said claim. It shall be unlawful for any agent, attorney, or attorneys to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this Act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendment:

Strike out the wording of the bill beginning with the word "*Provided*" in lines 10 and 11, page 1, and insert in lieu thereof the following: ": *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

The title was amended so as to read: "A bill for the relief of the Long Bell Lumber Co."

ROSCOE B. HUSTON

The Clerk called the next bill, H. R. 8375, for the relief of Roscoe B. Huston.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Comptroller General of the United States is hereby authorized and directed to credit the accounts of Roscoe B. Huston, postmaster at Detroit, Mich., with the sum of $20,444.90, representing the amount of public funds and property lost in the burglary of North End Station of the post office at Detroit, Mich., on December 8, 1935, such loss having resulted from no fault or negligence on the part of said postmaster, as determined by the Postmaster General under a provision in title 39, United States Code, section 49.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MARGARET B. NONNENBERG

The Clerk called the next bill, H. R. 8567, for the relief of Margaret B. Nonnenberg.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Margaret B. Nonnenberg, of Wilkinsburg, Pa., the sum of $3,565.76 in full settlement of all claims against the United States for personal and bodily injuries sustained by her on November 16, 1936, at Pittsburgh, Pa., when the automobile in which she was a passenger was struck by a Government Plymouth sedan, operated by a Government employee in connection with the Civilian Conservation Corps, while the said operator was in the performance of his duty: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendments:

Page 1, line 8, strike out the words "and bodily."

Page 1, line 9, strike out the word "at" and insert "on Baum Boulevard."

Page 1, lines 11 and 12, strike out the words "by a Government employee."

Page 2, line 1, strike out the words "while the said operator was in the performance of his duty."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

FOREIGN PROPAGANDA AGENCIES—CONFERENCE REPORT

Mr. SUMNERS of Texas, from the Committee on the Judiciary, submitted a conference report and statement on the bill (H. R. 1591) to require the registration of certain persons employed by agencies to disseminate propaganda in the United States, and for other purposes, for printing under the rule.

PRIVATE CALENDAR

The SPEAKER. The Clerk will call the next bill on the Private Calendar.

GUS VAKAS

The Clerk called the next bill, H. R. 8683, for the relief of Gus Vakas.

There being no objection the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Gus Vakas, the sum of $5,000 in full and final settlement of all claims against the Government of the United States on account of the death of his son, Pete Vakas, who died August 21, 1937, from injuries received while confined as a prisoner in the National Training School for Boys at Washington, D. C.

With the following committee amendments:

In line 5, after the name "Vakas", insert "of Washington, D. C."

In line 6, strike out the figures "$5,000" and insert "$2,500."

In line 9, strike out the words "while confined as a prisoner" and insert "in line of his duty while confined."

At the end of the bill add: ": *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

J. G. BUCKLIN

The Clerk called the next bill, H. R. 8744, for the relief of J. G. Bucklin.

There being no objection the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to J. G. Bucklin, the sum of $730.50 in full settlement for the destruction of 243 turkey eggs owned by the said J. G. Bucklin, the loss having been caused by blasting in connection with a project of the Works Progress Administration in Rehoboth, Mass.

With the following committee amendments:

In line 5, after the name "Bucklin", insert "of Rehoboth, Mass.,".

In line 6 strike out the figures "$730.50" and insert "$516.12."

In line 6, also, after the word "settlement", insert "of his claim against the United States."

In lines 7 and 8 strike out the words "owned by the said J. G. Bucklin, the loss having been."

At the end of the bill add: "on June 3, 1936: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

FILOMENO JIMINEZ AND FELICITAS DOMINGUEZ

The Clerk called the next bill, H. R. 9200, for the relief of Filomeno Jiminez and Felicitas Dominguez.

There being no objection the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is hereby authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Filomeno Jiminez the sum of $150 and to Felicitas Dominguez the sum of $900 in full satisfaction of their claims against the United States to land within the Nambe Indian Reservation, N. Mex., title to which is in the United States although the lands have been occupied by claimants and their predecessors for more than 60 years: *Provided*, That no payment shall be made hereunder until the Secretary of the Interior shall have certified that said Filomeno Jiminez and Felicitas Dominguez have entered into an agreement satisfactory to him to vacate the said lands within a specified period after payment shall have been made: *Provided further*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

C. O. HALL

The Clerk called the next bill, H. R. 9214, for the relief of C. O. Hall.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to C. O. Hall, postmaster at Sullivan, Ind., the sum of $108.87. Such sum represents the amount of rent which the said C. O. Hall (through no fault on his part) personally was obliged to pay for post-office quarters in Sullivan, Ind., for the period July 17, 1935, to July 31, 1935, inclusive.

With the following committee amendments:

In line 6, strike out the period after the figures, insert a comma, strike out the words "such sum represents" in lines 6 and 7, and insert in lieu thereof "in full satisfaction of his claim against the United States for."

In lines 7 and 8, strike out the words "the said C. O. Hall (through no fault on his part) personally" and insert "he."

At the end of the bill strike out the period, insert a comma, and add: "and which payment was disallowed by the General Accounting Office as the lease for said quarters had expired and no authority of law existed for payments at the prior rate: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

Mr. COCHRAN. Mr. Speaker, I rise in opposition to the amendments.

Mr. Speaker, I offer the pro forma amendment in order to get the floor. I regret the necessity but I feel that the House should be advised in advance of some bills that are on the calendar and will soon be reached. I know that what I am about to say will probably cause me to be criticized by some, but there is a principle involved that should not go unnoticed. Let me make it plain it is the principle that I object to and I do not now discuss the merits of the bills. I know this, it is not a precedent, because this House years ago, in omnibus pension bills has increased the pension of widows, not only of privates but of officers of the Army, Navy, and Marine Corps, but the practice is not common for the committee to pick out a few cases and report the bills individually. No doubt the change is due to the attitude of the President in voicing his objection to increases in private pensions.

On the calendar today starting with No. 868 and ending with No. 878, are 11 bills increasing the pensions of widows and officers of the Army, Navy, Marine Corps, and a former commandant of the Coast Guard to over $100 a month. One of the bills or a companion bill has already passed the Senate, and when it passed it carried a pension of $5,000 a year. This was for the widow of Maj. Gen. Hugh Scott. The House committee reduced the amount to $1,200 a year.

The bills I refer to follow: Increase in pensions for Mrs. Helen K. Snowden, widow of Rear Admiral Thomas Snowden; for Mrs. Augusta M. Coontz, widow of Admiral Robert E. Coontz; for Mrs. Mary M. Scott, widow of Maj. Gen. Hugh Scott; for Mrs. Elizabeth P. Menoher, widow of Maj. Gen. Charles T. Menoher; for Mrs. Clara P. Billard, widow of Rear Admiral Frederick C. Billard; for Mrs. Nellie J. Day, widow of Brig. Gen. Frederick R. Day; for Mrs. Grizelda H. Hobson, widow of Admiral Richmond P. Hobson; for Mrs. Harriet L. Liggett, widow of Lt. Gen. Hunter Liggett; for Mrs. Isabelle Johnston, widow of Maj. Gen. William H. Johnston; for Mrs. Thomas H. Jackson, widow of Brig. Gen. Thomas H. Jackson; and for Mrs. Jeannette W. Moffett, widow of Rear Admiral William A. Moffet.

While the original bills in some instances provided for more, the committee has reported each with a recommendation that each of the widows mentioned receive $1,200 a year in lieu of that which they are now receiving.

I was personally acquainted with practically every one of the officers. Admiral Coontz was born and reared a few miles from my home and was my personal friend. I mention this to show, or rather impress upon the membership, that it is the principle that I attack.

Mr. Speaker, I submit, if we are going to increase the pensions of the widows of Army, Navy, Marine Corps, and Coast Guard officers we should increase all, not a few. I accept the statement of those sponsoring the bills that some of the ladies are destitute, but there are many widows with young children of privates and officers who served their country who are likewise destitute. This idea of bringing in bills individually to increase the pension of widows of officers is not sound. We should bring in a general bill or none at all.

Some of the officers whose widows you seek to recognize have outstanding records, occupied positions of great importance, and distinguished themselves in time of war. That I do not deny, but I again say the idea of selecting a few is not sound. Let the committee bring in a bill that will treat all widows alike.

Mr. Speaker, I am unwilling to have passed by unanimous consent 11 bills, singling out the widows of 11 soldiers, sailors, and marines, regardless of what their rank may be or

what their service might have been. We have men who served as privates, who distinguished themselves in the World War, who were killed in action or since the war have passed away who are entitled to be recognized if any are recognized for an increase.

Mr. GEARHART. Will the gentleman yield?

Mr. COCHRAN. I yield to the gentleman from California.

Mr. GEARHART. Do I understand the gentleman contends for a principle which will force pensions on women who are not asking for them?

Mr. COCHRAN. No; but I do not think we should grant special pensions to every widow who asks for it, who can get a special bill introduced in her behalf.

Mr. GEARHART. Does the gentleman want us to understand he is for the principle of permitting the wives of the heroes of this Republic to starve on the byways and highways of this country?

Mr. COCHRAN. No. I stand for the principle of treating one and all alike.

Mr. Speaker, the widow of no hero of this Republic is going to starve. We do not let people in this country starve, whether they be the widows of our soldiers and sailors or the widows of those who never served in the Military or Naval Establishment. It is true that these ladies are not living today as they did when their husbands were alive, but the same applies to hundreds of thousands of widows in our country.

I have urged the Secretary of War and the Secretary of the Navy to have the officers and men work out a reasonable retirement system by which they will make monthly contributions toward that system. There is no reason why it cannot be done, and if it is their desire, they can submit suggestions that will also provide for reasonable pay for their widows in event of their death. Of course, they must share the expense of such a system the same as the civilian employees of the Government do. The question is now being advanced to take care of the widows of the civilian employees, and no doubt that will be worked out, but that will require an increase in their monthly contribution toward their retirement fund.

The practice of granting special recognition to soldiers and their widows that prevailed for many years was discontinued by President Roosevelt when by the use of the pocket veto he placed his stamp of disapproval on several thousand cases included in 10 or 12 omnibus bills. The President did not announce his views in writing, but we can assume he felt it was unfair to signal out a few for special consideration. I entertain the same view, and for that reason I propose to prevent the passage of the 11 bills referred to when they are reached on the calendar.

The SPEAKER. The question is on the committee amendments.

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

PYRAMID LAKE INDIAN RESERVATION, NEV.

The Clerk called the next bill, S. 840, to authorize the Secretary of the Interior to issue patents for certain lands to certain settlers in the Pyramid Lake Indian Reservation, Nev.

Mr. SHEPPARD and Mr. RICH objected, and, under the rule, the bill was recommitted to the Committee on Indian Affairs.

PRESENTATION OF DISTINGUISHED SERVICE MEDAL TO REAR ADMIRAL REGINALD VESEY HOLT, BRITISH NAVY, AND OTHERS

The Clerk called the next bill, H. R. 9649, authorizing the President to present the Distinguished Service Medal to Rear Admiral Reginald Vesey Holt, British Navy, and to Capt. George Eric Maxia O'Donnell, British Navy, and the Navy Cross to Vice Admiral Lewis Gonne Eyre Crabbe, British Navy, and to Lt. Comdr. Harry Douglas Barlow, British Navy.

The SPEAKER. Is there objection to the present consideration of the bill?

There was no objection.

Mr. COSTELLO. Mr. Speaker, I ask unanimous consent to substitute the bill S. 3522 for the House bill.

There being no objection, the Clerk read the Senate bill, as follows:

Be it enacted, etc., That the President is authorized to present the Distinguished Service Medal to Rear Admiral Reginald Vesey Holt, British Navy, and to Capt. George Eric Maxia O'Donnell, British Navy, in recognition of their initiative and courageous action in proceeding immediately with unselfish disregard of their own safety to render assistance in recovering the survivors of the United States ship *Panay* in the face of threatened force and armed opposition; and the Navy Cross to Vice Admiral Lewis Gonne Eyre Crabbe, British Navy, and to Lt. Comdr. Harry Douglas Barlow, British Navy, for their voluntary and unstinted cooperation in assisting with the recovery of the survivors of the United States ship *Panay*.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

A similar House bill (H. R. 9649) was laid on the table.

PENSION TO HELEN K. SNOWDEN

The Clerk called the next bill, H. R. 1788, granting an increase of pension to Helen K. Snowden.

Mr. COCHRAN, Mr. TABER, Mr. HANCOCK of New York, and Mr. RICH objected; and, under the rule, the bill was recommitted to the Committee on Pensions.

PENSION TO AUGUSTA M. COONTZ

The Clerk called the next bill, H. R. 2775, granting a pension to Augusta M. Coontz.

Mr. COCHRAN, Mr. HANCOCK of New York, and Mr. TABER objected, and, under the rule, the bill was recommitted to the Committee on Pensions.

PENSION TO MARY MERRILL SCOTT

The Clerk called the next bill, H. R. 3368, granting a pension to Mary Merrill Scott.

Mr. COCHRAN and Mr. HANCOCK of New York objected, and, under the rule, the bill was recommitted to the Committee on Pensions.

PENSION TO ELIZABETH PAINTER MENOHER

The Clerk called the next bill, H. R. 4584, granting an increase of pension to Elizabeth Painter Menoher.

Mr. COCHRAN and Mr. HANCOCK of New York objected, and, under the rule, the bill was recommitted to the Committee on Pensions.

PENSION TO CLARA PRENTIS BILLARD

The Clerk called the next bill, H. R. 5272, granting an increase of pension to Clara Prentis Billard.

Mr. COCHRAN and Mr. RICH objected, and, under the rule, the bill was recommitted to the Committee on Pensions.

PENSION TO NELLIE J. DAY

The Clerk called the next bill, H. R. 5613, granting an increase of pension to Nellie J. Day.

Mr. COCHRAN and Mr. HANCOCK of New York objected, and, under the rule, the bill was recommitted to the Committee on Pensions.

GRIZELDA HULL HOBSON

The Clerk called the next bill, H. R. 8217, granting an increase of pension to Grizelda Hull Hobson.

Mr. COCHRAN and Mr. RICH objected, and, under the rule, the bill was recommitted to the Committee on Pensions.

HARRIET L. LIGGETT

The Clerk called the next bill, H. R. 8316, granting an increase of pension to Harriet L. Liggett.

Mr. COCHRAN and Mr. HANCOCK of New York objected, and, under the rule, the bill was recommitted to the Committee on Pensions.

ISABELLE JOHNSTON

The Clerk called the next bill, H. R. 9054, granting a pension to Isabelle Johnston.

Mr. COCHRAN and Mr. HANCOCK of New York objected, and, under the rule, the bill was recommitted to the Committee on Pensions.

MRS. THOMAS H. JACKSON

The Clerk called the next bill, H. R. 8155, granting an increase of pension to Mrs. Thomas H. Jackson.

Mr. COCHRAN and Mr. RICH objected, and, under the rule, the bill was recommitted to the Committee on Pensions.

JEANNETTE W. MOFFETT

The Clerk called the next bill, H. R. 9926, granting an increase of pension to Jeannette W. Moffett.

Mr. COCHRAN and Mr. HANCOCK of New York objected, and, under the rule, the bill was recommitted to the Committee on Pensions.

GRANT H. PEARSON, G. W. PEARSON, JOHN C. RUMOHR, AND WALLACE ANDERSON

The Clerk called the next bill, H. R. 1744, for the relief of Grant H. Pearson, G. W. Pearson, John C. Rumohr, and Wallace Anderson.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of $923.60 to Grant H. Pearson, $718.25 to G. W. Pearson, $1,329.10 to John C. Rumohr, and $670.30 to Wallace Anderson, in full settlement of all claims against the Government of the United States that the said Grant H. Pearson, G. W. Pearson, John C. Rumohr, and Wallace Anderson may have for the loss of their personal effects when same were destroyed by the fire that burned the Government ranger cabin in which they lived in Mount McKinley National Park on or about May 11, 1934: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be fined in any sum not exceeding $1,000.

With the following committee amendments:

Page 1, line 5, after the word "appropriated" strike out the remainder of line 5 and all of lines 6 and 7, and insert "to Grant H. Pearson the sum of $461.80, to G. W. Pearson the sum of $404.88, to John C. Rumohr the sum of $664.55, and to Wallace Anderson the sum of $335.15, all of McKinley Park, Alaska."

Page 2, line 2, after the word "States" strike out "that the said Grant H. Pearson, G. W. Pearson, John C. Rumohr, and Wallace Anderson may have."

Page 2, line 7, after the word "on" strike out "or about."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

RECORDING & COMPUTING MACHINES CO., OF DAYTON, OHIO

The Clerk called the next bill, H. R. 2351, to confer jurisdiction on the Court of Claims to hear, determine, and render judgment upon the claim or claims of the Recording & Computing Machines Co., of Dayton, Ohio.

Mr. COSTELLO and Mr. HALLECK objected, and, under the rule, the bill was recommitted to the Committee on Claims.

VERACUNDA O'BRIEN ALLEN

The Clerk called the next bill, H. R. 2650, for the relief of Veracunda O'Brien Allen.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the limitations of time in sections 15 to 20, both inclusive, of the act entitled "An act to provide compensation for employees of the United States suffering injuries while in the performance of their duties, and for other purposes," approved September 7, 1916, as amended, are hereby waived in favor of Veracunda O'Brien Allen, of Lowell, Mass., and the United States Employees' Compensation Commission is hereby authorized to receive and consider her claim, under the remaining provisions of said act, for disability due to metal poisoning contracted by reason of her employment in the War Department as a skilled laborer at the Newton Manufacturing Co., Lowell, Mass., between January 3, 1918, and January 15, 1919: *Provided*, That claim hereunder shall be made within 6 months after the approval of this act: *Provided further*, That no benefit shall accrue prior to the approval of this act.

With the following committee amendment:

Page 1, line 12, after the word "disability", insert "alleged to be."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

BARBER-HOPPEN CORPORATION

The Clerk called the next bill, H. R. 4232, for the relief of Barber-Hoppen Corporation.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, to Barber-Hoppen Corporation, a corporation organized under the laws of the State of New Jersey, the sum of $375, in full compensation for additional service rendered in moving the office of the collector of internal revenue of the fifth district of New Jersey in the city of Newark in said State.

With the following committee amendments:

Page 1, line 4, after the word "pay" insert "out of any money in the Treasury not otherwise appropriated."

Line 6, after the word "corporation", strike out the remainder of line 6 and insert "of Newark."

Line 7, after the word "full", strike out the word "compensation" and insert "satisfaction of its claim against the United States."

Line 11, after the word "State", insert the following: "*Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MRS. B. E. HENNIGAN

The Clerk called the next bill, H. R. 5379, for the relief of Mrs. B. E. Hennigan.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Mrs. B. E. Hennigan the sum of $5,000. Such sum shall be in full satisfaction of all claims against the United States for damages for the death of her husband, B. E. Hennigan, from injuries received by him in line of duty while employed as a county administrator for the Federal Emergency Relief Administration, while unloading mules at the stockyards in Oklahoma City, Okla., on February 15, 1935.

With the following committee amendment:

Strike out all after the enacting clause and insert the following: "That in the administration of the act entitled 'An act to provide compensation for employees of the United States suffering injuries while in the performance of their duties, and for other purposes,' approved September 7, 1916, as amended by sundry acts, including the act of February 15, 1934 (48 Stat. 351), the United States Employees' Compensation Commission is hereby authorized and directed to extend the benefits of said acts to Mrs. B. E. Hennigan, of Ada, Okla., on behalf of herself and her dependent minor children, as the widow and children of B. E. Hennigan, who sustained injuries in the performance of his duties as county administrator of Pontotoc County, Okla., for the Federal Emergency Relief Administration, which resulted in his death on February 14, 1935: *Provided*, That claim hereunder shall be filed within 6 months after the approval of this act."

Mr. HALLECK. Mr. Speaker, I offer an amendment to the committee amendment.

The Clerk read as follows:

Amendment offered by Mr. HALLECK to the committee amendment: On page 2, line 13, after the comma, strike out the word "who" and insert "provided it is established that the said B. E. Hennigan."

The amendment to the committee amendment was agreed to.

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

The title was amended so as to read: "A bill for the relief of Mrs. B. E. Hennigan and her dependent minor children."

EDWARD J. THOMPSON

The Clerk called the next bill, H. R. 6327, for the relief of Edward J. Thompson.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Comptroller General of the United States be, and he is hereby, authorized and directed to approve the account and claim of Edward J. Thompson in the sum of $741.80, arising out of professional legal services given and rendered from August 23, 1933, up to and including October 17, 1933, to the State of Pennsylvania Advisory Board, Federal Public Works Administration of the United States Government;

SEC. 2. That by reason of the services rendered as above mentioned, there is hereby appropriated, out of any money in the Treasury not otherwise appropriated, the sum of $741.80 to pay the account and claim of the said Edward J. Thompson: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendment:

Strike out all after the enacting clause and insert:

"That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of $741.80 to Edward J. Thompson, of Philipsburg, Pa., in full settlement of all claims against the United States for legal services given and rendered from August 23, 1933, up to and including October 17, 1933, to the State of Pennsylvania Advisory Board, Federal Public Works Administration: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

JAMES T. BURNETT, DECEASED

The Clerk called the next bill, H. R. 6374, to extend the benefits of the Federal Compensation Act, approved September 7, 1916, as amended, to the widow of James T. Burnett, deceased employee of the Works Progress Administration.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the provisions of the act entitled "An act to provide compensation for employees of the United States suffering injuries while in the performance of their duties, and for other purposes," approved September 7, 1916, as amended, are hereby extended to the widow of James T. Burnett, deceased employee of the Works Progress Administration, who died as a result of injuries sustained while performing duties upon a project approved by and under the control of the Works Progress Administration: *Provided*, That no benefits shall accrue prior to the approval of this act.

With the following committee amendment:

Strike out all after the enacting clause and insert:

"That the benefits of the act entitled 'An act to provide compensation for employees of the United States suffering injuries while in the performance of their duties, and for other purposes," approved September 7, 1916, as amended, and as limited by the provisions of section 2 of the Emergency Relief Appropriation Act of April 8, 1935 (49 Stat. 115), are hereby extended to Lena R. Burnett, of Houston, Tex., widow of James T. Burnett, who died as the result of injuries sustained on April 25, 1936, while in the performance of his duty as project superintendent, on W. P. A. works project No. 1525, Rosenberg, Tex., of the Works Progress Administration, and who shall be held to have been a civil employee of the United States at the time of such injuries: *Provided*, That claim hereunder shall be filed within 6 months after the approval of this act."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

The title was amended so as to read: "A bill for the relief of Lena R. Burnett."

GLADYS LEGROW

The Clerk called the next bill, H. R. 6508, for the relief of Gladys Legrow:

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Gladys Legrow, of Chelsea, Mass., the sum of $5,000. The payment of such sum shall be in full settlement of all claims against the United States on account of personal injuries received by the said Gladys Legrow, when struck, on October 8, 1934, in Medford, Mass., by a United States mail truck.

With the following committee amendments:

In lines 6 and 7, strike out the figures and words "$5,000. The payment of such sum shall be" and insert "$750,".

In line 9, strike out the words "the said Gladys Legrow," and insert "her".

At the end of the bill add: ": *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

GENESEE BREWING CO., INC.

The Clerk called the next bill, H. R. 6713, for the relief of Genesee Brewing Co., Inc.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay to the Genesee Brewing Co., Inc., of Rochester, N. Y., out of any money in the Treasury not otherwise appropriated, the sum of $1,050, representing the amount paid for fermented-malt-liquor stamps which were canceled under protest to constitute a payment of tax on fermented malt liquor of the volume of 210 barrels, which was destroyed and rendered unsalable on July 26, 1936.

With the following committee amendments:

In line 7, strike out the word "representing" and insert "in full satisfaction of its claim against the United States for refund of."

In line 8, after the word "protest" insert "by the company, on July 26, 1936,".

In lines 10 and 11, strike out the words "which was destroyed and rendered unsalable on July 26, 1936", and insert "although the beer had been destroyed on May 12, 1936, when the tank containing it collapsed: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time and passed, and a motion to reconsider was laid on the table.

MURIEL C. YOUNG

The Clerk called the next bill, H. R. 7429, for the relief of Muriel C. Young.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Muriel C. Young, of Marshfield, Oreg., the sum of $5,227.03, in full satisfaction of her claim against the United States for damages for personal injuries suffered on September 6, 1936, when struck by motor truck USDI 5386 owned by the United States and driven by C. L. Creasy, an employee of the National Park Service: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendments:

Page 1, line 6, strike out the figures "$5,227.03" and insert "$2,250."

Page 1, line 7, strike out the words "for damages."

Page 1, line 10, strike out the name "C. L. Creasy."

Page 1, line 11, after the word "Service" insert the words "on Highway No. 99E, near Salem, Oreg."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MR. AND MRS. ROY BLESSING

The Clerk called the next bill, H. R. 7460, for the relief of Mr. and Mrs. Roy Blessing.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury allocated by the President for the maintenance and operation of the Civilian Conservation Corps, the sum of $5,000 to Mr. and Mrs. Roy Blessing in full compensation for personal injuries sustained by Tracy Blessing as the result of an accident involving a Government truck, operated in connection with the Civilian Conservation Corps, near New Hampshire, Mo., on December 5, 1935: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendments:

In lines 5 and 6, strike out the wording "allocated by the President for the maintenance and operation of the Civilian Conservation Corps" and insert in lieu thereof "not otherwise appropriated."

In line 7, strike out the figures "$5,000" and insert in lieu thereof "$2,500."

In line 7, after the name "Blessing", insert "of New Hampton, Mo."

In lines 7 and 8, strike out the words "compensation for personal injuries sustained by" and insert in lieu thereof "satisfaction of all claims against the United States because of the death of their son."

Strike out the wording of the bill after the date in line 11 and insert in lieu thereof the following: "*Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

BRETTING MANUFACTURING CO.

The Clerk called the bill (H. R. 7817) for the relief of C. G. Bretting Manufacturing Co.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of $2,536.66 to the C. G. Bretting Manufacturing Co., of Ashland, Wis., in payment for labor, repairs, and materials furnished during the fiscal year 1935 for use of the Bad River sawmill and house project under the jurisdiction of the Lac du Flambeau Indian Agency, Ashland, Wis., which were procured without compliance with sections 3709 and 3744 of the United States Revised Statutes.

With the following committee amendments:

Page 1, line 7, strike out the word "payment" and insert "full satisfaction of its claim against the United States for building a hoist, and", and in line 9 strike out "during the fiscal year 1935" and insert "from April 14 to June 27, 1936."

Page 2, line 3, after the word "statutes", insert "requiring a written contract with the lowest bidder for performance of such work: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The committee amendments were agreed to and the bill as amended was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

BROOKS-CALLAWAY CO.

The Clerk called the bill (H. R. 7890) for the relief of Brooks-Callaway Co.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, an he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of $28,984.59 to Brooks-Callaway Co., of Atlanta, Ga., for losses growing out of a contract with the War Department (No. W-1092 Eng. 3061) on account of the National Industrial Recovery Act, pursuant to the report submitted to Congress dated June 12, 1937, by the Acting Comptroller General of the United States in response to Private Law No. 673, Seventy-fourth Congress.

With the following committee amendments:

Page 1, line 3, strike out the word "an" and insert "and."

Page 2, at the end of line 1, insert: "This act is not to prejudice the right of the claimant company to recover any additional amount which can be satisfactorily proved to the Comptroller General to also represent losses growing out of this same contract on account of the National Industrial Recovery Act: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The committee amendments were agreed to and the bill as amended was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

THE PRIVATE CALENDAR—FRED J. CHRISTOFF

The Clerk called the bill (H. R. 8241) to extend the benefits of the Employees' Compensation Act of September 7, 1916, to Fred J. Christoff.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the United States Employees' Compensation Commission be, and it is hereby, authorized and directed to extend to Fred J. Christoff, on account of injuries sustained while working in his capacity as barracks policeman at the United States Military Academy, the provisions of the act entitled "An act to provide compensation for employees of the United States suffering injuries while in the performance of their duties, and for other purposes," approved September 7, 1916.

With the following committee amendment:

Strike out all after the enacting clause and insert:

"That the limitations of time in sections 15 to 20, both inclusive, of the act entitled 'An act to provide compensation for employees of the United States suffering injuries while in the performance of their duties, and for other purposes,' approved September 7, 1916, as amended, are hereby waived in favor of Fred J. Christoff, of Highland Falls, N. Y., and the United States Employees' Compensation Commission is hereby authorized to receive and consider his claim on account of injury resulting in the loss of an eye allegedly sustained while in the performance of his duty as an employee of the United States Military Academy, War Department, West Point, N. Y., during February 1933, under the remaining provisions of said act: *Provided*, That no benefits shall accrue prior to the approval of this act: *Provided further*, That claim hereunder shall be filed within 6 months from the approval of this act."

The bill as amended was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider the vote by which the bill was passed was laid on the table.

The title was amended so as to read: "A bill for the relief of Fred J. Christoff."

N. W. LUDOWESE

The Clerk called the bill (H. R. 8916) for the relief of N. W. Ludowese.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to N. W. Ludowese, of Williston, N. Dak., the sum of $104.60 in full satisfaction of his

claim against the United States for travel expenses incurred during August 1936 in performing his official duties as an employee of the Soil Conservation Service, Department of Agriculture, which was disallowed by the Comptroller General.

With the following committee amendments:

Page 1, line 6, strike out "$104.60" and insert "$188.64."

Line 8, strike out "August" and insert "September and October."

At the end of the bill strike out the period and insert the following: "as the travel was not performed in a personally owned automobile: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

SEC. 2. That the Comptroller General of the United States is hereby authorized and directed to credit the accounts of W. F. Cramer, disbursing clerk, Treasury Department, symbol 3902–52, with the amount of $73, representing travel expenses paid to N. W. Ludowese for mileage from August 15 to August 31, 1936.

The committee amendments were agreed to and the bill as amended was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ROBERT E. LEE HOTEL

The Clerk called the bill (H. R. 9374) for the relief of the Robert E. Lee Hotel.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to the Robert E. Lee Hotel, of Jackson, Miss., the sum of $200, being a refund of moneys paid by said Robert E. Lee Hotel to the Treasury of the United States on account of the fraudulent issuance of post-office money orders by Harry G. Peek, postmaster at Sondheimer, La.: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendments:

Page 1, line 6, after "$200", strike out the remaining portion of line 6 and lines 7, 8, 9, and 10, and insert in lieu thereof the following: "in full satisfaction of its claim against the United States for a refund of the value of one invalid postal money order fraudulently issued by Harry G. Peek, former postmaster at Sondheimer, La., which sum has heretofore been paid to the United States.

At the end of the bill insert a new section, as follows:

"SEC. 2. Nothing in this act shall be construed to prevent the recovery by the United States of funds embezzled by the said Harry G. Peek, or on money orders unlawfully issued by him, except that which is the subject of this claim."

The committee amendments were agreed to, and the bill, as amended, was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

SAMUEL L. DWYER

The Clerk called the bill (S. 2417) for the relief of Samuel L. Dwyer.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Samuel L. Dwyer, of Palmerdale, Ala., the sum of $2,500, in full satisfaction of all his claims against the United States for damages sustained by him for medical expense and by his 5-year-old son, Luther Allen Dwyer, for permanent disfigurement, when the explosion of a dynamite cap with which the latter was playing, after finding it on the homestead of his father where said cap had been negligently left by employees of the Resettlement Administration engaged in clearing such land, blew off two fingers of his left hand below the first joint: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendment:

Page 2, line 2, after the word "land," strike out the comma and the words "blew off two fingers of his left hand below the first joint."

The committee amendment was agreed to, and the bill as amended was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

FRANK PINGITORE

The Clerk called the next bill, H. R. 5382, for the relief of Frank Pingitore, alias Francesco Pingitore.

The SPEAKER. Is there objection?

Mr. COSTELLO and Mr. HANCOCK of New York objected, and, under the rule the bill was recommitted to the Committee on Immigration and Naturalization.

TO AMEND THE IMMIGRATION ACT OF MARCH 4, 1929

The Clerk called the next bill, H. R. 6081, to amend the Immigration Act of March 4, 1929, and for other purposes.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That in the administration of the immigration laws, relating to the issuance of immigration visas for admission to the United States for permanent residence and relating to admissions at ports of entry of aliens as immigrants for permanent residence in the United States, that provision of section 1 (a) of the Immigration Act of March 4, 1929 (45 Stat. 1512), as amended June 24, 1929 (46 Stat. 41; U. S. C., title 8, sec 180), which excludes from admission to the United States any alien who had been "deported in pursuance of law" shall not hereafter be held to apply to Edward Malm, who is the husband of Laura Malm, an American citizen, on account of his alleged failure to receive permission from the Secretary of Labor to apply for admission to the United States prior to his arrival at New York on November 9, 1935, and his admission with quota visa No. 3, issued by the American Consul in Tallinn, Estonia, October 9, 1935, and Edward Malm shall hereafter be deemed to have been lawfully admitted to the United States for permanent residence at New York, N. Y., on November 9, 1935.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

The title was amended so as to read "A bill for the relief of Edward Malm."

HENRIETTA VENDEMMIA

The Clerk called the next bill, H. R. 6306, to authorize the cancelation of deportation proceedings in the case of Henrietta Vendemmia.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of Labor is hereby authorized and directed to cancel the outstanding order and warrant of deportation in the case of Henrietta Vendemmia, wife of Francisco Vendemmia, a naturalized American citizen, any provision of existing law to the contrary notwithstanding. From and after the date of the approval of this act, Henrietta Vendemmia shall not again be subject to deportation by reason of the same fact upon which the outstanding proceedings rest.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

FRANCESCO CASTELLI

The Clerk called the next bill, H. R. 6778, for the relief of Francesco Castelli.

The SPEAKER. Is there objection?

Mr. COSTELLO and Mr. HANCOCK of New York objected; and, under the rule, the bill was recommitted to the Committee on Immigration and Naturalization.

MARY M'COMBE

The Clerk called the next bill, H. R. 7118, for the relief of Mary McCombe.

The SPEAKER. Is there objection?

Mr. COSTELLO and Mr. HANCOCK of New York objected; and, under the rule, the bill was recommitted to the Committee on Immigration and Naturalization.

GORDON L. CHEASLEY

The Clerk called the next bill, H. R. 7297, for the relief of Gordon L. Cheasley.

The SPEAKER. Is there objection?

Mr. MOTT and Mr. HANCOCK of New York objected; and, under the rule, the bill was recommitted to the Committee on Immigration and Naturalization.

LEON SOBEL

The Clerk called the next bill, H. R. 7304, for the relief of Leon Sobel.

The SPEAKER. Is there objection?

Mr. COSTELLO and Mr. HANCOCK of New York objected; and, under the rule, the bill was recommitted to the Committee on Immigration and Naturalization.

UNITED STATES COAST GUARD ACADEMY

Mr. BLAND. Mr. Speaker, I ask unanimous consent to file for printing at this point in the RECORD a report of the Board of Visitors of the Coast Guard Academy, consisting of Members of the Senate and the House.

The SPEAKER. Without objection, the report will be incorporated in the CONGRESSIONAL RECORD at this point.

There was no objection.

The matter referred to is as follows:

To the President of the Senate.
To the Speaker of the House of Representatives.

GENTLEMEN: The act approved April 16, 1937, authorizing the establishment of a permanent instruction staff at the United States Coast Guard Academy, provides in section 7, in part, as follows:

"SEC. 7. In addition to the advisory board there shall be appointed in January of each year a Board of Visitors to the Coast Guard, which shall consist of two Senators and three Members of the House of Representatives appointed by the chairmen of the committees of the Senate and the House of Representatives, respectively, having cognizance of legislation pertaining to the Coast Guard Academy. The chairman of such committees shall be ex officio members of the Board.

"(b) Such Board shall visit the Coast Guard Academy annually on a date to be fixed by the Secretary of the Treasury."

Pursuant to the above-mentioned section, the Secretary of the Treasury designated Wednesday, April 27, as the date for the first annual visit of this Board. The membership of the Board of Visitors consists of the following:

Senators: Hon. ROYAL S. COPELAND, of New York, chairman, Committee on Commerce, United States Senate, ex officio member; Hon. FRANCIS T. MALONEY, of Connecticut; Hon. ERNEST W. GIBSON, of Vermont.

Members of the House of Representatives: Hon. SCHUYLER O. BLAND, of Virginia, chairman, Committee on Merchant Marine and Fisheries, House of Representatives, ex officio member; Hon. LINDSAY C. WARREN, of North Carolina; Hon. EDWARD J. HART, of New Jersey; Hon. RICHARD J. WELCH, of California.

The members of the Board, with the exception of the Honorable LINDSAY C. WARREN, of North Carolina, and RICHARD J. WELCH, of California, who were unable to make the trip, left Washington at 8 p. m. April 26. They arrived at the academy in the morning of the 27th, and enjoyed breakfast at the home of Capt. E. D. Jones, superintendent of the academy, and his charming wife. The Board met officially at 10:30 a. m. in the Administration Building, where the superintendent of the academy briefly outlined the history of the Coast Guard Academy and explained the course of instruction. The Board discussed various matters pertaining to the academy, and then made an inspection of the classrooms and laboratories in the Academic Building. At 11:45, the Board reviewed the battalion of cadets, after which the members had luncheon with the cadets.

In the afternoon the Board inspected the academy buildings, equipment, and grounds, and observed the students exercising in boats under sail on the Thames River. Later the Board members met cadets of all classes at a tea at the superintendent's quarters. In the evening the members of the Board dined in the officers' mess with the heads of the various departments of the academy.

The act of April 16, 1937, which authorized the Board of Visitors, also provided under section 6 thereof, for an advisory committee consisting of not more than five persons of distinction in the field of education. The law provides that this committee meet at the academy, and also at Coast Guard headquarters in Washington, for the purpose of examining the course of instruction and advising the Secretary of the Treasury relative thereto. Since the committee of educators is actively functioning in regard to the course of instruction at the Coast Guard Academy, the congressional Board did not make a detailed inspection of the curriculum, and accordingly makes no recommendation or suggestion in this vital matter.

The Board was most favorably impressed by every feature of the institution. The academy has a scenic location on the Thames River at New London, Conn., and is a modern establishment built in 1932 at a cost of some $2,750,000. The Board finds that the buildings, grounds, laboratories, shops, and all other equipment are being well maintained, and believes that the Government may take great pride in the institution.

The academy faculty charged with the academic instruction of the cadets, as well as their training in practical work and discipline, consists of regular line and engineering commissioned officers, commissioned professors, and civilian instructors. The course of study in professional as well as cultural subjects appears to parallel that of the best engineering colleges. But the Coast Guard cadet is in residence practically 4 full years, and accordingly, on a semester hour basis, completes more work than is required by the average college granting the bachelor of science degree. To a large extent this additional work covers courses in maritime and navigation law and kindred subjects.

The corps of cadets numbers from 130 to 150 per year, sufficient at this time to supply the needs for commissioned officers of the Coast Guard. Cadets are chosen after competitive examinations held throughout the country. The corps of young men impressed the Board as being a fine, upstanding, serious-minded group of young Americans, being efficiently trained for their future responsibilities.

The Board desires to make mention of the cordial reception and hospitable treatment furnished its members by Captain Jones and the other officers of the academy. It was surprised to learn that all official entertainment is undertaken at the expense of the superintendent and other officers. The greater part of the expense is borne by the superintendent. The Board plans to recommend early consideration of a bill to authorize the appropriation of a moderate sum of money for the use of the superintendent in connection with official entertainment at the academy.

Respectfully submitted.

ROYAL S. COPELAND,
Acting Chairman.
FRANCIS T. MALONEY.
ERNEST W. GIBSON.
SCHUYLER O. BLAND.
EDWARD J. HART.

ELLIS REED-HILL,
Secretary to the Board.

PRIVATE CALENDAR

The SPEAKER. The Clerk will call the next bill on the Private Calendar.

CHRISTIAN JOSEF MUELLER

The Clerk called the next bill on the Private Calendar, H. R. 7608, to authorize the cancelation of deportation proceedings in the case of Christian Josef Mueller.

The SPEAKER. Is there objection?

Mr. COSTELLO and Mr. HANCOCK of New York objected, and, under the rule, the bill was recommitted to the Committee on Immigration and Naturalization.

MARKO BRALICH ET AL.

The Clerk called the next bill, H. R. 7637, for the relief of Marko Bralich, Anka Bralich, Ivan Bralich, Marija Bralich, and Marijan Bralich.

The SPEAKER pro tempore (Mr. BLAND). Is there objection to the present consideration of the bill?

Mr. COSTELLO and Mr. MOTT objected, and, under the rule, the bill was recommitted to the Committee on Immigration and Naturalization.

PASQUALE ALTEZZA

The Clerk called the next bill, H. R. 8077, for the relief of Pasquale Altezza.

The SPEAKER pro tempore. Is there objection?

Mr. COSTELLO, Mr. MOTT, and Mr. HANCOCK of New York objected, and, under the rule, the bill was recommitted to the Committee on Immigration and Naturalization.

SILVIO BONANNI

The Clerk called the next bill, H. R. 8444, for the relief of Silvio Bonanni.

The SPEAKER pro tempore. Is there objection?

Mr. HALLECK and Mr. MOTT objected, and, under the rule, the bill was recommitted to the Committee on Immigration and Naturalization.

AUGUSTIN CIBILIC ET AL.

The Clerk called the next bill, H. R. 8477, for the relief of Mato, Miljenko, Bozo, and Augustin Cibilic or Zibilich.

The SPEAKER pro tempore. Is there objection?

Mr. COSTELLO and Mr. MOTT objected, and, under the rule, the bill was recommitted to the Committee on Immigration and Naturalization.

PASQUALE LOBRANO

The Clerk called the next bill, H. R. 8589, for the relief of Pasquale Lobrano.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of Labor is hereby authorized and directed to cancel the outstanding order and warrant of deportation in the case of Pasquale Lobrano, any provision

of existing law to the contrary notwithstanding. From and after the date of the approval of this act, Pasquale Lobrano shall not again be subject to deportation by reason of the same fact upon which the outstanding proceedings rest.

The bill was ordered to be engrossed and read a third time, was read the third time and passed, and a motion to reconsider was laid on the table.

ALBERT SAINT CLAIR

The Clerk called the next bill, H. R. 8678, for the relief of Albert Saint Clair.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That in the administration of the immigration and naturalization laws the Secretary of Labor is hereby authorized and directed to cancel the warrant of arrest and the order of deportation against Albert Saint Clair, the father of two American-born children, heretofore issued on the ground that at the time of entry into the United States he was not in possession of an unexpired immigration visa, and thereupon Albert Saint Clair shall hereafter be deemed to have been lawfully admitted to the United States for permanent residence at New York, N. Y., as of the date of enactment of this act.

The bill was ordered to be engrossed and read a third time, was read the third time and passed, and a motion to reconsider was laid on the table.

LOUIS MICHAEL BREGANTIC

The Clerk called the next bill, H. R. 8743, for the relief of Louis Michael Bregantic.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. MOTT. I object, Mr. Speaker.

There being no further objection, the Clerk read the bill, as follows:

Be it enacted, etc., That in the administration of the immigration and naturalization laws the Secretary of Labor is hereby authorized and directed to cancel the warrant of arrest and the order of deportation against Louis Michael Bregantic heretofore issued on the grounds that on (date unknown) admission to the United States had been fraudulently gained pursuant to the commission of a passport or visa offense which, subsequent to such admission, has heretofore been held by the Attorney General of the United States to be within the purview of "crimes involving moral turpitude," and thereupon Louis Michael Bregantic shall hereafter be deemed to have been lawfully admitted to the United States for permanent residence at (port unknown) on (date unknown). Any declaration of intention to become a citizen or any petition for citizenship heretofore filed by or any admission to citizenship ordered and certificate of naturalization heretofore issued to Louis Michael Bregantic which were predicated upon the claim of lawful admission to the United States for permanent residence on (date unknown) shall hereafter be deemed valid unless the original 7-year period of validity of such declaration of intention has heretofore expired or Louis Michael Bregantic has heretofore been found otherwise not eligible to such benefit under the naturalization laws.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

JOSEPH BRUM AND GUSSIE BRUM

The Clerk called the next bill, H. R. 8858, for the relief of Joseph Brum and Gussie Brum.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That in the administration of the immigration and naturalization laws, the Secretary of Labor is hereby authorized and directed to cancel the warrant of arrest and the order of deportation against Joseph Brum and Gussie Brum heretofore issued on the ground that in or about January 1921 admission to the United States had been fraudulently gained pursuant to the commission of a passport or visa offense which, subsequent to such admission, has heretofore been held by the Attorney General of the United States to be within the purview of "crimes involving moral turpitude," and thereupon said Joseph Brum and Gussie Brum shall hereafter be deemed to have been lawfully admitted to the United States for permanent residence at New York, in January 1921. Any declaration of intention to become a citizen or any petition for citizenship heretofore filed by or any admission to citizenship ordered and certificate of naturalization heretofore issued to said Joseph Brum and Gussie Brum, which were predicated upon the claim of lawful admission to the United States for permanent residence in January 1921, shall hereafter be deemed valid unless the original 7-year period of validity of such declaration of intention has heretofore expired or said Joseph Brum and Gussie Brum has heretofore been found otherwise not eligible to such benefit under the naturalization laws.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ALFONSINA MAURINA CORRADINI

The Clerk called the next bill, H. R. 8869, for the relief of Alfonsina Maurina Corradini.

Mr. COSTELLO and Mr. MOTT objected, and, under the rule, the bill was recommitted to the Committee on Immigration and Naturalization.

SOTERIOS G. STAMOULIS

The Clerk called the next bill, H. R. 9424, for the relief of Soterios G. Stamoulis.

Mr. COSTELLO and Mr. MOTT objected, and, under the rule, the bill was recommitted to the Committee on Immigration and Naturalization.

JOSEPH PAVICH

The Clerk called the next bill, H. R. 6931, for the relief of Joseph Pavich.

Mr. COSTELLO and Mr. MOTT objected, and, under the rule, the bill was recommitted to the Committee on Immigration and Naturalization.

PAUL HIRSCHMANN

The Clerk called the next bill, H. R. 7039, for the relief of Paul Hirschmann.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That in the administration of the immigration and naturalization laws the Secretary of Labor be, and he is hereby, authorized and directed to cancel the warrant of arrest and the order of deportation against Paul Hirschmann heretofore issued on the grounds that on January 9, 1930, admission to the United States had been fraudulently gained pursuant to the commission of a passport or visa offense which, subsequent to such admission, has heretofore been held by the Attorney General of the United States to be within the purview of "crimes involving moral turpitude," and thereupon Paul Hirschmann shall hereafter be deemed to have been lawfully admitted to the United States for permanent residence at New York City, N. Y., on January 9, 1930.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

STEFANO PAGLIARO

The Clerk called the next bill, H. R. 7883, for the relief of Stefano Pagliaro.

Mr. MOTT and Mr. HALLECK objected, and, under the rule, the bill was recommitted to the Committee on Immigration and Naturalization.

MIRA FRIEDBERG (MIRA DWORECKA)

The Clerk called the next bill, H. R. 7891, for the relief of Mira Friedberg (Mira Dworecka).

Mr. COSTELLO and Mr. MOTT objected, and, under the rule, the bill was recommitted to the Committee on Immigration and Naturalization.

DOMENICO MAZZELLA

The Clerk called the next bill, H. R. 7962, for the relief of Domenico Mazzella.

Mr. COSTELLO and Mr. MOTT objected, and, under the rule, the bill was recommitted to the Committee on Immigration and Naturalization.

ITZHOCK OR ISIDORE FINKELSTEIN AND ROCHEL OR RACHELA FINKELSTEIN

The Clerk called the next bill, H. R. 8418, for the relief of Itzhock or Isidore Finkelstein and Rochel or Rachela Finkelstein.

Mr. COSTELLO and Mr. MOTT objected, and, under the rule, the bill was recommitted to the Committee on Immigration and Naturalization.

CORRADO ARANCIO

The Clerk called the next bill, H. R. 5345, for the relief of Corrado Arancio.

Mr. COSTELLO and Mr. MOTT objected, and, under the rule, the bill was recommitted to the Committee on Immigration and Naturalization.

CARLO RESTA

The Clerk called the next bill, H. R. 5868, for the relief of Carlo Resta.

Mr. COSTELLO and Mr. MOTT objected, and, under the rule, the bill was recommitted to the Committee on Immigration and Naturalization.

PAOLO VITO SCAROLA

The Clerk called the next bill, H. R. 6729, for the relief of Paolo Vito Scarola.

Mr. MOTT and Mr. COSTELLO objected, and, under the rule, the bill was recommitted to the Committee on Immigration and Naturalization.

VICTORIA MAGHEE

The Clerk called the next bill, H. R. 7119, for the relief of Victoria Maghee.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That Victoria Maghee, born, Mardin, Turkey, September 8, 1911, shall be considered after the passage of this act for the purposes of the immigration and naturalization laws to have legally entered the United States at the port of New York on March 16, 1929, for permanent residence.

The bill was ordered to be engrossed and read a third time, was read the third time and passed, and a motion to reconsider was laid on the table.

ADOLPH ARENDT

The Clerk called the next bill, H. R. 9400, for the relief of Adolph Arendt.

Mr. HALLECK and Mr. MOTT objected and, under the rule, the bill was recommitted to the Committee on Immigration and Naturalization.

ANTHONY NATALIZIO

The Clerk called the next bill, H. R. 5220, for the relief of Anthony Natalizio.

Mr. MOTT and Mr. HALLECK objected and, under the rule, the bill was recommitted to the Committee on Immigration and Naturalization.

YANKIEL OWSIANKA, ALIAS JACK SINGER

The Clerk called the next bill, H. R. 8419, for the relief of Yankiel Owsianka, alias Jack Singer.

Mr. COSTELLO and Mr. HANCOCK of New York objected and, under the rule, the bill was recommitted to the Committee on Immigration and Naturalization.

EXTENSION OF REMARKS

Mr. SIROVICH. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include therein letters I have received from William Green, president of the American Federation of Labor, and John Lewis.

The SPEAKER pro tempore (Mr. BLAND). Is there objection to the request of the gentleman from New York?

There was no objection.

PRIVATE CALENDAR

OSKAR HERLINS

The Clerk called the next bill, H. R. 8481, for the relief of Oskar Herlins.

Mr. COSTELLO and Mr. MOTT objected and, under the rule, the bill was recommitted to the Committee on Immigration and Naturalization.

CESARE GUGLIELMO LEOPOLDO TORRELLI

The Clerk called the next bill, H. R. 8746, for the relief of Cesare Guglielmo Leopoldo Torrelli.

Mr. MOTT and Mr. HALLECK objected and, under the rule, the bill was recommitted to the Committee on Immigration and Naturalization.

SANTO TEDESCO

The Clerk called the next bill, H. R. 9322, for the relief of Santo Tedesco.

Mr. HANCOCK of New York and Mr. COSTELLO objected, and, under the rule, the bill was recommitted to the Committee on Immigration and Naturalization.

LUIGI MAZZA

The Clerk called the next bill, H. R. 5597, for the relief of Luigi Mazza.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of Labor is directed to cancel forthwith the outstanding warrant of arrest, order of deportation, warrant of deportation, and bond, if any, in the case of the alien Luigi Mazza (husband of the lawfully resident alien Maria Mazza and father of Anna Mazza, Rosa Mazza, Maria Mazza, Antonio Mazza, and Vito Mazza, who are citizens of the United States, having been born in the United States, are all minors, and solely dependent for their support and maintenance on the said Luigi Mazza, their father), and is directed not to issue any further such warrants or orders in the case of such alien, insofar as such future warrants or orders are based on the unlawful entry of such alien into the United States prior to the enactment of this act. Hereafter, for the purposes of the immigration and naturalization laws, such alien shall be considered to have been at New York, N. Y., on August 29, 1921, lawfully admitted to the United States for permanent residence.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

LOUIS SAMOLSKI, REBECCA SAMOLSKI, AND MARTIN SAMOLSKI

The Clerk called the next bill, H. R. 7168, for the relief of Louis Samolski, Rebecca Samolski, and Martin Samolski.

Mr. MOTT. Mr. Speaker, I object.

There being no further objection, the Clerk read the bill, as follows:

Be it enacted, etc., That in the administration of the immigration and naturalization laws the Secretary of Labor is hereby authorized and directed to cancel the warrant of arrest and the order of deportation against Louis Samolski, also known as Leiba Samolski; Rebecca Samolski, also known as Ryka Samolski; and Martin Samolski, also known as Mieczslaw Samolski, heretofore issued on the grounds that admission to the United States had been fraudulently gained; and that they shall hereafter be deemed to have been lawfully admitted to the United States for permanent residence at New York, N. Y.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

GIOVANNI RAFFA

The Clerk called the next bill, H. R. 7357, for the relief of Giovanni Raffa.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That in the administration of the immigration laws for admission to the United States for permanent residence, that the provisions of section 3 of the Immigration Act of 1917, as amended, shall not hereafter be held to apply to Giovanni Raffa on account of an offense alleged to have been committed in securing his declaration of intention, if he is found otherwise admissible under the immigration laws, and that hereafter, for the purposes of the immigration and naturalization laws, such alien shall be considered to have been at New York, N. Y., on November 23, 1926, lawfully admitted to the United States for permanent residence.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

JACOB TABAH ET AL.

The Clerk called the next bill, H. R. 7659, to authorize the cancelation of deportation proceedings in the case of Jacob Tabah, wife Esther, and daughters Bertha, Dora, Rosa, and Angela.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of Labor is hereby authorized and directed to cancel the proceedings instituted against Jacob Tabah, his wife Esther, and daughters Bertha, Dora, Rosa, and Angela, any provision of existing law to the contrary notwithstanding. From and after the date of the approval of this act, Jacob, Esther, Bertha, Dora, Rosa, and Angela Tabah shall not again be subject to deportation by reason of the same facts upon which the outstanding proceedings rest.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

DYMTRO, OR JIM, GURAL

The Clerk called the next bill, H. R. 8591, for the relief of Dymtro, or Jim, Gural.

Mr. COSTELLO and Mr. HANCOCK of New York objected, and, under the rule, the bill was recommitted to the Committee on Immigration and Naturalization.

STANISLAW PASKO AND KSAVERY FRANCES PASKO (NEE FYALOWNA)

The Clerk called the next bill, H. R. 8620, for the relief of Stanislaw Pasko and Ksavery Frances Pasko (nee Fyalowna).

Mr. COSTELLO and Mr. HANCOCK of New York objected, and, under the rule, the bill was recommitted to the Committee on Immigration and Naturalization.

DARIO FERNANDEZ

The Clerk called the next bill, H. R. 6537, for the relief of Dario Fernandez.

Mr. COSTELLO and Mr. HANCOCK of New York objected, and, under the rule, the bill was recommitted to the Committee on Immigration and Naturalization.

ALFONSO LUIGI TARTOGLIONE

The Clerk called the next bill, H. R. 6994, for the relief of Alfonso Luigi Tartoglione.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of Labor is hereby authorized and directed to cancel the outstanding order and warrant of deportation in the case of Alfonso Luigi Tartoglione, any provision of existing law to the contrary notwithstanding. From and after the date of the approval of this act, Alfonso Luigi Tartoglione shall not again be subject to deportation by reason of the same fact upon which the outstanding proceedings rest.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MICHELE BOVE

The Clerk called the next bill, H. R. 8415, for the relief of Michele Bove.

Mr. COSTELLO and Mr. HANCOCK of New York objected, and, under the rule, the bill was recommitted to the Committee on Immigration and Naturalization.

ORFEO PARDISEI

The Clerk called the next bill, H. R. 9316, for the relief of Orfeo Pardisei.

Mr. COSTELLO and Mr. HALLECK objected, and, under the rule, the bill was recommitted to the Committee on Immigration and Naturalization.

NICHOLAS DE LIPSKI

The Clerk called the next bill, H. R. 7793, for the relief of Nicholas de Lipski.

Mr. MOTT. Mr. Speaker, I object.

There being no further objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of Labor is hereby authorized and directed to cancel the outstanding order and warrant of deportation in the case of Nicholas de Lipski, any provision of existing law to the contrary notwithstanding. From and after the date of the approval of this act Nicholas de Lipski shall not again be subject to deportation by reason of the same fact upon which the outstanding proceedings rest.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

THOMAS J. ALLEN, JR.

The Clerk called the next bill, H. R. 2487, for the relief of Thomas J. Allen, Jr.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Thomas J. Allen, Jr., of Estes Park, Colo., the sum of $2,183.50 for the total damage of his personal effects by vandals while superintendent of the Hawaii National Park: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendment:

Page 1, strike out all of lines 7 and 8 and insert in lieu thereof "in full satisfaction of his claim against the United States for damages to his personal property and effects inflicted by vandals in May 1929, while serving as superintendent of the Hawaii National Park, said property having been left in his quarters in a Government building."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

GEORGE O. WILLS

The Clerk called the next bill, H. R. 3747, for the relief of George O. Wills.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the requirements of sections 15 to 20, both inclusive, of the act entitled "An act to provide compensation for employees of the United States suffering injuries while in the performance of their duties, and for other purposes", approved September 7, 1916, as amended, are hereby waived in the case of George O. Wills, formerly employed at South St. Paul, Minn., as senior lay inspector, Bureau of Animal Industry, Department of Agriculture, and the United States Employees' Compensation Commission is authorized and directed to consider and act upon any claim filed by him under the provisions of such act, as amended, within 1 year after the date of enactment of this act, for compensation for disability resulting from any disease suffered while in the performance of his duties as such employee: *Provided*, That compensation, if any, shall be paid from and after the date of enactment of this act. Such payments of compensation shall be made out of funds heretofore or hereafter appropriated for the payment of awards under the provisions of such act, as amended.

With the following committee amendments:

Page 1, line 8, after the word "Wills", insert "of Golden, Colo."

Page 2, line 2, after the word "upon", strike out "any claim filed by him" and insert "his claim for disability due to bronchial asthma incurred as a result of such employment."

Line 4, after the word "amended", insert "if filed."

Line 5, after the word "within", strike out the words "1 year" and insert "6 months."

Line 6, after the word "act", strike out the rest of line 6 and all of line 7 and in line 8 the words "as such employee."

Line 10, strike out all of lines 10, 11, and 12.

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MOSES RED BIRD

The Clerk called the next bill, H. R. 6186, for the relief of Moses Red Bird.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Moses Red Bird, the sum of $150. The payment of such sum shall be in full settlement of all claims against the United States Government for full settlement of all such damages to said Moses Red Bird on account of the loss of two horses which were drowned on October 20, 1934, while working on an Emergency Conservation Works dam on Beaver Creek in the Thunder Butte District.

With the following committee amendments:

In line 5, after the name "Red Bird", insert "of Dupree, S. Dak."

In line 6, strike out the words "$150. The payment of such sum shall be" and in lieu thereof insert "$150".

In lines 7, 8, and 9, strike out the words "Government for full settlement of all such damages to said Moses Red Bird."

At the end of the bill strike out the period, insert a comma, and add the following: "Cheyenne River Indian Reservation, S. Dak.: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful,

any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MRS. NICHOLAS HEBERT

The Clerk called the next bill, H. R. 6710, for the relief of Mrs. Nicholas Hebert.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Mrs. Nicholas Hebert, of Bourbon Street, New Orleans, La., the sum of $10,000. Such sum shall be in full satisfaction of all claims against the United States for damages sustained by the said Mrs. Nicholas Hebert as result of the death of her two children, Vernon Hebert, son, and Virges Hebert, daughter, who were killed as a result of the automobile in which they were riding having been struck by a truck of the United States Engineer's Office of the War Department on April 28, 1936: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendments:

Strike out all after the enacting clause and insert:

"That jurisdiction is hereby conferred upon the United States District Court for the Eastern District of Louisiana, at New Orleans, to hear, determine, and render judgment, as if the United States were suable in tort, upon the claim of Anna Lee Hebert of New Orleans, La., for personal injuries, and upon the claims of the estate of Vernon Hebert, deceased, formerly of New Orleans, La., and the estate of Virges Hebert, deceased, formerly of New Orleans, La., for the deaths of said decedents resulting from a collision of the vehicle in which they were riding and a truck operated by the Corps of Engineers, War Department, April 28, 1936, on United States Highway No. 61, between New Orleans and Baton Rouge, near Lutcher, La.: *Provided*, That the judgments, if any, in the case of Anna Lee Hebert shall not exceed $4,000; and in the cases of the estates of Vernon and Virges Hebert shall not exceed $5,000 each.

"SEC. 2. Suit upon such claims may be instituted at any time within 1 year after the enactment of this act, and proceedings for the determination thereof, appeals therefrom, and payment of any judgments thereon shall be in the same manner as in the cases of suits over which such court has jurisdiction under the provisions of the twentieth paragraph of section 24 of the Judicial Code, as amended."

Amend the title to read: "A bill conferring jurisdiction upon the United States District Court for the Eastern District of Louisiana to hear, determine and render judgment upon the claims of Anna Lee Hebert and the estates of Vernon Hebert and Virges Hebert, both deceased."

The committee amendment was agreed to.

Mr. FERNANDEZ: Mr. Speaker, I offer an amendment to the committee amendment, as suggested by the committee.

The Clerk read as follows:

Amendment to the committee amendment offered by Mr. FERNANDEZ: On page 2, line 20 of the committee amendment, after the word "of", strike out the remainder of line 20 and all of lines 21, 22, and 23, down to and including the word "decedents" in line 23, and insert "Mrs. Nicholas Hebert, of New Orleans, La., for the deaths of her son, Vernon Hebert, and her daughter, Virges Hebert, respectively."

On page 3, line 4, after the word "the", strike out the remainder of line 4 and all of line 5 and insert "case of Mrs. Nicholas Hebert, for the death of her son, Vernon Hebert, and her daughter, Virges Hebert, shall not exceed $5,000 for each death."

Amend the title to read: "A bill conferring jurisdiction upon the United States District Court for the Eastern District of Louisiana to hear, determine, and render judgment upon the claims of Anna Lee Hebert and Mrs. Nicholas Hebert."

The amendment to the committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time and passed, and a motion to reconsider was laid on the table.

The title was amended so as to read: "A bill conferring jurisdiction upon the United States District Court for the Eastern District of Louisiana to hear, determine, and render judgment upon the claims of Anna Lee Hebert and Mrs. Nicholas Hebert."

FRANK M. SCHMITT, ET AL.

The Clerk called the next bill, H. R. 6842, for the relief of Frank M. Schmitt, Antonio Salas, Victoria Griego, and Victor Coco.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Frank M. Schmitt, Madrid, N. Mex., the sum of $7,500; to Antonio Salas, Madrid, N. Mex., the sum of $2,500; to Victoria Griego, Cerrillos, N. Mex., the sum of $1,000; and to Victor Coco, Madried, N. Mex., the sum of $500. The payment of such sum of $7,500 to the said Frank M. Schmitt shall be in full settlement of all claims against the United States for damages sustained by the said Frank M. Schmitt on account of the death of his minor son, Theodore C. Schmitt, who lost his life on the night of October 14, 1936, when the automobile in which he was riding struck a Department of Agriculture truck which was parked without lights on a highway near Santa Fe, N. Mex.

The payment of such sums of $2,500 and $1,000 to Antonio Salas and Victoria Griego, respectively, shall be in full settlement of all claims against the United States for damages sustained by such persons on account of personal injuries received in the automobile accident described in the first paragraph of this act.

The payment of such sum of $500 to Victor Coco shall be in full settlement of all claims against the United States for damages sustained by the said Victor Coco on account of personal injuries received and the demolition of his automobile in the automobile accident described in the first paragraph of this act.

With the following committee amendments:

Page 1, line 6, strike out the figures "$7,500" and insert "$3,750."

Page 1, line 7, strike out the figures "$2,500" and insert "$1,500."

Page 1, line 8, strike out the figures "$1,000" and insert "$750."

Page 1, line 9, strike out the figures "$500" and insert "$300", and the words "The payment of such sum of $7,500 to the said Frank M. Schmitt shall be" in lines 9 and 10.

Page 1, line 11, start with the word "damages" and strike out all of the bill through the words "his life" in line 3, page 2, and insert in lieu thereof "the death of Theodore C. Schmitt and personal injuries of Antonio Salas, Victoria Griego, and Victor Coco, and property damage of the latter, sustained."

Page 2, line 4, strike out the words "he was" and insert "they were."

Page 2, line 5, strike out the word "lights" and insert "warning flares."

Strike out all of lines 7 through 18, page 2, and at the end of the bill add: ": *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

J. ANSE LITTLE

The Clerk called the bill (H. R. 7012) for the relief of J. Anse Little.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That sections 17 and 20 of the act entitled "An act to provide compensation for employees of the United States suffering injuries while in the performance of their duties, and for other purposes," approved September 7, 1916, are hereby waived in favor of J. Anse Little, employee of the Civil Works Administration, and his claim for compensation for disability dating from February 1934 is authorized to be considered and acted upon under the remaining provisions of such act as if he had filed his claim within the time prescribed by such sections 17 and 20, but only if he files such claim with the United States Employees' Compensation Commission not later than 60 days after the date of the enactment of this act. Such claim was not filed within the prescribed period because the claimant remained seriously ill in the hospital from the date of his injury until 1936, during which year his leg was amputated because of his injuries.

With the following committee amendments:

Page 1, line 2, strike out "17 and 20" and insert "15 to 20, both inclusive."

Page 1, line 7, after the word "Little", strike out the remainder of the line and all of lines 8, 9, 10, and 11, and line 1, on page 2, and insert: "of Mize, Miss., and the Employees' Compensation Commission is hereby authorized and directed to receive and consider his claim under the remaining provisions of such act, as extended and limited by the act of February 15, 1934 (48 Stat. 351), for loss of his left leg allegedly due to injury sustained in January 1934, in the course of his employment as a laborer on a Civil Works Administration project in Smith County, Miss."

Page 2, line 11, strike out "60 days" and insert "6 months", and on page 2, strike out all of lines 12, 13, 14, and 15 and insert "act: *Provided*, That no benefits shall accrue prior to the approval of this act."

The committee amendments were agreed to; and the bill as amended was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

EDDIE WALKER

The Clerk called the bill (H. R. 7344) for the relief of Eddie Walker.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Eddie Walker the sum of $5,000 in full satisfaction of all his claims against the United States Government for personal injuries caused him by a collision with a Civilian Conservation Corps truck on June 29, 1934, driven by Enrollee Willie Scott on the Cusseta Highway in Muscogee County, Ga.

With the following committee amendments:

Page 1, line 5, after the word "Walker", insert "of Columbus, Ga."

Page 1, line 6, strike out "$5,000" and insert "$3,000."

Page 1, line 7, strike out the word "his" and the word "Government" and insert "or any employee or former employee thereof."

Page 1, line 10, strike out "driven by enrollee Willie Scott on the Cusseta Highway in Muscogee County, Ga." and insert "on Georgia State Highway No. 1, between Columbus and Cusseta, Ga.: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The committee amendments were agreed to; and the bill as amended was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

SIBBOLD SMITH

The Clerk called the bill (H. R. 7761) for the relief of Sibbold Smith.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Sibbold Smith, Cherokee County, N. C., the sum of $200 in full compensation for services in connection with the arrest for trespass on Indian property in April 1935.

With the following committee amendments:

Strike out all after the enacting clause and insert:

"That the Secretary of the Treasury is hereby authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Sibbald Smith, of Patrick, N. C., the sum of $167 in full satisfaction of his claim against the United States for all expenses incurred in defending a charge of trespass by the State of North Carolina during April 1935 in the superior court for Cherokee County, N. C., on account of his assistance as an Emergency Conservation Work employee in erecting a fence, at instructions of his superiors, over disputed land adjoining the Cherokee Indian agency: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The amendment was agreed to; and the bill as amended was ordered to be engrossed and read a third time, was read the third time and passed, and a motion to reconsider the vote by which the bill was passed was laid on the table.

The title was amended so as to read: "A bill for the relief of Sibbald Smith."

WILMA ARTOPOEUS

The Clerk called the bill (H. R. 7960) for the relief of Wilma Artopoeus.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Wilma Artopoeus, of Marion, Ohio, the sum of $2,500 in full settlement for personal injuries sustained on October 31, 1935, at Marion, Ohio, as the result of fall at an unlighted and unguarded sidewalk project being constructed by the Works Progress Administration.

With the following committee amendments:

Page 1, line 6, strike out "$2,500 in full settlement" and insert "$1,000 in full satisfaction of her claim against the United States."

Page 1, line 9, strike out "as the result of fall" and insert "when she fell over a plank."

At the end of the bill strike out the period, insert a colon and the following: *"Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The committee amendments were agreed to; and the bill as amended was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

Mr. COSTELLO. Mr. Speaker, I ask unanimous consent to dispense with the further call of the Private Calendar.

The SPEAKER pro tempore. Is there objection?

There was no objection.

STEFANO PAGLIARO

Mr. FITZGERALD. Mr. Speaker, I ask unanimous consent to return to H. R. 7883, for the relief of Stefano Pagliaro, and consider the same.

The SPEAKER pro tempore. Is there objection?

There was no objection.

The Clerk read the bill as follows:

Be it enacted, etc., That the Secretary of Labor is hereby authorized and directed to cancel the outstanding order and warrant of deportation, issued pursuant to sections 19 and 20 of the Immigration Act of February 5, 1917 (39 Stat. 899, 890; U. S. C., title 8, secs. 155 and 156), in the case of Stefano Pagliaro, any provision of existing law to the contrary notwithstanding. From and after the date of the approval of this act Stefano Pagliaro shall not again be subject to deportation by reason of the same fact upon which the outstanding proceedings rest.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

GORDON L. CHEASLEY

Mr. O'NEILL of New Jersey. Mr. Speaker, I ask unanimous consent to return to Calendar No. 902, the bill (H. R. 7297) for the relief of Gordon L. Cheasley, and ask for its immediate consideration.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

The Clerk read as follows:

Be it enacted, etc., That the Secretary of Labor is directed to cancel forthwith the outstanding warrants of arrest, orders of deportation, warrants of deportation, and bonds, if any, in the case of the alien Gordon L. Cheasley, and is directed not to issue any further such warrants or orders in the case of such alien, insofar as such future warrants or orders are based on the unlawful entry of such alien into the United States prior to the enactment of this act or on perjury or false statements in connection with such entry into the United States or with any application heretofore made for a reentry permit or extension thereof. Hereafter, for the purposes of the immigration and naturalization laws, the

alien, Gordon L. Cheasley, shall be considered to have been at Rouses Point, N. Y., on September 2, 1935, lawfully admitted to the United States for permanent residence.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ADOLPH ARENDT

Mr. McGRANERY. Mr. Speaker, I ask unanimous consent to return to Calendar No. 925, the bill (H. R. 9400) for the relief of Adolph Arendt, and ask for its immediate consideration.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

The Clerk read as follows:

Be it enacted, etc., That the order of deportation and warrant of arrest of Adolph Arendt be canceled, and that his entry at the port of Philadelphia as of December 26, 1923, be declared a legal entry.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

OMNIBUS PRIVATE CLAIMS BILL

The SPEAKER pro tempore. Under the previous order of the House the Clerk will now call the unfinished omnibus private claims bill (H. R. 9767) for the relief of sundry claimants, and for other purposes.

The Clerk read the title of the bill.

ROLAND STAFFORD

The Clerk read as follows:

Title VIII—(H. R. 3225. For the relief of Roland Stafford.) By Mr. REED of Illinois

That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Roland Stafford, of Warrenville, Ill., the sum of $1,500 in full settlement of all claims against the United States for bodily injuries sustained by him on January 16, 1935, when struck by a Civilian Conservation Corps truck on Illinois State Highway No. 59.

With the following committee amendments:

Page 9, line 19, strike out the word "bodily" and insert in lieu thereof the word "personal."

Line 21, after the word "a", insert "National Park Service truck, operated in connection with the."

Line 22, strike out the word "truck."

Line 23, after "59", insert "1 mile south of Chicago, Ill.: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The committee amendments were agreed to.

Mr. COSTELLO. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. COSTELLO: Strike out all of title VIII.

Mr. COSTELLO. Mr. Speaker, this bill provides for the payment of $1,500 to the claimant, Roland Stafford.

I may state for the benefit of the Members that the purpose of the objectors is simply to explain to the Members exactly what we find the facts to be in a particular case, that is, on bills to which we have already objected, because we considered the claimant not entitled to receive relief by unanimous consent of the House. We simply object to these bills so the committee can report them back here and so the House can be informed as to the facts and then decide as to whether the bill is meritorious or not.

In this particular instance the claimant, driving a truck, ran out of gasoline and it became necessary for him to park his truck by the side of the highway partially on the paved portion of the road. As a result a C. C. C. truck came along the highway and collided with this parked vehicle and damages were sustained, Roland Stafford receiving personal injuries for which we are asked to pay him the sum of $1,500.

It is my contention that had the situation been reversed, if it had been a Government truck parked on the highway, there would have been no question at all but what the Committee on Claims would have held the Government responsible for leaving a truck parked partially on the highway, leaving it obstructing the highway. In fact, we have already passed bills for the relief of claimants who have sustained damage by reason of such a situation. It does not then seem logical to me that when the situation is exactly reversed we should hold the Government responsible because it ran into a truck which was parked on the highway. It seems to me we ought to be consistent, and just as we have passed previous bills asserting the responsibility of the Government for leaving a truck parked on the highway we should now assert the responsibility of a civilian who left his truck parked on the highway, and not attempt to make the Government responsible in all cases regardless of what the facts may be.

Mr. HAINES. Mr. Speaker, will the gentleman yield?

Mr. COSTELLO. I yield.

Mr. HAINES. What time of the day or night did this accident occur?

Mr. COSTELLO. I do not recall the details of this particular case as to just what hour the accident took place. I believe it was in the daytime, but it was snowing, so that sleet was on the windshield of the Government truck.

The committee report shows that it was in the middle of the day; hence there was no necessity for flares or anything of that kind.

Mr. HAINES. This accident occurred in broad daylight?

Mr. COSTELLO. That is correct. The facts are the reversal of the facts as set forth in H. R. 344 which this House has already passed. It is my contention that the Government should not be held responsible in both instances regardless of which side of the fence they happened to be on. For that reason I ask the House to adopt my amendment.

Mr. REED of Illinois. Mr. Speaker, I rise in opposition to the amendment offered by the gentleman from California.

Mr. Speaker, in this particular instance I am quite familiar with the scene of the accident. It occurred about a mile from where I was born and where I have spent nearly all of my life. The road at that place runs northeasterly and southwesterly. The accident occurred during the daytime, of a very bad day in January of 1935. It had been raining and the rain at that time was turning to sleet. Roland Stafford, the claimant in this case, was driving a borrowed truck, taking a load of crates from one city in my congressional district to another. These two cities are about 10 miles apart.

At a point on the highway about 1 mile south of West Chicago, where the road curved slightly to the right, his engine stopped. He pulled to the side, leaving the two left wheels on the pavement and the rest of the truck on the shoulder of the road. He then alighted from the truck to find out what was wrong with the engine and ascertained that there was no more gasoline in the tank. Just at this time the other truck, going in the same direction as Mr. Stafford had been going, approached. This truck was loaded with men who worked in a C. C. C. camp nearby.

The driver of that truck was proceeding under difficulty because, as I have stated, it was raining and the rain was turning to sleet. He could not look through the windshield of his car and he steered the car by looking out of the window at the side. When he approached this truck, which was parked there through no fault of Stafford but because of necessity, he was unable to see it and apply his brakes until it was too late.

He struck it with such impact that both trucks were hurled over into the ditch a hundred feet away from where the collision took place, the Stafford truck coming to a stop at a point, I believe, 75 feet away and the other 100 feet from the place of impact. Stafford was picked up and taken to a hospital at Geneva. He suffered serious injuries and was obliged

to stay in the hospital for 104 days. He was out of work during all of that time, has been permanently disabled, and will be a cripple for the rest of his life. He asks for $1,500 and it seems to me that this is not an excessive amount to reimburse him for the injuries which he has sustained. I trust the House will vote down the amendment offered by the gentleman from California?

Mr. HOOK. Will the gentleman yield?

Mr. REED of Illinois. I yield to the gentleman from Michigan.

Mr. HOOK. From the facts stated, there is no question as to the negligence of the driver of the Government truck proceeding along with ice and sleet on the windshield when he could not discern an object ahead of him?

Mr. REED of Illinois. There is no question about that.

Mr. HOOK. From what I can determine, and I believe the gentleman feels the same way, I can see no contributory negligence on the part of the claimant here.

Mr. REED of Illinois. The gentleman is correct.

[Here the gavel fell.]

The SPEAKER pro tempore. The question is on the amendment offered by the gentleman from California [Mr. COSTELLO].

The amendment was rejected.

Mr. KENNEDY of Maryland. Mr. Speaker, I offer an amendment, which I send to the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. KENNEDY of Maryland: Page 9, line 23, after the word "of" insert "West."

The amendment was agreed to.

The Clerk read as follows:

Title IX—(H. R. 3655. For the relief of Clarence D. Schiffman.) By Mr. RAMSPECK

That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated and in full settlement against the Government, the sum of $5,000 to Clarence D. Schiffman for the loss of the sight of one eye caused by an explosion in the laboratory of the Food and Drug Administration, United States Department of Agriculture, at Atlanta, Ga., on December 13, 1934.

With the following committee amendments:

Page 10, line 11, after the word "settlement", insert "of all claims."

Page 10, line 12, strike out "$5,000" and insert "$3,500."

Page 10, line 16, after "1934", insert a colon and the following: "*Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The committee amendments were agreed to.

The Clerk read as follows:

Title X—(H. R. 4260. For the relief of C. J. Murrill.) By Mr. TOLAN

That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of $10,000 to C. J. Murrill, of Oakland, Calif., as compensation for the loss of his vessel, a four-masted schooner known as the *Philippine*, which was forcibly moved by the United States Coast Guard from a protected anchorage to the open sea, anchored in shallow water and as a result thereof, was pounded to ruin by heavy seas on the beach at Terminal Island, Calif., on January 1, 1934: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendments:

Page 11, line 5, strike out "the sum of $10,000."

Page 11, line 6, strike out "as compensation" and insert "the sum of $500 in full satisfaction of his claim against the United States."

Page 11, line 9, strike out "forcibly."

Page 11, line 10, after the word "guard", insert "patrol boat *Maclane*, on December 11, 1933."

Page 11, line 12, strike out "and as a result thereof was pounded to ruin by heavy seas on the beach at Terminal Island, Calif., on January 1, 1934" and insert the following: "in Los Angeles Harbor, after which it broke adrift from a gale and heavy seas, and was beached and destroyed.

The committee amendments were agreed to.

The Clerk read as follows:

Title XI—(H. R. 4777. Conferring jurisdiction on certain courts of the United States to hear and determine the claim of the owner of the coal hulk *Callixene*, and for other purposes.) By Mr. O'LEARY

That the Court of Claims of the United States be, and it is hereby, given jurisdiction to hear and determine the claim of New York Harbor Drydock Corporation, a corporation organized under the laws of the State of Delaware and having its place of business in the city, county, and State of New York, and to award it compensation for materials, services, and labor furnished by it in repairing and reconditioning the steamship *Antigone* in January, February, and March 1931, which steamship *Antigone* was then the property of the United States; and to enter decree or judgment against the United States for such compensation, notwithstanding the bars or defenses, that the contract for such repairs and reconditioning was with, and the contract obligation to pay therefor was upon, the United States Mail Steamship Co, the charterer of said vessel, or that the New York Harbor Drydock Corporation had no legal lien on said vessel, and notwithstanding the bars or defenses of res judicata, laches, or any statute of limitation: *Provided, however*, That the United States shall be given credit for the sum of $265,226.61 paid by the United States Mail Steamship Co. on such repairs and reconditioning.

SEC. 2. The testimony of Admiral W. S. Benson and Richard D. Gatewood, now deceased, given by them in the case of New York Drydock Corporation, libelant, against United States of America and United States Mail Steamship Co., respondents, in the United States District Court for the Southern District of New York, and docketed therein as No. A–80–53, together with any exhibits offered therein in connection with said testimony, shall be received in the Court of Claims with the full force of depositions.

SEC. 3. Such claim may be instituted at any time within 4 months from the approval of this act. Proceedings in any suit brought in the Court of Claims under this act, appeals therefrom, and payment of any judgment therein shall be had as in the case of claims over which such court has jurisdiction under section 145 of the Judicial Code as amended.

Amend the title so as to read: "A bill conferring jurisdiction upon the Court of Claims of the United States to hear, determine, and render judgment upon the claim of the New York Harbor Drydock Corporation."

Mr. KENNEDY of Maryland. Mr. Speaker, I ask unanimous consent that title XI be recommitted to the Committee on Claims. This title appears in the bill through error, and we would like to make some corrections.

The SPEAKER. Without objection, this title will be stricken from the bill and recommitted to the Committee on Claims.

There was no objection.

The Clerk read as follows:

Title XII—(H. R. 4830. For the relief of Mrs. D. O. Benson.) By Mr. RAMSPECK

That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any funds in the Treasury not otherwise appropriated, and in full settlement against the Government, the sum of $5,000 to Mrs. D. O. Benson for injuries received as the result of being struck by a War Department truck in Atlanta, Ga., on May 16, 1935.

With the following committee amendments:

Line 6, after the word "any", strike out the word "funds" and insert the word "money."

Line 8, after the word "Government", insert "of the United States."

Line 9, strike out "$5,000" and insert "$3,000."

Line 9, after the word "Benson", insert "of Atlanta, Ga."

Line 11, after the word "truck", strike out the word "in" and insert "at the intersection of Peachtree Street and Auburn Avenue."

Line 12, after "1935", insert a colon and the following: "*Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The committee amendments were agreed to

Mr. HANCOCK of New York. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. HANCOCK of New York: Page 14, strike out all of title XII.

Mr. HANCOCK of New York. Mr. Speaker, let me read briefly from the report of the War Department, which I believe will give you the facts in this case, although there is some dispute about them. However, it seems to me the weight of the evidence as contained in this report bears out the position taken by the War Department.

The records of the War Department show that on May 16, 1935, at about 1:30 p. m., a War Department truck on official business was proceeding west on Auburn Avenue, Atlanta, Ga., at about 6 or 8 miles an hour; and that while crossing the intersection of Peachtree Street and Auburn Avenue on a green light, said truck struck and injured Mrs. D. O. Benson.

The investigating officer found that the operator of the Government truck was driving with reasonable precaution and complying with traffic regulations; that Mrs. Benson walked into the rear fender of the truck; and that the injuries sustained by her were due entirely to her carelessness. These findings of the investigating officer are supported by two disinterested witnesses of the accident.

Some of these facts are disputed, but there is no claim by anyone that the Army truck was moving faster than a very reasonable rate of speed; in fact, the evidence shows that the truck had practically come to a stop before the traffic light changed, and as the light changed to green the driver shifted his gears and went ahead. There was a group of people at the corner in question, some of whom had just stepped off the curbstone when the truck approached. The claimant apparently was not looking where she was going and walked into the rear of the truck as it rounded the corner. The driver himself, the front wheels, and three-fourths of the truck had passed her. There is nothing in the world the driver failed to do that any ordinary driver in the exercise of due care would have done, and I cannot see any evidence of misconduct or negligence or carelessness whatever on the part of the truck driver. The cause of the accident was the negligence of the woman herself. She should have stopped or stepped back out of the way as the others did.

Mr. MAY. Mr. Speaker, will the gentleman yield?

Mr. HANCOCK of New York. I yield to the gentleman from Kentucky.

Mr. MAY. Ordinary care is usually defined as being such care as an ordinarily prudent person would exercise under circumstances similar to those mentioned.

Mr. HANCOCK of New York. The gentleman is correct.

Mr. MAY. If this driver was driving on the street at the rate of say even 10 miles an hour and the injury occurred through a person's coming in contact with the rear part of the truck, how could the driver have been guilty of any negligence imputable to the master in that case?

Mr. HANCOCK of New York. It does not seem to me the driver did anything that was wrong in any respect whatever.

Mr. MAY. He did not even fail to exercise ordinary care, which constitutes negligence.

Mr. HANCOCK of New York. I cannot see that he did. There is some little dispute about whether the lights were red or green or yellow. There always is. Pedestrians are not likely to look at lights as carefully as are drivers of cars, because they do not have to. However, it was testified by the driver himself that he slowed down, shifted the gears, and as the light came to green he went forward.

There is a very brief statement here by an eyewitness:

At about 1:30 p. m., May 16, 1935, I was walking down Peachtree Street. A woman started to cross Auburn Avenue and as she did a Civilian Conservation Corps truck approached. She continued walking and went into back side of the truck. It seemed possible for her to stop and not walk into the truck. The truck was going west on Auburn Avenue having the green light. The light had just turned yellow as she stepped down from the curb.

Under those circumstances I do not believe we are justified in making this award. The most we should do is to send the case to court, where evidence can be heard and justice done, both to the claimant and the Government.

Mr. RAMSPECK. Mr. Speaker, I rise in opposition to the amendment.

Mr. Speaker, it happens that I am thoroughly familiar with the location of this accident. I have been by that corner I guess a couple of thousand times in my lifetime. There is a very sharp angle there. The streets do not come at right angles, but the particular corner on which this person was hurt is sharper than a right angle. In the city of Atlanta the traffic regulations permit traffic to turn to the right on red lights. Of course, they can turn to the right on green lights. Therefore, the question of whether the light was red or green does not affect the driver but does affect whether or not the person who was walking along the street should have stepped off the curb.

The testimony of Miss Frances Meadows, which appears on page 96 of the report, was that the light was red on Auburn Avenue. As I say, the truck could have turned on a red light. This driver had a right to do that. However, he was under more compulsion as to caution then than he would have been if the light had been green, because the pedestrians walking along the sidewalk are supposed to cross when the light is red on the street they are crossing. Auburn Avenue is the street this truck was on, and the lady who was injured was going to cross Auburn Avenue. Therefore she had a right to step off that curb, and it was the duty of the driver to show due caution in making the turn on the red light. The testimony of Miss Meadows is that she was standing right by Mrs. Benson, just a foot behind her, and that the truck cut the corner so sharply that the back end of it hit Mrs. Benson and knocked her down. If she had been a foot farther out the front of the truck would have hit her. The thing that caused the accident was that this driver cut this narrow corner so quickly and so sharply that the back end of the truck hit this woman who was standing there waiting to cross the street. Of course, it is true there is conflicting evidence. I tried a lot of automobile accident cases at one time when I was a prosecuting attorney, and I have never yet found a single case where you could get any two witnesses to an automobile accident to testify to exactly the same set of facts.

Mr. HANCOCK of New York. Mr. Speaker, will the gentleman yield?

Mr. RAMSPECK. I yield to the gentleman from New York.

Mr. HANCOCK of New York. Did the gentleman ever get a recovery in a case like this where a woman walked into the rear end of a truck going 6 or 8 miles an hour?

Mr. RAMSPECK. No; I do not believe I ever did, but the testimony in this case is that she did not walk into the truck. There is conflicting evidence, of course, but we have here the testimony of Miss Meadows, who is not interested in the matter and who was standing right by her and had the best oportunity to see just what happened, and she states that she was standing still and the truck turned suddenly.

Mr. HANCOCK of New York. But was she not under duty to step back when she saw the truck was coming so close to her?

Mr. RAMSPECK. Of course, it was the duty of both of them to be cautious.

Mr. HANCOCK of New York. The driver himself had passed this woman.

Mr. RAMSPECK. No; she was standing there and he went by her, but he cut his truck to the right——

Mr. HANCOCK of New York. You have got to cut the front wheels.

Mr. RAMSPECK. I have been in that same position myself and have almost got run over on that same corner.

Mr. BOILEAU. Mr. Speaker, will the gentleman yield?

Mr. RAMSPECK. I yield.

Mr. BOILEAU. Was the lady standing on the curb or the street?

Mr. RAMSPECK. She had taken one step off the curb and she stopped to keep the truck from hitting her and then the truck cut so sharply to the right the back of the truck hit her anyway. I have been in exactly that same position on that corner and I know how reckless drivers can be sometimes.

[Here the gavel fell.]

The SPEAKER pro tempore. The question is on the amendment offered by the gentleman from New York.

The amendment was rejected.

The Clerk read as follows:

Title XIII—(H. R. 4864. For the relief of Helen Rauch). By Mr. BLOOM

That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, to Helen Rauch, of New York City, out of any money in the Treasury not otherwise appropriated, the sum of $2,132.20, with interest at the rate of 5 percent per annum from the 5th day of October 1922, and $344.80 costs, being damages for personal injuries received by Helen Rauch on May 11, 1919, when a passenger on the Hudson & Manhattan Railroad which was being operated by the Director General of Railroads, acting for the United States.

With the following committee amendment:

In line 4, page 15, strike out "to Helen Rauch, of New York City", and in line 6, strike out "the sum of $2,132.20, with interest at the rate of 5 percent per annum from the 5th day of October 1922, and $344.80 costs, being damages for" and insert "to Helen Rauch, of New York City, the sum of $2,132.20, and to her husband, Max Rauch, of New York City, the sum of $500, in full satisfaction of their claims against the United States for judgments obtained against the Director General of Railroads as the result of"; and after the words "United States", in line 16, insert a colon and the following: "*Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

Amend the title so as to read: "A bill for the relief of Helen Rauch and Max Rauch."

The committee amendments were agreed to.

Mr. COSTELLO. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. COSTELLO: On page 15, beginning in line 1, strike out all of title XIII.

Mr. COSTELLO. Mr. Speaker, the present title of the bill proposes to pay $2,132.20 to Helen Rauch and $500 to her husband by reason of injuries sustained in a railroad accident in New York City. The accident occurred at the time when the Government was operating the railroads. A suit was brought by the claimants in which they sued the Hudson & Manhattan Railroad and also named the Director General in the accident. However, the Director General of Railroads was never served with a copy of the complaint in this action. The papers were served upon the railroad company and the attorneys for the company put in an appearance.

When the time came for trial of the case the attorneys for the company did not appear, and as a result the claimants received a default judgment against the railroad company and the Government. I simply call to the attention of the House this fact: The Government officials were never served with any papers in this action. They had no knowledge of the pendency of the suit and they therefore resisted the payment of the judgment, which was obtained ex parte.

The judgment was rendered in October of 1922. It was not until May of 1923, the accident having taken place in 1920, that for the first time the claimants wrote a letter to the Director General of Railroads, whom they had named as Hines, who had been out of office for 3 years, in an effort to collect the judgment. This was the first notice that the Director General of Railroads had of this lawsuit and he therefore declined to make payment.

In 1924 the plaintiff then brought a mandamus here in the District of Columbia in an effort to force payment by the Government, but prior to bringing this action the right to sue the Government in the courts under laws passed by Congress arising out of such cases as this had expired, and so the court refused to recognize the action. As a result these plaintiffs have been unable to collect their judgment, and it does appear to me that in view of the fact that the Government was in no way a party to the action, was given no opportunity whatsoever to defend itself against such a judgment, the Government should not now be held liable on a judgment that was rendered ex parte and without notice to the Government. For this reason I have offered the amendment striking out the title.

Mr. BLOOM. Mr. Speaker, I rise in opposition to the amendment. The amendment offered by the gentleman from California [Mr. COSTELLO] is the same technical amendment that has been suggested before, as well as other technical things. Let me read from the report, and this is what I particularly call attention to:

It appears that just 1 day prior to the institution of suit by claimants, Walker D. Hines, who had been Director General of Railroads, and whom claimants sued as such, was succeeded by John Barton Payne, and the suit should therefore have been brought against Mr. Payne, technically speaking.

So it was only 1 day before. I quote further from the report:

The Transportation Act of 1920 provided that suit should be brought against the agent designated by the President, or the Director General.

It also provided that the notice of the name of such agent should be on file in each district court, and attorneys for claimants state that no such notice of John Barton Payne being agent was on file when they instituted suit.

Mr. BOILEAU. Did they serve papers on his predecessor?

Mr. BLOOM. Oh, yes. There is no question about that.

Mr. COSTELLO. Mr. Hines was not served in this action. He was the Director General of Railroads the day before the suit was brought and no attempt was made to serve him or Mr. Payne.

Mr. BLOOM. They did not know anyone else at that time. They sued the man they thought was in charge and who was the proper person to sue.

Mr. BOILEAU. There seems to be a conflict between the gentleman from California [Mr. COSTELLO] and the gentleman from New York [Mr. BLOOM]. The gentleman from California says that no one was served.

Mr. BLOOM. We had two meetings before the Committee on Claims. The matter was considered again and it was reported out favorably. Let me give you something else.

Mr. COSTELLO. Mr. Speaker, will the gentleman yield?

Mr. BLOOM. Yes.

Mr. COSTELLO. I do not make any point on the change of administrator between Mr. Hines and Mr. Payne. I think that is trivial. The point I make is simply that the administrator, whoever he was, was not served at any time, and I do not think the report will show anywhere that any effort was made to serve him.

Mr. GOLDSBOROUGH. Oh, if the agent of the railroad company was served, that was service to the Director General. I know, because I have had several of those cases.

Mr. BLOOM. When they found out that that did not go, they tried this thing, and I read from the report:

In a report submitted by the Railroad Administration on these bills shortly after their first presentation to Congress in May 1926, the statement is made that attorneys for the Hudson & Manhattan Railway were of the Jewish faith, and October 5, 1922, being a Jewish holiday, they inadvertently failed to appear to defend the suit.

When we proved to them that that day was not a Jewish holiday and that the attorneys for the plaintiff were in court, they changed that again. They do not dispute anything in regard to the amount or that the accident happened, or who was at fault, but they are trying to hide behind something that has nothing to do with the suit at all. This person was injured and the suit was brought. The amount was for a larger sum, and they compromised it. It has been twice before the Committee on Claims this year, and they allowed, and I hope the amendment will not prevail.

The SPEAKER pro tempore. The question is on agreeing to the amendment offered by the gentleman from California.

The amendment was rejected.

The Clerk read as follows:

Title XIV—(H. R. 4941. For the relief of Rogowski Bros.) By Mr. RYAN

That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Rogowski Bros., of South St. Paul, Minn., the sum of $1,281.25, with 6-percent interest per annum from March 8, 1920, as a refund for money wrongfully collected by the collector of internal revenue at St. Paul, Minn., on March 8, 1920.

With the following committee amendments:

Page 16, line 6, insert "(John and Alex. Rogowski)."

Page 16, line 7, strike out "with 6 percent interest per annum from March 8, 1890, as a refund for money" and insert "in full satisfaction of their claim against the United States for the refund of an illegal liquor assessment."

Page 16, line 12, strike out the period, insert a colon and the following: "*Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The SPEAKER pro tempore. The question is on agreeing to the committee amendments.

The committee amendments were agreed to.

Mr. HANCOCK of New York. Mr. Speaker, I offer the following amendment:

The Clerk read as follows:

Amendment offered by Mr. HANCOCK of New York: Page 16, strike out all of title 14.

Mr. HANCOCK of New York. Mr. Speaker, I realize it is utterly futile to try to defeat any of the items in this bill. I think our action today illustrates the failure of our new rule for the disposition of private bills. No one attends these Private Calendar calls except the members of the Committee on Claims and those who are interested in the passage of individual bills. It does not make much difference what the merits of a bill are, it is quite sure to be passed. We know that in advance. Nevertheless, we official objectors feel that it is our duty to let the grounds for our objections be known in vain attempts to protect the Treasury.

The only question involved in this case is whether you want to waive the statute of limitations which expired in 1924; that is the only question involved. If this claim were brought against any corporation or private individual it would be thrown out of court. It has been outlawed for 14 years. It seems that in 1919 an assessment was made against Rogowski Bros. for the nonpayment of a liquor tax. They paid it under protest and under advice of their attorney. The statute gave them 5 years in which to recover that tax. They took no action. I understand an attorney told them it might cost more than the claim was worth. They made no claim prior to 1924, but now through the activities of their very able Representative in Congress they are attempting to reopen this case. That is all there is to it. It is a question of how generous you want to be to Rogowski Bros. They paid the tax. They had until 1924 to recover it, but they took no action.

Mr. ANDRESEN of Minnesota. Mr. Speaker, will the gentleman yield?

Mr. HANCOCK of New York. I yield.

Mr. ANDRESEN of Minnesota. The tax was declared to be illegal and unconstitutional. They paid that money under protest before that decision was rendered. Does the gentleman think the Government is doing them any particular favor to refund the money to which they are entitled?

Mr. HANCOCK of New York. It is simply a question whether you believe the statute of limitations is right and justifiable, whether you believe the old theory of laches has any place in law. If you believe that disputes should be quieted, whether between private citizens or between individuals and their Government, then you should vote for this amendment.

Mr. ANDRESEN of Minnesota. I think the Government, when the Court declares a tax unconstitutional and unlawful, should of its own accord refund to the people who have paid the money rather than to compel someone to go into court and fight all the attorneys and other legal resources the Government may have.

Mr HANCOCK of New York. The claimant in this case had 5 years in which to bring suit to recover any assessments which they regarded as having been paid illegally. Let me call attention to the concluding statement in the Secretary of the Treasury's report:

The passage of the bill will establish a precedent for the filing of other bills for private relief under similar circumstances all of which must, in justice and fairness, be recommended for passage if this bill is enacted into law. The Treasury Department, therefore, recommends that this bill be not enacted into law.

In other words, pass this bill and you will resurrect hundreds of similar claims where people claimed they paid liquor taxes illegally.

Mr. BOILEAU. Mr. Speaker, will the gentleman yield?

Mr. HANCOCK of New York. I yield.

Mr. BOILEAU. Has the gentleman any question in his own mind as to the merits of this bill outside of the statute of limitations?

Mr. HANCOCK of New York. I think there was an illegal assessment. It is simply a matter of waiving the statute of limitations and excusing laches. These are the only questions involved.

Mr. MAY. Mr. Speaker, will the gentleman yield?

Mr. HANCOCK of New York. I yield.

Mr. MAY. How long after the 5 years' statute of limitations had run was it before they filed claim?

Mr. ANDRESEN of Minnesota. Mr. Speaker, will the gentleman yield at that point?

Mr. HANCOCK of New York. I yield.

Mr. ANDRESEN of Minnesota. I was elected to Congress in 1924 from the district now represented by my able colleague the gentleman from Minnesota [Mr. RYAN]. Shortly after I took my seat here, in 1925, they conferred with me and I introduced a bill. I think it was in the latter part of the Sixty-ninth or the early part of the Seventieth Congress.

Mr. RYAN. Mr. Speaker, will the gentleman yield?

Mr. ANDRESEN of Minnesota. I yield.

Mr. RYAN. I believe I can say more in connection with the gentleman's statement that they had done nothing whatever to recover this tax. As a matter of fact, it was paid under protest. The report will show they made application for the refund of the tax; that later refund was denied. Because of the fault of this attorney they did not pursue their rights. Being of foreign birth, Polish, they did not understand the procedure they were up against. When their claim was denied they failed to go into court and start the action they were required to start. Later, many years later, just this year, the law was declared unconstitutional under which it was collected.

[Here the gavel fell.]

Mr. RYAN. Mr. Speaker, I rise in opposition to the amendment.

Mr. HANCOCK of New York. Mr. Speaker, will the gentleman yield to permit me to follow up our little colloquy?

Mr. RYAN. I yield.

Mr. HANCOCK of New York. The earliest affidavit or statement on record in any way in connection with this claim is the affidavit of Rogowski Bros., which was subscribed and sworn to on the 3d day of May 1935.

Mr. RYAN. The gentleman from Minnesota [Mr. ANDRESEN] introduced a bill in Congress many years before that time.

I call attention again to the fact that the claim was paid in the first place under protest and application was made for refund well within the statute.

Mr. BOILEAU. Mr. Speaker, will the gentleman yield?

Mr. RYAN. I yield.

Mr. BOILEAU. I imagine the distinguished gentleman from New York himself in private dealings between himself and another individual would not take advantage of the statutes of limitations if he thought he really owed them some money.

Mr. HANCOCK of New York. I would if I were representing a client as an attorney. I feel that we as Members of the House are representing the people of the country.

Mr. BOILEAU. Not as attorneys; we are acting for them but not as attorneys, we act for them in a more individual capacity.

Mr. RYAN. I think there is no question but what this House has the right and that it is entirely proper for the House if it believes that these people are clearly on the facts entitled to a refund of this claim to grant the claim. We are acting more or less as a court of equity.

We do not have to put a strict interpretation upon the statute of limitations and we do not do it in many cases.

Mr. GOLDSBOROUGH. The statute of limitations is for the purpose of preventing fraud, not for the purpose of preventing justice being done?

Mr. RYAN. That is true.

Mr. Speaker, the facts in this case are about as follows: These two prohibition agents went out this day to a place which we contend was on South Waubasa Street in South St. Paul, Minn., not on South Concord Street, where Rogowski Bros. had been doing business. The record will show they bought eight drinks of moonshine whisky for which they paid 25 cents per drink. I do not believe there was any justification, if they wanted evidence, for these agents to buy eight drinks of whisky. I think the way in which they proceeded to arrest the wrong man and bring him into court will clearly indicate that these eight drinks of whisky had something to do with it.

They then arrested John Rogowski, of South St. Paul. The affidavits that they made stated he was a man weighing about 175 pounds and 5 feet 9 inches in height, together with several other details. I have affidavits in this file, and they are in the report here, from the mayor of South St. Paul and from almost every other public official who has served in South St. Paul for years, showing that John Rogowski did not in any way answer the description that the agents gave of the man they were arresting.

Mr. ANDRESEN of Minnesota. Will the gentleman yield?

Mr. RYAN. I yield to the gentleman from Minnesota.

Mr. ANDRESEN of Minnesota. From my own personal investigation, I am satisfied that the John Rogowski referred to in this bill was not the John Rogowski or Joe Rogowski that was guilty of the crime. I believe the Government made a mistake and his attorney also made a mistake in advising him to go into court and plead guilty to a crime he never committed.

Mr. RYAN. That is correct.

Mr. ANDRESEN of Minnesota. As far as establishing a precedent in refunding to Rogowski Bros. the money they have coming to them, every claims bill that comes before this House is judged upon its own merits. What has been done in some other case does not deter the objectors from objecting or establishing any precedent whatever.

Mr. RYAN. From the very thorough and very careful investigation that my colleague made of the claim when he had it and when he represented that district, and from the investigation which I have made, it is clearly indicated that Joseph Rogowski was often confused with John Rogowski. He received bills and claims that should properly have gone to Joseph Rogowski. John and Alec Rogowski, are the men mentioned in this claim. Alec Rogowski is head of the Polish National Alliance of South St. Paul. Both of these gentlemen are leading citizens of that district. The affidavits will show that neither of them have been in trouble of this kind before or since and as a matter of fact they are two of the finest citizens in my city.

[Here the gavel fell.]

The SPEAKER pro tempore. The question is on the amendment offered by the gentleman from New York [Mr. HANCOCK].

The amendment was rejected.

The Clerk read as follows:

Title XV—(H. R. 5615. For the relief of Capt. B. B. Barbee.) By Mr. PETERSON of Florida

That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of $1,583.65 to Capt. B. B. Barbee, retired, representing funds administratively determined that Capt. Barbee owed the War Department as a result of alleged omissions and derelictions which the Department has held were a material factor in the embezzlement by a civilian employee (now deceased) of the Quartermaster Department of Government funds: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendments:

Page 16, beginning with line 22, strike out all down to and including line 5, page 17, and insert the following: "That the Secretary of the Treasury is hereby authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Capt. B. B. Barbee, United States Army, retired, the sum of $1,588.65, or so much thereof as shall have been collected from him prior to the passage of this act, in full satisfaction of his claim against the United States for a stoppage in his pay on account of the embezzlement of public funds by a civilian employee of the office of the quartermaster, Fort Jay, N. Y., from July 1, 1925, to February 28, 1931, while Captain Barbee was on duty as agent finance officer, Governors Island, N. Y."

The committee amendment was agreed to.

The Clerk read as follows:

Title XVI—(H. R. 6296. For the relief of Dr. A. C. Antony and others.) By Mr. CARLSON

That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to A. C. Antony, medicine doctor, the sum of $55; the St. Joseph Hospital the sum of $25.25; Sadie E. Crimins, registered nurse, the sum of $28; and A. J. Chaput, the sum of $5, as full compensation for services rendered in behalf of Leo J. Jensen, United States Marine Corps, during his illness and death.

With the following committee amendment:

Page 18, line 9, after the word "appropriated", strike out all of line 9 and lines 10 to 14, inclusive, and insert the following: "to Dr. A. C. Antony, of Clyde, Kans., the sum of $55; to St. Joseph's Hospital, of Concordia, Kans., the sum of $25.25; to Sadie E. Crimmins, registered nurse, of Concordia, Kans., the sum of $28; and to A. J. Chaput, funeral director, of Clyde, Kans., the sum of $5; in all, $113.25, in full settlement of their claims against the United States for medical, hospital, nursing, and ambulance services rendered Leo J. Jensen, private, first-class, United States Marine Corps, who died November 25, 1936, while on furlough, at Concordia, Kans.; *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The committee amendment was agreed to.

The Clerk read as follows:

Title XVII—(S. 1307. For the relief of W. F. Lueders.) By Senator SHEPPARD

That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay to W. F. Lueders, of San Antonio, Tex., out of any money in the Treasury not otherwise appropriated, the sum of $5,595 in full settlement of all claims against the Government for permanent injuries received and expenses incurred by reason of having been struck by a United States Army ambulance while riding in his own car in the city of San Antonio, Tex., on the 12th day of May 1930: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

Mr. COSTELLO. Mr. Speaker, I offer an amendment, which I send to the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. COSTELLO: Page 19, beginning in line 9, strike out all of title XVII.

Mr. COSTELLO. Mr. Speaker, the present bill would provide for payment to W. F. Lueders of the sum of $5,595 as

the result of injuries received in an accident in which his car was struck by an Army ambulance.

There were only two eyewitnesses to the accident, one the driver of the ambulance and the other a brother-in-law of the claimant, I believe. It appears that claimant's car was parked on the north side of the street; that directly across the street was a driveway, and out of this driveway backed a Buick automobile, which backed into the street parallel with claimant's car, which was parked against the curb so that the front end of this Buick had its wheels practically on a line with the rear wheels of claimant's car.

The ambulance approached these two cars from the rear, and in order to pass them, the Buick being parked out in the middle of the street, it was necessary for the ambulance to swing to the left. About the time the ambulance was passing the Buick the claimant, with his car between the Buick and the curb, started to pull into the driveway. The claimant admits he did so without ascertaining what might have been coming from the rear and did so without sounding his horn or giving any warning. As a result the two vehicles collided.

It appears to me that while the claimant alleges the ambulance was driven at an excessive rate of speed, which the War Department denies, the speed of the ambulance is not in question here. There was clear-cut negligence on the part of the claimant in swinging out into the middle of the street, around a parked automobile, without ascertaining what might be behind or what might be coming from the rear. That is a clear-cut case of negligence on the part of the claimant and sufficient negligence, in my opinion, to deny him the right to a claim for damages from the Government. In other words, it appears to me that the injuries sustained were due to his own gross negligence and were not sustained directly as the result of reckless driving or carelessness on the part of the driver of the Army ambulance. For that reason, Mr. Speaker, I recommend that my amendment to strike out this title be sustained.

Mr. MAVERICK. Mr. Speaker, I rise in opposition to the amendment.

Mr. Speaker, I call the attention of the House to the report that has been filed by the committee, and which has not been questioned by anyone. The report states—

That the Government ambulance had swerved to the left to a much greater distance than was necessary to avoid colliding with a parked Buick car that was on the north side of the street.

The claimant was not parked, but there was another car that was parked in the way.

Then the report states concerning the Army ambulance—

There was unobstructed space for the Government ambulance to proceed on its legitimate course; that "the obvious cause of the accident was the terrific speed at which the ambulance was driven, together with the fact that it was being driven on the left side of the street."

Let me read more of the report which states that—

Testimony before your committee indicates that the finding of the Army Board was based on ex parte evidence. The testimony of Mrs. Bernard Muerer was taken, although she did not witness the accident.

And so on. Then the report goes on to show by another witness, Ben L. Rittiman, that the ambulance—

Was coming at a terrific rate of speed, because it wrapped the Ford roadster around a telephone post, completely around, headed out of the opposite way with front wheels about 2 feet south of the south curb line of the street. The ambulance ran up over the curb, both front wheels up into the yard at No. 1126.

I continue to read the report:

The only other eyewitness to the accident whose testimony was taken was that of the Government ambulance driver, Pvt. George J. Van Wie—

And, of course, that was necessarily testimony on behalf of himself, a prejudiced witness.

Mr. COFFEE of Washington. Mr. Speaker, will the gentleman yield?

Mr. MAVERICK. I yield to the gentleman from Washington.

Mr. COFFEE of Washington. Would the gentleman not state that as a result of an examination of the evidence in this case it would appear that the proximate cause of the accident was the excessive speed of the Government ambulance?

Mr. MAVERICK. In my opinion, it was the excessive speed and negligence of the driver of the Army ambulance, and therefore, in law, the proximate cause. In confirmation of that, the report says:

It seems clearly established by the evidence that the ambulance driver was going at a very unreasonable rate of speed; that the accident occurred at the curb on the left-hand side of the street; that the ambulance driver necessarily had been driving for a considerable distance on the wrong side of the street.

I know exactly where that street is. I know a good deal about the facts in this case.

In my opinion, this is absolutely a meritorious claim, which has been thoroughly discussed and thoroughly gone into over a long period of time. I ask the approval of this bill and that the amendment of the gentleman from California to strike out this title be voted down. I may say this bill has already passed the Senate.

The SPEAKER pro tempore. The question is on the amendment offered by the gentleman from California [Mr. COSTELLO].

The amendment was rejected.

The Clerk read as follows:

Title XVIII—(S. 1585. For the relief of Sallie S. Twilley.) By Senator RADCLIFFE

That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of $5,000 to Sallie S. Twilley, in full settlement of all claims against the Government on account of the death of her husband, Samuel J. Twilley, a former rural carrier at the Cambridge, Md., post office, due to injuries received while in the performance of his duties: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendment:

Page 20, line 9, strike out "Samuel" and insert in lieu thereof "William."

The committee amendment was agreed to.

Mr. HANCOCK of New York. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. HANCOCK of New York: On page 20, strike out "title XVIII."

Mr. HANCOCK of New York. Mr. Speaker, by this bill the Congress is asked to overrule a decision made by the United States Employees' Compensation Commission in 1923. At that time the United States Employees' Compensation Commission found after personal investigation and after examining all the evidence that the death of the decedent in this case was not caused by an injury sustained in the performance of his duty. An effort was made to have the case reopened in 1930. The Compensation Commission reviewed its files but found no reason to change its decision. Now we are asked to reverse the decision on no evidence whatever except what we can find in this report, consisting largely of statements by friends of the decedent made several years after the compensation claim was dismissed and contradictory to the evidence before the Commission.

The theory is that this man, who was a rural mail carrier, bumped his head on a rib of the top of his Ford car while driving on an icy day on a rough road in Maryland, which resulted in a brain hemorrhage and death several weeks later. We know that on icy days one does not drive very fast and it is not likely that the injury was serious. There was no concussion of the brain or any other injury sufficient to cause the decedent to see a doctor for treatment. The evidence is that he did not mention it to his

wife and that he did not even complain to his own physician about this bump on his head when he was in his last illness. After his death some one evolved the theory that a bump on the head might in some way have caused the stroke of apoplexy which resulted in death about 6 weeks after the alleged bump on the head was received. A claim for compensation was made and denied.

I have discussed the medical question here with physicians and they tell me that unless the man had a paper head no such bump as this man evidently received would have caused such a catastrophe, and that if he had had a paper head a severe blow would have cracked his skull then and there.

This claim is contrary to the evidence and contrary to the findings of those who are competent to pass on such matters. It has been twice denied by the Compensation Commission, and there is no justification whatever for passing this bill. Let me call your attention to the fact that this is another departure from precedent, and a very dangerous one. It is not a function of Congress to review the decisions of the Compensation Commission.

The SPEAKER. The question is on the amendment offered by the gentleman from New York [Mr. HANCOCK].

The question was taken; and on a division (demanded by Mr. CARTER) there were—ayes 3, noes 14.

Mr. CARTER. Mr. Speaker, I object to the vote on the ground a quorum is not present.

The SPEAKER. Will the gentleman withhold that a moment so the Chair can entertain a unanimous-consent request of the gentleman from Texas?

Mr. CARTER. I withdraw the point of no quorum, Mr. Speaker.

So the amendment was rejected.

The bill (H. R. 9767) was ordered to be engrossed and read a third time, was read the third time, and passed and a motion to reconsider was laid on the table.

ADJOURNMENT OVER

Mr. RAYBURN. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet on Tuesday next.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

GENERAL STAFF CORPS

Mr. MAY. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H. R. 10317) to remove certain inequitable requirements for eligibility for detail as a member of the General Staff Corps.

The Clerk read the title of the bill.

Mr. MAPES. Mr. Speaker, reserving the right to object, the special order for today provided for the consideration of the Private Calendar and the completion of this omnibus claims bill, and I believe the membership of the House generally thought this would be all the legislation that would be considered this afternoon. I wonder if the gentleman from Kentucky would not be willing to let this bill go over until the first of the week?

Mr. MAY. Mr. Speaker, ordinarily I would not object to that, and I do not seriously contend for it now. I have discussed two little bills I have here that are vital to the War Department. They are noncontroversial and have been unanimously reported by the House Committee on Military Affairs. I have discussed this with the ranking minority member and the member next to him, as well as other members of the committee, and there is really no objection to either one of the bills, and it would only take a minute to consider them; but if the gentleman insists on his objection, of course, I shall defer to the gentleman.

Mr. MAPES. I wish the gentleman would wait until the first of the week.

Mr. MAY. Then, Mr. Speaker, I will withdraw the request and call the bills up Tuesday.

EXTENSION OF REMARKS

Mr. PETERSON of Florida. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include therein a short editorial from the Tampa Tribune.

The SPEAKER. Is there objection to the request of the gentleman from Florida?

There was no objection.

Mr. O'CONNELL of Rhode Island. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and insert a speech I made last night at Temple University.

The SPEAKER. Is there objection to the request of the gentleman from Rhode Island?

There was no objection.

CHOPAWAMSIC RECREATIONAL DEMONSTRATION PROJECT, NEAR DUMFRIES, VA.

Mr. DEROUEN. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 6351) to provide for the operation of the recreational facilities within the Chopawamsic recreational demonstration project, near Dumfries, Va., by the Secretary of the Interior through the National Park Service, and for other purposes, with the Senate amendments, and agree to the Senate amendments.

The Clerk read the title of the bill.

The SPEAKER. Is there objection?

Mr. MAPES. Mr. Speaker, I reserve the right to object. I wish the gentleman from Louisiana would take the same course the gentleman from Kentucky [Mr. MAY] has taken and withhold his request until the first of the week.

Mr. DEROUEN. Will the gentleman permit me to make a statement?

Mr. MAPES. I understand that the gentleman has talked with other members of his committee and some of them were on the floor at the beginning of the session anticipating that he was going to make his request sooner than he has. The gentleman sees that very few Members are present. I feel I shall have to take the same position I did with respect to the request of the gentleman from Kentucky.

Mr. DEROUEN. This bill passed by unanimous consent. It went over to the Senate, and they struck out section 3, and I think have made it a better bill. We have an accumulation of these Senate bills on the desk that are not controversial. The amendment does not involve any money whatever. It is simply perfecting language. I discussed the matter with Mr. MARTIN and with other members of the committee. In fact, Mr. ENGLEBRIGHT has three bills. We have an agreement that there is no opposition. We would like to get rid of these bills so that there will not be such an accumulation of them.

Mr. MAPES. Mr. Speaker, I do not question anything the gentleman from Louisiana says. I think I shall have to apply the same rule to the gentleman from Louisiana that has been applied to others.

Mr. DEROUEN. Mr. Speaker, I withdraw my request.

EXTENSION OF REMARKS

Mr. TRANSUE. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include therein a speech delivered by the Honorable Cordell Hull, Secretary of State, from the studio of the National Broadcasting Co.

The SPEAKER. Is there objection?

There was no objection.

FREEDOM OF THE PRESS

The SPEAKER. Under special order heretofore made the gentleman from Michigan [Mr. HOOK] is recognized for 15 minutes.

Mr. HOOK. Mr. Speaker, there is an old axiom, "Give your enemy enough rope and he will eventually hang himself." Likewise, organized opposition to progressive policies ultimately may wear itself out either because of its violence or its illogic. I think, however, it is the better part of wisdom for any man in public life to ignore assaults either upon himself or his expressed convictions. I doubt if any Member in this House has always escaped false and malicious criticism of his public actions. I know I have not, but I have

rarely dignified it by recognizing the unworthy opponents who have attacked me with such weapons. The time may come, however, in the development of any great progressive movement when it may be well to meet the opposition with counterattack that may lead to exposure. Such a situation has come in this session of Congress.

The opposition to President Roosevelt and the New Deal has been so brazen in its assaults, hiding behind the cloak of freedom of press and sneaking under Government postal regulations, that it becomes desirable, if not necessary, that some attention be given to it. Two committees of the United States Senate undertook to investigate the forces that have been behind this opposition. The astounding results have not only been surprising but are amazing to anyone who has a sense of justice.

Mr. Speaker, I have been astonished at the confessions made by the representatives of some of the anti-New Deal organizations and great corporations that have persistently and consistently opposed everything progressive from the very beginning of the Roosevelt administration; in fact every progressive measure that he or the administration has recommended. It is likewise surprising that fighting against such odds we have been able to enact into law as many New Deal reforms as are now on the statute books. President Roosevelt and the Democratic Party have succeeded only by reason of the unmistakable need of the legislation and the loyal support of the masses of our people.

It was Lincoln who said:

> You can fool all the people some of the time and some of the people all of the time, but you can't fool all the people all of the time.

And so it has been with this great organized propagandizing group of disgruntled industrialists—economic royalists, if you please, who fooled most of the people for a great many years. They have finally been unmasked to a certain degree. They have not as yet been routed, and, Mr. Speaker, I warn the Members of this House that eternal vigilance is still the price of liberty. We have not yet reached port nor shall we have easy sailing until all the urgent reforms for which President Roosevelt and the New Deal stand for are accepted.

Today, Mr. Speaker, I wish to call the attention of my colleagues, and especially to the legitimate press of this Nation, confessions made by representatives and paid agents of the Republican Party during the course of a hearing before the Senate Lobby Committee. I refer to a hearing at which the publisher of a magazine called Rural Progress testified, at which the new molder of Republican policies, Dr. Glenn Frank, erstwhile and ousted president of the University of Wisconsin, was an interested observer and an unbidden participant.

It is my understanding that this so-called magazine, Rural Progress, is placed in the mails under third-class matter. I do not believe that it is entitled to third-class privileges, but it could not come under second-class privileges, because mailable matter of the second class shall embrace all newspapers and all other periodical publications which are issued at stated intervals and as frequently as four times a year. Section 520 of the Postal Laws and Regulations regarding second-class matter provides that:

> First. It must regularly be issued at stated intervals, as frequently as four times a year, and bear a date of issue, and be numbered consecutively. Second. It must be issued from a known office of publication. Third. It must be formed of printed paper sheets, without board, cloth, leather, or other substantial binding, such as distinguish printed books for preservation from periodical publications: *Provided*, That publications produced by the stencil, mimeograph, or hectograph process, or in imitation of typewriting, shall not be regarded as printed within the meaning of this clause (act of Mar. 3, 1879, as amended by the act of June 11, 1934, Public, No. 302, 73d Cong.). (See par. 4, sec. 524.) Fourth. It must be originated and published for the dissemination of information of a public character, or devoted to literature, the sciences, arts, or some special industry, and have a legitimate list of subscribers. Nothing herein contained shall be so construed as to admit to the second-class rate regular publications designed primarily for advertising purposes, or for free circulation, or for circulation at nominal rates.

In order for the legitimate press of this Nation to take advantage of second-class postal regulations, the information originated and published by them must be of a public character or devoted to literature, the sciences, arts, or some special industry and have a legitimate list of subscribers and under the second-class regulation publications designed primarily for advertising purposes or free circulation or circulation at nominal rates shall be admitted to the second-class rate.

This insidious, pernicious, lying piece of propaganda known as the Rural Progress is sent out as third-class matter, supposed to be for advertising purposes—sent out free of charge, if you please. If this is allowed to go on it will wreck the legitimate press of this Nation; it will establish a principle that will set up such competition with the legitimate press that in due time free speech and free press will be eliminated from the privileges that we enjoy in this Nation. I have not at all times agreed with the propaganda as disseminated by the newspapers of this country, but at least the legitimate press have a list of subscribers, they charge a nominal rate, and they disseminate information of a public character, whether it is colored or not. But I am particularly interested, because this Rural Progress magazine has been distributed free of charge among seven pivotal States, including my own State of Michigan, and is supposed to be a nonpartisan farmers' magazine. Nothing could be further from the truth.

What is the Rural Progress magazine? Who originated it? Who pays for it and under what circumstances and conditions is it operated?

Senator MINTON is chairman of the Senate Committee to Investigate Lobbying Activities, the same committee that unmasked the American Liberty League—Du Pont-financed propaganda organization—as the sponsor and backer of the fake Farmers' Independence Council.

The testimony of Maurice V. Reynolds, publisher of Rural Progress, who was under oath, disclosed that Rural Progress was first issued in November of 1934. It announced in this issue that it would be nonpartisan in politics. On the cover of the November copy it was stated that the magazine would be distributed free of charge to 2,000,000 families who lived on farms or in rural communities, and in order to come within third-class postal regulations informed the public that because of the free distribution to a large number it would receive revenue from its advertisers in such an amount that the advertising would take care of the publication. In other words, the originators of this publication led their readers to believe that it was to be a regular publication designed primarily for advertising purposes. Nothing could be further from the truth.

Every month since November 1934 copies of Rural Progress have been stuffed into the mail boxes of 2,000,000 people along the rural routes in Indiana, Illinois, Iowa, Wisconsin, Minnesota, Ohio, and Michigan. Mind you, there are no subscribers to the magazine and there is no list of those to whom it is sent. It is simply placed in the mail boxes. Rural Progress has no printing plant, no assets, except a little office furniture, and a deposit in a bank.

I want you to listen closely. During the entire time it has been operating—this supposed to be benevolent nonpartisan magazine—the advertising it carried did not pay one-half the cost of the publication. Since it began operating it has lost more than $951,000. Where did they get the money to keep going? They received it from industrialists and others who are opposed to the Roosevelt administration—men like Frank Vanderlip, Sr., and Frank Vanderlip, Jr.; George Ball, the party who bought the Van Sweringen railroad empire, and who was for years Republican national committeeman from Indiana; from directors of Allis-Chalmers; the Northwestern Mutual Life Insurance Co.; the Westinghouse Co.; the United States Sugar Corporation; the Consolidated Water Power & Paper Co.; the Illinois National Bank & Trust Co., the Continental Trust Co.; and—I almost overlooked him—from Dr. Edward A. Rumely. He is the same Dr. Rumely who is the secretary of the Gannett Committee

to Uphold Constitutional Government, the same committee which spread the malicious, lying misinformation against the reorganization bill, the same Dr. Rumely who was convicted of conspiracy under the Trading With the Enemy Act and failing to report to the Alien Property Custodian during the World War; the same man who bought the New York Mail to further the enemy cause. And, oh, yes, they got part of the money from that distinguished gentleman, Dr. Glenn Frank. Of course, Dr. Frank is now editor of Rural Progress at a salary of $25,000 a year, so I presume he can afford to contribute something. But Dr. Frank, it developed from the testimony, also raised a lot of the money to make up the deficit from among his own friends—and, of course, we know from the writing and actions of the doctor that he did not receive one single, solitary penny of this money from anyone who is interested in progressive legislation or in raising the standard of living for the common mass of this great Nation. He received it, no doubt, from those who control the idle pools of stagnant money now bulging the vaults of this Nation and withheld from circulation for the purpose of causing widespread destruction.

Imagine, Mr. Speaker, a nonpartisan farm magazine that has no ax to grind politically, having at its head as editor the chairman of the policy committee of the Republican Party. No ax to grind. What a joke. But editorially and in special articles Rural Progress has opposed, violently opposed, the Wheeler-Rayburn bill to regulate holding companies; it opposed the farm bills; the court-reform bill; the wage and hour bill; the reorganization bill. Yes, Mr. Speaker, nonpartisan, but it supported Governor Landon for President in 1936. Its policies are shaped by the same man who is shaping the policies of the Republican Party.

I want the farmers of the country, and of my State and district particularly, to know what kind of a magazine it is that they are getting free of charge and labeled "nonpartisan." It is not nonpartisan, Mr. Speaker, it is a Republican propaganda organ masquerading under false colors and in my opinion violating the intent of the postal laws and regulations of this Government.

There is another gigantic propaganda organization posing as a national association of manufacturers that likewise has violently opposed every reform measure recommended by the administration. Since 1934 it has been engaged in an anti-New Deal publicity program that has cost millions of dollars. This organization has camouflaged its publicity in various ways so as to deceive readers and listeners on the radio.

Now, Mr. Speaker, I submit, can any Member of this House read the story of Rural Progress and have any doubt whatsoever that these economic royalists of the Republican Party will continue to spend millions of dollars in false and malicious propaganda intended for no other purpose than to bring about defeat of Democratic Members of Congress who have been loyal to the administration. You will not find them going into the districts of those Members who have betrayed their party. No; you will find that those Members have not only the good wishes but the hearty support of these captains of industry.

Mr. Speaker, I want it strictly understood that I am an advocate of free speech and free press, but I believe that the newspapers and periodicals of this Nation that live within the rules and regulations as laid down by this Government should insist that this pernicious lying propagandizing machine be subdued and stopped. Free press in this Nation can exist and shall last just so long as they are fair and honest in their views. Certainly I fully realize that those views may be colored, that any newspaper in this Nation has a right to take sides with any political party or any political group, but I do not believe that certain millionaires and narrow-minded industrialists should be allowed to furnish money to put out a magazine under the guise that it is nonpolitical and that the advertising is paying for the publication and then use this periodical for vicious misrepresentation in a political way. A legitimate newspaper or periodical publishes and makes a report of the owners and also of its circulation. Not so with this vicious propaganda machine operated by Dr. Glenn Frank and subsidized by the narrow-minded industrialists.

Yesterday we passed a resolution to investigate un-American activities. Let me call attention to the committee that will be in charge to the fact that this un-American, unprincipled periodical and type and all others of its type and nature are lending more toward building up feeling that leads to war, the downfall of democracy. In the name of democracy, in the name of liberty, in the name of good government, let the legitimate press of this Nation save itself by exposing such movements. [Applause.]

The SPEAKER pro tempore (Mr. MCGRANERY). Under special order heretofore entered, the gentleman from Alabama [Mr. PATRICK] is recognized for 10 minutes.

Mr. PATRICK. Mr. Speaker, I do not know whether the gentlemen wish to hear from a man who has been in Congress no longer than I have. Not wishing to take too many chances on that, I asked for only 10 minutes. It is interesting that I should follow the address of the gentleman from Michigan [Mr. HOOK], because he spoke, in a measure, regarding the sort of thing I have in mind.

I would not make any effort to interfere with the freedom of the press if I could, neither would any first-class American. The first amendment to the Constitution of the United States guarantees that there shall be no abridging of free speech or of a free press in this country. Nobody would abridge that, and I do not want anything that I say in these few remarks to be so construed. But what I wish to discuss is merely the fact that it is difficult, when met each morning with an antidote editorial or a vaccinating headline at every coffee cup, not to feel that all this relates to the voice of the people. It is the duty of a lawmaker not to regard a part of the voice of the people as the voice of the whole people, but to consider the whole people. That is sometimes a difficult proposition, and we can be unwittingly led to believe by constant pounding away of news and editorial that which is not true is true. I believe that the press, if you take it by and large today, represents not Mr. and Mrs. America, but represents those who are better able to pay.

Of course that is not universally true, and I hope and believe that the day will come under the freedom that here exists, when the press will turn back, and I am hoping and believing there will be a day when an American John Wilkes shall appear to combat the gentlemen who are the bigwigs of and the barons behind his own kind and craft, as Wilkes and his compatriots struggled against King George, and crossed swords with the Duke of Newcastle, as was done in 1764, by those heroes who were representing the voice of England and who had to go through the very jail itself, who had to fling themselves into the teeth of the lions of the King to get the voice of the people over, until shouting against a tower of power they were able to be heard, and bring the things that were of the heart of England to such a resounding exhibition that the very Crown had to succumb before the rising tide of public sentiment and understanding. No nobler page adorns the records of the deeds of men.

That is why, fresh in the minds of Franklin, Jefferson, and the others, fresh in their minds and hearts, why the voice was heard; and when England broke off the shackles, when as William Pitt said:

> This House is not representative of the people of Great Britain; it is representative of noble families, wealthy inhabitants, and foreign potentates.

William Pitt made that statement in 1762. I think that now, unfortunately, by reason of the support that it has had, the press has become the voice merely of those who compare to the noble families, the wealthy inhabitants of Pitt's England, and it is our duty as Representatives to remember that sort of thing. For this reason I come to speak to you for 10 minutes today, not on a bill, not an amendment, not on a resolution, but on a matter of the principle of lawmaking.

I believe it is our duty to look beneath the first thing we meet on the street, the first thing we see in the daily paper

and find and hear if we expect to be able to put our ear to the breast of humanity and hear its heart beat. If we are not able to do this we shall never be able truly to come here and vote as the true representatives of the United States of America and her people.

Here is what I mean: It may surprise some of the older Members, but it may do the older Members good to hear from us who are fresh from the people; we may give them something, you cannot tell. It may be humble and modest, but it may be something fresh. It is our duty to be each a composite person, each a common divisor, each reflecting the minds of the people in his district, voting as they would vote if they could be organized into one body. They cannot, of course. So we must each consider himself the composite individual who acts representing the voice and vote of those constituents, voting as they would vote if they could. You know as well as I that that is the only way it can be democratically done. Let me illustrate a little more fully. Once I was a teacher in a country school—had 64 pupils. Mr. Holmes' cow was across the road. We led that cow out in front of the class and had the pupils draw pictures of the cow. The pictures were all drawn on the same scale, the same position. I was telling JERRY VOORHIS, Congressman from California, about this just yesterday. When those pupils got through there was not a single good picture of that cow, but my brother and I happened to notice that five or six of the pictures all put together were pretty good. We took all the pictures to a photographer and had a composite photograph made of the whole 64, with the result that we had an amazingly good picture of a cow. An artist could scarcely have beaten it. There are 130,000,000 people in the United States of America. We here in Washington should catch their voice and vote and should be their representatives and should be able to cast that vote so that it expresses what the whole people think and feel.

It is interesting to note how history is filled with ironies. One of its greatest ironies is revealed in the press as it carries forth in America today. As a foremost and zealous move the press was made free in this land. Why a free press? Our Nation's makers knew of that long struggle for freedom in England in the middle of the eighteenth century under the foolish tyranny of King George III, when William Pitt made the statement I quoted. Injustice, high privilege, and favoritism mounted the saddle and rode wide over Britain. The people cried out. Their voice was unheard. Who could be found to bring that voice up within hearing? One agency was found. That agency was the press. John Wilkes' journal, the North Briton, led the fight. It meant defeat after defeat—trial, jail—but it stands today as a living monument to the press that fought it on through injustice, injunction, warrant, prison, in the cause of popular liberty—one of the greatest, purest, and finest achievements that adorns history's panoramic page. Franklin, Jefferson, Adams, all, had thrilled with patriotic enthusiasm as they reviewed the glorious behavior of England's press; so they hastened to place proper guaranty over its freedom.

Time marches on. Compared to the leagues behind us we are but a short march from 1764 and King George III. Yet in that short time, just across the big sea water where a new order was established with a guaranty of safety to the press, that mighty agency, under that flag of protection, is found to be the exponent of the thought and feeling and course, not of the whole people, but of the bracket that compares in America to the "noble families and wealthy individuals" Pitt spoke of in 1762. No true American objects to however much money, property, or power one may have and hold so long as it shall not interfere with or deter the happiness, opportunities, or liberty of others.

Five years ago we saw a new vision—a vision of greater freedom and opportunity. A new day and we spoke of a New Deal. A rainbow of promise spanned our sky. Work and opportunity would be properly and evenly distributed among our people in the land of Jefferson and Adams. The voice of the people would be heard and written into law. But what have we seen? This protected child has grown fat, rich, and powerful under the guardianship of this great freedom and is shouting against the voice of the people. This is the reason I think it is a challenge to the lawmakers of America not to forget, but to read and discriminate, always to go behind and search what is going on in the hearts of Mr. and Mrs. America before a vote is cast; not to get into serenade by the first superficial sounds and activities that come before us. You know there are those in this country who have been so long on the mountain side of special opportunity, favored even by the laws of the land, that they think it is right and just and they are wedded to that idea. When something comes along for the general weal that they think tends to weaken their privileges they cry out, and truly believe, that it assails the fundamentals of the Nation. The smallest package in the world is the man who is wrapped up in himself, yet it is hard for those so constituted to conceive that.

The beloved press! The angel of the common masses against the tyranny of the Duke of Newcastle and treachery of the Earl of Bute. With it in America we find it falling under the weight or errors of its own digest poll, still with a sea of newspaper headlines floating between a people and its lawmakers. Occasionally a voice in the night, a solitary voice, can be heard, as a voice was heard in the wilderness of Judea, but with the dawn of morning comes the antidote headline and vaccinating editorial on every doorstep, at every breakfast table. It is but the voice of those better able to pay. It is not the voice of America and her people. Yet the weak and uncertain seem to mistake it for the voice of the people. Some lawmakers, leaning back, ponder. A short while back some few commenced to break ranks; and from that day a recession began, began against the most positive and rapid recovery any nation had ever known. Today it is our duty and our opportunity as lawmakers of these United States of America to step forth, disregard every tower of organized propaganda, listen closely and intelligently enough to hear the voice of America. Only then shall we know her heart and only then are we qualified and fit to make her laws. I thank you.

[Here the gavel fell.]

EXTENSION OF REMARKS

Mr. HOOK. Mr. Speaker, I ask unanimous consent to revise and extend my own remarks in the RECORD, and to include a letter which I have received from the chief of one of the bureaus to the editor of the New York Times.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

The SPEAKER pro tempore. Under a previous order of the House the gentleman from Nebraska [Mr. BINDERUP] is recognized for 30 minutes.

Mr. BINDERUP. Mr. Speaker, I ask unanimous consent that the gentleman from California [Mr. VOORHIS] may precede me, as he has a special order pending today and I was under the impression that he was going to speak ahead of me.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Nebraska?

There was no objection.

The SPEAKER pro tempore. Under a special order of the House heretofore entered the gentleman from California [Mr. VOORHIS] is recognized for 15 minutes.

Mr. VOORHIS. Mr. Speaker, everybody talks about the importance of an increase in our production of wealth. Of course, that is right, and it is the thing we need perhaps above everything else.

Why is it we are not able to obtain an increase of production of wealth? I think that, roughly, three reasons may be given. The first one is monopoly control of prices and output; the fact that certain industries, because there is not a competitive condition existing, do not respond to an increase in consumer demand by increased output, but respond by increased prices.

The second reason I can describe with an illustration. Let us suppose there are three producers, A, B, and C, all

of whom individually would like to increase the production of their particular commodity. But producer A has no idea and no reasonable basis for knowing that if he does increase his output B and C will do likewise. Producer A, therefore, never knows whether B and C will be paying wages to people who could buy his—A's—product. Hence you have a fundamental basis for lack of confidence as between businessmen.

The third reason is, in my opinion, the one which the gentleman from Nebraska [Mr. BINDERUP] has been discussing, and this one is as fundamental as any, perhaps; namely, the chronic failure, under existing conditions, of the total volume of buying power in America to keep up with the output of wealth.

I think there are three general kinds of remedies that ought to be applied. In the first place, we have to devise legislation—and I believe that a good deal of essential work has already been done upon this proposition—which will provide machinery for a coordinated activity on the part of the Government, management, and labor in order that we may have a coordinated increase of production, so that all producers will know that if and when they increase production the same thing will happen elsewhere.

The second kind of approach I think we ought to have is the one that lies in the direction of a broadened and improved social security system in general Federal old-age pensions, in the assurance of public works employment for the unemployed. Here is a great field of necessary activity which the Government must continually engage in since it is utterly impossible to expect our free economic system unaided to provide either security or full employment. I shall endeavor to show the relation between an old-age-pension system and a sound program of public works on the one hand and certain necessary monetary reform measures on the other.

The third remedy is that of monetary reform. I am convinced that at present there is a very powerful credit monopoly which is preventing a great many small-scale businesses from starting or expanding when those small-scale businesses would like to do so. Personally, I do not believe that that credit monopoly is going to be broken up by any such simple device as empowering the R. F. C. to lend money to small business. I believe it cannot be broken except by the establishment of industrial financing banks on the part of the Government which can take care of such financing of industry as is meritorious when that financing cannot be done in any other way. As private investment tends more and more toward the purchase of Government bonds, it becomes a necessary function of Government to channel investment into essential industries.

Mr. CRAWFORD. Will the gentleman yield?

Mr. VOORHIS. I yield to the gentleman from Michigan.

Mr. CRAWFORD. Does the gentleman refer specifically to what might be termed proprietary capital?

Mr. VOORHIS. Yes.

Mr. CRAWFORD. In other words, the gentleman feels that the so-called little man who desires capital for a proprietorship operation, that might be paid back over a 10- or 20-year period, is today without a source of credit for that purpose?

Mr. VOORHIS. I do. The idea is not so much for a loan as it is for somebody who will purchase a certain amount of stock in his enterprise, enabling him perhaps to retire it over a period of time.

Mr. WHITE of Idaho. Will the gentleman yield?

Mr. VOORHIS. I yield to the gentleman from Idaho.

Mr. WHITE of Idaho. The gentleman has answered the question I wanted to ask. In the gentleman's plan for monetary expansion, he does not think it ought to be based entirely on a lending proposition, does he?

Mr. VOORHIS. No.

Mr. WHITE of Idaho. But on a quantity proposition as well, so there will be enough money with which to do business?

Mr. VOORHIS. Exactly; but I have not even got to that part of it yet. I have a bill I am going to offer today in reference to this industrial financing-banking idea.

The gentleman from Nebraska brought out that 97 percent of all the money that America uses is bank credit. We need above all things what the gentleman from Idaho has mentioned. We have to be able to maintain—not just establish, but maintain—a decent scientific relationship between the amount of actively flowing buying power in this country, on the one hand, and the productive capacity of the Nation on the other. We have not that at the present time. We have spent $16,000,000,000 in one way or another for recovery and relief in the last few years. There are at the present time approximately $16,000,000,000 of idle bank deposits which are supposed to be money, but which at present are not functioning as such since they lie idle in the banks. Needless to say, the bulk of these deposits are in the hands of people who do not need to spend them at the moment.

The reason we cannot proceed at once with safety to bring about that scientific relation between total active buying power and productive capacity by some such method as the payment of old-age pensions, as the bill of the gentleman from Nebraska provides, is that as soon as Government spends money into circulation there is no way of telling at present whether, when that money shows up in the private banks in the form of reserves, you are going to get a 1-for-1 expansion of bank credit or a 6-for-1 expansion of bank credit. Therefore, until we have some such device as the proposed 100-percent reserve behind demand deposits—not savings deposits but demand deposits—we will be and our Federal Reserve Board will be without any adequate means of controlling what is going to happen to that expansion of money after the Government puts it into circulation. We desire right now to have an expansion. We need an expansion in this country. We have a depression, unemployment, and all the rest. The orthodox way, according to the present system, of getting that expansion would be not to sell Government bonds, but to buy them, in order to put more money into the hands of the banks or private individuals so they might spend it. But we find that does not do any good because bank deposits do not move. We find that loans are not being made, and we are utterly dependent on the making of loans to make bank deposits actually circulate as money. So instead of doing the thing that according to the orthodox practice we should do, namely, buying bonds, we are thrown back upon doing exactly the opposite thing, namely, selling Government bonds in order to get the banks to create deposit entries for the Government which it in turn can spend.

Mr. WHITE of Idaho. Mr. Speaker, will the gentleman yield for a question?

Mr. VOORHIS. I yield to the gentleman from Idaho.

Mr. WHITE of Idaho. Does not that condition throw the business of the country more into relying on the R. F. C. and on the collective credit of the people of the United States distributed through the R. F. C.? Does not that force the creation of a condition where the people must turn to the Government through the R. F. C. to get money which they should actually get through the banks?

Mr. VOORHIS. I believe so, but I would not limit it to R. F. C. What the situation amounts to is that the people of America are compelled to rely on an increase in Government debt in order to obtain any decent volume of actively circulating buying power.

I have secured the figures on the sources of funds of the Government lending agencies. The figures which I shall give are not exactly accurate to a million dollars, but are substantially correct. The reason they are not exactly accurate is because the whole mechanism is so complicated that to picture it would be virtually impossible in a few minutes. What I mean by that is that one Government lending agency like the R. F. C. furnishes funds to a dozen or more other agencies. Without spending a great deal of time you cannot trace these funds all the way back, but the main fact comes out that the large Government lending agencies, the R. F. C., the Federal Farm Mortgage Corporation, the Home Owners' Loan Corporation, the Housing

Authority, and the P. W. A. now either have outstanding Government guaranteed bonds or they are authorized to sell Government guaranteed bonds, or they may obtain funds from the Treasury in the form of Treasury guaranteed bonds in the amount of $7,969,000,000, in round figures.

The second thing is that these same lending agencies either have or will have, after the Housing Authority gets its billion dollars out, which we hope it will do promptly, made advances to banks or bought the capital stock of banks, or bought farm or urban mortgages, or made secured loans of some kind or another, or made advance for various types of revenue-producing projects in the amount of $7,686,000,000. All these advances are secured in some manner or other, and their volume for just the five agencies mentioned is nearly $8,000,000,000.

One of the main contentions I wish to make is that the sale of those bonds in the first place, whereby the Government got deposit credits in the banks as funds to loan in making these secured loans and other types of advances, meant that the interest on the bonds that were sold in connection with these transactions were an absolute gratuity to the banking system and never should have been sold at all. As a matter of fact, the United States Government has a reserve far in excess of the reserves of the private banking system. The Government has security for these advances, and it must begin to exercise its right to make such loans without the necessity of selling bonds in order to do so. In short, if we are to meet this problem, our Government must, I believe, create credit itself and end the present monopoly of the financial system on the privilege of creating credit. Furthermore, may I point out that under present circumstances, if we are successful in our attempt to bring about a revival of business, the resulting increased attractiveness of private investment, when taken in relation to the attractiveness of Government bonds as investments, will inevitably tend to drive the price of Government bonds down and create a most serious situation, as has already been pointed out on the floor in the last few days, from the standpoint of the banks of the country.

Mr. CRAWFORD. Mr. Speaker, will the gentleman yield?

Mr. VOORHIS. I yield to the gentleman from Michigan.

Mr. CRAWFORD. Has the gentleman noticed that the sudden and instant desterilization of gold the other day and the simultaneous sudden increase in reserves shot the Federal-bond market up at a time when they had no bonds to sell, and this further complicates the very question the gentleman has just raised.

Mr. VOORHIS. Exactly. I should like to say a word on the desterilization of gold. What they actually did was assign $1,400,000,000 of gold credit to the 12 Federal Reserve banks, in return for which, what did the Government get? The Government got deposits in the 12 Federal Reserve banks, which they can spend. Is not that wonderful?

We have $1,400,000,000 which we can spend. We have deposits, and we can write checks for that amount. The Federal Reserve banks have the gold credit. If we employed that $1,400,000,000 as a Government, a sovereign people, has a right to do, and use it as a credit base for an expansion of Government credit, look what we would have. If we expanded only in the conservative ratio that the Federal Reserve banks themselves are empowered to do, 2½ to 1, with a 40-percent gold base, we could have our Treasury buy all the bonds of the Housing Authority, the P. W. A., and a whole lot more, up to $3,500,000,000 worth, and the interest, which, under present circumstances, has to be paid on those bonds, would be income to the Treasury of the United States. If you really want to balance the Budget, you must think about some things like that. [Applause.]

[Here the gavel fell.]

Mr. LEAVY. Mr. Speaker, I ask unanimous consent that the gentleman from California be given 5 additional minutes.

Mr. VOORHIS. I am taking the time of the gentleman from Nebraska [Mr. BINDERUP].

Mr. BINDERUP. Mr. Speaker, I am willing to yield to the gentleman.

Mr. WHITE of Idaho. Mr. Speaker, I ask unanimous consent that the gentleman from California may address the House for 5 additional minutes.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Idaho?

There was no objection.

Mr. VOORHIS. I thank the gentleman.

Mr. LEAVY. Mr. Speaker, will the gentleman yield?

Mr. VOORHIS. Gladly.

Mr. LEAVY. Going back to this matter of the gold and the gold certificates and the physical gold that is actually deposited down here in Kentucky, will the gentleman please explain just what actually occurred when the Government, by an act of this Congress, changed the value of gold from some $20 an ounce to $35 an ounce, the gold itself then being the property of the Federal Reserve banks or the private banks of this country?

Mr. VOORHIS. In answer to the gentleman's question, I would like to say that I want to qualify by saying I will do the best I can to answer that question.

The things I have said here today are things that have been carefully tested by going to people I thought would disagree with me and seeing what their answer was. I may say on this proposition which I have just broached of the right of the Government to create credit for advances on secured loans, the answer usually given is that it is a perfectly sound procedure but we must not do it because it has never been done before. To which my reply is that it is the same procedure that the whole private banking system uses at the present time.

In answer to the question of the gentleman from Washington, when the Government supposedly took over gold and went off the gold standard, what we really did was this: The Government required that all gold either in private hoards or coming from mines or from abroad be delivered to the Treasury. The Treasury paid for it with checks on the Federal Reserve banks, and in turn issued actual gold certificates or else credited its gold certificate fund of the Federal Reserve banks for the full amount of the gold in order to balance the checks it had drawn. Thus it came about that the Federal Reserve banks had gold certificates issued to them in the amount of the gold. Now, when gold was devalued the value of those gold certificates, which in turn constitute a technical claim upon the gold itself was, as I understand it, likewise devalued and the Government obtained a paper profit from the transaction. Title to the gold, however, remained, technically at least, in the hands of the Federal Reserve banks.

Mr. WHITE of Idaho. Mr. Speaker, will the gentleman yield?

Mr. VOORHIS. I yield.

Mr. WHITE of Idaho. Is it not a fact that the mechanics of the thing works in this way: When the gold at $26 or $27 an ounce in the hands of the Federal Reserve was transferred in title to the United States Government, they, in turn, raised it to $35 an ounce and returned to the Federal Reserve bank its equivalent of $26 or $27 an ounce in gold certificates; and did not the increment in the price of gold accrue to the Federal Government?

Mr. VOORHIS. I thank the gentleman. The Government did get that much additional amount of money to spend, but the technical title to that gold still vests in these Federal Reserve banks. Now, I would like to point out that by spending approximately $132,000,000 to buy the capital stock of the 12 Federal Reserve banks from the member banks the United States Government would acquire a clear title to approximately $12,000,000,000 worth of gold in the Kentucky hills, which, if used intelligently as a base for credit or for money, would constitute a sufficient base, according to even the most orthodox conception, for all the direct expansion we will need for a long time to come. I would like to say that for my part I think the gold is purely a psychological proposition, but there we have it, and we might as well use it to satisfy some people's minds.

Mr. LEAVY. Mr. Speaker, will the gentleman yield?

Mr. VOORHIS. I yield.

Mr. LEAVY. Assuming that situation occurred, and we did acquire the 12 Federal Reserve banks through an investment of $132,000,000, what fault, even with the most conservative monetary critic, could be found with the issuance of legal tender to the extent of the gold certificates and the retirement of Government bonds in a like amount?

Mr. VOORHIS. I do not see how any fault could be found; and in that connection may I say the main thing we have got to have in this country is a system of money and credit, so that as America seeks to expand, as her industries seek to grow, as her children are born, it will be possible for us to have an expansion of the total active buying power of this country which will correspond to that increase in growth of American business, and we have got to be able to get it without having the American people or their Government go to the banks and borrow it into circulation in the form of bank credit. In order to do this, however, and to put us in a position to do it safely, it is essential, I believe, to have a 100-percent reserve system behind demand deposits in the banks. Probably the best way of accomplishing this is provided in the bill of the gentleman from Nebraska. I would point out, however, that by the passage of some such bill as this bill of mine, H. R. 10516, a different one from the one I spoke of before, a great deal could be accomplished at once. For this bill would empower the Treasury to directly create credit, as the banks do now, for the purchase of the bonds of a public works finance corporation, which, in turn, would finance public works of a self-liquidating nature or buy the bonds of States, counties, or municipalities to be used for public works. We would then have in the hands of Government the machinery to finance, without additional debt, worthy self-liquidating projects and secured loans for public works. The operation of this extension of credit would operate, of course, to build up the reserves in the banks, so that if the Federal Reserve Board were empowered to increase reserves, they could bring it up to a 100-percent reserve system. As a matter of fact, I should like to see the complex structure of our Government lending agencies greatly simplified, and to see them all put on the basis of operation I have just described.

There are a number of other provisions in the bill of the gentleman from Nebraska which are equally important, or more important, as a means of accomplishing this purpose.

[Here the gavel fell.]

The SPEAKER pro tempore. Under previous order heretofore entered, the gentleman from Nebraska [Mr. BINDERUP] is recognized for 30 minutes.

GOVERNMENT MONETARY CONTROL

Mr. BINDERUP. Mr. Speaker, in opening my remarks today I wish first to quote from President Roosevelt's inaugural address in 1933:

> Let us refuse to leave the problem of our economic welfare to be solved by the winds of chance and the hurricane of disaster, let us not admit that we cannot find a way to master economic epidemics, just as after centuries of suffering we found a way to master epidemics of disease.

And our President has made so many encouraging remarks. It was he who said:

> We must drive the money changers from the temple.

And again when he said in his message to the monetary conference in London in 1933—

> We are not interested in stabilizing the franc and the pound for a short time. We are only interested in a dollar with the same debt paying and purchasing power now and a generation hence.

And still, with all these and many other wonderful and encouraging statements, one cannot but wonder who are the men, the evil and powerful advisers, who are hindering and preventing the fulfillment of these righteous suggestions, which the people considered as promises. What is that strange, hidden power that prevents the fulfillment of these obligations to the people? That like the mighty Joshua of old, who said to the sun and moon, "Stand still while I destroy humanity," and they stood still; so this strange, hidden power says to the people's Congress and to the President, "Stand still while we destroy your Nation and your people," and we stand still.

And in the darkness of the twenty-seventh depression, still not recovered from former panics and depressions, how hopeless the situation when we find that the power to whom Congress has erroneously and criminally delegated the power of monetary control, the power that makes and unmakes panics and depressions, that holds in its hand the welfare of every man, woman, and child, has so utterly failed—this power that determines for the people progress or poverty, happiness or sorrow.

Yes; I have a perfect right to accuse this power of monetary control, for they have admitted their failure both in action and in utterances. It was just recently that Chairman Marriner Eccles said—and he said it both privately and in public—that he and the Federal Reserve Board, together with the Federal Reserve banks, had intentionally, premeditatedly, and deliberately taken deflationary action which brought about this, our present depression of 1937, which is growing worse every day. He said the reason they took this action was because prices were going too high and they feared we might have inflation. Strange that they should have been possessed of this fear when just at the same time statistics showed that we had about 10,000,000 unemployed and that our laboring people were losing their homes.

With agricultural prices below the cost of production, farmers losing their farms through foreclosure, and the consuming and purchasing power of the people almost neglected, far below our American standard of living. He did admit, however, that they had overshot the mark, and that the inflation, high-price period, had become a serious recession, as we called it before it became a disastrous depression, as we have it now; thus admitting that they did not have that which our bill for Government monetary control will provide—that they did not have any control of our money.

And our Secretary of the Treasury, Mr. Henry Morgenthau, when asked recently what plan he had for overcoming this and other depressions and money panics, replied, "Well, first get labor to come down in their unreasonable demands, these bricklayers that are asking $16 a day." And when asked what else he would suggest said, "Balance the Budget." Can anyone imagine a more complete surrender, a plan more destitute of reason? And when Mr. Morgenthau recently appeared before a Banking and Currency Committee of Congress and was asked some elementary questions with regard to the functions of money, replied that he did not understand money, which would appear to be the truth, but that he had some of his Department employees with him and they could doubtless answer for him.

CARTER GLASS, who has always been the champion of our present monetary system, said recently, according to the press, that he never believed that the Federal Reserve Banking System would ever be such a failure. And as he was packing his trunk, going home sick and discouraged, just a few weeks ago, remarked, "The country is in a state of irretrievable bankruptcy." And he should know, he could and should have added, that all this was because of the unpardonable sin of the Federal Reserve Board, of the Federal Reserve banks, his own children, whom he now disowns. And so this monetary control system, delegated by Congress and the President with power to guide the Nation in money matters, that determines the welfare of our country, have all demonstrated and said that they gave up. After all, I do not blame individuals so much, it is the system that is rotten and corrupt. It is because the international bankers are our monetary control power and that our Federal Reserve Board has no power whatsoever to control, destitute of a plan to expand our money supply, which must be expanded no less than 4 percent a year, meaning, for example, that $1,614,000,000 new money should have been placed into circulation last year, 1937. Instead of a real governmental monetary authority, we have a system that was organized by the American Bankers' Association, a system that not

only destroys government and civilization but the banks themselves.

Mr. HILL. What we would like to know, if you make this more clear, is just what will you use for money in supplying old-age assistance and for rehabilitation of farms. Will you print more money?

Mr. BINDERUP. I thank the gentleman from Washington for this question, as perhaps I have been a little slow in coming to this important point. I always like to point to the past for examples and in explanation. In my bill for monetary control we will use for money exactly what we used a few weeks ago when we decided to desterilize the gold. You will remember that late in the evening when we decided to expand our money supply by the plan of releasing $1,400,000,000 we had locked up in the hole down in Kentucky, we just left the gold down there, just to satisfy the superstition of some individuals who still think gold is the only real money, and sent out 12 telegrams, 1 to each of the Federal Reserve banks, just a telegram to each bank, saying, "Take credit on your books for $116,000,000." The gold never moved out of the hole; it is still right where it was. We just used Government credit, just the same as when we sell Government bonds, we get credit on the bank's books and check against the bonds. Bonds are only receipts or evidence of Government credit; in themselves, of course, they have no value, so all our money is based on Government credit.

All the money we are now using and have been using, since we conscripted the gold is irredeemable money and it is the best money in the world. Every bill or piece of money is exchangeable in another piece of money of the same character, all based on Government credit. So we will just telegraph to each one of the 12 Federal Reserve banks, which under our bill now become Government banks, to take credit for $134,000,000 on your books and the social-security board for your district will check on you for all the dependents in the district, for old-age pensions or social dividends.

A few years ago this might have been hard for some people to understand but as we are now using Government credit almost entirely, only going through the banks to confuse it and so the banks can get a billion dollars a year for nothing.

In order that you may know that this is a practical plan, I insert at this point letters from the following recognized and outstanding monetary authorities:

First, I wish to offer a letter by Dr. Irving Fisher, professor emeritus of economics, Yale University, from whose writings I first gleaned the plan and principles for practical monetary control, and with whose name and endorsement I am proud to have this monetary legislation associated:

NEW HAVEN, CONN., *July 7, 1937.*

Hon. CHARLES G. BINDERUP,
House Office Building, Washington, D. C.

MY DEAR MR. BINDERUP: I am enthusiastic regarding the monetary control bill you have introduced. If this bill actually passes, it will not only be a great triumph for you but it will, I believe, do more for our country than any other legislation since the Civil War. Its fundamental virtue is that it takes away completely all private power to create and destroy money, and puts that power where it belongs and where it was intended by the Constitution.

You could not accomplish this great purpose if the bill were restricted to merely taking over the 12 Reserve banks. This is an important fact, but when proposed by itself it had little appeal to me or to anyone I talked with.

Your monetary control bill is, in my judgment, the most important piece of monetary legislation ever introduced in any legislative body, and should have a wide popular appeal. Your bill can probably be made to appeal to the President and Mr. Morgenthau as a step toward debt reduction and a great safeguard against inflation and a repetition of this great and needless depression, and doubtlessly will appeal to the rank and file of the small bankers.

I wish to congratulate you, and I hope your monetary control bill may have the consideration and support of Congress and the administration that I think it abundantly merits.

Very sincerely,

IRVING FISHER.

A letter from Hon. Robert L. Owen, former Senator from Oklahoma, 12 years chairman of the Committee on Banking and Currency in the Senate, author of the Federal Land Bank Act and the original Federal Reserve Banking Act, whose sound reasoning and timely warnings from the floor of the Senate of the United States, if heeded by the Nation's Congress, would have saved the people from the ravages of the disastrous panics of 1920 and 1929, and whose untiring efforts and religious devotion to the cause of humanity is like a beacon bright, lighting the way for a nation in darkness.

JUNE 23, 1937.

Hon. CHARLES G. BINDERUP,
House of Representatives, Washington, D. C.

MY DEAR MR. BINDERUP: Accept my thanks for the copy of your monetary policy bill, which has just been read to me. Its general policy not only meets my approval, but I believe is the most important bill ever introduced in Congress, and its consequences I believe will be of more far-reaching benefit than any legislative act ever passed by any parliament in the world. It means permanent prosperity for all of our people. Of course, in committee, you may find it advisable to make some improvements upon it, but on the whole, I think it a magnificent performance, worthy of the admiration and ardent support of the American people.

I congratulate you and the country upon the intelligent zeal of those who are supporting these principles, and with all my heart I pray that it may be found acceptable by the Congress and the administration.

Very respectfully yours,

R. L. OWEN.

Endorsement of the monetary control bill of 1937 by Mr. Robert H. Hemphill, former credit manager of the Federal Reserve Bank of Atlanta, Ga., international monetary authority, and patriot, whose fearless utterances and writings have challenged monetary dictatorship and closed this avenue for financial personal gains to himself. Few men have made greater personal sacrifices.

MIAMI, FLA., *July 7, 1937.*

Hon. C. G. BINDERUP,
House Office Building, Washington, D. C.

MY DEAR CONGRESSMAN: I believe the Binderup bill is the simplest and most direct route to the solution of our monetary banking problem which has yet been offered.

The preamble should be read by every adult of America. It correctly states our present situation and exposes the loose screw in our economic set-up, which is alone responsible for our periodic depressions.

Monetary subjects are usually considered complicated and difficult to understand. You know, of course, as I know, that it is not the difficulty of understanding money and its control in our economic situation which matters so much as it is the persistent refusal of our leaders and teachers to give to the subject the short time which would be necessary for them to understand.

I believe anyone of average intelligence can read the Binderup bill and not only understand quite well what is wrong with our system but appreciate the effectiveness of the remedies which you propose.

Something like this reform is inevitable, and I hope that it is your bill which will be enacted.

Sincerely,

ROBERT H. HEMPHILL,
Formerly Credit Manager,
Federal Reserve Bank, Atlanta, Ga.

On my recent trip to Europe to contact the outstanding authorities on monetary science, as well as officials in the larger banks, I was given every consideration and they gave me freely of their time in discussing the principles of government monetary control as contained in my bill. Of these recognized authorities, such as Professor Cassel, of Stockholm, Sweden, Professor Soddy, of Oxford, England, and many others, time does not permit me to refer to more than a few.

It was Professor Cassel who, approving of the principles as contained in my bill, but who offered some suggestions as to the mechanics which he felt would perfect the bill and make it more sound, which changes have been made, said, "Only your great America could pass a bill with such liberal principles, but," he added, "you have your great Professor Fisher of Yale University, a man whom we consider a great authority; why come to Europe when you have such a man in your own country."

Professor Soddy, in commenting on the bill had this to say: "Government monetary control, that is the principle I have advocated for a lifetime." I did not contact a single monetary authority who did not approve the principles contained in this bill, and I might add that I have a number of letters approving the bill in its entirety. It was the great

Arthur Kitson, England's great writer on monetary control, who said:

I hope I may live to see the great bill you are introducing in your country become a law and save the world from the grip of the international bankers who are destroying civilization.

That Congress may understand that my bill is entirely nonpartisan, I want to quote a great American statesman, a Republican, and I always try to quote a Republican as often as I do a Democrat, because this plan is a people's plan; it is not a Democratic partisan issue, and I want to emphasize that point. One of the greatest statesmen the Nation has had, the late James G. Blaine, on the floor of this House on February 10, 1876, said:

The money question should be approached in no spirit of partisan bitterness. Firmly attached to one political party myself, I still think there are some questions about which parties should agree never to disagree, and one of those is the essential nature of the value of the circulating medium of exchange.

I always like to go back and quote James A. Garfield, who stated that that power which controls money volume, the money of the Nation, positively is the master of all trade and industry. It is the power that determines employment and unemployment. It is the power that determines the progress of poverty, misery, or wealth of a nation.

Mr. SADOWSKI. Will the gentleman yield?

Mr. BINDERUP. I yield to the gentleman from Michigan.

Mr. SADOWSKI. While the gentleman is quoting from different ones, will he please tell us what Benjamin Franklin had to say in regard to control of money?

Mr. BINDERUP. I thank the gentleman, and I am glad to have the suggestion, because it is important. In 1773, Benjamin Franklin went to England as a representative of the British Colonies. When he arrived in England he found that the most dire distress, want, and need existed. He found the streets covered with the unemployed and that the corners were cluttered with beggars. He said to his English friend, "Why is this? What brought about this calamity, poverty, and unemployment?" Then he added that in the American Colonies there was no poverty; there were no poorhouses; that we did not need poorhouses, for we had no one to put in them; there was no unemployment. He stated that everyone was fully employed.

The people of Great Britain could not understand the situation, because they had been in the habit of emptying their penitentiaries and sending them to the Colonies. They could not imagine how, having sent their miserable poor people to the Colonies, there was anything except unemployment, misery, and want. They asked Mr. Franklin to tell them how he accounted for their prosperous conditions, and Benjamin Franklin said:

That is simple. It is only because in the Colonies we issue our own money. It is called colonial scrip, and we issue it in the proper proportion to the demand of trade and industry.

It was not very long until this information was brought to the Rothschild's bank, and they saw that here was a nation that was ready to be exploited; here was a nation that had been setting up an example, that they could issue their own money in place of the money coming through the banks. So the Rothschild Bank caused a bill to be introduced in the English Parliament which provided that no colony of England could issue their own money. They had to use English money. Consequently the Colonies were compelled to discard their scrip and mortgage themselves to the Bank of England in order to get money. For the first time in the history of the United States our money began to be based on debt.

Benjamin Franklin stated that in 1 year from that date the streets of the Colonies were filled with the unemployed; because, when England exchanged with them, she gave the Colonies only half as many units of payment in borrowed money from the Rothschild Bank as they had in scrip. In other words, their circulating medium was reduced 50 percent and everyone became unemployed. The poorhouses became filled, according to Benjamin Franklin's own statement.

Mr. Franklin went further than that. He said that this was the original cause of the Revolutionary War. In his own language:

The Colonies would gladly have borne the little tax on tea and other matters had it not been that England took away from the Colonies their money, which created unemployment and dissatisfaction.

I say again, as I have often said before, there never was a panic, a money depression, or recession that was not caused by the banks through uncontrolled plans and uncontrolled volume and velocity of money. We have often stated, and the old economists have often said, that volume of money is important. May I say that the velocity of money is just as important as is the volume of money. You have to put new money into circulation at the bottom, because that is where you need and must create your purchasing power. You cannot put it in at the top any more.

This method always was wrong and it is worse today than ever before because our people have become completely depleted of equities and can no longer bribe the money out of the big banks down to the bottom of the ladder. The banks will not loan. You now have $15,000,000,000, according to the statement of Mr. Leo Crowley, of the F. D. I. C., in a statement before the banking association, that is lying idle in the banks now. If you put any more money in at the top it would lie with the other dormant money and that is all. So my bill provides that you put it in at the bottom and give it to the most needy as an old-age pension. This would take only a slight amendment to the social-security law. We would give every man and woman over 60 years of age who is needy $50 a month, and this includes widows and orphans, the blind, crippled, and the invalids. We would be paying what is religiously the Nation's honor debt.

Mr. TRANSUE. Mr. Speaker, will the gentleman yield?

Mr. BINDERUP. I yield to the gentleman from Michigan.

Mr. TRANSUE. May I ask the gentleman further how you are going to do that? What I would like to know is the mechanics of how it is to be done.

Mr. BINDERUP. It takes $1,602,000,000 to pay $50 a month to the Nation's dependents, so I would do just as they did the other day; as I think I explained before, I would wire just enough credit to each of the 12 Federal Reserve banks and then I would say to the Social Security Board, "Check on your bank in each different district." I would put that money into circulation by telegraphing or writing or telephoning this amount of money to the 12 Federal Reserve banks.

Mr. TRANSUE. What are you going to do when the checks come back?

Mr. BINDERUP. It does not make a bit of difference when the checks come back. We have wired the credit. Consequently, every little $50 check is charged against the credit that is established in that bank, and this closes the account. It balances the book exactly, the check and the amount of credit that was issued by the Government.

Mr. HILL. Mr. Speaker, will the gentleman yield?

Mr. BINDERUP. I yield to the gentleman from Washington.

Mr. HILL. What does the bank do when the check comes back? Cannot the Government do it as well as the banks?

Mr. BINDERUP. The banks do just exactly the same thing; they charge the check up against the Nation's credit. When we sell a bond to any of the banks the banks merely give us credit on their books, and when our checks come in they merely charge them against our deposit account. It is simply a bookkeeping transaction.

Mr. HILL. My point is that if the banks can do that, certainly the Federal Government could do the same thing on a large scale.

Mr. BINDERUP. I am pleased to have the gentleman's suggestion, because the Government would not be doing anything new, merely pursuing the ordinary bookkeeping plan used for years by the banks.

Mr. TRANSUE. That is the point I wanted to bring out.

Mr. BINDERUP. I thank the gentleman.

Mr. WHITE of Idaho. Mr. Speaker, will the gentleman yield?

Mr. BINDERUP. I will be pleased to yield to the gentleman in just a moment, but this is an important point that has been brought up by the gentleman from Michigan and the gentleman from Washington. It is so important because it relates to the thing that is complicated in people's minds, irredeemable money, and that is the only kind of money we want. We do not want redeemable money. Money must stay in circulation. There must be no plan to take it out of circulation unless it is done through our monetary authority. To take it out of circulation is just as simple as it is to put it into circulation. This money has to stay in circulation, this $1,602,000,000, and more, too, in order to maintain our price level, because this amount is based on the annual growth of Uncle Sam; therefore, it and more must be kept in circulation in order to maintain a stable price level.

Mr. LEAVY rose.

Mr. BINDERUP. I should like to yield first to the gentleman from Idaho, and then I shall yield to the gentleman from Washington.

Mr. WHITE of Idaho. I am interested in the mechanics of the gentleman's plan and the control of the creation and issuance of the volume of money that you propose to put into circulation. It would have to be geared to something. Would it be an arbitrary addition to the volume of 4 percent a year, or would you gear it, as it is now, to the ability of business to borrow money and pay interest thereon?

Mr. BINDERUP. I am not doing anything about business. I want business to take care of itself. The gentleman asked me how I would gear the amount of money going into circulation. I would always know definitely that $1,602,000,000 was needed, and rather more than that at the present time; with the growth between 1936 and 1937, it would take $1,614,000,000.

Mr. LEAVY. Will the gentleman yield?

Mr. BINDERUP. I yield.

Mr. LEAVY. Again I want to say that I am in full sympathy with the gentleman's views and the gentleman is intelligently discussing one of the most fundamental of all problems we have before us, but, of course, our population has not been a steady growth through the years, and in recent years it has been declining, and then there are new inventions and new means of production that require an additional medium of exchange to make use of them. Is not your plan sufficiently flexible to meet those conditions as they arise, or is it a straight 4-percent annual increase of the circulating medium? Then, connected directly with that is this—I have the further question: Would not A, if he went down to the bank and borrowed $10,000 under your plan, and then took that money after giving his note, and the next day checked out $10,000 to his employees and so added another $10,000 to the circulating medium?

Mr. BINDERUP. Oh, no; absolutely not.

Mr. LEAVY. Why not?

Mr. BINDERUP. Because under my plan the banker can only loan the time deposits of any bank. A bank becomes divided, really, as it is now. The Federal Reserve Board has now divided the banks into two departments, according to the checking system and the time system. So a banker becomes a broker for time deposits and the custodian of the demand deposits.

[Here the gavel fell.]

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to Mr. GRISWOLD, indefinitely, on account of illness.

SENATE BILL REFERRED

A bill of the Senate of the following title was taken from the Speaker's table and, under the rule, referred as follows:

S. 3892. An act creating the City of Dubuque Bridge Commission and authorizing said commission and its successors to purchase and/or construct, maintain, and operate a bridge or bridges across the Mississippi River at or near Dubuque, Iowa, and East Dubuque, Ill.; to the Committee on Interstate and Foreign Commerce.

ENROLLED BILLS AND JOINT RESOLUTION SIGNED

Mr. PARSONS, from the Committee on Enrolled Bills, reported that that committee had examined and found truly enrolled bills and a joint resolution of the House of the following titles, which were thereupon signed by the Speaker:

H. R. 6869. An act to provide for the examination and licensing of those engaging in the practice of cosmetology in the District of Columbia;

H. R. 7085. An act to regulate barbers in the District of Columbia, and for other purposes; and

H. J. Res. 647. Joint resolution to increase by $15,000 the amount authorized to be appropriated for the observance of the anniversary of the adoption of the Ordinance of 1787 and the settlement of the Northwest Territory.

BILLS AND JOINT RESOLUTION PRESENTED TO THE PRESIDENT

Mr. PARSONS, from the Committee on Enrolled Bills, reported that that committee did on this day present to the President, for his approval, bills and a joint resolution of the House of the following titles:

H. R. 6869. An act to provide for the examination and licensing of those engaging in the practice of cosmetology in the District of Columbia;

H. R. 7085. An act to regulate barbers in the District of Columbia, and for other purposes; and

H. J. Res. 647. Joint resolution to increase by $15,000 the amount authorized to be appropriated for the observance of the anniversary of the adoption of the Ordinance of 1787 and the settlement of the Northwest Territory.

ADJOURNMENT

Mr. RAYBURN. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 4 o'clock and 33 minutes p. m.) the House, pursuant to its previous order, adjourned until Tuesday, May 31, 1938, at 12 o'clock noon.

COMMITTEE HEARINGS

COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE

There will be a meeting of the Committee on Interstate and Foreign Commerce at 10 a. m. Tuesday, May 31, 1938. Business to be considered: Hearing on H. R. 10127, railroad unemployment insurance.

There will be a meeting of the Committee on Interstate and Foreign Commerce at 10 a. m. Tuesday, May 31, 1938. Business to be considered: Hearings on H. R. 10620, entitled "To remove existing reductions in compensation for transportation of Government property and troops incident to railroad land grants."

COMMITTEE ON THE JUDICIARY

There will be a hearing before the Special Subcommittee on Bankruptcy of the Committee on the Judiciary at 10 a. m. on Wednesday, June 1, 1938, on H. R. 10387, to amend the act entitled "An act to establish a uniform system of bankruptcy throughout the United States," approved July 1, 1898, and acts amendatory thereof and supplementary thereto, and for other purposes (sec. 77, relative to railroad reorganization). The hearing will be held in the Judiciary Committee room, 346 House Office Building.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1390. A letter from the Secretary of War, transmitting a letter from the Chief of Engineers, United States Army, dated May 5, 1938, submitting a report, together with accompanying papers and illustration, on a preliminary examination and survey of San Antonio and Chino Creeks, Calif., authorized by the Flood Control Act approved August 26, 1937 (H. Doc. No. 688); to the Committee on Flood Control and ordered to be printed, with an illustration.

1391. A letter from The National Archives, transmitting a list of motion-picture films, consisting of 17 items, heretofore transferred to The National Archives by the Department of the Treasury, which are to be destroyed with proper authority; to the Committee on the Disposition of Executive Papers.

1392. A letter from The National Archives, transmitting a list of papers, consisting of one item, among the archives and records of the Social Security Board, which the Board has recommended should be destroyed or otherwise disposed of; to the Committee on the Disposition of Executive Papers.

1393. A letter from The National Archives, transmitting a list of papers, consisting of one item, among the archives and records of the Civilian Conservation Corps, which the agency has recommended should be destroyed or otherwise disposed of; to the Committee on the Disposition of Executive Papers.

1394. A letter from The National Archives, transmitting a list of papers, consisting of 69 items, among the archives and records of the Department of Agriculture, which the Department recommends should be destroyed or otherwise disposed of; to the Committee on the Disposition of Executive Papers.

1395. A letter from The National Archives, transmitting a list of papers, consisting of 538 items, among the archives and records of the Department of Agriculture, which the Department has recommended should be destroyed or otherwise disposed of; to the Committee on the Disposition of Executive Papers.

1396. A letter from The National Archives, transmitting three items among the records and archives of the Department of the Interior which the Department has recommended should be destroyed or otherwise disposed of; to the Committee on the Disposition of Executive Papers.

1397. A letter from the International Exposition of Paris, transmitting a report covering participation of the Government of the United States in the International Exposition of Paris, 1937; to the Committee on Foreign Affairs.

1398. A letter from the Acting Secretary of the Navy, transmitting a draft of a bill to authorize Lt. Col. James Roosevelt, United States Marine Corps Reserve, to accept such decoration as has been tendered him by the Dominican Republic; to the Committee on Naval Affairs.

1399. A letter from the Acting Secretary of the Navy, transmitting a draft of a bill to amend section 302 of the Tariff Act of 1930 (46 Stat. 686), so as to exempt Guam and American Samoa from internal-revenue taxes; to the Committee on Ways and Means.

1400. A letter from the Secretary of Labor transmitting a proposed draft of a bill to require reports to the Department of Labor by contractors and subcontractors on public buildings and public works concerning employment, wages, and value of materials, and for other purposes; to the Committee on Labor.

1401. A letter from the Secretary of War transmitting a letter from the Chief of Engineers, United States Army, dated May 18, 1938, submitting a report, together with accompanying papers and illustrations, on a preliminary examination and survey of Merrimack River, Mass. and N. H., authorized by the Flood Control Act approved June 22, 1936 (H. Doc. No. 689), to the Committee on Flood Control and ordered to be printed, with two illustrations.

1402. A letter from the Secretary of War, transmitting a letter from the Chief of Engineers, United States Army, dated May 16, 1938, submitting a report, together with accompanying papers and an illustration on reexamination of Terry Creek and Back River, Ga., requested by resolution of the Committee on Rivers and Harbors, House of Representatives, adopted March 8, 1938 (H. Doc. No. 690), to the Committee on Rivers and Harbors and ordered to be printed, with an illustration.

1403. A letter from the Secretary of War, transmitting a letter from the Chief of Engineers, United States Army, dated May 18, 1938, submitting a report, together with accompanying papers and an illustration on reexamination of New River Inlet, N. C., requested by resolution of the Committee on Rivers and Harbors, House of Representatives, adopted June 18, 1937 (H. Doc. No. 691), to the Committee on Rivers and Harbors and ordered to be printed, with an illustration.

1404. A letter from the Secretary of War, transmitting a letter from the Chief of Engineers, United States Army, dated May 17, 1938, submitting a report, together with accompanying papers and illustrations, on a preliminary examination and survey of Westport River, Mass., authorized by the River and Harbor Act approved August 30, 1935 (H. Doc. No. 692), to the Committee on Rivers and Harbors and ordered to be printed, with two illustrations.

1405. A letter from the Secretary of War, transmitting a letter from the Chief of Engineers, United States Army, dated May 17, 1938, submitting a report, together with accompanying papers and an illustration, on a preliminary examination and survey of, and review of reports on, Belhaven Harbor, N. C., authorized by the River and Harbor Act approved August 26, 1937, and requested by resolution of the Committee on Rivers and Harbors, House of Representatives, adopted June 24, 1937 (H. Doc. No. 693), to the Committee on Rivers and Harbors and ordered to be printed, with an illustration.

1406. A letter from the Secretary of War, transmitting a letter from the Chief of Engineers, United States Army, dated May 17, 1938, submitting a report, together with accompanying papers and an illustration on reexamination of Roanoke River, N. C., from the mouth thereof to Weldon, N. C., requested by resolution of the Committee on Rivers and Harbors, House of Representatives, adopted January 24, 1936 (H. Doc. No. 694), to the Committee on Rivers and Harbors and ordered to be printed, with an illustration.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. DERROUEN: Committee on the Public Lands. H. R. 9875. A bill to revise the boundaries of the Colonial National Historical Park in the State of Virginia, and for other purposes; with amendment (Rept. No. 2511). Referred to the Committee of the Whole House on the state of the Union.

Mr. RAMSAY: Committee on the Judiciary. S. 3166. An act to amend section 2139 of the Revised Statutes as amended; without amendment (Rept. No. 2512). Referred to the House Calendar.

Mr. LAMBETH: Committee on Printing. H. R. 10772. A bill to amend certain sections of the act entitled "An act providing for the public printing and binding and the distribution of public documents," approved January 12, 1895, as amended; without amendment (Rept. No. 2513). Referred to the Committee of the Whole House on the state of the Union.

Mr. KELLER: Committee on the Library. H. R. 10462. A bill to amend the act entitled "An act creating the Mount Rushmore National Memorial Commission and defining its purposes and powers," approved February 25, 1929, as amended; with amendment (Rept. No. 2514). Referred to the Committee of the Whole House on the state of the Union.

Mr. MURDOCK of Arizona: Committee on Irrigation and Reclamation. H. R. 10488. A bill to provide for allowing to the Gem irrigation district and Ontario-Nyssa irrigation district of the Owyhee project terms and payment dates for charges deferred under the reclamation moratorium acts similar to those applicable to the deferred construction charges of other projects under said acts, and for other purposes; with amendment (Rept. No. 2516). Referred to the Committee of the Whole House on the state of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. RAMSPECK: Committee on Claims. H. R. 1768. A bill for the relief of Olin J. Salley; with amendment (Rept. No. 2499). Referred to the Committee of the Whole House.

Mr. ATKINSON: Committee on Claims. H. R. 5777. A bill for the relief of Capt. Francis H. S. McKeon; with amendment (Rept. No. 2500). Referred to the Committee of the Whole House.

Mr. KEOGH: Committee on Claims. H. R. 7144. A bill for the relief of the Curtiss Aeroplane & Motor Co., Inc.; with amendment (Rept. No. 2501). Referred to the Committee of the Whole House.

Mr. KEOGH: Committee on Claims. H. R. 7170. A bill for the relief of Hyman Ginsberg; with amendment (Rept. No. 2502). Referred to the Committee of the Whole House.

Mr. McGEHEE: Committee on Claims. H. R. 7485. A bill for the relief of Emmett Lee Payne; with amendment (Rept. No. 2503). Referred to the Committee of the Whole House.

Mr. POAGE: Committee on Claims. H. R. 7636. A bill for the relief of Olympio Medina; with amendment (Rept. No. 2504). Referred to the Committee of the Whole House.

Mr. DREW of Pennsylvania: Committee on Claims. H. R. 8199. A bill for the relief of Mrs. Olive Fletcher Conklin; with amendment (Rept. No. 2505). Referred to the Committee of the Whole House.

Mr. KENNEDY of Maryland: Committee on Claims. H. R. 9133. A bill for the relief of William Monroe; with amendment (Rept. No. 2506). Referred to the Committee of the Whole House.

Mr. ATKINSON: Committee on Claims. S. 824. An act for the relief of Sam Kimzey; with amendment (Rept. No. 2507). Referred to the Committee of the Whole House.

Mr. RYAN: Committee on Claims. S. 2505. An act for the relief of James J. Hogan; with amendment (Rept. No. 2508). Referred to the Committee of the Whole House.

Mr. TURNER: Committee on Military Affairs. H. R. 6805. A bill for the relief of William Moseley; without amendment (Rept. No. 2515). Referred to the Committee of the whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. LAMBETH: A bill (H. R. 10772) to amend certain sections of the act entitled "An act providing for the public printing and binding and the distribution of public documents," approved January 12, 1895, as amended; to the Committee on Printing.

By Mr. O'LEARY: A bill (H. R. 10773) to provide for a 48-hour week; to the Committee on Merchant Marine and Fisheries.

By Mr. GAMBRILL of Maryland: A bill (H. R. 10774) to give double credit for civil-service retirement purposes for certain periods of service in the military or naval forces of the United States outside the continental United States; to the Committee on the Civil Service.

By Mr. CASE of South Dakota: A bill (H. R. 10775) to transfer certain buffalo to the Pine Ridge Sioux Tribe of Indians in the State of South Dakota, and for other purposes; to the Committee on Indian Affairs.

Also, a bill (H. R. 10776) to provide for the welfare and self-determination of the Sioux Indians of South Dakota, and for other purposes; to the Committee on Indian Affairs.

By Mr. BUCKLER of Minnesota: A bill (H. R. 10777) authorizing the village of Baudette, State of Minnesota, its successors and assigns, to construct, maintain, and operate a bridge across the Rainy River at or near Baudette, Minn.; to the Committee on Interstate and Foreign Commerce.

By Mr. SUMNERS of Texas: A bill (H. R. 10778) to limit the authority of circuit judges to hold district courts and of district judges to sit in circuit courts of appeal; to the Committee on the Judiciary.

By Mr. JONES: A bill (H. R. 10779) to promote farm ownership by amending the Bankhead-Jones Farm Tenant Act to provide for Government-insured loans to farmers; to encourage sale of farms held by absentee owners to farm tenants; and to enable tenant farmers to become owners of farm homes through long-term low-interest-rate loans on farms; and for other purposes; to the Committee on Agriculture.

By Mr. COFFEE of Washington: A bill (H. R. 10780) to amend section 1 of an act entitled "An act granting the consent of Congress to the county of Pierce, a legal subdivision of the State of Washington, to construct, maintain, and operate a toll bridge across Puget Sound, State of Washington, at or near a point commonly known as The Narrows," and to extend the times for commencing and completing the construction of such bridge; to the Committee on Interstate and Foreign Commerce.

By Mr. MITCHELL of Tennessee: A bill (H. R. 10781) to amend an act entitled "An act to codify, revise, and amend the penal laws of the United States, approved March 4, 1909" (35 Stat. L. 1134), and an act which is an amendment thereto, approved March 4, 1921, amending sections 232, 233, 234, 235, and 236 of such act to codify, revise, and amend the penal laws of the United States, approved March 4, 1909, which supplementary amending act was approved March 4, 1921, by amending section 233; to the Committee on Interstate and Foreign Commerce.

By Mr. PATMAN: Resolution (H. Res. 508) authorizing the printing of information, concerning Federal benefits available to veterans and their dependents, as a document; to the Committee on Printing.

By Mr. O'CONNOR of New York: Resolution (H. Res. 509) providing for the suspension of rules for the remainder of the third session of the Seventy-fifth Congress; to the Committee on Rules.

By Mr. DIES: Resolution (H. Res. 510) to authorize the payment of expenses of investigation authorized by House Resolution 282; to the Committee on Accounts.

By Mr. HILL: Resolution (H. Res. 511) amending clause 41 of rule X of the House of Representatives; to the Committee on Rules.

By Mr. JONES: Joint resolution (H. J. Res. 701) to create a joint congressional committee to investigate the adequacy and use of the phosphate resources of the United States; to the Committee on Rules.

By Mr. BLOOM: Joint resolution (H. J. Res. 702) to provide that the United States extend to foreign governments invitations to participate in the Third International Congress for Microbiology to be held in the United States during the calendar year 1939, and to authorize an appropriation to assist in meeting the expenses of the session; to the Committee on Foreign Affairs.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. PACE: A bill (H. R. 10782) for the relief of Elbert R. Miller; to the Committee on World War Veterans' Legislation.

By Mr. QUINN: A bill (H. R. 10783) to provide for the issuance of a license to practice the healing art in the District of Columbia to Dr. Sigfried Speyer; to the Committee on the District of Columbia.

By Mr. SHAFER of Michigan: A bill (H. R. 10784) granting a pension to Sylvia Campbell; to the Committee on Invalid Pensions.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

5247. By Mr. BLOOM: Petition of the Senate of the State of New York, urging that the Hamilton Avenue-Governor's Island Battery vehicular-tunnel project be included in the Federal public-works program now being formulated by the Federal Government, and the Secretary of the Interior of the United States and all other public officials and duly constituted bodies, having control of all or part of such public-works program, take appropriate action to include such tunnel project therein; to the Committee on Ways and Means.

5248. By Mr. KENNEDY of New York: Petition of the Screen Actors Guild, Inc., of Hollywood, Calif., concerning Senate bill 153; to the Committee on Interstate and Foreign Commerce.

5249. Also, petition of the Columbia Pictures Corporation of Hollywood, Calif., concerning the Neely-Pettengill bill; to the Committee on Interstate and Foreign Commerce.

SENATE

SATURDAY, MAY 28, 1938

(Legislative day of Wednesday, April 20, 1938)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

THE JOURNAL

On request of Mr. BARKLEY, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day, Friday, May, 27, 1938, was dispensed with, and the Journal was approved.

CALL OF THE ROLL

Mr. MINTON. I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Copeland	Hughes	O'Mahoney
Andrews	Davis	Johnson, Calif.	Overton
Austin	Dieterich	Johnson, Colo.	Pepper
Bailey	Donahey	King	Pope
Bankhead	Duffy	La Follette	Radcliffe
Barkley	Ellender	Lee	Russell
Bilbo	Frazier	Lewis	Schwartz
Bone	George	Lodge	Schwellenbach
Borah	Gerry	Logan	Sheppard
Brown, Mich.	Gibson	Lonergan	Shipstead
Brown, N. H.	Glass	Lundeen	Thomas, Okla.
Bulkley	Green	Maloney	Thomas, Utah
Bulow	Guffey	McAdoo	Townsend
Burke	Hale	McCarran	Truman
Byrd	Harrison	McGill	Tydings
Byrnes	Hatch	McKellar	Vandenberg
Capper	Hayden	McNary	Van Nuys
Caraway	Herring	Miller	Walsh
Chavez	Hill	Minton	Wheeler
Clark	Hitchcock	Murray	White
Connally	Holt	Norris	

Mr. LEWIS. I announce that the Senator from Arizona [Mr. ASHURST], the Senator from New Jersey [Mr. SMATHERS], and the Senator from Oregon [Mr. REAMES] are detained from the Senate because of illness.

The Senator from Tennessee [Mr. BERRY], the Senator from Iowa [Mr. GILLETTE], the Senator from New Jersey [Mr. MILTON], the Senator from Montana [Mr. MURRAY], the Senator from West Virginia [Mr. NEELY], the Senator from Nevada [Mr. PITTMAN], the Senator from North Carolina [Mr. REYNOLDS], the Senator from South Carolina [Mr. SMITH], and the Senator from New York [Mr. WAGNER] are detained on important public business.

Mr. McNARY. I announce that the Senator from New Hampshire [Mr. BRIDGES] is absent because the death of his wife.

The VICE PRESIDENT. Eighty-three Senators have answered to their names. A quorum is present.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Calloway, one of its reading clerks, announced that the House had passed without amendment the following bills of the Senate:

S. 1307. An act for the relief of W. F. Lueders;

S. 3092. An act for the relief of the Georgia Marble Co.; and

S. 3522. An act authorizing the President to present the Distinguished Service Medal to Rear Admiral Reginald Vesey Holt, British Navy, and to Capt. George Eric Maxie O'Donnell, British Navy, and the Navy Cross to Vice Admiral Lewis Gonne Eyre Crabbe, British Navy, and to Lt. Comdr. Harry Douglas Barlow, British Navy.

The message also announced that the House had passed the following bills of the Senate, severally with an amendment, in which it requested the concurrence of the Senate:

S. 1585. An act for the relief of Sallie S. Twilley;

S. 2417. An act for the relief of Samuel L. Dwyer; and

S. 3113. An act for the relief of the Congress Construction Co.

The message further announced that the House had passed the following bills and joint resolution, in which it requested the concurrence of the Senate:

H. R. 599. An act for the relief of W. J. Steckel;

H. R. 733. An act for the relief of George E. Titter;

H. R. 736. An act for the relief of Mallery Toy;

H. R. 858. An act for the relief of the estate of Dr. David O. Clements, deceased;

H. R. 1141. An act for the relief of J. W. Beams;

H. R. 1744. An act for the relief of Grant H. Pearson, G. W. Pearson, John C. Rumohr, and Wallace Anderson;

H. R. 1861. An act for the relief of the firm of Schmidt, Garden & Martin, architects, of Chicago, Ill.;

H. R. 2149. An act for the relief of Capt. Guy L. Hartman;

H. R. 2487. An act for the relief of Thomas J. Allen, Jr.;

H. R. 2650. An act for the relief of Veracunda O'Brien Allen;

H. R. 3225. An act for the relief of Roland Stafford;

H. R. 3655. An act for the relief of Clarence D. Schiffman;

H. R. 3747. An act for the relief of George O. Wills;

H. R. 4232. An act for the relief of Barber-Hoppen Corporation;

H. R. 4260. An act for the relief of C. J. Murrill;

H. R. 4830. An act for the relief of Mrs. D. O. Benson;

H. R. 4864. An act for the relief of Helen Rauch and Max Rauch;

H. R. 4941. An act for the relief of Rogowski Bros.;

H. R. 5597. An act for the relief of Luigi Mazza;

H. R. 5615. An act for the relief of Capt. B. B. Barbee;

H. R. 6081. An act for the relief of Edward Malm;

H. R. 6186. An act for the relief of Moses Red Bird;

H. R. 6296. An act for the relief of Dr. A. C. Antony and others;

H. R. 6306. An act to authorize the cancelation of deportation proceedings in the case of Henrietta Vendemmia;

H. R. 6327. An act for the relief of Edward J. Thompson;

H. R. 6374. An act for the relief of Lena R. Burnett;

H. R. 6461. An act for the relief of William F. Bourland;

H. R. 6508. An act for the relief of Gladys Legrow;

H. R. 6710. An act conferring jurisdiction upon the United States District Court for the Eastern District of Louisiana to hear, determine, and render judgment upon the claims of Anna Lee Hebert and Mrs. Nicholas Hebert;

H. R. 6713. An act for the relief of Genesee Brewing Co., Inc.;

H. R. 6842. An act for the relief of Frank M. Schmitt, Antonio Salas, Victoria Griego, and Victor Coco;

H. R. 6994. An act for the relief of Alfonso Luigi Tartoglione;

H. R. 7012. An act for the relief of J. Anse Little;

H. R. 7039. An act for the relief of Paul Hirschmann;

H. R. 7119. An act for the relief of Victoria Maghee;

H. R. 7168. An act for the relief of Louis Samolski, Rebecca Samolski, and Martin Samolski;

H. R. 7297. An act for the relief of Gordon L. Cheasley;

H. R. 7344. An act for the relief of Eddie Walker;

H. R. 7357. An act for the relief of Giovanni Raffa;

H. R. 7429. An act for the relief of Muriel C. Young;

H. R. 7460. An act for the relief of Mr. and Mrs. Roy Blessing;

H. R. 7659. An act to authorize the cancelation of deportation proceedings in the case of Jacob Tabah, wife Esther, and daughters Bertha, Dora, Rosa, and Angela;

H. R. 7761. An act for the relief of Sibbald Smith;

H. R. 7793. An act for the relief of Nicholas de Lipski;

H. R. 7817. An act for the relief of C. G. Bretting Manufacturing Co.;

H. R. 7855. An act for the relief of Frieda White;
H. R. 7883. An act for the relief of Stefano Pagliaro;
H. R. 7890. An act for the relief of Brooks-Callaway Co.;
H. R. 7960. An act for the relief of Wilma Artopoeus;
H. R. 8193. An act for the relief of the Long Bell Lumber Co.;
H. R. 8241. An act for the relief of Fred J. Christoff;
H. R. 8275. An act for the relief of Stanley Kolitzoff and Marie Kolitzoff;
H. R. 8375. An act for the relief of Roscoe B. Huston;
H. R. 8567. An act for the relief of Margaret B. Nonnenberg;
H. R. 8589. An act for the relief of Pasquale Lobrano;
H. R. 8643. An act for the relief of Kate Durham Thomas;
H. R. 8678. An act for the relief of Albert Saint Clair;
H. R. 8683. An act for the relief of Gus Vakas;
H. R. 8743. An act for the relief of Louis Michael Bregantic;
H. R. 8744. An act for the relief of J. G. Bucklin;
H. R. 8858. An act for the relief of Joseph Brum and Gussie Brum;
H. R. 8916. An act for the relief of N. W. Ludowese;
H. R. 9200. An act for the relief of Filomeno Jiminez and Felicitas Dominguez;
H. R. 9214. An act for the relief of C. O. Hall;
H. R. 9374. An act for the relief of the Robert E. Lee Hotel;
H. R. 9400. An act for the relief of Adolph Arendt;
H. R. 10275. An act to extend the times for commencing and completing the construction of a bridge and causeway across the water between the mainland, at or near Cedar Point and Dauphin Island, Ala.;
H. R. 10459. An act to amend certain provisions of law relative to the production of wines, brandy, and fruit spirits so as to remove therefrom certain unnecessary restrictions; to facilitate the collection of internal-revenue taxes thereupon; and to provide abatement of certain taxes upon wines, brandy, and fruit spirits where lost or evaporated while in the custody and under the control of the Government without any fault of the owner; and
H. J. Res. 146. Joint resolution granting insurance payments to Hugh H. Newell.

DISTRICT OF COLUMBIA TAXATION

The VICE PRESIDENT. Prior to taking a recess yesterday afternoon the Senate adopted an order—not that the order is binding on the Chair, although it is morally so, at least—under which it would be his duty to recognize the Senator from Mississippi [Mr. HARRISON] on the convening of the Senate today for the purpose of addressing the Senate.

Mr. KING. Mr. President——

The VICE PRESIDENT. Does the Senator from Mississippi yield to the Senator from Utah?

Mr. HARRISON. I yield to the Senator from Utah.

Mr. KING. Mr. President, a few days ago a revenue bill for the District of Columbia was passed by the Congress. At some stage in the progress of the bill, after its terms had been agreed upon, several words in one of the sections were omitted, and with such omission the bill was enrolled and signed by the President. The omission was discovered after the bill had reached the White House and had been considered by the President. It was deemed best, however, to have the bill acted upon by the President in the form in which it reached him, with the understanding that a joint resolution would be promptly passed to correct the omission.

Accordingly House Joint Resolution 687 was introduced and passed in the House of Representatives and referred to the Senate Committee on the District of Columbia. That committee ordered the joint resolution to be favorably reported. I now report it, without amendment, and ask unanimous consent for its present consideration.

The VICE PRESIDENT. Is there objection to the present consideration of the joint resolution?

There being no objection, the joint resolution (H. J. Res. 687) to amend title VI of the District of Columbia Revenue Act of 1937, was considered, ordered to a third reading, read the third time, and passed, as follows:

Resolved, etc., That subsection (b) of section 7 of title 6 of the District of Columbia Revenue Act of 1937, as amended, is amended to read as follows:

"(b) Any tax on tangible personal property (other than motor vehicles) levied against and paid by the taxpayer to the District, within the time prescribed by law for the payment of such tax by the taxpayer, shall be allowed as a credit against the tax imposed by this title for the taxable year in which such tax on tangible personal property is paid."

TAX REVISION

Mr. HARRISON. Mr. President, nothing is more distasteful to me than to become involved in a controversy with any member of my own political party; certainly it is even more unpleasant for me to differ with my own President. I grew up in that atmosphere of Democracy in which party disloyalty was considered to be almost treason. I have felt that through cooperation and counsel and common understanding the party's interest is best promoted, and I know that is true so far as promoting the welfare of the country is concerned. So I apologize today for occupying the floor, but I think the subject matter is of such importance as to demand my saying a few words concerning it. I do not know why I should delegate to myself the task of speaking on this question. I know, however, that I had very strong views with reference to recent tax legislation, and I had some modest part in its preparation and enactment. Certainly, I and my colleagues in the Senate and in the House, and especially those upon the respective committees of the two bodies which framed and formulated revenue legislation, had but one view, and that was to be fair to the taxpayers of the country, and to frame a measure which would raise the revenue required for the economical administration of the Government, and which would not abandon American and governmental principles of long standing. We wanted to write such legislation as, in the present economic stress and crisis which affect every hamlet and pervade every nook and corner of our country, would do something, if a tax factor could do it, to assist in dispelling fear in the hearts of our people and restoring confidence in the mind of the American businessman and of the country generally, and give some impetus to this great, powerful, wonderful, and resourceful country to resume its march on the road to recovery.

So the tax bill was written, and the tax bill was approved—approved in the House of Representatives, after it was finally agreed upon in conference, by more than 90 percent of the chosen representatives of the American people who compose the Democratic membership of that body; approved in the Senate of the United States, so far as I know, without a dissent from any Democratic Senator. Indeed, the bill met such approval and commendation that there was not even a roll call in the Senate, either on the bill as it originally passed or upon the question of adopting the conference report.

Of course, I appreciate and you appreciate that there were certain parts of the legislation with which, perhaps, other Senators did not wholly agree. Some amendments had been stricken in conference that some Senators no doubt had hoped would have been written into the law. But I say to you, Mr. President, that a conference committee never worked harder or more diligently than did that one to frame a fair bill that would help the country, without abandoning any fundamental principles of taxation.

The President on yesterday stated his position regarding the bill, as he had every right to do. I concede to none of my Democratic brethren a greater degree of loyalty to the President than I. God knows I have shown it. I do not know many other Democratic Senators who have faced the breastworks and the fire of battle to carry out administration policies more often than I. In the future, as in the past, I shall resolve every doubt in favor of administration policies, and vote for them. But when my judgment leads me in a different direction, I shall not permit a statement to be

made without at least some defense that I was a part of a group and a body that abandoned important principles of American taxation.

There was much in the President's address which was inspiring and with which I am in complete accord. I listened to it. I know no one whose voice I would rather hear over the radio than that of the President. I love to sit in his captivating presence. He is one of the most striking personalities with whom I have come in contact. In speaking to the children at the Arthurdale School and to others who were gathered there, the President said:

If I sign the bill—

Speaking of the tax bill—

and I have until midnight tonight to sign it—many people will think I approve the abandonment of an important principle of American taxation.

• • • • • • •

By so doing—

That is, if he should let the bill become a law without his signature—

I call the definite attention of the American people to those unwise parts of the bill I have talked to you about today—

The capital-gains tax and the undistributed-profits tax—

one of them which may restore in the future certain forms of tax avoidance and of concentrated investment power, which we had begun to end, and the other a definite abandonment of a principle of tax policy long ago accepted as a part of our American system.

I can understand how the casual reader or listener, not versed in taxation, might gather from the President's address the impression that the tax bill which we passed here was a monstrous bill, and that the President refused to sign it because we were trying to provide some opportunity for large taxpayers to avoid the payment of their legitimate taxes; so that fact prompts me to speak today.

When the President said "one of them which may restore in the future certain forms of tax avoidance," he was alluding to the undistributed-profits tax. I have heard no voice lifted in Congress or elsewhere to defend the undistributed-profits tax as it was in the law until yesterday. Thank God, it is not in the law today.

What happened under that law of yesterday? It discriminated against the little corporations of the country, and those which were in debt were unable to pay their debts, or had to incur a penalty, if they did so, on the profits which accrued. The law did not take care of the impairment of capital. Many States in this country had laws to the effect that an insolvent corporation could not distribute a dividend; yet by that law we said, "You must distribute dividends, or we will impose a penalty upon you"; and the maximum tax rate when no dividends were distributed was 32 percent. So we wanted to get rid of that, and we have gotten rid of it.

Someone will say, "Well, you helped to write the former law." I must offer some excuse as to that. At the time the 1936 act went into conference, I became ill and was forced to go to bed, and could not serve on the conference committee; and I asked the President of the Senate to appoint, among other conferees, my distinguished colleague, my friend, the leader of the Democratic Party in the Senate [Mr. BARKLEY] on the conference committee. When the undistributed-profits tax measure came from the House to the Senate, it compelled a complete distribution of all earnings. I pleaded with the gentleman who represented the Treasury at the time—and he was representing the administration—to permit us to get together, so that we might compromise the matter, and permit a reserve of 30 percent to be built up by corporations before distribution of dividends and imposition of the penalty. I received no sympathetic cooperation; the committee received no sympathetic cooperation; but the program was made, and there had to be a complete distribution.

I have here the statement of this distinguished gentleman who represented the Treasury before the House Ways and Means Committee, in which he opposed any provision for taking care of debts or the impairment of capital. So the Senate committee at that time imposed a penalty of 7 percent. They framed a bill which greatly modified the House bill. They went into conference with Members representing the House, and did the best they could; yet the President, in his speech of yesterday, made this statement:

In principle our objective was right but in practice the act as finally worked out in the Senate undoubtedly did prevent many small corporations from normal and reasonable business expansion.

I think it is somewhat unfair to say in a great broadcast to this country that the Senate is responsible for the result. The House was just as responsible as the Senate, because the bill as finally enacted was worked out in conference by representatives of both bodies.

Every member of the Finance Committee will recall, as I recall, that when the debt provision of the 1936 House bill came to the Senate, the representatives of the Treasury, as well as every tax expert of the Government and joint committee and legislative counsel appearing before the committee said it was unworkable and ineffective and unfair, because it failed to provide for future debts.

I may say that the revenue bill of 1938 as it passed the House contained no debt or deficit provisions. When that bill came to the Senate there was a provision for a 4-percent penalty on undistributed profits. The House did not take care of the fellow who was in debt or who had impaired capital. They were going to subject him to a tax on his retained profits. If he did not distribute his profits, he had to pay a penalty, no matter how much debt he had to pay, no matter to what extent his capital was impaired. But when the bill came from conference we took care of that matter, we did reduce the rate, and made the differential 2½ percent.

We tried to strike out the undistributed-profits tax provision of the law because we thought it had injured many small corporations of this country. Our action was conscientiously taken, and I am sure that the mail of every Senator reflected the fact that the business people of the country—large and small—were against the undistributed-profits tax as written in the 1936 act. But be that as it may, it is retained in the law which goes on the books today, which the President refused to sign. There is a 2½-percent differential, from 16½ percent up to 19 percent. I do not think that is enough to injure business in this country. I hope it will be helpful in causing the distribution of dividends.

I trust that when the 2 years shall have expired, it will have proven so beneficial and workable that we can continue it. But if it does not, as we have written it, with the debt and deficit provisions in it, so that one can take care of his debts and take care of impaired capital without being penalized even to the extent of 2½ percent, if the country is aroused about it and we find that it does not work, then I shall be in favor of going back to the old, time-honored, well-established principle of the flat corporation tax. So much for the undistributed-profits tax.

The President in his speech alluded to the closely held corporations of this country, and referred to the avoidance of taxes through this corporate arrangement. It will be recalled that when the present bill was pending in the House one of the major issues presented was over title I–B, which applied to closely held corporations. The House committee imposed a penalty on these corporations, and they had difficulty in getting it through the committee, because there was tremendous opposition to it. Finally those in charge of the bill agreed to raise the amount of the exemption from $25,000 to $50,000, and then to $75,000. Then they added the debt provision to relieve more of them, then a provision relating to the impairment of capital was also included. But when the bill came before the House of Representatives, title I–B was voted down, and never in the Senate committee or on the floor of the Senate or anywhere else did I ever hear of a proposal to restore title I–B to the bill, and I dare say that if a vote had been called for in this body such a proposal would not have received as many votes as there are fingers on my hand.

Mr. President, I am not opposed to closely held corporations, created for the purpose of carrying on legitimate business. In my section of the country closely held corporations have built up many communities. And that is true all over the country. A man goes into business and is successful, later he takes in his boy as he grows up, and other members of his family, his business grows, and he builds up a little surplus, because he thinks it is good business to build up a surplus. He wants to provide against some rainy day, some depression which might occur, such as that which appears to be approaching us now.

Do not be misled into believing that all closely held corporations are the great and powerful corporations. Of course, some of the big corporations are closely held. There is no doubt, however, that there are many hundreds of small corporations family held or closely held.

There is no question but that when we penalize closely held corporations doing legitimate business in this country we are discriminating against them in favor of the big corporations of the country which have built up enormous surpluses, and have their enormous reserves, because the latter can distribute their dividends and pay no penalty tax, while the closely held corporations, if they have no surplus or insufficient reserves, have to make distribution of their earnings or pay the penalty tax.

The President says the taxing of capital gains and undistributed profits is in accordance with a great American principle. When was the first time we ever heard of the undistributed profits tax? It was proposed a few years ago by a colleague of ours, the late Senator Jones, of New Mexico, but the tax was small.

But in a case where we impose a corporation tax of 15 percent and an undistributed-profits tax graduated from 7 percent to 27 percent we are hurting somebody, and the business of this country cannot stand it at all. So there is no great American principle involved.

The proposal was made in 1936. Mr. Oliphant, representing the Treasury, was very zealous and persistent about it. I presume he had sold the idea to the President. I was sold to some extent, as were others. It was a beautiful thing in theory. Everyone wants to see a corporation distribute as much of its profits as are not necessary in the conduct of its business. Many corporations in this country have piled up unreasonable surpluses, it is true. There is not a Senator here, nor is there a Member of the House, who believes in condoning or protecting that practice, and we have not done so.

There is in the present law, and we have strengthened it in the law which goes into effect today, a provision which we have had since 1913. Allusion was made to it by the President, and I congratulate him on having made reference to it.

Where a corporation accumulates unreasonable surpluses for the purpose of avoiding the payment of taxes upon the part of its shareholders, a penalty is imposed, and it is a very high penalty. About 19 cases have been brought under that provision of the law, and in a majority of them the Government has won; but never until last week had the Supreme Court of the United States upheld section 102 of the revenue law. The object of placing section 102 in the law was to reach the very corporations against which the President complains, namely, the corporations which build up unreasonable surpluses for the purpose of tax avoidance.

So anxious were we to strengthen that provision of the law that on the first day the Committee on Finance met to consider the new bill, I asked the Treasury experts and our draftsmen to frame such legislation as they thought might strengthen the law. We worked on it and finally adopted the provision which is in the law, and we made it so strong that we even put the burden of proof upon the taxpayer, when it is shown that there is an unreasonable accumulation beyond the needs of the business, to prove that the accumulation is not for the purpose of avoiding the payment of taxes upon the part of its shareholders. Never was such a strong law written with relation to unreasonable surpluses to avoid the payment of taxes, as in the law which goes into effect today. So much for that.

The President talked a great deal about capital gains and cited some illustrations in his criticism of our action. He cited the case of a man who makes $5,000 from capital gains and another who makes $500,000 from capital gains, stating that we do not recognize the old democratic theory of taxing according to the ability to pay.

Let me give a little history of the attempt to tax capital gains. The first law affecting capital gains was written in 1861, during the Civil War, as a war measure. The law provided, in effect, that capital gains should be taxed as ordinary income when the property was held for less than 2 years, and under that law when property and assets were held more than 2 years no capital-gains tax was imposed. That was the law until 1870, when the whole thing was repealed.

The next attempt to write an income-tax law was in 1894, and it was provided that capital gains on property held less than 2 years should be taxed as ordinary income, but when the gains were obtained on property held more than 2 years, no tax at all should be imposed. So it is not an old American principle that we are abandoning.

In 1913, in the income-tax law a 1 percent normal tax was imposed, with an exemption from surtax up to $20,000, but above that there was to be a 6-percent surtax. Six percent was the maximum. When we compare that 1 percent normal tax and the 6-percent surtax, with a $20,000 exemption, in 1913, with the present law, with an exemption of only $4,000 in respect to surtax and with a surtax going as high as 75 percent, plus the 4 percent normal tax, which makes 79 percent, it may be realized that we are taxing some people a little more than we used to, and we are taxing them on the theory of ability to pay. I shall not discuss that, but I think our present surtax rates are too high. I do not think the Government can take away everything that a man makes, and at the same time encourage business, and encourage a man to go into industry. Encouragement cannot be given in that way, and that is one of the reasons for the troubles we are having today.

With reference to the illustration which the President gave, he was just misinformed. I have no doubt about that, because I know the President is sincere in his utterances. I know he is sincere in his views. I have come to that stage in life when I do not find myself in personal estrangement with those who have studied questions simply because they have a different view from mine. I know that persons of sincere ideas can differ in their opinions, and I find no fault with anyone for that. That is all right. That represents the old American idea of freedom of thought, freedom of action, and freedom of speech, and I find no fault with those fundamental principles, which have made our country great.

But when information has been given to the President of a nature that misinforms him on a set of facts bearing upon a question which is so close to the American people as the tax bill which is just going into effect, the consequence of which may be good or bad, I think it is time to speak up and give the facts. I have shown them with reference to the statement concerning our abandonment of an important principle of American taxation. There is no abandonment of an important American principle.

Let us take the illustration which the President gave. For instance, the President said:

> In other words, if you or I sell stocks which we have held for a few years, at a profit of say $5,000, we have to pay a tax of 15 percent on that profit; whereas the man who has made a profit of $500,000 on stocks he has owned is required, under this new bill, to pay a tax of only 15 percent, just as you and I would.

All right. The President concludes from this example that—

> Nobody, by any stretch of the imagination—

As he says—

> can say that this new provision maintains the principle of payment in proportion to ability to pay.

I could agree with the President's conclusion if the example correctly stated the results secured under the bill. Unfortunately, this is not the case. The President, as I have stated, has apparently been misinformed.

For example, if you and I are married persons, and have a capital gain of $5,000 on stock or securities held over 2 years, and no other income, we will not pay a tax of 15 percent. We will then pay no tax at all. Get that to the people. Tell it to the American people. Let the experts look into it. Let somebody deny it. If we have no other income and we sell an asset which we have held over 2 years, and we have a capital gain of $5,000, then under the law which goes into effect today we pay no capital-gain tax.

Very well. That is explained because of the fact that a married man is exempt up to $2,500. If he has no other income, and he makes $5,000 on the capital-gains transaction, under the provisions of the bill which goes into effect today, he only has to be taxed on one-half of the $5,000, which is $2,500, and under this law to that amount he is exempt from taxation. Therefore, he pays no tax. I hope I have made myself plain on that.

If we have a salary of $5,000, and the $5,000 capital gain in addition, our tax will be $220. The tax on a $5,000 salary alone is $80. So, our tax has been increased by $140 on account of the $5,000 capital gain, and the rate of tax on that gain is therefore less than 3 percent.

The capital-gains tax alone in the bill, on the individual who has a $500,000 profit, would be 15 percent of the $500,000, or $75,000; and if he had some other income, which would place him in the higher brackets, then, in addition to that $75,000 of tax, he would pay the other income tax also. I hope I have made myself plain on that matter.

In the same way, if we had a salary of $10,000 and a capital gain of $5,000 in addition, we would find that the rate of tax on the capital gain would be less than 5 percent; whereas in the case of the $500,000 capital gain to which the President made reference, it would be 15 percent of the $500,000, or $75,000. Thus, we do have, under the new law, progressive taxation on capital gains, and, in fact, the little fellow gets a better deal in respect to his tax on capital gains than he has received since 1913.

It should be noted that under the Revenue Act of 1936, which expired last night, the maximum rate on capital gains in the case of property held over 10 years was only 23½ percent. That was the maximum under that law if the property was held over 10 years; and under the recent House bill which came to us, in the case of property held over 5 years, the maximum capital-gains tax was only 16 percent.

Yet there is a great deal said about the gains from transactions in stocks and bonds. It is said that 80 percent of all the transactions in which there are capital gains are transactions in stocks and bonds. How are you going to build up a little new industry somewhere? Take, for example, my own State, which offers wonderful advantages for the manufacture of print paper from wood pulp. Let us say that a manufacturing organization is established with a capitalization of a million dollars. The organization needs more money. It tries to borrow a million dollars on some kind of security from someone in New York or some other State. Of course, the man who purchases these new securities may have to sell some of his old securities in order to get the cash. You do not know how much of this money that is traded in, in stocks and bonds and other securities, to which the President has called attention, even though the transactions take place on the stock market, goes into industry. But I know and you know that unless some encouragement is offered to those who have money to invest in new enterprises, so that more people can be employed, so that we can put a stop early, or some day, to this spending program that we are considering in the Senate now—$4,000,000,000 this year, and so many billions some other year, and so on—we are not going to get anywhere.

What communities are there out in your country of the West that have a great many rich people? There are none in my country. You have to obtain capital if you are going to go into new industry. You cannot build it on mud. And we must offer some encouragement to capital. That is what we have done in this new law. We have said to one who has money to invest, "If you want to make an investment, put your money into industry, and aid in giving employment to the people of this country; then if you hold property for 2 years and sell it, and make a profit, your capital gains tax shall not be more than 15 percent."

Mr. President, is there anything unusual about that? In the present law it is provided that capital gains made on the sale of property held up to 12 months is subject to a tax on 100 percent of the gain. We say that when people trade in stocks and bonds, and gamble in them, speculate in them, that they shall pay on 100 percent of the profits, under the ordinary income-tax rates. However, we went beyond the House proposal in respect to that matter. We have extended the time to 18 months.

If a man trades in stocks and bonds or any other capital asset and has a gain within a year and a half from the time he obtained the property, he must declare that gain as ordinary income and pay on it the tax he pays on ordinary income. If he holds the property longer than 18 months, and up to 2 years, and sells it and has a gain, he pays a maximum tax of 20 percent. His gain is then considered a capital gain. We have given him that advantage.

If he holds the property 2 years or longer and then sells and has a gain, he pays a 15-percent tax if he is in the high brackets, or he is taxed on one-half the gain at ordinary rates if he is in the lower brackets.

Mr. President, in my opinion, the new law will release much of the frozen credit of this country. It ought to be most helpful in getting some industries started and in relieving the distress caused by the unemployment situation in this country. So much for that.

I was delighted with that part of the President's speech where he said:

> We should adopt tax policies which will encourage men to venture and to build new productive wealth.

That was the motivating idea in the formulation of the 1938 act.

Mr. President, the thing I fear about the law which goes into effect today is not that we have abandoned any American principle, because we have not. The thing I fear is that we will not be able to obtain as much revenue under the law as we had hoped, and which the Treasury had estimated.

The Treasury estimates were made in November, and all know, unless they are blind to a fact, that economic conditions have gradually grown worse since November. More persons are out of employment and more industries are closed. There is less carloading on the railroads. We have not the degree of prosperity which we had at that time, and the situation is not improving. So I fear that the law may not raise as much revenue as we had hoped unless there is a renewed activity in business.

I am sorry the President did not sign the bill. I should have much preferred if he had said "All right; I do not like the abandonment of American principles in the undistributed-profits and capital-gains taxes," and vetoed it. I have no doubt what would have happened in the American Congress.

You and I and the Members in the House have felt that the more ungrudgingly we could give business a little lift at this time the better it might be for the economic welfare of the country.

I hope that the high intention and aspirations of the American Congress in framing this tax legislation to help business and employment will not be affected, and that what we had expected will not be dampened and thrown away by the remarks which the President made yesterday in his memorable speech.

We shall need another tax bill next year. Many of the nuisance taxes expire next year. The corporation tax and the undistributed-profits taxes expire at the end of 1939, so we will need new taxes. But be not deceived. We have not abandoned the American principles of taxation. We have tried to be fair and just to the country.

I probably have said more than I ought to say about this matter. I may have said too much. In closing I wish to paraphrase some remarks which I made a few years ago upon

a great occasion. I was speaking to a great gathering of Democrats:

Let us remember that too much is at stake for the hideous form of friction to frown upon us. Our guns, and all our guns, against the common enemy of depression. Nothing must happen here or elsewhere to divide our counsels or dampen our ardor. The hope of the American people lies in our common and united action. There must be no skulking, reprisals, charges of crimination, or recrimination. A great duty and a high responsibility rests upon all of us in this solemn and critical hour of the Nation's life. Far better is it for the American people and the welfare of our country that we deny to ourselves some vaunted expression, or surrender some temporary advantage, that we may succeed in our efforts to dispel fear and restore confidence, happiness, and prosperity to our people.

Mr. KING subsequently said: Mr. President, I intended to state at the close of the observations made by the Senator from Mississippi [Mr. HARRISON] a fact which perhaps some Senators have forgotten; namely, that when the revenue bill came from the House it carried a tax upon corporations considerably less than that which was imposed upon them in the Senate bill. The bill which the Senate Committee on Finance reported imposed upon corporations a greater tax to the extent of $60,000,000 than did the House bill. So it cannot be said that the Senate Committee on Finance, or the Senate itself, was too tender of corporations.

REPORT OF THE FEDERAL HOUSING ADMINISTRATION

The VICE PRESIDENT laid before the Senate a letter from the Administrator of the Federal Housing Administration, transmitting, pursuant to law, the fourth annual report of the operations of the Administration for the calendar year 1937, together with a statement of statistics of insuring operations, which, with the accompanying papers, was referred to the Committee on Banking and Currency.

PETITIONS

The VICE PRESIDENT laid before the Senate a resolution adopted by the Council of the City of New York, N. Y., favoring the enactment of pending legislation affecting the Home Owners' Loan Corporation so as to meet present needs and difficulties of home owners in New York City and elsewhere, which was referred to the Committee on Banking and Currency.

He also laid before the Senate a resolution adopted by the recent Democratic State Convention of South Carolina, endorsing the policy of tariff adjustment with other nations through the negotiation of reciprocal-trade agreements, which was referred to the Committee on Finance.

He also laid before the Senate resolutions adopted by the Board of Commissioners of St. Louis County, Minn.; the Board of Supervisors of the County of Riverside, Calif.; and the County Board of Outagamie County, Wis., favoring the prompt enactment of House bill 4199, the so-called General Welfare Act, which were referred to the Committee on Finance.

He also laid before the Senate a radiogram from the Governor of Hawaii embodying a resolution adopted by the Board of Supervisors of the City and County of Honolulu, T. H., favoring the according of the same treatment to the Territory of Hawaii in the use of funds allocated for W. P. A. activities as to other political subdivisions, and also protesting against the taking of W. P. A. employees from civil projects in Hawaii and transferring them to military projects in the Territory, which was referred to the Committee on Territories and Insular Affairs.

REPORTS OF COMMITTEES

Mr. McNARY, from the Committee on Agriculture and Forestry, to which was referred the bill (S. 3312) to add certain lands to the Ochoco National Forest, Oreg., reported it without amendment.

Mr. POPE, from the Committee on Agriculture and Forestry, to which was referred the bill (S. 4076) to amend the Federal Crop Insurance Act, reported it without amendment.

Mrs. CARAWAY, from the Committee on the Library, to which was referred the bill (S. 3920) to amend the act entitled "An act creating the Mount Rushmore National Memorial Commission and defining its purposes and powers," approved February 25, 1929, as amended, reported it with amendments and submitted a report (No. 1917) thereon.

Mr. SHEPPARD, from the Committee on Military Affairs, to which was referred the bill (S. 3919) to authorize the Secretary of War to proceed with the construction of certain public works in connection with the War Department in the District of Columbia, reported it with an amendment and submitted a report (No. 1918) thereon.

Mr. THOMAS of Oklahoma, from the Committee on Indian Affairs, to which was referred the bill (S. 2854) conferring jurisdiction upon the Court of Claims to hear and determine the claims of certain Indians of the Prairie Band of Pottawatomie Indians against the United States, reported it with amendments and submitted a report (No. 1919) thereon.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. TYDINGS (by request):

A bill (S. 4109) creating the Puerto Rico Water Resources Authority, and for other purposes; to the Committee on Territories and Insular Affairs.

By Mr. McADOO:

A bill (S. 4110) for the relief of Roland Hanson, a minor; to the Committee on Claims.

A bill (S. 4111) to authorize the United States Golden Gate International Exposition Commission to produce and sell certain articles, and for other purposes; to the Committee on Commerce.

By Mr. BYRNES:

A bill (S. 4112) to provide for a change in the time for holding court at Rock Hill and Spartanburg, S. C.; to the Committee on the Judiciary.

HOUSE BILLS AND JOINT RESOLUTION

The following bills and joint resolution were severally read twice by their titles and referred, or ordered to be placed on the calendar, as indicated below:

H. R. 599. An act for the relief of W. J. Steckel;

H. R. 733. An act for the relief of George E. Titter;

H. R. 736. An act for the relief of Mallery Toy;

H. R. 858. An act for the relief of the estate of Dr. David O. Clements, deceased;

H. R. 1141. An act for the relief of J. W. Beams;

H. R. 1861. An act for the relief of the firm of Schmidt, Garden & Martin, architects, of Chicago, Ill.;

H. R. 2149. An act for the relief of Capt. Guy L. Hartman;

H. R. 2487. An act for the relief of Thomas J. Allen, Jr.;

H. R. 2650. An act for the relief of Veracunda O'Brien Allen;

H. R. 3225. An act for the relief of Roland Stafford;

H. R. 3655. An act for the relief of Clarence D. Schiffman;

H. R. 3747. An act for the relief of George O. Wills;

H. R. 4232. An act for the relief of Barber-Hoppen Corporation;

H. R. 4260. An act for the relief of C. J. Murrill;

H. R. 4830. An act for the relief of Mrs. D. O. Benson;

H. R. 4864. An act for the relief of Helen Rauch and Max Rauch;

H. R. 4941. An act for the relief of Rogowski Bros.;

H. R. 5615. An act for the relief of Capt. B. B. Barbee;

H. R. 6186. An act for the relief of Moses Red Bird;

H. R. 6296. An act for the relief of Dr. A. C. Antony and others;

H. R. 6327. An act for the relief of Edward J. Thompson;

H. R. 6374. An act for the relief of Lena R. Burnett;

H. R. 6508. An act for the relief of Gladys Legrow;

H. R. 6710. An act conferring jurisdiction upon the United States District Court for the Eastern District of Louisiana to hear, determine, and render judgment upon the claims of Anna Lee Hebert and Mrs. Nicholas Hebert;

H. R. 6713. An act for the relief of Genesee Brewing Co., Inc.;

H. R. 6842. An act for the relief of Frank M. Schmitt, Antonio Salas, Victoria Griego, and Victor Coco;

H. R. 7012. An act for the relief of J. Anse Little;

H. R. 7344. An act for the relief of Eddie Walker;

H. R. 7429. An act for the relief of Muriel C. Young;

H. R. 7460. An act for the relief of Mr. and Mrs. Roy Blessing;

H. R. 7761. An act for the relief of Sibbald Smith;

H. R. 7890. An act for the relief of Brooks-Callaway Co.;

H. R. 7960. An act for the relief of Wilma Artopoeus;

H. R. 8193. An act for the relief of the Long Bell Lumber Co.;

H. R. 8241. An act for the relief of Fred J. Christoff;

H. R. 8375. An act for the relief of Roscoe B. Huston;

H. R. 8567. An act for the relief of Margaret B. Nonnenberg;

H. R. 8643. An act for the relief of Kate Durham Thomas;

H. H. 8683. An act for the relief of Gus Vakas;

H. R. 8744. An act for the relief of J. G. Bucklin;

H. R. 8916. An act for the relief of N. W. Ludowese;

H. R. 9200. An act for the relief of Filomeno Jiminez and Felicitas Dominguez;

H. R. 9214. An act for the relief of C. O. Hall;

H. R. 9374. An act for the relief of the Robert E. Lee Hotel; and

H. J. Res. 146. Joint resolution granting insurance payments to Hugh H. Newell; to the Committee on Claims.

H. R. 1744. An act for the relief of Grant H. Pearson, G. W. Pearson, John C. Rumohr, and Wallace Anderson;

H. R. 7817. An act for the relief of C. G. Bretting Manufacturing Co.; and

H. R. 7855. An act for the relief of Frieda White; to the calendar.

H. R. 5597. An act for the relief of Luigi Mazza;

H. R. 6081. An act for the relief of Edward Malm;

H. R. 6306. An act to authorize the cancelation of deportation proceedings in the case of Henrietta Vendemmia;

H. R. 6994. An act for the relief of Alfonso Luigi Tartoglione;

H. R. 7039. An act for the relief of Paul Hirschmann;

H. R. 7119. An act for the relief of Victoria Maghee;

H. R. 7168. An act for the relief of Louis Samolski, Rebecca Samolski, and Martin Samolski;

H. R. 7297. An act for the relief of Gordon L. Cheasley;

H. R. 7357. An act for the relief of Giovanni Raffa;

H. R. 7659. An act to authorize the cancelation of deportation proceedings in the case of Jacob Tabah, wife Esther, and daughters Bertha, Dora, Rosa, and Angela;

H. R. 7793. An act for the relief of Nicholas de Lipski;

H. R. 7883. An act for the relief of Stefano Pagliaro;

H. R. 8275. An act for the relief of Stanley Kolitzoff and Marie Kolitzoff;

H. R. 8589. An act for the relief of Pasquale Lobrano;

H. R. 8673. An act for the relief of Albert Saint Clair;

H. R. 8743. An act for the relief of Louis Michael Bregantic;

H. R. 8858. An act for the relief of Joseph Brum and Gussie Brum; and

H. R. 9400. An act for the relief of Adolph Arendt; to the Committee on Immigration.

H. R. 6461. An act for the relief of William F. Bourland; to the Committee on Indian Affairs.

H. R. 10275. An act to extend the times for commencing and completing the construction of a bridge and causeway across the water between the mainland, at or near Cedar Point and Dauphin Island, Ala.; to the Committee on Commerce.

H. R. 10459. An act to amend certain provisions of law relative to the production of wines, brandy, and fruit spirits so as to remove therefrom certain unnecessary restrictions; to facilitate the collection of internal-revenue taxes thereupon; and to provide abatement of certain taxes upon wines, brandy, and fruit spirits where lost or evaporated while in the custody and under the control of the Government without any fault of the owner; to the Committee on Finance.

INVESTIGATION OF THE W. P. A.

Mr. KING. Mr. President, I request consent to submit a resolution, which I ask to have printed and lie on the table. It provides for an investigation of the W. P. A.

There being no objection, the resolution (S. Res. 284) was received and ordered to lie on the table and to be printed, as follows:

Whereas large sums of money have been appropriated and made available to the Works Progress Administration for expenditure for relief purposes; and

Whereas adequate information is not available to the Congress with respect to the manner in which and purposes for which such sums have actually been expended; and

Whereas it has been alleged that persons employed by the Works Progress Administration in administrative and executive positions have engaged in political activities and have administered the funds appropriated for relief purposes on a political basis and for political purposes; and

Whereas it has been alleged that some persons in authority, or charged with the responsibility of expending funds for relief or for work projects, in such Administration have attempted to influence the votes of persons on the relief rolls and those seeking relief by threatening to withhold or deny relief unless they voted for certain candidates for public office or supported certain public policies; and

Whereas it has been alleged that the administrative expenses of such Administration have been disproportionate in view of the nature of its functions, and that many of the salaries paid to persons in administrative positions in such Administration are excessive: Therefore be it

Resolved, That a special committee of three Senators, to be appointed by the President of the Senate, is authorized and directed to make a full and complete investigation of the Works Progress Administration and its activities and expenditures, including (1) the extent to which officials of such Administration have engaged, directly or indirectly, in political activities; (2) the extent to which the funds available for such Administration have been used or administered on a political basis, or with a view to aiding candidates for public office or to securing legislation, local or national; (3) the extent to which persons on the relief rolls or those seeking relief have been intimidated, coerced, or influenced by those in authority in the various States or elsewhere in such Administration with a view to obtaining their political support for such candidates or for the adoption or rejection of policies or legislation; (4) the total number of all officers and employees of such Administration (including officers and employees of State and local agencies any part of whose compensation is received from money appropriated or allocated for the use of such Administration); (5) the address, position, and salary of each such person who receives compensation at a rate of $3,000 or more a year, grouping together the names of all such persons employed in each State; (6) the aggregate amount of all sums which have been made available (including amounts allocated) for expenditure by such Administration during each of the fiscal years 1935, 1936, and 1937; (7) the number of persons now receiving relief from the funds administered by such Administration; and (8) the total amounts expended by such Administration in each State for administrative purposes during each of the fiscal years 1935, 1936, and 1937. The committee shall report to the Senate as soon as practicable the results of its investigation, together with its recommendations, if any, for necessary legislation.

For the purposes of this resolution, the committee, or any duly authorized subcommittee thereof, is authorized to hold such hearings, to sit and act at such times and places during the sessions, recesses, and adjourned periods of the Senate in the Seventy-fifth and succeeding Congresses; to employ such clerical and other assistants; to require, by subpena or otherwise, the attendance of such witnesses and the production of such books, papers, and documents; to administer such oaths; to take such testimony; and to make such expenditures as it deems advisable. The cost of stenographic services to report such hearings shall not be in excess of 25 cents per hundred words. The expenses of the committee, which shall not exceed $10,000, shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman.

RELIEF AND WORK-RELIEF APPROPRIATIONS

[Mr. MURRAY asked and obtained leave to have printed in the RECORD an article published in Fortune for June 1938 and an editorial published in the Washington (D. C.) Daily News of May 24, 1938, which appear in the Appendix.]

ACHIEVEMENTS OF DEPARTMENT OF COMMERCE IN FISCAL YEAR 1938

[Mr. BYRNES asked and obtained leave to have printed in the RECORD a statement entitled "Achievements of the Department of Commerce in the Fiscal Year 1938," which appears in the Appendix.]

THE SUPREME COURT AND POLITICS

[Mr. MINTON asked and obtained leave to have printed in the RECORD an editorial from a recent issue of the St. Louis Star-Times under the heading "Hughes Reenters Politics," which appears in the Appendix.]

THE TEXTILE INDUSTRY—INCREASE IN TEXTILE IMPORTS

Mr. GEORGE. Mr. President, I rise to detain the Senate for only a brief statement.

I am reliably informed that the textile industry in the United States is today at the lowest point within the past 10 years. This statement applies to textiles generally; not to cotton textiles alone but to all textiles.

Both branches of Congress have passed some form of wage and hour legislation, designed to raise wages and improve working conditions in the United States, and necessarily to increase production costs. There are thousands of idle textile workers in the United States, and more mills are closing every day. More thousands are working on short time.

In the meantime, while American spindles are standing and stopping, the spindles of Japan are humming, and Japanese textiles are finding their way into the American market in increasing and alarming proportions.

I call attention to the increase in the importation from Japan within recent years of two textile products only; namely, cotton fish netting and rayon staple fiber. While American production of cotton fish netting has dropped annually every year since 1935, imports from Japan increased 100 percent from 1934 to 1936; another 100 percent from 1936 to 1937; and there is reasonable indication that 1938 will represent another 100-percent increase over 1937.

The time has come to serve notice on Japan that she shall not be permitted, with her low wages and uncontrolled production, to obtain an entire monopoly of the American market. With American textiles selling below cost, with American mills closing, with American workingmen unemployed, we are importing millions upon millions of pounds and yards of Japanese textiles into the domestic market, which importation tends to bring about a further demoralization of our own market.

Before Congress adjourns I shall offer a resolution calling on the proper administrative departments to furnish us, at the opening of the next session of Congress, with full and detailed information on the story of the increase in other branches of textiles than the two I have mentioned. I serve notice now that I do not propose to see the utter destruction of our market and the demoralization of a great industry, furnishing employment under normal conditions to nearly half a million of our people.

Mr. LODGE and Mr. NORRIS addressed the Chair.

The VICE PRESIDENT. Does the Senator from Georgia yield; and if so, to whom?

Mr. GEORGE. I shall be glad to yield first to the Senator from Massachusetts.

Mr. LODGE. Mr. President, I merely wish to express my approval of what the Senator from Georgia has said about the terrible threat which foreign competition constitutes to American textile workers, and to associate myself with any effort which is made to protect our workers against that threat. I wish to say further that I think we should act at the present session of Congress.

Mr. GEORGE. I thank the Senator.

I now yield to the Senator from Nebraska.

Mr. NORRIS. Mr. President, will the Senator be kind enough to repeat the figures which he gave with regard to the increased importations from Japan?

Mr. GEORGE. I shall be glad, Mr. President, to repeat precisely what I said upon that point, and also to put into the RECORD, as examples only, the very rapid and remarkable increases in the two textiles.

To repeat, I called attention to the increase in the importations within recent years of two textile products from Japan; namely, cotton fish netting, and rayon staple fiber. While American production of cotton fish netting has dropped annually every year since 1935, imports from Japan increased 100 percent from 1934 to 1936, another 100 percent from 1936 to 1937, and there is reasonable indication that 1938 will represent another 100-percent increase over 1937.

I may add that the increase in the imports of this particular textile during the first 2 months of 1938 represents an increase of 100 percent over the imports for the corresponding months of 1937.

Mr. NORRIS. The Senator refers to rayon and what else?

Mr. GEORGE. Cotton fish netting. I am using those two textiles merely as illustrations.

Mr. NORRIS. Where does Japan get the cotton?

Mr. GEORGE. She gets some of the cotton from the United States. She buys some of our cotton. She buys cotton, of course, from other cotton-producing countries.

Mr. NORRIS. And she sends the cotton back in the shape of manufactured goods. Those are the things to which the Senator has reference when he speaks of the imports; are they not?

Mr. GEORGE. Yes. Let me call attention to the particular increase in rayon fiber.

Mr. BANKHEAD. Mr. President, will the Senator yield?

Mr. GEORGE. I yield to the Senator from Alabama.

Mr. BANKHEAD. I think it would be unfortunate to leave the impression that Japan buys most of her cotton from us.

Mr. GEORGE. I did not mean to leave that impression. She buys some cotton from us.

Mr. BANKHEAD. I merely wanted to develop the point that Japan is now buying from America much less cotton than she has bought in previous years, and that the great flood of importations of cotton textiles is largely produced from cotton bought by Japan in India and South America.

Mr. NORRIS. I understand that the purchases of American cotton by Japan are decreasing, and that her exports to this country of manufactured cotton products are increasing. Is that true?

Mr. GEORGE. That is exactly true; and very rapidly increasing.

Mr. NORRIS. Then it must follow that a large portion of the cotton from which Japan manufactures these fabrics enters Japan from countries other than our own.

Mr. GEORGE. That is undoubtedly true.

Mr. NORRIS. Can the Senator give any particulars as to the amount of American cotton which comes back to America from Japan in the shape of manufactured goods?

Mr. GEORGE. I have not the total figures, and that is exactly what I am calling upon the Department to furnish.

Mr. McADOO. Mr. President, will the Senator yield to me for a moment?

Mr. GEORGE. I yield to the Senator from California.

Mr. McADOO. In the figures the Senator gives regarding importations of cotton from Japan he refers only, I understand, to cotton fish nets?

Mr. GEORGE. As an example only.

Mr. McADOO. As an example only. I should like to call the Senator's attention to the fact, however, that in 1937, as I stated on the floor when I offered a substitute for the farm bill, the importations from Japan of cotton cloth amounted to 125,000,000 yards, and those importations displaced 7,500 American employees for the period of a whole year. That is possible because, stupidly, we did not impose an adequate tariff on manufactured articles of cotton to protect the home market for the American farmer and the American producer.

Mr. GEORGE. I thank the Senator for his observations.

Mr. LODGE. Mr. President, will the Senator yield?

Mr. GEORGE. I will ask the Senator to allow me to finish the statement; then, I will yield. I do not think it is a matter of tariff. I think Japan would undersell in this market whatever the tariff might be, because it is possible for her to do so, buying her products from other cheap-labor countries and working her people at such a low daily and weekly wage. It

is a matter of regulation, but it involves more than an ordinary tariff.

Mr. WHEELER. Mr. President, will the Senator yield?

Mr. GEORGE. I yield to the Senator from Montana.

Mr. WHEELER. A few years ago I pointed out on the floor of the Senate facts with reference to importations from Japan in connection with her depreciated currency. A few years ago we established what was known as a $2,000,000,000 stabilization fund. That stabilization fund was, according to the President and according to every one else, for the purpose of stabilizing the currencies of various countries. I had intended to make a speech and to point out how, notwithstanding that stabilization, the currency of practically every country in the world has been depreciated since that time, and the effect of depreciated currencies in other countries is to permit Japan and other nations to compete with the farmers of the United States and to ship their products here over our tariff walls. Japan depreciated her currency up to 1929 by about 70 percent, making it possible for her manufacturers to pay off 70 percent more of their fixed charges than could the American manufacturers. The stabilization fund was created. No one knows what has been done with that secret fund; but we do know that the French franc, the Swiss franc, the Dutch guilder, the Norwegian kroner, the Italian lira, and the currencies of other foreign countries, except the British pound, have since that time been depreciated. I had intended to call this matter to the attention of the Senate possibly today or the first of next week and show the effect it has had upon our agriculture. While we are asking the American farmer to cut down his production, we are importing tremendously large amounts of agricultural commodities from other countries by reason of their low costs due to their depreciated currencies.

Mr. BYRNES. Mr. President, will the Senator yield?

Mr. GEORGE. I yield first to the Senator from Massachusetts [Mr. LODGE], who requested me to yield a few moments ago.

Mr. LODGE. Mr. President, I merely desired to ask the Senator whether he did not think that the proposed trade agreement with Great Britain would also constitute a real threat to those who work in the textile industry?

Mr. GEORGE. I am not able to make a categorical answer to the Senator's question.

I now yield to the Senator from South Carolina.

Mr. BYRNES. Mr. President, with reference to the question asked the Senator from Georgia as to the effect of the tariff, I think the Senator from Georgia will agree that 2 years ago the President, exercising the power vested in him by the tariff law, raised the duties upon cotton goods an average of 42 percent, in the hope that thereby there might be an equalization of the difference in the cost of production. That, however, has not affected importations. Since that time the cotton textile industry of this Nation has been seeking to bring about with the Japanese Spinners' Association an agreement upon a quota. I should like to know whether the Senator from Georgia, in his inquiry, is going to take into consideration information he might secure as to the proposed quota agreement?

Mr. GEORGE. Exactly. I have already stated that, in my opinion, it is not so much a question of tariff as such, but that steps beyond the tariff must be taken in order to protect the American market.

Now, Mr. President, I wish to call attention to the other example which I have used as to the importations. I refer to rayon staple fiber. Of course, we do not export to Japan any part of this fiber that comes back to us, or, if any part of it, a very little part of it.

In 1934 the total importations from all countries of rayon staple fiber amounted to 215,000 pounds; in 1935 to 1,415,000 pounds; in 1936 to 12,718,000 pounds; in 1937 to 20,610,000 pounds.

Mr. President, in the case of these importations note the rapid increase of the rayon-fiber importations from Japan.

In 1934 there were no rayon staple fibers imported into the United States from Japan; in 1935 the imports from Japan amounted to 809,000 pounds; in 1936 they amounted to 6,218,000 pounds; and in 1937 they amounted to 11,689,000 pounds, or more than 55 percent of the entire production of rayon staple fiber in the United States.

I come back to the statement, Mr. President, that while we are proposing to pass wage and hour legislation in the hope of bettering the condition of the American workman—and with that motive and purpose nobody can quarrel and nobody does quarrel—while we maintain a social-security system, with which we are all in accord, for the benefit of the aged and for the benefit of our retiring workers, we are permitting Japan, through her exports to the United States, not only of cotton textiles but of all other textiles, actually to close American factories and to send American workers idle into the army of the unemployed. Before the Congress shall adjourn, Mr. President, I shall ask formally for the information, and at the very beginning of the next session of the Congress I shall do everything within my power to correct this situation.

Mr. President, I ask to have printed at the conclusion of my remarks the two examples of increases in importations from Japan. They are, let me repeat, merely examples.

The PRESIDING OFFICER (Mr. SCHWARTZ in the chair). Without objection, the tables will be printed in the RECORD.

The tables referred to are, as follows:

Cotton fish nets

Year	Imports from Japan	Domestic production
1932	120,000	1,770,000
1933	129,000	1,870,000
1934	212,000	1,770,000
1935	279,000	2,500,000
1936	408,000	2,300,000
1937	802,000	2,230,000
1938	[1] 1,600,000	[1] 1,900,000

[1] Estimated.

Rayon staple fiber

Year	Total imports, all countries	Imports from Japan	Domestic production
	Pounds	*Pounds*	*Pounds*
1934	215,000	None	2,200,000
1935	1,415,000	809,000	4,600,000
1936	12,718,000	6,218,000	12,300,000
1937	20,610,000	11,689,000	20,100,000

Mr. KING. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Georgia yield to the Senator from Utah?

Mr. GEORGE. I yield.

Mr. KING. I think the situation as described by the Senator from Georgia is a challenge to a very futile, to a very unwise and a very dangerous measure which we passed sometime ago which was called the Neutrality Act. Attention was directed when that measure was under consideration to the fact that it would help Japan and would help other countries that had navies. In the event of conflict the cash-and-carry plan involved in the Neutrality Act obviously would be beneficial to Japan and also to other nations that have reasonably sound fiscal systems and the instrumentalities for carrying commerce.

We are helping Japan just as was predicted on the floor of the Senate when the Neutrality Act was passed. Japan is doing everything she can to buy guns and powder and munitions, steel, and iron and other commodities that are essential in the prosecution of her brutal war against China. She is doing all she can to acquire those commodities from us, and she is paying for them by sending us goods in competition with American commodities.

Mr. BORAH. Mr. President, may I interrupt the Senator?

Mr. KING. The Senator from Georgia has the floor.

Mr. GEORGE. I yield to the Senator from Idaho.

Mr. BORAH. Mr. President, a vast amount of stuff is coming into this country in competition with the American producer, especially the American farmer, that is not coming from Japan. We are placing ourselves in greater competition with countries, particularly agricultural countries, which pay about one-third or one-half the labor wage that we pay in this country. Not only are the commodities to which the Senator from Georgia has referred coming here in competition with American commodities, but even corn and wheat and other products are coming into this country under the reciprocal-trade agreements.

Mr. KING. The Senator understands that I mentioned Japan only because the Senator from Georgia referred to Japan and the importations from that country?

Mr. BORAH. I do not appreciate the wisdom of a policy which reduces acreage in the United States and increases acreage in foreign countries. I was going to say I hope when the Senator from Georgia offers his resolution, it will be sufficiently broad in scope to enable ascertainments to be made as to just how thoroughly we are being placed in competition with agricultural countries of the world where producing costs are about one-third or one-half of what they are in the United States.

Mr. GEORGE. I thank the Senator from Idaho, and I will say that I thoroughly understand the situation to which he calls our attention; but in this particular matter my immediate purpose is to obtain official information upon which the Congress may be able to proceed to protect those of our workers who are engaged in processing or manufacturing textiles of various kinds in the United States.

I again call the attention of the Senate to the fact that in the textile industry as a whole there are more than half a million American men earning their livelihood. It is a matter of supreme importance, and a pressing obligation upon the Congress of the United States, to take appropriate steps to protect the American workers who are being destroyed by the competition of this vast flood of imports, especially from Japan.

LONG-AND-SHORT-HAUL CLAUSE OF INTERSTATE COMMERCE ACT

Mr. WHEELER. Mr. President, the other day I put into the RECORD an article from the Traffic World setting forth an editorial from the Railway Age and also one from the Marine Engineering and Shipping Review, both of those periodicals being owned by the same corporation but each of them taking a different view with reference to the so-called long-and-short-haul clause of the Interstate Commerce Act. I stated at that time that Mr. Dunn, who is the editor of the Railway Age and wrote the editorial in favor of the long-and-short-haul bill, also wrote an editorial in the Marine Engineering and Shipping Review opposing it.

I am now in receipt of a letter from Mr. H. H. Brown saying that Mr. Dunn is the editor of one periodical and he is the editor of the other, and that Mr. Dunn did not write the editorial in the Marine Engineering and Shipping Review.

In fairness to Mr. Brown, I ask that his letter be included in the RECORD; but I call attention to the fact that the same corporation owns both periodicals.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

MARINE ENGINEERING AND SHIPPING REVIEW,
New York, May 26, 1938.

Hon. BURTON K. WHEELER,
United States Senate, Washington, D. C.

DEAR SENATOR WHEELER: My attention has been called to your remarks in the Senate on May 23 regarding the Pettengill bill, in which you refer to an article from the May 21 issue of Traffic World, containing excerpts from editorials on the bill in Marine Engineering and Shipping Review and the Railway Age. As reported to me, you stated that "In other words the same man (Samuel O. Dunn, editor of Railway Age), who wrote an editorial in Railway Age in favor of the Pettengill bill, wrote an editorial against the Pettengill bill in Marine Engineering and Shipping Review, which is owned by the same company * * *."

This is not true. I have been editing Marine Engineering and Shipping Review for over 30 years. Eighteen years ago the Simmons-Boardman Publishing Corporation, which publishes Railway Age, bought Marine Engineering and Shipping Review, and has owned it since then. Mr. Samuel O. Dunn, to whom you refer as the author of the editorials in both papers, is chairman of the board of the Simmons-Boardman Publishing Corporation. He is also editor of Railway Age. Mr. Dunn however does not in any way dictate the editorial policy of Marine Engineering and Shipping Review.

At no time during the 18 years since the Simmons-Boardman Publishing Corporation has owned Marine Engineering and Shipping Review has Mr. Dunn written a single editorial for the paper or directed the way in which any editorial for it should be written nor has he ever read a single editorial before it was published or told me what policy to advocate or oppose in any editorial that has been published in the paper.

I can assure you that Mr. Dunn has never at any time had anything to do with the editing of Marine Engineering and Shipping Review except as a matter of business to supervise the expenses incurred by the editorial department of the publication.

I am personally opposed to the Pettengill bill and welcome your opposition to it. By your statement that the editor of Railway Age writes the editorials for Marine Engineering and Shipping Review you have (unwittingly I am sure) done this paper a grave injustice and reflected upon its editorial integrity. May I not hope that you will see fit to rectify the undeserved harm thus done us by calling this letter of mine to the attention of your colleagues in the Senate before whom you made your accusation; and seeing to it that reference to the editorial independence of this paper is published in the CONGRESSIONAL RECORD?

Very truly yours,

H. H. BROWN, *Editor.*

RELIEF AND WORK-RELIEF APPROPRIATIONS

The Senate resumed the consideration of the joint resolution (H. J. Res. 679) making appropriations for work relief, relief, and otherwise to increase employment by providing loans and grants for public-works projects.

Mr. CAPPER. Mr. President, I desire to call attention of the Senate to a letter from Fred Brenckmann, Washington representative of the National Grange, relative to the pending relief-recovery measure.

The Grange's position, as set forth in this statement, is very similar to my own. Congress should make proper provision for the destitute and unemployed; and I would not reduce by one penny the appropriations carried in this measure for that purpose. But I find myself in entire accord with the position of the Grange in opposition to the so-called pump-priming features of the joint resolution.

When it comes to Government lending and spending in the effort to promote prosperity—

The letter from the Grange states—

the unvarnished truth is that this has been tried on an unprecedented scale for a period of 5 years, and it has not produced the desired results.

I think that states the situation in a nutshell.

While I have the floor I desire to say also that I believe the Government should devote more of its energies to encouraging private industry to return to the business and industrial field. Pump priming will not produce a permanent and lasting recovery. Borrowing and spending and lending $16,000,000,000 in excess of Government income, the record of the past 5 years, have gotten us nowhere.

If our army of unemployed is to go back to useful and remunerative work and if the life-giving stream of wages is to begin to flow once more through the stores and banks of our land, this will have to be accomplished largely by private enterprise.

Since pump priming will not do the job, what is the answer? Speaking as one who wishes to aid the President in the enactment of any practical recovery program that will bring prosperity to our country, I believe the workable answer must be based on something like this formula:

The administration should in good faith, and wholeheartedly, cooperate with business. The Government should take the lead in obtaining the cooperation of capital and labor, finance and industry, including agriculture, with government. Neither industry, nor agriculture, nor labor, nor finance, nor government working alone can force the other elements of our society to bow to a program for the advancement of its own ideas and welfare.

Mr. President, I ask unanimous consent to have printed in the RECORD at this point, as a part of my remarks, the letter from the National Grange, which I send to the desk.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

THE NATIONAL GRANGE,
Washington, D. C., May 27, 1938.

To the Members of the Senate:

At its annual convention last fall the National Grange went formally on record as being in full accord with the declared purpose of President Roosevelt to balance the Budget without undue delay. We are, therefore, opposed to the major features of the new pump-priming plan that has already passed the House and is now under consideration in the Senate. While this legislation is so drawn that it would be difficult to unscramble, it would seem the part of wisdom for the Senate to reduce the appropriations for pump-priming purposes to much more reasonable proportions, besides making proper provision for the destitute and the unemployed.

Careful study of the President's borrowing, lending, and spending program shows that in its entirety it calls for an outlay of approximately $5,000,000,000 during the next full year. Some conception of the enormity of this sum may be gained from a simple comparison. According to official figures, the total value of all farm lands in the United States, including buildings, livestock, machinery, and equipment, is a little more than $41,000,000,000. Borrowing, lending, and spending more than $5,000,000,000 would, therefore, be equivalent to putting a 100-percent mortgage upon one-eighth of the entire farm plant of the United States.

When it comes to Government lending and spending in the effort to promote prosperity, the unvarnished truth is that this has been tried on an unprecedented scale for a period of 5 years, and it has not produced the desired results. No other nation in the world even remotely approached the United States in government spending to restore economic stability. However, according to impartial statistics gathered by the League of Nations, the United States, between 1929 and July 1937, ranked sixteenth in recovery among the leading nations of the world, as measured by industrial production.

Japan, Sweden, Denmark, the United Kingdom, Germany, Norway, Austria, Canada, and the Netherlands have made a far better showing in this connection than we have. France, which came closer to following our policies than any other great nation, ranks twentieth among the countries of the world in the matter of recovery.

The national debt is now approximately $38,000,000,000. If the funded debt of the States and their minor subdivisions be added, it gives us a total of approximately $57,000,000,000, or about $445 per capita.

We may try to console ourselves with the thought that the public debt is in no sense a private obligation on the part of any one of us. But the fact remains that the public debt must be paid by the toil, sweat, and sacrifice of the private taxpayer. In effect, it is a mortgage on every farm and every home in the land.

It is startling to think that if we should immediately balance the Budget and start to pay back the national debt at the rate of $500,000,000 a year, it would take us 75 years to complete the difficult and weary task. At the turn of the century the total cost of the Federal Government was only $500,000,000 a year. Today, in round figures, the interest on the national debt is twice that sum, or $1,000,000,000 a year.

There is a moral question involved in this matter that must be disturbing to every person who has a conscience. What right have we to fasten the shackles of a crushing debt upon unborn generations? If we of today cannot pay our own way, how can we expect our children and our grandchildren to meet their obligations and pay our debts in the bargain?

Can there be any doubt that if we continue to squander borrowed billions after the manner that has been followed during recent years, in due time our whole social, economic, and governmental fabric will collapse about our ears?

Thoughtful Members of Congress have for years been aware of the evils lurking in lump-sum appropriations. Henry Clay used to say that Congress was supreme because it held the sword and the purse. But under the lump-sum appropriation plan, when Members of Congress are obliged to go to the executive department, hat in hand, to plead for an equitable allotment of funds for their own States or districts, as the case may be, in order to satisfy the clamors of the unthinking portion of their constituents, they lose both their independence and their self-respect.

The longer we continue to follow our present course, the more difficult it will be to call a halt. The longer we put off the disagreeable task of facing the realities with which we are confronted, the more desperate our situation will become.

In passing upon this legislation, we trust that the Senate may keep the future of American institutions in mind, and that it may have the wisdom and the courage to do its plain duty.

Yours sincerely,

THE NATIONAL GRANGE,
By FRED BRENCKMANN,
Washington Representative.

Mr. VANDENBERG. Mr. President, 2 days ago I presented for the RECORD an important telegram from Mr. William B. Taylor, of Detroit, Mich., the director of welfare for the United Automobile Workers' Union. Mr. Taylor's telegram asked for the diversion of certain portions of the W. P. A. relief fund to direct relief. Mr. Taylor stated in that connection that he felt this partial diversion was necessary in order to prevent mass starvation in many communities in Michigan. I was glad to present the telegram, because I believe it spoke the truth.

Mr. Taylor now fears that an interpretation may be put upon his telegram to indicate opposition on the part of his great organization to W. P. A. and to the continuation of work relief. That, of course, is not the attitude of his organization, and it was not my desire or intention to invite any such inference. His organization continues to support W. P. A. and to support the theory of work relief. Mr. Taylor, speaking for his people, simply insists that a portion of this W. P. A. fund must be diverted to direct relief in view of the mounting magnitude of the relief problem confronting these industrial communities.

The observations based upon his telegram were solely my own, and I think I made that fact clear. In any event, it should be clear. It continues to be my own view that in order to prevent mass starvation in the wake of this multiplying recession, we must not only do what the U. A. W. U. asks in respect to a partial diversion of Federal funds to direct relief but we must permit State and local authorities to decide entirely for themselves just how the entire Federal relief grants shall be used to meet local necessity. There should be no dictation from Washington at all. But this, I repeat, is my own view and not that of Mr. Taylor or his organization.

In order that there may be no doubt whatever about the purport and intention of Mr. Taylor's telegram, I am making this specific statement, and I ask that his supplemental message be printed in the RECORD.

There being no objection, the telegram was ordered to be printed in the RECORD, as follows:

DETROIT, MICH., *May 27, 1938.*

Senator ARTHUR VANDENBERG:

I wish to inform you that in using my telegram of May 24 to you as an instrument to attack the W. P. A. program you have misconstrued the intent of that telegram. The international union, U. A. W. A. is in favor of the continuation and enlargement of the W. P. A. program. Only such steps can to any appreciable extent solve the problems of Michigan's unemployed. The U. A. W. A. has asked for a direct relief allotment of W. P. A. funds to Michigan only to avert the danger of having in Michigan the same starvation conditions that now exist in Cleveland and Chicago. We hope you will make a correction in the records.

WILLIAM B. TAYLOR,
Director of Welfare and W. P. A. Departments,
International Union, U. A. W. A.

Mr. THOMAS of Oklahoma. Mr. President, the Senate has under consideration House Joint Resolution 679, which, when enacted, is to be known as a work-relief measure as well as a public-works appropriation measure.

The joint resolution covers a vast scope of activity. If the joint resolution shall pass in its present form, it will carry $1,425,000,000 for a continuation of W. P. A. activities. It will carry $655,000,000 for public buildings and utilities and parks and recreational facilities. It will carry $285,000,000 for educational activities in a broad sense. It will carry $865,000,000 for an extension of P. W. A. projects. It will carry $25,000,000 for rural electrification, $100,000,000 for special public buildings, and, if it shall be finally enacted in its present form, it will carry $212,000,000 for farm payments or farm subsidy benefits.

Mr. President, what is the occasion for the enactment of such a measure? There must be some good reason for this vast appropriation to carry on and finance so many activities, affecting so many people throughout the country. So it seems to me it would not be amiss for the Senate to give some time to the consideration of the condition of the country, because it is the condition of the country which makes necessary the consideration of this particular joint resolution.

I have in my hand a copy of a local newspaper of yesterday, published and circulated in Washington late yesterday after-

noon. I find in this newspaper some news stories to which I desire to refer very briefly and place in the RECORD.

I find one news story under this heavy headline:

Auto production drops to 45,120 level for week.

Then the news story states that the production last year at the corresponding time was 132,425 automobiles. That is a drop of approximately 90,000 automobiles below the production of last year.

I find that yesterday, in the market places, cotton fell at one time $1.50 a bale. At one time yesterday afternoon cotton was selling for $7.94 per hundredweight, or 7.94 cents per pound. That, of course, is about as low as cotton has been in recent years. I find on the same page that on yesterday July wheat sold for 72.62 cents per bushel. In my section we have a large wheat production.

A few days ago I drove through 150 miles of northern Oklahoma, and in that 150-mile trip I saw nothing but wheat, the finest wheat I have seen in that State in 37 years. It is estimated that if no damage comes a crop of from 25 to 40 bushels per acre will be made. If we should have as good a price as $1 a bushel for our wheat in Oklahoma, the section of my State which produces wheat almost exclusively would have unparalleled prosperity in a very few weeks, but if the price of wheat continues slipping and the farmers in my State and surrounding States receive only approximately 50 cents a bushel for their wheat, there will be an entirely different condition. If we could have a fair price for wheat, not only in my State but throughout the other farming States, we would have a revival of industry, a revival of activity, and if we should have that revival, bills such as the one now before the Senate would be unnecessary, especially for the sections of the country like the one to which I have just referred.

On another page of this newspaper I refer to one or two other news items. I find this headline:

Fourteen and nine-tenths percent drop shown in volume of Sears-Roebuck.

I find in another news story that the Birdsboro Steel Corporation shows a loss of $40,404.

I find under another heading, all these being on the same page, the following:

Store sales lag during month in second district.

Below that I find this headline:

General Electric lowers dividend. Directors order payment of 20 cents against previous 30 cents.

I find another story on the same page:

Freight loadings at 545,808 mark. Small gain leaves week's total 29.6 percent below a year ago.

Mr. President, this recession is not hitting just one class of our people, it is hitting all classes. It is hitting the farmer class, the producers of wheat, the producers of corn, the producers of oats, the producers of livestock, but it is not limited to the farm. It extends to the wage earners of the country, and the wage earners have lost and are losing their jobs. So, the pending joint resolution, however much we dislike to consider it, however much we dislike to vote for it, presents the only alternative, from my viewpoint. So, of course, when the roll is called I shall cast my vote in favor of the joint resolution.

Mr. President, there must be some fundamental reason for these news stories. We did not have that sort of news story a year ago. In March, April, and May of last year the stories were entirely different. There were better prices last year. Instead of wheat selling a year ago for 72 cents a bushel it was selling for $1.40 a bushel. Instead of corn selling a year ago for 65 cents a bushel it was selling for $1.30 a bushel. Instead of cotton selling last year for 6 and 7 cents a pound it was selling for 14½ cents a pound. With these relatively high prices last year we had visions of returning prosperity. The number of unemployed was gradually diminishing, and we saw visions that this year, in place of having to appropriate billions of dollars, as we had appropriated in the past, perhaps we might get along with smaller appropriations than for the current year. Instead of that vision coming true, here we are in May 1938 with these conditions before us and considering an appropriation bill which carries in toto something like $4,000,000,000.

A few days ago we passed a bill authorizing the Reconstruction Finance Corporation to expand its business, and to lend a total of another billion and a half dollars. That money will not go to the farmers, it will not go to the wage earners, it will not even go to the small-business men of the country. It will be loaned to the larger business concerns of the Nation, business institutions, corporations, cities, counties, and even States, to tide them through the remainder of this year. So we find that States are in difficulty, counties are in difficulty, cities are in difficulty, corporations and other institutions are in difficulty, just as the people are in difficulty.

That is the condition. What is the cause? Of course, the condition is the result of the cause; but very little time has been given, so far as I can remember, to the cause of the trouble. To me it seems to be plain, but not many are prepared to agree with me. I shall place in the RECORD as best I can some of the facts, and then I shall give my interpretation and my conclusions.

In 1926 we had what we called the era of Coolidge prosperity. We thought at that time that this country was on a prosperous basis. The party in power was riding high; it was boasting and bragging about the good times they had brought about. At that time prices were relatively high. In 1926 wheat was selling for more than a dollar and a half a bushel, cotton was selling for more than 20 cents a pound, corn and oats and livestock were selling for comparable prices. So in that year we did have fairly good prices. The people could produce, pay the cost of production, and have some money left to spend with the merchants—and the people spent the money. Wage earners were employed at fairly good wages. They could pay their rent and pay for their supplies and have some money left to spend with the merchants. That made business for the merchants, and when the merchant does business, that makes business for the wholesalers, and when the wholesaler does business, that makes business for the factory, and when the factory does business there is a demand for raw material, and to produce the raw material takes labor, the services of the railroad companies, the banks, and so on.

When we have good prices we find that prosperity is general among the masses of the people. When we have prosperity among the masses of the people there is no trouble taking care of those who live off the masses of the people. So in 1926 the dollar was valued in terms of property at 100 cents. That is the basis for the claim that we should go to the 1926 level.

It so happened that in 1926 every group of industry and every group of our people were fairly prosperous, and because prices were good, people were busy, the country was prosperous, and we look upon that year as a sort of standard. Since that time we have been striving to get back to the conditions prevailing in 1926, so far as prices are concerned.

From 1926 to 1929 the dollar gradually began to gain value as measured in terms of commodities. So by the time the depression struck in 1929, the dollar had a value of 105 cents. It gained 5 cents in value up to 1929.

When the depression struck, money became scarce; people wanted money to pay their taxes; they had to have money to pay their interest and to pay their debts or they would suffer foreclosure. So the demand for money increased; but the banks' willingness to provide the money decreased, with the result that the demand was greater than the supply. Because the banks could not supply the money, or did not supply the money, the demand for money increased, and, as in the case of any other commodity, when the demand is greater

than the supply, the value of the commodity increases. Therefore, by 1933 the value of the dollar as measured in terms of property had risen from 100 in 1926 to 167 in February of 1933.

When the new administration came into power the first problem which confronted it was the necessity of increasing prices. That could only be done by cheapening the dollar. As a result we had action in the Senate and in the House of Representatives, authority being conferred upon the President to cheapen the dollar. That was done by giving the President power to devalue the gold dollar, and to bring about a wider use of silver.

I shall not go into those questions now, but that is the way we proceeded to cheapen the dollar.

To the extent we cheapened the dollar, to the same extent we raised prices. Prices began to rise shortly after the present administration came into power. Prices went up in 1933, 1934, 1935, and 1936. The dollar, which had increased in value to $1.67 in 1933, by March of last year was worth only $1.12. Although we had taken 40 percent of the gold out of the gold dollar, making the new gold dollar only 60 percent as large and as valuable as the old gold dollar, yet the smaller gold dollar—the smaller nugget, so to speak—was still worth $1.12 in terms of commodity, on the average.

Mr. CONNALLY. Mr. President, will the Senator yield?

Mr. THOMAS of Oklahoma. I yield.

Mr. CONNALLY. Let me ask the Senator from Oklahoma whether it is not true that much of the benefit, or the intended benefit, of reducing the gold content of the dollar was offset by the policy as to sterilizing gold and not issuing any new money. In other words, while the new dollar was worth only 59 cents, we have not had any larger volume of dollars than we had before, and for every dollar of paper there is outstanding we have now approximately $2 in metal in the Treasury, or in the vaults. Is not that true?

Mr. THOMAS of Oklahoma. That is exactly true.

Mr. CONNALLY. Just one other question along that line. If under the old system we had a sufficient gold reserve to make sound, say, $5,000,000,000—it was four billion and a half, or about five billion, in actual money—with the much larger gold reserve which we now have would we not be justified in having more actual dollars? Why keep the same old volume and practically double the gold backing without issuing any more money?

Mr. THOMAS of Oklahoma. I thank the Senator from Texas for his contribution. His statements are entirely accurate.

In 1933, when we conferred upon the President the power to devalue the dollar, which meant that he could cut it in two if he so desired, instead of exercising the full 100-percent power, the President only took out of the dollar 40 cents in terms of gold, leaving in that dollar 60 percent of its weight and value, or 60 cents in terms of gold.

In my judgment, a mistake occurred by reason of the fact that those in authority did not take that 40 percent, which was taken from the old gold dollars, and place it back in circulation. I explain that in this way: At the time the devaluation took place we had $40,000,000,000 on deposit. If we were to cut the gold dollar, by which these deposits were valued, 40 percent, we would thereby decrease the value of those deposits by 40 percent. If we cut the value of the dollar 40 percent, and the cutting destroys that much value, then it naturally follows that if we have $40,000,000,000 on deposit, and we destroy 40 percent of each dollar on deposit, we must destroy 40 percent of the total. Forty percent of $40,000,000,000 is $16,000,000,000. If this deflation had been successful and had worked perfectly, the act of deflation would have destroyed buying power, as represented by these dollars, to the extent of $16,000,000,000.

That did not happen for the reason that the 40 percent taken out of the gold dollar was not placed back in circulation. The fact is that all gold was taken out of circulation, and when the devaluation took place, not only was the 40 percent not placed back in circulation, but the 60 percent was withdrawn and hoarded. That 60 percent was withdrawn likewise from circulation.

Mr. President, on the 25th of this month the commodity index showed that the dollar had in it $1.279 worth of value. Measured on the same basis that we measured value in 1926 under President Coolidge, when we had a 100-cent dollar, and the old large size dollar, on the 25th of May this year with a smaller dollar, a 60-cent dollar, a dollar which had lost 40 percent of its value, this smaller dollar, as measured in terms of property, was worth 127.9 cents. In other words, the smaller dollar now is worth approximately 28 cents more than the larger dollar was worth in 1926.

Mr. BAILEY. Mr. President, will the Senator yield?

Mr. THOMAS of Oklahoma. I yield.

Mr. BAILEY. Is the Senator telling us that the devaluation of the dollar, that is the reduction of its value in terms of gold content by 40 percent, did not really devalue the dollar in terms of commodities? Is that correct?

Mr. THOMAS of Oklahoma. The Senator is exactly correct. It devalued the dollar in terms of gold and in terms of gold only. The devaluation had a direct effect upon all commodities that had a world-wide circulation. It raised the price of wheat, for wheat is a world commodity. It raised the price of corn, for corn is a world commodity. It raised the price of cotton, for cotton is a world commodity. Take automobiles, for example.

One can buy a better car today for less money than he could in 1933 or 1934. The prices of automobiles have not been increased. I can name many other commodities, the prices of which have not been increased, but it is not necessary to do so at this time.

Mr. BAILEY. So devaluation did not devalue. Is that correct?

Mr. THOMAS of Oklahoma. The Senator is exactly correct. However, it reduced the price of our commodities sold in foreign countries.

Mr. BAILEY. What I want to get at now is, if cutting the value of dollars in terms of grains of gold by 40 percent, in other words lifting gold in terms of dollar value by 60 percent, did not bring about a devaluation of the dollar, is the Senator arguing that we should do some more of the same thing?

Mr. THOMAS of Oklahoma. I was coming to that in just a moment. I am arguing that the devaluation of the gold dollar did not of itself have very much effect upon commodities in the United States. But the moment devaluation was an accomplished fact foreigners could buy anything in America on a 60-percent basis, or at a 40-percent reduction. In other words, in the case of an automobile selling for a thousand dollars before devaluation, the moment devaluation took place foreigners could take $600 of their old money and buy a thousand dollars' worth of exchange, and with the exchange they could buy a thousand-dollar car in the United States.

Mr. BAILEY. Mr. President, will the Senator again yield?

Mr. THOMAS of Oklahoma. I yield.

Mr. BAILEY. If the Senator is correct—and I am not saying he is not correct—then the devaluation did make it 40 percent easier for Japan, England, Germany, and other foreign countries to buy American cotton. Is that correct?

Mr. THOMAS of Oklahoma. That is correct.

Mr. BAILEY. And American tobacco and American manufactures?

Mr. THOMAS of Oklahoma. Anything which we sell abroad. Foreigners could come to this country with 60 cents in gold on the old basis and buy an American dollar, and with that dollar they could buy a dollar's worth of American goods.

Mr. BAILEY. But since on this side the dollar did not go down, or was not devalued in America in terms of gold, while foreign nations enjoyed a new and reduced purchasing power, Americans in undertaking to sell to foreigners and to buy goods from them had no such advantage. Is that correct?

Mr. THOMAS of Oklahoma. The Senator is correct to a very large degree. I wish to reiterate that the devaluation of the gold dollar positively, instantaneously, and accurately reduced the price of American goods by 40 percent abroad, so that foreigners could take 60 percent of gold—that is, 60 percent of what it used to take in gold—and buy an American dollar, and with that dollar they could buy a dollar's worth of goods in America. Of course, by the devaluation process, and the extension of our silver program, and by liberalization of credits, and our spending program, our prices in America have been increased; but, in my judgment, it was not due to the devaluation of gold at home. That had something to do with it psychologically, but not so very much. Of course, I contend that the quantitative theory of money is the only theory that has any effect upon the value of money, and no one can disprove that proposition. We have less money in circulation now than we had a year ago. We have lower prices now than we had a year ago. We have less money in circulation than we had in 1920. In 1920 we had 105,000,000 people. Now we have 130,000,000 people. We have less money today than we had in 1920.

Mr. BAILEY. Mr. President, will the Senator again yield?

Mr. THOMAS of Oklahoma. I yield.

Mr. BAILEY. We have now in circulation about $6,300,000,000.

Mr. THOMAS of Oklahoma. I will give the Senator the exact figures. They should be placed in the RECORD. On the 25th of May we had in circulation $6,393,000,000.

Mr. BAILEY. The Senator says that that is less than it was a little while back. The high figure was $7,000,000,000.

Mr. THOMAS of Oklahoma. It has not been $7,000,000,000 since before the bank holiday in 1933.

Mr. BAILEY. But as the Senator says it is now less. There is the difference between $6,300,000,000 and upward of $7,000,000,000. My point is that under that $6,300,000,000 of circulation the Senator says that all commodities are going down. He is correct in that. Commodities have been going down steadily since last April. But he is confronted with the simple fact that when the circulation in 1926 and 1929 was less than $6,000,000,000 the prices of commodities were high and were rising. How does the Senator reconcile that with his quantitative theory of money in circulation?

Mr. THOMAS of Oklahoma. I cannot agree with the Senator's premises. I do not have the record before me, but I shall be very glad to place it in the RECORD. At the present time, as I said, we have money in circulation to the extent of $6,393,000,000. That is $60,000,000 less than a year ago.

Mr. BAILEY. The Senator is well informed on the matter of finance and currency. I believe he will agree with me that the money in circulation in the United States in 1933, 1934, 1932, 1929, and 1926 never amounted to more than $5,700,000,000.

Mr. THOMAS of Oklahoma. Mr. President, in 1920, when we had the highest prices, we had over six and one-half billion dollars in circulation, which is more than we have in circulation now.

Mr. BAILEY. That was in 1920. I was making the comparison with more recent dates. I said 1926 and in the years after that. In 1920 we were just winding up the credit inflation attendant upon the war.

There was temporarily a circulation of $6,300,000,000. But I believe the Senator will agree that, starting at that time, the amount of money in circulation decreased, and, notwithstanding that decrease, the prices of commodities rose. The country was prosperous. That is just my point. I am asking the Senator to reconcile his quantitative theory with the fact that when we had a reduction of circulation we had a rise in prices of commodities.

Mr. THOMAS of Oklahoma. Mr. President, the record is clear. In 1920 we had the highest prices in history, or at least within my recollection. I never saw wheat sell for $2 a bushel except in those years 1919 and 1920. I never saw corn sell for $1.50 a bushel except in those years. I never saw cotton sell for 44 cents a pound except in those years.

Mr. BAILEY. Wheat and corn and all commodities went up during the World War, for two reasons. One was that about 15,000,000 men who had previously been in the business of producing goods, were then engaged in fighting. That created a scarcity, of course. Over in our land the same thing happened when we entered the war. Coupled with that, was the simple fact that the whole world was put on a credit basis. The velocity of circulation was tremendously rapid. But there was not any great increase in the amount of money available. The Senator himself said the money in circulation was only $6,300,000,000. It later went down to $5,700,000,000. It had been as low as $5,500,000,000. So there was an increase of money in circulation of only $800,000,000. What we are doing is testing out the quantitative theory in the light of our experience with prices.

Mr. THOMAS of Oklahoma. Let me place in the RECORD at this point some statistics from memory.

In 1920, when prices were highest, when wheat was selling at $2.40 a bushel, corn at more than $1.50 a bushel, oil at $2.50 a barrel, and cotton at 44 cents a pound, we had 6½ billion dollars in circulation. In 1920 the great Democratic and Republican national conventions met. The Democratic Party was in power. The Republican Party was on the side lines, and wanted to get in power. So the Republicans met in Chicago and condemned the Democratic Party as being responsible for the high prices, the high cost of living. The Republicans solemnly resolved that if they should be successful in the coming election—which meant the fall of 1920—they would courageously and intelligently deflate the currency and the credit of the country, because in their platform they stated that the reason prices were high was because of inflated currency and inflated credit.

At that time the people did not know what that meant. The money question had been dead since 1896. William Jennings Bryan made the money question a very live issue along about 1894, 1895, and 1896; but times got better after 1896, and when prices were good even Mr. Bryan had to forsake the money question and take up some other issue. He made other issues paramount in his subsequent campaigns.

So that in 1920, when we had high prices, the Republican Party was condemning the Democratic Party and charging the Democratic Party with being responsible for high prices. The Republican Party promised the people that if it should come into power it would bring down the high cost of living; and it told the country how it would do it. It would deflate the currency and the credit of the country.

The Republican Party proceeded to do exactly what it had promised the country it would do. The public did not understand. My State is a strong Democratic State, and has always been; yet my State, a farming State, a producing State, in that year went to the polls and gave Mr. Harding a majority of approximately 30,000 votes, voting for cheaper cotton, cheaper corn, and cheaper wheat. The oil men in my State voted for cheaper oil. They did not know anything about the money question. It had been a closed issue for 20 years.

The country went Republican in the fall of 1920. Mr. Harding was inaugurated on the 4th of March 1921; and no sooner had the new party come into power than the policies outlined and promised in the Republican platform were placed into execution. The banks were served notice not only to quit lending money, but to begin to collect some of the money they had already lent. The banks sent out notices to their customers, telling them, "We cannot lend you any more money. We cannot even extend your present loan. Come in and pay; and if you cannot pay all, pay part. We are in a period of deflation."

As the people paid the banks, the banks in turn paid the Federal Reserve System, and for the next 18 months after March 4, 1921, there was taken out of circulation, on the average, $100,000,000 per month of real money. I do

not have the record of how much credit was destroyed, but $100,000,000 of gold, silver, and paper per month was taken out of circulation and sent to the Federal Reserve banks. For practical purposes, the money was destroyed.

The process of canceling the circulation in the country is deflation, Mr. President. It is deflation of the currency of the Nation. When the banks curtail, restrict, and cancel their loans, the result is a curtailment and cancelation of the credit of the Nation.

The Republicans were rather wise. They have always been wise, until recently. I do not think they were very wise 5 or 6 or 7 years ago, but in those days they were rather wise, or at least wise Republicans were in a position to do things. They knew how to beat prices down. They knew how to deflate the country.

They knew how to make prices fall from where they were in 1920 down to where they were in 1922. Knowing how to bring down the prices, and knowing that prices would fall, what was there in the way of the men on the inside, knowing what would happen, making untold fortunes? I do not know of anyone who made a penny, but I do know human nature. Give the average man a chance to make some money legally, legitimately, and honorably, and as a rule he will take advantage of it. The wise boys, knowing that deflation was coming, knowing that money was going to be taken out of circulation, knowing that credit was to be contracted, and knowing that prices would fall, got off the long side of the market, and jumped over on the short side and rode the market down, making all the money they could make with the capital they had at their disposal.

The panic of 1921 was the result of the deflationary policies placed in force immediately after March 4, 1921. The price of cotton fell from 44 cents a pound to 20 cents a pound. The price of wheat fell from $2.40 a bushel to a dollar a bushel. The prices of corn, hogs, and everything else fell. As the prices of these commodities went down, down, down, the price of farm property, the price of city property, and the price of all kinds of property declined. Employment likewise vanished, and disappeared from large sections of the country.

In 1933 we took steps to raise prices. We reversed the program of 1921. In 1921 money was taken out of circulation and credit was contracted in order to bring prices down. In 1933 we took the reverse process. We expanded the circulation. We expanded and broadened the credit base by placing money in circulation.

The people did not do it. The Congress authorized the issuance of bonds. Those bonds were placed in the Federal Reserve banks and the Treasury was authorized to write checks against the credits thus fabricated. That is the creation of money, the creation of a kind of money, the creation of what we call credit money or deposit money.

However, I contend that we have two kinds of money in this country. One kind is called credit money and the other kind is called currency. In the case of credit money one goes to the bank, places his note in the bank, and gives the banker his passbook. The banker puts on the passbook the date and the amount of the loan. By that simple process the banks are permitted to create what we call credit or deposit money. This credit money serves the purpose of money. It is a sort of pseudo money. It acts like money but it is not money. So far as I am concerned money is a thing which can be seen. We cannot see credit money. We can see evidences of it. If we have a check we can look at the check. On its face it is money, a receipt for money or an order for the transfer of money, when the fact is that it may not be money at all. I have no doubt many Senators have accepted checks which they thought were money—that is, credit money—but which turned out to be not even credit money.

Mr. POPE. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. HATCH in the chair). Does the Senator from Oklahoma yield to the Senator from Idaho?

Mr. THOMAS of Oklahoma. I yield.

Mr. POPE. Does the Senator recall how much money was in circulation in 1926, at the time the Senator says the dollar was worth 100 cents?

Mr. THOMAS of Oklahoma. I do not have that information before me. However, it was much less than it was in 1920. I did not bring my financial library to the Senate Chamber.

Mr. POPE. I wonder how the amount of money in circulation in 1926 compares with the amount of money now in circulation, which, I think the Senator said, is $6,390,000,000. How do the figures compare?

Mr. THOMAS of Oklahoma. There was not as much money in circulation in 1926 as there is now. However, in 1926 we had scarcely more than 100,000,000 people. Now we have almost 130,000,000 people. Since 1926 there has been a vast expansion in the field of airplanes, radios, and things of that character, which makes it necessary to have more money.

Since 1926 taxes have doubled. Debts have almost doubled. Interest has gone up because of the debts having gone up. So more money is now required to transact the business of the country than was required in 1926. If only $5,000,000,000 was required in 1926, we should now have a much larger sum in circulation to transact the business of 130,000,000 people.

Mr. POPE. Let me ask the Senator one other question. He may be intending to reach the point. As I understand, the President has announced, as a part of the program, that he expects to desterilize something like $1,400,000,000 of gold. Does that mean that money will be issued against the $1,400,000,000 of gold, and put into circulation?

Mr. THOMAS of Oklahoma. It does not.

Mr. POPE. What does it mean?

Mr. THOMAS of Oklahoma. It means that the Federal Reserve System will receive gold certificates for the gold. When we first started our gold program, the Government called in all the gold. Gold came into the Treasury through the Federal Reserve System. The only way to get money into the Treasury is through the Federal Reserve banks. The Federal Reserve banks collect it. For example, a bank in my State has a little bag of gold. That bank sends the bag of gold to the Federal Reserve bank at Kansas City. The Federal Reserve bank at Kansas City sends the bag of gold probably to New York, or some other assembling place for gold. Then the New York Federal Reserve Bank transmits the gold to Washington, or notifies the Treasury at Washington that it has the gold. Whereupon the Treasury issues—or did issue—what is called a gold certificate, a receipt for the gold. The gold certificate is not money. The bank could not use it, but the bank could keep it, and it actually served as money. It was not the kind of money which the bank could spend with a stranger.

We followed that policy for years, until about a year ago. As fast as money came from abroad, it went into the Federal Reserve banks. The Federal Reserve banks could not keep it under the law. They had to turn it over to the Treasury. The Treasury gave the banks a receipt, called a gold certificate, which was merely a receipt for the gold. The banks claim that sometime they are going to get the gold back. I should not be surprised if they did get the gold back sometime.

Mr. POPE. Will the issuance of these gold certificates against the $1,400,000,000 of sterile gold have an inflationary effect? Will it do any particular good, as the Senator sees it?

Mr. THOMAS of Oklahoma. Yes; I think it will do good, but it will not do sufficient good, and it will not do good rapidly enough. When the reverse process was put on this gold recently, we had $1,400,000,000 of gold that had been sterilized. When the gold came to this country from abroad in settlement of international balances the gold could not be kept by the banks; the banks had to return it to the Treasury; the Treasury had to issue bonds and sell them in order to get the money with which to pay for the gold. The moment the Treasury seized this gold it killed it; it placed it in a coffin; it desterilized it; it placed it where, for the time being, it was not money any more. Of course, it never became so

dead that it could not be revived by an order. We kept on putting these amounts of gold which we received from foreign countries into this sterilized account, sometimes issuing money or bonds for the gold. We put the gold in a place where it could not be used as money for the time being. We kept on with that policy until we desterilized $1,400,000,000 of this gold.

Mr. BAILEY. Mr. President, will the Senator yield?

Mr. THOMAS of Oklahoma. I yield.

Mr. BAILEY. Up until the order last March gold was nonsterile, was it not?

Mr. THOMAS of Oklahoma. It was very much alive, in a way.

Mr. BAILEY. What were the transactions which made it alive? The gold came over here to the banks. The gold did not circulate. Circulating medium was issued in exchange for the gold. It was live gold, then, because there was a currency substitution for it. Then, the sterilization process took place, whereby the Government did not issue currency but issued nonnegotiable notes or certificates which did not circulate. Under the desterilization process currency is issued to take up the nonnegotiable notes or certificates. Is not that what the Treasury is now doing?

Mr. THOMAS of Oklahoma. As the gold came in, the Treasury issued bonds and placed those bonds somewhere for credit with which to buy the gold. That was the effect of the transaction. Then the gold was a liability for the time being. We were paying interest on bonds somewhere to keep that gold in a safe, dead condition. That was done to make money scarce.

Mr. BAILEY. The notes, or certificates, that were deposited in lieu of the gold were noncirculating notes?

Mr. THOMAS of Oklahoma. There are no notes against the sterilized gold.

Mr. BAILEY. That is the point. I was making a comparison, if the Senator will permit me, as between the period when the gold was nonsterile and the period when the gold became sterile. The difference in the transaction was that prior to the sterilization of gold, money was issued for gold. Subsequently, when the sterilization occurred, the money was not issued but notes were issued. Now gold is desterilized by issuing currency and taking up those notes. Is not that the process?

Mr. THOMAS of Oklahoma. No. Mr. President, the Treasury Department issues an order bringing to life $50,000,000 of this gold a week; they do not bring it back to life all at once. They go to the storehouse and take $50,000,000 of the gold and bring that back to life each week. That means $200,000,000 a month.

Mr. BAILEY. And they issue currency against it?

Mr. THOMAS of Oklahoma. No.

Mr. BAILEY. How do they make it alive?

Mr. THOMAS of Oklahoma. They, of course, place certificates against it, but they are not currency. They put the certificates against the gold in the Federal Reserve banks, just as the Senator does when he goes down to his bank and places his note in the bank; but that is not money.

Mr. BAILEY. The only way to make the gold alive would be to issue circulating medium against it. That was done up until last March, but it was not done after last March.

Mr. THOMAS of Oklahoma. Mr. President, I desire to keep the record straight; that is not correct. There has been no money in circulation against this gold since the order calling in the gold. At that time gold went out of circulation.

Mr. BAILEY. Then it was desterilized all the time, because it did not have any influence on the currency?

Mr. THOMAS of Oklahoma. We used that gold to secure credit but there was no money issued against it.

Mr. BAILEY. Credit for what?

Mr. THOMAS of Oklahoma. Credit to write checks against. The Senator's salary has been paid for years out of credit the Government has secured by placing the certificates against this gold in some Federal Reserve bank or some other place. That, of course, is not a personal allusion.

Mr. BAILEY. The Government has been paying off its employees, including the Senator, with checks drawn against its gold?

Mr. THOMAS of Oklahoma. I have not seen the Senator's check, but it is the same thing.

Mr. BAILEY. I will say to the Senator there is not a check issued in this country to anybody, so far as I know, that is drawn against the gold in the Treasury.

Mr. THOMAS of Oklahoma. The Senator is entirely correct. There is no question about that. But the Treasury has to have credit. It either has to have money in its vaults or it must have credit. The Treasury has to have credit at the Federal Reserve banks or it might have credit at some private bank.

Mr. BAILEY. The credit of the Treasury of the United States is the taxing power of the Federal Government.

Mr. THOMAS of Oklahoma. Mr. President, the Senator is very technical. We have two kinds of credit. We have credit in the taxing power; that is true; but the Treasury has credit or it could not write a check. Almost every day we see checks, green slips of paper drawn on the Treasury of the United States. The Treasury must have either gold or silver or copper or it must have some kind of paper deposit funds against which to write that check, because the Treasury is not supposed to "kite" checks. It may do so, but is not supposed to. So there is some kind of money, either real money, deposit money, or credit money in the banks against which the United States Treasury writes its own checks. This credit may be, no doubt, and oftentimes is, based upon the gold certificates that are issued and against the gold that is in the vaults at Fort Knox, Ky.

Mr. President, the price level we have been talking about changes. I said that in 1926 the level was 100; in 1933 the level was 167. There was a change of 67 points from 1926 to 1933.

Every time the price level changes one point it makes a difference in value of the property of the Nation of approximately $4,000,000,000. As the dollar goes up, property throughout the country loses approximately $4,000,000,000 for every point the dollar goes up, because dollars measure value. Likewise, every time the dollar goes up one point, property values go down approximately $4,000,000,000. So, from 1926 to 1933, a great loss occurred in property values. The national income fell; the estimated value of all the property in the United States fell; farms fell in value; factories fell in value; railroad properties fell in value; everything that had value lost some of its value from 1926 until 1933.

In 1933 we commenced to take some of the excess value from the dollar. So every time we brought the dollar down one point we added $4,000,000,000 to the property values of the United States. We got the dollar down, as I said, in 1937 to 112. Since March 1937, when the dollar was at 112, it has gone up until today it is approximately 128. That represents a 16-point rise in the value of the dollar during the past year. As the dollar goes up, property goes down. Sixteen points, multiplied by $4,000,000,000, represents approximately the amount of property loss, as measured in terms of dollars, since March 1937 until the present time.

Mr. President, who is responsible for this condition? It is not the Secretary of the Treasury. He is not charged under the Constitution with authority to change and regulate the value of the dollar. The responsibility falls back upon the Congress of the United States. The Constitution provides that the Congress shall coin money and regulate the value thereof. So, when the dollar goes up, the Congress is responsible. When the dollar goes up, property values fall; and Congress is responsible for the fall of property values. When the dollar goes down, property values go up; and, when property values go up, Congress is responsible for that condition. We are not assuming that responsibility. Perhaps since I have commenced discussing this question, property values in this country have changed to the extent of hundreds of millions of dollars. I am trying to call this situation to the attention of the American Congress and the American people.

There will be no relief whatever from this depression, none is possible, until somebody takes some monetary action. The only relief we had in 1933, 1934, and 1935 was due to monetary action—the expansion of money, the expansion of credit. The people did not expand the credit, the Government expanded the people's credit by borrowing and then spreading the credit among the millions of the ill-clothed, the ill-housed, and the ill-fed people of the Nation.

We are now trying to get along with a dollar worth 128 cents. When a farmer in my State wants to get a dollar with which to pay his taxes or to pay his interest or to pay his debts, he has to slave in order to produce 128 cents' worth of a given commodity and then deliver that commodity to someone who will buy it so that he may get a dollar. Such a condition cannot continue indefinitely, and it should not be allowed to continue. There can be no salvation, in my judgment; there can be no possible relief until the excess value is taken from the American dollar.

Of course the bondholders have had a picnic during the past year. The bondholders have seen their dollars advance in value from 112 cents to 128 cents during the past year. They have seen their dollars go up 16 points in value. That is easily explained. A year ago a dollar would buy only so much property. Now the dollar will buy more property. It will buy more wheat. A year ago wheat was selling for $1.40 a bushel. Now wheat is selling for less than half of $1.40 a bushel. So the bondholder's dollar, instead of being worth 1 bushel of wheat a year ago, is worth 2 bushels of wheat today. A year ago cotton was worth 14½ cents of the bondholder's dollar, per pound. Today the bondholder's dollar will buy double the amount of cotton that it would buy a year ago. The same thing is true of corn. The same thing is true of oil. The same thing is true of practically everything that is produced by the people of this Republic. Yet with a falling price level, a falling price scale, we expect the country to work out of the depression.

Here we are, one branch of the Congress of the United States, two Senators from every State, 96 of us, with only 15 to 20 Senators upon the floor. I realize that it is Saturday afternoon, and I realize that I am speaking. Others could have a crowd on the floor, and crowded galleries; but, Mr. President, I force myself upon the Senate, I force myself in the RECORD, to do the best I can to portray these conditions for the RECORD and to the people who may have a chance to read the RECORD. We are going in the wrong direction. Every day property values are going down, which means that the dollar is going up. No one outside of this body and the other body has power over the dollar, except as we have delegated part of our power. We have given some of our power to some officials. They could exercise that power, but they are not doing it; I do not know why.

Until that power is exercised, or until Congress proceeds to exercise the power that it has, there will be and can be no relief to the people of the United States. Unemployment will continue, factories will continue to close, wholesalers will continue to close their doors, retailers will continue to go bankrupt, producers will fail to make a profit, and the depression or recession will continue.

Mr. President, in 1933 we passed an act which, while it may not have raised prices very much, did make a very substantial profit to the Treasury of the United States. In 1933 we had about four and a half billion dollars in gold. We called in all that gold. We condemned that gold, so to speak. We called it in under the power of eminent domain, and said to the people of the United States, If you have gold, it is more important to the Government as a basis of all the people's money than it is to you to be hoarded; so you bring in your gold and turn it over to the Treasury." The people turned over their gold, and when we had collected all the gold we found we had about four and a half billion dollars of the yellow metal.

The President had the power to cut each dollar in two, and make two dollars where before there was but one. He did not exercise that full power. He took only 40 percent out of the dollar, leaving 60 percent in it. But the 40 percent taken from each dollar became profit. It went into the profit account. When the President had theoretically clipped 40 percent out of each gold dollar, and placed the 40 percent in the profit pile, and when the profit pile was revalued, we found we had a profit of $2,800,000,000 for the Treasury. It made that much money for the people of the United States; and we still had a dollar which, although reduced in size, was worth very much more than the old, big dollar was worth in 1920 and 1926 and 1930 and up until 1933.

Mr. President, since 1933 or 1934 this gold pile of ours has constantly increased. Instead of having four or five billion dollars of gold today, we have approximately $13,000,000,000 in gold. In the American Treasury tonight there is almost $13,000,000,000 of gold. That is more than one-half of all the gold in the world. There is only about $21,000,000,000 of gold in the world; the people have in their Treasury thirteen twenty-firsts of all the monetary gold in the world. That gold is not serving any very good purpose. It is nice to know that we have it. We never see it. The only thing we know about it is that we see it in the Treasury reports. We know it is stored somewhere, or we think it is—we know it is, in fact—and it is a nice thing to have as a war chest; but it is of no particular benefit to the people of the United States.

Under existing law the President has the power still further to devalue the gold dollar. He cut 40 percent out of the gold dollar. He reduced its weight from 25.8 grains of gold, nine-tenths fine, to 15.23 grains of gold, nine-tenths fine. The President can still further reduce the value and weight of the dollar and cut it down to 12.9 grains. We now have enough gold in the Treasury that if the President saw fit he could, by a simple order, still further reduce the value and size of the gold dollar by reducing its content to 12.9 grains; and that would make an additional profit to the Treasury of $2,338,000,000. It could be done by an order.

One order, one signature of the President, made a profit for the people of $2,800,000,000. By signing his name again he could make another profit to the people of $2,338,000,000. By signing his name twice he could thereby make a total profit to the Treasury of a sum in excess of $5,000,000,000; and even if that should be done this afternoon, while it would cheapen American goods abroad, it would have no perceptible effect upon the price of goods here in America. If he should still further reduce the gold content of the dollar to the limit, and make the new dollar 12.9 grains of gold, nine-tenths fine, unless more money were placed in circulation here in America the prices here at home would not be substantially changed, but it would reduce the price of American goods in terms of foreign exchange to the full amount of the gold reduction.

Now, Mr. President, I desire to place in the RECORD some facts taken from the press of yesterday.

On Wednesday, May 25—3 days ago—the commodity market reached new lows. In the table I have before me are shown the prices of the market for May 25 and the equivalent prices on the old gold standard of $20.67 an ounce.

On May 25 cotton was selling for $8.21 a hundred, or 8.21 cents a pound. If we had not devalued the gold dollar, cotton on that day would have been selling for 4.84 cents per pound. Cotton is not a local commodity but a world commodity; and cotton is measured in terms of gold throughout the world. Every moment of every day cotton of the same basis and grade is worth the same price throughout the world. At any given moment it is worth the same price. The only difference is the difference in transportation costs and insurance costs and things of that character. So, on that day cotton was selling here for 8.21 cents a pound. Had we not devalued the gold dollar 3 or 4 years ago, cotton, being a world commodity, would have been selling, on the basis of the old gold dollar, at 4.84 cents per pound.

On that day wheat was selling for 73.5 cents per bushel. Wheat is another world commodity; and had we not devalued the dollar in 1934 wheat would have been selling on May 25, on the basis of the old dollar, for 43.6 cents per bushel.

Corn was selling on May 25 for 55.5 cents per bushel. Had we not devalued the gold dollar in 1934 corn would have been selling on the same day for 34.7 cents per bushel.

Oats were selling on the 25th of May for 26.8 cents per bushel. Had we not devalued the gold dollar, oats would have been selling on the same day for 15.4 cents per bushel.

Rye was selling on the 25th of this month for 54.75 cents per bushel. Had we not devalued the gold dollar, rye would have been selling for 32.3 cents per bushel.

Beef was selling for 9 cents a pound on the 25th of this month. Had we not devalued the gold dollar, beef would have been selling for 5.31 cents per pound.

Hogs were selling on the 25th of this month for 9.2 cents per pound. Had we not devalued the gold dollar, hogs would have been selling for 5.42 cents per pound.

Lambs were selling on the 25th of this month for 10.25 cents per pound. Had we not devalued the gold dollar, lambs would have been selling on that day for 6.05 cents per pound.

Eggs were selling on the twenty-fifth of this month for 25.5 cents per dozen. Had we not devalued the gold dollar, eggs would have been selling on the same date for 16.02 cents per dozen.

Butter was selling on the twenty-fifth of this month at 26.25 cents per pound. Had we not devalued the gold dollar butter would have been selling in the butter-producing States of the Nation at 15.5 cents per pound.

In June 1933 cotton reached its all-time history low on the old gold standard for 4.92 cents per pound. On May 25, 1938, 3 days ago, cotton reached the new all-time low of 4.84 cents per pound on the equivalent basis of $20.67 an ounce for gold. In other words, had we not devalued gold in 1934, cotton would have sold 3 days ago at the lowest figure that history records.

Wheat at 73.5 cents per bushel is wheat on the old gold standard at 43.6 cents per bushel. The lowest price for which wheat ever sold, from Queen Elizabeth's day until this week, was in 1932, when it was quoted at 44.5 cents on the futures exchanges. Cotton sold yesterday—Friday, May 27—at 7.97 cents per pound, which, on the old gold standard, would have been 4.7 cents per pound.

That is lower than it was a few days ago. Had we not devalued the gold dollar cotton would have sold yesterday in terms of gold at the lowest price in history.

Wheat is selling at 71⅞ cents, which is the equivalent of 42.4 cents per bushel. That is as low as it was in 1932 and 1933, and had we not devalued the gold dollar that would have been the price of wheat on yesterday. With the devaluation of the gold dollar the prices of these commodities were raised, and by a further devaluation we can still further increase the price of wheat, the price of cotton, and the prices of all commodities which are measured in terms of gold throughout the world. It will not affect the price of automobiles; it will not affect the prices of things we produce and consume in this country; but, as to imported commodities, by decreasing the gold content of the dollar we thereby to some extent increase the price of such commodities as are measured in terms of gold throughout the world every hour of the day.

Mr. President, the quotations I have just given were all taken from the futures market as reported by the Chicago Board of Trade as to wheat and the New York futures market with regard to the other commodities.

I merely wanted to place these facts in the RECORD. I take occasion to do this every so often, although it does not seem to do very much good.

There is no possibility of relief in the present situation except by cheapening our dollar. Other nations have cheapened their money. At this point I wish to place in the RECORD a statement of just what is going on in the other nations of the world. The French franc, for example, has been reduced in value from 6 cents plus to 2 cents plus. The French people have devalued the franc in the last few years and by devaluing the franc they have reduced its gold content from 6 cents plus to 2 cents plus.

The Dutch guilder has been decreased from 65 cents plus to 55 cents plus.

The Italian lira has been reduced in value from 8 cents plus to 5 cents plus.

The Belgian belga has been reduced from 22 cents plus to 16 cents plus.

The Argentine peso has been reduced from 34 cents plus to 26 cents plus.

The Brazilian milreis has been reduced from 8 cents plus to 5 cents plus.

The Chinese yuan dollar has been reduced from 33 cents plus to 22 cents plus.

The Mexican peso has been reduced from 27 cents plus to 22 cents plus.

The Hongkong Chinese dollar has been reduced from 37 cents plus to 30 cents plus.

While the other nations of the world are depreciating their currency, making their money go down in terms of commodities, in the United States we are sitting idly by and seeing the American dollar rise, and every time it rises the prices of commodities fall. There is no relief in sight. The pending measure is only a sedative. I shall vote for the pending joint resolution; I have to vote for it, but it is not a solution of the problem. Pass this measure and do nothing about our money question, and next year we will be called upon to pass another bill appropriating three billion or four billion or five billion dollars, and if the monetary question is not studied and adjusted at a very early date, I am not sure that more serious consequences may not befall the American people.

The PRESIDING OFFICER (Mr. BANKHEAD in the chair). The question is on agreeing to the committee amendment on page 2, lines 3 and 4.

Mr. JOHNSON of California. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Adams	Copeland	Hughes	O'Mahoney
Andrews	Davis	Johnson, Calif.	Overton
Austin	Dieterich	Johnson, Colo.	Pepper
Bailey	Donahey	King	Pope
Bankhead	Duffy	La Follette	Radcliffe
Barkley	Ellender	Lee	Russell
Bilbo	Frazier	Lewis	Schwartz
Bone	George	Lodge	Schwellenbach
Borah	Gerry	Logan	Sheppard
Brown, Mich.	Gibson	Lonergan	Shipstead
Brown, N. H.	Glass	Lundeen	Thomas, Okla.
Bulkley	Green	McAdoo	Thomas, Utah
Bulow	Guffey	McCarran	Townsend
Burke	Hale	McGill	Truman
Byrd	Harrison	McKellar	Tydings
Byrnes	Hatch	McNary	Vandenberg
Capper	Hayden	Maloney	Van Nuys
Caraway	Herring	Miller	Walsh
Chavez	Hill	Minton	Wheeler
Clark	Hitchcock	Murray	White
Connally	Holt	Norris	

The PRESIDING OFFICER. Eighty-three Senators have answered to their names. A quorum is present.

The question is on the committee amendment on page 2, lines 3 and 4.

Mr. BAILEY. Mr. President, I intend to direct the attention of the Senate particularly at this time to two amendments which I have proposed to the pending legislation, and to make some general remarks with reference to the bill as a whole. Before proceeding, however, I feel impelled to commend and to thank the senior Senator from Mississippi, the chairman of the Committee on Finance of the Senate, for his able, timely, and courageous response to the remarks of the President on the subject of the new tax bill, now the law. I am very grateful to the Senator, and I believe the Senate is. I feel perfectly safe in saying that the members of the Finance Committee are. I believe the country will also be grateful to him for his timely exposition of the facts concerning that legislation.

While I am thanking the Senator I wish to express the hope that the remarks of the President yesterday will not

have the consequence of discouraging the taxpayers of the United States and will not tend to retard that progress and extinguish those hopes to which the labors of the Congress in the matter of this legislation have given rise.

I will say for the Senate Finance Committee that it worked with all diligence and unremittingly on the legislation, and in the light of the fact. We were not dealing with theories, Mr. President. We were dealing with legislation which we had every reason to believe had done an immense amount of harm in this country, and it seemed to us that the whole country knew that. We were dealing with that undistributed-profits tax which, by placing heavy penalties upon profits, even when they were devoted to the payment of debts, or the repairing of deficits, made it almost impossible to pay those debts or to repair those deficits. Also we were dealing with a situation in which penalties had been placed upon the investment of surpluses in the expansion of enterprise, which had made it almost impossible, and surely not worth while, to expand an industry, the penalties ranging from 7 to 20 percent.

Back of that situation was this: We know—I think everybody ought to know—that the only way to take care of the unemployed in this country, the only way to get the 11,000,000 of unemployed men and women back to work, is by way of getting them to work in industry; and the only way to get them back to work in industry is to expand the industry, and the only way to get the industry expanded is to accumulate surpluses and profits so that the operator can extend his plant and buy more machinery and enlarge his market. The undistributed-profits tax stood in the way of all that.

There is a factor which is often overlooked in our consideration of this question. In the period of 1920 to 1930 the average of new money invested in American enterprise was $3,800,000,000 a year. Every year that much of new money came forward to employ the young men and the young women who, reaching the stage of responsibility, were in need of the opportunities of work. As long as that new money would come in at that rate we had no trouble; we had a growing and a prosperous country. But beginning in 1930, first on account of the shock of the economic collapse, subsequently on account of public policy, men and women in America who saved money did not dare put it out. It is not a matter of speculating on the stock market, as was suggested. It is a matter of putting your investments in the bond of a corporation, or in the preferred stock, or in a share of common stock when the bonds or the stocks are offered on the market. It is not a matter, as so many believe, of a corporation going to New York City and executing a note and getting some money from a big banker. The big bankers have never had enough money to finance American industry. They have not professed to do it. They never have put out $3,800,000,000 a year. They never have put out half that sum.

What we must always bear in mind is that the capital of the country is not a matter of a few bankers or a few rich people. The sources of the capital investment in America are 10,000,000 people. The little homes where money is saved are the springs of capital. Corporations finance their expenditures and their enlargements, first by saving a certain portion of their earnings, and then again by selling their stocks and their bonds on their records of earnings, on the profits which can be reasonably expected. But we have pursued a policy, and are still pursuing that policy—and the undistributed-profits tax and the capital-gains tax were perfect illustrations of the policy, although they are not the whole policy—under which men and women dared not put their savings in industry, because the public policy discouraged them; it notified them that there would not be any profit; it notified them that business would always be attacked; it notified them that Government would compete with business.

What inducement is there to a man who has saved $500 to buy a corporate bond or a share of preferred stock if he is notified at the same time that the Government is going to tax the corporation and then use the money to compete with him? He will keep his money.

People talk about the banks being filled with money. The banks always will be filled with idle money—almost worthless money—as long as we pursue a policy which notifies the men and women of America who have saved, and who wish to save, that their money will not be safe if invested in business.

There is only one way to get out of the depression, and that is to make it safe for men and women to put their savings in industries which will employ our citizens.

I may remark that as long as we pursue the policy which we are now pursuing it will be incumbent upon us to appropriate $3,800,000,000 a year to take the place of the savings which normally go into live enterprises. That is precisely what we have been doing. If we take the calculation for the past 5 years we find that the Government, by depressing investment, has been driven to the point of making temporary investments of a dead character, in nonrenewable enterprises, in order to take care of the slack which the Government itself has created.

When we add to that sort of a policy a policy which imposes a tax on the savings of a corporation invested, not for the corporation's sake, but to expand it and to employ people, and I am notified that if I put $500 or $10,000 in an investment and the investment succeeds all the profits will be taken from me in taxes, of course the Government defeats the very measure which would make for employment. We are surrounded today with 11,000,000 unemployed, and we are considering a bill which will have the consequence of supplying, in borrowed money, for purposes of temporary employment, the invested funds which, by a proper policy, would be induced out of the pockets of 10,000,000 American men and women, under what has been the American system and the American habit. That system is what we call American capitalism.

I know every one has a way of saying that he is in favor of preserving the capitalistic system. However, it does me no good for anyone to tell me that he is in favor of preserving it when he pursues a public policy calculated to destroy it. It is the reality with which we have to deal.

I have no interest in capital as capital. I have no interest in any corporation. I do not know that I could say that I have even one share of stock in a corporation. However, I am interested in the American structure and the American system, whereby private enterprise will carry on the country and take care of the unemployed, pay the taxes, and balance the Budget.

Let us look at the matter for a moment in another way. How is the Government of the United States ever going to balance its Budget unless we encourage private enterprise? Where do taxes come from? The larger base of the Federal revenue is income; and that income must come from individuals and from corporations if we are to obtain the necessary money to pay the annual expenditures. We are now falling short of that goal. The deficit is $1,500,000,000 for this year, with the prospect of a deficit next year of over two and a half billions. We have accumulated a debt of $37,000,000,000, representing an increase of $21,000,000,000 over 1916. How are we ever going to balance the Budget? How are we ever going to pay the debt? How are we ever going to pay the interest on the debt, except on the basis of profitable enterprise? If we are to use that base, we must encourage private enterprise; we must encourage the investment of money; we must bring forth the capital, and we can do so only by encouraging profits.

So I say to the Senate that there is no other way through. Unless we encourage investment we shall have a similar bill next year. We shall again be trying to prime the pump, very well knowing that we are not priming the pump, but pouring the water down the spout and pumping up the same water. We tried pump priming in 1933 and 1934, 1935 and 1936, and 1937; and here we are today—I will not say we are in just as bad a condition as we ever were, but we are in a bad condition; and there is not a Senator who does not fear that we may get in a worse condition than we ever were.

We shall come back next year with the same problem. We may get away with it 1 more year; but every man in

possession of his senses knows that we cannot get away with it forever; and the further we go with it the more difficult it will be, because as the debt increases, our credit will be reduced.

Why can we not turn around? Why can we not pursue a policy which will encourage the men and women of America to invest their money in businesses, little and big, to bring about the annual investment which we had in the last decade, and get rid of the depression, balance the Budget, and employ the unemployed? Why tarry? Why procrastinate by borrowing year after year?

Mr. President, to my mind these are serious matters. I rejoice, and I am proud that I had a hand in the formulation of the new tax law. I will not go back, if I can help it, to the principle of the undistributed-profits tax; and I do not believe the Congress will. Some of us may be displaced.

I am told that there is now a "committee on elimination." I read about it in the newspaper this morning. Some of us may be displaced; but I do not believe it. I am willing to submit that issue to the American people. The very conception that there is a movement on foot in Washington to get rid of Senators because they do not obey orders! Let that issue go to the American people. I still have a very great deal of respect for the people, and a very great deal of confidence in them. I protest against the threats of reprisals. I protest against an effort to place in the Senate of the United States men who will of anybody, and, most of all, men who will do the will of the authorities at the central government. Our Government never was a central government. This is a Senate of States. I hope it always will be.

I shall be back in the Senate next year, and I shall resist such things. I am glad to have the assurance just now from the Senator from Mississippi [Mr. HARRISON], the chairman of our committee, that he will resist them.

The tax laws of the country must be written by the Congress, which, under the Constitution, is the representative of the people. The tax laws will not be dictated from any department, executive or otherwise.

Mr. President, that is all I wish to say about the matter at this time. I pass on to commend and fully endorse the remarks made today by the senior Senator from Georgia [Mr. GEORGE].

Mr. KING. Mr. President, will the Senator yield before he leaves that point?

The PRESIDING OFFICER (Mr. GERRY in the chair). Does the Senator from North Carolina yield to the Senator from Utah?

Mr. BAILEY. I yield.

Mr. KING. The Senator stated that he will not be dictated to in the matter of tax measures. The Senator will recall, however, that at the last session of Congress the undistributed-profits tax did not originate in the legislative branch of the Government. It originated in an executive department of the Government; and a representative of the executive department, undoubtedly with the authority and approval of the Chief Executive of our country, appeared before the Ways and Means Committee of the House and before the Finance Committee of the Senate, and earnestly insisted upon the enactment of the undistributed-profits-tax bill, which had been prepared, undoubtedly, by the experts of one of the executive departments of the Government. The Senate resisted those demands; and the bill, as it passed the Senate, contained an undistributed-profits tax of only 7 percent. In conference, after weeks of deadlock, a compromise was finally reluctantly agreed upon by the representatives of the Senate, under the terms of which 27 percent became the maximum amount. I mention that circumstance merely to indicate that unfortunately the Congress of the United States has not always been independent in the matter of revenue legislation.

Mr. BAILEY. I thank the Senator. I fully recall the details of the struggle in 1936. The undistributed-profits tax would not have been approved by the Finance Committee of the Senate even then, but for the fact that we were on the verge of adjournment, and we were notified that the national Democratic convention would meet the following week. We wished to close our labors and adjourn the Congress for the convention. We had to yield. Sometimes I have thought that it would have been better if we had yielded on the original bill, and let the American people see a perfect illustration of the folly of the bill as first presented.

When the bill came to the Senate of the United States a corporation making a hundred million dollars a year and declaring it in dividends would pay no taxes at all, while a little corporation making $10,000 a year and paying half of it in dividends would have to pay taxes on the other half. We would have had such a situation that a corporation making $5,000 a year would pay taxes, while a corporation making $100,000,000 a year would pay nothing. Such was the form of the bill when it came to the Senate. I knew of one corporation that would have saved $4,200,000 a year under that bill, while its next-door neighbor would have had its taxes increased 50 percent. It was said that the bill was against the large corporation. It was not against the large corporation. It would have increased the net worth of the stock of the corporation to which I have referred by an income of $4,000,000 a year, which would be 4 percent interest on $100,000,000. That is the sort of a bill we dealt with.

We all know the circumstances. A compromise was effected.

The American people had their lesson. Sometimes I think the only way to teach the American people the fallacy of legislation and of theories is to stand aside and let them suffer the consequences. God Almighty knows I do not want to do that. They learned their lesson in this instance. The Senator from Utah may say we had to yield, but I am telling him that we did not have to yield in this instance, and the only reason was the people had that experience. It will be easier for us the farther we go down the road.

Mr. President, I wish to say a word further about the remarks of our friend, the distinguished senior Senator from Georgia [Mr. GEORGE] this morning. They were very timely. He called our attention to the fact that the Japanese are increasing their exports of textiles to this country not 100 percent a year but 100 percent this year and then 100 percent on the last 100 percent, and another 100 percent on that. Their importations to us are increasing in geometrical ratio.

In the South, which is undertaking to make some developments in the way of textile industries, legislation is about to be put on us to increase wages. What is the use of increasing wages, Mr. President, if Japan is going to do the work? What is the use of increasing wages when we are letting Japan drive the workers out of our American mills? One of the experts of the N. R. A. said in his book printed recently that the N. R. A. drove 500,000 negroes out of their jobs in the South. Probably the wage and hour bill will do the same thing. We lift wages, we lift costs, and then open the door to Japan to sell all she pleases here. Yet we call that government; we call that economics; we call that "new deal."

We are called upon today to pass a bill to appropriate $3,000,000,000—not of the taxpayers' money; oh, no, but borrowed money, to be paid by the little children who are growing up around our homes. It will not be paid by Senators; not a great deal of it will be paid by anybody who is as much as 50 years of age; it will have to be paid by future generations. We are going to tell them that, whereas we could not get along without borrowing, they must pay our debts and get along besides. That is a strange picture, Senators and fathers, to paint for the generation for which we are supposed to make way.

I commend the statement, wise and timely, coming from the able, high-minded senior Senator from the State of Georgia.

Mr. President, with these remarks by way of preliminary, I wish to call attention to the amendment intended to be proposed by me to the pending joint resolution. I shall again

call attention to it at the proper time. Its language is, as follows:

On page 25, after line 2, insert a new subsection as follows:

"(j) In making allotments hereunder preference shall be given to those projects, other than loans and grants for plants competitive with public power utilities, as listed in a document of the Federal Emergency Administration of Public Works, and entitled 'List (by counties) of pending non-Federal applications for which no allotments have been made as of April 12, 1938—All examined and recommended by Examining Division on 45 percent grant basis.' Said document bears the number 77."

I have that document in my hand. If my amendment should prevail, of the money appropriated for public works, the administration of which is presided over by Mr. Ickes, some $980,000,000, preference would be given to the list of local non-Federal projects printed in this book by the Administrator, and made available, I think, to every Senator. I have been informed the contents of it have been printed in the RECORD, but I am not sure as to that. The Senator from Colorado informs me he thinks they have not been so printed. The document is rather large, Mr. President, I should dislike to put the Government to the expense of having it printed in the RECORD, but I am going to call attention to it again, and ask Senators who are interested to get a copy of it.

In the first place, these works have all been examined and recommended by the examining division of the Department of Public Works under Secretary Ickes. They came forward along with other projects, but other projects got ahead of them in the great rush for local projects. When April 12 came, no more money being available, these projects were just left off. I am saying, in the first place, that they are good projects, that each of them has been examined; each has been recommended by the examining division on the 45-percent grant basis. They are definite, they are known, and they are well distributed. Any Senator may take the book and refer to it by States, as, for example, Arkansas, California, and so on, and see at once just what places would get the projects, how much the loan would be, how much the grant would be, what the total would be, and also obtain a statement of the total estimated project cost.

If Senators should vote for my amendment, they would be dealing with something about which they know, something which they can control, something which has been examined and approved. I think, as a further argument, they would also be giving a square deal to the sponsors, the States and localities which were left out through no fault of their own.

I ask that the entire table on the first page of the document be printed in the RECORD.

The PRESIDING OFFICER. Without objection, the table will be printed in the RECORD.

The table referred to is as follows:

Summary of list (by counties) of pending non-Federal applications for which no allotments have been made as of Apr. 12, 1938 (all examined and recommended by examining divisions on 45-percent grant basis)

State	Number of projects	Loan	Grant	Total	Estimated cost
Alabama	39	$2,033,500	$2,537,109	$4,570,609	$5,647,976
Arizona	43	1,403,500	2,958,885	4,362,385	6,578,530
Arkansas	21	1,208,000	1,075,885	2,283,885	2,391,638
California	141	1,783,000	39,916,419	41,699,419	114,345,293
Colorado	25	23,000	2,264,364	2,287,364	5,031,919
Connecticut	36		9,798,989	9,798,989	21,775,425
Delaware	3		194,363	194,363	431,918
Florida	51	6,355,000	9,881,734	16,236,734	21,965,561
Georgia	67	297,300	3,017,430	3,314,730	6,705,399
Idaho	21	236,000	1,104,743	1,340,743	2,410,243
Illinois	144	27,676,000	48,500,299	76,176,299	107,777,501
Indiana	88	1,866,000	9,212,310	11,078,310	20,475,123
Iowa	84	270,000	3,502,943	3,772,943	7,844,321
Kansas	63	476,000	4,112,973	4,588,973	9,141,742
Kentucky	54	250,000	4,787,719	5,037,719	10,639,280
Louisiana	44	144,000	29,537,476	29,681,476	65,640,046
Maine	17	37,000	1,048,693	1,085,693	2,330,433
Maryland	21		3,633,594	3,633,594	8,074,474
Massachusetts	39		8,261,944	8,261,944	18,491,816
Michigan	86	11,714,000	14,985,551	26,699,551	33,302,642
Minnesota	86	61,000	10,167,739	10,228,739	22,596,260
Mississippi	39	3,096,900	3,373,030	6,469,930	7,497,286
Missouri	71	397,000	6,566,153	6,963,153	14,591,907
Montana	29	$1,460,000	$2,077,925	$3,537,925	$4,617,613
Nebraska	36	5,227,000	8,555,041	13,782,041	19,014,276
Nevada	9	48,500	357,402	405,902	805,286
New Hampshire	19		5,323,270	5,323,270	11,824,038
New Jersey	70	5,863,000	17,998,754	23,861,754	40,190,744
New Mexico	7	2,101,000	3,137,499	5,238,499	6,971,152
New York	154	21,378,000	63,954,934	85,332,934	146,815,741
North Carolina	72	1,490,500	4,503,167	5,993,667	10,009,043
North Dakota	15		410,094	410,094	911,320
Ohio	113	870,500	14,074,529	14,945,029	31,327,294
Oklahoma	38	527,000	2,781,579	3,308,579	6,183,219
Oregon	42	226,000	1,658,998	1,884,998	3,690,168
Pennsylvania	97	299,000	21,819,156	22,118,156	48,602,235
Rhode Island	11		2,380,880	2,380,880	5,290,844
South Carolina	52	1,090,500	3,705,510	4,796,010	8,286,158
South Dakota	26	554,300	628,730	1,183,030	1,396,293
Tennessee	60	837,000	4,110,189	4,947,189	9,133,769
Texas	258	15,254,500	27,809,135	43,063,635	61,902,163
Utah	48	223,000	1,945,961	2,168,961	4,324,366
Vermont	23		779,737	779,737	1,734,030
Virginia	91	697,000	5,995,739	6,692,739	13,324,290
Washington	77	97,000	8,413,886	8,510,886	18,698,116
West Virginia	22	1,096,000	2,373,458	3,469,458	5,274,350
Wisconsin	87	8,592,000	13,344,366	21,936,366	29,665,628
Wyoming	3		211,171	211,171	469,271
District of Columbia	3	1,960,000	840,000	2,800,000	2,800,000
Alaska	11	35,000	401,536	436,536	892,302
Hawaii	13	399,000	1,087,692	1,486,692	2,423,459
Puerto Rico	16	2,865,000	1,427,319	4,292,319	4,422,319
Total	2,785	132,518,000	442,548,002	575,066,002	1,016,686,130

Mr. BAILEY. The total number of projects is 2,785. The number of projects in Alabama is 39; in Arizona, 43; in Arkansas, 21; in California, 141; in Colorado, 25; in Connecticut, 36; in Delaware, 3; in Florida, 51; in Georgia, 67; in Idaho, 21; in Illinois, 144; in Indiana, 88; in Iowa, 84; in Kansas, 63; in Kentucky, 54; in Louisiana, 44; in Maine, 17; in Maryland, 21; in Massachusetts, 39; in Michigan, 86; in Minnesota, 86; in Mississippi, 39; in Missouri, 71; in Montana, 29; in Nebraska, 36; in Nevada, 9; in New Hampshire, 19; in New Jersey, 70; in New Mexico, 7; in New York, 154; in North Carolina, 72; in North Dakota, 15; in Ohio, 113; in Oklahoma, 38; in Oregon, 42; in Pennsylvania, 97; in Rhode Island, 11; in South Carolina, 52; in South Dakota, 26; in Tennessee, 60; in Texas, 258; in Utah, 48; in Vermont, 23; in Virginia, 91; in Washington, 77; in West Virginia, 22; in Wisconsin, 87; in Wyoming, 3; in the District of Columbia, 3; in Alaska, 11; in Hawaii, 13; and in Puerto Rico, 16.

That covers the 2,785 projects. They are pretty well distributed. They are just as well distributed as any new list of projects would be, and if we should take these we would get rid of the scramble and reduce possibility of scandal in politics. They are here; we can hand these out and they will not be handed out in consideration of any political influence.

Mr. ADAMS. Mr. President, will the Senator yield to me?

Mr. BAILEY. I yield.

Mr. ADAMS. I have been looking for the Senator's amendment. I do not lay my hand on it. I was about to make an inquiry regarding it. It is my recollection that the amendment provides that preference shall be given to the projects on the list.

Mr. BAILEY. Yes.

Mr. ADAMS. How far would that preference exclude new projects? If I may add to the statement matter coming before our committee, on this list are some projects which the Public Works Administrator said could be commenced in 30 days. Obviously, they are entitled to preference. Others, he could start in 60 days. There are some others that it might take a longer time to start. I am wondering whether or not, in the Senator's amendment, there is provision for this contingency: For instance, a new project might be brought in which could be started sooner than another, and which perhaps would be a preferable project

in its character; and one other question which has to do with the projects:

I know that some of the projects in the list, although approved, were not constructed, because the local community decided that it either would not or could not provide its 55 percent; and, of the list, the testimony before our committee was that 2,200 of the sponsors of the projects have reported to the Secretary of the Interior that they are still interested in the proposals. I was interested in the interpretation of the preference.

Mr. BAILEY. I will say to the Senator that I meant, by "preference," absolute preference.

Mr. ADAMS. Priority?

Mr. BAILEY. Priority. Well, "preference" would mean "I prefer." I will put it in this way: If a lady prefers one man to another, we know, as a rule, whom she will marry.

Mr. ADAMS. There is no doubt about that.

Mr. BAILEY. Preference is preference. I do not think there is much question about the meaning of the word "preference."

As to the other statement, I was going to come to that statement. There are perhaps 500 projects that have been abandoned. Since they have been abandoned, we do not have to prefer them. That is very clear. We have given them their opportunity. That will cut down the number from 2,700 to 2,200.

Mr. KING. Mr. President——

The PRESIDING OFFICER. Does the Senator from North Carolina yield to the Senator from Utah?

Mr. BAILEY. I do.

Mr. KING. If the Senator will pardon me, I agree with the views expressed by him. If we abandon the proper interpretation of the word "preference," which means "priority"; if we break down that rule, we shall have such a surge and such a sweeping demand for new projects that the old projects which have been approved, and which have merit, will be battered down.

Mr. BAILEY. I should like to make it perfectly plain that I did not intend to give Mr. Ickes or anybody else an opportunity to put aside any of these projects when the people want them. That is my purpose. If we give him discretion, we shall have a war down there. If we adopt this amendment, those who are on this list will go to work with their projects. I dare say 2,200 of them are ready to go right now. Senators talk about delay. If it is necessary to examine all the new ones and give them a chance, we shall not get things going. If we take up these projects now, we shall get them going.

Now the other consideration: The amount of loan predicated upon this list is $132,518,000. Take off 20 percent of that, because 20 percent of the projects are going to be abandoned; and the grant is $442,548,000. The total is $575,000,000. Take off 20 percent, and it will give us about $460,000,000 to take out of this money. We are going to take that anyway. Why not give it to projects which are ready to go? Why not give it to the people who came up here, and had their examinations, and passed? Why not proceed in such a way as to avoid the scramble? Why not proceed in such a way as to disabuse the public mind of America of the idea that there is a great deal of politics back of this joint resolution?

There is nothing more dreadful than that in our country. Nothing worse ever happened in this land than the general impression which has gone abroad that the Congress of the United States is appropriating money to carry elections. That is damnation itself.

Mr. COPELAND. Mr. President——

Mr. BAILEY. I yield to the Senator from New York.

Mr. COPELAND. Sometimes those who have not been in full sympathy with all the proposals made here have passed out to the country the idea that the amendment which I offered relating to river and harbor and flood-control projects covered so much of the total fund that nothing would be left for building projects. As the Senator very well knows, the amount of money for river and harbor projects, which would begin to put labor to work and build heavy machinery, is a very limited part of the amount carried by the joint resolution. I know the Senator from North Carolina has said it, but I desire to give emphasis to the fact that if the amendment offered by the Senator from North Carolina shall prevail, every worthy project which has been examined and passed upon by Mr. Ickes' Department will be provided with funds to carry it to completion. Am I right about that?

Mr. BAILEY. The Senator is right.

Mr. COPELAND. I think the country should know that, because one of the Members of the House, a friend of mine—a Member from my State, indeed—who has been a great believer in building projects, was quite disturbed because he thought we were seeking to prevent that. He sent me sheets out of the book of approved projects covering New York. I sent back word to him that that is exactly what the Bailey amendment is. It is to make possible the completion of these projects which have been examined and found worthy. Am I right in my position?

Mr. BAILEY. The Senator is precisely right.

I am in full sympathy with the amendment offered by the Senator from New York [Mr. COPELAND]. His amendment applies $325,000,000 of this $900,000,000 fund to rivers and harbors and flood control. My amendment would apply about $450,000,000 of it. Four hundred and fifty million dollars and $325,000,000 make a total of $775,000,000. There is still more than $100,000,000 left for leeway. Both can get in—if I may use the expression—under the tent of the appropriation.

Mr. President, on that point I should like to say that I was one of the Senators on the Commerce Committee who very heartily voted for the approval of the Copeland amendment. I am in the fullest sympathy with it, and I hope the Senators here will familiarize themselves with that amendment. It would apply $325,000,000 of this money to river and harbor improvement and flood-control improvement, every dollar of which has been approved by the engineers of the Army of the United States, every dollar of which sooner or later will have to be expended. If we will take it out of this appropriation, we shall save that much in the future; and I do not mind saying that I like that, because it will take the matter further out of politics.

We have a great many sinister things in our country, and a great many things we do not like; but when we take into view some of the assets and some of the good things, we put high up on the list the independence of politics of the Army and its engineers. They will not play any politics. They will not throw away any money. They have surveyed these harbors, and have surveyed them under the direction of the Congress. They have made their reports. There is no "pork barrel" here. They have reported that these projects are economically sound and necessary. Otherwise they would not be in the joint resolution. How much better it is to spend the public money for projects approved by the engineers than it is to turn it loose down here in the hands of some administrator, and let him spend it where he pleases, play Prince Bountiful to the American people, and subject the Congress of the United States to the damnable suspicion of reaching our hands into the credit of the country or the pockets of the taxpayers for the purpose of corruption.

I will go a long way to prevent that. There is nothing on earth that I abhor more than that. There is nothing that I view with more of contempt and horror than I view the intimations going all abroad in the country that the Congress of the United States has stooped so low that it will appropriate the public money for projects in order to carry the election. That is the last degree of political corruption. It is the last degree of immorality.

If anything on earth would destroy our land, that would destroy it. If anything on earth would make me ashamed of my country, that would make be ashamed of it. A man who would appropriate public money for the corruption of the electorate has not any right to have an office. He has not any right to have a standing in the country. I do not have to say to Senators what that means. I hope I do not

have to say to anybody in America what that means. That is ruin. It is degradation. It is the end of representative government.

It is bad enough to have corruption by way of spending private money. It is possible to get the private scoundrel and put him in the penitentiary, but what can we do with a Senator or a Governor who takes public money for purposes of political corruption? What sort of respect does that show to the American taxpayer and the American voter? Is he not going to vote on the merits of questions? Is he not going to vote on whether this man is fit and that one is unfit; or is he going to vote depending on how much money someone has paid him, or whether he got a project or not?

I have not much respect for Members of Congress who go back to their homes and point to this or that building and say, "Vote for me because I got you a public building." A man has not gotten very far in the Congress of the United States when he is not any farther than that. We are not here to rob the Treasury, even for our constituents and the taxpayers. We are not here to corrupt. We are here to serve with wise legislation, not with gifts and grants.

I am sorry this thing has ever broken in the United States as it has. I am not saying there is a word of truth in it. I do not know; I cannot prove anything. But I am saying the suspicion is abroad, we hear it every day, I read it in the papers, and I read it in very reputable papers. I read the editorials in the New York Times the last 3 days—and the New York Times does not write inconsiderately about matters of that sort—rebuking the W. P. A. Administrator—I hesitate to speak his name—Harry Hopkins. I am glad he got the rebuke. He deserved it.

He comes out and disavows in every way a man can that he is going to have anything to do with politics, on the radio, in the press, on the stump. "Oh, no; all of this shall be divorced from politics." But in the same breath he comes out and declares for a candidate for the Senate in the State of Iowa. That was not his first offense. I do not forget. When Upton Sinclair, the radical of radicals in California—and I do not mean to reflect upon him—the author of the E. P. I. C. program, as he called it, was running for Governor of California, Mr. Hopkins said, "I am glad of it. He is one of us." He was backing him in 1934.

Mr. President, that is not all. Last year when we were engaged in the battle over the judiciary bill, and all America was concerned—and I will say nothing about the merits of the fight; I am not concerned about that now—who went to the radio and appealed to the American people but this Administrator Hopkins? Yet he is out of politics.

He knew nothing about the Court. He had no experience to qualify him to say a word on that question. He has been a charity broker all his life, a professional uplifter. He never had any status in the United States of any consequence until he was brought here to distribute relief money. Nobody ever heard of him as giving away any of his own money. He is the great distributor of other people's money, and I do not greatly admire that sort of a man. But when America is poised and everything is being done on one side and on the other to array public sentiment, the man whom we trust to distribute billions of dollars goes to the radio and makes an appeal for the support of the bill to rehabilitate the Supreme Court of the United States. But he is not in politics.

He knows he is in politics. When he made the declaration the other day for the candidate in Iowa he knew exactly what he was doing. I give him credit for having that much sense. He knew exactly what he was doing, just as any Senator here would know that if he had a billion dollars to distribute and a billion and a half to come, with thousands of workers all over his State and all of the other States out of work, and he should tell how he stood, the temptation, the inducement, to all who were under him, the temptation to every man who wanted part of that money would be to go along with him, and certainly not to get out in front of him and fight. That is human nature. There is nothing strange about that.

Let us get rid of all of this sort of thing. Mr. Ickes did the same thing. When LaGuardia was running for mayor in New York, who went to New York and canvassed, and pointed out the public works there, and asked the New York people to vote for LaGuardia, showing the works LaGuardia did under Ickes and with Ickes' help? Who did that but Mr. Harold Ickes, Mr. "Honest Harold" Ickes? Yet they tell us they are not in politics. They tell us they do not mean anything by this. They get to the radio and say that everybody can vote just as he pleases, but "This is how I am going to vote." There is not a boss on earth but would do the same thing. Go down to the ward where he is feeding the people and say, "You are free; I am just giving to you. But this is how I am going to vote." The people understand it perfectly. The surprising thing is that they think we do not understand it. Everyone who was not born yesterday knows what it means.

Mr. POPE. Mr. President——

The PRESIDING OFFICER (Mr. ELLENDER in the chair). Does the Senator from North Carolina yield to the Senator from Idaho?

Mr. BAILEY. I yield.

Mr. POPE. I am interested in the Senator's position with reference to Cabinet officers or others holding positions with the Federal Government. Is it the position of the Senator that they should take no position on any measure pending in Congress or any issue that is before the country?

Mr. BAILEY. I will be perfectly frank to say what I think. I do not believe that a Cabinet officer in a Democratic Cabinet ought to take sides between Democrats. I will go further; when the Congress appropriates money to be distributed as money is now being distributed, decency demands that Democrats having the distribution of the fund in charge shall not take any hand in the election. I am not in favor of giving Mr. Hopkins a billion dollars to distribute and letting him go out and say, "This is Democratic work." Let us make a distinction. We can have a Democratic tax bill and we can have a Republican tax bill, we can have a Democratic tariff bill and we can have a Republican tariff bill, but we cannot have politics in this matter of appropriating public money for the relief of human beings. I lay that down and stand on it.

Mr. BARKLEY rose.

Mr. POPE. May I ask the Senator one other question?

Mr. BAILEY. I yield to the Senator, and then I will yield to our leader.

Mr. POPE. I wish to get the Senator's position clear. As I understood him, he made the statement, in answer to my question, that where Democrats differ with reference to a measure a Democratic Cabinet officer or other high official should express no opinion. Does not that mean that in all probability he never could express an opinion on any subject or any current topic?

Mr. BAILEY. I am sorry the Senator misunderstood me. I said a Democratic official having the distribution of public funds, as in this case. I have been participating in politics a long time, and I have always recognized that a Postmaster General or Secretary of the Interior or Secretary of State could go out and make a speech for his side, and that is all right. I have never thought, however, that they should take sides between Democrats in a fight in a State. The officials of the executive branch of the Federal Government have nothing whatever to do with the election of United States Senators, and that goes for the President.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. BAILEY. I yield.

Mr. BARKLEY. I have been making an effort to arrive at an agreement for a limitation of debate on the pending measure, and I hope with some degree of success. Therefore, I ask unanimous consent that after today no Senator shall speak more than once or longer than 30 minutes on the bill, and that no Senator shall speak in the aggregate more than 15 minutes on any amendment.

Mr. McNARY. Mr. President, my attention was called to the desire of the proponents of some amendments to speak

the full 15 minutes. I think that is covered by the use of the word "aggregate" as applied to amendments. I am heartily in accord with the Senator's desire for a unanimous-consent agreement, and have cooperated with him. I wish to ask one question. I assume that if the agreement shall be entered into, the limitation of debate will commence on Tuesday, because we will not have a session on Monday.

Mr. BARKLEY. If the agreement shall be entered into, it is my purpose to move a recess until Tuesday. My reason for making a different request as to amendments is that one or two Senators have suggested that if they speak for 10 minutes on an amendment and someone opposes it, they might like to have 5 minutes in rebuttal, and I see no objection to that. The agreement provides that in the aggregate no Senator shall speak more than 15 minutes on any amendment. For that reason I make a little different suggestion as to amendments from that as to the bill itself.

Mr. KING. Mr. President, the suggestion has been made to me by one or two Senators, and I rather share in the view, that we should take a recess this evening until Tuesday, and that beginning at 12 o'clock on Tuesday there be general debate, unlimited, until 3 or 4 o'clock, and that the limitation then be applied. I know of a number of Senators who wish to deliver addresses on the pending measure, and they would not want to be restricted to a half hour.

Mr. BARKLEY. Mr. President, under the proposed rule any Senator may speak for 45 minutes. Inasmuch as we have spent the whole week on general debate, I am very anxious that we start in Tuesday at the beginning of the session under the proposed limitation, because I think everyone appreciates the desire to conclude the pending legislation and other necessary legislation and have the Congress adjourn. I hope the Senator will not object to my request.

Mr. KING. If the understanding has been reached between the two leaders, for each of whom I entertain profound respect, I should not like to interpose objection, although I would prefer that the rule not go into effect until, say, 3 o'clock on Tuesday next.

Mr. CLARK. Mr. President, the proposal includes the understanding that the Senate will not meet on Monday next?

Mr. BARKLEY. Yes.

The PRESIDING OFFICER. Is there objection to the unanimous-consent request of the Senator from Kentucky?

Mr. COPELAND. Mr. President, I want to be perfectly clear about the matter. As I understand, when the Senate concludes its session tonight a recess will be taken until 12 noon Tuesday next?

Mr. BARKLEY. Yes; that is, if the unanimous-consent agreement is entered into. Recess until Tuesday is based upon the condition that we can enter into the agreement.

Mr. COPELAND. I understand. Then beginning at 12 o'clock Tuesday there shall be a limitation on debate of a half hour on the joint resolution and 15 minutes on each amendment?

Mr. BARKLEY. That is correct.

Mr. COPELAND. That is satisfactory to me, Mr. President.

The PRESIDING OFFICER. Is there objection to the unanimous-consent request of the Senator from Kentucky? The Chair hears none, and the agreement is entered into.

Mr. BAILEY. Mr. President, as I have said, the officers of government who are distributing public-relief funds, authorizing and approving projects, awarding them and allotting them, ought not to have anything to do with politics or elections. They ought not to take sides in primaries or in elections. They should attend strictly to their own business, just as internal-revenue collectors do, and should not in any way be connected with politics. They should have no dealing with politics, because their power to punish is too great, their power to destroy and their power to favor is too great. I do not object to a man simply being in a place of dignity. However, those in authority and in control of relief funds should have nothing whatever to do with the election of Senators in States. They ought not to undertake to use the executive and administrative power of the Federal Government to influence the will of the people of a State with respect to who shall represent that State in the Senate, or who shall represent a district of that State in the House.

Mr. WHEELER. Mr. President, will the Senator yield?

Mr. BAILEY. I yield.

Mr. WHEELER. I agree entirely with the Senator from North Carolina. I wish to call his attention to an article published in the Washington Evening Star of Thursday, May 26. The article is headed:

We, the people.

It is by Jay Franklin. The headline is:

Wallace ignores heat applied by New Deal liberals for him to come to aid of WEARIN.

The article goes on:

The same week end that the White House cracked down on Governor Martin, of Oregon, in his race for renomination, New Deal liberals began to put the heat on Secretary of Agriculture Henry A. Wallace to come to the help of Representative OTHA D. WEARIN in the latter's battle with Senator GILLETTE for the Democratic senatorial nomination in Iowa.

For the New Dealers there can be but one choice: WEARIN. GILLETTE is concededly honest but has voted against major New Deal measures, including the original triple A. His associations are conservative, and his record at Washington not calculated to stir the pulse of a reformer. WEARIN is younger, more liberal, better qualified for the job, but to a large extent an unknown quantity in Iowa and national politics. He has the support of an influential group of young New Deal liberals and the sympathy of the White House. However, to put him over against GILLETTE requires a push.

That push can be given by only two men: The President or the Secretary of Agriculture. Mr. Roosevelt apparently feels that if anyone in the Government gives help to WEARIN, it should be Henry Wallace, of Iowa himself. Mr. Wallace apparently feels that the wisest course for himself personally and, perhaps, for the administration, is to keep hands off and not risk the loss of prestige which might follow backing the wrong horse. In addition, there is the fact that a split in the Iowa democracy might lead to a defeat this fall and a divided delegation at the Democratic national convention in 1940.

I want to say that in my judgment Mr. Wallace has taken the correct view, and apparently agrees with the Senator. I think the Secretary of Agriculture is to be congratulated for the position he has taken. I am wondering who are these new dealers of whom the columnist speaks. If we turn to another column in the same newspaper, of the same date, "The Capital Parade," written by Joe Alsop and Robert Kintner, these new dealers are identified. The latter article says:

The staff members are—

Speaking of the New Deal staff members—

Harry L. Hopkins, the obscure social worker who rose with Roosevelt. The President listens to him more often than to any other, and is personally more attached to him.

The next member is Harold L. Ickes. I have a very high regard for Mr. Ickes. I admire him for his honesty, and I think he has done a fine job as Administrator of the public-works program.

The next member is "Joseph B. Keenan, assistant to the Attorney General." The next is "David Niles, an obscure official of the W. P. A."

I know Mr. Niles, and have a great respect for him.

The next member is James Roosevelt.

The article continues:

Two youngish leaders of the New Deal left wing, notable for their intellectual brilliance and fondness for anonymity. They are the idea men of the general staff, and as important as any other staff member except Hopkins.

Of course, we all know who those two gentlemen are. The article by Jay Franklin then continues:

It is this which has got the New Deal liberals sore. They claim that once Wallace saw the magic numerals "1940" over his shoulder, he turned into a pillar of salt, a political Lot's wife whose innate liberalism has been petrified and who has been talking about abandoning all efforts at reform and hoping for a magical recovery of lost prosperity.

This is not altogether fair to Henry Wallace. I think he reflects the bewilderment and reluctance of the commercial farmers of America, their distaste for the labor struggle, their naive desire to

crawl back into the pre-war era and pull the covers over their heads, as well as the rather wall-eyed hysteria of the upper middle income and professional groups, of whom he is one. I don't think he shares this attitude, but he does reflect it and feels that it is politically wise to take it into account in feeling his own way. The problem, as he sees it, is one of education under democracy, of honest exposition of our national aims for a stable society under balanced abundance, and he is willing to let the weary horse walk a bit until it has caught its wind.

Mr. President, if one were to inquire who the New Deal staff members are, certain Government officials would not be named. Certainly Mr. Farley is not a member. The Attorney General of the United States is not. The Secretary of Commerce is not. The Secretary of State, Mr. Hull, is not. None of the Cabinet officers are, except Mr. Ickes. He is the only one included among the new dealers.

When Mr. Wallace refuses to participate in the Iowa primaries because he thinks it is unwise, and because he doubtlessly feels that a member of the Cabinet should not do so, because of this position, some so-called new dealers seek to read him out of the party or, at least, to impair his social standing with the so-called New Deal liberals.

Talk about intolerance. We berate anyone who is guilty of intolerance, and yet, Mr. President, whenever anyone is found who disagrees in the slightest degree with the inner circle of new dealers headed by Harry Hopkins, Ickes, Keenan, Jimmie Roosevelt, Mr. Corcoran, and Mr. Cohen, that independent person is marked for oblivion. All of those on relief in this country, all the farmers of the country, must be urged to vote against anyone whom this little handful dislikes. All those on relief must be urged to vote against anyone that this little group, none of whom were known until the present administration came into power, dislikes. They are the people who are dictating the policies of the Government, and they are the people who compose the group which has brushed Mr. Farley aside, they compose the group which has brushed the Attorney General aside, they compose the group which has brushed the Secretary of Commerce aside, they compose the group which is now brushing Mr. Wallace aside, and they compose the group that is brushing aside everyone else who disagrees with them. They compose the group which is trying to dictate how the Democratic Party shall be reorganized. They compose the group that say who shall be reelected to the Senate of the United States. They compose the group that say who shall be elected governors of the various States. I do not know how long the Democrats of this Nation are going to stand for that, and I do not know how long the people of this country are going to stand for that sort of thing.

I read a portion of the column by Jay Franklin. Of course, that is not the real writer's name. I call attention to the fact that when you read those articles you are reading not what Mr. Franklin thinks, but you are reading what this inner circle thinks. If you know how the articles are really conceived, when you read them you will know that he is expressing the thought of this inner group to which I have called attention.

I thank the Senator for permitting me to interrupt him. My statement was along the lines of the statement he was making, and I wanted to call the matter to the attention of the Senate.

Mr. BAILEY. The Senator from Montana might have added that none of the men named are Democrats, unless it be Mr. Keenan. I do not know about him. Yet that group is telling Democratic States whom to nominate, telling Democratic Senators how long they may remain in the Senate, and telling the Democratic Party what sort of party it shall be. Hopkins was never a Democrat. Corcoran is no Democrat. Cohen is no Democrat. Jay Franklin is no Democrat. Read what he said about the farmers. I read it into the RECORD some weeks ago. He said that the farmers of America ought to be treated as the Kulaks of Russia were treated; that they ought to be liquidated as the Kulaks in Russia were liquidated.

That is the sort of thing with which we are dealing. Let me say in all candor to my fellow Senators, and to anyone else who happens to hear it, that this group is not going to run the Democratic Party. The day when it runs the Democratic Party, the Democratic Party will not be worth the respect of anybody. That group cannot run the party. They could not win an election. Let them drive out of the party the men who have served it all their lives, and see what happens to the party.

We are voting them money. We stick our heads in the noose, and then beg for our lives. We have to protest in the Senate against the effort to strike down such a man as the junior Senator from Iowa. Of course there will be a day of reckoning in America. Things will become so intolerable that the American people will see what is going on. The idea of me taking orders from a man like Harry Hopkins! The idea of my State having to go to Harry Hopkins and ask him for money! The idea of my voting money for him and the other conspirators! We hear their names frequently. We read about them in the newspapers. I have never seen one of them. They seem to be running the whole machine. They have now organized a "committee on elimination." They propose to use the money which we appropriate for the purpose of eliminating us.

We will meet them at Philippi. If they think they have reached the time when men will not stand up and resist them, and expose them to the American people; if they think anybody is afraid of them, they have made the mistake of their blessed young lives. You could not give one of them enough money to make me fear him.

Mr. President, sometimes I get a little stirred up.

Mr. KING. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from North Carolina yield to the Senator from Utah?

Mr. BAILEY. I yield.

Mr. KING. I was interested in the interrogatories of the Senator from Idaho [Mr. POPE]. If I understand him, his position is that those in executive positions, charged with the duty of enforcing the laws, may with propriety become protagonists of legislation, or opponents of legislation, and canvass the country spending their time, which should be devoted to the performance of their duties, in securing the execution of the laws, in urging legislation or defeating proposed legislation. Several years ago I prepared a bill making it unlawful for persons holding high executive positions—except the President—to engage in propaganda for or against legislation. It is the view of some persons that executive officers, those holding important positions, whose duty it is to execute the laws and carry out the instructions of Congress, should not spend their time, as some of them are doing and have done, in trying to defeat or to promote legislation. The executive department is not the legislative department. Those in executive departments should content themselves with executing the laws rather than spending much of their time trying to promote or to defeat legislation.

Mr. POPE. Mr. President, will the Senator yield so that I may ask a question of the Senator from Utah?

Mr. BAILEY. I yield.

Mr. POPE. I must confess that I am becoming more confused as opinions are expressed. I thought I understood the Senator from North Carolina to say that he would draw the line at the expression of opinion on any public question by those who had projects under their control, or who employed men. I presume he had in mind public works and relief, because those are the two matters to which I understood him to refer. I understood him to say that he would limit the prohibition against expressing an opinion on public questions to those two categories.

As I understand, the Senator from Utah [Mr. KING] expresses the opinion that no employee in an executive position should ever express his opinion upon any current legislation. As I understand, every bill which is referred to a committee is then referred to the department for the expres-

sion of an opinion on the matter by the department. So it is easy to see how one who has not been in the Senate as long as some other Senators would become confused, when we request the opinions of heads of departments on legislation and obtain opinions from them. A number of times I have heard the Senator from Utah ask, "Did the department approve the measure?" Now he expresses the opinion that the heads of departments should not be permitted to express themselves upon pending legislation. Therefore, I am confused. I wonder if the Senator can clear up the confusion.

Mr. KING. I do not think the Senator is confused. He has too much intellectual capacity to be confused over a matter which is so simple. What I stated was that I did not believe that executive officers—except the President—who are charged with the duty of executing the laws should spend their time in efforts by propaganda or otherwise to promote or defeat legislation. That would not prevent officials from expressing their views when Congress asks for their opinions in regard to pending measures. The law now provides for certain of the officials to submit their views to Congress upon request.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. BAILEY. I shall be glad to yield, if it will relieve the confusion of the Senator from Idaho [Mr. POPE].

Mr. CLARK. I should like to suggest to the Senator from Utah that precisely the distinction which is made by him is contained in section 201 of the Criminal Code of the United States, which unfortunately is very much more honored in the breach than in the observance. Section 201 of the Criminal Code makes it a misdemeanor for any executive official to employ public funds in an attempt to influence Congress in the passage or defeat of any matter of legislation pending before it. Of course, the employment of public funds would include not only expense money, but salary, government time, or anything else of that character.

The same section also contains the explicit proviso suggested by the Senator from Utah, that it does not, of course, prevent any Government official from making an official report to Congress, or to any committee of Congress, or to any Member of Congress, in due course, and in the performance of his official functions, or from furnishing any information which may be called for by the Congress. The purpose of that salutary statute is merely to prevent the employment of public funds by executive officials in going around and trying to influence the action of Congress, which should be the master of executive officials instead of their servants.

Mr. POPE. Mr. President, will the Senator yield?

Mr. BAILEY. I yield.

Mr. POPE. Does the statute extend to the expression over the radio or in newspaper interviews of opinions on current legislation?

Mr. CLARK. I do not think it does. I think any executive officer, or anyone else, so long as he is not employing Government time, or traveling at Government expense, has the right to express an opinion on matters of pending legislation. However, when that course is pursued to the point to which it was pursued by Mr. Fechner during the fight on the packing of the Supreme Court, it is quite a different matter. Mr. Fechner, as Director of the Civilian Conservation Corps, has nothing on the face of the earth to do with judicial matters. The nature of his experience and occupation affords him no opportunity to know anything about judicial matters. When he took it upon himself to deliver a speech on the radio in behalf of packing the Supreme Court, any reasonable man would conclude that it was only for the purpose of putting the boys in the C. C. C. camps, their relatives and friends, on notice that he was interested in a particular side of the question. I say that such activity was outside the sphere of his functions, and that it was highly improper for him to engage in it.

Mr. BAILEY. Mr. President, I hope my friend the Senator from Idaho [Mr. POPE] is no longer "more confused," if that were possible. I shall proceed.

Before I take my seat, I wish to call attention to an editorial from the Charlotte Observer, published at Charlotte, N. C., dated Tuesday, May 24, 1938. I think the Charlotte Observer is the most widely circulated newspaper in my State. It has the status in North Carolina, as have practically all daily newspapers in that State, of a Democratic newspaper. I should not say it is a Democratic organ, but as a rule it runs with the Democratic Party.

The editorial is entitled "North Carolina, First Again, or Last?" and reads as follows:

NORTH CAROLINA, FIRST AGAIN, OR LAST?

North Carolina has attained another first position among the States of the Union—or is it last? Whether first or last depends upon the point of view.

The fact is that North Carolina has received less money from the New Deal expenditures of $32,000,000,000 for recovery and relief than any other State, figured on a per capita basis, according to Life magazine.

In its current issue, Life presents an analysis of the break-down by States of New Deal recovery and relief expenditures inserted in the CONGRESSIONAL RECORD recently by Senate Majority Leader ALBEN W. BARKLEY, of Kentucky.

The average expenditures per capita for each State ranged from a high of $1,114.12 in Nevada to a low of $123.82 in North Carolina, Life points out.

South Carolina received $180.25 per capita, Georgia $160.10, Tennessee $159.43, Virginia $153.29, and Kentucky, second to North Carolina, $129.34. The low 10 States in amount received per capita were North Carolina, Kentucky, Connecticut, New Hampshire, Delaware, Virginia, Rhode Island, West Virginia, Tennessee, and Georgia. Texas fared best among the Southern States, receiving $223.

I will point out here a very remarkable fact. The State of Pennsylvania has about 9,000,000 population; the 11 Southern States, the old "solid South," have 29,000,000 population; but the State of Pennsylvania, with only 9,000,000 population, receives more of this public money than all the 11 Southern States. Yet it is said we are a pretty rough people down there, we do not pay anybody anything, we are "economic royalists," and everybody is out of work down there because we impose on them; but when it comes to spending money, more is spent for unemployment in Pennsylvania than is spent in the whole "feudalistic" South. If things are so bad down there, why does the Government spend so much money in the one State and so little in the 11 States of the South put together?

The 20 States receiving the largest amounts per capita in order of amounts, ranging from $1,114 in Nevada to $235 in Ohio, were these: Nevada, Montana, Arizona, Wyoming, South Dakota, North Dakota, Idaho, New Mexico, Nebraska, Utah, Oregon, California, Colorado, Kansas, Washington, Iowa, Minnesota, Wisconsin, Michigan, and Ohio.

Says the newspaper—

Note the geographical situation of these 20 States.

Analyzing the figures on a per capita basis for each of the 48 States, the report shows that "Western States which hold United States political balance of power have got the most per person" from the New Deal expenditure of $32,000,000,000 for relief and recovery from March 4, 1933, to December 31, 1937. The total figures presented by Senator BARKLEY include all relief and recovery expenditures, namely, public-works grants and loans, A. A. A. benefit payments to farmers, R. F. C. loans, loans insured by F. H. A., and all other items generally classified as applicable to relief and recovery purposes during the period of the New Deal.

"These figures are astounding," Life declares. "If they mean what they appear to mean, in the light of American political history and political practice, then the charge that the New Deal has spent and lent its relief and recovery billions in the way best calculated to keep itself in power is true.

"Why did the citizens of Western States get so much more than the citizens of Southern States? Was it because they needed more? Last year the average income of each person in the first 10 Southern States on the list of those who got the least from the New Deal was $303.17. The average income of each person in the 10 Western States which got the most from the New Deal was $462.05."

What does that mean? That means that the people in the South, whose average income is $303.17, are being taxed to take care of people whose income is 25 percent greater. That is not the worst of it. The per capita income of New York State is twice that of North Carolina, and yet New York is getting $7 per capita to every $4 that North Carolina gets. We are being taxed to take care of people in New York; we are being taxed to take care of people in Illinois, and, not satisfied with that, they take it from us, and then call us "feudalists."

Mr. COPELAND. Mr. President, will the Senator yield?

Mr. BAILEY. I yield.

Mr. COPELAND. We got that large amount in New York, of course, on account of my influence with the administration.

Mr. BAILEY. I suspected that, but I did not want to wound the sensibilities of the junior Senator from New York. [Laughter.]

I continue the quotation.

"Was the allotment made on the basis of the amounts which the citizens of each State contributed to the Treasury in taxes? The income-tax figures for each State answer 'no.'

"The broad outline of American political history is this: The East has been traditionally Republican; the South traditionally Democratic," Life explains. "Whichever party could win the doubtful West as an ally has controlled the Nation.

"Andrew Jackson put the Democratic Party in power by allying the West with the South. Until the Civil War the Democratic Party remained dominant. Slavery and the war split the West from the South and allied it with the East. Thereafter for the next 70 years, the Republican Party was dominant.

"In 1932 the Hoover depression drove the West back into an alliance with the South, resulting in the New Deal. If the Democratic Party is to stay in power, it must keep the loyalty of the West.

"If you are still puzzled about why the Democratic South has got so little from a Democratic administration, bear this in mind," Life states, "When political managers alot the spending of campaign funds, they follow this cardinal rule: Never waste money in a ward or county or State (1) where you are sure to lose, or (2) where you are sure to win."

If anyone has a better explanation than Life has offered, for the fact that Western States have received the most recovery and relief money and the Southern States the least, let him come forward with his explanation.

That is not my accusation; but it is in full support of the statement I have made that there is an impression abroad in the country that relief and recovery and public-works money, the pump-priming money, is being used on political grounds and for political purposes. So I have an amendment here which would take the whole thing out of politics, so far as the law can do so, and put it under a board. I am going to offer that amendment, and I hope the Senate will vote for it.

I am not saying that any of the charges of politics in W. P. A. are true, for I have no evidence. I hear a great deal about that matter, but I am not in the habit of reaching conclusions merely on what I hear, and I certainly will not make a statement if I cannot prove it. I hear a great deal about it; I hear it in the Senate; I hear it in the cloakroom; I hear it in hotels; I hear it when I travel; I hear it on the railroad trains, but I do not know. I read it in the newspapers; I read it in the newspapers from which I have read; I read it in Life magazine. There are the data; let Senators draw their own inference. What I am saying to the Senate is that, as a matter of political self-respect, as a matter of respect for the Democratic Party, in power, as a matter of respect by new dealers for the New Deal, as a matter of respect by the Congress for the American people, the time has come when we must take action so definite that the whole world will know that we have not taken the money from the taxpayers for any political purpose, but only for the purpose of relieving an emergency, which we find confronts millions of our people.

I want a law of that sort. I should like to have a law that would put in the penitentiary the head of a W. P. A. organization who would go to Washington and have a conference with a Senator with a view to getting him renominated.

Mr. President, I think we might realize now that we went into this thing in an emergency. We made no great preparations for it. We were thrust into it. We did the best we could. But now it appears to be permanent and the man at the head of it wants it to be permanent and is always saying it has got to be permanent. I refer to the W. P. A. Administrator. Now that it looks as if it were going to be permanent, let us put it on a permanent nonpolitical basis. Let us have that much respect for ourselves and that much regard for our country.

I have mentioned Secretary Wallace. He has the distribution of $500,000,000 a year to the farmers, and is asking for more. I do not think he should be in a position to have anything to do with primaries and elections. It is too much money to give one man. We should not tempt him; we should not put the farmers in the position of feeling that they have got to accommodate themselves to the will of a man who has their very lives in his hands.

I would not have said these things away back yonder when the Government did not have any money to spend, but a government that is spending eight or nine billion dollars a year, and is expending it not on governmental functions but is just distributing it, must rise to the level of decency and take the whole thing out of politics. What would we Democrats be saying if the Republicans were in power and carrying on this way? We would be protesting.

Mr. WHEELER. Mr. President, will the Senator yield?

Mr. BAILEY. I yield.

Mr. WHEELER. I think that Mr. Wallace is to be congratulated because he refused to be interviewed and refused to take part in a political movement. I criticized Secretary Wallace when he went out and made speeches in the Court fight, because he did not know anything about the Court; he is not a lawyer. The only reason why they got Mr. Fechner to do it, the only reason they got Mr. Wallace to do it, the only reason they got Mr. Hopkins and the other heads of the relief agencies to do it, was because they had a tremendous amount of money in their possession to distribute for the purpose of lining up the men who are on relief. I hope, however, that Mr. Wallace perhaps learned his lesson after that fight; and I am glad to note that he refused to follow the advice of the inner circle to which I have called attention.

Mr. BAILEY. I wish to speak well of Mr. Wallace; but he has a way with him. He does not mind making an analysis of a Supreme Court opinion with all the assurance of a man who has been on the bench 40 years. He may be competent to do it, but I have always understood that it takes a great deal of particular training to do a thing of that kind.

At some subsequent time I shall ask leave to put in the RECORD an analysis of the argument Mr. Wallace recently made against the Supreme Court and Mr. Chief Justice Hughes. I hope Senators will read it, and see what sort of a mess a man can make who undertakes to deal with those things without any training.

Mr. President, the intimation has been made to me that at last we shall be allowed to have a little Saturday evening holiday. I would not stand in the way of it.

Mr. MINTON. Mr. President, will the Senator yield?

Mr. BAILEY. Yes. I wish to give the Senator a holiday, but it is all right with me.

Mr. MINTON. Since the Senator has adverted to the controversy or discussion between the Secretary of Agriculture and the Chief Justice, I wish to call his attention to an analysis of Chief Justice Hughes by the editorial writer of the Star-Times of St. Louis which I inserted in the Appendix of the RECORD today.

Mr. BAILEY. I shall be very happy to read it. I suspect that editorial writer is another one of these fellows without any legal training at all who will go right into an opinion and tell us all about it. I have seen them.

Let me say, in conclusion, that I have spoken earnestly about these amendments. I hope Senators will think about the projects amendments, giving preference to them. I hope Senators will think very favorably of turning $325,000,000 of this money to the river and harbor and flood control activities, which relate practically to every State. I hope that over Sunday and the coming Monday Senators will think more earnestly of taking every step we can take to strip from this money spending every political temptation and every vestige of suspicion that we are such men as would use the public money either to keep ourselves in office or to drive anybody else out of office. I say that if we do not do that we put ourselves in the position of using the credit of the Government and the taxes we collect for the

corruption of the Republic we are expected and sworn to serve.

Mr. BARKLEY. Mr. President, I ask unanimous consent that the unfinished business be temporarily laid aside in order that the Senator from Utah [Mr. KING] may ask for the consideration of two important measures on the calendar.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

AMENDMENT OF DISTRICT OF COLUMBIA ALLEY DWELLING ACT

Mr. KING. Mr. President, the Committee on the District of Columbia had before it an important measure, Senate bill 4029, to amend the Alley Dwelling Act approved June 12, 1934.

The purpose of the bill is to bring the District of Columbia within some of the terms and provisions of the so-called Housing Act and to enable the Alley Dwelling Authority for the District of Columbia to obtain funds from the Housing Act in order to broaden the work for which the Authority was created.

The bill has the support of the United States Housing Authority and also of the Commissioners of the District of Columbia and the Alley Dwelling Authority.

It is recognized that the Alley Dwelling Act, important and helpful as it is, is not sufficiently comprehensive in its terms to enable the District to eliminate all the slums in the District and to meet the demands for low-cost housing.

The Senate committee unanimously reported Senate bill 4029 with certain amendments. The House Committee on the District of Columbia had before it a similar bill, known as House bill 10642, which passed the House on May 25 and is now upon the Senate Calendar. The Senate bill differs from it in a number of respects, but, generally speaking, is substantially the same. The differences between the two bills result from the amendments suggested to the Senate committee by representatives of the Alley Dwelling Authority and the United States Housing Authority and are intended to improve some of the features of the bill. It is believed that the proper course to pursue is to strike out all the text of House bill 10642 and to substitute the text of Senate bill 4029, as proposed to be amended.

I now move that the Senate proceed to the consideration of House bill 10642.

The PRESIDING OFFICER. The question is on the motion of the Senator from Utah.

The motion was agreed to; and the Senate proceeded to consider the bill (H. R. 10642) to amend an act entitled "District of Columbia Alley Dwelling Act," approved June 12, 1934, and for other purposes.

Mr. KING. I move to strike out all after the enacting clause of the bill, and to substitute the text of Senate bill 4029 as proposed to be amended by the Committee on the District of Columbia.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Utah.

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time, and passed, as follows:

Be it enacted, etc., That the first section of the District of Columbia Alley Dwelling Act, approved June 12, 1934, is hereby amended to read as follows:

"TITLE I

"SECTION 1. (a) It is hereby declared to be a matter of legislative determination that the conditions existing in the District of Columbia with respect to the use of buildings in alleys as dwellings for human habitation are injurious to the public health, safety, morals, and welfare; and it is hereby declared to be the policy of the United States to protect and promote the welfare of the inhabitants of the seat of the Government by eliminating all such injurious conditions by employing all means necessary and appropriate for the purpose; and control by regulatory processes having proved inadequate and insufficient to remedy the evils, it is in the judgment of Congress necessary to acquire property in the District of Columbia by gift, purchase, or the use of eminent domain in order to effectuate the declared policy by the discontinuance of the use for human habitation in the District of Columbia of buildings in alleys, and thereby to eliminate the communities in the inhabited alleys in said District, and to provide decent, safe, adequate, and sanitary habitations for persons or families substantially equal in number to those who are to be deprived of habitation by reason of the demolition of buildings under the terms of this title, and to prevent an acute shortage of decent, safe, adequate, and sanitary dwellings for persons of low income, and to carry out the policy declared in the act approved May 18, 1918, as amended, of caring for the alley population in the District of Columbia, and to that end it is necessary to enact the provisions hereinafter set forth.

"(b) In order to remedy the conditions and evils hereinbefore recited and to carry out the policy hereinbefore declared, the President is hereby authorized and empowered to acquire by purchase, gift, condemnation, or otherwise—

"(1) any land, building, or structures, or any interest therein, situated in or adjacent to any inhabited alley in the District of Columbia;

"(2) any land, buildings, or structures, or any interest therein, within any square containing an inhabited alley, the acquisition of which is reasonably necessary for utilization, by replatting, improvement, or otherwise, pursuant to the provisions of this act, of any property acquired under subparagraph (1) of this subsection; and

"(3) any other land, together with any structures that may be located thereon, in the District of Columbia that may be necessary to provide decent, safe, adequate, and sanitary housing accommodations for persons or families substantially equal in number to those who are to be deprived of habitation by reason of the demolition of buildings pursuant to the provisions of this title.

"(c) The Authority is authorized and empowered to replat any land acquired under this act; to pave or repave any street or alley thereon; to construct sewers and water mains therein; to install street lights thereon; to demolish, move, or alter any buildings or structures situated thereon and erect such buildings or structures thereon as deemed advisable: *Provided, however*, That the same shall be done and performed in accordance with the laws and municipal regulations of the District of Columbia applicable thereto.

"(d) The Authority is hereby authorized and empowered to lease, rent, maintain, equip, manage, exchange, sell, or convey any such lands, buildings, or structures acquired under this title, for such amounts and upon such terms and conditions as it may determine: *Provided*, That sales of real property shall be made at public sale to the highest responsible bidder on terms satisfactory to the Authority after advertising for 3 consecutive weeks in at least one daily newspaper of general circulation published in the District of Columbia: *Provided, however*, That the Authority may, without advertising, sell such property to a quasi-public institution or agency not organized or operated for private profit at not less than the cost of such property to the Authority, including improvements: *And provided further*, That if any such lands, buildings, or structures are required for the purposes of the United States or of the District of Columbia, they may be transferred thereto upon payment to the Authority of the reasonable value thereof.

"(e) The Authority is authorized and empowered to aid in providing, equipping, managing, and maintaining houses and other buildings, improvements, and general community utilities on the property acquired under the provisions of this title, by loans, upon such terms and conditions as it may determine, to limited dividend corporations whose dividends do not exceed 6 percent per annum, or to home owners to enable such corporations or home owners to acquire and develop sites on the property: *Provided, however*, That no loan shall be made at a lower rate of interest than 5 percent per annum, and that all such loans shall be secured by reserving a first lien on the property involved for the benefit of the United States."

SEC. 2. Section 3 (b) of such act is hereby amended by adding thereto the following: "The Authority is hereby authorized and empowered to accept gifts of money from private sources; to borrow from the Treasury of the United States not to exceed $1,000,000 in the fiscal year ending June 30, 1939, and a like sum in each of the four succeeding fiscal years, upon such terms and conditions as the President may deem advisable, and appropriations for such purpose are hereby authorized out of the general fund of the Treasury: *Provided*, That the Authority shall be obligated for the payment of interest at the going Federal rate as defined in the United States Housing Act of 1937."

SEC. 3. Section 3 (d) of such act is amended to read as follows:

"(d) The total amount paid for property or properties acquired, except by condemnation, in any square shall not exceed 30 percent over and above the current assessed value of all the property or properties acquired, except by condemnation, in such square to carry out the provisions of this act."

SEC. 4. Section 3 of such act is amended by adding thereto the following:

"(e) In carrying out the provisions of this act the Authority is hereby authorized and empowered (1) to procure services or make any purchase without regard to the provisions of section 3709 of the Revised Statutes, provided the aggregate amount involved is not more than $100; (2) to purchase books of reference, directories, and periodicals that are necessary in connection with its work; and (3) to secure architectural and engineering services on specific projects, without regard to the civil-service laws and the Classification Act of 1923, as amended: *Provided*, That this authorization shall not apply to the employment of architects and engineers by the Authority on a permanent basis."

SEC. 5. Such act of June 12, 1934, is further amended by adding at the end thereof the following new title:

"TITLE II

"SEC. 201. As used in this title—

"(a) The term 'housing project' shall mean any low-rent housing (as defined in the United States Housing Act of 1937), the development or administration of which is assisted by the United States Housing Authority.

"(b) The term 'development' shall mean any or all undertakings necessary for planning, financing (including payment of carrying charges), land acquisition, demolition, construction, or equipment, in connection with a housing project, but not beyond the point of physical completion.

"SEC. 202. In addition to its other powers, the Authority shall have the power to acquire sites for and to prepare, carry out, acquire, lease, and operate housing projects, as defined in section 201 of this title, and to construct or provide for the construction, reconstruction, improvement, alteration, or repair of any such housing project, or any part thereof, in the District of Columbia.

"SEC. 203. For the purposes of this title the Authority shall be considered a public housing agency within the meaning of, and to carry out the purposes of, the United States Housing Act of 1937; and as such, the Authority is empowered to borrow money or accept contributions, grants, or other financial assistance from the United States Housing Authority for or in aid of any housing project in the District of Columbia, in accordance with the United States Housing Act of 1937, to take over or lease or manage any such housing project or undertaking constructed, owned, or operated by the United States Housing Authority, and to those ends to comply with such conditions and enter into such mortgages, trust indentures, leases, or agreements as may be necessary, convenient, or desirable: *Provided*, That the tax exemption of the property of the Authority shall be deemed a contribution by the District of Columbia in accordance with the local contributions requirements of section 10 (a) or section 11 (f) of the United States Housing Act of 1937. It is the purpose and intent of this title to authorize the Authority to do any and all things necessary to secure the financial aid of the United States Housing Authority in the undertaking, construction, maintenance, or operation in the District of Columbia of any housing project by the Authority.

"SEC. 204. For the purpose of aiding and cooperating in the planning, undertaking, construction, or operation of housing projects, the District of Columbia, or any department, instrumentality, or agency thereof, may, upon such terms, with or without consideration, as it may determine, as a contribution—

"(a) Dedicate, sell, convey, or lease any needed property to the Authority;

"(b) Cause parks, playgrounds, or recreational, community, educational, water, sewer, or drainage facilities, or any other works which it is otherwise empowered to undertake, to be furnished adjacent to or in connection with housing projects;

"(c) Furnish, dedicate, close, pave, install, grade, regrade, plan, or replan streets, roads, roadways, alleys, sidewalks, or other places which it is otherwise empowered to undertake;

"(d) Enter into agreements with the Authority respecting action to be taken pursuant to any of the powers granted by this act;

"(e) Cause services of a character which it is otherwise empowered to furnish to be furnished to the Authority;

"(f) Enter into agreements with the Authority respecting the elimination of unsafe, insanitary, or unfit dwellings; and

"(g) Do any and all things necessary or convenient to aid and cooperate in the planning, undertaking, construction, or operation of such housing projects.

"SEC. 205. The Commissioners of the District of Columbia are hereby authorized to lend to the Authority such amounts as may be necessary to enable the Authority to comply with the provisions of the United States Housing Act of 1937, and appropriations for such purpose are hereby authorized out of the revenues of the District of Columbia, and the Authority is empowered to accept such loans."

Mr. KING. I ask unanimous consent that the report on the Senate bill may be printed in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

The report (No. 1974) submitted by Mr. KING on May 24, 1938, is as follows:

The Committee on the District of Columbia, to whom was referred the bill (S. 4029) to amend the District of Columbia Alley Dwelling Act, approved June 12, 1934, and for other purposes, having considered the same, report favorably thereon and recommend that the bill do pass with amendments.

The bill has been approved by the Bureau of the Budget and by the Board of District Commissioners. Its introduction was asked by the Alley Dwelling Authority. The National Capital Park and Planning Commission also has expressed approval of the proposed legislation.

PURPOSE OF THE BILL

The purpose of this bill is to place the Alley Dwelling Authority for the District of Columbia on a parity with local housing authorities in other cities, and to make more fully effective the District of Columbia Alley Dwelling Act.

The principal provisions of the bill will permit the Alley Dwelling Authority to accomplish the following objectives:

1. Acquire sites for low-rent housing in the District of Columbia elsewhere than in squares containing inhabited alleys, to which its operations now are confined. This is to compensate for dwellings demolished on sites not adaptable to new dwellings, and so avoid a housing shortage.

2. Accept loans from the United States Treasury not to exceed $1,000,000 a year for 5 years to finance slum-reclamation projects.

3. Participate with local housing authorities of other cities in borrowing from the United States Housing Authority for construction of low-rent dwellings.

NEED FOR LEGISLATION

The Alley Dwelling Authority's present program contemplates the reclamation of inlying city squares which contain inhabited alleys, the characteristic slums of Washington. Many of these slum squares are in neighborhoods not adapted to low-rent housing. In many cases the neighborhoods have become commercial in nature, the slum dwellings remaining as a hang-over from an earlier stage of the city's development. Unless adequate provision is made elsewhere to house families substantially equal in number to those whose slum dwellings are demolished, the Authority's operations may contribute to the deterioration of other neighborhoods by house overcrowding.

For this reason the Authority requests permission to acquire low-rent housing sites in the District elsewhere than in squares containing inhabited alleys.

In reclaiming the slums of Washington the Authority has followed the policy of constructing projects which best meet the needs of their neighborhoods. These uses may be residential or nonresidential. During the past 3 years the Authority has demonstrated its ability to reclaim these slums on a self-liquidating basis. The bill proposes further financing of this program by loans from the United States Treasury of not more than $1,000,000 a year for 5 years. These loans correspond to the Federal assistance given to slum-clearance projects of housing agencies in other cities by the United States Housing Authority.

The provisions of title II in this bill will enable the Alley Dwelling Authority to borrow from the United States Housing Authority only for the construction of low-rent dwellings. The Alley Dwelling Authority cannot obtain such loans at present because of limitations in its own act and the wording of definitions in the United States Housing Act.

The bill contains also minor amendments for the purpose of clarifying existing provisions of the Alley Dwelling Act and bringing the language of that act into harmony with the program contemplated by this legislation.

ACCOMPLISHMENTS OF THE ALLEY DWELLING AUTHORITY

Since its organization in October 1934, the Authority has received, appropriated, and allocated funds totaling $865,496.80. Each year, on the financial showing made by the Authority, the Appropriations Committees have recommended and Congress has approved the reappropriation of the Authority's receipts and unexpended balances. Receipts from the Authority's operations, including sales and rents, have increased the Authority's capital from $865,496.80 to $1,007,414.70.

While the Authority's project revenues, from the beginning of operations to April 30, 1938, have been $141,917.90, its total expenditures for administration, equipment, and project maintenance, have been $116,287.61.

The Authority has completed four housing projects and has awarded a contract for a fifth providing the total of 112 low-rent dwellings. It has completed five nonresidential projects; in two other cases it has sold sites after clearing them of slum dwellings; and two additional projects are in the demolition stage.

The Authority operates as an independent agency of the Federal Government. Therefore, title to all property acquired by this agency vests in the United States. Its policies are determined by the members of the Authority, who are appointed by the President. These members are the president of the board of District Commissioners, the executive officer of the National Capital Park and Planning Commission, and the Architect of the Capitol. All plans for replatting of properties acquired by the Alley Dwelling Authority must be formally approved by the District Commissioners and by the National Capital Park and Planning Commission.

The letters of the Acting Director of the Bureau of the Budget and the President of the Board of Commissioners of the District of Columbia approving this legislation are appended hereto as part of this report.

WASHINGTON, D. C., *May 16, 1938.*

Hon. WILLIAM H. KING,
Chairman, Committee on the District of Columbia,
United States Senate, Washington, D. C.

MY DEAR SENATOR KING: The amendments to the District of Columbia Alley Dwelling Act, which were submitted to you on May 14 by the executive officer of the Alley Dwelling Authority, have been considered and approved by the Board of Commissioners of the District of Columbia.

We are advised that the proposed legislation has been approved by the Bureau of the Budget as being in accord with the policies and financial program of the President.

Respectfully yours,

MELVIN C. HAZEN,
President, Board of Commissioners, District of Columbia.

BUREAU OF THE BUDGET,
Washington, May 14, 1938.

Mr. JOHN IHLDER,
Executive Officer, the Alley Dwelling Authority
for the District of Columbia, Washington, D. C.

MY DEAR MR. IHLDER: I have your letter of May 13, 1938, enclosing two copies of a draft of a bill incorporating proposed amendments to the District of Columbia Alley Dwelling Act.

A copy of the draft of proposed amendments is returned herewith, and you are advised that since the proposed amendments are in accordance with the program of the President, there would be no objection to its presentation to the Congress.

Very truly yours,

D. W. BELL, *Acting Director.*

On motion of Mr. KING, the bill (S. 4029) to amend the District of Columbia Alley Dwelling Act, approved June 12, 1934, and for other purposes, was ordered to be indefinitely postponed.

AMENDMENT OF LIQUOR ENFORCEMENT ACT OF 1936

Mr. KING. Mr. President, when the recent revenue bill was under consideration, the able Senator from Oklahoma [Mr. LEE] offered to it an amendment which he claimed was necessary to carry out the letter and spirit of the twenty-first amendment to the Constitution, which, it was contended, provided protection to the dry States. The amendment offered by the Senator from Oklahoma was overwhelmingly adopted.

When the bill went to conference, objection was made to the amendment by the House conferees upon the ground that the amendment was not proper upon a revenue bill; that it was regulatory of the liquor traffic, and should be considered as a separate measure. The amendment was omitted from the revenue bill as finally enacted. It was understood, however, that the subject dealt with in the so-called Lee amendment should receive immediate consideration.

The House passed a bill known as House bill 7508, which was referred to the Committee on the Judiciary. That committee, after duly considering the bill, reported it with an amendment striking out all after the enacting clause and inserting certain provisions. After further consideration, it was decided to modify the committee amendment by striking out subsections (b) and (c).

I now ask for the consideration of the House bill.

Mr. GERRY. Mr. President, what is the number of the bill?

Mr. KING. It is House bill 7508. If there is any objection, I shall not press the matter.

Mr. COPELAND. Is that the bill which has to do with cider?

Mr. KING. No. The purpose of the bill is to aid the dry States and to protect them against the intrusion of distilled liquor in contravention of their statutes.

Mr. COPELAND. May I ask the Senator a further question? I am sorry I am so stupid about the matter; but I heard today from one of my constituents, who felt that the cider interests had not been properly protected. I have no interest in the subject, but I want to be sure about the matter.

Mr. KING. I do not know how the bill would affect cider. If a State has a law prohibiting the sale of cider, the bill might protect the State in excluding it, if the cider exceeded 5 percent in alcoholic content.

Mr. COPELAND. I have no objection to the consideration of the bill.

The PRESIDING OFFICER. Is there objection to the consideration of the bill?

There being no objection, the Senate proceeded to consider the bill (H. R. 7508) to amend the Liquor Enforcement Act of 1936, which had been reported from the Committee on the Judiciary with an amendment, to strike out all after the enacting clause and to insert:

That (a) section 3 (a) of the Liquor Enforcement Act of 1936 (U. S. C., 1934 ed., Supp. III, title 27, sec. 223 (a)) is hereby amended to read as follows:

"SEC. 3. (a) Whoever shall import, bring, or transport any intoxicating liquor into any State in which all sales (except for scientific, sacramental, medicinal, or mechanical purposes) of intoxicating liquor containing more than 5 percent of alcohol by weight are prohibited, otherwise than in the course of continuous interstate transportation through such State, or attempt so to do, or assist in so doing, shall, if the importation, bringing, or transportation of such intoxicating liquor into, or the transportation thereof within, such State is prohibited by the laws thereof, be guilty of a misdemeanor and shall be fined not more than $1,000 or imprisoned not more than 1 year, or both. All importation, bringing, or transportation of intoxicating liquor into any such State for delivery or use therein, or through such State in the course of continuous interstate transportation, shall be evidenced by shipping documents in the manner and form prescribed by the Commissioner of Internal Revenue in regulations approved by the Secretary of the Treasury. Whenever the officers charged with the enforcement of this act shall discover intoxicating liquor in the course of importation, bringing, or transportation into any such State, such intoxicating liquor shall, except when it is consigned to a person entitled under the laws of such State to procure, possess, or dispose of such intoxicating liquor for scientific, sacramental, medicinal, or mechanical purposes, or except when it is consigned for delivery in another State and is in the course of continuous interstate transportation through the State in which discovered, and such consignment to such a person or for delivery in another State is evidenced by shipping documents as hereinbefore required, be presumed to be in the course of importation, bringing, or transportation into such State contrary to the provisions of this section, and the burden of proof shall be on the claimant or the accused to rebut such presumption."

(b) Section 3 of the Liquor Enforcement Act of 1936 (U. S. C., 1934 ed., Supp. III, title 27, sec. 223) is further amended by adding at the end thereof a new subsection to read as follows:

"(c) If any person holding a basic permit heretofore or hereafter issued pursuant to the provisions of the Federal Alcohol Administration Act (U. S. C., 1934 ed., Supp. III, title 27, ch. 8) shall knowingly transport or import, or cause to be transported or imported, in any manner or by any means whatsoever, or aid or assist in obtaining transportation for or in transporting or importing, or shall sell or purchase, any intoxicating liquor with knowledge that the same is being, or will be, transported or imported, into any State, Territory, or possession of the United States, where such intoxicating liquor is intended by any person interested therein to be received, possessed, sold, or in any manner used, either in the original package or otherwise in violation of any law of such State, Territory, or possession of the United States, such basic permit shall be suspended or revoked in accordance with the provisions of section 4 (c) of the Federal Alcohol Administration Act (U. S. C., 1934 ed., Supp. III, title 27, sec. 204 (c)).

"As used in this subsection the term 'intoxicating liquor' shall mean intoxicating liquor as defined in the laws of the State, Territory, or possession into which such intoxicating liquor is transported or imported."

Mr. KING. Mr. President, I desire to offer an amendment to the committee amendment. On pages 3 and 4 of the bill, I move to strike out subsections (b) and (c).

The PRESIDING OFFICER. The amendment offered by the Senator from Utah to the amendment reported by the committee will be stated.

The CHIEF CLERK. It is proposed to strike out lines 17 to 25, both inclusive, on page 3, and lines 1 to 17, both inclusive, on page 4, being subsections (b) and (c).

The amendment to the amendment was agreed to.

Mr. KING. I further move to strike out the letter "(a)" where it first appears on page 2, line 4.

The amendment to the amendment was agreed to.

The amendment, as amended, was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

Mr. KING. Mr. President, the report submitted by the Judiciary Committee on this bill contains, I believe, an important discussion of its provisions, and also of some features of the twenty-first amendment to the Constitution. I ask that it may be inserted in the RECORD as part of my remarks.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

The report (No. 1872) submitted by Mr. KING on May 11, 1938, is as follows:

The Committee on the Judiciary, to whom was referred the bill (H. R. 7508) to amend the Liquor Enforcement Act of 1936, having considered the same, report it favorably with an amendment in the nature of a substitute, and as amended recommend that the bill do pass.

The bill amends the Liquor Enforcement Act of 1936 in order to provide more effective protection of the so-called dry States against the importation of intoxicating liquor into such States.

Section 3 (a) of that act now reads as follows:

"SEC. 3. (a) Whoever shall import, bring, or transport any intoxicating liquor into any State in which all sales (except for

scientific, sacramental, medicinal, or mechanical purposes) of intoxicating liquor containing more than 4 percent of alcohol by volume are prohibited, otherwise than in the course of continuous interstate transportation through such State, or attempt so to do, or assist in so doing, shall, (1) if such liquor is not accompanied by such permit or permits, license or licenses therefor as are now or hereafter required by the laws of such State, or (2) if all importation, bringing, or transportation of intoxicating liquor into such State is prohibited by the laws thereof, be guilty of a misdemeanor and shall be fined not more than $1,000 or imprisoned not more than 1 year, or both."

The purpose of that provision is indicated by the following excerpts from the committee report which accompanied that act in the House of Representatives (H. Rept. No. 1258, 74th Cong., 1st sess.):

"The purpose of the bill is to enforce the twenty-first amendment to the Constitution of the United States, which was declared to be effective on December 5, 1933, and which guarantees Federal protection to dry States against liquor-law violations directed from outside their borders. The bill extends this affirmative protection to States which forbid all sales for beverage purposes of intoxicating liquor containing more than 4 percent of alcohol by volume (3.2 percent of alcohol by weight).

* * * * * * *

"Section 3 is the heart of the bill. Subsection (a) makes it a misdemeanor punishable by a fine of not more than $1,000 or imprisonment for not more than 1 year, or both, for anyone to bring any intoxicating liquor into any State which forbids all sales of intoxicating liquor (except for scientific, sacramental, medicinal, or mechanical purposes) containing more than 4 percent of alcohol by volume, (1) if the liquor is not accompanied by a permit therefor as required by the laws of such State, or (2) if the State has a complete embargo on all transportation of liquor into its confines. An exception is made with regard to liquor in the course of interstate transportation through the State."

Although there are several States which do not permit the sale of whisky or wine for beverage purposes, none of these States has met the test laid down in the existing act which would entitle them to the protection afforded, because none of these States prohibits the importation of all intoxicating liquor and none of them has established a permit system for such importations as are permitted.

The present bill, as it passed the House, greatly broadened the scope of the prohibition contained in the act of 1936, and made it a Federal offense to import any intoxicating liquor into a State for delivery or use therein in violation of State law. Your committee has given careful consideration to the question of whether this policy should be adopted, and has come to the conclusion that it should not.

The history of the twenty-first amendment indicates that it was intended to turn over to the State entire control of the liquor traffic, and that the Federal Government's obligation to the States was to be restricted to protection of the dry States. The bill as it passed the House would completely reverse this policy.

The plain terms of the bill as it passed the House would extend the scope of Federal protection to every State in the Union, whether wet or dry, with respect to the enforcement of any law which that State might have in connection with the importation, sale, use, etc., of intoxicating liquor. Under the language of the bill as it passed the House, it would be incumbent upon Federal officers to see that no liquor entered any one of the 48 States which was intended to be used in violation of any one of its laws. It would be necessary to prevent importation of liquor into a State if the liquor was, for example, intended to be sold to minors, sold on Sunday, sold on election day, or sold within a thousand yards of a church, in violation of State law. The Federal enforcement officers, therefore, would have to follow the shipment of imported liquor into the State to see that it was not sold in violation of State law. They would thus be participating in the enforcement of liquor laws which are essentially local, a policy which the people of the United States repudiated when they adopted the twenty-first amendment to the Constitution.

Although the bill as it passed the House was couched, in general, in the language of the twenty-first amendment, it omits a vital comma, and the effect of that omission is to make the words "in violation of the laws of said State" modify the words "for delivery or use therein (i. e., in such State)," instead of modifying the words "import, bring, or transport any intoxicating liquor into any State." The result of the omission of this comma would be to make the bill cover both border and internal enforcement matters. The twenty-first amendment, on the other hand, is restricted to prohibiting importations into any State in violation of the importation laws of such State. It dealt, in other words, with border protection. That this is the proper construction of the amendment is indicated by the following language of the Supreme Court in the case of *State Board* v. *Young's Market Co.* (1936) (299 U. S. 59, 62):

"The amendment which 'prohibited' the 'transportation or importation' of intoxicating liquors into any State 'in violation of the laws thereof,' abrogated the right to import free, so far as concerns intoxicating liquors."

It has been urged that the bill as it passed the House was limited to border protection. Assuming without conceding that this construction is correct, the bill was still objectionable because it would still violate the purpose of the twenty-first amendment.

Section 2 of the twenty-first amendment is not easy to understand, unless it is viewed in the light of its legislative history and general background. It reads as follows:

"The transportation or importation into any State, Territory, or possession of the United States for delivery or use therein of intoxicating liquors, in violation of the laws thereof, is hereby prohibited."

On superficial examination, the language of this amendment might seem, to one not familiar with its background, broad enough to contemplate Federal liquor protection for all the States wet or dry. This is clearly not the fact. It should be remembered in this connection that the broad language of the sixteenth amendment has been much more narrowly construed than the verbiage of the amendment on its face would seem to justify. The sixteenth amendment authorized Federal taxation of income "from whatever source derived" but the courts have examined the amendment in the light of its background and the situation which it was designed to remedy and found a good many sources of income still unavailable for revenue purposes.

The purpose which section 2 of the twenty-first amendment was intended to accomplish is evidenced by the debates on the floor of the Senate in 1933, on the joint resolution which became the twenty-first amendment. In discussing section 2 Senator Blaine, the spokesman of the Senate Judiciary Committee, made the following statement:

"So, to assure the so-called dry States against the importation of intoxicating liquor into those States, it is proposed to write permanently into the Constitution a prohibition along that line.

"This proposal is restoring to the States, in effect, the right to regulate commerce respecting a single commodity—namely, intoxicating liquor. In other words, the State is not surrendering any power it possesses, but rather, by reason of this provision, in effect acquires powers that it has not at this time.

"The committee felt that since the Congress had acted and had definitely legislated upon this question, while that legislation had been sustained by the Supreme Court, yet it was sustained by a divided Court, and that we could well afford to guarantee to the so-called dry States the protection designed by section 2" (CONGRESSIONAL RECORD, vol. 76, pt. IV, p. 4141).

The following statement of Senator Blaine is also significant:

"The purpose of section 2 is to restore to the States by constitutional amendment absolute control in effect over interstate commerce affecting intoxicating liquors which enter the confines of the States. The State under section 2 may enact certain laws on intoxicating liquors, and section 2 at once gives such laws effect" (CONGRESSIONAL RECORD, vol. 76, pt. IV, p. 4143).

During the course of the debate a motion was made to strike out section 2. Senator BORAH opposed the motion upon the ground, primarily, that without section 2, the authority of the States, in the exercise of their police powers, to control the liquor traffic within their borders would be considerably impaired because they would then be required to look to the Webb-Kenyon Act as the source of their authority to regulate such traffic; and, since that act was sustained by a divided court after having been vetoed by President Taft on the recommendation of the Attorney General as being unconstitutional and having been debated against on the same ground by Mr. Justice Sutherland and Elihu Root when they were in the Senate, it was his view that the constitutionality of that act was still doubtful and it was not unlikely that it would be held unconstitutional if reconsidered by the Supreme Court. The motion to strike out section 2 was withdrawn during the course of Senator BORAH's statement, after which Senator BORAH concluded his remarks with the statement that:

"If we are to have what we are now promised, local self-government, State rights, the right of the people of the respective States to adopt and enjoy their own policies, we must have some other method, some other provisions of the Constitution, than those which existed prior to the adoption of the eighteenth amendment.

"All this was sought to be remedied by the Webb-Kenyon Act, and I am very glad indeed the able Senator from Arkansas [Mr. Robinson] has seen fit to recognize the justice and fairness to the States of incorporating it permanently in the Constitution of the United States" (CONGRESSIONAL RECORD, vol. 76, pt. IV, p. 4172).

It is particularly significant that the joint resolution originally contained as section 3 a provision that would have given Congress concurrent power with the States to regulate and prohibit the sale of liquor within the States for immediate consumption. This was stricken because, as Senator WAGNER said, it did not "restore to the States responsibility for their local liquor problems" and did not "withdraw the Federal Government from the field of local police regulations into which it has trespassed." He stated that section 3 would perpetuate the intrusion of the liquor problem into the national sphere, and viewing it from a practical standpoint that—

"Any realistic calculation will reveal that the agency will be larger, more expensive, and more subject to abuse and corruption than the Bureau of Prohibition. The kind of regulation which may be fairly anticipated under section 3 cannot possibly be administered except by a genuine police force of thousands upon thousands of officers. The Federal Government has never been equipped with such a force, and it cannot be so equipped unless we alter the nature of our Government beyond recognition.

* * * * * * * *

"We know perfectly well that the grant of the power 'to regulate or prohibit,' as defined in section 3, will lead inevitably to State reliance upon the Federal Government to enforce the local laws of the dry communities" (CONGRESSIONAL RECORD, vol. 76, pt. IV, p. 4146).

Section 3 was deleted, and it is, therefore, evident that the Congress intended by the twenty-first amendment, as adopted, to return the complete control of the liquor traffic to the States. The Federal Government's participation, if any, in the liquor problem from a national standpoint was to be limited to protection for the dry States. As Senator BORAH stated during the debates:

"I have no doubt, if the amendment is adopted, that it will be within the power of Congress, as well as within the power of the State, to punish those who ship liquor into a dry State" (CONGRESSIONAL RECORD, pt. IV, p. 4172).

Thus, it will be observed, that the enactment of the present bill as it passed the House, whether in a form requiring border protection only or both border and internal protection, would violate the purpose of the twenty-first amendment since it would protect wet as well as dry States. It is particularly noteworthy that some of the State laws, which the Federal Government would be required to enforce under the bill as it passed the House, would be laws discriminating against importations of liquor from sister States; that is, laws which prohibit or penalize the importation of liquor enacted by States which permit the manufacture and sale of liquor within their borders. As an example, the Supreme Court in *State Board* v. *Young's Market Co.* (1936) (299 U. S. 59), affirmed the validity under the twenty-first amendment of a State statute imposing a license fee of $500 per annum on the privilege of importing beer, but without imposing a similar exaction upon wholesalers of local beer. Under the bill as it passed the House the Federal Government would have to enforce such a law.

A number of wet States have State-owned monopolies on all sales of liquor within the State and prohibit deliveries to anyone other than the State monopoly. It will be seen, therefore, that the bill as it passed the House would require the Federal Government to assist these monopoly States in enforcing their laws prohibiting deliveries to anyone other than the State monopoly, with the result that the Federal Government would not be protecting a dry State, but would be fostering a monopoly in a wet State.

As an indication of the expense and administrative difficulties which would be involved under the bill as it passed the House, there is set out below an excerpt from a letter from the Acting Secretary of the Treasury to the chairman of the Senate Committee on the Judiciary:

"The enforcement problems of the eighteenth amendment, which prohibited entirely the traffic in intoxicating liquors for beverage purposes, are well known. It is believed, however, that under H. R. 7508, the enforcement difficulties which can reasonably be anticipated would be greater in scope. That proposal contemplates detailed Federal regulation and supervision within the States of traffic in a commodity which is no longer illegal and consequently violations of regulatory laws would be more difficult to detect. In other words, it would seem to be more difficult from an enforcement standpoint to regulate and supervise traffic which is legal than to enforce total prohibition. As a practical proposition it would be virtually impossible for the Federal Government to enforce H. R. 7508.

"Furthermore, in order to supervise the delivery and use of liquor in the 48 States, which, of course, would create an enforcement problem of great magnitude, it would be necessary to establish a Federal enforcement agency. Any real estimate of the size of such an agency will reveal that it would necessarily be much larger and more expensive to maintain than the Federal machinery set up to enforce the eighteenth amendment. Such a great increase in enforcement personnel would require a great increase in the appropriations for the enforcement unit, not only for salaries but for equipment, traveling expenses, etc."

In view of the foregoing considerations, your committee has reached the conclusion that the bill should not be enacted in the form in which it passed the House.

Your committee recommend an amendment, in the nature of a substitute, which is designed to afford adequate protection to dry States. Under the amendment recommended by the committee, the requirements of existing law that a permit system be established or that all importations be prohibited are eliminated, and protection will be afforded to any State which prohibits all sales (except for scientific, sacramental, medicinal, or mechanical purposes) of intoxicating liquor containing more than 5 percent of alcohol by weight. Any person who imports any intoxicating liquor into such a State (except in the course of continuous transportation through the State) will, if the State law prohibits the importation of such liquor or its transportation within the State, be guilty of a Federal offense and will be subject to fine and imprisonment. In order to provide a practicable method of enforcement, it requires that all shipments of intoxicating liquor into or through such a State be evidenced by shipping documents in the manner and form prescribed by the Commissioner of Internal Revenue in regulations approved by the Secretary of the Treasury. These shipping documents will in effect be substitutes for the State permits accompanying liquor importations which the law now requires as a prerequisite to Federal protection to dry States. If enforcement officers discover intoxicating liquor in the course of importation into such a State, a rebuttable presumption is created that the importation is illegal unless (1) the liquor is consigned to a person entitled under the laws of the State to procure, possess, or dispose of it, or is consigned for delivery in another State; and (2) is accompanied by the shipping documents required under the act.

The amendment recommended by the committee also adds to section 3 of the Liquor Enforcement Act of 1936 a new subsection providing that if any person holding a basic permit under the Federal Alcohol Administration Act knowingly imports or assists in importing, or sells or purchases with knowledge that it is to be imported, into any State any intoxicating liquor intended to be sold or used in violation of any law of such State, such permit shall be suspended or revoked. For the purposes of this subsection the definition of intoxicating liquor contained in the laws of the State is made applicable.

RIVERS AND HARBORS

Mr. BARKLEY. Mr. President, I make the same request for consideration with reference to a measure which the Senator from New York [Mr. COPELAND] is anxious to have disposed of, and which I think will involve no controversy.

Mr. COPELAND. Mr. President, I will say to my leader that I am not sure the bill should be acted upon at this time. I find that the entire membership present at the moment is on this side of the Chamber. I had in mind calling up the river and harbor bill. I do not think it is controversial; but, at the same time, I should not want to take any chance on some repercussions.

We ought to pass the bill as soon as we can. I may possibly ask for its consideration and passage on Tuesday; but I think perhaps it would be better not to do so tonight.

Mr. BARKLEY. I had not observed that at the moment this is a one-sided Chamber. I do not wish to take advantage of any Senator on the other side, though I do not suppose there will be any objection to the bill referred to; but I shall be glad to cooperate with the Senator from New York regarding it a little later.

Mr. COPELAND. I thank the Senator.

EXECUTIVE SESSION

Mr. BARKLEY. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE REPORTS OF A COMMITTEE

Mr. McKELLAR, from the Committee on Post Offices and Post Roads, reported favorably the nominations of sundry postmasters.

The PRESIDING OFFICER (Mr. ELLENDER in the Chair). The reports will be placed on the Executive Calendar.

If there be no further reports of committees, the clerk will state in their order the nominations on the Executive Calendar.

POSTMASTERS

The legislative clerk proceeded to read sundry nominations of postmasters.

Mr. BARKLEY. I ask that the nominations of postmasters be confirmed en bloc.

The PRESIDING OFFICER. Without objection, the nominations of postmasters are confirmed en bloc.

That concludes the calendar.

RECESS TO TUESDAY

The Senate resumed legislative session.

Mr. BARKLEY. I move that the Senate take a recess until 12 o'clock noon on Tuesday next.

The motion was agreed to; and (at 4 o'clock and 22 minutes p. m.) the Senate took a recess until Tuesday, May 31, 1938, at 12 o'clock meridian.

CONFIRMATIONS

Executive nominations confirmed by the Senate May 28 (legislative day of April 20), 1938

POSTMASTERS

MASSACHUSETTS

Winona G. Craig, Falmouth Heights.

MONTANA

Frank X. Monaghan, Butte.
Oren D. Clement, Livingston.

NEW YORK

Edward J. Seagert, Attica.
Frederic M. Buckley, Boonville.
Archie C. Montanye, Esperance.
Dennis W. Daly, Lockport.
Edward J. McSweeney, Long Lake.
Dennis Shannon, New York Mills.
Dennis T. Dillon, Jr., Raquette Lake.
Thomas J. Reilly, Silver Springs.
Nora E. Feeley, Skaneateles Falls.
Philip J. Smith, Webster.

OREGON

Mae M. Humphrey, Boring.
Hampton T. Pankey, Central Point.
Albert H. Fasel, Estacada.
Edwin Allen, Forest Grove.
Thomas R. Roe, Gaston.
Carl H. Massie, Grants Pass.
Harold C. Kizer, Harrisburg.
Winifred G. Wisecarver, McMinnville.
Oscar L. Groves, Monmouth.
Harvey C. Knapp, North Portland.
Sadie B. Jones, Oakridge.
Henry R. Crawford, Salem.
Ruby I. Loundree, Sandy.
Henry Alm, Silverton.
Frank H. Fawk, Willamina.
Howard F. Butterfield, Woodburn.

SENATE

TUESDAY, MAY 31, 1938

(Legislative day of Wednesday, April 20, 1938)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

THE JOURNAL

On request of Mr. BARKLEY, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day Saturday, May 28, 1938, was dispensed with, and the Journal was approved.

CALL OF THE ROLL

Mr. BARKLEY. I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Adams	Copeland	Johnson, Colo.	Pepper
Andrews	Davis	King	Pittman
Austin	Dieterich	La Follette	Pope
Bailey	Donahey	Lee	Radcliffe
Bankhead	Duffy	Lodge	Russell
Barkley	Ellender	Logan	Schwartz
Berry	Frazier	Lonergan	Schwellenbach
Bilbo	George	Lundeen	Sheppard
Bone	Gerry	McAdoo	Shipstead
Borah	Gibson	McCarran	Smathers
Brown, Mich.	Green	McGill	Smith
Brown, N. H.	Guffey	McKellar	Thomas, Okla.
Bulkley	Hale	McNary	Thomas, Utah
Bulow	Harrison	Maloney	Townsend
Burke	Hatch	Miller	Truman
Byrd	Hayden	Milton	Tydings
Byrnes	Herring	Minton	Vandenberg
Capper	Hill	Murray	Van Nuys
Caraway	Hitchcock	Neely	Wagner
Chavez	Holt	Norris	Walsh
Clark	Hughes	O'Mahoney	Wheeler
Connally	Johnson, Calif.	Overton	White

Mr. MINTON. I announce that the Senator from Arizona [Mr. ASHURST] and the Senator from Oregon [Mr. REAMES] are detained from the Senate because of illness.

The Senator from Iowa [Mr. GILLETTE], the Senator from Virginia [Mr. GLASS], the Senator from Illinois [Mr. LEWIS], and the Senator from North Carolina [Mr. REYNOLDS] are detained on important public business.

Mr. AUSTIN. I announce that the Senator from New Hampshire [Mr. BRIDGES] is absent because of the death of his wife.

The VICE PRESIDENT. Eighty-eight Senators have answered to their names. A quorum is present.

PETITIONS AND MEMORIALS

The VICE PRESIDENT laid before the Senate the following concurrent resolutions of the Legislature of the State of Louisiana, which were referred to the Committee on Finance:

House Concurrent Resolution No. 6

Whereas the Congress of the United States has enacted the Social Security Act providing for aid to aged, needy individuals, aid to needy blind persons, and aid to dependent children, and therein provided for payments to the States of certain amounts conditioned upon the States passing legislation conforming to the requirements of said act of Congress, and matching, in the proportions required, funds of the Federal Government for said purposes; and

Whereas the Legislature of the State of Louisiana in the year 1936 enacted certain acts adopting and conforming to the provisions of said act of Congress, and since said date has conformed to and received such benefits as are provided by said act of Congress for her aged needy individuals, needy blind persons, and dependent children; and

Whereas the Legislature of Louisiana undertook to provide payments for the purpose of enabling her old people, blind persons, and dependent children "to live compatible with decency and health"; and

Whereas in order to secure payments from the Federal Government, the Department of Public Welfare of Louisiana has to make detailed investigations and employ hundreds of workers to build case records and fulfill the many requirements of the Social Security Board in Washington and large amounts of money has been expended to meet said requirements and regulations; and

Whereas this money should be saved and an economical administration of public welfare had and the money derived from taxing the people conserved and spent for the relief of the distress and want of our poor and unfortunate people without the great expense attendant to our State-Federal system of administration of public welfare; and

Whereas the distress and misery of our old people, blind, and dependent children may be greatly relieved by well-defined rules and regulations affecting the administration of public welfare, to be determined and stated by statute rather than evolved by departments and bureaus, and the findings of the department of public welfare of any State should be conclusive as to eligibility and the whole duty and responsibility of administrating public welfare should be left to the States without any sort of dictation or interference from the Federal Government or any agency, department, or bureau thereof: Now, therefore, be it

Resolved, That we, the members of the House of Representatives of the State of Louisiana (the senate concurring), respectfully petition the Congress of the United States to amend the Social Security Act of Congress by providing therein with certainty and precision who are entitled to the benefits thereunder, with the same amounts to be paid to all similarly situated, without discrimination, and that the whole responsibility and details of administration be left to the States, and that any department of public welfare of any State be final and binding on the Federal Government; be it further

Resolved, That a copy of this resolution be sent to the Senate of the United States, the House of Representatives of the United States, and to each of the Senators and Members of the House of Representatives who represent the State of Louisiana in Washington.

House Concurrent Resolution No. 7

Whereas the Legislature of the State of Louisiana in the year 1936 passed several acts conforming to the requirements of the Social Security Act of Congress of the United States and thereby accepted all of the requirements and benefits of said act of Congress providing for Federal aid and participation in aid to aged, needy individuals, aid to needy blind, and aid to dependent children; and

Whereas under the terms of said Social Security Act of Congress Louisiana is not the recipient of any Federal aid for any of said purposes except in cases where Federal funds are matched, and then in the proportions set out in and governed by the provisions of said act of Congress; and

Whereas Louisiana has been unable to provide sufficient funds to secure the full amounts that may be obtained from the Federal Government under the provisions of said act of Congress; and

Whereas the people of the State of Louisiana contribute their pro rata of the taxes levied by the Congress of the United States to provide revenue for the administration of said act of Congress, and the purpose of said Social Security Act is being thwarted by the inability of our State to raise funds sufficient to match Federal funds and otherwise meet the requirements of said act; and

Whereas the funds derived from the levying of such taxes should be distributed among the States on a fair and equitable basis without the conditions and requisites of said act of Congress calling for matching by the State before the Federal Government

will pay over said funds for the relief of misery and distress among our people; and

Whereas the plan of operation and disbursement of funds as provided by said Social Security Act of Congress is causing many hardships and much suffering amongst the aged, blind, and dependent children of Louisiana, which should be eliminated by prorating the revenue derived from taxation levied and collected to provide the governmental benefits intended by said act on the basis of "equal rights to all and special privileges to none"; and

Whereas the members of the House of Representatives of the State of Louisiana are convinced that much of the suffering amongst the old people, blind, and dependent children of Louisiana is due to the unfair and inequitable administration of said Social Security Act of Congress and may be easily ended by amending said act by providing that the revenue collected for the purposes covered by said act be allocated and paid over to the States without the prerequisite requirement of contribution and matching by the States: Now, therefore, be it

Resolved, That we, the members of the House of Representatives of the State of Louisiana (the senate concurring), respectfully petition Congress of the United States to amend the present Social Security Act of Congress by providing that the revenue derived from the taxes levied by Congress and collected to provide the governmental benefits set forth in said Social Security Act of Congress be paid to the States who have conformed to the requirements of said act without it being required that as a condition precedent that the States contribute to or match said funds; be it further

Resolved, That a copy of this resolution be sent to the Senate of the United States, the House of Representatives of the United States, and to each of the Senators and Representatives from Louisiana who represent the State of Louisiana in the Congress of the United States.

The VICE PRESIDENT also laid before the Senate the following concurrent resolution of the Legislature of the State of Louisiana, which was ordered to lie on the table:

House Concurrent Resolution 11

Concurrent resolution relative to H. R. 10340 and S. 419, bills pending in the Congress of the United States providing for appropriation of funds to assist the States and Territories in providing more effective programs of public education

Whereas H. R. 10340, a bill to promote the general welfare through the separation of funds to assist the States and Territories in providing more effective programs of public education, is now pending in the House of Representatives of the United States; and

Whereas S. 419, a bill similar in purpose, has been introduced in the Senate of the United States; and

Whereas, under the provisions of H. R. 10340, appropriations are authorized to make available funds for making payment to the several States in providing plans and facilities for the improvement of public elementary and secondary schools; and

Whereas the immediate passage of these bills would be of material benefit to the State of Louisiana and its citizens generally; and

Whereas it is the sense of the Legislature of the State of Louisiana that the funds to be appropriated should be made available for the 1938–39 school term: Now, therefore, be it

Resolved by the House of Representatives of the State of Louisiana (the senate concurring), That this legislature does hereby endorse and approve the provisions of H. R. 10340 and S. 419 and does respectfully suggest that the funds authorized to be appropriated for payment to the States be made available for the 1938–39 school term; be it further

Resolved, That this legislature hereby petition the Congress of the United States to enact H. R. 10340 and S. 419 at the present session of Congress; be it further

Resolved, That a copy of this memorial, duly authenticated, be sent by the secretary of state to the President of the Senate, the Speaker of the House of Representatives of the United States, and to each Senator and Representative in Congress from this State.

The VICE PRESIDENT also laid before the Senate the following resolution of the House of Representatives of the State of Louisiana, which was ordered to lie on the table:

House Resolution 4

Be it resolved by the Legislature of Louisiana that—

Whereas the National Youth Administration of Louisiana has carried on a program of constructive vocational training of inestimable value to the youth of our State through work projects; and

Whereas the National Youth Administration has provided hundreds of scholarships for youth, both in high school and in college: Therefore be it

Resolved, That the Legislature of Louisiana does hereby express its approval of this valuable and far-reaching program and urge the Congress of the United States to provide adequate and increased funds for this program; be it further

Resolved, That the secretary of state of Louisiana be, and he is hereby, requested to send a certified copy of this resolution to the President of the United States, the Vice President of the United States, the Speaker of the House of Representatives, Members of Congress from the State of Louisiana, and Hon. Aubrey Williams, executive director of the National Youth Administration.

The VICE PRESIDENT also laid before the Senate petitions of sundry citizens of the States of New York and Pennsylvania, and members of Washington Camp No. 53, Patriotic Order Sons of America, of Mamaroneck, N. Y., praying for the enactment of legislation to stop all immigration to the United States, for the deportation of certain aliens, and the adoption of an amendment to the Constitution excluding aliens from the right of free speech when they advocate the overthrow of the Government or the assassination of public officials, and providing for the deportation of such aliens upon conviction, also the enactment of a tariff law sufficiently high to keep all foreign commodities from entering the United States that can be produced in this country, which were referred to the Committee on Immigration.

Mr. VANDENBERG presented petitions of sundry citizens of the State of Michigan, praying for the repeal of the so-called Crop Control and the Wagner Acts, also for the enactment of tariff legislation pertaining to farm products that will be high enough to create for the United States a favorable balance of trade, which were referred to the Committee on Agriculture and Forestry.

Mr. COPELAND presented a resolution adopted by Kings County Lighting Co. American Legion Post, No. 261, Brooklyn, N. Y., favoring the enactment of legislation giving World War veterans unrestricted preference for employment in the P. W. A. and the W. P. A., which was referred to the Committee on Education and Labor.

He also presented a resolution adopted by the forty-third annual convention of the New York State Association of Manufacturing Retail Bakers, favoring the granting of governmental relief only to the aged, sick, and disabled, and providing that all others shall be compensated only for an honest day's work, and so forth, which was referred to the Committee on Education and Labor.

He also presented a resolution adopted by Local Union No. 848, Brotherhood of Painters, Decorators and Paperhangers of America, of New York City, N. Y., favoring the enactment of legislation to remove the ban on the shipment of munitions of war to Spain, which was referred to the Committee on Foreign Relations.

He also presented a resolution adopted by officers and members of the Central Civic Association of Hollis, N. Y., favoring the enactment of the bill (H. R. 2716) to provide for the local delivery rate on certain first-class mail matter, which was referred to the Committee on Post Offices and Post Roads.

He also presented a resolution adopted by the executive committee of the Citizens Unemployed Relief League, of Buffalo, N. Y., favoring the prompt enactment of the so-called Wagner-Van Nuys antilynching bill, which was ordered to lie on the table.

He also presented a letter in the nature of a memorial from the Rochester (N. Y.) Chamber of Commerce, remonstrating against the enactment of the bill (S. 2475) to provide for the establishment of fair labor standards in employments in and affecting interstate commerce, and for other purposes, which, with the accompanying statement, was ordered to lie on the table.

He also presented a resolution adopted by the board of directors of the Maritime Association of the Port of New York, N. Y., favoring the enactment of the bill (S. 3876) relating to the transportation by railroad of persons and property for or on behalf of the United States, which was ordered to lie on the table.

REPORTS OF COMMITTEES

Mr. COPELAND, from the Committee on Commerce, to which was referred the bill (S. 1787) to place warrant officers of the Coast Guard in the same status with warrant officers of the Navy as to being commissioned chief warrant officers upon length of service, reported it without amendment and submitted a report (No. 1920) thereon.

Mr. ADAMS, from the Committee on Irrigation and Reclamation, to which was referred the bill (S. 4027) providing that excess-land provisions of Federal reclamation laws shall

not apply to certain lands that will receive a supplemental water supply from the Colorado-Big Thompson project, reported it without amendment and submitted a report (No. 1921) thereon.

He also, from the Committee on Public Lands and Surveys, to which was referred the bill (S. 2056) to increase the limitation of cost upon the construction of buildings in national parks, reported it with an amendment and submitted a report (No. 1927) thereon.

He also, from the same committee, to which were referred the following bills, reported them severally without amendment and submitted reports thereon:

S. 1542. A bill to change the designations of the Abraham Lincoln National Park, in the State of Kentucky, and the Fort McHenry National Park, in the State of Maryland (Rept. No. 1928);

S. 2003. A bill to provide for the residence of the United States commissioners appointed for the national parks, and for other purposes (Rept. No. 1929);

H. R. 5166. A bill to relinquish the title or interest of the United States in certain lands in Houston (formerly Dale) County, Ala., in favor of Jesse G. Whitfield or other lawful owners thereof (Rept. No. 1930);

H. R. 5592. A bill to amend an act entitled "An act extending the homestead laws and providing for right-of-way for railroads in the District of Alaska, and for other purposes," approved May 14, 1898 (30 Stat. 409, 414) (Rept. No. 1931);

H. R. 6243. A bill to authorize a survey of the old Indian trail and the highway known as "Oglethorpe Trail" with a view of constructing a national roadway on this route to be known as "The Oglethorpe National Trail and Parkway" (Rept. No. 1932);

H. R. 7590. A bill to quiet title and possession to certain islands in the Tennessee River in the counties of Colbert and Lauderdale, Ala. (Rept. No. 1933);

H. R. 8134. A bill to quiet title and possession to certain lands in the Tennessee River in the counties of Colbert and Lauderdale, Ala. (Rept. No. 1934);

H. R. 8252. A bill to quiet title and possession to a certain island in the Tennessee River in the county of Lauderdale, Ala. (Rept. No. 1935);

H. R. 8773. A bill to authorize the Secretary of the Interior to dispose of surplus buffalo and elk of the Wind Cave National Park herd, and for other purposes (Rept. No. 1936); and

H. R. 9371. A bill authorizing the grant of a patent for certain lands in New Mexico to Mitt Taylor (Rept. No. 1937).

Mr. HATCH, from the Committee on the Judiciary, to which were referred the following bills, reported them severally without amendment and submitted reports thereon:

S. 4017. A bill to redistrict South Carolina and to divide said districts into divisions; and to amend paragraph 4n, section 1, Judicial Code (U. S. C., title 28, Supp. III, 1929), and section 105, Judicial Code (U. S. C., title 28, par. 186, 1925), as amended, and section 105, Judicial Code, as amended (U. S. C., title 28, par. 186, 1936), and for other purposes (Rept. No. 1922);

S. 4050. A bill to repeal section 2 of the act of June 16, 1936, authorizing the appointment of an additional district judge for the eastern district of Pennsylvania (Rept. No. 1923); and

H. R. 9468. A bill to amend the act of May 13, 1936, providing for terms of the United States district court at Wilkes-Barre, Pa. (Rept. No. 1924).

Mr. VAN NUYS, from the Committee on the Judiciary, to which was referred the bill (S. 4086) to provide for holding terms of the District Court of the United States for the Eastern District of Virginia at Newport News, Va., reported it without amendment and submitted a report (No. 1938) thereon.

Mr. BULOW, from the Committee on Indian Affairs, to which was referred the bill (S. 3830) for the relief of William C. Willahan, reported it with amendments and submitted a report (No. 1925) thereon.

Mr. FRAZIER, from the Committee on Indian Affairs, to which was referred the bill (S. 3745) to amend Public Law No. 383, Seventy-third Congress (48 Stat. L. 984), relating to Indians, by exempting from the provisions of such act any Indian tribe on the Standing Rock Reservation located in the States of North and South Dakota, reported it without amendment and submitted a report (No. 1926) thereon.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. WALSH:

A bill (S. 4113) to amend section 302 of the Tariff Act of 1930 (46 Stat. 686), as amended, so as to exempt Guam and American Samoa from internal-revenue taxes; to the Committee on Finance.

By Mr. GREEN:

A bill (S. 4114) providing for the refund of certain taxes paid by State and municipal officers and employees; to the Committee on Finance.

By Mr. BULOW:

A bill (S. 4115) for the relief of Bessie Bear Robe; to the Committee on Indian Affairs.

By Mr. McNARY:

A bill (S. 4116) to authorize the construction of the Umatilla Dam in the Columbia River, Oreg. and Wash.; to the Committee on Commerce.

By Mr. THOMAS of Oklahoma:

A bill (S. 4117) granting a pension to Margaret B. Barker (with accompanying papers); to the Committee on Pensions.

By Mr. THOMAS of Utah:

A bill (S. 4118) to require reports to the Department of Labor by contractors and subcontractors on public buildings and public works concerning employment, wages, and value of materials, and for other purposes; to the Committee on Education and Labor.

By Mr. BULKLEY:

A bill (S. 4119) to authorize the Secretary of War to lend War Department equipment for use at the 1938 National Encampment of Veterans of Foreign Wars of the United States to be held in Columbus, Ohio, from August 21 to August 26, 1938; to the Committee on Military Affairs.

By Mr. McCARRAN:

A bill (S. 4120) to provide for the issuance of renewable 4-year-term contracts to qualified star-route contractors and subcontractors, and for other purposes; to the Committee on Post Offices and Post Roads.

AMENDMENT TO RIVER AND HARBOR AUTHORIZATION BILL

Mr. SHEPPARD submitted an amendment intended to be proposed by him to the bill (H. R. 10298) authorizing the construction, repair, and preservation of certain public works on rivers and harbors, and for other purposes, which was ordered to lie on the table and to be printed.

AUTHORIZATION OF WORKS ON RIVERS AND HARBORS AND FOR FLOOD CONTROL—AMENDMENT

Mr. THOMAS of Oklahoma submitted an amendment intended to be proposed by him to the bill (H. R. 10618) authorizing the construction of certain public works on rivers and harbors for flood control, and for other purposes, which was ordered to lie on the table and to be printed.

DEPORTATION OF CRIMINAL AND OTHER ALIENS—AMENDMENT

Mr. THOMAS of Utah submitted an amendment intended to be proposed by him to the bill (H. R. 6391) to authorize the prompt deportation of criminals and certain other aliens, and for other purposes, which was ordered to lie on the table and to be printed.

RELIEF AND WORK-RELIEF APPROPRIATIONS—AMENDMENTS

Mr. AUSTIN, Mr. BAILEY, Mr. BANKHEAD, and Mr. WAGNER each submitted an amendment, and Mr. CAPPER submitted two amendments, intended to be proposed by them, respec-

tively, to the joint resolution (H. J. Res. 679) making appropriations for work relief, relief, and otherwise to increase employment by providing loans and grants for public-works projects, which were severally ordered to lie on the table and to be printed.

EMPLOYMENT OF ALIENS BY GOVERNMENTAL DEPARTMENTS OR AGENCIES

Mr. McKELLAR submitted the following resolution (S. Res. 285), which was ordered to lie on the table:

Resolved, That each department and agency of the Government is requested to transmit to the Senate, at the beginning of the first session of the Seventy-sixth Congress, a list containing the names of all aliens employed by such department or agency, together with the reasons for their employment.

MARY L. HALL

Mr. TYDINGS submitted the following resolution (S. Res. 286), which was referred to the Committee to Audit and Control the Contingent Expenses of the Senate:

Resolved, That the Secretary of the Senate hereby is authorized and directed to pay from the contingent fund of the Senate to Mary L. Hall, widow of William S. Hall, late a laborer in the employ of the Senate, a sum equal to 6 months' compensation at the rate he was receiving by law at the time of his death, said sum to be considered inclusive of funeral expenses and all other allowances.

MEMORIAL DAY ADDRESS BY SENATOR WALSH

[Mr. LONERGAN asked and obtained leave to have printed in the RECORD an address delivered by Senator WALSH at the annual Memorial Day exercises at Arlington National Cemetery, May 30, 1938, which appears in the Appendix.]

MEMORIAL DAY ADDRESS BY SENATOR VANDENBERG, GETTYSBURG, PA.

[Mr. WHITE asked and obtained leave to have printed in the RECORD a Memorial Day address by Senator VANDENBERG at Gettysburg, Pa., May 30, 1938, which appears in the Appendix.]

STANDARD OF WAGES AND HOURS OF LABOR—ADDRESS BY SENATOR THOMAS OF UTAH

[Mr. TRUMAN asked and obtained leave to have printed in the RECORD a radio address on the subject Harmonizing the Wage-Hour Legislation in Conference, delivered by Senator THOMAS of Utah on Monday evening, May 30, 1938, which appears in the Appendix.]

STATEMENT TO HIS CONSTITUENTS BY SENATOR THOMAS OF OKLAHOMA

[Mr. THOMAS of Oklahoma asked and obtained leave to have printed in the RECORD a statement made by him to his constituents of the State of Oklahoma, which appears in the Appendix.]

THE CHARLES CARROLL OF CARROLLTON BICENTENARY CELEBRATION

[Mr. TYDINGS asked and obtained leave to have printed in the RECORD addresses made in connection with the bicentenary celebration of the birth of Charles Carroll of Carrollton, with related matter, which appear in the Appendix.]

THE PAST YEAR'S PROGRESS UNDER THE SOCIAL SECURITY ACT

[Mr. HARRISON asked and obtained leave to have printed in the RECORD a statement relative to the past year's progress under the Social Security Act, which appears in the Appendix.]

MINIMUM WAGES AND MAXIMUM HOURS—LETTER FROM BERNARD M. BARUCH

[Mr. GUFFEY asked and obtained leave to have printed in the RECORD an open letter from Bernard M. Baruch to the editor of the New York Times, published in the New York Times of May 30, 1938, on the subject of minimum wages and maximum hours, which appears in the Appendix.]

BEN FRANKLIN, THE SPENDER—EDITORIAL FROM ST. LOUIS STAR-TIMES

[Mr. HILL asked and obtained leave to have printed in the RECORD an editorial entitled "Ben Franklin, the Spender," from the St. Louis Star-Times of the issue of May 25, 1938, which appears in the Appendix.]

TRADE AGREEMENTS AND THE SOUTHERN FARMER—ADDRESS BY HON. FRANCIS B. SAYRE

[Mr. McKELLAR asked and obtained leave to have printed in the RECORD an address delivered by the Honorable Francis B. Sayre, Assistant Secretary of State, before the East Tennessee Farmers Convention, held at the University of Tennessee, Knoxville, Tenn., on May 20, 1938, which appears in the Appendix.]

UTILITIES AND THE SPENDING PROGRAM—ARTICLE BY ARTHUR KROCK

[Mr. MALONEY asked and obtained leave to have printed in the RECORD an article published in the New York Times of May 31, 1938, in relation to utilities and the spending program, which appears in the Appendix.]

NATIONAL LABOR RELATIONS BOARD—DECISION OF SUPREME COURT OF THE UNITED STATES

[Mr. WAGNER asked and obtained leave to have printed in the RECORD a decision by the United States Supreme Court in the matter of the petition of the National Labor Relations Board for a writ of prohibition and for a writ of mandamus.]

RIVER AND HARBOR AUTHORIZATIONS

Mr. COPELAND. Mr. President, it is very necessary to send the river and harbor bill to conference. We were on the verge of passing it Saturday afternoon, but it was thought advisable to have the bill go over until today. I do not think it will take 10 minutes to secure action upon it. I ask unanimous consent that the unfinished business be temporarily laid aside in order that the Senate may consider Calendar No. 1961, being House bill 10298, which is the omnibus river and harbor bill.

The VICE PRESIDENT. Is there objection to the request of the Senator from New York that the unfinished business be temporarily laid aside for the purpose of considering at this time House bill 10298?

Mr. ADAMS. Mr President, I should like to make an inquiry of the Senator from New York. I have an amendment which I desire to suggest to the bill. Will the Senator afford an opportunity for the presentation of the amendment and not crowd the bill too fast? I did not know the bill was coming up, and I have not the amendment on my desk.

Mr. COPELAND. I will ask that the amendments reported by the committee be agreed to as they are found in the bill and then that the bill go back to the calendar if the Senator from Colorado desires in order that he may have an opportunity to present his amendment.

The VICE PRESIDENT. The Senator from New York makes an additional request.

Mr. BILBO. Mr. President, I object.

The VICE PRESIDENT. Objection is heard.

RELIEF AND WORK-RELIEF APPROPRIATIONS

The Senate resumed the consideration of the joint resolution (H. J. Res. 679) making appropriations for work relief, relief, and otherwise to increase employment by providing loans and grants for public-works projects.

Mr. LOGAN. Mr. President, I do not want to take up the time on the pending amendment, but in view of the fact that a unanimous-consent agreement has been entered into which limits all debate on amendments to 15 minutes, and since I have an amendment which will take much more time to present than 15 minutes or the 30 minutes allowed on the bill, I find it necessary to make some suggestions from time to time about the amendment which I propose to offer at the proper time.

Let me say now that, in my judgment, we had just as well try to tack a shingle to a frog's back as ever to try to get this country out of its difficulties by appropriating money to spend for relief unless we do something more than that. So long as we have no stabilization of prices, so long as there is no satisfactory monetary system, we will never be able to have this country function as it should.

The amendment which I expect to propose at the proper time relates to the Federal Reserve Act. I may say that under the spending in which we have engaged during the past few years we succeeded very well in bringing about some degree of prosperity until the governors of the Federal Reserve Board last August determined that prices were getting too high; that we were returning to prosperity entirely too rapidly. Consequently, the Board took the step that it thought was necessary to stop that increase in prices. If there is anything in the world we need it is an upturn in prices.

There may be plenty of money in the banks, as has been suggested, but so long as no one has collateral upon which he can borrow money from the banks the money in the banks is of no benefit whatever to the public.

It may be, as has been contended by some, that the owners of money should invest it in different enterprises; but I undertake to say at this time that those who have money in their control will never invest it in any business so long as the trend of prices is downward. It would be a very foolish thing for any man to invest his money in anything at this time when he knows that tomorrow the prices of whatever he buys with his money will be less than they are today.

So the all-important thing for us to consider at this time—and I mean to do my best to get the Senate to consider the question—is what can we do to stabilize prices?

When a man invests his money in stocks or bonds or in other things it is important that he know that he is not going to lose his money. Under our present system of financial control, under our present monetary system, no one knows what is going to happen to his money when he invests it.

There has been a good deal of talk about stabilizing prices. It can be done. The Federal Reserve Board now has the power to do it; but it does not seem to understand exactly what is necessary in order to bring about an increase in prices. It knows how to reduce prices, because we find in its recent report that last August it thought prices were becoming too high, so it took steps to reduce prices. If we want the Federal Reserve Board to function as an agency of the Congress, it is necessary for us to give it a mandate and tell it what it must do; and if it does not do that then Congress must take such steps as are necessary to see that it does it.

It is within the power of Congress, and it is the duty of Congress to regulate the value of money. About 1914, if that is the correct date, we delegated to a board the power to regulate the value of money; but we gave the board no instructions whatever as to how it should proceed to do it. The amendment which I propose is that we shall now proceed to direct that agency to regulate the value of money in the only way in which it can be regulated.

When the Federal Reserve Act was passed, a good many years ago, I am quite sure many of you will remember at least we who are Democrats went around over the country boasting in our campaign speeches that all panics were at an end; that in the future there could never be another such thing as a panic. Of course we all fully realize that the administration of a law ofttimes is more important than the law itself; and for some years apparently we got along very well. But about 1920, after the World War was over, the Federal Reserve Board—and I have before me here its report made on May 17, 1920—took such steps as were necessary to reduce or to eliminate what it called the "vicious circle" of increasing wages and prices. Let me say in all sincerity that that act alone brought about a greater property loss to the United States than did the World War; and I am not sure that the ultimate result has not been that it has brought more deaths, through starvation and through other hardships which have been imposed upon the American people.

If we in the Congress are going to continue to allow an agency of the Government to undo what we do, I think there is no excuse for our attempting to bring about better conditions by appropriating money, as we propose to do under this joint resolution. We shall never be able to solve the difficulties that confront the Nation until we establish a stable currency. We shall never be able to bring prosperity to the country until we have a monetary system that will work.

Let me call the attention of the Senate to the fact that England had many troubles in regard to her monetary system. She went off the gold standard; she went back on the gold standard; but at last, about 6 years ago, she embarked upon the idea of managed currency. Since that time England has increased her production, has increased the incomes of the citizens of her nation by at least 50 percent, and has greatly reduced unemployment; while we have been going on in a haphazard sort of way, attempting to increase spending in the Nation by the appropriation of money out of the Treasury, and so far we have gotten nowhere. It is true that we made some progress; but since last August prices have been going down, and everything has been going to smash. Why? Simply because we have made no effort to stabilize our currency.

Mr. WHEELER. Mr. President, will the Senator yield?

The VICE PRESIDENT. Does the Senator from Kentucky yield to the Senator from Montana?

Mr. LOGAN. I yield.

Mr. WHEELER. I call attention to the fact that the prices of many farm products today are lower than they were in 1933, if we compute them upon the old gold standard. In other words, with reference to gold, farm prices today in many instances are lower than they were in 1933.

Mr. LOGAN. That is a sad, sad fact. It is true that if we use gold as the basis, as we did in 1933, prices of many farm commodities now are lower than they were then. I suppose many of us are going along, believing what a few great financiers tell us, that we do not know anything about money, and because we do not know anything about money that we ought not to try to do anything that will bring prosperity to the Nation. I, for one, declare now that I am enlisting for the war, and I shall not stop until we have done something to the Money Trust. We hear a great deal of talk about other monopolies; we have said much about conspiracies in restraint of trade and conspiracies to fix prices; but the one great trust which still controls the country is the Money Trust.

Let me make a suggestion.

Not long ago a great citizen of our country said something about applying the principles of the "horse and buggy" days to conditions of the present time. We are not only applying the principles of the "horse and buggy" days to our monetary policy now, but we go even farther back than that; we go back to the days of the oxcart. It may be that we have brought about a new deal in wages, or we are trying to, at least, in industry, and in the case of the farmers. We have been trying to do so; but we have not done a thing about the most important matter which concerns this country.

Mr. WHEELER. Mr. President, will the Senator further yield?

Mr. LOGAN. I yield.

Mr. WHEELER. I call attention to the fact that when we devaluated gold, we had something like a $2,000,000,000 paper profit; and we set aside that $2,000,000,000 paper profit, as was urged and recommended by the President, for the purpose of stabilizing currencies. I have not his exact statement before me, but the idea was that we were going to stabilize the currencies of the world and stop the depreciation of foreign currencies, which was breaking down prices in the United States.

After we had talked about the subject here in the Senate for a considerable period of time, even the United States Chamber of Commerce recognized the fact that the depreciated currencies of other countries were breaking down prices of farm products and other commodities in this country. President Hoover made a statement to that effect, and President Roosevelt made a statement to that effect, and we created the $2,000,000,000 stabilization fund. It was a secret fund. Since we created the $2,000,000,000 stabilization fund the depreciation of currencies has continued. Other coun-

tries, with the exception of England, have kept on depreciating their currencies just as they did before. Since creation of the stabilization fund the French franc has depreciated from over 6 cents to something over 2 cents. The Brazilian milreis has depreciated. The Italian lira, and all of the other currencies, including the currencies of the Orient, have depreciated.

What does that mean? It means that when the currencies of other countries are depreciated, the farmers of those countries are given an opportunity to put us out of business in dealing with foreign countries, and they are able to ship their products into this country and sell them below the prices for which the American farmer can sell his products.

One of two things has happened: Either the theory of the stabilization fund was not the correct one, or else the way in which that fund has been operated has not accomplished that which the Congress and the President intended. Nobody knows how the stabilization fund has been operated. When I say "nobody," I mean nobody except the Treasury Department and its experts and certain agents or persons in the Federal Reserve Bank of New York.

Now let me ask the Senator another question: The Congress of the United States, under the Constitution, is given the power to regulate money and fix the value thereof; but here is a fund of $2,000,000,000 in the operation of which no Member of Congress is apprised. No one knows how it has been operating. No one actually knows what it has been used for. We are told in the press dispatches that it has been used for the purpose of stabilizing the French franc at a level just over 2 cents. Only a private institution, the Federal Reserve bank in the city of New York, and agents of the Treasury know what is being done with this $2,000,000,000 fund. The Congress of the United States, which created it, does not know anything about it. We do not know whether that money is being used to sabilize the currency of other countries at a much lower figure than the American dollar or not. We do not know a thing about it, and it seems to me about time that the Congress knew something about what was being done with that $2,000,000,000. I agree with the Senator entirely; here we are today about to put through the Congress one of the greatest appropriations for relief the Congress has ever considered. We are confessing to the country that we have failed in the last 7 years in regulating prices and in pulling the country out of the depression. Of course, we have to pass the relief measure now pending, but when we do so we are confessing to the country that we have made a failure in the last year.

The VICE PRESIDENT. The Chair must call the attention of the Senator from Kentucky to the fact that his time on the amendment has expired.

Mr. WHEELER. I am very sorry, indeed, that I have taken the Senator's time.

Mr. LOGAN. I was glad to yield to the Senator.

The VICE PRESIDENT. The Senator has 30 minutes on the bill.

Mr. LOGAN. I will not take my time on the bill now.

Mr. WHEELER. Mr. President, may I say a word?

The VICE PRESIDENT. The Senator from Montana may be recognized on the amendment.

Mr. WHEELER. I will yield some of my time to the Senator from Kentucky.

The VICE PRESIDENT. The Senator from Montana is recognized.

Mr. WHEELER. I merely desire to say that, in my opinion, the Senator from Kentucky has hit upon a very important point which should be brought out when we are considering this big relief program. I had not intended to say anything about it, but I wish to repeat what I stated a moment ago, we in the Congress confess that all the things we have done heretofore have not brought back prosperity to the country.

It is all right to say that there has been a sit-down strike on the part of capital and that capital will not go ahead because of this or because of that. Perhaps that is partially true, but no one is going to refuse to do business if he can make money. The reason why the people will not invest is that given by the Senator from Kentucky, that people just cannot see any chance of making money. Our factories are closing; our mills are closing; goods are coming in from Japan; cotton manufactures are coming in over our tariff wall; farm products are coming in from Brazil; cattle are being shipped in from the Argentine; corn is being shipped in; wheat is being shipped in; barley is being shipped in; and all at a time when our farmers are being told to cut down their production. The American farmer is told to cut down the amount of wheat he produces; the corn farmer and the pig grower are told to cut down the amounts they produce; the cotton farmer is told to cut down what he is producing; and every other farmer is told the same thing.

Mr. LOGAN. Mr. President——

The PRESIDING OFFICER. Does the Senator from Montana yield to the Senator from Kentucky?

Mr. WHEELER. I yield.

Mr. LOGAN. We are telling the farmers to curtail production when, as a matter of fact, if all of the American people had just the bare necessaries of life, they could consume everything the farmers can produce and everything the factories can put out. There must be something wrong with a system which makes it necessary for us to cut down the production of these things when there are people who actually need them. I cannot figure out any reason except that there is some trouble somewhere about our monetary system.

Mr. WHEELER. I am in thorough accord with the Senator's views, and, in my opinion, that is one of the fundamental things that has been wrong. It was the fundamental thing that was wrong in 1929, and it is one of the fundamental things that has brought about the depression through which we are passing at the present time. Yet we appropriate money out of the Treasury of the United States, on the one hand, to feed people, and, on the other hand, we are saying to the farmers, "Curtail production."

Last year there were imported into the United States farm products, including wood products, and textiles, to the extent of more than a billion dollars' worth in excess of what we exported. When these commodities and articles are imported from foreign countries, it means that we are giving work to the foreigner, that the American farmer loses the chance to sell what he raises, the American worker loses an opportunity to work on the raw materials, and the American railroads lose an opportunity to transport these materials.

Mr. McADOO. Mr. President, will the Senator yield?

Mr. WHEELER. In just a moment I will yield. The reason why these commodities are being imported at the present time over our tariff wall is because of the depreciated currencies in the other countries, to a large extent. I yield to the Senator from California.

Mr. McADOO. Will not the Senator from Montana be good enough to put into the RECORD a break-down of the imports to which he referred—a billion dollars' worth of farm products?

Mr. WHEELER. I shall be glad to. I have not the figures here, but I have them in my office.

Mr. BONE. Mr. President, how would or could the Secretary of the Treasury employ the stabilization fund so as to negative the effect of the depreciated currency of a country such as France, for instance? What mechanics would be employed either to stabilize the currency of another country or repel the unfortunate influences of a depreciated currency on our own operations?

Mr. WHEELER. The theory of the $2,000,000,000 stabilization fund was that the administration would be able to do what the Senator has suggested, negative the effect of the depreciated currencies of other countries. England, with her stabilization fund, sought to support the French franc at various times, and to support the other currencies when they were about to fall and about to be depreciated, and in that way to bring up the value of the money.

Mr. BONE. How did they support them?

Mr. WHEELER. They had to do it by going in and buying French francs, or government securities. That is what they did, and it was for such purposes that we established the $2,000,000,000 stabilization fund.

I have felt at no time that the United States Government could with a $2,000,000,000 stabilization fund stabilize the currencies of the rest of the world, but that was the purpose of the legislation creating such a fund. That was the reason given by the President of the United States and accepted by the Congress. I do not have before me the language he used, but that is what it was proposed to do. That has not been done. We do not know why it was not done. We do not know whether it could not be done, or whether an attempt was made to do it.

The Federal Reserve bank in the city of New York knows what has been done. They have the inside information. They have a man by the name of Knobe who has full knowledge of the fund and could say to the bankers, the insiders, the speculators, or anyone else, if he so desired, what is being done with reference to this matter. But no Member of Congress knows. The experts of the Treasury know what has been done, but is it not time that the Congress knew what was being done, particularly when we see farm prices dropping to the lowest point to which they have gone at any time, based upon the old gold content of the dollar, so that they are lower in comparison with the gold dollar than they were before?

With more unemployment in the country today than ever before, with more farmers going broke, with more mortgages being foreclosed, we confess that the Congress has not done anything to solve one of the most important questions facing the American people, if not the most important. We merely appropriate more money out of the Treasury. While that has to be done, and I am for it because we cannot let people starve; and I am in favor of building some of the proposed projects because I think it is necessary to do it; I think it is time we solved this more fundamental problem. But when are we going to do it? When is the Congress going to have the courage to take the initiative and try to do something about it?

We all admitted the difficulty in 1933; we admitted that that was one of the things that had to be settled. Of course, it is easy for us to stand here and say, "There is a capital strike, there is a sit-down strike upon the part of John Smith or John Doe." There is not going to be a sit-down strike if a man has a million or two million dollars and thinks he can make some money by investing it. He does not care who is President of the United States, or who is in the Congress of the United States, so long as he can make some money by his investment. That is what he is interested in, and if we are to live under the capitalistic system, there must be an opportunity for profit. That opportunity or lack of it dominates the financial actions of most people. They want profit upon their money, and they are not getting it now. We can use as an excuse to the American people anything we desire to say, but sooner or later they are going to realize that we have not reached down and have not done the thing we can do under the Constitution of the United States, a thing which would not be held unconstitutional by the Supreme Court or any other tribunal. They are going to realize that we have not done it; and we have not done it because we have not had the courage to do it.

The laboring man, the farmer, and the businessman are all going to find it out, and then they are going to demand that a Congress be elected which will have the courage to stand up and solve this fundamental question which confronts the American people—that of regulating the currency and creating a stable currency. If it cannot be done, let us then say it cannot be done. Let us state the facts.

Mr. President, a few years ago I stood on the floor of the Senate and fought for and argued for remonetization of silver, because then, when we were on the gold standard, I thought there was a maldistribution of gold in the world, and because of such maldistribution other countries were obliged to forsake the gold standard and were compelled to depreciate their currencies. I thought that if we added silver to our monetary base we would broaden the metallic base of the moneys of the world. Practically every country in the world is off the gold standard at the present time; so today there is practically no metallic base in this country or in any other country.

Therefore, in my judgment, the only other way to deal with the situation is through some form of a managed currency. If the countries of the world desired to return to a metallic base they could not go back on the gold standard, because there is not enough gold properly distributed for that purpose. Many countries lack any substantial amount of gold, and they likewise lack the means of securing it.

Mr. President, something must be done to solve the problem. Ordinarily I am not in favor of high tariffs. I think the high tariff bill passed during Mr. Hoover's administration was one of the fundamental causes of not only the depression in this country but of all over the world. When we enacted that tariff other nations responded with such retaliatory tariffs as to destroy the commerce and trade of the world. Then, too, various countries started to depreciate their currencies. Japan depreciated her currency something like 70 percent. Brazil depreciated her currency something like 40 percent. What did that mean to the American farmer, to the American textile worker, or to any other American? When the American farmer sold his wheat in Liverpool in competition with the Brazilian or the Argentine farmer he received exactly the same amount in sterling that the Brazilian and the Argentine farmer received. But when that money came back within the borders of the United States, within the borders of Brazil or within the borders of the Argentine, then it was translated into the various moneys of those countries, and when it was so translated into their money the Argentine farmer or the Brazilian farmer could pay off 40 percent more of his indebtedness, 40 percent more of his taxes, 40 percent more of his insurance, and he could pay 40 percent more in railroad freight rates, or 40 percent more of all his fixed charges than could the American farmer. We established a stabilization fund to cure that situation. It had come to the point when finally the businessmen began to recognize the evil situation, Mr. Hoover began to recognize it, and Mr. Roosevelt recognized it. Notwithstanding the establishment of the stabilization fund the same condition has prevailed.

Mr. President, I ask, Why does that condition still continue? Why have we not done what we said we would do? Does not the Congress have the right to know? Can we not be taken into the confidence of the bankers and can we not be trusted with the information which the Treasury Department has on that subject? Must the secret knowledge as to what is being done and how the moneys of this country are being manipulated always remain in the Treasury Department or a Federal Reserve bank?

The PRESIDING OFFICER (Mr. GEORGE in the chair). The time of the Senator on the amendment has expired.

The question is on agreeing to the committee amendment on page 2, lines 3 and 4, of the bill.

Mr. MILLER. Mr. President, the amendment, as I understand, is in lines 3 and 4, page 2 of the bill?

The PRESIDING OFFICER. Yes.

Mr. MILLER. I should like to ask the Senator from Colorado [Mr. ADAMS] just what the purpose was in changing that amount. I notice the President recommended an appropriation of $1,250,000,000, and the Senate committee has increased the amount to $1,425,000,000.

Mr. ADAMS. I will say to the Senator from Arkansas that the President's recommendation and the House provision were computed upon a 7-month basis, running until the 1st of February, with the idea that it would give the Congress a month after reassembling to consider the situation. The Senate subcommittee concluded that it would be wise to add an additional month and fix it upon an

8-month basis rather than a 7-month basis. Therefore the subcommittee added $175,000,000, which is the approximate amount allotted per month. So the increase does not represent an increase per individual upon the relief rolls, but an extension of the appropriation for an additional month.

Mr. MILLER. Until March 1, 1939?

Mr. ADAMS. That is correct.

Mr. MILLER. Did that have any connection with the amendment on page 3 of the bill where it is provided that $50,000,000 of the fund may be used more or less as a revolving fund for emergencies?

Mr. ADAMS. It had no connection with that. It did have a connection with the changed figures in several other lines, for instance, line 8 and line 11 on page 3, and on page 2, lines 21 and 22, the total increases in those three items representing the total amount of $175,000,000. The parts into which the appropriation was divided were increased by that amount. The $50,000,000 was put in the bill to make provision for direct relief. The bill as it came from the House did not authorize any money for direct relief. It limited the money exclusively to work relief. We were met with a situation in some of the great cities which seemed to make it imperative that the Government be authorized to provide some direct relief when it would not be feasible to provide work relief promptly enough. Therefore the President was given the authority to use $50,000,000 of this fund for direct relief. The committee did not increase the amount, but authorized the President to use $50,000,000 out of the appropriation for direct relief.

Mr. MILLER. I think that is a very good provision. Then the change in line 21, on page 2, increasing the amount provided for the highway fund to $484,500,000 from $425,000,000 is merely a proportionate distribution of the increased appropriation?

Mr. ADAMS. That is a distribution of the increase of $175,000,000.

Mr. NORRIS. Mr. President, I was very much interested in the discussion of one question between the Senator from Kentucky [Mr. LOGAN] and the Senator from Montana [Mr. WHEELER]. I hope I shall not be misunderstood now when I ask a question which came to my mind at the moment, and which has often come to my mind in considering the matter. I wish to say that, so far as I know, I agree with the Senators, at least I do as far as I understand their positions. Nevertheless, this question arose in my mind, and I should like to ask the Senator from Montana about it. He gave a very fine explanation of the situation of the American farmer who sells his products in Liverpool, in comparison with the Brazilian farmer and the Argentine farmer. All three of those farmers receive the same amount of money, but when they return home with the money the Brazilian farmer can, with the money he has received, pay 40 percent more on his debt, if he has a debt, than the American farmer can pay with the money he has received for his products. That situation has come about, as I understand, because Brazil has depreciated its currency. As I understand, the Senator would depreciate our currency, so that the American farmer, when he came home with his money which he received for his products, could pay 40 percent more than he can pay now on the debts he owes. Is that correct?

Mr. WHEELER. No, Mr. President. That has been suggested by some persons, but the trouble with depreciating currency is that when one country begins, another follows, and there will be a constant depreciation on the part of some countries and the final result will be that currencies will not be worth anything at all.

Mr. President, what I was suggesting was that the stabilization fund was not to be used for the purpose of depreciating our currency, but was to be used for the purpose of stabilizing other currencies so they would not have the distinct advantage they now have over us. I have sent to my office for a statement made by the President of the United States in which he called attention to the purpose for which the stabilization fund was established, and I will present it later.

Secondly, as I said to the Senator from Kentucky, if we obtain a condition of stable currencies throughout the world, then, in my judgment, tariffs should be lowered rather than raised. In view of the chaotic condition that exists at present in the world, when some countries are depreciating their currencies and are taking advantage of our farmers, and are shipping in a billion dollars' worth of products over our tariff walls, I think that until such time as the currencies of the world are stabilized, we must protect the home market for the American farmer.

Mr. NORRIS. Let me take up the question at that point. Before I do, I will say that the Senator has, I think, anticipated another question I was going to ask.

If, to meet the depreciated currencies of Brazil and other countries, we depreciated our currency on the same basis, so that our farmers, or any of our people who owe money would be able to pay so much more on their debts when they brought home the money for which they had sold their products, if we depreciated our currency only to the extent that other currencies are depreciated, would it not follow that after we did that, the other countries would again depreciate their currencies, and we would be in a vicious circle, going around and around, and being practically ruined in the end? The currencies would be depreciated way below any reasonable idea.

Mr. WHEELER. I think that is entirely correct. We depreciated our currency when we lowered the gold content of the dollar.

Mr. NORRIS. Yes.

Mr. WHEELER. We depreciated our currency in relation to other currencies. The French franc at that time was about 6½ cents, or 6.7 cents. Then the franc dropped to slightly over 4 cents. It has now depreciated to something over 2 cents. Whatever information on the subject I have has been obtained from the press dispatches. We get no information from the Treasury Department or the Federal Reserve bank in New York as to what they are doing. Like the late Will Rogers, all I know about the subject is what I see in the newspapers. The newspaper dispatches which I saw stated that through the stabilization fund in this country we were to join with England to stabilize the French franc at something over 2 cents. What does that action do to the American manufacturer? It requires so many more French francs to buy an automobile in the United States than used to be required that the Frenchman cannot buy an automobile in the United States. The same thing is true of shoes. The Frenchman can go to Czechoslovakia or some other country which has depreciated its currency, and, with his depreciated money, he can buy more shoes.

Mr. NORRIS. I understand that. I come to the next question which I wish to ask the Senator. Does the Senator believe that instead of our currency being depreciated it should remain the same, and that through a tariff we could meet the evil pointed out by reason of the depreciation of other currencies? Does the Senator think raising the tariff would be a cure?

Mr. WHEELER. It would help for a while. It would not help us in the foreign market. It would not help the American farmer when he sells his products on the foreign market. There is no question about that. But it would help to keep Brazil from shipping cattle into this country. We are asking the American farmer to cut down his production to meet the demand at home, and at the same time we are permitting producers in other countries, whose currency is depreciated, to ship their products into this country.

Mr. NORRIS. I think I understand that situation. My question is only for the purpose of obtaining light on the matter. We cannot control the action of other countries except by an agreement with them, which must be voluntary on their part, that they will not depreciate their currencies. If an increase of the tariff would bring about an equalization of the conditions which the depreciation has brought on us,

then we would have to maintain the tariff at a high rate so long as other countries continued to circulate depreciated currencies.

Mr. WHEELER. That is correct.

Mr. NORRIS. That probably would mean forever, would it not?

Mr. WHEELER. I do not think so.

Mr. NORRIS. I do not see how we could compel other countries not to depreciate their currencies. We would have to enter into an agreement with the other countries under which they would not depreciate their currencies.

Mr. WHEELER. Let me say to the Senator that I am hopeful that some sanity will return to the world with reference to the stabilization of the world's currencies.

Mr. NORRIS. I hope so, too; but I am rather discouraged about it.

Mr. WHEELER. The Senator says we would have to maintain the tariff forever. I do not believe so. I think we are passing through a chaotic condition of world affairs and world finance which will be adjusted. If I did not think so, then I should say there is only one thing to do, and that is for the United States to live within itself to a large extent and sell abroad only those things which we can sell even under circumstances of depreciated currencies.

If the Senator will examine the figures as to our exports he will find that we shipped many things to France, to Japan, and to other countries and sold them there, notwithstanding the fact that those countries had depreciated their currencies. When we come to analyze our exports we find that to a large extent they consist of materials useful in preparation for war. I refer to such metals as copper, scrap iron, and so forth, and chemical products, which we have shipped to Japan.

Mr. NORRIS. There was a very material increase in the exports of agricultural products.

Mr. WHEELER. That was true in the case of some products. There was some increase in the exportation of wool, but that increase to a large extent was caused by the war scares in Europe.

Mr. NORRIS. I have no doubt that the preparation for war accounted for a part of the increase. However, I understand that there were some very large increases in the cases of products which are not, strictly speaking, war materials.

Mr. WHEELER. The figures from the Department of Commerce show that the exports consisted largely of machinery, chemicals, and minerals. We all know that chemical concerns have shipped a tremendous amount of chemicals to Japan. We all know that great quantities of scrap iron have been shipped to Japan. Japan bought large quantities of tin cans for war purposes. We all know that machinery and other materials were shipped to other countries in their mad race for war materials.

Mr. NORRIS. Suppose we had arbitrarily stopped the shipment of such things. I would be glad to stop some of those shipments if it could be done legitimately. Let us assume that we could have stopped the shipment of such materials, and did stop it. Would that have relieved our depression?

Mr. WHEELER. No.

Mr. NORRIS. That would not have done us any good.

Mr. WHEELER. No. I am not one of those who say that if Japan wants to buy such materials we should not sell them to her, because if she cannot buy them from us, she will buy them from somebody else. I am simply stating, as a fact, that while our exports of minerals, mineral products, and machinery did go up, and helped to balance our exports against our imports, it was at the expense of agriculture, because we imported a great many more agricultural products. We made up for it in the shipment of machinery and other things. When we come to analyze our exports, we find that a large portion of them consist of war materials, such as copper, zinc, tin, chemicals, and commodities of that kind. In other words, importers of our products susceptible to use for war purposes paid for such articles largely with agricultural products.

Mr. BORAH. Mr. President, will the Senator yield?

Mr. NORRIS. I yield.

Mr. BORAH. I should like to ask the Senator from Montana a question. The Senator has stated that it should not have been our plan, with reference to the stabilization fund, to follow the downward course of the other countries in depreciating their currencies.

Mr. WHEELER. That is correct.

Mr. BORAH. In view of the condition which now exists in Europe, in Japan, and throughout the Orient, and the general conditions which prevail throughout the world, what will become of the United States if it undertakes to maintain all these currencies at any reasonable rate? In my opinion, whichever way we view the task, it may prove an impossible task.

Mr. WHEELER. Let me say to the Senator that I am in entire accord with the view that it is a bad thing to keep on depreciating our currency, because we do not know what the end will be. A stabilization fund of $2,000,000,000 was set up. How has it been used? Is there any Member of the Senate who can tell us? What has it been used for? Does anybody know? Who knows? The Federal Reserve bank in New York and its agents know. The experts in the Treasury Department know; but no explanation of any kind or character has been given to the Congress of the United States.

The PRESIDING OFFICER. The time of the Senator from Nebraska on the amendment has expired.

Mr. BORAH. Mr. President, I shall take the floor in my own right.

The PRESIDING OFFICER. The Senator from Idaho is recognized.

Mr. BORAH. It is true, Mr. President, that we do not know very much about what has happened; but I have been disposed to think that under all the circumstances and the conditions which prevail, perhaps the same things would have happened had we been well informed. When we granted this power we parted with our authority.

Mr. WHEELER. I am not criticizing. I am not saying that the best use has not been made of it. I do not know. However, farm prices today are dropping. Our factories are closing, and men are being thrown out of work. We know that the effect of depreciated currencies has been recognized by practically everybody. At first they were not recognized, but the Senator well knows that finally Mr. Hoover came to recognize the fact that the depreciated currencies of other countries were having an adverse effect upon our trade. Finally the United States Chamber of Commerce reached that conclusion, and Mr. Roosevelt, when he came into office stated the reason for the action taken was to meet the situation with reference to depreciated currencies.

So long as conditions were picking up, perhaps there was no reason for apprehension; but now that there is a retrogression and we see prices going down and men being thrown out of work, and when we are being asked to appropriate and pass the greatest relief bill the Congress has ever passed, then, is it not time that those who have control of the stabilization fund take us into their confidence and, at least, tell us what they are doing with the money that has been set aside for that purpose?

Mr. BORAH. I confess I should like to know more about it.

PASSED CANCER BILL

Mr. BONE. Mr. President, before leaving for home at the end of this session, I wish to take a few minutes of the time of the Senate to tell all the Members of the body that I cherish a deep and sincere appreciation of the many generous and kindly things they have done for me during the years of my service here. I cannot review my own activities over these years without realizing how tolerant and generous my

colleagues have been. When I tried to do battle for the things that lie close to my heart, they have listened with patience and understanding.

I am made more deeply grateful to you, my brethren, for the clean and fine thing you did in permitting me to introduce, with your unanimous approval, the bill that created an institution we now know as the National Cancer Research Institute. When much that we have done shall have been undone, or forgotten, this thing we have created will stand like a great beacon light of hope in a wilderness of fear that now swallows up so many helpless human beings. This fact impels me to speak today, to bring you a message of thanks from the men and women of my State who, I am sure, merely express the thanks of your own friends at home for the part each of you played in creating the National Cancer Institute.

WOMEN ARE VICTIMS

Cancer has well been called the great darkness. Its toll is so terrible that it ranks with the worst scourges that ever descended upon mortal man. We think of war as the ultimate of all that is hideous—and it is indeed, man's supremest folly—but every 2 years the scourge of cancer destroys 70,000 more human beings in this country than were killed in all the wars of the Republic.

I have read with passionate interest the story of the fight which club women are making to arouse interest in the war on cancer. I think this effort is one of the finest things women's organizations of this country have ever undertaken. And well may woman be interested, for she is one of the most pitiful victims of cancer. One woman out of every seven is doomed to face the terrors of this awful disease. Its cruel ravages on woman distinguish cancer as a thing apart and entitled to special attention at the hands of civilized governments.

My feeble utterances here today cannot honor this body; it has done that by the uniting of its 96 Members in an imperishable record of loyalty to the cause of the most helpless group on this earth—the victims of cancer. When every Member of this body signed his name to the cancer bill last year, they made possible the first scientific mass attack on the problem.

In the other House my friend, Representative MAGNUSON, introduced the bill and helped to secure unanimous passage. Great credit is due him and all his colleagues.

MORE THAN 43,000 SIGNED MEMORIAL

Mr. President, I love my own State of Washington very deeply. It was kind to me and gave me a chance in life. I would be void of those wholesome impulses which stir in normal human beings if I were insensible to the opportunities that came to me at the hands of the people of my State. The kindly impulses of my own people have recently found expression in a new gesture toward me, their Senator, in a recent outpouring of their more than generous spirit. Within the past few weeks some 43,000 organized farmers, workers, and women of my State have signed a memorial saying to the world that they feel a deep sense of appreciation that their Congress has put the Federal Government behind the fight on cancer. They have been more than kind to me by mounting on a beautiful plaque and presenting to me the pen with which President Roosevelt signed the cancer bill, and placing with it a gold plate inscribed with this expression of their thanks. Gentlemen, this outpouring of the heartfelt thanks of these thousands of people is not for me alone; it is likewise for all of you who made the cancer bill possible.

It was one of the happiest moments of my life when the names of 96 Senators of the United States were quickly attached to the bill and its legislative objectives appeared on the horizon as a magnificent reality. I want all of you to feel that this outpouring of thanks from the people of my State, which is noted here today, surely finds its counterpart in the hearts of all the men and women of your own States. And I am sure also that the more than 43,000 people whose names are in bound volumes on my desk, each of whom contributed 1 penny for the creation of this memorial plaque, addressed themselves in the spirit of commendation to the whole Senate and Congress of the United States, and I am, therefore, going to take the liberty, with your permission, of thanking each of them not only on my own behalf but on behalf of the Senate and the Congress.

The letter of presentation accompanying this memorial plaque, I think, will be found interesting. Not only does this communication bear the signatures of representatives of farm and women's organizations but on the same sheet we find the signatures of the outstanding leaders of all the branches of the labor movement. The signature of the C. I. O. spokesman is side by side with those of the spokesmen of the railway brotherhoods and the president of the State Federation of Labor, which is the State unit of the A. F. of L.

PROGRESS BEING MADE

I think it would be fitting for me to conclude with the remarks of Dr. Thomas Parran, Surgeon General of the United States, uttered in my office when the memorial was presented. I think that these remarks will interest the Members of the Senate, because they include a report on the progress made in the very short time since the National Cancer Institute was created by Congress. I send to the desk a copy of the remarks made by Dr. Parran on that occasion and ask to have the clerk read them.

The PRESIDING OFFICER (Mr. CLARK in the chair). Without objection, the clerk will read, as requested.

The legislative clerk read as follows:

SURGEON GENERAL SPEAKS

Senator BONE, my colleagues and I deeply appreciate this opportunity of participating in the very impressive ceremonies here this morning. I am delighted that the citizens of your State, and particularly the children, should have used this very appropriate method of expressing appreciation for what you have done for the cause of public health in this country by sponsoring the National Cancer Control Act.

This act was unique in the legislative history of the Congress. Never before have all Members of the Senate joined in sponsoring any piece of legislation. This action is indicative both of the importance of the cancer problem and the unanimous sentiment in Congress and throughout the country that the Government should assume a position of leadership in a concerted effort to solve this most baffling of all medical problems. I am sure that the precedent established by the enactment of your bill was a material factor in the recent passage, without a dissenting voice in either the Senate or the House, of an act authorizing appropriations for the prevention, treatment, and control of venereal diseases.

You will be gratified to know that important studies already are under way through the generous provisions of your act. Of more importance is the fact that we have had the fullest possible cooperation from all of the scientific institutions and agencies in the country who are concerned with cancer research and control. Representatives from many of these institutions are collaborating with our scientists in an effort to formulate the soundest possible program of study. Each is willing to participate and to make a contribution which will be a part of a comprehensive and concerted program of research.

URGES PATIENCE

Much of the research heretofore done in cancer has led to negative results. These results are not without value. The problem is difficult. Progress will necessarily be slow. I hope the Congress will not be impatient for immediate results. Painstakingly our structure of knowledge needs to be built stone on stone, but we are hoping that somewhere, some day, possibly through the work of this institute, a scientist will put the capstone on our knowledge of this disease and give us the means to control it.

This administration has been responsible for many far-reaching social laws. It is possible that future generations may look upon the National Cancer Institute Act which you sponsored as the most important contribution of this Congress to human welfare.

Mr. BONE. Mr. President, I thank the clerk for reading to the Senate Dr. Parran's letter.

I have seen those I loved deeply go down into the valley of the shadow, with the warm blood of youth still coursing through their veins and the love of life strong in them. I have witnessed their agony as they struggled against the thought of leaving loved ones. I have felt that terrifying sense of frustration and futility that comes to all who have seen the cruel manifestations of this dread disease. I have walked in the shadow with these friends who felt the touch of the destroyer; I have seen the futile efforts to check cancer's ravages. I know, as all other Senators know, that another great army of helpless victims will be claimed before the

Senate convenes again in 1939. But there is a message of hope in the words of Dr. Parran, a hope born of the work done here.

I know that the Members of this body will join with me in gratefully accepting the thanks and appreciation of the people of my State, and join with me as well in a grateful acknowledgment of their generous cooperation and helpfulness in this great humanitarian enterprise.

Mr. POPE. Mr. President, will the Senator from Washington yield for a question?

The PRESIDING OFFICER. Does the Senator from Washington yield to the Senator from Idaho?

Mr. BONE. I yield.

Mr. POPE. May I ask the Senator what is the status of the Cancer Research Institute? Has work on construction been started?

Mr. BONE. Oh, yes.

Mr. POPE. What is the location?

Mr. BONE. The research institute and laboratory will be located at Bethesda, in Maryland, near the boundaries of the District of Columbia.

Mr. POPE. And will the amount appropriated be sufficient to complete the establishment of the Institute?

Mr. BONE. No. Appropriations will have to be provided next year in order to complete the building and give the institute some operating funds.

RELIEF AND WORK-RELIEF APPROPRIATIONS

The Senate resumed the consideration of the joint resolution (H. J. Res. 679) making appropriations for work relief, relief, and otherwise to increase employment by providing loans and grants for public-works projects.

The PRESIDING OFFICER. The question is on agreeing to the amendment reported by the committee on page 2.

Mr. KING. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. KING. Is the amendment now under consideration that found on line 4, page 2?

The PRESIDING OFFICER. It is the amendment in lines 3 and 4, page 2, to strike out "$1,250,000,000" and insert "$1,425,000,000."

Mr. KING. The parliamentary inquiry is this: Assuming that that amendment shall be adopted, will that preclude amendments to various provisions in the same title—for instance, amendments to eliminate or reduce given amounts?

The PRESIDING OFFICER. The Chair is of the opinion that amendments to the subsequent parts of the title, either increasing or decreasing appropriations, would not be precluded by the adoption of the committee amendment on page 2, lines 3 and 4.

Mr. KING. Another parliamentary inquiry: Then if a number of amendments should be adopted which would necessitate a reduction of the total amount of $1,425,000,000, we could recur to that total and make the necessary reduction corresponding to the diminution resulting from the amendments?

The PRESIDING OFFICER. It is the opinion of the Chair that after the adoption of this amendment the total amount appropriated by it could be changed only by a reconsideration of the vote by which the amendment had been adopted. In the opinion of the present occupant of the chair, the adoption of this amendment would not preclude amendments or changes in totals in various other parts of the title; but in the opinion of the Chair the total amount of the appropriation under this part of the title could be changed only by a reconsideration of the vote on this amendment.

Mr. KING. In good faith, though, it would seem to me—and this is a parliamentary inquiry—that if, for instance, two or three hundred thousand dollars should be stricken from this title, the $1,425,000,000 should have subtracted from it the amount eliminated from the subsequent items.

The PRESIDING OFFICER. The Chair is not free to express an opinion on that point in response to a parliamentary inquiry. As an individual Senator, the present occupant of the chair would agree with the Senator from Utah.

Mr. McNARY. Mr. President, I concur in the general expression of the rule by the present occupant of the chair. I wish to propound a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. McNARY. If a Senator desired to offer an amendment, to be inserted between lines 2 and 3 on page 2, containing language administrative in character but still affecting the totals, would that amendment be in order if at this time we should agree to the pending committee amendment?

The PRESIDING OFFICER. The Chair is informed that there has been a unanimous-consent agreement by the Senate giving precedence to committee amendments. Inasmuch as the pending amendment is a committee amendment and the amendment suggested by the Senator from Oregon is an individual amendment, it would seem to the present occupant of the chair that under the unanimous-consent agreement the individual amendment would not be in order until the committee amendments had been disposed of.

Mr. McNARY. I concur in that view; but I wanted a ruling before we proceed to act finally upon this amendment.

Mr. BAILEY. Mr. President, I wish to make an inquiry of the chairman of the subcommittee in charge of the bill, the Senator from Colorado [Mr. ADAMS].

I should like to know, if the chairman of the subcommittee can inform me, how the committee arrived at the figure of $1,425,000,000. What was the basis for the calculation?

Mr. ADAMS. Mr. President, I will say to the Senator from North Carolina that the basis of the calculation was an addition of $175,000,000 to cover the estimated cost of extending the period of relief from 7 months to 8 months.

Mr. BAILEY. I understand that. That is just a matter of change in time.

Mr. ADAMS. I cannot verify my figures offhand; but my understanding is that the amount was computed roughly upon provision for 2,800,000 individuals at a cost of $63.50 per individual case or head of a family. I do not know how that will work out mathematically, but that was the general plan of the appropriation.

Mr. BAILEY. That is at the rate of approximately $750 a year. Then, as I understand, the record shows that the contributions of the localities, the States and other sponsors, amount to about 25 percent.

Mr. ADAMS. The contributions of the sponsors amount to 22½ percent, or, roughly, $18.50 per individual case, in addition to the $63.50. The total would be, roughly, $83.

Mr. BAILEY. So we are predicating our relief system on the basis of $1,000 per person per year on the rolls. Eighty-three dollars per month is $1,000 per year.

Mr. ADAMS. Approximately; I should say a little less than that.

Mr. BAILEY. In view of the fact that our relief program threatens to enlarge, and evidently is enlarging, I should like to have the Senator tell me if he thinks we can hope to predicate an increase in a relief system which was of an emergency character to begin with, on a basis of $1,000 per year per person on the rolls.

Mr. ADAMS. My impression is that it could be done only if there were to be a substantial decrease in the number of names on the relief rolls.

Mr. BAILEY. But we are dealing with a substantial increase, and with a situation which predicates a further increase. What would the Senator say, by way of a test, to predicating the Federal contribution on a basis of $50 per month instead of $63.50?

Mr. ADAMS. The Senator will recall that at the time the large relief measure was under consideration, the $4,800,000,000 joint resolution, the testimony before the committee was upon a basis of $50 per month. That was the basis of computation at that time; and apparently it has increased $13.50 above that, on an average.

Mr. BAILEY. Did the committee compare the program of $1,000 per person on the relief roll with the national income of persons who are not on the relief roll?

Mr. ADAMS. I think some members of the committee did, and I think some did not. As to the committee as a whole, therefore, I cannot answer the question.

Mr. BAILEY. Is it not a fact that about 25 percent of the persons in this country who are now at work have incomes of not exceeding $1,000 per year?

Mr. ADAMS. That is true.

Mr. BAILEY. So we are putting the persons who do not work on a level with one-fourth of those who are at work. We can figure that very quickly—one-fourth of 38,000,000, which is about the number at work. We are putting the 3,000,000 persons on relief on the same basis of income with about 9,000,000 persons who are not on relief, who are working. Is not that a fact?

Mr. ADAMS. The basis of the computation is the provision of the law of Congress, heretofore enacted, that those on relief shall be paid the prevailing wage. The Administrator of the Works Progress Administration has made a computation as to the amount necessary to care for the needs of individual cases. The individual case represents a family, or the head of a family, and he reaches that as the average. If we may use the term, the relief authorities work out the relief allowance in work at the prevailing wage in the community where the relief is granted, which varies throughout the country, and throughout sections within the same State.

Mr. BAILEY. But the burden of taxes to support the relief program, falling, as such burdens always do fall, upon the great masses of men, would fall by way of burden upon the 9,000,000 persons who are working, who are not on relief, who are earning their $1,000 a year, and it would not fall on the persons who may be on relief. They get a gift from the Government which is derived from taxes or from borrowed money, and therefore is free of the tax burden. The taxes themselves and the borrowed money come from the great body of the people, and these 9,000,000 persons pay taxes to support 3,000,000 who are receiving equal income. What does the Senator say to that for a little problem in equality as well as economics?

Mr. ADAMS. I should say to the Senator that several years ago, when the $4,800,000,000 measure was before us, I presented to the Senate my individual views upon the problem. It was my theory that relief should be administered upon the basis of need, not upon a wage basis. I felt that the individual cases should be treated in accordance with their individual needs; that they should be given the amount necessary to meet their needs and should then be permitted to work out or return in work the amount of their needs.

I disagree with the security wage theory. In my own mind I thought in terms of one man, a common laborer, who, perhaps, had 10 children and who was utterly dependent, and another man, a bricklayer or a skilled mechanic of some other kind, who was also dependent. These two men were put upon a security wage basis and allowed in the same community perhaps the same amount. The common laborer worked it out on the common-labor basis; the bricklayer, in less need, upon the other.

I thought that was wrong. I thought that the old F. E. R. A. theory was correct. The Senate and the other House of Congress differed with me. The amendment I submitted was voted down. Congress and the President have established this theory, and I have accepted the verdict of the Congress, and, as chairman of the subcommittee which presented the relief bills, I have presented them, as I felt it my duty, in accordance with the policy which the Congress has established, not in accordance with my individual theory.

Mr. BAILEY. I understand. The Senator, as Senator, does not approve of the principle upon which this sum of $1,425,000,000 is predicated, but the Senator as chairman of the subcommittee feels impelled to follow the system of the Government.

Mr. ADAMS. I should qualify that somewhat. I have been a pretty good Democrat. I have been inclined to accept the judgment of the majority. I have been disposed to accede. When the majority said that my views were wrong I have tried my best to adjust my own thinking to the majority views. As a Member of the Congress, I have not felt that it was my part continually to present a view which had been overruled by the Congress. So I am trying to acclimate my view to the temperature of the body.

Mr. BAILEY. I was not disposed to criticize, or even suggest a criticism. I wish to bear witness that the Senator from Colorado has been a most excellent Democrat, is now a most excellent Senator; has been a most admirable Democrat, is now, according to the testimony of those who have heretofore been recognized as Democrats, a Democrat of Democrats, a very perfect Democrat, and I hope he can maintain that standard notwithstanding the elevation here in Washington of a new committee called "The Committee of Elimination," composed of gentlemen who never were Democrats, but who are assuming now to divide the sheep from the goats, and not permitting any Senator to wear wool, but who are placing upon the heads of all Sentors horns if it happened that in the great controversy last year they took the view that the independence of the judiciary should be preserved in our country.

I give the Senator a clean bill. I know he is a Democrat. I know a great many men who are Democrats. I think I know a Democrat when I see one, and I am perfectly willing to say that those gentlemen who are trying to say who is a Democrat and who is not, and who ought to be Senator and who ought not to be, are not fit to pass either upon the democracy of anyone or upon his qualifications for Senator. But I did not mean to get into that discussion.

Mr. ADAMS. Let me say to the Senator that, so far as I know, the committee on elimination has not gotten as far west as Colorado.

Mr. BAILEY. When they get as far west as Colorado and as far south as North Carolina I hope they will learn the lesson of their radical lives. But that is on the wing. I want to get back to the situation we have been discussing.

The figure here, $1,425,000,000, is based upon a standard set by a prior Congress, and we are merely carrying it over. Let me suggest to the Senator that that standard was set under the sense of emergency, and in view, as we thought, of the temporary character of relief. We are going now into the permanent business of relief. We are recognizing it as permanent. The pending measure recognizes it as permanent. Many things could have been done under the terms and suggestions of emergency that would not be tolerable and ought not to be tolerated under the realization of permanency.

We know that the number of unemployed is increasing and not decreasing. We are lifting the relief load ourselves from less than 2,000,000 to the neighborhood of 3,000,000. Nevertheless, we predicate the scheme of things on a thousand dollars a year for each person on relief.

The PRESIDING OFFICER (Mr. POPE in the chair). The time of the Senator on the amendment has expired.

Mr. BAILEY. I am unwilling to take my time on the bill at this moment, so I will take my seat.

Mr. HOLT. Mr. President, I should like to ask the Senator from North Carolina as to the amount really spent per capita on those on the W. P. A. rolls.

Mr. BAILEY. I doubt if I have the time to answer that question.

The PRESIDING OFFICER. Does the Senator from West Virginia ask for recognition?

Mr. HOLT. I ask for recognition.

The PRESIDING OFFICER. The Senator from West Virginia is recognized. Does he yield to the Senator from North Carolina?

Mr. HOLT. I yield.

Mr. BAILEY. What is the question?

Mr. HOLT. I want the Senator to proceed with his statement relative to the cost per capita of men on W. P. A.

Mr. BAILEY. I can explain to the Senator what I had in mind. On the prevailing rate-of-wage basis we predicate

a thousand dollars a year, and we predicate permanent employment.

I will ask the Senator from West Virginia how, under that system, we could ever hope to get away from the permanent character of the relief program? It would pay a man to stay on relief. He gets the prevailing wage as long as he stays on relief. That is the effect of the prevailing-wage system. He gets an assurance of permanent employment at the prevailing wage from his Government, and every man would prefer that to the precarious employment by private industry at prevailing wages under the present circumstances. On the one hand, he knows he is employed as long as the Government lasts. On the other, he does not know when he is going to lose his job, if he is in private employment, because of the collapse of business. The consequence is that by this very system we make the whole unemployment scheme of things, our entire relief system, a permanent feature of the Government and of our life, and of course it competes with private industry, and has a great advantage, because it does have the taxing power and the borrowing power of the Federal Government.

Mr. HOLT. In other words, the Senator feels that there is more security in W. P. A. than in private jobs?

Mr. BAILEY. Of course there is.

Mr. HATCH. Mr. President, will the Senator from West Virginia yield to me?

Mr. HOLT. I am glad to yield.

Mr. HATCH. I am quite sure the Senator from North Carolina does not desire to create any misapprehension as to the rules and rates of pay adopted.

Mr. BAILEY. I never desire to create misapprehension, but very often I am helpless in creating misunderstanding. But I will undertake to help the Senator.

Mr. HATCH. The point I had in mind was that from the Senator's statement it could be readily inferred that under the prevailing rate of pay system a worker on relief would have permanent employment, without any restrictions or limitations regarding time, hours, or days per week. That is not correct.

Mr. BAILEY. No; it is not correct; but this is the point, and I should like to have the Senator see it: Here I am out of work, we will say; I know that if I get on relief I can get a thousand dollars each year. That is the prevailing wage where I live; therefore, I am on a fair level with my fellow men. There is nothing that puts me below the average in my neighborhood. I know that comes from my Government. I know that it is permanent. Someone comes along and offers me a thousand dollars a year in private employment. I say, "I cannot take that because I do not know how long your business will last. You have to pay all the taxes, you have to meet your bonds, and I do not know when I may be turned out. If I get sick, I will lose my job. If I become crippled, I will lose my job. If my employer should go broke, I would lose my job. But on relief I have a thousand dollars a year as long as I live." My point is that such a system necessarily makes permanent the appropriation of two to three billion dollars a year out of a Treasury which has no money to furnish. It would be better if we were collecting the money, but we are not; we are borrowing it, and, of course, we know that a government that is borrowing at the rate of one and a half to three billion dollars a year, and which has already borrowed at the rate of $4,000,000,000 a year, and has not balanced its Budget since 1930, is going to reach the time when it cannot do that; its credit is going to become rapidly exhausted. Meanwhile we are encouraging 3,000,000 people to look to us for a thousand dollars a year each. When the time comes when we cannot meet that burden, what is going to happen?

Mr. ADAMS. Mr. President, will the Senator from West Virginia allow me to make a suggestion?

Mr. HOLT. I yield.

Mr. ADAMS. What I wish to say does not affect the Senator's argument. I think there is a slight inaccuracy in the Senator's figures. That is, there is a figure representing the amount that the man on relief receives and there is another figure as to what it costs the State and another figure as to what it costs the Federal Government. As I have the figures, the total cost is $83 a month to the Federal and to the local governments. That makes a total of $996 a year. The total cost to the Federal Government is $65.50. Contributions by sponsors, $18.50. That would bring the amount to, roughly, $83. Deduct $7, the amount contributed by the Federal Government which goes to material, and the portion which would go to relief would be $58.50.

Mr. BAILEY. If $84 is deducted there is still $912 a year. Of course, as much money can be deducted for overhead as may be needed to carry an election now and then, and I will make a fair deduction for that also.

I wish to make another suggestion. We predicate this appropriation of $1,425,000,000 on prevailing wages. Responding to the inquiry made of me a moment ago, I wish to say that the prevailing wage in North Carolina is computed now to be $26 a month. The prevailing wage in New York is $60 a month. I am not discussing the wage and hour bill. That will come another time. Look at that distribution of Federal public money. If we continue to appropriate from two billion to three billion dollars a year, and on the theory of wages distribute nearly $3 to workers in New York to every dollar distributed in North Carolina, and if we tax the man in North Carolina equally with the man in New York, it is a mathematical proposition, it is an inevitable consequence that we will impoverish and destroy the people of North Carolina.

Mr. BONE. Mr. President, will the Senator yield?

Mr. HOLT. I yield.

Mr. BONE. I wonder if I heard the Senator from North Carolina aright, that the prevailing wage in North Carolina is $26 a month?

Mr. BAILEY. That is what the W. P. A. workers are paid. It is from $26 to $29. It varies. But I am adapting my argument and my statement of the facts to the statement of the Senator in charge of the bill, the chairman of the subcommittee. He says that the basis of the appropriation is the prevailing wage. By the act of Congress, the basis of the operation of the W. P. A. is the prevailing wage, and the W. P. A. finds that a man is entitled to $60, as the prevailing wage in New York, and the man in North Carolina is entitled to $26. The Senator knows that that is contained in the report of the hearings. I read those figures in the Senate last February, when a bill was under consideration, and I read them the previous February.

Let me reiterate that point, and I shall take my seat. The public funds of this country come almost equally, in the last analysis, from the great masses of our people. Practically all taxes filter down to the masses of men. That is one reason why they are poor. All the taxes fall on them. With respect to collection of taxes, the burden falls equally on all. The man in North Carolina pays just as much tax as the man in New York, and the man in West Virginia pays as much tax as the man in New York, when the taxes have filtered through until they rest upon the production of the commodities from which all taxes are drawn—in the mining industry, the fishing industry, and in agriculture.

But when we come to distribute the taxes and pay $27 per man on relief in North Carolina and $60 per man on relief in New York, even assuming that there were the same number of men on relief in North Carolina in proportion to population as there were in New York, by that disparity we will inevitably impoverish and destroy the workers and farmers and the masses of the men and women in my State. We make it impossible for people to live there. That is the situation. That is what is being done. I am bound to protest against it. I realize that we are perfectly helpless about it. Look and see what has happened. I will take my seat with one more remark.

The PRESIDING OFFICER. The Senator from West Virginia has the floor.

Mr. BAILEY. I am making my remarks exclusively to him, and I know he will be interested in what I am going to say about Pennsylvania by way of answering his inquiries. I will take my seat with the remark that in the State of Pennsylvania, which is supposed to be a rich State and to have a high wage scale, the Federal Government, under the present administration, has given out more money in loans and grants than it has in the entire 11 States of the whole solid South.

I am not raising any sectional question. I am raising a question of population. There are 28,000,000 people in the South, and their per capita income is only half that of the per capita income of the people in Pennsylvania. Yet Pennsylvania received $214,000,000, whereas all 11 States in the solid South combined received only $212,000,000. The population of Pennsylvania is 9,000,000. The population of the old South is 28,000,000. Senators can very readily make their own calculations. Three dollars were spent for relief purposes in Pennsylvania to every dollar spent in the 11 States of the South put together. I am saying that that sort of policy will destroy the people who receive the bad end of it. I protest against it as essentially a matter of political and national inequity, and I protest against it as something which ought not to be tolerated. Mr. President, I will say to the Senator from West Virginia that there exists sufficient justification for resistance against this sort of policy until it is corrected.

Mr. HOLT. It might interest the Senator from North Carolina to know that the W. P. A. allotments in the 2 months just preceding the primary election in Pennsylvania were increased over $4,000,000.

Mr. BAILEY. The Senator understands why that was done, or will he let me explain it to him?

The PRESIDING OFFICER. Does the Senator from West Virginia yield further?

Mr. HOLT. I shall be glad to have the Senator explain it.

Mr. BAILEY. There was very great poverty in Pennsylvania just before the primary. It swept over Pennsylvania like a plague. It was both moral, political, and economic. The W. P. A. had to come to the rescue of the poverty-stricken people of that State.

The PRESIDING OFFICER. The question is on the committee amendment on page 2.

Mr. BONE. Mr. President——

Mr. KING. I suggest the absence of a quorum.

Mr. BONE. I should like to call the Senate's attention to the fact that the Senator from Minnesota [Mr. LUNDEEN] has pending an amendment calling for a very greatly increased appropriation, and as a matter of courtesy to him I ask that the committee amendment go over until the Senator can be present, which he will be in a few minutes.

Mr. KING. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Adams	Copeland	Johnson, Colo.	Pepper
Andrews	Davis	King	Pittman
Austin	Dieterich	La Follette	Pope
Bailey	Donahey	Lee	Radcliffe
Bankhead	Duffy	Lodge	Russell
Barkley	Ellender	Logan	Schwartz
Berry	Frazier	Lonergan	Schwellenbach
Bilbo	George	Lundeen	Sheppard
Bone	Gerry	McAdoo	Shipstead
Borah	Gibson	McCarran	Smathers
Brown, Mich.	Green	McGill	Smith
Brown, N. H.	Guffey	McKellar	Thomas, Okla.
Bulkley	Hale	McNary	Thomas, Utah
Bulow	Harrison	Maloney	Townsend
Burke	Hatch	Miller	Truman
Byrd	Hayden	Milton	Tydings
Byrnes	Herring	Minton	Vandenberg
Capper	Hill	Murray	Van Nuys
Caraway	Hitchcock	Neely	Wagner
Chavez	Holt	Norris	Walsh
Clark	Hughes	O'Mahoney	Wheeler
Connally	Johnson, Calif.	Overton	White

The PRESIDING OFFICER. Eighty-eight Senators have answered to their names. A quorum is present.

The question is on the committee amendment on page 2, lines 3 and 4.

Mr. BONE. Mr. President, as a matter of courtesy to the Senator from Minnesota, who is detained from the Chamber at the moment, I ask that the amendment which is now pending go over until the Senator can be present and present his amendment. I understand that he will return to the Chamber in a short time. We can easily recur to the amendment. The amendment of the Senator from Minnesota is to strike out, in lines 3 and 4, on page 2, the figures "$1,425,000,000" and to substitute the figures "$4,425,000,000."

The PRESIDING OFFICER. Is there objection to the request of the Senator from Washington?

Mr. BYRNES. What is the request?

The PRESIDING OFFICER. The Senator from Washington has requested unanimous consent to have the committee amendment appearing on page 2, lines 3 and 4, go over until the Senator from Minnesota [Mr. LUNDEEN] can be present to offer his amendment.

Mr. LUNDEEN entered the Chamber.

Mr. BYRNES. The Senator from Minnesota is now in the Chamber.

The PRESIDING OFFICER. Does the Senator from Minnesota desire the floor?

Mr. LUNDEEN. Mr. President, I tender an amendment to section 1, which I send to the desk and ask to have stated.

The PRESIDING OFFICER. The Senator from Minnesota offers an amendment to the committee amendment, which will be stated.

The CHIEF CLERK. On page 2, lines 3 and 4, it is proposed to strike out "$1,425,000,000" and to insert in lieu thereof "$4,425,000,000."

The PRESIDING OFFICER. The question is on the amendment offered by the Senator from Minnesota [Mr. LUNDEEN] to the committee amendment.

Mr. BONE. Mr. President, I do not know whether or not the Senator from Minnesota desires to speak on the amendment which he has offered. I should like to say a few words respecting the amendment.

I recall the controversies in this body in 1937 and 1938, when assurances were given that ample sums were to be provided for W. P. A. In neither of those instances were the sums made available sufficient.

Mr. JOHNSON of California. Mr. President, what is the amount involved?

Mr. BONE. The Senator from Minnesota has offered an amendment to the committee amendment, increasing the amount provided in the joint resolution for relief from $1,425,000,000 to $4,425,000,000.

Mr. BYRNES. Mr. President, it is merely an increase of $3,000,000,000 for W. P. A.

Mr. WHEELER. Mr. President, will the Senator yield?

Mr. BONE. I yield.

Mr. WHEELER. If conditions continue to grow worse, the extra $3,000,000,000 will be needed.

Mr. BONE. I thank the Senator from Montana for his contribution.

I rise to point out a situation which is now obvious to everyone. In 1937 I made an effort in this body to obtain more money for W. P. A., and I stood in the place where I now stand and pointed out that we were facing a recession, and unless more money were made available, we would have serious trouble.

That trouble came, Mr. President. I have before me some material constituting a record of the fight made in 1937, and again in the spring of 1938, wherein I attempted to point out, in the face of statements by Mr. Hopkins that he would have ample funds, that we were going to face the very trouble which ensued. That is the only reason I am tempted to say something briefly about the amendment tendered by the Senator from Minnesota.

I think it is rather valuable to refresh our memories occasionally. In February 1937 the Senator from Colorado

[Mr. ADAMS] presented the relief bill on the floor of the Senate. At that time he inserted in the RECORD some of the colloquy which took place in the committee. One of the statements was in the form of a question by the Senator from Tennessee [Mr. MCKELLAR] to Mr. Hopkins, wherein the Senator from Tennessee said:

But you have no need for any additional funds now?

Mr. Hopkins said:

No; not at the moment. We have adequate power to act.

The Senator from Maine [Mr. HALE] then asked:

And with the money you get in this bill, there is no question of your having any shortage for taking care of floods?

Mr. Hopkins answered:

None whatever.

Questions of that kind and answers of that character run like a red thread through the very warp and woof of all the argument and discussion about the relief bill in 1937 and 1938. We are now confronted with the necessity of appropriating more money, because we spurned the opportunity to appropriate more at a time when we might have kept the situation from sliding dangerously toward the edge of the abyss.

I shall not take the time of the Senate to go into the question which now lies before us, because we have been all over it before. I must have almost exhausted the patience of the Senate in my effort to obtain more money in 1937 and 1938. However, every assertion I made on the floor, to the effect that we were going to need more money, came true. We are now doing precisely what I urged the Senate to do in 1937 and 1938.

Mr. BORAH. Mr. President, will the Senator yield?

Mr. BONE. I yield.

Mr. BORAH. Am I to understand that the Senator is now prophesying that we shall need $4,000,000,000?

Mr. BONE. I am not prophesying that we shall need any amount. I tried to increase the amount in 1937 and 1938. It must be obvious to all Senators that the amount of money provided in the joint resolution will not be adequate to meet the needs of the people of this country, as those needs have been portrayed on the floor of the Senate within the past few days. The amendment before us is not my amendment, but I rise to point out that the amount of money now provided by the joint resolution will not be sufficient; and we shall find that out. We may face the necessity of a special session this fall if the amount of money now in the bill is inadequate. The astounding thing about this record was that the officials of the W. P. A. told the Senate committee having charge of the bill that they were going to have ample funds. They had their fingers on all the strings; they had access to every source of information; they knew that the conditions were not in a happy state and that we probably would need a greatly augmented sum of money to meet the pressing needs of the people. I do not presume to say how much will be needed, although in my heart is a great fear that we may need as much as the Senator from Idaho suggested. We may need more than the sums which have been suggested here and which have brought smiles to the faces of Members of this body.

I wish to say that we are dealing with a very dangerous and very explosive thing when it comes to human hunger. I am not going to say any more about it. The Senator from Minnesota is quite capable of presenting his own amendment.

Mr. KING. Mr. President——

The PRESIDING OFFICER. Does the Senator from Washington yield to the Senator from Utah?

Mr. BONE. I yield.

Mr. KING. I am interested in the observations made by the Senator, and I admit that there is a great deal of want in the United States as the result of the depression. But I am wondering where we are to get the money. We will have a deficit of probably $3,000,000,000. If we increase the appropriation as proposed by the amendment offered by the Senator from Minnesota, we will have a deficit of $6,000,000,000. I should like somebody to indicate where we are to get the money. We can issue I O U's, as we are doing now, and we can have inflation, as Germany and Russia had, and destroy the whole fabric of our industrial and economic life.

Mr. BONE. I wish to make very brief reply to the observations of the Senator from Utah. I suspect that one may con the pages of parliamentary history in this country and he will not find one-twentieth of the protests against the expenditure of $25,000,000,000 to fight a war 3,000 miles away that have been uttered on this floor in the fight against poverty in this country. I wish to tell the Senate that that is a challenge. I think I am right. There are Senators in this body who were here during the war when billions upon billions of dollars were appropriated to destroy human life, but there was no talk then about unbalancing the Budget or about inflation. We are now fighting, Mr. President, an enemy much worse than any enemy which was fought in 1917, for then the enemy was 3,000 miles away who in nowise could have imperiled the life of our Republic but this gargantuan thing that raises its grizzly head in our midst now is a menace to the Republic. It is not of any moment whether or not Senators agree with me; I am not at all concerned whether they agree, because we are dealing with facts and not with fancies or with any man's views, and I say the thing that faces us is quite as dangerous as is the menace of inflation. It is as dangerous as an unbalanced Budget; in fact, it is infinitely more dangerous than the things the Senator from Utah has talked about. Although I am disposed to agree with the Senator from Utah that those things in themselves are menacing and challenging, and I have no quarrel with his desires not to create any more debt, yet I fear this thing that confronts us, and which, it seems to me, is very plain.

Mr. WHEELER. Mr. President——

The PRESIDING OFFICER. Does the Senator from Washington yield to the Senator from Montana?

Mr. BONE. I yield the floor.

Mr. WHEELER. I should like to ask the Senator a question.

Mr. BONE. Very well.

Mr. WHEELER. I agree with what the Senator said with reference to the menace; I think we are facing a very dangerous situation with reference to the depression, that is getting deeper and deeper; but the difficulty is that Members of the Senate are confronted with the fact that those who are in charge of relief have presented figures here and said they only need so much money. It is an impossibility for Members of the Senate themselves to go out and make a survey, and say to the relief administrators, "We are going to give you $3,000,000,000 more than you really need." I have voted for every relief measure which has been brought before the Senate and for the amounts proposed and sometimes have voted to increase them, but it seems to me to be a departure for us to say to the relief agency, "We are going to give you $3,000,000,000 when you say that the need can be met with $1,250,000,000 or $2,000,000,000 or whatever the amount may be."

Mr. BONE. Mr. President, the point the Senator raises is precisely the point he emphasized in his argument this morning, and I think also on Saturday, that the statements that come to us, the assurances that come to us sometimes are not wholly dependable. We had assurance brought to this floor by the able Senator from Colorado [Mr. ADAMS], chairman of the subcommittee, that the W. P. A. officials had said that they had ample funds to meet present necessities. Mr. President, they were not able to meet them; they did not meet them in 1937, although I rose on this floor and offered an amendment and made a fight for more money, and I did the same thing in 1938. I predicated my remarks upon the same assumption that I am predicating my present statements upon, that the necessities of the people are so great that it makes no difference whether Mr. Hopkins or any other official says money will not be

needed, I am very certain, in my mind, that it will be needed. We had to have a deficiency appropriation, as will be recalled, last year. We can suit ourselves; we can either pass this measure with the amount of money in it or we can make more money available.

I should like to ask a question of the Senator from Colorado before I sit down. Was it made plain to the members of the committee by the officials of the W. P. A. that the amount of money now suggested in the joint resolution will be sufficient to meet the needs of unemployment that we are attempting to meet through W. P. A.? Let us have some assurance now in the RECORD. Twice we have had it, and we might as well have it the third time, and see where we are going.

Mr. CLARK. Mr. President, if the Senator will yield, and with the permission of the Senator from Colorado, I wish to say that the statement was made by the deputy W. P. A. administrator in the hearings that every man who was employable under a W. P. A. job had a job.

Mr. BONE. That still leaves it vague, because the mail I am receiving, and also the mail most of the other Senators are receiving, indicates that men are seeking employment who cannot get it.

Mr. CLARK. I will state further to the Senator from Washington that I did not believe the statement when it was made. I was merely endeavoring to answer his question.

Mr. BONE. Can the Senator from Colorado indicate to us—if I am not imposing on his good nature—whether the W. P. A. officials have assured the committee that $1,425,000,000 would be sufficient and adequate?

Mr. ADAMS. I will say to the Senator from Washington that the committee relied, necessarily, upon the information which came to it from Mr. Hopkins, the Administrator of the Works Progress Administration. The amount of the appropriation was recommended by the President and was recommended by Mr. Hopkins as being adequate to meet the problem, so far as they could see it. They added, however—I think out of abundance both of caution and experience—that no one could foretell the relief needs of the future. That was the prime reason why the appropriation was only made for a period of 7 months originally rather than for a full year, in order that when the Congress should reconvene it might meet the problem as it then existed. It was our information, however, that the amount appropriated would meet the situation for the coming 7 months.

As the Senator knows, the members of the committee have no machinery of their own by which to make investigation. They do not know, and no one else can know, what may be the relief needs in a month or 2 months. We have had in the past the experience that at times unemployment and relief demands have dropped unexpectedly and they have also increased unexpectedly. The relief measure passed at the last session contemplated a decided decrease in the need for relief. That expectation was realized; the number on the relief rolls dropped from the high point down to 1,400,000.

Mr. BONE. Yes; but were not those arbitrary severances from the pay roll?

Mr. ADAMS. I cannot answer that question. All I know is the figures we got as to those on the rolls, and there was adequate money to care for a larger number.

Mr. BONE. Thousands of men were arbitrarily dropped from the rolls who could not possibly find employment under private-business auspices.

Mr. ADAMS. I know nothing as to administration. The information which the Appropriations Committee have is from the mouth of Mr. Hopkins and his assistant. But, frankly, I have not found any disposition on their part deliberately to underestimate. As a matter of fact, I think they have been disposed to be liberal in their estimates. They may have been wrong, but they have not attempted to underestimate.

The PRESIDING OFFICER. The time of the Senator from Washington on the amendment has expired.

Mr. BONE. May I say just a word then on the joint resolution?

Mr. CLARK. I remind the Senator that he can speak only once on the joint resolution.

Mr. BONE. Then I will surrender the floor, as I do not want to use all my time.

Mr. CLARK. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. CLARK. Would a motion to postpone the consideration of the committee amendment on page 2, lines 3 and 4, if adopted by the Senate, carry with it a postponement of the joint resolution itself, or would it apply only to the amendment?

The PRESIDING OFFICER. It is the opinion of the present occupant of the chair that such a motion would apply only to the amendment.

Mr. CLARK. Then I move that the committee amendments on lines 3 and 4, page 2, be postponed until after the consideration of the other committee amendments to be proposed in paragraph 1 of title I.

Mr. President, this is the first measure in my parliamentary experience, so far as I can remember, in which the total is put first and then the break-downs follow after it. It reminds me of the charge which was made by Gen. Dick Taylor, son of President Zachary Taylor, that the Red River expedition of General Banks during the Civil War, which he claimed was merely a cotton-stealing expedition, was the first military expedition in the history of the world to advance in the enemy's country with its wagon trains first.

So far as my observation goes, this is the first measure that has ever been introduced—certainly the first that has been seriously considered—in either the House or the Senate in which the totals were put first, and then a break-down followed later, with the result, as the Senator from Oregon [Mr. MCNARY] suggested a few moments ago, that if the first committee amendment now under consideration should be adopted, and the subsequent itemization should be changed, it would then be too late to amend the committee amendment on lines 3 and 4 except by reconsideration of the committee amendment.

Therefore, Mr. President, without any feeling in regard to the various items contained in paragraph (1) of title I, as a matter of decent parliamentary procedure I suggest that the totalization be dropped down to the end of the paragraph; and I shall make the same suggestion as to subsequent paragraphs.

Mr. LODGE. Mr. President, will the Senator yield?

Mr. CLARK. I yield to the Senator from Massachusetts.

Mr. LODGE. Should not the Senator's motion be modified so as to include the total on page 6, line 10?

Mr. CLARK. That committee amendment has not as yet been reached. If the various paragraphs are totaled as we go down, then a motion would be in order in regard to the total of the whole title on page 6, line 10. The suggestion I am making is that as to each item of the paragraph on pages 2 and 3, the total of the paragraph is carried in the first committee amendment, which, when acted on by the Senate, can be corrected only by a reconsideration of the vote on it.

Mr. LODGE. I appreciate that situation. I simply wanted to call the Senator's attention to the total on page 6, line 10.

The PRESIDING OFFICER. The Senator from Missouri moves that action on the committee amendment, on page 2, lines 3 and 4, be postponed until the other amendments are acted upon.

Mr. CLARK. The other amendments to paragraph (1) of title I, so that the total will appear at the proper place in the paragraph.

The PRESIDING OFFICER. Yes.

Mr. NORRIS. Mr. President, the motion of the Senator from Missouri includes two amendments, does it not? I take it that the word "drainage", in line 3, page 3, is included as well.

Mr. CLARK. No; I refer only to the first committee amendment, on page 2, the total, which is to strike out the

numerals "$1,250,000,000" and insert the numerals "$1,425,000,000." It may well be that in the consideration of the remaining items in the paragraph the Senate may wish to increase or decrease some of the items, and it seems to me the total should be at the end of the paragraph instead of at the beginning.

Mr. NORRIS. The Senator would postpone action on all the committee amendments, then, as I understand.

Mr. CLARK. Oh, no. Let me say to the Senator from Nebraska that my motion is to postpone action on the first committee amendment in paragraph (1), which is the total appearing on lines 3 and 4 of page 2, only until after the consideration of the other committee amendments in that paragraph, which extends down nearly to the bottom of page 3. In other words, simply to put the total at the proper place in the paragraph, so that if the Senate should increase or decrease some of the items in paragraph (1) it would not be necessary to move to reconsider the adoption of the committee amendment in order to change the total.

Mr. NORRIS. The motion is to postpone action on the first committee amendment in paragraph (1) until we consider all the amendments that go to constitute the $1,425,000,000?

Mr. CLARK. Yes; to drop it down to the end of the paragraph. That is entirely correct.

Mr. McKELLAR. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Tennessee will state it.

Mr. McKELLAR. There is an amendment to the text, to insert $1,425,000,000 in lieu of $1,250,000,000.

Mr. CLARK. Let that be considered as part of the paragraph.

Mr. McKELLAR. Then there is an amendment to that amendment, offered by the Senator from Minnesota [Mr. LUNDEEN], to increase the amount to $4,250,000,000. Is it in order to add another amendment to it, to postpone or to change what is proposed by the committee amendment and the amendment to it?

The PRESIDING OFFICER. This is not an amendment. This is a motion to postpone, which is not an amendment to an amendment.

Mr. NORRIS. Mr. President, I desire to submit a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. NORRIS. Under the unanimous-consent agreement, we may not offer individual amendments until the committee amendments have been passed on. If the motion of the Senator from Missouri should prevail, and if an individual amendment should be offered that increased the total, would not that make it necessary to reconsider the committee amendment?

Mr. CLARK. If the Senator will permit me, my motion to postpone will not change the parliamentary status of the committee amendment, or any amendment to the committee amendment, or any other parliamentary recourse that any Senator may have, except to change it from the status of having the Senate adopt the total before it adopts the items to having the Senate pass on the items before it adopts the total. It will not change the parliamentary status.

Mr. NORRIS. However, we would still have an inconsistency. Suppose we postpone acting on the total until we have considered all the items, and then we agree to the total or modify it according to what we have done with the items composing the total. Then we go through the joint resolution. Afterward, some Senator offers an amendment somewhere between the committee amendment on lines 3 and 4 of page 2, and line 20 on page 3. Some individual amendment is offered. Then we would still have the same difficulty, because that amendment would change the total. It might increase or reduce it.

Mr. CLARK. Not the total of this paragraph.

Mr. NORRIS. Oh, yes.

Mr. CLARK. The total upon which I have suggested postponing action applies only to this paragraph.

Mr. NORRIS. Yes; but the total upon which the Senator has suggested postponing action is composed of the aggregate of the committee amendments which follow it in the paragraph. Suppose some individual amendment is offered, after we get through with all the committee amendments, which either lowers or increases that total.

Mr. CLARK. An individual amendment may be offered to a committee amendment at any stage.

Mr. NORRIS. Yes; but it might be that the amendment would be offered to the language of the joint resolution as it came from the House, not to a committee amendment, and therefore it would not be in order until after the committee amendments were disposed of.

Mr. CLARK. I think there is a great deal in what the Senator says. Of course, the present difficulty grows out of the inherent weakness of the Senate's practice of agreeing to consider committee amendments before any individual amendments are considered. That is something which has grown up in the Senate. I do not know how, but it is the practice of the Senate. I believe, however, that the very much more logical course as to the consideration of the committee amendments in paragraph (1) would be to drop the total down to the bottom of the paragraph.

Mr. NORRIS. The point I wanted to make was that the Senator still might have remaining the difficulty I have suggested.

Mr. CLARK. I think there would be some difficulty, but I think it would very largely obviate the difficulty to adopt the motion to postpone.

Mr. BORAH. Mr. President——

The PRESIDING OFFICER. It is the opinion of the present occupant of the chair that the motion of the Senator from Missouri [Mr. CLARK] carries with it the amendment offered by the Senator from Minnesota [Mr. LUNDEEN], and in the opinion of the present occupant of the chair it would have that effect.

The Senator from Idaho is recognized.

Mr. BORAH. Mr. President, I was merely going to ask what had become of the amendment to the amendment.

Mr. CLARK. It will be carried down to the bottom of the paragraph.

The PRESIDING OFFICER. In the opinion of the Chair, it would be caried over with the motion of the Senator from Missouri.

Mr. McKELLAR. Mr. President, let me say that the practice which was adopted in the case of this joint resolution is practically the same practice that was adopted in considering the act of June 22, 1936.

Mr. CLARK. It is a bad practice.

Mr. McKELLAR. It may be a bad practice, but it would work in just exactly the same way. That act reads:

> To continue to provide relief, and work relief on useful projects, in the United States and its Territories and possessions (including projects heretofore approved for the Works Progress Administration, which projects shall not be subject to the limitations hereinafter specified in this paragraph), $1,425,000,000, to be used in the discretion—

And so forth, dividing it up in exactly the same way.

I have the other acts before me. I find that the act of April 8, 1935, is exactly the same; the act of 1937 is exactly the same; and that is true of all of them with the exception of the one appropriating $250,000,000, and that was all there was in it. But we are following the practice which has been followed ever since we started appropriating for relief, and it seems to me there is no necessity for changing it at this late date.

Mr. CLARK. Mr. President, the argument of the Senator from Tennessee reminds me of the expression of a boatman who was once rowing me across the Mississippi River to engage in a little fishing. On the way across he said, "Mr. Benny, I wish I had $7." I said, "Mose, what do you want with $7?" "Well," he said, "I don't know, Mr. Benny, but I think $7 is just a nice sum to have." [Laughter.]

The proposition of the Senator from Tennessee is that we ought first to agree on the total, and then it does not make

any difference what we do afterward with the items making up the total; that we ought to agree on the total, and then say, "Well, this total of $1,425,000,000 is just a nice sum to have."

My motion to postpone only goes to the proposition that we ought to agree on the itemization and then amend the total, if necessary, to represent the aggregate of the items.

Mr. McKELLAR. Ordinarily, that is true, and we practice it in all appropriation bills. Ordinarily, when we finish appropriation bills, if there are many items in them, we give the clerks the power and right to correct the totals; and that might well be done at any time.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Missouri [Mr. CLARK] to postpone the consideration of the pending committee amendment until the other amendments to the paragraph are disposed of.

Mr. ADAMS. Mr. President, I desire to have a clear understanding of the motion. May it not be stated by the clerk again?

Mr. CLARK. It shifts the first amendment on page 2 to the end of subdivision (1).

Mr. ADAMS. Shifts the amendment to page 3?

Mr. CLARK. Yes.

Mr. ADAMS. Would it leave it open for consideration at the conclusion of the action on the committee amendments?

Mr. CLARK. That is exactly the motion.

Mr. ADAMS. It merely changes the order of consideration?

Mr. CLARK. It merely postpones it until after the consideration of the other committee amendments in subdivision (1), title I.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Missouri.

The motion was agreed to.

The PRESIDING OFFICER. The clerk will state the next amendment of the committee.

The CHIEF CLERK. On page 2, line 7, after the numeral "1937", it is proposed to insert "and the joint resolution of March 2, 1938" and a comma.

Mr. WHEELER. Mr. President, a little while ago, when the monetary question was raised by the Senator from Kentucky, I interrupted him, and followed with a statement. I desire to correct a statement I made at that time. One of the statements I made was that when the President established the stabilization fund something was said with reference to what he intended to do regarding the depreciated currencies.

I made the statement that the President had recognized the bad effect the depreciated currencies were having upon the United States when he established the stabilization fund. He made the following statement at the time of the devaluation of the gold dollar. On February 1, 1934, he stated:

> Whereas I find upon investigation that the foreign commerce of the United States is adversely affected by reason of the depreciation in the value of the currencies of other governments; and
>
> Whereas I find from my investigation that in order to stabilize domestic prices and to protect foreign commerce against the adverse effects of depreciated foreign currencies it is necessary to fix the weight of the gold dollar at 15 5/21 grains, nine-tenths fine.

I also called attention to some figures with reference to what happened under the gold revaluation, and I wish to give the accurate figures to the Senate at this time.

We find that the object of the gold revaluation and the stabilization fund was to protect our foreign commerce against the adverse effect of the depreciated currencies. I have taken the quotations of the foreign exchange markets for the principal nations of the world on February 1, 1934, and on May 7, 1938. Bear in mind that the purpose of the gold revaluation and of the stabilization fund was to protect American commerce against the effect of depreciated foreign currencies. The British pound is quoted in dollars and cents and all other moneys are quoted in cents.

The British pound was quoted on February 1, 1934, at $5.0175; on May 7, 1938, at $4.98125.

French franc, February 1, 1934, 6.41 cents; May 7, 1938, 2.80 cents.

Mr. NORRIS. What year was that last?

Mr. WHEELER. May 7, 1938.

Mr. NORRIS. And the other was for the same year?

Mr. WHEELER. The other was February 1, 1934, at the time of the establishment of the stabilization fund and the revaluation of gold.

So I say that we must bear in mind that at the time gold was revalued and at the time the stabilization fund was created the President stated that the object was the stabilizing of these currencies, and I have quoted his language. In other words, the French franc has depreciated nearly two-thirds of what it was.

On February 1, 1934, the Italian lira was quoted at 8.52 cents; on May 7, 1938, it was 5.265.

The Belgian belga was 22.75 cents on February 1, 1934, and on May 7, 1938, it was 16.79.

The Dutch guilder was 65.60 cents on February 1, 1934, and on May 7, 1938, it was 55.54.

The Danish krone was 22.42 cents in 1934, and it went down only to 22.25. There was very little difference.

The Swiss franc dropped from 31.65 cents to 22.87 cents.

The Hong Kong dollar dropped from 37 cents to 31 cents.

As of May 7, 1938, the moneys of the world, the franc, the lira, the belga, the milreis, the yen, and the Hong Kong dollar all bought less American goods than they did on February 1, 1934, when we set up the $2,000,000,000 stabilization fund to carry out the object of stopping the depreciation of currencies of other countries, and when we started to stabilize domestic prices and increase our foreign trade.

I wish to give a specific example. The American automobile is a typical export commodity. Let us assume $600 to have been the price of a particular car available for export on February 1, 1934. Let us assume a $600 motor car to be available for export today. If an Englishman had bought the car on February 1, 1934, he would have paid us 119½ pounds sterling. Today he would pay us 120.4 pounds sterling. This is less than $5 difference. It is less than 1 percent difference.

If a Frenchman had bought that car on February 1, 1934, his franc being worth 6.41 cents, he would have paid 9,349 francs for the car. On May 7, 1938, the franc being worth 2.80 cents, the Frenchman would have paid, not 9,349 francs, but 21,419 francs; and so on in the case of all the other nations.

In Brazil, for instance, a purchaser would have had to pay 10,169 milreis in 1938, instead of 6,960, as he would have paid on February 1, 1934.

In Holland guilders, one would have had to pay 1,080, in comparison with 916 in 1934.

In belgas the purchaser would have had to pay 3,573 belgas in 1938, as against 2,637 in 1934.

In Italy a purchaser would have had to pay 11,396 liras, as against 6,960.

Mr. NORRIS. The second figures the Senator is giving are of the later date?

Mr. WHEELER. No. The first figure is of May 7, 1938. For instance, in the case of Brazil, 6,960 milreis, whereas on May 7, 1938, the price would have been 11,396 milreis.

The converse of this clarifies our thinking. If an American importer on February 1, 1934, had wanted to buy French goods, as, for example, wines or laces or perfumes, he could have bought 9,9349 francs' worth for $600. Today, four and a quarter years afterward, he can buy 21,419 francs' worth of wine or laces or perfumes or any other commodities in France with the $600. The $600 American car in the meantime may be different in specifications, and the French goods may have risen in price, but the point is that we are in infinitely worse shape today with respect to the protection of our foreign commerce from depreciated currencies of other nations than we were on February 1, 1934, when we initiated our foreign exchange policy.

I wish to call attention now to the application of exports to agriculture. I have instanced the case of the motorcar

merely to show a specific example of depreciated foreign currencies adversely affecting the American markets. In the period 1926 to 1930 we had an average export, for the 5 years, of 276,000 American-made automobiles, with an export value of $197,600,000. In the next 5 years, from 1931 to 1935, our exports of motorcars dropped to an average of 100,000, with an export value averaging $55,305,000.

On page 60 from the Monthly Summary of Foreign Commerce of the United States, issued by the Department of Commerce for December 1937, and corrected to January 27, 1938, we find that the imports of foreign merchandise into this country totaled $3,012,486,953 and the exports from the United States to foreign countries totaled about $3,294,916,215.

In other words we had a balance of trade in favor of the United States of some $281,500,000. But we must keep in mind that the object of the monetary legislation was to protect the trade of the United States against depreciated currencies.

I now present figures from a table showing precisely what has happened during 1937, three years after the stabilization fund was set up to protect our commerce. This is the way it affects agriculture.

Animals and animal products, edible. Imports, $114,494,760. Exports, $62,428,599.

Animals and animal products, inedible. Imports, $222,392,014. Exports, $53,891,732.

Vegetable food products and beverages; imports, $738,879,148 as against exports of $216,419,606.

Vegetable products, inedible, except fibers and wood. Imports, $489,932,612. Exports, $219,219,918.

Textile fibers and manufactures. Imports, $476,988,464. Exports, $467,292,767.

Wood and paper. Imports, $306,469,074 as against exports of $136,627,453.

Totals of imports are $2,349,156,072 as against exports of $1,155,880,075.

Coming to the nonmetallic minerals it will be found that exports increased during 1937, and as I stated, they increased in many instances because of the wars and threatened wars in various countries.

The point I wish to make is that $2,349,156,072 worth of foreign agricultural goods came across our borders in a single year, all of which were produced on foreign soil, all of which were processed or semiprocessed by foreign labor, all of which were transported on foreign rails or on foreign ships, and all that occurring 3 years after we had set up a stabilization fund of $2,000,000,000 to protect the Government of the United States. Insofar as agriculture and American labor which processes agricultural products are concerned, and insofar as the American railways which are supposed to carry the raw materials to the processing plants and the processed materials to the consumers are concerned, America lost and the foreigners won.

The PRESIDING OFFICER. The time of the Senator on the amendment has expired.

Mr. WHEELER. Then I will take some time on the bill. Mr. President, I am just informed by the Senator from Missouri [Mr. CLARK] that I cannot divide my time on the bill, so I will not take any more time.

The PRESIDING OFFICER. The question is on the committee amendment on page 2.

Mr. BARKLEY. A parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. BARKLEY. Which amendment is that, the first or the second on page 2?

The PRESIDING OFFICER. The pending committee amendment will be stated.

The CHIEF CLERK. On page 2, line 7, after the figures "1937", it is proposed to insert "and the joint resolution of March 2, 1938."

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

The next amendment of the committee was, on page 2, line 10, after the word "projects", to strike out "heretofore", so as to read:

(b) the prosecution of projects approved for such administration under the provisions of the Emergency Relief Appropriation Act of 1935, the Emergency Relief Appropriation Act of 1936, and the Emergency Relief Appropriation Act of 1937, which projects shall not be subject to the limitations (1), (2), and (3) of (d) hereof.

The amendment was agreed to.

The next amendment was, on page 2, line 21, after the word "streets", to strike out "$425,000,000" and insert "$484,500,000", so as to read:

(c) aiding self-help and cooperative associations for the benefit of needy persons; and (d) the following types of public projects, Federal and non-Federal, subject to the approval of the President, and the amounts to be used for each class shall not, except as hereinafter provided, exceed the respective amounts stated, namely: (1) Highways, roads, and streets, $484,500,000.

Mr. CLARK. I should like to have the Senator from Colorado explain that amendment. I am very deeply in sympathy with the construction of public roads, but I should like to find out the basis on which the committee arrived at the amount provided by the amendment.

Mr. ADAMS. Mr. President, the appropriation of $425,000,000 was one of the items making up the original total of $1,250,000,000. When the committee increased the total by adding $175,000,000 in order to carry the relief program for 8 months instead of 7 months, they then distributed on a pro rata basis the $175,000,000 among the items which made up the original total; so these items, as amended, would equal the amended total.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment on page 2, lines 21 and 22.

The amendment was agreed to.

The PRESIDING OFFICER. The clerk will state the next committee amendment.

The next amendment was, on page 3, line 3, after the word "control" and the semicolon, to insert "drainage", so as to read:

(2) Public buildings; parks and other recreational facilities, including buildings therein; public utilities; electric transmission and distribution lines or systems to serve persons in rural areas, including projects sponsored by and for the benefit of nonprofit and cooperative associations; sewer systems, water supply and purification systems; airports and other transportation facilities; flood control; drainage; conservation; eradication of insect pests.

The amendment was agreed to.

The next amendment was, on page 3, line 4, after the word "pests" and the semicolon, to strike out "projects for the production of materials for fertilizing soil for distribution to farmers under such conditions as may be determined by the sponsors of such projects under provisions of State law."

Mr. LA FOLLETTE. I desire to offer an amendment to amend the House text prior to action on the committee amendment striking it out. I, therefore, tender the amendment on page 3, line 5, to strike out the word "materials" and to insert the words "lime and marl."

Mr. CLARK. That is a different amendment, is it not? The amendment now pending is the insertion of the word "drainage."

Mr. LA FOLLETTE. No; that amendment has been acted on. I move to amend the House text, before action is taken on the amendment to strike out the language on page 3, beginning with the word "projects" in line 4 and ending with the word "law" in line 7. I understand that is in order, since I intend to perfect the House text. I offer an amendment prior to action on the committee amendment, in line 5, to strike out the word "materials" and insert the words "lime and marl."

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Wisconsin perfecting the House text in the committee amendment on page 3, line 5.

The amendment to the amendment was agreed to.

Mr. LA FOLLETTE. Mr. President, I hope that the committee amendment may be rejected in the light of the amendment to the House text which has been agreed to.

This amendment was inserted by the Senate in the joint resolution providing $250,000,000 which was passed this spring. It went to conference and it was disagreed to and eliminated. The House has now adopted the amendment in identically the same form as the Senate passed it earlier this year. Because of the general term employed in the amendment, however, some apprehension has arisen on the part of those who manufacture mixed and other high grade fertilizers, that the purpose of the amendment was designed to enable the W. P. A. to produce mixed and high grade fertilizers. Such is not the intention. The purpose of the amendment is to enable projects under State law, such as we have in Wisconsin, to continue to produce lime and marl for the purpose of eliminating the acid condition of soils in the State of Wisconsin. Such projects have been among the most popular and beneficial rural projects in my State, and they are a type of project which it seems to me should be encouraged, because after the soil has been sweetened it enables farmers to produce feed for dairy and other livestock which they otherwise would have to pay cash to purchase.

It is estimated, for example, that the farmers in Wisconsin in the last 10 years have had to spend some $300,000,000 in purchasing feeds which they otherwise could grow themselves if the soil were to be sweetened so that they could produce alfalfa and other lime-consuming crops.

There has been no criticism I may say, in Wisconsin from any of the commercial producers of lime and marl, so far as I am aware, and I am informed by the W. P. A. that there has been no criticism which has come to their attention. Over 3,000,000 tons of lime and marl have been produced under this State law by locally sponsored projects under W. P. A. in the past.

Mr. AUSTIN. Mr. President, will the Senator yield?

Mr. LA FOLLETTE. I yield.

Mr. AUSTIN. I should like to inquire if the Senator from Wisconsin has learned the use by these projects in his State of competitive products that come from Canada across the line into his State, for example, lime? In Vermont we find lime scattered about the State, and private industry has been producing it for many years, although never making much money out of it. I have been appealed to from time to time on account of the use of lime which is imported from Canada for works-progress projects, when there is plenty of it in the State of Vermont. There is nothing in this amendment which affects that condition?

Mr. LA FOLLETTE. There is nothing in the amendment which affects that condition. As the Senator will see, the amendment is designed entirely for the purpose of enabling farmers to use lime and marl to sweeten their soil in order that they may grow alfalfa and other crops which will not grow in a sour soil. Let me say further that it is my personal opinion that the reason there has been no complaint that I have heard from the people who produce lime commercially is that they recognize that unless the farmers could get the lime at a very cheap price—they pay merely the actual cost of its production—they would not be buying it in their present economic status. I am satisfied that the amendment, which has already been agreed to, will meet the objection which I think was erroneously aroused in the minds of the producers of commercial mixed and high-grade fertilizers, that this amendment was designed to permit W. P. A. projects to go into the production of that type of fertilizer.

Mr. HALE. Mr. President, will the Senator yield?

Mr. LA FOLLETTE. I yield to the Senator from Maine.

Mr. HALE. I have received two telegrams from lime producers in the State of Maine, which I should like to read:

ROCKLAND, MAINE, *May 17, 1938.*

Senator FREDERICK HALE,
Washington, D. C.:

We are advised that Boileau amendment to new relief appropriation bill would, if passed, permit States to manufacture and distribute materials for fertilizing soil. We strongly protest such provision, as it would be disastrous to the lime industry, especially in State of Maine.

ROCKLAND ROCKPORT LIME CO., INC.

NEW YORK, N. Y., *May 18, 1938.*

HON. FREDERICK HALE,
United States Senator, Senate Office Building:

We are advised that House Joint Resolution 679 contains Boileau amendment which would permit a State to manufacture and distribute materials for fertilizing the soil. Inasmuch as we own and operate a lime plant in the State of Maine, we would welcome your opposition to this amendment. Already we are facing strenuous competition from Canadian lime manufacturers, as well as others, in the State, and further productive capacity would seriously affect our business. In our opinion, there is, and has been for some time, an overproductive capacity of lime manufacturers serving this area.

LAWRENCE PORTLAND CEMENT CO.

Mr. LA FOLLETTE. Let me call the Senator's attention to the fact that the amendment provides that such projects must be conducted under the provisions of State law. So far as I know, Wisconsin is the only State which has enacted a State law which permits the local subdivisions to make the necessary outlays for the purchase or rental of machinery to crush the limestone and abstract the marl. I am certain that there can be no competition from Wisconsin insofar as the Maine lime producers are concerned. These projects have to be sponsored under our State law by counties, and the lime or other product has to be obtained by the farmers within the areas where the projects are sponsored. I feel certain that the Senator's constituents need have no fear about competition from Wisconsin as a result of my amendment.

Mr. HALE. The Senator takes the position, then, that the lime which would be used in Wisconsin would not come in competition with the general use of lime in the country?

Mr. LA FOLLETTE. I take the position that the project must operate under State law; and in the first place, so far as I know, Wisconsin is the only State which has enacted such a law. In the second place, I take the position and make the statement that, so far as I know, and so far as I have been able to obtain information from the W. P. A., there has been no complaint from the commercial producers of lime in Wisconsin, because they recognize that the farmers who are using the lime would not be in a position to buy commercial lime because of their economic situation. Therefore, there has been no complaint about competition with the local Wisconsin producers of lime and marl products for the purpose of sweetening the soil.

As I stated at the outset—and I wish to emphasize it in conclusion—Senators recognize that useful projects in rural areas are difficult to obtain. This project leaves the economic status of the farmer better after it has been carried out than it was before. It actually increases productivity. It has a useful economic purpose. These projects have been among the most advantageous projects which have been carried on within my State; and I feel certain, after reading the testimony, that the amendment will largely eliminate the fears of the commercial producers of fertilizer, because I think they apprehended that it was intended that the W. P. A. projects should comprehend the production of mixed and high-grade fertilizers.

Mr. HALE. I should like to ask one more question. Does the Senator feel that under his amendment the producers of lime in Wisconsin would not be able to manufacture an oversupply and sell it in other States?

Mr. LA FOLLETTE. I know they cannot, Mr. President, because the lime must be utilized in the counties where the projects are sponsored.

Mr. McKELLAR. Mr. President, will the Senator yield?

Mr. LA FOLLETTE. I yield.

Mr. McKELLAR. What is the Senator's amendment? I was absent from the Chamber for a few moments.

Mr. LA FOLLETTE. On page 3, line 5, I propose to strike out the word "materials" and insert in lieu thereof "lime and marl." My amendment has already been agreed to.

Mr. McKELLAR. Like the Senator from Maine [Mr. HALE], I have received many telegrams against the whole amendment, on the ground that it would result in competition with private lime dealers and private fertilizer dealers of all kinds. That is why I think the language ought to go out.

Mr. LA FOLLETTE. I hope the Senator will not insist, in view of my amendment to the committee amendment, and in view of the further fact that such projects must be operated under State law. So far as I know, Wisconsin is the only State which has adopted such a law.

Mr. AUSTIN. Mr. President, will the Senator yield?

Mr. LA FOLLETTE. I yield.

Mr. AUSTIN. I shall use my own time if I am exhausting the Senator's time.

Mr. LA FOLLETTE. I think I have sufficient time.

Mr. AUSTIN. I suspect that there is no competition, in fact, because of the difference in the character of the product. Is it not true that the product about which the Senator from Wisconsin is talking is merely crushed stone?

Mr. LA FOLLETTE. That is my understanding. The limestone is crushed, and the farmer pays the cost of the crushing and distributes the product on his land.

Mr. AUSTIN. The existing industry produces a stone which is burned or cooked, and manufactured.

The PRESIDING OFFICER. The question is on the committee amendment, as amended.

Mr. NORRIS. Mr. President, I cannot understand why the committee struck the language out of the House bill. From the debate which has taken place, however, I understand that it was done at the instigation of the manufacturers of fertilizer.

Mr. McKELLAR. Mr. President, will the Senator yield?

Mr. NORRIS. I yield.

Mr. McKELLAR. If the Senator will read the testimony of Mr. Brand, who represents the fertilizer interests in Washington, he will find that Mr. Brand was in favor of the amendment offered by the Senator from Wisconsin [Mr. LA FOLLETTE].

Mr. NORRIS. The amendment about which I am speaking is the committee amendment striking out the language in the House provision.

Mr. McKELLAR. I was just trying to explain to the Senator that the fertilizer interests, through their representative in Washington, have approved the amendment offered by the Senator from Wisconsin.

Mr. NORRIS. The fertilizer interests want the language stricken out. I suppose that is the reason why the committee struck it out.

Mr. McKELLAR. No; the fertilizer interests wanted lime or lime material put in. They did not want to strike it all out.

Mr. NORRIS. Lime and marl are already in.

Mr. McKELLAR. The fertilizer interests wanted the amendment which the Senator from Wisconsin [Mr. LA FOLLETTE] has suggested.

Mr. NORRIS. Why did the committee strike out the language of the House provision? At whose instigation was it stricken out?

Mr. McKELLAR. I do not know at whose instigation; but I think nearly every member of the committee received telegrams from his State.

Mr. NORRIS. They were telegrams like the ones read by the Senator from Maine [Mr. HALE], from manufacturers of fertilizer.

Mr. McKELLAR. The telegrams which I received came from persons dealing in lime.

Mr. ADAMS. Mr. President, will the Senator yield?

Mr. NORRIS. I yield, though I hope the Senator will not take up much of my time.

Mr. ADAMS. I wish to make a short answer to the inquiry of the Senator from Maine [Mr. HALE].

Mr. NORRIS. I shall be glad to have the Senator do so.

Mr. ADAMS. Mr. President, my own personal view of the matter was in accord with that of the Senator from Wisconsin [Mr. DUFFY], who was upon the committee, opposing the striking out of the language. The argument in favor of striking it out, as I recall, was that the amendment provided that W. P. A. labor, paid for by the United States Government, would be used upon the projects, but that the material dug out would be distributed to the farmers at cost, without regard to the necessities of the farmers.

Mr. NORRIS. That was the House provision, which the committee has stricken out.

Mr. ADAMS. The Federal Government was to do the work, pay the cost, and distribute the fertilizer material to the farmers at cost, without regard to their ability to pay for it.

Mr. NORRIS. There are different views about the matter. However, as I see it, the committee amendment ought to be defeated if we wish to preserve the La Follette amendment. Entirely aside from that, it seems to me the committee amendment ought to be defeated. The provision applies to projects described as—

> Public buildings; parks and other recreational facilities, including buildings therein; public utilities; electric transmission and distribution lines or systems to serve persons in rural areas, including projects sponsored by and for the benefit of nonprofit and cooperative associations; sewer systems, water supply and purification systems; airports and other transportation facilities; flood control—

And we have added "drainage"—

> conservation; eradication of insect pests.

Then the committee struck out the following language in the House provision:

> Projects for the production—

As it reads now—

> of lime and marl for fertilizing soil for distribution to farmers under such conditions as may be determined by the sponsors of such projects under provisions of State law.

That is the end of the language proposed to be stricken out. For the last 15 or 20 years we have heard debates upon this floor at almost every session concerning the Fertilizer Trust. Here is a provision in the joint resolution by which farmers could get assistance in securing the very things we have been trying to have provided for them. It is proposed to strike out the language, and make the farmer pay more for his fertilizer than he otherwise would. Somebody must get a profit in the meantime on the fertilizer.

I know the fertilizer business is a perfectly honorable business, but investigations have been made by committees and investigations have been made by the Federal Trade Commission as to the practices of what is called the Fertilizer Trust. I have doubted whether such a trust existed, but there have been combinations often between manufacturers of fertilizer with the idea of making a profit by requiring the farmer who had to purchase fertilizer to pay increased prices for it. Here is the provision the House put in, as amended. Let me read it again.

> Projects for the production of lime and marl for fertilizing soil for distribution to the farmers under such condition as may be determined by the sponsors of such projects under the provisions of State law.

That is what is proposed to be stricken out. In other words it is proposed to make the farmer buy his fertilizer from the fertilizer manufacturer and to enable him to increase the price to the farmer, the man we have all been professing we want to help. Now the price will be increased and the farmer must pay the increased price for the benefit of the private manufacturer of fertilizer. It seems to me it would be inconsistent for us to strike out this provision. We have provided in the T. V. A. Act, for instance, for the expenditure of Federal money, and millions of dollars have been expended, to cheapen the production of fertilizer. I remember when we had that bill under discussion many Senators—I do not think I was one of them—argued that the most important thing in the bill was the provision for fertilizer experimentation which was provided for, and which has cost millions of dollars. We have appropriated every year for it. Why? In order to cheapen fertilizer; and here is a project in the measure under which the farmers, under State laws, are going to prepare their marl and their lime without paying any tribute to the private manufacturer of fertilizer. It is proposed to strike it out. That is what the committee amendment amounts to.

Mr. BONE. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. SCHWELLENBACH in the chair). Does the Senator from Nebraska yield to the Senator from Washington?

Mr. NORRIS. I yield.

Mr. BONE. Would this provision in the House text permit the exploitation and development of phosphate deposits, many of which, I think, are in Idaho?

Mr. NORRIS. I should think it would. Before this debate arose, when I read the joint resolution I could not understand for the life of me why the committee wanted to strike out the language to which I have referred. I do not know that it would, if adopted, do any great amount of benefit; my personal knowledge is limited in regard to it. I know something about it; I know something about how marl is prepared for the soil and what it is good for. I do not know that the Senate would be interested in that, but here we are going to prevent the institution of any projects under this joint resolution such as may be provided for sewers and other things. We are going to stop at fertilizer. I do not think the House provision will hurt the manufacturers of fertilizer. The effect would be mostly—there might be some exceptions I will concede, but I do not know what they are—that the fertilizer that is produced from marl and lime, under such a project as is mentioned, would be made by the farmers who can not now afford to buy fertilizer on the market that the so-called Fertilizer Trust has for sale.

Mr. SCHWARTZ. Mr. President——

The PRESIDING OFFICER. Does the Senator from Nebraska yield to the Senator from Wyoming?

Mr. NORRIS. I yield.

Mr. SCHWARTZ. The point about this amendment that bothers me is not that it authorizes employment and labor to create fertilizer; if that were all I would certainly have no objection to it; but after the Government has created the fertilizer under this provision the sponsor may distribute it. I do not know who the sponsor is.

Mr. MURRAY. Mr. President, I should like to call attention to the fact that the distribution is under the State law.

Mr. NORRIS. Yes.

Mr. MURRAY. So I should think the State law would control the method and manner of distribution.

Mr. LA FOLLETTE. That is correct. The Senator has put his finger on the important point involved.

Mr. SCHWARTZ. I will change my inquiry, then. Will the Senator please state what the State law provides as to the manner in which the fertilizer is to be distributed and to whom?

Mr. LA FOLLETTE. Whenever such projects are set up in a county the farmers within that county could obtain this material by paying the cost of the labor and the raw material, and all are eligible who desire to meet the qualifications.

Mr. NORRIS. As I understand from what the Senator from Wisconsin says, very few States, probably only one State, have a law on the subject. There may be others. At any rate, other States can easily pass such laws if they want to do so. I know something about the way the marl is taken out of the lakes which are, more or less, public property. I think they are; they are owned by the public. Dredges take the marl out. It is dried, afterward crushed, and sprinkled or spread over the soil. No fertilizer producer would be injured by such a transaction. The fertilizer would be produced only in the vicinity where the material exists, and where it is to be used. If there is any danger of shipping it out of the State, although I would not object to that, and if it is desired to confine it within the State we can do that by a very proper amendment.

But it seems to me we are going beyond reason. We are in this measure, as I see it, protecting the manufacturers of fertilizer who for 20 years have been before the courts and before investigating bodies on the theory that they have had an illegal combination against the laws of the country.

Mr. HALE. Mr. President, will the Senator yield?

Mr. NORRIS. I yield.

Mr. HALE. When the Senator speaks of illegal combinations he is referring to the fertilizer interests, is he not?

Mr. NORRIS. Yes.

Mr. HALE. I do not think there is any Lime Trust. I know the lime interests in my State barely make a living, and I think it is natural that they should not want any legislation that would cut in on what little business they have. Therefore, I think they are perfectly justified in protesting if they think their interests would be jeopardized.

Mr. SCHWARTZ. Mr. President, as I understood the explanation as to the scope of the State law it was that the sponsors would acquire the fertilizer by paying the cost of labor and raw material. Is that true?

Mr. NORRIS. I did not say that but that is what the Senator from Wisconsin said.

Mr. LA FOLLETTE. Mr. President, if the Senator from Nebraska will permit me, that is the provision of the State law under which these projects are sponsored.

Mr. SCHWARTZ. In a particular project, then, if the Government labor amounted to $25,000, to whom would the $25,000 be paid—to the State or to the Government?

Mr. LA FOLLETTE. Farmers pay an amount equal to the cost of the raw materials and operating expenses.

The PRESIDING OFFICER. The time of the Senator from Nebraska has expired.

Mr. McKELLAR. Mr. President, the only testimony about this matter before the committee was in the form of several telegrams received, which do not seem to have been copied into the record, and the testimony of Mr. Charles J. Brand. Senator Byrnes asked Mr. Brand this question:

Senator BYRNES. Who are you now representing?
Mr. BRAND. The National Fertilizer Association.

This was Mr. Brand's suggestion:

Mr. Chairman, my suggestion is that, instead of making it apply to fertilizer material, that it be made to apply to what it was intended, namely, liming material, and I do that with hesitation, because I do not want to seem to my colleagues in the liming industry to be inviting relief funds to be spent in displacing their activities. On the other hand, if it is desired to confine it to what it was really intended to be confined to, it should be limited to liming material.

On that testimony and on the basis of the telegrams the committee was of the opinion that the provision should be stricken out; and it did strike it out. I do not see much objection to it if the Senator from Wisconsin would limit it to lime, although I think it would be better for the committee's action not to be interfered with at all. That is merely my judgment about it.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the committee as amended.

The amendment as amended was rejected.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Calloway, one of its reading clerks, announced that the House had passed without amendment the bill (S. 3843) to remove certain inequitable requirements for eligibility for detail as a member of the General Staff Corps.

The message also announced that the House insisted upon its amendment to the bill (S. 2475) to provide for the establishment of fair labor standards in employments in and affecting interstate commerce, and for other purposes, disagreed to by the Senate; agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mrs. NORTON, Mr. RAMSPECK, Mr. GRISWOLD, Mr. KELLER, Mr. DUNN, Mr. WELCH, and Mr. HARTLEY were appointed managers on the part of the House at the conference.

ENROLLED BILLS SIGNED

The message further announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the Vice President:

S. 1307. An act for the relief of W. F. Lueders;

S. 3092. An act for the relief of the Georgia Marble Co.; and

S. 3522. An act authorizing the President to present the Distinguished Service Medal to Rear Admiral Reginald Vesey Holt, British Navy, and to Capt. George Eric Maxia O'Donnell, British Navy, and the Navy Cross to Vice Admiral Lewis Gonne Eyre Crabbe, British Navy, and to Lt. Comdr. Harry Douglas Barlow, British Navy.

RELIEF AND WORK-RELIEF APPROPRIATIONS

The Senate resumed the consideration of the joint resolution (H. J. Res. 679) making appropriations for work relief, relief, and otherwise to increase employment by providing loans and grants for public-works projects.

The PRESIDING OFFICER. The next amendment of the committee will be stated.

The LEGISLATIVE CLERK. On page 3, line 8, after the word "projects", it is proposed to strike out "$575,000,000" and insert "$655,500,000."

The PRESIDING OFFICER. The question is on agreeing to the amendment reported by the committee.

Mr. FRAZIER. Mr. President, my colleague [Mr. NYE] has an amendment prepared to this item in line 8, page 3, together with a paragraph which takes $30,000,000 out of the $655,500,000 for water-conservation projects in the Great Plains States.

A conference was held between the Commissioner of Reclamation and someone else from his Bureau and a number of the Senators from the Great Plains States, and the Commissioner was very strongly of the opinion that something should be done for water conservation in the Great Plains States. In other words, those State are the so-called Dust Bowl, the States which have had a drought for several years. We have quite a number of little irrigation projects which the engineers have surveyed and the Reclamation Service has approved, but there is no money available for them unless it comes out of this amount.

Mr. President, on behalf of my colleague [Mr. NYE], I offer the amendment, which I send to the desk, to the committee amendment on page 3, line 8.

The PRESIDING OFFICER. The amendment offered by the Senator from North Dakota, on behalf of his colleague, to the amendment reported by the committee, will be stated.

The LEGISLATIVE CLERK. On page 3, line 8, it is proposed to strike out "$655,500,000" and insert in lieu thereof the following:

$625,500,000; and (3) for water conservation projects in the Great Plains, arid and semiarid areas of the United States; the Secretary of the Interior to select the projects and to allocate the costs of each project between work-relief expenditures to be met from funds made available in this subsection and public-works expenditures, the costs allocated to public-works expenditures to be met from the $30,000,000 made available to said Secretary for said projects in title II of this act; said Secretary to require repayment to the United States, without interest, over a period of not to exceed 40 years, of such percentage of the total cost of each project as he, in his discretion, determines, repayment to be made under a contract, or contracts, executed by said Secretary with a water users' organization, or organizations, satisfactory to him; said contract, or contracts, to contain such provisions respecting ownership and operation and maintenance of the project works as said Secretary may in his discretion require; receipts of the United States from such contracts to be covered into the Treasury as "Miscellaneous receipts": *Provided*, That said Secretary may in his discretion construct and lease said projects, or any of them, with or without the privilege of purchase, to any public agencies or water users' organizations, $30,000,000.

On page 3, line 9, it is proposed to strike out the figure "(3)" and insert in lieu thereof the figure "(4)."

Mr. HAYDEN. Mr. President, will the Senator yield?

Mr. FRAZIER. I am glad to yield.

Mr. HAYDEN. I think the Senator from North Dakota will concede that I am as keenly interested in the development of irrigation as any Senator could be.

Mr. FRAZIER. Yes.

Mr. HAYDEN. I look with very grave doubt, however, upon the advisability of adopting this amendment. It has one fault to begin with, that it takes money away from the Works Progress Administration and turns it over to the Secretary of the Interior. It is an attempt at earmarking money which the Budget Bureau has estimated is necessary to carry on relief work under the supervision of Mr. Hopkins, reducing it by that amount, and devoting it to another purpose. That is highly undesirable.

The second proposition is that if the Senate is to earmark money carried by the joint resolution in this particular, then it should be done in all other particulars. The Senator is well aware that there are proposals to earmark for flood control, to earmark for rivers and harbors, to earmark for Army construction, and I have heard of proposals to earmark money carried by the joint resolution for large reclamation projects.

It is impossible to satisfy everyone interested in these various types of Federal activity unless the Senate shall very materially increase the total sum of money to be appropriated by the joint resolution. We have added a sum at the beginning of the public-works appropriation to carry on the work for 1 more month. Many people must be cared for in the month of February of next year. That is, they must be cared for by being provided with jobs; and I very seriously doubt the advisability of taking money away from something which has been closely estimated as necessary for that purpose and diverting it to a totally different purpose.

For that reason I cannot, in very good conscience, support the Senator's amendment.

Mr. FRAZIER. Mr. President, conservation, of course, is a part of the program under which this item of $655,500,000 is provided for.

Mr. HAYDEN. The Senator will agree that in the past year, and the year before, a large number of Works Progress Administration projects have been adopted in the Dust Bowl area; that small reservoirs have been constructed with relief labor; and they have been so beneficial that their success prompts the Senator to ask for an expansion of that program. If there are in the vicinity men out of work, there is nothing I can conceive of that would be better than to institute projects of this kind; but they must be instituted in relation to the number of unemployed persons in the locality.

That is the rule which must be used in the expenditure of funds under this joint resolution. The question is not that the project is desirable or undesirable; but if there is an area where men are out of work, then, if the thing to do is to build a storage dam, or to spread water on the land, by all means do it. I am heartily in favor of that; and I am sure an examination of the report made by Mr. Hopkins will show, beginning up at the Canadian line and extending down through a whole tier of States to Mexico, that many of these projects have been built, and others undoubtedly will be built out of this very large sum of $655,500,000. The people of the States in the Dust Bowl may expect their fair share of that sum of money; but to attempt to earmark money for a definite purpose, and to take it away from the Works Progress Administration and turn it over to the United States Reclamation Service, which is in the Department of the Interior, simply means that the amount of money available to the Works Progress Administration will be reduced by that amount.

Mr. MURRAY. Mr. President, will the Senator yield?

Mr. FRAZIER. Yes; I yield.

Mr. MURRAY. My understanding is that on page 20, under title II, provision is made for funds to carry on the construction of water projects, such as the Senator has in mind, and that under those provisions the Secretary of the Interior is authorized to carry on the construction of water projects of the character the Senator has in mind, and that the section in the first part of the joint resolution which we have been discussing has reference only to the Works Progress Administration.

Mr. FRAZIER. That may be true; but the Bureau of Reclamation of the Department of the Interior has made a recommendation of the amount to be needed in the so-called Great Plains area, which is approximately $30,000,000.

So far as the matter of earmarking is concerned, I do not want to try to establish a precedent for earmarking at all.

If there is objection on that ground, I should like to ask that the amendment go over until the other amendments have been voted on; and if the earmarking proposition is put in, then there would be no objection to this amendment that I can see. If we are not going to earmark, I shall be perfectly willing to let the amendment be voted down.

Mr. MURRAY. My understanding is that the Administrator of W. P. A. now has authority to carry out projects which are prepared in the various counties of the drought-stricken sections of the country and which are sponsored by those counties, and can, with the authority he has under the joint resolution as it is now formulated, carry out projects of that kind without any limitation.

Mr. WHEELER, Mr. McKELLAR, and other Senators addressed the Chair.

The PRESIDING OFFICER. Does the Senator from North Dakota yield; and if so, to whom?

Mr. FRAZIER. I yield to the senior Senator from Montana.

Mr. WHEELER. Mr. President, if I correctly understand the Senator's amendment, this is not an amendment simply for a little water hole out in a Western State, but it is a proposal to earmark $30,000,000 for the so-called Dust Bowl, including North Dakota, South Dakota, and portions of eastern Montana.

Mr. FRAZIER. Yes; also Oklahoma, New Mexico, and Nebraska.

Mr. WHEELER. We have talked about the Dust Bowl, we have held conferences in South Dakota and North Dakota and Nebraska, and elsewhere, but nothing has been done about it. There is only one way to help the Dust Bowl. There is not any use of fooling ourselves about it. The way to help the Dust Bowl is to get water on that area. There is not any other way to do it.

With reference to W. P. A., let me say that the W. P. A. at the present time has not any authority to spend any considerable amount of money in the Dust Bowl. It can put in little projects with the counties or the cities, but it has not any authority to go ahead and put in any reclamation projects. This $30,000,000, as I understand, is for that purpose. The amount that is estimated by the Reclamation Service as necessary to get started on the work is something like $30,000,000.

Let me say to the Members of the Senate that I am thoroughly familiar, and the Senator from North Dakota is thoroughly familiar, with this very area in North and South Dakota and Montana and eastern Montana. I do not know much about Oklahoma. I do not believe most Members of the Senate can appreciate what those unfortunate people have gone through for the past 6 or 7 years. It is literally true that in some places there has not been enough grass raised to feed the grasshoppers. There was not anything on which the grasshoppers could live, to say nothing of animals.

People have had to go off that land by the hundreds, and have had to pack up and leave eastern Montana by the thousands. There are some projects in North Dakota and some projects in eastern Montana where the people can in drought years have some water, some little irrigation projects, where they can raise some feed for their cattle and some feed for their sheep. This is an opportunity actually to be of some assistance, not just to talk about it when someone is running for public office. Most of the people in northeastern Montana are on relief. We are talking about giving relief to the workers, but the farmers there have been on relief. They are out of work, and in order to live they had to go on relief or get work on projects away from their homes.

All the amendment seeks to do is to establish some projects, badly needed, where the farmers can actually go to work and add to the capital assets of the Nation. Unless something such as this is done, we will have to continue to feed them. They will continue on the relief rolls.

To say that we cannot earmark $30,000,000, to say that the W. P. A. can do the work, is no reason for defeating this amendment, because in the first place they cannot do it; and if they can do it, then for 6 long years they have neglected their duty. My understanding is that they cannot do it because of the specifications they have to follow. We have tried to work the matter out so that some relief funds could be used and some reclamation funds could be employed. In other words, we have tried to work it out with the Administration so that it could use some relief money on the lands in doing the rough work, and then take some reclamation money, because what is in mind is a pure reclamation project. The cost is too high for the farmers ever to pay it back.

Mr. ELLENDER. Mr. President, will the Senator yield?

Mr. WHEELER. I yield.

Mr. ELLENDER. Instead of specifying a particular amount, would not the Senator be satisfied to give the W. P. A. the right to do this work?

Mr. HAYDEN. Mr. President, I am sure the Senator is mistaken in saying the Works Progress Administration does not now have the right to do such work. There have been exhibited and sent to Senators photographs of projects of that very character.

The PRESIDING OFFICER. The time of the Senator from North Dakota has expired.

Mr. WHEELER. I will take 15 minutes of my time on the amendment.

The PRESIDING OFFICER. The Senator from Montana is recognized.

Mr. HAYDEN. Based upon the cooperation afforded, projects of the character described by the Senator from Montana have been undertaken, and so successfully that there is a provision in the agricultural appropriation bill which appropriates money to be used in the region that was drought stricken, in cooperation with the Works Progress Administration, with the Civilian Conservation Corps camps, and the Rural Resettlement Administration to carry on that kind of work.

The Senator is wholly mistaken when he says that such a project cannot be built by the Works Progress Administration, because they have done it, and they are going to continue to do it. When there is a heavier type of construction to be done——

Mr. WHEELER. That is what this is.

Mr. HAYDEN. Oh, no.

Mr. WHEELER. Yes, it is.

Mr. HAYDEN. When it is a heavier type of construction, to which the reclamation law is applicable, authority is found in another part of the joint resolution, which relates to the Works Progress Administration. That would be a Public Works undertaking, and the money appropriated in this measure is to be available just as it was in the two previous relief bills, under which large reclamation projects were undertaken, the amounts expended to be reimbursable under the reclamation law. The Secretary of the Interior is given the same authority in the pending measure that he had under the other relief acts to undertake reclamation projects of various types.

That to which I object more than anything else in the pending amendment is the policy of robbing Peter to pay Paul. There is just sufficient money appropriated in this joint resolution to carry on relief generally throughout the United States until next February. The proposal is to take part of that money away from the Works Progress Administration and have it expended by another agency of the Government.

Mr. NORRIS. Will the Senator from Montana yield to allow me to ask the Senator from Arizona a question?

Mr. WHEELER. I should like to answer the Senator, if I may.

Mr. NORRIS. The Senator from Arizona may answer my question at the same time.

Mr. WHEELER. Very well.

Mr. NORRIS. Suppose this amendment, instead of taking a part of the appropriation now made, provided for a new

appropriation, and added that much to the amount appropriated in the pending joint resolution; would there be any objection to that?

Mr. HAYDEN. Then the amendment would not belong in this portion of the joint resolution, because the amendment by its text provides that there shall be taken away $30,000,000 from the Works Progress appropriation.

Mr. NORRIS. I am assuming the amendment is changed so that it will not take anything away from the Works Progress Administration.

Mr. HAYDEN. Then it would not belong in the Works Progress Administration title of the joint resolution. If the Senate wants to amend the joint resolution by increasing the amount for a specific purpose, it should be done at the proper place in the measure. The only object in offering the amendment to this part of the measure was to reduce the amount available to one service and to give the money to another service.

Mr. WHEELER. Mr. President, the Senator is wrong when he says it would be robbing Peter to pay Paul; and if the Senator understood the conditions, he would not make such a statement. The Senator knows that I have great respect for his judgment and his ability, but he is wrong when he says it would be robbing Peter to pay Paul. This would apply to a section of North Dakota and a section of Montana and a section of South Dakota, where the farmers have been on relief and are being paid out of relief funds.

Mr. HAYDEN. The Senator from Montana is making identically the same argument that I made in support of an amendment to the agricultural appropriation bill, that it was cheaper, in the long run, to build feasible irrigation projects and let the farmers become self-supporting than to carry them on relief. We are in thorough accord, and I am just as firmly convinced as is the Senator of the merits of this kind of an undertaking. But this is not the place in the joint resolution to take care of the matter.

Mr. WHEELER. I do not know that I understand correctly the amendment of the Senator from North Dakota, but if I do, it is not offered to insure the construction of water holes in the section of the country to which we have referred. The W. P. A. has been doing that, and some of those works have been of value, and I give the W. P. A. credit for the work they have done. I think they should have done much more of it. I think they have performed some really constructive service in building these water holes in this plains area.

Mr. ADAMS. Mr. President, will the Senator permit me to call attention to the language of the amendment itself?

Mr. WHEELER. Certainly.

Mr. ADAMS. I think the amendment was drafted under a misapprehension as to the provisions of title II. It provides that there shall be a reduction of $30,000,000 in the allocation in line 8, on page 3. Then it provides that the Secretary of the Interior shall select the projects and allocate the costs between work-relief expenditures to come out of the $30,000,000 made available to said Secretary for said projects in title II of this act.

In title II of the joint resolution there is no such $30,000,000 made available. In other words, I think the amendment was drawn with the idea that the $30,000,000 recommended by the Secretary of the Interior was or would be included in the measure, so that the amendment is improper in that respect.

It seems to me that the Senator from North Dakota would be wise to permit the amendment to go over for further consideration, provided he were protected in his right to offer it. In other words, he is offering it to a committee amendment. I would not want to see the Senator lose his right to offer the amendment, but I think that if the matter could go over and he could save his right, he would find it worth while to submit the amendment later.

Mr. BYRNES. Mr. President, will the Senator from Montana yield?

Mr. WHEELER. I yield.

Mr. BYRNES. The amendment proposed would take money from the fund which is appropriated to put 3,000,000 relief workers to work. It would divert it to the particular use set forth, and it would authorize the Secretary of the Interior to select the projects to be built under Mr. Hopkins' W. P. A. There would be no sponsor, as is required of all W. P. A. projects—I think the amendment should be withdrawn, and, if offered at all, should be offered to the public-works portion of the bill, and not to this portion. I am sure that the Senator who drew the amendment did not have in mind the fact that it would make the law impossible of administration.

Mr. WHEELER. I have discussed with the President on numerous occasions the matter of the use of some of the W. P. A. money on some of the reclamation projects in eastern Montana and North Dakota, and throughout the drought-stricken area. I have suggested taking the people who are on relief and who are on the W. P. A. rolls and using them to do some of this work. The President has taken that action already. For instance, in the case of Buffalo Rapids, in which my colleague was very much interested, the President did just what has been suggested. He took some of the money out of W. P. A. and used it in cutting down construction charges on an irrigation and reclamation project.

Mr. MURRAY. Mr. President, will my colleague yield?

Mr. WHEELER. I yield.

Mr. MURRAY. Such a condition exists at this time. Under the W. P. A., as it is being administered now, the Administrator has the power to have projects sponsored in the drought-stricken section, and to carry on work of that kind. That can be done under the joint resolution as it is now before the Senate. The matter has already been studied by counsel, and I am advised by the Administrator of the W. P. A. that he will have the power, and it is necessary to do the things the able senior Senator from Montana is describing. I have been working on the subject for the past several years.

Only last year I succeeded in having the W. P. A. prepare a project in one of the drought-stricken sections in eastern Montana. That project, which is a very large one, is being carried on at the present time at Buffalo Rapids, Glendive, Mont. Such work can be done and it is intended to be done when this measure becomes a law. The Reclamation Bureau will be able to formulate projects in drought-stricken areas where, because of its cost, the farmers are unable to carry the burden of the entire project. The W. P. A. will be able to come in and fit in with the Bureau of Reclamation, and carry out some of the work so as to enable us to secure a project of that kind in an area where the farmers are unable to pay for it and make the expenditure wholly reimbursable.

Mr. WHEELER. I do not want to interrupt my colleague, but I do wish to say a word in my time. I agree that the President of the United States has done some of the things referred to. But there has also been some question in his mind as to whether or not a project was feasible in all cases. There ought not to be any question about it at all. The difficulty has been to get the W. P. A. and the P. W. A. and the Reclamation Bureau together, and to function in an orderly way as they ought to for the purpose of helping drought-stricken areas. So that there shall be no guesswork about it, we ought to write into the law a provision that would permit farmers who are on relief to be used in doing some constructive work in eastern Montana and in North and South Dakota, in the drought-stricken area, and then to have the W. P. A. work in conjunction with the Reclamation Bureau. In that way some constructive work could be performed in this drought-stricken area.

I have never seen the amendment before. I do not know whether or not it covers the situation. I am going to ask the Senator from North Dakota [Mr. FRAZIER] if he will not withdraw it with the idea that he will not lose his right to present it later and work it out. I cannot conceive that there would be any objection on the part of the adminis-

tration to the Senator's proposal, because I know that the President has been trying to do the very thing proposed by the Senator. However, such complications exist that it is very difficult to do it. For a while it was felt that it could not be done. Then it was done at Buffalo Rapids. We worked many years on the Buffalo Rapids project before we obtained it, and when we did get it, we got it in the manner proposed by the pending amendment. We have been working on other projects which have not been carried out, but I am hopeful that they will be carried out. There ought to be something written into the law to permit that to be done.

Mr. HATCH. Mr. President, will the Senator yield? I do not want to speak in the Senator's time.

Mr. BYRNES. If the Senator will permit me to make a 3-minute statement, then I will yield.

Mr. President, the situation confronting us with reference to the amendment is as follows: The amount contained in the joint resolution for W. P. A. has been calculated on the basis of the number of persons on the relief rolls, and to provide employment for those persons it is necessary for us to appropriate the amount carried in this particular section. The amendment of the Senator from North Dakota would cause us to divert from that fund the sum of $30,000,000. It would do two things. First, it would earmark $30,000,000 for a particular use. That has not been done in the joint resolution because it was deemed impossible, in view of the many hundreds of different projects, to allocate a particular amount to any one project. If, however, it is to be done, it ought not to be done in the form in which the amendment seeks to do it, because the amendment then proceeds to have an entirely different procedure followed as to this $30,000,000.

Mr. WHEELER. Mr. President, will the Senator yield?

Mr. BYRNES. I will yield in just a moment. Whereas other funds are distributed only when there is a sponsor for a project, and the sponsor puts up part of the cost of the project, the Senator's amendment would provide an entirely different formula, and say that the work should be done upon such projects as are selected, not by the Administrator of Works Progress Administration, but by the Secretary of the Interior, and that it should be spent, not upon the payment of a contribution by the sponsor, but that it should be spent in cooperation with the Secretary of the Interior under a contract under which the Secretary of the Interior should over the next 40 years require payment of one-half of the amount—for what? For a W. P. A. project.

Utter confusion would result in having Works Progress Administration divert one-half of this amount, or $15,000,000, to a certain fund, and the other $15,000,000 to come from somewhere else, to be spent upon a project selected by the Secretary of the Interior, without regard to any sponsor's contributions, as are all other projects, and then have the cost of the project paid for over 40 years. We can easily see that such projects are on an entirely different footing from the Works Progress Administration projects.

If work is to be done on that basis, the amendment should be offered by the Senator from North Dakota to the Public Works Administration section of the bill, the work to be done under such conditions as the Secretary may believe wise. But I think it is something which would be impossible to administer under W. P. A.

Mr. WHEELER. Mr. President, let me make a suggestion to the Senator with reference to the Buffalo Rapids project. W. P. A. money was furnished for work done on certain lands and to do the rough work in connection with reclamation. The administration has wanted to work out something of that kind in the drought-stricken areas, which should be done. I did not know when I came into the Senate Chamber a short while ago that the amendment proposed to earmark W. P. A. funds. However, permission should be granted to the President of the United States or to someone—I do not care who—so that if the President should think that some relief workers could be used to perform work we will say in building a reclamation project, they could be used in that way. It would be much more beneficial and much more helpful than it would be to build some little project in some little city or some place else which is going to add nothing to our capital assets.

Mr. President, in the drought-stricken area one thing or another must be done. We are building schools and other structures there. We are not going to have any use for school houses or jails or any such buildings unless we get some water on that land. The bill should be so framed that what the President has been seeking to do can specifically be done, and so there can be no doubt about it.

Mr. BYRNES. Mr. President, the Senator from Montana has referred to the fact that the President heretofore—and correctly so—has allocated funds. That is true. But in the pending joint resolution the Congress is taking the power away from the President. It has been argued day after day that it should be done, and it is done in the joint resolution. The first section provides that money shall be appropriated to Works Progress Administration, and the next section to Public Works Administration, and nowhere does it give the President the power to transfer funds from one section to the other section. The Congress is seeking to segregate these funds. It is because of that that the amendment as drawn would make it impossible of application, and bring about endless confusion. If the money had been handed to the President in 1935, the President could have allocated $15,000,000 to one and $15,000,000 to the other. It cannot be done now, however, under the joint resolution. If the amendment is to be considered, the Senator from North Dakota should withdraw it and reframe it.

Mr. HAYDEN. Mr. President, will the Senator yield?

Mr. BYRNES. I yield.

Mr. HAYDEN. In many instances money has been allocated to the Corps of Engineers to build levees. In the same areas the Works Progress Administration was seeking to find work for the unemployed. The two Federal agencies cooperated and put W. P. A. workers, paid out of W. P. A. funds, to aid in building levees. There is nothing in the joint resolution to prevent such things being done.

Mr. BYRNES. I will say to the Senator from Montana, who is very much interested in the subject, that there is nothing in the joint resolution, as I understand, to prevent or prohibit the Works Progress Administration director from adopting a project of the kind he is interested in, and going ahead and doing what he is talking about doing, provided that he uses it for relief work.

Mr. WHEELER. That is what we are asking for.

Mr. BYRNES. But if he does not use it for relief workers he cannot do it. The Senator from Montana asks for one thing and the amendment of the Senator from North Dakota another thing. The amendment pending does not ask that relief workers be given this work, but it provides for the construction of these projects, and anybody could be employed on them. If the amendment should be withdrawn, I think the purpose the Senator has in mind would be accomplished. I do not think the amendment as now framed would accomplish the desired purpose.

Mr. WHEELER. When I entered the Chamber I was not familiar with this particular amendment. However, I want to see it possible to use the relief workers on a project to be set up by the W. P. A. on reclamation projects, for example, where they could do the rough work. It ought to be possible to use relief workers for that purpose.

Mr. BYRNES. I see no reason why it should not be done.

Mr. WHEELER. I should like to see something in the law specifically authorizing it, so that there can be no question about it.

Mr. HATCH. Mr. President, will the Senator yield?

Mr. BYRNES. I yield to the Senator from New Mexico.

Mr. HATCH. The questions I had in mind were largely the same questions which have been propounded to the Senator from South Carolina [Mr. BYRNES]. Without any consideration of the amendment, I want to be certain that there

is nothing in the present law which would prevent the allocation of relief funds in order to be of assistance to reclamation projects.

Mr. BYRNES. Mr. President, there is no reason why the director of the W. P. A. cannot assign relief workers. As I understand, the junior Senator from Montana [Mr. MURRAY] says they are now working on such projects.

Mr. HATCH. I understand that policy has been followed. I have had conversations with both the President and the Senator from Montana. I know the President favors that program, but I do not want the present measure to contain any amendment which would prevent the continuation of that policy, because I believe such work is the most valuable sort of relief work that can be done.

Mr. HAYDEN. What the Senator has in mind is what has been done many times during the past 4 years. If there is any question about it, the joint resolution could very properly be amended to provide for such a policy. That is to say, wherever the Federal Government itself is undertaking a project of any kind which can be supplemented with relief labor, there should be nothing in the law to bar the supplemental use of such labor. If certain roadside improvements on a Federal highway can be made by W. P. A. labor, there should be nothing to prevent it. If a levee is being built anywhere with Federal funds and relief labor can supplement the work by moving earth or other materials, such work should be permitted. In building a reclamation project, or any other Federal project, it is only common sense to use these funds to expedite the normal activities of the Government in any kind of construction work. It is not my understanding that there is anything in the joint resolution now under consideration to prevent the expenditure of W. P. A. funds in that way. If there is any question about it, an amendment might very properly be drawn to authorize that kind of cooperation.

Mr. BONE. Mr. President, is it the view of the Senator from Montana [Mr. WHEELER] that the language of the joint resolution is now such that without some sort of clarifying amendment W. P. A. labor could not be used in connection with one of the reclamation projects?

Mr. WHEELER. I think the statement of the Senator from South Carolina [Mr. BYRNES] would indicate very clearly that such is the case. If there is any question about it, I think we should insert some clarifying amendment. I shall be glad to cooperate with the Senator from New Mexico in working out an amendment to clarify the language so that there can be no question about it. While the President has followed such a policy in one or two instances with reference to reclamation, at one time there was in his mind some question about it when it was first brought up. I think the Senator from New Mexico will agree with me.

Mr. HATCH. There was some question.

Mr. WHEELER. There was some question as to whether or not the President could make such use of W. P. A. funds. I first took up the question with the President in North Dakota when he was at Bismarck, and he questioned very seriously whether it could be done. Subsequently he worked out such an arrangement with respect to Buffalo Rapids. However, we ought to put in the law an amendment so that there could be no question about it, so that the President could not be criticized when he made such arrangements, and so that no one else could question his right to do so.

Mr. BONE. That objective might be obtained by very general language of some sort.

Mr. WHEELER. Exactly.

Mr. FRAZIER. Mr. President, I ask unanimous consent that the amendment which I have offered in behalf of my colleague to the committee amendment on page 3, line 8, go over for future consideration, until something can be worked out.

The PRESIDING OFFICER. Is there objection to the request of the Senator from North Dakota?

Mr. BONE. May I ask the Senator from North Dakota if the general language suggested by the Senator from New Mexico [Mr. HATCH] and the Senator from Montana [Mr. WHEELER] would serve his purpose?

Mr. FRAZIER. I desire to see whether we can work out some general language, or phrase the amendment in different language.

The PRESIDING OFFICER. The Chair understands that the request is that the committee amendment, together with the amendment to the committee amendment offered by the Senator from North Dakota, shall go over for the time being. Without objection, it is so ordered.

The next amendment reported by the committee will be stated.

The next amendment was, on page 3, line 10, after the word "service", to insert "including domestic service"; and in line 11, after the word "projects", to strike out "$250,000,000" and insert "$285,000,000", so as to read:

and (3) educational, professional, clerical, cultural, recreational, production, service, including domestic service, and miscellaneous nonconstruction projects, $285,000,000.

Mr. ADAMS. Mr. President, in order to carry out the purpose of this particular amendment, I should like to insert, after the word "including", in line 10, and before the words "domestic service", the words "training for", so as to read:

Including training for domestic service.

That was the purpose of the amendment.

Let me say to the Senate that this matter was inserted at the instance of Mr. Edgar G. Brown, president of the United Government Employees, Inc., who made a very persuasive explanation to the committee of the opportunities to train young people, especially colored girls and women, for domestic service. Mr. Brown said to us that if opportunities for their training were provided, at least half a million of these young people would seek employment in domestic service, which would meet some of the problems now confronting the housewives of the country. This explanation came from a representative of the colored groups, and it impressed the committee as a very reasonable and proper suggestion.

Mr. HOLT. I should like to ask the Senator from Colorado a question about a matter which is not clear in my mind. On page 3, line 10, the language is: "including domestic service"; and in line 12, the increase is from $250,000,000 to $285,000,000, an increase of $35,000,000 over the House provision. Is it the advice of the committee that we increase the relief appropriation by $35,000,000 merely to train domestic servants?

Mr. ADAMS. No. Let me say, Mr. President, that the increase in the amount goes back to the increase in the total amount at the top of page 2. We increased the total appropriation for relief purposes from $1,250,000,000 to $1,425,000,000 in order to add 1 month to the period intended to be covered. As the joint resolution came from the House, it was intended to cover 7 months. It was decided that it was wiser to have it cover an additional month, so that $175,000,000 was added to the total appropriation, being the estimated amount necessary to carry the work for an additional month. Then, the $175,000,000 having been added, it was apportioned among the respective items into which the total was divided, so that the increase in this item is simply the proportional part of the $175,000,000 increase.

Mr. HOLT. Does the Senator have any figures showing the amount called for by the training suggested?

Mr. ADAMS. The item was inserted to make part of the money available—

Mr. HOLT. The purpose is to train cooks and housekeepers at the expense of the Federal Government?

Mr. ADAMS. That is not exactly the situation; and yet it is in part. The purpose was to provide employment to persons who are not now employed, giving them a degree of skill which would enable them to obtain positions which they are not now qualified to fill.

Mr. BONE. I take it the $285,000,000 to which the Senator from West Virginia refers covers all the categories listed under subparagraph 3?

Mr. ADAMS. Exactly. It covers educational, professional, clerical, cultural, recreational, production, service, and miscellaneous nonconstruction projects, in a very wide grouping.

Mr. HOLT. We are now entering the field of training cooks and housekeepers. All the cooks and housekeepers and home owners of America will pay the bill.

After reading the hearings, part of which I desire to read to the Senate, one's eyes are filled with tears. The purpose of this expenditure is to train housekeepers. Mr. Brown says:

> Such household workers will be the answer to the women of the Nation who demand trained cooks who know how to prepare and serve properly balanced meals in up-to-date fashion and run an American home as successfully as a man does his office and his business.

For 150 years American women have run their own homes, but now the Federal Government is to train housekeepers, cooks, and maids in order that American women may better know how to run their homes. The next thing we will find will be a desire on the part of the Government to teach women how to train their children.

I want to discuss the so-called need of millions of dollars to be paid out of the Treasury of the United States, the stated purpose of which is to feed the people on relief, yet the real purpose is to educate maids and housekeepers. I am glad to see the money go to maids and housekeepers. I would rather see it go to them than to politicians.

After the money is spent, here is what is going to happen:

> These skilled homemakers-to-be are the vanguard of a twentieth century model home, transforming its atmosphere as completely and definitely as the miracle of venetian blinds and recreation rooms do neglected attics and cellars.

I am reading from the hearings. The Treasury is going to spend money to transform these skilled workers as venetian blinds and recreation rooms would transform attics and cellars.

This is the next statement, quoting from the hearings:

> Tired businessmen—

They are going to take care of tired businessmen—those who are not driven out of business by taxation.

> Statesmen—

I suppose the word "statesmen" is used to appeal to all the Members of the Senate.

> Tired businessmen, statesmen, and shop-weary wives will experience a new freedom from household cares and come into a heavenly haven of peace and happiness.

All to be paid out of the United States Treasury. I am merely reading the statement of the man who asked for this appropriation.

This is the first instance of which I know where business has had any help from Congress for a good many years, and it is proposed to take care of the "tired businessman" by training maids so that they will not pour soup down the backs of the businessmen when it is served at dinnertime.

Then, going ahead with this statement having to do with this increased appropriation, I read this:

> This advent of trained domestics means the ushering in of higher standards as well as superior service. All this through the deft touch of these fine women now groping for the light—the chance this committee can give—to send them forth upon a career of service to the beckoning homes of the American people, forever removed from the category of public charges, and for the first time in their lives launched in the noblest service of man in every age, as well as assuring them of an abiding security.

I do not know of any way we could spend the money better than that, if the Federal Government is to train maids so that the homes of America will be cheerful once more and the "tired businessmen" may go home and meet their weary wives whose labors have been lightened by W. P. A. servants to take care of cooking the food. [Laughter.]

I have heard much about "economic royalists" here. I may be wrong; I do not know them very well; I am not acquainted with them; I come from a home that got along very well with servants that were trained in the old home town; but I really think that this proposal should make the new dealer shudder because it is a proposal to train maids to go into the homes of "economic royalists," of the "tired businessmen," and enable them, the businessmen, to enjoy a life more of ease, in order that they may plan new ways by which to beat the New Deal the following day.

Of course, taking these matters into consideration, since I have read that portion of the hearing, I am assured that the Federal Government needs to spend part of these billions of dollars to train cooks, to train nurses for the weary and "tired businessmen" and statesmen and thereby to usher in a new day.

This, I imagine, is the "more abundant life." We are coming to the "more abundant life." We are going to build the people homes, as was done at Arthurdale. Perhaps I should not mention that because of present-day circumstances; but I should have been glad if the President had told us about the cost of the homes there. When he referred to taxation he might have told us that those little homes in Arthurdale cost $15,343 apiece, the money, of course, coming out of the taxes paid by the American people. After this measure passes, he can go and say, "I have built you homes, and tomorrow I am going to provide for you trained W. P. A. servants and put them into your homes so that you may have a more abundant life in the years to come." Of course such things may appeal to some; they may be found of more importance than tracing the history of the safetypin, though I presume some of the maids will be taught how to use safetypins for the children of the "economic royalists."

Mr. President, since we are spending money on these things, and since we are now telling the people that the Government is to train servants for them, that it is going to train cooks, it may be that after a cook has had the training she will be so well versed and equipped with so much knowledge that she will be able to serve food that is not on the tables of the 12,000,000 unemployed people. When the 12,000,000 unemployed cannot raise sufficient money to pay for their own food, I should like to know how many of them can hire a W. P. A. maid. It may be that the maids can go into a handful of perhaps a hundred thousand homes of "economic royalists."

I am glad, I will say in closing, that Congress, at last, has decided to take an interest in business, and, in doing that, has undertaken to care for the "tired businessman," so that tomorrow he may figure out how to make sufficient money with which to pay his taxes after caring for the servants with which the Government has supplied him.

Mr. ADAMS. Mr. President, I am very much interested in the philosophical discussion we have heard. It seems to me that if we were to follow the theory of the Senator from West Virginia we would abandon all vocational education. We are carrying in our appropriation bills vast sums for vocational education in order that people may fit themselves for some place in life where they will be better off than they now are, and which will enable them to go off the public relief rolls. I am unable to see that it is a subject for ridicule that a colored man comes before the committee, and, with the fluency which the colored race possesses, says to the committee there are many colored girls who would be very content if they could be given some vocational education and equipped to fill the places that are now waiting for them. We equip men in other walks of life; we have all manner of vocational projects, recreational projects, theatrical projects, and others; but, for some reason or other, it seems to strike my good friend, the Senator from West Virginia, when we seek to fit a group of colored people who modestly only ask to be equipped to do useful work requiring more skill than that in which they are now employed, that the Senate of the United States, in some way, is lowering its standard; that we are only thinking in terms of those who are to be benefited by the service.

The Appropriations Committee looked upon it as they looked upon the C. C. C. camps; as it looked upon other vocational education; that we were taking an underprivileged

group and seeking to equip them for places which are awaiting them, which they can fill, and which, if the colored man told us the truth, will probably take half a million people off the relief rolls.

Mr. HAYDEN. Mr. President, will the Senator yield?

Mr. ADAMS. I yield to the Senator from Arizona.

Mr. HAYDEN. The Senator will remember that the witness before the Committee on Appropriations submitted the results of a survey of the labor market for domestics in the United States, which showed vacancies in homes for domestic servants amounting to more than 400,000.

Furthermore, it was very properly pointed out that there are in the modern kitchen electric refrigerators, gas stoves, electric irons and mixers, and much other modern equipment which it takes some training and skill to operate. It was to teach the proper use of the implements that are available in the modern home that this provision was designed.

Mr. ADAMS. I will say that in this day I hope it is not necessary for a man to be an economic royalist to have a servant in his home. In my community, a railroad town, a steel-works town, the railroad engineer and the roller in the steam mill, when they have periods of employment, are anxious to take some of the burden off their families; they like to have someone to help look after their children. Those men are not economic royalists, but they are men with the kind of wages which we should like to have more of our people enjoy.

This provision involves not merely a hundred thousand; I venture to say there are a million or two million people in the United States amply able to pay, in a modest way, for domestic service, who are in need of it. It will affect the servant who comes into the house; it will affect the mistress of the house when the servant comes in. I do not mean to say more than that to explain the viewpoint of the committee, and I am sure the Senator from West Virginia understands it.

The PRESIDENT pro tempore. The question is on the amendment offered by the Senator from Colorado [Mr. ADAMS] to the amendment reported by the committee.

The amendment to the amendment was agreed to.

The committee amendment as amended was agreed to.

The PRESIDENT pro tempore. The clerk will state the next amendment of the Committee on Appropriations.

The next amendment was, on page 3, line 15, after the word "classes," to insert a colon and the following additional proviso: "*Provided further*, That notwithstanding the foregoing provisions of this section, the Works Progress Administrator is authorized to set aside in a separate fund not to exceed $50,000,000 of the funds herein appropriated, to be used in emergencies for the purpose of providing relief to needy persons;" so as to read:

Provided, That the amount specified for any of the foregoing classes may be increased by not to exceed 15 percent thereof by transfer or retransfer of an amount or amounts from any other class or classes: *Provided further*, That notwithstanding the foregoing provisions of this section, the Works Progress Administrator is authorized to set aside in a separate fund not to exceed $50,000,000 of the funds herein appropriated, to be used in emergencies for the purpose of providing relief to needy persons.

Mr. VANDENBERG. Mr. President, this amendment recognizes, for the first time, the fact that the relief problem may become too large to be dealt with exclusively by work relief.

Mr. HAYDEN. Mr. President, will the Senator yield?

Mr. VANDENBERG. I yield.

Mr. HAYDEN. Direct relief is not recognized for the first time, but it merely makes it possible, in this measure, to do the things the President had complete authority to do in the first relief appropriation of $3,320,000,000, and the second relief appropriation of $4,800,000,000.

Mr. VANDENBERG. Very well, let us not waste any time on ancient history; let us not speculate whether this is the first time or the last. The fact remains that it recognizes the possibility that work relief may not suffice to take care of the total relief burden confronting the country.

Mr. HAYDEN. That was true from the beginning.

Mr. VANDENBERG. It is true now. Never mind whether it was true before or not. I have only 15 minutes, or I would not be so abrupt about it. It is true now. Do we agree on that?

Mr. HAYDEN. It is true in this bill to the extent of $50,000,000.

Mr. VANDENBERG. Very well. I am glad, at least, that we have that much acknowledgement on the authority of the committee. The committee unquestionably is correct. The telegrams which I have submitted to the RECORD from the labor unions of the city of Detroit alone within the last 48 hours, asking that this amount be increased because of conditions already confronted in the city of Detroit confirm the committee in its original decision and justify me in suggesting that the amount is far from being sufficiently large.

Mr. President, the use of the money is optional, anyway. Therefore, there can be no serious objection to increasing the optional total in face of the clear indication from the larger industrial cities of the country that the problem this summer and fall and next winter cannot be met, first, by work relief under Federal auspices, and second, by general relief under local auspices alone. There must be some other source of relief. This amendment, I repeat, recognizes the possibility of that need. It does not recognize it, in the judgment of many of us, to the extent which the need inevitably will present.

I am therefore moving to amend the amendment by striking out "$50,000,000" in line 18 and substituting "$150,000,000." I repeat, it is purely a matter of judgment as to how much should be optioned to this purpose. The committee itself has admitted and conceded the necessity for designating some sum at this point. I respectfully submit that the relatively small amount actually appropriated, after admitting the need, simply succeeds in "keeping the word of promise to the ear and breaking it to the hope."

I submit the amendment.

Mr. BYRNES. Mr. President, in previous bills of course the power to spend the funds provided was placed in the hands of the President, and there was authority for expenditures for direct relief. There was no limitation upon the amount which could be spent in that manner; but we have entered upon the policy of the United States Government looking after work relief, and leaving to the States expenditures for direct relief.

This amendment was offered by me in the committee for the reason that recognizing that under the changed form of the joint resolution there was absolutely no provision for any direct relief, in my opinion this provision should be included, so that in case we should have a recurrence of the flood disasters of a few years ago, or of the drought conditions in the West, the Works Progress Administrator would have power to extend direct relief. Without this provision, it could not be done.

I should not, however, want to see the policy the Government has been following with respect to work relief changed so as to provide, as the Senator from Michigan would have us provide, $150,000,000 of this total sum for direct relief.

So far as I am concerned, I am convinced that for the present, until the Congress shall come to some conclusion as to a permanent policy, we should continue to have the appropriations of the United States Government confined to work relief, and leave to the States the appropriations for direct relief. This exception is, as it states, an emergency matter.

Mr. POPE. Mr. President, will the Senator yield?

The PRESIDENT pro tempore. Does the Senator from South Carolina yield to the Senator from Idaho?

Mr. BYRNES. I do.

Mr. POPE. Was it contemplated that this emergency relief would be direct relief to the individual in the way of groceries, or whatever is needed, or would he be given work?

Mr. BYRNES. There is no restriction upon the form in which the relief is to be granted. If the Surplus Commodities Corporation should purchase commodities they could be distributed only by the Works Progress Administration organization or by establishing a new organization. No one wants to establish a new organization. The W. P. A., having an existing organization, may use those commodities and distribute them; but if they are to distribute them, they must have some authority, some appropriation other than that which is specifically provided for work relief, as distinguished from direct relief.

Mr. POPE. So that under this provision, if there were a drought and the farmer were put to digging a well or doing any work of that sort, this provision would cover it?

Mr. BYRNES. If there is a drought, under this language they could let the farmer dig a well; or, if he needed food, they could give him food; or, if he needed shelter, they could give him shelter, or do whatever was necessary in an emergency. That is the purpose of the provision.

The PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the Senator from Michigan [Mr. VANDENBERG] to the amendment reported by the committee.

The amendment to the amendment was rejected.

The PRESIDENT pro tempore. The question recurs on the original amendment reported by the committee.

The amendment of the committee was agreed to.

The PRESIDENT pro tempore. Let the Chair state the parliamentary situation.

The amendment on page 2, lines 3 and 4, was passed over so as to permit the total to be fixed in accordance with the amendments on page 3. One of the amendments on page 3 has gone over, so the Senate cannot take up at this time the amendment on page 2, lines 2 and 3. The amendment, therefore, will be again temporarily passed over.

Mr. VANDENBERG. Mr. President, a parliamentary inquiry.

The PRESIDENT pro tempore. The Senator will state it.

Mr. VANDENBERG. When the Senate has finished with the committee amendments to title I, will a substitute for title I be in order, or must the Senate first complete the committee amendments to the entire joint resolution?

The PRESIDENT pro tempore. The order provides that all committee amendments must first be acted on. If there are committee amendments in other titles, therefore, they will first have to be acted on.

Mr. BYRNES. Mr. President, during my absence from the Chamber paragraph (1) was completed. I ask permission to offer two pro forma amendments as to language. I send the first one to the desk and ask to have it stated.

The PRESIDENT pro tempore. The amendment offered by the Senator from South Carolina will be stated.

The CHIEF CLERK. On page 2, line 14, after "1937", it is proposed to strike out the comma and insert "and the joint resolution of March 2, 1938."

Mr. BYRNES. That is simply to correct an error on the part of the draftsman.

The PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the Senator from South Carolina.

The amendment was agreed to.

Mr. BYRNES. I send to the desk another amendment which I ask to have stated.

The PRESIDENT pro tempore. The amendment will be stated.

The CHIEF CLERK. On page 3, line 10, after the word "including", it is proposed to insert "training for".

Mr. McKELLAR. Mr. President, that amendment has already been agreed to.

Mr. ADAMS. That amendment was adopted sometime ago.

Mr. BYRNES. I told the Senator from Colorado I desired to offer the amendment; but I was absent from the Chamber, and did not know what had been done.

Mr. McKELLAR. That amendment has already been agreed to.

Mr. CONNALLY. Mr. President, may I ask the Senator from Colorado whether the amendment on page 3, line 4, was adopted?

Mr. ADAMS. No; the amendment was rejected after being amended.

The PRESIDENT pro tempore. The next amendment reported by the committee will be stated.

The next amendment was, on page 4, line 1, after the numerals "1937", to insert "and the joint resolution of March 2, 1938", and in line 8, after the word "obtain", to strike out "employment and to provide financial assistance through part-time employment on such projects for" and insert "employment, and to enable", so as to read:

(2) To the Works Progress Administration for the National Youth Administration, $75,000,000, together with the balances of allocations heretofore made or hereafter to be made to the Works Progress Administration for the National Youth Administration under the Emergency Relief Appropriation Act of 1937 and the joint resolution of March 2, 1938, which remain unobligated on June 30, 1938, and such sums shall be available to provide, subject to the approval of the President, on projects of the types specified under (1) (d) hereof for the Works Progress Administration, part-time work and training to needy young persons who are no longer in regular attendance at school and who have been unable to obtain employment, and to enable needy young persons to continue their education at schools, colleges, and universities;

The amendment was agreed to.

The next amendment was, on page 4, line 15, after the numerals "1937", to insert "and the joint resolution of March 2, 1938", so as to read:

(3) To the Secretary of Agriculture, $175,000,000, together with balances of allocations heretofore made or hereafter to be made to the Farm Security Administration under the Emergency Relief Appropriation Act of 1937 and the joint resolution of March 2, 1938, which remain unobligated on June 30, 1938, and such sums shall be available for administration, loans, relief, and rural rehabilitation for needy persons;

The amendment was agreed to.

The next amendment was, on page 4, line 24, after the numerals "1937", to insert "and the joint resolution of March 2, 1938", so as to read:

(4) To the Department of the Interior, Puerto Rico Reconstruction Administration, $6,000,000, together with the balance of allocations heretofore made or hereafter to be made to such Administration under the Emergency Relief Appropriation Act of 1937 and the joint resolution of March 2, 1938, which remain unobligated on June 30, 1938, and such amounts shall be available for administration, loans, and rural rehabilitation for needy persons and for Federal and non-Federal projects of the type specified for the Works Progress Administration under limitations (1), (2), and (3) of (1) (d) hereof;

Mr. CLARK. Mr. President, what does this amendment represent?

Mr. ADAMS. Mr. President, this amendment, like the one at the top of page 4, is for the purpose of carrying over and making available for the current year and the coming year the unexpended balances of similar appropriations for preceding years.

Mr. BYRD. Mr. President, will the Senator from Colorado state the amount of the balances?

Mr. ADAMS. I cannot give the exact figures; but according to my recollection, at the time of the hearings there was available some three-hundred-and-odd million dollars of all these unexpended balances for relief purposes, all of which and more, will be expended before the end of the fiscal year.

Mr. BYRD. Can the Senator advise the Senate how much of the unexpended balances will be available for expenditure after July 1?

Mr. ADAMS. I cannot.

The PRESIDENT pro tempore. The question is on agreeing to the amendment reported by the committee on page 4, line 24.

The amendment was agreed to.

The PRESIDENT pro tempore. The clerk will state the next amendment reported by the committee.

The next amendment was, on page 5, line 13, after the word "warrants", to strike out "$2,000,000" and insert "$8,000,000 for administrative accounting"; in line 15, after the word "Department," where it occurs the first time, to strike out "$12,050,000" and insert "$18,050,000"; and in line 16, after the figures "$325,000" and the semicolon, to strike out "and (d) Department of Labor, United States Employment Service, $1,500,000", so as to read:

(5) To the following agencies for administrative expenses incident to carrying out the purposes of this title: (a) General Accounting Office, $4,180,000; (b) Treasury Department: Procurement Division, Branch of Supply, $5,500,000; Division of Disbursement, $3,500,000; Office of the Treasurer, $750,000; Secret Service Division, $300,000; Office of Commissioner of Accounts and Deposits and Division of Bookkeeping and Warrants, $8,000,000 for administrative accounting; total, Treasury Department, $18,050,000; and (c) Department of Commerce, Bureau of Air Commerce, $325,000.

Mr. CLARK. Mr. President, will the Senator in charge of the bill explain the amendment on line 13, page 5?

Mr. ADAMS. I will say to the Senator from Missouri that in the main the bookkeeping for the W. P. A. has been done by the Treasury Department. That is, the accounting and the preauditing has been done by the Treasury Department. The Treasury Department has assigned Treasury employees to all the State headquarters or the W. P. A., and they have handled this work.

The House evidently concluded that it was desirable that the W. P. A. should take over this work and do it itself, and that the Treasury Department should no longer do the bookkeeping and the accounting for the W. P. A. Therefore the House reduced the amount from $8,000,000, which was necessary if that was to be done, to $2,000,000, which would be only enough to carry on routine matters. It was the opinion of the Senate committee, after going into the matter with some care, that it would be wise to allow the bookkeeping and the accounting of the W. P. A. to be done by the Treasury Department, rather than to leave it to be done by officers to be set up by the W. P. A. itself. That is, the W. P. A. would have had to set up its own accounting and bookkeeping system.

Mr. CLARK. Mr. President, the Senator has spoken of $2,000,000 and $8,000,000. As I read the figures, they are $12,000,000 and $18,000,000.

Mr. ADAMS. No; that is the total. The change is from $2,000,000 to $8,000,000, and the increase of the total for all these agencies is from $12,000,000 to $18,000,000.

Mr. CLARK. Am I to understand that this amendment provides for restoring the accounting system to the Treasury Department?

Mr. ADAMS. It continues what is now being done.

The PRESIDENT pro tempore. The question is on agreeing to the committee amendment.

The amendment was agreed to.

The PRESIDENT pro tempore. The clerk will state the next amendment reported by the committee.

The next amendment was, on page 6, line 2, after the word "Council", to strike out "$250,000" and insert "$850,000", so as to read:

(7) To the following agencies for administrative expenses: (a) National Emergency Council, $850,000—

And so forth.

Mr. WHEELER. Mr. President, I notice that the National Emergency Council is referred to here, and $250,000 was appropriated for it by the House. The Senate committee has recommended increasing the amount to $850,000. Why is it proposed to raise the amount to $850,000?

Mr. ADAMS. We had rather extended hearings on the matter, and considerable discussion in the committee, and the committee concluded that the work being done by this agency was worth while and ought to be continued; that fixing the appropriation at $250,000 would be equivalent to eliminating the agency, and that the amount of work of various kinds which was being done, and which is not all clear in my mind now——

Mr. WHEELER. It is not clear in anyone's mind as to what they are doing.

Mr. ADAMS. I have been following the discussions on the floor as to various matters, and some of the multitudinous details have escaped me, but this Council does perform useful service in many States in coordinating the various governmental agencies in the States. It is an agency for gathering information which is really of value. It carries on a contact organization, to contact agencies throughout the States and with Washington, and we concluded, not without difference of opinion, that the agency ought to be continued, and that if it was to be continued, this amount of money would be required.

Mr. WHEELER. I should like to know from someone what valuable service this National Emergency Council performs. At the present time there is no director in my State. We did have one, but now a young lady is doing the work.

Mr. ADAMS. We had before us the director, Mr. Mellett, who used to be with the Scripps-Howard Syndicate, and Mr. Leggett, who has been an active man for some years in the conduct of the business.

Mr. WHEELER. I know Mr. Mellett, and I have a very high regard for him. He is a very fine man. But heretofore the principal business of the National Emergency Council has been politics in most places. They have had meetings, and have called the people together, but so far as their work of coordination in the States is concerned, I have yet to find anyone who says that work in his particular State has been of any consequence whatever.

A Senator seated at my right says that I am correct in that, and every Senator with whom I have spoken has stated that, so far as the National Emergency Council in his State is concerned, up to date it has not been of any real service.

Mr. BANKHEAD. Mr. President, will the Senator yield?

Mr. WHEELER. I yield.

Mr. BANKHEAD. I do not want the Senator's statement to be construed as indicating that there is no member of the Senate who does not disagree with him on that subject. A year or two ago I attended a meeting in my State, called by the State director of the National Emergency Council. There were representatives there from all of the Government agencies, from the Federal Reserve bank down the list. There were very full reports from all of the representatives of the activities of those agencies, as to the work they had done, and the accomplishments, if any; and there were accomplishments in most of them. I spent the day listening to those reports, which were most interesting and instructive, and which certainly manifested a great degree of diligence on the part of representatives of these departments. So far as politics is concerned, I am sure that the director in Alabama has taken no part in any political campaign.

Mr. WHEELER. I am very glad to hear someone make such a statement.

Mr. McKELLAR. Mr. President, I wish to join the Senator from Alabama and state that my experience has been exactly the same as his. I have attended meetings called by this organization, and I think they do a valuable work in coordinating the work of the several departments in the States. I know that has been the result in my State. The head of the organization in my State is Mrs. Amy B. Miles, who takes no part in politics, and who is a splendid coordinator.

Mr. WHEELER. I am glad to hear the Senators say that the directors in their States take no part in politics.

I desire now to quote from an Associated Press dispatch appearing in this morning's paper from Des Moines, Iowa. Among other things it states:

Meanwhile the string of Federal endorsements for Representative WEARIN was kept going by I. T. Jones, executive assistant of the Iowa National Emergency Council. Jones asserted President Roosevelt "should have the right to define and have voice in the election of the men he needs to assist him."

"It develops that OTHA D. WEARIN is preferred for the senatorial post. Therefore, the good soldier will say: 'I am for WEARIN,'" he added. The Council coordinates the activities of Federal agencies operating in Iowa.

Mr. President, I am reliably informed that this man, Col. I. T. Jones, was registered as a Republican in the Smith campaign, that he changed his registration from that of a Democrat to that of a Republican, that he wrote articles against the Democratic candidate, and joined the Republican group in fighting Governor Smith.

Whatever one's views may be with reference to Governor Smith, I was one of those who went out and fought for him, and supported him, and campaigned for him, as did the Senator from Nebraska [Mr. NORRIS], and pretty nearly every other liberal in the country at that particular time. But this man not only registered as a Republican, because of Mr. Smith's religious views, I am told, but likewise wrote articles referring to the Democratic candidate for President as "Alcohol Smith," or something of that kind.

That is the kind of an individual who is telling the voters of Iowa how they should vote. He says:

OTHA D. WEARIN is preferred for the senatorial post. Therefore, the good soldier will say: "I am for WEARIN."

The President has specifically and definitely stated, as quoted in the newspapers, that he is not taking part in these various primaries. Yet we find this man saying that the President should have to assist him in the Congress of the United States those whom he wants.

Let us examine something of the record and see whether or not a man is to be punished after having stood here and fought the battle against the great corporations of this country as has the Senator from Iowa [Mr. GILLETTE]. When the utility holding bill was before the Congress the Senator from Iowa fought and battled for it. He not only fought for the bill, but he fought to keep the "death sentence" provision in the measure. That was the one battle in which the President of the United States was more interested than in any other legislative contest which had taken place up to that time in the Congress.

The bill passed the Senate by one vote, and everyone knows the kind of a fight that was made against it by the great utilities. The one thing to which they were most opposed was the "death sentence" provision, and it took a great deal of courage to support it, because many of the Democratic leaders in the House of Representatives were not for the "death sentence" provision and were not for the holding-company bill itself, but the Senator from Iowa, as a Member of the House of Representatives, battled for it and voted for it.

In addition to that, while a Member of the House the Senator from Iowa voted for practically every other piece of legislation that was advocated by this administration. But because he did not go along with them on one piece of legislation, they set out to punish him. And who are the men doing it? It is not Mr. Farley, as I pointed out the other day, it is not the President of the United States, it is not the Secretary of Commerce, it is not the Secretary of Agriculture, but I am informed that my good friend, Tommy Corcoran, is one of the boys who took a trip recently to Iowa to tell the Iowa boys what they should do to the Senator from Iowa. Tommy should be in better business than that, because he was the one man who was working on the utility holding-company bill; he was the one man who was working to carry out the orders of the President; he was the one man who was around interviewing Senators and Representatives; he was the one man who assisted me in that matter.

After the Senator from Iowa most actively supported the utility holding-company bill, they would enter the Democratic primaries in his State and stick a knife in his back. And this after he has incurred the bitter enmity of the powerful utility interests in his fight for the President's utility program.

Who is doing that? Not the President of the United States, because the President has said he is not taking any hand in the primaries; not the Cabinet officers, except Mr. Ickes, but rather this little group who have taken upon themselves to control and to dominate the Democratic Party of this Nation. If they would do this to a man like the Senator from Iowa [Mr. GILLETTE], what will they do to the rest of the Senators if they disagree with them on one matter?

Those men are destroying the Democratic Party. I think I know something about Iowa, because I have campaigned in that State many times. I have covered the State very thoroughly. Mr. President, you can bet all the tea in China that if Mr. WEARIN shall be nominated and the Senator from Iowa [Mr. GILLETTE] shall be defeated in the primary, Iowa will go Republican. That may be what the opponents of the Senator from Iowa desire, and, in my judgment, that is what will happen in Iowa. There will be a like result in many other States if some of these pseudo liberals who know nothing of politics, who have never fought a political battle in their lives, who have never had to go out on the battle line, are going to be able to say to a Senator, "Unless you bend the knee to every single thing I want, I am going into your State and line up all the relief agencies against you."

Mr. President, that is a serious thing. We are now voting money to take care of the needy. Are we voting it for the needy or are we voting it for the politician? Are we giving it to agencies for the purpose of helping the needy, or are we giving it to them so that they can crack a whip over some of these unfortunate persons, this one-third of our population underfed and underprivileged? Are we doing it so that they can go out and make the farmers, who are going to get checks, and in effect say to them, "Unless you do line up you do not get any more checks"?

Mr. AUSTIN. Mr. President, will the Senator yield?

Mr. WHEELER. I yield.

Mr. AUSTIN. I shall occupy but a minute. I would like to have the Senator know that I have drafted an amendment to the joint resolution, which I intend to offer, providing that—

No part of any appropriation in this act shall be used for any political purpose, and no authority conferred by this act upon any person shall be exercised or administered for any such purpose—

And defining specially the acts which will be crimes or misdemeanors, and fixing the penalty therefor. I hope a sufficient number of Senators will support that amendment and attach it to the pending measure.

Mr. WHEELER. I understand the Senator from New Mexico [Mr. HATCH] has offered some sort of an amendment of that kind.

Mr. HATCH. The Senator is speaking in limited time, and probably would not want me to discuss it now.

Mr. WHEELER. I prefer that the Senator take it up afterward. I understand the Senator from New Mexico has offered an amendment of that kind. We all must know that men who are appointed to these various positions are bound to take some little interest in politics. I have no objection to that. What I have objection to is that men who are put in a position of trust, men who are supposed to take care of and feed the needy should use their positions in dealing with unfortunate people for the purpose of punishing a Senator of the United States.

I have been particularly interested in the Senator from Iowa [Mr. GILLETTE], because I know what he stood up under in the House. All Senators know the pressure that was put upon Senators as well as Representatives when the utility holding-company bill was under consideration. They know that the man who stood up and fought it incurred the enmity of the powerful utility interests of this country. Then after having incurred that enmity in a battle for the President of the United States, after having stood up and fought that battle, the boys are now out trying to stick a knife in his back.

Mr. President, I say they ought to be ashamed of themselves when they undertake anything of that kind. They ought to stop such procedure, and it must stop if the Democratic Party is not to be destroyed in 1938 and in 1940. If it is not stopped, if this money is going to be used for political purposes, then the Democratic Party, of course, ought to

lose, because the American people are not going to tolerate it. Senators can put that down in their books.

In my judgment there is too much independence in the minds of the men who are on relief to be controlled for any considerable time by tactics of that kind.

Mr. President, I am not one of those who dislike Mr. Corcoran. I personally have a very high respect for his ability and for his intelligence. But I sincerely think that he and that little crew are doing a disservice to the Democratic Party, and they are doing a disservice to the President of the United States, and they are doing a disservice to this country when they seek to use and to have the heads of various Government agencies use those agencies for the purpose of trying to line up votes against a Member of this body.

I speak with some feeling upon this matter because of the fact that those who went into the battle in the utility holding-company bill with me and those who stood up in that fight know something of what it took to stand up, and they know something of the pressure that was put on them.

Mr. President, I went to a certain Senator who lined up on that bill, and I asked him to try and get the Representatives of his State to vote in the same way. He said, "No. I am able to take care of myself, but the administration is opposed to me and will oppose those Representatives, notwithstanding the fact that they stand up and fight for the administration's measure."

Mr. BURKE. Mr. President, will the Senator yield?

Mr. WHEELER. I yield.

Mr. BURKE. Does the Senator from Montana think that all of the pressure in the utility holding-company fight and the "death sentence" matter was on one side, and that those who were strong enough to resist that pressure, as the Senator from Iowa did, are the ones who are entitled to all the credit? It is not rather than the Senator from Iowa voted then in accordance with his conviction, as he saw the matter, which is deserving of full credit?

Mr. WHEELER. There is not any question about that. Of course, there was pressure put on Members of Congress—and I helped to put it on wherever I could—to try and get votes for the utility holding-company bill. I tried to put on all the pressure I could, with the administration's help, to pass that bill. But Senators who voted their convictions and voted with the administration on that bill ought not to be stabbed in the back.

Mr. BURKE. I agree with the Senator fully; but it seems to me that he ought to place the emphasis rather on the fact that the Senator from Iowa voted his convictions rather than that he voted a certain way on a particular bill.

Mr. WHEELER. I think the Senator is correct. I think the Senator from Iowa voted his convictions in that case, in just exactly the same way as I think he voted his convictions with reference to the Court bill, and just as I think he votes his convictions on every other piece of legislation that comes before the Senate. Simply because a Senator disagreed with me with respect to the public-utility holding-company measure, I would not for 1 minute feel that he did not vote his convictions. There was an opportunity for an honest difference of opinion with reference to that legislation and the question of its constitutionality. I thought it was constitutional. I thought it was a good bill. There are others who were just as honest in their conviction and in their views as I was in mine who differed with me. But I should not want to see the administration punish a man simply because he had an honest difference of opinion with the administration.

Mr. President, I want to call another matter to the attention of the Senate. Some figures have been given with reference to the election of Representative WEARIN of Iowa. In 1932 he was elected by a majority of 12,898 votes. In 1934 he was elected by a majority of 3,887 votes. In the last election he was elected by a majority of 1,564 votes. That is not anything against Representative WEARIN at all. But it does go to show, in my judgment, what will happen in the State of Iowa unless there shall be an end to the strife which has been stirred up by people who have never been known as Democrats, who have never been associated with Democrats, and particularly by a man who bolted Al Smith, not because of difference of opinion, but, I am told, because of Al Smith's religious views.

It is none of my business, Mr. President, how the voters of Iowa vote, but I cannot conceive of the decent people of the State of Iowa permitting some of these young men from Washington, D. C., or from New York going out there and telling the people of that State whom they should elect and whom they should not elect.

Mr. HATCH. Mr. President, the Senator from Montana referred in his address to an amendment which I expect to offer to the pending bill. I do not at this time care to enter into a discussion of that amendment, but in view of the fact that the Senator has mentioned it, I want to advise Senators who are present as to what the amendment contains, and what its purpose is, although I expect later, when the amendment is offered, to speak more at length upon it.

I have an amendment which I prepared some weeks ago, Mr. President. It does not arise because of anything that happened recently in any State, but is the outgrowth of certain convictions I have held for a long period of time.

In connection with the present joint resolution, I asked the legislative drafting service of the Senate several weeks ago to take the rules of the Civil Service Commission insofar as political activity on the part of civil-service employees is prohibited, and to draft the same identical provision as an amendment to this measure. The effect of the amendment which I will offer is to make applicable to all persons receiving pay from funds appropriated by authority of this measure the same rules which now prohiibt political activity on the part of civil-service employees.

At a later time, when the amendment is reached, I hope to offer some further observations upon the general subject.

Mr. AUSTIN. Mr. President, I am not in competition with the Senator from New Mexico on this point, as the amendment which I propose to offer differs in some respects from his. However, I feel it is important enough to have the Senate consider it, and I ask unanimous consent at this time to have printed in the RECORD at this point the amendment which I propose to offer tomorrow. It has previously been presented, and ordered to be printed and to lie on the table.

There being no objection, the amendment was ordered to lie on the table, to be printed, and to be printed in the RECORD, as follows:

Amendment intended to be proposed by Mr. AUSTIN to the joint resolution (H. J. Res. 679) making appropriations for work relief, relief, and otherwise to increase employment by providing loans and grants for public-works projects, viz:

On page 29, after line 24, insert the following:

"SEC. —. (a) No part of any appropriation in this act shall be used for any political purpose, and no authority conferred by this act upon any person shall be exercised or administered for any such purpose.

"(b) It shall be unlawful for any person whose compensation, or any part thereof, is paid from funds appropriated by this act to use or threaten to use his official authority, or influence for any of the following purposes:

"(1) To interfere with, restrain, or coerce any individual in the exercise of his right to vote at any primary or other election;

"(2) To encourage or discourage membership in, or contribution to, any political party by discrimination, threatened or executed, in regard to the granting or withholding of benefits, or the execution of any of the powers, functions, or purposes, included in this act;

"(3) To discriminate against any person in regard to benefits from the United States because such person has filed charges or given testimony with respect to any matter arising under this act;

"(4) To discriminate against any individual in regard to benefits from the United States because such individual has voted at any election according to his free choice, or because such person is a member of, or has made contributions to the political party of his own choosing; or

"(5) To discriminate against any corporation in regard to benefits from the United States because any officer or director thereof is a member of, or has made contributions to, the political party of his own choosing.

"(c) It shall be unlawful for any person whose compensation, or any part thereof, is paid from funds appropriated by this act,

to act as election official, ballot clerk, or watcher, or in any other similar capacity, at any polling place in any primary or other election.

"(d) It shall be unlawful for any person whose compensation, or any part thereof, is paid from funds appropriated by this act, to solicit, persuade, or induce, by the exercise of his power to administer, supervise, regulate, or otherwise put into effect, this act or any part thereof, contributions to a political party, or any agency thereof, for any purpose whatsoever.

"(e) Any person who violates any provision of this section shall be punished, if such person is an individual, by a fine of not more than $5,000, or by imprisonment for not more than 3 years, or both, and in all other cases, by a fine of not more than $25,000."

Mr. CLARK. Mr. President, I should like to have the attention of the Senator from Colorado, the chairman of the subcommittee in charge of the bill. He said a few moments ago that the Appropriations Committee raised the authorization of the National Emergency Council from $250,000 to $850,000, an increase of considerably more than 3 to 1, because of the important services which have been performed and are to be performed by that Council.

Mr. President, I should like to have the Senator from Colorado in my time explain exactly what the valuable services of the National Emergency Council have been. So far as my observation has gone, I have never seen any valuable services performed by that National Emergency Council, or a service that is worth a 10-cent piece. I do not believe any Senator can stand on this floor and justify the appropriation or the authorization of money for that agency, in view of its past experience. I challenge any member of the Appropriations Committee to show what the value of their services has been. I should like to hear from the chairman of the subcommittee in charge of the bill.

So far as the matter of the appointment of these men is concerned, the representative in Missouri of the National Emergency Council was appointed on my recommendation. He is an excellent young man. However, I have never been able to find out exactly the functions he has performed. On one occasion I attended a regional meeting, called on another subject by the President of the United States, at which the President of the United States was present in person. After the meeting was over I sat around most of the afternoon with the representatives of the National Emergency Council. We did not talk anything except politics. I never did discover exactly what the activities of the National Emergency Council were.

Mr. WHEELER. Mr. President, will the Senator yield?

Mr. CLARK. I yield.

Mr. WHEELER. In my State, the gentleman who was originally appointed was appointed at my suggestion. He spent most of his time preparing to run for public office, and subsequently did run for public office. I suggested to him that when he became a candidate he would have to resign and could not hold the office. However, so far as the agency doing any good in my State is concerned, it is a joke. There is a girl in the office now. I think she is just as good as anybody, but she does not do anything, and she cannot do anything. There is nothing to do.

Mr. BYRNES. Mr. President, will the Senator yield?

Mr. CLARK. If the Senator will permit me to continue for just a moment, I shall be glad to yield to him later.

I do not think anybody will deny the statement that the National Emergency Council was originally set up as a coordinating agency among a number of new, untried governmental agencies. When the National Emergency Council was first set up, one of the very ablest and finest men who has ever been associated with this administration, Mr. Frank Walker, formerly of Montana and now of New York, was appointed at the head of it. With all his great ability, Mr. Walker found that he could not function as a coordinator of the various governmental activities through the machinery which was set up. The whole machinery had been set up on the basis of Mr. Walker, as a great, able executive, being able to act as coordinator. The agencies have been maintained in every State ever since Mr. Walker's retirement.

According to the statement made by Col. I. T. Jones, which the Senator from Montana [Mr. WHEELER] read a little while ago, the National Emergency Council has reached its lowest level. Unless some showing can be made as to the benefit of its activities, and unless some justification can be given by the Senate committee for increasing the figure in the House provision from $250,000 to $850,000, I cannot, to save my soul, see any sense on the face of the earth in the Senate more than trebling the estimate of the House of Representatives.

Mr. McKELLAR. Mr. President——

Mr. CLARK. I should yield first to the Senator from South Carolina [Mr. BYRNES], who asked me to yield a moment ago.

Mr. McKELLAR. While the Senator is waiting, will the Senator tell me whether he knows Mr. Mellett, the present administrator?

Mr. CLARK. I am not personally acquainted with Mr. Mellett.

Mr. McKELLAR. He is a man of the very highest character and standing.

Mr. CLARK. I have heard that stated.

Mr. McKELLAR. He is a newspaper man of great ability. He appeared before the committee and testified. He made out an excellent case for the continuation of this project.

Mr. CLARK. Mr. President, I have yet to hear the Senator from Colorado, the Senator from Tennessee, or anybody else stand on the floor and tell what was the excellent case which Mr. Mellett made out. If there is any reason why the House of Representatives was wrong in recommending an appropriation of $250,000 and the Senate committee was right in raising the amount to $850,000, I have not known the Senator from Tennessee, the Senator from Colorado, the Senator from South Carolina, or any other member of the committee to be tongue-tied. Why can they not stand up and explain the reason why the increase is justified, instead of saying that Mr. Mellett, who is an excellent man, recommends it?

Mr. WHEELER. Mr. President, will the Senator yield?

Mr. CLARK. I yield.

Mr. WHEELER. I know Mr. Mellett. He is a personal friend of mine, and a very high-class gentleman.

Mr. CLARK. I understand such is his reputation, and I am prepared to believe it. However, I should like to find out on what Mr. Mellett bases his recommendation.

Mr. WHEELER. Mr. Mellett has just been appointed to the office. When it comes to raising the appropriation from $250,000 to $800,000, I see no excuse for it.

Mr. HAYDEN. Mr. President, will the Senator yield?

Mr. CLARK. I yield.

Mr. HAYDEN. There is a perfectly logical explanation. It is because that is about the amount which is being expended during the current year. It is the amount submitted in the Budget estimate. That amount of money is required to maintain the organization for 1 fiscal year, as it now stands.

Mr. CLARK. Then why drag in Mr. Mellett?

Mr. HAYDEN. If the amount is limited to $250,000 there will be general dismissals of the personnel. If it is the desire of the Senate to wreck the service the amount of money should be cut to $250,000. If it is desired to maintain it as it is this appropriation is necessary.

Mr. CLARK. Mr. President, the Senator from Arizona has entered the discussion. Can he explain exactly what benefit to the Federal Government the National Emergency Council has rendered?

Mr. HAYDEN. It is possible to obtain 48 different kinds of testimony from 48 different States with respect to the National Emergency Council. In most of the States there have been very able administrators, and the service has been entirely satisfactory.

Mr. CLARK. Satisfactory in what respect? What have they done?

Mr. HAYDEN. In coordinating the work of the various Federal agencies.

Mr. WHEELER. I venture the assertion that no instance can be shown where they have coordinated the work in any

community or the work in any State in the Union. They get together and hold meetings, but so far as coordinating the work of the various agencies is concerned, and saving the Government a nickel, it cannot be shown.

Mr. HAYDEN. That fact is perfectly easy to demonstrate.

Mr. WHEELER. I should like to see it demonstrated.

Mr. CLARK. I am glad to yield to the Senator from Arizona for the purpose of demonstrating, in any single State, where this service has been worth while.

Mr. HAYDEN. The Senator from Montana said that a very able man was originally appointed in his own State.

Mr. WHEELER. I did not say he was an able man. I said he was appointed at my suggestion. [Laughter.]

Mr. HAYDEN. The Senator would not suggest any appointee who was not able.

Mr. CLARK. Mr. President, I think I still have the floor.

Mr. HAYDEN. Congress has granted broad authority to the Public Works Administration, to the Works Progress Administration, the Resettlement Administration, and to the Civilian Conservation Corps. Various other Federal agencies are spending large sums of money. If the representatives of all such agencies in each State are called together periodically and inquiry is made of them as to what they are doing, duplication of effort is bound to be disclosed.

Mr. CLARK. Let me ask the Senator from Arizona a question. To what extent does the Senator think the representative of the National Emergency Council has control over the various agencies?

Mr. HAYDEN. He brings them together at regular times in each State, to ascertain what work they are doing. His function is to determine whether duplication exists and, if it does, to stop it.

Mr. CLARK. Would the Senator consider it a part of the duty of the National Emergency Council in the State of Iowa to give out a statement that "All good soldiers," as the phrase was used, was going to support a certain candidate for the United States Senate? Is that part of the coordination provided for in the appropriation act?

Mr. HAYDEN. I can very plainly see that the Senator objects to this appropriation for other reasons than that of coordination.

Mr. CLARK. I will say to the Senator from Arizona that the only purpose I have ever observed for the National Emergency Council is a political purpose. If the Senator can show me, for example, any service which Col. I. T. Jones has ever rendered in Iowa, except trying to coordinate support in the Democratic primaries, I shall be glad to have him do so.

Mr. BANKHEAD. Mr. President, will the Senator yield?

Mr. CLARK. I yield.

Mr. BANKHEAD. What office does this man Jones hold?

Mr. WHEELER. He is the director in Iowa of the National Emergency Council.

Mr. BANKHEAD. Not if I read the newspapers correctly. He is secretary.

Mr. CLARK. He is the director of the National Emergency Council in the State of Iowa. I can testify to that of my own knowledge.

Mr. McKELLAR. Mr. President, will the Senator yield?

Mr. CLARK. I yield to the Senator from Tennessee.

Mr. McKELLAR. I quote from the testimony of Mr. Eugene F. Leggett, who has been the executive officer of the National Emergency Council.

Mr. CLARK. He is a very excellent gentleman. I am very well acquainted with him.

Mr. McKELLAR. He is a splendid man, as we all know.

Mr. CLARK. I am sure he is. I think the Government might employ him in more useful service.

Mr. McKELLAR. I read from the testimony of Mr. Leggett:

> From time to time they have asked us for special studies of various things. For instance, during the drought, Resettlement and the Farm Credit Administration, the various agencies involved there, asked us to prepare weekly reports on everything that was going on in the entire drought area. That was an extremely emergency operation, and they were not able—their men were so busy themselves actually caring for drought-stricken people that they were not able to check up to see whether there were people that were being forgotten.

Mr. CLARK. Mr. President, may I ask the Senator what became of those reports?

Mr. WHEELER. Who made that statement?

Mr. McKELLAR. Mr. Leggett made those reports to Mr. Hopkins and to Mr. Ickes.

Mr. CLARK. May I ask the Senator from Tennessee what became of those reports?

Mr. McKELLAR. He made them, and they were filed with the P. W. A. Administrator and the W. P. A. Administrator.

Mr. CLARK. I am personally acquainted with at least a dozen of the National Emergency Council representatives, and I can state that none of them has the ability or the personnel to make the kind of investigation described of drought conditions.

Mr. McKELLAR. I know perfectly well that they not only have held regular stated meetings but they have called meetings throughout my State which have been attended by representatives of the Bureau of Internal Revenue, the W. P. A., the P. W. A., and other Federal activities. They meet and discuss their mutual problems. The National Emergency Council is of immense value to the organizations and the people it is undertaking to serve.

Mr. WHEELER. Mr. President, will the Senator yield?

Mr. CLARK. I yield.

Mr. WHEELER. I think I know something about the drought area. Eastern Montana has been the heart of it. If any man from the National Emergency Council knows anything about the drought situation in North Dakota, South Dakota, or Montana, except what has been furnished him by someone else, I do not know who it is. A check-up has never been made by the National Emergency Council. As a matter of fact, the W. P. A. has not made such a check up, except when we went over the State and urged them to come with us. Nobody else had done so. Certainly, the National Emergency Council never did anything of the kind.

Mr. RUSSELL. Mr. President, will the Senator yield?

Mr. CLARK. I yield to the Senator from Georgia.

Mr. RUSSELL. I merely wish to say that so far as my State is concerned, the director of the National Emergency Council in that State has, I think, rendered a real service in conducting the meetings of the various Government agencies. The salaries have not cost the National Government—well, of course, he does have an assistant who draws a nominal salary.

Mr. CLARK. Does the Senator from Georgia mean to say that the National Emergency Council representative does not draw a salary?

Mr. RUSSELL. That is true in over half the States. The head of the National Emergency Council is the head of some other agency—the Federal Housing Administration, or the Reconstruction Finance Corporation, and so forth. The State of Missouri is one of the few States where the National Emergency Council director draws a salary, and I observe that he draws the very handsome salary of $6,000 a year.

Mr. CLARK. That is entirely true.

Mr. RUSSELL. But in most of the States the director does not draw any salary at all.

Mr. CLARK. Is the Senator advised as to the salary drawn by Col. I. T. Jones, the political dictator of the State of Iowa?

Mr. RUSSELL. No. I wish to point out, however, that on the 19th day of May the representatives of the National Emergency Council were very closely examined before the Appropriations Committee. They were asked to file a report showing the name of every employee in every State of the Union. The employees for Iowa apparently are one Mr. John J. Hughes, who is the State director, and one Miss Ruth W. Bailey, secretary. The name of I. T. Jones does not appear as having been employed in the State of Iowa as of May 19, 1938. This list was submitted by Mr. Mellett and Mr. Leggett,

who appeared before the subcommittee to present the need for appropriations for the National Emergency Council.

I may say that not only does the National Emergency Council do this work in the field, having representatives who usually are at the head of one of the Federal agencies there who attempt to coordinate the work, but it also performs services here in Washington. It is the only agency of the Government that has a complete list of the names and addresses of all the employees of the Federal Government.

Mr. CLARK. That undoubtedly would be a fine mailing list in a political year.

Mr. RUSSELL. I have found it most helpful in my own office in locating various employees of the Federal Government and the agencies for which they were working.

Mr. CLARK. I can understand the value of that list in a campaign year.

Mr. RUSSELL. In addition to that fact, the National Emergency Council has what is called a press intelligence bureau, or a clipping service. Lest the Senator, who seems to have some doubts about the advisability of this item, may say that that is a duplication, I will state that it was testified before the committee by Mr. Mellett and Mr. Leggett that they created the press intelligence bureau to cut these clippings, and did away with the clipping bureaus of a large number of Departments, and therefore worked a real economy in the expenditure of Federal funds.

Mr. CLARK. Did they submit a list of the Departments in which the newspaper men employed were cut out, and the press clipping bureaus were cut out? That would be very interesting. I think that is one of the most hopeful signs in connection with this matter. That might justify the whole National Emergency Council.

Mr. McKELLAR. Mr. President, here is a list of the entire matter, on page 298 and following of the hearings before the Senate committee; and I want to call the Senator's attention, if I may——

Mr. RUSSELL. I merely wish to complete my statement.

Mr. McKELLAR. I beg the Senator's pardon.

Mr. RUSSELL. I wish to say that the reason why the Senate committee increased the funds for the National Emergency Council, now operating with this skeleton organization, with a number of State directors who are not paid from funds allocated to the National Emergency Council, was because the amount allocated this year—they have never had an appropriation; their funds have been allocated from the Works Progress Administration fund—the amount allocated this year was approximately $1,000,000, and with the development of the W. P. A. and this work program next year, they testified that their needs should be greater than ever before, and that the Senate committee appropriation of $850,000 was very modest.

Mr. CLARK. Is the Senator familiar with an announcement sent out several months ago, that the National Emergency Council was to be abolished and merged with the Bureau of the Budget? What ever became of that official announcement?

Mr. RUSSELL. I understand that the President did issue an official order to that effect, but it is my recollection that the order was later rescinded, and the two agencies were not merged.

Mr. CLARK. That is what I was interested in. If the President thought the National Emergency Council had not functioned to such an extent that it ought to be maintained, and was about to abolish the whole agency, as I was advised, and all the personnel were advised was going to happen, I should be interested to know the reasons why the order was not only rescinded but the appropriation is being increased.

Mr. McKELLAR. Mr. President, will the Senator yield?

Mr. CLARK. I yield to the Senator from Tennessee, if the Senator from Georgia has finished.

Mr. McKELLER. What brought this matter up was some statement by Col. I. M. Jones, of Iowa.

Mr. CLARK. Col. I. T. Jones.

Mr. McKELLAR. Col. I. T. Jones, of Iowa.

Mr. CLARK. I have known the colonel for a good many years.

Mr. McKELLAR. I find that the State director of Iowa is John J. Hughes.

Mr. CLARK. I know him very well, too.

Mr. McKELLAR. And the name of Mr. Jones is not here at all.

Mr. CLARK. Then what was the occasion of Col. I. T. Jones testifying?

Mr. McKELLAR. I do not know.

Mr. RUSSELL. He did not testify.

Mr. CLARK. The Senator from Tennessee just started to read the testimony of Col. I. T. Jones.

Mr. McKELLAR. No; I do not think so.

Mr. CLARK. I know Col. I. T. Jones, and I know J. J. Hughes. I know both of them very well indeed and have known both of them for 25 years.

Mr. McKELLAR. Mr. Jones did not testify.

Mr. CLARK. The Senator from Tennessee just stated that he did.

Mr. McKELLAR. No.

Mr. WHEELER. Here is what the Associated Press dispatch says——

Mr. MINTON. Let us take plenty of time to page Colonel Jones and find out.

Mr. WHEELER. The Associated Press dispatch says:

By I. T. Jones, executive assistant of the Iowa National Emergency Council.

Mr. McKELLAR. His name does not appear in the list.

Mr. WHEELER. It may not appear there.

Mr. MINTON. Mr. President, I shall be glad to testify about this matter.

Mr. CLARK. Will the Senator hold up his hand and be sworn? [Laughter.]

Mr. MINTON. I will be sworn. I was raised in a Methodist atmosphere; and since everybody else is testifying in this testimonial meeting, I want to testify about the National Emergency Council, director of my State, and to say that when we had the great flood in Indiana, in 1937, through his efforts in coordinating the work of the W. P. A., the Resettlement Administration, and the C. C. C. camps, he saved enough money to the Federal Government to pay his salary from now on.

Mr. CLARK. Let me ask the Senator from Indiana——

The PRESIDENT pro tempore. The time of the Senator from Missouri has expired.

Mr. MINTON. I will take time on the amendment, if I may.

The PRESIDENT pro tempore. The Senator from Indiana is recognized.

Mr. MINTON. Not only did he do that splendid job in that great emergency, in the time of the flood, in coordinating the activities of the Federal agencies in the State, but he has been doing a splendid job, day in and day out, in going over the State of Indiana and coordinating the efforts and acting as liaison officer between these emergency agencies and the Federal Government and the State government of Indiana; and today there is no better coordination of the work of the Federal agencies in the United States than is conducted in the State of Indiana. So if the Senator from Montana will just be a little bit more careful about the kind of men he picks for political jobs, he will have better work done. We get pretty good men in Indiana.

Mr. WHEELER. You get pretty good politicians there.

Mr. MINTON. Call them what you will; they do the work. We do not have to come on the floor of the Senate and apologize for them, as the Senator from Montana did.

Mr. WHEELER. I am willing to apologize for this one.

Mr. MINTON. I am willing to stand up for ours.

Mr. PEPPER. Mr. President, I desire to say from recent experience that if there is anything that is necessary in my own experience, it is somebody to correlate the activities of the Federal Government. I know that in the approximately year and a half that I have been here, I have devoted a good bit of effort to trying to find out what the Federal Government was doing. I plotted myself a composite county, as it were, which I took as a sort of an ideal county, and I contacted all the Departments I could contact, and tried to plot upon that county the activities being carried on there, so that I could get something of a picture of the ramifications of the Federal Government, and some perspective of what the Federal Government was trying to do. I will say from personal experience that the only agency in Washington that I have ever been able to contact with any assurance of getting something like a complete picture of what the Government was doing was the National Emergency Council; and I found the same thing to be true in my State.

Mr. CLARK. How did the Senator run in that composite county? [Laughter.]

Mr. PEPPER. I did fairly well in that county. [Laughter.]

Mr. CLARK. I thought so.

Mr. McKELLAR. And in all other counties, I believe, in Florida.

Mr. PEPPER. Mr. President, I have understood that it is also the function of this agency to make reports back to the National Emergency Council at Washington, to be relayed, I assume, to the President, as to the effectiveness of the administrative efforts of the various agencies toward the accomplishment of the program we try to enact in our legislation.

Mr. HOLT. Mr. President, will the Senator yield?

Mr. PEPPER. If the Senator will allow me for a moment, I will yield. So that it is not only a correlating agency, which attempts to correlate Federal activities in a given State, but it is also an observing agency, an independent and impartial observing agency, which will report back to Washington, as it were, as to the effectiveness of the activities of the other various agencies, as to whether they should be enlarged, or diminished, or changed in some way or other.

I yield to the Senator from West Virginia.

Mr. HOLT. When the Senator from Florida spoke about effectiveness, did he mean political effectiveness?

Mr. PEPPER. I have observed something analogous to the statement in the Scriptures as to whose ox it is that is being gored in this question of political interference, and it has not been entirely outside the scope of my notice that people who were not altogether friendly to the administration have not confined themselves in their political activities to the places of their residence, either.

Mr. POPE. Mr. President, I wish to say a word to the Senator from Missouri and to the Senate with reference to the National Emergency Council in my State. I think the work done by the Director of the National Emergency Council depends very largely on the man. I think that perhaps of all the men in my State the director of the Council there has been the most valuable in actually coordinating and integrating the work of the Department, and when difficulty arose in an agency he was the man who was able, with his tact and his ability and his friendliness, to solve the problem. We have found that true as to practically every agency in my State. Not only that, but he brought together the heads of the various agencies, as has been stated here, monthly or oftener, in order to get reports of what they were doing, what they were accomplishing.

Mr. WHEELER. Mr. President, will the Senator yield?

Mr. POPE. In just a moment. For my own part, the man in the State of Idaho who knows more about the general work of the Federal Departments and the Federal agencies in that State is the National Emergency Council director. He is the man who can be depended upon to make an accurate and careful report of what the trouble is and himself do more than any other man to iron out the differences. I think the smooth working of the agencies, and their friendliness toward each other, and their cooperation, where there is overlapping, is due to the work of the director of the National Emergency Council.

I yield to the Senator from Montana.

Mr. WHEELER. Has he been able to coordinate the W. P. A. under Mr. Hopkins, and the P. W. A. under Mr. Ickes, or has he been about to coordinate the work of the Secretary of Agriculture under the A. A. A., and the Reclamation Service, and the Biological Survey?

We all know there are differences between the different branches of the Government. I know that some who have occupied high positions—and I do not care to quote them—have stated that coordination was an impossible task.

Mr. Frank C. Walker has been quoted as being from my town, Butte. He is one of the cleanest and ablest men I know. We are personal friends, and I am very fond of him. But I know that Mr. Walker undertook a superhuman task. Then they put in a newspaperman, Mr. Red Leggett, whom I do not know except in a general way. But I think it is a joke to talk about it being effective and to talk about spending $850,000 on this activity.

Mr. POPE. It was not the business of the director in Idaho to attempt to coordinate the departments in Washington, but out on the ground, in my State, when a difficulty arose, the director was helpful.

With reference to W. P. A. and P. W. A., and the projects which were involved, there were conflicts. The director was making his observation. He was at the point where there were duplications, where there were conflicts, where there were differences among the departments, and he was able to do what I thought the agency was organized for, to integrate the various activities, to work out the difficulties, to satisfy those interested, to bring about a smooth working of the different departments in the State. That was true of the Federal Housing Administration and its contacts with other departments.

I think there is a place for a man, at least in the State of Idaho, to bring the various governmental agencies together and have them work in harmony. I attended meetings myself where the heads of all the departments, not only the emergency agencies, but the permanent agencies such as the United States marshal, the district attorney, and all the rest, were making careful reports as to their work of which a record was being made. The heads of the various Indian agencies were there telling of the work they were doing, and the improvements which had been made during the last month or the last year. It was a very effective, integrating, coordinating force.

I say again, it depends very largely on the man who is doing the work. A man has to have tact, he has to have ability to get around and see the various people and get their confidence. But there is a job to be done, and for my State—I do not know about the other States—I will say that perhaps the work that has been done by the National Emergency director during the past several years has been as valuable as any other work done in the State, if not more valuable. To a very large extent I attribute the record which has been made out there for good service to the director. No complaints have come to me in the last year. I can always tell how well an agency is getting along in my State by the number of complaints I receive. Almost no complaints have been made during the last year or two, and I am sure that is largely due to the work of the National Emergency Council.

I know nothing about the work of the Council in other States—have not investigated as to them, but for my own State I wish to say that the director has earned over and over again the amount the Federal Government pays him.

Mr. RUSSELL. Mr. President, in order to clear up the mystery about Col. I. T. Jones, I have just talked with Mr. Mellett, and he states that Mr. Jones has had no connection whatever with the National Emergency Council since June 1937. So the Senator may be reassured that Mr. Jones does not hold the office attributed to him by the Associated Press.

Mr. CLARK. Mr. President, that is about the cheapest piece of campaign propaganda I have heard of going out in a long time. If Mr. Jones is not connected with the National Emergency Council, to have him put out this statement in the primary campaign in Iowa, purporting to hold the job he used to hold, is certainly about the cheapest piece of campaign propaganda I have seen issued in the United States in a great many years.

Mr. BARKLEY. Mr. President, if Col. I. T. Jones has engaged in any propaganda of deception in the State of Iowa, certainly the National Emergency Council cannot be held responsible for it.

I wish to say just a word about the pending amendment. Even if the colonel were still connected with the National Emergency Council, it seems to me it would be unwise to defeat this amendment simply because he acted the fool in Iowa by giving out a statement as to his views in a primary campaign. I can understand very well how Members of the Senate resent things of that sort, because that is a field which from time immemorial has been reserved to the Senate. No one else ought to be allowed to express his views on a given phase of politics unless he happens to be a Member of the Senate, and if he is a Member of the Senate he is at liberty to roam over the country at will and advise the people with respect to all questions that pertain to politics in primaries and in general elections. But that is neither here nor there.

Being a Methodist, I wish to join in this experience meeting with respect to the working of the National Emergency Council in my State.

Mr. MALONEY. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield.

Mr. MALONEY. Is this discussion just for Methodists?

Mr. BARKLEY. Not at all, but inasmuch as this has been a sort of an experience meeting, and it is a Methodist custom to hold experience meetings, I wanted to get in on it; but it is one in which men of all religious beliefs may participate.

Mr. MALONEY. I did not know but that one would be barred if he were not a Methodist.

Mr. BARKLEY. Not at all. No one is barred, but all are welcome.

Mr. MALONEY. I wonder if the Senator finds any significance in the fact that so important a Commonwealth as Connecticut not only is without a director in this set-up, but the Council has no office there. I noticed in the record that all the surrounding States have offices, but Connecticut, one of the large States of New England, and a fairly large State of the country, as well as an important State, is entirely without an office.

Mr. BARKLEY. I cannot explain that. I am satisfied that if the Senator from Connecticut would inquire at the headquarters of the N. E. C. he probably could ascertain why it is that Connecticut does not have an office. Has the Senator made an effort to ascertain why?

Mr. MALONEY. No, Mr. President, and I am not critical of that fact now.

Mr. BARKLEY. If the Senator has not manifested sufficient interest in it to inquire as to why Connecticut does not have a director or an office he ought not to inquire of the Senator from Kentucky about it. I think the N. E. C. would be glad to give him that information. Connecticut is an important State and ought not to be discriminated against. I can give no reason why it does not have a director or an office. Perhaps the State does not want to have either. I cannot answer that question.

Mr. MALONEY. I am afraid the majority leader does not understand me. I have not complained that there is neither an office nor a director in that State. I do not know that there is any need for either. I had not had occasion to inquire up to the time the new appropriation was proposed.

Mr. BARKLEY. I thought the Senator asked me to explain why Connecticut did not have an office or a director, and I cannot do it.

Mr. MALONEY. No; I asked whether or not the leader attached any significance to the fact that there was neither a director nor an office in Connecticut.

Mr. BARKLEY. I would have to know the facts before I could attach any significance or draw any inference from that circumstance. I am satisfied it has not been done with the view in any way of slighting the State of Connecticut.

Mr. MALONEY. No; I am sure it has not.

Mr. BARKLEY. In my State I wish to say that this service has been very beneficial. In the first place, the man who holds the office of director was not an applicant for it, and was not an applicant for any other position under this administration. He was more or less drafted into the service. He is a man of the highest type, disinterested, a very distinguished lawyer, a man who served on the bench, and he has given to that position the prestige and the dignity that he has acquired by reason of his service as lawyer and judge. Ever since he has held his present position he has gone around over Kentucky holding meetings of different agencies, the Home Owners' Loan Corporation, the Federal Housing Administration, the Reconstruction Finance Corporation, the Civilian Conservation Corps, the Soil Conservation Service, the Federal land banks, the set-up of the Agricultural Adjustment Administration, and all the agencies of the Federal Government which have been established during the emergency.

So far as I have been able to ascertain, the only information that we have obtained with respect to the activities which we have sponsored, and for which we have made appropriations, has come through the National Emergency Council.

It is true that if we had the time we might visit all the departments and find out what they have done, not only in our States but in the whole country. But we have not the time nor the opportunity to do that, by personal visit and conference, or in any other way. But there is not a Senator who cannot within a very short time obtain accurate information up to date as to the results of any or all of these Federal activities in his own State and in all the States. It seems to me that that by itself shows it to be an activity or source of information which is valuable to the Congress.

I attach no political significance to that. So far as Kentucky is concerned, if the State director has engaged in any political activities I have not been advised of it. I suppose as he goes around with officers of the various agencies he cannot prevent people from coming to him and talking to him about the situation, but I know that he has not engaged in any political activity, and has certainly devoted himself to the service over which he presides.

Mr. WHEELER. Mr. President, will the Senator yield to me?

Mr. BARKLEY. I yield.

Mr. WHEELER. The coordinator, or whatever his name is, possesses no power. We talk about what he can do. He can gather these men together and get reports from them, but he has not any authority or power to make them do anything.

Mr. BARKLEY. That is correct. He does not have any authority over them. He cannot nullify orders or instructions given to them by their immediate superiors. But he can report to Washington and to Congress the results of their efforts. He can report any duplication that may be going on in various agencies, and certainly the information which he gathers is worth while. I think it ought to be continued.

Mr. MALONEY. I was hopeful when I questioned the majority leader a few moments ago that he would say that probably Connecticut was so well coordinated and affairs there were conducted so smoothly that it did not need to have an administrator.

Mr. BARKLEY. Probably I was not quick-witted enough to say that. I have been in that State a good many times. There is no State for which I have a greater respect as a State, or for whose people I have a greater admiration than

I have for the people of the State of Connecticut. Even if I did not know the people of that State, I would approve of them, because of the type of representative they have sent to this body.

Mr. MALONEY. I thank the Senator. We in Connecticut have profited by the Senator having come to Connecticut on various occasions.

I should like to add a word, to reinforce the arguments the Senator has just made, that in the past we have had two administrators under the National Emergency Council in Connecticut, and they were men who were, so far as I know, removed from politics, and did not participate in political affairs, at least not to the extent that it was public.

My curiosity is aroused now by the statement the Senator makes that this administrator, or agency, or this office in the States affords an opportunity for the Members of the Congress to get information, and I hope that some member of the committee sponsoring this increase will enlighten me and probably enlighten representatives from other States, as to why the States they represent are denied a similar opportunity.

Mr. BARKLEY. I will say that I do not know. I imagine that even the members of the committee may not know whether they had their attention called to the fact that Connecticut at this time does not have a representative. I have no information on that subject. I certainly would be most enthusiastic in favor of according to Connecticut the same service that is accorded every other State in the Union with respect to this matter.

Mr. President, I hope the amendment will be agreed to.

Mr. BYRNES. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield.

Mr. BYRNES. The representative of the Council made one statement before the committee which impressed me, and about which I have heard no reference in this debate. He said that one of the duties of the representative of the Council was to assist the Senate planning commissions as to the legislation necessary to cooperate with the many laws that have been enacted by the Congress during the last 4 or 5 years; the Federal Housing Administration, for instance, and other activities which the Congress has established. In order to cooperate it is necessary for the States to pass enabling acts. The officials in the States are not advised with respect to such matters.

The representative of the Council has performed a useful service in advising such organizations as to what steps they should take and in securing from Washington the forms of the acts to be introduced in the State legislature. It impressed me at the time that if they did that, they were performing quite useful service in addition to the other activities which have been referred to.

Mr. CLARK. Mr. President, did I understand the Senator from South Carolina to say that the purpose of the agency which has been set up, not by statute and which is without any legal authorization except under the general statute for the allocation of funds, is to tell the States what they should do?

Mr. BYRNES. No.

Mr. CLARK. I understood the Senator to say that.

Mr. BYRNES. The Senator could not have understood me to say such a thing.

Mr. CLARK. I did understand the Senator to say it.

Mr. BYRNES. If he did, I really do not see how he could reach such a misunderstanding. I did not say their function was to advise the States. I said that if the State officials wanted to secure information as to the form of legislation that the State of Missouri should adopt in order to participate in the housing program, they would go to the representative of the National Emergency Council—not Colonel Jones but the representatives in Missouri—who would help them in securing information as to the kind of legislation to be enacted by the State. However, the representative of the National Emergency Council would not tell the State how to proceed.

Mr. CLARK. I understood the Senator to say—and I think the Official Reporter's notes will bear me out—that the purpose of the office was to tell the States what to do.

Mr. BYRNES. I am sure the notes of the Official Reporter will not bear out the Senator. I am a very good stenographer, and I know the reporters in the Senate are even better than I am. The notes will bear me out that I did not make such a statement. My statement was that the officials of the States, instead of coming to Washington to find out from the Federal Housing Administration and other agencies which have been established by the vote of the Senator, my vote, and the votes of other Senators during the past few years, can go to the representatives of the National Emergency Council, who obtains the desired information, and thereby saves the State officials much trouble and expense. The N. E. C. representative is very helpful to the officials of the State who desire information.

Mr. BARKLEY. In that connection, emphasizing what the Senator from South Carolina has said, I will say that it was necessary for the legislatures of the various States to pass amendatory laws in the administration of some of the emergency acts of Congress, such as the Federal Housing Act. Some of the States had to pass laws with reference to home owners' loans, unemployment insurance, old-age pensions, and things like that. In my State—and I am sure the same situation obtained in other States—the State directors of the National Emergency Council were very helpful to the legislatures, cooperating with them in working out harmonious acts of the State legislatures, made necessary by the laws which we had enacted.

Furthermore, before my time expires, I wish to join in the compliments that were paid to Frank Walker, the first Director of the National Emergency Council. When Mr. Walker retired to resume his own private business, Mr. Leggett was placed in charge, I believe as Acting Director for a while. I have forgotten whether or not he ever became Director.

The gentleman who has recently been appointed to this office is certainly not a politician. I do not know his politics. He is a very distinguished editor. For a long time he was editor of the Washington Daily News, one of the chain of Scripps-Howard newspapers. I think he is one of the able and proven scholars of the country. I am quite certain that under his direction there will be no misuse of this agency or of its funds.

Mr. CLARK. If the Senator from Kentucky has any time left before he takes his seat——

The PRESIDENT pro tempore. The Senator has 2 minutes left.

Mr. CLARK. The name of Mr. J. J. Hughes has been mentioned in the debate as the present Director of the National Emergency Council. I should merely like to say that I have known Mr. Hughes for more than 30 years. I have known Col. I. T. Jones for more than 25 years.

Mr. BARKLEY. The Senator must have become acquainted with them when he was quite a child.

Mr. CLARK. I certainly did. Knowing that Colonel Jones had been associated with the National Emergency Council, when I saw the statement in the newspaper this morning I recalled that the last time I saw him was during the campaign of 1936. President Roosevelt held a drought conference at Des Moines, Iowa, and the National Emergency Council representatives held a political conference at the same time, in the same town.

I naturally assumed that Mr. Jones' statement to the Associated Press that he was still associated with the National Emergency Council was true. I have been corrected by the Senator from Georgia. I should like to say that from long acquaintance with Mr. John J. Hughes I am perfectly convinced that he would never lend himself to the use of this agency, or any other agency with which he was connected, for illicit political purposes. To that extent I wish to relieve the National Emergency Council from what I said about it on the basis of Col. I. T. Jones'

claim about the Iowa representative in that State on behalf of Mr. WEARIN.

Mr. BARKLEY. I appreciate the statement of the Senator. I do not know Colonel Jones, but I suppose he is a victim of the human frailty which makes it difficult for any of us, after we retire from public office, not to realize that we are no longer in public office.

Mr. ADAMS. Mr. President——

Mr. McNARY. Mr. President, a parliamentary inquiry.

The PRESIDENT pro tempore. The Senator will state it.

Mr. McNARY. Is the unanimous-consent agreement being enforced?

The PRESIDENT pro tempore. It is being enforced.

Mr. McNARY. When?

The PRESIDENT pro tempore. Just this minute.

Mr. ADAMS. Mr. President——

SEVERAL SENATORS. Vote!

The PRESIDENT pro tempore. The Senator from Colorado is recognized. He has not spoken on the amendment. He has 15 minutes on the amendment.

Mr. ADAMS. I merely wish to suggest two questions of fact. One is that the appropriation in the joint resolution is $242,000 less than was expended in the past fiscal year by this agency. Second, the testimony before the committee shows that it is the intention to reopen 12 of the State offices which are now closed, if the appropriation goes through.

SEVERAL SENATORS. Vote!

The PRESIDENT pro tempore. The question is on agreeing to the committee amendment on page 6, line 2.

The amendment was agreed to.

Mr. BARKLEY. Mr. President, I ask unanimous consent that the statement which I send to the desk may be read by the clerk.

The PRESIDENT pro tempore. The statement will be read.

The legislative clerk read as follows:

After a conference attended by Speaker BANKHEAD, Senate Majority Leader BARKLEY, House Majority Leader RAYBURN, Senator BYRNES, chairman of the Senate Committee on Reorganization, and Representative LINDSAY C. WARREN, acting chairman of the House committee, the two chairmen issued the following statement:

"No further effort will be made to pass the reorganization bill at this session.

"It is our opinion that the American people overwhelmingly desire some kind of effective reorganization of our Government in the interest of greater efficiency and practical economy.

"Without attempting to go into detail with reference to reorganization legislation or to bind the next Congress upon the subject, immediately upon the reconvening of the next Congress the question will be determined as to the form in which this desirable legislation will be introduced. We shall press for prompt consideration by both Houses at as early a date as possible, and we entertain no doubt of its successful enactment."

Majority Leaders BARKLEY and RAYBURN, of the Senate and House, respectively, stated that this program has the approval of the President.

Mr. JOHNSON of California. Mr. President——

Mr. BARKLEY. I yield to the Senator from California.

Mr. JOHNSON of California. I simply wish to say that I thank the Senator for the frank statement which has been made. We shall meet at Philippi; and we do not concede, by our silence, that the bill referred to as a reorganization bill is either desirable, or the sort of bill which ought to be passed. We shall meet the issue at the next session. Let us hope that all the Members of the Senate may then be present.

Mr. BYRNES. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield to the Senator from South Carolina.

Mr. BYRNES. I wish to say to my good friend from California that we shall be delighted to meet him; and the result will be the same as at the present session. The bill will pass the Senate.

Mr. JOHNSON of California. Maybe.

Mr. BYRNES. The Senator asserts that it will not pass the Senate. I assert that it will.

Mr. BARKLEY. Mr. President, it is too early now to start a new filibuster on the reorganization bill.

In view of the statement which has just been read, I wish to make a further statement.

So far as the present session of Congress is concerned, I think the disposition of the reorganization bill clears the atmosphere, at least to that extent, so far as the remainder of the work of the present session is concerned. It is the desire of all Members, I think without exception, to wind up the business of the session and adjourn at as early a date as possible.

In view of the fact that the wage and hour bill either is or soon will be in conference, and in view of the inability to prophesy how long the conferees will require to reach an agreement, it is impossible at this moment to predict the date of adjournment. However, it is my very earnest hope that we may conclude all the unfinished business that we are called upon to dispose of at the present session and adjourn the session sine die not later than the 10th of June.

The Vice President advises me of a fact which I did not know, that today the House adopted a rule revising the rules so as to authorize the Speaker to recognize Members of the House for the remainder of this session to move to suspend the rules in the House, in order that business may be expedited. In view of the desire to dispose of the unfinished business and adjourn as soon as possible, however, I wish to advise the Senate that from now on, during the further consideration of the joint resolution, the Senate will meet at 11 o'clock and hold sessions at night, if necessary, until the joint resolution is disposed of, provided, of course, the Senate is willing to do that. That is always assumed.

Mr. COPELAND. Mr. President, in order that we may expedite adjournment, it is necessary that two or three bills now upon the calendar be given attention.

Mr. BARKLEY. In that connection, if the Senator will permit me, I wish to say that between the conclusion of the pending business and the report of the conference committee on the wage and hour bill I hope we shall have several days that we can devote to bills on the calendar which are of sufficient importance to merit consideration.

Mr. COPELAND. The matter I have in mind is the omnibus river and harbor bill. It ought to be passed now, so that we may have a conference on it. Its consideration was objected to today by the Senator from Mississippi [Mr. BILBO] under a misapprehension. He thought I was trying to call up the flood-control bill. This is the river and harbor bill. If the leader will give us 10 minutes, I think we can pass the bill this afternoon.

Mr. BARKLEY. May I ask the Senator whether this is the ordinary omnibus river and harbor bill providing for the authorization of surveys for rivers?

Mr. COPELAND. Surveys, and also projects which have been approved.

Mr. BARKLEY. Over what period does the Senator expect to secure appropriations to carry out the authorizations in the bill?

Mr. COPELAND. Heaven only knows.

Mr. BARKLEY. I understand that the total authorizations approximate $500,000,000.

Mr. COPELAND. Oh, no, no, no—$37,000,000.

Mr. BARKLEY. Oh, $37,000,000? The flood-control bill which has been referred to——

Mr. COPELAND. That is a very much larger bill.

Mr. BARKLEY. That is a very much larger bill, and that is also an authorization?

Mr. COPELAND. That is an authorization.

Mr. BARKLEY. And the bill the Senator now wishes to take up is the rivers and harbors bill, amounting to a total of about $37,000,000?

Mr. COPELAND. That is correct.

Mr. BARKLEY. Is it the purpose of the Senator, if the bill should be passed, to ask for appropriations in the next deficiency bill to cover these items?

Mr. COPELAND. A few will be asked for in the deficiency bill, but not all of them.

Mr. BARKLEY. I have no objection; and I therefore ask unanimous consent that the unfinished business be temporarily laid aside for the purpose of considering the rivers and harbors bill.

The PRESIDENT pro tempore. Is there objection? The Chair hears none.

The Chair lays before the Senate a bill the title of which will be stated by the clerk.

The LEGISLATIVE CLERK. A bill (H. R. 10298) authorizing the construction, repair, and preservation of certain public works on rivers and harbors, and for other purposes.

Mr. McKELLAR. Mr. President, I wish to ask the Senator from New York a question.

A moment ago the Senator was asked if it was his intention to ask for appropriations for these items this year. I do not think they ought to be asked for this year, and I hope the Senator will give me assurance that if the bill is passed now, no appropriations for this purpose will be asked for in the deficiency bill this year.

Mr. COPELAND. Let me say to the Senator that those which are particularly urgent will be, in the aggregate, less than $1,000,000.

Mr. McKELLAR. Mr. President, we have virtually completed this session, and at this late date in the session I do not think we ought to permit appropriations for this purpose. I will say to the Senator from New York that unless I can have an agreement about the matter, I shall be obliged to object to the consideration of the bill.

Mr. COPELAND. I did not hear the Senator's last statement.

Mr. McKELLAR. Unless I can have the assurance that no appropriations for this purpose will be asked for in the deficiency bill this year, I shall be obliged to object.

Mr. COPELAND. Mr. President, so far as I am concerned, I am not the one to determine what shall go into the bill.

Mr. McKELLAR. That is true; but if I have the assurance that none are going to be asked for, I am perfectly willing that the bill shall be passed.

Mr. NORRIS. Mr. President, how can the Senator get that assurance?

Mr. McKELLAR. I can get it from the Senator from New York.

Mr. NORRIS. Does the Senator from New York decide what the appropriations shall be?

Mr. BARKLEY. Mr. President, in that connection, if the Senator will yield, I suppose the Army engineers of the War Department will have more to say about that than anyone else, because unless an estimate is sent up by the Director of the Budget to the House committee—which is now, I understand, considering another deficiency bill—no appropriations for rivers and harbors will be included in the deficiency bill.

Mr. McKELLAR. I am quite sure that if the Senator from New York will give us the assurance that no appropriations will be asked for, we can let the bill go through. Otherwise, I do not want it passed.

Mr. COPELAND. Mr. President, so far as I am concerned, I desire to say that a good many of these projects will be taken care of by emergency money, and they cannot be proceeded with unless they are authorized projects. I have nothing whatever to say about the appropriation bill. As I look this bill over, there is only one item in it in which I am personally interested. That happens to be an item of $194,000 for Flushing Bay, N. Y., which has to do with the World's Fair, in connection with which the city itself is giving $100,000. So far as all the other items are concerned, they are just routine items which have been passed on by the Army engineers, and which will be needed by the President and the W. P. A. and the P. W. A. in the selection of projects for the expenditure of relief money.

I hope the Senator from Tennessee will not object.

The PRESIDENT pro tempore. The request will be again put.

Mr. NORRIS. Mr. President, I do not understand why the Senate at this late hour should temporarily lay aside the pending joint resolution of great importance in order to take up, without notice, another measure of great importance, and dispose of it in 1 or 2 minutes. It seems to me that is not the right way to legislate. It may be that every item in the bill is proper; but one of the reasons why the Senate is often in disrepute is because it does things just like the one we are now contemplating doing, in which probably hundreds of millions of dollars are involved, on 2 minutes' notice, without reading the bill or anything of the kind.

Mr. McKELLAR. Thirty-seven million dollars.

Mr. BARKLEY. Mr. President, if the Senator will yield, I have no personal interest in this bill.

Mr. NORRIS. I have not, either, that I know of. I have not read it.

Mr. BARKLEY. It was reported on the 23d day of May. Last Friday or Saturday an effort was made to bring up the bill for consideration. The Senator from New York [Mr. COPELAND] observed that there was a very small attendance in the Chamber; and, out of courtesy to other Members, the matter went over.

He made the request again today when we met, and objection was made by the Senator from Mississippi [Mr. BILBO] under the misapprehension that it was the flood-control bill. Now the Senator from New York has brought up the matter again.

If the bill is going to pass, being a House bill, if it is necessary that it go to conference, it ought to be passed as soon as possible, although I do not know that there are sufficient amendments or changes in the bill to make it necessary for it to go to conference. The House might agree to the amendments of the Senate, and probably would do so. I am not able to speak about that phase of the matter, but the bill has been on the calendar for more than a week, and this is the third effort which has been made by the Senator from New York to have it considered.

Mr. NORRIS. I know; but every effort has been just like this one. We are expected to take up the bill now, and probably 5 minutes from now the Chair will say, "Without objection the amendments are engrossed, and the bill is read the third time and passed."

I do not think that is fair to the Senate. It is not fair to the country. I dislike to object, because I do not know that there is a thing in the bill that is wrong; but, under the circumstances, I am going to object.

Mr. COPELAND. Mr. President, will the Senator yield before he objects?

Mr. NORRIS. Yes.

Mr. COPELAND. It is not fair to the committee, either. We have had hearings on the bill.

Mr. NORRIS. Very well; probably it is not fair to the committee; but if we cannot pass all these things without consideration, without giving them some time, then we ought not to pass them, or we ought to stay here until we can give them the proper consideration.

Mr. President, for more than a week we have been talking about the measure which is now the unfinished business. We have been discussing it. The Senator from New York himself, who now wants to have us pass this river and harbor bill without reading it, and without any opportunity for consideration, is one of the men who for nearly a week stood here and said, "This is very important legislation, and we are going to let the country know what it is." I did not object to that. It is all right to do that. Why should not that apply to the river and harbor bill just as well? I object.

The PRESIDENT pro tempore. Objection is made. The clerk will state the next amendment to the pending joint resolution.

The next amendment was, on page 6, line 3, where the committee proposed to strike out "$250,000" and insert in lieu thereof "$750,000", so as to read:

(b) National Resources Committee, $750,000.

Mr. BANKHEAD. Mr. President, I ask unanimous consent that the pending joint resolution be laid aside temporarily and that the Senate proceed to the consideration of House bill 10530, a bill to extend the time covering the reduction in interest on Federal land-bank loans. We have had the matter before us three or four times.

The PRESIDENT pro tempore. Is the bill on the calendar?

Mr. BANKHEAD. It is on the calendar, being order of business 1947.

Mr. BARKLEY. Mr. President, an identical bill has been passed every year or every 2 years, whenever the time expired, by which Congress reduced the interest rate on farm loans made by Federal land banks from 4½ to 3½ percent. When the bill was passed the last time Congress included commissioners' loans and reduced the rate from 5 to 4 percent. The President vetoed the bill, and it was passed over his veto by both Houses. So that everyone is familiar with the subject, and the last extension will expire in July, I believe. It is a question as to what the Senate wants to do about the matter. I think everyone knows what is involved; and if the time is to be extended, as seems to me very likely, the Farm Credit Administration and the Treasury ought to know as soon as possible.

Mr. ADAMS. How much will the bill cost the Treasury of the United States, I ask the Senator from Alabama?

Mr. BANKHEAD. It will cost somewhere around thirty-nine or forty million dollars. But the present is the worst time in the world to restore a high rate of interest on these loans, the worst time we have had since 1932. The farmers just cannot pay it. The Government will collect more interest at the reduced rate than at the high rate. There will be more foreclosures if we do not pass this bill and more of a loss of principal.

Mr. BURKE. Mr. President, I desire to ask the Senator from Alabama whether this is the identical bill the President vetoed last year.

Mr. BANKHEAD. It is.

Mr. BURKE. I think it would be very improper to pass at this late hour a bill the President vetoed last year.

Mr. BANKHEAD. We passed it over his veto.

Mr. BURKE. I know that, but it certainly would be improper to pass the bill with as small a number of Senators present as are in the Chamber now. I should certainly suggest the absence of a quorum before we acted on the bill.

Mr. BANKHEAD. Of course, if the Senator objects, I cannot help it.

Mr. BURKE. I object.

Mr. BANKHEAD. I ask unanimous consent that the measure be taken up immediately after the disposition of the pending joint resolution.

Mr. BARKLEY. Mr. President, I hope the Senator will not press that request. I assure the Senator that the bill will be taken up very promptly, but I have given my assurance to other Senators that another bill will follow the pending measure immediately, so far as I can control it.

Mr. BANKHEAD. I will not resist the leader. I withdraw the request.

Mr. MILLER obtained the floor.

Mr. BARKLEY. If there are no more requests to be made, I wish to have an executive session.

Mr. MILLER. Mr. President, I yield for that purpose. I desire to submit a few remarks on the amendment now pending. I do not want to lose the floor, if the amendment is to be acted on today, but if the majority leader advises me that there is to be a recess, I will relinquish the floor on that condition.

EXECUTIVE SESSION

Mr. BARKLEY. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE REPORTS OF COMMITTEES

Mr. WALSH, from the Committee on Naval Affairs, reported favorably the following nominations:

Rear Admiral James O. Richardson to be Chief of the Bureau of Navigation, in the Department of the Navy, with the rank of rear admiral, from the 11th day of June 1938, for a term of 4 years; and

Capt. Walter B. Woodson to be Judge Advocate General of the Navy, with the rank of rear admiral, from the 20th day of June 1938, for a term of 4 years.

Mr. ADAMS, from the Committee on Public Lands and Surveys, reported favorably the following nominations:

Harry Slattery, of South Carolina, to be Under Secretary of the Interior, vice Charles West; and

Fred S. Minier, of South Dakota, to be register of the land office at Pierre, S. Dak. (Reappointment.)

Mr. McKELLAR, from the Committee on Post Offices and Post Roads, reported favorably the nominations of sundry postmasters.

Mr. HUGHES, from the Committee on the Judiciary, reported favorably the nomination of John M. Guay to be United States marshal for the district of New Hampshire.

Mr. KING, from the Committee on the District of Columbia, reported favorably the nomination of Richmond B. Keech, of the District of Columbia, to be a member of the Public Utilities Commission of the District of Columbia for a term of 3 years from July 1, 1938. (Reappointment.)

The PRESIDENT pro tempore. The reports will be placed on the Executive Calendar.

If there be no further reports of committees, the clerk will state the nominations on the calendar.

POSTMASTERS

The legislative clerk proceeded to read sundry nominations of postmasters.

Mr. McKELLAR. I ask unanimous consent that the nominations of postmasters be confirmed en bloc.

The PRESIDENT pro tempore. Without objection, the nominations of postmasters are confirmed en bloc.

RECESS

The Senate resumed legislative session.

Mr. BARKLEY. I move that the Senate take a recess until tomorrow at 11 o'clock a. m.

The motion was agreed to; and the Senate (at 5 o'clock and 55 minutes p. m.) took a recess until tomorrow, Wednesday, June 1, 1938, at 11 o'clock a. m.

CONFIRMATIONS

Executive nominations confirmed by the Senate May 31 (legislative day of April 20), 1938

POSTMASTERS

KENTUCKY

Edward W. Cubbage, Clarkson.

LOUISIANA

Richard M. Almond, Tallulah.

MINNESOTA

Anna C. Dallaire, Ah-gwah-ching.
Joseph G. McRaith, Belle Plaine.
Timothy Hurley, Bird Island.
Alta V. Mason, Blue Earth.
George H. Malven, Browerville.
Antoinette D. Hall, Campbell.
Lambert J. Dols, Cologne.
John A. Oberg, Deerwood.
Edward C. Feely, Farmington.
Martin T. Haley, Hibbing.
Stella C. Olson, Karlstad.
Ada L. Davies, Kasota.
Anton Malmberg, Lafayette.
George A. Boyd, Le Roy.
Leroy G. Schmalz, Lester Prairie.
Arthur P. Rose, Marshall.
James H. Pelham, Menahga.
Milla Tagley, Mentor.
Nicholas D. Schons, Nicollet.
Oliver W. Alvin, North Branch.
August M. Utecht, Richmond.

George Glotzbach, Sleepy Eye.
Andrew Reid, South St. Paul.
Walter J. Mueller, Springfield.
Andrew T. Sanvik, Starbuck.
Carl H. Ruhberg, Storden.
Elizabeth C. Bahr, Waconia.
Margaret J. McGarry, Walker.
Einar C. Wellin, Willmar.
William F. Sanger, Windom.
John R. Schisler, Winthrop.
Oscar W. Groth, Wright.

NEBRASKA

Theresa Mullan, Boys Town.

PUERTO RICO

Teresa Melendez, Arroyo.
Cesar Rossy, Ciales.
Luis E. Kolb, Utuado.

HOUSE OF REPRESENTATIVES

TUESDAY, MAY 31, 1938

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

O Lord God of heaven and earth, hear our prayer and be attentive unto the whisperings of our hearts. We praise Thee that Thy throne is forever and ever; the scepter of Thy kingdom is righteousness. Thou who art the fount of all love and wisdom, uphold us by Thy counsel. As servants of our beloved country, enable us to be prophets of that new morning whose advancing light is evermore fully radiating the ways of the races of men and inspiring them onward toward a transfigured world. Help us to live lives of faith and good works whose fruits are joy and peace. More and more undergird our trust in Thee. Almighty God, some way, in Thine own marvelous way, lift up into Thy eternal beauty the fallen ruins of our humanity and conform its ways to Thy changeless law. Help us each day, our Father, to be sweet tempered and loving hearted. Forgive us that in which we have been amiss in seizing our opportunities. May this day be used to promote concord and to overcome evil with good. In our Savior's name. Amen.

The journal of the proceedings of Friday, May 27, 1938, was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Frazier, its legislative clerk, announced that the Senate had passed without amendment joint resolutions of the House of the following titles:

H. J. Res. 687. Joint resolution to amend title VI of the District of Columbia Revenue Act of 1937; and

H. J. Res. 693. Joint resolution making an appropriation to aid in defraying expenses of the observance of the seventy-fifth anniversary of the Battle of Gettysburg.

The message also announced that the Senate had passed, with amendments, in which the concurrence of the House is requested, bills of the House of the following titles:

H. R. 7508. An act to amend the Liquor Enforcement Act of 1936; and

H. R. 9996. An act to authorize the registration of certain collective trade-marks; and

H. R. 10642. An act to amend an act entitled "District of Columbia Alley Dwelling Act," approved June 12, 1934, and for other purposes.

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 1591) entitled "An act to require the registration of certain persons employed by agencies to disseminate propaganda in the United States, and for other purposes."

The message also announced that the Vice President had appointed Mr. BARKLEY and Mr. GIBSON members of the joint select committee on the part of the Senate, as provided for in the act of February 16, 1889, as amended by the act of March 2, 1895, entitled "An act to authorize and provide for the disposition of useless papers in the executive Departments," for the disposition of executive papers in the following departments:

The National Archives.
The Department of Agriculture.
The Department of the Interior.
Civilian Conservation Corps.
Social Security Board.

PRINTING ADDITIONAL COPIES OF REVENUE BILL

Mr. LAMBETH. Mr. Speaker, I ask unanimous consent for the present consideration of a concurrent resolution.

The Clerk read the concurrent resolution, as follows:

House Concurrent Resolution 52

Resolved by the House of Representatives (the Senate concurring), That there be printed 38,000 additional copies of Public Law No. 554, current Congress, entitled "An act to provide revenue, equalize taxation, and for other purposes," of which 25,000 copies shall be for the use of the House document room, 10,000 copies for the use of the Senate document room, 2,000 copies for the use of the Committee on Ways and Means of the House of Representatives, and 1,000 copies for the use of the Committee on Finance of the Senate.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

The House concurrent resolution was agreed to, and a motion to reconsider was laid on the table.

EXTENSION OF REMARKS

Mr. O'CONNOR of Montana. Mr. Speaker, I ask unanimous consent to insert at this point in the RECORD some remarks I have prepared upon the plight of the farmer.

The SPEAKER. Is there objection to the request of the gentleman from Montana?

There was no objection.

Mr. O'CONNOR of Montana. Mr. Speaker, before this session closes, I want to say a few words in behalf of the farmer and add to some remarks I made relative to the farm legislation as it applies to wheat, which appears in the Appendix of the CONGRESSIONAL RECORD at page 583, volume 82. This act, or law, is, in my opinion, but the beginning of a farm program from which at some future time will emerge real relief for the farmer.

The act to which I make reference, if it accomplished no other purpose excepting the conservation of our soils, and so forth, would be worth while, as we in the past have run riot in the exploitation of what Nature afforded us to take care of this and future generations in the form of lands, and so forth; but we are not through by any means.

The farmer pays too high a rate of interest on the money which he borrows, not only upon his land but upon his livestock. You will note that other industries, according to the quotations published, borrow money at 1 percent and 1½ percent, whereas the farmers pay, even to the Federal farm loan associations, interest at the rate of 4½ percent and 5 percent, excepting the law has been changed by Congress to 3½ percent for the next 2 years. It is my contention that either we must resort to price-fixing methods of farm products or refinance the farmers on the same basis that other industries are enabled to borrow money.

I received a letter not so long ago from a friend of mine that states the case of the farmer in perhaps the most forceful and concise manner that I have heard his case stated in or out of Congress. He wrote to me about the farm program, and among other things he stated:

I have been very much interested in the farm program because I felt that the farmer's economic position was very unfavorable and very unfair, that unless something were done to equalize things and to change the economic current we would all be eventually reduced to a state of peonage, just working for interests who hold mortgages on our lands and cattle. Of course, I realize that

we cannot all make a success, nor all achieve wealth, but nevertheless when a man is willing to work hard, long hours, use fairly good judgment in his trading, has good land and good equipment, and in spite of all he can do, sees his income fail to make his expenses year after year, his crops and cattle sell for less than his cost of production in spite of every economy, then, I believe, there is something fundamentally wrong. I know you feel the same way about it, and while there may be some things about the present farm program that we will find require changing, nevertheless it is an honest attempt to do something, and that is more than we have had before.

This letter is signed by George M. Parker, of Wilsall, Mont., a farmer who has gone through the experiences that he has just related.

I do not think that anyone wants to resort, unless it is imperative, to price fixing, but I do think that we all realize that what this farmer stated is absolutely true; that he must be given a fairer deal in the economy of the carrying on of the business of the country. During the last 5 years one farm out of every six was lost or changed hands through mortgage foreclosures, taxes, or judgment sales. It is granted that the farm indebtedness has been decreased by about $2,000,000,000 within the last 5 years, but I want to call your attention to the fact that this was largely the result of mortgage foreclosures, taxes, and judgment sales. The man who owned his farm a few years ago and still owns it and was in debt, still owes that debt, and the chances are it is larger than it was then. The primary reasons for this situation, of course, are that he pays too high a rate of interest for money that he was required to borrow, and that he sells his products below cost of production. His taxes are also too high. They are based on arbitrary fixed valuation rather than upon an income valuation. The price of his farm machinery that he is required to buy is about as high now as it was during the war, with the price that he receives for his products far below the prices prevailing at that time.

A bill was introduced in Congress which, to my way of thinking, would go a long way in helping the farmer. It is known as the Frazier-Lemke refinance bill. This bill provides, among other things, that the United States Government shall refinance existing farm indebtedness at 1½-percent interest and 1½-percent principal amortization plan, not by issuing bonds but by issuing Federal Reserve notes to be secured by first mortgages upon the farm lands. I do not need to tell you that this is the best security on earth. Our mines will become exhausted in time, of course, leaving in their wake gaping wounds in the earth. But the productive lands, if taken care of, will continue to produce so that this and future generations may continue to eat and live comfortably.

Therefore, Mr. Speaker, our lives and our future depend upon the farms. Since I have been in Congress, I took part in reducing the farm mortgage interest to Federal farm loan associations to 3½ percent and 4 percent. This will continue for a period of 2 years longer, as the House granted the last extension the other day. Now, in addition to the rate of interest we are now paying the farm loan agencies, the farmer is required to buy stock in an amount equal to 5 percent of the loan. Under the Frazier-Lemke bill, he would be able to pay 1½-percent interest and 1½-percent principal on $30,000 in approximately 47 years. Under the Frazier-Lemke bill a farmer could carry his $10,000 mortgage loan as far as his ability to pay goes as easily as one-half of that amount could be carried under the present law. This bill is a strong attempt to preserve and conserve the American farms and farm homes.

Who is there to raise the question that the stability of any nation does not rest upon self-reliant home owners and farmers of the country? It has been truthfully said that a farmer without a home is like a man without a country. We must make a concerted and aggressive drive in the future in Congress to preserve the homes for our people and keep them in the hands of the men and women who accumulated them, and not let them get into the possession of loan sharks, and so forth.

It has been said that this would cause inflation. May I ask which is the worse form of inflation, Federal Reserve notes used as a revolving fund sufficient to take care of the refinancing of the farm mortgages, or issuing interest-bearing bonds and paying the interest to the banks? Our Government now prints Federal Reserve notes and gives them to the Federal Reserve banks for the cost of printing. Is it not a fact, also, that the Government would save the interest it is now paying to the bankers upon these bonds under this form of financing? As I understand, there are between three and four billion of these Federal Reserve notes outstanding at the present time. If the Government can do this for the bankers, why may it not do the same thing for the 32,000,000 people who depend upon the farms? This bill, in my opinion, should be passed by Congress. I signed a petition to take the bill away from the Rules Committee and place it upon the House calendar, and with the assistance of Mr. LEMKE and many others feeling as we do about the matter, 140 Members of Congress have signed this petition and demanded that the committee report the bill out and then to be brought up on the floor for passage. Under a rule adopted by the House it requires a majority of the Members, 218, to take a bill from the Rules Committee when it will not grant a rule.

It is not possible to get this bill through this session of Congress, but it or one like it will go through next Congress. The people will demand it, and I do not think Congress will long refuse to act.

It was pointed out on the floor of the House by the distinguished chairman of the Agricultural Committee at the special session of Congress that even Alexander Hamilton said that farmers should receive bounties in order to place them on a par with the protected industries. The farmers will not need a bonus or bounty if they get a fair and square deal. They will be able to look after themselves. But up to date they have not been treated as other classes of business.

We passed the wage and hour bill for the benefit of the laboring man. Now let our next step be a substantial improvement of the farmer's condition.

Mr. FLANNAGAN. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include an address I delivered at Valley Forge.

The SPEAKER. Is there objection to the request of the gentleman from Virginia?

There was no objection.

RIGHT-OF-WAY ACROSS KELLY FIELD, TEX.

Mr. MAVERICK. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H. R. 10737) to authorize the Secretary of War to grant rights-of-way for highway purposes and necessary storm sewer and drainage ditches incident thereto upon and across Kelly Field, a military reservation in the State of Texas; to authorize an appropriation for construction of the road, storm sewer, drainage ditches, and necessary fence lines.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

Mr. MARTIN of Massachusetts. Mr. Speaker, reserving the right to object, as I understand this bill, it is optional with the Secretary of War whether he shall provide this right-of-way?

Mr. MAVERICK. It is optional with him. If certain conditions are complied with by the State of Texas and Bexar County, which I represent, then the Secretary of War is authorized to proceed.

Mr. MARTIN of Massachusetts. What are these conditions?

Mr. MAVERICK. The conditions are that the State highway commission shall put up $194,000 for an underpass, and then the Government will put up about $60,000 to pay for a long road through this field which they have wanted to remove for a long time.

This bill has been reported unanimously by the Committee on Military Affairs. It has been requested by the War Department. It has not been objected to by the Budget and it is desired by the county of Bexar and the State of Texas.

Mr. MARTIN of Massachusetts. Will there be any value to the Federal Government?

Mr. MAVERICK. Oh, yes, very great; in fact, it is absolutely necessary because this is the Advanced Flying School of the United States Army. They have been wanting this road removed for over 5 years at this flying field. There are two air fields there, the Duncan, which is a mechanical and repair unit, and Kelly Field, mentioned in this bill.

Mr. MARTIN of Massachusetts. This is merely an authorization?

Mr. MAVERICK. An authorization of $60,000.

Mr. RICH. Mr. Speaker, reserving the right to object, will the gentleman tell us where he is going to get the $50,000?

Mr. MAVERICK. It is $60,000, my good friend.

Mr. RICH. Can the gentleman tell us where he is going to get the $60,000?

Mr. MAVERICK. I presume there is that much left.

Mr. RICH. Where?

Mr. MAVERICK. I trust there is that much left in the Treasury.

Mr. RICH. There is not anything in the Treasury; not a dollar. It is all gone——

Mr. MAVERICK. A sad state of affairs, if true. However, I will take my chances on that—if this Congress authorizes the expenditure, I believe the boys down at the Treasury can scrape up $60,000. [Laughter.]

Mr. Speaker, I urge the passage of this measure, authorizing the expenditure of $60,000, but I would like to fully explain that Kelly Field is the Advanced Flying School, and that the War Department desires its development as the Advanced Flying School of America. It is essential that this bill go through in order to complete the final development.

I should like to call attention of the House also to the fact that heretofore I introduced a bill for the creation of an aeronautical academy on the same plane as the military and naval academies, and to further provide for aviation education in the colleges over America. The aim in that bill, H. R. 10350, is also to greatly increase the participation of the National Guard and the Reserve Corps in aviation.

AERONAUTICAL ACADEMY IN SAN ANTONIO; TRAINING EXTENDED OVER NATION

At the time I introduced the resolution I made an accompanying statement and clearly set out that the academy would be in my own district, where Randolph and Kelly Fields are located, the two flying schools of the Army. In fact, military aviation education was established there in 1917, at the outbreak of the World War. Even as early as 1910, the very first Army flights were held in San Antonio, since it has a large concentration of military posts.

But as pointed out by that bill, aviation education would be extended all over the United States. The land-grant universities now have units of various arms of the service; why not let them each have an aviation branch? It could be done without very heavy expense, since two or three airplanes, with a few enlisted men and one or two officers, could be assigned out of the available Air Corps itself.

TWO THOUSAND FIVE HUNDRED AIR CADETS A YEAR; AVIATION HOBBY IN PEACE, NECESSITY IN WAR

Out of a cadet corps of several hundred, and in case of an institution like the University of Wisconsin, where there are several thousand, surely from 50 to 100 boys could be selected who could pass the rigid mental and physical tests. Our Nation could begin with 5 or 10 universities and colleges, building up to 50, and, with an average of 50 flying cadets each, we could be training some 2,500 cadets per annum.

The graduates of these colleges would be Reserve officers in the Air Corps, as they now are in other branches of the service. Many would pursue their professions or business and pursue aviation as a hobby in peace and a necessity if war came. Others could become officers in the enlarged aviation units of the National Guard.

One more word about the two flying schools in my own district. Randolph Field, the Primary Flying School, is already the greatest military flying field and aviation school in the world, with modern buildings, hangars, barracks, roads, and equipment. Kelly Field, on the other side of San Antonio, the Advanced Flying School of the Army, sits side by side with Duncan Field, a mechanical and repair unit.

On Kelly Field millions have been spent since 1917, and it is an excellent flying field. But some of the barracks and hangars were built in the World War and are in a dilapidated and rotting condition. In fact, their condition is outrageous. No Member of Congress would stand for such a condition for the boys quartered at the Naval or Military Academy, and should not for the boys in the flying schools either.

RECOGNIZE AVIATION TRAINING BY CREATING UNITED STATES AERONAUTICAL ACADEMY

I make this frank explanation because I know that I must convince my own colleagues and the country upon so important an activity which exists in my own county and district. But as far as that is concerned, the Military and Naval Academies are in particular counties and districts of certain Congressmen, and the aviation training unit happened to be established in mine. Naturally, I want to improve it, and I can show it is a national necessity.

Therefore, if not only this small appropriation is adopted but also my bill creating the United States Aeronautical Academy, it will be principally the adoption of a name, and recognition by the Nation of the importance of aviation training. And as I have several times pointed out, training would not be prevented in additional fields, and would be extended all over the United States.

EDITORIAL COMMENT FAVORABLE ALL OVER NATION

Editorial comment concerning my bill for aviation training has appeared all over the Nation, and I believe in every State in the Union. I am pleased to state that out of several hundred editorials all are in approval of the idea in varying degrees of enthusiasm.

BALTIMORE EVENING SUN AND THE SACRAMENTO BEE

The first one that I noticed was from the Baltimore Evening Sun, May 8 (21 years to a day that I entered the training camp in the war at 21, making me 42), and under the title of "Maury's Academy," described the bill, and commented that the academy would surely be established.

The Sacramento (Calif.) Bee concluded a long editorial as follows:

Its early approval would constitute a real service to the country. More trained pilots must be secured. Expanding Army and Navy flying units cry out for fliers who are as expert as the best training can make them. An aeronautical school, such as Congressman MAVERICK envisages, would meet the requirements as no half-way measures can or will.

The Milwaukee (Wis.) Leader believes the bill is sound:

The building of a large fleet of airplanes and the training of aviators would be comparatively inexpensive and it would make the United States impregnable. The country would not need a super-Navy, and it would not need a large Army. The general principle of the Maverick bill is sound.

ALL HEARST PAPERS STRONGLY SUPPORT

The New York Journal-American and San Antonio Light, as well as all Hearst newspapers in the country, on May 11 said, "He (MAVERICK) should have the utmost public support in that endeavor," and then concluded:

Captain Rickenbacker emphasized the need for what Mr. MAVERICK now proposes—an air academy on the West Point-Annapolis scale, and the training of air cadets for the Air Reserve in schools and colleges through the Nation. The United States is grievously weak in air defense manpower. The Maverick bill makes this entirely clear in saying that we now have approximately only 1,600 officers on flying status in the Air Corps Reserve.

That is inexcusable national weakness. It would be a tragic and probably fatal weakness in the event of a war. The very earnestness with which we desire peace should make us insist on having the greatest air force in the world. That would make us the safest nation in the world, the surest of peace of all nations, because the strongest in defense.

The Maverick bill, therefore, should have early and favorable action in furtherance of our national desire for peace and security.

The Chicago News commented that "it would seem that so generously conceived an experiment might be worth trying," and the Syracuse (N. Y.) Post-Standard said as follows:

Bexar County in his home State is the place provided for the new academy by MAVERICK. There are many valid arguments for such a location if determination is reached to have such a

school, for Texas has been the scene of a great deal of our national development of air fighters.

He (MAVERICK) may lose out at the present session, but that does not mean the proposal is dead. MAVERICK keeps things alive, once he espouses them, and as Texas sends Congressmen back about as long as they desire to stay in Washington, he seems reasonably assured of reelection to press the matter at the next session, with even stronger support from his colleagues from the Lone Star State.

MAVERICK BILL INTRODUCES PROGRESSIVE STEP

And then the Asbury Park (N. J.) Press, on May 15, said as follows:

Congressman MAVERICK's bill providing for aeronautical training in land-grant colleges now offering military training introduces a progressive step. There is a growing demand for trained aviators and aeronautical experts not only in the Army and Navy, where an emergency would exhaust a reserve corps several times as large as any now available, but also in commercial flying.

Also:

It would be difficult to conceive of a better plan for strengthening the national defense and at the same time contributing to the development of commercial aviation by supplying it with trained men.

While the Huntington (W. Va.) Advertiser says that—

The agitation started in Congress by MAURY MAVERICK, of Texas * * * is no misdirected movement.

And the New York Mirror, a vigorous supporter of the bill, says:

The course is all mapped out for making America air-minded. It is written in a bill numbered H. R. 10350, sponsored by Congressman MAURY MAVERICK, of Texas.

The Mirror continues:

There is so much plain common sense in that bill that even a pacifist could not find fault with it. Every other important nation has special schools for training their young men to fly and to fly safely.

From Boston, Mass., we find the Post at least curious and recommending investigation. It says:

A West Point of the air may be necessary. At any rate, its value should be investigated by experts who hope to gain no advantages for the Army or naval bloc in Congress.

THERE WILL BE ENORMOUS DEVELOPMENT AT KELLY FIELD

Mr. Speaker, I have wandered afield from the discussion of the bill for the right-of-way for Kelly Field, and have gone into a discussion of the whole aviation center which is located in and around San Antonio, Tex. I have done this in order to have the records show, and for the Nation to know, the great development at that point.

In the course of the next few years it will only be natural that many millions of dollars will be spent upon that development. Aviation is rapidly developing—we have only 15,000 trained pilots and 29,000,000 automobiles—and if there is only 1 percent development in aviation as there has been of the automobile, there will be an enormous demand for trained aviators and, of course, an enormous demand for air fields.

I desire to thank the House for its patience in listening to this discussion of the fields in my own district, and I request an affirmative vote in the passage of this small and initial bill, which will undoubtedly lead to enormous development at Kelly Field.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of War be, and he is hereby, authorized to grant an easement for rights-of-way to Bexar County, State of Texas, for construction of a road and fence across the southern portion of Kelly Field, a military reservation in the State of Texas, from a point known as Leon Creek to a point known as the Quintana Road, and an underground storm sewer and open drainage ditches incident thereto, upon such conditions as the Secretary of War may prescribe: *Provided*, That in exchange Bexar County will convey to the United States its right, title, and interest in the site of the present road, which will be abandoned and closed, and which is described as that portion of the present Pearsall Road, approximately 60 feet wide, extending from the north line of Kelly Field, Tex., southwesterly approximately 10,650 feet to the north line of the proposed new road: *And provided further*, That Bexar County shall be allowed to salvage the surfacing materials from said road to be abandoned and closed.

SEC. 2. There is hereby authorized to be appropriated the sum of $60,000, or such amount thereof as may be necessary, for the construction of the hereinbefore-described road, storm sewer, and drainage ditches, including such fence or fences as are deemed necessary by the Secretary of War by reason of the construction of said road: *Provided*, That said sums shall be made payable to Precinct No. 1, Bexar County, State of Texas, after the Secretary of War determines that said road, storm sewer, drainage ditches, and fence or fences have been satisfactorily completed: *And provided further*, That Bexar County shall maintain said road after its completion and constantly make needed repairs thereto to preserve a smooth-surfaced highway.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MONUMENT TO THE MEMORY OF GEN. PETER GABRIEL MUHLENBERG

Mr. ROBERTSON. Mr. Speaker, I ask unanimous consent for the present consideration of House Joint Resolution 631.

The Clerk read the House joint resolution, as follows:

House Joint Resolution 631

Resolved, etc., That the sum of $50,000 be, and the same is hereby, authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, for the erection of a monument to the memory of Gen. Peter Gabriel Muhlenberg, at Woodstock, in the State of Virginia, with the advice of the Commission of Fine Arts. The said sum shall be expended under the direction of the Secretary of the Interior: *Provided*, That the county of Shenandoah or the citizens thereof shall cede and convey to the United States such suitable site as may in the judgment of the Secretary of the Interior be required for said monument: *And provided further*, That the United States shall have no responsibility for the care and upkeep of the monument.

The SPEAKER. Is there objection to the request of the gentleman from Virginia?

Mr. MARTIN of Massachusetts. Mr. Speaker, reserving the right to object, has this been acted upon by the committee?

Mr. ROBERTSON. This has been unanimously reported by the Library Committee and has the endorsement of the Fine Arts Commission. The gentleman from New York [Mr. WADSWORTH] objected when this bill was called during consideration of bills on the Consent Calendar. I discussed the matter with him Friday afternoon when I considered making this request. He told me he could not be here that afternoon. I asked him what he wanted me to do. He said, "Anything you please."

Mr. MARTIN of Massachusetts. Has the gentleman told any Republican member of the Committee on the Library he was going to call the bill up at this time?

Mr. ROBERTSON. No, I did not do that; because I understood they were all for the bill. As a matter of fact, one Republican member of the Committee on the Library was very active in getting the bill out of the committee, and he thought it was a very splendid undertaking.

Mr. MARTIN of Massachusetts. I do not see any member of that committee here at the moment. I believe the gentleman had better withdraw his request until some member of that committee is here.

Mr. ROBERTSON. I can assure the gentleman from Massachusetts that all the Republican members of the Committee on the Library approved this bill. One of them was very active in behalf of it. He said he thought it was a splendid undertaking. This bill helps to cement the friendship of two great States, Pennsylvania and Virginia, and pays an honor to an outstanding hero of the Revolutionary period who has never been nationally recognized as he should have been.

Mr. RICH. Reserving the right to object, Mr. Speaker, I may say we passed Public Law No. 292 in the Seventy-fourth Congress, to provide for the preservation of historic American sites, buildings, objects, and antiquities of national significance, and for other purposes. Section 3 of this bill provided for the creation of a board known as the Advisory Board on National Parks, Historic Sites, Buildings, and Monuments. Has that Board approved this project?

Mr. ROBERTSON. This project was referred to the National Park Service, which reported that the matter did not

come under that law because this was a personal monument. The matter was then referred to the Fine Arts Commission, and the Chairman of that Commission appeared at the time the bill was before the committee. He did not testify, but he did talk with some members of the committee and with me, and he told me that this was a fine, splendid undertaking. I may say further that this project has the endorsement of the entire Lutheran Church of America. They are vitally interested in it. The Daughters of the American Revolution are also interested in it. This is not just a project of local interest; it is a national shrine that we propose to build.

Mr. RICH. Certainly, it is fine if you are trying to protect the Lutheran Church of America, because the gentleman knows what happened to the Lutheran Church in Germany. We do not want that to happen here.

Mr. ROBERTSON. The man in whose honor this monument is to be erected was a great Lutheran preacher, a preacher who loved his country, a preacher who called on his flock to fight for liberty, political as well as religious liberty, which are handmaidens, as the gentleman knows.

Mr. RICH. Does the gentleman believe that if this monument is erected here in America we will still have people fighting for American liberty?

Mr. ROBERTSON. I believe it will be an inspiration to the youth of the Nation to be true to the principles of our country. [Applause.]

Mr. RICH. I was going to oppose this bill, but if the gentleman will assure me that it will help to preserve American liberty, I will certainly have to let the bill pass.

Mr. ROBERTSON. I thank the gentleman.

The SPEAKER. Is there objection to the request of the gentleman from Virginia?

There was no objection.

The SPEAKER. The Clerk will report the committee amendment.

The Clerk read as follows:

Committee amendment: Page 1, line 3, after the word "of", strike out "$50,000" and insert "$25,000."

The committee amendment was agreed to.

The joint resolution was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MEMBERSHIP OF GENERAL STAFF CORPS

Mr. MAY. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (S. 3843) to remove certain inequitable requirements for eligibility for detail as a member of the General Staff Corps for immediate consideration.

The Clerk read the title of the bill.

Mr. MARTIN of Massachusetts. Reserving the right to object, Mr. Speaker, will the gentleman explain what this bill does?

Mr. MAY. I shall be pleased to explain the bill, Mr. Speaker; and the first thing I want to say is that the bill does not call for the expenditure of any additional money.

Mr. MARTIN of Massachusetts. That is somewhat of a recommendation.

Mr. MAY. Under the existing law the General Staff is compelled to make up its detail of officers from students of either the War College or the Army school at Fort Leavenworth, Kans. It has been found that this is hampering the work and the efficiency of the General Staff. There are many officers in the service who have never seen either the War College or the Army school at Fort Leavenworth. Enabling the General Staff to use these Army officers means efficiency for the staff.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That the first paragraph of section 5 of the National Defense Act of June 3, 1916 (39 Stat. 166), as amended by the act of June 4, 1920 (41 Stat. 759), be, and the same is hereby, amended to read as follows:

"SEC. 5. General Staff Corps: The General Staff Corps shall consist of the Chief of Staff, the War Department General Staff, and the General Staff with troops. The War Department General Staff shall consist of the Chief of Staff and 4 assistants to the Chief of Staff selected by the President from the general officers of the line, and 88 other officers of grades not below that of captain. The General Staff with troops shall consist of such number of officers not below the grade of captain as may be necessary to perform the General Staff duties of the headquarters of territorial subdivisions, appropriate installations, General Headquarters, armies, army corps, divisions, General Headquarters Air Force, brigades, and similar units, and as military attachés abroad. In time of peace the detail of an officer as a member of the General Staff Corps shall be for a period of 4 years unless sooner relieved."

SEC. 2. That the second paragraph of section 5 of the National Defense Act of June 3, 1916 (39 Stat. 166), as amended by the act of September 22, 1922 (42 Stat. 1032), be, and the same is hereby, rescinded.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

EXTENSION OF REMARKS

Mr. THOMPSON of Illinois. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by including an address delivered by the Honorable Louis Johnson, Assistant Secretary of War, at Rock Island, Ill., several days ago.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

PERMISSION TO ADDRESS THE HOUSE

Mr. LUDLOW. Mr. Speaker, I ask unanimous consent that on Thursday of this week at the conclusion of the legislative business of the day I may be permitted to address the House for 25 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

COMMITTEE ON THE JUDICIARY

Mr. CELLER. Mr. Speaker, I ask unanimous consent that the Committee on the Judiciary may be permitted to sit during the afternoon session and consider various bills, including the bill (H. R. 6449) to amend the act entitled "An act to provide conditions for the purchase of supplies and the making of contracts by the United States, and for other purposes."

Mr. HOBBS. Mr. Speaker, I make a point of order against that request.

The SPEAKER. A unanimous-consent request has been submitted by the gentleman from New York.

Mr. HOBBS. I challenge the correctness of the statement that there was any request from the Committee on the Judiciary that it be permitted to sit for the consideration of the bill to which the gentleman has referred.

Mr. CELLER. Mr. Speaker, I ask unanimous consent that the Committee on the Judiciary may be permitted to sit during the sessions of the House this afternoon to consider various bills.

Mr. HOBBS. I make the same point of order, Mr. Speaker.

Mr. CELLER. Mr. Speaker, I ask unanimous consent that the Committee on the Judiciary may be permitted to sit during the sessions of the House this afternoon.

Mr. HOBBS. I object, Mr. Speaker.

ARMY MEDICAL LIBRARY AND MUSEUM BUILDING, DISTRICT OF COLUMBIA

Mr. MAY. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H. R. 10455) to authorize the Secretary of War to to proceed with the construction of certain public works in connection with the War Department in the District of Columbia.

The Clerk read the title of the bill.

Mr. MARTIN of Massachusetts. Mr. Speaker, reserving the right to object, and I may say I am going to object, not because I have any objection to the bill, but because I believe we are developing a bad practice here. Members get up and ask unanimous consent for the passage of bills without the minority membership of the committee being present;

and unless that situation is taken care of in the future I shall be constrained to object.

I object to the request, Mr. Speaker.

AMENDMENT OF FEDERAL AID ROAD ACT

Mr. CARTWRIGHT. Mr. Speaker, I ask unanimous consent that I may have until midnight tonight to file a conference report and statement on the bill (H. R. 10140) to amend the Federal Aid Road Act, approved July 11, 1916, as amended and supplemented, and for other purposes.

Mr. WOLCOTT. Mr. Speaker, reserving the right to object, I want to propound a parliamentary inquiry.

The SPEAKER. The gentleman will state his parliamentary inquiry.

Mr. WOLCOTT. I understand that one of the House conferees refused to sign the conference report and expected to file a minority report. My parliamentary inquiry is whether a member of the conference committee may file a minority report, or whether there is any provision in the rules covering that matter.

The SPEAKER. In answer to the parliamentary inquiry of the gentleman from Michigan, the Chair will state that under the rules there is no provision whereby a minority member of a conference committee may file minority views on a conference report.

Mr. WOLCOTT. A further parliamentary inquiry, Mr. Speaker.

The SPEAKER. The gentleman will state it

Mr. WOLCOTT. May a member file a minority report as a part of the proceedings without having it printed as a part of the conference report?

The SPEAKER. The member can extend his remarks in the RECORD and present his views, but not officially as a part of the conference report.

Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

CONFERENCE REPORT

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 10140) to amend the Federal Aid Road Act, approved July 11, 1916, as amended and supplemented, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 23, 24, 25, 26, and 28.

That the House recede from its disagreement to the amendments of the Senate numbered 1, 3, 4, 5, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, and 27, and to the amendment to the title; and agree to the same.

Amendment numbered 2: That the House recede from its disagreement to the amendment of the Senate numbered 2, and agree to the same with an amendment, as follows: In lieu of the sum proposed, insert "$100,000,000"; and the Senate agree to the same.

Amendment numbered 6: That the House recede from its disagreement to the amendment of the Senate numbered 6, and agree to the same with an amendment, as follows: In lieu of the sum proposed, insert "$15,000,000"; and the Senate agree to the same.

Amendment numbered 7: That the House recede from its disagreement to the amendment of the Senate numbered 7, and agree to the same with an amendment, as follows: In lieu of the sum proposed, insert "$15,000,000"; and the Senate agree to the same.

Amendment numbered 29: That the House recede from its disagreement to the amendment of the Senate numbered 29, and agree to the same with an amendment, as follows: At the beginning of said amendment, strike out: "Sec. 15.", and insert in lieu thereof: "Sec. 13"; and the Senate agree to the same.

Amendment numbered 30: That the House recede from its disagreement to the amendment of the Senate numbered 30, and agree to the same with an amendment, as follows: At the beginning of said amendment, strike out: "Sec. 16.", and insert in lieu thereof: "Sec. 14"; and the Senate agree to the same.

WILBURN CARTWRIGHT,
LINDSAY C. WARREN,
WILL M. WHITTINGTON,
JESSE P. WOLCOTT,
Managers on the part of the House.
KENNETH MCKELLAR,
CARL HAYDEN,
J. W. BAILEY,
W. J. BULOW,
LYNN J. FRAZIER,
Managers on the part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 10140) to amend the Federal Aid Road Act, approved July 11, 1916, as amended and supplemented, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon and recommended in the accompanying conference report as to each of such amendments, namely:

On amendment No. 1: Amends the provision of the House by inserting the words "and supplemented" in connection with reference to a previous act.

On amendment No. 2: Authorizes $100,000,000 for regular Federal aid for the fiscal year ending June 30, 1940, instead of $125,000,000 as proposed by the House and $75,000,000 as proposed by the Senate.

On amendment No. 3: Authorizes $115,000,000 for regular Federal aid for the fiscal year ending June 30, 1941, as proposed by the Senate, instead of $125,000,000, as proposed by the House.

On amendment No. 4: Corrects a typographical error.

On amendment No. 5: Amends the provision of the House so that Federal aid funds will not be available for maintenance of roads in the District of Columbia, but only for construction.

On amendment No. 6: Authorizes $15,000,000 for secondary roads for the fiscal year ending June 30, 1940, instead of $25,000,000 as proposed by the House and $10,000,000 as proposed by the Senate.

On amendment No. 7: Authorizes $15,000,000 for secondary roads for the fiscal year ending June 30, 1941, instead of $25,000,000 as proposed by the House and $10,000,000 as proposed by the Senate.

On amendment No. 8: Strikes out the proposal of the House to permit expenditure of funds for grade-crossing eliminations only on the Fedral-aid highway system, leaving the present law as it is.

On amendment No. 9: Authorizes $20,000,000 for grade-crossing eliminations for the fiscal year ending June 30, 1941, as proposed by the Senate, instead of $50,000,000, as proposed by the House.

On amendment No. 10: Authorizes $30,000,000 for grade-crossing eliminations for the fiscal year ending June 30, 1941, as proposed by the Senate, instead of $50,000,000, as proposed by the House.

On amendment No. 11: Authorizes $10,000,000 for the fiscal year ending June 30, 1940, for forest highways, roads, and trails, as proposed by the Senate, instead of $14,000,000, as proposed by the House.

On amendment No. 12: Authorizes $13,000,000 for the fiscal year ending June 30, 1941, for forest highways, roads, and trails, as proposed by the Senate, instead of $14,000,000, as proposed by the House.

On amendment No. 13: Provides that the apportionment for forest highways in Alaska shall be $400,000 for each of the fiscal years ending June 30, 1940, and June 30, 1941, as proposed by the Senate, instead of $500,000, as proposed by the House.

On amendment No. 14: Authorizes $1,000,000 for the fiscal year ending June 30, 1940, for public land roads, as proposed by the Senate, instead of $2,500,000, as proposed by the House.

On amendment No. 15: Authorizes $2,000,000 for the fiscal year ending June 30, 1941, for public land roads, as proposed by the Senate, instead of $2,500,000, as proposed by the House.

On amendment No. 16: Authorizes $4,000,000 for the fiscal year ending June 30, 1940, for national-park roads and trails, as proposed by the Senate, instead of $7,500,000, as proposed by the House.

On amendment No. 17: Authorizes $5,000,000 for the fiscal year ending June 30, 1941, for national-park roads and trails, as proposed by the Senate, instead of $7,500,000, as proposed by the House.

On amendment No. 18: Authorizes $6,000,000 for the fiscal year ending June 30, 1940, for national parkways, as proposed by the Senate, instead of $10,000,000, as proposed by the House.

On amendment No. 19: Authorizes $8,000,000 for the fiscal year ending June 30, 1941, for national parkways, as proposed by the Senate, instead of $10,000,000, as proposed by the House.

On amendment No. 20: Amends the provision of the House that location of parkways upon public lands shall be determined by agreement between the department having jurisdiction over such lands and the National Park Service, by inserting the word "hereafter."

On amendment No. 21: Authorizes $2,500,000 for the fiscal year ending June 30, 1940, for Indian roads, as proposed by the Senate, instead of $4,000,000, as proposed by the House.

On amendment No. 22: Authorizes $3,000,000 for the fiscal year ending June 30, 1941, for Indian roads, as proposed by the Senate, instead of $4,000,000, as proposed by the House.

On amendment No. 23: Strikes out the proposal of the Senate to make certain funds available for surveys, plans, and engineering and economic investigations of projects, without being matched by the States.

On amendment No. 24: Strikes out the proposal of the Senate to amend the provision of the House relating to sums withheld from the Federal-aid funds apportioned to any State as a penalty for diversion of road-user taxes by providing that such sums "shall be reapportioned" to the States, instead of the proposal of the House that such sums "are hereby authorized to be made available for reapportionment."

On amendment No. 25: Strikes out the proposal of the Senate to amend the existing law relating to diversion of road-user taxes to nonhighway purposes by the States.

On amendment No. 26: Strikes out the proposal of the Senate to change a section number.

On amendment No. 27: Amends the provision of the House relating to competition in highway construction to make the provision apply also to methods of bidding.

On amendment No. 28: Strikes out the proposal of the Senate to insert a new section providing that the Secretary of Agriculture shall determine and fix standards of design which shall control and be applied in the construction of highways and bridges.

On amendment No. 29: Directs the Chief of the Bureau of Public Roads to investigate and make a report of his findings and recommend to the Congress not later than February 1, 1939, with respect to the feasibility of building and cost of superhighways, not exceeding three in number, running in a general direction from the eastern to the western portion of the United States, and not exceeding three in number running in a general direction from the northern to the southern portion of the United States, including the feasibility of a toll system on such roads, as proposed by the Senate.

On amendment No. 30: Provides that this act may be cited as the Federal Aid Highway Act of 1938, as proposed by the Senate.

The Senate also proposed to amend the title so as to read: "An act to amend the Federal Aid Act, approved July 11, 1916, as amended and supplemented, and for other purposes."

WILBURN CARTWRIGHT,
LINDSAY C. WARREN,
WILL M. WHITTINGTON,
JESSE P. WOLCOTT,
Managers on the part of the House.

Mr. MOTT. Mr. Speaker, in reply to a parliamentary inquiry, the Speaker has ruled that there is no authority in the House for the filing of minority views with and as a part of a conference committee report. Therefore, I have asked for and have been granted leave by unanimous consent to extend my remarks at the point in the RECORD immediately following the copy of the conference report on H. R. 10140, as printed in the RECORD. I appreciate the consent of the House in this regard because it enables me to lay before it the dissenting views which I would have attached to the conference report had there been authority to do so.

MINORITY VIEWS OF MR. MOTT

I am unable to concur in the views and recommendations of the majority of my colleagues of the committee of conference upon the Senate amendments to the 1938 Federal aid highway bill, H. R. 10140. Therefore, I respectfully dissent from the foregoing conference report, and submit the following views in opposition to its adoption.

H. R. 10140 originated in the House. It authorized appropriation of $238,000,000 for Federal aid to States for road building for each of the fiscal years 1940 and 1941, or a combined authorization for the 2 years of $476,000,000. The break-down of these authorizations as provided in the House bill is as follows:

Regular Federal aid	$125,000,000
Secondary or feeder roads	25,000,000
Elimination of grade crossings	50,000,000
Forest highways, roads and trails	14,000,000
Public-lands highways	2,500,000
National park roads and trails	7,500,000
National parkways	10,000,000
Indian reservation roads	4,000,000
	238,000,000

The House bill was reported unanimously by the House Committee on Roads at the conclusion of hearings extending over a period of 3 weeks. Expert testimony was given by 80 witnesses, among whom were many of the most outstanding authorities on road legislation in the United States. The testimony of these experts covers 699 pages of the printed hearings. The hearings were public and open to everyone, and yet no single witness appeared in opposition to the House bill.

In spite of the President's road bill reduction measure, which came in before the hearings opened and to which I shall later refer, every Government witness, including the Chief of the Bureau of Public Roads, the representatives of the Forest Service, the Interior Department, the C. C. C., and the National Park Service, gave emphatic testimony in favor of reporting H. R. 10140 to the House without amendment. Representatives of many of the highway commissions of the 48 States appeared before our House Committee on Roads. Without exception all of these State highway commissions or departments urged that the full amounts for Federal aid to States for road building, as provided in the House bill, be retained.

It is doubtful whether any bill in recent years has received from a committee such thorough, complete, and scientific consideration as that given to the 1938 road-authorization bill by the Roads Committee of the House. The best evidence of this is the fact that after several hours of debate in the House under an open rule providing for unlimited amendment, the House passed the bill without any important amendment, without reducing any of the authorizations in the bill, and without a single dissenting vote.

The bill, having thus passed the House, was sent to the Senate and was referred to the Senate Committee on Post Offices and Post Roads. The Senate committee, after holding the bill for 1 week but without having held any public hearings thereon after the House had passed it, reported it to the Senate with amendments reducing by $161,000,000 the amounts authorized by the House bill for the combined fiscal years 1940 and 1941. The Senate passed the bill in its amended form as reported by the Senate committee, with little debate and, as I am informed, with less than one-third of the Senators present on the floor at the time the bill was passed. It is obvious, therefore, that H. R. 10140, after it passed the House, was given slight consideration either by the Senate committee or by the Senate itself.

In conference $35,000,000 of the reductions made by the Senate were restored, and the conference report now before us recommends a net reduction in the amounts authorized by the House bill of $126,000,000 for the combined fiscal years 1940 and 1941, or an average reduction of $63,000,000 for each of the years 1940 and 1941.

My reason for dissenting from the report of the majority of the conferees is that the record discloses no single fact, nor any testimony whatsoever, either before the House or Senate Roads Committee or the conference committee, upon which the reductions recommended in the conference report can be justified, and that no member of the Roads Committee of either body, so far as I have been able to learn, is personally in favor of the reductions recommended in the conference report.

A number of members of the conference committee who signed the conference report frankly stated in committee that there was no ground upon which these reductions could be defended, and that the only reason for recommending them was because the President had demanded them and that in their opinion he would veto the bill unless the House and Senate agreed to the reductions.

It is unnecessary for me here to make any defense of H. R. 10140 as unanimously reported by the House Committee on Roads and as unanimously passed by the House. It needs no defense. The unanimous vote of the House is the best evidence of the real convictions of the Members of the House in that matter. If now the House wishes to accept the Senate amendments and to acquiesce in the arbitrary and indefensible reduction of $126,000,000 from the House bill simply because the President has demanded these reductions, the House may do so. As a Member of the lawmaking department of the Government, I do not care to be a party to the slashing of the admittedly necessary authorizations in this bill just because the Chief of the executive department of the Government wants them slashed. If the actions of the Congress in the performance of its constitutional lawmaking duties and responsibilities are to depend solely upon the desires of the Chief Executive, the Congress, in my opinion, may as well adjourn permanently.

An effort was made in the Senate committee report to justify the Senate amendments upon the alleged ground that there will be available to the States as a carry-over from apportionments made under previous highway legislation of $80,000,000 for regular Federal aid and a carry-over of $20,000,000 for feeder roads, as well as carry-overs for forest roads, grade-crossing elimination, public-land roads, and all other items included in the road-authorization bill.

This contention, in the opinion of all with whom I have discussed it, is mere sham and cannot be sustained by any facts whatever. It is purely a subterfuge to conceal the bald fact that the House is being asked to acquiesce in the Senate amendments solely because the President has demanded it. The carry-overs mentioned in the conference report may exist in theory and on paper, but that is all. The average State at the time the 1940 Federal-aid road money becomes available will have no carry-over at all, and I think every member of the conference committee is fully aware of that fact.

In order to confirm my own conviction upon this point, so far as my own State is concerned, I wired the Oregon Highway Commission asking for the facts in this regard. I received the following reply:

Reasonably anticipated revenues indicate State will be able to take up in orderly manner entire 1940 and 1941 authorization contained in House bill. Major portion of funds stated by Bureau of Public Roads to be available to Oregon is from 1939 authorization only recently available. Obviously orderly and efficient procedure requires contracting of these sums to be spread over 12 months' period. Substantially all 1939 allocations will be obligated before 1940 moneys available. Full amounts authorized in House bill needed to continue orderly improvement program of highways in this State.

HENRY F. CABEL,
Chairman, Oregon Highway Commission.

If any Member of the House or Senate believes that his State will have a carry-over of Federal-aid highway funds at the time the Federal-aid money becomes available to his State under H. R. 10140, I respectfully suggest that such Member wire his own State highway department before voting to accept the Senate amendments. I would have no hesitancy in assuring that Member that in all probability he will receive substantially the same reply to his telegram as that contained in the telegram from the Oregon Commission which I have quoted.

I have no desire here to criticize the President's well-known views and theories on road legislation. I simply call attentention to the fact that he made his views and theories upon this subject perfectly clear to everyone long before the House passed H. R. 10140, and that every Member of the House was fully aware of them when he voted for this bill. In the early part of the session the President in his message asked that the 1939 road-aid authorization be canceled altogether. He further recommended that the appropriation to be made this year for Federal aid to States for road building in 1939 be reduced by approximately 60 percent. He went further and asked that for the next few years road authorizations be reduced to $125,000,000 annually, an amount little more than half of that which the States are now, and for a number of years past have been, receiving in Federal aid for road building. He made this recommendation in the face of the fact road mileage and road users are increasing at a more rapid rate than ever before and that such a great reduction would not only disrupt the road program of every one of the 48 States but would throw thousands upon thousands of men out of employment and onto relief. Furthermore, he made that recommendation in the face of the fact that the Federal Government is collecting from the road users of the several States approximately $350,000,000 per year in Federal gasoline and other automotive taxes, or nearly three times as much as the President in his message proposed that the States should be granted by way of Federal aid in road building.

But the President did not stop there. He went still further and asked the Congress to repeal that part of the Federal-aid road law which provides that when Federal-aid road funds are authorized and apportioned to the States the apportionment becomes a Federal obligation to the States. This provision, as everyone knows, is the heart of our Federal-aid road policy, without which no State can intelligently plan or carry out an orderly road-building program.

I say I have no desire here to criticize the President's views and theories on road legislation, and I am not here criticizing them. I am simply reminding my colleagues what those views and theories are. In this connection I may observe, however, that I have never yet seen a Member of Congress who agrees with the President's ideas and theories in this regard. The refusal of the House to act upon any of the recommendations contained in the President's message, and its unanimous approval and passage of H. R. 10140, as reported from the committee, is ample proof of that.

In conclusion may I again submit that no legitimate reason has yet been advanced why the House should concur in the Senate amendments or why it should adopt the conference report. Admittedly the only reason that can be urged for any of the reductions recommended in the conference report is that the President has demanded them; and in that regard I respectfully suggest, in view of the President's known attitude toward road legislation, that his wishes alone in this matter do not constitute a reason sufficient to warrant the House in crippling its own road-authorization bill, the merit and the necessity of which is openly and frankly admitted by every Member of this body, and which only a month ago was given the unanimous and enthusiastic endorsement of the House.

CHANGING NAME OF PICKWICK DAM TO RANKIN DAM

Mr. PIERCE. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Oregon?

There was no objection.

Mr. PIERCE. Mr. Speaker, I have introduced a bill to name the Pickwick Dam, on the Tennessee River, the Rankin Dam, after our distinguished colleague, Hon. JOHN E. RANKIN, of Mississippi.

Every Member of this body knows that if it had not been for the efforts of the gentleman from Mississippi [Mr. RANKIN] Pickwick Dam never would have been built. He was not only coauthor with Senator NORRIS of the bill which finally became the law creating the Tennessee Valley Authority, but he has been the most enthusiastic and energetic supporter of the T. V. A. program in the House from that day to this.

The bill creating the T. V. A. was introduced in the Senate by Senator NORRIS and in the House by Mr. RANKIN. The House Committee on Military Affairs reported another bill, which was not satisfactory to either Senator NORRIS or Mr. RANKIN; nor was it satisfactory to the President of the United States.

We remember the strenuous efforts of the gentleman from Mississippi to get the Norris-Rankin bill substituted for the House bill on a motion to recommit. He lost in the House, simply because the House did not understand the proposition. But when the measure reached the Senate, on motion of Senator NORRIS, all after the enacting clause was stricken out and the Norris-Rankin bill inserted. In that form the measure passed the Senate almost unanimously. When it returned to the House Mr. RANKIN had organized the friends of public power in favor of the measure as it passed the Senate. They blocked a unanimous-consent request to send the bill to conference. The Rules Committee was then asked for a rule to send the measure to conference.

Mr. RANKIN, as the leader of our group, which has come to be referred to as the "public power bloc" in the House, went before the Rules Committee and opposed sending the measure to conference without instructions. He pointed out that of the 10 men who would be selected as conferees, 9 of them had voted against the Norris-Rankin bill and in favor of the House bill, either on his motion to recommit in the House, or on a motion that was made to substitute the provisions of the House bill when the measure was before the Senate.

It was finally agreed that Mr. RANKIN was to have the right to offer a motion to instruct the conferees to accept the Norris-Rankin bill and that he should have an hour's time for debate, provided he would give half of the hour to the opposition, or secure additional time for them by unanimous consent.

He conferred with Senator NORRIS, who took the floor of the Senate that afternoon and denounced the House bill in unmeasured terms. Next morning Mr. RANKIN and Senator NORRIS got word to the White House that the measure was in danger. The President immediately called the chairman of the Military Affairs Committee and Senator NORRIS down and went over the proposition and approved the Norris-Rankin bill, just as it had come from the Senate, with a few minor changes.

Senator NORRIS called Mr. RANKIN over the telephone from the White House and told him what had been done. He said it had been agreed that the measure should go to conference with the understanding that the bill, as amended in the Senate, should be adopted—that is the Norris-Rankin bill—with a few minor changes, and told Mr. RANKIN that he was at liberty to announce this arrangement to the House and to the public. I was here at that time, and I remember that when the gentleman from Mississippi arose and made that statement to the House, it was greeted with a burst of applause, because the Members who believe in the principles of the T. V. A. had come to realize just what was involved.

The bill went to conference and came back just as it had passed the Senate except for a few minor changes, with all after the enacting clause stricken out and the Norris-Rankin bill substituted for the House bill, and the conference report was adopted by an overwhelming majority.

If it had not been for his untiring efforts, the bill would have gone to conference, an unfriendly conference, without instructions, and the chances are 10 to 1 that the provisions of the old House bill would have been accepted and that neither Pickwick Dam, nor any other dam, would have been constructed on the Tennessee River by the T. V. A.; nor would the people in that area have received the benefits of cheap electric energy which the T. V. A. now affords them, and the farmers never would have had a look-in.

When the bill was finally passed, it was at first understood that what was called the Cove Creek Dam should be renamed Norris Dam for Senator GEORGE W. NORRIS, the father of T. V. A. in the Senate, and that Pickwick Dam, when constructed, should be named the Rankin Dam in honor of our distinguished colleague from Mississippi, the father of the T. V. A. in the House, the coauthor with Senator NORRIS of the bill creating the T. V. A., and without whose assistance the measure would never have been passed in such a form as to make the construction of Pickwick Dam possible.

The Pickwick Dam is now about completed, and I submit that the Congress could do nothing more fitting or appropriate than to name it "Rankin Dam," in honor of the gentleman from Mississippi, who is more responsible for the creation of the T. V. A., and for its successful operation than any other man in the House.

For some years the T. V. A. has had many friends on this floor since its creation, but none as conspicuous, active, or effective as JOHN E. RANKIN, of Mississippi. His services for the T. V. A. have been outstanding. I think among the things he has done, the most important and convincing was the table that he published some time ago showing the cost of electricity in every State of the Union. In that table he compared the present cost with the cost of electricity at Tacoma, T. V. A., and Ontario, Canada. In this table he shows that my own State of Oregon was paying seven and one-half million dollars annually for electricity more than it would pay if it had T. V. A. rates, and that the Nation in its entirety is paying one thousand million dollars more annually for electricity than if it were paying the T. V. A. rates.

JOHN RANKIN has not only led the fight for the creation and operation of the T. V. A., but he has led the fight for cheap electricity for the American people in this body. He is our leader on the power question. Everyone who is interested in cheap electricity, from one end of this country to the other, is familiar with his name, and with the great work he has done in the interest of the ultimate consumers of electric light and power.

He has been bold and aggressive in this fight. He has not flinched or hesitated under the criticism or attacks of the power interests or their subsidized press. He has been abused, maligned, and misrepresented, but it has not feazed him. I know what it means to wage such a battle against such odds. During the time that I was Governor of the State of Oregon, and since I have been a Member of this House, I have had these same interests to deal with in every attempt I have made to secure for my people relief from the exorbitant overcharges for electric energy. I know that it has taken courage, ability, and determination for the gentleman from Mississippi to carry on this fight.

Thanks to the construction and operation of the great Bonneville project on the Columbia River, we are now about to succeed, and the people of the great Northwest are about to enter into that enjoyment of cheap electricity now enjoyed by the people in the T. V. A. area. In the construction of the Bonneville Dam, and its operation under the supervision of J. D. Ross, one of the greatest public servants in America, I am able to see my dream come true. The people along the Columbia River will ever be grateful to the gentleman from Mississippi for his loyalty and support in our efforts to develop the Columbia River and to get the power generated thereon distributed to the people at the yardstick rates.

He has been referred to as the "father of rural electrification." He has contributed to the cause in every nook and corner of the United States, and has been responsible for the electrification of more farm homes than any other man in public life, with the probable exception of Senator NORRIS. Every farmer throughout the country who is interested in rural electrification knows of the work he has done.

We all witnessed the brilliant fight he waged on this floor only a few days ago for an authorization of $100,000,000 for rural electrification, when he won a sweeping victory of almost 2 to 1.

He has stated repeatedly that he wanted to leave as his monument cheap electricity in every farm home in America, and I might add that, regardless of what we may do here, he will leave a monument of gratitude in the hearts of the farmers of this Nation, as well as all other consumers of electricity, for his untiring efforts in their behalf.

But we owe it to him to dedicate to him, as a token of the Nation's gratitude, this great monument which he has helped to build, and which never would have been built except for his persistent efforts.

We all remember that sometime ago the vote on the Gilbertsville Dam was lost in the House. Mr. RANKIN was ill at the time and was only able to come to the House and vote. When it came up a second time, he left a sickbed, took command of the fight, organized his forces, and saved the day for Gilbertsville Dam.

He was also coauthor with Senator NORRIS of the resolution providing for the electric-rate surveys of the various States by the Federal Power Commission. These surveys have had a wonderful effect in bringing about rate reductions, by informing the public on the subject of light and power rates.

Pickwick Dam, as I have said, is now about completed. It is located right at the corner of Mr. RANKIN's district. It was at first thought that one end of it would be in Mississippi, in the district which he represents; but because of topographic features of the region, another location a short distance north of the Mississippi line was selected.

By all the rules of the game, Mr. RANKIN is entitled to the honor of having this dam named for him. I believe I speak the sentiment of the entire membership of this House when I say that. If put to a roll call, I doubt if there would be a dissenting vote.

So I say that we should pass this measure now, to honor the man who has done so much for the creation of the T. V. A., who has contributed so much to the relief of the electric consumers of the Nation from exorbitant overcharges, and who has dedicated his services here to the proposition of electrifying every farm home in America at the yardstick rates, or at rates the farmers can afford to pay.

Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD, and include therein the bill which I have introduced.

The SPEAKER. Is there objection to the request of the gentleman from Oregon?

There was no objection.

The bill referred to reads as follows:

A bill to change the name of Pickwick Landing Dam to Rankin Dam

Be it enacted, etc., That the dam now being constructed on the Tennessee River, and heretofore known as Pickwick Landing Dam, shall be known and designated on the public records as Rankin Dam in recognition and commemoration of the great services rendered in behalf of Tennessee Valley Authority by Congressman JOHN E. RANKIN, of Mississippi.

SEC. 2. All records, surveys, maps, and public documents of the United States in which such dam is mentioned or referred to under the name of Pickwick Landing Dam, or otherwise, shall be held to refer to such dam under and by the name of Rankin Dam.

That this act shall take effect and be in force from and after its passage.

WILL WE HAVE A BLOODY REVOLUTION IN THE UNITED STATES?

Mr. BURDICK. Mr. Speaker, I ask unanimous consent at this point in the RECORD to extend my own remarks.

The SPEAKER. Is there objection to the request of the gentleman from North Dakota?

There was no objection.

Mr. BURDICK. Mr. Speaker, about a year ago Members of Congress were asked by the Review of Reviews to express their opinion as to the proper length of term a Member of Congress should be elected to, and of all the articles that subsequently appeared in that magazine, I believe that mine was the only one that advocated a term of 2 years as was fixed by the framers of the Constitution.

My reason for leaving the matter as the Constitution fixed it was that of all the agencies or Departments of Government, the House of Representatives is the one nearest to the people and the body that should—under the Constitution—control the purse strings of the Nation, without which no government can operate. No bill providing for the appropriation of money can originate in Congress unless it first comes before the House. For this reason, and because of the nearness of this body to the people, the House of Representatives always has been and is the most important governing body in the entire Government of the United States.

Our forefathers evidently recognized this and desired, in that day, because of the recent conflict with royalty, to keep this Government always close to the people. This Government now is close to the people just as the framers of the Constitution intended, providing the people were able to present unity of action at the polls. By not amending the Constitution to provide longer terms for Congressmen, the people retain the possibility of expressing their will in the Congress of the United States. To give up this control would be a disaster to popular government.

One reason, and really the only reason why I do not believe there will be any revolution in this country by force and violence is that the Government is so close to the people that the results of such a revolution can be obtained at the polls without bloodshed.

Every 2 years every last Member of Congress must submit his candidacy to the people, and in theory at least, the people have an opportunity every 2 years to take absolute control of the most important agency of Government and the one agency without which the Government could not continue a single day.

What has kept the people during the past 70 years from controlling their own Government? What power has existed in this country that has year after year thwarted the will of the people? My answer to these questions is that a select few in this country, through special privilege granted them by Congress, have amassed great wealth while the many have grown poor. Through the power granted by law these few have organized themselves into great corporations which do not intermingle with the people, but remain aloof and entrenched and actually dominate the situation locally and wherever they operate. Through bylaws they actually make all laws of their own operation and which in effect control the destinies of the people depending upon them for a livelihood.

These corporations, in order to acquire more special privilege, naturally concerned themselves with political parties and in time not only greatly influenced the policies of these parties, but in some instances actually dominated them. To make sure of their control of the policies of these parties, these corporations contributed campaign funds to both major parties to make sure that no matter how the election turned out, they would still be the winner. In this process, the rights, the interests of the voter, and the welfare of the entire country have been quite forgotten. The influence of these corporations on the public mind has been and still is far reaching. In the Federal Reserve System and the Treasury Department it is apparent today. Up to the present hour no one has ever been put in charge of either institution who is not in full sympathy with the private use of Government money. It makes no difference to this system whether the responsible officers in charge are Republicans or Democrats. We have had a Democratic administration for 6 years now, and I will assert that there are more Republicans holding responsible positions in the many Government financial institutions of the country than there are Democrats. But the essential point is that these men belong to the "fraternity," which is more powerful than either party. The men behind the party, the money-minded corporations, use their influence and maintain the private control of Government money, no matter what administration is in power.

This party system of Government has grown so powerful that only two parties are nationally recognized—namely, the Democratic Party and the Republican Party. Custom and habit, too, have contributed to this evil of government, until the people seem to regard the political situation as upset should any third, fourth, or fifth party be attempted that might possibly take dictation from the people instead of the corporations. Two of the most popular men in the United States during the last 50 years tried to change this two-party system and failed—Theodore Roosevelt and Robert M. La Follette. In my judgment, while I would personally support the move, I am forced to conclude that a third party movement at this time would also meet with failure.

Notwithstanding this apparently hopeless situation, it seems clear to me that the people can in November this year gain absolute control of this Government and smash for all time the control of it by corporations. It is the way this can be done that I now desire to discuss.

Leave the two-party system nationally as it is, and through education of the voters control those parties here in the Congress of the United States. Let the people first determine what they want, what principles of legislation they propose, and what measures they demand. When that is done, demand of the candidates for the House of Representatives endorsement of those principles or in a mass refuse to vote for them. Do not think for a moment that Members of Congress are not aware of this power of the people. They know it too well, and many of them hope that the people will follow along behind the party blindly as they always have. Having found candidates either in the Democratic or Republican Parties who are willing to openly commit themselves to the principles and measures demanded by the voters that Congressman will stay with the people who elected him. There would be mighty few exceptions. In districts where neither a Republican nor a Democrat would be willing to commit himself to these principles an independent candidate can be put up by the people themselves in most of the States—in at least enough of the States to control Congress.

In this manner the machinery of the two great parties can be utilized without any expense and the purposes of the people secured. Independent candidates can be elected in districts and even in State-wide areas as that has already been done in several States—Wisconsin, Minnesota, North Dakota, and California are leading examples.

Having elected a majority of the Congress the matter of control by the people would be comparatively easy. First of all the rules of the House should be overhauled and all gag proceedings voted out, to the end that any bill having the support of any considerable number of people could be decided upon its merits. Instead of having closed hearings, all hearings should always be open to the public. Instead of allowing a select few in each party to select the members of

committees, the committee members should be selected by the whole House by a vote of the whole House. This would prevent committee packing and would allow Members of proper qualifications to sit upon those committees according to their worth to the people. As the matter is conducted today it makes no difference how qualified a Member may be to act upon a committee he cannot secure the place unless the party managers in Congress see fit to let him sit on a committee. If a Member is independent and does not feel inclined to support this committee system, the independent is summarily dealt with and relegated to the outside.

While the Republican minority has nothing to say about the appointment of the Democrats who compose the majority of the committee, yet the Republican organization in the House, under custom long established by both parties, appoints usually one-third of the committee and there is no appeal from their decision in these appointments. Thus it will be seen that a defeated party, provided it is one of the two recognized parties, has one-third of its old power in defeat and two-thirds in victory so far as its power in the House of Representatives is concerned.

The two-party control, yes, absolute control of Congress is the greatest danger confronting the existence of this Government, and I know no other way to break this control than through the independent voting of the people at the polls.

What difference does it make which party label a candidate wears—Republican or Democrat—providing that candidate is willing to stand with the people in their demands for the cleaning out of the present rules of Congress and the enactment of legislation which they demand? The only reason in the world why this has not been done before is because the people at the polls have refused to do it.

No revolution, no matter how bloody, could give the people any more rights than they now possess. Through inaction, unconcern, and positive negligence they have followed the custom of the country, and have permitted the political parties, through their leaders, to control the affairs of Government. This continued depression has done one good thing—people have at least stopped long enough to think, and today they are thinking more than they have ever done before. If they will keep right on thinking and express that thought at the polls, they will be in absolute possession of this Government before January 1, next year.

I have attended now five sessions of this Congress, and outside of remedial legislation and temporary relief, we have accomplished very little in the way of ultimate happiness for the people of the United States. I need only refer to a few matters to make myself clear.

We have appropriated and spent $20,000,000,000, which when paid with interest will amount to fifty billion, to lift us out of the depression, and here we are more mired down than we were before we started this program.

The private financial fraternity of the Nation still unconstitutionally controls the Government's cash and credit to the extent that they pay nothing for this cash and credit and in turn loan it out to the people on interest, not only on the amount borrowed from the Government, but 5, 10, 15, and 20 times the amount so borrowed, until today the public and private debt, drawing interest, is close to $300,000,000,000. The average interest rate on this sum is 5 percent per annum; hence, annually the people of the United States must pay $15,000,000,000 in interest, or more than the combined income of agriculture and labor annually during the past 6 years. Approximately one-third of our national income for the same period has gone down the interest rat hole. In other words, the buying power of a dollar during this period has been depreciated 33⅓ cents on interest account alone. When we add the tax burden to this, which must be kept up to sustain the payment of interest, every dollar is discounted 51 cents. This should make it most plain that our buying power has been forced out of the country through this interest system, made possible through the private control of the Nation's cash and credit.

The other question to be asked is, How long can we continue this way? If all of the property in the United States were offered today for sale, it would not bring enough to pay the $300,000,000,000 debt, public and private. Is there anyone, therefore, who can think at all, who will defend this system? No such defense can be made to the people when they know that it was not necessary at all to permit this system to operate. Farmers and laborers may be dumb—they may be as dumb as Congress itself—but they know that if the Government's name is good on a bond sold to the banks, that the Government's name is just as good on a greenback that draws no interest at all. Yet we continue the practice of issuing bonds drawing interest, and most of them tax-free, and selling them to the private banking fraternity, who collect interest on the bonds and trade them back to the Government for greenbacks for which they pay nothing.

Do you not suppose the people want to stop this practice? Do you not suppose the people of the United States want House Joint Resolution 317 passed, that will assert the control of Congress over this money and credit of the people, and stop the private loot that threatens the destruction of every home, every family in this country?

Yet this cannot be done under our two-party system with its committee system packed with men who do not know what to do, or knowing, who do not care to act. This resolution remains in the committee of the House as dead as was Tutankhamen after his burial of 4,000 years in Egypt.

All our relief, except a scant and meager sandwich system, has gone to the financing of banks, insurance companies, trust companies, railroads, and other corporations; but no buying power has ever been put down at the bottom of our social structure. The buying power among the people is lower today than it was 6 years ago. Business is not only at a standstill but business places in every city of the United States are closing in amazing numbers. No business—no buying power.

Many millions of people have petitioned Congress to end the depression by distributing money at the bottom and keep it circulating. They have proposed the Townsend recovery plan, which will do this very thing by using the aged of the country as the agents of this money distribution at the bottom and keep it circulating. In my judgment, no better plan for the recovery of business, the betterment of the conditions of every man, woman, and child in the United States was ever proposed. The objections to the plan have been answered, or can be. The one stock objection that such a plan would increase the cost of living beyond any possible endurance has been answered. Many Members of Congress—at least 151 of them—know that no such result will follow—that the buying power supplied at the bottom would wake up the whole dead business structure and that the tax imposed on transactions could be absorbed in increased business which the business of the Nation does not now have. Everyone in this country wants to buy necessaries—14,000,000 jobless cannot buy; 61,000,000 in the United States who cannot borrow any more money want necessaries—wants crowd in on us from every side, but these wants cannot be satisfied because the people cannot buy. They have no money; their buying power is gone; they do not want to borrow if they could. They want to work; they want to live a normal life under the greatest Constitution in the world.

Can we pass any such law? Not on your life. That bill is peacefully slumbering in the committee under our two-party system. This system says this is not a good bill for the people—it is a bad bill, so bad that this committee will not trust the House of Representatives to vote on it. How do you like this party control of our Government?

The fact that Congress has not taken action to remedy this situation cannot be blamed to the President. Under the Constitution, he has his own duties to perform; we have ours. Since I have been here the President has never interfered with me in my official duties, nor has he, in my judgment, interfered with anyone else. It is idle to blame the President, the Supreme Court, or any other department of Government for the failure of Congress to act on

these important measures pending before the Congress. It is the fault of Congress; finally, it is the fault of the people in not electing Representatives who will perform their constitutional duties and assume full responsibility for their action.

My message to the voters of the United States is: Go to the polls in November and get control of your Government; elect your men to Congress and smash the rules of the House, and elect members to committees under a plan of merit and not years of mis-service. Let the people's voice be heard, and not the voice of the corporations. Start a political revolution in this country now and end it at the polls in November. If you do, you will win for the first time since the Civil War, and you will, for the first time in that period, be in control of your own Government.

The only government in the world today which holds out to the people the greatest right to self-government is the United States of America. Let us defend it. Let us drive its enemies out and let the people in; we can bring to the people life—the right to the necessities of life which millions today do not enjoy. Let us bring back liberty, which is fast disappearing through destitution and doles. Let us bring back happiness where despair and gloom reign. Let us remember the words of Edmund Burke when he said:

It is easier to make free men slaves than it is to make slaves free men.

COMMITTEE ON THE JUDICIARY

Mr. CELLER. Mr. Speaker, I now ask unanimous consent that the Committee on the Judiciary may have permission to sit today during sessions of the House to consider noncontroversial bills reported from its subcommittee No. 2.

Mr. MICHENER. Mr. Speaker, reserving the right to object, I could not hear the gentleman's request.

Mr. CELLER. I have asked unanimous consent that the Committee on the Judiciary of the House may sit during sessions of the House this afternoon to consider noncontroversial bills from its subcommittee No. 2.

Mr. TABER. Mr. Speaker, reserving the right to object, what does the gentleman call noncontroversial bills?

Mr. CELLER. Bills that are not subject to any objection on the part of any members of the committee.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

EXTENSION OF REMARKS

Mr. SCHNEIDER of Wisconsin. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include in connection therewith a letter directed by me to the President and the Secretary of State.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

MILITARY ESTABLISHMENT APPROPRIATION BILL—CIVIL FUNCTIONS, WAR DEPARTMENT APPROPRIATION BILL

Mr. SNYDER of Pennsylvania. Mr. Speaker, I ask unanimous consent that I may have until midnight tonight to file a conference report on the bill (H. R. 9995) making appropriations for the Military Establishment for the fiscal year ending June 30, 1939, and for other purposes, and the bill (H. R. 10291) making appropriations for the fiscal year ending June 30, 1939, for civil functions administered by the War Department, and for other purposes.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

SUBMARGINAL LANDS

Mr. RICH. Mr. Speaker, I ask unanimous consent to insert in the RECORD at this point a letter from the Assistant Secretary of the Interior addressed to me, dated May 10, showing that the Federal Government at the present time is developing millions of acres of land in the West and Northwest, when the Federal Government, under the Agricultural Department, at the same time is trying to buy up about 40,000,000 acres of submarginal lands.

The SPEAKER. Is there objection?

There was no objection.

The matter referred to is as follows:

UNITED STATES DEPARTMENT OF THE INTERIOR,
OFFICE OF THE SECRETARY,
Washington, May 10, 1938.

Hon. ROBERT F. RICH,
House of Representatives.

MY DEAR MR. RICH: Your letter of April 20 has been received. You ask for an itemized statement showing the Federal reclamation projects which are now under construction or have been under construction during the past 4 years and which would put additional lands under irrigation. There is enclosed a statement which I trust will give you the desired information.

You asked also concerning proposed irrigation projects that will bring in new land. None of the projects authorized by Congress, construction of which has not yet been undertaken, are planned to bring in new lands. They only contemplate the development of supplemental water supplies for existing areas already under irrigation.

In making estimates of additional lands to be brought under irrigation, it has been assumed that funds will be made available to permit of an orderly program of construction. The estimated acreages will be increased or decreased in accordance with the rate at which funds are made available.

Sincerely yours,

OSCAR L. CHAPMAN,
Assistant Secretary of the Interior.

MAY 4, 1938.

ADDITIONAL LAND TO BE BROUGHT UNDER IRRIGATION ON BUREAU OF RECLAMATION PROJECT

Gila project, Arizona: First unit of 150,000 acres under construction. Estimated rate of irrigation: 1943, 10,000 acres; 1944, 20,000; 1945, 30,000; 1946, 30,000; 1947, 30,000; 1948, 30,000.

Boulder Canyon project, all-American canal system, California: Construction of the main all-American canal (now nearing completion) and the Coachella branch canal (not yet undertaken) will provide water for the irrigation of 521,600 acres in the Imperial Valley and 152,930 acres in the Coachella Valley. The Imperial Valley lands are now irrigated from the Imperial Canal. About 16,000 acres in the Coachella Valley are now irrigated from wells, leaving about 137,000 acres of additional lands to come in. The canal to the Coachella Valley will be completed probably in 1942, but construction of a lateral distribution system has not been authorized. It will probably be several years after the completion of the canal before the entire Coachella Valley is under irrigation.

Boise project, Payette division, Idaho: Under construction. Total irrigable area, 47,800 acres. Estimated rate of additional lands coming in: 1939, 5,000; 1940, 15,000; 1941, 15,000; 1942, 12,800.

Pine River project, Colorado: Under construction. The total ultimate irrigable area is 69,000 acres, of which 17,000 acres are Indian lands. Additional lands to be irrigated total 35,000 acres, while a supplemental supply will be provided for 34,000 acres now under irrigation. While the storage reservoir will be completed in 1942, it will be several years before the 35,000 acres of new lands will be irrigated.

Buffalo Rapids project, Montana: The Glendive division of approximately 12,000 acres is now under construction, and construction work should be completed in 1942.

Sun River project, Montana: The Sun River Slope division, now under construction, comprises 17,033 acres, of which 4,556 acres are now irrigated. The remaining 12,477 acres will be brought in during 1938 and 1939.

Vale project, Oregon: This project of 30,000 acres was completed in 1937.

Klamath project, Oregon-California: The Tule Lake division, now under construction, comprises 33,000 acres, of which 21,500 are now irrigated. Five thousand one hundred acres will be brought in this year and 6,400 acres in 1939.

Owyhee project, Oregon-Idaho: Under construction, 115,383 acres. Of this area, 92,433 acres are now irrigable; 21,704 acres will be brought in during 1938 and 1,246 acres in 1939.

Grand Coulee Dam project, Washington: Dam and power plant are now under construction. The ultimate irrigable area of the project is 1,200,000 acres. The first unit of 150,000 acres can be brought under irrigation by 1943, and, under a reasonable plan of construction, 50,000 acres would be added yearly thereafter, the entire project to be completed in 1964.

Yakima project, Roza division, Washington: This division of 72,000 acres is now under construction. It is estimated that the rate of completion will be about as follows: 1942, 7,000 acres; 1943, 15,000; 1944, 15,000; 1945, 15,000; 1946, 15,000; 1947, 5,000.

Kendrick project, Wyoming: This project of 35,000 acres is now under construction. About 10,000 acres can be brought in by 1942, 10,000 in 1943, 10,000 in 1944, and 5,000 in 1945.

Riverton project, Wyoming: Of this 100,000-acre project, 32,000 acres are now irrigated and 68,000 acres of additional lands will be brought under irrigation at an estimated rate of about 5,000 acres yearly, with completion about 1952.

Shoshone project, Heart Mountain division, Wyoming: Under construction. Total irrigable area is 41,000 acres. The canal distribution system should be completed at the following rate: 1942, 10,000 acres; 1943, 10,000; 1944, 10,000; 1945, 11,000.

Additional lands to be brought under irrigation

Project	1938	1939	1940	1941	1942	1943	1944	1945	1946	1947	1948
Gila, Ariz.						10,000	20,000	30,000	30,000	30,000	30,000
All-American Canal, Calif. (main canal completed in 1939; branch canal completed in 1942).		5,000	15,000	15,000	12,800						
Boise-Payette, Idaho											
Pine River, Colo. (storage reservoir completed in 1942).					12,000						
Buffalo Rapids, Mont.		12,477									
Sun River-Sun River slope, Mont.											
Klamath-Tule Lake, Oreg.-Calif.	5,100	6,400									
Owyhee, Oreg.-Idaho	21,704	1,246									
Grand Coulee Dam, Wash.[1]						150,000	50,000	50,000	50,000	50,000	50,000
Yakima-Roza, Wash.					7,000	15,000	15,000	15,000	15,000	5,000	
Kendrick, Wyo.					10,000	10,000	10,000	5,000			
Riverton, Wyo.[2]			5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000
Shoshone-Heart Mountain, Wyo.					10,000	10,000	10,000	11,000			
Total	26,804	26,123	20,000	20,000	56,800	200,000	110,000	116,000	100,000	90,000	85,000

[1] 1949 to 1964, inclusive, 50,000 acres yearly.
[2] 1949, 5,000; 1950, 5,000; 1951, 5,000; 1952, 8,000.

STATUS OF LANDS

Project	Public land			State land unsold	Indian land	Private land		Total
	Entered	Open	Withdrawn			Railroad unsold	Other	
Gila, Ariz.	1,923	0	112,669	18,625	0	0	17,143	150,000
All-American Canal, Calif.	962	0	10,245	1,040	15,472	21,131	625,680	674,530
Boise-Payette, Idaho	0	0	7,320	3,980	0	0	36,500	47,800
Pine River, Colo.	0	0	0	600	17,000	400	51,000	69,000
Buffalo Rapids, Mont.	0	0	0	0	0	0	12,000	12,000
Sun River-Sun River slope, Mont.	321	0	12,477	1,250	0	0	2,985	17,033
Vale, Oreg.	3,862	0	0	0	0	0	26,138	30,000
Klamath-Tule Lake, Oreg.-Calif.	20,184	0	12,582	0	0	0	234	33,000
Owyhee, Oreg.-Idaho	7,939	1,204	6,560	4,904	0	134	94,642	115,383
Grand Coulee Dam, Wash.	0	0	60,000	60,000	0	60,000	1,020,000	1,200,000
Yakima-Roza, Wash.	120	0	1,591	2,477	0	13,562	54,250	72,000
Kendrick, Wyo.	1,400	0	1,000	1,900	0	0	30,700	35,000
Riverton, Wyo.	14,832	392	53,776	0	1,000	0	30,000	100,000
Shoshone, Wyo.	160	0	37,564	1,907	0	174	1,195	41,000

FEDERAL AID FOR ROADS

Mr. MOTT. Mr. Speaker, I rise to a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. MOTT. This morning, on what I supposed to be sufficient authority, I filed minority views to the conference report upon the bill H. R. 10140, the Federal-aid-to-roads bill. I have been informed since entering the Chamber that there is no authority for filing minority views to a conference report. My inquiry is whether that information is correct.

The SPEAKER. The Chair so ruled.

Mr. MOTT. Then, Mr. Speaker, I ask unanimous consent that I may extend my remarks at this point upon the bill H. R. 10140 and include therein the minority views I desired to file as a part of the conference report.

The SPEAKER. Is there objection to the request of the gentleman from Oregon?

Mr. WOLCOTT. Mr. Speaker, I reserve the right to object. May not the minority views be printed in the RECORD following the conference report itself? I ask the gentleman to so revise the request that his minority views be inserted at a point in the RECORD following the printing of the conference report.

Mr. MOTT. Mr. Speaker, I so revise my request to conform with the suggestion. I ask unanimous consent to extend my remarks in the RECORD by including therein my minority views on the conference report upon the bill H. R. 10140, to be printed immediately following the conference report in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

EXTENSION OF REMARKS

Mr. MAVERICK. Mr. Speaker, I ask unanimous consent to extend my remarks in the Appendix.

The SPEAKER. Is there objection?

There was no objection.

SUSPENSION OF RULES

Mr. O'CONNOR of New York, from the Committee on Rules, reported the following resolution, which was referred to the House Calendar and ordered printed:

House Resolution 509

Resolved, That during the remainder of the third session of the Seventy-fifth Congress it shall be in order for the Speaker at any time to entertain motions to suspend the rules, notwithstanding the provisions of clause 1, rule XXVII; it shall also be in order at any time during the third session of the Seventy-fifth Congress for the majority leader or the chairman of the Committee on Rules to move that the House take a recess, and said motion is hereby made of the highest privilege; and it shall also be in order at any time during the third session of the Seventy-fifth Congress to consider reports from the Committee on Rules as provided in clause 45, rule XI, except that the provision requiring a two-thirds vote to consider said reports is hereby suspended during the remainder of this session of Congress.

PURE FOODS AND DRUGS

Mr. O'CONNOR of New York, from the Committee on Rules, reported the following resolution, which was referred to the House Calendar and ordered printed:

House Resolution 512

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of S. 5, an act to prevent the adulteration, misbranding, and false advertisement of food, drugs, devices, and cosmetics in interstate, foreign, and other commerce subject to the jurisdiction of the United States, for the purposes of safeguarding the public health, preventing deceit upon the purchasing public, and for other purposes, and all points of order against said act are hereby waived. That after general debate, which shall be confined to the act and continue not to exceed 2 hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Interstate and Foreign Commerce, the act shall be read for amendment under the 5-minute rule. It shall be in order to consider without the intervention of any point of order the substitute amendment recommended by the Committee on Interstate and Foreign Commerce, and such substitute for the purpose of amendment shall be considered under the 5-minute rule as an original act. At the conclusion of such consideration the Committee shall rise and report the act to the House with such amendments as may have been adopted, and the previous question shall

be considered as ordered on the act and the amendments thereto to final passage without intervening motion except one motion to recommit with or without instructions.

Mr. O'CONNOR of New York. Mr. Speaker, I call up House Resolution 509 for immediate consideration.

Mr. MAPES. Mr. Speaker, I make the point of order that there is no quorum present.

The SPEAKER. The gentleman from Michigan makes the point of order that there is no quorum present. Evidently there is no quorum present.

Mr. RAYBURN. Mr. Speaker, I move a call of the House.

The motion was agreed to.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 93]

Anderson, Mo.	Eaton	Kirwan	Sacks
Andrews	Eckert	Kniffin	Sadowski
Arnold	Elliott	Lamneck	Shafer, Mich.
Atkinson	Englebright	Lanzetta	Shanley
Barden	Evans	Lesinski	Shannon
Barry	Faddis	Lewis, Md.	Smith, Conn.
Bates	Ferguson	Lord	Smith, Okla.
Buckley, N. Y.	Fish	Lucas	Snell
Bulwinkle	Fitzgerald	McClellan	Somers, N. Y.
Burch	Frey, Pa.	McGranery	Steagall
Byrne	Gasque	McLean	Sullivan
Cannon, Wis.	Gavagan	McMillan	Sweeney
Champion	Gifford	McReynolds	Taylor, Tenn.
Chapman	Gildea	McSweeney	Thom
Clark, N. C.	Gingery	Mason	Thurston
Claypool	Green	Mead	Tobey
Cochran	Greenwood	Mitchell, Ill	Treadway
Cole, Md.	Griswold	Mitchell, Tenn.	Vincent, Ky.
Crosby	Hancock, N. C.	Norton	Vinson, Ga.
Culkin	Harlan	O'Connell, Mont.	Wadsworth
Cullen	Harrington	O'Day	Wearin
Curley	Hartley	Palmisano	Weaver
Daly	Healey	Peterson, Fla.	Wene
Deen	Jarrett	Pettengill	Whelchel
DeMuth	Jenkins, Ohio	Pfeifer	White, Idaho
Dickstein	Johnson, Lyndon	Plumley	White, Ohio
Dirksen	Jones	Polk	Wolfenden
Disney	Keller	Quinn	Wood
Ditter	Kelly, N. Y.	Richards	Woodrum
Doughton	Kennedy, N. Y.	Rockefeller	
Douglas	Kerr	Rutherford	

The SPEAKER. On this roll call 304 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

H. R. 4199

Mr. GEARHART. Mr. Speaker, I introduced a resolution amending the rules of the House. I ask unanimous consent to extend my remarks at this point in the RECORD in explanation of the change.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. GEARHART. Mr. Speaker, on February 2, 1937, a bill was introduced in this House which, because of the importance of the legislative subject with which it assumed to deal, attracted widespread attention throughout the Nation. The bill was assigned the number of H. R. 4199, and, in accordance with its own provisions, the short title of "The General Welfare Act of 1937" was bestowed upon it.

The bill, now famous under both its short title and by its number, immediately attracted the support of millions of our people, American citizens residing in every section of this vast country. I believe it can be said without fear of successful contradiction that never in the history of the Congress has any other bill ever been accorded such widespread, enthusiastic, and sustained support by such great numbers of our people as has been given to the bill to which I am now referring.

SUPPORTED BY THOUSANDS

Letters numbering well into the hundreds of thousands have poured in upon us. Petitions containing the names of millions of our constituents have been presented to the Congress. Thousands upon thousands of loyal, patriotic American citizens, sincere and honest believers in the legislative principles contained in this ill-fated measure, have from time to time, and in many instances at great personal sacrifice, journeyed from the distant corners of our country to plead with their Representatives for a fair consideration of this bill, which, in their opinion, offers so much for the amelioration of the economic ills from which our country suffers.

In accordance with the rules of procedure of the House of Representatives—rules the flagrant abuse of which I intend to discuss today—the bill H. R. 4199 was, immediately following its introduction, referred by the Speaker to the House of Representatives Committee on Ways and Means, a standing committee composed of 18 Democrats and 7 Republicans, for its careful study and consideration. Notwithstanding the pleas and, I might say, Mr. Speaker, the tears of millions of our fellow citizens, many of them in dire financial distress, this so-called all-powerful legislative committee has refused to give even the slightest consideration to it, to even acknowledge its receipt. Today it gathers dust in one of the pigeonholes in the office of the clerk of that legislative agency.

In fairness to the Republican members of that powerful committee, I should, and I do, make acknowledgment of the fact that all seven of them, by voice and vote in the committee room and upon the floor of the House, have time and time again unanimously indicated their desire to proceed to conduct hearings on the General Welfare Act. Responsibility must be placed where responsibility belongs. If but six of the majority members of that committee would join with their Republican colleagues, hearings would be commenced immediately. But all 18 of them remain to this day deaf to the entreaties of those who ask no more than a right to be heard.

ONE HUNDRED AND FIFTY CONGRESSMEN DEMAND HEARINGS

Have these pleas for hearings come only from the country, from distant points in our land? No, no, Mr. Speaker; voices have been raised closer at hand. Over 150 Members of this House, the duly elected Representatives of 42,101,250 people, all living under the protection of the Stars and Stripes, have by joint petition and individual appeal literally begged the membership of this obdurate committee to proceed to the performance of the duty which the rules undoubtedly contemplate.

Mr. Speaker, this is indeed a strange situation. Over one-third of the membership of this body, representing over 40,000,000 of our people, ask a committee of their colleagues for a hearing upon a bill which has excited a most widespread support—and their request is ignored.

And it is only for a right to be heard that they have petitioned.

MILLIONS IN DIRE NEED

Tragic shadows, Mr. Speaker, are falling across the pages of human history; shadows of men and women in dire poverty, in misery, despair, and woe; of old people bearing upon bent shoulders the all but overwhelming burdens of a world that has turned its back upon them; of underprivileged children, babes whose parents must daily taste the bitterness that is born of the realization that they can no longer provide that which their little ones need and, if strong bodies are to be builded, must have.

As these threatening clouds of disaster lower, men and women whose energies have not yet been impaired, humanitarians who have not yet lost the faith nor despaired of the hope that this ever-increasing army of the condemned might yet be rescued from death's embrace, feverishly search for the path over which they may trudge a weary way through the shadows of despair into the comforting rays of God's beneficient sun.

A REMEDY IS PROPOSED

It is sincere, honest, intelligent, God-fearing people such as these that have come forward with a plan. It is they that have set the example of service to their fellow man, they who have made the study, inspired the writing, and caused the introduction of the measure which has since become known as the General Welfare Act of 1937. They have arisen amongst us to point a way. They come not empty-handed but laden with facts and figures, statistics and charts—the proofs, they say.

BUT THEY WILL NOT LISTEN

All they ask is a chance to be heard. But the majority members of the Ways and Means Committee have slammed

the door of their committee room in their face, have turned their backs upon them. They will not listen.

The proponents of the General Welfare Act assure us that the principles of their bill are sound and in respect to all of its parts each has somewhere been tried and none has been anywhere found wanting. They declare that its enactment will bring back prosperity to our distressed country; that it will create jobs and widen opportunities for all that would work. But the majority members of the Ways and Means Committee will not listen.

The proponents of this measure declare that it will simplify taxation and reduce the vast number of tax items with which we are now vexed. They tell us that it will eliminate all public and private charity, all public and private pensions, abolish the poorhouses, free the aged from worry. But the majority members of the Ways and Means Committee will not listen.

EIGHTEEN STUBBORN MEN

And how is it, Mr. Speaker, that as small a number of Representatives as 18, 18 out of a total membership of 435, 18 who happen for the moment to be the majority members of the Ways and Means Committee, can wield such autocratic power? How is it that 18 individuals can say what bills shall be considered and what bills shall not be considered by this Congress?

Why, may I ask, can this small band of recalicitrants outweigh the desire of upward of 150 of those who hold like commissions from the people who sent them here?

THE RULES ABUSED

The answer, of course, is obvious. It is because of the rules of procedure of the House of Representatives, the rules which were devised, theoretically at least, to facilitate the business of the Congress but which have been used by those who know how to manipulate them to prevent entirely the consideration of the bills which the administration leaders do not favor.

This situation, Mr. Speaker, is intolerable. The use of rules to defeat the will and desires of millions smacks of tyranny! The arbitrary refusal of the majority members of the Ways and Means Committee to grant hearings on H. R. 4199 constitutes an outrageous denial of the fundamental principles of democracy and of the right of free expression upon which our country is founded. If it is persisted in, confidence in our democratic institutions will be destroyed. Government will cease to be in the minds of the people their friend, but will become, in their estimation, their oppressor. And oppression is the threshold of revolution!

BOSSISM—DEMOCRACY IMPERILED

The rules which make possible this czaristic control of legislative procedure in the Congress by a handful of so-called administration leaders must be amended so as to end this tyrannical system of bossism which, if not restrained, will destroy free institutions in America. If the representative form of government is to be preserved in these United States, something must be done and done right now.

AN AMENDMENT IS PROPOSED

To meet this challenge to our liberties and our God-given right of free expression, I am today introducing a resolution (H. Res. 513) to amend the rules of procedure of the House of Representatives by adding a new rule, a rule, simple in its operation, which will, if adopted by the membership of this body, as I am confident it will be, make it possible for one-third of the membership of the House to compel any standing committee, whether it be the Ways and Means Committee or some other, to proceed to the holding of hearings upon any given bill by the simple act of affixing their signatures to an order in writing to that effect.

In the rule I propose are many provisions to prevent its mere formal observance. It guarantees to any proponent of any bill who can rally such support a full, fair, and complete hearing to which the public will be admitted and at which all interested persons will be heard. Then it would be up to the proponents of the measure to make their case, to convince the people and their legislative representatives that their proposition is sound and workable. That, Mr. Speaker, is all that the proponents of the General Welfare Act have been asking for. That is precisely what the majority members of the Ways and Means Committee have denied them.

Experience has taught us, Mr. Speaker, that it is only through committee hearings, committee reports, and recommendations—preceding committee action—can we ever expect the legislation in which we are interested to become law. In a very few instances recalcitrant committees have been discharged and the bill they refused to support has been brought on for consideration by the floor without the preceding committee hearings. But, Mr. Speaker, the records of the House of Representatives fail to disclose a single measure that ever became a law by that method. For all practical purposes, the procedure I propose is the only procedure that leads to the victory we hope to achieve. Let us get behind my proposal. In it lies our only hope.

WILL BENEFIT ALL

It is not only to those that favor the General Welfare Act that I address my appeal. True it is the outrageous strangulation process that has been applied to them that has aroused the resentment which we all feel. But that which has been done to the supporters of H. R. 4199 can be done to those that have centered their interest in other legislative measures. In resisting this assault upon our democratic processes, it would be well to recall that familiar quotation from the great Benjamin Franklin in which he admonishes us that if we do not "hang together" that we will most certainly "hang separately." If the believers in the doctrine of free expression will but hang together in this one instance, the autocratic power of any committee to suppress legislation will be forever banished from the Halls of the Congress. Let us pass this resolution which I have proposed.

Therefore I conclude, Mr. Speaker, that—

The arbitrary refusal of the majority members of the Ways and Means Committee to grant hearings on H. R. 4199 constitutes an outrageous denial of the fundamental principles of democracy and free expression upon which our country is founded.

The rules which make possible this czaristic control of legislative procedure by a handful of so-called administration leaders must be amended so as to end this tyrannical system of bossism which, if persisted in, will destroy free institutions in America.

I offer a remedy—House Resolution No. 513.

SUSPENSION OF RULES AND MOTIONS TO RECESS

The SPEAKER. The Clerk will report the resolution called up by the gentleman from New York.

The Clerk read as follows:

House resolution 509

Resolved, That during the remainder of the third session of the Seventy-fifth Congress it shall be in order for the Speaker at any time to entertain motions to suspend the rules, notwithstanding the provisions of clause 1, rule XXVII; it shall also be in order at any time during the third session of the Seventy-fifth Congress for the majority leader or the chairman of the Committee on Rules to move that the House take a recess, and said motion is hereby made of the highest privilege; and it shall also be in order at any time during the third session of the Seventy-fifth Congress to consider reports from the Committee on Rules as provided in clause 45, rule XI, except that the provision requiring a two-thirds vote to consider said reports is hereby suspended during the remainder of this session of Congress.

The SPEAKER. The question is, Shall the House now consider the resolution?

Mr. MARTIN of Massachusetts. Mr. Speaker——

The SPEAKER. For what purpose does the gentleman rise?

Mr. MARTIN of Massachusetts. To ask the gentleman from New York a question.

The SPEAKER. The Chair will state that this motion is not debatable.

The question was taken; and two-thirds having voted in favor thereof, the motion was agreed to.

Mr. O'CONNOR of New York. Mr. Speaker, I yield 30 minutes to the gentleman from Massachusetts [Mr. MARTIN].

Mr. Speaker, this is the usual resolution brought in toward the close of a session of Congress.

Its purpose is to expedite the business of the House. It provides that suspensions shall be in order on any day instead of on the first and third Mondays or during the last 6 days of the session. It has been impossible for some years to fix those last 6 days of a session, because the adjournment resolution usually comes in an hour or two before the actual adjournment.

The resolution also provides for recesses of the House rather than adjournment. The chief purpose this serves is to save, in the morning, the reading of a long Journal of the previous day's proceedings. Unfortunately, it also dispenses with the morning prayer.

The third purpose the resolution serves is to permit rules to be brought up on the same day they are reported rather than lying over for 1 day.

These provisions are all directed toward expediting the business of the Congress so we may reach that greatest of national holidays, the day Congress adjourns.

Mr. MARTIN of Massachusetts. Mr. Speaker, will the gentleman yield?

Mr. O'CONNOR of New York. I gladly yield to the distinguished acting minority leader.

Mr. MARTIN of Massachusetts. This resolution is generally reported when we are about to adjourn. The House, I am sure, would like to have some assurance upon this point before we grant this additional power to the Speaker and to the leadership. Can the gentleman from New York tell us whether we are going to adjourn this week, or next week, a month from now, or 2 months from now?

I may add that there was a conference in the White House this morning concerning the so-called reorganization bill. This, of course, would have something to do with adjournment. If we are going to take up that bill, we may be here 3 months, and this resolution would not be at all necessary. Can the gentleman give us any information concerning these matters?

Mr. O'CONNOR of New York. That is what I might call almost a hypothetical question, there are so many component parts. All I know is that I was very busy at a meeting or "conference" of the Rules Committee trying to expedite the business of the House.

This resolution has been brought in, as I recall it, at least 10 days before adjournment. It portends adjournment, I might say.

Mr. MARTIN of Massachusetts. Does not the gentleman think we ought to have, accompanying this resolution, a statement of just what major legislation is to be considered before we adjourn?

Mr. O'CONNOR of New York. I think the gentleman knows that, if he reads the daily press.

Mr. MARTIN of Massachusetts. We do not believe all we read in the newspapers. Congress is very happy to be able to get its information through the newspapers, I am sure, but we thought that we might occasionally get something direct.

Mr. MICHENER. Mr. Speaker, will the gentleman yield?

Mr. O'CONNOR of New York. I will yield to the distinguished gentleman for an inquiry.

Mr. MICHENER. Under this rule it will be possible for the majority leader to call up any bill he sees fit at any time, or for the chairman of the Committee on Rules to call his committee into session, to pass a rule, come downstairs, and call the bill up immediately. The result is that the passage of this resolution will require all the Members to be on the floor all the time the House is in session if they want to know what is going on.

In view of that fact, may I ask the gentleman if he will not be so kind as to notify the Members of the House just as soon as he learns when an important piece of legislation is coming up for consideration and, if possible, give us a day, an hour, or 20 minutes' notice?

Mr. O'CONNOR of New York. I shall be glad to give all the notice possible. Of course, the gentleman was once a distinguished member of the Rules Committee and reported a similar resolution toward the close of the session.

Mr. MICHENER. No, I think not. This rule is a precedent, according to the way it has been handled, under the New Deal. We lived up to the 6-day rule, with the possibility of one exception.

Mr. O'CONNOR of New York. No, indeed; the Republican Party took the same course we are taking today. I served with the gentleman many years on the Rules Committee, and the gentleman may trace back the history of this Congress for many years and I doubt if he can find a year in which an identical rule was not brought in.

Mr. MICHENER. The gentleman is a splendid chairman and carries out orders well.

Mr. O'CONNOR of New York. Of course, the gentleman intends to be facetious about my taking "orders."

Mr. BOILEAU. Will the gentleman yield?

Mr. O'CONNOR of New York. I yield to the distinguished gentleman from Wisconsin.

Mr. BOILEAU. The gentleman from Michigan began his statement by saying as he understood the rule the majority leader could call up any bill he wanted to at any time.

Mr. O'CONNOR of New York. Of course, that is not correct.

Mr. TABER. Will the gentleman yield?

Mr. O'CONNOR of New York. I yield to the gentleman from New York.

Mr. TABER. As I understand it, this rule contemplates a rather early adjournment of the Congress. Does the gentleman feel, in view of the stories that have been going around this morning with reference to the reorganization bill, that it is safe for us at this time to pass this resolution?

Mr. O'CONNOR of New York. Of course; sometimes I have no feeling whatsoever.

Mr. TABER. Does the gentleman think that perhaps this rule might be used to further such consideration?

Mr. O'CONNOR of New York. I cannot stretch my imagination that far.

Mr. TABER. I thank the gentleman.

Mr. MARTIN of Massachusetts. Mr. Speaker, I yield myself 5 minutes.

Mr. Speaker, I regret very much the gentleman from New York does not seem to have very much information as to the future legislative situation. I had hoped we might get some information, because we ought to have it before adopting this important resolution. I am going to pause to see if the majority leader might not want to take the House into his confidence as to what we might expect.

Mr. RAYBURN. I will after tomorrow.

Mr. MARTIN of Massachusetts. Why not now?

Mr. RAYBURN. I am not ready to answer right now as to the full program during the remainder of the session, I may say very candidly to the gentleman.

Mr. MARTIN of Massachusetts. I am sorry Members of the House cannot get information before we read it in the newspapers and before passing a resolution which is going to give tremendous power to the House administration; but, of course, you on that side have merely a 4-to-1 majority and can do what you wish. In all fairness, though, the House should have this information before a resolution of this sort is called up.

Mr. BOILEAU. Will the gentleman yield?

Mr. MARTIN of Massachusetts. I yield to the gentleman from Wisconsin.

Mr. BOILEAU. In view of the statement made by the majority leader, and I can appreciate the position he is in, does not the gentleman believe it would be the part of wisdom for the gentleman from New York to withdraw consideration of this resolution until tomorrow?

Mr. MARTIN of Massachusetts. I think he should do it in all fairness to the House.

Mr. O'CONNOR of New York. This resolution has nothing to do with the program. The less the program the more this

resolution will expedite the business and the longer the program the more help this resolution will give to the House. I cannot see any connection whatever between the two.

Mr. MARTIN of Massachusetts. If the House is to be in session 6 weeks longer, this legislation should not be passed at the present time.

Mr. O'CONNOR of New York. What is the harm?

Mr. MARTIN of Massachusetts. What is the use of having any rules at any time, then?

Mr. BOILEAU. The gentleman asks, "What is the harm?" If that is true, why not adopt a rule of this kind at the beginning of any session?

Mr. MARTIN of Massachusetts. The gentleman has stated the situation correctly.

Mr. RICH. Will the gentleman yield?

Mr. MARTIN of Massachusetts. I yield to the gentleman from Pennsylvania.

Mr. RICH. If we adopt this rule, then the unanimous consent of every individual Member of the House covering any legislation which that individual Member might desire could be brought up on the floor.

Mr. O'CONNOR of New York. This rule has nothing to do with the unanimous-consent request of any Member for any legislation. It does not pertain to that at all.

Mr. RICH. It certainly is going to give the Speaker great power. He can permit anything to come on the floor of the House.

Mr. O'CONNOR of New York. The Speaker always has the power to recognize Members for unanimous-consent requests. This rule permits the Speaker to recognize Members for suspensions, which takes a two-thirds vote.

Mr. MARTIN of Massachusetts. You can more easily get a majority vote than a two-thirds vote.

Mr. O'CONNOR of New York. Then the gentleman should not worry.

Mr. MARTIN of Massachusetts. It steamrollers the minority a little more.

Mr. McCORMACK. Will the gentleman yield?

Mr. MARTIN of Massachusetts. I yield to the gentleman from Massachusetts.

Mr. McCORMACK. The gentleman from New York made the observation that the Speaker always has the power to recognize Members for unanimous-consent requests. The Speaker also has the power to refuse to recognize such requests.

Mr. MARTIN of Massachusetts. The Speaker has not the right to recognize Members to call up bills under suspension of the rules every day. There are only certain days on which he may do that?

Mr. McCORMACK. I am not addressing myself to that. I am referring to the unanimous-consent request proposition raised by the gentleman from Pennsylvania [Mr. RICH].

Mr. MICHENER. Will the gentleman yield?

Mr. MARTIN of Massachusetts. I yield to the gentleman from Michigan.

Mr. MICHENER. As I see it, one of the really serious objections to a rule of this kind is that the rule provides in effect that the majority, knowing what measures it is going to bring up, and having the authority to bring them up without any notice, may have its Members on the floor at a given time and bring up anything and pass it, even without a roll call, and the Members of the minority may not know the measure is coming up unless they stay on the floor constantly.

Mr. O'CONNOR of New York. Of course, that statement is without foundation, because nothing could be passed here by a mere majority without notice. Under suspensions it could. However, before a rule can be brought up it requires a majority and, of course, it would have to be brought out from the Committee on Rules, on which the minority is represented.

Mr. MICHENER. Yes; but the gentleman could go to the committee room of the Committee on Rules immediately after this rule is passed and hold a committee meeting and report out a rule and the chairman could come back here in 20 minutes with a rule and take up the proposed legislation. Unless the gentleman sees fit to notify the minority before he reports what is going to happen, it is impossible for the minority to know what is coming up.

Mr. O'CONNOR of New York. We hear that complaint every year.

Mr. MICHENER. It is true, is it not?

Mr. O'CONNOR of New York. It is not true, because the gentleman from Massachusetts [Mr. MARTIN], who is the ranking minority member on the Committee on Rules, will say we always advise the minority when we are bringing up any rule. We have never failed to do that while we have been in the majority.

Mr. MICHENER. You advise the minority members when you invite them to the committee meeting the purpose of which is to report out a rule, and then you call up the bill at once.

Mr. O'CONNOR of New York. We hear this squabble every year, and it is a tempest in a teapot. We are trying to expedite the business of this House and let the gentleman go back to Michigan and take care of his fences.

Mr. MARTIN of Massachusetts. Does not the gentleman believe that as a usual thing more reasons are given than the gentleman has given today?

Mr. O'CONNOR of New York. I believe reasons have been given today much more fully than heretofore.

Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER. The question is on the resolution.

The question was taken; and on a division (demanded by Mr. MARTIN of Massachusetts) there were—ayes 139, noes 27.

So the resolution was agreed to.

A motion to reconsider was laid on the table.

THE WAGE AND HOUR BILL

Mr. RAMSPECK. Mr. Speaker, I call up from the Speaker's table the bill (S. 2475) to provide for the establishment of fair labor standards and employments in and effecting interstate commerce, and for other purposes, with a House amendment, and move that the House insist on its amendment to the Senate bill and agree to the conference asked by the Senate.

The Clerk read the title of the bill.

The SPEAKER. The gentleman from Georgia moves that the House insist upon its amendment to the Senate bill and agree to the conference asked by the Senate. The question is on the motion.

The motion was agreed to.

The Chair appointed the following conferees: Mrs. NORTON, Mr. RAMSPECK, Mr. GRISWOLD, Mr. KELLER, Mr. DUNN, Mr. WELCH, and Mr. HARTLEY.

EXTENSION OF REMARKS

Mr. MERRITT. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include therein a brief address by Mary Dewson, member of the Social Security Board, on 50 Years Progress Toward Social Security.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. TOWEY. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD, and include therein a very short address by Dr. Norman Burritt, of the New Jersey State Medical Society, on the food and drug legislation.

Mr. RICH. Reserving the right to object, Mr. Speaker, I notice Members of the House are now asking permission to insert in the RECORD addresses of everybody back in their own localities. If this is what you want to use the RECORD for, then go ahead, because you in the majority have complete charge. However, it seems to me that somebody ought to protect the record of the proceedings in the House and the Senate from such insertions. The CONGRESSIONAL RECORD is supposed to be a record of what transpires in the Congress, but instead of that we are having placed in the RECORD speeches from people back in the Members' home towns. It is a fine thing to do, but it is contrary to the rules of the House of Representatives and the Members should not be permitted to do it.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

THE FOOD AND DRUG BILL

Mr. O'CONNOR of New York. Mr. Speaker, I call up House Resolution 512.

The Clerk read the resolution, as follows:

House Resolution 512

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of S. 5, "An act to prevent the adulteration, misbranding, and false advertisement of food, drugs, devices, and cosmetics in interstate, foreign, and other commerce subject to the jurisdiction of the United States, for the purposes of safeguarding the public health, preventing deceit upon the purchasing public, and for other purposes," and all points of order against said act are hereby waived. That after general debate, which shall be confined to the act and continue not to exceed 2 hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Interstate and Foreign Commerce, the act shall be read for amendment under the 5-minute rule. It shall be in order to consider without the intervention of any point of order the substitute amendment recommended by the Committee on Interstate and Foreign Commerce, and such substitute for the purpose of amendment shall be considered under the 5-minute rule as an original act. At the conclusion of such consideration the Committee shall rise and report the act to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the act and the amendments thereto to final passage without intervening motion except one motion to recommit with or without instructions.

Mr. O'CONNOR of New York. Mr. Speaker, I yield 30 minutes to the gentleman from Michigan [Mr. MAPES].

Mr. Speaker, this is a rule for the consideration of the Food and Drugs Act, a matter which has been before us for many years. It is an open rule permitting amendments, and I reserve the balance of my time.

Mr. MAPES. Mr. Speaker, I yield 5 minutes to the gentleman from Massachusetts [Mr. LUCE].

Mr. LUCE. Mr. Speaker, when the gentleman from New York presented his previous motion, which is customary, he gave the gentleman from Massachusetts 30 minutes, and then, I am sure, through inadvertence, proceeded to allow the matter to go to a vote without opportunity to say some things upon that subject which are in my mind. I am sure he did not intend so to do.

Mr. O'CONNOR of New York. Mr. Speaker, will the gentleman yield?

Mr. LUCE. I yield.

Mr. O'CONNOR of New York. I assumed, by looking at the gentleman from Massachusetts, that he had finished. He had originally told me that he only wanted a few minutes. I looked toward the gentleman and then I moved the previous question.

Mr. MARTIN of Massachusetts. Mr. Speaker, will the gentleman yield?

Mr. LUCE. I yield.

Mr. MARTIN of Massachusetts. I will say that what the gentleman from New York states is correct.

Mr. O'CONNOR of New York. I did not intend to foreclose the gentleman at all.

Mr. LUCE. The incident I speak of may justify a few minutes somewhat out of order, in relation to the subject then in question, for I wish to call the attention of the gentleman from New York and of the House and, if possible, of the country, that there are at present on the calendars 182 measures on the Union Calendar, 18 on the House Calendar, and 58 on the Private Calendar, a total of 258 measures.

These have all been considered by committees of the House. The committees have reached the opinion that they were important enough to be laid before the House. The committees have recommended the passage of these measures. These committees have spent many hours, and in some cases many days, in the consideration of these measures. Mind you, every one of the 258 has been recommended for the consideration of the House.

It is evident that if adjournment is reached at the time which the motion evidently had in mind, the great majority of these measures will fall. Perhaps some of them should fall, but, at any rate, I hold that any measure reported to this House ought to have its consideration.

These measures affect thousands, in some cases millions of our people. Some of them affect the whole country, others affect only individual interests, but they are all believed by the committees to deserve consideration.

I am saying this that it may be spread on the RECORD that in spite of all this, the House contemplates going home without completing action upon a not inconsiderable part of the measures that have been put before it. The country should know that from personal reasons, perhaps, or political reasons the great majority controlling this Congress will have turned its back upon these measures and the wishes of the interested persons.

Sir, I do not know how to compare this with previous Congresses. It is possible that my own party may have committed the same faults when it was in power, but if so, that is no reason why we should now go back to our homes and have to admit we left dozens and scores of bills without action.

In my own State, Massachusetts, the general court, as we call our legislature, has not yet abandoned the time-honored belief that every petitioner should have an answer. The rules require that committees shall report on all matters referred to them. Every report is put on the calendar and must be acted upon. The legislature does not adjourn until the calendars are clear. In other words, bills may not be pigeonholed. With the multitude of measures deluged upon Congress, that would not be practicable here in full, but there is no reason why we should not require that every committee report have consideration.

In the end it would save more time than it would take, for nearly every bill not now acted upon will be introduced again, may appear for session after session, requiring repetition of committee hearings over and over till at last conclusion is reached. The waste of time and effort in failing to finish work that has once reached the floor of either House is lamentable. Sometimes the delays of justice are scandalous. Assuming that at least some of the legislation approved by committees would be wise, the country suffers.

Mr. O'CONNOR of New York. Mr. Speaker, if the statement of the distinguished gentleman from Massachusetts is the most severe indictment that he can lay against the Democratic Party, they would not even be compelled to plead to a misdemeanor.

The gentleman from Massachusetts [Mr. LUCE] says that some 250 bills remain on the calendars. Of course, there is some duplication between the Consent Calendar and the Union Calendar and the House Calendar. Why, Mr. Speaker, I thought at first there were 3,000 until I checked it. Of course, we usually dispose of all Private Calendar bills and all bills on the Consent Calendar before we adjourn, and I anticipate that will be done again in this session. Let us look at the exact figures up to last Friday, May 28.

Eight hundred and nine bills were placed on the Consent Calendar. We have considered 722, leaving only 87 now pending.

Eleven hundred and three bills were placed on the Private Calendar. We have considered 945, leaving only 158 to be yet considered.

Two hundred and sixty-six bills and resolutions were placed on the House Calendar. We have considered 247, leaving only 19 to be taken care of.

Nine hundred and forty bills were placed on the Union Calendar. We have considered 761, leaving only 179 not yet acted upon.

Sometime ago I put in the RECORD the statistics on the legislative business of the Seventy-fourth Congress. As I recall those figures, there were about 15,000 bills introduced in the Seventy-fourth Congress. There were about 4,000 bills reported by committees. Of the 4,000 bills so reported

about 2,000 became law, equally divided between private bills and public bills. This is a fair average of the process of legislation over a great many years, whether the party of the gentleman from Massachusetts was in power or the Democratic Party.

Let us now look at the figures as to the Seventy-fifth Congress and its three sessions up to last Friday, May 27.

Bills introduced:	
House	10,781
Senate	4,115
Total bills	14,896
Joint resolutions introduced (often in effect bills):	
House	702
Senate	302
Concurrent resolutions introduced:	
House	47
Senate	37
Resolutions introduced:	
House	506
Senate	284
Making a grand total of legislative proposals	16,774

Now let us see what action has been had on these proposals.

Reports from House committees number	2,518
Reports from Senate committees	1,921
Total reports	4,439

Of these proposals so reported the following have already become law, with undoubtedly hundreds more to follow:

Public laws	553
Private laws	536
Public resolutions	99
Private resolutions	4
Total laws	1,192

So we have made a remarkable record, probably unequaled, if we adjourned today, leaving only about 300 bills on the calendars undisposed of.

If the distinguished gentlemen desires to "go to the country" with that indictment of us, the facts will not support his pleadings.

Mr. FLETCHER. Mr. Speaker, will the gentleman yield?

Mr. O'CONNOR of New York. Yes.

Mr. FLETCHER. Does the gentleman mean to say that we will leave only 300 out of 15,000?

Mr. O'CONNOR of New York. Yes; out of 16,774. We are talking about this entire Seventy-fifth Congress of three sessions.

Mr. FLETCHER. Three hundred out of 4,000.

Mr. O'CONNOR of New York. But of over 4,000 reported.

Mr. LUCE. Mr. Speaker, will the gentleman yield?

Mr. O'CONNOR of New York. Yes.

Mr. LUCE. Did the gentleman sufficiently emphasize the fact that his figures represent largely bills introduced, and refer only incidentally to the bills reported, while the gentleman from Ohio [Mr. FLETCHER] did not observe that fact?

Mr. O'CONNOR of New York. I have stated that in the Seventy-fifth Congress there were 4,439 reported and that with 346 left on the calendar there will be less than 8 percent of the bills left which have been reported by our committees. That is a record of which Congress may well be proud.

Mr. MAPES. Mr. Speaker, I yield myself 20 minutes. I am opposed to the committee substitute as reported and am opposed to the rule. Unless the bill is materially modified I shall vote against it. The particular provision in the bill to which I am opposed is the so-called court-review section, paragraph (f) of section 701. That does not mean that I am opposed to any court review. Not at all. Everyone concedes the right of an aggrieved person to a court review, or his day in court, but not such a court review as the one provided for in the committee substitute. I particularly emphasize that fact. A discussion of the merits of the legislation will more properly come up under the general debate on the bill, but in this debate on the rule I want to call the attention of the House to some of the opposition to the legislation as reported by the committee.

In the first place, the Secretary of Agriculture and the Food and Drug Administration in the Department of Agriculture are opposed to it, as shown by the letter of the Secretary of Agriculture printed in the minority report. I shall not read the letter in full at this time, I shall read only a few sentences of it. It was written March 29, 1938. The letter printed in the minority report is addressed to me. Let me explain how that happened. The gentleman from Kentucky [Mr. CHAPMAN] and I joined in a letter to the Secretary of Agriculture asking his views on the court-review section, as it then appeared in a confidential committee print of the bill. The Secretary answered by sending one letter addressed to the gentleman from Kentucky and another one to me. The letters were identical, except that one was addressed to Mr. CHAPMAN and the other to me.

In that letter the Secretary, among other things, said:

> I am of the opinion that if section 701 (f) remains in the bill its effect will be to hamstring its administration so as to amount to a practical nullification of the substantial provisions of the bill.

After reviewing the section somewhat at length he makes these further statements:

> Even though a number of district courts might uphold an order, demanded alike by the public and by the overwhelming majority of the industry regulated, to terminate abusive practices, a single district court could enjoin permanently the enforcement of the regulation.
>
> Frankly, I regard this provision as unfair to the Department, to the public, and to the industries regulated, the majority of which unquestionably would support regulations based on substantial evidence which the Secretary of Agriculture would promulgate.

Again the Secretary says:

> It is the Department's considered judgment that it would be better to continue the old law in effect than to enact S. 5 with this provision. If there is to be exploration into fields of administrative law, may I urge that it not be in the field of vitally important public-health legislation.

Mr. ROBERTSON. Mr. Speaker, will the gentleman yield?

Mr. MAPES. Yes.

Mr. ROBERTSON. Will my colleague advise the House whether or not he supported, when the bill came over from the Senate, the court-review section that the Senate had written into this bill, or did he oppose any provision for a court review?

Mr. MAPES. I do not remember that that was a controversial issue until this came up. If the gentleman from Virginia has any information about that, I would be pleased to have him disclose it. Personally, I do not recall that the question came up in any controversial way.

Mr. ROBERTSON. The best lawyers the International Apple Association and the other producers of fruits and vegetables can get render it as their deliberate opinion that it is highly essential for the protection of those who must use spray in the production of fruit and vegetables to have the privilege of going into court to test the reasonableness of the departmental regulations.

I understand that my colleague admits that they should have the right to go into court to test the question of reasonableness. Let us take the case of a Pacific coast producer in the State of Washington. His apples have been taken up under a regulation that permits and allows tolerance, say, of 0.01, unsupported by any medical testimony, any scientific fact or data to establish the fact that to exceed such a tolerance would be injurious to human health. My friend tells the House, as I understand, that that apple producer shall not have the right to test that regulation in his own State but must come to the District of Columbia in order to litigate that question although this bill reserves the right to the Department of Agriculture to seize the apples and litigate them wherever it sees fit throughout the United States. Why should we provide just one court for the citizen of the United States to bring his suit and yet allow the Government to bring its case anywhere it pleases?

Mr. MAPES. The gentleman from Virginia, frankly, has put his finger upon the real issue involved in this court-review section. It is a question for the House to decide whether it is going to follow the recommendation of the

apple-growers' association in writing the section or the recommendation of the Food and Drug Administration. The gentleman from Virginia very accurately has put his finger upon the point in controversy.

The gentleman from Virginia, of course, would not claim that any administrative authority would pass regulations or issue orders without any evidence, as he has indicated might be done. If any administrative officer did that, the court would protect those affected, as it did recently in the stockyards case.

I had not intended to go into the merits of the section in this debate on the rule, but as long as the gentleman from Virginia has raised the question, the House may as well understand just what is involved.

Mr. SIROVICH. Mr. Speaker, will the gentleman yield?

Mr. MAPES. I yield.

Mr. SIROVICH. I think the gentleman is perfectly right in the contention he is bringing before the House, because many years ago when we considered the food and drug bill we learned that in the States of Oregon and Washington the apples had been sprayed with a lead-arsenic preparation that was more than the tolerance allowed. The authorities in Massachusetts arrested six or eight trainloads of apples that had more lead arsenic than the law permitted. These apples were thrown into the harbor at Boston. England and France have not permitted many of our apples to go into these countries because the apples contained more lead and arsenic than the tolerance law allowed. Something should be done to protect the consuming public against having their gastro-intestinal tracts disturbed by these lead-arsenic preparations.

Mr. MAPES. Mr. Speaker, I thank the gentleman from Virginia and the gentleman from New York for getting the issue so squarely before the House, much better than I could have done without their assistance.

Mr. ROBERTSON. Will the gentleman yield for a very brief question?

Mr. MAPES. I yield to the gentleman.

Mr. ROBERTSON. Has the gentleman ever heard of a single case in the history of the United States, either in medical science or any other science, where anybody has been poisoned through eating an apple with undue spray residue on it? The gentleman cannot cite one case.

Mr. MAPES. Mr. Speaker, the letter of the Secretary of Agriculture, which is printed in the minority report, was written a few days before the committee report was filed, and applied to a draft of this section which appeared in a confidential committee draft at that time. It varies a little from the one actually reported. The committee amended the draft of the section as submitted to the Secretary by striking out, page 82, line 19, after the word "shall", the words "if in his judgment sufficient reason appears for so doing," and by inserting, page 84, line 8, after the word "shall", certain other words. Those who signed the minority report believe that the first amendment weakens the enforcement provision of the section and the second one requires nothing more than a court would ordinarily require without it.

Mr. Speaker, for all practical purposes the section remains substantially the same as the one submitted to the Secretary.

In the second place the committee substitute is opposed by practically all the women's organizations in the country that I know of. The substitute was reported to the House on April 14. A few days afterward the Members of the House received a letter signed by the representatives of 15 organizations of women representing the consuming public opposing the committee substitute. That letter dated April 22, 1938, reads as follows:

APRIL 22, 1938.

To the Members of the House of Representatives:

Re: Food and drug bill S. 5, as reported to the House April 14.

The undersigned organizations have worked consistently for the past 5 years for an adequate revision of the present Food and Drug Act to insure protection of the public from dangerous and fraudulent products. No bill which has been before the Congress in the past 2 years has entirely met the standards for such legislation which we as consumers consider reasonable; but as long as proposed legislation offered measurable improvement over the present act, the undersigned organizations have accepted modifications.

S. 5 as now reported to the House contains a provision, section 701 (f), which is not only a radical departure from existing administrative law, but would prevent quick and effective action against dangerous and fraudulent products.

We are convinced that this proposal for judicial review of regulations more than offsets the improvements over the present law contained in the bill. Unless this section providing for judicial review is struck out, the undersigned organizations must oppose the enactment of the measure.

Caroline Ware, American Association of University Women; Marie Mount, American Dietetic Association; Katharine M. Ansley, American Home Economics Association; Janet Fish, American Nurses Association; Margaret C. Maule, Girls Friendly Society of the United States of America; Sina H. Stanton, Council of Women for Home Missions; Louise Taylor Jones, Medical Women's National Association; Esther Cady Danley, National Board of the Y. W. C. A. of the U. S. A.; Mary T. Bannerman, National Congress of Parents and Teachers; Mrs. Arthur G. Broade, National Council of Jewish Women; Louise G. Baldwin, National League of Women Voters; Mary N. Winslow, National Women's Trade Union League; Julia M. Green, Women's Homeopathic Medical Fraternity; Mathilde C. Hader, National Consumers League.

And, Mr. Speaker, I just received this morning from the department of economics, Michigan State College, at Lansing, a letter signed by the agricultural economist, containing these two sentences:

The bill as reported by the committee is a farce, and enforcement of it would be impossible. Many of these groups of women who are studying consumers' problems in Michigan have been deeply concerned about this bill.

In general debate I expect to go further into the merits of this particular section, but I wanted to call attention in the debate on the rule to this opposition to the legislation.

[Here the gavel fell.]

Mr. O'CONNOR of New York. Mr. Speaker, I move the previous question on the adoption of the resolution.

The previous question was ordered.

The resolution was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the consideration of the bill S. 5, with Mr. DRIVER in the chair.

The Clerk read the title of the bill.

The first reading of the bill was dispensed with.

Mr. LEA. Mr. Chairman, I yield myself 20 minutes.

Mr. Chairman, the bill before us is what might be termed an evolution of the Wiley Act of 1906, which bears the name of Dr. Wiley because of his great service in behalf of public health in the United States. That was 32 years ago. Since then there have been very few amendments to the Food and Drug Act. There has been a revolution in the United States so far as the preparation of food is concerned. In 1900 the home was the laboratory and the place of preparation of food for the American people. That was true almost entirely. Today a large proportion of all the foods consumed by our people is prepared in the factories of the United States.

In this same period of 32 years we have witnessed the development of the germ theory of disease. While it was known in 1906, the full ramifications and importance of the germ theory as a source of disease has largely developed since that time.

In addition to that, we have had 32 years' experience in the enforcement of the present food and drug law. Based upon this experience and these changed conditions, the country has need for this legislation.

The object of the pending bill is to extend the scope of food and drug legislation and to give more effective control to the law as we have it today as well as the new law. Food and drug legislation has revolved around two primary considerations. The first is adulteration and the other is misbranding. The object of food and drug legislation has these things in view: prevent adulteration of foods in order to protect health, and prevent the deception of the public; misbranding in particular, to avoid deception in the purchase of foods, drugs, and articles that come within this bill.

Mr. Chairman, this bill goes further than the existing law in a number of particulars, some of which, in a general way, I will attempt to point out. This bill proposes 15 or more substantial improvements in the existing law.

First, I call your attention to the structure of this bill. It consists of over 50 pages, and it may be confusing to you as you look it over. The present law is confined to food and drugs. This bill takes in therapeutic devices and also cosmetics. In those particulars, as well as in others, it is a material extension of the present food and drug law.

The bill treats these subjects under three separate heads in as many divisions. Having in mind that we are dealing primarily with adulteration and misbranding under each head, we have three separate divisions of the bill, one dealing with food, another with drugs and therapeutic devices, and the third with cosmetics. Each of these three divisions deals with the same subject in three parallel provisions. On account of the dissimilarity of the three subjects covered by the bill each one is treated in a separate part of the bill. However, the provisions in reference to adulteration and misbranding run practically parallel in each of the three subdivisions of the bill.

Naturally the question arises as to the remedies that are to be applied to protect the public against adulteration and misbranding of their food and drugs. The remedies provided in this bill include a denial to these adulterated and misbranded articles covered by the bill of the right to move in interstate commerce.

There are penal provisions which make it a crime to introduce or to transmit these articles in interstate commerce in violation of the law. There is provision for the seizure of articles which may be injurious to health or the sale of which under the conditions would be a gross imposition upon the public. There is also provision for giving warning and information by labels, where necessary, to the prospective consumer of foods and drugs, cosmetics, and therapeutic devices.

In addition, in this bill the committee proposes a new arm of enforcement by providing that injunctions may be used to assist in the enforcement of this act. This is a very important addition to the present law that should contribute to effective enforcement and reduction of litigation.

Then, a final feature of the bill, so far as its remedial considerations are concerned, is that the Secretary of Agriculture, who is now the head of the Food and Drug Administration, is clothed with very broad authority for the purpose of enforcement, to make regulations to carry out the law that is proposed to be enacted.

I should like to call attention briefly to some features of the bill that increase the scope of the present food and drug law. These features include control over adulteration and misbranding of cosmetics and therapeutic devices. There is a provision that drugs intended for diagnosing illness or for remedying underweight or overweight or for otherwise affecting bodily structure or function are subject to regulation. New drugs are required to be adequately tested for safety before they are placed on the market.

Foods that are dangerous because of naturally contained poisons rather than added poisons are brought under regulation. The addition of poison to foods is prohibited except where such addition is necessary or cannot be avoided; and in such cases tolerances are provided limiting the amount of added poison to the extent necessary to safeguard the public health.

At this point I call attention to the question discussed a while ago as spray residue on fruit. This bill provides that the Secretary of Agriculture shall have authority after proper hearing to prescribe the extent of spray residue that shall be permissible. Then the regulation is enforceable. There is nothing in this bill that fails to protect the public health against spray residue. In the present law there is no such authority in the Secretary of Agriculture. The only method of prosecuting in connection with that condition at the present time is to treat spray residue as an adulteration.

Mr. SIROVICH. Mr. Chairman, will the gentleman yield?

Mr. LEA. I yield to the gentleman from New York.

Mr. SIROVICH. Is there anything in this measure which would compel the Government of the United States to insist upon the washing off of the toxic residue that may be found upon fruits and vegetables?

Mr. LEA. The only way of handling that situation at the present time is for the Secretary to say, in effect, that if he finds more than a certain amount of spray residue, he will prosecute criminally for adulteration. There is no authority by which he can legally adopt regulations. He must resort to the criminal procedure for adulteration. If enacted, this bill would give him the right after proper hearings to adopt regulations prescribing limits. Then a court review would be permitted, and if the interested parties claimed the regulation was invalid, they would have the right to go into court and have that question considered.

Mr. SIROVICH. In other words, the court would pass on the toxicity of the residue?

Mr. LEA. The court would pass on the validity of the regulation. If the regulation was found valid, that would settle the question and the final decision would become the settled law of the case.

Mr. SIROVICH. That means the court would have to call upon all kinds of medical authority to counteract what the Secretary of Agriculture had already done.

Mr. LEA. No; the finding is made based on the record made at the hearing before the Secretary, and is confined to that record, unless for good cause shown additional evidence is received. If there is substantial evidence to justify the Secretary's finding the case is closed.

Where the other provisions of the law are not effective to control danger to health arising from bacterial contamination of food, temporary license restrictions can be imposed until the difficulty is corrected.

This is largely aimed at contagious diseases that sweep over the country at times, where factories are in the affected territory. In order to reduce the menace to the consuming public over the country, the Secretary can require permits and inspect the suspected factory in order to be sure that its products do not carry contagion to the people of the country.

Definitions and standards of identity are provided under which the integrity of food products can be effectively maintained.

Informative labeling of foods as to quality and composition is required for the information and guidance of consumers. Emphasis is placed on the informative labeling of special dietary foods, such as that for infants and invalids.

The provision under which proceedings could be brought against falsely labeled patent medicines only upon evidence to prove that the manufacturer knew his labels were false is eliminated.

In other words, at the present time it is necessary to prove criminal intent before you can give the consumers the benefit of this protection. Under this bill we look to consumer protection as the primary consideration and make secondary the question of intent with which the article was given out to the public.

Habit-forming drugs must be labeled with warnings that they are habit forming.

Potent drugs liable to be misused must bear labels warning against probable misuse.

Special safeguards are set up for packaging and labeling deteriorating drugs.

Authority is provided for inspection of factories making interstate shipments, without which the law could not be effectively enforced.

Mr. SIROVICH. Mr. Chairman, will the gentleman yield?

Mr. LEA. I yield.

Mr. SIROVICH. On the therapeutic indications of drugs, as to their potency as far as deterioration is concerned, does the law provide it has to be on the label to let the consumer know how long the drug is good for and after what time it is deteriorated?

Mr. LEA. Yes; and methods of preserving its contents.

Mr. SIROVICH. That is a very excellent thing.

Mr. LEA. Then increased penalties are provided. Under the present law, as I recall, the maximum penalty is $500 and the ordinary penalty is $300. The bill we report fixes a maximum penalty of $10,000 and a maximum time in jail of 3 years instead of 1 year as under the present law.

The main object of so increasing these penalties is to provide suitable penalties due to the changed conditions since 1906. We have a great many institutions manufacturing drugs and foods that are very strong financially and we thought these higher penalties are justified in view of present conditions and to cover cases of the persistent violator.

Mr. SIROVICH. Mr. Chairman, will the gentleman yield?

Mr. LEA. I yield to the gentleman.

Mr. SIROVICH. Is there anything in this new bill that pertains to multiple seizures?

Mr. LEA. Yes; there is.

Mr. SIROVICH. What does it do?

Mr. LEA. We have a provision that, to a degree, limits multiple seizures, but it does not interfere where the article is injurious to health or where its sale would be a gross imposition on the public; in fact, the limitation is a very mild one and does not interfere with the fundamental purpose of protecting health and protecting against cases of gross fraud.

Mr. SIROVICH. Does multiple seizure in this new legislation interfere particularly where the drug is highly toxic and may poison thousands of people around the country?

Mr. LEA. It does. The right of multiple seizure in such a case would exist.

Mr. EBERHARTER. Mr. Chairman, will the gentleman yield?

Mr. LEA. Briefly, because I must go ahead with my statement.

Mr. EBERHARTER. The gentleman has noted subsection (1) of section 403 which pertains to alcohol and states that the term "whisky" shall not be branded on anything distilled from any material except grain. In other words, if you made whisky from anything except grain alcohol or grain, you could not label it as whisky; is that correct?

Mr. LEA. Yes.

Mr. EBERHARTER. Is it not a fact that whisky is made from substances other than grain?

Mr. LEA. Whisky is now made from other substances to a limited extent.

Mr. EBERHARTER. In other words, if this particular section went into effect it would put out of business all distillers that made whisky from any substance other than grain?

Mr. LEA. It would deny the use of substances other than grain, but there is a provision permitting 2½ percent for color and flavor and, of course, it would not put a distiller out of business, but would deny him this particular class of manufacture so far as marketing his product as whisky is concerned.

Mr. EBERHARTER. In other words, he could not label his product "whisky" if it was not distilled from grain?

Mr. LEA. Yes. The theory back of that, I take it, is that originally all whisky was made from grain and we have a good many of the distillers who follow that practice now and they feel that the liquor that is entitled to such a term is a product made solely from grain. We do have the other class to which the gentleman refers, which do make whisky, a part of which is not made from grain.

Mr. EBERHARTER. Does not that in effect give a tremendous advantage to those distilleries which at present use grain? Whisky does not, in its ordinary sense, mean that it must be distilled from grain alone.

Mr. LEA. I think it would cause serious trouble, were it not for the limited extent to which this type of whisky is made.

Mr. EBERHARTER. Then the effect of this section would be to either outlaw those distilleries not making whisky from grain, compel them to go out of business, or else compel them to change their plants that they would use only grain.

Mr. LEA. As far as my information goes no plants are devoted solely to making whisky from sources other than grain, and then only to a very limited extent do any of them make whisky from sources other than grain.

Mr. STEFAN. Mr. Chairman, will the gentleman yield? The gentleman always makes a wonderful explanation of any bill that he brings on the floor, and I am very much interested in the questions put to the gentleman from California by my colleague from Pennsylvania [Mr. EBERHARTER], in respect to whisky. I have a bill introduced in the House which would prohibit the labeling of anything so far as it is whisky unless it is made from grain only. It has always been considered that whisky is a distillate of grain, under the famous Taft decision in the Supreme Court. It was generally considered that whisky was always distilled from grain. As a result of some changes in our laws the Blackstrap Molasses Trust have taken away from the American farmer a potential market of 30,000,000 or 40,000,000 bushels of corn, as a result of distilling blackstrap molasses into whisky.

During our campaign to eliminate prohibition, it was promised the farmer that he would have a market for his corn if he would vote for the elimination of prohibition. That promise has not been kept, and I think this is one step in the right direction to give back to the farmer and carry out the promises to the farmer.

Mr. LEA. We can discuss that further.

Mr. STEFAN. Will the gentleman discuss that with me when we come to the section on page 64?

Mr. LEA. Yes.

The CHAIRMAN. The gentleman from California has consumed 20 minutes.

Mr. LEA. Mr. Chairman, I yield myself 10 additional minutes. I ask the attention of the Committee to the matter of a court review. The bill as it passed the Senate provided for a court review, and the bill as it is presented to the House provides for a court review, and, in my judgment, a very much better provision than the Senate bill. But let us consider the background. We have the most complicated system of government in this country that the world has ever known. A very important feature of it has developed during the last 20 or 30 years, and that is the establishment of bureaus clothed with the authority to make regulations and govern the conduct of the American people.

Those regulations have the force of law, the same as if enacted by the Congress. In making those regulations the departments act as the agents of Congress. A man under this bill, if it is enacted into law, may be sent to prison for as much as 3 years because he has violated a regulation established by the Secretary of Agriculture. That is only one of many instances.

Mr. REES of Kansas. Mr. Chairman, will the gentleman yield?

Mr. LEA. I shall have to decline, because I have only 10 minutes. We have to a startling degree an irresponsible making of laws in the name of Congress, without fair opportunity for thorough consideration, without the country knowing who is responsible for them, written by people the country does not know, and frequently with little opportunity to assure that the regulations are just or wise.

In my judgment one of the greatest menaces to popular government in this country is this vast structure of bureaus. I am not condemning it. I think it is necessary under our system of government. Our State lines have become more or less eliminated by the changes in our economic conditions. It has been inevitable that we must exercise more power here in Washington than in the decades gone by. We must accept that fact; but we must not ignore the fact that the people deserve protection against arbitrary and capricious government, against inexperience and ignorance by the departments that exercise this semilegislative authority.

In this bill we give a broad extension of authority to the Secretary of Agriculture, and in that respect it is one of the broadest bills ever passed by this Congress in ordinary peacetimes.

Mr. TOWEY. Mr. Chairman, will the gentleman yield?

Mr. LEA. I am sorry, but I have not the time. We give more authority to the Secretary under this bill than any white man ought to have unless with it there is proper restraint by the courts. That is what we have tried to do here. We have tried to provide an intelligent, fair, and orderly system so that the departments will have rules to go by, so that they will know what their rights are and the people will know what their rights are, and such a procedure can be safely followed.

The present law is very crude and undeveloped. The administrative law in this country has practically been built up on court interpretation. It is indefinite, confusing, and conflicting, not affording certainty to the departments or litigants. It is to remedy that condition that we propose this method of restraint against arbitrary action.

The practical problem presented by court review is whether you are in favor of a government by edict or whether you favor a government by orderly procedure, a government under which the citizen shall have a right to be heard and will get fair consideration before these regulations are enacted. Recently the Supreme Court rendered a decision in reference to the question of what these departments should do.

This bill was written before the Supreme Court decision was handed down, but the bill does in effect what the Supreme Court said these departments ought to do without any legislation by the Congress. The Supreme Court said the maintenance of proper standards on the part of administrative agencies in the performance of their quasi-judicial functions is of the highest importance and in no way cripples or embarrasses the exercise of their appropriate authority. On the contrary it is to their interest, for as we said at the outset if these multiplying agencies deemed to be necessary in our complex society are to serve the purpose for which they were created and endowed with vast powers, they must accredit themselves in accordance with the cherished judicial tradition embodying the basic conception of fair play.

The question of time is raised. It is urged that these regulations must be made on the minute and that there is no time for consideration such as here would be provided. While this legislation is a substitute for the action of Congress, how long does it take to pass an act through Congress, even though it may be very important or necessary? There is nothing in this court review that will interfere with proper procedure and promptness in taking care of any emergency that may arise; in fact, the bill by its terms provide that as to the emergency conditions a regulation may be put into effect immediately by the Secretary before there is any chance to pass it in Congress. By prescribing a clearly defined procedure these provisions will reduce litigation and hasten the disposal of cases.

I wanted to call the attention of the House to the particular regulations that are affected by this court review, but on account of the limited time I will not at this time enumerate those powers. For the present it is sufficient to say that they are very broad and very important. It is these broad powers that no man should seek or want to exercise unless the court has a reasonable right to review his conduct from the standpoint of arbitrary action.

In substance, this court review section provides that on initiation of the Secretary himself, or on application of the industry, hearings shall be had for the purpose of considering the adoption of regulations. The Secretary holds the hearings; notice is given all interested parties. They have a right to participate. Finally the Secretary makes a finding and makes an order providing for the regulation. Then if there is an actual controversy an interested party may go to the court and bring a suit to test the validity of the regulation. In that event he files his case in the district court.

Here is one of the controversies—the main one, in fact. I may at this time explain that there has been, as I understand it, three differences between the Department of Agriculture and this committee provision. One was in reference to the hearing before the Secretary. The bill provides that on the request of an industry or a substantial portion of it the Secretary shall hold a hearing. The authorities of the Department of Agriculture objected to this provision, claiming that it deprived the Secretary of all discretionary powers.

I shall offer an amendment at the proper time providing in substance that when reasonable cause is shown the Secretary shall call the hearing. This will obviate any dispute over that question.

Another objection of the Department of Agriculture was that when the complainant went into court he was to have the privilege of introducing testimony, although he had neglected to produce it at the hearings before the Secretary. This was objected to on the ground that it was unfair for a man to be silent while the Secretary was holding a hearing and then go to court and ask to introduce testimony. The committee tried to meet this objection by adopting a provision requiring that when the complainant goes into court he must show that the testimony he offers is material, and he must show good cause why he did not produce it at the time of the hearings conducted by the Secretary. So we met the second objection of the Secretary.

[Here the gavel fell.]

Mr. LEA. Mr. Chairman, I yield myself 2 additional minutes.

Mr. Chairman, there is one other objection we have not met and that is the court that shall have jurisdiction to try the case. As I understand it, the Secretary wants all cases brought to trial in the city of Washington. The committee thought these cases ought to be tried like other cases, that the citizens throughout the country ought to have the right of trial at the place where they reside or where their principal place of business is located. When the Department sues an individual citizen it sues him wherever jurisdiction may be had. The members of the committee reached the conclusion that the citizen of this country ought to have the same right in reference to this case as in other important cases and have the case tried in the district where he resides or has his principal place of business.

Mr. MARTIN of Colorado. Will the gentleman yield?

Mr. LEA. I yield to the gentleman from Colorado.

Mr. MARTIN of Colorado. I thought we unanimously agreed on that proposition. Is there any difference?

Mr. LEA. What is that?

Mr. MARTIN of Colorado. I thought the committee unanimously agreed on that proposition.

Mr. LEA. We agreed that the local court should be the place of trial, but objection is made to that here, and that seems to be the principal point of dispute; that is, whether anyone who wants to test this must come to Washington or whether or not they will be given the privilege of trial in the district courts throughout the country.

Mr. Chairman, the Members may have read the minority report in this case. I think it is unfair and unwarranted and has a degree of misleading contentions that is regrettable. In the first place, one of these objections that was made by the Department we corrected before the bill was reported. The Secretary's letter was written before this correction was made. It is inserted in the minority report and has been circulated throughout the United States and has been made the basis of propaganda on the theory that the thing which we corrected is still in the bill.

[Here the gavel fell.]

Mr. LEA. Mr. Chairman, I yield myself 1 additional minute.

Mr. LEAVY. Will the gentleman yield?

Mr. LEA. I yield to the gentleman from Washington.

Mr. LEAVY. Are the provisions of this act retroactive insofar as orders now in existence by the Pure Food and Drug Department may be taken to court and there examined or determined?

Mr. LEA. No.

Mr. LEAVY. If there are now, as there are, arbitrary departmental regulations that virtually destroy an industry, do not the people who may be affected by this legislation have any relief?

Mr. LEA. Yes, indeed. They can do what I was trying to describe. They may come in and ask for the new regulation to eliminate the injustice of an old one.

Mr. LEAVY. I just asked the gentleman if this would grant them relief.

Mr. LEA. Yes.

Mr. LEAVY. The apple spray regulation is one of that type and character and has been judicially determined to be such.

Mr. LEA. The gentleman is right. The existing regulations would be subject to petition for reconsideration.

Mr. SIROVICH. Will the gentleman yield?

Mr. LEA. I yield to the gentleman from New York.

Mr. SIROVICH. I would like to call the gentleman's attention to the fact that in our Committee on Fisheries, from Alaska to the great States of Washington and Oregon complaints have come on the seizure of thirty, forty, or fifty thousands cases of salmon that may be contaminated, where the owners never have a chance to have their expert take a sample to determine themselves whether it is contaminated on the basis of presenting that information to the court.

In view of the fact they have been clamoring for 12 years before our committee to get this right, would the gentleman be willing to accept an amendment to the bill which would give the right to these great owners of twenty, thirty, forty, or fifty thousand cases of salmon to have their experts, when the Government condemns this, take a sample?

Mr. LEA. This bill provides for that. Samples would be furnished the owner.

[Here the gavel fell.]

Mr. MAPES. Mr. Chairman, I yield myself 15 minutes.

Mr. Chairman, I have no idea of making any extended remarks on this bill. I do wish, however, to make a few observations, in regard to it and I may as well start where the chairman of the committee, the gentleman from California, left off when he said the minority report was unfair and misleading in quoting the letter of the Secretary of Agriculture. As I said when we considered the rule, I fail to see how anything could be more explicit than the statement on that subject in the minority reports as follows:

> The section as submitted to the Secretary of Agriculture was the same as the section as reported by the majority of the committee, except in two particulars, one of which weakens the enforcement provision of the section, the other of which has no effect on it one way or the other, in our opinion.

It may be conceded that the gentleman from California [Mr. LEA] entertains a different view. The minority was not attempting to state his opinion. The minority report says that the language of the section as reported is not the same as it was when submitted to the Secretary of Agriculture. Those of us who signed the minority report, however, do say that, in our opinion, it is in substance the same, and the report specifically points out in just what particular the two drafts differ. The minority report continues:

> The committee amended the draft of the section as submitted to the Secretary (1) by striking out of the committee substitute, page 82, line 19, after the word "shall", the words "if in his judgment sufficient reason appears for so doing."

The chairman of the committee said he intended to offer an amendment to the section to remedy some of the harm done in striking out the language referred to in the minority report, thereby in effect admitting the correctness of the statement in the minority report that the action of the committee in striking out the language weakened the enforcement provision of the section. Was there anything unfair in calling attention to that in the minority report?

I quote further from the minority report:

> and (2) by inserting, page 84, line 8, after the word "shall", the words "upon the showing that such additional evidence is material, and that there were reasonable grounds for failure to adduce such evidence at the proceeding before the Secretary."

The minority says that without this language, in its opinion, any court would require that showing to be made before allowing additional evidence to be introduced.

I submit that any lawyer upon the floor of this House will agree with the statement. Whether that language is specifically written into the section or not, would not a court require a showing that such additional evidence is material and that there were reasonable grounds for failure to adduce such evidence at the proceeding before the Secretary before the court would allow additional evidence to be taken?

Those are the only two differences between the draft which was submitted to the Secretary before the committee made its report and the draft as it appears before you today. Furthermore, of course, as a practical matter the Members of the House know that this new draft probably was submitted to the Secretary of Agriculture and the Food and Drug Administration before the minority report was drawn up.

My opposition to this section is not due primarily to the fact that a party aggrieved can proceed in any district court in the United States to contest the validity of an order or regulation of the Food and Drug Administration, although I am opposed to that provision. I am more opposed, however, to the provision which allows the court to open up the case and take new testimony before the court itself or a master. The language giving the court that authority will be found on page 84, beginning at line 8:

> The court shall, upon the showing that such additional evidence is material and that there were reasonable grounds for failure to adduce such evidence at the proceeding before the Secretary, permit the complainant to supplement the evidence in such record by adducing additional evidence, which the Secretary may rebut, bearing on the validity of the order. For this purpose, the court may require such evidence to be taken before the court or a master, or may remand the case to the Secretary for the taking of such evidence and the making of such amendment to his order as may be required.

Although I have not examined all the statutes, I am advised, and it is my opinion, that there is no law on the statute books now of that exact wording applying to any other commission or any administrative agency in the Government. It is a unique provision, as far as I am advised. The usual provision is that if, upon an appeal to the court, the court finds that material evidence has developed since the hearing before the commission or administrative officer, the court shall remand the case to the commission or administrative officer for further testimony. I know of no case where the court itself is allowed to open up the case and take testimony. This is the point involved here.

Most of you have had experience with State commissions. Take your State railroad commissions as an illustration. Suppose an appeal could be taken from an order of a State railroad commission to the State courts, and, upon a showing that material evidence had developed, the court could proceed to hold hearings. If that were allowed a State commission would never get anywhere in the enforcement of the law.

I have before me several of the acts creating various commissions. Here is the language in the Bituminous Coal Commission Act:

> After an appeal has been taken, the finding of the Commission as to the facts, if supported by substantial evidence, shall be conclusive.

That is far from the language of the provision in the pending bill.

> If either party shall apply to the court for leave to adduce additional evidence and shall show to the satisfaction of the court that such additional evidence is material and that there were reasonable grounds for failure to adduce such evidence in the hearing before the Commission—

Does the court take the evidence? No—

> the court may order such additional evidence to be taken before the Commission.

The theory of that is that the Commission is entitled to have all the facts before it, just the same as the court.

This is the act creating the National Labor Relations Board about which we hear so much:

If either party shall apply to the court for leave to adduce additional evidence—

And so on. The language is the same as I have just read.

The findings of the Board as to the facts, if supported by evidence, shall be conclusive.

That is the language in the laws creating practically all commissions and regulatory bodies, "the findings of fact if supported by evidence." Sometimes the word "material" or the word "substantial" is inserted before the word "evidence" shall be conclusive, but if material evidence develops after the hearings before the commission or administrative officer, the court remands the case to the commission or administrative officer to take the additional evidence.

Here is the provision in the law governing stock exchanges.

The finding of the Commission as to the facts, if supported by substantial evidence, shall be conclusive. If either party shall apply to the court for leave to adduce additional evidence, and shall show to the satisfaction of the court that such additional evidence is material, and that there were reasonable grounds for failure to adduce such evidence in the hearing before the Commission, the court may order such additional evidence to be taken before the Commission.

The same is true of the law relating to the issuance of securities.

The law relating to the Radio Commission contains the following provision:

Provided, however, That the review by the court shall be limited to questions of law, and that findings of fact by the Commission, if supported by substantial evidence, shall be conclusive, unless it shall clearly appear that the findings of the Commission are arbitrary or capricious.

Mr. ROBSION of Kentucky. Mr. Chairman, will the gentleman yield?

Mr. MAPES. I yield to the gentleman from Kentucky.

Mr. ROBSION of Kentucky. If provisions such as were written into the Bituminous Coal Commission Act were written into this bill, would that expedite or delay action?

Mr. MAPES. It would expedite action.

Mr. ROBSION of Kentucky. That is the main purpose of it; and it is the gentleman's contention that we would get quicker action and it would lead to more effective enforcement of the act?

Mr. MAPES. Exactly. In the language of the Secretary, we propose to hamstring the Food and Drug Administration in the administration of a health law, but we give no such authority to the courts in the enforcement of stock exchange regulations, securities regulations, or the work of the Radio Commission and these other commissions.

Mr. LEAVY. Mr. Chairman, will the gentleman yield?

Mr. MAPES. I yield to the gentleman from Washington.

Mr. LEAVY. I notice that in the gentleman's answer to the question just propounded he stated in substance that these provisions would expedite proceedings. It appears to me it would have just the opposite effect if the court were compelled to remand the case to the Commission for the taking of further testimony, for if the case were then reopened, and a record made, and the case reconsidered, certainly there would not be a saving in time.

Mr. MAPES. Did the gentleman ever hear of the telephone cases that took 14 or 17 years to get from the State commission of Illinois into the Supreme Court of the United States?

Mr. LEAVY. Yes; I have heard of them, but they are not necessarily on all fours at all with the matter we have here.

Mr. MAPES. As has been said here, if we are going to experiment, let us not experiment on matters of health.

Mr. LEAVY. If the gentleman will yield further I would like to ask another question. Is not the section the gentleman has under discussion and with which he finds fault quite different from those that he referred to where the various commissions have hearings, in that the aggrieved individual here seeks an injunction and the court is asked to issue either a temporary or a permanent restraining order against the order theretofore made by the Food and Drug Administration based upon a record?

Now, why does the gentleman find fault with the court being permitted in that instance, since they make a judgment which is apt to be a final one, to hear further testimony upon the part of either of the parties?

Mr. MAPES. If I have not made my position clear to the gentleman, I am afraid I cannot do so.

As has been pointed out, this bill provides for proceeding before any district court. These other statutes to which I have been referring and extracts from which I have read, provide that proceedings may be started in the Circuit Court of Appeals of the United States within any circuit wherein the person aggrieved resides or has his principal place of business, or in the Court of Appeals of the District of Columbia.

This legislation goes to the extreme in giving the right to proceed in any district court.

Mr. TOWEY. Mr. Chairman, will the gentleman yield?

Mr. MAPES. I yield.

Mr. TOWEY. Has the gentleman, as a member of the committee, any comment to make on section 305, which would seem from a reading of the section to provide that the Secretary has the right to determine whether a criminal violation has been committed or whether he should extenuate it or pass it on? Is not this something new in procedure, when a violation of an act in a criminal respect has been committed, and should it not be committed to the courts rather than to let the Secretary determine it?

Mr. MAPES. I have not the time to go into that, I will say to the gentleman.

Mr. TOWEY. I will ask unanimous consent that the gentleman's time be extended if the gentleman has any views as a member of the committee on that subject.

Mr. MAPES. I do not know that I could answer the gentleman positively and I do not care to go into the question without being able to do so. [Applause.]

The minority report on the committee substitute is as follows:

MINORITY VIEWS (TO ACCOMPANY S. 5)

The undersigned, members of the Committee on Interstate and Foreign Commerce, submit the following minority views with respect to one of the most important features of the bill, namely, provisions for court review of regulations of section 701 (f):

It is our view that the bill, if enacted with this review provision, will not afford any substantial improvement in consumer protection over the terms of the present law. In fact, in some respects it represents an impairment of the consumer-protective features of the present law.

Section 701 (f) sets up a method of court review of regulations that is wholly unprecedented. It is specifically provided that this method of review is in addition to, and not in substitution for, other methods of review provided by law, such as equity proceedings and proceedings under the Declaratory Judgment Act.

Regulations subject to this new form of review relate to the identity and quality of food; to requirements for informative labeling of special dietary food, such as that used by infants and invalids; to food contaminated with disease organisms where distribution might result in serious epidemics to the addition of poisons to food; to the certification of coal-tar colors for use in foods, drugs, and cosmetics; to establishing adequate laboratory tests for important official drugs; to the listing of narcotic and habit-forming drugs; to label warnings against probable misuse of dangerously potent drugs; and to label directions for the preservation of potent drugs liable to deterioration.

These provisions constitute the very heart of any worthy food and drug legislation. If the public health and welfare are to be adequately safeguarded, regulations putting these provisions into effect should be promptly and effectively enforceable and certainly should be subject to no greater restrictions and delays in review by the courts to determine their validity than regulations authorized by other Federal laws which deal with economic questions rather than the vital questions of public health concerned in this legislation.

Section 701 (f) permits any person who will be adversely affected by one of the regulations listed above to file, any time within 90 days after the regulation has issued, a complaint in the district court for the district where such person resides or has his principal place of business to enjoin the Secretary of Agriculture from enforcing the regulation. For example, if a regulation is issued requiring label warnings against probable and dangerous misuse of a certain class of patent medicine, then each manufacturer of that class of medicines and each dealer who profits by the sale of the medicines may file a complaint in his local

district court to enjoin the enforcement of the regulation. If a single district judge could be found who would issue an injunction against such enforcement, the regulation could not be enforced at any place in the United States, even though every other district judge in the country had refused to issue an injunction. The provision would therefore clothe each and every district judge with authority to block the enforcement of a regulation throughout the United States. This is an extraordinary extension of jurisdiction and an extraordinary grant of power never heretofore seriously advanced in the entire history of the country. As suggested in the letter of the Secretary of Agriculture, a copy of which is hereto attached, if there is to be an exploration into new forms of court review of administrative regulations specifically authorized by congressional enactment, it is our conviction that such experimentation should be made in fields other than those of vitally important health laws.

Even if the injunction which blocks the enforcement of a regulation can be overturned in appellate courts, there is a provision under the preceding subsection (701 (e)) whereby the question can be reopened and the regulation again subjected to the same hazards. This provision requires that—

"The Secretary, on his own initiative, or at the request of any interested industry or substantial portion thereof, shall hold a public hearing upon a proposal to issue, amend, or repeal any regulation * * *."

If the manufacturers of the class of patent medicines referred to above, or any substantial proportion of such manufacturers, demanded a public hearing on a proposal to amend or repeal a regulation previously validated by the courts after litigation under subsection (f), the Secretary would have no alternative but to hold such a hearing and to follow the prescribed procedure laid down by subsection (e) under which he would issue an order continuing the regulation in effect. The continuation of the regulation by such order would then become subject within the 90-day period prescribed to the filing of a second crop of complaints throughout the United States. If a single district judge could again be found to issue an injunction, the regulation would again be rendered ineffective.

In most of the industries affected by the bill there are sufficient minorities, vociferously opposed to any form of regulation, to form a substantial proportion of the industry. These could be depended upon in practically every instance in which a regulation is required for the protection of public welfare to resort to the tactics above described and prevent indefinitely the effectuation of the purpose of the law.

The procedure set up in the bill to restrain the Secretary, while in form only seeming to protect industry rights, in effect amounts to the placing of the control of enforcement in the hands of those whose interests are contrary to public welfare and who have created the need for legislation.

It is true that the scope of the old law is broadened by the bill to include cosmetics, therapeutic devices, and certain drugs which are not now subject to regulation. It is true that in many instances the definitions of adulteration and misbranding have been expanded and strengthened, although even these improvements are studded with a notable number of exceptions. It is also true that the procedural provisions have been strengthened through authorization of injunction proceedings, although this, to some extent, is nullified by changes from the seizure section of the existing law, particularly that under which trial of seizure cases will in many instances occur in producing jurisdictions before juries whose sympathies would ordinarily be with local industries rather than in consuming jurisdictions where juries would be expected to display less bias.

Weighing the advantages and disadvantages for the protection of consumer welfare presented by the terms of this bill, we are unable to escape the conclusion that because of the extraordinary provision for court review of regulations in section 701 (f), which would postpone indefinitely the consumer protection that can now be afforded in some degree by the present law in much of the field to be covered by these regulations, it would be better to continue the old law in effect than to enact S. 5 with this provision.

If there is to be exploration into new methods of court review, such a radical departure from the well-established Federal procedure as is here proposed should be the subject of a separate bill, applicable to all Federal laws authorizing regulations, to be considered on its own merits. This important health legislation should not be made the sole medium for such experimentation.

Under date of March 28, 1938, the undersigned [CHAPMAN and MAPES] submitted the then latest draft of section 701, the court-review section, of the bill to the Secretary of Agriculture and asked for his views in regard to the same.

The following is a copy of his reply:

MARCH 29, 1938.

Hon. CARL E. MAPES,
House of Representatives.

MY DEAR MR. MAPES: Receipt is acknowledged of your letter of March 28, 1938, with which you enclose a copy of chapter VII, General Administrative Provisions, section 701, from the latest edition of S. 5 as agreed upon by the Interstate and Foreign Commerce Committee of the House. You ask for an expression of my opinion of the effect of the provisions of this section upon the administration of the measure.

I am of the opinion that if section 701 (f) remains in the bill its effect will be to hamstring its administration so as to amount to a practical nullification of the substantial provisions of the bill.

The clear intent of S. 5 is to close the channels of interstate commerce to food, drugs, devices, and cosmetics that are adulterated or misbranded. Because of the complex and technical nature of the subject matter involved a number of the most important definitions of adulteration and misbranding are incomplete and must have their clearly stated outlines filled in with scientifically accurate details before they can be enforced. The bill delegates to the Secretary of Agriculture the quasi-legislative power to ascertain the necessary technical facts and supply the details that will complete these definitions, thus effectuating the legislative will.

The Secretary is entrusted with these powers in connection with sections 401, 403 (j), 404 (a), 406 (a) and (b), 501 (b), 502 (d), 502 (f) exclusive of the proviso, 502 (h), 504, and 604. These sections are extremely important. They relate to the identity and quality of food, to requirements with respect to special dietary food, to contaminated food, to poisonous substances in food, to coal-tar colors in food, drugs, and cosmetics, to determine adequate tests for official drugs, to narcotics and habit-forming drugs, to probable misuse of dangerously potent drugs, and to labeling drugs liable to deterioration.

Section 701 (f) permits any person who will be adversely affected by any order authorized by the sections listed above to file, any time within 90 days after the issuance of the order, a complaint in the district court for the district where such person resides or has his principal place of business, to enjoin the Secretary from placing the order in effect. This subsection contains the unique provision directing the courts to permit the complainant to supplement the evidence recorded in the Secretary's hearing upon which the order was based. This constitutes an invitation to those who would obstruct the enforcement of a regulation to withhold or conceal evidence that should have been given in the hearing and to employ such evidence merely for the purpose of upsetting the order and thus postponing indefinitely the enforcement of the regulation. In the event such order is upset there is nothing to prevent the same complainant from instituting new proceedings on a new order and thereby causing further delay. In fact, every amendment of an order could be a ground for the institution of new proceedings.

Even though a number of district courts might uphold an order, demanded alike by the public and by the overwhelming majority of the industry regulated, to terminate abusive practices, a single district court could enjoin permanently the enforcement of the regulation.

Frankly, I regard this provision as unfair to the Department, to the public, and to the industries regulated, the majority of which unquestionably would support regulations, based on substantial evidence, which the Secretary of Agriculture would promulgate. It would constitute a serious impediment to orderly administrative operations. If a bill containing this provision were enacted, it would not constitute any material contribution to the public protection that the Department cannot now extend under the existing law. In some respects it would afford even less protection than that afforded by the existing law, which is broad and general in its terms and is to some degree applicable and effective in the fields covered by the sections involved in this discussion.

It is the Department's considered judgment that it would be better to continue the old law in effect than to enact S. 5 with this provision.

If there is to be exploration into new fields of administrative law, may I urge that it not be in the field of vitally important public-health legislation.

There has not been sufficient time to permit the Department to ascertain the relation of the foregoing to the program of the President.

Sincerely yours,

H. A. WALLACE, *Secretary.*

Attention is called especially to the following statements in the letter of the Secretary:

"I am of the opinion that if section 701 (f) remains in the bill its effect would be to hamstring its administration so as to amount to a practical nullification of the substantial provisions of the bill.

"It is the Department's considered judgment that it would be better to continue the old law in effect than to enact S. 5 with this provision.

"If there is to be exploration into new fields of administrative law, may I urge that it not be in the field of vitally important public-health legislation."

The section as submitted to the Secretary of Agriculture was the same as the section as reported by the majority of the committee, except in two particulars, one of which weakens the enforcement provision of the section, the other of which has no effect on it one way or the other, in our opinion.

The committee amended the draft of the section as submitted to the Secretary, (1) by striking out of the committee substitute, page 82, line 19, after the word "shall", the words "if in his judgment sufficient reason appears for so doing"; and (2) by inserting, page 84, line 8, after the word "shall", the words "upon the showing that such additional evidence is material and that there were reasonable grounds for failure to adduce such evidence at the proceeding before the Secretary."

As stated, the first amendment weakens the enforcement provision of the section. The second one requires nothing more than a court would ordinarily require without it.

If this bill is enacted into law with section 701 (f), the court-review section, in it, as reported by a majority of the committee,

what started out as an effort on the part of the advocates of a more adequate food and drug law to enlarge the scope of the existing law, to fill in the loopholes in it, and to put more teeth into it, will end with having accomplished the directly opposite result and years of earnest effort will have gone for worse than naught.

VIRGIL CHAPMAN.
JERRY J. O'CONNELL.
CARL E. MAPES.
CHAS. A. WOLVERTON.
JAMES WOLFENDEN.
PEHR G. HOLMES.

Mr. MAPES. Mr. Chairman, I yield 5 minutes to the gentleman from Wisconsin [Mr. BOILEAU].

Mr. BOILEAU. Mr. Chairman, I want to say at the outset that the matter I shall refer to is one that was given some consideration in the committee, and I may say that the committee gave every consideration to the cheese industry. They were perfectly agreeable to have any amendment put in the bill that might be helpful to this industry. Inadvertently, however, and I am sure without intent on the part of any member of the committee, quite a serious injustice is being done the cheese industry in this bill. I feel confident that the chairman of the committee and other members of the committee will be willing to accept the amendments that I shall propose which are necessary in order to protect the cheese industry.

On page 58, at line 2 of the bill, there is language which has, as its effect, precluding the Secretary of Agriculture from fixing certain standards. In other words, under the philosophy of that section, the Secretary can fix certain standards, but states, as written now, that so far as fresh fruits and vegetables are concerned and so far as butter and cheese are concerned the Secretary shall not fix standards. This was put in because the friends of the dairy industry thought this was the way to protect the cheese industry.

The butter industry, as I understand it, wants to remain in the bill, but by putting the word "cheese" in there it means the Secretary of Agriculture cannot fix standards for cheese, and the cheese industry is unanimous in wanting the Secretary to fix these standards. I think this will appeal to your good common sense when you stop to realize the different kinds of cheese that are on the market, various types of cheese, imported and domestic; and, therefore, if we are to maintain high standards for cheese, it is necessary that the Secretary of Agriculture retain the power that he now has to fix standards for cheese.

Mr. SIROVICH. Why was it taken out?

Mr. BOILEAU. The gentleman from New York asks me why was cheese put in there. It was put in there along with butter, and it was thought at the time that it would be helpful to the cheese industry; but I want to say—and I can say this without fear of contradiction—that there is not a Member of the House who has any other information than what I am going to give you now, and that is this: The cheese industry is unanimous in wanting this stricken out of the bill.

I have a letter here from the National Cooperative Milk Producers Federation, an organization representing all the cooperative cheese factories in the country, wanting the word "cheese" stricken from the bill.

I also have here a letter from Mr. George L. Mooney, the secretary of the National Cheese Institute at Plymouth, Wis., which is the cheese center of the world, and he wants cheese stricken out of the bill.

So that as far as the cheese industry is concerned, it is unanimous in wanting that power left in the Secretary of Agriculture, and in wanting him to continue the fine work he has done in establishing these standards of quality in the cheese industry. Although I have not the assurance of the gentleman from California [Mr. LEA], I feel certain that he will at the present time be willing to accept this amendment, because I know the word was put in under the assumption that the cheese industry wanted it in there.

In connection with that amendment, there are two others that are essential. One will be to clarify the situation that I have referred to by striking out of the provision on page 92, lines 7 and 8, the following language:

The act of June 6, 1896 (U. S. C., 1934 ed., title 26, chap. 10), defining cheese and providing a standard therefor.

That language is now in the bill, and it should be stricken out.

The CHAIRMAN. The time of the gentleman from Wisconsin has expired.

Mr. MAPES. Mr. Chairman, I yield the gentleman 2 minutes more.

Mr. BOILEAU. I want to strike out the words "defining cheese and providing a standard therefor" because the cheese industry maintains that that act does not define cheese except only insofar as the act referred to; that is, the Filled Cheese Act. We do not want that language in there because it is subject to misinterpretation. The Filled Cheese Act defines cheese for the purpose of that act, because if these are the standards set up in the Filled Cheese Act, we could not have certain types of cheese. Notably, cottage cheese could not be sold under that term. That act was defining cheese only for the purpose of the Filled Cheese Act.

There is another amendment along the same general lines, and that is on page 92, line 23, to strike out the period in line 23 and insert the following:

; the Filled Cheese Act of June 6, 1896 (U. S. C., 1934 ed., title 26, chap. 10), the Filled Milk Act of March 4, 1923 (U. S. C., etc.), or the Import Milk Act of February 15, 1927.

The purpose of that amendment will be to make it clear without any misunderstanding that those three acts are not modified or repealed in any respect. I am sure the committee will be willing to accept these three amendments. They are all necessary for the preservation of the cheese industry.

The CHAIRMAN. The time of the gentleman from Wisconsin has again expired.

Mr. MAPES. Mr. Chairman, I yield 5 minutes to the gentleman from Tennessee [Mr. REECE].

Mr. REECE of Tennessee. Mr. Chairman, it is not my purpose to undertake a detailed explanation of the bill. The chairman made a very excellent explanation. He also pointed out the importance of an extension and strengthening of our present Food and Drugs Act. A great deal of good has been accomplished under the provisions of the present act. The act has been well administered. The present head of the Pure Food and Drug Administration has been conscientious in the administration of the act, and has done a splendid job for which he is entitled to the thanks of the people of the United States. The Pure Food and Drug Administration has been advised with intimately in the drafting of the present bill. It greatly extends the power of the Administration in dealing with this important subject, and I think I am justified in saying that every provision of this act, with the exception of the court-review provision, substantially meets the views of the Department of Agriculture. The committee which has been considering this legislation now for more than 4 years has been very conscientious, and I feel has not given such earnest and sympathetic consideration to any other legislation that has been before it as it has to this bill dealing with food, drugs, and cosmetics. I fear that, due to the emphasis which has been placed on the court review section today, there is a possibility that the House might be misled as to the bill as a whole. As I said a moment ago, this is a far-reaching bill, and the Department of Agriculture takes no exception substantially to any provision in the bill except the one which contains the court review. Then, in that regard, as the chairman of the committee explained, it is not substantial, and he is going to offer one amendment which we hope will go a long way toward meeting the objection against that provision.

This is, in fact, a very drastic pure food and drugs bill, and I think I am rather familiar with the subject. It strengthens the Wiley Act in many important particulars. The bill will enable the Department of Agriculture to effectively protect the interests of the consuming public in regard to drugs and food and also cosmetics, which are being brought within the

jurisdiction of the act for the first time. There are many drastic abuses being committed at present which it is impossible to reach under the present law, violations that greatly endanger the health of the citizens, individually and collectively, and, insofar as the committee and the Department were able to determine, there is no violation which may endanger the health of the public but which can be reached under the provisions of the bill now under consideration.

The CHAIRMAN. The time of the gentleman from Tennessee has expired.

Mr. MAPES. Mr. Chairman, I yield 2 additional minutes to the gentleman from Tennessee.

Mr. REECE of Tennessee. Regardless of our individual views with reference to the court-review provision, it is impossible for me to bring myself around to the viewpoint that difference of opinion on this court-review provision, granting justification in a large measure for the views of the opponents of the court-review provision, as contained in the bill could nullify this bill in its entirety so as to make it an undesirable piece of legislation. I think the bill justifies the support of every friend of effective pure food, drug, and cosmetic legislation.

Mr. HOUSTON. Mr. Chairman, will the gentleman yield?

Mr. REECE of Tennessee. I yield.

Mr. HOUSTON. Is it not a fact that outside of the court-review features of this bill all the controversial measures we have had in connection with the bill over the past 4 years have been ironed out?

Mr. REECE of Tennessee. To a remarkable degree to the satisfaction of both the Department and the industry. It is true that the provisions of the bill are far from what the industry would like, but the legitimate part of the industry is in a large measure satisfied with the bill and feels that it can operate under it. I also wish to say for this great industry that it likewise, after the committee got into the consideration of this subject, has shown a reasonable attitude in its cooperation to bring about effective legislation, recognizing that it is to the interest of the legitimate industry as well as the public to have effective legislation upon the subject. [Applause.]

[Here the gavel fell.]

Mr. LEA. Mr. Chairman, I yield 5 minutes to the gentleman from Washington [Mr. HILL].

Mr. HILL. Mr. Chairman, as I entered the Chamber this afternoon I heard an argument on spray residue.

Are sprayed apples dangerous to health? If they are, of course, we do not want the people to eat them. The Food and Drug Administration says "yes." I am afraid that the Food and Drug Administration has been reading a book called "One Hundred Million Guinea Pigs." I remember when I read that book I felt quite creepy. I had the feeling that I was full of germs and that I was going to die the next day; but I have lived quite a number of years since then and I am going to live another half century to disprove the theme of One Hundred Million Guinea Pigs. We have a lot of germs that do not hurt us at all, and we want to take these regulations and articles and books with a grain of salt. When the Food and Drug Administration makes a ruling it refuses to revise its decree even in the face of convincing facts. It is as irrevocable and unchangeable as the laws of the Medes and Persians. These peoples are now only a name on the pages of history. Does the Food and Drug Administration invite a like fate?

Actual experience says "no." We who live out in Washington know people who have sprayed for days, and weeks, and months, and years, three generations of them, and all have lived to a ripe old age; it does not affect them at all. "The proof of the pudding is the eating thereof." Again, boys, girls, men, and women out there eat sprayed apples and we have yet to find a single death not only in our State of Washington but in the United States from eating sprayed apples. I defy anyone on the floor of this House to show me any case of death from the eating of sprayed apples.

Mr. DONDERO. Mr. Chairman, will the gentleman yield?

Mr. HILL. I am sorry, I have not time.

By the way, Mr. Chairman, our boys attending the University of Washington—members of our rowing crew—are called the Huskies. Many of them live out in our orchards and eat sprayed apples from the Yakima and Wenatchee Valleys. They came to Poughkeepsie, I may say to my good friend, the gentleman from New York [Mr. SIROVICH], and for 2 successive years, the varsity, the junior varsity, and the freshmen, all three groups, won the regatta. They went to the Olympics and won that, too. "They came, they rowed, they conquered"; and they have been eating sprayed apples since childhood. My friend from Kansas [Mr. HOUSTON], the House wit, wonders what they would do if they ate spinach.

Mr. HENNINGS. Mr. Chairman, will the gentleman yield?

Mr. HILL. I hardly have the time.

Mr. HENNINGS. Who has won more regattas than the University of Washington at Poughkeepsie, since we are digressing?

Mr. HILL. None that I know of in late years. We also have in Washington inspectors who have tested apples from nonsprayed orchards and they find a residue of 0.018 on these apples. There cannot be anything the matter with the apples, there must be something the matter with the inspectors. This thing can be overdone, and we believe that it is being very much overdone.

What does this low-residue requirement do? It is unfair to the growers. A few years ago the growers used to wash their apples at their homes, doing the washing, sorting, and packing themselves, they and their families. Now they have to take their apples to packing houses where very expensive washing machines are used and the overhead is something unbearable. That is why a great many of our farmers are going under, financially. Secondly, it is not only unfair to the growers but it also impairs the keeping quality of the apples. In order to wash this spray off they have to use water at a temperature which almost cooks the apples. It impairs the keeping quality of the apples so that when we ship them out they do not hold up. In the third place, it decreases the demand of our consumers because the people in the East and people in Europe hear about this "terrible" spray and they do not want to buy our apples.

Mr. LEA. Mr. Chairman, I yield the gentleman 2 additional minutes.

Mr. HILL. Mr. Chairman, I hold in my hand a book which I wish the distinguished doctor from New York [Mr. SIROVICH] would read. I will give it to him for that purpose. It is filled with affidavits from members of his profession in our State to the effect that there has not been a case in all the history of the State of Washington of death from this spray.

Mr. SIROVICH. Will the gentleman yield?

Mr. HILL. I gladly yield to the gentleman from New York. He is one of the most liberal and progressive members of this body. He always most eloquently discusses subjects of interest and importance on the floor of this House.

Mr. SIROVICH. I sympathize fully with the sentiments of the gentleman. Spraying lead arsenic on apples will not kill any human being, but unless the apples are washed with a diluted solution of hydrochloric acid they may cause gastro-intestinal disturbances. May I pay tribute to the wonderful apples that the great State of Washington produces and to the fine and loyal representative they have in you.

Mr. HILL. Mr. Chairman, the Appropriations Committee took $50,000 from the food and drug department to give to the Public Health Service, which is making an investigation of this matter. This is the proper department to make this investigation thorough and conclusive. Two aides of Dr. Sayre down in his department have been experimenting on themselves by injecting this into their blood. We never get it that way out West. The only way we get it is by eating it; that is, by ingestion. We eat it and absorb some of it. The third way of getting this toxin is by inhalation when they spray. These aides have been experimenting by injection, ingestion, and inhalation for 2 months with no ill effects, and they take five times as much poison into their bodies as

one would get in the way of eating sprayed apples. The Public Health Service is making an investigation throughout the State of Washington also by watching and testing those who operate spray machines, and I think in the next 3 or 4 months they will prove this spray residue scare the bogy that it really is. They will prove it is all a myth and that there are no deleterious or injurious effects from the eating of sprayed apples.

There is one thing more I want to mention. The acid in the apple seems to have a neutralizing effect on the spray residue, so that the people who eat the apples suffer no serious effects from the toxin. We of the State of Washington are very much interested in this problem, and we are very serious, because we produce 34 percent, or one-third, of the commercial apples consumed in the United States, and we do not want our growers to be injured and practically driven out of business by arbitrary regulations automatically imposed by some Federal bureau here at Washington. [Applause.]

[Here the gavel fell.]

Mr. MAPES. Mr. Chairman, I yield 5 minutes to the gentleman from Michigan [Mr. HOFFMAN].

Mr. WOLVERTON. Mr. Chairman, I yield 6 minutes to the gentleman from Kansas [Mr. REES].

Mr. REES of Kansas. Mr. Chairman, we are considering this afternoon one of the most important pieces of legislation that has come before Congress during this session. Yet, from appearances on the floor of the House very little interest will be taken in this measure. It may be possible that this group of 50 men, or possibly less than 50, as well as the remainder of the Members of the House have a right to rest upon the recommendation of the committee in charge of the bill and vote for it without giving it very much attention. I believe that a measure affecting the health of the 130,000,000 people in this country should have pretty careful consideration by this Congress.

It has been 30 years since the original Pure Food and Drug Act was passed. Not very many important amendments have been added to this legislation during that period of time. Even that measure passed in 1906 was not written by experienced draftsmen, but by a group of well-intentioned amateurs, who followed the New York law. The original draft was amended and changed before it was seriously considered by Congress. Naturally, such a law did not anticipate many modern practices and changes, and no provision was made for them. These omissions have offered handicaps to public protection. A good many weaknesses have been discovered by enforcement officials in their efforts to administer the statute, and many defects have been brought to light by reason of judicial interpretations.

In the Seventy-fourth session of Congress, Senator COPELAND introduced a bill that was intended to improve and strengthen the present food and drug law. Hearings were held on the bill, but it was not given consideration on the floor of the House. Then, in January 1937 Senator COPELAND introduced a new bill, S. 5, similar to the one that was introduced in the previous Congress. This bill was amended and emasculated to a considerable extent by the Senate committee, as well as in the Senate. The bill passed the Senate, with amendments, more than a year ago. Since that time, it has been in the hands of the House Committee on Interstate and Foreign Commerce.

Today, a substitute for the amended S. 5 is brought to the floor of this House under a special rule, without any notice to the membership. We have been given 2 hours' time during which to debate this important piece of legislation. Amendments will be offered, but I think it is sufficient to say that very few changes will be made in the form or effect of the measure which is before us. I feel that if the proponents of this measure were in sympathy with providing legislation to protect the consuming public of this country—they should not have permitted this bill to come to the floor of the House, during the last hours of the session, and ask that it be put through without giving it sufficient time for debate and consideration.

I have been allowed only 7 minutes' time during which to speak on this measure, but I think I can say, without contradiction, that in nearly all cases where amendments and changes have been made in this bill, that they have not been made in the interests of the consumer. What I mean to say is that S. 5 when first introduced was a fair and reasonable bill, designed primarily to give the public real protection. The measure which has been brought before us is such a departure from that bill that this Congress would do the country a favor if it would recommit the bill to the Committee on Interstate and Foreign Commerce, rather than allow it to be enacted into law. I am willing to give credit to the members of the committee for having given this measure a lot of consideration, but am not willing this afternoon to give the committee very much credit for the explanation that has been made on this bill. I am willing to admit there are a number of items in this measure that are worth while As a matter of fact, they should be enacted into law, but I do not believe this legislation, taken as a whole, should be passed by Congress.

I have the highest regard for the gentleman from Ohio [Mr. FLETCHER]. He stated his case very frankly. It was suggested by a constituent that he offer an amendment to this bill. This he has a right to do. If he decides that such an amendment is not for the best interests of the consuming public, he will not even propose it. He is to be commended upon his position in this respect.

Something has been said about this bill having been recommended by the Department of Agriculture, and especially by the Food and Drug Administration. I do not believe the Food and Drug Administration recommends this bill as is. I do not know about it, but just do not believe it does.

Mr. FORD of California. Mr. Chairman, will the gentleman yield for a brief question?

Mr. REES of Kansas. I yield.

Mr. FORD of California. I will tell the gentleman that they do not.

Mr. REES of Kansas. I thank the gentleman.

Conceding that there are many worth-while features in this bill, why weaken them and make them ineffective by including other provisions, which have been pointed out by the Members who have preceded me? This is just another piece of hodgepodge legislation. It has the appearance of being a case where somebody thought we should have legislation on the question of pure food and drugs, and so we have been handed this afternoon, as I view it, a measure which will make the situation much worse than if we did not pass it at all.

I call your attention to a letter which was received by the membership of this House, that is signed by representatives of the following organizations: American Association of University Women, American Dietetic Association, American Home Economics Association, American Nurses Association, Girls Friendly Society of the United States of America, Council of Women for Home Missions, Medical Women's National Association, National Board of the Young Women's Christian Association of the United States of America, National Congress of Parents and Teachers, National Council of Jewish Women, National League of Women Voters, National Women's Trade Union League, Women's Homeopathic Medical Fraternity, and the National Consumers League, all of whom make the statement that they have consistently worked for the past 5 years for an adequate revision of the present Food and Drug Act to insure protection of the public from dangerous and fraudulent products. They also state that the measures which have been under consideration for the past 2 years do not meet entirely with their approval. Then they state sepcifically that unless subsection (f) of section 701 is stricken from the bill—not amended, mind you—that they are opposed to the enactment of this measure.

I do not believe there is a Member of this House who has had a letter or telegram from anyone purporting to represent the consuming public requesting him to vote for this bill.

I think the Committee will agree with me that, with few exceptions, the amendments that have gone into this bill

since it was introduced have not been so much in favor of the consumer as they have been in the protection of the manufacturer.

Briefly, let me call attention to some of the outstanding criticisms against this bill, which are almost unanswerable. Under the bill, a complaint is filed at the place where the law is violated. Then the defendant is given a right, on his own motion and without any cause, to remove his case to any State adjoining the one where the law was violated. In other words, if he does not like the Federal judge in that particular State, he can go out and select one of half a dozen other States in which to try his case. There is no precedent for this kind of procedure anywhere.

There is another provision in this bill which provides that if action has been filed against a defendant, or judgment rendered against him—that he may go into a Federal court and have his case tried again, not in the nature of an appeal but in the nature of a new trial. And, as I read the bill, he may go into almost any Federal court that he chooses. There is no precedent for this procedure. As a matter of fact, the proponents of the bill agree that it is almost an innovation. It would not be so bad if it improved the present situation, but, in my judgment, it simply provides more continuances and longer delays. I regret I have not more time to discuss some of the more detrimental features of this bill.

It has been suggested by some of the Members that amendments could be offered to take care of the most important defects in the bill. The proponents of the measure do not want to accept such amendments for the reason that they do not believe they are necessary. This House should send the bill back to the Committee on Interstate and Foreign Commerce. When the next Congress convenes it can give consideration to a real, honest, constructive, workable bill that will give fair protection to the consumers of this country who will be affected by such legislation. Let us be fair to the manufacturer and the distributor, but at the same time let us be quite sure we give fair and reasonable protection first to the health and happiness of the 130,000,000 consumers to whom we are responsible for this legislation.

[Here the gavel fell.]

Mr. LEA. Mr. Chairman, I yield 5 minutes to the gentleman from Washington [Mr. LEAVY].

Mr. LEAVY. Mr. Chairman, I intend in the brief time I have to devote my remarks largely to the matter of spray residue, that my colleague [Mr. HILL] has heretofore mentioned, and, likewise, in that connection, to discuss this provision for court review. I have no desire, and I do not think there is a Member of Congress on either side of the House who has any desire to in any way weaken the safeguards we have tried to establish for the protection of the general public against poisonous drugs and foods, but we must not forget that an arbitrary Government bureau, however benevolent and kindly it may be, can issue an order or regulation that destroys the very economic existence of tens of thousands of Americans. Now if we do not have a court open, to which we may go for review and relief, then we are left helpless.

Personally I have the highest regard for Dr. Campbell, head of the Pure Food and Drug Department. I know him well, and I respect him, although I differ with him very much in his conclusions and findings on spray tolerance for apples and pears. I am satisfied that we would get a higher degree of efficiency in pure food and drug regulations if that bureau were identified with the Public Health Service, because there is where you find a great group of scientists in this particular field, charged with the duty and responsibility of safeguarding the public health.

Let us see now for a moment what has happened to the apple industry in the United States, and particularly in the State of Washington and in my district. My congressional district produces perhaps more commercial apples than any other district in the United States. My colleague, Congressman HILL, of Washington, has the district that comes second. I have 60,000 people whose livelihood depends upon the production and sale of commercial apples.

This is not a political question. In 1926 a small group of chemists told the Secretary of Agriculture—and that was under a Republican administration—that arsenate of lead, particularly lead, as found upon apples and pears, was poisonous and that the lead found on apples had a cumulative effect when taken into the human system, by eating, and that the result would be deleterious to human beings. The apple men were told that they must reduce it to a certain minute figure. This was all done arbitrarily and with no opportunity for a single person to offer evidence, and without any sufficient scientific facts being found. That regulation was put into effect, and the American apple grower tried to comply with it. The first regulation only required wiping the apples. A few years later they reduced it further and then further and further, and there have been three reductions until now the only way that a grower of fruit can comply with it is to treat the apples in a hydrochloric solution at a temperature of 110 degrees, which almost destroys them. Thus you see a great branch of agriculture rapidly being destroyed by an arbitrary order of one man.

Mr. SHEPPARD. Mr. Chairman, will the gentleman yield?

Mr. LEAVY. If I had additional time I would be very glad to yield.

Now after the apples have been packed and boxed and are ready for shipment, if an inspector finds that the amount of spray carried is beyond the tolerance, which is 0.018 grain per pound of fruit, an infinitesimal part of the apple, the Government agent then requires the entire shipment to be rewashed or else destroyed. And there is no relief to the grower as he is denied the right to question the agent's order, even though it means his financial ruin. We are content and willing to comply with reasonable regulations, but we insist that the regulation fixed is an arbitrary one, without foundation in fact, and, to prove that, a year ago the Food and Drug Administration seized from the Washington Dehydrated Food Co. thousands of dollars' worth of dehydrated apples in St. Louis, and the owner said, "I have complied with your regulations," but the food and drug experts said "no," that he had exceeded the tolerance allowed him in lead, and they libeled those dehydrated apples. He went into the United States District Court for the Eastern District of Missouri and the district court, after a full hearing was had before it without a jury, found there was no basis of fact for the Department regulation on spray residue.

The CHAIRMAN. The time of the gentleman from Washington has expired.

Mr. LEA. Mr. Chairman, I yield the gentleman 1 minute more.

Mr. LEAVY. The Government appealed that case, and I shall place in my remarks the citation of the circuit court of appeals, and it was heard last summer. The eighth circuit court affirmed the lower court and again said that is no basis in fact for this arbitrary regulation. The case I refer to is United States against Washington Dehydrated Food Co. (89 Fed. (2) 606). The man had lost thousands of dollars' worth of his property by destruction by this Government agency and has no remedy, unless Congress passes a special relief act. The fruit industry in the Northwest has lost $30,000,000 in trying to comply with this arbitrary regulation since 1926 when this regulation was put into effect.

Now would you still deny us the right to go into court and test the validity of the act? If there was ever a case where a great group of Americans were being destroyed by a bureau order, it is this arbitrary spray-residue regulation. We have hopes that Secretary Wallace will grant us some relief, but I urge you not to deny us our day in court. [Applause.]

The CHAIRMAN. The time of the gentleman from Washington has expired.

Mr. COFFEE of Washington. Mr. Chairman, sometime ago the House committee reported its own substitute for the Copeland bill. I am not going to analyze that bill in detail, but just touch upon a few essentials.

When the famous elixir sulfanilamide claimed its 73 victims last fall, the Secretary of Agriculture made certain recommendations to Congress for legislation to prevent the recurrence of such utterly needless and inexcusable tragedies. Especially he recommended that secret remedies be prohibited by requiring that labels disclose fully the composition of drug products. Many foreign countries, he pointed out, now impose this requirement. Many drugs manufactured in the United States are exported to such countries under labels revealing their ingredients. But the same drugs are sold to our own citizens under labels giving no hint of their composition.

Under various State laws the labels of veterinary medicines for hogs, horses, and cattle have to declare their composition. Certainly the human being is entitled to as much consideration as a draft horse or a hog bound for the slaughterhouse. Both the physician and the humble self-doctor have a right to know what medicine they administer.

The House bill, however, does not require the food or drug manufacturer to reveal the ingredients of his product on the label where the consumer can see it. He may instead file his formula with the Secretary of Agriculture, who probably knows it anyhow. When an allergic individual is killed by some secret ingredient in a patent medicine—aspirin, shall we say?—certainly it is going to be a comfort to his widow and orphans to know that at least Mr. Wallace knew of the danger, even if the victim did not.

In the case of cosmetics, where it is just as important for the allergic individual to protect herself against substances to which she is dangerously sensitive, there is no provision whatever for making such ingredients known.

How about the other recommendations of the Secretary to protect the public? The first and most important was license control of new drugs to insure that they will not be distributed until experimental and clinical tests have shown them to be safe for use. My own bill provided for such license control. Following the Secretary's report, my colleague from Kentucky [Mr. CHAPMAN], who has been waging a courageous fight for adequate legislation in this field, introduced a good bill along the line of the Secretary's recommendations.

Yet what do we find in the House bill? A back-handed type of control that puts the real responsibility on the Government. The manufacturer who proposes to put out a new drug product may simply turn over to the Department of Agriculture a sample of his product, together with the labeling he intends to use and what he considers proof of its harmless character when used as he directs. If at the end of 60 days the Secretary of Agriculture has not denied his application, he can go ahead with it.

Physicians, toxicologists, biochemists, and other experts in this field assure me that the length of time required to establish the safety and value of any drug product depends on so many factors that no such easy time limit can be set. The use of arsenicals in the treatment of syphilis required years of testing in the hands of physicians before they were relatively safe. Again, the development of insulin to the point where it was safe for general use, even by doctors, took several years, and many fatalities would undoubtedly have occurred had not preliminary investigations been carried on with great care and caution. Sulfanilamide, about which we hear so much, has been on the market for 2 years, but we still know relatively little about it.

For weeks past representatives of numerous drug interests have been badgering Members of Congress to have even this limited license control replaced by heavier penalties. But how, pray, could a fine of a few thousand dollars restore to life the victims of elixir sulfanilamide? The purpose of this legislation is supposed to be the prevention of such tragedies; not the reprimanding afterward of those responsible for them.

Proper license control is just as important for foods as it is for drugs. When the original Food and Drugs Act was passed back in 1906, its most widely heralded purpose was the elimination of preservatives in foods, like formaldehyde in milk or antiseptics in canned goods. The preservatives of today are more subtle. Now we find a manufacturer proposing to put in his chewing gum the antioxident which prevents the weathering of automobile tires.

We were shocked last fall to find that antifreeze had been used as the carrier for sulfanilamide in the fatal elixir. Yet manufacturers were using this same deadly ingredient in common foods, as we learned when the Food and Drug Administration seized more than 200 shipments of flavoring extracts and other products. I am told that some people even want to use this stuff in frozen eggs.

Note, then, that the House provides for license control of foods only when an epidemic is liable to occur from its contamination.

Shall we have to wait for another hundred deaths before we get proper preventive measures?

S. 5 provides no license control at all for cosmetics.

While S. 5 was still in the Senate, Senator BORAH succeeded in putting through an amendment which would require the trial of seizures in the shipper's home bailiwick. Under the present law, when the Government seizes an illegal shipment and the action is contested, the trial takes place where the goods are found. If a carload of Idaho apples is seized in New York City because it carries a greater residue of lead and arsenic than the Government experts consider safe for human beings, it is up to a jury of consumers in New York to decide for themselves whether or not that seizure was justified. Under the Borah amendment, the question would be determined by a jury of fruit growers and their employees back in Idaho. I need not point the moral.

Even more serious than this reprehensible amendment is a joker which has been slipped into the bill by the House committee. I refer to court review of regulations.

One would think from the Supreme Court decision against some of Secretary Wallace's regulations the other day that the industry already had ample protection against capricious or arbitrary administrative action. We suspect, therefore, that there may be other motives behind this joker. Let us see what they are.

Many of the most important health provisions in the bill are taken care of through regulations. The scientific questions involved are too technical and too complex for Congress to be expected to cope with them in detail. The usual procedure is to leave the details to be filled in by regulations, as has been done in the Interstate Commerce Act and any number of other highly successful statutes. There is nothing radical or revolutionary about the sections in S. 5, which authorize the Secretary of Agriculture to issue a regulation concerning, let us say, the amount of lead and arsenic which will be permitted on apples shipped in interstate commerce. The bill provides that such a regulation shall be issued only on the basis of the best scientific advice and after a public hearing at which there is ample opportunity to present all the evidence on both sides. It is the only rational way of dealing with the problem.

However, the court review joker provides that within 90 days after the regulation has been issued anyone in the country who believes he may be injured by it—from the grower in Idaho or Virginia to the pushcart vendor in New York—may apply to any Federal court for an injunction against it. Should the injunction be granted, it would restrain enforcement in every other jurisdiction in the United States. This is an extraordinary innovation in judicial procedure. There is nothing else like it on the statute books. We may well ask what place such experiments have in vital health legislation.

But suppose the Government should succeed in overturning the injunction in a higher court. Could the regulation still go into effect and the Government proceed in an orderly way in its protection of the public? Not at all. If a substantial portion of the industry—and that means the vociferous minority which can always be counted on to obstruct—proposes to amend or repeal the regulation it is mandatory upon the Secretary, under the language of the bill, to reopen the issue, hold new hearings, and announce either a new regula-

tion or the continuance of the old. As soon as he does so, the industry can once more apply for an injunction. If a single district judge can again be found to issue such an injunction, the regulation will again be rendered ineffective. With more than 100 Federal judges functioning through 82 courts, the odds always favor the injunction seeker.

Should the Government attempt to take any shipper into court for violating a regulation, it is obvious what would happen. His industry would immediately propose the amendment or repeal of the regulation. While hearings were pending, it would be impossible for the trial to proceed.

When you realize that this vicious chain of events would be going on interminably in connection with each and every regulation, you can see how impossible it would be to put into force any section of the law. Of this provision, or its Siamese twin, the Secretary wrote to Representative MAPES:

Frankly, I regard this provision as unfair to the Department, to the public, and to the industries regulated, the majority of which unquestionably would support regulations, based on substantial evidence, which the Secretary of Agriculture would promulgate. It would constitute a serious impediment to orderly administrative operations. If a bill containing this provision were enacted it would not constitute any material contribution to the public protection that the Department cannot now extend under the existing law. In some respects it would afford even less protection than that afforded by the existing law, which is broad and general in its terms and is to some degree applicable and effective in the fields covered by the sections involved in this discussion. It is the Department's considered judgment that it would be better to continue the old law in effect than to enact S. 5 with this provision.

To his condemnation six Members of the House committee add:

If this bill is enacted into law with section 701 (f), the court-review section, in it, as reported by a majority of the committee, what started out as an effort on the part of the advocates of a more adequate food and drug law to enlarge the scope of the existing law, to fill in the loopholes in it, and to put more teeth into it, will end with having accomplished the directly opposite result and years of earnest effort will have gone for worse than naught.

Certain of the women's organizations, such as the National League of Women Voters, which held its annual convention in St. Louis a few weeks ago, have emphatically served notice on Congress that they will oppose the passage of S. 5 unless this joker is struck out.

Mr. Chairman, under leave to revise and extend my remarks in the RECORD, I include herein an editorial from the St. Louis Post-Dispatch, in its issue of May 2, 1938. This editorial points out the weakness of the pending pure food and drug bill as it has been altered in the House Interstate Commerce Committee.

The editorial is as follows:

VICIOUS JOKER IN THE DRUG BILL

The country has long needed new food and drug legislation to replace the present outmoded and defective act, originally passed in 1906. The original version of the bill now before Congress, drafted after long and thorough study, promised to remedy most of the existing deficiencies and extend proper protection to the public. The bill has been so altered in the House Interstate Commerce Committee, however, as to make it almost valueless.

Punishment of offenders would become virtually impossible under the terms of a new provision, section 701F, that has been inserted in the bill, establishing a wholly unprecedented type of judicial review. This joker provides that any person adversely affected by a food and drug regulation—whether manufacturer or dealer—may apply in his local Federal district court for an injunction forbidding the Secretary of Agriculture, the responsible official, to enforce the law, not in that district alone, but anywhere in the country.

Thus, if one district judge could be found who would issue such an injunction, though the 82 others over the Nation had refused to do so, the Government would be helpless. Even if the injunction were upset by an appellate court, offenders have the privilege, under the bill's terms, of demanding a new hearing, seeking a new injunction, and carrying on the dilatory process indefinitely. The Government, by this plan, is kept on the defensive; it must prove on each occasion that its regulations are fair and just before it can even begin prosecution. Each judge thus is assumed to be a specialist in chemistry, medicine, dietetics, pharmacy, biology, etc., able to determine at once whether a particular regulation is justified. Even more—each judge is empowered, after he issues an injunction, to direct the Secretary of Agriculture to take whatever further action the court may think justice requires.

The joker creates not only an impossible enforcement problem, but it sets up a new concept of the relations among the executive, legislative, and judicial functions of the Government. It is a radical departure from the practices that have always obtained in enforcement of other laws.

It is hence not surprising to find the House committee minority reporting that if section 701F is retained, "what started out as an effort to enlarge the scope of the existing law, to fill in the loopholes and put more teeth into it, will end with having accomplished the directly opposite result, and years of earnest effort will have gone for worse than naught."

Neither is it surprising that Secretary Wallace says: "Its effect would be to hamstring administration so as to amount to a practical nullification of the substantial provisions of the bill."

The journal of the American Medical Association sees justification in "a demand by every consumer of foods and drugs and every user of diagnostic and therapeutic devices that his Representative in Congress use his best efforts to prevent enactment of the bill in the form proposed."

And a speaker for the League of Women Voters, which has made a close study of this legislation throughout its course, said at the national convention here last week: "Under this provision, it might be a generation before any one regulation of major significance would go into effect."

The bill as it stands marks a victory for the minority that has profited by the defects of the present law. It marks a defeat for the consumer and for ethical business. The revised bill has other defects as well, but section 701F is the major flaw which should arouse public concern.

By all means, the committee or the House itself should kill this dangerous provision. Failing that, it would be wise to shelve the matter and wait for action at the next session of Congress. The present law, after all, is merely a weak one. The pending bill with its joker is a vicious measure.

As a further statement to buttress my arguments, I include an article from the May 1938 Consumers Reports, official publication of the Consumers Union of the United States, Inc., a consumers' group of 70,000 members:

S. 5, A GROSS BETRAYAL OF CONSUMER INTERESTS—IT MUST BE DEFEATED

S. 5, the food and drug bill, with a long but not honorable past, has been favorably reported to the House of Representatives by the Committee on Interstate and Foreign Commerce.

As it now stands, the bill might well have been written by the most disreputable elements in the patent medicine and food industries. Surely it is all they could have hoped for even in their most optimistic moments. The bill represents a gross and willful betrayal of consumer interests.

Defects that have characterized previous versions of S. 5 are still present. The power of the Food and Drug Administration to make multiple seizures—one of its few effective weapons up to now—would be restricted under the bill; trials of seizure cases would have to take place in the shipper's own district, which means that verdicts would frequently be handed down by juries sympathetic to the offending manufacturer.

But these weaknesses are mild compared to newly added provisions for an amazing new kind of court review of regulations. These would so impede administrative processes as to make many of the bill's most important sections virtually unenforceable.

To their credit, six members of the House Interstate and Foreign Commerce Committee refused to report favorably on S. 5. (The six: VIRGIL CHAPMAN, of Kentucky; JERRY J. O'CONNELL, of Montana; CARL E. MAPES, of Michigan; CHARLES A. WOLVERTON, of New Jersey; JAMES WOLFENDEN, of Pennsylvania; and PEHR G. HOLMES, of Massachusetts.) Instead, they prepared a minority report, pointing out the vicious character of the court review section of the bill. Secretary Wallace has also made known his belief that this section would so hamstring the administration of the bill as to nullify its effectiveness.

The provisions which have been so ingeniously devised to shield the manufacturers of patent medicines, cosmetics, and foods at the expense of public welfare are, briefly, as follows:

1. Any person—and this includes any retail dealer—who may be adversely affected by any regulation promulgated by the Secretary of Agriculture as provided by the act can, within 90 days of the issuance of such regulation, apply to a district court for an injunction to restrain its enforcement.

What would this mean, for example, if the Secretary should desire to issue a regulation requiring the labels of pain or headache remedies containing acetanilid or its derivatives—all dangerous and habit-forming drugs—to bear a warning against overdosage or habitual use?

There are at least 35 manufacturers of this type of preparation who could seek injunctions in their local courts. Each one of the thousands of drug store owners who make money by the sale of, say, Bromo Seltzer or Anacin, could likewise ask for injunctions. If a single district judge anywhere in the country issued the requested injunction, the regulation could not be enforced anywhere in the United States, even though every other district court in the country had refused to issue an injunction.

The Secretary would then have to hold hearings and announce a new ruling. Upon its announcement, the new ruling would be subject to a fresh crop of injunctions. And this process could go on ad infinitum.

Meanwhile every other regulation promulgated by the Secretary might be simultaneously undergoing the same kind of sabotage. The Food and Drug Administration would be very busy holding hearings, but, as a consumer-protective agency, it would be impotent.

2. Even if the Government could overturn the injunction through the appellate courts, there is a second provision which would make it possible to stall off enforcement. It is mandatory under the bill for the Secretary of Agriculture to hold public hearings whenever any interested industry, or a "substantial portion" of it, submits a proposal to issue, amend, or repeal a regulation. Following such hearings, the regulation would be subject within 90 days to a further deluge of injunctions.

Note that proposals need not be made by the entire industry; only by a "substantial portion" of it. As pointed out in the minority report submitted by Mr. CHAPMAN, in most of the industries affected by the bill there are vociferous minorities strenuously opposed to any type of regulation, sufficient in number to form a "substantial proportion" of the industry.

They could be counted upon to take full advantage of the procedures permitted by the bill and thus prevent indefinitely the enforcement of any regulation detrimental to their business.

The regulations put at the mercy of this fantastic legal merry-go-round would take in those covering food contaminated with disease organisms, where distribution might result in serious epidemics; the use of poisons in food; informative labeling of special foods, including those used by infants and invalids; the listing of dangerous drugs; label warnings against probable misuse of dangerously potent drugs; the establishment of adequate laboratory tests of important official drugs—and many others. To quote the minority report: "These provisions constitute the very heart of any worthy food and drug legislation."

If S. 5 is enacted, it means that the 5-year fight to obtain decent consumer protection under the law will have ended in worse than defeat, for this law gives consumers less protection than they have now.

It means that the already long list of victims of patent medicines and reducing preparations containing dangerous drugs (aminopyrine, dinitrophenol, cinchophen, and acetanilid for example) will grow.

It means in short that enforcemnt of the food and drug law will be controlled by those whose utter unscrupulousness and disregard of public welfare created the need for a new and more stringent law.

The best immediate tactic for consumers is to prevent the bill from being brought up, if possible since there is grave danger that it will be passed once it gets on the floor.

Letters or telegrams should be sent immediately to Mr. JOHN O'CONNOR, chairman of the House Rules Committee, demanding that S. 5 not be brought before the House until public hearings have been held on it, and pointing out that such hearings are essential because of the court review section which nullifies important protective features of the bill.

Congressmen from your own district should be urged to exert pressure on the Rules Committee to prevent the bill from being brought up, and to fight the bill if it is presented. Remember that a Congressman, if he pays attention to anything, pays attention to the mail from his own constituents.

Consumers can and must defeat this bill. And once it is defeated, they must fight for honest consumer-protective legislation, whether it be the Consumers Union food, drug, and cosmetics bill introduced by Congressman JOHN M. COFFEE, or some other bill. Consumers should also keep in mind the names of those Representatives who betrayed their constituents by reporting favorably on this legislative sell-out. The six notable exceptions have been named. Representatives who reported favorably on the bill are: CLARENCE F. LEA (California), ROBERT CROSSER (Ohio), ALFRED L. BULWINKLE (North Carolina), PAUL H. MALONEY (Louisiana), WILLIAM P. COLE, Jr., (Maryland), SAMUEL B. PETTENGILL (Indiana), EDWARD A. KELLY (Illinois), GEORGE G. SADOWSKI (Michigan), JOHN A. MARTIN (Colorado), EDWARD C. EICHER (Iowa), THOMAS J. O'BRIEN (Illinois), HERRON PEARSON (Tennessee), GEORGE B. KELLY (New York), LYLE H. BOREN (Oklahoma), MARTIN J. KENNEDY (New York), JAMES L. QUINN (Pennsylvania), EDWARD L. O'NEILL (New Jersey), B. CARROLL REECE (Tennessee), JAMES W. WADSWORTH (New York), CHARLES A. HALLECK (Indiana), GARDNER R. WITHROW (Wisconsin).

Mr. WOLVERTON. Mr. Chairman, I yield 3 minutes to the gentleman from Michigan [Mr. DONDERO].

Mr. DONDERO. Mr. Chairman, one of the maladies from which the people of this Nation are suffering is too much government. As a general proposition, I am opposed to any bill presented in this House imposing more restrictions, new regulations, and more burdens upon business and industry, large or small, in the Nation. It so happens that this bill contains a provision which practically closes the door to any man who may fall within its provisions and afoul of the law. He cannot have his day in court or a trial before a jury of his peers, a right which has been guaranteed to him by the Constitution.

I have heard a great deal in the Chamber this afternoon about apples. It so happens that in the congressional district which I have the honor to represent is located Oakland County and western Wayne County, Mich., in which there are some of the largest orchards in the State of Michigan. Some of the finest apples in the country are grown in Oakland County. I have been in those orchards. They are sprayed as often as seven times a season. I have been eating those apples for at least 25 years, so have the people of my county and district. These apples are shipped to many parts of the United States. I have yet to hear of a single case of injury, sickness, or death resulting from the eating of these apples because of poisons from spraying. I concede that the apples grown in my district perhaps do not have the high coloring of those grown in the district of my friend the gentleman from Washington [Mr. HILL]; but I submit and risk the challenge of contradiction of the statement that I now make that nowhere in this Nation are apples produced with superior flavor or even equal flavor to the apples grown in the Seventeenth Congressional District of Michigan. [Applause.]

Mr. REES of Kansas. Mr. Chairman, will the gentleman yield?

Mr. DONDERO. Yes.

Mr. REES of Kansas. The gentleman had no trouble with the Pure Food and Drug Administration regulating the apples in his district, did he?

Mr. DONDERO. Not to my knowledge. I will say on behalf of the business and industry in my district that the general attitude of my people in substance is that they do not want to be burdened or harassed by any more additional Government regulation. More than one man has said to me that it is no longer a pleasure to do business in this country. [Applause.]

[Here the gavel fell.]

Mr. LEA. Mr. Chairman, I yield 5 minutes to the gentleman from Connecticut [Mr. PHILLIPS].

Mr. PHILLIPS. Mr. Chairman, I take this opportunity, as I did about a year ago, to address the House on the subject of those inhuman monsters who delude suffering American people into believing that they can cure cancer. Any fair-minded person informed on that frightful medical subject knows that unfortunately there is no such things as a cancer cure. On occasion cancer has been, let us say hopefully, cured by X-ray or by radium, we are informed, and by surgery, let us hope; but other than that there is—and I make this statement without fear of contradiction—there is no such thing as a cancer cure. I also make the further statement without fear of contradiction that anybody who advertises a so-called cure of cancer other than through the use of X-ray, radium, or surgery is faking in the worst sense of the word. In my humble estimation such an individual is guilty of inhuman and entirely deplorable practice.

Mr. Chairman, I call to the attention of the House a letter which some of the Members may have received, and particularly I call it to the attention of those Members who did not receive it. This letter came to me in the mails from a Midwestern State. I shall not take time to read the circular, but will just read excerpts from it:

> This company's medicines dissolve tumors.

They advertise another medicine that corrects the blood, and it goes on to say:

> These medicine treatments cure cancer and tumor.

I maintain that this is a base and contemptible falsehood.

Mr. LUCKEY of Nebraska. Mr. Chairman, if the gentleman will yield, I have received a similar circular.

Mr. PHILLIPS. I know many Members did.

Mr. Chairman, the statement I have just read is a base and contemptible falsehood, as I have said. I believe legislation should be so worded that anybody so despicable as to throw out that straw of hope to people suffering from an

incurable disease would go to jail for such debased medical faking.

Mr. WADSWORTH. Will the gentleman yield?

Mr. PHILLIPS. I yield to the gentleman from New York.

Mr. WADSWORTH. The gentleman is aware of the fact that the House has already passed a bill covering that very thing?

Mr. PHILLIPS. I do not think too many bills can be passed to cover the subject.

Mr. WADSWORTH. The bill we passed completely covers the matter. The gentleman does not want it covered more than once.

Mr. PHILLIPS. I have some amendments I intend to introduce further nailing down the proposition that anybody who does advertise a cure for cancer is doing it illegally, because there is no such thing as a cure except by surgery, X-ray, or radium.

Mr. FLETCHER. Will the gentleman yield?

Mr. PHILLIPS. I should like to continue.

Mr. FLETCHER. There is the radio from across the border.

Mr. PHILLIPS. I think American citizens guilty of that ought to have their citizenship taken away from them.

Mr. Chairman, I called the attention of the Members of the House to a situation a year ago and I want to call it to their attention again. I hold in my hand a letter which purports to come from a so-called school of medicine, written to someone in my district, wherein it advises the individual that for a tuition fee of $100 he can take this course. When he graduates he gets some kind of a degree that permits him to practice medicine. Now, listen to this:

> It (the course) takes about 11 weeks, 2 hours every Tuesday evening, making about 22 hours to complete the course, or if you care to you can come down here and spend 2 or 3 days putting in 2 or 3 hours every day. We could cover all of the work in that time. I do not teach any anatomy, physiology, etc. My instructions consist of practical work.

That is all that is necessary to give some kind of a doctor's degree and to let such a so-called graduate practice medicine. In connection with that, this same medical school, or whatever you want to call it, puts out a book for which they charge 50 cents called "Cause and Cure of Cancer."

[Here the gavel fell.]

Mr. LEA. Mr. Chairman, I yield the gentleman 2 additional minutes.

Mr. PHILLIPS. Mr. Chairman, in this matter that came through the mail from this so-called school of medicine, the water cure is referred to. It says here in so many words that cancer and many "parasitical conditions" may be cured just by water.

Such advertising by mail or otherwise should be prevented by law.

Mr. Chairman, I wish I had more time to go into this subject. I hope that various amendments which I intend to introduce to strike against fraudulent so-called cancer cures will be agreed to. I intend to introduce them, but if somebody else will introduce them I shall gladly vote to adopt them. If anybody puts out any false advertising or any device, or drug, or anything else that purports to cure cancer, it should be done only in violation of the law and only under severe penalties of the law. Such contemptible individuals purporting to cure cancer should be put in jail if the law is violated.

Mr. Chairman, I yield back the balance of my time.

Mr. MAPES. Mr. Chairman, I yield such time as he may desire to the gentleman from New Jersey [Mr. WOLVERTON].

Mr. WOLVERTON. Mr. Chairman, the discussion which has taken place this afternoon with reference to the food and drug bill leaves no doubt it is the desire of this House to pass legislation that will be comprehensive and effective on this vitally important matter. On numerous occasions when measures of this character have been before the House during the last few years I have spoken in favor of the legislation. This afternoon I am just as strongly in favor of such legislation as on previous occasions, with but one exception.

I take it that is the purpose of the proponents of this measure, if we are to judge by their statements, is to perfect and make stronger the present existing provisions of the Food and Drugs Act. This is commendable. A statement of that fact would ordinarily be sufficient to gain support for the bill. However, I wish to emphasize in the closing minutes of this debate the thought that the enforcement provision which has been written into this bill by the Committee on Interstate and Foreign Commerce does not meet with the approval of those who in the past, and over a period of many years, have had charge of the enforcement of the Food and Drugs Act.

The reason it does not meet with their approval is because, in their opinion, it makes the act less effective in enforcement features than the present law. The Committee on Interstate and Foreign Commerce has given this matter considerable attention. I do not agree with the statement made by one of the gentlemen who has spoken this afternoon, when he stated that the committee which has had consideration of the bill has sought from the beginning to make amendments to it that would weaken the bill. Such has not been the case. It is true that amendments to the bill have been made by the committee at the request or suggestion of parties interested in this type of legislation, but in each instance the amendment was made not for the purpose of weakening the bill but for the purpose of clarifying the meaning of the language appearing in the bill. Therefore, as a member of the committee, I cannot agree with the statement that all such amendments were made for the purpose of weakening the bill.

Mr. Chairman, I wish to call the attention of the Members of the House to the fact that many of the outstanding women's organizations of this Nation, and they have probably been the most consistent supporters of this kind of legislation, have very emphatically stated over the signatures of their representatives that unless the section providing for judicial review as now in this bill is stricken out, such organizations must oppose the enactment of the measure. The organizations to which I refer are as follows:

> American Association of University Women, American Dietetic Association, American Home Economics Association, American Nurses Association, Girls Friendly Society of the United States of America, Council of Women for Home Missions, Medical Women's National Association, National Board of the Y. W. C. A. of the United States of America, National Congress of Parents and Teachers, National Council of Jewish Women, National League of Women Voters, National Women's Trade Union League, Women's Homeopathic Medical Fraternity, and National Consumers League.

Is there any justification for the position that has been taken by these worth-while women's organizations? I believe there is. It is to be found in the letter which was written by Secretary Wallace to our colleague the gentleman from Michigan [Mr. MAPES], a member of the Committee on Interstate and Foreign Commerce, in answer to an inquiry from the gentleman with respect to clause (f) of section 701 of the bill. In his letter Mr. Wallace stated:

> I am of the opinion that if section 701 (f) remains in the bill its effect would be to hamstring its administration so as to amount to a practical nullification of the substantial provisions of the bill.

Furthermore, I am advised and believe the fact to be that the Department of Justice has rendered a like opinion in this matter. Unfortunately, it has not appeared in the hearings. Nevertheless, I am confident that it is in existence.

The letter of Secretary Wallace went on to state as follows:

> Frankly, I regard this provision as unfair to the Department, to the public, and to the industries regulated, the majority of which unquestionably would support regulations, based on substantial evidence, which the Secretary of Agriculture would promulgate. It would constitute a serious impediment to orderly administrative operations. If a bill containing this provision were enacted, it would not constitute any material contribution to the public protection that the Department cannot now extend under the existing law. In some respects it would afford even less protection than that afforded by the existing law, which is broad and general in its terms.

It is the Department's considered judgment that it would be better to continue the old law in effect than to enact S. 5 with this provision.

If there is to be exploration into new fields of administrative law, may I urge that it not be in the field of vitally important public health legislation.

That letter was signed by Secretary Wallace as Secretary of Agriculture and whose Department has jurisdiction of the enforcement of the Food and Drug Act.

In the moment that remains I want to emphasize the fact that those who have had charge of the administration of this all-important law over a period of years have stated it to be their considered judgment that the new provision in in the pending bill providing the procedure for enforcement is not as effective as the enforcement provisions now in the present law, and yet this bill is being offered for the purpose of making the present law stronger and more effective. What good does it do if we write into this bill new provisions that will strengthen in some particulars the present Food and Drug Act, if at the same time we withdraw the means of effective prosecution that is now in the law and in its stead place something that is weaker?

The members of the committee who have signed the minority report have done so not because of any opposition to legislation of this character. The fact they have signed a minority report that provides a stronger system of prosecution for violations of the act testifies to their desire to have effective legislation. It is an evidence of their desire to give to this House what we believe the House is anxious to have, namely, legislation that is not only comprehensive but a bill that can be enforced effectively in the interest of the people of this Nation whom it is designed to serve. [Applause.]

[Here the gavel fell.]

The CHAIRMAN. Under the rule for the consideration of this measure, the committee amendment will be read for amendment as an original bill.

The Clerk read as follows:

Be it enacted, etc.

CHAPTER I—SHORT TITLE

SECTION 1. This act may be cited as the Federal Food, Drug, and Cosmetic Act.

CHAPTER II—DEFINITIONS

SEC. 201. For the purposes of this act—

(a) The term "Territory" means any Territory or possession of the United States, including the District of Columbia and excluding the Canal Zone.

(b) The term "interstate commerce" means (1) commerce between any State or Territory and any place outside thereof, and (2) commerce within the District of Columbia or within any other Territory not organized with a legislative body.

(c) The term "department" means the Department of Agriculture of the United States.

(d) The term "Secretary" means the Secretary of Agriculture.

(e) The term "person" includes individual, partnership, corporation, and association.

(f) The term "food" means (1) articles used for food or drink for man or other animals, (2) chewing gum, and (3) articles used for components of any such article.

(g) The term "drug" means (1) articles recognized in the official United States Pharmacopœia, official Homœopathic Pharmacopœia of the United States, or official National Formulary, or any supplement to any of them; and (2) articles intended for use in the diagnosis, cure, mitigation, treatment, or prevention of disease in man or other animals; and (3) articles (other than food) intended to affect the structure or any function of the body of man or other animals; and (4) articles intended for use as a component of any article specified in clause (1), (2), or (3); but does not include devices or their components, parts, or accessories.

(h) The term "device" (except when used in paragraph (n) of this section and in sections 301 (i), 403 (f), 502 (c), and 602 (c)) means instruments, apparatus, and contrivances, including their components, parts, and accessories, intended (1) for use in the diagnosis, cure, mitigation, treatment, or prevention of disease in man or other animals; or (2) to affect the structure or any function of the body of man or other animals.

(i) The term "cosmetic" means (1) articles intended to be rubbed, poured, sprinkled, or sprayed on, introduced into, or otherwise applied to the human body or any part thereof for cleansing, beautifying, promoting attractiveness, or altering the appearance, and (2) articles intended for use as a component of any such articles; except that such term shall not include soap.

(j) The term "official compendium" means the official United States Pharmacopœia, official Homœopathic Pharmacopœia of the United States, official National Formulary, or any supplement to any of them.

(k) The term "label" means a display of written, printed, or graphic matter upon the immediate container of any article; and a requirement made by or under authority of this act that any word, statement, or other information appear on the label shall not be considered to be complied with unless such word, statement, or other information also appears on the outside container or wrapper; if any there be, of the retail package of such article, or is easily legible through the outside container or wrapper.

(l) The term "immediate container" does not include package liners.

(m) The term "labeling" means all labels and other written, printed, or graphic matter (1) upon any article or any of its containers or wrappers, or (2) accompanying such article.

(n) If an article is alleged to be misbranded because the labeling is misleading, then in determining whether the labeling is misleading there shall be taken into account (among other things) not only representations made or suggested by statement, word, design, device, or any combination thereof, but also the extent to which the labeling fails to reveal facts material in the light of such representations or material with respect to consequences which may result from the use of the article to which the labeling relates under the conditions of use prescribed in the labeling thereof or under such conditions of use as are customary or usual.

(o) The representation of a drug, in its labeling, as an antiseptic shall be considered to be a representation that it is a germicide, except in the case of a drug purporting to be, or represented as, an antiseptic for inhibitory use as a wet dressing, ointment, dusting powder, or such other use as involves prolonged contact with the body.

(p) The term "new drug" means—

(1) Any drug the composition of which is such that such drug is not generally recognized, among experts qualified by scientific training and experience to evaluate the safety of drugs, as safe for use under the conditions prescribed, recommended, or suggested in the labeling thereof, except that such a drug not so recognized shall not be deemed to be a "new drug" if at any time prior to the enactment of this act it was subject to the Food and Drugs Act of June 30, 1906, as amended, and if at such time its labeling contained the same representations concerning the conditions of its use; or

(2) Any drug the composition of which is such that such drug, as a result of investigations to determine its safety for use under such conditions, as become so recognized, but which has not, otherwise than in such investigations, been used to a material extent or for a material time under such conditions.

CHAPTER III—PROHIBITED ACTS AND PENALTIES

PROHIBITED ACTS

SEC. 301. The following acts and the causing thereof are hereby prohibited:

(a) The introduction or delivery for introduction into interstate commerce of any food, drug, device, or cosmetic that is adulterated or misbranded.

(b) The adulteration or misbranding of any food, drug, device, or cosmetic in interstate commerce.

(c) The receipt in interstate commerce of any food, drug, device, or cosmetic that is adulterated or misbranded, and the delivery or proffered delivery thereof for pay or otherwise.

(d) The introduction or delivery for introduction into interstate commerce of any article in violation of section 404 or 505.

(e) The refusal to permit access to or copying of any record as required by section 703.

(f) The refusal to permit entry or inspection as authorized by section 704.

(g) The manufacture within any territory of any food, drug, device, or cosmetic that is adulterated or misbranded.

(h) The giving of a guaranty or undertaking referred to in section 303 (c) (2), which guaranty or undertaking is false, except by a person who relied upon a guaranty or undertaking to the same effect signed by, and containing the name and address of, the person residing in the United States from whom he received in good faith the food, drug, device, or cosmetic; or the giving of a guaranty or undertaking referred to in section 303 (c) (3), which guaranty or undertaking is false.

(i) Forging, counterfeiting, simulating, or falsely representing, or without proper authority using any certificate authorized under the provisions of section 505, or any mark, stamp, tag, label, or other identification device authorized or required by regulations promulgated under the provisions of section 404, 406 (b), 504, or 604.

(j) The using by any person to his own advantage, or revealing, other than to the Secretary or officers or employees of the Department, or to the courts when relevant in any judicial proceeding under this act, any information acquired under authority of section 404, 505, or 704 concerning any method or process which as a trade secret is entitled to protection.

(k) The alteration, mutilation, destruction, obliteration, or removal of the whole or any part of the labeling of, or the doing of any other act with respect to, a food, drug, device, or cosmetic, if such act is done while such article is held for sale after shipment in interstate commerce and results in such article being misbranded.

(1) The using, on the labeling of any drug or in any advertising relating to such drug, of any representation or suggestion that an application with respect to such drug is effective under section 505, or that such drug complies with the provisions of such section.

Mr. PHILLIPS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. PHILLIPS: On page 48, line 3, after the period, insert "or advertising matter concerning any so-called cancer cure or any drug or device to be used in connection therewith."

Mr. PHILLIPS. Mr. Chairman, I shall not take much of the time of the House because most of the Members on the floor heard the remarks I made a few moments ago on the subject of so-called fake cancer cures. I repeat, there is no such thing as a cancer cure or a device to cure cancer. The only agencies that may be able to suspend the action of the cancerous growth are surgery, X-ray, or radium, and that is all there is to it. Sometimes these effect a so-called cure—only these. Anybody who advertises anything else as a cancer cure is a contemptible faker. In plain English, I propose under this amendment to make it impossible to advertise in interstate commerce any of these fake cancer cures or devices.

Mr. Chairman, I hope my amendment will be agreed to.

Mr. LEA. Mr. Chairman, we have taken care of the advertising feature in the Federal Trade Commission Act which we passed some time ago and under which a man guilty of what the gentleman from Connecticut has just described, would be subject to prosecution. In addition to that, this bill provides for the prosecution of therapeutic claims that are false, such as the gentleman has suggested in connection with the label on the medicine, or if it is in the literature accompanying the drug. So we have taken care of that situation very well already, I believe.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Connecticut [Mr. PHILLIPS].

The amendment was rejected.

The Clerk read as follows:

INJUNCTION PROCEEDINGS

SEC. 302. (a) The district courts of the United States and the United States courts of the Territories shall have jurisdiction, for cause shown, and subject to the provisions of section 17 (relating to notice to opposite party) of the act entitled "An act to supplement existing laws against unlawful restraints and monopolies, and for other purposes," approved October 15, 1914, as amended (U. S. C., 1934 ed., title 28, sec. 381), to restrain violations of section 301 (a) to (d), inclusive.

(b) In case of violation of an injunction or restraining order issued under this section, which also constitutes a violation of this act, trial shall be by the court, or, upon demand of the accused, by a jury. Such trial shall be conducted in accordance with the practice and procedure applicable in the case of proceedings subject to the provisions of section 22 of such act of October 15, 1914, as amended (U. S. C., 1934 ed., title 28, sec. 387).

Mr. VOORHIS. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, if the gentlewoman from New York [Mrs. O'DAY] were here today and if she were not compelled by illness to be absent, she would be one of those most interested and most active in discussing this bill.

In view of the fact she is ill and unable to be here and that she has prepared a very forceful and excellent statement on this bill, I ask unanimous consent that she may be given permission to extend her remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

Mrs. O'DAY. Mr. Chairman, over a year after the food, drug, and cosmetic bill passed the Senate it is reported to the House by the Committee on Interstate and Foreign Commerce, and reported with a joker in it that will defeat its purpose. This joker is found in section 701 (f), which provides a new and disastrous method for judicial review of administrative regulations.

The St. Louis Post-Dispatch, in an editorial on Monday, May 2, aptly diagnosed the effect of this method of judicial review in the following words:

The bill as it stands marks a victory for the minority that has profited by the defects of the present law. It marks a defeat for the consumer and for ethical business. The revised bill has other defects as well, but section 701 (f) is the major flaw which should arouse public concern.

By all means, the committee or the House itself should kill this dangerous provision. Failing that, it would be wise to shelve the matter and wait for action at the next session of Congress. The present law, after all, is merely a weak one. The pending bill, with its joker, is a vicious measure.

The editorial quotes various opinions, including the minority report of the committee, Secretary Wallace, and the Journal of the American Medical Association, which sees justification in a demand by every consumer of foods, drugs, and every user of diagnostic and therapeutic devices that his Representative in Congress use his best efforts to prevent enactment of the bill in the form proposed.

The editorial also quotes a spokesman for the National League of Women Voters, who said at the recent national convention of the organization in St. Louis that—

It might be a generation before any one regulation of major significance would go into effect.

Fourteen national organizations seek defeat of this bill unless the judicial review section is eliminated. Each Member of the House has received a communication stating:

The undersigned organizations have worked consistently for the past 5 years for an adequate revision of the present Food and Drug Act to insure protection of the public from dangerous and fraudulent products. No bill which has been before the Congress in the past 2 years has entirely met the standards for such legislation which we as consumers consider reasonable; but as long as proposed legislation offered measurable improvement over the present act the undersigned organizations have accepted modifications.

S. 5 as now reported to the House contains a provision, section 701 (f), which is not only a radical departure from existing administrative law but would prevent quick and effective action against dangerous and fraudulent products.

We are convinced that this proposal for judicial review of regulations more than offsets the improvements over the present law contained in the bill. Unless this section providing for judicial review is struck out, the undersigned organizations must oppose the enactment of the measure.

Signed by representatives of:
American Association of University Women.
American Dietetic Association.
American Home Economics Association.
American Nurses' Association.
Girls' Friendly Society of the U. S. A.
Council of Women for Home Missions.
Medical Women's National Association.
National Board of the Y. W. C. A. of the U. S. A.
National Congress of Parents and Teachers.
National Council of Jewish Women.
National League of Women Voters.
National Women's Trade-Union League.
Women's Homeopathic Medical Fraternity.
National Consumers' League.

These organizations have been reasonable in their demands, and have, as they say in their letter, accepted modifications in the bills as long as measurable additional protection to the consumer was offered. That they have now taken the position that the present law, weak as it is, offers more protection than would be possible under the bill as proposed should carry weight with Members of the House.

The need for new legislation in the consumers' interest is generally acknowledged. We were told that when advertising control was taken from this bill and made a part of the function of the Federal Trade Commission that industry opposition would cease, and yet we now have a measure before us entirely unacceptable to consumer groups. Certainly the measure should be defeated in its present form. But after 5 years of consideration, failure to pass a measure giving adequate protection to the consumer will be an indictment of the Congress.

The Clerk read as follows:

PENALTIES

SEC. 303. (a) Any person who violates any of the provisions of section 301 (a) to (l), inclusive, shall be guilty of a misdemeanor and shall on conviction thereof be subject to imprisonment for not more than 1 year, or a fine of not more than $1,000, or both such imprisonment and fine; but if the violation is committed after a conviction of such person under this section has become final such person shall be subject to imprisonment for not more than

3 years, or a fine of not more than $10,000, or both such imprisonment and fine.

(b) Notwithstanding the provisions of subsection (a) of this section, in case of a violation of any of the provisions of section 301 (a) to (l), inclusive, with intent to defraud or mislead, the penalty shall be imprisonment for not more than 3 years, or a fine of not more than $10,000, or both such imprisonment and fine.

(c) No person shall be subject to the penalties of subsection (a) of this section, (1) for having received in interstate commerce any article and delivered it or proffered delivery of it, if such delivery or proffer was made in good faith, unless he refuses to furnish on request of an officer or employee duly designated by the Secretary the name and address of the person from whom he purchased or received such article and copies of all documents, if any there be, pertaining to the delivery of the article to him; or (2) for having violated section 301 (a) or (d), if he establishes a guaranty or undertaking signed by, and containing the name and address of, the person residing in the United States from whom he received in good faith the article, to the effect, in case of an alleged violation of section 301 (a), that such article is not adulterated or misbranded, within the meaning of this act, designating this act, or to the effect, in case of an alleged violation of section 301 (d), that such article is not an article which may not, under the provisions of section 404 or 505, be introduced into interstate commerce; or (3) for having violated section 301 (a), where the violation exists because the article is adulterated by reason of containing a coal-tar color not from a batch certified in accordance with regulations promulgated by the Secretary under this act, if such person establishes a guaranty or undertaking signed by, and containing the name and address of, the manufacturer of the coal-tar color, to the effect that such color was from a batch certified in accordance with the applicable regulations promulgated by the Secretary under this act.

SEIZURE

SEC. 304. (a) Any article of food, drug, device, or cosmetic that is adulterated or misbranded when introduced into or while in interstate commerce, or which may not, under the provisions of section 404 or 505, be introduced into interstate commerce, shall be liable to be proceeded against while in interstate commerce, or at any time thereafter, on libel of information and condemned in any district court of the United States within the jurisdiction of which the article is found: *Provided, however,* That no libel for condemnation shall be instituted under this act, for any alleged misbranding if there is pending in any court a libel for condemnation proceeding under this act based upon the same alleged misbranding, and not more than one such proceeding shall be instituted if no such proceeding is so pending, except that such limitations shall not apply (1) when such misbranding has been the basis of a prior judgment in favor of the United States, in a criminal, injunction, or libel for condemnation proceeding under this act, or (2) when the Secretary has probable cause to believe that the misbranded article is dangerous to health or that the labeling of the misbranded article is, in a material respect, false or fraudulent; and in any case where the number of libel for condemnation proceedings is limited as above provided the proceeding pending or instituted shall, on application of the claimant, seasonably made, be removed for trial to any district in a State contiguous to the State of the claimant's principal place of business, such district to be agreed upon by stipulation between the parties, or, in case of failure to so stipulate within a reasonable time, to be designated by the court to which the application was made.

(b) The article shall be liable to seizure by process pursuant to the libel, and the procedure in cases under this section shall conform, as nearly as may be, to the procedure in admiralty; except that on demand of either party any issue of fact joined in any such case shall be tried by jury. When libel for condemnation proceedings under this section, involving the same claimant and the same issues of adulteration or misbranding, are pending in two or more jurisdictions, such pending proceedings, upon application of the claimant seasonably made to the court of one such jurisdiction, may be consolidated for trial by order of such court, and tried in (1) any district, selected by the claimant, where one of such proceedings is pending; or (2) a district in a State contiguous to the State of the claimant's principal place of business, such district to be agreed upon by stipulation between the parties, or, in case of failure to so stipulate within a reasonable time, to be designated by the court to which such application was made. Such order of consolidation shall not apply so as to require the removal of any case the date for trial of which has been fixed. The court granting such order shall give prompt notification thereof to the other courts having jurisdiction of the cases covered thereby.

(c) The court at any time after seizure up to a reasonable time before trial shall by order allow any party to a condemnation proceeding, his attorney or agent, to obtain a representative sample of the article seized, and as regards fresh fruits or fresh vegetables, a true copy of the analysis on which the proceeding is based and the identifying marks or numbers, if any, of the packages from which the samples analyzed were obtained.

(d) Any food, drug, device, or cosmetic condemned under this section shall, after entry of the decree, be disposed of by destruction or sale as the court may, in accordance with the provisions of this section, direct and the proceeds thereof, if sold, less the legal costs and charges, shall be paid into the Treasury of the United States; but such article shall not be sold under such decree contrary to the provisions of this act or the laws of the jurisdiction in which sold: *Provided,* That after entry of the decree and upon the payment of the costs of such proceedings and the execution of a good and sufficient bond conditioned that such article shall not be sold or disposed of contrary to the provisions of this act or the laws of any State or Territory in which sold, the court may by order direct that such article be delivered to the owner thereof to be destroyed or brought into compliance with the provisions of this act under the supervision of an officer or employee duly designated by the Secretary, and the expenses of such supervision shall be paid by the person obtaining release of the article under bond. Any article condemned by reason of its being an article which may not, under section 404 or 505, be introduced into interstate commerce, shall be disposed of by destruction.

(e) When a decree of condemnation is entered against the article, court costs and fees, and storage and other proper expenses, shall be awarded against the person, if any, intervening as claimant of the article.

(f) In the case of removal for trial of any case as provided by subsection (a) or (b)—

(1) The clerk of the court from which removal is made shall promptly transmit to the court in which the case is to be tried all records in the case necessary in order that such court may exercise jurisdiction.

(2) The court to which such case was removed shall have the powers and be subject to the duties, for purposes of such case, which the court from which removal was made would have had, or to which such court would have been subject, if such case had not been removed.

Mr. REES of Kansas. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. REES of Kansas: On page 53, line 14, after the word "fraudulent", strike out the semicolon, insert a period, and strike out all of the remainder of line 14 and all of the remainder of this paragraph, down to and including all of line 23.

Mr. REES of Kansas. Mr. Chairman, this section provides that the action shall be brought in any district court of the United States in the jurisdiction within which the article is found. I am striking out the proviso that says that "in any case where the number of libel for condemnation proceedings is limited as above provided the proceeding pending or instituted shall, on application of the claimant, seasonably made, be removed for trial to any district in a State contiguous to the State of the claimant's principal place of business."

It seems to me we are departing from the rules of procedure to permit this removal without cause shown just because the plaintiff wants to move his case to some other jurisdiction. In this event all he has to do is to file a motion and say he wants to go to some other court in some other State and then have a trial in some adjoining State.

Mr. HOUSTON. Mr. Chairman, will the gentleman yield?

Mr. REES of Kansas. I yield.

Mr. HOUSTON. Does the gentleman mean that if such an action were brought in the District Court of Kansas, for example, and the claimant wanted to move it back to Detroit or some other place, he could do so under the provisions of the bill?

Mr. REES of Kansas. Yes; if the case were brought in Kansas he could go to Missouri or some other State.

Mr. HOUSTON. The gentleman's amendment would cause the action to be tried in the district where it originated.

Mr. REES of Kansas. Yes; it seems to me there is no occasion for the claimant to have this particular privilege granted to him. He ought to have his case tried in the jurisdiction where the action arises, just as would be the case in any other action.

Mr. Chairman, I think this amendment ought to be adopted.

Mr. LEA. Mr. Chairman, do I understand the gentleman from Kansas believes that removal ought not to be permitted to the State where the claimant resides?

Mr. REES of Kansas. The bill says the jurisdiction within which the article is found.

Mr. LEA. Does the gentleman's amendment propose to have the trial where the article is found or where the defendant resides?

Mr. REES of Kansas. I would have no objection if the action were brought where the person resides, but it seems to me there is no occasion to provide here that simply because he is not satisfied, for instance, with the court in

Kansas, on his own motion go over to Missouri, Nebraska, Colorado, or Oklahoma because he thinks there is a more favorable court there. In all other instances, if you want your case removed, you have to make some showing that the application is made by reason of the court being unfair to you or that your rights are jeopardized so that you may secure a change of venue.

Mr. LEA. Mr. Chairman, this provision is a little unusual. Seizure is made upon the theory that it is a proceeding in rem, similar to an action in admiralty. It is the article seized that gives the jurisdiction, instead of the person. In order to give that person a reasonable concession of convenience, the bill provides for removal of the case not to his State, but to a contiguous State. Ordinarily where removal is permitted, it would be to the residence of the claimant, the interested party, but this section denies him that privilege, and sends him to another State, and in case the parties do not agree by stipulation on any particular court; that is, if the Government does not agree with him as to what court it shall be then the court selects the court where the trial shall be held. Nobody raised any objection upon the theory that the gentleman from Kansas raises.

Everybody concedes that it is a fair thing to give him a trial in the neighborhood where he lives. The Senate provided that he is entitled to a trial in the district where he lives, and the House committee has denied him that privilege, and requires him to go to a contiguous State. So I think this provision should be no less liberal than it is. If the seizure is made in New York, should a man in California be required to come to New York? The bill is written so that the California man may have to go to Oregon or Arizona for trial. I do not see any excuse for bringing a man across the continent for trial when the case can be tried with equal facility by the Government in a contiguous State.

Mr. HOUSTON. Then as I understand it, under the provisions of the bill, it is providing for what might be called neutral ground.

Mr. LEA. That is the object. I might say that I did not approve the position of the committee with much enthusiasm. But the position was that the claimant is entitled to a neutral court, and it might be disadvantageous for the Government to go into the State where the claimant resided, where the influence perhaps in favor of the manufacturing concern might make it impossible for the Government to get a fair trial. That is the theory of this section. It is not such as the gentleman interprets it at all.

Mr. LEAVY. Mr. Chairman, will the gentleman yield?

Mr. LEA. Yes.

Mr. LEAVY. In addition to what the gentleman said, does not the section in fact rather provide that where the Government has had two or more libels within the territory of the United States against the same owner, then the provision for trial in one court shall be final.

Mr. LEA. The bill provides for consolidation. That is just a matter of efficiency of administration.

Mr. REES of Kansas. Mr. Chairman, will the gentleman yield?

Mr. LEA. Yes.

Mr. REES of Kansas. This bill provides that the claimant is the one who can remove the case.

Mr. LEA. Yes.

Mr. REES of Kansas. Can the gentleman give any reason why a claimant or anybody else should ask for the removal of a case without giving some good reason for it, just as he would have to do in case of a change of venue?

Mr. LEA. The ordinary reason would be that the party in interest would have a right to a trial where he lives, but being a proceeding in rem, he does not have that right, but the committee tried to a degree at least to give him that kind of justice that we would give in a personal action, and permitted the trial to be moved to a contiguous State.

Mr. REES of Kansas. So the bill gives a manufacturer half a dozen places to go.

Mr. LEA. It is to a contiguous State. He does not have the right to take it to his own State at all.

Mr. HOFFMAN. What is the objection to an amendment—on I think it is page 53—after the word "jurisdiction" in line 1, which would permit, for instance, an apple grower in California whose fruit is seized in New York or Chicago, to have a trial in a district court in California? Why make him come clear across the continent? He would not be able to do that in a financial way.

Mr. LEA. The committee did not grant him that much privilege, but the committee does give him the privilege of going to a State contiguous to his own State.

Mr. HOFFMAN. But in that case he still has to go outside. In the case of a small grower, the financial burden might be too great so that he could not get into court at all. Does the gentleman not think the Government would get a fair trial in the district court in California?

Mr. LEA. I do. I recognize the point the gentleman makes, and there is a lot of merit in it. What we have done is to grant a degree of liberality in favor of the claimant, but I think that does no injustice to the Government.

Mr. HOFFMAN. Do you fix it so that a man who is accused of an offense can get into court at all?

Mr. LEA. Yes; but not with the facility that is desirable.

The CHAIRMAN. The time of the gentleman from California has expired. All time has expired. The question is on the amendment offered by the gentleman from Kansas.

The amendment was rejected.

The Clerk read as follows:

HEARING BEFORE REPORT OF CRIMINAL VIOLATION

SEC. 305. Before any violation of this act is reported to any United States attorney for institution of a criminal proceeding, the person against whom such proceeding is contemplated shall be given appropriate notice and an opportunity to present his views, either orally or in writing, with regard to such contemplated proceeding.

Mr. TOWEY. Mr. Chairman, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. TOWEY: Page 56, section 305, lines 20 to 25, inclusive, strike out all of section 305.

Mr. TOWEY. Mr. Chairman, the remarks which I shall make in connection with this proposed amendment and the bill under consideration represent not only my own views but the expressed views of the Medical Society of the State of New Jersey, determined by their formal action from time to time. The Medical Society consists of 3,600 members and through their legislative delegates have advised me that they are in opposition to S. 5, for they feel after study of the problem that the present Wiley Act if properly and adequately enforced would give the necessary protection to the health of the people of America in whom they are primarily interested rather than the drug manufacturers. The proposed reason for this bill is that it is to cover by regulation cosmetics and therapeutic instrumentalities. These good doctors feel that adequate provisions could be put in the Wiley Act to include these matters. They feel that the only criticism that can be directed against the Wiley Act is not its provisions but the fact that those who should have enforced its provisions have not a hundred-percent record or anything approaching that figure in that respect. As the distinguished gentleman from California, the chairman of the committee in charge of the legislation, stated in his opening remarks to the Committee today that this bill in the field of food and drug control represented a development of administrative law such as has become very noticeable in legislation during recent years, rather than an attempt to enforce this type of act through the courts. The philosophy behind this type of administrative law is that Congress delegates its power to the administrator and the administrator makes the rules and regulations for its enforcement and not only should he have adequate power to meet the objectives desired but he should have unlimited discretion. There are some who still believe that in legislation of this character involving the health and welfare of 130,000,000 people that the criminal and judicial arm of the Government should have a greater part in its functions rather than an administrative officer

with wide discretion and amenable only to the promptings of his own conscience. With reference to the specific section for which I have proposed the amendment under consideration, I wanted to have the opportunity to ask the chairman of the committee to explain its meaning to me but through lack of time he was unable to do so in his opening statement. I then asked the ranking minority member of the committee but unfortunately he, too, said that time was not sufficient for him to give me his views on what is exactly meant by section 305 of this bill. As I read the amendment I come to the conclusion, and a nonescapable one, that we are creating under the provisions of this section a brand-new function for an administrative officer. We are in effect creating an administrative court and giving to an administrative officer the right to conduct a hearing and then to determine in his own judgment as to whether or not he ought to turn the violator of the act over to the criminal authorities for punishment, or to let him go free or with a slap on the wrist in the form of a warning. This is something new in American jurisprudence and it is something which I wish that this Committee will not set a precedent for, and that this section should be stricken out entirely and that when a crime has been committed involving the health and welfare of the people of our country the Secretary should have only one duty and that is to send this man to a proper tribunal of justice to determine whether or not he has been guilty of the crime charged, and not to enact a spectacle of having the administrative officer act as prosecutor and the judge of the same case, and who is probably more interested in having his efficiency record read 100 percent than interested in what justice really means. I believe it is our obligation and duty, Mr. Chairman, to eliminate this section and I ask the support of the members of the committee for my amendment.

[Here the gavel fell.]

Mr. LEA. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I call the attention of the House to the fact that this section does not require the accused to appear before the Secretary. It is a provision put in for the benefit of the accused so that before his case is reported by the Secretary of Agriculture to the Department of Justice he will have this opportunity to appear and show cause why he thinks it should not be prosecuted. He can remain away if he wants to, and there is no offense on his part in so doing.

Mr. TOWEY. Mr. Chairman, will the gentleman yield?

Mr. LEA. In just a minute.

This section was approved by a representative of the Department of Agriculture. They thought it desirable for the handling of these cases. In the first place, you give the accused the opportunity to know what the offense charged against him is; and there are many minor technical violations that should never be brought to the Department of Justice.

This bill is framed on the theory, with the approval of the Department of Agriculture, of giving this opportunity to minor offenders. We even go so far as to say that where the Secretary of Agriculture reaches a conclusion that the public interest does not require the prosecution that he shall not report it to the Attorney General. So this is a provision for the benefit of the accused and is framed with the idea of disposing of a good many minor cases that do not justify criminal prosecution.

Mr. TOWEY. Mr. Chairman, will the gentleman yield?

Mr. LEA. I yield.

Mr. TOWEY. Does the gentleman find any provision in the bill that limits the provision to this section to minor violations? Does it not say "any criminal prosecution?"

Mr. LEA. Not this section. This section applies to all crimes, but a subsequent section provides for the minor violations.

Mr. TOWEY. The gentleman means the section that follows?

Mr. LEA. Yes; the next section.

Mr. TOWEY. That does not provide anything with reference to exemption.

Mr. LEA. The gentleman is correct in that. This section we are dealing with, of course, refers to his opportunity to be heard before the charge is made. The second section grants him a hearing and gives the Secretary the authority to refrain from reporting it to the Department of Justice even though the respondent is technically guilty.

Mr. TOWEY. Mr. Chairman, will the gentleman yield?

Mr. LEA. I yield.

Mr. TOWEY. The gentleman, of course, is one of our outstanding criminal lawyers, and he knows that is not the practice in criminal law.

When the Department is prepared to send the complaint to the United States district attorney, its duty is ended. Under the gentleman's theory this man could come in and argue before an administrative official of the Department whether or not a crime had been committed; then it would be determined by this administrative officer whether or not that crime had been committed. If he decided no crime had been committed, then the enforcement of the criminal arm of our Government has been thwarted.

Mr. LEA. From the standpoint of technical criminal law, the gentleman is correct. We are not without precedent for this provision, however. In the original Federal Trade Act passed by the Congress, we authorized them, in cases where they thought it was in the public interest not to proceed, to exercise discretion in making a charge, even though technically a charge could be made.

I call attention, however, to the fact that the mere circumstance that the Secretary does not report the offense does not excuse the accused from prosecution. The Attorney General may proceed in case he desires to do so.

Mr. TOWEY. How would he get the information if he did not get it from an administrative officer who had charge of the case?

Mr. LEA. He might get the information from an administrative officer or from any other source. If he sees fit to proceed he may do so.

Mr. TOWEY. I call the gentleman's attention to the fact that these violations are reported to a central department, and this central bureau has charge of them. It is familiar with the facts and it knows whether the law has been violated or not. I say it is their duty under this act or it should be their duty to report that fact to the proper United States authorities.

[Here the gavel fell.]

Mr. CLASON. Mr. Chairman, I ask unanimous consent that the gentleman from California [Mr. LEA] may proceed for 1 additional minute.

The CHAIRMAN. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. CLASON. Will the gentleman yield?

Mr. LEA. I yield to the gentleman from Massachusetts.

Mr. CLASON. In speaking of this particular section the gentleman stated that the Department of Agriculture sees no reason why this section should not be in there. I would like to know whether or not the Department of Justice has given any opinion as to this bill or any section thereof?

Mr. LEA. So far as I recall, I have no suggestion from the Department of Justice as to this particular section.

Mr. CLASON. Have you as to any section of the bill?

Mr. LEA. I did as to certain sections.

Mr. CLASON. Is that opinion of the Department of Justice in the report of the hearings before the committee?

Mr. LEA. No. It was in a conversation I had with a Department of Justice official.

Mr. CLASON. The gentleman never received any written report?

Mr. LEA. We may have had some report when the bill was originally drafted, but it did not concern this particular question at any rate.

Mr. CLASON. The Department of Justice has never been called upon to give any opinion in regard to this section?

Mr. LEA. I do not recall whether the Department of Justice appeared at the hearings or not. It may have had its representative there. I cannot say. Perhaps some other Member could give us the information.

[Here the gavel fell.]

The CHAIRMAN. The question is on the amendment offered by the gentleman from New Jersey [Mr. TOWEY].

The amendment was rejected.

The Clerk read as follows:

REPORT OF MINOR VIOLATIONS

SEC. 306. Nothing in this act shall be construed as requiring the Secretary to report for prosecution, or for the institution of libel or injunction proceedings, minor violations of this act whenever he believes that the public interest will be adequately served by a suitable written notice or warning.

Mr. TOWEY. Mr. Chairman, I offer an amendment, which I send to the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. TOWEY: Page 57, line 3, after the word "Secretary", strike out the words "to report for prosecution" and insert "provided no more than one warning shall be given to any person."

Mr. TOWEY. Mr. Chairman, this is an amendment more or less in the nature of a supplementary amendment to one offered by me to the preceding section. Under this section we have the spectacle of the administrative officer in his sole and uncontrolled discretion determining what is a minor violation of the act. There is no legislative standard set up in the act and there is no definition in the act as to what constitutes a minor violation. What might be a minor violation in one case could very readily be a major violation in another case. Under the provisions of this section, I ask the members of the committee to at least eliminate from the discretion of the administrative officer under this act, actions in which the criminal element may be involved, and retain them only so far as the libel and injunction preceedings may be concerned, although it is my wish that we were able to strike out this entire section. What is a crime should be the function of the courts of the United States, determined and maintained by the doctrines of stare decisis and not by the vagaries of the mental equipment of each new administrative officer who may come into being with the administration at the time in power.

In connection with this matter I am reliably informed that the very same company that produced and sold the elixir product that involved the death of some 90 people a short time ago was the very same company that 2 or 3 years ago also sent out an elixir dangerous in character, and their only punishment was that their goods were libeled. Perhaps if this law had been in effect at that time they would not have reached the libel stage, or a Secretary could have very well said, "This is just a minor violation." This type of legislation is not only dangerous but it is wrong in principle. I believe that Congress has the power, the intelligence, and the ability to determine what is or what is not a violation of the act, and if we have not that ability we ought to stop legislating, or at least should not leave it to some administrative officer in his sole discretion, with the various influences and pressures that may be put upon him to do anything that at the moment he may care to do and which circumstances and expediency may direct that he should do, and from whose ruling and determination of minor violations there is no court of appeals except the undertaker who could be very readily informed that here is the result of a determination of an administrative officer of what constitutes a minor violation of the Food and Drug Act.

Mr. Chairman, the reasons I have stated both on this amendment and the preceding amendment are serious both in their nature and in their effect. I am not standing in the House to hear myself talk. I am speaking in the language and voicing the thoughts of the 3,600 members of the medical society of my State, who have analyzed this bill and who wish that Congress would put the necessary safeguards to protect the health of our people.

You heard the distinguished gentleman from California, the chairman of the committee, say in discussing the preceding section that a man had a right to come in before the Secretary and plead his so-called criminal case. We are not interested in the manufacturer, we are interested in the human beings, the so-called guinea pigs on whom these things are tried out. It is our duty and our obligation to try to protect those people and never mind protecting the manufacturer in connection with the new court which has been established in America, the court in the office of the Secretary of Agriculture.

Mr. Chairman, I ask that this amendment be agreed to.

Mr. LEA. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I would concede the purely technical justification for what the gentleman states, but on the other hand we must remember there will be and doubtless are now thousands of technical violations of the food and drug law which cannot as a practical matter be prosecuted. To prosecute people for purely technical violations would lead to such a congestion of the courts as would break down the prosecution. The hardship that would be involved would make the enforcement of the law impracticable. This provision relates purely to a matter preliminary to prosecution. Although the Secretary fails to report, there is no reason why the grand jury, if it sees fit, should not indict the accused. We do give the Secretary this more or less broad discretion to avoid bringing in an excessive number of minor violations.

I believe from a practical standpoint, as it works out, it will add to the respect for the enforcement of the law not to stigmatize it by excessive zeal in these minor cases.

Mr. TOWEY. Mr. Chairman, will the gentleman yield?

Mr. LEA. I yield to the gentleman from New Jersey.

Mr. TOWEY. The Wiley Act has been in effect since 1906. The same minor violations have been going on and there is no provision in the law, that I know of, whereby the Secretary can discontinue the prosecution of these minor violations. That law has been in effect now some 30 years.

Mr. LEA. By very force of necessity the Department is not reporting cases of this type. It is just impracticable to do it. Here we draft a law that candidly recognizes the practical situation. That is the way it appears to me.

Mr. TOWEY. If there is a serious violation there is nothing for the district attorney to do except hope that he may find out this information and start his prosecution?

Mr. LEA. He has that right regardless of the nonaction of the Secretary.

Mr. PACE. Mr. Chairman, I move to strike out the last word.

Does not the gentleman from California believe that under such a broad discretion, in establishing a precedent of this character in the courts of the United States, there should certainly be some definition or some limitation of the word "minor"? The gentleman must bear in mind that here in the city of Washington a police officer is not allowed to settle even a minor traffic violation. Certainly such violations are more numerous than would be violations under this act; yet here you place in the hands of one man and his agents, with no limitation and with no definition, the authority to say whether or not a prosecution shall be had. The gentleman cited a moment ago as a precedent something that was done in the Interstate Commerce Act, and in a few months we will have another bill here and this act will be cited as a precedent.

I am sure the gentleman wishes to preserve American justice and, above everything else, that characteristic American quality of fairness and impartiality. Does not the gentleman believe there should be some definition or some limitation on this broad discretion rather than using merely the word "minor"?

Mr. LEA. Of course, in this particular case we are dealing with the duties of a purely administrative official, and this is far different from dealing with a judicial officer, even

somewhat different from dealing with the Department of Justice. However, there is nothing more common in the practice of criminal law than for the prosecuting attorney to exercise his judgment as to the cases he will prosecute. I believe probably the gentleman has been a prosecuting attorney. Am I correct in that statement?

Mr. PACE. No; I have not been.

Mr. LEA. Anyway, there is nothing more common in the administration of justice than the exercise of the discretion of a prosecuting attorney where he knows it is impracticable to prosecute purely technical violations of the law. This is a candid recognition of that practical situation, and I believe it will work for the betterment of law enforcement. This is the viewpoint of the Food and Drug Administration itself, as it has been transmitted to me.

Mr. TOWEY. Mr. Chairman, will the gentleman yield?

Mr. PACE. I yield to the gentleman from New Jersey.

Mr. TOWEY. I should like to ask a question of the chairman of the committee. What has the gentleman to say about the repeated warnings and as to whether one warning is sufficient or whether a man can keep on continually violating this statute without finding himself at any time in greater danger than of receiving just a warning?

Mr. LEA. I believe he should be prosecuted, and that is what probably would take place. A repetition in the face of a warning would show animus in the case to fully justify prosecution.

Mr. TOWEY. Does the gentleman object to that part of my amendment which would stop a man from proceeding after receiving one warning?

Mr. LEA. Mr. Chairman, may I have the amendment again reported?

The CHAIRMAN. The Clerk will again report the amendment.

The Clerk read as follows:

Amendment offered by Mr. TOWEY: On page 57, in line 3, after the word "Secretary", strike out the words "to report for prosecution, or"; and in line 6, after the word "warning", the following: "provided, no more than one warning shall be given to any person."

Mr. LEA. I can see no objection to that last provision.

Mr. TOWEY. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. TOWEY. Can I offer another amendment to this section just embodying the last part of my previous amendment?

The CHAIRMAN. It will be necessary to dispose of the pending amendment before any other amendment can be considered.

Mr. TOWEY. I shall offer a new amendment after the one now pending is disposed of.

Mr. CLASON. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, after reading these two sections, as a former prosecuting attorney, I am certainly somewhat at a loss to find out where there are any teeth left in this bill at all. It seems to me it leaves the prosecuting attorney whose sole duty is to take care of criminal prosecutions, in a position where even if he knows a crime has been committed he must wait until the Secretary of Agriculture acts. To me this seems like a ridiculous situation, particularly if a serious crime, apparently, has been committed. This section 305 states that the person against whom such a proceeding is contemplated shall be given a chance to present his views, and so forth. Now, suppose somebody has been killed or, perhaps, poisoned, apparently from some sort of mixture, is the district attorney going to wait because of the terms of this section until after the Secretary of Agriculture has called someone in from the West, perhaps, to pass upon the crime? To me this seems absolutely impossible.

Mr. LEA. Mr. Chairman, will the gentleman yield?

Mr. CLASON. Yes.

Mr. LEA. The gentleman realizes from this section that it is not necessary for the prosecuting attorney to await a report by the Department of Agriculture. He can proceed immediately if he wants to.

Mr. CLASON. What is he going to be faced with?

Mr. LEA. There is no string on the prosecution or on the indictment of such men. This simply refers to the administrative duty of the Secretary.

Mr. CLASON. And here is what the prosecuting attorney is going to be up against. He tries such a man, and the first question asked of the witness is, "Did this man have a chance to set out his position before the Department of Agriculture; has he been given all the rights of a free American citizen; are you not picking on him?", and all that sort of thing.

I do not believe we want to go around tying the hands of district attorneys and prosecuting attorneys by any more regulations of the Department of Agriculture. It seems to me this committee should have gotten in touch with the Department of Justice and found out how the people who are going to try the cases want these sections written. Who cares what the Secretary of Agriculture has to say with regard to a criminal case any more than you would for any other important official in some other branch of the Government? Why not give the Department of Justice a chance to be heard, and, apparently, no opinion in writing was asked of them. We are told about hearings 4 years ago and 3 years ago and 2 years ago. It seems to me we ought to have this brought up to date and have the Department of Justice, either through Mr. Cummings or through some other high officials of that Department, tell us what they think of these two sections.

Mr. LEA. Mr. Chairman, will the gentleman yield?

Mr. CLASON. I yield.

Mr. LEA. The law speaks for itself, and there are no strings on the Department of Justice or on the grand jury. They can proceed whenever they like.

Mr. CLASON. I am sorry, but I must disagree with the gentleman because I think you are hamstringing any prosecuting attorney when you make it necessary to appear at a trial that he waited for the Secretary of Agriculture or some of his minions to report.

With hearings on this matter all winter, there certainly has been a lot of publicity and notice about this particular act, and I do not see why somebody from the Department of Justice did not have a chance to testify before the committee as to these two sections. It seems to me you have simply drawn the teeth out of this act and the act as you have written it is not worthy of passage. We might just as well stay with whatever food and drug act we have at the present time. As I see it now, anybody can go ahead committing any crime he wants to and to him they will always be minor infractions and by the time he has talked with three or four subordinates in the Department of Agriculture they will wind up in the wastebasket when they ought to appear before a grand jury.

The pro forma amendment was withdrawn.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New Jersey [Mr. TOWEY].

The question was taken, and the amendment was rejected.

Mr. TOWEY. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. TOWEY: On page 57, after line 6, change the period to a colon and insert "*Provided*, That only one warning shall be given to any person."

Mr. TOWEY. Mr. Chairman, I do not intend to take the time of the Committee, inasmuch as the distinguished chairman of the committee in charge of the bill has indicated that he has no objection to this amendment.

Mr. LEA. Mr. Chairman, I see no objection to the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New Jersey.

The amendment was agreed to.

The Clerk read as follows:

PROCEEDINGS IN NAME OF UNITED STATES; PROVISION AS TO SUBPENAS

SEC. 307. All such proceedings for the enforcement, or to restrain violations, of this act shall be by and in the name of the United States. Notwithstanding the provisions of section 876 of the Revised Statutes, subpenas for witnesses who are required to attend a court of the United States, in any district, may run into any other district in any such proceeding.

CHAPTER IV—FOOD

DEFINITIONS AND STANDARDS FOR FOOD

SEC. 401. Whenever in the judgment of the Secretary such action will promote honesty and fair dealing in the interest of consumers, he shall promulgate regulations fixing and establishing for any food, under its common or usual name so far as practicable, a reasonable definition and standard of identity, a reasonable standard of quality, and/or reasonable standards of fill of container: *Provided*, That no definition and standard of identity and no standard of quality shall be established for fresh fruits, fresh vegetables, butter, or cheese, except that definitions and standards of identity may be established for avocadoes, cantaloupes, citrus fruits, and melons. In prescribing any standard of fill of container, the Secretary shall give due consideration to the natural shrinkage in storage and in transit of fresh natural food and to need for the necessary packing and protective material. In the prescribing of any standard of quality for any canned fruit or canned vegetable, consideration shall be given and due allowance made for the differing characteristics of the several varieties of such fruit or vegetable. In prescribing a definition and standard of identity for any food or class of food in which optional ingredients are permitted, the Secretary shall, for the purpose of promoting honesty and fair dealing in the interest of consumers, designate the optional ingredients which shall be named on the label. Any definition and standard of identity prescribed by the Secretary for avocadoes, cantaloupes, citrus fruits, or melons shall relate only to maturity and to the effects of freezing.

Mr. BOILEAU. Mr. Chairman, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. BOILEAU: Page 58, line 2, strike out the words "butter or cheese" and insert in lieu thereof the following: "or butter."

Mr. BOILEAU. Mr. Chairman, I shall not take much time in discussing this amendment as I addressed myself to this particular subject earlier in the afternoon. The amendment strikes out the words "butter or cheese," page 58, line 2, and inserts in lieu thereof the words "or butter", and the effect of it is to strike out the word "cheese." This particular section provides that no definition and standard of identity, and no standard of quality shall be established for fresh fruit, fresh vegetables, butter, or cheese, except that definitions and standards of identity may be established, and so forth.

The purpose of putting that in is to take away from the Secretary the right to fix standards for cheese and butter and these other commodities. It is all right to take from the Secretary the right to issue regulations with reference to butter because butter is a standard commodity, but in case of cheese, there are many different types of cheese, imported cheese, whole-milk cheese, skim-milk cheese, and various other types, so that it is necessary to have power in the Secretary to fix these standards. The entire cheese industry favors this amendment, and I understand that the gentleman from California is willing in his own behalf, at least, to accept the amendment.

Mr. LEA. Mr. Chairman, of course, I have no authority to act for the committee in this matter. I know that the attitude of the committee was to favor the cheese industry in this amendment. I am advised by representatives of the Food and Drug Administration that the amendment is satisfactory to them. I have no objection to this amendment or to the two other amendments the gentleman proposes to offer with respect to cheese.

Mr. BOILEAU. The other two amendments are on page 92.

Mr. REES of Kansas. Do I understand the gentleman does not want to regulate those?

Mr. BOILEAU. No; we want the Secretary of Agriculture to have the right to fix standards for cheese. The language of the bill takes that right from him.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Wisconsin.

The amendment was agreed to.

Mr. LEA. Mr. Chairman, I have two other amendments which I desire to offer, and I ask the attention of the gentleman from Michigan. On page 58, after each word "fresh", add the words "or dried", so that it will read "fresh or dried fruits, fresh or dried vegetables." Through an error in rewriting an amendment, this was omitted.

The CHAIRMAN. The Clerk will report the amendment offered by the gentleman from California.

The Clerk read as follows:

Amendment offered by Mr. LEA: Page 58, line 1, before the word "fruits", and before the word "vegetables", insert in each instance the words "or dried."

The CHAIRMAN. The question is on agreeing to the amendment offered by the gentleman from California.

The amendment was agreed to.

The Clerk read as follows:

ADULTERATED FOOD

SEC. 402. A food shall be deemed to be adulterated—

(a) (1) If it bears or contains any poisonous or deleterious substance which may render it injurious to health; but in case the substance is not an added substance such food shall not be considered adulterated under this clause if the quantity of such substance in such food does not ordinarily render it injurious to health; or (2) if it bears or contains any added poisonous or added deleterious substance which is unsafe within the meaning of section 406; or (3) if it consists in whole or in part of any filthy, putrid, or decomposed substance, or if it is otherwise unfit for food; or (4) if it has been prepared, packed, or held under insanitary conditions whereby it may have become contaminated with filth, or whereby it may have been rendered injurious to health; or (5) if it is, in whole or in part, the product of a diseased animal or of an animal which has died otherwise than by slaughter; or (6) if its container is composed, in whole or in part, of any poisonous or deleterious substance which may render the contents injurious to health.

(b) (1) If any valuable constituent has been in whole or in part omitted or abstracted therefrom: or (2) if any substance has been substituted wholly or in part therefor; or (3) if damage or inferiority has been concealed in any manner; or (4) if any substance has been added thereto or mixed or packed therewith so as to increase its bulk or weight, or reduce its quality or strength, or make it appear better or of greater value than it is.

(c) If it bears or contains a coal-tar color other than one from a batch that has been certified in accordance with regulations as provided by section 406: *Provided*, That this paragraph shall not apply to citrus fruit bearing or containing a coal-tar color if application for listing of such color has been made under this act and such application has not been acted on by the Secretary, if such color was commonly used prior to the enactment of this act for the purpose of coloring citrus fruit.

(d) If it is confectionery or ice cream, and it bears or contains any alcohol or nonnutritive article or substance except harmless coloring, harmless flavoring, harmless resinous glaze, harmless stabilizer or animal or vegetable origin, natural gum, and pectin: *Provided*, That this paragraph shall not apply to any confectionery or ice cream by reason of its containing less than one-half of 1 percent by volume of alcohol derived solely from the use of flavoring extracts, or to any chewing gum by reason of its containing harmless nonnutritive masticatory substances.

MISBRANDED FOOD

SEC. 403. A food shall be deemed to be misbranded—

(a) If its labeling is false or misleading in any particular.

(b) If it is offered for sale under the name of another food.

(c) If it is an imitation of another food, unless its label bears, in type of uniform size and prominence, the word "imitation" and, immediately thereafter, the name of the food imitated.

(d) If its container is so made, formed, or filled as to be misleading.

(e) If in package form unless it bears a label containing (1) the name and place of business of the manufacturer, packer, or distributor; and (2) an accurate statement of the quantity of the contents in terms of weight, measure, or numerical count: *Provided*, That under clause (2) of this paragraph reasonable variations shall be permitted, and exemptions as to small packages shall be established, by regulations prescribed by the Secretary.

(f) If any word, statement, or other information required by or under authority of this act to appear on the label or labeling is not prominently placed thereon with such conspicuousness (as compared with other words, statements, designs, or devices, in the labeling) and in such terms as to render it likely to be read and understood by the ordinary individual under customary conditions of purchase and use.

(g) If it purports to be or is represented as a food for which a definition and standard of identity has been prescribed by regulations as provided by section 401, unless (1) it conforms to such definition and standard, and (2) its label bears the name of the food specified in the definition and standard, and, insofar as may be required by such regulations, the common names of optional ingredients (other than spices, flavoring, and coloring) present in such food.

(h) If it purports to be or is represented as—

(1) a food for which a standard of quality has been prescribed by regulations as provided by section 401, and its quality falls below such standard, unless its label bears, in such manner and form as such regulations specify, a statement that it falls below such standard; or

(2) a food for which a standard or standards of fill of container have been prescribed by regulations as provided by section 401, and it falls below the standard of fill of container applicable thereto,

unless its label bears, in such manner and form as such regulations specify, a statement that it falls below such standard.

(i) If it is not subject to the provisions of paragraph (g) of this section unless its label bears (1) the common or usual name of the food, if any there be, and (2) in case it is fabricated from two or more ingredients, the common or usual name of each such ingredient; except that spices, flavorings, and colorings, other than those sold as such, may be designated as spices, flavorings, and colorings without naming each: *Provided*, That, to the extent that compliance with the requirements of clause (2) of this paragraph is impracticable, or results in deception or unfair competition, exemptions shall be established by regulations promulgated by the Secretary. Such clause (2) shall not apply to any proprietary food the ingredients of which have been fully and correctly disclosed to the Secretary, if compliance with such clause would give to competitors information they could not otherwise obtain.

(j) If it purports to be or is represented for special dietary uses, unless its label bears such information concerning its vitamin, mineral, and other dietary properties as the Secretary determines to be, and by regulations prescribes as, necessary in order fully to inform purchasers as to its value for such uses.

(k) If it bears or contains any artificial flavoring, artificial coloring, or chemical preservative, unless it bears labeling stating that fact: *Provided*, That to the extent that compliance with the requirements of this paragraph is impracticable, exemptions shall be established by regulations promulgated by the Secretary. The provisions of this paragraph and paragraphs (g) and (i) with respect to artificial coloring shall not apply in the case of butter, cheese, or ice cream.

(l) For the purposes of the Federal Alcohol Administration Act, as amended (U. S. C., 1934 edition, Supp. III, title 27, ch. 8), but not for the purposes of this act, if it purports to be whisky, or if it is represented as "whisky" or "whiskey" (with or without qualifying words) and it or any part of it (other than coloring and flavoring material not to exceed in the aggregate 2½ percent by volume of the product) is distilled from a source other than grain. As so misbranded it shall, notwithstanding any other provision of law, be deemed not to provide the consumer with adequate information as to its identity within the meaning of sections 5 (e) (2) and 5 (f) (2) of the Federal Alcohol Administration Act, as amended. The provisions of this paragraph shall be administered and enforced by the Federal Alcohol Administration under the provisions of the Federal Alcohol Administration Act, as amended.

EMERGENCY PERMIT CONTROL

SEC. 404. (a) Whenever the Secretary finds after investigation that the distribution in interstate commerce of any class of food may, by reason of contamination with micro-organisms during the manufacture, processing, or packing thereof in any locality, be injurious to health, and that such injurious nature cannot be adequately determined after such articles have entered interstate commerce, he then, and in such case only, shall promulgate regulations providing for the issuance, to manufacturers, processors, or packers of such class of food in such locality, of permits to which shall be attached such conditions governing the manufacture, processing, or packing of such class of food, for such temporary period of time, as may be necessary to protect the public health; and after the effective date of such regulations, and during such temporary period, no person shall introduce or deliver for introduction into interstate commerce any such food manufactured, processed, or packed by any such manufacturer, processor, or packer unless such manufacturer, processor, or packer holds a permit issued by the Secretary as provided by such regulations.

(b) The Secretary is authorized to suspend immediately upon notice any permit issued under authority of this section if it is found that any of the conditions of the permit have been violated. The holder of a permit so suspended shall be privileged at any time to apply for the reinstatement of such permit, and the Secretary shall, immediately after prompt hearing and an inspection of the establishment, reinstate such permit if it is found that adequate measures have been taken to comply with and maintain the conditions of the permit, as originally issued or as amended.

(c) Any officer or employee duly designated by the Secretary shall have access to any factory or establishment, the operator of which holds a permit from the Secretary, for the purpose of ascertaining whether or not the conditions of the permit are being complied with, and denial of access for such inspection shall be ground for suspension of the permit until such access is freely given by the operator.

REGULATIONS MAKING EXEMPTIONS

SEC. 405. The Secretary shall promulgate regulations exempting from any labeling requirement of this act (1) small open containers of fresh fruits and fresh vegetables and (2) food which is, in accordance with the practice of the trade, to be processed, labeled, or repacked in substantial quantities at establishments other than those where originally processed or packed, on condition that such food is not adulterated or misbranded under the provisions of this act upon removal from such processing, labeling, or repacking establishment.

TOLERANCES FOR POISONOUS INGREDIENTS IN FOOD AND CERTIFICATION OF COAL-TAR COLORS FOR FOOD

SEC. 406. (a) Any poisonous or deleterious substance added to any food, except where such substance is required in the production thereof or cannot be avoided by good manufacturing practice shall be deemed to be unsafe for purposes of the application of clause (2) of section 402 (a); but when such substance is so required or cannot be so avoided, the Secretary shall promulgate regulations limiting the quantity therein or thereon to such extent as he finds necessary for the protection of public health, and any quantity exceeding the limits so fixed shall also be deemed to be unsafe for purposes of the application of clause (2) of section 402 (a). While such a regulation is in effect limiting the quantity of any such substance in the case of any food, such food shall not, by reason of bearing or containing any added amount of such substance, be considered to be adulterated within the meaning of clause (1) of section 402 (a). In determining the quantity of such added substance to be tolerated in or on different articles of food the Secretary shall take into account the extent to which the use of such substance is required or cannot be avoided in the production of each such article, and the other ways in which the consumer may be affected by the same or other poisonous or deleterious substances.

(b) The Secretary shall promulgate regulations providing for the listing of coal-tar colors which are harmless and suitable for use in food and for the certification of batches of such colors, with or without harmless diluents.

CHAPTER V—DRUGS AND DEVICES

ADULTERATED DRUGS AND DEVICES

SEC. 501. A drug or device shall be deemed to be adulterated—

(a) (1) If it consists in whole or in part of any filthy, putrid, or decomposed substance; or (2) if it has been prepared, packed, or held under insanitary conditions whereby it may have been contaminated with filth, or whereby it may have been rendered injurious to health; or (3) if it is a drug and its container is composed, in whole or in part, of any poisonous or deleterious substance which may render the contents injurious to health; or (4) if it is a drug and it bears or contains, for purposes of coloring only, a coal-tar color other than one from a batch that has been certified in accordance with regulations as provided by section 504.

(b) If it purports to be or is represented as a drug the name of which is recognized in an official compendium, and its strength differs from, or its quality or purity falls below, the standard set forth in such compendium. Such determination as to strength, quality, or purity shall be made in accordance with the tests or methods of assay set forth in such compendium, except that whenever tests or methods of assay have not been prescribed in such compendium, or such tests or methods of assay as are prescribed are, in the judgment of the Secretary, insufficient for the making of such determination, the Secretary shall bring such fact to the attention of the appropriate body charged with the revision of such compendium, and if such body fails within a reasonable time to prescribe tests or methods of assay which, in the judgment of the Secretary, are sufficient for purposes of this paragraph, then the Secretary shall promulgate regulations prescribing appropriate tests or methods of assay in accordance with which such determination as to strength, quality, or purity shall be made. No drug defined in an official compendium shall be deemed to be adulterated under this paragraph because it differs from the standard of strength therefor set forth in such compendium, if its difference in strength from such standard is plainly stated on its label. Whenever a drug is recognized in both the United States Pharmacopœia and the Homœopathic Pharmacopœia of the United States it shall be subject to the requirements of the United States Pharmacopœia unless it is labeled and offered for sale as a homœopathic drug, in which case it shall be subject to the provisions of the Homœopathic Pharmacopœia of the United States and not to those of the United States Pharmacopœia.

(c) If it is not subject to the provisions of paragraph (b) of this section and its identity or strength differs from, or its purity or quality falls below, that which it purports or is represented to possess.

(d) If it is a drug and any substance has been (1) mixed or packed therewith so as to reduce its quality or strength or (2) substituted wholly or in part therefor.

(e) If it is dangerous to health when used in the dosage, or with the frequency or duration prescribed, recommended, or suggested in the labeling thereof.

MISBRANDED DRUGS AND DEVICES

SEC. 502. A drug or device shall be deemed to be misbranded—

(a) If its labeling is false or misleading in any particular.

(b) If in package form unless it bears a label containing (1) the name and place of business of the manufacturer, packer, or distributor; and (2) an accurate statement of the quantity of the contents in terms of weight, measure, or numerical count: *Provided*, That under clause (2) of this paragraph reasonable variations shall be permitted, and exemptions as to small packages shall be established, by regulations prescribed by the Secretary.

(c) If any word, statement, or other information required by or under authority of this act to appear on the label or labeling is not prominently placed thereon with such conspicuousness (as compared with other words, statements, designs, or devices, in the labeling) and in such terms as to render it likely to be read and understood by the ordinary individual under customary conditions of purchase and use.

(d) If it is for use by man and contains any quantity of the narcotic or hypnotic substance alpha eucaine, barbituric acid, beta-eucaine, bromal, cannabis, carbromal, chloral, coca, cocaine, codeine, heroin, marihuana, morphine, opium, paraldehyde, peyote, or

sulphonmethane; or any chemical derivative of such substance, which derivative has been by the Secretary, after investigation, found to be, and by regulations designated as, habit forming; unless its label bears the name, quantity, and percentage of such substance or derivative and in juxtaposition therewith the statement "Warning—May be habit forming."

(e) If it is a drug and is not designated solely by a name recognized in an official compendium unless its label bears (1) the common or usual name of the drug, if such there be; and (2), in case it is fabricated from two or more ingredients, the common or usual name of each active ingredient, including the quantity, kind, and proportion of any alcohol: *Provided*, That to the extent that compliance with the requirements of clause (2) of this paragraph is impracticable, exemptions shall be established by regulations promulgated by the Secretary. Such clause (2) shall not (except the requirements as to alcohol) apply to any drug the ingredients of which are fully and correctly disclosed to the Secretary.

(f) Unless its labeling bears (1) adequate directions for use; and (2) such warnings against use in those pathological conditions or by children where its use may be dangerous to health, or against unsafe dosage or methods or duration of administration or application, in such manner and form, as the Secretary finds necessary for the protection of users and by regulations prescribes: *Provided*, That where any requirement of clause (1) of this paragraph, as applied to any drug or device, is not necessary for the protection of the public health, the Secretary shall promulgate regulations exempting such drug or device from such requirement.

(g) If it purports to be a drug the name of which is recognized in an official compendium, unless it is packaged and labeled as prescribed therein. Whenever a drug is recognized in both the United States Pharmacopœia and the Homœopathic Pharmacopœia of the United States, it shall be subject to the requirements of the United States Pharmacopœia with respect to packaging and labeling unless it is labeled and offered for sale as a homœopathic drug, in which case it shall be subject to the provisions of the Homœopathic Pharmacopœia of the United States, and not to those of the United States Pharmacopœia.

(h) If it has been found by the Secretary to be a drug liable to deterioration unless it is packaged in such form and manner, and its label bears a statement of such precautions, as the Secretary shall by regulations require as necessary for the protection of the public health. No such regulation shall be established for any drug recognized in an official compendium until the Secretary shall have informed the appropriate body charged with the revision of such compendium of the need for such packaging or labeling requirements and such body shall have failed within a reasonable time to prescribe such requirements.

(i) (1) If it is a drug and its container is so made, formed, or filled as to be misleading; or (2) if it is an imitation of another drug; or (3) if it is offered for sale under the name of another drug.

Mr. REES of Kansas. Mr. Chairman, I offer the amendment which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. REES of Kansas: Page 71, line 16, after the word "Secretary", strike out the remainder of line 16 and all of lines 17, 18, and 19.

Mr. REES of Kansas. Mr. Chairman, this amendment is to section 502, and has to do with the question of misbranded drugs and devices. We have subsections (a), (b), (c), (e). These subsections describe the different types of misbranded drugs, where it is provided that if it is a drug and is not designated solely by a name recognized in an official compendium unless its label bears the common or usual name of the drug, if such there be, and then go on and describe another class in case it is fabricated from two or more ingredients.

After making different provisos it gets down into the last one, the one we are striking out:

(2) Except the requirements as to alcohol shall not apply to any drug the ingredients of which are fully and correctly disclosed to the Secretary.

What good does it do to disclose those facts to the Secretary? Just because he knows there are certain ingredients in a certain product that are detrimental to one's health will certainly not be of any good to the child who happens to take that particular ingredient in some particular dosage. It seems to me this part of that section ought to be stricken out for the good of the bill; in other words, if you cannot describe the thing as it ought to be described, all you have to do is to write a letter to the Secretary and get around it, then you do not come within the provisions of that particular section. This part of the bill ought to be stricken out. Although we have not sustained very many amendments from the floor this afternoon, I hope that the chairman of the committee will see fit to support this particular motion and strike out this portion of the section.

Mr. LEA. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, the clause referred to in the sentence proposed to be stricken out by the gentleman relates to articles fabricated from two or more ingredients, the common or usual name of each active ingredient, including the quantity, kind, and proportion of any alcohol. The section he would strike out would require a statement of ingredients on the label. The bill is not drawn on that general theory.

The theory of this particular sentence is that if there is anything wrong about the prescription the information must be given to the Secretary, who can proceed under the other provisions of the bill to prosecute if it is a case for prosecution. This section is consistent with the general purpose of the bill not requiring a disclosure of the contents of ingredients except as to certain narcotic and potent drugs.

Mr. REES of Kansas. Mr. Chairman, will the gentleman yield?

Mr. LEA. I yield.

Mr. REES of Kansas. The gentleman from California will observe that under subsection (e), if it is a drug and is not designated solely by a name recognized officially, then it is taken care of if the common name of the drug is used, if there be a common name; and in case it is fabricated of two or more different kinds of drugs it can be described; then it gets down to alcohol and then it gets down to the proposition that you do not even have to do that if you describe it to the Secretary. If you write a letter to the Secretary telling what is in it then you have taken care of yourself under this provision.

Mr. LEA. The drugs prescribed in the Pharmacopœia have their established ingredients. Everybody can know what such a drug is if it is properly labeled. The drug referred to under (2) is a fabricated drug composed of two or more ingredients.

The bill is not drawn on the theory of full disclosure of ingredients to the public. If we wanted a bill that required the disclosure of all the ingredients of patent medicines, or even medicines prescribed by a doctor, we could do that with certain limitations; but that is not the theory of the bill as a whole.

Mr. REES of Kansas. Mr. Chairman, will the gentleman yield further?

Mr. LEA. I yield.

Mr. REES of Kansas. Is it not the intention of this particular portion of the bill to require the description of ingredients just as far as possible?

Mr. LEA. Not as far as possible, but where necessary for the protection of the consumer, if there is a narcotic or a potent drug in the combination that is dangerous, in which case it must appear on the label. If the Secretary gets this information and finds that it is not a narcotic or a potent drug and is not dangerous to the consumer, then the manufacturer is relieved from giving that information.

Mr. REES of Kansas. That is, if the Secretary does not think it is poisonous, then the label does not have to show it. Is that what the gentleman means?

Mr. LEA. That is the idea. We assume the Food and Drug Administration is capable of determining the facts.

Mr. SIROVICH. In other words, if the gentleman will yield, we want the public to know if the fabricated medicines contain a narcotic, opiate, or any drug that is likely to prove deleterious or injurious to the human body.

Mr. LEA. Absolutely.

[Here the gavel fell.]

The CHAIRMAN. The question is on the amendment offered by the gentleman from Kansas.

The amendment was rejected.

Mr. PHILLIPS. Mr. Chairman, I offer an amendment, which I send to the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. PHILLIPS: Page 70, line 5, strike out the period and insert "and if it purports to cure cancer."

Mr. PHILLIPS. Mr. Chairman, the purpose of this amendment is definitely to brand as false or misleading the advertising of any drug or device which purports to cure cancer. May I repeat the remarks I made a few minutes ago when I stated that, as you all know, only surgery, X-ray, or radium can in any way actually cure or control cancer. You cannot sell those devices because they are not devices that in actual fact can be sold for this purpose to a suffering patient, therefore anything else is a fake. Why not definitely write this into the law at this point?

A few minutes ago when I offered another amendment on this subject, the distinguished chairman of the Committee on Interstate and Foreign Commerce asked that it be voted down because, as he stated, we had law enough elsewhere covering the same subject in practically the same way. Let us take his very words. If we have law elsewhere recognizing this subject in this way, why not restate it and write it into this law at this time for the protection of the public?

I hope you will vote for my amendment.

Mr. LEA. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, in this case I think it is true that as a general rule it is recognized that there is no cure for cancer at the present time, although certain forms of cancer may be cured. We are hoping that the time may be here in the near future when a cure for cancer will be found. It would be unfortunate to have in the statute books of the country a provision which would prevent telling the afflicted of the country the truth and giving them the hope they want. We have a provision in here subjecting a man to prosecution for misrepresentation on the label, so far as the therapeutic value or effect of the drug is concerned. After the passage of this bill, if a man represents he has a cure for cancer when, as a matter of fact, he has not, and he puts that on the label or the accompanying material, he will be subject to prosecution.

That is a practical way of dealing with the question. We should not write into permanent law a statement that no one can cure cancer, because some of these days, I am optimistic enough to believe, a cure will be found, and we do not want a law stating that it cannot be cured.

Mr. PHILLIPS. Will the gentleman yield?

Mr. LEA. I yield to the gentleman from Connecticut.

Mr. PHILLIPS. I would like to point out to the distinguished chairman of the Committee on Interstate and Foreign Commerce a statement of fact. A reputable physician or surgeon is not going around in quack medical practice advertising cures; therefore, if a cure should be found between now and the next time this body meets, at which time the bill may be corrected if that is necessary, the gentleman may be assured if such a cure were developed it would not be advertised in charlatan fashion. I repeat, this House will meet in less than a year, and if such a cure is developed the law can be corrected. I hope you gentlemen will accept my amendment to protect the people.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Connecticut [Mr. PHILLIPS].

The amendment was rejected.

The Clerk read as follows:

EXEMPTIONS IN CASE OF DRUGS AND DEVICES

SEC. 503. (a) The Secretary is hereby directed to promulgate regulations exempting from any labeling or packaging requirement of this act drugs and devices which are, in accordance with the practice of the trade, to be processed, labeled, or repacked in substantial quantities at establishments other than those where originally processed or packed, on condition that such drugs and devices are not adulterated or misbranded under the provisions of this act upon removal from such processing, labeling, or repacking establishment.

(b) A drug dispensed on a written prescription signed by a physician, dentist, or veterinarian (except a drug dispensed in the course of the conduct of a business of dispensing drugs pursuant to diagnosis by mail), shall if—

(1) such physician, dentist, or veterinarian is licensed by law to administer such drug, and

(2) such drug bears a label containing the name and place of business of the dispenser, the serial number and date of such prescription, and the name of such physician, dentist, or veterinarian,

be exempt from the requirements of section 502 (b) and (e), and (in case such prescription is marked by the writer thereof as not refillable or its refilling is prohibited by law) of section 502 (d).

Mr. DOXEY. Mr. Chairman, I move to strike out the last word for the purpose of asking the chairman of the Committee on Interstate and Foreign Commerce a question, after which time I may have an amendment to offer to section 503.

May I say to the gentleman from California [Mr. LEA], and I have discussed this briefly with him before, that in line 18, page 73, in parentheses appears this language:

Except a drug dispensed in the course of the conduct of a business of dispensing drugs pursuant to diagnosis by mail.

Mr. Chairman, I am not a doctor, but I want to understand if that exempts a person who treats epileptic fits, for instance? You cannot diagnose a case of epilepsy except by what may be put in writing or unless you see the person in a spasm brought about by epilepsy. Some of them possibly may be considered doing business in the way of prescribing patent medicine, but why is it those people are not exempted from the provisions of this section? I want to know why that is. As I understand, this exception applies only to cases like asthma and epilepsy. I do not see why they should be discriminated against.

Mr. LEA. If the gentleman will yield, I may say that, of course, we have the general rule about disclosure of contents and requiring the label to show the contents of the packages. We have the general provision that doctors' labels are not required to show the contents of their prescriptions. An exception is made here against the physician who diagnoses and treats his patients by mail. The fundamental reason, as I understand it, is that in practice that method has been used for the sale of medicine rather than the practice of medicine. It furnishes a shield and a certain degree of deception to the consumer in the sale of medicine by representing to the purchaser that a doctor has prescribed it, based on his particular case. They bring in the customer and they give him the same treatment that they give everybody else, making him believe that he is being separately treated. So there is no harm, as I see it, to the physician in this case, because he may disclose his formula and use it if it does not violate the law in any respect, and if there are no opiates or narcotics in it he has a perfect right to do that.

Mr. DOXEY. May I ask the gentleman from California [Mr. LEA] if he would accept an amendment striking out the words "except a drug dispensed in the course of the conduct of a business of dispensing drugs pursuant to diagnosis by mail"?

Mr. LEA. I could not do that and I would not have the authority. I believe it would be contrary to the policy the committee has in mind.

Mr. SIROVICH. Will the gentleman from Mississippi explain to me how a doctor can make a diagnosis by mail and treat a patient by mail, without it being pure quackery?

Mr. DOXEY. May I say to the gentleman from New York, who has forgotten more about medicine than I know, because I do not know anything about it, that I have in mind one particular firm. I think the chairman of the Committee on Interstate and Foreign Commerce is familiar with the firm. This firm, in my opinion, is doing a great work, because I have seen the facts demonstrated in connection with its treatment of asthma. The gentleman from New York knows what asthma is. The gentleman cannot tell how a patient should be treated for asthma without seeing him when the spasm is on, and I believe the gentleman from New York will agree with me on that.

Mr. SIROVICH. And without examining him thoroughly to find out what is the cause of it.

Mr. DOXEY. And without knowing the history of the case. I understand this medicine has the same application in regard to epileptic fits. Just because those people may be engaged in this specific work they are excepted by this measure from any exemptions. Not only are they caused to disclose their formulas, and everything else, but you say

to them, "You are excepted from this exemption just by virtue of the fact you require your patient to give you a written analysis and history of his case." Is not this discrimination?

Mr. SIROVICH. There is no discrimination.

[Here the gavel fell.]

Mr. DOXEY. I do not want to detain the Committee; but I wish to offer an amendment, which I send to the desk. If you want to discuss it further I should like to do so, and also the amendment I asked the chairman of the committee to accept and which he would not accept. I believe there is a lot of merit to this amendment.

The Clerk read as follows:

Amendment offered by Mr. DOXEY: On page 73, line 18, after the word "veterinarian", strike out "(except a drug dispensed in the course of the conduct of a business of dispensing drugs pursuant to diagnosis by mail)."

Mr. MAPES. Mr. Chairman, will the gentleman from Mississippi yield?

Mr. DOXEY. I yield to the gentleman from Michigan.

Mr. MAPES. I should like to ask the chairman of the committee how long he anticipates continuing the consideration of this bill today?

Mr. LEA. I intend to move that the Committee rise as soon as this amendment is disposed of.

Mr. MAPES. The consideration of this amendment is liable to take some time. I wonder if we could not take up the amendment at the next session.

Mr. LEA. Does the gentleman from Mississippi anticipate that much time will be required in the consideration of his amendment?

Mr. DOXEY. I hesitate taking up very much time. Of course, I cannot qualify as an expert in this discussion. I do know it is far-reaching, and I believe there is considerable interest in this amendment. I believe it might be well, if the gentleman intends to move that the Committee rise just as soon as this amendment is disposed of, to let the amendment go over, and we will dispose of it on Thursday. In the meanwhile, I may get some more enlightenment and some more information in regard to the question.

Mr. LEA. Mr. Chairman, in order to find out what the Committee wants to do, I ask unanimous consent that debate on this amendment close in 5 minutes.

Mr. MARTIN of Massachusetts. Mr. Chairman, I make the point of order a quorum is not present.

Mr. LEA. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and, the Speaker having resumed the chair, Mr. DRIVER, Chairman of the Committee of the Whole House on the state of the Union, reported that the Committee, having had under consideration the bill S. 5, had come to no resolution thereon.

EXTENSION OF REMARKS

Mr. MAPES. Mr. Speaker, I ask unanimous consent to revise and extend in the RECORD the remarks I made this afternoon and include therein the minority report on the food and drug bill and excerpts from laws to which I referred.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. LEA. Mr. Speaker, I ask unanimous consent that all Members may have five legislative days in which to extend their remarks in the RECORD on this bill.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. CANNON of Missouri. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD on the agricultural appropriation bill and include therein certain tables.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. COFFEE of Washington. Mr. Speaker, I ask unanimous consent to extend in the RECORD the remarks I made this afternoon on the food and drug bill and include therein brief excerpts from two magazine articles to which reference was made in my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Washington?

There was no objection.

PERMISSION TO ADDRESS THE HOUSE

Mr. BINDERUP. Mr. Speaker, owing to the lateness of the hour, I ask unanimous consent that the time that has been allotted to me to address the House today may be transferred to Thursday next.

The SPEAKER. Is there objection to the request of the gentleman from Nebraska?

There was no objection.

EXTENSION OF REMARKS

Mr. HOFFMAN. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include therein a short editorial by David Lawrence.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

INTERSTATE COMPACTS FOR CRIME PREVENTION

Mr. SUMNERS of Texas. Mr. Speaker, I ask unanimous consent to address the House for 6 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. SUMNERS of Texas. Mr. Speaker, I should like to direct the attention of the House to a unique movement in this country, and a very important one. There was assembled in the city of Washington today the executive committee of the Interstate Commission on Crime.

Some members of that committee are now in the gallery: Judge Richard Hartshorne, of New Jersey, chairman; Attorney General Clarence V. Beck, of Kansas; Attorney General P. Warren Green, of Delaware; Attorney General Greek L. Rice, of Mississippi; and Col. Anthony P. Sunderland, of Connecticut.

In 1932 a bill was introduced in the House providing as follows:

That the consent of Congress is hereby given to any two or more States to enter into agreements or compacts for cooperative effort and mutual assistance in the prevention of crime and in the enforcement of their respective criminal laws and policies, and to establish such agencies, joint or otherwise, as they may deem desirable for making effective such agreements and compacts.

I had the honor of introducing that bill. It was not approved by Congress at that session, but in 1934 I introduced a similar bill which became law.

The House Committee on the Judiciary, when it approved the bill and submitted it to Congress, presented a brief report as to the purposes of the bill. This report pointed out that, under section 10, article 1, of the Constitution—

No State shall, without the consent of Congress * * * enter into an agreement or compact with another State * * *.

In part the report of the committee read:

The rapidity with which persons may move from one State to another, those charged with crime and those who are necessary witnesses in criminal proceedings, and the fact that there are no barriers between the States obstructing this movement, makes it necessary that one of two things shall be done, either that the criminal jurisdiction of the Federal Government shall be greatly extended or that the States by mutual agreement shall aid each other in the detection and punishment of offenders against their respective criminal laws.

Since this is a matter of mutual importance and mutual interest, and subject to the control of the States, each of which is confronted with the same necessity, it seems absurd that the present handicap which they impose on each other should be continued. This bill seeks to remove the obstruction imposed by the Federal Constitution and allow the States cooperatively and by mutual agreement to work out their problems of law enforcement. Clearly the Federal Government cannot assume this jurisdiction and take over this responsibility. Its organization makes it

utterly unfitted for the purpose. The States have an adequate constabulary, the Federal Government a very limited constabulary which could be used for the purpose of enforcing any Federal laws governing new offenses under the interstate-commerce clause.

That the States have cooperated together since the passage of the Compact Consent Act has been obvious from developments subsequent.

In 1935 a Nation-wide conference of officials from the States and the Federal Government to consider ways and means of coping with the interstate criminal resulted in the establishment of an official body, the Interstate Commission on Crime. This organization, concentrating entirely in the field of crime control, has, in the past 2 years, brought about a great deal of uniformity and cooperative action by the States in combating the criminal. Four reciprocal laws have been drafted by the Commission and adopted already by 31 States, in whole or in part. These deal with extradition of criminals, the rendition of witnesses between States, the fresh pursuit of criminals across State lines, and the interstate supervision of parolees and probationers. In addition the Commission has been instrumental in obtaining the signatures of 25 States to the interstate compact for the supervision of parolees and probationers—a compact with more contracting State sovereignties than any other the country has ever seen, with the exception of the Constitution itself.

There should be on your desks tomorrow the annual report of this Commission, representative of the States and the Federal Government. You will find in it definite proof of the competency of the States to work out successfully a mutual problem.

It has been gratifying to me personally to see the response of the States to the opportunity to solve their mutual problem of crime suppression by means of interstate compacts. And I am glad to display here an original copy of the interstate compact to which I have alluded and now to be filed with the Federal Government. This compact, which is set forth in the report referred to, is tangible evidence that the States are carrying out their constitutional power of governing and cooperating "to form a more perfect union."

This movement on the part of the gentlemen who are interested in it and the States that have participated, in my judgment, is as important as any movement that has taken place in America in many a day. We have had the notion in this country that whenever a State confronts a problem that is beyond its capacity to deal with effectively, acting by itself, that the thing to do then is to come to the Federal Government and have the Federal Government assume that responsibility, offering as a good reason why the Federal Government should do it that the problem is beyond the capacity of a State to deal effectively with it.

Now, these gentlemen and the States are making a demonstration, and as we visualize the future, a tremendously important demonstration, that these States by mutual compacts and cooperation may aid each other and thereby do effectively the thing of common interest.

Those of us who have studied the history of governmental developments, and I assume we all have, know that things do not take place, governmentally, as the result of words spoken or written or the deliberation of conventions. People are drawn together and their strength and capacity are unified by doing things together which are to their mutual advantage. The world has learned a great deal about this recently. It has relearned a lesson that it ought to have known long, long ago.

We, for instance, were not confederated in this country by the Articles of Confederation. The Articles of Confederation were declaratory of an existing confederacy. The Colonies had been brought together in the French and Indian War. They were fighting the battle for their independence. Working in confederation, they had done a great many things together before the Articles of Confederation were fashioned. When we came to write the Constitution we did not create a Union by that document. The States had been united by doing things together. They had mingled their blood and their efforts in a common cause. The great value in this demonstration is that it points a way by which we may be able to preserve and really strengthen the States by having the States, as States, through State governmental machinery, attend to domestic governmental responsibility. We can thereby preserve governmental vigor by exercise, by doing the work of government through State governmental machinery instead of shifting it to the Federal organization.

There is no value to be derived from States meeting in conventions and merely resolving that they should do this, that, or the other thing. But when united by doing things together, by demonstrating by actual experience that it is possible to do things together, there is then real accomplishment not only of the specific thing done but in the effect upon the doers. We may then justify the hope, perhaps, that if these States can demonstrate in this field of common interest that by cooperative effort they can accomplish something which theretofore, or under other circumstances, they would come here to accomplish——

[Here the gavel fell.]

Mr. SUMNERS of Texas. Mr. Speaker, I ask unanimous consent to proceed for 1 more minute.

The SPEAKER pro tempore (Mr. COOLEY). Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. SUMNERS of Texas. We may be able, then, to do something more than decry the centralization of governmental power here in Washington.

Mr. O'CONNOR of New York. Mr. Speaker, will the gentleman yield?

Mr. SUMNERS of Texas. I yield to my distinguished colleague from New York.

Mr. O'CONNOR of New York. Does the gentleman see any danger in cooperation among the States going too far in our plan of government?

Mr. SUMNERS of Texas. I am not sure I have in my mind the concrete situation that the gentleman from New York may have in his mind, but, of course, it could happen.

Mr. O'CONNOR of New York. I have in mind our form of government and our Federal Constitution defining the rights of the Federal Government and the rights of the States. Of course, if there were a combination among the States for certain purposes, it might be contrary to our theory of government.

Mr. SUMNERS of Texas. Yes. May I say to my friend that to guard against that happening we have the provision in the Constitution that this cannot be done except by the consent of Congress. This is the protection which the General Government has against the possibility that my distinguished friend from New York has in mind.

Mr. O'CONNOR of New York. In connection with this matter, do these States come to Congress and ask for our approval?

Mr. SUMNERS of Texas. They do not, with regard to this matter.

Mr. O'CONNOR of New York. That is what I have in mind. They might have some other matters in mind that they might attempt to work out without coming to Congress.

Mr. SUMNERS of Texas. Yes, that could happen, but Congress has gone on the theory that with regard to the suppression of crime, it is a matter that the States interested could be trusted to exercise their independent judgment about.

I appreciate very much, Mr. Speaker, this privilege of addressing the House. [Applause.]

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows:

To Mr. JONES (at the request of Mr. MAHON of Texas), for today, on account of illness.

To Mr. HARRINGTON (at the request of Mr. BIERMANN), for 7 days, on account of important business.

To Mr. LORD (at the request of Mr. MARTIN of Massachusetts), indefinitely, on account of illness.

ENROLLED JOINT RESOLUTIONS AND BILLS SIGNED

Mr. PARSONS, from the Committee on Enrolled Bills, reported that that committee had examined and found truly enrolled joint resolutions of the House of the following titles, which were thereupon signed by the Speaker:

H. J. Res. 693. Joint resolution making an appropriation to aid in defraying expenses of the observance of the seventy-fifth anniversary of the Battle of Gettysburg; and

H. J. Res. 687. Joint resolution to amend title VI of the District of Columbia Revenue Act of 1937.

The SPEAKER announced his signature to enrolled bills of the Senate of the following titles:

S. 1307. An act for the relief of W. F. Lueders;

S. 3092. An act for the relief of the Georgia Marble Co.; and

S. 3522. An act authorizing the President to present the Distinguished Service Medal to Rear Admiral Reginald Vesey Holt, British Navy, and to Capt. George Eric Maxia O'Donnell, British Navy; and the Navy Cross to Vice Admiral Lewis Gonne Eyre Crabbe, British Navy, and to Lt. Comdr. Harry Douglas Barlow, British Navy.

ADJOURNMENT

Mr. LEA. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 18 minutes p. m.) the House adjourned until tomorrow, Wednesday, June 1, 1938, at 12 o'clock noon.

COMMITTEE HEARINGS

COMMITTEE ON THE JUDICIARY

There will be a hearing before the Special Subcommittee on Bankruptcy of the Committee on the Judiciary at 10 a. m. on Wednesday, June 1, 1938, on H. R. 10387, to amend the act entitled "An act to establish a uniform system of bankruptcy throughout the United States," approved July 1, 1898, and acts amendatory thereof and supplementary thereto, and for other purposes (sec. 77, relative to railroad reorganization). The hearing will be held in the Judiciary Committee room, 346 House Office Building.

COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE

There will be a meeting of the Committee on Interstate and Foreign Commerce at 10 a. m. Wednesday, June 1, 1938. Business to be considered: Hearing on H. R. 10127, railroad unemployment insurance; hearings on H. R. 10620, entitled "To remove existing reductions in compensation for transportation of Government property and troops incident to railroad land grants."

There will be a meeting of a subcommittee of the Committee on Interstate and Foreign Commerce at 10 a. m. Saturday, June 4, 1938. Business to be considered: Continuation of hearing on H. R. 4358, train dispatchers.

There will be a subcommittee meeting of the Committee on Interstate and Foreign Commerce at 10 a. m. Monday, June 6, 1938. Business to be considered: Continuation of hearing of H. R. 10348, foreign radio-telegraph communication.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1407. A letter from the Administrator of the Federal Housing Administration, transmitting the Fourth Annual Report of the Administration for the year ending December 31, 1937 (H. Doc. No. 696); to the Committee on Banking and Currency and ordered to be printed, with illustrations.

1408. A communication from the President of the United States, transmitting a supplemental estimate for the fiscal year ending June 30, 1939, for the War Department, amounting to $6,000,000 (H. Doc. No. 695); to the Committee on Appropriations and ordered to be printed.

1409. A letter from the Attorney General, transmitting the draft of a bill to amend the act of February 13, 1935, section 3, subsection (b); Forty-third Statutes 936, 939; United States Code, title 28, section 288 (b); to the Committee on the Judiciary.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. O'CONNOR of New York: Committee on Rules. House Resolution 509. Resolution providing for the suspension of rules for the remainder of the third session of the Seventy-fifth Congress; without amendment (Rept. No. 2517). Referred to the House Calendar.

Mr. O'CONNOR of New York: Committee on Rules. House Resolution 512. Resolution providing for the consideration of S. 5; without amendment (Rept. No. 2518). Referred to the House Calendar.

Mr. BLAND: Committee on Merchant Marine and Fisheries. H. R. 9916. A bill to provide for the establishment of a Coast Guard station at or near Shelter Cove, Calif., without amendment (Rept. No. 2519). Referred to the Committee of the Whole House on the state of the Union.

Mr. BLAND: Committee on Merchant Marine and Fisheries. H. R. 10536. A bill authorizing the United States Maritime Commission to sell or lease the Hoboken Pier Terminals, or any part thereof, to the city of Hoboken, N. J.; with amendment (Rept. No. 2520). Referred to the Committee of the Whole House on the state of the Union.

Mr. BLAND: Committee on Marchant Marine and Fisheries. H. R. 10672. A bill to amend section 4197 of the Revised Statutes, as amended (U. S. C., 1934 ed., title 46, sec. 91), and section 4200 of the Revised Statutes (U. S. C., 1934 ed., title 46, sec. 92), and for other purposes; without amendment (Rept. No. 2521). Referred to the Committee of the Whole House on the state of the Union.

Mr. BLOOM: Committee on Foreign Affairs. House Joint Resolution 702. Joint resolution to provide that the United States extend to foreign governments invitations to participate in the Third International Congress for Microbiology to be held in the United States during the calendar year 1939, and to authorize an appropriation to assist in meeting the expenses of the session; without amendment (Rept. No. 2524). Referred to the Committee of the Whole House on the state of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. SATTERFIELD: Committee on the Judiciary. H. R. 10171. A bill to amend the act entitled "An act giving jurisdiction to the Court of Claims to hear and determine the claim of the Butler Lumber Co., Inc."; without amendment (Rept. No. 2522). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BUCK: A bill (H. R. 10785) to amend the Perishable Agricultural Commodities Act, 1930, as amended; to the Committee on Agriculture.

By Mr. IGLESIAS: A bill (H. R. 10786) creating the Puerto Rico Water Resources Authority, and for other purposes; to the Committee on Insular Affairs.

By Mr. PIERCE: A bill (H. R. 10787) to change the name of "Pickwick Landing Dam" to "Rankin Dam"; to the Committee on Military Affairs.

By Mr. STARNES: A bill (H. R. 10788) to establish an ordnance arsenal in the State of Alabama; to the Committee on Military Affairs.

By Mr. VOORHIS: A bill (H. R. 10789) to provide for the financing of commercial and industrial establishments and to maintain and increase the employment of labor by the creation of industrial finance banks with limited powers to

lend, acquire securities, underwrite, discount, and rediscount; to the Committee on Banking and Currency.

By Mr. BEITER: A bill (H. R. 10790) to promote peace and the national defense through a more equal distribution of the burdens of war by drafting the use of money according to ability to lend to the Government; to the Committee on Ways and Means.

By Mr. MILLS: A bill (H. R. 10791) creating the Louisiana-Vicksburg Bridge Commission; defining the authority, power, and duties of said commission; and authorizing said commission and its successors and assigns to purchase, maintain, and operate a bridge across the Mississippi River at or near Delta Point, La., and Vicksburg, Miss.; to the Committee on Interstate and Foreign Commerce.

By Mr. PIERCE: A bill (H. R. 10792) to authorize the construction of the Umatilla Dam in the Columbia River, Oreg. and Wash.; to the Committee on Rivers and Harbors.

By Mr. GEARHART: Resolution (H. Res. 513) to amend rule XXVII of the Rules of the House of Representatives; to the Committee on Rules.

By Mr. KELLER: Joint resolution (H. J. Res. 703) to authorize the acceptance of title to the dwelling house and property, the former residence of the late Justice Oliver Wendell Holmes, located at 1720 Eye Street NW., in the District of Columbia, and for other purposes; to the Committee on the Library.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. DORSEY: A bill (H. R. 10793) for the relief of Pauline Oettinger; to the Committee on Immigration and Naturalization.

By Mr. IZAC: A bill (H. R. 10794) for the relief of First Lt. Rosanna M. King, Army Nurse Corps, retired; to the Committee on Naval Affairs.

By Mr. LEWIS of Colorado: A bill (H. R. 10795) for the relief of Ben F. Mitchell; to the Committee on Claims.

By Mr. O'BRIEN of Michigan: A bill (H. R. 10796) granting a pension to Arminta B. Chesnut; to the Committee on Invalid Pensions.

By Mr. REECE of Tennessee: A bill (H. R. 10797) granting a pension to Martha Samsel; to the Committee on Invalid Pensions.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

5250. By Mr. BROOKS: A petition of the Legislature of Louisiana, asking for the amendment of the Social Security Act so that employees of 55 years and older may participate in pensions; to the Committee on Ways and Means.

5251. Also, petition of the General Assembly of Louisiana, asking for amendment of social-security law so that Federal Government may supply all funds which may be disbursed by several States; to the Committee on Ways and Means.

5252. Also, petition of the General Assembly of Louisiana asking that Social Security Act be so amended as to make findings of Public Welfare Department conclusive as to eligibility; to the Committee on Ways and Means.

5253. Also, petition of the House of Representatives of Louisiana endorsing the National Youth Administration program and urging its continuation and expansion; to the Committee on Appropriations.

5254. Also, petition of the Legislature of Louisiana endorsing Senate bill 419 and House bill 10340, urging Federal financial aid to education; to the Committee on Appropriations.

5255. By Mr. DEROUEN: House Concurrent Resolution No. 7, by Mr. Peters, of the Legislature of the State of Louisiana, petitioning the Congress of the United States to amend the Social Security Act; to the Committee on Ways and Means.

5256. Also, House Concurrent Resolution No. 6, by Mr. Peters, of the Legislature of the State of Louisiana, petitioning the Congress of the United States to amend the Social Security Act; to the Committee on Ways and Means.

5257. Also, House Concurrent Resolution No. 10, by Messrs. Eastland and McCurnin, of the Legislature of the State of Louisiana, petitioning the Congress of the United States to amend the Social Security Act; to the Committee on Ways and Means.

5258. Also, House Resolution No. 4, by Mr. Riddle, of the Legislature of the State of Louisiana, commending the National Youth Administration and its programs; to the Committee on Appropriations.

5259. Also, House Concurrent Resolution No. 11, by Mr. Frazar, of the Legislature of the State of Louisiana, petitioning Congress to enact into law House bill 10340 and Senate bill 419; to the Committee on Education.

5260. By Mr. HOPE: Petition of Rev. D. H. Switzer and 560 other citizens of Rice County, Kans., urging the enactment of legislation which will prohibit advertising alcoholic beverages in the press and radio; to the Committee on Interstate and Foreign Commerce.

5261. By Mr. LUTHER A. JOHNSON: Memorial of Maggie W. Barry, extension adviser, rural organization work, College Station, Tex., favoring House bill 9909, to the Committee on Interstate and Foreign Commerce.

5262. Also, petition of Terry McCary, of Corsicana, Tex., opposing Senate bill 153, the Neely block-booking bill; to the Committee on Interstate and Foreign Commerce.

5263. By Mr. KENNEDY of New York: Petition of the Catholic Daughters of America, South Orange, N. J., numbering 200,000 members, established in 45 States, urging adoption of the Neely bill (S. 153); to the Committee on Interstate and Foreign Commerce.

5264. By Mr. KEOGH: Petition of the Allied States Association of Motion Picture Exhibitors, Washington, D. C., concerning Senate bill 153, to prevent the compulsory block booking and blind selling of motion pictures; to the Committee on Interstate and Foreign Commerce.

5265. Also, petition of the National Congress of Parents and Teachers, Washington, D. C., concerning the Neely bill (S. 153); to the Committee on Interstate and Foreign Commerce.

5266. Also, petition of the Fifth Estate Club, New York City, concerning Senate bills 4042 and 4043, pertaining to World War provisional officers; to the Committee on Military Affairs.

5267. By Mr. KRAMER: Resolution of the City Council of Long Beach, Calif., relative to requesting the Congress to assist in the defeat of a proposed joint resolution relating to oil deposits underlying the submerged lands along the coast of the State of California; to the Committee on the Public Lands.

5268. Also, resolution of the Barbecue Committee of Sunland, Calif., relative to House bill 4199; to the Committee on Ways and Means.

5269. Also, resolution of the board of directors of Alhambra Chamber of Commerce, relative to the National Labor Relations Act, etc.; to the Committee on Labor.

5270. Also, resolution of the Los Angeles County Democratic Central Committee, relative to letter emanating from Adohr Milk Farm to employees in re New Deal policies, taxation, etc.; to the Committee on Ways and Means.

5271. Also, resolution of the Los Angeles County Democratic Central Committee, relative to Spanish embargo, etc.; to the Committee on Ways and Means.

5272. Also, resolution of the Board of Supervisors of the County of Los Angeles, State of California, relative to passage of House bill 4199; to the Committee on Ways and Means.

5273. Also, resolution of board of governors of the State bar of California, relative to Senate bill 3212; to the Committee on the Judiciary.

5274. By Mr. LEAVY: Resolution of the board of directors of the Chattaroy, Cheney, Deer Park, Foothills, Spokane County, and Spokane Valley National Farm Loan Associa-

tions, and signed by the president, vice president, and directors thereof, urging the congressional delegation of our State to work for farm legislation that will bring to the farmer a reasonable return above the cost of production, to which he is justly entitled, and further that the farmer should be charged interest rates comparable to those paid by industry such as the rate at present in effect on Federal Land Bank loans, which rate should be continued permanently by act of Congress; to the Committee on Agriculture.

5275. By Mr. WIGGLESWORTH: Petition of the members of the Federation of State, City, and Town Employees, residing in the Commonwealth of Massachusetts; to the Committee on the Civil Service.

5276. By the SPEAKER: Petition of the Seibert Evangelical Congregational Church, Allentown, Pa., petitioning consideration of their request dated May 26, 1938; to the Committee on Appropriations.

5277. Also, petition of the City Council of the City of New York, petitioning consideration of their resolution G. O. 34 (Res. No. 49) with reference to Home Owners' Loan Corporation Act; to the Committee on Banking and Currency.

5278. Also, petition of Commissioner Anderson for the entire Board of Commissioners of the County of St. Louis, State of Minnesota, petitioning consideration of their resolution dated May 24, 1938, concerning House bill 4199, known as the General Welfare Act, to the Committee on Ways and Means.

SENATE

WEDNESDAY, JUNE 1, 1938

(Legislative day of Wednesday, April 20, 1938)

The Senate met at 11 o'clock a. m., on the expiration of the recess.

THE JOURNAL

On request of Mr. BARKLEY, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day Tuesday, May 31, 1938, was dispensed with, and the Journal was approved.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Calloway, one of its reading clerks, announced that the House had passed the following bill and joint resolution, in which it requested the concurrence of the Senate:

H. R. 10737. An act to authorize the Secretary of War to grant rights-of-way for highway purposes and necessary storm sewer and drainage ditches incident thereto upon and across Kelly Field, a military reservation in the State of Texas; to authorize an appropriation for construction of the road, storm sewer, drainage ditches, and necessary fence lines; and

H. J. Res. 631. Joint resolution to provide for the erection of a monument to the memory of Gen. Peter Gabriel Muhlenberg.

The message also announced that the House had agreed to a concurrent resolution (H. Con. Res. 52), in which it requested the concurrence of the Senate, as follows:

Resolved by the House of Representatives (the Senate concurring), That there be printed 38,000 additional copies of Public Law No. 554, current Congress, entitled "An act to provide revenue, equalize taxation, and for other purposes," of which 25,000 copies shall be for the use of the House document room, 10,000 copies for the use of the Senate document room, 2,000 copies for the use of the Committee on Ways and Means of the House of Representatives, and 1,000 copies for the use of the Committee on Finance of the Senate.

ENROLLED BILL AND JOINT RESOLUTIONS SIGNED

The message further announced that the Speaker had affixed his signature to the following enrolled bill and joint resolutions, and they were signed by the Vice President:

S. 3843. An act to remove certain inequitable requirements for eligibility for detail as a member of the General Staff Corps;

H. J. Res. 687. Joint resolution to amend title VI of the District of Columbia Revenue Act of 1937; and

H. J. Res. 693. Joint resolution making an appropriation to aid in defraying expenses of the observance of the seventy-fifth anniversary of the Battle of Gettysburg.

CALL OF THE ROLL

Mr. MINTON. I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Connally	Johnson, Colo.	Pittman
Andrews	Copeland	King	Pope
Ashurst	Davis	La Follette	Radcliffe
Austin	Dieterich	Lee	Russell
Bailey	Donahey	Lodge	Schwartz
Bankhead	Duffy	Logan	Schwellenbach
Barkley	Ellender	Lonergan	Sheppard
Berry	Frazier	Lundeen	Shipstead
Bilbo	George	McAdoo	Smathers
Bone	Gerry	McCarran	Smith
Borah	Gibson	McGill	Thomas, Utah
Brown, Mich.	Green	McKellar	Townsend
Brown, N. H.	Guffey	McNary	Truman
Bulkley	Hale	Maloney	Tydings
Bulow	Harrison	Miller	Vandenberg
Burke	Hatch	Milton	Van Nuys
Byrd	Hayden	Minton	Wagner
Byrnes	Herring	Murray	Walsh
Capper	Hill	Neely	Wheeler
Caraway	Hitchcock	Norris	White
Chavez	Hughes	Overton	
Clark	Johnson, Calif.	Pepper	

Mr. MINTON. I announce that the Senator from Oregon [Mr. REAMES] is detained from the Senate because of illness.

The Senator from Iowa [Mr. GILLETTE], the Senator from Virginia [Mr. GLASS], the Senator from West Virginia [Mr. HOLT], the Senator from Illinois [Mr. LEWIS], the Senator from North Carolina [Mr. REYNOLDS], the Senator from Wyoming [Mr. O'MAHONEY], and the Senator from Oklahoma [Mr. THOMAS] are detained from the Senate on important public business.

Mr. AUSTIN. The Senator from New Hampshire [Mr. BRIDGES] is absent on account of the death of his wife.

The VICE PRESIDENT. Eighty-six Senators have answered to their names. A quorum is present.

INVESTIGATION OF SENATORIAL CAMPAIGN EXPENDITURES

The VICE PRESIDENT. The Chair appoints the Senator from Texas [Mr. SHEPPARD], the Senator from Wyoming [Mr. O'MAHONEY], the Senator from Michigan [Mr. BROWN], the Senator from Nebraska [Mr. NORRIS], and the Senator from Vermont [Mr. AUSTIN] as members of the Special Committee to Investigate Senatorial Campaign Expenditures for 1938, authorized by Senate Resolution 283 (agreed to May 27, 1938).

Mr. McNARY subsequently said: Mr. President, earlier in the day the Vice President conferred with me concerning the personnel of the committee to be appointed under Senate Resolution 283. I recommended for the consideration of the Vice President the name of the Senator from Vermont [Mr. AUSTIN]. My attention has been called to the language on page 2 of the resolution, as follows:

No Senator shall be appointed on said committee from a State in which a Senator is to be elected in the general election of 1938.

That language disqualifies the Senator from Vermont. I regret that I had not read the resolution, and was not familiar with that language. I beg the pardon of the Vice President. I now suggest the name of the Senator from Maine [Mr. WHITE].

The VICE PRESIDENT. The Chair desires to assume equal responsibility for having made the error. Probably he is more responsible than is the Senator from Oregon, because he had before him the list, as well as the resolution. Without objection, the name of the Senator from Maine [Mr. WHITE] will be substituted for that of the Senator from Vermont [Mr. AUSTIN].

Mr. NORRIS. Mr. President, while this matter is before us, permit me to say that I was absent from the Chamber when the appointments were made, and I have just had my

attention called to the fact that the Vice President has appointed me a member of that committee. Under the circumstances, and for reasons with which the Vice President is familiar, reasons which I stated to him on another occasion when he was thinking of appointing me on a committee, I believe I ought to say to the Chair, as I would have said if I had known he had any idea of appointing me on the committee, that I cannot serve on the committee. With great respect to the Chair, I must decline to serve. I hope, therefore, that the Chair will appoint someone on the committee in my place.

The VICE PRESIDENT. In connection with this committee permit the Chair to say that the committee is to be composed of members from both political parties. The Chair conferred with the Senator from Kentucky [Mr. BARKLEY] with reference to the Democratic members of the committee and with the Senator from Oregon [Mr. MCNARY], with reference to the Republican members. The Chair himself took the responsibility of appointing the Senator from Nebraska, without consulting anyone. If the Senator from Nebraska feels that for health or other conditions he cannot serve, the Chair, of course, cannot force him to do so, and the Chair will take under consideration filling the vacancy.

LESTER P. BARLOW *v.* THE UNITED STATES

The VICE PRESIDENT laid before the Senate a letter from the Chief Clerk of the Court of Claims, transmitting, pursuant to law, certified copies of the special findings of fact and opinion of the court of February 3, 1936, additional findings of fact on accounting, decided June 7, 1937, and a motion for new trial, decided May 31, 1938, in the case of Lester P. Barlow against The United States, No. H–272, which, with the accompanying papers, was referred to the Committee on Claims.

DISPOSITION OF EXECUTIVE PAPERS

The VICE PRESIDENT laid before the Senate letters from the Archivist of the United States, transmitting, pursuant to law, lists of papers and documents on the files of the Departments of the Treasury, Agriculture, and Labor, the Veterans' Administration, and under Executive Order No. 6060, papers of and pertaining to the President's Emergency Committee for Employment and the President's Organization on Unemployment Relief, which are not needed in the conduct of business and have no permanent value or historical interest, and requesting action looking to their disposition, which, with the accompanying papers, were referred to a Joint Select Committee on the Disposition of Papers in the Executive Departments.

The VICE PRESIDENT appointed Mr. BARKLEY and Mr. GIBSON members of the committee on the part of the Senate.

PETITIONS AND MEMORIALS

The VICE PRESIDENT laid before the Senate resolutions adopted by the Board of Supervisors of the County of Maui, Territory of Hawaii, and the County Court of Deschutes County, Oreg., favoring the prompt enactment of House bill 4199, the so-called General Welfare Act, which were referred to the Committee on Finance.

He also laid before the Senate a resolution adopted by the Steinway Community Council, Queens County, N. Y., favoring the continued operation of the present quota laws relative to immigration, which was referred to the Committee on Immigration.

He also laid before the Senate a cablegram in the nature of a petition from Nicolas Nogueras Rivera, Acting General Secretary, Puerto Rico Free Federation of Working Men (affiliated with the American Federation of Labor), of San Juan, P. R., praying that in the enactment of pending wage and hour legislation no discrimination be made detrimental to the working classes of Puerto Rico, and also praying for the prompt enactment of pending legislation extending to Puerto Rico the Federal social and economic benefits thereof, which was ordered to lie on the table.

CLOSING OF MONTANA COPPER MINES

Mr. MURRAY. Mr. President, I ask unanimous consent to have printed in the body of the RECORD a letter from Butte Miners' Union No. 1 of Butte, Mont., showing a startling condition of unemployment as the result of the closing down of the copper mines of Montana. This letter is pertinent in connection with the consideration of the pending relief measure.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

BUTTE MINERS' UNION NO. 1,
I. U. OF M., M. AND S. W.,
Butte, Mont., May 28, 1938.

Hon. JAMES E. MURRAY,
United States Senate, Washington, D. C.

DEAR SENATOR: With the closing down of the mines here May 27, the Mountain Con and the Belmont, approximately 1,500 more men are unemployed in Butte, with proportionate increases in Great Falls and Anaconda.

The almost complete shut-down of the basic industry here will also bring lay-offs in other lines of work in the near future.

There are now about 4,500 people on W. P. A. in this county, 900 certified and waiting for jobs, and a large proportion of the additional 1,500 unemployed will be in need of some form of relief within a month.

The county welfare board is now almost entirely dependent on the State welfare board for direct relief funds. There is, therefore, a need for an immediate increase in W. P. A. jobs for this community. As a sidelight, the local high schools are graduating the largest classes in history, with nothing to do.

Trusting this will have your immediate attention and thanking you for past efforts, we are

Sincerely yours,

BUTTE MINERS' UNION NO. 1,
By WALTER R. SMITH, *Secretary.*

REPORTS OF COMMITTEES

Mr. WALSH, from the Committee on Naval Affairs, to which were referred the following bills, reported them severally without amendment and submitted reports thereon:

S. 3922. A bill to afford an opportunity of selection and promotion to certain officers of the United States Naval Academy class of 1909 (Rept. No. 1939);

S. 3787. A bill awarding a Navy Cross to Hector Mercado (Rept. No. 1940); and

H. R. 7560. A bill to authorize alterations and repairs to certain naval vessels, and for other purposes (Rept. No. 1941).

Mr. THOMAS of Utah, from the Committee on Education and Labor, to which was referred the bill (S. 3798) to amend the act entitled "An act to establish a Civilian Conservation Corps, and for other purposes," approved June 28, 1937, reported it without amendment and submitted a report (No. 1942) thereon.

He also, from the same committee, to which was referred the bill (S. 4023) to amend the United States Housing Act of 1937, reported it with an amendment and submitted a report (No. 1944) thereon.

Mr. PITTMAN, from the Committee on the Judiciary, to which was referred the bill (H. R. 6178) to abolish appeals in habeas corpus proceedings brought to test the validity of orders of removal, reported it without amendment and submitted a report (No. 1943) thereon.

Mr. SHEPPARD, from the Committee on Commerce, to which was referred the bill (S. 4041) granting the consent of Congress to the State of New Jersey and the Commonwealth of Pennsylvania to enter into compacts or agreements with respect to constructing, maintaining, and operating a vehicular tunnel under the Delaware River, reported it with an amendment and submitted a report (No. 1945) thereon.

BILLS AND JOINT RESOLUTION INTRODUCED

Bills and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. NORRIS:

A bill (S. 4121) granting a pension to Allie Doll; to the Committee on Pensions.

By Mr. TOWNSEND:

A bill (S. 4122) to amend section 601 of the Revenue Act of 1932, as amended, to provide for an excise tax on poultry, eggs, and egg products; to the Committee on Finance.

By Mr. BROWN of Michigan:

A bill (S. 4123) for the relief of Homer P. Cota; to the Committee on Naval Affairs.

By Mr. SMITH:

A bill (S. 4124) for the relief of J. Vernon Phillips; to the Committee on Claims.

By Mr. KING:

A bill (S. 4125) for the relief of Chris Barkas and Mabel Barkas; to the Committee on Claims.

By Mr. BURKE:

A bill (S. 4126) to amend the act authorizing the construction of a bridge at South Sioux City, Nebr.; to the Committee on Commerce.

By Mr. DUFFY:

A joint resolution (S. J. Res. 303) to authorize an appropriation for, and direct the Department of Labor to make, an investigation and report regarding the effect upon the printing trades resulting from the manufacturing requirements of chapter 320 of the acts of 1909; to the Committee on Education and Labor.

CHANGES OF REFERENCE

On motion by Mr. BAILEY, the Committee on Claims was discharged from the further consideration of the joint resolution (H. J. Res. 146) granting insurance payments to Hugh H. Newell, and it was referred to the Committee on Finance.

On motion by Mr. THOMAS of Utah, the Committee on Education and Labor was discharged from the further consideration of the bill (S. 4095) to amend the National Housing Act, as amended, to provide loans for the acquisition of inexpensive homes, and it was referred to the Committee on Banking and Currency.

AMENDMENT OF MOTOR CARRIER ACT, 1935—AMENDMENT

Mr. HAYDEN and Mr. JOHNSON of Colorado, jointly, submitted an amendment intended to be proposed by them to the bill (S. 3606) to amend the Interstate Commerce Act, as amended, by amending certain provisions of part II of said act, otherwise known as the Motor Carrier Act, 1935, which was ordered to lie on the table and to be printed.

RELIEF AND WORK-RELIEF APPROPRIATIONS—AMENDMENTS

Mr. ANDREWS, Mr. AUSTIN, Mr. LEE, and Mr. MCADOO each submitted an amendment, and Mr. WALSH submitted an amendment (intended to be proposed by him to an amendment previously submitted by Mr. COPELAND), intended to be proposed by them, respectively, to the joint resolution (H. J. Res. 679) making appropriations for work relief, relief, and otherwise to increase employment by providing loans and grants for public-works projects, which were severally ordered to lie on the table and to be printed.

JOINT COMMITTEE ON FORESTRY

Mr. BANKHEAD submitted the following concurrent resolution (S. Con. Res. 38), which was referred to the Committee on Agriculture and Forestry:

Resolved by the Senate (the House of Representatives concurring), That there is hereby established a joint congressional committee to be known as the Joint Committee on Forestry and to be composed of five Senators, appointed by the President of the Senate, and five Members of the House of Representatives, appointed by the Speaker of the House of Representatives. The President of the Senate shall designate a chairman for the five Members of the Senate, and the Speaker of the House of Representatives shall designate a chairman for the five Members of the House, and the two chairmen shall alternate in presiding over the meetings of the joint committee.

SEC. 2. The committee is authorized and directed to study and make an investigation of the present and prospective situation with respect to the forest land of the United States, its condition, ownership, and management as it affects a balanced timber budget, watershed protection, and flood control and the other commodities and social and economic benefits which may be derived from such lands with a view to ascertaining among other things:

(a) The adequacy and effectiveness of present activities in protecting public and private forest lands from fire, insects, and diseases, and of cooperative efforts between the Federal Government and the States.

(b) Other measures, Federal and State, which may be necessary and advisable to insure that timber cropping on privately owned forest lands may be conducted as continuous operations, with the productivity of the lands built up against future requirements.

(c) The need for extension of Federal, State, and community ownership of forest lands, and of planned public management of them.

(d) The need for such public regulatory control as will adequately protect private as well as the broad public interests in all forest lands.

(e) Methods and possibilities of employment in forestry work on private and public forest lands, and possibilities of liquidating such public expenditures as are or may be involved.

(f) The need for additional legislation, authorizations, appropriations, research, and other measures to insure adequate administration and development of the forest lands in Federal ownership.

The committee shall make a report to Congress immediately after said investigation has been concluded, but in any event not later than January 1939, and in said report the committee shall make such recommendations as it may deem proper, including the legislative action necessary to effectuate its recommendations.

SEC. 3. For the purposes of this resolution the committee, or any subcommittee thereof, is authorized and directed to hold such hearings, to sit and act at such times and places in the District of Columbia and the principal forest regions of the continental United States, to employ such experts and such clerical, stenographic, and other assistants, to require the attendance of such witnesses and the production of such books, papers, and documents, to take such testimony, to have such printing and binding done, and to make such expenditures as it deems necessary; and oaths or affirmations may be administered by any member of the committee. The committee is further authorized to request the fullest cooperation in the conduct of this investigation from such departments of the Government as the committee may deem necessary, and to request the use of the facilities of such technical agencies in the executive branches of the Government as deal with our forest problem, in such ways as the committee may desire. The expenses of the committee shall not exceed $25,000, which shall be paid one-half from the contingent fund of the Senate and one-half from the contingent fund of the House of Representatives upon vouchers approved by the chairman of the committee.

SEC. 4. The committee shall cease to exist upon submission of its report to the Congress in accordance with the provisions of this resolution.

ELLA GERTRUDE KAY

Mr. HILL submitted the following resolution (S. Res. 287), which was referred to the Committee to Audit and Control the Contingent Expenses of the Senate:

Resolved, That the Secretary of the Senate hereby is authorized and directed to pay from the contingent fund of the Senate to Ella Gertrude Kay, widow of William A. Kay, late an employee of the Senate under supervision of the Sergeant at Arms, a sum equal to 6 months' compensation at the rate he was receiving by law at the time of his death, said sum to be considered inclusive of funeral expenses and all other allowances.

SALE OF SOUVENIRS IN PUBLIC BUILDINGS AND PARKS

Mr. BONE. Mr. President, A few days ago I introduced Senate Joint Resolution 273, which had to do with the sale of souvenirs in public parks and public places controlled by the United States. As the result of my brief remarks on that subject the director of the National Youth Administration of my State sent me a number of little objects in the nature of souvenirs, such as this little totem pole, gloves, wrist bands, little things of one sort or another which fall easily into the category of souvenirs. I should like to have permission to let those objects lie on the table for a little while so that Senators may see them. It was my object, in presenting the resolution, to indicate that we should allow our own boys and girls in this country to make these things, and I want Senators to look them over because they will see they are the usual, customary type of souvenirs.

RETAIN PREVAILING RATES OF WAGES—ADDRESS BY SENATOR M'CARRAN

[Mr. LODGE asked and obtained leave to have printed in the RECORD a radio address delivered by Senator MCCARRAN on March 9, 1935, on the subject Retain Prevailing Rates of Wages, which appears in the Appendix.]

FLOOD CONTROL IN NEW ENGLAND

[Mr. WALSH asked and obtained leave to have printed in the RECORD a statement prepared by him with respect to pending legislation relating to the flood-control problem in the Connecticut River Basin and the Merrimack River Basin in New England, which appears in the Appendix.]

CONSUMER'S INTEREST IN INTERNATIONAL TRADE—ADDRESS BY F. H. RAWLS

[Mr. PEPPER asked and obtained leave to have printed in the RECORD a radio address on the subject The Consumer's Interest in International Trade, delivered by F. H. Rawls,

Assistant Director, Bureau of Foreign and Domestic Commerce, Department of Commerce, at Jacksonville, Fla., on May 25, 1938, which appears in the Appendix.]

RELIEF AND WORK-RELIEF APPROPRIATIONS

The Senate resumed the consideration of the joint resolution (H. J. Res. 679) making appropriations for work relief, relief, and otherwise to increase employment by providing loans and grants for public-works projects.

The VICE PRESIDENT. When the Senate took a recess yesterday, the Senator from Arkansas [Mr. MILLER] had expressed a desire to continue this morning the discussion of an amendment concerning the National Resources Committee. The Senator from Arkansas is recognized.

Mr. MILLER. Mr. President, the amendment now under consideration is found on page 6 of the joint resolution, lines 3 and 4, in which the committee recommends that the appropriation for the National Resources Committee be increased from $250,000 to $750,000. It is to that particular amendment that I desire to call the attention of the Senate for a few moments only. I realize that it is difficult, if not impossible, to prevent the allocation of money to this kind of an organization.

This organization sprang into existence as a result of an Executive order issued on June 30, 1934. The National Resources Committee is an outgrowth of the National Planning Board. It has no legal jurisdiction of anything or anybody in this Government. Heretofore, it has been sustained by money allocated for the W. P. A. and other relief organizations. There has been built up in this organization a staff of about 100 on the pay roll, plus certain consultants throughout the Nation. The hearings before the Committee on Appropriations disclose the fact that we have expended on this organization—that is, the Congress has not expended it, but there has been expended by the relief organizations to maintain this Committee—up to June 15, 1935, $1,011,144.99.

In the fiscal year 1936 there was taken from the relief money of the country, for this Committee, the sum of $831,119.76.

In the fiscal year 1937 the amount was $992,217.22.

It is estimated that in the fiscal year 1938 the sum of $843,333.33 will be used by this Committee, and in the fiscal year 1939 the sum of $825,000.

The representatives of the National Resources Committee went before the Bureau of the Budget and obtained its approval of the Committee's application for $825,000 to be expended by the Committee as it sees fit. I should like the Senate to bear in mind the fact—and if I am wrong, I should like to be corrected—that here we have an organization which has attached itself to our Government structure, which has no jurisdiction over anything or anybody at all in any way, shape, form, or fashion. It has no legal authority to superintend the action of a single department, a single bureau, or any other branch of our Government; but the hearings reflect the fact that the Committee—

> Has always considered itself a kind of "general staff" for emerging problems in the spirit so ably set forth in the report of the Select Committee on Government Organization on the bill to provide for reorganizing agencies of the Government.

It has set itself up as a "general staff" to superintend, the report further shows, practically every governmental activity.

The record further reflects the fact that "Under the general direction of the industrial committee studies have been proceeding during the last 2 years in a variety of fields, chiefly concerned with consumption and production capacities of the American people. The Committee was able to assist the Bureau of Labor Statistics and the Bureau of Home Economics in the organization of the study of consumers' habits" in this country.

It further states, under its public works, that it has taken upon itself the task of trying to prepare plans for the spending of public money over a period of 6 years.

I call the attention of the Senate to what I consider to be the only problem involved. I have no personal feeling about this Committee. I know some of the members of the Committee. But if the Congress is ready to embark upon an expedition of discovery to find new ways in which to spend the people's money, then let us create this National Resources Committee by act of Congress; let us enact a law and create it and charge it with certain definite duties. If we desire to look for new ways of spending money, I would recommend that the National Resources Committee be retained. But if we have already ample agencies and ample ways to spend the people's money, we are merely throwing away $750,000 this year, and taking it from those in need, if we make this appropriation.

Mr. President, I have said that there is no necessity for this Committee. I wish someone would point out one thing they have done worth while, notwithstanding that the record of the hearings, which are here, contains the testimony of Mr. Eliot and Mr. Delano, and some additional statements, in which they undertake to justify the Committee's existence.

They say they made a study of Alaska by virtue of a resolution passed by the Congress. But how did they make that study? They simply called upon the Departments of Government and obtained the data and the statistics furnished by the regular and old-line establishments. That is all they have done in that regard.

During its life this Committee has issued some six or seven volumes. They are beautiful books. I imagine Senators have read them. The first report of the Committee was issued December 1, 1934. It is about five or six hundred pages long, printed on fine paper, and it is replete with illustrations, maps, graphs, charts, and so forth and so on, outlining the more abundant life and how it may be obtained, how we can reach it by a further regimentation of our resources and a regimentation of human effort.

If the Congress is willing to embark upon that kind of a program, then I say not only make the $750,000 appropriation, but double it, because if it is a good thing, $750,000, considering how we are appropriating money, is a mere pittance; it is not worth discussing, much less attempting to save.

I was considerably amused at some of the passages in the report of 1934. They invariably end with some such statement as that concluding the article in their report on mines and minerals, as to the necessity of conserving our mineral resources. The last paragraph in that section says that the Bureau of Mines is capable and fully established for the purpose of making such plans and supervising such plans as may be necessary.

Then they consider the subject of wildlife and the other matters handled by the Biological Survey, and they conclude by saying that the Biological Survey is amply suited and well qualified to make any plans and regulations that are necessary.

Let me review what we have done in the way of legislation. We have set up various bureaus, we have set up various departments of government, and we have charged those departments with certain duties by legislative enactment. Following the statutes, those departments have established personnel prepared to carry out the legislative enactments and the legislative commands.

For instance, who makes the plans and who superintends the expenditure of the Federal funds for reclamation? Such matters are handled by the Bureau of Reclamation. In the case of forestry, the Forest Service is called upon. In handling matters having to do with parks, the National Park Service is responsible.

What happens in matters affecting fisheries? We passed a bill a few days ago providing a 5-year plan for building fish hatcheries in the United States. Who drew up that plan? It was prepared by the Bureau of Fisheries, as will always be the case.

Wildlife conservation is handled by the Bureau of Biological Survey. The National Resources Committee has not had one thing to do with it.

I have already referred to minerals and to the Bureau of Mines.

In the matter of Indian Affairs, whenever we want to do anything for the Indians of the country, we turn to the Indian Office for the plan.

This Committee has an article in one of its reports about the oil resources of the United States and concludes by saying that the oil administration in the Department of the Interior is best prepared to handle that subject.

The National Resources Committee refers to the National Bituminous Coal Commission for the regulation of the coal industry and the conservation of the coal resources.

In the matter of housing, we have the Federal Housing Administration and the United States Housing Authority.

Roads are a national resource, and the Bureau of Public Roads superintends the expenditure of Federal money on roads.

Agricultural problems, land utilization, all are provided for in the Agricultural Adjustment Act and are handled by the bureaus now in existence in the Department of Agriculture. They make the plans. The Soil Conservation Service is under the Department of Agriculture. A great work is being undertaken in this country today in an effort to coordinate the soil-conservation work—that is, the work for the prevention of soil erosion. But that is being done in connection with flood control; it is being coordinated by the statutory agencies; and why impose this board, this so-called Committee, upon such statutory organizations as are charged with the execution of the work?

Mr. AUSTIN. Mr. President, will the Senator from Arkansas yield to me?

Mr. MILLER. I yield.

Mr. AUSTIN. Has the Senator observed that it is one of the characteristics of our day that we create a supergovernment which brings us one step nearer to the autocracy which is sought?

Mr. MILLER. Suppose the National Resources Committee desire some statistics; they go to the Bureau of the Census, a statutory bureau, where all such matters are available.

Suppose they want to deal with questions relating to commerce. They go to the Bureau of Foreign and Domestic Commerce.

The VICE PRESIDENT. The Senator's time on the amendment has expired.

Mr. MILLER. I will take some time on the bill.

In the matter of coast development and lighthouses, they go to the Bureau of Marine Inspection and Navigation.

On questions of flood control, navigation, and rivers and harbors the work is entrusted to the Army engineers, as it always has been, and it ought always to be kept there.

Federal buildings are constructed by the Procurement Division of the Treasury Department in connection with the coordinating committee of the Department for which the building is erected.

Hydroelectric developments in this country are superintended by the Federal Power Commission, which regulates the height and the extent of dams erected on navigable streams.

Rural electrification is handled by the Rural Electrification Administration.

I venture to say that one cannot find a Government activity of this Nation today which is not already provided for by statute.

Mr. President, as I see the matter, there have sprung up during the last 4 or 5 years 46 State planning agencies in this country as a result of the activities of the National Resources Committee. For what purpose? To organize public sentiment in the States in order that they may come to the doors of Congress and knock and the Congress may unlock the doors of the Federal Treasury. That is exactly what we have done, and this committee is one of the causes of that condition being created. If the Congress is willing to look for new means for the expenditure of Federal money, then let it not only keep in existence the National Resources Committee, but let it create additional "general staffs" for that purpose, if that is the desire.

I wish to say very frankly that if the pending committee amendment shall not be adopted, if it shall be rejected, I expect at the proper time to offer an amendment to strike out the entire provision with reference to the National Resources Board. I will not do that, as I have stated, as a result of any personal feeling against the National Resources Committee, but I feel keenly, in my capacity as one of the representatives of a sovereign State, the trend of national affairs. I feel keenly the program we have adopted and have been following during the last few years, of expending everything we can lay our hands upon, mortgaging our children and their children, and the lives of those yet unborn to pay the enormous debt, which it is said will aggregate $42,000,000,000 before very long. That is just one of the serious problems. Seven hundred and fifty thousand dollars or a millions dollars does not amount to much in Government finances these days, but I think we have to make a start somewhere in reducing expenditures, and this is one organization which is superimposed upon other Government organizations, upon other statutory organizations, creatures of the Congress, which can well be done away with, and nobody will ever miss them except those who are directly employed.

Mr. KING. Mr. President, will the Senator yield?

Mr. MILLER. I yield.

Mr. KING. A very distinguished representative of our Government said to me a little while ago that a few years ago, when the Congress of the United States exercised its functions, it watched the appropriation bills, and it considered an appropriation of $10,000 carefully, but now we have been so prostituted—and I insert that word myself—that we will appropriate millions, and indeed billions, with scarcely any examination. Does not the Senator believe that the course which we are pursuing will ultimately lead to inflation, and to the degradation of the States, and the concentration of power in the Federal Government, until it will be a totalitarian state?

Mr. MILLER. There is not any doubt, in my opinion, that it will lead to the complete abolition of our States and of our form of government unless we call a halt.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States were communicated to the Senate by Mr. Latta, one of his secretaries.

REPORT OF UNITED STATES RAILROAD ADMINISTRATION

The VICE PRESIDENT laid before the Senate a message from the President of the United States, which was read and referred to the Committee on Interstate Commerce, as follows:

To the Congress of the United States:

I transmit herewith for the information of the Congress the Annual Report of the United States Railroad Administration for the year ended December 31, 1937.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, *June 1, 1938.*

[NOTE.—Report accompanied similar message to the House of Representatives.]

Mr. TYDINGS. Mr. President, at this critical time in the life of the American people, it is important that we should keep the facts occasioned by the depression constantly before us. Too often plain truths and clear facts are not present in our national thinking.

I am therefore taking this occasion to make a record of facts—facts which cannot be brushed aside or which cannot be talked down—to show the losses of all businesses since January 1, 1929, to December 31, 1935, in the effort to carry on during the depression, and the stake in these losses and in recovery of the businessmen, the laborers, and the farmers of the United States.

These facts are taken from two recent publications of the United States Department of Commerce, compiled and issued under the administration of President Roosevelt.

These two publications, entitled "National Income in the United States, 1929–35," and "National Income 1929–36," are published by the United States Department of Commerce, Bureau of Foreign and Domestic Commerce. Keep in mind that these two publications were issued by the present national administration, and that they show the facts of the income of the American people from January 1, 1929, to December 31, 1936.

These studies show the amount of money taken in and the amount of money paid out by all the different businesses and occupations in the United States. The studies include all activities for gain. They embrace agriculture, mining, electric light, power and gas, manufacturing, construction, transportation, communication, trade, finance, service, and miscellaneous occupations.

The first startling figure is that from January 1, 1929, down to and including December 31, 1935, businesses of all kinds, in the categories I have just described, paid out $23,529,000,000 more than was taken in. In other words, in order to operate the businesses at all, they had to be operated at a loss, and the loss for all kinds of work in America in the 7-year period was $23,529,000,000.

Mr. LUNDEEN. Mr. President, will the Senator yield?

Mr. TYDINGS. I yield.

Mr. LUNDEEN. That money was largely paid out, was it not, to keep men on the pay rolls and to protect those who might become unemployed? Now that it has been expended, is it not true that they cannot be taken back?

Mr. TYDINGS. The Senator is correct. He has anticipated me. I am coming to that point. That was not the national, but the private contribution of all forms of endeavor in the United States to the depression, because all kinds of businesses, including agriculture, taking them as a whole, operated in the red to the extent I have mentioned in the 7-year period.

Mining and quarrying expended $2,084,000,000 more than that business took in.

Electric light, power, and gas spent $1,274,000,000 more than that business took in.

Manufacturing spent $7,146,000,000 more than manufacturing business took in.

Construction spent $1,207,000,000 more than all the construction business took in.

Transportation spent $1,177,000,000 more than all the transportation business took in.

Communications spent $279,000,000 more than all the communication interests took in.

Trade spent $5,000,000,000 more than all the trade in the country took in.

Finance spent $3,416,000,000 more than all the finance in the country took in.

General services, professional and otherwise, spent $2,838,000,000 more than they took in.

Miscellaneous enterprises spent $1,951,000,000 more than they took in.

Mr. LUNDEEN. Mr. President, will the Senator yield?

Mr. TYDINGS. I yield.

Mr. LUNDEEN. Is there any law or any compulsion which has compelled them to pay out this money?

Mr. TYDINGS. Let me go ahead with the story. I will answer the Senator and say, "No; there is not."

Mr. LUNDEEN. Then they deserve some credit for what they did in that respect at that time.

Mr. TYDINGS. They deserve more credit than they frequently get, because the real facts, the real truths are not known by the people in many cases.

Agriculture alone finally got into the black, although it was in the red for some of the 7 years I have described. For the 7-year period agriculture took in $2,843,000,000 more than it paid out. That was largely due, I might add, to payments made by the Federal Government to the farmers, which are included in this figure. But the net figure for all businesses, including agriculture, during this 7-year period, shows that as a whole they lost $23,529,000,000, for that was their outgo over their income.

At this point I wish to have inserted in the RECORD table 8, from page 24 of the booklet entitled "National Income, 1929–36," which I hold in my hand.

The VICE PRESIDENT. Without objection, it is so ordered.

The table is as follows:

TABLE 8.—*Business savings, plus and minus, by industrial divisions*

[In millions of dollars]

Item	1929	1930	1931	1932	1933	1934	1935
Total business savings	+2,583	−4,903	−8,052	−8,942	−3,094	−1,429	+310
Agriculture	+1,178	+218	−577	−811	+320	+1,134	+1,381
Mining	−186	−425	−511	−352	−292	−175	−143
Electric light and power, and gas	−10	−278	−283	−290	−187	−129	−97
Manufacturing	+1,295	−1,852	−2,798	−2,928	−724	−457	+318
Construction	−2	−171	−237	−322	−212	−162	−111
Transportation	+379	−105	−337	−490	−162	−236	−226
Communication	+88	+9	−31	−84	−97	−87	−77
Trade	+102	−1,179	−1,677	−1,892	−347	−74	+67
Finance	−116	−357	−726	−769	−597	−603	−248
Service	−79	−344	−494	−702	−504	−384	−331
Miscellaneous	−68	−419	−391	−303	−292	−256	−222

Mr. TYDINGS. The table breaks the business savings, positive and negative, down into years, and breaks it down into the respective businesses to which I have referred.

In 1929 the table shows that all businesses had an income over expenses of $2,583,000,000.

In 1930 all businesses lost $4,903,000,000.

In 1931 they lost $8,052,000,000.

In 1932 they lost $8,942,000,000.

In 1933 they lost $3,094,000,000.

In 1934 they lost $1,429,000,000.

In 1935 they took in $310,000,000 more than they paid out.

I regret that I do not have the figures for 1936 and 1937, but I understand the Department will issue them in a new booklet shortly.

Agriculture ran behind in the years 1931 and 1932.

Mining ran behind in all 7 years, as did electric light, power and gas, construction, finance, general services, and miscellaneous business enterprises.

Manufacturing was in the red for the years 1930, 1931, 1932, 1933, and 1934.

Transportation has been in the red each year since 1929.

Communications have been in the red each year since 1930.

These figures only go to the end of 1935, so I have no way of knowing at this moment what the years 1936 and 1937 and what the year we are in, 1938, will show.

The lesson of all this summed up shows that all kinds of occupations and businesses carried on by the people of the United States in the 7-year period from the beginning of 1929 to the end of 1935 were conducted at a loss to them of $23,529,000,000, for that was the amount which was paid out by them above what they received as income.

Mr. MURRAY. Mr. President, will the Senator yield?

Mr. TYDINGS. I yield.

Mr. MURRAY. Has the Senator figures showing the great reserves of the corporations?

Mr. TYDINGS. If the Senator will let me come to that point in my discussion, I will answer. I think I can answer a great many of the questions which suggest themselves to Senators. I would rather not answer at this moment.

I know, for example, that 37 railroads are now, as I stand here, in the hands of receivers, and they have no resources. I know that the railroad industry as a whole cannot carry on with the resources at its disposal at the present moment. I know that there are some concerns in the country which may have resources left, but as this study was compiled under this administration, and is factual, in my opinion, and the best one in all the world today of the picture of the last 7 years of depression, I do not think the figures that I have offered can be lightly brushed aside.

Mr. MURRAY. The Senator refers to the fact that agriculture has made some profits during the depression.

Mr. TYDINGS. That is correct.

Mr. MURRAY. Of course, the Senator understands that agriculture had no opportunity to build up reserves as industry and business had.

Mr. TYDINGS. That is correct. But the Federal Government had to come to the aid of agriculture during the depression with billions of dollars.

Mr. MURRAY. Business and industry were allowed to build up these enormous reserves on the very basis of being able to expend them in periods of depression.

Mr. TYDINGS. They did this prior to 1930. Let me go ahead.

Mr. HATCH. Mr. President, will the Senator yield?

Mr. TYDINGS. I will yield for a question.

Mr. HATCH. There are many questions that I should like to ask the Senator, but I realize that he is speaking under limited debate and would prefer not to be interrupted.

Mr. TYDINGS. No; I think the Senator has a right to ask questions. I wish to yield to the Senator for a question or two that are pertinent.

Mr. HATCH. The Senator speaks of outgo. Will the Senator explain what he includes in outgo?

Mr. TYDINGS. It is well for me to explain what these studies include in outgo. They mean by that the expenditure of money; money paid out greater than income. Let me say to Senators who wish to explore the question in some detail that if they will take these books they will find just how the figures were arrived at. Briefly, in answer to the Senator's question, outgo includes money actually paid out to an extent greater than money was actually paid in, plus the other normal expenditures, depreciation, or what not allowed in sound business practice.

Mr. MURRAY. Mr. President, will the Senator yield?

Mr. TYDINGS. I yield.

Mr. MURRAY. The outgo was not exclusively in connection with operating expenses, but was partly in connection with large expansions during the period referred to.

Mr. TYDINGS. No. The study begins with January 1, 1929; and there has not been much expansion in the last 9 years. For the most part the outgo represents money actually paid out from resources accumulated in the good years. For example, in the case of the railroads, the most visible example, we all know today that the railroads had some resources in 1929. We know today that they now have no such resources. We know that the men who work on the railroads are threatened with a 15-percent reduction in wages, the railroads claiming they are not taking in enough money to meet expenses. We know that the Reconstruction Finance Corporation loaned $87,000,000 to the Pennsylvania Railroad in one loan. We know that many of the railroads have received help from the Reconstruction Finance Corporation. Therefore, the fact that they are borrowing to meet their pay rolls shows that the resources which they once had are no longer present.

The businesses of the country have used up the resources they had saved during the comparatively good years preceding 1929, and more besides, in many cases, since the depression started. Business has paid from its resources, to stem the tide of the depression, to keep people employed, to keep the doors open, to keep the plants operating, more than has the Government, for business has paid out twenty-three and a half billion dollars in the 7-year period, while the Government has expended sixteen and a half billion dollars to meet the ravages of the depression in a similar period. Therefore, in the 7-year period business has contributed about $7,000,000,000 more than has the Government of the United States to the solving and lessening of the burdens of the depression.

The study to which I have referred is very complete and full of factual tables to supplement what I have said. It is a very informing work. The tables show that nobody has more to lose in the collapse of the economic picture than has the salaried worker and the wage earner in the various activities in which our people engage.

On page 74 of the booklet entitled "National Income in the United States, 1929–35," there is a chart of the mining and quarrying income dollar, and what becomes of it once it is taken in.

The charts to which I shall refer hang behind me on the wall. They were prepared by the Department of Commerce. Each of them shows at the bottom the income dollar in a respective field. The heavy black represents the part paid out for salaries and wages. At the top is usually shown the interest. Underneath that is usually shown the dividends; and under the dividends are usually shown the entrepreneurial withdrawals.

Mr. LUNDEEN. Mr. President, will the Senator yield?

Mr. TYDINGS. I yield.

Mr. LUNDEEN. The charts to which the Senator has referred are very interesting. I hope they may be placed in the RECORD.

Mr. TYDINGS. I am grateful to the Senator for his remark. I have had the matter up with the Joint Committee on Printing with a view to having the charts carried in the book, of which the charts on the wall are larger reproductions, put into the RECORD to supplement my remarks. I understand that although they are Government charts in another publication, the rules of the Joint Committee on Printing forbid their insertion in the RECORD. Therefore, I do not have the visible picture to put in the RECORD, which I should like to have to supplement what I am saying.

The PRESIDENT pro tempore. The time of the Senator on the amendment has expired.

Mr. TYDINGS. I will take time on the bill if my time on the amendment has expired, as I want to give here an accurate picture of conditions in the United States; to show what all businesses have lost since the depression started; what the United States Government has done, and to point the hope and way to better conditions for labor, business, and farmers. I wish every citizen could read these facts.

Referring to the chart on mining and quarrying, which hangs on the wall, it shows that over 80 cents of the mining and quarrying income dollar is paid out for salaries and wages.

On page 91 of the same volume is shown what happens to the income dollar from electric light, power, and manufactured gas.

On page 99 there is a chart showing what happens to the manufacturing income dollar. Here we find that an average of 82 cents out of every income dollar in manufacturing goes for salaries and wages. The table on page 109 shows that in 1929 there were 9,799,000 persons engaged in the manufacturing industry in the United States, and only 7,713,000 in 1934. Thus, about one-fifth of all the people in the United States who are employed find work in the manufacturing industries of the United States. The chart shows that this vast number receive, as an average, about 82 cents out of every manufacturing income dollar.

If we were to take the balance sheet of any large corporation, such as General Motors, for illustration, we would find so much paid out for labor and so much paid out for materials. In the list of materials there would undoubtedly be a huge item, for example, for the purchase of rubber tires. This would be carried on the statement as an expenditure for materials rather than for labor. But what makes the cost of the tires? Is it the rubber in them? Of course, the material in the tires is a factor, but the transportation of the rubber to the rubber plant, the labor necessary to manufacture the tire, and the labor necessary to transport it to the consumer, which in this case is General Motors, are large factors in the cost of the tires. Therefore a large labor content is reflected in the General Motors statement showing the amount of money paid for materials. In other words, labor has been a material part of the cost of the rubber tires; but on the General Motors statement this cost would be under the head of material rather than labor. Therefore, when we take the labor content from Goodyear and add it to the labor content in General Motors, the picture of 82 cents paid for labor and

their outgo over their income.

Mr. TYDINGS. That is correct.

salaries out of the manufacturing income dollar bears out the facts set forth in the two books to which I have referred.

In the construction industry, shown on page 118, a chart of which hangs on the wall, 80 cents out of the construction income dollar goes for wages and salaries.

In transportation, which embraces the railroads and the steamship lines, motor transportation, street railways, and so forth, over 70 cents of the transportation income dollar goes for salaries and wages. This is shown on page 124.

Parenthetically, I may say that a few nights ago I was riding on a passenger train of the Pennsylvania Railroad. I asked the conductor and the brakeman what part of the transportation income dollar goes for salaries and wages. I was gratified to hear each of them say about 70 cents. On the contrary, I have asked men in other lines of activity what percentage of the manufacturing income dollar went for salaries and wages and I have received replies such as 15 cents. One man answered as high as 28 cents. The figures in the report show that 82 cents of the manufacturing income dollar goes for salaries and wages. All too often the salaried worker and the wage earner do not realize the large part of the income dollar that goes to them in their respective fields of employment.

Communications are shown on page 149 of the book to which I have referred. An average of slightly more than 70 cents of the communications income dollar goes for salaries and wages.

In trade, shown on page 160, 72 cents of the trade income dollar goes for salaries and wages.

In finance, shown on page 169, only 35 cents of the finance income dollar goes to salaries and wages, about 30 cents more to rents and royalties, and 22 cents for interest. Dividends account for about 6 cents.

In government about 79 cents goes for salaries and wages out of the government income dollar, while in the service industries, such as professional, personal, recreation, and amusement—such as movies and broadcasting, domestics, and so forth—about 65 cents of the service income dollar goes to salaries and wages, as shown on page 201.

Under the heading of "Miscellaneous" all other business activities are lumped together, but this is a small category. Taking all businesses as a whole, including agriculture, for the 7-year period from January 1, 1929, to December 31, 1935, we find that about 66 cents out of every income dollar went for salaries and wages, about 15 cents for agency, commission, and entrepreneurial withdrawals, an average of between 5 and 6 cents for dividends, about 10 cents for interest, and 3 cents for rents.

That is the picture. During the 7-year period I have described businesses of all kinds, including agriculture, had minus business savings of over $23,000,000,000. These represent accumulated resources which have been paid out or expended in one way or another by businesses of all kinds during the depression. Business has no such resources today. They have already been used up.

In the meantime the Government also has been spending more than it has been taking in, and the national debt has soared from twenty billion to forty billion.

Thus today, after businesses of all kinds, including agriculture, have poured out $23,000,000,000 of their resources more than was taken in during the 7-year period, and Government has poured out $20,000,000,000 of its resources more than Government has taken in during the 9-year period, both business and Government have paid out $43,000,000,000 more than they together have taken in. We go forward from here with the resources of business already largely expended and some $20,000,000,000 of Government credit used up as we approach the future.

It is obvious, therefore, that business cannot contribute in the future as it has in the past toward economy recovery, for no branch of our American business has the money.

It appears, therefore, that the one thing left is Government credit. How far we can use that up by borrowing against the future is a problem for us all to think about. Certainly the wage earner has a larger stake in the revival of business than anyone else, for the study I have mentioned shows that two-thirds of every income dollar from business in the country as a whole goes to salaries and wages. The wage earner wants to work for private concerns rather than be on Government relief or Government made work if he can get a job in private employment.

It is up to us, therefore, to cooperate in every way we can with agriculture and industry, to revive business along normal lines; for if unemployment continues, Government will be forced to bear a burden which its resources cannot continually support.

To repeat, from the beginning of 1929 to the end of 1935, 1 good year and 6 years of the depression, agriculture and business together paid out $23,000,000,000 more than they took in. That is gone; gone forever. They cannot do this any more, for the resources have been used up. In the meantime, the Government has increased its debt some $20,000,000,000.

Now, we have 14,000,000 people totally unemployed. All agricultural prices are down. Wheat is selling for 72 cents a bushel, corn for 56 cents, oats for 26¼ cents, rye for 53 cents, cotton for between 8 and 9 cents, cattle in Chicago for from 8 to 9 cents, and hogs in Chicago for from 8 to 9 cents.

I have presented these facts, taken from Government documents, compiled under this administration, in order to make up the record. It is important that the record should show the facts, for after 9 years of the depression we must face the facts, the unvarnished truths, in order to move along safely from this point.

I have fought consistently for the proposition submitted by the Senator from Wisconsin [Mr. LA FOLLETTE] to "pay as we go." Sooner or later, if we continue as we are going, we must face one of three alternatives—crushing taxation, inflation, or repudiation.

Who pays the taxes? All the income taxes paid into the Federal Government from every source, plus all the corporation taxes paid into the Federal Treasury, total approximately two and one-half billion dollars. The other three and one-half billion dollars are not paid by the rich but by the masses of the people, in taxes such as the cigarette and tobacco tax. Does the workingman realize that every time he buys a package of cigarettes he pays 6 cents into the Federal Treasury? If he smokes nearly a pack a day, or 300 packs a year, he pays $18 in cigarette taxes alone. If he earns $4.50 a day he has to work 4 days a year just to pay his cigarette taxes.

There are taxes on ball games and amusements; tariff taxes on clothing and shoes and food and shelter; United States Government gasoline taxes, taxes on toilet articles, on toothpaste and mouth washes, toilet soap, furs, phonograph records, and sporting goods; taxes on cameras, on chewing gum, on crude petroleum; taxes on beer and whisky; taxes on oils, automobiles, on tires, and inner tubes; taxes on matches; taxes on tractors; stamp taxes on the sale of stocks and bonds; taxes on mechanical devices, on the sale of property; social-security taxes; and the like. In other words, the masses of the people pay more in taxes to the Government than all the corporations and all the income-tax payers combined. In enlarging the national debt that is a factor we should keep in mind.

It is said there are 67,000,000 life-insurance policyholders in the United States. The life-insurance companies collect the life-insurance premiums from the masses of the people and reinvest them in Government bonds; State, county, and municipal bonds, railroad and industrial bonds, farm and city mortgages, and the like. Life insurance policyholders are the largest owners of our business establishments, for their annual premium payments are invested in businesses of all kinds. Thus upon the successful revival of business obviously depends the worth of every life-insurance policy held by an American citizen; upon such business revival depends the job of the wage earner, wherever he may be; and also upon it depends the credit of the Government of the United States.

It is important that these facts be before us, for shortly we will be entering the tenth year of the depression, with

unemployment, according to Mr. Hopkins, Works Progress Administrator, as widely spread today as it ever was.

We must begin to cut our cloth, not for the next year alone, but for the future as far as we can see it. To do otherwise is to subject the people of this Nation to a darker and even graver depression than any which we have yet passed through, even darker than the one which began in 1929.

The failure to comprehend that the workingman, the wage earner, the general public, the man in the street, have more at stake than anybody else in the revival of business is to drift further and further down the road on which we are now headed, leading to conditions which threaten the home and fireside of every citizen, his job, whatever it may be, his income, and the institutions of our country. The present state of affairs should lead to a realization that business in every form should be encouraged, not discouraged; helped, not hindered; supported, not attacked; for in a revival of business there is work for the unemployed, a better market and better prices for the farmer, a decrease of the governmental burden of taxation, and a normal way of American life.

PRINTING OF ADDITIONAL COPIES OF REVENUE ACT

The PRESIDENT pro tempore laid before the Senate House Concurrent Resolution 52, which was read as follows:

Resolved, etc., That there be printed 38,000 additional copies of Public Law No. 554, current Congress, entitled "An act to provide revenue, equalize taxation, and for other purposes," of which 25,000 copies shall be for the use of the House document room, 10,000 copies for the use of the Senate document room, 2,000 copies for the use of the Committee on Ways and Means of the House of Representatives, and 1,000 copies for the use of the Committee on Finance of the Senate.

Mr. HAYDEN. I move that the Senate concur in the resolution.

The motion was agreed to.

RELIEF AND WORK-RELIEF APPROPRIATIONS

The Senate resumed the consideration of the joint resolution (H. J. Res. 679) making appropriations for work relief, relief, and otherwise to increase employment by providing loans and grants for public-works projects.

Mr. HAYDEN. Mr. President, on behalf of the committee, I desire to comment briefly upon the remarks made by the Senator from Arkansas [Mr. MILLER] with respect to the pending amendment.

The committee proposes in lieu of $250,000 to be appropriated for the National Resources Committee that $750,000 be allowed for that purpose. The Budget estimate was $825,000.

The Senator from Arkansas [Mr. MILLER] indicated in his remarks that this was a somewhat unusual organization, that its creation was not authorized by law.

Mr. MILLER. Mr. President, will the Senator from Arizona yield?

Mr. HAYDEN. I yield.

Mr. MILLER. I think the Senator misunderstood me. When I said "it was not authorized by law," what I had in mind was that it was created by Executive order of the President under act of the Congress passed in 1933, but the provision of law simply authorized him to set up the National Planning Board, now the National Resources Committee, for the purpose of aiding him in the expenditure of money.

Mr. HAYDEN. The National Resources Committee was established by the same authority by which the Works Progress Administration and the Public Works Administration were established. Congress first gave to the President $3,300,000,000 for relief and work relief. The President could use the money in any way he saw fit to accomplish those purposes. He created a number of other emergency organizations, such as the Rural Resettlement Administration, for example, and has continued to do so. None of these agencies was specifically authorized to be established by an act of Congress. In creating a great organization, such as the Works Progress Administration or the Public Works Administration, under which the national resources were to be utilized and developed, it is perfectly logical that it should occur to the President that there might be duplication of effort—that one organization might invade the field properly occupied by another. Therefore, considering the enormous sums of money to be expended, it was reasonable that he should seek to establish some sort of an agency in order to coordinate the expenditures made with respect to the national resources. So the organization was established within the broad authority of law granted to the President.

Mr. CONNALLY. Mr. President, will the Senator yield?

Mr. HAYDEN. I yield.

Mr. CONNALLY. Is it not true that the constitutional authority which rests in the President—the Chief Executive—authorizes him to employ any administrative or executive agency that he may see fit, if he can get the money from Congress to pay for it? Is not that fundamental?

Mr. HAYDEN. There is no question about that.

Mr. CONNALLY. And the reason we speak of statutory authority is that heretofore we have been making appropriations limiting the expenditure of funds to certain specific purposes. Now, as the Chief Executive, presiding over all the executive and administrative branches, the President may employ any agency he may see fit to employ; he may create an agency; the only condition is that he must get the money from Congress to pay for it. We are paying for it in all the appropriation bills heretofore and now pending. All that he needs to do is to say, "Yes; I will create this board or that board and pay for it out of this money." If the Congress gives him power to pay for it, he has the authority to do it.

Mr. HAYDEN. And with the power to pay and the authority to create the President established this agency. The pending joint resolution differs from the first appropriation of $3,300,000,000 and the second relief bill of $4,800,000,000 in that those two measures were popularly described as blank checks. The President was given vast sums of money to expend in any way he saw fit. He could make an allotment for a certain purpose and then could withdraw it; he could set up any kind of an agency he pleased to accomplish the general purpose of relief and work relief. The House of Representatives, in considering this measure, determined that Congress should resume control of the purse strings; and so this joint resolution is not a blank check. It is divided into specific appropriations for particular purposes.

Under the language of the joint resolution stipulating just what sums of money shall be expended by various agencies there could be no money expended for the National Resources Committee unless it were specifically set out in the measure itself. That is the reason why this item appears here and why it did not necessarily appear in the other two relief measures.

Mr. MILLER. Mr. President, will the Senator yield?

Mr. HAYDEN. I yield.

Mr. MILLER. The Senator said, as I understood him, that the National Resources Committee was established as a coordinating agency. That is not my understanding of the Executive order, or my understanding of what the Committee has undertaken to do. In other words, the National Emergency Council is the coordinating agency of the relief agencies. The National Resources Committee described itself in the hearings before the committee when it called itself the general staff. But the point I tried to make clear to the Senate was that this Committee, although established by the President under authority given him by the Congress, does not have any legal jurisdiction or legal authority over the planning and executing agencies of the other branches of the Government.

Mr. HAYDEN. Mr. President, in using the term "general staff" I think the National Resources Committee paid me a compliment, because that is how I described its function last year on the floor of the Senate.

Mr. MILLER. That is what they call themselves.

Mr. HAYDEN. The Committee apparently adopted a term that I used.

Mr. MILLER. I congratulate the Senator.

Mr. HAYDEN. I stated to the Senate at that time, and I now repeat, that no agency of the Government which plans

any kind of an activity should have anything to do with its execution, and I used the General Staff of the Army as an illustration. The General Staff of the Army plans what our Army should have by way of infantry and cavalry and artillery, or the number of men to be assigned to the Air Corps. The General Staff plans the general operations of the Army. The General Staff does not take charge of a regiment or a battery of artillery and direct its movement in time of war. There should be a planning agency, and when I use the term "planning" I use it in the same sense as "coordination"—that is, that somebody should think out the broad problem and what particular agency should execute its details.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. HAYDEN. I yield to the Senator from Kentucky.

Mr. BARKLEY. I wish to make an inquiry of the Senator from Arkansas, who has just suggested that the National Resources Committee has no authority over the execution of the duties of the various Departments. I wondered if the Committee did have that authority, whether the Senator from Arkansas would not be more opposed to the Committee than he now is.

Mr. MILLER. Decidedly so.

Mr. HAYDEN. I join the Senator from Kentucky in that view.

Mr. BARKLEY. I would join in that sort of opposition, too, because whenever Congress sets up an agency—for instance, the Corps of Engineers of the Army or any other agency in a Department—it is my understanding that the National Resources Committee has not any jurisdiction to interfere with the administration of the duties of that agency, but that the Committee takes a general bird's-eye view of all the resources of the United States, investigates them, makes surveys, makes reports to the President or to Congress, or both, and makes recommendations which will never be carried out unless Congress authorizes somebody to carry out the recommendations.

Mr. HAYDEN. Mr. President, if there is any conflict between the National Resources Committee and the Corps of Engineers, that conflict lies in planning for the utilization of the water resources of the United States. I cannot help but suspect that the Senator from Arkansas is presenting today more or less a repetition of a controversy which was settled by the President of the United States when he vetoed a joint resolution which provided that the Corps of Engineers should do all the planning with respect to the water resources of the United States. I refer to Senate Joint Resolution No. 57 of the present Congress entitled:

> Joint resolution to authorize the submission to Congress of a comprehensive national plan for the prevention and control of floods of all the major rivers of the United States, development of hydroelectric power resources, water and soil conservation, and for other purposes.

Mr. MILLER rose.

Mr. HAYDEN. That joint resolution provided that such a national plan should be prepared by the Corps of Engineers. If the Senator will permit me, I desire to quote the President's veto message.

The President stated as follows:

> In my message of June 3, 1937, I proposed for the consideration of Congress, a thoroughly democratic process of national planning of the conservation and utilization of the water, and related land, resources of our country. I expressed the belief that such a process of national planning should start at the bottom through the initiation of planning work in the State and local units, and that it should contemplate the formulation of programs on a regional basis, the integration of fiscal and conservation policies on a national basis, and the submission of a comprehensive development program to the Congress by the President.

The President continues in his veto message:

> The reverse of such a process of national planning is prescribed in Senate Joint Resolution No. 57. By this resolution the War Department would become the national planning agency, not alone for flood control but for all the other multiple uses of water. Although the Department of Agriculture would prepare reports on run-off retardation and soil-erosion prevention, and the Department of the Interior be consulted on reclamation projects, the War Department would report for these coordinate agencies directly to Congress instead of to the Chief Executive. The local and regional basis of planning would be ignored, and there would be no review of the whole program, prior to its presentation to Congress, from the standpoints of national budgetary considerations and national conservation policies.
>
> The Corps of Army Engineers has had wide experience in the building of flood-control projects and has executed the projects entrusted to it with great skill and ability. Its experience and background is not alone sufficient, however, for the planning of a comprehensive program for the development of the vast water and related resources of the Nation.
>
> The planning of the use and control of water and related resources is distributed by law among numerous governmental agencies, such as the Departments of Agriculture and Interior, the Federal Power Commission, the United States Public Health Service, the International Boundary Commission, and the Tennessee Valley Authority. The joint resolution encroaches upon the functions of these agencies and ignores and duplicates the coordinated planning work already in progress under the general guidance of the National Resources Committee.
>
> I find it impossible to subscribe, therefore, to the proposal that has been embodied in this joint resolution.

A distinct issue was raised with respect to our water and land resources, and in that instance it was proposed that the Corps of Engineers do the work. The President had created the National Resources Committee. He felt that instead of allowing one agency of the Government to supervise what should be done by other agencies—and there are many agencies of the Government which are interested in the development of our water resources—it was better to have one central planning board, a general staff, if you please, to undertake that work. For that reason he vetoed the joint resolution. I think the reasoning in his veto message is entirely sound. I am convinced that it would be a great mistake, by reducing the appropriation, to destroy the effectiveness of this agency.

I have the highest regard for the Corps of Engineers. It is composed of men who were educated at a great public institution. They have their life careers fixed and assured to them. They have no interest to serve other than the Government and the people of the United States. They are sincerely patriotic men. They love their country, and their record as a corps is without blemish. In all the years since the corps was first established, there has been no more intelligent and no more impartial agency in advising the Congress as to expenditures. I do not desire in any manner to disparage the magnificent results which have been accomplished by the Corps of Army Engineers; but because the members of that corps have been engaged in river and harbor work and in flood control upon the rivers—and that has been their specialty—it does not follow that they are particularly qualified to undertake everything else or to supervise everything else relating to the utilization of our water resources, not only for navigation but for irrigation and for power. To my mind, it would be a mistake to thus widen the scope of their activities.

The Senator from Arkansas [Mr. MILLER] is a very able lawyer. If, however, a medical matter should come to his attention, I am sure he would consult a physician, and he would go to the specialist who knew the most about it. There are other specialists in other agencies of the Government who are best qualified to advise the President and the Congress upon the things with which they are particularly familiar.

The PRESIDENT pro tempore. The time of the Senator from Arizona on the amendment has expired.

Mr. HAYDEN. I shall utilize a few moments of time on the joint resolution.

Mr. MILLER. Mr. President, will the Senator yield?

Mr. HAYDEN. I yield.

Mr. MILLER. I do not know that I know especially about the joint resolution referred to by the Senator. Is that the joint resolution which was passed at the last session of the Congress, introduced by the senior Senator from Arkansas [Mrs. CARAWAY] and Representative MCCLELLAN?

Mr. HAYDEN. I referred to Senate Joint Resolution No. 57. It was vetoed by the President on August 13, 1937.

Mr. MILLER. That is the joint resolution. I will say to the Senator that I did not have that measure in mind.

What I had in mind was that in this instance I think we have an agency which has been imposed upon by the other planning agencies, and which simply is not doing anything.

If the Senator will indulge me further, let me call attention to an experience which I am sure every Senator has had. I will use as an illustration an experience that I had with the Army engineers and the Biological Survey.

Notwithstanding the Executive order of the President, every Department in our Government has a coordinating committee. Recently a conflict arose between the Army engineers and the Biological Survey over the location of a 65-mile levee in Arkansas. The conflict was not settled by the National Resources Committee. That Committee was not called into the thing at all, but the conflict was settled by the coordinating committees of those two agencies of the Government.

Mr. HAYDEN. What the Senator refers to has been a common practice, and it is a highly desirable practice.

Mr. MILLER. Precisely.

Mr. HAYDEN. We have an excellent illustration of cooperation, in the Army appropriation bill which is now pending, between the Department of Agriculture and the Corps of Engineers with respect to the construction of dams on streams, and the protection of the watersheds above the dams. The two agencies are working in perfect harmony; but that illustration relates to individual projects, to particular instances. There was no such general agency until the National Resources Committee was created to view the problem as a whole throughout the United States. When Congress was appropriating in one instance $3,300,000,000, and in another instance $4,800,000,000, and in consideration of the large sums contained in this joint resolution, is it unreasonable to spend three-quarters of a million dollars to have a qualified group of men view the problem as a whole? That is the justification for this appropriation; and on behalf of the committee, I ask that the committee amendment be adopted.

Mr. MILLER. Mr. President, will the Senator further yield?

Mr. HAYDEN. Yes.

Mr. MILLER. The Executive order creating the National Planning Board, the predecessor of this Committee, says:

> The Board shall submit a report on land and water use on or before December 1, 1934. The program and plan shall include the coordination of projects of Federal, State, and local governments and the proper division of responsibility and the fair division of cost among the several governmental authorities.

That report has been filed. As I say, six or seven volumes have been printed, and every Senator has them in his office library today. All of those reports have been made; and the question is whether or not we want to engage further upon a plan of seeking new avenues or new places to spend money.

Mr. HAYDEN. That is not the point. The question is whether Congress can, on a given day, acquire all the information needed, and from then on can depend on that one particular finding.

Mr. HATCH. Mr. President, the remarks just made by the junior Senator from Arkansas [Mr. MILLER] to the effect that the agency covered by the pending amendment, the National Resources Committee, is simply another agency to provide methods and means for spending public money, is one with which I cannot agree. I am not so familiar with the duties or the work of the National Resources Committee in the Senator's State or elsewhere throughout the Nation, but I do know that my own State of New Mexico has presented a peculiar problem, and one which was not even attempted to be solved, considering the problem as a whole, until the National Resources Committee began taking cognizance of some of the conditions existing in my State. I merely wanted to call attention to the conditions with which we are confronted there, and why there is need for some general planning board.

We have in New Mexico an Indian problem. Thousands of acres of land are located on Indian reservations. Early in this administration efforts were made to largely extend the boundaries of some of the reservations. I have not criticized the purpose of those boundary extension bills, but it is a fact that in some of the proposals which were made only the concern and the welfare of the Indians were thought of. Thousands of native-born New Mexico citizens who had resided in the State, they and their ancestors, for hundreds of years, would have been dispossessed from lands they occupied through the extension of Indian reservations.

The Taylor Grazing Act came into effect, and it presented its complications and its problem. There were formed drainage districts with funds loaned by the Federal Government, through the Reconstruction Finance Corporation, and payment of those funds presented a peculiar problem in certain sections of New Mexico.

Reclamation districts were sought to be organized. Flood-control programs were started. Then came the Works Progress Administration, spending vast sums of money for the relief of the people in various sections of the State, and there was no general coordination of these various programs and projects. Instead of there being coordination, there was in many instances competition, there was conflict and duplication of effort, and no one tried to solve the problem as one entire problem, as in reality it was.

The National Resources Committee went into the State of New Mexico, and has been for some time engaged in a survey and study of conditions there, making recommendations which have already proved to be beneficial, and we are very hopeful that, as a result of the work of this Committee, many of these conflicting and duplicating and competing activities of the Federal Government will be eliminated.

Mr. NORRIS. Mr. President, will the Senator yield?

Mr. HATCH. I yield.

Mr. NORRIS. In a case where there is conflict between two or more of the various agencies the Senator has enumerated, where there is an overlapping of laws which set them up, how could this Committee settle an overlapping of that kind where the law itself was to blame for the conflict, inasmuch as they could not modify a law? I can see how their work might be very useful indeed, but it seems to me they would be handicapped in a case—and there are many such—where the law setting up one agency and the law setting up another agency were in conflict. At different times it is only a natural thing that that should occur, and it has occurred many times. How could this Committee settle a difficulty of that kind?

Mr. HATCH. Of course, the Senator has already answered his own question, where laws are in conflict, the Committee would be helpless. They could not modify or change a law.

Mr. NORRIS. I concede that there are many useful things they have done and are being done, and I am in favor of their retention, and in that I agree with the Senator; but it seems to me we ought to be frank enough to realize that unless Congress passes a law, such as the reorganization bill, for instance, or something of that kind, we cannot remedy many of the defects which come about because Congress has passed laws which conflict with each other.

Mr. HATCH. I quite agree with the Senator.

Mr. POPE and Mr. MILLER addressed the Chair.

The PRESIDENT pro tempore. Does the Senator from New Mexico yield; and if so, to whom?

Mr. HATCH. I yield first to the Senator from Idaho.

Mr. POPE. Let me ask the Senator whether the value of the National Resources Committee is not more in planning and coordinating projects which are to be constructed or improvements which are to be made. I remember when I was mayor of a city at one time we worked out a plan for the future development in the city. We had a street department, we had a park department, we had departments which were working on their individual plans, but they would conflict; it was a hit-and-miss proposition. Is not that true of various agencies of the Federal Government? I know it is true in my own State. Each Department has its particular ideas as to what ought to be done. The Reclamation Bureau has, the Forest Service has, the War Department has, and

the various other Departments have. Is it not the idea to take a long view, to plan so that the various projects will dovetail into each other, and make a comprehensive development in the State?

Mr. HATCH. Mr. President, I desire to answer first the Senator from Nebraska. In my State there has not been so much real conflict of the laws, I believe. The National Resources Committee has been and is now engaged in bringing the various agencies together in one unified and comprehensive program which they can carry on.

In reply to the Senator from Idaho, without any criticism of expenditures which have been made in my State, I believe that if we had had the time to go into New Mexico with a complete and comprehensive program, taking into consideration all the needs of the various communities, localities, and citizens of New Mexico, we could by this time have placed practically every citizen of the State of New Mexico on a self-sustaining, sound, economic basis without the expenditure of any more funds than we have expended; and I believe that careful and sane and intelligent planning and coordination of the activities of these various agencies, instead of being a method of spending money, will be a method of saving money.

Mr. MILLER. Mr. President, will the Senator yield?

Mr. HATCH. I yield.

Mr. MILLER. I have no quarrel with the general statement of the Senator, but I desire to ask him a question. As I understand, he has said that the National Resources Committee has coordinated the various activities, for instance, the activities of the Indian Office, the activities under the Grazing Act, the activities under the Reclamation Act.

Mr. HATCH. I did not say they had coordinated them.

Mr. MILLER. Very well; that is the point I am making. They have not done anything except make some reports.

Mr. HATCH. Oh, yes; they have.

Mr. MILLER. Let us be fair. If any Senator on this floor has any report showing where the National Resources Committee has made a single, solitary coordinating plan for a single spending and executing agency of this Government, I should like to see the report.

Mr. HATCH. The next report of the National Resources Committee, which is to be issued shortly, will deal with the problems along the Rio Grande, and I understand that they have worked out a plan, which will be contained in that report.

I wish to say to the Senator that in my State they have not confined their activities to making reports. They have been out there with their representatives, actually on the ground, not coordinating and compelling the various agencies to work together, but cooperating and seeking to get them all to cooperate and to work together, to understand the entire problem, and then to advance along that line. My colleague and I have been in conference many times with representatives of the Committee; we have gone over the entire situation, and have urged and begged them to get the different Departments to see the whole problem as it exists in the State of New Mexico; and they are trying to do that. They are bringing some of these agencies around to that point of view, agencies which heretofore had looked only at their own particular problem, the thing with which they were dealing, a perfectly natural thing for a Department to do. They want to make their activities a success, even though it might work to the injury of some other development.

Mr. MILLER. I know the problems of the Southwest are peculiar to that section itself, but such coordination as has occurred has been brought about, has it not, more through the coordinating committees of the various regular establishments, than through the National Resources Committee?

Mr. HATCH. I will show the Senator how they coordinated. I think it began with the fight my colleague made against the extension of the Navajo boundary in the State of New Mexico. Attention was first vigorously given to the problem in that connection. Then we both worked in an effort to get the various agencies to work together, and through the National Resources Committee we got the first and only response to our efforts. I think my colleague will agree with me in that statement.

Mr. COPELAND. Mr. President, as I understand, the pending amendment is a proposal to increase the amount appropriated for the National Resources Committee.

I did not hear all the speech made by the Senator from Arkansas [Mr. MILLER], but did hear a part of it. I usually follow him in all of his ideas, and the criticisms he offered I think are just criticisms; but I have this feeling about the National Resources Committee: In my judgment, there should be some organization of government seeking all the time, not necessarily to find new ways to spend money, but to determine what are wise projects, what the future has in store for us, what protection should be given posterity, what should be done to make certain that this great country of ours shall continue to be great and even greater.

The National Resources Committee is a body which is studying many problems. I happened to preside over a committee hearing in the Commerce Committee when the matter of the Resources Committee came up for consideration, in the hope of drafting permanent legislation. The members of the National Resources Committee demonstrated to the committee what it had done, what it had found out, for example, about the development of resources in our country, and about products which are necessarily brought in from abroad. I say "necessarily brought in from abroad," because they have not yet been developed to a sufficient degree in America to make us independent of foreign countries.

I regard this sort of investigation exactly as the investigation which is made by great commercial concerns. For example, take the New York Telephone Co. It has a small staff at work all the time to determine, so far as may be determined in advance, the drift of population in the city, where more telephones are likely to be needed, and where fewer telephones in other sections may be required in the future. They regard it as a matter of good business to point out, if they may, those trends, and in a sense to read the population barometer and thermometer, to study trends of shifting population, in order that they may be wisely governed in their investments, in extensions, or as to the wisdom of limitation of the activities of certain exchanges.

What is true of the telephone company is true of the cigar stores. Senators will see in New York City and in every city, cigar stores located at strategic corners with reference to the possibilities of attracting trade. The owners of those stores study the pedestrian habits of the population. They find out where there are places which would be worth while for the establishment of new stores, likewise they study existing establishments to see if conditions have changed since those particular stores were placed.

Mr. President, if that is wise policy for business it ought to be wise policy for government. I join with the Senator from Arkansas in resentment against the sidetracking of any organization, particularly the Army engineers. If there is one body, if there is one governmental institution in this country which stands above all others in integrity, in character, in good sense and in good judgment, and honesty of activity, which is in a position beyond personal or political influence, if there is one body in this country which is independent of all these outside influences, it is the Board of Army Engineers. I should not wish to see that body interfered with. But, Mr. President, I am convinced that it is the part of wisdom on the part of government to have in existence some small study group such as the National Resources Committee. I heard someone say today—I think it was the Senator from Arkansas—that the staff of that particular Government agency is about 100. I do not see any reason for it to be larger than that. All it has to do is to plan, to study, to see what is wise for us in the future. It has no power beyond the power of recommendation. But if we are to earmark the proposed projects in title I of this measure, I can see how we could wisely expend the money proposed for the activities of this particular body.

I recognize that the committee is not yet established in the sense that perhaps it should be. I myself on the floor of the Senate tried to have a measure passed, which we approved in the Commerce Committee, to give the organization a permanent status, but did not succeed.

Mr. President, unsympathetic as I am to the pending measure in many of its aspects, I feel that we could wisely and sensibly adopt the pending amendment, and I shall be glad to vote for it.

Mr. HATCH. Mr. President, will the Senator yield?

Mr. COPELAND. I yield.

Mr. HATCH. In the remarks I made a moment ago about the National Resources Committee, and in speaking of its accomplishments, of what it had done in the State of New Mexico, I was reminded after I sat down that the Department of Agriculture and the Department of the Interior have set up their own interdepartmental committee to study the general plan, and they are working along the lines suggested by the National Resources Committee. They are following that plan, as the Senator from New York has been saying, which is in accordance with sound business practices.

Mr. COPELAND. I may say in reply that I happen to belong to a profession, and in that profession there are specialists. I confess I myself was one. The danger with respect to the specialist is that he sees only the part of the human body over which he presides, in a sense, as a doctor. It is important that there should be general practitioners, that there should be men who view the relations of these special organs to the whole body. So as I view it, it would be wise for us to have one body, an advisory body, to study all these problems, each with relation to all the rest, in order that there may be wise action on the part of the Congress when a given project or enterprise or measure is presented to us for our consideration.

The PRESIDENT pro tempore. The question is on the committee amendment on page 6, lines 3 and 4.

Mr. McNARY. I suggest the absence of a quorum.

The PRESIDENT pro tempore. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Adams	Connally	Johnson, Colo.	Pope
Andrews	Copeland	La Follette	Radcliffe
Ashurst	Davis	Lee	Russell
Austin	Dieterich	Lodge	Schwartz
Bailey	Donahey	Logan	Schwellenbach
Bankhead	Duffy	Lonergan	Sheppard
Barkley	Ellender	Lundeen	Shipstead
Berry	Frazier	McAdoo	Smathers
Bone	George	McCarran	Smith
Borah	Gerry	McGill	Thomas, Utah
Brown, Mich.	Gibson	McKellar	Townsend
Brown, N. H.	Green	McNary	Truman
Bulkley	Guffey	Maloney	Tydings
Bulow	Hale	Miller	Vandenberg
Burke	Harrison	Minton	Wagner
Byrd	Hatch	Murray	Walsh
Byrnes	Hayden	Neely	Wheeler
Capper	Hill	Norris	White
Caraway	Hitchcock	Overton	
Chavez	Hughes	Pepper	
Clark	Johnson, Calif.	Pittman	

The PRESIDENT pro tempore. Eighty-one Senators have answered to their names. A quorum is present.

The question is on agreeing to the committee amendment on page 6, lines 3 and 4.

Mr. JOHNSON of California. Mr. President, I intend to ask for the yeas and nays when I shall have finished the 3 or 4 minutes which I wish to devote to the pending amendment.

The item reads as follows:

To the following agencies for administrative expenses: (a) National Emergency Council—

That item was raised from $250,000 to $850,000. Last night by viva voce vote we disposed of that matter—

(b) National Resources Committee—

Two hundred and fifty thousand dollars raised to $750,000. That is the particular matter which is now before us.

I congratulate the Senator from Arkansas [Mr. MILLER] on presenting this matter, and the fashion in which he did it. He showed conclusively that there is no more reason for increasing this appropriation by half a million dollars than there would be for me to attempt to describe the transit of Venus to the Senators who sit before me.

The sum involved is utterly and absolutely inconsequential. I recall when half a million dollars in the matter of an appropriation was considered of some moment, and when we would hesitate about appropriating half a million dollars. Now we pass, with a supercilious sneer, an appropriation of half a million dollars, and nobody thinks it is of sufficient consequence to occupy the time of the Senate for a quarter of a second. Half a million dollars! Just think of it. This is a relief measure. In this relief measure we are asked to add half a million dollars for the National Resources Committee.

Last night we added $600,000 for the administrative expenses of a couple of agencies whose existence really is in doubt, if we judge from what has been said here today, and whose duties during all the time they have been in existence have been practically nil. So far as relief is concerned, they would not amount to a last year's bird's nest.

These particular appropriations for administrative expenses are in the joint resolution, for what reason no man knows. No one will say. No one will discuss the particular need for the increases, and what is to be done. If anyone dared interfere with the head of this particular administrative relief, Mr. Harry Hopkins, he would find himself out the door so quickly that it would make his head swim.

So, Mr. President, we are here now, asking an increase of only half a million dollars. That is all. Half a million—what is it? What do we care for a half million dollars? Half a million dollars amounts to nothing, when we consider the amount appropriated by the pending measure. Give it; but let us have a yea and nay vote upon it. I ask for the yeas and nays.

Mr. LA FOLLETTE. Mr. President——

The yeas and nays were ordered, and the Chief Clerk called the name of Mr. ADAMS.

Mr. LA FOLLETTE. Mr. President, I wish to discuss this amendment briefly.

The PRESIDENT pro tempore. The Senator is out of order. The Senator from Colorado answered to his name.

Mr. LA FOLLETTE. Mr. President, I was addressing the Chair before the clerk started to call the roll.

The PRESIDENT pro tempore. By unanimous consent the rule will be set aside.

Mr. JOHNSON of California. Mr. President, I ask unanimous consent——

Mr. LA FOLLETTE. The Senator from California [Mr. JOHNSON] will testify that I was on my feet.

Mr. JOHNSON of California. It makes no difference. I ask unanimous consent that the Senator from Wisconsin be permitted to be heard.

The PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. NORRIS. Mr. President, I do not think unanimous consent is necessary. The Senator was on his feet. I sat right here beside him. He addressed the Chair before the first name on the roll was called.

The PRESIDENT pro tempore. The Chair did not hear the Senator from Wisconsin. Without objection, the Senator from Wisconsin is recognized.

Mr. LA FOLLETTE. Mr. President, I regard the work of the National Resources Committee as being one of the most important activities which the Federal Government is carrying on at the present time. This Nation was generously endowed with great natural resources. It is estimated that the area which now comprises the United States once contained 850,000,000 acres of timber. Under the profligate and wasteful policies of Government, both State and National, those resources have been stripped and burned away until today, if my recollection serves me correctly, there are but 150,000,000 acres of virgin timber, which is

growing. In spite of all the activities for forestation and reforestation, if we project the use curve of timber over 125 years in the future, there will not be another stick of merchantable timber left in the United States.

We had the greatest endowment of rich soil that any country has ever known, and yet, because of our profligacy and wasteful utilization of that precious and almost irreplaceable natural resource, today we are losing 3,000,000,000 tons of topsoil every year. It takes Nature, under virgin conditions, upward of 400 years to produce 1 inch of topsoil. Unless the profligacy, waste, and destruction of this precious natural resource are checked, and checked effectively, it can now be certainly predicted that in the distant future the civilization in what is now the United States will disintegrate and decay, just as have past nations which destroyed and wasted their soil resources.

Each year in this country the damage caused by flood and the run-off of waters involves the loss of tremendous sums. Furthermore, our streams are rapidly becoming polluted. To say, Mr. President, that we should not continue the activities of an organization which exercises, it is true, no administrative power but which is undertaking to formulate the necessary policies upon which other agencies and the Congress itself may predicate for the long future a program for the restoration and preservation of our resource base is, in my judgment, to fly in the face of all history.

If this agency had power to interfere with the duly organized and recognized agencies of government, to change their policies, to alter their programs or their plans, the opposition to the amendment might be justified by some Senators. But here is an agency which for the first time, so far as I know, in the long history of our Government, has been organized for the purpose of collating all existing information and making it available both to the Congress and to the executive arm of the Government, to the end that we may adopt a comprehensive program to preserve for posterity a resource base upon which a decent civilization may be predicated.

In my judgment, a half million dollars could not be expended more effectively, more usefully, and more advantageously than it could be expended by this agency. I say, unless we continue the activity of this organization, unless for the long future we formulate a sound policy for the preservation and restoration of our resource base, that oncoming generations will justly charge us with having been derelict in our duty to posterity.

The PRESIDING OFFICER (Mr. RUSSELL in the chair). The question is on agreeing to the committee amendment on line 3, page 6. Upon that question the yeas and nays having been ordered, the clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. SHIPSTEAD (when his name was called). I have a pair with the senior Senator from Virginia [Mr. GLASS]. That Senator is not present, and therefore I cannot vote. If permitted to vote, I should vote "yea."

The roll call was concluded.

Mr. DIETERICH. On the vote on this amendment I have a pair with the Senator from Utah [Mr. KING]. If I were permitted to vote, I should vote "yea." If he were present and permitted to vote, he would vote "nay."

Mr. AUSTIN. The Senator from New Hampshire [Mr. BRIDGES], who is absent on account of the death of his wife, has a general pair with the Senator from North Carolina [Mr. REYNOLDS].

Mr. FRAZIER. My colleague [Mr. NYE] has a general pair with the Senator from Illinois [Mr. LEWIS].

Mr. MINTON. I announce that the Senator from Oregon [Mr. REAMES] is detained from the Senate because of illness.

The Senator from Mississippi [Mr. BILBO], the Senator from Ohio [Mr. DONAHEY], the Senator from Iowa [Mr. HERRING], and the Senator from Indiana [Mr. VAN NUYS] are detained in important committee meetings.

The Senator from North Carolina [Mr. BAILEY], the Senator from Utah [Mr. KING], and the Senator from New Jersey [Mr. MILTON] are unavoidably detained.

The Senator from Iowa [Mr. GILLETTE], the Senator from Virginia [Mr. GLASS], the Senator from West Virginia [Mr. HOLT], the Senator from Illinois [Mr. LEWIS], the Senator from Wyoming [Mr. O'MAHONEY], the Senator from North Carolina [Mr. REYNOLDS], and the Senator from Oklahoma [Mr. THOMAS] are detained on important public business.

The result was announced—yeas 59, nays 18, as follows:

YEAS—59

Adams	Connally	La Follette	Pittman
Andrews	Copeland	Logan	Pope
Ashurst	Duffy	Lonergan	Radcliffe
Barkley	Ellender	Lundeen	Russell
Berry	Frazier	McAdoo	Schwartz
Bone	George	McCarran	Schwellenbach
Brown, Mich.	Green	McGill	Sheppard
Brown, N. H.	Guffey	McKellar	Smathers
Bulkley	Harrison	Maloney	Smith
Bulow	Hatch	Minton	Thomas, Utah
Burke	Hayden	Murray	Truman
Byrnes	Hill	Neely	Tydings
Caraway	Hitchcock	Norris	Wagner
Chavez	Hughes	Overton	Walsh
Clark	Johnson, Colo.	Pepper	

NAYS—18

Austin	Davis	Lee	Vandenberg
Bankhead	Gerry	Lodge	Wheeler
Borah	Gibson	McNary	White
Byrd	Hale	Miller	
Capper	Johnson, Calif.	Townsend	

NOT VOTING—19

Bailey	Gillette	Lewis	Reynolds
Bilbo	Glass	Milton	Shipstead
Bridges	Herring	Nye	Thomas, Okla.
Dieterich	Holt	O'Mahoney	Van Nuys
Donahey	King	Reames	

So the amendment of the committee was agreed to.

SALLIE S. TWILLEY

The PRESIDING OFFICER laid before the Senate the amendment of the House of Representatives to the bill (S. 1585) for the relief of Sallie S. Twilley, which was, on page 1, line 7, to strike out "Samuel" and insert "William."

Mr. RADCLIFFE. I move that the Senate concur in the amendment of the House.

The motion was agreed to.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Chaffee, one of its reading clerks, announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 10140) to amend the Federal Aid Road Act, approved July 11, 1916, as amended and supplemented, and for other purposes.

The message also announced that the House had passed a bill (H. R. 5379) for the relief of Mrs. B. E. Hennigan and her dependent minor children, in which it requested the concurrence of the Senate.

HOUSE BILLS AND JOINT RESOLUTION

The following bills and joint resolution were severally read twice by their titles and referred, or ordered to be placed on the calendar, as indicated below:

H. R. 5379. An act for the relief of Mrs. B. E. Hennigan and her dependent minor children; to the Committee on Claims.

H. R. 10737. An act to authorize the Secretary of War to grant rights-of-way for highway purposes and necessary storm sewer and drainage ditches incident thereto upon and across Kelly Field, a military reservation in the State of Texas; to authorize an appropriation for construction of the road, storm sewer, drainage ditches, and necessary fence lines; to the calendar.

H. J. Res. 631. Joint resolution to provide for the erection of a monument to the memory of Gen. Peter Gabriel Muhlenberg; to the Committee on the Library.

RELIEF AND WORK-RELIEF APPROPRIATIONS

The Senate resumed the consideration of the joint resolution (H. J. Res. 679) making appropriations for work relief, relief, and otherwise to increase employment by providing loans and grants for public-works projects.

The PRESIDING OFFICER. The next amendment reported by the committee will be stated.

The next amendment was, on page 6, line 4, after "$750,000", to strike out:

and (c) Prison Industries Reorganization Administration, $120,000.

Mr. BARKLEY. Mr. President, I rise to call the attention of the Senate to certain facts connected with the Prison Industries Reorganization Administration, carrying an appropriation of $120,000, which has been stricken out by the committee.

Mr. COPELAND. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield.

Mr. COPELAND. Is the Senator seeking to find out why the committee did this?

Mr. BARKLEY. I desire to present certain facts which have been brought to my attention by the Prison Industries Reorganization Administration itself.

Mr. COPELAND. I hope the Senator will do so, because I want to know why this important organization was not permitted to have an appropriation.

Mr. BARKLEY. I will say to the Senator that I do not know, except that I have been informed by members of the committee that the appropriation was stricken out because of the opinion that it did not directly affect unemployment or give employment to any considerable number of persons.

Mr. COPELAND. Mr. President, will the Senator further yield?

Mr. BARKLEY. I yield to the Senator.

Mr. COPELAND. As a matter of fact, is it not one of the duties of this organization to find out how prison labor may be used so that it will not conflict with free labor?

Mr. BARKLEY. Yes. I am going to call attention to that matter.

I have here a memorandum from Mr. James P. Davis, the executive secretary of this organization, setting out certain facts with reference to the work of the Prison Industries Reorganization Administration. I think it is well for the Senate to have them in mind in voting on this amendment, because the amendment seems to have been adopted in the full Committee on Appropriations without any hearing on the part of the Reorganization Administration. I suppose they did not ask for a hearing because the appropriation was in the joint resolution as it passed the House, and they did not contemplate that it would be eliminated by the Senate committee, if I am not misinformed about there being no hearing on it.

Mr. ADAMS. Mr. President, I may say to the Senator that the Senate committee made use of the House hearings. There were hearings upon the item before the House Appropriations Committee, and those hearing were considered by the Senate committee. The Senate committee had no hearings of its own on the subject.

Mr. BARKLEY. And the Senate committee, acting upon those hearings, struck out an item which the House, acting upon the same hearings, included in the joint resolution.

Mr. Davis' memorandum says:

With reference to the Appropriations Committee amendment striking out the item of $120,000 for administrative expenses of the Prison Industries Reorganization Administration, along with the clause extending the life of that agency to June 30, 1939, these items were in the bill as reported by the House subcommittee and full committee and later passed.

The motion to strike it out of the bill apparently was made in the full meeting of the Senate Appropriations Committee on Saturday morning. No representative of the organization was asked to appear before the Senate subcommittee or full committee. I understand that the item was struck out because it was felt that the connection between the work of the Prison Industries Reorganization Administration and the relief program was not clear.

This is a memorandum signed by Mr. Davis, executive secretary, and sent to me.

As you know, the Prison Industries Reorganization Administration grew out of the problems which were created in the States when the Federal Government passed the Hawes-Cooper Act and the Ashurst-Sumners Act throwing thousands of prisoners into idleness.

The Hawes-Cooper Act, as you all know, was an act to bar prison-made goods from interstate commerce; and the Ashurst-Sumners Act, I believe was an act to divest goods which were manufactured by prison labor of their interstate-commerce character, so as to make them subject to State laws with regard to the sale and distribution of prison-made goods when those goods entered into the States.

In order that the States should not resort to methods of employing these prisoners which would compete with free labor and thus add to the relief problem outside of prisons, the P. I. R. A.—

The Prison Industries Reorganization Administration—

has been engaged in helping the States plan their prison-employment programs for the past 3 years. It has completed reports in 13 States and the District of Columbia, as follows: Arkansas, California, Delaware, Georgia, Kentucky, Maryland, Oklahoma, Tennessee, Texas, Utah, Vermont, West Virginia, Wyoming, District of Columbia.

It has under way at the present time investigations in seven States: Idaho, Indiana, Kansas, Nebraska, Missouri, New Mexico, Oregon.

I desire to say for the investigation made by this board in the State of Kentucky that as a result of the investigation and survey made by the board, in cooperation with the State administration, a plan has been worked out for the utilization of prison labor in wholesome employment in the State and also in the erection of a new penitentiary for the care of our prisoners who are incarcerated as a result of violations of the law and trials before juries, which has resulted in the partial completion of an up-to-date and modern State penitentiary or reformatory, as it is now called, toward which the Federal Government, by means of the W. P. A. and the P. W. A., has made a contribution ranging between a million and a half and two million dollars; and it has been at least in large part because of the board's survey and investigation and information and expert knowledge regarding the care of prisoners in my State that there has been passed a new welfare act governing the care, control, and working of prisoners in the State of Kentucky. I know also that in the State of Georgia, where the question of the chain gang was a very important and troublesome problem to the State, largely through the activities and cooperation of the Prison Industries Board they have been able in part to solve the problem in that State. The same thing is true in different degree and along different lines in all the 13 States and the District of Columbia in which these investigations have been made. The investigations now under way in the seven States named in this memorandum are incomplete, and I have no doubt that the beneficial results in those States will be as great as they have been in the States in which the investigations have been completed.

In addition to these surveys, the P. I. R. A. has advised with the Public Works Administration and the Works Progress Administration in various construction and other projects in a number of States. At the present time the board is also engaged in helping the State of Georgia to map out a prison program for its new institution at Reidsville, Ga., which was built with P. W. A. funds. In Missouri, similar service is being rendered in connection with the reorganization of the penitentiary made possible by substantial P. W. A. building grants. A prison-building project approved by W. P. A. in California and involving several million dollars of State and Federal funds is being developed in accordance with suggestions made by the P. I. R. A. These various activities are typical of the service which the P. I. R. A. is rendering incident to the expenditure of relief moneys in many of the States where its services are being made use of.

With so direct a connection between the work of the P. I. R. A. and the expenditure of relief funds on prison projects, as well as the service rendered the States in meeting this problem of prison employment which has grown out of the relief problem outside of prisons—

And as a result of laws we have passed in Congress—

we believe it would be most unfortunate to eliminate this particular agency from the program at this time. While we are conscious that the connection between P. I. R. A. and the general relief program is an indirect one, it is nevertheless important that every assistance be given to the State prison administrations to meet their problem in a way which will permanently avoid a recurrence of the unfortunate competition between prison labor and free labor, which can only add to the general relief problem.

That is outside the prisons.

That is a very concise and, I think, forceful statement of this problem. Only $120,000 is required in order that this work may continue and be completed.

Mr. President, I have here an excerpt from an address delivered by the Attorney General on the 23d day of May 1938. He said:

While I have necessarily confined myself to the problems of the Federal prison system, I would be remiss if I did not refer to the accomplishments of the Prison Industries Reorganization Administration, which was created by President Roosevelt 3 years ago to assist the States, upon their request, in planning better penal methods. The services of this organization have been availed of by 22 States and the District of Columbia. Mention should also be made of the large sums in grants and loans through the P. W. A. and the W. P. A. for new correctional facilities in various States and municipalities throughout the country.

I have here, but I have not the time to read it, a very illuminating editorial which appeared in the Washington Post on June 21, 1937, on the subject of the work accomplished by the Prison Industries Reorganization Administration, which would be eliminated by the amendment. I ask that the editorial be inserted in the RECORD at this point.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the Washington Post of June 21, 1937]

PRISON INDUSTRIES

The work that is being done by the Prison Industries Reorganization Administration in surveying and trying to improve prison-industry systems is tremendously important. The wastage of man power, the destruction of morale, the intense suffering caused by enforced idleness in our penitentiaries are distressing to contemplate.

For reasons of humanity, apart from all other considerations, jobs ought to be found or invented for every employable prisoner. For those who are to be released before the years of active life are over, the work should, if possible, be of a character to equip them for independent existence. From a purely selfish community viewpoint, moreover, it is highly desirable to find work for idle hands inside prison walls. Otherwise, riots and attempted escapes are bound to occur and men released from prison will be tempted to fall back on lawbreaking for a livelihood. Such factors add to the problems of law-enforcement agencies and indirectly cost much more than would adequate systems of prison work.

It is most encouraging to learn, then, that the Prison Industries Board, which was appointed by President Roosevelt to study plans for speeding up employment of the prison population, is making progress. Its task has been exceptionally pressing because of the numbers of convicts thrown out of work by increased prohibitions upon sales of prison-made goods in competition with private industry. The Hawes-Cooper Act, imposing restrictions upon transportation of prison-made goods across State lines, and the widespread abandonment of the practice of leasing prison labor to private contractors, have also added to the idle prison population.

In our well-meant efforts to safeguard free labor from the unfair competition of prison-made goods, new problems have been created for our prison authorities. Among the recommendations for solving them the Prison Industries Reorganization Board suggests "wise and constructive use of prisoners of the better types on highway work" and work on conservation projects such as forestry, drainage, and soil erosion. This is a type of activity that offers no direct competition with private industry and does not require the expensive equipment necessitated by many kinds of factory work, now largely limited to products intended for State use.

In any case, the direct cost of putting prisoners to work at useful tasks is repaid many times in indirect ways—notably through an improvement in prison morale which makes the inside work of administration easier and protects the outside world from the menace of undisciplined, untrained men.

Mr. BARKLEY. Mr. President, I have before me a resolution adopted by the State Senate of the State of Georgia, I think it is; also one adopted in the State of Maryland through its board of welfare in the city of Baltimore, and one from the Board of Public Welfare of the District of Columbia.

I have a communication from the Governor of California on the subject praising the work of this organization and asking for its continuance.

I also have a copy of a letter addressed to the President of the United States by the Governor of Arkansas, together with a letter addressed to the President from the State of Vermont by Mr. T. C. Dale, the commissioner of public welfare in the State of Vermont.

I have also a letter from the State of Tennessee addressed to the President by the commissioner of institutions and public welfare, Mr. George H. Cate, dated April 17, 1937.

I have also a letter from the vice chairman of the State Board of Public Affairs of the State of Oklahoma, praising this work, and asking for the continuance of the Board.

I have here a letter from the Governor of Kentucky addressed to Mr. Joseph M. Ulman, chairman of the Prison Industries Reorganization Administration, dated March 25, 1936, commending the work of the Prison Industries Board, and also mentioning it in connection with the work of our own welfare department in the State of Kentucky.

I have other documents from throughout the country approving the work of this organization and asking for the continuation of the administration.

In view of the uncompleted state of the work being done by this Board, and the small amount of money involved, I feel constrained to ask the Senate to disagree to the Senate committee amendment, and to restore this item in the bill.

I ask that I may at this point insert in the RECORD the documents from which I have quoted, as well as others along the same line.

The PRESIDING OFFICER (Mr. SCHWELLENBACH in the chair). Is there objection?

There being no objection, the documents were ordered to be printed in the RECORD, as follows:

Whereas the Prison Industries Reorganization Administration has made without cost to the State of Georgia a comprehensive survey of the penal system of this State, and on the basis of such survey has made recommendations for the reorganization of such penal system in accordance with modern penalogical principles; and

Whereas the said survey and recommendations and the personal consultative services extended by members and representatives of the Prison Industries Reorganization Administration have been of the highest value to this State in the planning of legislative and administrative action for the reorganization and improvement of the treatment of persons convicted of crime: Now, therefore, be it

Resolved by the Georgia State Senate, That we do hereby express to the President of the United States and to the Prison Industries Reorganization Administration the sincere appreciation of this body and of the State for the valuable assistance heretofore and presently made available to this State as above described.

Whereas the Prison Industries Reorganization Administration appointed by President Roosevelt made its first State survey of prison conditions in the State of Maryland; and

Whereas the subject-matter and recommendations of this administration were used as the basis of the recommendations of the Maryland Commission on Prison Labor in its report and recommendations to the General Assembly; and

Whereas the General Assembly of Maryland accepted these recommendations for the most part and passed suitable legislation and appropriations for the carrying out of the plans set forth for the rebuilding of the prison system of the State of Maryland: Therefore be it

Resolved, That the board of welfare, the governing body of the prison system of the State of Maryland, at its monthly meeting held on Friday, April 23, 1937, does hereby express to the Prison Industries Reorganization Administration its sincere appreciation of the endeavors to aid the State in the working out of the prison dilemma in this State and directs that the Secretary forward a copy of this resolution to Dr. Louis N. Robinson, the present chairman of the Prison Industries Reorganization Administration and another copy to Hon. Joseph N. Ulman, who was chairman of the administration at the time the Maryland survey was made and who is at present a member of the Federal organization.

BOARD OF PUBLIC WELFARE,
DISTRICT OF COLUMBIA,
April 29, 1938.

Mr. JAMES P. DAVIS,
Administrator, Prison Industries Reorganization Administration,
Washington, D. C.

DEAR MR. DAVIS: I find that in the rush of events I neglected to thank you personally, and on behalf of the Board of Public Welfare for the admirable survey of our penal institutions that your administration recently completed and published. We regard it as a splendid piece of work, thoroughgoing, analytical, forward-looking, and constructive. I know it will be of the greatest benefit to us and shall endeavor to translate its recommendations into action as rapidly as possible. We think we were most fortunate to have so able an agency available to render so valuable a service so efficiently and so courteously.

Very truly yours,

ELWOOD STREET,
Director of Public Welfare

STATE OF CALIFORNIA,
GOVERNOR'S OFFICE,
Sacramento, January 10, 1938.

JAMES P. DAVIS,
Executive Secretary, Prison Industries Reorganization Administration, Washington, D. C.

MY DEAR MR. DAVIS: Your letter of December 27, together with a bound copy of your report on the prison labor problem in California, awaited my return this morning from a trip to southern California.

While I have not had an opportunity to go over the report, this pleasure is anticipated at an early date. May I also thank you for the splendid service to California and her people in gathering the material and the preparation of the report. Your efforts are much appreciated and will be most helpful in solving these difficult problems.

With kindest personal regards and the season's greetings, I am,

Very sincerely yours,

FRANK F. MERRIAM,
Governor of California.

STATE OF ARKANSAS,
April 16, 1937.

THE PRESIDENT OF THE UNITED STATES,
The White House, Washington, D. C.

DEAR MR. PRESIDENT: Arkansas has been fortunate in having received the services of the Prison Industries Reorganization Administration in a study of our prison labor problems. During the year 1936 that organization made an exhaustive study of our penal system and produced a report, which I consider invaluable as a foundation for a future program. I used the report as a basis for recommending a program of legislation to the 1937 general assembly. Every item of legislation necessary to carry out the program recommended by the P. I. R. A. was passed and is now the law.

An emergency exists in this State with respect to the facilities for carrying forward the program which has been planned. I hope that the P. I. R. A. may be continued and given sufficiently broad powers to make possible the execution of plans which have been worked out. In my opinion, the use of convict labor and materials produced by the prisoners should be permitted in the improvement of the penal plant in connection with any Federal Public Works program.

Any effort of yours toward an ultimate solution of our prison problems will be appreciated by the citizens of my State.

Respectfully yours,

CARL E. BAILEY, *Governor.*

STATE OF VERMONT,
DEPARTMENT OF PUBLIC WELFARE,
Montpelier, April 16, 1937.

HON. FRANKLIN D. ROOSEVELT,
President of the United States,
Washington, D. C.

MY DEAR MR. ROOSEVELT: We understand that the relief bill which will be presented to Congress this week contains a provision for the continuation of the Prison Industries Reorganization Administration. In connection with this we would like to bring to your attention our regard for the fine work carried out by this agency in Vermont.

Upon the invitation of former Governor Charles M. Smith the Prison Industries Reorganization Administration made an intensive survey of prison labor problems in Vermont during 1936. We call your attention to the detailed and very comprehensive report made to Your Excellency by the board as a result of this survey. Copies of this report were forwarded to this office and in turn received careful study by the members of the 1937 legislature recently adjourned. As a result we have noted considerable favorable comment and interest from citizens heretofore apparently unconcerned about prison problems.

An appropriation was made during this recent session providing for a substantial revolving fund to be used in connection with establishing several industries at our prison and many of the suggestions of the P. I. R. A. board are about to be carried out. Our administrative appropriation has been increased to enable us to revise our probation and parole system along lines recommended by the P. I. R. A.

The persons who took part in this study are very evidently men of wide experience and sound judgment. Their knowledge and experience applied in a practical way to the peculiar problems of Vermont has been of tremendous assistance to us and we sincerely hope that this fine service may continue. Those States which do not take advantage of this service are missing a golden opportunity.

Most respectfully yours,

T. C. DALE, *Commissioner.*

APRIL 17, 1937.

HON. FRANKLIN DELANO ROOSEVELT, *President,*
White House, Washington, D. C.

MY DEAR MR. PRESIDENT: The Prison Industries Reorganization Administration has recently completed a survey of Tennessee institutions and their report was delivered to you under date of March 31, but released in Tennessee as of April 14. The officials of our State are deeply grateful to the P. I. R. A. for their study and for the recommendations made and we also wish to express our appreciation to you in making these services available to Tennessee.

We are vitally interested in obtaining some additional service in the way of expert assistance and advice or funds for construction and equipment, and we believe the P. I. R. A. is in a position to render this service to us.

We want you to know that we have taken advantage of your splendid offer through the P. I. R. A. in making our study and we urge you to continue the P. I. R. A. under the proposed Relief Administration.

We have a very definite emergency in Tennessee in that our general assembly has enacted legislation in February 1937, requiring us to make a complete transition from open-market competition to a State-use system. We wish to use the facilities of P. I. R. A. to aid us in this most important project.

We sincerely trust that you may continue the P. I. R. A. and make available through them to the State funds for building and equipment.

Assuring you of our appreciation of your interest in the people as a whole, we are

Yours very truly,

GEORGE H. CATE,
Commissioner of Institutions and Public Welfare.

STATE BOARD OF PUBLIC AFFAIRS,
STATE OF OKLAHOMA,
April 20, 1937.

THE PRESIDENT,
Washington, D. C.

SIR: The Prison Industries Reorganization Administration has just completed a rather thorough report of the two primary penal institutions in Oklahoma. This report was very thorough, and some very constructive recommendations were made in same.

We have submitted bills supporting the recommendations to the legislature, which is now sitting, but the writer is very much afraid that we are not going to get very far with these bills, because they call for appropriations and the legislature, of course, is very much put to it to find revenues for this and other needed measures. The ones of us who are interested in penal reforms feel very deeply that one of the necessary reorganizations has got to be in the solution of penal rehabilitation.

If it should be known that the Federal Government and that you, personally, are interested to the extent of aiding the States in their attempts at penal reform by setting aside some appropriation to supplement the appropriations of the States, I am of the opinion that it would be beneficial to us in securing some very necessary State appropriations.

I am sure that you are cognizant of the fact that an emergency exists in the State prisons of America which is fraught with dangerous consequences unless constructive leadership is exerted to correct it. It is my belief that on account of the existence of State lines and our unique set-up in the United States that the Federal Government perhaps must take the lead in bringing about a reformation.

The P. I. R. A. has done some very effective work in the surveys that have been made. I feel very deeply that we should go one step further and provide some funds to carry out some of the most essential recommendations made by this board.

Respectfully yours,

A. W. HORTON,
Vice Chairman, State Board of Public Affairs.

COMMONWEALTH OF KENTUCKY,
EXECUTIVE CHAMBER,
Frankfort, March 25, 1936.

MR. JOSEPH N. ULMAN,
Chairman, Prison Industries Reorganization Administration, 907 Sixteenth Street NW., Washington, D. C.

MY DEAR MR. ULMAN: Thank you cordially for your letter of the 19th.

Let me express for myself, for Commissioner Wallis, and for those in our State interested in the penal institutions our heartfelt gratitude for your cooperation and advice. It was a real pleasure to have the brief meeting with you and the other representatives of the Federal agencies.

It is my hope that we may very shortly begin the program looking toward the rehabilitation of Kentucky's prisons.

Cordially yours,

A. B. CHANDLER, *Governor.*

[From the Washington Post of May 27, 1938]

NOT THE PLACE TO CUT

One of the minor mysteries of the spending bill is why the Senate Appropriations Committee eliminated the relatively insignificant item of $120,000 for the Prison Industries Reorganization Administration. This agency was created in 1935 to devise ways and means of employing inmates of penal institutions in lines that do not compete with private enterprise. It has served a useful purpose and is still engaged in a number of surveys similar to the excellent study recently completed for the District of Columbia.

The work undertaken by the P. I. R. A. is directly related to the unemployment problem. Since 1932 there has been a decrease of 80 percent in the direct competition between prison labor and that employed in private enterprise. Many factors have contributed to this change. Certainly, however, the P. I. R. A. has been the leading influence in giving it intelligent direction. That agency has not

only worked to minimize this source of unfair competition. One of the largest elements in its program has been the development of noncompetitive prison industries so that increased opportunities for private employment would not mean enforced idleness for a larger number of prisoners.

Moreover, the P. I. R. A. serves in an advisory capacity to the W. P. A. and P. W. A. in the allocation of funds for new prison projects. The Government has spent $30,000,000 on improvements of this sort during the last few years. The initiation of another spending spree is no time to cut off expert planning agencies designed to curtail wasteful expenditures. An agency that has been so useful and inexpensive as the P. I. R. A. should at least be permitted to finish the work in which it is engaged before its source of funds is cut off.

Mr. BARKLEY. As a measure of economy, the P. I. R. A. endeavored from the beginning to utilize the services of such other Federal agencies as were doing technical work of comparable character instead of setting up its own divisions for such work. For this reason arrangements were made with the Bureau of Labor Statistics of the Department of Labor to collect and tabulate in some States information on prison production and the consumption of manufactured products in State-supported institutions. Similarly, the Procurement Division of the Treasury Department was requested to supply architectural and engineering advice, and in some cases the Department of Agriculture, Navy Department, and the Bureau of Mines were requested to give technical assistance and advice on problems arising in certain States. While the Bureau of Labor Statistics gave some assistance of this type, for which it was reimbursed on a cost basis, its services were limited to the collection and tabulation of statistical data. The analysis of this data was completely carried out in the staff of the P. I. R. A. without any direction or assistance from the Bureau of Labor Statistics. Moreover, the work covered by these production and consumption tables is only a limited part of that covered by each State survey, which ordinarily would include such questions as housing, the operation of the sentencing, probation, and parole laws, and penal administration, including personnel and related problems.

Date	Cost of operation	Amount paid to Bureau of Labor Statistics	Percent
1937	$74,342.77	$12,000.00	16.1
1938 (10 months, July 1, 1937, to Apr. 30, 1938)	151,657.23	41,203.25	27.1
	100,284.78	14,410.00	14.4

Mr. ADAMS. Mr. President, in the consideration of the pending measure the committee recognized it as a relief measure, and that its purpose was to provide employment and relief. When we came to the appropriation for the Prison Industries Reorganization Administration the committee was unable to see any connection between that board and the purposes of the joint resolution. The committee was not considering whether or not the prison board was an admirable institution; we were considering whether or not this appropriation belonged in this measure.

The provision occurs in a section providing for administrative expenses of agencies connected directly or indirectly with the relief purposes. This board in the first place, as I recall, was created by an Executive order in 1935. Its functions were described in the Presidential order creating it.

The President said in substance:

I hereby prescribe the following duties and functions of the said Prison Industries Reorganization Administration:

1. In cooperation with the proper authorities of the several States and the political subdivisions thereof and the District of Columbia to conduct surveys, studies, and investigations—

And so forth.

Then to initiate, formulate, and recommend for the approval of the President programs of projects, and to recommend for the approval of the President loans and grants to the several States.

In the testimony before the House committee I think the matter is condensed in a statement by Dr. Robinson, the head of the organization. He said:

The Federal Prison Bureau runs Federal prisons. We have no contact with them.

This board has nothing to do with the Federal prisons.

We are in the nature of an advisory service to the States and the political subdivisions of the States.

It was our judgment that an organization whose function was solely that of acting in an advisory capacity, not to the Federal Government in any way but to the States and to the political subdivisions of the States, did not belong within the appropriation provided in a relief measure for Federal agencies. Therefore, the committee eliminated the appropriation.

Mr. COPELAND. Mr. President, will the Senator yield?

Mr. ADAMS. Certainly.

Mr. COPELAND. If this money is not voted as proposed will the board go out of existence? Does it have funds from any other source?

Mr. ADAMS. That is purely a matter which is up to the Congress. Here is a board operating by virtue of a Presidential order. It is within the control of the Congress, of course, to continue the board, to provide funds for it. Now comes an emergency relief measure, with a single purpose, to provide for those who are in distress and in need. If we are to open this measure to appropriations for every agency because we approve it, because we think it has a good purpose, there will be no end to it. It has seemed to the committee that here was one which clearly did not come within the proper purview of the joint resolution, and therefore we eliminated it. Whether or not other funds would be available is not answered in the measure, of course.

Mr. COPELAND. Will the Senator yield further?

Mr. ADAMS. Certainly.

Mr. COPELAND. I take it from what the Senator has said that unless this organization can find an appropriation somewhere else, its activities will end, unless this particular appropriation is made.

Mr. ADAMS. That is correct. Let me state the practical situation. If the administration had been interested in this board they could have very readily asked to have it included in one of the general supply bills which have gone through the Congress. It comes up just at this point, after the general appropriations have been passed, and apparently the Budget and apparently the administration were not sufficiently interested in this organization to include it in their recommendations, and it only comes in now, when we reach this emergency measure.

Mr. COPELAND. Mr. President, a few years ago the British Bar Association sent a large delegation of attorneys and judges to visit the United States. It so happened that I was invited to attend the banquet given by the New York Bar Association to this distinguished group of visitors. I suppose the Senator from Oregon [Mr. MCNARY], the leader on the other side, would say that I was invited because of my high standing as an authority on constitutional law, but be that as it may, I was invited.

The residents of New York City were distributed around the banquet table so that next to every visitor was a local American. I happened to sit next to a distinguished judge from Dublin, an Irishman, and of course on an occasion like that one does the best he can to make conversation. Since I could not discuss legal matters with the judge, I ventured to ask him this question:

"You have now visited the United States, and gone rather extensively over our country. What have you to criticize? Please be free to criticize. The natural thing for a visitor to do is to praise; I should be glad if you would tell us what you have in your mind that is critical of our institutions."

He replied, "If you want me to be perfectly frank, I think I must say that the most outrageously defective system you have in America is the system of taking care of prisoners. I could speak very strongly about the ill housing of the prisoners, about the defective architecture, and the arrangements of the prisons, and also the seeming neglect in many institutions of the care of prisoners."

Mr. President, I have been interested for a long time in the study of juvenile delinquency. I think the greatest social problem with which we have to deal in the United States is that problem. In connection with the custodial

care of these delinquents we find that many of them are sent to county jails. There are 3,500 county jails in the United States, and every one of them is a breeding place for crime. It is an outrageous thing to think that the youth of America, those who have wandered into wrong paths, should be so neglected when it comes to the matter of their care, when they come under the penalty of the law.

I know that the first place to begin the training of a child is in the home, and I dare say that the church and the school have a large part to do with it. Nevertheless, the fact remains that many more than should be sent there are sent to county jails and to other custodial institutions, where they come in contact with hardened criminals and are taught personal practices and led into knowledge of methods of more serious crime than that committed by these prisoners.

Mr. LUNDEEN. Mr. President, will the Senator yield?

Mr. COPELAND. I yield.

Mr. LUNDEEN. Is it not a fact that many are sent to prison who are simply wanderers about the country seeking work and employment, and who really have committed no crime, but have been committed to what we may call preliminary institutions, and there have come in contact with crime, as the Senator has so well stated. That is, indeed, a very regrettable situation.

Mr. COPELAND. The Senator is entirely correct. I may say to him further that today between 4,000,000 and 5,000,000 boys and girls of school age are not in school, and are unemployed. Thousands of them will land in jail, and what will they be taught there? They will be taught the methods of high crime. It is a sad reflection upon the intelligence and capacity of our Nation that we have not learned how to deal with these problems.

Mr. President, I recognize that no matter how strongly we may feel about the conditions in the prisons and jails, and their sociological effect upon our people, we would not be justified in making appropriations in this measure merely to deal with problems such as I have mentioned. But I understand that one of the activities of the Prison Industries Reorganization Administration, as we have learned from the excellent remarks of the Senator from Kentucky, is to find out how to provide useful employment in jails and prisons and custodial institutions, and at the same time prevent, so far as possible, competition with free labor. If that is an important function of the Prison Industries Reorganization Administration, we are fully justified in earmarking this small sum for the perpetuation of that work.

When I first came into the Senate there was in this body a Senator from Ohio who was always protesting against the competition of prison labor with free labor in his State. In that State, in those years long past, it was customary for the prisoners to make bricks, furniture, shoes, and other articles which were thrown upon the market in competition with the products made by free labor. One of the purposes, as the Senator from Kentucky has pointed out, is for this Board to devise plans, to make suggestions, and to give advice, in order that those who are in charge of the prisons and other custodial institutions of our country may give decent employment, to occupy the minds of these men, and at the same time so to employ them that in the making of articles of commerce they may not be brought into competition with articles of commerce produced by free labor.

Mr. BARKLEY. Mr. President, the Senator will recall, as suggested a while ago in the communication which I read, that upon the passage of the Federal acts which affected interstate commerce in prison goods, many of the States were confronted with a very serious problem as to what to do, not only with the prisoners, but how to integrate them into a new situation, and many of the States had to reform and rebuild and reconstruct their prisons, and find new ways by which the prisoners could be employed, because they had had collar factories within the walls of the penitentiaries, chair factories, furniture factories, shoe factories, and all sorts of factories. They had to find a way by which these men could be worked into the new situation so as to take them out of competition with free labor, and we were all in favor of that. We voted for those acts, and we were glad to do so.

While the $120,000 carried in this provision does not of itself employ very many men, the work and the survey and the cooperation of this organization with State welfare boards and administrators has resulted in the reconstruction of many of the prisons of the country, which has given employment to tenfold the number of men that can be employed with the $120,000 contained in the pending measure. It has given employment, in an indirect way, of course, but in another sense it is a very direct and very beneficial and very intelligent pursuit of the solution of this prison problem which faces all the States of the Union, which after all make up the Union for which we attempt to legislate.

Mr. COPELAND. I agree fully with what the Senator has said. I remember in my boyhood in my State there was a wagon sold called the Jackson wagon, which was made in the State prison in competition, of course, with the wagons made by the manufacturers in that part of the country.

The Prison Industries Reorganization Committee has found ways of encouraging prison administrators to develop farms in connection with the prisons, where the products for the consumption of the prisoners themselves can be raised. They have found ways of limiting the work of the prisoners to products which could be used in the prisons themselves, and in one way or another they have done much to promote a prison system which enables the prisoner to be usefully employed, and yet that free labor should not be interfered with.

Mr. President, I think the sum in question is a very small one. I do not think we should hesitate to give the $120,000 to a body which is seeking not alone to do these things which have their sociological effect, but to take the prison labor out of competition with the labor of those who are free. In that sense I am confident that the language adopted by the House is proper language and that it is germane to the purposes of the bill.

Mr. McADOO. Mr. President, I do not want to occupy the time of the Senate unduly in supporting the position taken by my distinguished colleage from Kentucky and my equally distinguished colleague from New York. It strikes me, however, that it is eminently wise to reject the committee's amendment and to include in the bill the $120,000 we have been discussing.

This problem is both economic and humanitarian. It is humanitarian in that it is quite essential that men who have lost their liberty and who are confined in our penitentiaries throughout the Union should be occupied in some way. We cannot leave them idle in prisons. At the same time the products of their employment present the problem of possible competition, as has so well been stated, with free labor in the country. The various States have had various methods of dealing with this problem, and none of them has been altogether successful. We have frequently enacted laws in the States, and I think we have some Federal laws, prohibiting the sale of the products of prison labor in interstate commerce or within the States themselves in competition with private industry.

It is highly important for us to obtain the results of intelligent study, which for the first time is being made by this organization, of all the methods employed in the different States, as the result of which it is hoped to find some common formula which will enable us to carry out the humane purpose of keeping these prisoners employed and not permitting the product of their toil to be used to the disadvantage of free labor. To the extent that we permit such competition we drive labor out of employment, especially in times of depression or recession. If we drive free labor out of employment because of prison competition we force free labor on relief. Therefore it is perfectly proper in a measure of this kind that provision should be made for these studies, so that, if possible, the prisoners may be taken care of in a humane way, and that we shall not force on the relief rolls people who are outside of the prisons.

I know that this particular agency has done good work in my own State, and I think it has done splendid work in every

State. I think it would be a very grave blunder to put its useful activities at an end by refusing to grant this small appropriation, which accomplishes so much, or promises to accomplish so much of good for the entire country.

The PRESIDING OFFICER (Mr. MURRAY in the chair). The question is on agreeing to the committee amendment on page 6, lines 4 and 5.

Mr. BURKE. Mr. President, it seems to me something may be said in favor of the Prison Industries Reorganization Administration, as a general matter, but nothing at all has been said to indicate that it has any place in the pending relief measure. The argument of the Senator from California, just concluded, concerning the rather farfetched idea that if prison labor is not controlled prison goods may be made and enter into competition with free goods made outside, and put somebody out of work, seems to me to carry very little conviction. It seems to me very clear that the committee ought to be sustained. Without passing judgment upon this type of work, I merely say that it has no place in a relief bill.

Mr. President, at this time I suggest the absence of a quorum. I think the matter is of sufficient importance to have a larger attendance.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Connally	Johnson, Colo.	Pittman
Andrews	Copeland	King	Pope
Ashurst	Davis	La Follette	Radcliffe
Austin	Dieterich	Lee	Russell
Bailey	Donahey	Lodge	Schwartz
Bankhead	Duffy	Logan	Schwellenbach
Barkley	Ellender	Lonergan	Sheppard
Berry	Frazier	Lundeen	Shipstead
Bilbo	George	McAdoo	Smathers
Bone	Gerry	McCarran	Smith
Borah	Gibson	McGill	Thomas, Utah
Brown, Mich.	Green	McKellar	Townsend
Brown, N. H.	Guffey	McNary	Truman
Bulkley	Hale	Maloney	Tydings
Bulow	Harrison	Miller	Vandenberg
Burke	Hatch	Milton	Van Nuys
Byrd	Hayden	Minton	Wagner
Byrnes	Herring	Murray	Walsh
Capper	Hill	Neely	Wheeler
Caraway	Hitchcock	Norris	White
Chavez	Hughes	Overton	
Clark	Johnson, Calif.	Pepper	

The PRESIDING OFFICER. Eighty-six Senators have answered to their names. A quorum is present.

Mr. BYRNES. Mr. President, I desire to make a very short statement with reference to the pending amendment. The committee struck from the bill the appropriation for the Prison Industries Reorganization Administration. That agency was created by executive order of the President in 1935. I have no doubt that some commission or board might be of service to the States of the Union in giving advice to the officials of States who are not confident of their own opinions as to how to handle their prison population. If that is to be done, then, Congress should do it by establishing the organization, defining its powers, and providing the funds the Congress deems wise for such an organization.

Mr. President, this is a relief measure. The money appropriated by the pending joint resolution is for relief or work relief. It is proposed here to divert $120,000 of the money supposedly for relief for hungry people in order to pay the expenses of an organization which is to give advice to the States of the Union as to their prison problems.

What is done by this Board? The Senate committee did not have the witnesses representing the Board before them but the committee carefully went into the testimony of the witnesses before the House Appropriations Committee. The representatives of the Board stated their duties and said that some 22 Governors had asked the Prison Industries Reorganization Administration to help them solve their prison problems.

Mr. President, we often act upon the assumption that in the States there is absolutely no intelligence and that no one is capable of devoting thought to State problems. I do not agree with that assumption. In every State of the Union State officials have been confronted with the problem of how best to handle prison populations. In every State it has been a live subject. Finally the Congress of the United States enacted the Hawes-Cooper Act designed to prevent the shipment in interstate commerce of goods manufactured in prison unless such goods were brought within the laws of the States into which they entered. Here we are appropriating year after year $120,000 for a number of gentlemen who are very sincere about their duties. The list of the staff will show that they draw salaries as high as $7,500. In all there are two salaries of $7,500, two of $6,800, and two of $5,300 a year.

Mr. BORAH. Mr. President, will the Senator yield?

Mr. BYRNES. I yield to the Senator from Idaho.

Mr. BORAH. Does the Senator mean to convey the thought that this $120,000 is to be used to pay those salaries?

Mr. BYRNES. It is to pay those salaries. Not one who is not on relief would get a job through the appropriation of this $120,000. It is to pay these salaries. These gentlemen state that their duties are those to which I have just called attention, and then, in addition, one or two other things, such as "services requested by the P. W. A." In other words, after we appropriate money for the P. W. A. to build projects, they request the services of the Prison Industries Reorganization Board. For what? Here is what they say:

Aid to the State of Kentucky in setting up its P. W. A. building project.

The State of Kentucky has a planning commission; it can also make use of the National Resources Committee for which we have just appropriated money to help in planning, and the reason for the existence of the National Emergency Council, for which we have just appropriated money, is that the representative of the council in the various States of the Union may aid the State officials in applying for funds.

Yesterday, in response to a question by the Senator from the State of Missouri as to the National Emergency Council, I told him I would vote for that appropriation, standing by the committee's recommendation, but the reason I urged was that I had been impressed that that council was doing some service in advising State officials who ask for information as to the method they should pursue in order properly to present their applications for funds. The Prison Industries Reorganization Board comes in to say it has furnished an "opinion to P. W. A. on suitability of certain proposed industries for the Maryland penal system."

P. W. A. has no business establishing a penal system in Maryland. The officials of Maryland can do that. P. W. A. can construct a building, but when it has constructed the building it has done it solely because the project is an instrumentality to give employment to persons. That is the only reason they ever approve any projects. They have no business going into States to advise them as to the conduct of any system in connection with prisons.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. BYRNES. I yield.

Mr. BARKLEY. I do not understand that P. W. A. authorities have ever undertaken to control the conduct of prisons or their regulation.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. BARKLEY. Just a moment. The Senator from South Carolina has yielded to me. After this prison board has made its investigation, and as a result of that investigation or any investigation, it is found that the reconstruction of prisons is desirable or advisable and is recommended, and the State authorities cooperate and agree with such recommendation, then the P. W. A. can make, and has made, grants and loans to the States for the purpose of aiding in the construction of prisons, brought about by reason of the recommendations and survey and information of the Prison Board. I do not understand that P. W. A. has injected itself into the control of the prisons in any State.

Mr. BYRNES. Mr. President——

Mr. CLARK. Mr. President, will the Senator from South Carolina yield at that point?

Mr. BYRNES. I yield.

Mr. CLARK. I may say for the information of the Senator from Kentucky that I know of one or two instances in which the P. W. A. withheld over a long period of time the allocation for a project which had already been approved, having to do with the State penitentiary in the State of Missouri because the Director of Prisons, Mr. Sanford Bates, did not like the method by which the guards in the Missouri Penitentiary were selected.

In other words, he said they ought to be selected on one basis, while under the law of Missouri they were selected on another basis. That was injected into the case, and the matter was held up over a period of a year and a half, largely, of course, because of the method by which the State of Missouri selected the guards for the penitentiary, as well as the fact that Mr. Bates, in his wisdom, disapproved of the penal system in the State. No question of the desirability of the project from the standpoint of employment entered into it.

Mr. BARKLEY. Mr. President, if the Senator from South Carolina will yield further, as I cannot speak in my own time upon this amendment——

Mr. BYRNES. I yield.

Mr. BARKLEY. The Senator was not here when I put in the RECORD and read communications from the head of the Welfare Department of the State of Missouri commending the work of this Board and asking for its continuation.

Mr. CLARK. If the Senator from South Carolina will pardon me just a moment further, I do not know what the head of the Welfare Department of the State of Missouri recommended about this amendment. As a matter of fact, I never heard of such a department in Missouri. I was challenging the statement of the Senator from Kentucky that he did not understand that P. W. A. ever tried really to interfere in the running of prisons. I happen to know that is not true.

Mr. BYRNES. Mr. President, my time is short and I should like to proceed. I thought the Senator from Kentucky was right. I did not think that the P. W. A. had anything to do with the prison system, but I am reading what the representative of the Prison Industries Reorganization Board submitted to the Appropriations Committee in justification of this appropriation. The representative of the Board said as to services rendered by it—

Opinion given to P. W. A. on suitability of certain proposed industries for the Maryland penal system.

Now, what else?

Advice and help to Governor Blood, of Utah, looking toward obtaining Federal aid in construction work in line with their penal program.

The State of Utah knows how to apply for Federal aid. They have the National Emergency Council to advise them. If they do not have that Council, they have the National Resources Committee. They have a State planning committee. There is not a Representative or Senator from Utah who would not advise the State officials how to proceed. We do not have to appropriate $120,000 of the money of the people to have these gentlemen advise the Governor of Utah how to proceed.

Advice and help to Governor Holt, of West Virginia, in his efforts to obtain Federal aid for prison construction deemed necessary in West Virginia.

If they have a project, all they need to do is file an application with the P. W. A. They do not need any board to advise them. There is not a secretary in the office of any Representative or Senator who could not give them such advice.

Mr. GEORGE. Mr. President——

The PRESIDING OFFICER. Does the Senator from South Carolina yield to the Senator from Georgia?

Mr. BYRNES. I yield.

Mr. GEORGE. It may be recalled that some 3 or 4 years ago Congress passed an act creating a Prison Industries Board, as I recollect. It was a regular board set up under the Department of Justice. I inquire, as a matter of fact, whether that Board still exists and if the organization covered by the amendment is that organization or if it is an Executive order organization?

Mr. BYRNES. This is an Executive order organization. Another reason they give why the appropriation should be made is that they looked—

Into the matter of industries for the recently completed Georgia prison built by P. W. A. for the State.

Mr. ADAMS. Mr. President, may I perhaps answer the question of the Senator from Georgia? There is a Federal Prison Bureau which is functioning in the Department of Justice, and which controls the Federal prisons. The organization now under discussion has nothing to do with Federal prisons, but is purely for the purpose of advising the States.

Mr. GEORGE. It has nothing to do with the Federal prisons?

Mr. ADAMS. Not at all.

Mr. BYRNES. It has nothing to do with the conduct of Federal prisons. Its purpose, as stated here, is to advise the State officials of Georgia and other States as to what kind of work should be given to the prison population and to advise governors how they should apply for money with which to construct prisons.

If the National Emergency Council, and the National Resources Committee, and the State planning commissions cannot do that, and it is necessary to have this organization to do nothing but advise 48 States how they shall apply for projects, the States are in a terrible fix if they cannot find out from any other source how to apply for money and have to go to this Board.

Mr. MILLER. Mr. President, will the Senator yield?

Mr. BYRNES. I yield.

Mr. MILLER. The Senator probably stated it, but I was out of the Chamber, and I wish to ask him how was the Prison Board created in the first instance?

Mr. BYRNES. It was created by Executive order; and my only reason for speaking at this time is that I know the history of commissions. Whenever a commission is established, whenever the pay roll is signed, no matter how distinguished the gentlemen are, their attachment to the cause in which they are interested is such that it is very difficult for Congress ever to abolish the commission.

If this is a meritorious cause, if this Board is essential, then the Congress ought to establish it, define its duties, and see that it is provided with funds, but it should not be continued in a joint resolution which provides for relief and work relief.

We are told that there are today 3,000,000 men out of employment in this country who are seeking jobs on W. P. A.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. BYRNES. One second. The purpose of this joint resolution, and particularly this title of it, is to give jobs to these unfortunate men who throughout the country have been certified for relief, and up to this time 500,000 of them have been unable to get jobs. I do not believe we ought to divert $125,000 of this money to a Prison Industries Reorganization Administration to advise people in the States how to go about borrowing money to construct prisons.

Mr. BARKLEY. Mr. President——

Mr. BYRNES. I yield to the Senator from Kentucky.

Mr. BARKLEY. The Senator complains about this provision—which was put in the joint resolution in the House after the House committee had heard the representatives of the organization—on the ground that the Board does not give any employment, but is only to give advice. What is the essential difference in principle between the Prison Industries Reorganization Administration and the National Emergency Council, whose appropriation was increased and which I helped the Senator to increase, and the National Resources Committee, which does not employ anybody, but is an advisory committee? What is the difference in principle between those two, whose appropriations we have already increased, and this one, which the Senator's committee has eliminated altogether?

Mr. BYRNES. Mr. President, I have already stated—the Senator from Kentucky evidently was not in the Chamber at the time—that the only reason urged for the establishment of the National Emergency Council was, as I stated in answer to a question of the Senator from Missouri, that the representative of the National Emergency Council testified before the committee that his duty was to advise the officials of the States not alone as to prisons but as to all projects, to help them with the legislature, to advise them as to the necessary legislation. After the Senate followed the action of the committee and increased the fund for the National Emergency Council to perform their duty, and increased the fund for the National Resources Committee to perform their duty, taking into consideration all subjects, for the Senator from Kentucky to come in and ask for an additional $125,000 for no purpose other than to advise about prisons is just exceeding the speed limit. There ought to be some traffic regulations even in an appropriation measure. The amendment with reference to the National Emergency Council has been adopted; the amendment with reference to the National Resources Committee has been adopted; but that does not mean that we must go on forever appropriating funds for commissions and boards to advise the people of the States how to make applications for funds.

Mr. BARKLEY. If the Senator will further yield, the point I made, or attempted to make, was that these three Boards are all of a similar character. They are advisory. They have no power to do even what they recommend.

The PRESIDING OFFICER (Mr. MURRAY in the chair). The time of the Senator from South Carolina on the amendment has expired.

Mr. BYRNES. I stated that, but I stated that the Prison Industries Reorganization Administration were getting $125,000 to advise only as to prisons. I stood by the Senator in the case of the National Emergency Council and the National Resources Committee because they covered all subjects; but that is no reason for having 12 commissions to do the same thing.

Mr. NORRIS. Mr. President, I have not heard all the debate on this particular amendment, and therefore I feel somewhat handicapped in discussing the subject; but from the information I have, from the little of the debate I have heard, and from the study I have been able to make of the subject, I agree with the Senator from South Carolina that this particular provision ought not to be in the pending joint resolution.

The work to be done by the Prison Industries Reorganization Administration is a very worthy one, and I am in hearty sympathy with it; but I do not see why that provision should be put in this joint resolution. It seems to me it can well wait until we are better able than we are at the present time to expend money in that direction. At least it seems to me we ought not to put in a joint resolution the object of which is to increase employment a provision of this kind, which, so far as I can see, will have nothing to do with increasing employment.

The Senator from Kentucky [Mr. BARKLEY] asked what is the difference between this Board and the National Resources Committee, upon which we had a roll-call vote just a short time ago. I can see a great difference between the two. The National Resources Committee has to do with all governmental activities, with a view to harmonizing difficulties and overlappings, and in that way bringing about not only harmony between the overlapping agencies but economy as well, and providing more fully by its advice, after it has made its studies, a method by which the other activities of the various agencies of government can be better coordinated and can work together, in that way helping all of them. As I see the matter, however, there is not any relief of unemployment—or, if there is, it is a very minor factor—in the work of the Prison Industries Reorganization Administration.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. NORRIS. I yield.

Mr. BARKLEY. I do not know whether or not the Senator was in the Chamber when I put into the RECORD a communication from the executive secretary of the Prison Industries Reorganization Administration, enclosing communications from Governors and chairmen of welfare boards in various States.

Mr. NORRIS. No; I did not hear that.

Mr. BARKLEY. I will say that it is not a question of life and death whether this appropriation of $120,000 is kept in the joint resolution or not; and it is not, as the Senator indicated, putting something into the joint resolution to start a new activity. This activity has been going on for 3 or 4 years, and it came about as the result of two laws passed by Congress denying the right of interstate commerce to prison-made goods, taking away their interstate character, which presented very troublesome problems to States which for a long time had engaged in prison labor for the manufacture of certain products. Growing out of that situation, which resulted in great idleness within the prisons, this Board was set up and has helped to coordinate and helped to make researches and surveys resulting in reorganization of prisons and in many cases in their reconstruction. Now the work is in the middle of progress in 7 States and has been completed in 13 States; so it is not as if we were injecting something new into the joint resolution.

Mr. NORRIS. No. I hope the Senator will not take up too much of my time.

Mr. BARKLEY. I apologize to the Senator, but I did not think he was present when those facts were presented.

Mr. NORRIS. No; I was not present, but in a general way I know about them. I know how this activity started. I had something to do with framing the legislation which started it. I will say to the Senator from Kentucky that I am in entire sympathy with it; but still the unemployment situation, at least as I see it, does not enter into the matter in any degree.

Mr. HAYDEN. Mr. President, will the Senator yield?

Mr. NORRIS. Yes.

Mr. HAYDEN. The Senator's view is exactly my own. If this sum of $120,000 were offered as an amendment to a deficiency bill, to be appropriated out of the Treasury of the United States, I should be heartily in favor of it.

Mr. NORRIS. So should I.

Mr. HAYDEN. But to take $120,000 away from a relief appropriation, to be expended for a purpose which to my mind is not connected with relief, is hardly justified.

Mr. NORRIS. I do not believe we can justify ourselves in doing it. It is not because I am opposed to the work being done by the Prison Industries Reorganization Administration that I have come to that conclusion. It is a very worthy work. It appeals, I think, to every student of prison activities. We have before us, however, a joint resolution which is intended to bring about reemployment, to bring about to a degree at least a return of prosperity; and I do not believe an item of this kind tends to do that. Worthy as it may be, there are a great many other things which, if we were considering them separately and making appropriations out of the Treasury of the United States, or at a time when we were not so sadly in need of money, would be very worthy of our consideration and our approval; but personally I cannot see how this particular item, worthy as it is, is going to help out the work of returning our country to a prosperous condition.

Mr. BYRNES. Mr. President, will the Senator yield?

Mr. NORRIS. I yield to the Senator from South Carolina.

Mr. BYRNES. I think the Senator will agree with me that if this is done separately, then the Congress can determine how many members there shall be on the board and what the salaries shall be, and can provide for it as for any other department of the Government; but under the relief fund there is no restriction.

Mr. NORRIS. I think there is great force in that argument.

Mr. BARKLEY. Mr. President, will the Senator from Nebraska yield again?

Mr. NORRIS. I yield.

Mr. BARKLEY. If it is so essential that Congress take independent action to set up a board that is to spend

$120,000, why should it not also set up by independent action a board that is to spend a million dollars, or $800,000?

Mr. NORRIS. Perhaps as an abstract proposition that is true.

Mr. BARKLEY. But we have not done it.

Mr. NORRIS. We cannot do it.

Mr. BARKLEY. We can do it as much with the other boards as in the case of this one.

Mr. NORRIS. I do not agree with the Senator that we can do it to the same degree. In other words, this relief activity, which we must delegate to the President and instrumentalities which he sets up, is on an entirely different basis, because all those other things contribute to the relief of the country in its present deplorable condition; this does not, worthy as the subject matter may be.

Mr. LUNDEEN. Mr. President, will the Senator from Nebraska yield?

Mr. NORRIS. I yield.

Mr. LUNDEEN. What bothers me is this: Will not the agency which has been set up be scrapped if we do not appropriate the money?

Mr. NORRIS. I do not understand it that way. I do not understand that it is necessary to insert something in the pending joint resolution in order to keep this organization from being scrapped, as the Senator puts it. I think they can go on in the regular way.

Mr. LUNDEEN. But there is no fund for it.

Mr. NORRIS. We can appropriate funds, if we consider it worthy.

Mr. LUNDEEN. In the brief time within the next few days?

Mr. BARKLEY. Mr. President, I do not wish to take the Senator's time, but this Board will go out of business if this appropriation is not made, because the House provided for its continuation until June 30, 1939, and even that provision is stricken out of the pending joint resolution. If the extension of the life of the Board is eliminated and the appropriation to sustain it is eliminated, there is nothing else to do but to scrap it.

Mr. BYRNES. Mr. President, will the Senator from Nebraska yield?

Mr. NORRIS. I yield.

Mr. BYRNES. I may say to the Senator from Nebraska that within a week a deficiency bill will be before the Senate. The Senator knows, as I do, that it is now being drafted by the House Committee on Appropriations, and if Congress wants to appropriate the money for this Board, in the proper way, it can add the appropriation to the deficiency bill without taking the money out of relief funds.

Mr. NORRIS. It seems to me that the proper way to take care of an instrumentality of this kind is in some regular appropriation bill. I do not see why it cannot be put in a deficiency bill. I should not like to see the Board abolished.

Mr. BARKLEY. Mr. President, this appropriation is just as regular as the deficiency appropriation bill will be, except that we regularly appropriate money in deficiency bills, but this in itself is a regular appropriation.

Mr. NORRIS. If the Senator's argument is sound, we could take everything that goes into a deficiency bill and put it into this measure.

Mr. BARKLEY. That is correct.

Mr. NORRIS. That would not be right. We do not want to do that. The amount is small; I do not think its importance is very great; but the principle involved, I think, is just as precious as though the amount were a million dollars instead of $120,000. We will not do with other items what is requested as to this. Why should we do it with this matter? In other words, as I see it, it is entirely foreign to what we are taking up and what we are considering in connection with the pending measure.

Mr. BARKLEY. If the Senator will yield further, the reason for putting it in this way by the House is that out of the relief funds which have been appropriated heretofore this Board has been set up and its expenses have been paid.

Mr. NORRIS. If we, out of relief funds, earmark and put $120,000 aside for this special purpose, we will reduce by $120,000 the money which would otherwise be used for relief purposes, the object of which is to return the country to a prosperous basis.

Mr. BORAH. Mr. President, I do not see in this appropriation any provision for relief at all. It is to take care of a situation which perhaps ought to be taken care of, but no one who can be said to be on relief, or who is expecting relief, will derive any benefit. If it were true that we were helping someone, or expected to help someone, who was on relief, or expected to be on relief, that would be different, but I do not see why we should take care of the institution in question in this particular measure.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the committee.

The amendment was agreed to.

Mr. BARKLEY. Mr. President, I was called from the Chamber yesterday when an amendment was agreed to which I should like to have reconsidered. I ask unanimous consent that the vote by which the amendment on page 3, between lines 15 and 20, was agreed to, be reconsidered.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and the vote is reconsidered.

Mr. JOHNSON of California. What is the proposal of the Senator from Kentucky?

Mr. BARKLEY. The amendment agreed to yesterday was an amendment providing for the earmarking of $50,000,000 of the funds for direct relief. The Senator from Michigan [Mr. VANDENBERG] tried to increase the amount to $150,000,000, without success. After conferring with the Treasury Department, the Secretary of the Treasury, and others interested in this problem, it has been suggested that the $50,000,000 may not be sufficient to take care of direct relief from now until next January, when Congress will have an opportunity to increase the appropriation for direct relief.

It is necessary, and so long as the present situation continues, even perhaps after some improvement in it, it will be necessary for the Relief Administration or the W. P. A. to purchase considerable quantities of food and clothing and other supplies from the Surplus Commodities Corporation, the surplus supply which is being utilized to feed and clothe and take care of people who are in distress, but for whom employment is not available. Therefore I am constrained to propose that the committee amendment be eliminated, and that in lieu of it there be provided the amendment I am sending to the desk, concerning which I have conferred with the Senator from Colorado, and with a slight modification I think he has indicated he will accept the amendment.

The PRESIDING OFFICER. The clerk will state the proposed amendment.

The LEGISLATIVE CLERK. In the committee amendment, on page 3, line 15, after the word "classes", it is proposed to strike out the following:

Provided further, That notwithstanding the foregoing provisions of this section, the Works Progress Administrator is authorized to set aside in a separate fund not to exceed $50,000,000 of the funds herein appropriated, to be used in emergencies for the purpose of providing relief to needy persons.

And to insert:

Provided further, That notwithstanding any other provision of this title, the Works Progress Administrator is authorized, from time to time, out of funds herein appropriated, to use such amount or amounts as shall be determined by the President to be necessary for the purpose of providing relief to needy persons. Such amounts shall be used in the discretion and under the direction of the President, and through such agencies as he may designate.

Mr. BARKLEY. Mr. President, this does not increase at all the total amount carried in the joint resolution, but it does give flexibility to the authority of the President in case of emergency, and unforeseeable need on the part of the people, to use a larger sum than $50,000,000, if he should find it necessary, through the W. P. A. or any other agency.

Mr. BORAH. Mr. President, will the Senator explain just what kind of relief would be included and be taken care of by this special discretionary power?

Mr. BARKLEY. I might give the Senator an example of the sort of relief contemplated.

As a result of the decision of the United States Court of Appeals for the District of Columbia nullifying the action of the Bituminous Coal Commission in setting up certain prices for coal in the United States on the ground that they had not held sufficient hearings, making it necessary for the Coal Commission to retrace their steps and go through the process again, thousands of miners in my State and in other States were thrown out of employment because the price of coal entered a chaotic condition again as a result of this condition, and the uncertainty with respect to the future.

In the counties affected there was not a sufficient number of projects to enable the W. P. A. to employ all the people who were thrown out of employment, and it was necessary and is necessary for the W. P. A. to purchase food and clothing of all sorts to send into those counties and to give the people direct relief, because there is no work they can do. That is only an illustration of the situation which may exist in many, many communities.

In the large cities, even in the cities of Michigan represented by the senior Senator from Michigan [Mr. VANDENBERG] and the junior Senator from Michigan [Mr. BROWN] thousands of men may be out of work, and are indeed now out of work, for whom there are no P. W. A. or W. P. A. projects which can give them employment.

The question is whether they shall be thrown back upon the communities, upon the city of Detroit, we will say, or the city of Chicago, or other cities where the people must be fed or permitted to starve, and where the city has exhausted its own resources, and where all charitable institutions, private and public, have exhausted their resources, the W. P. A. shall have the authority and the money to buy food and clothing and, it may be, provide shelter for these unemployed people.

It is to meet that sort of emergency that I offer this flexible amendment, which will enable the President to deal with the situation between now and the next session of Congress, as the circumstances may require.

Mr. BORAH. Is it the opinion of the Senator that under the proposed law without this amendment the W. P. A. Administrator would not have sufficient discretionary power?

Mr. BARKLEY. He would have up to $50,000,000.

Mr. BORAH. Suppose the amendment were not in the law; would he not have sufficient discretionary power to deal with such conditions as the Senator has described?

Mr. BARKLEY. It is very doubtful; the administration does not think so, although they have engaged in some of this activity; but the Senator will recall that a year or two ago the Federal Government sought to get out from under the matter of direct relief altogether, and to relegate that back to the States and counties and cities, but the situation has been of such an emergent nature in many communities where the authorities have not been able to work out sufficient projects to give all these people work, that through the purchase of surplus commodities, they have had to supply food for people who were hungry. In order that they may not be handicapped by a particular restriction, in view of the uncertainty of the situation, it is desirable that this provision be a flexible one instead of a rigid limitation of $50,000,000, or any other sum.

Mr. NORRIS. Mr. President, will the Senator yield?

Mr. BORAH. I yield.

Mr. NORRIS. I wish to get the parliamentary situation in my mind. As I understand, the action by which the amendment of the committee was adopted has been reconsidered?

Mr. BARKLEY. That is correct.

Mr. NORRIS. Now, the Senator offers an amendment as a substitute for the committee amendment?

Mr. BARKLEY. That is correct.

Mr. VANDENBERG. Mr. President, I wish heartily to approve the substitute which the Senator from Kentucky has offered. Yesterday afternoon I tried to increase the funds specifically available for emergency use, and my amendment was defeated. I think it is far preferable that the available fund for this emergency use should be elastic. I am afraid that none of us can foresee the extent to which W. P. A. will be able to provide work relief, particularly in our larger cities. We know that is the situation, for example, in Detroit today. There must be this sort of elasticity if this bill is even remotely to contemplate meeting the situation.

Mr. BORAH. Mr. President, just how much of this money which we are going to appropriate for relief could be used under the proposed discretionary power if those authorized to use it should come to the conclusion that it should be used in a certain way?

Mr. BARKLEY. If the Senator is propounding that question to me, I will say that my amendment provides that the President may use whatever sum he may think is necessary to administer for direct relief, and only in an emergency, when there is no work provided, is direct relief provided. Of course, unless we limit it by the restriction in amount of the appropriation, we have to leave that discretion somewhere. My amendment leaves it in the President of the United States. I do not know where else we can leave it.

Mr. BORAH. There is no objection, of course, to leaving it with the President of the United States if such power is to be delegated to anyone.

Mr. BARKLEY. Of course, it is not conceivable that the President is going to divert from legitimate work any amount of money beyond what is absolutely necessary in order to feed hungry people and clothe them and give them shelter if they are unable to obtain work under the program.

Mr. McKELLAR. Mr. President, why cannot a limitation be put on this amount? Yesterday the Senate voted down a proposal made by the Senator from Michigan [Mr. VANDENBERG] to increase the limitation from $50,000,000 to $150,000,000. It seems to me that there ought to be a limitation placed on it of, say, $125,000,000, otherwise we simply turn the whole matter over and it might cause complications. Of course, I am willing to trust the President and, indeed, would be willing to turn the whole sum over to him as we have done before, but this substitute, as offered, would destroy the theory of the bill as drafted.

Mr. BORAH. Mr. President, do I understand that the Senator from Michigan is satisfied with the proposed substitute?

Mr. VANDENBERG. I am satisfied with the substitute, so long as we are proceeding under the theory of title I. Of course, I am opposed to that title, and ultimately I am going to offer a complete substitute for title I. But so long as we are proceeding under the theory of that title, I see no way by which the Federal Government can hope to meet the danger and assume its responsibility unless the provision is elastic.

Mr. BORAH. In other words, it seems to be necessary to have no limit as to the amount?

Mr. VANDENBERG. Yesterday I suggested the limitation of $150,000,000. The amount is limited solely by the necessity which will ultimately arise, and which cannot be assessed in advance. I have no idea what the necessity is going to be in the city of Detroit, except I know the necessity is multiplying every hour of every day, and that work relief cannot possibly be supplied for those who have been accepted by the Federal Government as its responsibility.

Mr. BORAH. It is that condition of affairs which leads me to conclude that there is no limit to this discretionary power so long as those who are given the power keep within the appropriation made by the general provision.

Mr. VANDENBERG. I completely agree with the Senator, and it is for that reason that I am ultimately proposing to offer a complete substitute for title I. But on the theory that title I was formulated, and in sympathy with the theory of the title, I feel that the amendment proposed by the Senator from Kentucky is a good one.

Mr. JOHNSON of California. Mr. President, of course I am in sympathy with what is now suggested. Every Senator is. This country is big enough and rich enough to feed its hungry, and to care for those in need. However, like the Senator from Tennessee [Mr. McKELLAR], I should like to see a limit placed on the amount in question, so that in some way an estimate could ultimately be made of the sum which would be needed, if the requirement could be ascertained.

I hope the Senator from Kentucky will see his way clear to place some limit on the amount. Put it high enough if the Senator will, so it will meet all requirements, but put a limit on it so that the entire measure will not be left to the discretion of any one person.

Mr. BONE. Mr. President, may I make an inquiry of the Senator from Kentucky? I am interested in the legal results of the Senator's amendment in case it were adopted. I understand it is sufficiently flexible to permit all the money appropriated to be used for direct need, if he felt it necessary to do so.

Mr. BARKLEY. Of course, from a legal standpoint the amendment is sufficiently flexible to enable the President to divert any amount he found necessary, but it is incredible to think that the President is going to divert the whole sum or any considerable part of the amount carried in this title.

Mr. BONE. I am quite willing to concede that.

Mr. BARKLEY. Of course, when the President or anyone else is given a discretion to use an indefinite sum he has the legal power to do so. There is no use to argue on that point at all. But it is inconceivable that he would do it. It never has been done heretofore.

Previous appropriations which have been made have not limited the amount that he could use for direct relief. The language of the pending joint resolution, as it came to the Senate did not limit it.

I do not know what sort of a limit to put on it, Mr. President. If I were sufficiently wise and prophetic to see in advance during the next 7 or 8, or 8 or 9 months, how much would be the proper limit, I would have no objection to fixing a limitation, but I do not know how much money it is going to take. I do not think any Senator can foresee how much it will take. But I can guarantee to the Senator and to the Senate that no more than is absolutely necessary to provide what we call direct relief for those who cannot secure employment either in private or public enterprise will be used.

Mr. JOHNSON of California. Very well. But the Senator sees the uncertainty in which we are engaging now. Yesterday when it was proposed that a limitation of $150,000,000 be placed upon the matter, practically the whole Senate voted against the amendment proposed by the Senator from Michigan. Today we say, "Only put what you may think wise as a limitation upon the amount that may be expended," and I do not think that is an unreasonable request.

Mr. BARKLEY. I cannot, of course, assume what may have actuated Senators in voting against the proposal to place a limitation of $150,000,000. They may have thought that was too much. I hope it will be too much. I hope it will not be necessary to spend $150,000,000, or $100,000,000. I do not believe anyone on this floor or anywhere else in this country is sufficiently prophetic to know how much will be required to feed and to care for those people who cannot obtain employment.

Mr. JOHNSON of California. I grant that.

Mr. BARKLEY. We must trust someone. If not, we might as well abandon government.

Mr. JOHNSON of California. The Senator has changed his mind since yesterday.

Mr. BARKLEY. No; I have not changed my mind since yesterday. I was called from the floor and did not vote on the Vandenberg amendment yesterday.

Mr. JOHNSON of California. Very well. Then the Senator did not change his mind.

Mr. BARKLEY. But if I had changed my mind, it is nothing more than has happened on this floor day after day for 150 years.

Mr. JOHNSON of California. Quite so. But because of the ability with which we can change our minds and because of the facility with which we can change our minds, let us fix a limit upon this sum.

Mr. BARKLEY. The Senator from California, admitting our ability and our facility to change our minds, is unwilling to let anyone else in the executive branch of the Government have the right to change his mind.

Mr. JOHNSON of California. Oh, yes; I am willing to let him change his mind.

Mr. BARKLEY. He could not change it beyond the amount we could fix. I am not willing to quibble with the Senator from California. I do not want to do so.

Mr. JOHNSON of California. Does not the Senator from Kentucky see that I am quite in earnest in desiring to do what he wants, but I do not want an unlimited discretion granted to anyone under this measure?

Mr. BARKLEY. The Senator is objecting to this particular unlimited discretion, but all through the measure, of necessity, we grant an unlimited discretion to the President of the United States with respect to the projects that will be approved, because not a project in any State of any character will be undertaken or inaugurated except by the approval of the President, and he has a discretion to deny every one of them or to approve every one of them, within the limit of the appropriation, so we cannot, under these circumstances, pass a law that will take away from the President unlimited discretion in some direction to administer this appropriation.

Mr. JOHNSON of California. But we can earmark wherever it is possible the amount which shall we used for a certain purpose.

Mr. BARKLEY. Of course, we can earmark. We can earmark all of this appropriation. We can tie it all up. We can freeze it all up according to our judgment. But I do not believe that as a body we can deal with the problem from day to day in such a flexible manner as to be able wisely to earmark all of the appropriations.

Mr. JOHNSON of California. We disagree in that respect.

Mr. BARKLEY. I am sorry we do, because I have great respect for the Senator from California.

Mr. JOHNSON of California. The Senator is entitled to his opinion.

Mr. BARKLEY. Whenever we disagree I wonder whether I am right; but, at the same time, I proceed with my own convictions in the matter.

Mr. JOHNSON of California. The Senator makes it necessary for me to say that I wonder if I am right.

Mr. BARKLEY. Perhaps we are both wrong.

Mr. JOHNSON of California. Conceding the mental processes of the ordinary human being, we find this body changing its mind overnight, and yet it would not increase by a 10-cent piece the amount in this measure for a particular kind of relief.

Mr. BARKLEY. That is hardly an accurate statement, because an increase from $50,000,000 to $150,000,000 is not merely an increase of a 10-cent piece. The Senate would not increase the amount by $100,000,000, or 200 percent. Whether it would have agreed to an amendment increasing the amount to $100,000,000, I do not know. No such an amendment was offered.

Mr. JOHNSON of California. The Senator now proposes an amendment which makes the amount not $150,000,000 but several billions.

Mr. BONE. Mr. President, I will say to the Senator from Kentucky that my inquiry was not directed to him because I object to the President having discretion to utilize the money. I was merely interested in the legal phase of the amendment which was tendered.

I am compelled to leave the Chamber in order to look after some official work, and I regret it very much, because I had been hopeful that I would be present when the Senator from Minnesota [Mr. LUNDEEN] speaks on his amendment increasing the amount of money available for the W. P. A.

I fear that during the coming winter we shall all be made to realize very keenly that we have not been sufficiently generous in this matter.

It seems to me there is an astounding distortion of perspective in considering this matter, because we have spent more time in the Senate Chamber this afternoon discussing one item of $120,000 than we have spent, and in my judgment will spend, in discussing the item of $1,425,000,000 for relief. This winter we shall be confronted with a great army of unemployed for whom we can make no provision.

That is why I have made this perhaps rather unpleasant reflection on the amount of time we are devoting to a $120,000 item, when we shall pass the measure appropriating $1,425,000,000 without giving it half the time we have given this small item. That statement is not necessarily a challenge to our methods; but it is not the happiest sort of contemplation.

I had hoped to hear the Senator from Minnesota [Mr. LUNDEEN]. I know generally what he is going to say. I know he has in his breast the same fears I have, that after leaving the Chamber we shall regret that we have not done more to meet the situation. God knows, I hope my fears are groundless; but personally I am worried over the fact that we shall not be able to do the work.

I think the Senator will probably advert to some colloquy between the Senator from South Carolina [Mr. BYRNES] and Mr. Hopkins, in which the Senator from South Carolina was interrogating Mr. Hopkins with respect to at least half a million persons who are certified for relief but who cannot be taken care of. We face the problem of whether we shall try to take care of them or whether we shall wash our hands, like Pontius Pilate, and let them go. They will become the focal point of bitterness. We have to resolve the question in our own minds as to whether or not we shall try to take care of them.

I wish I might be present when the Senator from Minnesota [Mr. LUNDEEN] speaks, because I am much interested in what he is going to say.

Mr. LUNDEEN. Mr. President, will the Senator yield for a moment?

Mr. BONE. I yield the floor.

Mr. LUNDEEN. I merely wish to inquire, Mr. President, whether we should not follow the advice of Mr. Hopkins, who says that more than 500,000 persons are certified for the relief rolls but are not taken care of, and that some 800,000 will be off the employment rolls after the allotment has expired. I understood the Senator from South Carolina [Mr. BYRNES] to say that over 3,000,000 persons now unemployed are storming at the W. P. A. rolls. Why not take the advice of the executive departments which have made available this information? I think that information ought to be a fairly safe gage.

Mr. KING. Mr. President, I shall vote against the amendment offered by the Senator from Kentucky. I have no objection to a reasonable limitation. However, I think we are paying but slight attention to the work of the committee which has been considering the appropriation measure which came over from the House.

There was a universal demand that there should be an earmarking of the appropriations or of the allocations which were to be made. The committee addressed itself, with a good deal of zeal and earnestness, to determining just where the money should be spent and the objects for which it should be spent. Mr. Hopkins appeared before the committee, as did others.

I am compelled to declare that the committee were not acting in a futile way. They believed that earmarking was a wise course to pursue. Indeed, the demand was almost universal that there should not be unlimited discretion given Mr. Hopkins or any other person, but that whatever amount was appropriated for relief, whether it was $1,000,000,000 or $1,425,000,000, should be earmarked, to use a common expression. So the committee, after listening to the testimony which was presented, selected a large number of projects for which the $1,425,000,000 was to be expended.

It seems to me we would impair the execution of the law if we now adopted the amendment offered by the Senator from Kentucky. Suppose Mr. Hopkins, or the head of any other organization to which allocations are made, desires to go forward and make expenditures. Take, for example, the $655,000,000 for educational, professional, clerical, cultural, recreational, production, service, including domestic service, and miscellaneous nonconstruction projects. It would seem to me that the organizations which would have the execution of that power would hesitate to embark upon any of those miscellaneous projects, professional, clerical, or otherwise, until they knew whether the President was to expend the entire amount, or very considerable part of the $1,425,000,000, for general relief.

It is obvious that over the various organizations which are to carry out the projects there would be a club. They would not know how much they were to have. They might prepare plans for the expenditure of the various sums which they were authorized to expend, and embark upon enterprises, knowing that the President could withdraw the entire amount, or any part of it, and leave their projects incomplete. It seems to me that if we are not to earmark the projects, if we are to give unlimited discretion to the President, we might just as well rewrite the section, and eliminate everything upon which the committee has agreed. We might just as well eliminate the $5,500,000 for the Treasury Department, Procurement Division; we might just as well eliminate the $3,500,000 for the Division of Disbursement; the $750,000 for the Office of the Treasurer; the $300,000 for the Secret Service Division; and the $8,000,000 for the Office of Commissioner of Accounts and Deposits and Division of Bookkeeping and Warrants; and the various other agencies and organizations which have been set up for the purpose of expending the money. They might just as well be eliminated. The National Emergency Council, to which we have allotted $850,000, does not know whether or not it will receive it. The National Resources Committee, to which we have allocated $750,000, will not be able to make any plans for the expenditure of that amount, because that organization will not know whether or not the President will take all of the $1,425,000,000 and leave them without a dollar.

I repeat, Mr. President, that if we are going to give unlimited discretion to the President, or to any other person or board to expend the full amount for relief, we had better eliminate from the joint resolution the various provisions which fall in the category of earmarking. It seems to me we ought to make some limitation. I agree entirely with my friend from California [Mr. JOHNSON] and my friend from Tennessee [Mr. MCKELLAR]. I suggest that we provide a limitation. If we set the limit at $150,000,000, that would be in excess of what I think should be the unlimited discretion given to the President to expend money for relief, in view of the other earmarking and the other allocations.

Mr. ADAMS. Mr. President, there is one error in the statement of the Senator from Kentucky, which I think, perhaps, ought to be corrected. If I understood the Senator correctly, he said that the measure before us, when it came from the House, left discretion in the relief agencies to grant direct relief. That is not my understanding of the measure as it came over from the House.

All previous relief measures gave to the President full and unrestricted discretion to use for direct relief the entire amount to be appropriated, should he see fit. The allocations of amounts in the bills were to types of projects to which he was authorized to apply the moneys if he saw fit. They were not earmarkings of the fund. The appropriations were made to the President in his discretion for relief and work relief, providing that not more than certain sums could be used for certain types of projects. However, the pending measure, as it came from the House, was strictly a work-relief measure, which allocated the money directly to the several agencies.

When the matter was brought to their attention as to the necessity of relief, especially in some of the great cities where emergencies had arisen and no time was available to set up projects, the committee felt that there should be an opportunity afforded the Relief Administrator to provide direct relief; that is to say, that a man who is hungry or cold should not be expected to starve while a project was being set up on which he could be employed. So the committee recommended releasing from the requirement of work relief $50,000,000.

The amendment has been presented by the majority leader. He discussed it with me. I have no authority to speak for the committee, but, merely giving my own individual judgment, I am inclined to think that the amendment should be

adopted. I do not think the discretion will be abused. Similar discretion has not been abused in the past. The policy of this administration has been one of work relief; that is, there has been no direct relief given under any of the appropriations up to the present time. The only direct relief which is being provided in the country is being provided under the Farm Security Administration to the farmers. The amendment would give to the administration officials authority in cases where there was an emergency—and the emergency is specified in the amendment—to meet such emergency with direct relief.

I cannot see that the Government would be harmed in any way, that is, certainly not from a financial standpoint. Direct relief has been disapproved as a policy, but feeding the hungry, clothing and sheltering the cold and the needy are certainly in line with our policy. If work projects are not available, we should not tie the hands of the administration so that they may not afford relief to the needy.

So far as cost is concerned, it costs not to exceed one-third to give direct relief as compared with what it costs for work relief. The administration is committed to the work-relief policy, and I am convinced that it will not grant direct relief except in emergencies.

Mr. HATCH. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. MINTON in the chair). Does the Senator from Colorado yield to the Senator from New Mexico?

Mr. ADAMS. I am glad to yield to the Senator from New Mexico.

Mr. HATCH. In view of the argument the Senator is making I wish to see if I correctly understand the proposed amendment. Take a community, any community, I will say, where there is a work-relief project, but the funds available are only sufficient to carry on the work-relief project, and yet in that same community or city, such as Detroit, there might be countless numbers of people suffering for want of food; would it not be better to give the President discretion in that case, even to abandon work relief altogether, and to use the funds to supply that which is absolutely necessary? Is that the point the Senator is making?

Mr. ADAMS. Yes; except I would not say "abandon work relief," but I take it we should not allow anyone to go cold or hungry until there is time to set up a work project. In other words, if a man is hungry it is not possible to wait until a survey has been made, plans have been drawn, and the work-relief project has been commenced. We should give to those administering relief authority to feed the hungry and clothe the cold and shelter the needy where there is not an opportunity to give them employment upon work-relief projects and thus to take care of them.

Mr. HATCH. I did not mean to abandon work relief as a policy, but I can readily see that in certain communities it might be necessary to take funds that otherwise would be spent for work relief and use them to buy food and clothing and fuel and other things for those in actual want.

Mr. ADAMS. That is my idea.

Mr. HATCH. I think certainly there should be some discretion vested somewhere over the funds which are to be made available.

Mr. POPE. Mr. President, will the Senator yield?

Mr. ADAMS. I yield.

Mr. POPE. The Senator from Kentucky stated a little while ago, in answer to a question of the Senator from Washington, that legally there would be no limit to the discretion of the President, even to the full amount provided by the bill.

Mr. BARKLEY. The Senator misunderstood me. I only referred to that part of the title which appropriates the amount for work and work relief. I did not mean that he would have the right to use any money provided in the other titles. That was only a legal and technical view.

Mr. POPE. Let me ask the Senator from Colorado if he does not think that the use of the word "emergencies" would so operate that the full amount could not be used. Yesterday one member of the committee, the Senator from South Carolina, said he interpreted the word "emergencies" to mean emergencies such as occur in a drought or in a flood or under unusual conditions. I cannot see that a depression, in which there are large numbers of unemployed, can be construed as an "emergency." So I will ask the Senator from Colorado if he does not agree with me that a very distinct limitation would be placed upon the discretion of the President by the use of the term "emergency"?

Mr. ADAMS. I will say, Mr. President, that that particular distinction does not especially interest me. If a man is hungry and cold, there is a personal emergency, and I do not imagine that the relief is going to be granted except in case of need. Need is an individual emergency.

Mr. KING. Mr. President——

Mr. ADAMS. I yield to the Senator from Utah.

Mr. KING. I ask if the joint resolution as presented to us does not provide $50,000,000 to be used for relief without reference to any allocation? There is an amendment here setting aside $50,000,000, as I understand, out of the $1,400,000,000, which will be deducted from the entire amount. So there will be $50,000,000 that may be used for direct relief.

Mr. ADAMS. I will say to the Senator from Utah that the suggestion I made to the Senator from Kentucky was that we eliminate the phrase "set aside in a separate fund", which is now in the measure. It seems to me that was an improper thing to do, and that we should not set aside a fund which could only be used for direct relief, even if it was not needed. The amendment the Senator from Kentucky has offered simply gives the authority to the relief administrators to use such amount as they find is necessary in order to meet the needs of people who cannot be cared for by direct relief.

Mr. KING. Mr. President, will the Senator yield for a question?

Mr. ADAMS. Yes.

Mr. KING. Would not that mean that we would have to use an expression I employed a few minutes ago, a club hanging over all the agencies that are to be provided for, so that they would not dare to make any plans for the expenditure of these various amounts, because at any moment the President might withdraw half a billion dollars or, for that matter, all of the $1,425,000,000 for relief, upon the ground, as contended by the Senator from Minnesota, that with four or five million men out of employment the President might say we will need it all?

Mr. ADAMS. I suggest two answers to that. The first is that if a project has been approved funds are allocated to it. The other is that I cannot assume that there is going to be an abuse of the power. After we have set aside this vast sum, and I cannot assume that the power is going to be abused so as to prevent the carrying out of the plans, that is, if $100,000 has been set aside for a project, I do not believe that the President is going to step in, and, after the work has proceeded part way, stop its completion in order to meet the other demand. I would go this much further, however, that if a condition of great need should develop and there were hungry and starving people by the million, I would, for one, let the President stop the construction of a project and feed the people through the medium of direct relief.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. ADAMS. I yield.

Mr. BARKLEY. The authority which I seek to confer by this amendment, which is a general authority and discretion, is the same the President has had in connection with all relief appropriations up to this time.

Mr. ADAMS. That is correct.

Mr. BARKLEY. He has not abused it. He has sought everywhere to give preference to work projects in order to put people to work rather than to bring about direct relief. But, as I said a while ago, and it has been confirmed by the Senator himself, there are and will be instances—we cannot tell how many of them—of men needing work in order to support themselves and the work may not be available; there may not be anything to do in the community that ought to be done in the way of a construction program; and yet the

needy ones cannot be transported to other counties or cities. They are to be taken care of, so they will not suffer, out of this appropriation, at the discretion of the President. I mention that, so that the Senator from Utah, who seems to think that the President might take all this money, $1,425,000,000 for direct relief, may understand that in the case of greater sums than that, with the same discretion and the same authority, the President has not abused the authority, but has only used it in cases of emergency.

Mr. ADAMS. I may say to the Senator from Kentucky that one criticism which has been directed at the Works Progress Administration has been due to the fact that there have been people in need, and under the policy that work projects must be provided, we have seen projects devised which we had difficulty in justifying. I would much rather see direct relief given than to enter upon the construction of useless and worthless projects.

Mr. BAILEY. Mr. President——

Mr. BARKLEY. Mr. President, I have no objection to putting a limitation on the amount carried in this amendment if anyone can suggest a wise limitation. The Senator from Michigan [Mr. VANDENBERG] yesterday offered a limitation of $150,000,000, and it was voted down. I do not like to be in the attitude of coming along today and offering a limitation of the same amount, and yet it may take that much.

In order, however, that the Senate may pass on the question of a limitation, I am willing to modify my amendment by inserting the words "not to exceed $125,000,000", so as to read:

The Works Progress Administration is authorized from time to time to use out of funds herein appropriated such amount or amounts as shall be determined by the President, not to exceed $125,000,000, to be necessary for the purpose of providing relief to needy persons—

And so forth.

Mr. McKELLAR. All right; let us vote.

Mr. BAILEY. Mr. President——

Mr. BARKLEY. I will modify my own amendment so as to include that limitation.

Mr. BAILEY. I had intended to offer an amendment to that effect.

Mr. BARKLEY. I do not want to take the amendment away from the Senator.

The PRESIDING OFFICER. The question is on agreeing to the modified amendment, in the nature of a substitute, offered by the Senator from Kentucky [Mr. BARKLEY] to the amendment reported by the committee.

The modified amendment to the amendment was agreed to.

The amendment, as amended, was agreed to.

Mr. BARKLEY. Mr. President, while there is a fairly good attendance of Senators, I think I ought to announce that if the Senate is willing, I expect to ask the Senate to sit continuously until sometime this evening, without any recess for dinner. I think we shall be compelled to do that in order to make progress.

We have spent four and a quarter hours here today with very little progress. If we are to conclude the consideration of this measure, I think the Senate ought to be willing to sit at night; and I shall ask the Senate to remain in session until some hour this evening which will be determined later.

AMENDMENT OF FEDERAL AID ROAD ACT—CONFERENCE REPORT

Mr. HAYDEN. I submit a conference report on House bill 10140, amending the Federal Aid Road Act, and I ask for its immediate consideration.

There being no objection, the report was considered and read, as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 10140) to amend the Federal Aid Road Act, approved July 11, 1916, as amended and supplemented, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 23, 24, 25, 26, and 28.

That the House recede from its disagreement to the amendments of the Senate numbered 1, 3, 4, 5, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, and 27, and to the amendment to the title; and agree to the same.

Amendment numbered 2: That the House recede from its disagreement to the amendment of the Senate numbered 2, and agree to the same with an amendment, as follows: In lieu of the sum proposed, insert "$100,000,000"; and the Senate agree to the same.

Amendment numbered 6: That the House recede from its disagreement to the amendment of the Senate numbered 6, and agree to the same with an amendment, as follows: In lieu of the sum proposed, insert "$15,000,000"; and the Senate agree to the same.

Amendment numbered 7: That the House recede from its disagreement to the amendment of the Senate numbered 7, and agree to the same with an amendment, as follows: In lieu of the sum proposed, insert "$15,000,000"; and the Senate agree to the same.

Amendment numbered 29: That the House recede from its disagreement to the amendment of the Senate numbered 29, and agree to the same with an amendment, as follows: At the beginning of said amendment, strike out: "Sec. 15.", and insert in lieu thereof: "Sec. 13"; and the Senate agree to the same.

Amendment numbered 30: That the House recede from its disagreement to the amendment of the Senate numbered 30, and agree to the same with an amendment, as follows: At the beginning of said amendment, strike out: "Sec. 16.", and insert in lieu thereof: "Sec. 14"; and the Senate agree to the same.

KENNETH MCKELLAR,
CARL HAYDEN,
J. W. BAILEY,
W. J. BULOW,
LYNN J. FRAZIER,
Managers on the part of the Senate.

WILBURN CARTWRIGHT,
LINDSAY C. WARREN,
WILL M. WHITTINGTON,
JESSE P. WOLCOTT,
Managers on the part of the House.

The PRESIDING OFFICER (Mr. MINTON in the chair). The question is on agreeing to the conference report.

The report was agreed to.

RELIEF AND WORK-RELIEF APPROPRIATIONS

The Senate resumed the consideration of the joint resolution (H. J. Res. 679) making appropriations for work relief, relief, and otherwise to increase employment by providing loans and grants for public-works projects.

The PRESIDING OFFICER. The next amendment reported by the committee will be stated.

The next amendment was, on page 6, line 5, after the numerals "$120,000" which were stricken out, to insert—

and (c) Department of Labor, United States Employment Service, $5,000,000.

Mr. McKELLAR. Mr. President, it will be noted that the item proposed to be inserted by the pending amendment is taken from page 5, line 17, where the appropriation made by the House was $1,500,000, and brought over here on page 6, and the amount is increased to $5,000,000.

Mr. President, we all realize that the Employment Service is a splendid thing if properly administered. I am not so sure that it is being properly administered. I desire to read a very short statement from page 281 of the Senate committee hearings.

Senator MCKELLAR. Who is the man in Tennessee?
Mr. PERSONS. Mr. Jessen.
Senator MCKELLAR. How do you spell that name?
Mr. PERSONS. J-e-s-s-e-n.
Senator MCKELLAR. Mr. Jessen?
Mr. PERSONS. Yes.
Senator MCKELLAR. Where is he from?
Mr. PERSONS. He was appointed by the State. I do not know.

While this testimony applies only to Tennessee, because I asked Mr. Persons only about Tennessee, the same thing applies to every other State in the Union.

Senator MCKELLAR. Well, you confirmed his appointment, did you not?

Mr. PERSONS. Well, we appointed him at $1 a year as the State reemployment service director. We thought he was the proper person in that State.

Senator MCKELLAR. You selected him as the man in charge of the State employment service?

Mr. PERSONS. He is the man now in charge of the State employment service.

Senator MCKELLAR. And you pay him $1 a year and he selects those on the list. That is the way it is done?

Mr. PERSONS. Undoubtedly.

Senator BYRNES. All of the men are in the State?

Mr. PERSONS. Yes.

Senator BYRNES. You avoid building up a separate organization from the State organization?

Mr. PERSONS. Yes; we have harmony; there is no duplication of effort.

Senator BYRNES. That is the purpose, in order to avoid any conflict within the State?

Mr. PERSONS. Yes. Otherwise we would have.

Senator HALE. You turn over a certain amount of your funds to the State directors, out of the $3,000,000, which goes to the States?

Mr. PERSONS. Senator HALE, we have appointed the present State director of the State employment service, to serve also as reemployment service director in Maine and to have charge of the State reemployment service in that State. He selects the men whom we approve, and they are put on the pay roll.

The remarkable thing to me is that in this instance we are appropriating a considerable sum for the purpose of reemployment, and yet the reemployment director here does not have the direct appointment of his own employees. He simply furnishes the money to employ the State employees, and he appoints them in that way. He seems not to have any authority over them. Nobody can doubt that a State employment service or a national employment service or reemployment service is a fine thing, and it ought to be carried out; but I am wondering if this is the proper way to do it.

Under those circumstances, I asked Mr. Persons to furnish me a list of the Tennessee employees who were thus appointed by Mr. Jessen, the State reemployment agent. Mr. Persons furnished the list. There are 268 of these employees who are paid by the United States Government, not employed by Mr. Persons, our Director, but employed by the State director. There are also 50 temporary employees, as they are called, making 318 altogether; and last year the service for Tennessee cost $451,948, nearly half a million dollars. It seems to me, to say the least of it, that that is rather a lackadaisical way of running this business. Four hundred and fifty-one thousand nine hundred and forty-eight dollars was spent for Tennessee last year.

Mr. BORAH. Mr. President——

Mr. McKELLAR. I yield to the Senator from Idaho.

Mr. BORAH. The Senator now is speaking to the amendment appropriating $5,000,000 for the Department of Labor?

Mr. McKELLAR. Yes; that is the one. There must have been a larger sum last year; otherwise, $451,948 would not have been expended for Tennessee.

Mr. BORAH. I should be glad if someone on the committee would give us an idea of what it is that calls for the appropriation of $5,000,000 for this purpose.

Mr. McKELLAR. I probably am not the one to answer the Senator's question, because I voted against the increase. I do not say that it may not be proper. I have not enough information to enable me to say that $5,000,000 may not be the proper sum. What I am doing is simply calling the attention of the Senate to the situation, so that they may do as they please about it.

To my mind, to have the United States Government put $5,000,000 into an agency here, and have the director of the agency simply turn over so much of the fund to various other agencies and let them pay salaries out of it, and apparently, judging from his testimony, not know very much about what is done, is a rather poor way to do a most important thing. I cannot imagine anything in this joint resolution which is more important than seeking and securing reemployment for persons who are now unemployed.

Mr. MILLER. Mr. President——

Mr. McKELLAR. I yield to the Senator from Arkansas.

Mr. MILLER. May I interject and call the attention of the distinguished Senator from Tennessee to the fact that on page 5 the committee struck out the provision of $1,500,000, and inserted it on page 6 under paragraph (7)——

Mr. McKELLAR. I made that statement at the very beginning of my remarks.

Mr. MILLER. With the intention of giving the United States Employment Service the right to select the employees of the W. P. A., the P. W. A., and the Bureau of Public Roads.

This is what we are doing according to the hearings, and according to Mr. Persons. I desire to call the attention of the Senate to this great coordinating board for which we have been appropriating money all day long, the National Resources Committee, and the National Employment Council, which we talked about yesterday, and the other board. This is what we are doing. The W. P. A., the P. W. A., and the Bureau of Public Roads cannot select the men to whom they furnish relief work until those men are certified by this other agency.

Mr. McKELLAR. Yes; that is true.

Mr. MILLER. That is where the $5,000,000 is going. The Employment Service asked for and obtained the approval of the Budget Bureau of $6,307,000 for that purpose. I think the committee did well to cut down the amount to $5,000,000.

Mr. McKELLAR. That was the very best that could be done. The committee differed with those of us who did not agree to it.

Mr. MILLER. If the P. W. A. is going to put men to work, would it not be better to have the P. W. A. determine the eligibility of the workers than to require them to go off to some reemployment agency and get a card or a certificate? That is what we are doing in this case. We can put a great many good men to work with this $5,000,000.

Mr. McKELLAR. Mr. President, I desire to call the attention of the Senate to the peculiar way in which these men are employed. There is a provision of the code, section 58, page 31, which provides:

> Unless otherwise specified thereto by law, no money appropriated by any act shall be available for payment to any person receiving more than one salary when the combined amount of said salary exceeds the sum of $2,000 per annum.

There are a great number of these salaries which exceed that. Evidently they are salaries of State employees. I do not know what the employees receive from the States. I am not advised.

There is another provision of the code, section 62, which provides:

> No person who holds an office the salary or annual compensation attached to which amounts to the sum of $2,500 shall be appointed to or hold any other office to which compensation is attached unless specifically authorized thereto by law.

Mr. President, I shall not undertake to argue the case. I voted for the amount appropriated by the House simply because the method provided seemed such a lackadaisical way, such an unbusinesslike way, of managing one of the most important features of this activity, perhaps the most important. I cannot imagine anything more important than the reemployment of persons out of work. I could not say what was done in my State last year, but there were 318 employees, and $451,948 was spent—268 regular employees, at a cost of $390,508; and 50 temporary employees, at a cost of $61,446. If these expenditures have resulted in the reemployment of a great many people, it has been a wonderful thing. I think reemployment is one of the most necessary matters with which we have to deal at this time.

So that the facts may be in the RECORD, I ask unanimous consent to insert a statement as to the personnel of the Tennessee State Employment Service as a part of my remarks.

There being no objection, the matter was ordered to be printed in the RECORD, as follows:

UNITED STATES DEPARTMENT OF LABOR,
UNITED STATES EMPLOYMENT SERVICE,
Washington, May 21, 1938.

Hon. KENNETH MCKELLAR,
United States Senate, Washington, D. C.

MY DEAR SENATOR MCKELLAR: I am transmitting with this letter a list of employees of the Tennessee State Employment Service, showing both regular and temporary employees. This list has been compiled from the latest information in our records.

There are at the present time no employees of the National Reemployment Service in Tennessee, with the exception of Mr. Paul Jessen, who, by virtue of his appointment as director of the Tennessee State Employment Service, holds a dollar-a-year appointment as State reemployment director for Tennessee.

Please call upon me if I can furnish any further information.

Very truly yours,

W. FRANK PERSONS, *Director.*

Personnel of the Tennessee State Employment Service

District and branch	Title	Salary per annum
Administrative:		
Adams, Edward Albert	Field supervisor	$2,700
Adams, Julian H	Research assistant	1,500
Benton, Virginia	Chief statistical clerk	1,680
Buhler, Lucille	Stenographer-clerk	1,500
Carlton, Florrie M	Secretary	1,800
Carpenter, Margaret D	Clerk-typist	1,080
Cloys, George C., Jr	Administrative assistant	2,880
Doxey, Elizabeth F	Stenographer-clerk	1,500
Duke, Cecil A	Training supervisor	2,700
Evans, Henry Clay, Jr	Reporting supervisor	2,400
Jessen, Paul T	Director	3,600
Love, Clarence E	Field supervisor	2,700
McWilliams, Mary A	Stenographer-clerk	1,500
Noah, Clyde R	Fiscal supervisor	2,400
Seigenthaler, Mary	Stenographer-clerk	1,500
Shepherd, Emmitt J	Chief supply clerk	1,680
Tipton, Inez M	Stenographer	1,200
Voss, Henry Taylor	Chief fiscal clerk	1,680
Chattanooga:		
Barger, Virginia H	Junior interviewer	1,380
Bloker, Henry S	Senior interviewer	1,680
Bowling, Kate R	Junior interviewer	1,380
Brandon, Nelle R. (paid from National Youth Administration).	Junior counsel	1,440
Clark, Norvon	Senior interviewer	1,680
Clift, Charlotte E	Stenographer	1,200
Davis, Mrs. Agnes Smith	Stenographer-clerk	1,500
Dudderar, George W	Junior interviewer	1,380
Elliott, Jenevieve L	Stenographer	1,200
Fry, Martin T	Reporting clerk	1,500
Griffith, Lester L	Clerk	1,200
Harper, Elizabeth S	Junior interviewer	1,380
Hurst, Albert L	do	1,380
Johnson, Stella	Stenographer	1,200
Jolly, Edgar L	Senior interviewer	1,680
Kolodkin, Molly C	Junior interviewer	1,380
L'heureux, Lucien D	Senior interviewer	1,680
Lucas, Harold E	Clerk	1,200
McKenna, Leona	do	1,200
Mahoney, John T	District manager	2,100
Merriam, Garnett D	Telephone operator	1,080
Porter, Frank Lee	Janitor	720
Quinn, Creed W	Junior interviewer	1,380
Ramsey, Sarah L	do	1,380
Richie, Nell C	Stenographer	1,200
Roberson, Gertrude	Senior interviewer	1,440
Robeson, Harold M	Junior interviewer	1,380
Scoggins, Pauline B	Receptionist	1,380
Shumacker, Sybil T	Senior interviewer	1,680
Siddall, Edwin R	do	1,680
Wheeler, Delia M	Stenographer	1,200
Wicht, Elizabeth B	Junior interviewer	1,380
Wright, George R	Senior interviewer	1,680
Cleveland branch:		
Hampton, Eula V	Stenographer	1,200
McLain, David P	Senior interviewer	1,680
Thomas, Isaac M	Junior interviewer	1,380
Walker, Georgia M	do	1,380
Tullahoma branch:		
Inlow, C. Lloyd	Senior interviewer	1,680
McManus, Nonie A	Stenographer	1,200
Vaughn, Myra Jane	Junior interviewer	1,380
Johnson City:		
Barton, Edith G	Senior interviewer	1,680
Brabson, Annie J	Junior interviewer	1,380
Burke, Elizabeth D	Stenographer	1,200
Brookey, Virginia E	Clerk	1,200
Downey, Herman E	Senior interviewer	1,680
Dykes, Katherine R	Stenographer-clerk	1,500
Horton, Joe Marshall	District manager	2,100
Mathes, Mildred C	Receptionist	1,380
McNew, Frank C	Stenographer	1,200
Ray, Mary I	Senior interviewer	1,680
Saylor, Blanche E	Stenographer	1,200
Sherwood, Arthur C	Senior interviewer	1,680
Taylor, Clarence W	do	1,680
Wininger, John M	Reporting clerk	1,500
Bristol branch:		
Clark, Russell B	Senior interviewer	1,680
Owen, Jack A	Junior interviewer	1,380
Perkins, Carrie M	do	1,380
Sherfey, Eleanor S	Stenographer	1,200
Elizabethton branch:		
Clark, J. C., Jr	Senior interviewer	1,680
Curry, Lila N	Junior interviewer	1,380
Starr, Dorothy Lou	Stenographer	1,200
Wallace, Louise F	Junior interviewer	1,380
Kingsport branch:		
Grizzard, Helen C	Clerk	1,200
Harold, Wm. M	Senior interviewer	1,680
Moneyhun, Hobart W	Junior interviewer	1,380
Nelms, Clara V	Stenographer	1,200
Reed, Charles C	Junior interviewer	1,380
Morristown branch:		
Clark, Shirley	do	1,380
Evans, Nancy A	Stenographer	1,200
Grigsby, Joseph A., Jr	Senior interviewer	1,680
Waddell, Ralph D	Junior interviewer	1,380
Knoxville:		
Bibee, Edith	Stenographer	1,200
Cain, Edward C	Senior interviewer	1,680
Carlock, Lula Lee	Stenographer	1,200
Cook, Raymond H	Junior interviewer	1,380

Personnel of the Tennessee State Employment Service—Continued

District and branch	Title	Salary per annum
Knoxville—Continued.		
Cox, Jeanette B	Junior interviewer	$1,380
Cummings, Lula Mae	do	1,380
Davis, Raymond H	Senior interviewer	1,680
Durbin, Lillian R	do	1,680
Edmondson, Rosalie	Junior interviewer	1,380
Firmin, Maynard V	Senior interviewer	1,680
Ford, Boyd Boaz	Junior interviewer	1,380
Frantz, Dorothy R	Receptionist	1,380
Garner, Gertrude	do	1,380
Gillenwaters, Margaret P	Private branch exchange operator	1,080
Glover, Roberta V	Stenographer	1,200
Hill, Zola Elizabeth	Clerk	1,200
Johnson, Kenneth N	Junior interviewer	1,380
Keough, Gladys M	do	1,380
Kirk, James H	do	1,380
Martin, Charles Hix (paid by National Youth Administration).	Junior vocational counsel	1,440
Morgan, Emily	Stenographer-clerk	1,500
Rhegness, Edward B	District manager	2,100
Robbins, Meredith	Senior interviewer	1,680
Roehl, James	Reporting clerk	1,500
Shouse, Albert F	Senior interviewer	1,680
Summitt, Sarah M	Stenographer	1,200
Switzer, Margaret E	Receptionist	1,380
Tryday, Mary F	Stenographer	1,200
Waddle, Robert H	Senior interviewer	1,680
Wilson, Warren R	do	1,680
Bowling, Mrs. Roberta G	Stenographer	1,200
La Follette branch:		
McCloud, Olive H	do	1,200
Miller, Paul Robert	Junior interviewer	1,380
Morse, George G	Senior interviewer	1,680
Loudon branch:		
Hill, Meredith R	Stenographer	1,200
McCormick, Christine C	Junior interviewer	1,380
Still, Wallace Burkman	do	1,380
Vineyard, S. Smith	Senior interviewer	1,680
Maryville branch:		
Adams, John H	do	1,680
Linginfelter, Jeanette	Junior interviewer	1,380
McMurray, Kathryn A	Senior interviewer	1,680
McNutt, Martha E	Stenographer	1,200
Rockwood branch:		
Blank, Kathleen	do	1,200
Martin, Howard G	Junior interviewer	1,380
Ramey, Hubert Oliver	Senior interviewer	1,680
Wilson, Mary Elizabeth	Stenographer	1,200
Memphis:		
Avery, Virginia T	do	1,200
Black, Edith E	Junior interviewer	1,380
Bolton, Idalea C., Jr	do	1,380
Boyd, Tom	Janitor and porter	720
Brown, Rozelle W	Receptionist	1,380
Brownins, Lunsford O	Clerk	1,200
Carter, Muriel A	Junior interviewer	1,380
Cobb, Jesse E., Jr	do	1,380
Collins, Joseph J	Senior interviewer	1,680
Cummings, Mabel	Telephone operator	1,080
Davis, Mary V	Stenographer-clerk	1,500
Dillard, Robert Y. W	Junior interviewer	1,380
Eastman, Harold Leroy	Receptionist	1,380
Farmer, William Otis	Junior interviewer	1,380
Friedman, Ike	Assistant district manager	2,100
Guinozzo, John J	Senior interviewer	1,680
Hale, Marion Hodges (paid by National Youth Administration).	Junior placement counsel	1,680
Henson, Ramon W	Clerk	1,200
Hurley, Ethel E	Stenographer	1,200
Jacobs, Bessie M	Receptionist	1,200
Jamerson, Louis W	Senior interviewer	1,680
Kirsch, Fred W	Reporting clerk	1,500
McDonald, May C	Junior interviewer	1,380
McElroy, Juluis D	do	1,380
McKinstry, Mary Ann	do	1,380
Morgan, Edwin L	Senior interviewer	1,680
Morris, Isabel H	do	1,680
Morriss, Woodward D	Junior interviewer	1,380
Nolan, Lola McKee	Senior interviewer	1,680
Norment, Emmett M	District manager	1,920
Owen, James Gibbs	Senior interviewer	1,680
Parker, Ruth	Receptionist	1,380
Parks, Jack Wallis	Clerk	1,200
Parsley, Rose Virginia	Stenographer	1,200
Perrow, Herbert E	Junior interviewer	1,380
Pope, Lida Mai	Senior interviewer	1,440
Sloan, Jessie I	Stenographer	1,200
Sparger, Lucille	do	1,200
Spencer, Katherine Sue (paid by National Youth Administration).	Junior counsel	1,440
Taylor, Clois M	Junior interviewer	1,380
Thornburgh, Neva T	Clerk	1,200
Waring, Robert Payne	Senior interviewer	1,440
Webb, Jessie T	Junior interviewer	1,380
White, Archie B	Senior interviewer	1,440
Winkler, Christmas P	Junior interviewer	1,380
Worthington, William W	do	1,380
Wright, Christine	Stenographer	1,200
Dyersburg branch:		
Pierce, William W., Jr	Junior interviewer	1,380
Price, Marjorie C	Stenographer	1,200
Robeson, Warren B	Senior interviewer	1,680

Personnel of the Tennessee State Employment Service—Continued

District and branch	Title	Salary per annum
Memphis—Continued.		
Jackson branch:		
Chester, James W	Junior interviewer	$1,380
Christopher, Mona P	Stenographer	1,200
Coppedge, McCoy O	Manager	1,980
Davis, Lillian P	Senior interviewer	1,680
Moore, Rachel Brooks	do	1,680
Taylor, Mary Alice	Clerk	1,200
Wilde, George William	do	1,200
Williamson, Jessie T	Junior interviewer	1,380
Paris branch:		
Morris, Herbert Brown	Senior interviewer	1,680
Smith, Conrid	Junior interviewer	1,380
Wilson, Louise McCall	Stenographer	1,200
Union City branch:		
Cloar, Virginia L	do	1,200
Cox, Talitha Katherine	Junior interviewer	1,380
Swearengen, James D	Senior interviewer	1,680
Nashville:		
Asher, Loubelle N	Receptionist	1,380
Bishop, Harry M	Senior interviewer	1,680
Cherry, Roger William	Reporting clerk	1,500
Clark, Mary E	Clerk	1,200
Dickerson, Guy William	Junior interviewer	1,380
Drew, Gladys Smith	Receptionist	1,380
Fort, Norman McL	Junior interviewer	1,380
Foster, Livonia	Senior interviewer	1,680
Fuller, Joseph L	Junior interviewer	1,380
Fulks, Martha Evelyn	Stenographer	1,200
Gleaves, James Albert	Junior interviewer	1,380
Goad, Robert O	do	1,380
Graves, Myra O	do	1,380
Harding, Joseph F	Porter	720
Harwood, Leone Barry	Junior interviewer	1,380
Higgs, John C	Senior interviewer	1,680
Hopkins, John Walter	Clerk	1,200
Isaacs, Bertha L	Junior interviewer	1,380
Jordan, Lillian B	do	1,380
Knopp, Herbert W	Senior interviewer	1,680
Law, Flora M	Junior interviewer	1,380
Leath, Whitelaw R	District manager	1,920
Logue, Elizabeth	Stenographer-clerk	1,500
Loventhal, Esta M	Stenographer	1,200
Matthews, Andrew L	Junior interviewer	1,380
McKelvey, Josephine	Senior interviewer	1,440
Miller, William A	Assistant district manager	2,100
Minor, Marilee S	Senior interviewer	1,680
Phillips, Elsie Y	Receptionist	1,380
Reese, Polly	Junior interviewer	1,380
Robinson, Lucy M	Senior interviewer	1,680
Slaton, Daniel F	Junior interviewer	1,380
Spain, Bernard E	Clerk	1,200
Stultz, Jewel	Stenographer	1,200
Sugg, Margaret H	do	1,200
Thackston, Guy C	Senior interviewer	1,680
Ulrich, Paul	Junior interviewer	1,380
Wade, Willis C	do	1,380
Walker, Leona	Stenographer	1,200
Ward, Lillian R	Telephone operator	1,080
Weiss, Gladys L	Receptionist	1,380
Clarksville branch:		
Cooper, Carl Altman	Senior interviewer	1,680
McMurray, Laura E	Junior interviewer	1,380
Smith, Ruth E	Stenographer	1,200
Columbia branch:		
Akin, Henderson E	Reporting clerk	1,200
Burns, John Ross	Junior interviewer	1,380
Hume, Martin O	Senior interviewer	1,680
Johnson, Henry	Janitor (part time)	208
Oliver, Charles	Senior interviewer	1,680
Padgett, John B	Manager	1,980
Richardson, Roland	Junior interviewer	1,380
Springer, James B	Senior interviewer	1,680
Stanley, Hilda W	Stenographer	1,200
Thomson, Mary Laita	Junior interviewer	1,380
Witherspoon, Kate E	Stenographer	1,200
Cookville branch:		
Goodpasture, Hugh L	Senior interviewer	1,680
Morre, Mary K	Stenographer	1,200
Paris, Helen Lucille	Junior interviewer	1,380
McMinnville branch:		
Barnes, Beulah L	Stenographer	1,200
Overall, Juanita G	Junior interviewer	1,380
Young, Cordell Douglas	Senior interviewer	1,680
Murfreesboro branch:		
McBurnett, Roc	do	1,680
McKnight, Lorena N	Stenographer	1,200
Travis, John A	Junior interviewer	1,380
Shelbyville branch:		
Bass, Ruth K	Senior interviewer	1,680
Dickerson, Mary Ellen	Stenographer	1,200
Turpin, Ernest Lee	Junior interviewer	1,380
Springfield branch:		
Andes, Howard P	Senior stenographer	1,680
Draughon, Vernie V	Stenographer	1,200

TEMPORARY PERSONNEL

Chattanooga:		
Anderson, Evelyn	Junior interviewer	$1,380
Chapman, Dixie T	Clerk	1,200
Duncan, Dorothy	do	1,200
Graham, Peggy M	Stenographer	1,200

Personnel of the Tennessee State Employment Service—Continued

District and branch	Title	Salary per annum
Chattanooga—Continued.		
Hill, Mary Rankin	Junior interviewer	$1,380
Slabosky, David	Senior interviewer	1,680
Stump, Leonard	Clerk	1,200
Williams, Alexander W., Jr	do	1,200
Cleveland:		
Fisher, John W., Jr	do	1,200
Hayes, Gertrude M	do	1,200
Walker, Mary Cate	do	1,200
Tullahoma: Haynes, Jonathan L., Jr.	Junior interviewer	1,380
Johnson City:		
Kingsport: Roller, Ethel	Clerk	1,200
Morristown:		
Gamble, James V	do	1,200
Russell, Frances Elizabeth	do	1,200
Knoxville:		
Buffat, Neil	do	1,200
Dunn, Ann	do	1,200
Henderson, Blaine F	do	1,200
Kuhlman, Fred	Junior interviewer	1,380
McInturff, Mary Nell	Clerk	1,200
Norton, Homer C	do	1,200
Rohde, Henry C	do	1,210
Loudon: Rector, Manning W	do	1,200
Memphis:		
Allen, Florence	do	1,200
Coffland, Marie	Stenographer	1,200
Derryberry, Mary L	do	1,200
Estes, Joseph E	Clerk	1,200
Mast, Eileen M	Stenographer	1,200
Miranne, Wilbert Frederick	Clerk	1,200
Reeves, Horace M	do	1,200
Saviore, Thomas A	do	1,200
Jackson:		
Campbell, Amy Jo	do	1,200
Heavner, Margaret	do	1,200
Tracy, Alma M	Junior interviewer	1,380
Paris: Bonds, Vernon L	do	1,380
Nashville:		
Berry, Mildred	do	1,380
Bianco, Rosa	Clerk	1,200
Burton, Herman	do	1,200
Carter, John E	do	1,200
Chandler, Frances	Junior interviewer	1,380
Coker, M. L	Clerk	1,200
Dillon, Robert E	Junior interviewer	1,380
Reasoner, Asalee	Clerk	1,200
Reckless, Martha W	Junior interviewer	1,380
Thibodeau, J. U	Clerk	1,200
Columbia: Edwards, Lorena A	do	1,200
Cookeville:		
Thompson, Callie H	Junior interviewer	1,380
Whiteaker, Fannie Ruth	do	1,380
Dickson: Elliott, Sara	Stenographer	1,200

Mr. HAYDEN. Mr. President, on behalf of the committee I should like to say, first, that the appropriation was transferred from lines 17 and 18, on page 5, to lines 5 and 6, on page 6, because in the place proposed by the House of Representatives the United States Employment Service could only be used to place men with the Works Progress Administration, whereas its function has been all through the depression to provide lists of men eligible for employment not only on W. P. A. projects but on all public employment. Therefore the committee recommends this transfer to a place in the joint resolution where its services would be available to all the agencies of the Government which heretofore utilized this service.

The three agencies which have made the greatest use of the United States Employment Service are the Works Progress Administration, the Public Works Administration, and the Bureau of Public Roads in the expenditure of emergency highway funds.

Mr. MILLER. Mr. President, will the Senator yield?

Mr. HAYDEN. I yield.

Mr. MILLER. I think the Service is rendering great help to the unemployed of this country, and I am aware of the fact that the contracts for public works usually carry a provision that the employees shall be selected as far as possible from a list furnished by the National Reemployment Service.

Mr. HAYDEN. The only exception is where union labor is employed. Then the employee may be selected directly from the union, but so far as all unskilled labor is concerned throughout the United States, the only way a common laborer can secure employment on public works is by having his

name on the United States Employment Service list. The contractor goes there to get his men.

Mr. MILLER. That is true, and I have no objection to that; but I desired to ask the Senator about another matter. He has taken a leading part in the formation of the bill. In the construction of public roads or any other roads by contract where the clause to which I have referred is inserted in the contract——

Mr. HAYDEN. It is so provided in all public-works contracts.

Mr. MILLER. I know it is in all public contracts; is it necessary that a man be eligible for reemployment before he can possibly obtain employment, under the Senator's construction of the contracts?

Mr. HAYDEN. The provision of the contract is that the man must have gone to a United States employment agency, listed himself there and given his qualifications. If the contractor says he wants a certain type of labor, the employees in the local office of the United States Employment Service will look over the list and submit the names of the men qualified to do the kind of work desired. From the names so submitted the contractor selects his employees. That gives every man seeking work an even break.

Mr. MILLER. So far as the W. P. A. is concerned, I doubt the advisability of the National Reemployment Service participating.

Mr. HAYDEN. I cannot agree with the Senator.

Mr. MILLER. Because, after all, that work is let on the proposition of local need and local conditions.

Mr. HAYDEN. The condition of employment on the Works Progress Administration jobs is that a man shall have been certified by the local or State authorities as in need of relief. He has to be on a relief roll. When he is placed on the relief roll, at the same time he is placed upon the list of the Employment Service. The determination of whether or not his family is in want and needs relief is a matter determined by the State relief authorities. The man's qualifications for a job, that is to say, whether he really is a carpenter or a bricklayer, or is merely qualified to carry a hod or run a wheelbarrow, is a matter of classifying him which must be undertaken by the Employment Service, and he is so classified on its list. Then, when there is work to be done which fits the qualifications, the men able to do it are quickly found.

Mr. MILLER. That is the distinction of which I was not aware. The point I was insisting on was that the W. P. A. should determine the eligibility of those being classified for work relief.

Mr. HAYDEN. That has never been done from the very beginning, because to do so would put the burden of deciding upon some Federal official as to whether or not in every community particular men should obtain jobs. Just as in the case of the selective draft during the World War, that is something a man's own neighbors should pass upon.

Mr. MILLER. After all, the final arbiter is the W. P. A.

Mr. HAYDEN. Certainly. The Works Progress Administration has its own men to carefully investigate and determine whether or not the representations made by the State authorities are correct. They check and recheck the findings of the local and State authorities.

As to the size of the appropriation, it is conceded that the United States Employment Service has been engaged for the past 5 years in doing this kind of work. When we were at the peak of Federal employment expenditures a year or more ago, when we were not only engaged in heavy expenditures under the Works Progress Administration, but when we were also carrying on a large public works program, there was an appropriation of $13,000,000 to carry on this service. The Budget sent up an estimate for the portion of the fiscal year covered by this joint resolution in excess of the amount the committee authorized. The committee was of the opinion that instead of $6,300,000, as estimated by the Budget, the Employment Service could get along until Congress shall meet again with $5,000,000, and that is the minimum amount with which results can be accomplished. To cut it down to a million and a half would mean that the necessary service would not be rendered.

Every contractor in the United States is accustomed to utilizing this service and knows just where to go when he gets a public-works contract. Congress is now setting up a great public-works program. If we do not make this appropriation, we will disturb conditions throughout the country, so that contractors will not have any place to go to get men to whom they desire to give employment. Men seeking employment will have no place to register for employment. Instead of proceeding smoothly by putting people to work quickly, there will be confusion throughout the United States, there will be labor difficulties, there will be complaints that the purpose of Congress in making these large appropriations is not being carried out. When Congress is appropriating such vast sums as are contained in this joint resolution, why should we not set aside $5,000,000 to see that people who need work get work in the regular way to which they have been accustomed?

The Committee on Appropriations, therefore, was fully justified in allowing this sum of money, and in my opinion the Senate should approve the amount. It is not enough to carry the work on for a full year. The head of the Employment Service very frankly said:

> We do not know how fast this new relief program will start. I believe that with the Budget estimate of $6,300,000 we can carry on until Congress meets again.

The committee said:

> Perhaps you can get along with $5,000,000.

And that is the amount we placed in the bill. That is the minimum. It cannot be below that. If more money is needed, it can be provided next January.

Mr. KING. Mr. President, if the Senator will permit me, have not all the States had for years employment organizations set up for the purpose of looking after the unemployed; very efficient organizations? I have been in New York, and I know that a number of years ago they had a very efficient organization of that kind. I know that we had one in my State, and there were such organizations in other States before the present situation developed.

It seems to me there has been no retrogression in the efficiency of the organizations set up in the States. On the contrary, they have increased in the facility with which they have handled matters, and are more efficient than they ever were before.

Mr. HAYDEN. Recognizing that the State employment organizations are efficient, Congress passed what was known as the Wagner Act, and pursuant to that act every year Congress appropriates $4,000,000, and $3,000,000 of the $4,000,000 is immediately turned over to the excellent State organizations the Senator has described. That leaves but $1,000,000 for the United States Employment Service to engage in all its varied activities throughout the United States.

The duties of that organization and the duties of these State employment services in normal times are to list men, not to find work with the Government, but to find work with private employers. That is the function of an employment service in normal times. Now we are in an emergency, to meet which the Federal Government appropriates many billions of dollars. The question then is, Who is going to get this work for which Congress is appropriating the money? There must be some segregation; there must be some supervision; there must be some determination of who is the worthy person to get the job, and not give the work to someone who does not need it. That is the reason why, when we were at the peak of our public-works and W. P. A. programs of a year ago, we were spending $13,000,000 for this service, and that is why the United States Employment Service cannot get along with less than $5,000,000 between now and next February.

Mr. WAGNER. Mr. President, my only excuse for saying anything is that I was one of the sponsors of the enactment which brought about the establishment of the Employment Service. I am very much interested in the success of its operation. I remember that during the winter of 1934, I

think it was, when we had the C. W. A., Mr. Hopkins and others in authority stated that without the aid of this coordinated system which we call the United States Employment Service, they could not have mobilized those men and women who needed employment in the different communities. If Senators will remember, a very serious situation existed at that time, and in a period of about a month, I think it was, there were registered in the different employment exchanges throughout the country over 8,000,000 men and women, and the fact that those 8,000,000 men and women were speedily given employment alleviated a very serious situation.

I am sure that the W. P. A. officials will tell Senators that without the services of the employment exchanges, which, by the way, are State institutions performing State functions, to which the Federal Government makes a contribution—that is, the Federal Government matches the amount which the States contribute toward the service—they would be unable to make the necessary investigations to see to it that those really in need secure employment.

Mr. McKELLAR. Mr. President, will the Senator yield?

Mr. WAGNER. I yield.

Mr. McKELLAR. According to the statement made by Mr. Persons, the Government pays the entire salaries of the employees, with the exception of one man and he is the head of the department in the particular State to whom the Government pays only one dollar.

Mr. WAGNER. The Government pays the salary of the Federal supervisors, but the service itself, the employment exchanges, are State institutions manned by State employees for placement service.

Mr. McKELLAR. But the employees are paid entirely by the Government.

Mr. WAGNER. Not all of the employees.

Mr. McKELLAR. Mr. Persons so stated.

Mr. WAGNER. I am sure he did not intend to say all the employees.

Mr. McKELLAR. If the Senator will look at his testimony, he will see that he so stated.

Mr. WAGNER. But the Federal Government supplies the employees who do supervisory work. It may be this particular and exceptional service may be paid by the Federal Government.

For the information of the Senate, let me present the record of the United States Employment Service during the 4½ years of the existence of this organization. In the 4½ years of operation a total of 55,000,000 applicants, including reapplicants, were registered for jobs by the public employment officers throughout the country. During this period the public employment officers have made almost 22,000,000 placements. The W. P. A. could not have operated successfully without this service. In the operation of this system particular attention has been given to the needs of veterans. More than 2,000,000 veterans have been placed in jobs throughout the public employment service, not counting the placements made on relief jobs before July 1935. Earlier placement work of the public employment office was carried on largely in connection with various phases of the public-works program. That too could not successfully operate without this service. But in more recent times placements in private industry have predominated. During the calendar year 1937 over 2,353,000 private placements have been made.

Mr. LUNDEEN. Mr. President, will the Senator yield?

Mr. WAGNER. I yield.

Mr. LUNDEEN. The record of placement of veterans covers what period of time? I presume it covers the time from the beginning of the service, whatever that was?

Mr. WAGNER. The service has been in existence 4½ years.

Mr. LUNDEEN. I thank the Senator.

Mr. WAGNER. So I think it would be very unfortunate and would very much cripple the service of the placement of needy individuals with the W. P. A. if this amendment were defeated.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment on page 6, line 5.

The amendment was agreed to.

The PRESIDING OFFICER. The committee amendment on page 3, line 8, which was passed over, will be stated.

The CHIEF CLERK. On page 3, line 8, it is proposed to strike out "$575,000,000" and insert "$655,500,000."

Mr. FRAZIER. Mr. President, yesterday I offered an amendment in behalf of my colleague the Senator from North Dakota [Mr. NYE], who is absent, with respect to the provision of page 3, line 8. I now withdraw the amendment which I offered on behalf of my colleague.

The PRESIDING OFFICER. The amendment offered by the senior Senator from North Dakota on behalf of his colleague is withdrawn.

The question is on agreeing to the committee amendment on page 3, line 8.

The amendment was agreed to.

The PRESIDING OFFICER. The committee amendment on page 2, line 3, which was passed over, will be stated.

The CHIEF CLERK. On page 2, line 3, it is proposed to strike out "$1,250,000,000" and to insert "$1,425,000,000."

The PRESIDING OFFICER. The Senator from Minnesota [Mr. LUNDEEN] has offered an amendment to the committee amendment on page 2, line 3, which will be stated.

The CHIEF CLERK. On page 2, line 3, it is proposed by Mr. LUNDEEN to strike out "$1,425,000,000" and to insert in lieu thereof "$4,425,000,000."

EVERY MAN HAS THE DIVINE RIGHT TO WORK. IF HE CANNOT FIND WORK IN PRIVATE INDUSTRY, IT IS THE DUTY OF GOVERNMENT TO CREATE WORK

Mr. LUNDEEN. Mr. President, back in 1932 the Senator from Wisconsin [Mr. LA FOLLETTE] asked that $5,000,000,000 be appropriated for public works. As I remember the RECORD, that was not done. In 1933 the Senator from Wisconsin again came forward with a proposal asking for $10,000,000,000. So the figures proposed in my amendment, which may seem large, are not so large when compared to figures which have already been proposed by the Senator from Wisconsin.

PROVIDING $10,000,000,000 FOR PUBLIC WORKS

Mr. President, it is pretty generally agreed among many students of political economy that had the amendment providing for $10,000,000,000 proposed by the Senator from Wisconsin in 1933 been adopted, perhaps we would not find ourselves in the difficulty we are in today. In the past we did not have a plan, we did not have blueprints, we did not have the engineering data planned which would give employment to people. Soundings for foundations for dams, and blueprints drawn, and engineering data furnished take time. Had we engaged in such work back in 1932 and 1933, we would have aided the situation today.

THE NATION

I have before me a statement which appears in the May 28, 1938, issue of The Nation, which states:

> Even with the spending program, people today are starving—in Chicago, in Cleveland, all over the country.

Perhaps The Nation is too progressive or liberal or radical, so we will turn to last night's Evening Star.

Mr. CONNALLY. Mr. President, will the Senator yield?

Mr. LUNDEEN. I yield.

Mr. CONNALLY. I am very greatly interested in the statement of the Senator that someone reports that people are actually starving in Chicago and in Cleveland. I wonder if the Senators from Illinois really would not know if such were the case, or, if there are people actually starving in Cleveland, if the Senator living there [Mr. BULKLEY] would not be concerned and do something about it. I cannot conceive that people are actually starving anywhere in America. If they are, we ought to do something about it, and do that quickly.

Mr. LUNDEEN. The Senator has stated that very well. There should be something done, if what is set forth in these articles is true.

Mr. CONNALLY. On what authority does the Senator make the statement?

Mr. LUNDEEN. I am reading from an editorial from The Nation of May 28.

Mr. CONNALLY. Is that published in Cleveland or Chicago?

CITIZENS SLEEPING IN THE OPEN AND STARVING

Mr. LUNDEEN. I think it is published in New York. I wish to say that if that statement appears to be too strong or too radical, or whatever we may call it, let us quote from last night's Star, of date May 31, 1938, in an article called "The Political Mill," by G. Gould Lincoln, in which he says:

There are more millions of unemployed today than there were last year—or even during the Hoover administration. There has been a tremendous falling off in industrial production along many lines.

That statement is from the Washington Evening Star of yesterday.

I have before me a report by Gov. Herbert H. Lehman, of New York, dealing with public relief for transient and nonsettled persons in the State of New York. The report deals with persons sleeping in the open, and starving. The report shows the utter inadequacy of the present program of relief in the joint resolution. I ask that there may be printed in the RECORD table II, on page 26 of that report.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

TABLE II.—*Census of homeless persons in New York City, Apr. 1, 1936* [1]

	Transients	Locals	Under 21	Total
Independent city-owned rapid-transit lines	141	318	21	459
B. M. T. rapid transit lines	306	383	61	689
Interborough Rapid Transit Co. lines	610	953	63	1,563
Subtotal	1,057	1,654	145	2,711
Public parks in all boroughs	476	973	142	1,449
Sleepers in 245 abandoned buildings in all boroughs	194	418	67	612
Police reports from all precincts in all boroughs	338	427	51	765
Sleepers in ferry houses and on properties adjoining	35	22	4	57
Sleepers under bridges, etc. (department of plant and structures)	4	79	4	83
Railroad stations, terminals, and bus stations	35	59	7	94
Markets and immediate vicinity (loiterers)	16	36	0	52
Total	2,155	3,668	420	5,823

[1] Census covered the places indicated in the table. Conducted under the auspices of the men's division of the emergency relief bureau between the hours of 12:01 and 6 a. m. with the cooperation of (1) the departments of police, fire, tenement houses, and parks; (2) the Longshoremen's Union; and (3) the transit lines.

Mr. LUNDEEN. In table II of the report, concerning New York City, there occurs the statement that only one-fifth of the abandoned buildings in the city have been surveyed for the purpose of a census. There was a census made concerning unemployment, and the general situation in the city.

UNEMPLOYMENT MUST COME FIRST

The statement I am making now, Mr. President, is made in no hostile attitude toward the administration or toward anyone else. I want to go along and do everything I possibly can as a Senator to aid relief, and to aid the unemployed. However, I wonder whether we are proposing to do enough. I realize that any statement I might make would be the statement of a person not expert in figures. Therefore I shall base whatever I say not merely on newspaper extracts and the report of Governor Lehman, but upon the testimony of Harry Hopkins, beginning on page 149, and running through pages 150, 151, 152, 153, and part of 154. The statement is brief, and I ask that it be included in the RECORD at this point.

There being no objection, the statement was ordered to be printed in the RECORD as follows:

ABOUT 600,000 CERTIFIED FOR W. P. A. NOT EMPLOYED

Senator BYRNES. Do you know how many have been certified by the various agencies at this time who have not been passed upon?

Mr. HOPKINS. About 600,000 that they have certified as in need and they state are employable.

Senator BYRNES. You do not mean to say, though, that you have not passed upon some of those people constituting that 600,000?

Mr. HOPKINS. They move through our office every day.

Senator BYRNES. You do not contend that you are able today to give a job out of the funds available to every person certified as eligible and deemed by you to be eligible?

Mr. HOPKINS. No. We have approximated that number.

Senator BYRNES. What I wanted to get at is your best estimate of the number who are on the rolls certified as eligible, as approved by you and eligible and have not been able to secure work on your work-relief projects.

NEARLY 600,000 OR 500,000 PLUS NOT PROVIDED FOR

Mr. HOPKINS. I would discount that 600,000 by about 12 or 15 percent—say 500,000; that would be about right.

Senator BYRNES. Your deductions then would result in a reduction of 10 or 12 percent?

Mr. HOPKINS. About 15 percent.

Senator BYRNES. I think that is an important factor.

Senator ADAMS. Mr. Hopkins, if the appropriation goes through as it stands, would that enable you to take up this entire load?

Mr. HOPKINS. Well, I would like to say one or two things before going into that.

Senator TOWNSEND. Just let me ask one more question right there.

Mr. HOPKINS. Yes, sir.

Senator TOWNSEND. I think you testified before Senator BYRNES' committee that as to every man who was employable you were able to give him a job, offer him a job, did you not?

Mr. HOPKINS. No; I said in a great many cities, where rumors were that we were not offering a job to every employable person, that we actually were.

JOBS NOT GIVEN ALL UNEMPLOYED

Senator TOWNSEND. Maybe I misunderstood you. I was there. And I understood you to say that you were offering a job to every employable every day.

Mr. HOPKINS. No, sir; I did not.

MILLIONS UNEMPLOYED

Senator BYRNES. What is the condition today as compared with the date you were testifying?

Mr. HOPKINS. Well, from the time I testified before your committee, Senator, and even as of the time a week or 10 days ago, or 2 weeks ago, when I was testifying before the House committee, it is my judgment that the relief problem in terms of unemployed people, projecting this simply for the next few months, is even more serious than I had contemplated.

In general, the problem is a serious one. There are about 800,000 people receiving unemployment insurance benefits today. After the benefit periods come to an end many of those people will come to us. Furthermore, there has just occurred a drop in private employment of from three to four million over a few months' period. The speed with which that drop occurred was probably unprecedented.

RESOURCES OF UNEMPLOYED GRADUALLY EXHAUSTED

Now, some of those people who were thrown out of work may have resources that will carry them for months; but if they do not get back into private employment at the end of 3, 4, 5, or 6 months many have to go to the local relief offices for aid. Taking the lowest of the unemployment estimates, there are about 10,000,000 out of work, and the other estimates run up to over 12,500,000.

Even if a million and a half people go back to private employment during the next 7 or 8 months—and that is a very large number to be reemployed in such a short period of time—we are still left with a relief situation in the coming months that is serious, and I do not want to be the one to underestimate it.

Senator TYDINGS. Mr. Hopkins, I do not want to interrupt your statement, but I would like to call your attention to a study recently made by the Department of Commerce called National Income, 1929–35, inclusive, which is quite a comprehensive study, in which there is broken down the income from manufacturing, transportation, public utilities, agriculture, finance, mining, and so on.

PRIVATE BUSINESS PAID OUT $20,000,000,000 MORE FROM ITS RESOURCES THAN IT TOOK IN

I have been reading that study pretty carefully, and as near as I can estimate it from the charts and information there, which is very complete, since 1929, beginning in 1929 and on down to and including 1935, private industry has paid out, roughly, $20,000,000,000 more than it has taken in from its reserves. That is in all lines of activities.

This thought comes to mind in line with what you have just said—this study is very comprehensive and very much in detail: If private industry has been carrying a load of $20,000,000,000 in that 6-year period, or 7-year period, in addition to what the Federal Government has contributed, private industry from now on must not have the money to keep on paying out more than it is taking in; and if my surmise is correct—I do not have the figures, and the study does not show the amount of reserves still remaining—you are going to reach a point where the load that private industry formerly carried can no longer be carried by private industry. In other words, private industry has paid out more in pay rolls than has the Federal Government in relief since the beginning of the depression.

MANY PRIVATE CORPORATIONS NO LONGER ABLE TO CARRY MEN ON PAY ROLLS—RESERVES LOWERED OR EXHAUSTED

Mr. HOPKINS. That may well have contributed to the rapid drop in private employment.

Senator TYDINGS. Yes; they could not do it any longer.

Mr. HOPKINS. Some undoubtedly could not.

Senator TYDINGS. Have you seen that study, Mr. Hopkins?

Mr. HOPKINS. Yes, sir.

Senator BYRNES. Returning to those figures, Mr. Hopkins, you estimate, then, that you have 500,000 certified as eligible without jobs. The amount of this estimate, as I understand it, provides for furnishing jobs to the same number of people you have upon your projects as of about 2 weeks ago; is that right?

Mr. HOPKINS. Senator, it would enable us to employ an average of 2,600,000 over a period of 7 months.

Senator BYRNES. 2,800,000 a month? How many have you got this month?

NUMBER POSSIBLE TO EMPLOY UNDER BILL

Mr. HOPKINS. About 2,600,000 on W. P. A. projects.

Senator BYRNES. I notice in the written statement you submitted to the House you estimated that your load might go up to 3,000,000 or 3,100,000 in the winter months.

Mr. HOPKINS. Yes; but that still leaves an average of 2,800,000, if we get any breaks this summer. I must say that prospects for this summer are not as hopeful as they were a little while ago.

Senator BYRNES. According to your statistics, according to your figures which you had when this matter was first discussed about 2 weeks ago, 2,600,000 was the estimate.

Mr. HOPKINS. The estimate was upon a continuance over the 7 months of an average number of 2,800,000.

Senator BYRNES. Now, I understand you to say, as a matter of fact, you could provide out of these funds for 2,800,000.

Mr. HOPKINS. An average of 2,800,000.

INCREASED EMPLOYMENT CAN BE PROVIDED FOR

Senator BYRNES. You could provide for an increase then of 200,000.

Mr. HOPKINS. That is right.

Senator BYRNES. As of this date.

Mr. HOPKINS. That is right.

Senator BYRNES. It would not be necessary for you to provide for 500,000, but it might be necessary to provide for that many additional men in August or September.

Mr. HOPKINS. That is right.

Senator BYRNES. And your opinion is, averaging it from now to February 1, the amount carried in the bill will provide for the average which you give here.

Mr. HOPKINS. It would provide for an average of 2,800,000.

Senator BYRNES. Two million eight hundred thousand.

HARRY L. HOPKINS EMPHASIZES SERIOUSNESS OF WORK PROBLEM

Mr. HOPKINS. I want to say that I have been trying to project relief needs for this committee for 5 years. It is not possible always to be completely accurate with respect to the future. I certainly did not foresee the sharp decline that was coming last fall. I do not know anybody else that did guess it.

I simply want to try to impress upon you the seriousness of the problem and the difficulty of projecting the need on an exact basis. I have complete conviction about the needs of these people; complete conviction about it.

This relief problem changes with great rapidity. The relief situation a month from now may be far more serious than I think it is going to be. As a matter of fact, I think the picture, so far as relief is concerned, is not so good now as it was 2 weeks ago. I am assuming that employment is going to get better, and that this bill will help.

GOVERNMENT STIMULATION OF PURCHASING POWER

Senator TOWNSEND. Partly due to Government spending?

Mr. HOPKINS. Partly due to Government stimulation of purchasing power. I have testified both before Senator BYRNES' committee and the House committee that I have no illusions on the proposition that public spending of and by itself will do this job, because I do not think it will. Unless you get private money moving into this thing there simply cannot be a proper volume of private employment; but I think it will accomplish some essential things if it is done quickly and promptly; but I do not want you to think that I am overconfident about this relief situation. I do not want, on the one hand, to overstate the problem. On the other hand, I want to be sure I am not understating it. I feel a great responsibility for presenting this thing accurately to you, since the well-being of millions of people who have no other resources depends on the action of Congress.

ROLLS INCREASING EVERY WEEK BY 30,000

The figures, as I see them, speak for themselves. This appropriation to the W. P. A. will permit the employment of an average of 2,800,000 people. Our rolls are increasing every week by 20,000 or 30,000.

Senator BYRNES. Let us stop right there. Instead of assuming, let us take the figures. You say that you have 500,000. If your assumption did not turn out to be correct and you had that number to take care of between now and the time Congress convenes, is there enough money provided for the W. P. A. to do it?

Mr. HOPKINS. No. The favorable factor in it, Senator, is that we ought to get some breaks now on a seasonal basis, that is, a sizable number should be leaving W. P. A. projects for private employment, thus making room for others.

Senator BYRNES. But, I want to know what you are going to do if this bill passed in its present form and you have got 500,000 men that you say have not been cared for. Are you going to take the necessary funds at this time to put them to work immediately or are you going to maintain the same number that you now have and apportion it throughout the months?

Mr. HOPKINS. Senator, if we do not experience a favorable seasonal movement and if the situation continues to remain as it is now and the pressure is as it is now, we are going to continue to increase this thing to the limit so far as we can.

Senator TOWNSEND. What do you mean by "limit"?

Mr. HOPKINS. We could run this thing to 2,800,000 and keep within the appropriation.

AVERAGE OF 2,800,000 LIMIT OF W. P. A. UNDER THE BILL—THAT LEAVES MILLIONS OF CITIZENS STILL UNEMPLOYED AND STARVING

Senator BYRNES. If you are going to do it, do you not think that it ought to be done immediately? If your objective is to help this situation, what you are going to do should be done now instead of arranging to spend the money a year and a half from now.

Mr. HOPKINS. Senator, I am not talking about this problem in terms of the W. P. A. appropriation alone.

Senator BYRNES. That is not in your title of the bill.

Mr. HOPKINS. No; it is not.

Senator BYRNES. If Congress saw fit to give you this money, I want to know whether you would tackle this problem immediately. I think, my own opinion is, that whatever funds are appropriated should be made immediately available, and if you are going to do anything about this thing, I would like to know what plans you have in mind. Would you do it right now?

Senator TOWNSEND. We could put a half a million people to work in the next 5 or 6 weeks.

Senator ADAMS. Senator Byrnes, this bill as I recollect does make the money immediately available, does it not?

Senator BYRNES. I have some doubts about it. Of course in that connection I have been figuring on an amendment. I want to find out about it.

NECESSARY FUNDS MUST BE MADE AVAILABLE NOW—SOME DAY IT MAY BE TOO LATE

Senator ADAMS. That occurs to me to be so from the first section there. The usual proviso is to make funds available at a certain time and the time is set.

Senator BYRNES. And they would be available from the date of approval if that were not provided.

Senator MCKELLAR. And remain available until June 30, 1939.

Senator BYRNES. There are a number of those things when we get down to it that I want to suggest; but I would like to know what your plans are with regard to this, assuming that the language is already in the bill and if not will be put in the bill to make the funds immediately available, what would you do as to these men who are, according to you and your information, throughout the country certified and eligible for jobs, and without jobs? Are you in a position to put them to work?

Mr. HOPKINS. If the bill passed in this form, with this figure, our number could go up to 2,800,000 and at that point we would stop arbitrarily.

Now, I should say, Senator, that all of the powers to meet an emergency situation I think are not in the bill at present. I think those powers should be there. There always should be the power to act in any emergency.

Senator BYRNES. I agree with you on that provision. I note that the House bill does not have that provision.

But, would you have projects, worth-while projects, throughout the country upon which you could put these people to work?

GOOD PROJECTS NOW READY FOR A MILLION MORE WORKERS

Mr. HOPKINS. Senator, we have good projects to put a million more people to work.

Senator BYRNES. In what time?

Mr. HOPKINS. Within about 6 weeks.

Senator MCKELLAR. That would be about the first of July.

Senator OVERTON. Have you provisions for putting the farmers who are in need to work?

Mr. HOPKINS. Yes, sir. We have a tremendous number of farm-to-market road projects.

Senator OVERTON. They would not be taken away from their homes?

Mr. HOPKINS. Perhaps they might have to go 20 miles.

Senator BYRNES. Just because it is mentioned at this time, the language in the House bill seeking to provide projects for farmers would put upon the W. P. A. the burden of certifying, would it not?

FEDERAL GOVERNMENT READY TO GO AHEAD—HOPKINS READY

Mr. HOPKINS. In a great many rural communities they have inadequate relief machinery and in some they have none. In such cases we would have to determine the need ourselves. That is not a difficult thing to do, Senator.

Senator BYRNES. Who would pass upon them?

Mr. HOPKINS. We would ourselves in that case.

Senator BYRNES. That would have to be passed on by the State directors.

Mr. HOPKINS. We do that in a few places now where local relief machinery is inadequate.

Senator MCKELLAR. You mentioned that certain powers were not included in this bill. Have you an amendment to suggest to the bill which would provide for that?

Mr. HOPKINS. For what?

Senator MCKELLAR. For the lack of power not in this bill. You say that you cannot continue. Have you got an amendment which you have offered, which you have prepared?

Mr. HOPKINS. I do not have any here now, but I will be glad to submit it if you wish me to.

Senator BYRNES. You mean language which would permit you to act in case of a serious drought, hurricane, or anything of that sort?

Senator MCKELLAR. I think it would be better if you submitted that.

Senator BYRNES. I have an amendment along this line.

Mr. HOPKINS. It will only take a few words to do it.

Senator BYRNES. I know.

Mr. LUNDEEN. During Mr. Hopkins' statement he was questioned by the able Senator from South Carolina [Mr. BYRNES]. His statement brings out the fact that not only are there 2,800,000 persons on W. P. A. but that 600,000 more are certified for W. P. A., but have not been taken care of.

I wish to say, in all fairness, that Mr. Hopkins made the statement that perhaps some 10 or 12 percent ought to be taken from this amount, leaving something more than 500,000 who have not been provided for.

TIME TO SET OUR COMPASS AND CHART OUR COURSE

It may seem to Senators, and to others who fear a substantial increase in the Federal debt—that the amount called for in my amendment, which represents an increase of $3,000,000,000, making the total proposed W. P. A. appropriation $4,425,000,000, is a very large sum. However, it seems to me that a careful reading of Harry L. Hopkins' testimony before the subcommittee of the Senate Appropriations Committee will convince any unprejudiced mind that no smaller amount can abolish starvation conditions throughout the Nation and bring any temporary recovery to business.

It seems to me we had better set our compass at this point and chart our course before we enter the stormy seas of another 12 months, so that when we get out in midocean we will not run out of fuel with the ship of state adrift.

SUBMERGED ONE-THIRD OF OUR CITIZENS—40,000,000 SOULS

The submerged one-third of the Nation, 40,000,000 citizens, are neither given employment by which they can support themselves decently, nor are they given bare subsistence relief, as is clearly shown by the relief figures of the Social Security Board. We find that in 15 States the average relief benefits range from $4.91 in Mississippi to $14.34 in Indiana per family per month. In the 36 States reporting to the Board for January 1938 the average rate per case is $17.15 per family per month. According to Mr. Hopkins' testimony—and that is the testimony of 1938—some three or four million unemployed have been added during the past 4 months. Taking the higher figure of 4,000,000, added to the Biggers' census estimate of 10,870,000 in November 1937, we have a present unemployment total of 14,870,000. Nobody can laugh that off. There are 14,870,000 unemployed in this great Nation of ours.

ALSO 800,000 UNEMPLOYMENT INSURANCE BENEFITS EXPIRING—ALL WILL BE THROWN ON RELIEF

Mr. Hopkins stated that the proposed appropriation for W. P. A. of $1,425,000,000 would employ an average of 2,800,000 persons for the first 8 months of the fiscal year; that more than 500,000 now on direct relief are eligible for W. P. A. work relief, but that the fund would not provide for those cases; and that 800,000 persons, in addition to the 500,000, would soon join the unemployed groups, seeking work or relief, because their unemployment insurance benefits will have expired. Adding the 500,000 and the 800,000, we get a total of 1,300,000. Taking the higher figure of 600,000, which Mr. Hopkins used himself, we have 1,400,000 not taken care of.

Mr. Hopkins has repeatedly stated that more than one-half of the unemployed have never received aid from any public source. I am glad that they have been able to get by thus far. Just how much longer they will be able to sustain themselves without applying to the Government, I cannot say.

JOBS FOR THE UNEMPLOYED OR STOP TALKING ABOUT GIVING JOBS TO THOSE WHOM PRIVATE INDUSTRY DOES NOT HIRE

It is apparent from present conditions that 10,000,000, or two-thirds of the unemployed, will be unable to receive any assistance under the provisions of the pending measure. The time has arrived, after 8 years of failure, under two administrations, to meet these conditions, either to appropriate the money to save our citizens from starving and give them employment, or to stop talking about providing jobs for those whom private industry does not hire, and stop talking about no one starving in America.

I wish to point out at the outset of my remarks what the amount of $4,425,000,000 will accomplish if expended on useful and carefully planned public works of all character during the first 8 months of the fiscal year 1939. I am willing to entrust these funds to the administration, in order that they may be expended for the people of the United States.

FOOD FOR THE HUNGRY OR STOP TALKING ABOUT NO ONE STARVING IN AMERICA

I recall that not long ago, in both Houses of the Congress, more than $10,000,000,000 was appropriated for the kings and emperors of Europe, for the rehabilitation of other countries, over which fly flags other than The Star-Spangled Banner. If we can give them more than $10,000,000,000 of Government funds, in addition to private loans, I think we should be able to do something for our own people in excess of the provisions of the pending measure.

I ask that there be printed in the RECORD at this point a statement as to what the money provided by the joint resolution would do in the way of taking care of 500,000 added to the 2,800,000 now on the rolls, and one-third of the remainder of 10,000,000 unemployed who are receiving no aid from any source. The figures are given in detail, and I ask that they be printed in the RECORD, together with a resolution unanimously adopted by the National Anti-War Congress, attended by 1,017 delegates, held in Washington, D. C., on May 28–30, 1938.

There being no objection, the matter referred to was ordered to be printed in the RECORD, as follows:

House Joint Resolution 679

Amount proposed by the pending resolution, for 8-month period, July 1, 1938, to Feb. 28, 1939	$1,425,000,000
Increase proposed by Lundeen amendment	3,000,000,000
Total	4,425,000,000

THE PROBLEM

To employ on W. P. A. 25 percent of the 2,000,000 on direct relief now supported by States and local governments	500,000
Add average W. P. A. rolls	2,800,000
Add about one-third of balance of 10,000,000 unemployed (who are receiving no aid from any source) at $80 per month—$73 wages and $7 materials	3,000,000
Total to be employed	6,300,000
Cost of 6,300,000 at $80 per month for 8 months	4,032,000,000

Leaving balance of $393,000,000 for other employment or emergencies.

There are now on direct relief paid for by the States and local governments	$2,000,000
Mr. Hopkins estimates (testimony before Senate subcommittee on May 17) that one-quarter of these 2,000,000 are eligible for W. P. A. work relief	500,000
Leaving on direct relief	1,500,000

The Federal Government does not now, nor will it, under the relief resolution, in its present form or under the proposed Lundeen amendment, assume any responsibility for these 1,500,000 cases who receive, from State and local governments, family relief benefits ranging from $4.91 to $14.34 per month per family in 15 States and an average of $17.15 in 36 States. (Social Security Board Bulletin for January 1938.)

RESOLUTIONS ON RELIEF, WAR, AND UNEMPLOYMENT

Resolution adopted unanimously by the National Antiwar Congress (1,017 delegates attending), held at Washington, D. C., on May 28–30, 1938

Whereas there are in the United States today approximately 15,000,000 unemployed workers—70 percent of the world's unemployed; and

Whereas millions of our one-third of a nation ill-housed, ill-clad, ill-nourished are receiving family relief benefits ranging from $5 to $14 per month per family in 15 States and an average of $17.15 a month in 36 States, while others are denied all relief and are compelled to shift for themselves; and

Whereas such economic conditions breed not only the seed of war as an escape but also create a fertile soil for the growth of fascism and dictatorship; and

RELIEF BILL WILL ONLY CONTINUE SEMISTARVATION CONDITIONS

Whereas the relief bill now before the Senate of the United States proposes appropriations which do little more than continue the present semistarvation conditions: Now, therefore, be it

Resolved, That the National Antiwar Congress in convention assembled at Washington, D. C., on May 30, 1938, calls upon the Congress of the United States—

1. To continue the Works Progress Administration program to the extent of the full need of the surplus unemployed able-bodied workers of the Nation;

2. To provide adequate direct relief for those unable to work; and

3. To adopt, as a first step in this direction, the Lundeen amendment now before the Senate calling for an increase in appropriations of $3,000,000,000 in the pending relief bill, House Joint Resolution 679.

Mr. LUNDEEN. The statement which I have just offered for the RECORD maintains that such economic conditions not only sow the seed of war as an escape, but provide a fertile soil for the growth of dictatorship.

I may be asked by some Senator where the money is to come from to finance this public-works program. My reply would be that the Senator would not ask that question if we were to enter a major war, for which, unfortunately, we seem to be preparing, with our regular annual appropriations of over $1,000,000,000 for the Army and the Navy, and a supplemental expenditure of more than another billion for a super Navy, one battleship to cost possibly $100,000,000, which I understand is equal to the cost of all the buildings in the Government Triangle in Washington.

The PRESIDING OFFICER. The time of the Senator on the amendment has expired.

Mr. LUNDEEN. I will take time on the joint resolution.

I would not quarrel with such expenditures for military and naval preparations if I thought they were necessary for the defense of our coasts and the maintenance of the Monroe Doctrine. However, I am not interested in building a navy for aggressive service in European, African, and Asiatic waters.

Permit me to state further that when the United States has an estimated wealth of $367,000,000,000, which is $85,000,000,000 more than the combined wealth of the five other largest industrial nations—Great Britain, France, Germany, Italy, and Japan—it is folly to intimate that an expenditure of $4,000,000,000 during the next 8 months to create greatly needed public improvements would bankrupt the country and destroy confidence.

PAYMENT OF BONUS, $2,400,000,000

Let me remind the Senate at this point of the bonus payment. I was in the center of that fight in the House of Representatives; it was on the Lundeen motion that 145 signatures were secured and the bonus bill was taken from the committee. The motion was adopted by a vote of 305 and the bill passed the House by a vote of 295 in its favor. It came to the Senate, where it was handled by my colleague, the senior Senator from Minnesota. When that bonus was proposed, it was said it would bankrupt the country. I wish to say that the $2,400,000,000 which was appropriated to pay the bonus may have had much to do with staving off for a few months such conditions as we are now facing .

FIVE BILLION DOLLARS MORE FOR OUR MILLIONAIRES

In this connection I call the attention of Senators to the fact that many of our investors never felt the present 1929–38 economic chaos until 1933. According to the figures of the Standard Statistics Co., the amounts received by the investors of the Nation in the first 3 years of the depression, 1930, 1931, and 1932, exceeded by $5,000,000,000 the amount received in the peak years of 1927, 1928, and 1929.

I should also like to recall the salary and bonus payments made to our industrial magnates in the years 1929, 1930, 1931, and 1932 as published by the Federal Trade Commission.

We in America have become so accustomed to doing our financial thinking in terms of hundreds of millions and billions of dollars, whether it be about governmental debts or national wealth and income, that full pages in the daily press publishing these Federal Trade Commission figures concerning annual incomes of executives of our leading corporations, ranging from $75,000 to $1,500,000, almost fail to register. I am sure they will not fail to register in the Senate of the United States.

ENORMOUS SALARIES PAID BY PRIVATE INDUSTRY WHILE OUR PEOPLE GO HUNGRY

There are, of course, carping critics of the present social order who are constantly rocking the boat, and publishing, in such times as the present, the unfortunate fact that millions of our population in 1932 were compelled to exist on relief rations, or cash incomes, of from 14 to 16 cents per day per person; but, on the whole, the mass of our people accept these great inequalities of society and make no comparisons of economic conditions.

In going over the long lists of corporations, some having 2 to 20 executives receiving annually from 2 to 21 times the salary of the President of the United States, I was impressed by the fact that 114 executive officers, or directors, of 20 corporations were given yearly compensation, in salaries and bonuses, of from $75,000 to $1,635,000. These corporations were doing business in the varied fields of steel, tobacco, mail-order houses, dry goods, oil, agricultural implements, moving pictures, chain stores, motor cars, copper, war munitions, electrical goods, and public utilities.

TOBACCO COMPANY OFFICIALS FAIRLY WELL PAID

I noted that a tobacco company, in the first 3 years of the depression—1930, 1931, 1932—paid its president an average of $962,000 a year, or 12 times the salary of the President of the United States; and three vice presidents received an average of $538,000, $345,000, and $436,000 a year—a total average compensation each year for four executives of $2,281,000.

One of the moving-picture corporations paid four executives in the 3 years, 1928, 1929, 1930, an average of $539,000, $536,000, $431,000, and $331,000 each. Two officials of a 5-and-10-cent chain store received a 5-year average of $689,000 and $214,000. A food company paid a 3-year average compensation of $276,000 and $139,000 to two officials. An oil company paid 20 officers and directors average annual incomes of from $76,000 to $200,000. An agricultural-implements corporation paid, over a 3-year period, eight average executive salaries ranging from $104,000 to $361,000.

BETHLEHEM STEEL CORPORATION IS STILL KING

But it remained for the Bethlehem Steel Corporation to head the list in generous compensation in the 3 years, 1928, 1929, 1930. The corporation's president and director, Eugene G. Grace, was paid in these years an average of $1,168,000 each year—in 1929 the amount was $1,635,000. A director, C. A. Buck, received an average annual income of $279,000; in 1929, $388,000. All the above payments are, of course, exclusive of any amounts received as interest on bonds or dividends on stock owned by these officials.

I am not speaking in terms of hostility to any of these very fine gentlemen; they are merely going along in the accustomed way of doing things. But we must face these facts, and we must change conditions when there is unemployment to the extent of 15,000,000 people in these United States.

PRESIDENTS, SENATORS, AND GOVERNORS RECEIVE MERE MESSENGER-BOY SALARIES WHEN COMPARED TO OUR INDUSTRIAL OVERLORDS

The following comparison of political and industrial values interested me, and I want Senators who are within the sound of my voice to listen to it:

Annual compensation of Mr. Grace and Mr. Buck, president and director, respectively, of Bethlehem Steel Corporation:

Mr. Grace, $12,000 (salary), $1,623,000 (bonus)		$1,635,000
Mr. Buck, $10,000 (salary), $378,000 (bonus)		388,000
		2,023,000
Annual compensation of—		
The President of the United States	$75,000	
The Vice President of the United States	15,000	
The 9 members of the Cabinet	135,000	
The 9 United States Supreme Court Justices	180,500	
The 53 Governors of the States, Territories, and island possessions	432,900	
The 96 United States Senators	960,000	
		1,798,400
Difference		224,600

So it appears that these two officials of the Bethlehem Steel Co. drew $224,600 more than the combined salaries of the officials I have mentioned. The balance would more than pay the salaries of 22 of Pennsylvania's 34 Congressmen—$220,000.

SUCH CONDITIONS CANNOT LONG CONTINUE

I know the United States Senate will not permit such conditions to continue. We came here and with uplifted hands we swore to uphold democracy and our form of government and our Constitution and the flag we love. But it cannot be protected if we allow such conditions to continue. We cannot permit the wealth of America to be piled high by a few individuals, high as the Empire State Building in New York City, piled so high that it may fall upon them and destroy them, which, perhaps, would not be so bad, except for the fact that it may drag the country down with them. These are facts we must think about. I do not expect the Senate to agree with me today, but I wonder what we will be saying next winter and a year or 2 years from now. I did not find the United States Senate or the House of Representatives agreeing with me in 1917 when I opposed the entry of the United States into the World War. I predicted that these conditions would come upon the country. But I do not find anybody now disagreeing with my position of 20 years ago.

NO MAN SHOULD HAVE A SALARY GREATER THAN THE PRESIDENT OF THESE UNITED STATES

If we add to the above compensation of $2,023,000, payments made in the same year, 1929, to 10 other executives and directors of the Bethlehem Steel Corporation, payments amounting to $1,692,000, the total annual compensation of $3,715,000 would more than double the salaries of all the officials I have mentioned. No intelligent people will long endure economic slavery, with kings of capital enthroned to rule them, for that is what we have today. In all this I am no foe of small business, independent business, and the great dwindling middle class. I bear no commission from Minnesota to strike them from the rolls of the Nation.

THE GREAT AMERICAN TRAGEDY

Is it not tragic that it can be truthfully said that in a democracy, by consent of the people of the Nation, these salaries amount to from 2 to 21 times the salary of the President of the United States, while at the same time millions of American citizens live on relief rations of 14 cents to 16 cents per day per person and others die of starvation?

The United States of America is still functioning—with civil liberties preserved in all but a few sections of the country—as a political democracy which, in theory at least, means that the people, by majority vote, can control both their political and economic destiny. What will future historians say of our political wisdom, or our economic intelligence, when they uncover such conditions as obtain today and realize how little effort was made to change them?

How will they characterize the failure of leadership in this most crucial period of our own, and of the world's, history?

FAILURE OF LEADERSHIP

I wish to say here that, so far as I am concerned, I want to give due credit to all officials of the United States Government who have bent their efforts to change these conditions and better the conditions of the average man.

What was happening in the Nation during the second half of 1937 was evident to all, that is, that before we had emerged from the 8 years of economic chaos of 1929–37 we had plunged headlong into another major depression. It should have been apparent that the business recovery of 1936 and early 1937 could not be of a permanent character with a mass-unemployment problem of eight to ten millions, and with only a hand-to-mouth purchasing power left in the hands of 40,000,000 of our citizens. Even increased dividends of the great corporations, princely salaries, and old-time bonuses could not sustain business activity built upon the quicksands of one-third of a nation living on the verge of destitution.

I QUOTE THE PRESIDENT OF OUR UNITED STATES WHEN I SAY THAT ONE-THIRD OF OUR PEOPLE ARE ILL-FED, ILL-CLAD, AND ILL-HOUSED IN THE MIDST OF OUR PLENTY

Mr. President, I wish to recall the fact that the Chief Executive of this Nation, standing on the historic front entrance to this great Capitol Building in 1937, said that one-third of our Nation was ill-housed, ill-fed, and ill-clad. I do not know what higher authority Senators might desire in this discussion than that; and I cite to them the authority of the Secretary of Agriculture and the President himself, I presume, based on that statement, that many of the farmers of the United States are living under conditions worse than those of the peasants of Europe. There is no necessity for that. This great country has the wealth and the producing power, and should have the intelligence—and I think we have if we will bend to the work—necessary to distribute the wealth of the country in such a manner that we shall not destroy initiative, and yet shall deal more justly with the people of the United States. So I have quoted Mr. Hopkins and the Secretary of Agriculture and the President of the United States, not asking the Senate to rely upon any surmises or statements or conclusions at which I may arrive.

UNEMPLOYMENT BREEDS SOCIAL DISORDER AND CRIME

Mr. President, there is another phase of this problem of mass unemployment and consequent poverty that I wish to touch upon, namely, the relation of unemployment to social disorder and crime.

A business executive, recently discussing sympathetically the problem of unemployment and poverty, said, "But I must protect my family. They must be secure"; to which the rejoinder was made, "There can be no permanent security for your family without security for all families."

I subscribe to that statement, and believe there is an imminent menace to society, and to our democratic institutions, lurking in the present situation.

SOCIAL JUSTICE MUST PREVAIL

I desire to say that I have not appeared here to ask the destruction of the present order. I have not asked here that there should be a complete leveling process. I have not advocated that. I am advocating social justice, based upon the economic resources of this great Nation.

We have in the United States of America 70 percent of the world's unemployed, and at the same time an estimated wealth of $85,000,000,000 more than the combined wealth of the other five great industrial nations—Great Britain, France, Germany, Italy, and Japan. Yet, still functioning as a democracy, with all political power in the hands of the people, we lack the wisdom and intelligence to enact laws that will enable us to feed, clothe, and house our comparatively small population.

AMERICA MUST WAKE—WE MUST RISE TO THIS CRISIS

I do not wish to have the startling statement that we have in the United States 70 percent of the world's unemployed rest upon my own assertion. I wish to give the figures from the International Labor Office, Geneva, Switzerland. I presume they ought to be correct. So many proponents and exponents of the League of Nations and of the World Court were abroad in the land a while ago that this must be a divinely anointed statement and correct. I ask that it may be printed in the RECORD so that we may have the figures here to substantiate my statement.

SEVENTY PERCENT OF WORLD'S UNEMPLOYED IN AMERICA

The PRESIDING OFFICER (Mr. SCHWARTZ in the chair). Without objection, the statement will be printed in the RECORD.

The statement is as follows:

[From the International Labor Office, Geneva, Switzerland]

GENEVA, April 1938.—World unemployment statistics for the first quarter of 1938, which have just been compiled by the International Labor Office, show a decline in a majority of countries as compared with the corresponding quarter of last year.

However, increases occurred in Belgium, Bulgaria, Canada, France, Great Britain, Ireland, Norway, and the United States.

Compared with the last quarter of 1937, the statistics show that unemployment rose in all countries except Australia. But officials explain that this trend was for the most part seasonal.

Index numbers of employment, compiled at the same time by the I. L. O. show that, compared with the corresponding quarter of last year, employment increased in all countries except the United States and Belgium.

UNEMPLOYMENT IN THE UNITED STATES

In the first quarter of 1937 the number of persons in employment in the United States equaled 92.2 percent of the 1929 total, while in the first quarter of 1938 the number declined to 78.8 percent of the 1929 figure. This was a drop of 13.4 percent. The decline in Belgium from the first quarter of 1937 to the first quarter of 1938 was only 0.4 percent.

Eleven countries, the index numbers disclose, now have more persons in employment than in 1929. These are: Great Britain, with 110.2 of her 1929 figure; Hungary, with 108.1; Latvia, 121.1; Yugoslavia, 117.3; Estonia, 139.2; Finland, 109.2; Italy, 109.3; Japan, 135.3; Norway, 109.0; South Africa, 131.8; and Sweden, 117.3.

Figures for other countries are: Belgium, 87.2; Czechoslovakia, 79.5; the Netherlands, 74.6; Canada, 92.6; France, 81.1; Luxemburg, 75.6; Poland, 84.5; and Switzerland, 78.6.

STATISTICS NOT ALWAYS ACCURATE

In making public the unemployment and employment statistics, officials cautioned that since the method of compiling them as well as the dates for which latest figures are available differ from country to country, they cannot be accepted as accurate measurements but only as showing trends.

The attached table gives a comparison of the volume of unemployment in the various countries during the first quarter of 1938 with the corresponding quarter of 1937 and the last quarter of that year:

	First quarter 1937	First quarter 1938	Difference	Last quarter 1937	Difference
Austria	316,050	302,263	−13,787	224,166	78,097
Australia	46,863	37,558	−9,305	42,145	−4,587
Belgium	131,565	136,298	4,733	90,574	45,724
Bulgaria	10,964	19,052	8,088	5,012	14,050
Canada	27,379	27,530	151	19,140	8,390
Chile	5,516	3,137	−2,379	2,928	209
Czechoslovakia	198,492	177,972	−20,520	107,782	70,190
Danzig	16,724	8,580	−8,144	3,800	4,780
Denmark	133,795	127,222	−6,573	107,101	20,121
Estonia	2,084	1,798	−286	1,473	325
Finland	5,383	4,544	−839	3,924	620
France	441,207	444,376	3,169	362,551	81,825
Germany	1,853,460	1,051,745	−801,715	501,847	549,898
Great Britain and Northern Ireland	1,624,765	1,807,517	182,752	1,506,590	300,927
Hungary	50,863	46,132	−4,731	45,187	945
Ireland	91,680	104,829	13,149	94,414	10,415
Japan	322,948	281,215	−41,733	277,200	4,015
Latvia	6,358	4,123	−2,235		
Netherlands	466,242	439,278	−26,964	378,000	61,278
Norway	34,440	35,311	871	32,239	3,072
Rumania	9,549	6,343	−3,206	6,343	
Sweden	33,509	21,723	−11,786	12,411	9,312
Switzerland	87,120	81,040	−6,080	42,420	38,620
United States [1]	9,241,000	10,973,000	1,732,000	9,267,600	1,705,400

[1] American Federation of Labor figures.

Note International Labor Office (Geneva) unemployed estimate (A. F. of L.) for United States 10,973,000
To this should be added additional unemployed from date of Biggers census of November 1937 to April 1938.. 4,000,000

The most accurate estimate of the unemployed in the United States is as follows:

Biggers census estimate, November 1937 10,870,000
Additional unemployed since November 4,000,000

Total in April 1938 14,870,000

The 4,000,000 additional unemployed figure is based on statements by the highest administration officials.

Estimated wealth of 6 largest industrial nations

	Year	Wealth
Italy [1]	1925	$22,300,000,000
Germany [1]	1924	40,000,000,000
Japan [1]	1928	51,017,000,000
France [1]	1925	51,600,000,000
Great Britain [1]	1925	117,800,000,000
Total, of 5 nations		282,717,000,000
United States (estimated) [2]	1928	367,610,000,000

[1] World Almanac, 1938.
[2] Estimate of Dr. Willford I. King, formerly economics adviser of National Bureau of Economic Research; now professor of economics of New York University.

Mr. LUNDEEN. Mr. President, the threat to our institutions, and to our very lives, lies in this amazing contradiction—namely, long-continued mass unemployment and poverty in the midst of great abundance for all; and all that the unemployed ask is a chance to work for a bare subsistence wage. The patience, forbearance, and reverence for law and order of the workers, under great provocation, will be the marvel of future historians of this period.

CONGRESS IS ON PROBATION—IF WE FAIL, OTHERS WILL REPLACE US

I have talked to many of these persons. I have gone among them, as I know you have. I have always found them willing to work. There may be, here and there, some unfortunate person who is below the average mentality; but all that the average American citizen asks is a job. All he asks is a chance, that he may walk among his fellow citizens in America upright, with the sun shining full upon him, and with hope in the future. I have hope in the future. I have it to the extent of believing that if this Congress and succeeding Congresses do not solve these problems, there will be those in our places here by the votes of the people who will solve them; and that is only right and just.

IT IS NOT WISDOM TO IGNORE THE LESSONS OF HISTORY

Is it the part of wisdom to ignore all the lessons of history and trust that millions of men and women in a democracy, or under any other form of government, will continue to endure starvation indefinitely? That is more than we can rightfully expect.

I hope the statesmen of this Nation, and our "60 families of America," will pause in their mad demand for economy at the expense of human life.

There are those who say, with callous disregard of the anguish and misery of the millions of unemployed and their dependents, that we have spent billions of money, that we still have the unemployed with us, and that we had better, therefore, all go home and let things right themselves, or words to that effect.

In reply to this sentiment, Mr. President, I say that had we not appropriated and spent these billions in the past 4 years in aid of the unemployed, it is not impossible that the people who say this would have had no homes to which to return.

WE CANNOT IGNORE THE LESSONS OF THE PAST

We cannot afford longer to ignore the lessons of the past, and the danger that lurks in our present economic situation.

Let me now come to the yet unheeded warnings of businessmen, economists, and historians setting forth the menace in such conditions as exist today and have prevailed for the past 8 years in our Nation.

The quotations I am to give you, showing clearly the relation of unemployment and poverty to crime and social disorder, may be found in a hearing before the Committee on Labor of the House, considering an unemployment bill (H. R. 14185) on February 17, 1923. The statements and addresses from which the quotations are taken were made during the depressions of 1914–15 and 1919–21, when the number of unemployed was about one-third of that of the present time.

I QUOTE FROM OUR GREAT BUSINESS AND PROFESSIONAL LEADERS

I have compiled here statements from men like Maj. Gen. Leonard Wood; Mr. Elbert H. Gary, president of the United States Steel Corporation; and other businessmen, so that I may be within the limits of respectability in my quotations.

Maj. Gen. Leonard Wood, speaking at the Methodist centenary luncheon, held at Hotel Pennsylvania, New York City, on March 8, 1919, said:

> The streets of your city, the streets of St. Louis, the streets of Kansas City, of Chicago, are full of men without places to sleep, without food, without occupation. They are wearing the uniform of our country which is as sacred as our flag. * * * Imagine the feeling of a man who still has in mind a photograph of the great heaps of men in the Argonne, coming home robbed, selling papers on the streets. Do you know what that breeds? It breeds a spirit we do not want to see in this country. * * * We must

organize to receive these fellows. * * * If you don't do it you may create a feeling of discontent in many thousands of minds which won't do us any good. They have done their work—let us do ours.

MAJ. GEN. LEONARD WOOD

The address of General Wood, from which I have just quoted, was made in New York on March 8, 1919. Four months prior to that date—namely, on December 10, 1918—I appeared before the Committee on Rules of the House, Hon. Edward W. Pou presiding, to speak in support of two resolutions, 463 and 452, the purpose of the resolutions being to provide employment for soldiers who were unemployed by reason of demobilization, and for industrial war workers thrown out of work by the ending of the war. On February 28, 1919, I again referred to House Resolution 452, which I introduced on November 21, 1918.

LUNDEEN UNEMPLOYMENT RESOLUTION 452—INTRODUCED NOVEMBER 21, 1918

Everyone realized that the Nation would be faced with a serious unemployment problem caused by returning soldiers and discharged war workers, but no adequate remedial measures were enacted by the Congress to meet the situation, which neglect resulted in the conditions described by Gen. Leonard Wood.

Notwithstanding the debt the Nation owed these millions of men sent overseas to fight in the most devastating and horrible war of all history, no steps were taken, either by the leaders of industry or by the Federal Government, to assure to these returning soldiers jobs by which they might support themselves and those dependent upon them. Despite all the pledges made to these men when they enlisted or were drafted, they were left to shift for themselves; the streets of our cities were full of these men without places to sleep, without food, without jobs.

300,000 VETERANS UNEMPLOYED IN 1938

On March 1, 1938, an Associated Press article stated that the Veterans' Administration at Washington had undertaken the task of finding jobs for 300,000 unemployed ex-service men. It was stated that 1938 would be a critical year for former soldiers, and that as the average age of World War veterans is between 45 and 46 years, their re-employment constituted a serious problem because of commercial and industrial reluctance to employ older men.

Elbert H. Gary, president of the United States Steel Corporation, in a signed article published in the New York Times on January 3, 1915, when Judge Gary was chairman of Mayor Mitchel's New York City Committee on Unemployment, stated:

THE PRESIDENT OF THE UNITED STATES STEEL CORPORATION SPEAKS

No inefficiency could be greater in a community than to leave honest and competent labor, of whatever type, subject to humiliation of charitable or philanthropic relief * * *. It very often has happened in the past that disorder and even crime have been the outcome of unwilling idleness. Is it not obvious, therefore, that it is the wise course for individuals, firms, corporations, and even government to cooperate toward its prevention?

It seems to me that there can be no question of the fact that it is better for society to support the workingman by giving him an honest opportunity to earn an honest living than to support him in hospitals, almshouses, or prisons. * * * It really comes down to this: The more the community and the Government do toward furnishing work for the workers, the more they are doing, at the same time, for themselves * * * but the strongest argument of all is the practical argument. The man in want not only suffers personal discomfort but he burdens and may menace the community in which want strands him.

Col. Arthur Woods, a former police commissioner of New York City, in an address before the Brooklyn Institute of Arts and Sciences, on March 8, 1921, on the subject: Prevention of Crime, said:

In order to be able to prevent crime one must know the cause of crime, and in my opinion poverty from unemployment or other causes is the most important and the biggest factor in the question of crime.

Walter Lincoln Sears, superintendent of the city of New York Public Employment Bureau, at the New York City conference on Probation, in city hall, April 22, 1915, said:

Unemployment and its relation to crime, delinquency, and probation, is a particularly appropriate subject for discussion at the present time. Doubtless nonemployment or idleness is largely responsible for crime. * * * Idleness begets mischief, and its ultimate result is crime. When the people are busy in a productive capacity, they have little time to think of crime. * * * Just so long as we have idleness and unemployment we shall have crime. The longer the idleness continues the less willing men are to commence work again.

MEN SENT TO PRISON BECAUSE THEY COULD FIND NO WORK

Commissioner Davis, of the Department of Corrections, New York City, at the same conference—1915—tells us that the prison population of the Boroughs of Manhattan, Brooklyn, Queens, and the Bronx has increased 50 percent during the last 14 months.

From the same House Committee on Labor hearing of 1923, and just as pertinent to the present time, I quote two more passages. The warden of the penitentiary in New York City said:

Men are constantly being committed here in large numbers who have been charged with no crime. Over 50 percent of the commitments to this institution are for vagrancy—the crime (?) of being out of work and homeless. I am convinced from seeing the efficient work of some of these men while here, that they never would be here could they have secured employment outside. By our treatment of the unemployed we are making criminals of men who have heretofore been honest, self-sustaining members of the community, and who would be so again could they obtain work.

William Dean Howells many years ago said:

It is not that misery is growing, but that it is growing intolerable, if not to the sufferer, then to the witness. In this age a man denies the claim of humanity with much greater risk to himself than formerly.

It is not yet so apparent to us all that men must take care of one another, but in the history of the race that is the most obvious lesson. The stronger man must take care of the weaker, as his jailer, on the old lines and in conformity to the ideals of the stone age in political economy, or else he must take care of him as his brother.

Jailer or brother, which shall it be?

In 1893, at a public meeting for the unemployed held in the Academy of Music in the old city of Brooklyn, Supreme Court Justice William J. Gaynor (later mayor of New York) said:

The stupid cry has come down through all the ages, and we hear it yet, "Don't disturb the existing order of things. Leave matters alone." There can be no advance of the human race without a change in the existing order of things. Popular education has been and always will be the great disturber and improver of the existing order of things. Diffusion of human knowledge, and change in the existing order of things, have come down from the twilight of fable, hand in hand.

THE EXISTING ORDER OF THINGS

The existing order of things may be the worst possible order of things. The existing order of things crucified Jesus because he was a denouncer of the existing order of things; and in this enlightened Nation the existing order of things, even during the lifetime of those of us who are still called young, was that one human being might own another, and good men were mobbed and killed for objecting to it. We owe all that we have to the steady advance of the human race against the compact mass of those who have always cried out, and still cry out as lustily as ever, "Don't disturb the existing order of things." * * *

LET US NEVER FORGET OUR SOCIAL SYSTEM IS STILL IMPERFECT

Let this meeting remind us, and let us never forget, that while the human race has advanced, while the condition of men has steadily grown better, our social system is still imperfect. Can it be that in the wisdom of the Godhead there is not some social and political system under which it would be impossible for any man to starve to death, simply because he could not get work to do with his hands, when the earth possesses and produces much more than abundance for all? Let us not doubt it, but assist in moving forward to it.

Mankind is advancing on toward perfection. It has not reached the goal. Let us not be content to believe that everything is just as it ought to be, and also cry out, "Leave things as they are; change nothing"; but let us listen, read, and inquire.

Bringing this subject of the menace of crime and social discontent, disorder, and bloodshed down to the economic chaos of 1929–38, I quote from other business leaders, economists, and historians.

William Butterworth, president of the Chamber of Commerce of the United States, said in his keynote address at the annual meeting in Washington on April 29, 1930:

Business must frankly face the inevitability of change. Change is omnipotent; nothing can resist it. Change—political, social, or economic—has always followed two well-defined courses: It is either an ordered and controlled evolution, or sudden, extreme, and

violent. Business, in very large measure, may determine whether change will be an orderly development or of an eruptive character. The dislocations which follow in the train of unmastered change are the price of narrow-visioned leadership.

Prof. A. F. Hinrichs, director of research in Brown University Bureau of Business Research, said in an article published in the Atlantic Monthly, July 1931:

Relatively little progress has been made in the adaptation of economic society to its changed material and technological environment * * *.

Drastic changes have occurred either by revolutionary processes or by more or less rapid evolutionary development. The only thing for which there is no historical precedent is the continuation of a status quo under existing conditions of social tension. The most successful transformations have been effected when the dominant groups in a society have made their own the most immediately practicable parts of the opposition program. Where they have done this they have stayed in power. Where they have insisted on maintenance of the status quo their temporary successes have only increased the violence of the ultimate change * * *.

NO MORATORIUM ON PROGRESS

We cannot declare a moratorium on mechanical developments. We have created a monster endowed with the power of reproduction. The salvation of our society lies in bringing our institutional environment into harmony with its technological setting.

Harper Sibley, president of the Chamber of Commerce of the United States, in an address before New York Board of Trade, Hotel Waldorf-Astoria, January 13, 1937, said:

There is bound to be change from the things we have known. It is the one thing clear in a confused world, that we've got to be open-minded and quick on our feet to meet the changes that are impending. The question is whether businessmen will be able to handle these changes or whether they will slip out of our hands, as they have done disastrously in other countries.

This is a statement by the president of the Chamber of Commerce of the United States.

Prof. Wallace Brett Donham, dean of the Graduate School of Business Administration, Harvard University, states in his book Business Adrift (1931):

If capitalism and capital are not based on programs which are socially sound for the whole mass of the people, the preservation of existing capital and the continuance of the capitalistic system will both be impossible. The few can never defend themselves against the many.

Our sense of security has broken down and labor cannot be kept in this cooperative frame of mind without security.

The only way to defend capitalism is through leadership which accepts social responsibility and meets the sound needs of the great majority of our people. Such leadership will seek to form constructive plans framed not in the interest of capital or capitalism but in the interest of the American people as a whole.

Dr. Nicholas Murray Butler, addressing the American Club, in Paris, on June 11, 1931, stated:

The period through which we are passing is a period like the fall of the Roman Empire, like the Renaissance, like the beginning of the political and social revolutions in England and France—it is different from them all, is more powerful than them all and holds the world more in its grip than any of them, but it resembles them in its epoch-making character.

James Truslow Adams, in an article in the magazine section of the New York Times, January 10, 1937, entitled "A Test for American Business," made this statement:

It is not merely that they (businessmen) will have to recognize a greater social responsibility but they will have also to develop statesmanlike qualities if they are not to lose, in a wholly altered pattern of American life, such leadership as they formerly enjoyed. Interesting as are the social implications of President Roosevelt's increasing majorities in three successive elections, I do not form this judgment merely on account of them. They are only symptoms of the crisis to which America has come. * * *

With almost every American, big or little, striving to go as far and as fast as he could for the sake of his private advancement, little or no attention was paid to the larger social results of his acts.

COLOSSAL TAXES AND SOCIAL UPHEAVAL

I believe that a change is coming not only over the people but also over the businessmen. * * * They have found that men will no longer starve quietly, and that the old leadership means both colossal taxes and possible social upheaval.

In this depression businessmen have had to consider the good of society as a whole, not merely as a legal enforcement or a religious or humanitarian ideal but as perhaps the only method of salvaging their business and their own permanent position in the social group. * * *

The old order may go down in blood and agony like the French nobility in the revolution, or it may have the sense and capacity to adapt itself to new conditions and continue leadership as in England, the land of compromise. But it cannot stand still.

OUR BUSINESS LEADERS MUST DECIDE

On the decision of our business leaders will depend the sort of life we and our children live * * *.

Unless he (the business leader) can go on and provide the masses with increasing means to buy the things he has taught them they should have, his production may prove as disastrous to the stability of society as the poison gases of the scientists.

If they cannot do so (solve the problem of wholesome living of the masses), then they will have to meet the fate of every class which has been unable to adjust itself and thus has outlived its social usefulness.

R. C. Leffingwell, of J. P. Morgan & Co., in an address before the Academy of Political Science, March 21, 1934, and in his introductory remarks when presiding at a dinner of the same body on April 2, 1936, said:

Government is the residuary legatee of all the successes and all the failures of all of us. Government must keep itself going and keep its people going too. Government can balance its budget only by enriching its people, not by impoverishing them.

Government must intervene to relieve the sufferings of the people. It is intolerable in the modern world, with its elaborate mechanism of trade and finance, its highly industrialized and mechanized economy, that our people should be left to starve or to endure privation almost worse than starvation. It is intolerable that the monetary mechanism evolved for the sole purpose of achieving stability and human welfare should be permitted ever again to run amuck as it did from 1929 to 1933.

Henry A. Wallace, Secretary of Agriculture, made this statement in an article in the New York Times, Sunday magazine section, January 3, 1937:

One-third of the farmers of the United States live under conditions which are so much worse than the peasants of Europe that the city people of the United States should be thoroughly ashamed.

Mr. President, I would remind the Senators—especially those sitting on the Republican side—that former President Hoover has for the past 20 years been one of the most outspoken advocates of the principle of expansion of public works in times of business depression to relieve the unemployed and to stabilize business; and yet we remember that President Hoover, in his Detroit address of October 22, 1932, attacked Governor Roosevelt for pledging his support in a letter—

To whatever measures I may deem necessary for inaugurating self-liquidating public works, such as utilization of our water resources, flood control, and land reclamation, to provide employment for all surplus labor at all times.

In commenting on this letter President Hoover said that there can be only one conclusion, that is the holding out of a hope to the 10,000,000 men and women now unemployed that they will be given jobs by the Government. The President then said:

It is a promise no government could fulfill. It is utterly wrong to delude suffering men and women with such assurances.

He further stated:

There are a score of reasons why this whole plan is fantastic. These 10,000,000 men, nor any appreciable fraction of them, cannot be provided with jobs in this fashion. The only way is by healing the wounds of the economic system to restore them to their normal jobs.

It is strange to have this attack come from President Hoover, who has for the past 15 years advocated exactly this principle, that is, that the expansion of public works in times of business depression not only is a correct method of relieving unemployment but of reviving industry and stabilizing business itself.

Let us look at the record. One of the chief recommendations of President Harding's conference on unemployment of 1921, of which Mr. Hoover, then Secretary of Commerce, was chairman, was this expansion of public works by Federal, State, and municipal governments in times of business depression to employ the surplus unemployed and to stabilize business.

PRESIDENT HARDING'S UNEMPLOYMENT CONFERENCE, 1921—MR. HOOVER THEN SECRETARY OF COMMERCE, CHAIRMAN

The membership of the conference was composed of 98 men and 4 women, representatives of business and labor, public officials, economists, engineers, educators, and social

workers. A large number of the members of the conference had for many years advocated the expansion of public works by the Federal Government to relieve unemployment in times of business depression.

The measure of the problem before the conference, and the ability and resources of the Nation to find solution, were best set forth by the following three or four sentences from President Harding and Secretary Hoover in their opening addresses to the conference.

President Harding:

Fundamentally sound, financially strong, industrially unimpaired, commercially consistent, and politically unafraid, there ought to be work for everybody in the United States who chooses to work. * * *

Secretary Hoover:

There is no economic failure so terrible in its import as that of a country possessing a surplus of every necessity of life in which numbers, willing and anxious to work, are deprived of these necessities. It simply cannot be if our moral and economic system is to survive. * * * What our people wish is the opportunity to earn their daily bread, and surely in a country with its warehouses bursting with surpluses of food, of clothing, with its mines capable of indefinite production of fuel, with sufficient housing for comfort and health, we possess the intelligence to find solution. Without it our whole system is open to serious charges of failure.

Now that was 17 years ago. Just how far have we traveled in those 17 years?

The advisory committee of the public-works committee of the conference includes in its report the following (see page 98 of the conference report):

Your committee is convinced that the expansion of public works during the winter of 1921–22 constitutes one of the most important measures to revive private industry and to check unemployment. We therefore recommend to the conference that methods be formulated and measures pressed for the advancement and augmentation of public works for the following reasons:

1. The best remedy for unemployment is employment.
2. Direct employment is given by public works.
3. Indirect employment is given in the manufacture of the materials.
4. The wages paid to those directly and indirectly employed create a demand for other commodities which require the employment of new groups to produce (see charts attached). Thus public works assist in reviving industry in general.
5. Public works will serve as a partial substitute for private relief and charity.

Again from the report of the same committee—page 99:

Public works—municipal, State, and Federal—should be contracted in years of industrial activity, and expanded in years of depression to accomplish the following purposes:

1. To revive private industry and to check industrial depression and unemployment.
2. To prevent the demand of public works for materials and labor from conflicting with the needs of private industry.
3. In general, to stabilize industry and employment.

Then follow—on pages 101 and 102—carefully worked out charts, by Otto T. Mallery, a leading authority on public works and secretary of this public-works committee, to show how the "normal level of employment" may be maintained in periods of industrial depression by releasing reserve funds for deferred public-works construction.

HEALING WOUNDS OF THE ECONOMIC SYSTEM DID NOT SUCCEED

These reports of the 1921 conference refute completely the statement by President Hoover that the only way to provide jobs for the unemployed "is by healing the wounds of the economic system to restore them to their normal jobs." The principle enunciated in these reports is not only that governmental public works provide jobs directly but that a second service of equal importance is rendered by indirectly employing other workers in making and preparing materials for the public works. Indeed, public works would, if used in adequate amounts, be the chief factor in healing the system's wounds.

PUBLIC WORKS AND GOVERNMENT OWNERSHIP WILL SUCCEED—A REAL PROGRAM, NOT A MERE GESTURE

Again we are indebted to Mr. Hoover's 1921 conference for setting forth clearly this fact. As a part of this same chapter on Public Works, a subcommittee on a Better Roads—More Work Program, consisting of Charles M. Babcock, highway commissioner of Minnesota; Ida M. Tarbell, and Col. Arthur Woods—President Hoover's first chairman of unemployment relief in 1930–31—made the following statement regarding the effect of public-works employment upon industry in general:

Minnesota estimates that for every man she keeps busy on road construction three others are employed in the work of preparing and transporting materials. For every mile of paved road she builds, 141 carloads of freight are moved; that is, road construction means occupation in many industries.

BETTER ROADS AND WORK PROGRAM

It is the judgment of this committee that the country should put itself behind the better-roads—more work program, insisting that it be pushed at once to the last dollar of money that is available.

It can, therefore, be seen that it is not a problem of the Government employing all the unemployed on public works, as the President intimated in his Detroit speech, but that the employment directly of about one-half of the idle on such work would so revive the industrial life of the whole Nation as to eliminate largely the major unemployment and relief problems. There would then be time to consider calmly the fundamental changes necessary in our industrial and financial system to prevent a recurrence of these business depressions.

PUBLIC WORKS AND THOUGHTS OF PLANNING

In February 1923, about a year and a half after the 1921 conference had adjourned, there was presented to Mr. Hoover, then Secretary of Commerce, an identical bill introduced by Senator Frelinghuysen and by Representative Zihlman, which provided for a Commission of three to make investigations throughout the country and to report where the public interest would be best served by the construction of roads, reclamation of waste lands and irrigation projects. In the preamble of this bill it was stated, "Whereas in the expansion of public works at all such times (of unemployment and acute business depression) lies a natural and fundamental remedy for unemployment", and so forth. Mr. Hoover endorsed this bill, saying at the time that he had stood for the principle for 5 years, and wrote to both Senator Frelinghuysen and Representative Zihlman.

THREE IMPORTANT REPORTS PUBLISHED BY STANDING COMMITTEE

The 1921 President's Conference on Unemployment differed from preceding unemployment conferences in this respect: It continued to function through a standing committee after the conference itself had adjourned, of which committee Herbert Hoover was chairman. Three important reports were published by this committee or by subcommittees of which Mr. Hoover was chairman, or wrote the foreword to the reports.

The first was a report on Business Cycles and Unemployment by a committee, appointed by Mr. Hoover, of which Mr. Owen D. Young was chairman. In the foreword of this volume of 400 pages, Mr. Hoover says:

The whole problem belongs to a vast category of issues which we must as a Nation confront in the elimination of waste if we are to maintain and increase our high standards of living. No waste is greater than unemployment; no suffering is keener or more fraught with despair than that due to inability by those who wish to work to get jobs.

BASIC REFORMS FORGOTTEN

We now pass over the next 5 years of business activity, sometimes referred to as "the new era" of industrial prosperity and continuous good times, in which period no consideration was given to the inevitable cyclical depression, or to measures coping with its accompanying unemployment and distress. No fundamental and basic reform was adopted in that period or breathing spell.

In November 1928, either reminded of the possibility of an industrial crisis by the sharp increase in unemployment in the spring of that year, or because of the pressure brought by economists who foresaw what was coming, Mr. Hoover, 3 weeks after his election to the Presidency, requested Governor Brewster, of Maine, to present to the Conference of Governors at New Orleans, what became at once nationally known as the "Hoover Plan." The Literary Digest, devoting

its first 3 pages of the issue of December 8, 1928, to the plan, describes it in these words:

THE ABOLITION OF POVERTY—A JOB FOR EVERY MAN—THE FULL DINNER PAIL—FORGOTTEN SLOGANS

Hoover's plan to keep the dinner-pail full. The abolition of poverty, or a job for every worker, was more than once depicted by Mr. Hoover during his campaign as the great aim of the American economic system. Now his proposal to create a $3,000,000,000 reserve fund to be used for public construction work, so as to ward off unemployment in lean years, is hailed as a step toward that goal.

Governor Brewster, speaking before the Governors' Conference and presenting the "plan" as that of President-elect Hoover, at the latter's request and in his name, said:

In Egypt people suffered when there was a famine. In America people suffer when there is a glut. What is called overproduction fills our storehouses, and factories close down. Men walk the streets and starve, not because there is too little, but because there seems to be too much.

The inability of men to find work at times has meant a decline of $5,000,000,000 in the capacity of the American people to buy. No one wants this. Factories want work, laborers desire employment, merchants wish to clear their shelves. Meanwhile the vicious cycle is increased in its downward plunge by the lack of purchasing power of the ever-broadening groups to find themselves without opportunity for employment of any kind. * * * In some measure it is possible to do for unemployment what the Federal Reserve System has done for finance, and with equal advantage to the country as a whole. No centralization of authority is proposed, but merely the creation of a condition by concerted action. Follow the flow of these billions to the contractor, the laborer, to the materialmen, to the factory, to the factory employees, to the merchants, to the farmer.

Organization for prosperity is the next lesson that America may teach the nations of the world.

This was the picture, the prophecy, the vision, in 1928 of President-elect Hoover—economist, engineer, humanitarian.

HOOVER FAILS TO ACT—TALKING ABOUT THE ABOLITION OF POVERTY IS NOT ENOUGH

But Mr. Hoover's inaugural message in March 1929 and his message to the special session of Congress in April carried no word about providing this unemployment reserve fund to be used in the pending inevitable business depression. Both Governor Brewster and Prof. William T. Foster—the latter having accompanied Governor Brewster when he presented the Hoover plan to the Governors in 1928—saw President Hoover in the spring of 1929 and urged action along the lines of the Hoover reserve-fund plan. Although the President assured Governor Brewster the matter would receive his attention as soon as the farm relief session and other pressing matters were out of the way, no action was ever taken by the President.

In the spring of this same year—1929—there was completed the second and most pretentious and exhaustive report of the Committee on Recent Economic Changes of the President's 1921 Conference on Unemployment, Herbert Hoover, chairman.

THREE NATIONAL SURVEYS MADE

As stated in the foreword of the 2 volumes (950 pp.), this report was the third of three national surveys made in connection with the 1921 conference. The other members of the committee were Walter F. Brown, Renick W. Dunlap, William Green, Julius Klein, John S. Lawrence, Max Mason, George McFadden, Adolph C. Miller, Lewis E. Pierson, John J. Raskob, A. W. Shaw, Louis J. Taber, Daniel Willard, Clarence M. Woolley, Owen D. Young, and Edward Eyre Hunt, secretary.

The foreword states that "in its later deliberations the chairman, Herbert Hoover, was unable to take part and A. W. Shaw served as acting chairman." Presumably this was on account of Mr. Hoover's nomination and election to the Presidency a few months prior to the completion of the report in February 1929—begun in January 1928.

In the report of the committee, printed in this volume, we find under the caption "Remote Saturation Points" the following optimistic conclusion:

REMOTE SATURATION POINTS

As long as the appetite for goods and services is practically insatiable, as it appears to be, and as long as productivity can be consistently increased, it would seem that we can go on with increasing activity. But we can do this only if we develop a technique of balance. * * *

Informed leadership is vital to the maintenance of equilibrium. * * *

Underlying recent developments is an attitude of mind which seems to be characteristically American. Our Nation is accustomed to rapid movement, to quick shifts in status; it is receptive to new ideas, ingenious in devices, adaptable. Our economy is in large measure the embodiment of those who have made it.

Following this is a eulogy of the businessman in "A Review" at the close of the report, by Dr. Wesley C. Mitchell, director of National Bureau of Economic Research—the organization largely responsible for these reports:

All that is certain is, that whatever progress in efficiency we continue to make must be won by the same type of bold and intelligent work that has earned our recent successes.

THE BLIND LEADING THE BLIND

And this was published but a few weeks before the depression—the worst in the history of the Nation—began, and about 6 months before the collapse in October 1929. In all the 950 pages of this report, there were no constructive suggestions for either preventing these recurring business cycles or dealing with them, and the consequent suffering, when they did come upon us.

The third research work of this same committee on recent economic changes was published in 1930 under the title, Planning and Control of Public Works, issued as publication No. 17 of the National Bureau of Economic Research, and was the work of Prof. Leo. Wolman, a member of the staff of this Bureau.

At the beginning of this volume of 260 pages is printed the report of the committee, the personnel of the committee being the same as the previous year, except that Eugene Meyer took the place of Walter F. Brown. The research work of this committee was begun early in 1922 with Herbert Hoover, chairman, until his nomination for the Presidency in June 1928, when he was succeeded by Arch W. Shaw.

THE PRINCIPLE AND TECHNIQUE OF ECONOMIC BALANCE

In the opening paragraph of this 1930 report, The Principle and Technique of Economic Balance is discussed, and it is frankly pointed out that "in practice this tendency—to establish an equilibrium among economic forces—unrestrained, tends to produce alternate periods of depression and marked prosperity, and within each period to show a 'spotty' condition as capital, enterprise, and labor unevenly concentrate."

And yet, even in 1930, months after the present depression was under way, we read in the opening paragraphs of this report that:

A perfectly even flow of economic activities is not practically attainable, but an increasing degree of economic stability is undoubtedly the goal toward which the world is now working.

THE STABILIZING INFLUENCE OF PUBLIC CONSTRUCTION

But this note of optimism, which now in 1932 seems so unwarranted by the facts, can be forgiven when one reads the next section of the report on The Stabilizing Influence of Public Construction. Here is set forth clearly the whole principle of the expansion of public works to take up the slack of unemployment and to stabilize business. Special emphasis is placed on the vast expansion of our Federal and State highways, "serving the whole population." Then there is mentioned public buildings, grade crossings, bridges, viaducts, schools, hospitals, and so forth. This statement follows:

There are great public works to be built, there is money to do it, and in this country where future projects of permanent public improvements are so fixed and well defined, it is unnecessary to resort to makeshifts for additional work.

THE TIMING FACTOR—THE AMOUNT OF PUBLIC CONSTRUCTION NECESSARY

I quote a final paragraph from this report, headed "The Timing Factor," in which the importance of starting public works construction at the beginning of a depression is stressed:

The amount of public construction which it is possible to push forward in order to influence employment and the trend of business in a period of recession is less important than the timing of

the acceleration. The psychological effect of advancing public construction at the right time suggests that here is to be found an important factor in the problem of maintaining a reasonable economic balance. If properly timed, as the pendulum of employment starts to swing in an unfavorable direction, the influence of the prompt expedition of public works is effective out of all proportion to its size. Timeliness multiplies the effectiveness of each project accelerated.

And, now, the question is naturally asked, "Why did not these businessmen, and a labor leader, and President Hoover, take the initiative early in 1930, or even in November or December 1929, and call for a largely expanded program of public works by the Federal and State Governments?" And why, especially, did President Hoover during the years 1930 and 1931 not only take no initiative himself to expand public works to meet the crisis, but attempt to block every effort of legislators and other citizens to have adequate laws passed to provide for a public-works program? He attacked Governor Roosevelt in his Detroit speech for supporting the principle and advocating measures of relief, proposed again and again by President Hoover's own committees during the past 10 years.

And even now the President does not come out frankly and say that he no longer believes in the expansion of public works to relieve unemployment, as his formal reports have recommended, but he publicly claims credit for the relief measures passed in the last session of Congress—measures that he bitterly opposed and accepted only under pressure of Congress and public opinion.

NO ONE SHALL STARVE IN AMERICA

Let us now turn to the broader aspects of unemployment relief and to the President's oft-repeated pledge that "No one shall starve in America"; and to Federal Relief Administrator Hopkins' statement, used many times in formal addresses and finally put in permanent pamphlet form, and spread in the blurb of the cover:

> We in the W. P. A. recognize that it is not enough merely to provide the able-bodied unemployed with jobs at security wages. That is the emergency phase of our task * * *.
>
> We ought to be able to go steadily forward to an ever-rising standard of living, but in the meantime we must be realistic about it. The Federal Government cannot refuse responsibility for providing jobs to those whom private industry does not hire.

This was not a chance extemporaneous statement by Mr. Hopkins, appointee and close friend of the President. It was a carefully phrased declaration of policy made again and again in public speeches, the most important and formal being his address to the United States Conference of Mayors in Washington on November 17, 1936. This pledge of jobs by Mr. Hopkins must, therefore, have been made with the knowledge and approval of President Roosevelt, or it would never have been repeated.

PLEDGES NOT KEPT

Mr. President, how have these pledges of the Chief Executive and his Relief Administrator been kept? Only a few weeks after the election in November 1936, and after a third successive endorsement of the administration's policies at congressional elections—an endorsement unprecedented in the history of the Nation—there came from the White House a succession of economy and Budget balancing statements, as though that were the mandate of the people at the polls, instead of a demand for the continuance of the Federal public works and relief program in order to lift the intolerable burden of mass unemployment and destitution from scores of millions of the people.

VISIONS OF DESTITUTION, POVERTY, AND UNEMPLOYMENT NOT ENOUGH—THERE MUST BE BASIC AND ADEQUATE ACTION

In January, 1937, the President, in his second inaugural address, correctly diagnosing the condition of the unemployed of the country, said:

> Here is the challenge to our democracy: In this Nation I see tens of millions of its citizens, a substantial part of its whole population, who at this very moment are denied the greater part of what the very lowest standards of today call the necessities of life.
>
> I see millions of families trying to live on incomes so meager that the pall of family disaster hangs over them day by day.
>
> I see millions whose daily lives in city and on farm continue under conditions labeled "indecent" by a so-called polite society half a century ago.
>
> I see millions denied education, recreation, and the opportunity to better their lot and the lot of their children.
>
> I see millions lacking the means to buy the products of farm and factory and by their poverty denying work and productiveness to many other millions.
>
> I see one-third of a Nation ill-housed, ill-clad, ill-nourished.

Now, as then, Mr. President, we look out upon a scene that reveals the same 40,000,000 of our citizens living in a state of destitution and semistarvation—all this in a country having productive machinery, natural resources, and skilled labor power capable of providing for every family an income of more than $4,000 a year to meet their needs.

REPORT OF POTENTIAL PRODUCTIVE CAPACITY IN THE UNITED STATES

I now read some excerpts from a Report of Potential Productive Capacity in the United States by Harold Loeb. In the concluding chapter of Director Harold Loeb's report of the national survey of potential product capacity—1935—sponsored by William Hodson, chairman, emergency relief bureau, and Langdon W. Post, chairman, New York City housing authority—both members of Mayor LaGuardia's official family—Mr. Loeb states, on page 235, among other things:

> 1. Goods and services produced and consumed in 1929, $93,917,894,000. This sum, divided by the number of average families (of four and twelve-hundredths persons) in the United States in 1929, gives an average family buying power of $3,238. However, this sum throws little light on the living standard of the American people. Owing to the uneven distribution of income, some nineteen and five-tenths million families had less than $2,500 per year, and some eleven and sixty-five hundredths million families had less than $1,500 per year. In general it can be stated that in 1929, 40 percent of our people had incomes which provided a living beneath the accepted level of health and decency, and another 40 percent existed close to poverty.
>
> Only 9 percent possessed over $5,000 per year, and 2.3 percent possessed $10,000 per year or more (America's Capacity to Consume, p. 54, Brookings Institution, Washington, D. C.).
>
> Budget (p. 237):
>
> AMERICA'S CAPACITY TO CONSUME
>
> "The budgeted production can be accomplished with the existing plant by utilizing the available labor and managerial force to process the supplies that could be made available. * * * Since the survey, in order to be irrefutable, accepted the limitation of basing its capacity estimates on the productivity of the existing plant, the budget represents, under our definition, a minimum estimate of practical capacity.
>
> "The budget totals $135,516,000,000, an increase of some $42,000,000,000 over the actual production of 1929. The goods and services represented by this $42,000,000,000 consist of desired goods and services which the people of the United States could produce but do not produce. It measures lost or uncreated wealth.
>
> "To discover the cost of our practice of not producing desired goods and services during the years 1929 to 1933, inclusive, the national income of the years subsequent to 1929 may be translated into 1929 dollars as in table I.

TABLE I.—*Statement of losses to the American people*

[In billions of 1929 dollars]

Year	Budget	National income	Annual loss to consumer
1929	135	93	42
1930	137	86	51
1931	138	79	59
1932	139	69	70
1933	141	76	65
Total loss to consumer (1929–33)			287

At the lowest potential product capacity (that of 1929—135 billions—the Nation could have supplied to each family an annual income of approximately $4,700.

VICIOUS, CRUEL, AND INHUMAN ECONOMY

And yet within a few weeks—in February 1937—when there were still 10,000,000 unemployed, a million increase over December 1936—the President announced his retrenchment policy and issued his order—accepted by the Federal Relief Administrator—to discharge 600,000 workers from the W. P. A. rolls. During the following 10 months, until January 1938, that order was ruthlessly executed in pursuance of the announced retrenchment policy.

SIX HUNDRED THOUSAND THROWN OUT TO STARVE AND ADDED TO OTHER STARVING MILLIONS

Even as late as October 18, 1937, the administration reaffirmed the plan of economy, at the expense of human life, and in the Budget statements, and pleas for local relief and the community chest, made clear that the policy of the Federal Government, "With the return of prosperity," must be to "more and more narrow the circle of its relief activities and reduce the amount of Federal revenue to be expended in the amelioration of human want and distress in the various communities of our land."

MORGENTHAU BALANCES HIS LITTLE BUDGET

A few weeks later, on November 10, 1937, Secretary of the Treasury Morgenthau delivered his Budget-balancing address to bankers and economists in New York City, in which he pointed out how "great savings!" could be effected in the fields of "public highways, public works, unemployment relief, and agriculture." And on the day before and the day after Secretary Morgenthau's speech three residents of New York City—two men and a 12-year-old boy—committed suicide because of starvation conditions in those homes, the boy hanging himself from a doorjam in the hope that his death would attract attention to the plight of his family, and relief would come to them. These "human interest" stories, naming starvation conditions as the cause of the tragedies, were published in the New York Times, which fact amounted to what lawyers call an admission against interest, the strongest type of testimony. The press is filled with these numberless tragic deaths.

The two statements of the President and his Secretary of the Treasury were made in October and November 1937, when industry had already begun to slow down, and other evidences of the new depression, or recession, as some preferred to call it, were plainly apparent.

WALL STREET JOURNAL BEGINS TO TALK

The Weekly Annalist of October 22, 1937—4 days after the President's statement and 2 weeks before Secretary Morgenthau's address on November 10—described the marked decline in business activity in these words:

> That a business recession of substantial proportions is under way is abundantly clear.

And business conditions were further attested by the decline in steel-mill operations to 48.6 percent of capacity for the last week of October, a drop of 40 percent during the previous 6-month period. And steel operations are always accepted as an unfailing barometer of trade.

WISHFUL THINKING AND SILLY OPTIMISM

Why, then, were these statements made at this time by the administration? Certainly not because they were ignorant of the facts about business conditions described in the Annalist. The conclusion, then, must follow that they were indulging in the same "wishful thinking" and "silly optimism" that characterized the closing years of the Hoover administration, and with much less reason or excuse.

HELPLESS WORKERS INADEQUATELY CARED FOR

And only in February 1938, after 3 months of one of the most precipitate and violent declines in security values and business activity in our history, and after 3,000,000 more persons had been added to the known 11,000,000 unemployed in November 1937, has the President publicly acknowledged these conditions and asked the Congress for an additional appropriation of how much? Two hundred and fifty million dollars for relief during the remaining 4 months of the present fiscal year, an amount not even sufficient to meet the need of one-third of these newly unemployed for the 4-month period, and with no provision for the other great body of helpless workers so inadequately cared for. During this entire 12-month period of the retrenchment policy of the President and his Cabinet—assented to, unfortunately, by a large majority of both Houses of Congress—the President and Members of Congress have received from organized bodies and from individual citizens many petitions and appeals for the reversal of this economy policy and for adequate relief.

ORGANIZED APPEALS TO THE NATIONAL GOVERNMENT

A few of these appeals of which I have personal knowledge are as follows:

First. A resolution, adopted unanimously on February 22, 1937, at the first annual convention of National Lawyers' Guild, held at Washington, D. C., which, in its resolved paragraph, called "upon the President and the Congress to continue the public-works and relief program of the past 3 years to the extent of the need of the surplus unemployed workers of the Nation."

Standing alone, Mr. President, this may seem to Members of this body an extreme demand upon the resources of the Nation; namely, "To the need of the surplus unemployed workers of the Nation." But does not the resolution simply attempt to carry out and approve the pledge of the administration itself to provide jobs for "those whom private industry does not hire"? I shall also read this resolution adopted, I would remind you, Mr. President, by a body of lawyers in convention assembled:

JOBS FOR THOSE WHOM PRIVATE INDUSTRY DOES NOT HIRE

Whereas—

1. There are now—7 years after the collapse of industry and finance in October 1929—between eight and ten million unemployed workers in the United States, despite the fact that production is near the peak of 1929;
2. This situation presents a permanent, not an emergency, problem of unemployment, indicating that should the Nation return to the peak production of 1929 there would still be over seven million idle;
3. Demands are now heard on every side, from businessmen, financial leaders, and public officials for "balanced budgets" and "downward revision of the whole program of State spending, including relief," and other appeals for curtailing public expenditures, regardless of the need of millions of workers and their dependents for relief;
4. The experience of the past 3 years has proven conclusively the value of Federal, State, and local public works for relief to the unemployed, maintenance of mass purchasing power, and for stabilization of business;
5. Social responsibility has now been acknowledged by Government for employment and direct relief of the unemployed, recognizing the right to work as a general principle; while nothing, adequate, however, has yet been done about it.

FORGOTTEN RESOLUTIONS—NOTHING WAS DONE ABOUT IT

This resolution was sent to the President, acknowledged by the secretary to the President, and referred to the Relief Administrator Hopkins for consideration—but nothing was done.

Second. Petitions to the President and the Congress for adequate relief and a long-range public-works relief program "to the extent of the need of the unemployed," issued by the National Unemployment League in May 1937 and again in December 1937.

Third. A statement issued in December 1937 by National Federation of Settlements, appealing by resolution of the board of directors to the administration to—

> Call an emergency meeting at Washington of State and city relief administrators, social and civic bodies concerned, to canvass what can be done to strengthen our public-welfare set-up throughout the country to meet these new strains.

Fourth. In January 1938, a statement or "affirmation of principle," issued by leading editors of social-work periodicals and officers of social-work organizations calling for long-term Federal program of public works to provide employment for at least 3,000,000 wage earners; for a substantial W. P. A. deficiency appropriation for second half of the fiscal year 1938; and for substantial Federal grants to States for direct relief.

Fifth. In January and February 1938, and on numerous occasions during 1937, the Workers' Alliance of America, a national organization of the unemployed and W. P. A. workers, issued formal appeals to the President and the Congress, and to the special Senate Committee to Investigate Unemployment and Relief, for direct relief and a public-works program to, in some degree, meet the need of millions of the unemployed who were either receiving only semi-starvation relief of from $2 to $7 per family per month in some States, or no relief at all, as was the case in scores of thousands of instances.

CONFERENCE OF MAYORS PLEAD FOR ADDITIONAL APPROPRIATIONS

In addition to all these appeals the organized mayors of the Nation, acting through the United States Conference of Mayors, have repeatedly pleaded with the President and Congress for additional appropriations for relief and public works. This action was taken, not only through formal resolutions at the annual conferences held in Washington in 1935, 1936, and 1937, but by appeals of individual mayors and groups of mayors at other times.

At conferences of mayors of the United States in 1935 and 1936 the following resolutions were adopted:

TRANSIENT RELIEF

Whereas it is now recognized that the problem of transient relief cannot and should not be met by individual cities or States and that transient relief is a peculiarly national problem; and

Whereas Congress up to the present time has not developed a program to meet the needs of the transient unemployed: Therefore be it

Resolved, That the United States Conference of Mayors again petition the President and the Congress to enact a transient relief program in order that adequate provision be made for the handling of transient relief. (Passed November 18, 1936.)

CONTINUATION OF TRANSIENT RELIEF

Whereas the problem of providing relief for transients is a peculiarly National or Federal problem; and

Whereas the municipalities are unable to handle adequately the problem of relief to transient persons and nonresidents: Therefore be it

Resolved, That the United States Conference of Mayors request a continuing program of Federal transient relief to the end that provision be made for the relief of transients. (Passed November 1935.)

One direct consequence of the cutting off of transient relief, manifestly an obligation of the Federal Government for the reason that if one State should enact legislation providing transient relief the transients of surrounding States would naturally flock to that State which provided relief for transients, by Executive order of the President and his Federal Relief Administrator in September 1935, the beginning of the retrenchment policy of the administration, which at once resulted in starvation conditions and eviction from their homes and lodgings of scores of thousands of families and single persons throughout the Nation.

HOMELESS WANDERING PEOPLE

Specific results of this action are recorded in the census of homeless persons taken by the Police Department of the City of New York and the Emergency Relief Bureau on 2 nights, one in the fall of 1935 and the other in the spring of 1936 (one of the severest winters in the past two decades), when 4,044 and 5,823 persons, respectively, were counted sleeping in the open—in subway trains and stations, public parks, abandoned buildings, ferry and bus terminals, railroad stations, and under bridges in the five boroughs of the city. (See p. 26 of the official State Report of Governor Lehman's Commission on Unemployment Relief, published in August 1936.)

It should also be noted, in this connection, that the United States Conference of Mayors, at the annual meetings in Washington in the fall months of 1935 and 1936, twice called upon the President and the Congress to inaugurate a Federal system of relief to transients, citing that this form of relief was a duty of the Federal Government for obvious reasons. No action, however, was taken by the President to resume Federal care of transients; therefore, presumably, the same conditions obtain today as in the winter of 1935–36.

SEMISTARVATION AND MALNUTRITION IN THE HIGHER BRACKETS OF WORK RELIEF FAMILIES

In examining the Social Security Board bulletin for January 1938, it is seen that family relief benefits in 15 States vary from $4.91 to $14.34 per month per family; and that in 36 States the average case benefit is $17.15 per month per family. The average W. P. A. wage is $50 per month—in some Southern States as low as $21. When it is realized that competent commissions have estimated that a family of four persons requires, as a basic minimum, $36 per month for food alone, it is apparent that when only $14 a month is left, out of the W. P. A. wage of $50, for rent, clothing, medicines, and other necessaries, the allowance for food must be cut down, which creates a condition of malnutrition, or semistarvation, in even the higher bracket work relief families; and, in the other families actual starvation.

HOME SWEET HOME, UNDER THE HEAVENS

Finally, in scores or hundreds of thousands of other cases no relief whatever is given, resulting in men, women, and children roaming the country in search of employment or subsistence, often ending up with no shelter or food, sleeping in the open, as shown by the New York City police census in the winter of 1935–36. Men and women do not sleep in the open until they have starved. The last thing they give up is a home, a place to sleep.

SENATORS, I APPEAL TO YOU—LET US ACT NOW BEFORE IT IS TOO LATE!

Mr. President, I appeal for an additional appropriation of $3,000,000,000 not only in behalf of the impoverished of our Nation as an act of humanity, but because of the menace to our democratic institutions and to our very lives that lurks in such conditions. The unemployed are now in the agony of starvation conditions in their homes, which deprive them of their reason, committing suicide and killing their wives and children in their desperation and madness; but all history teaches that this is not the final action of those denied economic justice.

The PRESIDING OFFICER. The time of the Senator from Minnesota has expired.

Mr. AUSTIN. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Connally	Johnson, Colo.	Pittman
Andrews	Copeland	King	Pope
Ashurst	Davis	La Follette	Radcliffe
Austin	Dieterich	Lee	Russell
Bailey	Donahey	Lodge	Schwartz
Bankhead	Duffy	Logan	Schwellenbach
Barkley	Ellender	Lonergan	Sheppard
Berry	Frazier	Lundeen	Shipstead
Bilbo	George	McAdoo	Smathers
Bone	Gerry	McCarran	Smith
Borah	Gibson	McGill	Thomas, Utah
Brown, Mich.	Green	McKellar	Townsend
Brown, N. H.	Guffey	McNary	Truman
Bulkley	Hale	Maloney	Tydings
Bulow	Harrison	Miller	Vandenberg
Burke	Hatch	Milton	Van Nuys
Byrd	Hayden	Minton	Wagner
Byrnes	Herring	Murray	Walsh
Capper	Hill	Neely	Wheeler
Caraway	Hitchcock	Norris	White
Chavez	Hughes	Overton	
Clark	Johnson, Calif.	Pepper	

The PRESIDING OFFICER. Eighty-six Senators have answered to their names. A quorum is present.

The question is on the amendment offered by the Senator from Minnesota [Mr. LUNDEEN] to the committee amendment on page 2, line 4, to strike out "$1,425,000,000" and to insert in lieu thereof "$4,425,000,000."

The amendment to the amendment was rejected.

The PRESIDING OFFICER. The question recurs to the committee amendment on page 2, lines 3 and 4.

Mr. LUNDEEN. Mr. President, I ask for a yea-and-nay vote on my amendment.

The PRESIDING OFFICER. The demand for the yeas and nays comes too late.

The question is on the committee amendment on page 2, lines 3 and 4.

The amendment was agreed to.

The PRESIDING OFFICER. The next committee amendment will be stated.

The next amendment was, on page 6, line 10, after "title I", to strike out "$1,529,425,000" and insert "$1,714,905,000", so as to read:

Total of appropriations, title I, $1,714,905,000.

The amendment was agreed to.

The next amendment was, on page 6, line 17, after the word "ending", to strike out "January 31" and insert "February 28", so as to make the section read:

SEC. 2. The funds appropriated in this title to the Works Progress Administration shall be so apportioned and distributed over the period ending February 28, 1939, and shall be so administered

during such period as to constitute the total amount that will be furnished to such Administration during such period for relief purposes, and the funds appropriated in this title to the Secretary of Agriculture, to the Works Progress Administration for the National Youth Administration, and to the other agencies, shall be so apportioned and distributed over the 12 months of the fiscal year ending June 30, 1939, and shall be so administered during such fiscal year as to constitute the total amounts that will be furnished to the Secretary of Agriculture, to the Works Progress Administration for the National Youth Administration, and to the other agencies during such fiscal year for the purposes of this title.

The amendment was agreed to.

Mr. BYRNES. I offer an amendment, on page 7, line 14, which I ask to have stated.

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. On page 7, line 14, it is proposed to strike out "$50,000,000" and to insert in lieu thereof "$60,000,000."

Mr. BYRNES. Mr. President, the reason for offering that amendment is that when the joint resolution was drawn in the House it was based upon 7 months, and as now changed, the joint resolution provides for an appropriation for 8 months. Therefore, the amount in question should be proportionately increased.

Mr. KING. Will the Senator yield to me for an inquiry?

Mr. BYRNES. I yield.

Mr. KING. In view of the fact that Congress will perhaps be in extra session after the election, and certainly will be in session next January, is it imperatively necessary that we should contemplate a continuation of these large appropriations?

Mr. BYRNES. The object of the committee, as has heretofore been explained, with reference to the total of the bill was that it would be wiser to provide an appropriation for 2 months after the new Congress convenes, because with the convening of the new Congress appropriation bills will originate in the House, the committees have to be organized, and sometimes considerable delay occurs at the other end of the Capitol. Therefore, it was thought unwise to provide only until February 1 next year, because the preparation and passage of a bill might take considerable time at the other end of the Capitol, and even when the bill comes to the Senate a period of a week or 10 days may be taken in considering the bill, as is now being taken in connection with the pending joint resolution. So we thought it safer to provide for the 2 months after the convening of Congress in January, so as to make unnecessary the calling of an extra session, as the Senator from Utah suggested.

Mr. KING. Was it the view of the committee, if I may be permitted to inquire, that there would be no revival in business, that this pump priming, with all of its frills and accessories, would not improve conditions and furnish employment, so that we are to continue into the next year and perhaps longer, with millions of persons out of employment?

Mr. BYRNES. Mr. President, the view of the members of the committee was based upon the testimony before the committee that there would be an improvement, and if they had not reached that view they would have appropriated a larger amount than is provided in the joint resolution.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from South Carolina on page 7, line 14.

The amendment was agreed to.

The PRESIDING OFFICER. The next committee amendment will be stated.

The next amendment was, on page 7, line 24, after the word "Council", to insert "and"; and in the same line, after the word "Committee", to strike out the comma and "and the Prison Industries Reorganization Board", so as to make the section read:

SEC. 4. The Works Progress Administration, the National Youth Administration within the Works Progress Administration, the Farm Security Administration within the Department of Agriculture, the National Emergency Council, and the National Resources Committee are hereby extended until June 30, 1939, to carry out the purposes of this title.

The amendment was agreed to.

The next amendment was, on page 9, line 22, after the word "Administration", to insert a colon and the following proviso:

Provided, That in the event the Congress or any Federal agency so authorized by act of Congress shall establish minimum rates of pay for persons employed by private employers in any occupation, such minimum rates of pay shall be paid to persons in similar occupations in the same locality employed on projects under the foregoing appropriation.

So as to make the section read:

SEC. 9. The rates of pay for persons engaged upon projects under the appropriations in this title shall be not less than the prevailing rates of pay for work of a similar nature in the same locality as determined by the Works Progress Administration: *Provided*, That in the event the Congress or any Federal agency so authorized by act of Congress shall establish minimum rates of pay for persons employed by private employers in any occupation, such minimum rates of pay shall be paid to persons in similar occupations in the same locality employed on projects under the foregoing appropriation.

Mr. BYRNES. I send to the desk an amendment, in the nature of a substitute, for the committee amendment on page 9, beginning with line 22, and ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. On page 9, beginning with the colon on line 22, it is proposed to strike out through line 3, on page 10, and to insert the following:

Provided, That if minimum rates of pay for persons employed by private employers in any occupation are established by or pursuant to the authority conferred by any Labor Standards Act enacted at the third session of the Seventy-fifth Congress, not less than the minimum rates of pay so established shall be paid to persons in similar occupations in the same locality employed on projects under the foregoing appropriation.

Mr. BYRNES. Mr. President, the purpose of this amendment is to make certain that the language may not be construed as requiring the payment in every State of minimum rates of pay established under the Labor Standards Act, but only that the rate of pay established shall be not less than the minimum rate established in the Labor Standards Act.

Mr. WAGNER. Mr. President, will the Senator yield?

Mr. BYRNES. I yield.

Mr. WAGNER. In other words, under the amendment offered by the Senator, if in any community the prevailing rate of wage should be higher than the minimum wage fixed by the legislation to which the Senator referred, the prevailing rate of wage would be paid. Am I correct about that?

Mr. BYRNES. The Senator from New York is exactly correct. That is the purpose.

Mr. WAGNER. And if in a community there may be, because of past history, a prevailing rate of wage which is less than the minimum wage fixed by Federal legislation, then the minimum wage shall be paid rather than a lower rate of wage.

Mr. BYRNES. Mr. President, the Senator correctly understands it. The other purpose is to change the committee amendment so as definitely to provide for the Labor Standards Act in order that there may be no interpretation that it applies to rates of pay under the Walsh-Healey Act or any other labor act. The only purpose is to provide that if under the Labor Standards Act there shall be fixed a minimum wage to be paid by private employers to employees, the Government of the United States shall pay not less than the minimum wage that the Government requires an individual to pay to his employees.

Mr. McNARY. Mr. President, will the Senator yield?

Mr. BYRNES. I yield.

Mr. McNARY. In the event that the minimum wage is less than the prevailing wage being paid, will it permit the minimum to be paid?

Mr. BYRNES. It provides that not less than the minimum wage shall be paid, the object being that, if the Government requires the Senator to pay to his employees a minimum wage, the Government itself on W. P. A. work will

not pay less than it requires the Senator to pay his employees.

Mr. McNARY. Suppose I pay my employees the prevailing wage, which is higher than the minimum wage, what would the Senator's amendment do to a Government project?

Mr. BYRNES. It would not affect it at all. The law as it now stands says "the prevailing wage." If the Congress, by legislation or a board established by legislation, should fix the minimum wage in the State of Oregon at a higher rate than the prevailing wage, then not less than that minimum wage could be paid. But if the prevailing wage is higher, as the Senator from New York has suggested, the prevailing wage will be paid.

Mr. McNARY. Is that obligatory under the amendment offered by the Senator from South Carolina?

Mr. BYRNES. The amendment does not affect in any way the wage paid in any State if it is in excess of the minimum wage. The amendment merely states that in no State shall less than the minimum wage be paid.

Mr. WAGNER. Mr. President, I was about to make the statement that I discussed this very amendment with the Senator from South Carolina [Mr. BYRNES]. Originally, the interpretation which is now suggested was placed upon the language; that is, that a fixed minimum wage should be paid. At that time the Senator assured me that such was not his intention. He himself has drafted the substitute amendment which he has submitted.

Mr. BYRNES. The Senator is correct. There was no such intention on the part of the committee; but, in order that there might be no misunderstanding, the language has been redrafted so as to make certain that it will not affect the payment by the P. W. A. of the prevailing rate of wages in New York or any other State. However, if the prevailing wage rate is less than the minimum wage fixed by an act of Congress, the wage would be raised to the minimum wage.

Mr. WAGNER. Exactly.

Mr. LODGE. Mr. President, before the Senator from South Carolina made his motion I was about to move to reject the committee amendment, because it seems to me very clear that the committee amendment will substitute a minimum wage for the prevailing wage and to that extent will cut the pay of persons who cannot afford to have their pay further cut. I should like to ask the Senator from South Carolina if his substitute means that the minimum will not be substituted for the prevailing wage.

Mr. BYRNES. Mr. President, there is no question about the proper interpretation. The interpretation just stated by the Senator from Massachusetts is the proper interpretation, unless the prevailing wage is lower than the minimum.

For example, the State of Massachusetts is in a region where the wage of the unskilled worker is $55. In the region in which the Senator from Mississippi [Mr. BILBO] lives it is $21. If a minimum wage shall be established, and employers in the State of Mississippi have to pay as much as $40 a month, then the minimum wage will govern the wage to be paid by the Government to its employees in the State of Mississippi. The amendment will have no effect upon the unskilled wage scale of the State of Massachusetts, because in that State the wage is fixed by the prevailing rate, and it is $55, as against $21 in the State of Mississippi.

Mr. LODGE. May I ask the Senator if the committee amendment as it now stands could have operated in an unfortunate way in that respect?

Mr. BYRNES. The Senator from New York [Mr. WAGNER] called my attention to the language. I was fearful at the time that it might be so interpreted. I had no desire that such an interpretation should be placed upon it; and, in order to remove all doubt, I have offered the substitute, which is in accord with the views of the Senator from New York.

Mr. LODGE. Does the Senator think it is absolutely essential that in this piece of legislation we should try to anticipate the provisions of a wage and hour bill which is still very much in the future? Does not the Senator think we could wait until next year and see how the wage and hour act has operated, assuming that one is enacted at this session?

Mr. BYRNES. As I have said, the wages paid to W. P. A. employees in the State of Massachusetts would not be affected. The wages paid in the States of Mississippi, Georgia, and Virginia would be affected. The wages from Washington, D. C., to the Gulf would be affected.

We might wait; but I should not want to have the Congress of the United States enact a labor-standard law, and say that the Senator from Massachusetts, if he lived in Virginia, would have to pay $40 a month to an unskilled worker, but that the Government itself would pay an employee $21 a month right alongside the employee of the Senator from Massachusetts. I know the Senator from Massachusetts would not want the Congress to do such a thing.

Mr. LODGE. May I ask whether the substitute offered by the Senator from South Carolina has the approval of organized labor leaders, who are normally interested in this kind of legislation?

Mr. BYRNES. I do not know. I will say to the Senator from Massachusetts that no organized-labor leader and no employer would ever argue with any logic that the Government could require an individual to pay a wage which the Government itself was unwilling to pay for the same work.

Mr. WAGNER. Mr. President, will the Senator yield?

Mr. BYRNES. I yield.

Mr. WAGNER. I am sure the Senator would not want to have a provision in the Federal statute limiting the wages to the minimum wages. I am sure the Senator will agree with me that in no case under the present law, even with the amendments, may less than the prevailing wage be paid. However, there may be some cases in which the minimum wage fixed for those engaged in interstate commerce may be a higher wage than the prevailing wage paid in the community by those who are engaged in intrastate commerce. In the event the prevailing rate of wage paid is less than the minimum fixed by a Federal statute, the minimum which is higher than the prevailing rate of wage would be required to be paid. However, in every instance where the prevailing rate is higher than the minimum fixed, the prevailing rate will have to be paid. If the prevailing rate is lower in any community than the minimum fixed, the minimum will have to be paid.

Mr. LODGE. Is that the Senator's understanding of the text of the substitute offered by the Senator from South Carolina?

Mr. WAGNER. Yes. I had the same apprehension which the Senator expressed a moment ago.

Mr. LODGE. With regard to the original amendment?

Mr. WAGNER. With regard to the original amendment. I think the Senator is correct in stating that the original amendment could be interpreted to mean the fixing of a minimum wage, irrespective of whether it is higher or lower than the prevailing rate of wage.

Mr. LODGE. That is what I thought.

Mr. WAGNER. I discussed the matter with the Senator from South Carolina [Mr. BYRNES]. I am sure he never intended such an interpretation to be placed upon the original amendment, and he himself readily drafted the substitute.

Mr. BYRNES. Mr. President, I had no intention that the interpretation suggested should be placed upon the committee amendment. I never had any hope that the same wage paid in Massachusetts would be paid in Virginia, or from Washington, D. C., to the Gulf. There was never any anticipation that the Government should pay the same wage, because I know enough about the way things are done to know that that would not be done. If the Government fixes a minimum wage for private employers from Washington, D. C., to the Gulf, the Government should pay its own employees on W. P. A. as much as the minimum wage which the individual is required to pay. The amendment does

not affect the W. P. A. wages of $55 a month in the State of Massachusetts or in the State of New York.

As I said in reply to the Senator from Massachusetts, I have never heard of organized labor objecting to the payment of a wage greater than $21 per month to employees, and I am satisfied that the Senator, if he is interested in the matter, will find that organized labor leaders are not opposed to the minimum wage.

Mr. LODGE. I was fearful that the prevailing wage might be reduced. However, in view of the assurances I have received, I have no objection to the substitute.

The PRESIDENT pro tempore. The question is on agreeing to the amendment, in the nature of a substitute, offered by the Senator from South Carolina [Mr. BYRNES] to the amendment reported by the committee.

The amendment to the amendment was agreed to.

The PRESIDENT pro tempore. The question is on agreeing to the committee amendment on page 9, line 22, as amended.

The amendment, as amended, was agreed to.

The PRESIDENT pro tempore. The next amendment reported by the committee will be stated.

The next amendment was, on page 11, line 6, after the word "employment", to insert a colon and the following additional proviso:

Provided further, That every relief worker employed on any Federal or non-Federal project shall be required, as a condition to his continued employment, to file, at the time he receives his wages for each work period, a statement as to the amount of his earnings, if any, from outside employment during such work period, and the statements so filed shall be taken into consideration in assigning such workers to employment on such projects and in continuing them in such employment.

Mr. BYRNES. Mr. President, I send to the desk an amendment to the committee amendment which I ask to have stated.

The PRESIDENT pro tempore. The amendment to the amendment will be stated.

The CHIEF CLERK. On page 11, line 9, in the committee amendment, after the word "file", it is proposed to strike out "at the time he receives his wages for each work period" and to insert in lieu thereof the word "quarterly."

The amendment to the amendment was agreed to.

Mr. BYRNES. I offer another amendment to the committee amendment which I ask to have stated.

The PRESIDENT pro tempore. The amendment to the amendment will be stated.

The CHIEF CLERK. On page 11, line 11, in the committee amendment, after the word "employment", it is proposed to insert "while he was employed on such a project."

The amendment to the amendment was agreed to.

The amendment, as amended, was agreed to.

The next amendment was, on page 11, line 14, after the words "Farmers in", to strike out "actual need of work", and insert "need", so as to read:

Farmers in need but who are not on relief rolls shall have the same eligibility for employment on projects in rural areas as persons on such rolls.

Mr. CONNALLY. Mr. President, in this instance, I hope the Senate will agree to retain the House language.

It will be noted that this is a clause affecting principally the drought agricultural area. The House language was—

Farmers in actual need of work but who are not on relief rolls shall have the same eligibility for employment on projects in rural areas as persons on such rolls.

The Senate committee struck out "actual need of work" and inserted the word "need", so as to read:

Farmers in need, but who are not on relief rolls.

And so forth.

There is some doubt as to just how the term "in need" should be construed. In the rural areas a farmer might, during a drought, make something and get along, but he might not make enough to subsist.

Now, however, he is denied any W. P. A. work, because in order to get W. P. A. work he must be on the relief rolls. Generally, he must be a tenant. He must be on the relief rolls. He cannot work for short periods of time.

The purpose of the House language is to allow the W. P. A. authorities to give such farmers on rural projects, such as roads and other things out in the country, the opportunity to work a few days a month, we will say, to supplement what they are doing on the farm. If we do that, we keep the man out on the farm. We do not pay him full time. If we do not do that, in many cases he will move to town and get on the relief rolls, and we shall have to feed him the year around, instead of only part of the time.

Mr. President, we all know that the great bulk of all the relief money in the W. P. A. goes into industrial areas, to the cities. Out in the extreme drought section, a portion of which is in my State up near the Colorado and the Kansas lines, we have the condition that when there is plenty of rain it is a very fertile country, and the farmers make good crops; but in recent years they have been suffering from terrible drought. It ought to be the purpose of the Congress to keep such a man out on the farm and let him carry on his own business; but many of them are going to leave the farm unless they can supplement what they are making by working short periods of time on the W. P. A.

There cannot be any serious objection to this provision in the House joint resolution, for the reason that, after all, it is discretionary with the W. P. A. authorities; but under their present rules they cannot hire a farmer to work on a country road for a single day unless he is on the relief rolls, which means that he is out of employment, and is about to starve. It cannot be done. I ask any Senator here to deny that statement.

Mr. MALONEY. I deny it.

Mr. CONNALLY. The joint resolution does not say that, but that is a fact. Under their regulations, a man cannot work on a W. P. A. project unless he is on the relief rolls.

Mr. MALONEY. Mr. President, will the Senator yield?

Mr. CONNALLY. I yield.

Mr. MALONEY. I do not understand that that is the situation under this joint resolution. The part of the joint resolution to which the Senator refers, as amended by the Senate committee, reads:

Farmers in need but who are not on relief rolls.

Mr. CONNALLY. That is true. That is the very provision I am talking about. I am asking, though, to retain the House language, which is:

Farmers in actual need of work.

The authors of this provision, which was adopted on the floor of the House, come from that area. Representative JONES, of my State, offered the amendment from the floor, and it was adopted. The Senate committee, however, struck out "actual need of work" and inserted "need." I do not know what their purpose was in doing that, but the language is susceptible of the construction that it refers to a man who has no means at all for sustaining himself. These men do have some means, but they have not sufficient means to sustain themselves according to any sort of standard of living.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. CONNALLY. I yield.

Mr. BARKLEY. It seems to me the language in question does not mean that the man would have to be in need of everything in order to be entitled to some assistance. He might be partially able to take care of himself, but at least to the extent to which he is not able to do so he is in need, and he might be in need of other things besides work. He might be a farmer who was not able to work, and he still might be in need; but if we should limit the provision to farmers who are in need of work we might eliminate those who are in need in a general way, but are not able to work.

Mr. CONNALLY. The man who cannot work at all is already on relief or he can get on relief. That is not the man I am talking about. I am not speaking about the

disabled man who is ill and cannot work, because by all standards he will get on relief if he wants to get on relief. I am talking about the man who is still staying out on the farm, trying to fight his battle, instead of going to town and getting on the relief rolls. I want to keep him on the farm. The only way to keep him there, in many instances, is to give him an opportunity to do W. P. A. work along with the other fellow who has deserted the farm and gone to town, and is on the relief rolls all the time. He has an advantage over the man who stays out on the farm and fights against the rigors of the winter and the suns of the summer. He does not ask for full-time employment; but I do ask for the poor privilege of giving the W. P. A. authorities the right and the power to employ him for short intervals on rural projects. This amendment does not take him to town.

Mr. McGILL and Mr. MALONEY addressed the Chair.

The PRESIDENT pro tempore. Does the Senator from Texas yield; and if so, to whom?

Mr. CONNALLY. I yield first to the Senator from Kansas.

Mr. McGILL. Mr. President, it seems to me the construction placed on the word "need" by the Senator from Kentucky would hardly be applicable to this language, because the effect of the language of the House provision is to make the farmer who is not on the relief rolls eligible for employment.

Mr. CONNALLY. That is it exactly.

Mr. McGILL. The effect is not to make him eligible for relief of any need that he might have, but it is to give him the employment that others eligible for employment would have.

Mr. CONNALLY. Exactly.

Mr. BARKLEY. Mr. President, if the Senator will yield at that point, what I am trying to find out is whether the language as amended by the Senate committee does not broaden the eligibility of the farmer, so that he does not have to be simply in need of work, but if he is in need at all on the farm he is still eligible for employment.

Mr. CONNALLY. That may be; but it illustrates the uncertainty in which the language leaves the matter.

Mr. BARKLEY. I am not on the Appropriations Committee, and I do not know what actuated the committee. I am merely looking at the language.

Mr. CONNALLY. I am not on the Appropriations Committee, either; but I am urging this matter because a Member of the House who is very cognizant of agricultural conditions in the drought area framed this language, and he thinks the Senate committee language devitalizes his amendment; and I myself am inclined to think that it does, or the committee would not have changed it.

Mr. MALONEY. Mr. President, will the Senator yield to me?

Mr. CONNALLY. I yield.

Mr. MALONEY. As the result of the statement and fear expressed by the Senator from Texas, I am wondering if this language might possibly discriminate against the urban worker.

Mr. CONNALLY. No.

Mr. MALONEY. Up to now, at least, the regulations have provided that a man in the city must be on the relief rolls before he may secure W. P. A. employment, with the exception of a limited number of so-called nonrelief workers. This language very definitely provides that a farmer, under certain conditions, may get W. P. A. employment without being on the relief rolls.

Mr. CONNALLY. That is true.

Mr. MALONEY. I do not find in the joint resolution any language which discriminates against the city worker; but I know that in practice, up to now, he is not treated nearly so liberally as the farmer is treated under this particular language; and I wonder if we might have some enlightenment from some member of the committee in this respect.

My inquiry is this: Is the urban worker entitled to the same privileges that the farmer is entitled to under this particular language?

Mr. BAILEY. Mr. President, will the Senator yield?

Mr. CONNALLY. I yield to the Senator from North Carolina.

Mr. BAILEY. We have passed no law limiting the right of an urban worker to work.

Mr. CONNALLY. Not at all.

Mr. BAILEY. All through my State the allotments of the A. A. A. cut down tobacco acreage to less than an acre in many cases, and in thousands of cases to less than 5 acres.

Mr. MALONEY. I will say to the Senator from North Carolina that I did not like that, either.

Mr. BAILEY. I just want to make a suggestion. I am not advocating anything. When the Government fixes matters so that a farmer cannot make a living, probably there is a moral obligation on the Government to provide him with the means of subsistence. There is some argument there on the side of the Senator from Texas.

Mr. MALONEY. I should like to say, if the Senator from Texas will yield to me a moment longer, that I am in sympathy with what he aims to do, but he raises a question in my mind as to whether an act of discrimination is not actually committed against the urban worker.

Mr. CONNALLY. I think I can correct the Senator on that point.

Mr. MALONEY. I should like to have that done.

Mr. CONNALLY. Very well.

The Senator is talking about the urban worker. Almost everybody knows that nearly all this relief money goes to the urban worker. He is in the industrial areas, in the great cities. Where are the cries for relief today? In the great cities. I want them to have an employment fund, but this amendment providing for employment on projects in rural areas does not take the farmer from the country and put him into town. It only makes him eligible for employment out on the rural projects. Some of these urban fellows on the W. P. A. could not be dragged out to the country with a tractor to do work on a rural project.

I am not against the urban man; but what is he getting out of this joint resolution? He has been getting, and is now getting, the major portion of the W. P. A. and the relief money, and everybody knows it; but because a farmer stays out on the farm, fighting his battle and trying to make a living, instead of going up to the relief office and begging to get on relief, the authorities will not let him have 2 days a week or 2 days a month of work on a W. P. A. project, because he is not wearing the relief badge with which the Administrator puts a man on relief.

Mr. POPE and Mr. MILLER addressed the Chair.

The PRESIDENT pro tempore. Does the Senator from Texas yield, and, if so, to whom?

Mr. CONNALLY. I yield first to the Senator from Idaho.

Mr. POPE. Let me ask the Senator's opinion about this matter: The language as it now stands is "Farmers in need but who are not on relief rolls."

Mr. CONNALLY. Yes.

Mr. POPE. If they are in need, they can get on the relief rolls.

Mr. CONNALLY. If they are in need, they can get on the relief rolls. The Senator is right.

Mr. POPE. In other words, the same definition of need which puts them on the relief rolls, it seems to me, would apply to the words as used here.

Mr. CONNALLY. Certainly.

Mr. POPE. So that it would not improve the situation.

Mr. CONNALLY. Not at all. In other words, under the language of the Senate committee amendment the man must be in need. If he is in need, he can get on the relief rolls; but this is a man who does not want to get on the relief rolls. He wants to work. He has two strong arms and a strong back, and he wants to work a few days for the Government. He cannot do that, however. He has to go to town and get on relief.

Mr. MILLER and Mr. MURRAY addressed the Chair.

The PRESIDENT pro tempore. Does the Senator from Texas yield; and if so, to whom?

Mr. CONNALLY. I yield first to the Senator from Arkansas.

Mr. MILLER. I desire to make a suggestion. I am in hearty accord with what the Senator says; but I believe the language can be improved greatly, and we can arrive at what the Senator is seeking to do, by striking the word "actual" from the House language, and letting it read "farmers in need of work." I think that language will serve a more useful purpose.

Mr. CONNALLY. I think we should have first to kill the Senate committee amendment. That would restore the House language, and it would be subject to amendment.

Mr. MILLER. I am very much concerned over the fact that if we leave in the words "actual need of work", the W. P. A. then will determine just the degree of poverty that must exist before farmers can get on W. P. A. projects.

Mr. CONNALLY. I think probably the Senator is correct about that. Taking out the word "actual" of course would lower the standard a little.

Mr. MILLER. But the men out on the farm who are fighting to live are entitled to that consideration.

Mr. CONNALLY. Of course.

Mr. MURRAY. Mr. President——

Mr. CONNALLY. I yield to the Senator from Montana.

Mr. MURRAY. I desire to point out that the farmer in need might not necessarily be entitled to go on relief.

Mr. CONNALLY. He would, under the joint resolution, if he is in need.

Mr. MURRAY. No; he might have property. He might own property; and if he did, he would be able to sell the property in order to support himself.

Mr. CONNALLY. The W. P. A. authorities do not require that, do they?

Mr. MURRAY. I am sure they do. If he owns property and is able to sustain himself——

Mr. CONNALLY. If he is able to sustain himself, of course he should do so.

Mr. MURRAY. Well, he can sustain himself by selling his farm and selling his stock and selling his cattle and selling his horses and his harness.

Mr. CONNALLY. Oh, no; I do not subscribe to that doctrine. I want him to be given a chance to work.

Mr. MURRAY. The Senator will have to provide here, then, that farmers who are affected by bad agricultural conditions, and have not been able to raise a crop in order to carry themselves over to the next crop season, shall be allowed to go to work on these projects without the necessity of proving themselves entitled to go on relief.

Mr. CONNALLY. That is my purpose in the whole matter. Of course, I have not used the language the Senator uses, but that is my purpose.

Mr. MILLER. Mr. President——

Mr. CONNALLY. I now yield to the Senator from Arkansas.

Mr. MILLER. I suggest that the Senator offer an amendment to perfect the House language by striking out the word "actual." Then, if the Senate will disagree to the committee amendment we shall have the language perfected as the Senator from Texas desires.

Mr. CONNALLY. I shall be glad to follow that suggestion; but the Senate committee amendment has not been killed yet.

Mr. MILLER. I know; but we have to do one thing at a time, and we want the word "actual" out of the provision anyway.

Mr. POPE. Mr. President, will the Senator yield?

Mr. CONNALLY. I yield to the Senator from Idaho.

Mr. POPE. Would not the effect of the suggestion of the Senator from Arkansas be that we would simply strike out the word "actual" and otherwise leave the language as it was in the House joint resolution?

Mr. MILLER. It would then read "farmers in need of work." I was just trying to perfect the House language by striking out the word "actual." Then, if the Senate will defeat the committee amendment, the language will be perfected, and we shall have accomplished what the Senator from Texas is trying to do.

Mr. CONNALLY. Mr. President, have I any more time?

The PRESIDENT pro tempore. One minute.

Mr. CONNALLY. That is plenty. Mr. President, that is the purpose of what I am trying to do here—to give a little help to the men who are trying to make their own way, instead of driving them to the relief roll in town, and giving them help all the year around.

Mr. BANKHEAD. Mr. President, will the Senator yield?

Mr. CONNALLY. I yield.

Mr. BANKHEAD. There seems to be a controversy about what these two expressions mean—"farmers in need of work" and "farmers in need." I suggest to the Senator that that controversy might be obviated by adopting the amendment offered by the Senator from Arkansas, and going a little further and saying, "Farmers in need of work, or otherwise in need, who are not on the relief rolls."

Mr. CONNALLY. I shall be willing to accept that language. I suggest to the Senator from Arkansas that he offer his amendment.

I reserve my time on the joint resolution, if I have any. This discussion is just on the amendment; is it not?

I wish to propound a parliamentary inquiry.

The PRESIDENT pro tempore. The Senator will state it.

Mr. CONNALLY. How much time does each Senator have under the agreement?

The PRESIDENT pro tempore. Thirty minutes on the joint resolution, and 15 minutes on each amendment.

Mr. CONNALLY. Then we can offer other amendments.

Mr. ADAMS. Mr. President, I should like to present the views which led the committee to make this change. I think we are in entire sympathy with the purpose of the Senator from Texas.

The committee is inclined to think that the description of the man to be furnished help under this provision is a very inadequate and unsatisfactory definition. That is, we are seeking to give a man who is in need of work eligibility for employment on projects.

There may be many circumstances which would make a man in need of work. A man might be in affluent circumstances and be in need of work. What we are trying to do by this measure is take care of people who have need of the kind that affects them as citizens, affects their capacity, their ability to live decently and comfortably, so that they may have food and shelter and clothing. The fact that a man is in need of work is not the need that was in mind. A man might be in need of the very things which entitle him to relief and might not be in need of work. For instance, the so-called Dust Bowl farmers may be men who have more work than they can possibly do. Such a farmer has not any need of work, but he may be in need of food, he may be in need of clothes. He has an endless job of work on his place, to prepare his farm.

In this measure the term "need" is used in other sections. On page 6, line 13, is the specific requirement that "The funds made available by this title shall be used only for work relief or relief for persons in need." That is, we transpose over into this section the very definition of the man entitled to help which was included in the basic provisions of the joint resolution.

Again, I think the Senator from Texas overlooked the provisions of section 10. I understood him to say that a farmer could not get relief unless he were on a relief roll. Section 10 provides:

> In the employment of persons on projects under the appropriations in this title, applicants in actual need whose names have not heretofore been placed on relief rolls shall be given the same eligibility for employment as applicants whose names have heretofore appeared on such rolls.

In other words, as it stands the measure has taken away the discrimination which existed perhaps in earlier acts against those whose names were not on the relief rolls.

Mr. McKELLAR. Mr. President, will the Senator yield?

Mr. ADAMS. I yield.

Mr. McKELLAR. It was the purpose of the committee to make this just as liberal to the farmers as possible, so as really to protect those who were in need. In striking out

the word "actual" and the other words "need of work," that was the sole purpose of the committee. We thought we left it as broad as possible by saying "farmers in need." I am inclined to think that the language of the committee does leave it just as broad as possible, and I hope that language will be retained.

Mr. ADAMS. I go beyond that. The language in the amendment of the committee is broader and more inclusive than the language which the Senator from Texas desires to have restored. In other words, if we say "actual need," we are trying to draw a distinction between two kinds of need, and I cannot make that distinction. "Need" is limited to a particular kind of need. The committee provided for a man in need; it did not specify the kind of need. The provision as it came from the House only gave him help as he needed work. In other words, the committee provision is a broader provision, more inclusive, more beneficial to the very people the Senator from Texas has in mind, than the language as it came from the House.

Mr. McKELLAR. In my opinion, the Senator is entirely correct, and that was the purpose of the committee.

Mr. MALONEY. Mr. President, I should like to ask the Senator if he will not try to make a little clearer to me the language of section 10 to which he has just referred where it is provided—

> Applicants in actual need whose names have not been heretofore placed on relief rolls shall be given the same eligibility for employment as applicants whose names have heretofore appeared on such rolls.

What I should like to know is whether that means that they must actually go on the relief rolls in order to get work.

Mr. ADAMS. I assume that the two things mean one and the same thing. That is, the man who gets unemployment work is, by that act, put on the rolls. That is, the rolls mean the lists of those who are getting W. P. A. employment.

Mr. MALONEY. May I take just a moment more to make my position clear?

Mr. ADAMS. Certainly.

Mr. MALONEY. In the neighborhood in which I live it happens that the certification for W. P. A. workers is under the so-called welfare department, and the practice is to certify a man for W. P. A. employment only after he has applied for municipal relief, which in effect gives him the stigma of pauperism. I am wondering whether it will still be necessary, under this language, to get such a relief status before a man may get W. P. A. employment.

Mr. ADAMS. I do not think that is a requirement of this provision. This measure as it stands gives to a man in need the right to assistance of the W. P. A. without any further requirement of registration, enrollment, examination, or anything else.

I desire to point out one other thing in the provision as it came from the House. There are some farmers who are now on some types of rolls who are getting help of one kind or another. Under this provision, if a farmer were getting any kind of help on any kind of roll, he would not be eligible.

In the pending measure is included an appropriation of $175,000,000 specifically for direct relief to farmers. It is the only direct relief which was provided in the original joint resolution, before the amendments which have been put on by the Senate were inserted. That has been the practice under the preceding bills in granting direct relief to farmers in distress. Loans are being made to farmers in need. Those men in a certain sense are on rolls. Under this provision it is provided that employment may be given to those who are not on relief rolls. It would not be given to those who are on relief rolls.

In addition, in the pending measure there is an appropriation of $212,000,000 for benefit payments to farmers. I am merely stating that the farmer has not been overlooked in the joint resolution, and I rather think that if the Senator from Texas will take this amendment and compare it in its present form with the provision as it came from the House, and study the consequences of the two versions, he will find that the farmer in whom he is interested will be more benefited, will be in better shape, under the amendment as it came from the committee, than under the provision as it came from the House.

Mr. CONNALLY. That may be true, Mr. President, because he goes to town and not to work.

Mr. LODGE. Mr. President, I am anxious to assure myself that there is no discrimination against urban people in this provision.

I should like to ask the Senator from Colorado whether I am correct in my understanding that the language on page 11 as to farmers is designed to apply to a small group of farmers who live in such inaccessible places that they could not readily register and be certified in the normal way. Am I correct about that?

Mr. ADAMS. I think the Senator is entirely correct. I think the theory in the minds of those who drafted the amendment, and in the minds of those who amended it, was that in the rural areas were men who had not gone to town and were not in a position to apply for ordinary relief, but who should be put on an equal basis with others and should not be required to enroll themselves in any way in order to have the benefits of relief.

Mr. LODGE. The committee did not think it desirable to put in any geographical qualifications. Was that matter considered at all?

Mr. ADAMS. No; the only geographical qualification is implied in the fact that the sentence refers to farmers, which in and of itself has a locality implication.

Mr. CONNALLY. Mr. President, who has the floor?

The PRESIDENT pro tempore. The Senator from Texas may take the floor on the joint resolution.

Mr. CONNALLY. I desire to offer an amendment.

The PRESIDENT pro tempore. The Senator may offer an amendment.

Mr. CONNALLY. I offer the amendment which I send to the desk.

The PRESIDENT pro tempore. The amendment will be stated.

The LEGISLATIVE CLERK. It is proposed to strike out all after the word "employment", on page 11, line 14, and to insert the following:

> Farmers in need or who need employment to supplement their farm income but who are not on the relief rolls shall have the same eligibility for employment on projects in rural areas as persons on such rolls.

The PRESIDENT pro tempore. Permit the Chair to state the parliamentary situation. Any Senator has the right to amend the House text or to amend a committee amendment, but the amendment offered by the Senator from Texas, it appears to the Chair, goes beyond the House text.

Mr. CONNALLY. It does not go beyond the House text if it proposes to strike it out. The Senator from Texas offers an amendment to strike out the House text. However, I will abide by the ruling of the Chair.

The PRESIDENT pro tempore. The amendment will again be stated.

The legislative clerk again stated the amendment.

The PRESIDENT pro tempore. The Chair understands the Senator to seek to strike out all of the sentence commencing on line 14 and ending on line 17, page 11, and to offer a substitute for that language. The Chair holds the Senator has a right to do that.

Mr. CONNALLY. I thank the Chair.

The PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the Senator from Texas.

Mr. CONNALLY. Mr. President, I have drawn this amendment to meet the objections of Senators as to the construction and possible implications from the language. I agree that there is some doubt about what "actually in need of work" may mean, and I am also in doubt about what the term "in need" means. According to the standards in other bills, a man has to be in need to get on relief rolls.

Mr. NORRIS. Mr. President, will the Senator yield?

Mr. CONNALLY. I yield.

Mr. NORRIS. I cannot understand what difference there would really be whether we adopted the Senator's amendment or adopted the committee amendment. I should like

to get the Senator's ideas as to that. It seems to me that in effect the result would be the same whether we adopted the Senator's amendment or adopted the committee amendment.

Mr. CONNALLY. I do not quite agree with the Senator from Nebraska.

Mr. NORRIS. I know the Senator does not. I cannot see the difference. I should like to have the Senator state it.

Mr. CONNALLY. Let me say to the Senator from Nebraska that under the Senate committee amendment there is set up the same standard for a farmer in securing employment that is provided with respect to a relief worker who has no employment, no activity, who has no work, who is walking the street. The same standard, "in need," prevails. They must both be in need. If that is the standard, the administrator may properly rule that the man on the farm who barely gets by, who may be existing, but existing very poorly, cannot qualify. The purpose of my amendment is to provide that the farmer who is in need, who is down and out, if he is in need of work to supplement his farm income, is eligible. That does not mean that he will get on the roll. The little local satrap of the W. P. A. is still left to say whether or not such a farmer can get on the roll. He will still be there to guard the lists. He will still be there to supervise and censor, and say who shall be the privileged ones who will get employment. We are not putting the farmer on employment relief, but we are simply making him eligible.

Mr. ADAMS. I wish to inquire if the language is not broader than the Senator from Texas really means it to be. The Senator's amendment, as I read it, provides that farmers "in need or who need employment to supplement their farm income" shall be eligible.

Mr. CONNALLY. That is correct.

Mr. ADAMS. Practically every farmer would like to have his farm income supplemented. In other words, it seems to me that the language is broader than the Senator means it to be. That simply means that any farmer who in any way needs an increase in his farm income is eligible. It may be that he needs it for a thousand purposes.

Mr. CONNALLY. No; it simply makes the farmer eligible. It will not place him on the rolls, and not many of them will be placed on the rolls. It makes the farmer eligible. That is all it provides. We cannot set up a standard for every farmer in every individual case.

Mr. ADAMS. But the Senator will find very few farmers who do not say that they need something to supplement their farm income.

Mr. CONNALLY. What is the suggestion of the Senator from Colorado with regard to that provision? How would he frame it?

Mr. MILLER. Mr. President, I would change that word "or" to "and," and that would take care of the matter.

Mr. CONNALLY. I am going to trust the action of the Senate on my amendment. The Senate does not have to adopt it, of course. Send the farmer to town. That is where some want to send him. Send him to town and put him on the relief work. He does not want to go to town, however. He wishes to stay out among the cockleburs, and in the sun, and fight and try to make a living. All we ask is the poor privilege of letting him work a few days a month on a highway.

In my State there are some little rural farm-to-market roads. The farmers out along those roads could not get any employment on them at all. It was necessary to go to town and bring the fellows out from the cities in a bus to do the work. No matter how hard up a farmer was, he was not on the relief roll, and if he was not on the roll he could not do a day's work on W. P. A.

Mr. President, I submit the amendment.

Mr. BURKE. Mr. President, will the Senator yield?

Mr. CONNALLY. I yield.

Mr. BURKE. I do not understand the Senator's objection to the provision of the committee amendment. The language in the committee amendment is "farmers in need." Does not that language take care of the situation?

Mr. CONNALLY. It does, yes, if the farmer has nothing, if he has no job, if he has nothing to do that will take care of him.

Mr. BURKE. He is still in need if he has a little, but does not have enough to take care of himself.

Mr. CONNALLY. Mr. President, let me ask the Senator a question. The same standard is required by the committee of a farmer out on a farm who has some income and has had work, that is required of the city fellow who is walking the streets and has no job and no employment at all. The same standard is required—need. Two standards cannot be made, one for the town and one for the country.

Mr. BURKE. That is why I think the committee amendment is satisfactory. We are providing the same standard.

Mr. CONNALLY. We do not make the standards the same, though. I hope the Senator from Colorado will accept my amendment and let it go to conference, at least.

Mr. ADAMS. If the committee amendment is adopted it will then go to conference and be open to the further adjustment which the Senator has in mind.

Mr. CONNALLY. It will be limited to the language of the committee amendment, and my language is broader. I ask for a vote on my amendment, and I make the suggestion of the absence of a quorum in order to get some of the friends of the farmers into the Chamber.

The PRESIDENT pro tempore. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Connally	Johnson, Colo.	Pittman
Andrews	Copeland	King	Pope
Ashurst	Davis	La Follette	Radcliffe
Austin	Dieterich	Lee	Russell
Bailey	Donahey	Lodge	Schwartz
Bankhead	Duffy	Logan	Schwellenbach
Barkley	Ellender	Lonergan	Sheppard
Berry	Frazier	Lundeen	Shipstead
Bilbo	George	McAdoo	Smathers
Bone	Gerry	McCarran	Smith
Borah	Gibson	McGill	Thomas, Utah
Brown, Mich.	Green	McKellar	Townsend
Brown, N. H.	Guffey	McNary	Truman
Bulkley	Hale	Maloney	Tydings
Bulow	Harrison	Miller	Vandenberg
Burke	Hatch	Milton	Van Nuys
Byrd	Hayden	Minton	Wagner
Byrnes	Herring	Murray	Walsh
Capper	Hill	Neely	Wheeler
Caraway	Hitchcock	Norris	White
Chavez	Hughes	Overton	
Clark	Johnson, Calif.	Pepper	

The PRESIDENT pro tempore. Eighty-six Senators having answered to their names, a quorum is present.

The Chair wishes to state the question. The committee has proposed an amendment, to strike out the words "actual need of work" and to insert the word "need." If the committee amendment shall be adopted the language will read "Farmers in need."

The Senator from Texas [Mr. CONNALLY] proposes to amend the committee amendment by adding after the word "need" the words "or who need employment to supplement their farm income."

The question is now on the amendment of the Senator from Texas to the committee amendment. [Putting the question.] The Chair is in doubt.

On a division, the amendment to the committee amendment was agreed to.

The amendment as amended was agreed to.

The PRESIDENT pro tempore. The clerk will state the next amendment.

The next committee amendment was, on page 11, line 19, after "States", to strike out "or alien who has not, prior to the date of enactment of this joint resolution, filed declaration of intention to become a citizen," and to insert the following: "and no alien who has not, prior to the date of enactment of this joint resolution, filed a declaration of intention to become an American citizen which is valid and has not expired."

Mr. COPELAND. Mr. President, this amendment relates to assistance given to aliens. We had this matter up in connection with a previous measure. I made a plea both in

the committee and on the floor, and I thought I had an assurance on the floor that in conference the matter would be worked out.

There are aliens who have American dependents. John Brown may come from Europe and marry an American woman—an American-born woman or a naturalized woman. They have children who are Americans by reason of the fact that they were born here.

I ask the chairman of the subcommittee if he would not be willing to accept a change in the committee amendment after line 24 by the insertion of "or having American citizen dependents who are in need"?

In my great cosmopolitan city—and what is true there is true to a lesser degree elsewhere—there are many aliens who for one reason or another have never applied for citizenship. I think they should. I believe in their applying. But many times they have lost the papers showing when they arrived. We do not need to go into that. But the fact remains that there are aliens in the United States who have American dependents. They must be taken care of by somebody, and it seems to me that they might properly and should properly be taken care of in this measure.

Mr. ADAMS. I will explain one of the reasons for the change. It was pointed out in the committee that the language which came from the House, which was the language of the earlier measure, allowed the filing of a declaration of intention to become a citizen to be the test. It was pointed out to us that there was no limitation; that such declaration of intention may have been filed 20 or 30 years ago, and might have expired; that a declaration of intention is only valid for a certain length of time, and the man who had filed a declaration of intention many years ago, but had not followed it up, who had lost the benefit of it, had resumed his status of an alien who had not made a declaration.

So we amended the language so as to provide for the man who had filed a declaration of intention which was valid and had not expired; that is, a declaration of intention under which he might take the next step and become a citizen. We were trying to draw the line between the man who was a citizen, or the man who had taken effective steps to become a citizen, and the man who had not. It seemed to us that we should not include a man who had taken steps years ago, and had abandoned those steps.

Mr. COPELAND. Mr. President, it might happen that an alien could not meet the necessary requirements of citizenship. However, regardless of the alien, are we going to permit the American wife of that alien, or the American-born children of that alien, who are Americans under our Constitution, to starve to death?

Mr. BYRNES. Mr. President, will the Senator yield?

Mr. COPELAND. I yield.

Mr. BYRNES. If the alien has an American wife and American children, why does he not file a declaration of intention to become a citizen of the United States?

Mr. COPELAND. Suppose he does not do it?

Mr. BYRNES. If he does not think enough of this country to want to become a citizen of it, why should we create for him a job on W. P. A. and pay him $700 a year? Why should the Government to which he does not want to swear allegiance create a job for him?

Mr. COPELAND. That statement may satisfy the Senator from South Carolina.

Mr. BYRNES. It does.

Mr. COPELAND. I am not talking about the man who has failed to do this or that. I am talking about his American wife and his American children. A man may be stubborn or obstinate, or for any other reason he may fail to file a declaration of intention to become a citizen. Are we going to permit his American wife and children to starve?

That is the issue. I am sure it is clear to the Senate. I think the language which I have suggested is perhaps as satisfactory as any which could be used. I move to amend the committee language by inserting, on page 11, line 24, after the word "expired", the following language:

Or having American citizen dependents who are in need.

Mr. BYRNES. Mr. President, the Appropriations Committee, in the consideration of relief bills for the past few years, has been endeavoring to do what is fair and just with regard to this question. On the one side, many people throughout the country believe that thousands and thousands of aliens are upon the rolls of the W. P. A. and have been provided jobs by the Works Progress Administration. I have repeatedly seen the statement made that half a million or a million aliens are on relief, while citizens of this country are in need. Of course, such a statement is not correct. The fact is that as a result of the legislation of the Congress about 70,000 aliens who have not filed a declaration of intention to become citizens and who had jobs on Works Progress projects have been removed from that employment.

At the same time it does not follow, as the Senator from New York fears, that those persons will go hungry. The fact is that the appropriation carried in the joint resolution for Works Progress is not to distribute food to individuals throughout the country but is to create jobs. The Congress knows that it costs more to provide jobs than to give the dole to persons throughout the country. The dole is now within the jurisdiction of the local governments. The city of New York, the city of Spartanburg, the city of Baltimore, or the city of Boston will not permit the American wife of an alien, or the American children of an alien, to go hungry. The communities are taxing themselves. They are levying sales taxes, as is done in the city of New York and in other cities, and borrowing money for relief purposes to give food to the hungry and to help the needy. The question is whether we should appropriate money to provide jobs—admittedly the most expensive form of relief—for aliens in this country who refuse to file a declaration of intention to become citizens.

The contention is made, and with some force, that the amendment is not strict enough, because it permits a man who is an alien to file a declaration of his intention to become a citizen and thereby qualify for a job. There are many who object to it. It is our belief that the purpose of America is to make citizens of the aliens in our midst, and that we should offer encouragement to them to apply for citizenship.

If, as the Senator from New York says, an alien is stubborn, or if he likes America well enough to marry an American woman and raise American children in this country but refuses to file a declaration of intention to become an American citizen, the humanity of the relief organizations of the cities of the Nation will see to it that his wife and children are not permitted to go hungry. At the same time, when 500,000 persons in this country are certified as eligible for jobs on Works Progress projects, and yet are unable to obtain those jobs, it seems to me we should not keep American citizens off those jobs when they are without means of support for their families and give the jobs to aliens who are stubborn enough to say: "I live in this country. I am going to live here. I refuse to file a declaration of intention to become a citizen, and I say that you must give me a job."

We do not have to go that far. A humane people, such as the people of this country, will never permit the wife or children to go hungry. We do not have to create jobs and give jobs to aliens who refuse to swear allegiance to this country, when 500,000 American citizens in New York and every other State of the Union have been certified and yet are without jobs.

Mr. LEE. Mr. President, will the Senator yield?

Mr. BYRNES. I yield.

Mr. LEE. At best there will not be enough money to give a job to every good American citizen who needs a job. I certainly should not favor making an American citizen who needs a job and wants a job stand aside and giving the job to some fellow who not only is stubborn but who by his very attitude shows either a lack of interest in our Government or direct opposition to our form of government.

I think we have been a little too lax in our attitude toward the aliens in this country. They are always the first at the feed box. They are always the first to take advantage of any Government opportunity, and the last to give any support to the Government.

Until there are enough jobs for every American citizen to have a job I certainly favor the attitude of the committee in asking those who are not sufficiently interested in our Government to become citizens to stand aside until American citizens have been given employment.

Mr. BYRNES. Mr. President, no restriction is placed upon the alien in our midst. We hope he can get a job; but we say that if he is unwilling to file a declaration of intention to become an American citizen, or, as the Senator from Oklahoma has indicated, if in time of war he is unwilling to put himself in a position to support the Government or fight for it, he should not seek to have the Government provide a job for him in time of peace.

I know that no one would want us to do anything that would not be humane. Under the provisions of the joint resolution, by reason of the amendment offered today by the Senator from Kentucky, there is an appropriation for direct relief; and if there is any case of hardship, if there is any case which impresses the officials of the Government as deserving, there is money which can be used for direct relief; and the American wife and American dependents of an alien do not need to go hungry.

I should like to invite the attention of the Senator from New York—because I know he is sincere in this matter and knows the situation—to the fact that in the joint resolution there is a provision for direct relief. The limit on the amount available for direct relief now is $125,000. If there is any deserving woman with American-citizen children who are in need, we can rely upon the officials of this Government to do justice.

Mr. LEE. Mr. President, will the Senator yield?

Mr. BYRNES. I yield.

Mr. LEE. In connection with what the Senator said concerning loyalty to this Government, General Crowder said that 23,000 aliens were draft resisters and were carried on the rolls as deserters during the last war. They are the type of men who would come in under the provisions which the Senator from New York asks us to accept. I shall oppose it.

Mr. BYRNES. Mr. President, let me say in conclusion that we have not listened to those who, in many publications throughout the country, misstate the facts as to the thousands and thousands of aliens who are in Works Progress jobs. I have seen statements to the effect that as many as 1,000,000 aliens are on relief, when the total number of relief jobs is only 2,600,000. Last August the total was only 1,500,000. About the time we had 1,500,000 men on W. P. A. projects, I saw the statement that 1,000,000 aliens were on relief.

I have no defense for the persons who arouse prejudice against aliens by such misstatements. Nevertheless, I am convinced that we do not owe to the alien who refuses to become a citizen the duty of providing a job for him under the Works Progress Administration.

Mr. COPELAND. Mr. President, will the Senator yield?

Mr. BYRNES. I yield to the Senator from New York.

Mr. COPELAND. I have no defense to offer for the alien who is entitled to our citizenship if he is wise enough to ask for it. I am making no plea for him. I might say that he is no more lacking in appreciation of our country than the 21,000,000 voters at the last Presidential election who could have voted and did not do so—21,000,000 of them in this country. The alien who does not take out his naturalization papers is no worse, in my judgment, than those men and women who failed to exercise their right and duty of suffrage; but I do not want to protect him. I do not care anything about him. I am talking about his American wife and his American children. They ought not to suffer because the head of the family is so stupid that he has failed to avail himself of our citizenship or who, for one reason or another, has not done so.

Mr. BYRNES. Mr. President, I call the attention of the Senator from New York to the fact that not only do the States, counties, and cities have provision for relief for the wife and children who cannot work but who should not be permitted to go hungry, and who I have no idea will ever be permitted to go hungry in any part of this country, but in this very joint resolution the Senator by his vote, if he votes for it, will be voting for funds to enable the officials of the United States Government to provide food and clothing for persons who are in that condition.

The PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the Senator from New York to the amendment reported by the committee.

The amendment to the amendment was rejected.

The PRESIDENT pro tempore. The question recurs on agreeing to the committee amendment.

The amendment was agreed to.

Mr. VANDENBERG. Mr. President, I ask the attention of the Senator from Colorado [Mr. ADAMS]. I wish to revert to the Senator's colloquy with the Senator from Connecticut [Mr. MALONEY] a few moments ago, because I wish to be very sure about the answer the Senator from Colorado gave to the Senator from Connecticut.

The Senator from Colorado will remember that the Senator from Connecticut was interested in the present rule requiring a person to be on welfare, on direct relief, before he is eligible for work under work relief. My understanding is that the present language in the joint resolution provides eligibility without the necessity for previous registration on general relief or welfare. Is that correct?

Mr. ADAMS. That is correct.

Mr. VANDENBERG. Does the language go far enough so that the W. P. A. administrators would be prohibited from continuing the present rule?

Mr. ADAMS. I think the language in section 10, on page 10, is positive. It says:

> In the employment of persons on projects under the appropriations in this title, applicants in actual need whose names have not heretofore been placed on relief rolls shall be given the same eligibility for employment as applicants whose names have heretofore appeared on such rolls.

They shall have the same eligibility, under that language.

Mr. VANDENBERG. In other words, then, it is the opinion of the Senator in charge of the bill that W. P. A. would no longer be permitted lawfully to exercise the present discrimination?

Mr. ADAMS. I do not know what the Senator means by "the present discrimination." I have heard of it, but I have no personal knowledge on that question; so when the Senator speaks of "the present discrimination" I am not able to answer. I will say that they could not lawfully exercise any discrimination.

Mr. VANDENBERG. They could not lawfully continue a practice of requiring that a "reliefer" must be on general relief, direct relief, before becoming eligible for work relief. They could no longer enforce that sort of a rule. Is that the Senator's viewpoint?

Mr. ADAMS. They could not enforce any such rule. I do not know that any such rule has been enforced.

Mr. VANDENBERG. It has been.

Mr. BYRNES. Mr. President, if the Senator will yield to me, that has not been the rule in the States.

Mr. VANDENBERG. It has been the rule in the State of Michigan.

Mr. BYRNES. The Senator may have knowledge of a local condition; but that is not the rule according to the administrators of all the States who came before the committee of which I happen to be chairman.

Mr. VANDENBERG. When I was presenting the protest of the labor unions of Detroit on this matter, the Senator from Oregon [Mr. MCNARY] was sitting nearby, and he said that precisely the same rule obtains in Oregon.

Mr. BYRNES. I know of no such rule, and certainly it is not general. The rule is that before a man receives a job he must be certified by the certifying organization of the State, whatever that is, but not that he must be the recipient of relief from some local organization before he can qualify for a W. P. A. job.

Mr. VANDENBERG. I think that is the situation in the State of Michigan, and has been for several years.

Mr. BYRNES. I will take occasion to inquire, because I will say to the Senator that that is not the general rule.

Mr. VANDENBERG. The Senator will agree that that is an unfair rule?

Mr. BYRNES. I certainly see no reason for it; but the Senator from Colorado says that under this language we did not seek to do anything but to prevent a discrimination. The Senator from Colorado is right in the interpretation he places upon the language, in my opinion—that it would prevent any discrimination of any kind in passing upon the question the Senator from Michigan raises, which I want to inquire about.

Mr. VANDENBERG. Very well.

The PRESIDENT pro tempore. The next amendment reported by the committee will be stated.

The LEGISLATIVE CLERK. On page 12, line 10, after the word "need", it is proposed to strike out "who, prior to the date of enactment of this joint resolution, shall have declared their intentions to become American citizens" and insert "whose declarations of intention to become American citizens were filed prior to the date of enactment of this joint resolution and are valid and have not expired", so as to read:

Provided, That preference in employment on such projects shall be given in the following order: (1) Veterans of the World War and the Spanish-American War and veterans of any campaign or expedition in which the United States has been engaged (as determined on the basis of the laws administered by the Veterans' Administration) who are in need and are American citizens; (2) other American citizens, Indians, and other persons owing allegiance to the United States who are in need; and (3) those aliens in need whose declarations of intention to become American citizens were filed prior to the date of enactment of this joint resolution and are valid and have not expired.

The amendment was agreed to.

The next amendment was, on page 15, line 10, after the numerals "1935," to insert a colon and the following proviso: "*Provided*, That hereafter the monthly compensation in any individual case heretofore or hereafter coming within the purview of such act of February 15, 1934, shall not exceed the rate of $70, and the aggregate payments shall not exceed $5,000, exclusive of medical costs"; so as to make the section read:

SEC. 16. The provisions of the act of February 15, 1934 (48 Stat. 351), as amended, relating to disability or death compensation and benefits shall apply to persons (except administrative employees qualifying as civil employees of the United States) receiving compensation from the appropriations in this title for services rendered as employees of the United States and to persons receiving assistance in the form of payments from the United States for services rendered under the National Youth Administration created by Executive order of June 26, 1935: *Provided*, That hereafter the monthly compensation in any individual case heretofore or hereafter coming within the purview of such act of February 15, 1934, shall not exceed the rate of $70, and the aggregate payments shall not exceed $5,000, exclusive of medical costs: *Provided further*, That so much of the appropriation in section 1 of this title to the United States Employees' Compensation Commission, as the Commission, with the approval of the Director of the Bureau of the Budget, estimates and certifies to the Secretary of the Treasury will be necessary for the payment of such compensation and administrative expenses shall be set aside in a special fund to be available and to be administered by the Commission during the fiscal year 1939 for such purposes; and after June 30, 1939, such special fund shall be added to and become part of the "employees' compensation fund, emergency relief," set up in accordance with the provisions of the Independent Offices Appropriation Act, 1939: *Provided further*, That said "employees' compensation fund, emergency relief" and the special fund herein authorized shall not be limited in its use to the United States, its Territories, and possessions, and any payments heretofore made to persons outside the United States, its Territories and possessions, from the special funds set aside to be administered by said Commission, if otherwise valid, are hereby validated: *Provided further*, That this section shall not apply in any case coming within the purview of the workmen's compensation law of any State or Territory, or in which the claimant has received or is entitled to receive similar benefits for injury or death.

The amendment was agreed to.

The next amendment was, on page 18, line 12, after the numerals "1937," to strike out "as supplemented" and insert "and the joint resolution of March 2, 1938", so as to make the section read:

SEC. 21. Reports of the operations under the appropriations in this joint resolution and the appropriation contained in the Emergency Relief Appropriation Act of 1937, and the joint resolution of March 2, 1938, including a statement of the expenditures made and obligations incurred by classes, projects, and amounts shall be submitted by the President to Congress on or before the 15th of January in each of the next two regular sessions of Congress: *Provided*, That such reports shall be in lieu of the report required by section 14 of such act of 1937.

The amendment was agreed to.

The next amendment was, on page 19, after line 6, to insert a new section, as follows:

SEC. 23. The funds herein appropriated to the Works Progress Administration, exclusive of those used for administrative expenses, shall be so administered by the Works Progress Administrator that, except as hereinafter provided, expenditure authorizations for other than labor costs for all the projects operated by such administration in any State, Territory, possession, or the District of Columbia shall not exceed an average of $7 per month per worker employed prior to February 28, 1939, on all such projects: *Provided*, That not to exceed $25,000,000 of the funds herein appropriated to the Works Progress Administration may be used by the Works Progress Administrator to supplement the amounts so authorized for other than labor costs in any State, Territory, possession, or the District of Columbia where in the opinion of the Administrator an emergency makes such additional expenditures necessary to assure the operation of sound projects.

The amendment was agreed to.

The LEGISLATIVE CLERK. On page 20——

Mr. NORRIS. Mr. President, on page 19 there is still another amendment. It is the last amendment in title I. It is only a formal amendment; and then we shall begin the consideration of title II.

Beginning on page 21, there is a committee amendment upon which there will be a great deal of discussion. I want to speak at some length on that amendment and some substitutes that may be offered for it. I shall not be able to do it within the 15-minute limit to which we have agreed, and I shall have to take some time on some other formal amendment. Therefore I want to stop at the amendment provided for on line 23, page 19, and there is one other amendment on page 20, so that by using 15 minutes on each one of those amendments and 15 minutes on the other amendment I should have 45 minutes. I do not want to use my time on the joint resolution, because later on in the joint resolution there is another committee amendment upon which I desire to be heard at some length.

Mr. President, I do not think it would be fair to start in on the discussion of the amendment on page 21 at this late hour. We commenced at 11 o'clock today, and I know there are a great many Senators who desire to speak and who will speak on the committee amendment on page 21, or on some amendment that may be offered to it. Some of the Senators are not here. Some of them have gone home; and there is present at least one Senator who has told me that he will have to go in a few minutes.

I should like to say to the Senator from Kentucky that so far I have not taken any time on the joint resolution or in the discussion which went on for a week or so, to which some persons objected and which they thought was unwarranted. I took no part in the debate when I would have had sufficient time, and I have used no time on the joint resolution; and since I have not used any time on it, I think I am entitled to ask the Senate for some consideration in the way of a longer time than we have agreed to. I cannot take that time unless I speak on several amendments. I did not object to the limitation of time, because I am in full sympathy with the Senator from Kentucky, who wants to expedite the consideration of the joint resolution.

I do not want to commence my speech tonight. I do not want to take up the subject in the absence of quite a number of Senators who are equally interested with me in the amendment and who want to be heard on it.

Mr. BARKLEY. Mr. President, I appreciate what the Senator says. This happens to be an unfortunate hour to take up one of the most important amendments in the joint resolution. I will say to the Senator that it is our purpose to run on tonight without intermission until 10 or 10:30 or 11 o'clock, as long as we can run and make progress. It is absolutely necessary that we pass the joint resolution as soon

as possible. I should like to dispose of it altogether tomorrow if we can do so; and I had hoped we might at least dispose of all the committee amendments tonight, even including this one.

My experience is that we have better attendance and we make more progress at night than we do in the daytime. We have had practically no night sessions this year. Members come here at night sessions with a view to doing nothing else except giving consideration to the matter before the Senate.

I am willing to pass over this amendment for the present, and any other amendment in that neighborhood which the Senator wishes to discuss or take advantage of; but I should not like, unless it is absolutely necessary, to pass over this amendment until tomorrow, because that would mean that we might consume all day tomorrow on it.

Mr. NORRIS. Probably; and probably we would consume all night tonight on it.

Mr. BARKLEY. If so, we would at least make that much progress, and we might be able to vote on the amendment; but I am willing to pass it over for the time being, until more Senators are here.

Mr. NORRIS. That means tonight.

Mr. BARKLEY. I should like to see if we cannot make some progress tonight.

Mr. NORRIS. Mr. President, I do not think I am making an unfair request, and I do not believe the Senator from Kentucky will make any time if he disregards a reasonable request. I should like to have these two formal amendments, together with the amendment on page 21, passed over, and if the Senate tonight reaches the subject of rural electrification, to pass that over, with the understanding that we shall consider everything else in the joint resolution tonight, and get through with it if we can.

Mr. BARKLEY. I am perfectly willing to pass over for the time the matter we have reached. If we could dispose of all the other amendments besides that one I should have no objection to that one going over until tomorrow, but if we are going to pass over the power amendment until tomorrow and pass over the rural-electrification amendment until tomorrow we might as well recess now and go home.

Mr. NORRIS. If the Senator should have the rest of the joint resolution acted upon, if he should get through with all the other committee amendments to the joint resolution, it seems to me he would be making very great headway for one day. There has not been any indication of any Senator talking for delay today. It has been a fair, honest debate, such as we always ought to have. We commenced at 11 o'clock this morning. It is now quarter after 6 o'clock. The request I am making is that two amendments go over until tomorrow. If that should be done, we could consider the rest of the committee amendments and probably dispose of them tonight. My own judgment is that that is a fair proposition, and I should like to say to the Senator that in my opinion no progress will be made that will be greater than to do what I have suggested.

Mr. McKELLAR. Mr. President, will the Senator yield?

Mr. NORRIS. I yield to the Senator from Tennessee.

Mr. McKELLAR. As the Senator knows, I am in entire sympathy with the Senator's position on both of these matters and expect to vote as the Senator does on them. I know what they are, and I know what his vote will be; and I have the same view; and I voted in the same way in the committee; so I am looking at the matter from that standpoint. I think that if we should let one or both of these amendments go over we probably could get through with the joint resolution tomorrow.

Would the Senator be willing to let one of them go over, the most important one, or what I consider the most important one, on page 21, which is the power amendment? Could we not take up the rural electrification amendment tonight? I believe that the Senate will probably take the same view that the Senator takes about it, and I think we could get through with that tonight.

Mr. BARKLEY. I was going to make the suggestion to the Senator that I am in sympathy with his views on both of these amendments, both the power amendment and the rural electrification amendment, and my judgment is that the Senate will sustain the Senator's views. I should like very much to dispose of the rural electrification amendment tonight, and if we can do that I should be perfectly satisfied to let the power amendment go over until tomorrow.

Mr. NORRIS. Without discommoding a great many Senators, how could we take this up at this late hour, with the expectation that Senators who are vitally interested in it would be present? We had no notice of this night meeting.

Mr. BARKLEY. I served notice yesterday that we would have a night meeting tonight and reiterated it today.

Mr. NORRIS. I did not know the Senator had made the statement yesterday. I heard what the Senator stated today.

Mr. BARKLEY. I made the statement yesterday, not that my notice being served is binding on anyone. The Senate can act as it pleases about night sessions, but Senators have been urging night sessions for days, and I do feel that at this stage of the session we ought to hold night sessions until we finish the consideration of the joint resolution and get it into conference.

I make the prediction that within an hour or two after Senators have eaten their dinners there will be a larger attendance in the Senate than has been here at any time today, and I would appreciate it if the Senator would cooperate to help get this rural electrification matter disposed of tonight and let the other one go over. When we reach that point, if there is not an attendance here to justify its consideration, I will not object to it going over, but I should like to try it.

Mr. NORRIS. If the Senator is not going to concede that under the circumstances these two amendments can go over until tomorrow, I would just as soon he would go ahead and drive on as fast as he can. I am making no request for mercy, or anything else. I do not think that under the circumstances I am making an unreasonable request. It does not mean anything to me to put this over until 10 o'clock tonight. I would just as soon take it up now.

Mr. BARKLEY. I did not suggest any such thing.

Mr. NORRIS. The Senator has in effect suggested it.

Mr. BARKLEY. No, I have not in effect suggested it.

Mr. NORRIS. That we pass this over for the time being, and later we would take it up.

Mr. BARKLEY. No; I said that if we waited until Senators return from their dinners, which would be before 10 o'clock—and if they did not come back before 10, there would be no use in their coming at all——

Mr. NORRIS. That is the point of my objection. I know a great many Senators who are interested in this amendment and in the rural electrification amendment who are not now present.

Mr. BARKLEY. There is no way of keeping all Senators in the Chamber. We went along this afternoon with practically no attendance. Points of order were made, and we had to call for a quorum. There is no way of keeping Senators here either in the daytime or in the nighttime.

Mr. NORRIS. Mr. President, I have been here all day, and I know that there have been fewer calls for a quorum today than on almost any other day we have had this measure before us. We have had the joint resolution before us for more than a week and there have been constant quorum calls, because debate was going on, so that some have been suggesting that a filibuster was being conducted. That took up a good share of last week.

I desire to cooperate with the Senator, but I do not believe a spirit of cooperation is being exhibited now, since we have reached an agreement about limiting debate, to which I could have objected, and which could have been prevented, but with the idea of cooperating, trying to get something done, I have gone along. I want to do that, but at the same time I feel that under the circumstances I and the others who want this amendment to go over are entitled to some consideration. I have said all I desire to say, and the Senator can do what he pleases.

Mr. BYRNES. Mr. President, what is the parliamentary situation as to the pending joint resolution?

The VICE PRESIDENT. The clerk will state the next amendment.

Mr. McNARY. Mr. President, have we now completed Title I, Work Relief and Relief?

Mr. BARKLEY. There is an amendment at the bottom of page 19 which has not yet been agreed to.

The VICE PRESIDENT. The Chair is advised by the parliamentarian that all of the committee amendments to title I have been agreed to with the exception of a formal amendment on page 19, line 23, where it is proposed to strike out "23" and insert "24."

Mr. NORRIS. On that I desire to be heard.

The VICE PRESIDENT. Each Senator has 15 minutes on that amendment.

Mr. McNARY. Mr. President, the reason for my inquiry is that when we have completed this title I do not want the opportunity to go by without a chance for the Members of the Senate to express themselves on title I. I desire to suggest the absence of a quorum and to have a roll call at that time. I do not want to lose the privilege of a vote on title I.

The VICE PRESIDENT. The Chair is advised by the parliamentarian, and his own recollection is, that there was a unanimous-consent agreement that all committee amendments should be disposed of before other amendments were taken up.

Mr. McNARY. That is correct.

The VICE PRESIDENT. So that there would be no amendment to title I to be voted on, except the one on page 19, line 23, where there is an amendment to strike out "23" and insert "24."

Mr. McNARY. That is true, Mr. President, but when we shall have completed the title it is my purpose to have a vote on the adoption or rejection of the title. I merely wanted to give notice that I do not want the Senate to pass to the consideration of another title without giving Senators an opportunity to express themselves on title I.

The VICE PRESIDENT. The Chair does not see any parliamentary way by which there can be a direct vote on that, because the vote would have to come on an amendment offered by a Senator, which would not be a committee amendment. The Chair does not see just how there could be a vote on the title under the unanimous-consent agreement heretofore entered into.

Mr. McNARY. However, would it be proper for a Senator to move the adoption of title I as amended?

The VICE PRESIDENT. The Chair may suggest to the Senator that if he desires to have the attitude of Senators expressed on the title he can do it at a later time. At a later time, when the committee amendments have all been disposed of, any Senator may rise and offer an amendment to strike out title I or to amend it, as he sees proper, and in that way there may be an expression of the Senate on any part or all of title I.

Mr. McNARY. I thank the Vice President. I am aware of that opportunity. I thought, however, that before passing to title II we might express our views on title I. Inasmuch as the opportunity will be available, I shall not ask unanimous consent that that may be done.

Mr. BYRNES. Mr. President, I asked what the parliamentary situation was because at the conclusion of the reading of line 22, on page 19, and before the pro forma amendment to strike out "23" was reached, I did not know that the other amendment had been adopted.

The VICE PRESIDENT. The Chair is advised by the clerk that section 23, a committee amendment to the joint resolution, has been agreed to.

Mr. BYRNES. Then, Mr. President, before we go to the next amendment, I ask unanimous consent that the vote by which the amendment was agreed to be reconsidered, in order that I may offer an amendment to the section which I had intended to offer, but failed to offer because of the confusion in the Chamber.

The VICE PRESIDENT. Is there objection to the request of the Senator from South Carolina that the vote by which the amendment on page 19, beginning with line 7 and going to line 22, was agreed to, be reconsidered? The Chair hears none, and the vote is reconsidered.

Mr. BYRNES. Mr. President, I move to amend on line 16, by striking out "$25,000,000" and inserting "$50,000,000."

The VICE PRESIDENT. The question is on agreeing to the amendment to the amendment.

The amendment to the amendment was agreed to.

The amendment as amended was agreed to.

The VICE PRESIDENT. The clerk will state the next amendment.

The CHIEF CLERK. It is proposed, on page 19, line 23, to strike out "23" and insert "24", so as to read:

SEC. 24. This title may be cited as the "Emergency Relief Appropriation Act of 1938."

Mr. BARKLEY. Mr. President, in view of the statement made by the Senator from Nebraska that he cannot under the limitation discuss the amendment on page 21 adequately in 15 minutes, and in view of the fact that he desires to take the 15 minutes to which he is entitled even on the pro forma amendment on page 19, and the one on line 14, page 20, as well as the 15 minutes to which he is entitled on the amendment on page 21, I ask unanimous consent that these three amendments be passed over temporarily.

The VICE PRESIDENT. Is there objection? The Chair hears none, and the amendments will be passed over.

The clerk will state the next committee amendment.

The next amendment was, on page 21, line 7, after the word "exceed", to strike out "$100,000,000" and insert "$200,000,000"; in line 8, after the words "projects in", to insert "the"; in line 15, before the word "hospital", to strike out "new"; in line 21, before the word "penal" to strike out the word "new", and in line 23, after the word "thereof", to strike out the colon and the following proviso: *"Provided,* That none of such allotments shall be made for military or naval purposes except for the housing or hospitalization of personnel or for storage of material, supplies, and equipment at existing establishments", so as to read:

(c) Under subsection (a) (1) of this section not to exceed $200,000,000 shall be allotted to Federal agencies for Federal construction projects in the continental United States outside the District of Columbia, and such projects shall be selected from among the following classes: (1) Projects heretofore authorized by law and for the acquisition of land for sites for such authorized projects; (2) projects for the enlargement, extension, or remodeling of existing Federal plants, institutions, or facilities; (3) projects for hospitals and domiciliary facilities of the Veterans' Administration (including the acquisition of land for sites therefor) and any such allotments shall be available for the purposes and under the conditions specified in the appropriation for "Hospitals and domiciliary facilities" in the Independent Offices Appropriation Act, 1939; and (4) projects for penal and correctional facilities under the Department of Justice, including the acquisition of land for sites therefor.

The amendment was agreed to.

The next amendment was, on page 22, after line 8, to strike out:

(c) In the event that, due to constitutional limitations, any State, Territory, possession, political subdivision, or other public body shall be unable to participate by way of loan and grant in the benefits of this title, the Administrator, with the approval of the President, may advance moneys to any such public agency upon agreement by such public agency to pay back in annual installments, over a period of not to exceed 25 years, at least 55 percent of the amount so advanced with interest thereon for the period of amortization.

Mr. RUSSELL. Mr. President, in my opinion that amendment should be passed over. It is an important amendment. I know there are Senators who are interested in that amendment who are not present at this time. I ask that the amendment be passed over until tomorrow.

The VICE PRESIDENT. Will the Senator from Georgia state which amendment he asks to have passed over?

Mr. RUSSELL. The amendment on page 22, lines 9 to 18, which was just stated by the clerk.

Mr. BARKLEY. Mr. President, I have no objection to passing the amendment over temporarily, but I am not will-

ing to agree at this moment that it go over until tomorrow morning. We may be able to reach the amendment this evening when there is a fuller attendance. Let the amendment go over for the present.

The VICE PRESIDENT. The amendment will be passed over.

The clerk will state the next committee amendment.

The next amendment was, on page 22, line 19, before the word "Not", to strike out "(f)" and insert "(e)", so as to read:

(e) Not more than $750,000,000 of the funds appropriated under this title shall be used for grants or for defraying the estimated nonrecoverable portion of the cost of projects constructed for lease to public agencies.

The amendment was agreed to.

The next amendment was, on page 22, line 23, before the word "Not", to strike out "(g)" and insert "(f)"; in the same line, after the word "than", to strike out "$11,000,000" and insert "$17,500,000"; and on page 23, line 18, after the word "ending", to strike out "June 30, 1940, for the completion of the activities of such Administration" and insert "June 30, 1941", so as to read:

(f) Not more than $17,500,000 of the appropriation in this title shall be available for administrative expenses of the Administration during the fiscal year ending June 30, 1939; such amount and the amount made available in the Independent Offices Appropriation Act, 1939, for administrative expenses for the Federal Emergency Administration of Public Works shall be available for administrative expenses thereof during such fiscal year for the purposes and under the conditions set forth in such act for such Administration, except that the condition therein that such administrative expenses are in "connection with the liquidation of said Administration" is hereby rescinded and both amounts are hereby made available, in addition to the other purposes, for the purchase and exchange of motor-propelled passenger-carrying vehicles for official use in field work and in the District of Columbia in a total amount not to exceed $75,000 but not more than $1,500 thereof shall be so expended for such purchase and exchange for use in such District. And the Administrator shall reserve from the appropriation in this title an adequate amount for administrative expenses of the Administration for the fiscal year ending June 30, 1941, subject to authorization hereafter by annual appropriation acts for the utilization thereof.

The amendment was agreed to.

The next amendment was, on page 23, line 22, before the word "Not", to strike out "(h)" and insert "(g)", and in the same line, after the word "than", to strike out "$500,000,000 shall" and insert "$400,000,000 may", so as to read:

(g) Not more than $400,000,000 may be used, from the moneys realized from the sale of securities acquired with funds made available by this title or with the proceeds of such securities, for the making of further loans hereunder.

Mr. HAYDEN. Mr. President, with respect to the amendment on page 23, line 22, which represents the amount of money in the revolving fund, there is a direct relationship between the amount of money in the revolving fund and the total amount of money to be appropriated in the joint resolution. We have passed over the reduction recommended by the committee on page 20, line 14, from $965,000,000 to $865,000,000. I ask that the amendment on page 23, line 22, be also passed over, so that the two matters may be considered at the same time.

The PRESIDENT pro tempore. Without objection, the amendment, on page 23, line 22, will be passed over.

The clerk will state the next committee amendment.

The next amendment was, on page 24, line 3, before the word "No", to strike out "(i)" and insert "(h)"; in line 4, after the word "conservation", to insert "or utilization"; in line 8, after the word "no", to insert "moneys for a"; in line 9, after the words "shall be", to strike out "undertaken or prosecuted under" and insert "paid from"; in line 10, after the word "title", to insert "to any public agency"; and in line 11, after the word "been", to strike out "or will be", so as to read:

(h) No Federal construction project, except flood control and water conservation or utilization projects now under actual construction, shall be undertaken or prosecuted under the appropriation in this title unless and until there shall have been allocated and irrevocably set aside Federal funds sufficient for its completion; and no moneys for a non-Federal project shall be paid from the funds made available by this title to any public agency unless and until adequate provision has been made for financing such part of the entire cost thereof as is not to be supplied from Federal funds.

The amendment was agreed to.

The next amendment was, on page 24, after line 13, to insert:

(i) All contracts for loans or grants of the funds made available by this title for any non-Federal projects shall contain provisions appropriate to insure that, insofar as practicable and feasible, preference in employment of workers (exclusive of executive, supervisory, administrative, and other nonmanual) on such project shall be given to bona fide residents of the State, Territory, or possession in which the project is located, who have resided therein for at least 90 days immediately preceding the date of their employment, where such persons are available and qualified to perform the work to which the employment relates: *Provided*, That where the project is located in more than one State, such preference shall be equally applicable to all such States.

Mr. HAYDEN. I offer an amendment to the committee amendment on page 25, at the end of line 2, which I ask to have stated.

The PRESIDENT pro tempore. The amendment to the amendment will be stated.

The CHIEF CLERK. In the committee amendment on page 25, at the end of line 2, after the word "States", it is proposed to insert the following:

Provided further, That a requirement in any contract that preference shall be given to persons from the public relief rolls and that persons be chosen from the list of qualified workers submitted by local employment agencies designated by the United States Employment Service, or, in appropriate cases, from lists submitted by union locals, within the State or States, Territory or possession, in which the project is located, shall be deemed to be in full compliance with the provisions of this subsection.

Mr. HAYDEN. The members of the committee will remember that the Senator from Maryland [Mr. TYDINGS] offered this amendment. Upon an examination of the amendment, it was found that it did not fully carry out what is the present procedure, which is that where union men are employed it is not necessary to go to the roll specified here; that they may be employed directly from the union. I therefore offer this perfecting amendment with the concurrence of the Senator from Maryland, and hope it will be agreed to.

The PRESIDENT pro tempore. The question is on agreeing to the amendment of the Senator from Arizona on page 25, at the end of line 2.

The amendment to the amendment was agreed to.

The amendment as amended was agreed to.

The PRESIDENT pro tempore. The clerk will state the next committee amendment.

The next amendment was, on page 25, line 5, after the numerals "30", to strike out "1940" and insert "1941"; in line 7, after the word "perform", to strike out "at" and insert "on"; in line 13, after the word "Works", to insert "Administration"; and, in line 18, after the numeral "1", to strike out "1940" and insert "1941", so as to make the section read:

SEC. 202. The Federal Emergency Administration of Public Works is hereby continued to the close of the fiscal year ending June 30, 1941, and is hereby authorized to continue to perform all functions which it is authorized to perform on the date of enactment hereof. All provisions of law existing on the date of enactment hereof, and relating to the availability of funds for carrying out any of the functions of such Administration are hereby continued to the end of such fiscal year, except that the date specified in the Emergency Relief Appropriation Act of 1936, as amended by section 201 of the Public Works Administration Extension Act of 1937, prior to which, in the determination of the Administrator, projects for which moneys made available by such act were authorized to be granted, can be substantially completed is hereby changed from "July 1, 1939" to "July 1, 1941."

The amendment was agreed to.

The next amendment was, under the heading "Title III—Federal public buildings", on page 26, line 24, after the word "to", to strike out "$130,000,000" and insert "$100,000,000", so as to make the section read:

SEC. 301. Construction of public buildings outside the District of Columbia: The total amount authorized to be appropriated for the 3-year program for the acquisition of sites and construction

of public buildings by the paragraph under the caption "Emergency construction of public buildings outside the District of Columbia," contained in the Third Deficiency Appropriation Act, fiscal year 1937, approved August 25, 1937 (50 Stat. 773), is hereby increased from $70,000,000 to $100,000,000. All applicable provisions and authority of such paragraph shall be operative with respect to the enlarged authorization provided in this title except that the list from which projects, including the sites therefor, are to be selected by the Postmaster General and the Secretary of the Treasury acting jointly shall be the revision, dated April 25, 1938, of House Report No. 1879, Seventy-third Congress. Toward such increased program there is hereby appropriated, out of any money in the Treasury not otherwise appropriated, the sum of $25,000,000, of which not to exceed $500,000 may be utilized as an addition to the fund specified in such paragraph in such act for the augmentation of the limits of cost of selected projects in amounts not exceeding 10 percent of such limits of cost. The appropriations heretofore made under the authority of such paragraph, together with the appropriation in this title, shall be consolidated into a single fund and be available toward the consummation of the entire authorized program.

Mr. BARKLEY. Mr. President, before that amendment is agreed to, I should like to inquire of the chairman of the subcommittee why the subcommittee reduced the amount from $130,000,000 to $100,000,000. If there is any item at all in the joint resolution that is going to give employment to workmen all over the country, it is in the construction of public buildings. There is no fiction about that. The building of a courthouse or a post office or a building of any sort in which the Federal Government engages will employ a large number of persons, and one of the objects in the provision before us, as I understand, for public buildings, is in order not only to meet a great need of the Government in the matter of ownership of these public buildings, but to give more people employment. Before this amendment is passed on I should like to inquire why it was felt necessary to make the reduction.

Mr. ADAMS. I will say to the Senator from Kentucky that the committee did not reduce the amount of money appropriated for immediate use with respect to public buildings. The measure appropriates $25,000,000 for public buildings. That will be found in lines 8, 9, and 10 on page 27. What the committee reduced was the amount of the authorization for the 3-year program. In other words, it seemed there was no occasion at this time, in a relief bill, to make authorizations for the next year or the year after or the year after that. In other words, we did not reduce the amount of money which would be available for expenditure and the employment of people at this time and to meet this emergency.

Mr. BARKLEY. That is true. I will say to the Senator that in our building program, and in our highway construction program we have provided for authorizations over a period of years. Not for a long time have we limited appropriations for buildings or for highways to any one year. We have provided in some cases for a program of 2 years in order that the departments involved might work out their building program logically. Although the authorization covers the 3-year period, of course, that is subject always to the amount that Congress itself will appropriate during the 3-year period. That would be divided roughly into about $43,000,000 or $44,000,000 a year.

Mr. ADAMS. There are already authorized substantial amounts, are there not? Does the Senator know how much is already authorized to be appropriated for this purpose?

Mr. BARKLEY. I do not have the exact figures at hand.

Mr. ADAMS. Does the Senator know approximately?

Mr. BARKLEY. The Senator from Colorado has that information.

Mr. ADAMS. No; I do not have the figures.

Mr. BARKLEY. I do not know how much is to be the expenditure out of previous provisions, but all that has been appropriated has been allocated, so I understand there is now no amount of money on hand for any additional public-building construction.

Mr. ADAMS. As one member of the committee, I felt that there was some question as to whether or not a relief bill was the place to make authorizations for a future program. It was a proper place to make appropriations, but the committee evidently felt that the amount authorized was a sufficient increment to the existing authorization at this time, especially in a relief measure rather than in a bill devoted to that purpose.

Mr. HILL. Mr. President, will the Senator yield?

Mr. ADAMS. I yield.

Mr. HILL. Is it not a fact that under the public-buildings bill of 1926, whenever the joint committee, composed of representatives of the Post Office Department and the Treasury Department, agreed on certain buildings, that in itself constituted the authorization, so far as an appropriation was concerned? We do not have to have any appropriation bill in respect thereto. After that joint committee has agreed on the buildings, they come to the Congress, and it is in order to make the appropriation. That is done annually.

Mr. ADAMS. The authorization must go through Congress.

Mr. HILL. No; not under the act of 1926.

Mr. ADAMS. That act in itself is an appropriation.

Mr. HILL. No.

Mr. ADAMS. Then I ask the Senator, if what he says be true, why put an authorization in the joint resolution?

Mr. HILL. I see no necessity for it whatever, because whenever that joint committee makes a recommendation as to buildings, then it is in order to proceed to make the appropriation.

Mr. ADAMS. Then it would make no difference whether we authorized $70,000,000 or $100,000,000 or $500,000,000?

Mr. HILL. It is not necessary at all.

The PRESIDENT pro tempore. The question is on agreeing to the committee amendment on page 26, line 24.

The amendment was agreed to.

The PRESIDENT pro tempore. The clerk will state the next amendment.

The next amendment was, under the heading "Title IV—Rural electrification loans", on page 28, line 3, before the word "for", to strike out "$100,000,000" and insert "$25,000,000", so as to make the section read:

SEC. 401. The act entitled "An act to provide for rural electrification, and for other purposes", approved May 20, 1936 (49 Stat. 1363), is hereby amended as follows: (a) By inserting in subsection (a) of section 3 thereof immediately following the date "June 30, 1937" the phrase "and $25,000,000 for the fiscal year ending June 30, 1939" and (b) by striking out the date "June 30, 1937" appearing at the end of subsection (e) of such section 3 and inserting in lieu thereof the date "June 30, 1939."

The amendment was agreed to.

Mr. NORRIS. The amendment on page 28, line 3, is the rural electrification amendment which I asked to go over.

Mr. BARKLEY. Mr. President, I was hopeful that we could act on that amendment now and defeat it. I am in favor of restoring the amount contained in the House bill.

Mr. NORRIS. That is what I should like to do. If the Senator can assure me of that action we can save debate.

Mr. BARKLEY. Let us vote on the amendment. I ask that the vote by which the amendment was agreed to be reconsidered.

The PRESIDENT pro tempore. Is there objection? The Chair hears none, and the vote by which the amendment on page 28, line 3, was agreed to is reconsidered.

Mr. ADAMS. Has the vote by which the amendment was agreed to been reconsidered?

The PRESIDENT pro tempore. Yes.

Mr. ADAMS. So the amendment is now before the Senate?

The PRESIDENT pro tempore. Yes.

Mr. ADAMS. I think there should be an explanation made as to the action of the committee. The committee had before it Mr. Carmody, who was in charge of the rural electrification program. Mr. Carmody was asked as to the desirability and as to the necessity of this authorization. It appears from Mr. Carmody's statement and from the statutory record that we passed a bill authorizing a 10-year program of rural electrification involving $40,000,000 a year. We had a difference with the House in connection with the independent offices appropriation bill. The House appropriated $30,000,000 for that purpose. The Senate, upon the

motion of the Senator from Nebraska, raised the amount to $40,000,000, and the Senate conferees were able to prevail, and the $40,000,000 was appropriated in accordance with the program of $40,000,000 a year for a 10-year period.

Mr. Carmody had asked the Bureau of the Budget for an estimate of $50,000,000, and received $40,000,000. Fifty million dollars was the outside amount asked by the Rural Electrification Authority. Mr. Carmody was asked as to whether or not he could use this amount, and he said that with his present force he could not use an amount in excess of the $40,000,000 now available to him, and in fact, without an increase in his force could not use the $40,000,000. He further said to us:

If you add $100,000,000 to the program, making a program for 1 year of $140,000,000, it will be necessary to build up the administrative forces of the Rural Electrification Administration very largely, and unless it is your intention to continue rural electrification upon the basis of $140,000,000 a year, it will be most disastrous to the administration to build it up to a $140,000,000 annual expenditure, and then drop it down to its normal position.

The committee rather felt impressed by the statement of Mr. Carmody that $40,000,000 was all that his administration really desired, all that it needed, all that it could administer under present conditions.

However, yielding to the conditions presented, the Senate added $25,000,000 to the existing appropriation; or, to put it in another way, the Senate reduced the amount in the House provision. However, this would give to the rural electrification program $65,000,000 per year, an amount which could be carried on from year to year, to establish a sound, progressive program of greatly needed rural electrification.

I think the committee felt that it was not to be expected that the Congress would consider a program of $140,000,000 per year, in view of the tremendous burdens the Treasury is otherwise carrying. Mr. Carmody stated that certain applications were on file, but every application does not ripen into a project. It was the judgment of the committee that the amount it provided was ample, liberal, and would carry on the rural electrification program in full swing to accomplish the great purposes of that program.

Mr. BARKLEY. Mr. President, I wish merely to state very briefly the reason why I oppose this amendment.

In the first place, before the bill was ever introduced and presented, when a conference was held with reference to the need for a relief appropriation it was generally agreed among all those present that $100,000,000 would become available to be authorized for rural electrification. While I have not read Mr. Carmody's testimony before the Senate committee, I have before me a copy of a letter which he wrote to Representative JOHN E. RANKIN, of Mississippi, on yesterday, May 31, which I think it may be well for me to present to the Senate. I read:

RURAL ELECTRIFICATION ADMINISTRATION,
OFFICE OF THE ADMINISTRATOR,
Washington, May 31, 1938.

Hon. JOHN E. RANKIN,
House of Representatives, Washington, D. C.

MY DEAR CONGRESSMAN RANKIN: I am returning herewith Senator TRUMAN'S letter to you. I do not know how he or anyone else could have got this impression or deduced these figures from the record. I do not remember that any reference was made to $25,000,000 while I was before the committee. Of course, both of you realize I am not permitted to go before an appropriations committee to plead for an appropriation. In this case I was sent for and merely answered questions. I did leave data with the committee for the record, however, which shows by States, that we have on hand applications for approximately $90,000,000 right now before the new fiscal year begins.

I also left a statement, by States, showing where approximately $55,000,000 can be used effectively to round out and expand projects already built or in construction that received only partial allotments this year. In scores of cases during the past 18 months we have allotted $75,000 to $100,000 to projects that should have had from $200,000 to $600,000 if funds had been available.

There is plenty of demand for rural lines. The question of the size of the appropriation is, of course, a matter of policy to be settled by the administration and the Congress and not by me.

Sincerely,

JOHN M. CARMODY, *Administrator.*

That letter very clearly shows that if applications to the extent of $90,000,000 are already on file, before the beginning of the fiscal year $100,000,000 will not be enough, and certainly not too much, for this service, which is in demand all over the United States.

Mr. LUNDEEN. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield.

Mr. LUNDEEN. I should like to say to the Senator that, so far as I am concerned, I hope the amount will be restored to $100,000,000. I should be willing to vote for $200,000,000. I think it will be needed. I take the position that a capital investment which is made within the boundaries of the country is never a loss, but an asset.

Mr. BARKLEY. Not only has the rural electrification service been instrumental in bringing this modern convenience—which has become a necessity—to rural sections, but the program has been instrumental in inducing private companies to extend their own lines in order that they may bring electrical service to the people. The indirect benefits conferred by the appropriation have been substantial, although perhaps not as substantial as the appropriation itself.

However, it certainly seems to me that in view of the understanding we all had about it, in view of Mr. Carmody's statement, and in view of what we know is the almost universal demand of the rural sections for the service afforded them by reason of this appropriation, the $100,000,000 contained in the House provision is not excessive and should be restored. I hope it will be restored.

Mr. McKELLAR. Mr. President, I heard the testimony of Mr. Carmody and have seen the letter, or a copy of the letter, which the Senator from Kentucky has read. From hearing the testimony and reading it now, I think his letter is really in accordance with his testimony. He was merely answering questions when he was before the committee and not making an argument. This is a matter of very great importance.

Mr. Carmody said:

That is what $100,000,000 requires, Senator; $100,000,000 would furnish enough additional demand for aluminum to represent 112 percent of the total production of 1937. This tabulation merely shows what a $100,000,000 expenditure would do to create additional demand and additional employment in the industries furnishing major materials for rural lines.

I understand private companies have built about twice the number of miles that the R. E. A. has built during the past 2 years.

It seems to me this is one of the most valuable projects which the Government has. The rural electrification program involves loans, and not grants. I have no doubt the money will be returned. I understand that the loans which have heretofore been made are being returned with great promptness. I believe this amendment should be rejected.

Mr. HILL. Mr. President, will the Senator yield?

Mr. McKELLAR. I yield.

Mr. HILL. The truth is that the rural electrification program is not in any way harmful to the private power companies. On the other hand, it is very helpful to them, because the fact that the Government furnishes the money to build the lines does not mean that the power will be bought from the Government. Most of the power which goes out over the lines comes from private power companies, and the program helps their business. Is not that true?

Mr. McKELLAR. I understand that to be the fact.

Mr. HILL. Also, as the Senator has suggested, most of the loans are being repaid. In the case of most of the items in a relief measure, the money is spent and never comes back to the Federal Treasury. However, most of the money devoted to these lines will be repaid.

Mr. McKELLAR. It will be repaid. I understand that those who have borrowed are now repaying the money. I certainly hope we may allow the original amount provided for in the House language.

Mr. LEE. Mr. President, I, too, hope we may restore the amount allowed by the House.

In my State of Oklahoma we are just starting a project to build the Grand River Dam to generate electricity. I should hate to think we would generate it and not have the facilities to distribute it throughout the rural communities.

The rural electrification program makes the electricity available to the rural communities. The program involves loans and not gifts. The money will be returned to the Treasury. I understand that the loans are made on a sound, businesslike basis. I favor restoring the appropriation to $100,000,000, the amount carried in the House language.

Mr. PEPPER. Mr. President, I merely want to add my comment to those already given, and to express the hope that the House language will be adopted by the Senate.

In my State the rural-electrification program has proved to be one of the most helpful and one of the most appreciated activities of the Federal Government. I also know that the Rural Electrification Administration so far has been able to do very little in my State, on account of the fact, as I am informed, that it has not the funds with which to do it.

In view of the funds which have been available heretofore, and in view of the rather restricted activities of the rural-electrification agency in my State, I know that the small amount which has been proposed by the Senate committee will not give us very much more than we already have.

It seems to me that the rural-electrification program represents a good investment from the point of view of the Federal Government. There is nothing which reaches with greater effectiveness into the homes of the people to enrich their lives. The program makes it possible for the people to have radios. In the southeastern part of the United States, the greater percentage of the people are without radios. Why? Because we do not have the advantages of electrification in the rural communities of the South. With the benefits and the advantages of science available to the people, to say that a farmer may not have access to electrical power is a denial of a service which the Government ought to make available to him.

I express the earnest hope that the House provision will prevail.

Mr. BURKE. Mr. President, in view of the statement made by Mr. Carmody before the Senate Committee on Appropriations, his letter, which has just been read by the majority leader, is very surprising. I think his testimony very clearly indicated to every member of the committee who heard it that the $40,000,000 already available, certainly with the additional $25,000,000 provided in the Senate amendment, was all that could possibly be used without a very great change in the set-up.

Without a little further time to consider the testimony of Mr. Carmody, I should not wish to vote on the question at this time.

I suggest the absence of a quorum.

The PRESIDENT pro tempore. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Adams	Connally	Johnson, Colo.	Pittman
Andrews	Copeland	King	Pope
Ashurst	Davis	La Follette	Radcliffe
Austin	Dieterich	Lee	Russell
Bailey	Donahey	Lodge	Schwartz
Bankhead	Duffy	Logan	Schwellenbach
Barkley	Ellender	Lonergan	Sheppard
Berry	Frazier	Lundeen	Shipstead
Bilbo	George	McAdoo	Smathers
Bone	Gerry	McCarran	Smith
Borah	Gibson	McGill	Thomas, Utah
Brown, Mich.	Green	McKellar	Townsend
Brown, N. H.	Guffey	McNary	Truman
Bulkley	Hale	Maloney	Tydings
Bulow	Harrison	Miller	Vandenberg
Burke	Hatch	Milton	Van Nuys
Byrd	Hayden	Minton	Wagner
Byrnes	Herring	Murray	Walsh
Capper	Hill	Neely	Wheeler
Caraway	Hitchcock	Norris	White
Chavez	Hughes	Overton	
Clark	Johnson, Calif.	Pepper	

The PRESIDENT pro tempore. Eighty-six Senators have answered to their names. A quorum is present. The question is on agreeing to the amendment reported by the committee on line 3, page 28.

Mr. GEORGE. Mr. President, as I understand, the question is on agreeing to the Senate committee amendment reducing the appropriation for rural electrification from $100,000,000 to $25,000,000.

The PRESIDENT pro tempore. That is the pending question.

Mr. GEORGE. Mr. President, I think this amendment should be rejected, and that the full amount of $100,000,000 should be restored to the Rural Electrification Administration.

In my candid opinion, the Rural Electrification Administration has done more for farm relief, done more for the comfort, done more for the pleasure of our farmers, done more for the value of American farms than almost any other thing that has been done during the past 5 years here in Washington.

The $100,000,000 would not be ample to take care of the rural-electrification program if the administration were given enough money to go forward with the program for this year and for the next fiscal year on the scale that our people desire it.

This program has been worth more to Georgia, worth more to the farmers in Georgia, worth more to the rehabilitation of rural life, worth more to the movement we have begun in other directions to bring back the farmer to his farm and to make him happy and satisfied with rural life and rural conditions, than anything else we have done. My observation has been, and my study of the matter has convinced me, that from the beginning our rural population, our farmers, realized that this form of relief was something that meant the permanent improvement and the permanent enhancement in value of their farms, because it added so much in the way of comforts and necessities to rural life.

Mr. President, it would be useless to prosecute, even with diligence, the efforts we have begun to defeat the movement toward farm tenancy and to bring back to the farms the farm owner-operator—it would be useless to prosecute those programs, as good as they are, unless we are also going to supplement them with the extension, rather than the curtailment, of the rural-electrification program in the country. So, Mr. President, I sincerely hope that the committee amendment will be rejected and that at least the full amount placed in the joint resolution by the House committee will be retained.

I know of nothing better that can be done for rural America, and nothing better that can be done for all America for the future, than the establishment and maintenance of improved conditions on the American farm and in the small villages, which, after all, are farm villages. I know of nothing better that can be done to maintain a stable life in America; and I mean stable life, because not only is the hour approaching but we have already arrived at the time when real stability of character in America is the only hope and the only anchor that will hold in its place our republican form of government. It matters not how good many of the other features of the joint resolution may be, and it matters not how wisely money may be expended for other purposes; to reduce this appropriation is to cripple the movement to curtail and defeat tenancy in America, is to cripple the movement to send back to our farms men and women, boys and girls who will be content and happy to live and reside there if they have the conveniences and if they have the necessities and if they have that which will give value to their homes in the rural areas when they have established or reestablished them.

To cripple that movement will go further than anything else to destroy the very things that must make for stability in this country, if stable conditions are to return; because, after all, the small, independent farmer with an investment that he knows is worth the money he paid and that will increase in value if given the necessities and if given the conveniences and if given the advantages that electric service can give to our farmers is the moral balance wheel.

So, Mr. President, I express the hope that we shall restore this full amount by rejecting the amendment proposed by the committee.

Mr. LEE. Mr. President, will the Senator yield?

Mr. GEORGE. I yield to the Senator from Oklahoma?

Mr. LEE. The Senator keeps referring to stable conditions. I wonder if it is not his opinion that the electric milker makes the stable more comfortable. [Laughter.]

Mr. GEORGE. Undoubtedly; and that makes the farm more comfortable and more valuable, and that makes farm life more attractive.

Mr. POPE. Mr. President, will the Senator yield?

Mr. GEORGE. I yield to the Senator from Idaho.

Mr. POPE. Does the Senator know the percentage of farm homes in his State that have electricity?

Mr. GEORGE. I do not.

Mr. POPE. In my State about 70 percent of the farms have no electric service.

Mr. GEORGE. I am sure it is a larger percentage in Georgia. I believe 80 or 85 percent of the farm homes in Georgia have no electrical service whatever.

Mr. NORRIS. Mr. President, I have thought more about the particular amendment now pending than about any other amendment in the joint resolution. I have given it more time and consideration. I have compiled a great deal of information regarding the subject. I have had quite a number of the bureaus and Departments of the Government busy for the past 2 or 3 weeks in gathering together and assimilating information relating to it; and I expected to speak at length in order to use what little influence I have to defeat the committee amendment, and retain the $100,000,000 which the House joint resolution provides.

I am assured, however, upon a careful canvass of the Senate recently made, that there is not any doubt about the committee amendment being rejected, and since everybody is anxious to proceed further with the joint resolution and get along as rapidly as we can, I shall not burden the Senate with the speech I intended to make, but I am ready for a vote.

Mr. LUNDEEN. Mr. President, will the Senator yield?

Mr. NORRIS. I yield.

Mr. LUNDEEN. I hope the Senator will be kind enough to put into the RECORD some of that marvelous material and information he has for the information of the Senate and the country.

Mr. NORRIS. Mr. President, most of the material I have, various maps and charts, could not be printed in the CONGRESSIONAL RECORD.

Mr. MALONEY. Mr. President, may I inquire as to the parliamentary situation?

The PRESIDENT pro tempore. The clerk will state the pending amendment.

The CHIEF CLERK. It is proposed on page 28, line 3, to strike out "$100,000,000" and to insert "$25,000,000."

Mr. ADAMS. Mr. President, I want the Senate to understand the liberality with which they are about to act. I happen to be one of those who every now and then have been imbued with the futile idea of trying to protect the Treasury of the United States.

Mr. NORRIS. A parliamentary inquiry.

The PRESIDENT pro tempore. The Senator will state it.

Mr. NORRIS. May I inquire whether the Senator has not already used his time on this amendment?

Mr. ADAMS. I do not think I have used my full time.

The PRESIDENT pro tempore. The Senator has not consumed all of his time.

Mr. ADAMS. Mr. President, the rural-electrification program is one which the Committee on Appropriations and every Senator favors. Mr. Carmody went to the Budget and asked for $50,000,000. That was all he asked for. He was given $40,000,000, and when this joint resolution was before the Committee on Appropriations he did not ask for a nickel. He said that the increase on the floor of the House came spontaneously, without any request from him. He came before the Senate committee at our request and said to us that with the force he now had he could not spend the $40,000,000 available to him; that he would have to increase his force to spend more than that.

Mr. Carmody at no time has said that he could use the $140,000,000 which will be provided within the next year. We are giving to a department more than they asked for. Those of us who have been on the Committee on Appropriations know that those who come from Departments do not ask for less than they need. They nearly always come asking for more, and now we are giving $140,000,000 to a department which asked for $50,000,000 and we are giving it for projects which are not available now. In the letter which Mr. Carmody sent in he merely said that there are applications pending. There are applications in my State, many of which cannot be met because the people cannot stand the loans.

It is the Senate's business to expend the Government's money as it pleases, but it is my duty, as chairman of the subcommittee, to explain to the Senate that the Senate Committee on Appropirations acted upon the information before that committee, and that the action which the Senate committee took is in accordance with the statements made to them by Mr. Carmody, into whose hands this money will go.

Mr. NORRIS. Mr. President, I will consume some more of my time. I do not think that what the Senator said ought to go without some words of explanation in behalf of Mr. Carmody. I am not criticizing the Senator from Colorado at all. He is doing his duty, as he understands it, as chairman of the subcommittee.

Mr. ADAMS. Mr. President, if I may ask the Senator a question, I took occasion when the matter was up to inquire of the Senator from Nebraska about it, and I understood that the Senator concurred in the program which we had followed in the committee.

Mr. NORRIS. The Senator and I talked about it before the joint resolution came before the Senate. As I remember it, the talk then was that they might compromise on $65,000,000 instead of $100,000,000. I have made a further investigation since. I have sent for Mr. Carmody. I have consulted and sent for a great many of his assistants, to ascertain whether or not they could handle $100,000,000. There is no doubt, not the remotest, that $100,000,000 can be handled. An appropriation will have to be made to enlarge the force somewhat, either in the pending joint resolution or in a deficiency bill. A million dollars will be ample for that purpose.

Mr. Carmody came to me because I asked him to. He was somewhat embarrassed, because he did not like to give me information when he felt that under the circumstances and the understanding between the different bureaus it was not up to him to lobby in any sense to get more money. He was very careful about it. I put him under cross-examination, and he answered my questions, and was perfectly honest about it. He furnished the information which his office had, a good deal of which I have collated here. There is no doubt about their being able to use $100,000,000. There is no doubt but that they can expend $100,000,000 properly, but they will have to have perhaps $1,000,000 to increase the personnel in order to do that.

By the first of this year they had used up practically all of the appropriation for the fiscal year. They had to withdraw some money which had been allocated in order to keep some projects going. There is no question but that every dollar of this money will be returned to the Treasury of the United States. It is not a gift. There is no gift about it. The money is as safe in this investment as though it were put in a bank, I think safer, because the electric bills will be paid before anything else is paid. When once they get a taste of electricity, the women who have been working in drudgery all their lives over hot stoves will never consent to having the electricity taken out. When they have a taste of the many advantages which electricity will bring to them and add to their happiness, one would take his life in his hands if he went into a home where it had been used and tried to cut off the electricity. It is the one thing which now brings some hope of happiness and relief to the farm women of America.

If I wanted to take the time of the Senate I could give instances where it is practically an impossibility, when the electricity is once put into the farm home, ever to take it out. It means war if one goes there and tries to take it out. They

will pay every dollar. The record shows that even in the drought-stricken sections of the country, where there is no evidence of anything the farmer produced out of which he could get money, electric bills are paid, and paid promptly.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. NORRIS. I yield.

Mr. CLARK. Is it true that the projects on which money can be expended under this or any other authorization are already regulated by law?

Mr. NORRIS. Yes.

Mr. CLARK. The House provision, as well as the Senate committee provision, is simply in the nature of authorizations. So that if it should prove that the Rural Electrification Administration cannot spend as much money as the House has authorized, the money would go back to the Treasury and would not be expended?

Mr. NORRIS. Certainly; if they could not spend it all, the balance would be in the Treasury.

Mr. CLARK. I asked the Senator a moment ago whether it was not an authorization. It is more in the nature of a limitation than an authorization, and the question is what the limitation shall be?

Mr. NORRIS. Yes.

Mr. CLARK. Will the Senator from Nebraska yield to me further?

Mr. NORRIS. I yield the floor.

Mr. CLARK. I will claim the floor in my own right. I do not believe any money has been spent by the Government of the United States in the last few years, since the present administration came into power, to better advantage than the money which has been spent under the act passed a couple of years ago by Congress providing for rural electrification. I receive thousands of letters a year from farmers in Missouri, dealing with many diverse questions. Some of them write about their cotton allotments, some about their corn allotments, some about highway conditions, others about various other things which may confront the Government of the United States.

In a surprisingly large number of cases—I should say in more than half of the letters I receive from farmers who live in the State of Missouri—no matter what may be the main subject of their correspondence, they include some sentence or some paragraph expressing the hope that the Government may continue to pursue the policy of developing rural electrification. I do not believe that in its ultimate results money can be spent to any better advantage than the money which has been put into this enterprise.

As the Senator from Nebraska has suggested—and I think it can be abundantly proven—the money will be recovered almost a hundred percent. In addition to that, I doubt if there is a more beneficial or more widely distributed method of creating employment than this. It involves the taking of the telegraph poles out of the forests; it involves the fabricating of the wires; it involves the supply of a great many materials. I do not believe there is a better way on earth to spend money than in the method suggested in this provision, and I hope that the Senate committee amendment will be rejected.

Mr. DUFFY. Mr. President, I shall detain the Senate only a moment, merely long enough to say that the experience in Wisconsin has been very satisfactory with reference to the rural electrification. While a good many of the farmers in my State think that many of the farm acts we have passed have not been very beneficial, especially to the dairy farmers, they are all agreed, especially in the southern half and the middle portion of the State, where they are principally engaged in dairying, that the rural electrification has been the greatest boon to the dairy farmers among all the things we have done, and I sincerely hope that the House figure of $100,000,000 will be carried in the bill.

The PRESIDENT pro tempore. The question is on agreeing to the amendment of the committee on page 28, line 3.

The amendment was rejected.

Mr. HAYDEN. Mr. President, I realize the amendment I am about to offer is not in order at this time, but I desire to direct the attention to the hearings, on page 72, where I asked Mr. Carmody this question:

> I would like to know what you could do with the $100,000,000, or could you use all of it, or what part of it, within the fiscal year?
>
> Mr. CARMODY. I believe that it could be obligated. I think it would require considerable increase in staff, and I think it would take 2 or 3 years off the life of the Administrator.
>
> Senator MCKELLAR. How much additional cost of administration would be entailed?
>
> Mr. CARMODY. Well, roughly, I would say somewhere between double the staff and an increase of 75 percent.
>
> Senator MCKELLAR. How much would that be in money?
>
> Mr. CARMODY. In money, that would probably be around somewhere between $750,000 and $1,000,000.
>
> Senator HAYDEN. That is, you can loan this $100,000,000 with 1 percent overhead?
>
> Mr. CARMODY. Well, it would not be quite a 1-percent overhead, because a good deal of preliminary work has already been done. We have a good organization. We get a good deal of cooperation from farmers themselves. The projects pay for their own survey work. The construction is done by contractors who pay their own superintendents, clerical force, etc.

I realize that the amendment is not in order, but I offer an amendment and ask the clerk to read it, so that it may be pending.

The PRESIDENT pro tempore. The clerk will state the amendment.

The CHIEF CLERK. On page 28, after line 6, it is proposed to insert:

> There is hereby appropriated, out of any money in the Treasury not otherwise appropriated, the sum of $1,000,000 for additional administrative expenses for the Rural Electrification Administration during the fiscal year ending June 30, 1939.

Mr. HAYDEN. Mr. President, I ask that the amendment lie on the table.

The PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. MCKELLAR. Did I understand the Senator to say that the amendment would be offered to the deficiency bill?

Mr. HAYDEN. No, Mr. President; I see no reason why the amendment cannot be placed in the pending bill.

Mr. MCKELLAR. I have no objection to it. I should have no objection to the amendment being agreed to if the Senator were to ask unanimous consent that it be considered.

The PRESIDENT pro tempore. The clerk will state the next committee amendment.

The next amendment was, on page 28, after line 8, to insert:

> TITLE V—PRICE ADJUSTMENT ACT OF 1938
>
> SEC. 501. There is hereby appropriated, out of any money in the Treasury not otherwise appropriated, to be available until expended, the sum of $212,000,000 to enable the Secretary of Agriculture to make price-adjustment payments to producers of wheat, cotton, and corn in the commercial corn-producing area upon the normal yield of the acreage planted to the commodity for harvest in 1938 not exceeding the farm acreage allotment for the commodity in connection with the 1938 agricultural conservation program. Such payments shall be conditioned upon not exceeding the farm acreage allotment for the commodity allotted under the 1939 Agricultural Conservation Program and shall be made at a rate equal to the amount by which the average farm price for the commodity is less than 75 percent of the parity price for the commodity as defined in section 301 of the Agricultural Adjustment Act of 1938 but shall not exceed 2 cents per pound in the case of cotton, 8 cents per bushel in the case of wheat, nor 5 cents per bushel in the case of corn. In determining parity prices and farm prices the period July 1, 1938, to November 30, 1938, shall be used in the case of wheat, the period August 1, 1938, to December 31, 1938, in the case of cotton, and the period October 1, 1938, to February 28, 1939, in the case of corn. In administering this title said sum shall be available for the employment of persons and means in the District of Columbia and elsewhere, rent in the District of Columbia, and printing and binding, and the provisions of law relating to the appointment and compensation of persons employed by the Agricultural Adjustment Administration shall apply. The Secretary of Agriculture is authorized to issue such rules and regulations as may be necessary to administer this title. In case any person who is entitled to payment hereunder dies, becomes incompetent, or disappears before receiving such payment or is succeeded by another who renders or completes the required performance, payment shall, without regard to any other provisions of law, be made as the Secretary of Agriculture may determine to be fair and reasonable in all circumstances and provided by regulations. The provisions of other titles of this joint resolution shall not be applicable to this title.

Mr. RUSSELL. Mr. President, I have pending an amendment which applies to the first part of the amendment on page 28, which has just been read by the clerk. I ask that my amendment be stated.

The PRESIDENT pro tempore. The amendment offered by the Senator from Georgia will be stated.

The CHIEF CLERK. On page 28 it is proposed to strike out lines 10 to 25, inclusive, and lines 1 to 7, inclusive, on page 29, and to insert in lieu thereof the following:

SEC. 501. There is hereby appropriated out of any money in the Treasury not otherwise appropriated, to be available until expended, the sum of $212,000,000 to enable the Secretary of Agriculture to make price-adjustment payments to producers of wheat, cotton, corn in the commercial corn-producing area, the kinds of tobacco for which farm acreage allotments were established under the 1938 agricultural conservation program, and rice, upon the normal yield of the farm acreage allotment established for the commodity under the 1939 agricultural conservation program. Such payments shall not be made with respect to any farm on which the acreage planted to the commodity for harvest in 1939 exceeds the farm acreage allotment for the commodity established under said 1939 agricultural conservation program. The rates of such payments shall not be less than 10 cents per bushel in the case of wheat, 2 cents per pound in the case of lint cotton, 5 cents per bushel in the case of corn, 1 cent per pound in the case of any of the foregoing kinds of tobacco, and one-fifth cent per pound in the case of rough rice: *Provided*, That, if a smaller rate shall be sufficient to bring the average farm price for any commodity to 75 percent of the parity price, the payments with respect to such commodity shall be made at such smaller rate. If funds should remain after payments were made at the foregoing rates said rates of payment may be increased. Any increases in such rates shall be made so as to bring the average return to producers from each commodity, including the payment hereunder, as nearly as may be possible to a uniform percentage, not in excess of 75 percent of the parity price. For the purpose of this section, the average farm price and parity price for each commodity shall be determined for the first 5 months of the marketing year of 1938 (as defined in the Agricultural Adjustment Act of 1938) for such commodity.

Mr. POPE. Mr. President, a parliamentary inquiry.

The PRESIDENT pro tempore. The Senator will state it.

Mr. POPE. The Senator from Iowa [Mr. GILLETTE] requested me to offer an amendment in the nature of a substitute for this entire section. In the event the amendment offered by the Senator from Georgia to the committee amendment should be agreed to, then would I be permitted to offer a substitute for the entire section, as amended?

The PRESIDENT pro tempore. The Chair did not follow the reading of the amendment of the Senator from Georgia. If the amendment offered by the Senator from Georgia is simply an amendment to the committee amendment the substitute referred to would be in order. After action upon the amendment proposed by the Senator from Georgia, the action upon the substitute referred to would be in order.

Mr. RUSSELL. Mr. President, the effect of my amendment to the committee amendment is merely to increase the amount which can be paid to the wheat producers from 8 cents to 10 cents a bushel, and makes the other two basic commodities contained in the Farm Act—namely, tobacco and rice—eligible to receive price-adjustment payments in the event the market price of the commodities this fall should be less than 75 percent of parity.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. RUSSELL. I yield.

Mr. BARKLEY. I understand the effect of the Senator's amendment is to add tobacco and rice to wheat, corn, and cotton, which are already contained in the Farm Act?

Mr. RUSSELL. Exactly; and to increase the amount to be paid to wheat from 8 cents to 10 cents a bushel.

Mr. BARKLEY. Inasmuch as all five of these crops constitute the basic agricultural commodities dealt with in the Farm Act, I see no reason why there should be any difference in the treatment with respect to wheat, corn, and cotton than there is as to tobacco and rice.

Mr. RUSSELL. My amendment eliminates any difference in the treatment of tobacco and rice, and brings tobacco and rice into the joint resolution. That was not done arbitrarily, however. At the time the amendment was offered in the committee, and in fact today, tobacco is selling at much more than three-fourths of parity. This language in the bill will give assurance to the tobacco grower that if tobacco falls below 75 percent of parity then, of course, he will receive the price-adjustment payment. Tobacco has been selling in the present market at over three-fourths of parity. No one can predict what the price will be in the next season.

Mr. BYRD. Mr. President, will the Senator yield?

Mr. RUSSELL. I yield.

Mr. BYRD. What payment is provided for tobacco?

Mr. RUSSELL. The amendment allows the price-adjustment payment of 1 cent a pound.

Mr. BYRD. I want to ask the Senator if he does not think that is too low for tobacco as compared with wheat, corn, and cotton? The comparative price of flue-cured tobacco is 18.8; North Carolina, 10.1; burley, 17.4. The market prices, of course, are in excess of the parity prices, but it seems to me that to allow tobacco only 1 cent is not putting tobacco on an equality and on a fair basis with cotton, corn, and wheat.

Mr. LEE. Mr. President, will the Senator yield?

Mr. RUSSELL. I yield.

Mr. LEE. I will say in answer to the Senator from Virginia that we will trade with him if he will give us 1 cent a pound on wheat.

Mr. RUSSELL. Mr. President, I might say that these figures were suggested by the officials of the A. A. A., of the Department of Agriculture, who are dealing with the farm problem every day. Those officials said very frankly that, in their judgment, there would be no payments made under this amendment to tobacco growers, because they apprehended that tobacco would sell for more than 75 percent of parity when this year's crop was marketed. It has been pointed out by the Senator from Kentucky that that is merely the opinion of the officials of the Department, and it is wholly within the realm of possibility, even if it is not very probable, that tobacco may go below that price. But these figures, as I have said, were suggested by the officials of the Department as being comparable, and I doubt not that the fact that tobacco is now selling for above parity may have influenced the officials in their judgment.

Mr. BYRD. I talked with Mr. Hutson, and he thought that the equality basis would be 1½ cents.

Mr. RUSSELL. Mr. Hutson is the gentleman who furnished me these figures.

Mr. BYRD. I asked him what was the just basis between tobacco and cotton with 2 cents a pound for cotton, and he thought about 1½ cents for tobacco.

Mr. RUSSELL. Mr. Hutson himself suggested 1 cent. I asked him to suggest the figure for tobacco, and he suggested 1 cent a pound which has been placed in the amendment.

Mr. President, I desire to reserve the remainder of my time on this amendment. I believe under the rule we may reserve our time.

Mr. CAPPER. Mr. President, I wish to offer an amendment to the amendment offered by the Senator from Georgia.

Mr. RUSSELL. Mr. President, that would be subject to a point of order.

Mr. CAPPER. Mr. President, I want to discuss the amendment offered by the Senator from Georgia with respect to the parity price of wheat. The Senator from Georgia has offered an amendment providing that the payment on wheat shall be 10 cents per bushel. I think it should be 13 cents per bushel. On that point I want to be heard for just a few minutes.

Mr. President, that we face a very low price for this year's wheat crop is now generally admitted. The wheat market dropped again last Saturday, upon publication of private estimates that the winter wheat crop will be around 800,000,000 bushels, higher by some half million bushels than the latest estimate from the Department of Agriculture.

I submit that in proposing this 13-cent maximum parity payment for wheat this year, I am only asking for wheat similar treatment to that afforded the 1937 cotton crop, which as I understand received a guaranty of 12 cents a pound, or 75 percent of the parity price. Seventy-five percent of parity price on wheat at this time would be approximately 85 cents.

Wheat growers, in compliance with the national wheat program, under the provisions of the Agricultural Adjustment Act of 1938, are to receive 12 cents a bushel on the normal production of their allotted acreage, as I understand.

That commodity loans on wheat are to be made on this year's crop, to growers who are in compliance, is considered so certain that the President has asked Congress for an appropriation to make arrangements for storage.

If the wheat loan should be as low as 60 cents per bushel, as has been indicated though not specifically stated by the A. A. A. officials who have discussed the matter, then this 60-cent loan, plus the 12-cent payment for compliance, plus a parity payment of 13 cents, would bring the total to 85 cents per bushel.

If the loan were larger than 60 cents a bushel, and it was desired to place the wheat grower on approximately the same basis as the cotton grower—so far as Government aid is concerned—providing in effect what would be a guaranty of 85 cents a bushel, the Secretary would have authority to scale down the parity payments accordingly.

Mr. President, we from the Wheat Belt supported the 12-cent guaranty for cotton a year ago. I believe it is only fair to state that we have supported every measure adopted by Congress to protect the cotton growers. I appeal to the Senators from the Cotton Belt, now that the wheat market is tumbling to new lows, to support the amendment which I have offered.

Mr. President, it is hardly necessary for me to tell the Senate what it will mean to the wheat growers of the Great Plains area, including my home State of Kansas, if wheat prices drop so low that it is necessary for the Secretary of Agriculture to carry out the provisions of the Agricultural Adjustment Act of 1938 and make the commodity loans, whether at 60 cents or even a higher figure.

If the wheat growers receive less than 85 cents a bushel on the production of their allotted acreages—and that means on only part of their crop; I do not undertake to say what the price of wheat is going to be, but the farm price is below 60 cents already in some sections—it is going to spell ruin for thousands of farmers. Also it will mean that the purchasing power of the Wheat Belt will be so reduced that agriculture will be helpless to take part in the march toward recovery through purchases of manufactured products; and that lack of purchasing power means fewer jobs for industrial workers.

Without agricultural income much higher than now in prospect farm purchasing power will not and cannot do much toward providing employment for workers in the industrial sections.

Mr. President, we have been through some hard times in the Wheat Belt in the past few years. Our section of the country was paralyzed in 1931–33. Farms were foreclosed by the thousands, by the tens of thousands. Farmers had to go on relief. We are appropriating hundreds of millions for farm security relief to farmers in the pending bill.

Following the previous depression, we have had a succession of drouths and poor crops. Now that we have a wheat crop in prospect, the threat of low prices has brought hopeless despair to our farmers again.

These few extra cents a bushel which my amendment proposes, will spell the difference between retaining their farms and being again forced onto relief rolls, to thousands of our farmers. The cost to the Federal Government of the parity payments proposed before the winter is over will be much less than the cost of maintaining these farmers on relief rolls, if low wheat prices bring the certainty of bankruptcy and foreclosures again to the Wheat Belt, not yet recovered from the disastrous years following 1929.

Mr. President, I hope I shall have an opportunity to offer my amendment providing for a parity price for wheat of 13 cents, to take the place of the amendment offered by the Senator from Georgia.

Mr. RUSSELL. Mr. President, I regret that I am compelled to make a point of order against the amendment. It is an amendment in the third degree. I should like to see wheat receive 13 cents, cotton 3 cents, tobacco 4 cents, and rice a whole cent a pound. However, this figure was worked out in the Department; and since the amendment was adopted by the committee the price of wheat has been increased by 2 cents a bushel by reason of parity payments which may be made to the wheat farmers.

While I realize that the situation of the wheat farmers, in common with that of all other farmers, is deplorable, the wheat farmers have certainly not been discriminated against.

I wish to point out to the Senator from Kansas that the cotton acreage this year was cut by 40 percent. Therefore, not only will cotton producers be compelled to take a low price for their crop, but their production will be off approximately 40 percent, whereas the acreage of wheat has not been reduced. I am sure the figure given by the Senator from Kansas, which is 13 cents, may be the amount necessary to bring wheat up to 75 percent of parity; but I wish to point out that other commodities, such as rice and cotton, are selling for less tan 50 percent of parity, and that a figure on cotton comparable with the figure given by the Senator from Kansas for wheat would be approximately 4 or 5 cents a pound.

Therefore, I feel constrained to make a point of order against the amendment.

The PRESIDING OFFICER (Mr. THOMAS of Utah in the chair). The Chair does not understand that the amendment has been offered.

Mr. CAPPER. I am not now offering the amendment.

The PRESIDING OFFICER. The Chair understands that the amendment is not offered.

Mr. CAPPER. However, I hope I shall have an opportunity later to submit my amendment. I have no objection to the parity prices on cotton and rice proposed by the Senator from Georgia; but I know that 10 cents on wheat is not adequate to take care of the present situation of this year's wheat crop in our part of the country.

Mr. RUSSELL. Mr. President, I wish to point out to the Senator from Kansas that when the amendment was originally proposed the Department officials administering the A. A. A. stated that a price of 8 cents a bushel on wheat was comparable to the other figures in the bill. Later, at the instance of the Senator from Idaho, the Senator from Kansas, and others, parity payments on wheat were increased from 8 to 10 cents a bushel; and I think it would certainly be disproportionate now to increase the figure for wheat to 13 cents a bushel, however desirable it might be. With only $212,000,000 available, I think it would be very unfair to the producers of corn, cotton, tobacco, and rice to increase the amount paid to the wheat farmer as suggested by the Senator from Kansas.

Mr. VANDENBERG. Mr. President, will the Senator yield for a question?

Mr. RUSSELL. I yield.

Mr. VANDENBERG. I am sorry I have not heard all the discussion. Has the Senator indicated whether he expects this amendment subsequently to be followed by a processing tax?

Mr. RUSSELL. Mr. President, I do not know of any other expenditures covered by the joint resolution which depend on the enactment of any specific tax. Therefore, I have not mentioned the processing tax in this connection. So far as I am concerned, the amendment was offered to a general appropriation measure.

I am perfectly willing to support a fair processing tax. I always have supported one, and I am willing to support one in the future which will provide funds for permanent parity payments to the farmers. The pending measure is merely an emergency measure, which seeks to bring the income of farmers, if possible, up to 75 percent of parity.

Mr. POPE. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Georgia yield to the Senator from Idaho?

Mr. RUSSELL. I yield.

Mr. POPE. With reference to the question asked by the Senator from Michigan, I desire to say that a short time ago

I tried very hard to obtain the adoption of an amendment to the revenue bill providing for $212,000,000 revenue, which was estimated by the Internal Revenue Department, in order that just such an appropriation as this could be made. I am in favor of making the appropriation, but I believe that the Senate and the House of Representatives should provide a processing tax. We may not have time to do it at this session, but early in the next session a processing tax should be provided to raise revenue to cover the proposed appropriation.

I think such a course is only fair to the people of the country and to the Treasury of the United States. I am in favor of an amendment to provide now for the $212,000,000 for parity payments to farmers. I think the amendment offered by the Senator from Georgia [Mr. RUSSELL] to his original amendment improves it.

As I said before, I expect to offer, on behalf of the Senator from Iowa [Mr. GILLETTE], an amendment which has been very carefully prepared, which I think provides a definite and fair formula for distributing the funds. However, I shall discuss that amendment when I offer it, on behalf of the Senator from Iowa, as a substitute.

Mr. VANDENBERG. Mr. President, will the Senator yield?

Mr. POPE. I yield.

Mr. VANDENBERG. I think the Senator has made a perfectly frank and courageous statement about his attitude toward the processing tax. He has said what I hoped he would say. It seems to me the Senate puts itself in an utterly ridiculous position when one week it declines to vote a $212,000,000 tax for this purpose, and the next week blithely, blandly, and smugly votes to spend $212,000,000 without any effort to show how it is to be raised.

Mr. POPE. I agree with the Senator from Michigan. When the amendment referred to was before the Senate, I attempted to point out the necessity for the Senate, in good faith, to adopt the amendment before making the appropriation. However, the great majority of the Senate thought otherwise.

I am in favor of the amendment because I think it is necessary, during the transition stage before the Farm Act goes into full effect, that the money be made available as parity payments to farmers. I agree with the Senator that the Congress should raise the money with which to make the payments.

Mr. LEE and Mr. BARKLEY addressed the Chair.

Mr. POPE. I yield to the Senator from Oklahoma.

Mr. LEE. Mr. President, I agree with the Senator in what he says with regard to the processing tax. However, the other appropriations in the joint resolution are in the same position as the $212,000,000. We are not providing a tax measure to raise any of the money; are we?

Mr. POPE. No.

Mr. LEE. Then why the question of the Senator from Michigan in regard to the particular money which is to go to the farmers?

Mr. HATCH. Mr. President, will the Senator yield?

Mr. POPE. I yield.

Mr. HATCH. I do not think the Senator meant to say that payments under this provision of the joint resolution are in the same category with all the other payments and expenditures authorized by the joint resolution.

Mr. POPE. No. The Senator asked me if the joint resolution made any provision for raising the revenue for other appropriations in the joint resolution.

In that respect the two matters are similar. However, it has been the understanding of the administration, from the President on down, that revenue would be provided before parity payments were made. I accepted that statement in good faith. I felt that it was a fair statement. As I said a while ago, I feel that the Senate is inconsistent in making the appropriation now without raising the funds to cover it. However, I am still in favor of the amendment, and I hope it will be agreed to.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. POPE. I yield.

Mr. BARKLEY. Regardless of any consistency or inconsistency on the part of the Senate in having voted down the amendment offered by the Senator when the revenue bill was before us, the Senator knows that the Senate cannot now initiate any form of taxation to raise $212,000,000, or any other sum.

Mr. POPE. I agree with the Senator.

Mr. BARKLEY. I think every Senator is familiar with the attitude of the President and the administration with regard to parity payments. The President has insisted from the beginning that if Congress should provide any additional amount under the Agricultural Adjustment Act of 1938 over and above the $550,000,000, or whatever the amount is, additional revenue should be raised to take care of the appropriation.

When the agricultural bill was under consideration, I took the position—and I have not yet been able to convince myself to the contrary—that until the present crop year shall have ended, and we shall have ascertained the results of the crop-curtailment program, nobody can prophesy how much additional money will be needed above the $550,000,000. If the crop-curtailment program is to be successful, in proportion to its success it will reduce the amount of money which will ultimately have to come out of the Treasury.

The crop year for wheat will end during the summer, in July, August, and September. The crop year for corn will end in October, November, and December. The crop year for tobacco will end in December, January, February, and March. Before we shall know how much money it will be necessary to pay out of the Treasury to make the parity payments, Congress will again be in session. While the present Congress can not bind another Congress, I think we all realize—I certainly do, and I know of nobody in this body or in the House who does not—that when the crop year shall have ended, and the parity payments shall have been made, Congress, by some form of additional taxes, whether by a processing tax or something else, must raise the difference between the amount now available and the amount which will have to be paid out by the Treasury under the agricultural program.

Mr. POPE. I agree with the Senator in part.

Mr. BARKLEY. It has been the opinion of many members of the Finance Committee of the Senate and of the Ways and Means Committee of the House that we could not now intelligently write a bill raising additional revenue for the purpose of carrying out the agricultural program without knowing how much will be required at the end of the crop year.

Mr. POPE. I appreciate the statement made by the Senator from Kentucky that there is no present way of knowing how much money will be necessary to make full parity payments. However, I do not think there is a Member of Congress who does not know that $212,000,000, the amount which was provided for in the amendment which I offered to the revenue bill, will not be enough. Within a few weeks after the revenue bill was passed exactly that amount is being appropriated.

It seems to me it was well known that more than $212,000,000 would be needed this year. Since the processing tax has not been provided by the Congress, it will be necessary for the Congress to act at some future time. I hope the Congress will act and keep faith with the President and the country by raising the necessary revenue to make the parity payments.

Mr. CONNALLY. Mr. President, will the Senator yield?

Mr. POPE. I yield.

Mr. CONNALLY. I should like to ask the Senator from Idaho if it is not true that if we wait until December to find out how much will be required, a great deal more than $212,000,000 will be needed. More than the amount proposed will be required to make the parity payments.

Mr. POPE. I think that is true.

Mr. CONNALLY. What assurance have we that Congress will enact a processing tax? The processing tax was rejected during the present session when an amendment proposing it was offered by the Senator from Idaho. The Senator from Texas voted with the Senator from Idaho. Then

we were met with some plausible pretext for not enacting a processing tax at that time. It was said that we must wait until the next session of Congress. I should like to know why it is that in connection with farm relief alone we must have a tax to raise the revenue. Nobody has raised any issue about the three or four billion dollars we are appropriating under the joint resolution. Where is the processing tax to pay for that? The tax is a processing tax on the ordinary taxpayers. It comes out of the general funds of the taxpayers. Every gasoline consumer, everyone who buys chewing gum, and everyone who has an income will have some of the tax processed out of him for unemployment and relief. Why is it that only when we come to do something to aid the farmer who is trying to work and make his way we say we cannot do it unless we provide the revenue to take care of the difference?

Mr. POPE. I think that the Congress should provide revenue to meet all its obligations. I call the attention of the Senator to the fact that $500,000,000 has been appropriated for benefit payments to farmers out of the General Treasury.

Mr. CONNALLY. Very well. Let me ask the Senator what percentage of the population of the United States is farm population. About one-third, is it not?

Mr. POPE. About one-third.

Mr. CONNALLY. Suppose we are giving them $500,000,000, we are giving other folks who are not farmers about $3,000,000,000, are we not?

Mr. POPE. The amount which is carried in this bill.

Mr. CONNALLY. So the proportion is about 6 to 1.

Mr. POPE. I have contended, as the Senator well knows, that the farmer certainly has not received any greater benefits than has anyone else. I think it is true that the farmers have received less benefits. That is why I am perfectly willing to vote for this proposed appropriation.

Mr. KING. Mr. President, will the Senator yield?

Mr. POPE. I will yield in a moment. But I believe that we should keep faith with the President and with the understanding we have had that money would be raised in the form of a processing tax or some other form in order to take care of additional farm benefits.

Mr. HATCH. Mr. President, will the Senator yield right on that point?

Mr. POPE. I yield.

Mr. HATCH. I myself see a vast difference in the type of moneys appropriated by this measure and those which would be appropriated by a measure to make parity payments to the farmers. I think there is no Member of the Senate of the United States who is more desirous of adding to the income of the farmer than am I; but I see a difference. I think we are justified in borrowing vast sums of money on the credit of the United States to take care of those who are in need of the absolute necessities of life, to relieve distress; I think we are justified in that; but parity payments to the farmer are not on that basis. Such payments are a supplement to the income which he has, and I do not think we are justified in pledging the credit of the United States for that purpose.

Mr. BANKHEAD. Mr. President, will the Senator yield?

Mr. HATCH. I yield to the Senator.

Mr. BANKHEAD. I should like to ask the Senator if he does not realize that there are hundreds of millions of dollars appropriated by the pending measure which are not intended for the purpose of relief to those who are suffering? What about the whole P. W. A. program? What about the entire revolving fund under the P. W. A.? What about all the P. W. A. projects? They are not related in any direct way to the relief of the needy and the suffering and the unemployed.

Mr. HATCH. I do not agree with the Senator from Alabama in the statement that they are not related to the need of the suffering and the unemployed. On the contrary, I think they must be related to the need of the suffering and the unemployed, otherwise, as to those provisions, I will say I do not think that we would be justified in pledging the credit of the United States to borrow money to carry on such projects.

Mr. BANKHEAD. Will the Senator vote with me to eliminate all the features of the pending measure that are not essential under the relief program?

Mr. HATCH. When we get to that, if a definite proposition is presented, I should be glad to consider it.

Mr. BANKHEAD. The Senator is frank, honest, and sincere; he does not need to wait at any time to express his views on subjects he has already considered.

Mr. HATCH. I have expressed my view on the subject and told exactly what I think of it. I think that the basis of this entire program is the relief of unemployment, distress, and suffering. I do not think we are justified in borrowing money for the purpose of making parity payments, although I firmly believe in parity payments to the farmer. But, under the peculiar circumstances which have arisen in connection with the processing tax at the present session, I think we are now justified in adopting, and should adopt, the amendment offered by the Senator from Georgia [Mr. RUSSELL]. I believe, however, that when we come back for the next session of Congress it will be our duty to do as the President of the United States has requested, and provide revenue to pay for whatever benefits we accord toward securing for the farmer a parity price for his products.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Georgia [Mr. RUSSELL].

Mr. FRAZIER. Mr. President, the amendment of the Senator from Georgia will help to some extent, but nothing less than the parity price will do the farmer much good. The price of wheat, when the present value of the dollar is compared with that of the old gold standard dollar we had in 1932, when the previous world's low record for wheat was reached, is at even a lower level. The last quotation I have received was 69 cents at the terminal, and under the ratio of the old gold dollar that means 40.71 cents per bushel. It is almost 4 cents below the lowest wheat market of record in the United States.

Mr. HATCH. The last quotation I have seen was 68.5 cents.

Mr. FRAZIER. Well, that is a little worse; but I repeat, the price is 4 cents below the lowest world's market we have ever had.

Mr. LUNDEEN. Mr. President——

Mr. FRAZIER. I yield to the Senator from Minnesota.

Mr. LUNDEEN. Did we not recently pass the farm bill to remedy the situation to which the Senator referred? What happened to that measure?

Mr. FRAZIER. We still have the farm bill, but we are now trying to amend it again. I should like to see the payment on wheat much higher than it is, but I realize the situation we are up against and that we simply cannot get it. However, the amendment of the Senator from Georgia will help to some extent; so I am hopeful that it may be adopted.

I may also say that today the price of cotton, taking into consideration the difference between the present dollar and the old gold standard dollar, is the lowest we have had in the history of the United States; lower than it was in the lowest period of the depression. The prices of other farm products are about in the same ratio, considering the value of the old gold standard dollar. The purchasing power of the farmer is the lowest today it has ever been in the history of the United States. Anyone who thinks we are going to have better conditions or better times or that the factories and mills are going to be started with the present conditions existing, with no purchasing power on the part of the farmers who produce the food products and the necessities of life, has another guess coming, because we have got to start at the bottom if we are going to build any kind of prosperity.

Mr. KING. Mr. President, will the Senator yield?

Mr. FRAZIER. I am glad to yield to the Senator from Utah.

Mr. KING. Does not the Senator think, with $500,000,000 taken out of the Treasury of the United States and given to the farmers, plus the loans which they have had, that the

farmers are better off than millions of people who are out of employment and for whom we have to make this appropriation in order to save them from need and from want?

Mr. FRAZIER. If the farmers had a price for their products that would give them purchasing power, there would not be so many out of employment; the mills that are closed would be started and be in operation and would furnish products that the farmers need to buy which they have not been able to buy because of the loss of purchasing power during the last 8 or 10 years.

Of course, $500,000,000 appropriated under the Agricultural Act is the same amount that has been appropriated in past years for soil conservation. The farmers under the last farm act get practically no more than they received under the soil-conservation provisions of the previous law. The amendment of the Senator from Georgia will give them a little additional, and, of course, every little bit will help.

One of the local newspapers yesterday carried an item that some grain concern had predicted one of the largest yields of wheat for this year we have ever had, a yield away over a billion bushels. In that event, of course, the price of wheat will, undoubtedly, go much lower than it is at the present time. So anything the farmers can get that will be of benefit will help to some extent.

Mr. McGILL. Mr. President, will the Senator yield?

Mr. FRAZIER. I am glad to yield to the Senator from Kansas.

Mr. McGILL. To what extent does the Senator think the large crop of wheat, the great number of bushels which it is predicted will be produced this year, has had on the market price of wheat to which he has been referring?

Mr. FRAZIER. Undoubtedly it is forcing down the price. The gamblers use that as an excuse to beat down the price.

Mr. McGILL. Then, the Senator agrees that the quantity has something to do with the market price?

Mr. FRAZIER. Of course. The Senator from Kansas knows very well what my theory is with reference to the farm situation. It is cost of production for the amount used for home consumption——

Mr. McGILL. And, then, whatever can be obtained for the balance?

Mr. FRAZIER. Yes.

Mr. McGILL. The Senator refers to the price as compared to what it would have been under the previous gold content of the dollar. Does the Senator favor the enactment of a measure that would restore the gold content of the dollar to what it was prior to the last enactment of Congress on the subject?

Mr. FRAZIER. No; I do not know that I do. Personally, I think we have got to have still more inflation before we can ever get out of the situation we are in in regard to our debts. We will never pay our debts, public or private, in my opinion, until we have more inflation of the currency. But the amendment of the Senator from Georgia will help a little, and every little bit helps; the farmers are thankful for small favors; but I think at the next session of Congress we will pass a bill to give the American farmer the American market and cost of production, plus a fair profit.

Mr. McGILL. Mr. President, will the Senator yield further?

Mr. FRAZIER. Yes; I am glad to yield to the Senator.

Mr. McGILL. I should like to know from the Senator, considering the fact that more than a billion bushels of wheat will be produced this year, and since the general average price will be, if we have a so-called guaranty, the cost of production for the amount domestically consumed, what it would be if we take into consideration the entire crop and the chances of the farmer disposing of the remainder of his production.

Mr. FRAZIER. If the farmers could get cost of production, plus a reasonable profit, the price, probably, would be at least $1.25 or better a bushel. The farmers would be better off if they only got that amount for half the wheat they produced and used the remainder for charity or anything they wanted to use it for.

Mr. McGILL. Would it not be true, in any event, that if the amount put on the market was only the amount that the market demands, the farmer would get a reasonable price for his commodity? Is not that generally so?

Mr. FRAZIER. So long as there is a carry-over, under our system the gamblers use it to beat down the price.

Mr. McGILL. The carry-over would be here under either theory.

Mr. FRAZIER. Yes; but if we had a fixed price on the amount used for home consumption it would not make any difference about the carry-over, because the remainder would be sold on the world market or kept off the world market with the same result.

Mr. McGILL. If we can sell on the world market, why do we not do it? We have sold all we could sell on the world market. We have sold, during the past year, approximately 100,000,000 bushels, which is twice as much as we have sold during any year since 1930. If this commodity can be disposed of on the world market at any price, why do we not sell it?

Mr. FRAZIER. Some of it is sold, of course; but that is not the point. The point is to give the farmer a price for the amount used for home consumption which will give him a profit above his actual expenses.

Mr. McGILL. I want to see the farmer have a reasonable profit on his endeavors, regardless of how much he may produce. The only issue is, how to attain that reasonable profit. I am asking the Senator to tell the Senate how much he thinks the farmer would receive for the surplus if he were guaranteed a certain figure.

Mr. FRAZIER. I am not at all concerned about the surplus, because if the farmer's purchasing power is restored so that people can be put to work in the factories it will raise the purchasing power of the workers so that we will not be worried about the surplus. It will be pretty well taken care of.

Mr. McGILL. In other words, the Senator is not interested in the surplus.

Mr. FRAZIER. If we can get cost of production in the American market, plus a profit, no.

Mr. McGILL. But the Senator would be willing to take what he calls cost of production and take a chance on getting nothing for the remainder of the billion bushels?

Mr. FRAZIER. Absolutely. Both the wheat farmers and the cotton farmers would be much better off, if they got cost of production plus a reasonable profit for the amount used for home consumption, if they had to give away the balance.

Mr. McGILL. Let me ask the Senator another question. Does the Senator mean by cost of production the general average cost of production throughout the United States?

Mr. FRAZIER. I want it high enough, of course, to take care of those who can raise wheat, or cotton, or whatever the product is, at a reasonable price.

Mr. McGILL. Would the Senator require, then, in a measure of this kind, that the cost-of-production standard should be fixed at the highest cost of production to any farmer in the country?

Mr. FRAZIER. Oh, no; it would be the average cost of production, plus a reasonable profit.

All the farmers want is their share of the national income. They are entitled to that, because they produce the products which it is necessary for the people to have in order to live.

Mr. McGILL. The Senator from North Dakota will not fight any harder for the American farmer than I will; but——

Mr. FRAZIER. I have been fighting harder for the cost of production than the Senator from Kansas has for the past several years.

Mr. McGILL. I voted for it, although I doubted its practicability.

Mr. FRAZIER. I voted for it because I thought it was right.

Mr. McGILL. I should like to ask the Senator to answer this question: If he means by the cost of production the general average cost throughout the United States, what is

he going to do with the farmer whose cost of production is above the general average?

Mr. FRAZIER. If the farmer's cost of production is above the general average, he will go broke, just the same as he is going broke now, and has gone broke for sometime.

Mr. McGILL. In other words, the Senator is willing to have him go broke?

Mr. FRAZIER. He will have to go to raising something else, of course. We cannot, of course, hope to get prices high enough on poor land, which does not produce a fair crop, to make it a profitable business for him.

Mr. McGILL. The Senator will agree that there is good land in the country which is cheaper than other good land, and that the general average cost of production will not fit the situation, will he not?

Mr. FRAZIER. I think the general average cost of production, plus a reasonable profit, will fit the situation and take care of it fairly well.

Mr. CAPPER. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. CAPPER. Yesterday I gave notice that I should propose an amendment to the pending joint resolution with respect to the parity price on wheat, asking that the parity payment on wheat provided in the committee amendment be raised from 8 cents to 13 cents. I again brought my amendment to the attention of the Senate, and would like an opportunity to have a vote on it. I am wondering how I can get a vote on my amendment for 13 cents.

The PRESIDING OFFICER. If the amendment of the Senator from Georgia [Mr. RUSSELL] should not be agreed to, the amendment of the Senator from Kansas would then be in order.

Mr. CAPPER. The amendment offered by the Senator from Georgia is an improvement over the committee amendment as to the parity price of wheat, but my own amendment is still better, and if his amendment is not adopted I shall ask that my amendment be submitted to the Senate.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Georgia [Mr. RUSSELL] to the amendment of the committee.

Mr. SHIPSTEAD. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. SHIPSTEAD. Is an amendment in the nature of a substitute for the committee amendment in order at this time?

The PRESIDING OFFICER. As the amendment offered by the Senator from Georgia is the pending question, a substitute for the committee amendment is not in order at the present time.

Mr. SHIPSTEAD. Very well; I will withhold my amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Georgia [Mr. RUSSELL] to the amendment of the committee.

Mr. COPELAND. Mr. President, I desire to ask a question about this amendment. Like the late Will Rogers, I know only what I see in the newspapers. I think I saw something in the newspapers to the effect that the President did not like this amendment, and that if it should be inserted in the joint resolution a new tax would have to be imposed to provide for it. Am I right in that?

The PRESIDING OFFICER. Will the Senator from Georgia answer the question of the Senator from New York?

Mr. RUSSELL. Mr. President, I am not sure that I understand the question.

Mr. COPELAND. I said that I thought I saw in print the statement that if this amendment should be adopted the President would request an additional tax to take care of it.

Mr. RUSSELL. Mr. President, of course I do not know what the Senator from New York saw in the newspapers, and I must confess that I have never conferred with the President with regard to this particular amendment.

Mr. COPELAND. He did not speak to me about it.

Mr. RUSSELL. I have not conferred with the President in regard to the amendment. I recall, however, that at the time the farm bill was pending the President very strenuously insisted that if appropriations of this nature were made, additional taxes must be imposed to provide for the appropriations.

As I stated a few moments ago, I do not think that question should be involved in connection with this legislation, in view of the general economic situation confronting the country. The Senate has before it an appropriation measure which carries over $3,000,000,000. This modest little amendment seeks to assure that the prices farmers receive for their commodities shall not sink below 75 percent of the parity prices. I desire to point out to the Senate that if these farm commodities bring 75 percent of parity this year, this amendment will not cost the Treasury of the United States one thin dime. It will take effect only in the event that the market price of farm commodities is less than 75 percent of parity.

If this great spending program has the effect which some of its sponsors claim it will have and which we all hope it will have, and puts up the price of farm commodities, the farmer will not get one dime under this appropriation. These payments are to be made only in the event that farm commodities continue to drop to the unprecedented lows that we now have in this country.

Mr. COPELAND. Mr. President, I should like to ask a question of the Senator from North Dakota [Mr. FRAZIER]. He spoke about a billion-bushel wheat crop this year. What was the force of the argument? Does that mean that whenever we have an abundant crop we must then have a new tax to take care of the surplus?

Mr. FRAZIER. Mr. President, when we have a bumper crop, of course, the price goes down, because the grain gamblers who manipulate the prices of wheat use that as an excuse to push down the price. From seven hundred to eight hundred million bushels is what we normally use in the United States; so, if there should be a billion-bushel crop, there would be a surplus on this year's crop of three or four hundred million bushels at least. That is a surplus which would be carried over, unless it should be exported.

Mr. COPELAND. Then if next year we had a crop of 1,250,000,000 bushels, would we then have to have another tax to take care of that?

Mr. FRAZIER. If the farmers were to get anything out of it, there would have to be another tax; yes.

Mr. COPELAND. Mr. President, I think I am converted to the idea of scarcity. I have always thought it was a fallacious economic doctrine; but if it means that every time we are thrifty and careful on the farm and raise more crops and create a greater surplus we must have new taxes, I do not quite know how we are coming out. I suppose we shall raise more wheat or more corn to feed more pigs to sell and get more land in order that we may raise more corn to raise more pigs; but it is an economic maze in which I am lost.

The adoption of this amendment is inevitable, however, and I shall not stay the exercises of the Senate, because when this matter is taken care of I think we shall go home and resume our activities tomorrow, when we shall be more refreshed. I should not want anybody to die on the floor of the Senate by reason of the fact that I am detaining Senators.

Mr. SHIPSTEAD. Mr. President, may the pending amendment be stated?

The PRESIDING OFFICER. The clerk will state the pending amendment for the information of the Senate.

The LEGISLATIVE CLERK. On page 28, it is proposed by Mr. RUSSELL to strike out lines 10 to 25, inclusive, and lines 1 to 7, inclusive, on page 29, and in lieu thereof to insert the following:

SEC. 501. There is hereby appropriated, out of any money in the Treasury not otherwise appropriated, to be available until expended, the sum of $212,000,000 to enable the Secretary of Agriculture to make price adjustment payments to producers of wheat, cotton, corn in the commercial corn-producing area, the kinds of tobacco for which farm acreage allotments were established under the 1938 agricultural conservation program, and rice, upon the normal

yield of the farm acreage allotment established for the commodity under the 1939 agricultural conservation program. Such payments shall not be made with respect to any farm on which the acreage planted to the commodity for harvest in 1939 exceeds the farm acreage allotment for the commodity established under said 1939 agricultural conservation program. The rates of such payments shall not be less than 10 cents per bushel in the case of wheat, 2 cents per pound in the case of lint cotton, 5 cents per bushel in the case of corn, 1 cent per pound in the case of any of the foregoing kinds of tobacco, and one-fifth cent per pound in the case of rough rice: *Provided*, That if a smaller rate shall be sufficient to bring the average farm price for any commodity to 75 percent of the parity price, the payments with respect to such commodity shall be made at such smaller rate. If funds should remain after payments were made at the foregoing rates said rates of payment may be increased. Any increases in such rates shall be made so as to bring the average return to producers from each commodity, including the payment hereunder, as nearly as may be possible to a uniform percentage, not in excess of 75 percent of the parity price. For the purpose of this section, the average farm price and parity price for each commodity shall be determined for the first 5 months of the marketing year of 1938 (as defined in the Agricultural Adjustment Act of 1938) for such commodity.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Georgia [Mr. RUSSELL] to the committee amendment.

Mr. McNARY. Mr. President, I do not know where I can find any differential between this amendment and the one in the bill. I had thought the Senator from Georgia was going to make the rate 10 cents a bushel on wheat

Mr. RUSSELL. The amendment which has just been stated by the clerk does exactly that.

Mr. McNARY. I did not catch that from the reading. I should like to have that portion of the amendment read again.

The PRESIDING OFFICER. The clerk will read the portion of the amendment referred to.

The legislative clerk read as follows:

The rates of such payments shall not be less than 10 cents per bushel in the case of wheat, 2 cents per pound in the case of lint cotton, 5 cents per bushel in the case of corn, 1 cent per pound in the case of any of the foregoing kinds of tobacco, and one-fifth cent per pound in the case of rough rice.

Mr. McNARY. Mr. President, the able Senator from Kansas desired to increase the rate on wheat to 13 cents a bushel. I assume that the ruling of the Chair is that that would be an amendment in the third degree.

The PRESIDING OFFICER. The Senator is correct.

Mr. McNARY. In order to accomplish what is desired by the Senator from Kansas, it would be necessary to vote down the proposal of the Senator from Georgia?

The PRESIDING OFFICER. That is correct, unless the Senator from Kansas could obtain unanimous consent to offer his amendment.

Mr. McNARY. Mr. President, I think the Senator from Kansas should have that opportunity, and I ask unanimous consent that he may offer his amendment making the rate 13 cents as against 10 cents in the case of wheat.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Oregon?

Mr. RUSSELL. Mr. President, I dislike very much to object, but the first figures that were given by the authorities of the A. A. A. that were comparable were 8 cents a bushel for wheat, 2 cents a pound for cotton, and 5 cents a bushel for corn. At the insistence of the representatives of the wheat-producing States this figure has been raised to 10 cents a bushel in the case of wheat, and it would be out of all proportion in any fair distribution of these funds for wheat to come in on the basis of 13 cents a bushel as compared with the payments which are made of 5 cents a bushel for corn and 2 cents a pound for cotton. I therefore feel constrained to object to the present unanimous-consent request.

Mr. McNARY. Will the Senator withhold his objection for a moment?

Mr. RUSSELL. I withhold the objection.

Mr. McNARY. I would not ask for any discriminatory rate in favor of wheat as against cotton or tobacco or rice, or any of the products raised in the South.

Mr. RUSSELL. I may say to the Senator that corn is also included in the amendment.

Mr. McNARY. That is true. We are not molesting corn by the amendment suggested by the Senator from Kansas. I have information that between 12 and 13 cents would be a fair rate when compared with cotton and rice and tobacco.

Mr. RUSSELL. Where did the Senator from Oregon get that information?

Mr. McNARY. I have the information from the Department of Agriculture on the base-price values.

Mr. RUSSELL. The Department of Agriculture is evidently giving out a great variety of information if they informed the Senator from Oregon to that effect, because the officials of the A. A. A. of the Department of Agriculture were the ones who prepared this amendment on the basis of 8 cents a bushel on wheat, and, at the instance of the Senator from Idaho, the Senator from Kansas, and others representing the Wheat Belt, this price was raised to 10 cents a bushel in the amendment which is now pending, and, while the Senator from Kansas is correct in suggesting that 13 cents would bring wheat up to three-fourths of the parity on today's market, I might state to the Senator from Oregon that on the same basis it would require 4½ cents a pound on cotton to bring that up to the basis of three-fourths of parity on today's market, because cotton is selling at 7 cents a pound on the market today.

Mr. McNARY. Since we are dealing with parity I am in favor of 4½ cents on cotton. Let us be fair with all these products. If we are going to divert some of the money under this measure for parity prices, let us do a complete and generous and good job of it.

Mr. RUSSELL. The Senator from Oregon, of course, knows it would be impossible to secure the adoption of an amendment to pay all farmers complete parity.

Mr. McNARY. It is not complete at all. If we should pay the wheat farmer 13 cents per bushel and the cotton producer 4½ cents a pound, it would be far below parity.

Mr. RUSSELL. The Senator is quite right, and it would require much more than $212,000,000.

Mr. McNARY. Very well; I am for appropriating the money. We are doing a good, generous job. I thought we should make it complete. I recall—and I do not want to be tiresome at all—that during the consideration of the A. A. A. measure we discussed parity prices, and it was concluded and understood that parity would not be paid unless we had some sources of revenue for that purpose. That was the expression of the President of the United States. We are abandoning wholly his view. I am afraid he is going to veto this joint resolution if we insert this amendment, unless we do a good job of it.

Mr. RUSSELL. Does the Senator from Oregon think the President will be any less likely to veto the bill if we appropriate six or seven hundred million dollars instead of $212,000,000?

Mr. McNARY. I think when we come to the question of parity, if we pay 4½ cents a pound on cotton, 13 cents on wheat, and increase the price on hogs and corn, we will be doing a better job than we are doing now; and if we are entering into this field, why not do the job completely and splendidly for the farmer?

Mr. KING. Why not take care of milk and lettuce?

Mr. McNARY. That is a different proposition, which I shall probably discuss tomorrow. That relates to all agricultural products. But seriously, why does not the Senator try to reach parity in some form by an amendment like that of the Senator from Kansas?

Mr. RUSSELL. I should be delighted to see all classes of farmers receive parity, particularly those brought under the terms of the farm law enacted at the present session of the Congress; but, of course, the Senator from Oregon realizes as well as I do that it would be impossible to secure the adoption of an amendment which would pay full parity. The Senator further knows it would absolutely insure the thing which he says he fears, that the President of the United States would certainly then veto the legislation. I feel that a half loaf is much better than no bread, and for that reason, in view of the very desperate situation which confronts the farmers, particularly the wheat farmers and the cotton farmers, I

would much rather accept the $212,000,000 which the amendment provides, and get this payment on parity, than to endanger the bill and endanger the success of any legislation whatever by seeking to secure the huge appropriation which would be necessary to achieve the much desired end of complete parity for all producers.

Mr. McNARY. Mr. President, I appreciate the fine sincerity of the Senator from Georgia, who succeeded me as chairman of the subcommittee of the Committee on Appropriations on the agricultural bill. I know his very great love for the farming interests. But how has he arrived at the figure of $212,000,000 as parity? Parity would require at least three and a half billion dollars, based upon the figures of 1909 to 1914. The Senator is just guessing at a little sum which might please the farmer. I want to please them more than he wants to. Why $212,000,000? Why not make it a billion?

Mr. RUSSELL. The Senator from Oregon has a right to offer a substitute for the entire provision which would give the farmers the billion dollars of which he speaks. I, myself, might support the substitute. But I certainly do not think I should be condemned for trying to help the farmers to the tune of only $212,000,000, when up to this good hour the Senator from Oregon has offered no amendment to appropriate any sum for the benefit of the farmers for parity payments.

Mr. McNARY. Let me follow my dear friend from Georgia. I shall support his amendment asking for $212,000,000——

Mr. RUSSELL. I am delighted to hear that.

Mr. McNARY. I would more ardently support the amendment suggested by the able Senator from Kansas increasing the payment on wheat from 10 cents to 13 cents, and to 4½ cents on cotton. I should like to increase the appropriation to $500,000,000, but on account of the parliamentary situation I cannot offer an amendment at this moment because it would be in the third degree. I would also have to vote against the Senator's amendment and have it defeated and then vote for the amendment of the Senator from Kansas, but the amendment of the Senator from Georgia is going to prevail——

Mr. RUSSELL. I hope the Senator will prove to be a wise prophet.

Mr. McNARY. Because he has a great crowd here, politically and officially, which is going to carry his amendment through. So I am appealing to the Senate to give unanimous consent to the Senator from Kansas so that we may have a vote on 13 cents for wheat and 4½ cents a pound for cotton.

Mr. KING. I shall object.

The PRESIDING OFFICER. Is there objection?

Mr. KING. I object.

The PRESIDING OFFICER. A further objection has been heard.

Mr. McNARY. If I may have the attention of the Senator from Georgia, will he agree to unanimous consent, in order to get away from the rule, to have a vote for 13 cents on wheat and 4½ cents on cotton?

Mr. RUSSELL. Mr. President, as much as I should like to, I must insist on my objection. If the Senate desires to vote down the amendment I have offered, then the whole matter will be open to the Senator from Kansas to offer his amendment for 13 cents a bushel on wheat.

Mr. McNARY. But that cannot be done as a practical and realistic proposition.

The PRESIDING OFFICER. Has the Senator withdrawn his objection?

Mr. KING. Mr. President, I do not withdraw my objection.

The PRESIDING OFFICER. Objection is heard.

Mr. McNARY. May I ask the Senator from Georgia whether he objects to that proposition?

Mr. RUSSELL. I am not trying to be arbitrary about it. I think the amendment of the Senator from Kansas very unfair to producers of corn, cotton, and tobacco. It is very disproportionate. But I am willing to have the Senate pass upon it, so far as I am concerned.

Mr. SHIPSTEAD. I wish to discuss the question for a few moments.

Mr. President, there seems to be a great deal of disagreement in the Senate not only concerning the amendment of the Senator from Georgia but the committee amendment, with reference to paying parity to farmers on agricultural products. Congress passed the farm bill, and in that bill we promised the farmers parity payments. We promised them more; we promised them parity of income. And then we said we would pay that parity price or parity of income if and when funds were available.

The Senator from Idaho [Mr. POPE] proposed an amendment to the tax bill providing for raising by a processing tax $212,000,000, so as to give to the farmer a part payment on what has been promised him in the farm bill. That farm bill was a promise to the farmer, it was a post-dated check to be made good later by providing funds to make the check good.

The Senate in the tax bill refused to make that check good, refused to make good its promise to the farmers. I said at the time that everyone who voted for that farm bill ought to have voted for that amendment. It was not an effort to make the check good in full. To have made the check good in full it would have provided funds in a great enough amount to pay the farmer what was promised in that bill, which would require a great deal more, approximately $2,500,000,000.

Now comes before us this amendment. I do not question anyone's sincerity. I have a great deal of sympathy for the Senator from Kansas, the Senator from New Mexico, and the Senator from Idaho who tried to make that check good to the extent of $212,000,000, who tried by their votes to make good the promise which the Congress made to the American farmer.

Now comes this amendment to make good in part the promise made to a certain class of farmers, a preferred class, those who raise corn, cotton, and wheat. Of the $500,000,000 appropriated under the authorization for payment of conservation payments all farmers get their share. They are treated on the basis of equality, whether they are wheat farmers, corn farmers, tobacco farmers, rice farmers, or cotton farmers, or farmers that raise any other crop. They are all treated alike. There is equality before the law. Those who raise corn, cotton, and wheat get their conservation payments as applied to parity payments, and those who do not come within that preferred class get their conservation payments for acreage taken out of production. That is equality before the law.

Here comes an amendment which places a certain class of farmers, corn, cotton, and wheat farmers, in a special preferred class, and under the amendment of the Senator from Georgia there are added the tobacco farmer and the rice farmer. There is nothing for the dairy farmer. There is nothing for the fruit farmer or for the poultry farmer or cattle raiser. They are the forgotten men. They comply with the soil-conservation program. They take acreage out of production, but they get no consideration under this amendment. There is a special class which is to get $212,000,000. That, Mr. President, is not equality before the law.

When we come to figure this equation of parity payments we get into a controversy. When the amendment proposed by the Senator from Georgia has been acted upon I shall offer an amendment as a substitute for the committee amendment, which provides for treating all farmers alike. I realize very well that the Congress did not intend to make good the promise made to the farmers with respect to parity income or parity payments when it passed the farm bill. But I am in sympathy with the Senators who say, "We will get what we can for the farmer."

We are now told by the Department of Agriculture that those farmers who are not in the preferred class receive about 40 percent of the conservation payments under the Soil Conservation Act, and 60 percent goes to the preferred class which

raises cotton, corn, wheat, rice, and tobacco; and in order that there shall be equity to all men engaged in farming, in order that there shall be equality before the law, in order that all shall be treated alike, I shall offer an amendment in the form of a substitute which raises by 40 percent the $212,000,000 to be paid under the provisions of the Farm Conservation Act to those who are not in the preferred class. I do not like giving preference to any class. I am going to offer that amendment if the first amendment I shall offer should be defeated. First, I am going to offer an amendment which will do away with this fantastic idea of parity payments. We promised the farmers parity, and under this amendment we have now gone back so we will give them 75 percent of parity. We will make the check 75 percent good only to those who are in the preferred class—who raise corn, wheat, and cotton.

Mr. POPE. Mr. President, will the Senator yield?

Mr. SHIPSTEAD. I yield.

Mr. POPE. Does the Senator object to paying to those who need it most, in other words making payments with respect to those commodities the price of which is farthest down from parity, when you cannot pay full parity to all of the commodities? Does not the Senator think that if we can pay only part parity, the payment should go to those who need it most, to those whose prices are the lowest? Does the Senator agree with that?

Mr. SHIPSTEAD. If the Senator could draw a line of demarcation which would clearly show the prices, it might be different. It cannot be shown that any farmer is prosperous. Day before yesterday I saw the report with respect to butter in the New York market, which was selling at 25 cents a pound. That would compare with wheat at about 70 cents. The price is 9 cents below parity.

Mr. POPE. Let me call the Senator's attention to the fact that on April 15 dairy products were 88 percent of parity, grains were 66 percent of parity, and cotton was 57 percent of parity.

Mr. SHIPSTEAD. If I were to go back a year perhaps the prices would be higher, but I am talking about day before yesterday. Butter, creamery extra, was selling in New York at 25 cents a pound. You cannot draw any line of demarcation between the farmers who are poor and the farmers who are rich, because they are all in bad shape.

Mr. POPE. Yes; but it is certain, I will say to the Senator, that dairy products are a great deal nearer parity than either grains or cotton. Since April 15, since these figures were made, the prices of all those commodities have gone down, but dairy products are still proportionately very much nearer parity than the other commodities which are covered by the amendment of the Senator from Georgia.

Mr. SHIPSTEAD. The Senator goes back to April 15. It is true that dairy products have been high in the last couple of years, and that is due to the fact that in 44 States there was a drought, and the dairy people had to sell their herds, for as little as $20 an animal. Cows worth from $150 to $200 were sold for $20.

There came to be a shortage of cows. Cows had to be killed on account of lack of feed. In the past 2 years a crop of calves has come in. In the spring of the year, when dairy cows come in fresh, the price of dairy products drops. Day before yesterday the finest creamery butter sold on the New York market for 25 cents a pound.

Mr. BAILEY. Mr. President, I suggest that the Senator has struck the solution. The thing to do is to kill some more cows.

Mr. KING. And burn some more wheat.

Mr. SHIPSTEAD. We argued that matter last winter. I have never subscribed to the theory of scarcity, either in agriculture or in industry. However, that is another question. I want to discuss the matter in all fairness. No matter what may be said, all the farmers in the United States, unless they have an income outside the farm, are in a very desperate condition; and they are going to be in worse condition than they are now.

With all due respect to the Senators who have prepared the amendment—and I know they are sincere—it is not fair to put the corn, the cotton, and the wheat farmers in a preferred class, and give them $212,000,000, leaving all the other farmers out in the cold. The 40 percent of farmers not in the preferred class are as much entitled to parity of income as are the 60 percent in the preferred class.

So I have prepared an amendment, in the form of a substitute, to take care of the forgotten 40 percent, as a matter of fairness. It will not give them parity of income; it will not give them parity of prices, but it will represent a part payment on a promise to pay which Congress made to the American farmer. I realize very well that Congress does not intend to make the note good in full, but I think we ought to add $88,000,000 to the $212,000,000, to make a round appropriation of $300,000,000, in order that all farmers who comply with the Soil Conservation Act may be treated alike. I shall offer my amendment as a substitute for the committee amendment.

Mr. KING. Mr. President, will the Senator yield for a question?

Mr. SHIPSTEAD. I yield.

Mr. KING. Does not the Senator believe that there should be, and is, some relation between so-called parity prices, or the prices of the products of the farmers, and other prices? Is there not a relation among all commodities?

Mr. SHIPSTEAD. Yes.

Mr. KING. And if all commodities except farm commodities go down far below what might be called parity prices, does not the Senator think parity prices with respect to agricultural commodities should also respond to the downward trend?

Mr. SHIPSTEAD. I will say to the Senator from Utah that that is the theory of the Farm Act, for which I did not vote, because it is committed to a theory of scarcity. I do not want now to argue that point. However, the price of steel remains where it was when the steel industry was producing 90 percent of capacity. Today the production is down to 26 percent of capacity but the price remains the same. The farmer buys the steel in the form of farm machinery. I do not know that there has been a reduction in the prices of the commodities which the farmer buys. If there has been, I do not know it.

Mr. BAILEY. Mr. President, will the Senator yield?

Mr. SHIPSTEAD. I yield.

Mr. BAILEY. The price of steel has dropped 50 percent.

Mr. SHIPSTEAD. Since when?

Mr. BAILEY. Since last October.

Mr. SHIPSTEAD. About 2 weeks ago the steel industry served notice that the price of steel for the next quarter would continue to be what it had been for the last quarter.

The PRESIDING OFFICER. The time of the Senator from Minnesota has expired.

The question is on agreeing to the amendment offered by the Senator from Georgia [Mr. RUSSELL] to the amendment reported by the committee.

Mr. MCNARY. Mr. President, I thought I obtained unanimous consent to have a vote on the amendment offered by the Senator from Kansas [Mr. CAPPER].

The PRESIDING OFFICER. After the Senator from Georgia withdrew his objection, the Senator from Utah [Mr. KING] made an objection.

The question is on agreeing to the amendment offered by the Senator from Georgia to the amendment reported by the committee.

The amendment to the amendment was agreed to.

Mr. CAPPER. Mr. President, I offer an amendment to make the parity rate on wheat 13 cents, instead of 10 cents, as provided in the amendment of the Senator from Georgia.

The PRESIDING OFFICER. The Chair will have to rule that that amendment is out of order, because the amendment of the Senator from Georgia has been agreed to.

Mr. POPE. Mr. President, on behalf of the Senator from Iowa [Mr. GILLETTE] I now offer an amendment as a substitute for sections 501 and 502.

The PRESIDING OFFICER. The amendment in the nature of a substitute for sections 501 and 502, offered by the Senator from Idaho [Mr. POPE] on behalf of the Senator from Iowa [Mr. GILLETTE] will be stated.

The CHIEF CLERK. On page 28, after line 9, it is proposed to substitute, in the committee amendment, the following for sections 501 and 502:

SEC. 501. There is hereby appropriated out of any money in the Treasury not otherwise appropriated, to be available until expended, the sum of $212,000,000 to enable the Secretary of Agriculture to make parity payments to producers of wheat, cotton, corn (in the commercial corn-producing area), rice, and tobacco pursuant to the provisions of section 303 of the Agricultural Adjustment Act of 1938: *Provided, however*, That, notwithstanding the provisions of said section, one-half of this sum shall be apportioned among such commodities in accordance with the provisions of said section 303 of the Agricultural Adjustment Act of 1938 and one-half shall be apportioned among such commodities in the same proportion that funds available for sections 7 to 17, inclusive, of the Soil Conservation and Domestic Allotment Act would be allocated to such commodities in connection with the 1939 agricultural conservation program on the basis of the standards set forth in section 104 of the Agricultural Adjustment Act of 1938: *Provided further*, That such payments with respect to any such commodity shall be made upon the normal yield of the farm acreage allotment established for the commodity under the 1939 agricultural conservation program, and shall be made with respect to a farm only in the event that the acreage planted to the commodity for harvest on the farm in 1939 is not in excess of the farm acreage allotment established for the commodity under said program: *And provided further*, That the rate of payment with respect to any commodity shall not exceed the amount by which the average farm price of the commodity is less than 75 percent of the parity price.

In apportioning the funds among commodities, parity income for each commodity shall be considered a normal year's domestic consumption and exports (in the case of corn, that part of a normal year's domestic consumption and exports determined on the basis of the proportion that corn production in the commercial corn-producing area was of United States production during the 5 years 1928–32, inclusive) of such commodity times the parity price. In determining parity prices and farm prices for these commodities, that part of the marketing year ending January 31, 1939, shall be used. In case any person who is entitled to payment hereunder dies, becomes incompetent, or disappears before receiving such payment or is succeeded by another who renders or completes the required performance, payment shall, without regard to any other provisions of law, be made as the Secretary of Agriculture may determine to be fair and reasonable in all the circumstances and provide by regulations. The administration of this title shall be in accordance with the provisions of the Agricultural Adjustment Act of 1938 and the provisions of other titles of this joint resolution shall not apply to this title.

SEC. 502. This title may be cited as the Parity Payment Appropriation Act of 1938.

Mr. SHIPSTEAD. Mr. President——

The PRESIDING OFFICER. Does the Senator from Idaho yield to the Senator from Minnesota?

Mr. POPE. I yield.

Mr. SHIPSTEAD. The Senator has proposed a very complex and complicated amendment. It seems to me we ought to have some opportunity to study the amendment. I do not think it should be proposed at this late hour. I do not find any fault with the Senator for offering the amendment, as long as we are in session. However, it seems to me that this is too important a problem, and the amendment is too complicated to study at this hour of the night. I have no doubt the Senator can explain it.

Mr. POPE. The amendment merely provides that the formulas which are contained in the Agricultural Adjustment Act, one of which is section 104 of the act, for distributing soil-conservation payments, and the other, section 303, which contains the formula for making parity payments within the act, shall be used in making distribution of the $212,000,000.

The Senate will recall that under the parity-payment formula it is provided that if and when money is made available for making parity payments they shall be paid on the five commodities in accordance with the relationship of the prices of those commodities to parity.

I will say to the Senate in connection with this matter that the use of the section 303 formula would not be entirely fair as between the various commodities, for the reason that a reduction program is now in progress with respect to cotton, whereas this year there will be a large crop of wheat, because winter wheat was planted last fall without substantial reduction. Since the conditions contained in the Farm Act—that is, the uniform adjustment of production—have not yet fully gone into effect, therefore the formula provided for making parity payments, it seems to me, does not quite apply. Neither does it seem that the method of distributing the payments under the Soil Conservation Act is entirely fair to the various commodities at this time.

Mr. SHIPSTEAD. What commodities?

Mr. POPE. The five commodities.

Mr. SHIPSTEAD. Of the preferred class?

Mr. POPE. The five contained in the farm bill.

Mr. SHIPSTEAD. Commodities of the preferred class?

Mr. POPE. Those provided in the farm bill.

Mr. SHIPSTEAD. May I ask the Senator does his amendment limit the payment to a preferred class of farmers?

Mr. POPE. It limits the payment to commodities contained in the Agricultural Adjustment Act which has been passed by the Congress. The adoption of these two formulas which are already contained in the law would work out what seems to me to be a fair distribution to these commodities. I intend to give to the Senate the figures showing the distribution that will be effected, because every Senator wants to know the figures as to the commodities in which he is interested, and I think this proposal works out a fair and just distribution of payments to the different commodities.

Mr. BYRNES. Mr. President, do I correctly understand the Senator to say that the amendment he is offering changes the parity formula of the Agricultural Adjustment Act?

Mr. POPE. It does not; it simply utilizes the two formulas. The parity-payment formula contained in this bill applies to one-half of the amount to be distributed, and the soil-conservation formula is applied to the other half, which, it seems to me and to others with whom I have talked, including, of course, the officials of the Department of Agriculture, would work out a fair distribution.

Mr. RUSSELL. Mr. President, is the Senator contending that the Department of Agriculture is urging that that amendment is preferable to the other amendment?

Mr. POPE. I do not say to the Senator that the Department of Agriculture is urging either amendment. They have prepared what we requested them to prepare.

Mr. HATCH. Mr. President, will the Senator yield?

Mr. POPE. I yield.

Mr. HATCH. As I understand his last statement to the Senator from South Carolina, the Senator from Idaho says the formula contained in the Agricultural Adjustment Act is not changed?

Mr. POPE. That is correct.

Mr. HATCH. If I remember the answer of the Senator correctly, he called attention specifically to the case of winter wheat, and said that, because the program was not in effect, winter wheat had been planted without any reduction of acreage, and therefore the formula provided in the act would not apply to winter wheat. Did not the Senator say that?

Mr. POPE. I made the statement that the formula as to parity payments, it would seem, would not apply equitably in the present situation. Therefore, a combination of the formulas for parity payments and soil-conservation payments works out a result which I think will be fair. I should like now to state the result that will be reached compared with the result which would be reached by the amendment of the Senator from Georgia.

Mr. HATCH. Mr. President, will the Senator yield for just one further observation?

Mr. POPE. I yield.

Mr. HATCH. Perhaps it is entirely improper for me to ask the Senator to yield, in that what I am about to say is not in any sense a question, but having given some study to the preparation of the farm bill which was passed, and having exercised all the power that I possess trying to un-

derstand the simple separate formulas contained in the act, if now there is to be a combination of two or three formulas in an amendment submitted on the floor, I am frank to say that I would not endeavor to understand it at this time, and would be compelled to vote against it for that, if for no other reason.

Mr. POPE. I think the Senator would be interested in the result which would be accomplished by applying the formulas which are already contained in the Farm Act.

Mr. RUSSELL. Mr. President——

The PRESIDING OFFICER. Does the Senator from Idaho yield to the Senator from Georgia?

Mr. POPE. I prefer not to yield.

Mr. RUSSELL. I do not ask the Senator to yield. I desire to propound a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. RUSSELL. If the amendment offered by the Senator from Idaho [Mr. POPE] is adopted, will it be possible to have a vote on the amendment that has been suggested by the Senator from Minnesota?

The PRESIDING OFFICER. When the substitute is adopted that will preclude any further amendment.

Mr. RUSSELL. If the amendment offered by the Senator from Idaho should be agreed to, then, the amendment suggested by the Senator from Minnesota would be out of order?

The PRESIDING OFFICER. That is correct.

Mr. SHIPSTEAD. Mr. President——

Mr. POPE. Let me give the Senator the result of these two amendments. I do not desire to yield until I finish a very brief statement I wish to make, because each question anticipates, I think, what I am going to say.

The PRESIDING OFFICER. The Senator from Idaho declines to yield.

Mr. POPE. I will be glad to yield when I finish my statement.

Under the amendment of the Senator from Georgia, the division of funds would be about as follows: $100,000,000 to cotton, $50,000,000 to wheat, and $50,000,000 to corn. In other words, cotton would get as much as corn and wheat both, under the formula set out in his amendment; that is, 2 cents a pound for cotton, 10 cents a bushel for wheat—and I am thankful that is increased from 8 to 10 cents a bushel, which improves the original amendment—and 5 cents a bushel for corn. It has seemed to me all the time that is not a proper distribution as among the various commodities.

Under the proposal which I make this would be about the result: If the distribution were made under section 303 of the Agricultural Adjustment Act, it would give cotton $90,000,000, approximately, of this fund; corn, $71,000,000; wheat, $46,000,000; and rice, something over $2,000,000. Under section 104, which is the soil-conservation provision, the distribution of this amount of money would be $76,000,000 for cotton, $59,000,000 for corn, $73,000,000 for wheat, and for rice, $1,400,000.

Mr. McNARY. Mr. President, will the Senator yield?

Mr. POPE. Let me finish this sentence, and then I will yield. Under the combination of the two, cotton would get $83,200,000; corn, $65,200,000; wheat, $59,800,000, or approximately $60,000,000; and rice, $1,800,000. Taking everything into consideration, taking into consideration the fact that cotton acreage has been reduced and that the price times the number of bales to be produced this year will yield a smaller income than for the other commodities, it seems to me this distribution is fair. Wheat, by reason of the large crop, even though the price is lower, will get a total income greater in comparison than will cotton. The same thing is true of corn to a large extent. So, giving some consideration to the matter of parity income—and that is the reason why we use in part the parity formula—this distribution, it seems to me, would be fair as among the commodities, so far as any formula I could think of or that could be worked out at my suggestion by the Department would be fair.

Now I yield to the Senator from Oregon, who desired me to yield a few moments ago.

Mr. McNARY. I ask the distinguished Senator from Idaho, does his substitute increase the amount proposed by the committee amendment?

Mr. POPE. It does not. The sum of $212,000,000 would be distributed.

Mr. McNARY. Where does it differ in the way of the allotments for cotton, wheat, rice, corn, and tobacco?

Mr. POPE. Let me state again that under the amendment of the Senator from Georgia cotton would get approximately $100,000,000.

Mr. McNARY. Let us put it on the basis of poundage in the case of cotton and bushels in the case of corn and wheat.

Mr. POPE. I cannot put it on that basis. I put the distribution on the basis upon which I have worked it out. Under the amendment of the Senator from Georgia cotton would get a little over $100,000,000; corn, $50,000,000; and wheat, $50,000,000. Under the substitute proposal cotton would get $83,000,000; corn, $65,000,000; and wheat, approximately $60,000,000. Roughly, I will say to the Senator, it would bring the distribution to cotton down to about 1¾ cents a pound; it would bring corn up to 6 or 7 cents a bushel instead of 5; it would bring wheat up to perhaps 11 or 12 cents a bushel instead of 8 to 10 cents, as provided in the amendment of the Senator from Georgia.

Taking everything into consideration, and all other factors involved in an effort to be fair, it seems to me that the combination of these two formulas, which have already been enacted by the Congress, would work out a result as fair as can be worked out without attempting to prepare an entirely new formula, as suggested by the Senator from South Carolina.

Mr. McNARY. I am not purposely criticizing the Senator from Idaho, but the fairness of the formula in the proposal of the Senator from Georgia is based on poundage and bushels while that of the Senator from Idaho is an abstract allocation depending wholly upon the freaks and vagaries of nature, which might work higher in the case of corn and less in the case of wheat, and higher in the case of rice than in the case of cotton. I like the other proposal very much better.

Mr. POPE. Let me finish what I have to say, and then I will yield the floor to the Senator.

With reference to the suggestion made by the Senator that I have a formula instead of so much per pound or per bushel of the commodity, the difficulty is that we shall have fixed and frozen the amount if we fix it at so much per pound or per unit of the commodity, whereas this plan is more flexible and will meet the conditions which exist at the time. It may be that next year, for instance, 12 cents a pound would be too large or too small a figure for wheat; that 5 cents or 6 cents a pound for corn would be too large or too small; and yet we should have fixed a standard which would involve difficulty in the future. Adopting a formula which would apply at any time, providing the formula is fair, I think, is a better way to deal with the matter.

Mr. McGILL and Mr. LUNDEEN addressed the Chair.

The PRESIDING OFFICER. Does the Senator from Idaho yield; and, if so, to whom?

Mr. POPE. I yield first to the Senator from Kansas.

Mr. McGILL. Mr. President, under the amendment which the Senator from Georgia [Mr. RUSSELL] proposed, and which was adopted by the Senate, it is provided, as I understand, that as long as wheat is below parity, as much as is necessary up to 10 cents shall be used to bring it up to 75 percent of the parity price. Likewise, similar provision is made with reference to corn and cotton and rice and tobacco. It is further provided under the amendment that in the event certain of these commodities are at 75 percent of the parity price or above, and the fund allocated to a particular commodity is not used, it may be allocated to the other commodities which have been below parity, even though it may bring the amount up, say, to 10 or 12 cents a bushel or 13

or 14 cents a bushel on wheat, and similarly on corn. I am wondering whether the substitute proposal of the Senator from Idaho contains similar provisions whereby the fund may be allocated to the commodities that are below parity.

Mr. POPE. Exactly. The feature of the substitute which would bring the amount paid up to 75 percent of the parity price is the same in the substitute and in the Russell amendment.

The PRESIDING OFFICER. The time of the Senator from Idaho has expired.

Mr. POPE. I will finish the sentence. If, for instance, corn, by reason of loans, should be at 75 percent of parity, and therefore the money was not needed, it would go to the other commodities to bring them up to 75 percent of parity.

Mr. LUNDEEN. Mr. President, it seems to me this amendment should be printed and lie over until tomorrow, so that we may have an opportunity to study it.

Mr. SHIPSTEAD. Mr. President, this amendment deals with a matter of great importance to the farmers of the United States. I have no doubt the Senator from Idaho is as sincere and earnest as ever in behalf of the farmers; but I ask the Senator if this question cannot go over until tomorrow, so that we may have the amendment printed, and be able to read it and try to understand it. I venture to say that 90 percent of the Senators here could not hear the Senator's explanation, and do not know what the amendment is.

Mr. POPE. Mr. President, if the Senator is addressing me and will yield to me, I will say that so far as I am concerned I shall be glad to have the amendment go over. I have not control of the joint resolution or of the procedure of the Senate; but, so far as I am concerned, it may go over.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Idaho [Mr. POPE] to the amendment of the committee, as amended.

Mr. McNARY. Mr. President, frankly, if I understand it, the viciousness of the proposal of the Senator from Idaho is that he places the allocation of funds on gross production rather than upon poundage and bushels. For instance, if there should be a short crop of cotton next year, or a short crop of wheat, they would get more than their proportion of the payments for the basic commodities mentioned in the Agricultural Adjustment Act. I think that is the crux of the objection to the Senator's proposal, if I correctly understand it.

The amendment has not been printed. No one has had an opportunity to digest it. I concur with the view of the Senator from Minnesota [Mr. SHIPSTEAD] that we should at least have an opportunity to give the amendment some study, and read the able remarks of the distinguished Senator from Idaho. I object to its consideration tonight.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Idaho [Mr. POPE] to the amendment of the committee, as amended.

The amendment to the amendment was rejected.

The PRESIDING OFFICER. The question now is on agreeing to the amendment of the committee, as amended.

Mr. SHIPSTEAD. Mr. President, I send to the desk an amendment in the nature of a substitute for the committee amendment, as amended.

The PRESIDING OFFICER. The amendment, in the nature of a substitute, will be stated.

The LEGISLATIVE CLERK. In lieu of the amendment of the committee, as amended, it is proposed to insert the following:

TITLE V—SOIL CONSERVATION PAYMENTS

SEC. 501. There is hereby appropriated, out of any money in the Treasury not otherwise appropriated, to be immediately available and to remain available until expended, the sum of $300,000,000 for making soil conservation payments under the Soil Conservation and Domestic Allotment Act, as amended. Such sum shall be in addition to any amounts made available pursuant to section 15 of such act, as amended, and all such payments made out of the funds herein appropriated shall be made in the same manner, and shall be subject to the same terms, conditions, and limitations, as soil conservation payments made out of any funds heretofore made available for such purpose.

Mr. RUSSELL. Mr. President, I make the point of order against the amendment. Is the amendment in order?

The PRESIDING OFFICER. The Chair holds that the amendment is in order as a substitute for the complete title.

Mr. SHIPSTEAD. Mr. President, this amendment adds to the proposed amount of the committee amendment—namely, $212,000,000—just $88,000,000 more. That is to take care of the 40 percent which would be necessary to have all farmers who comply with the Conservation Act treated on a basis of equality.

I suggested that it was not fair to the farmers of the country to put a few in a preferred class if they were going to have any part payment on what was promised them in the Agricultural Relief Act in the way of parity income; and, as I stated before, the Department of Agriculture has informed us that 40 percent of the conservation payments go to those who are not in the Agricultural Relief Act as passed, providing for parity payments on the preferred classes of crops.

This amendment does away with the parity payment, and it aims to make a part payment or something toward part payment on income to the farmer, and treats all farmers alike, under the provisions of the Conservation Act. In other words, it does not make any distinction between farmers, no matter what crop they raise, provided they comply with the Conservation Act.

I supported the Conservation Act. I thought it was a good law. If we are going to help the farmer to get an income, I believe the most equitable payment which can be made to the farmer to give him an income is by making payments under the Soil Conservation Act. We shall thereby be building up a national asset in the conservation of the soil, and at the same time helping the farmer to get something of a payment on the note or postdated check that Congress made payable to the farmer when we passed the Agricultural Relief Act.

That is all there is to the amendment. I shall not take up the time of the Senate at this late hour to explain it any further, because I have already explained it, and it is as simple as that two and two make four. It does away with all these metaphysical calculations of what are parity payments. It was developed in the hearings before the Agricultural Committee that a farmer might have parity payment and still not have parity income in relation to what he was entitled to under the national income, on account of monopoly prices fixed on things he had to buy.

I ask for the adoption of the substitute amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment, in the nature of a substitute, offered by the Senator from Minnesota [Mr. SHIPSTEAD] to the amendment of the committee, as amended.

Mr. SHIPSTEAD. I ask for the yeas and nays.

The yeas and nays were not ordered.

The amendment of Mr. SHIPSTEAD, in the nature of a substitute for the amendment of the committee, as amended, was rejected.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment as amended.

The amendment as amended was agreed to.

The PRESIDING OFFICER. The clerk will state the next amendment of the committee.

The next amendment of the committee was, on page 30, line 1, where the committee proposes to insert the following new section:

SEC. 502. This title may be cited as the "Price Adjustment Act of 1938."

The amendment was agreed to.

Mr. BARKLEY. Mr. President, in view of the hour, in view of the probability that the only remaining amendment which we passed over during the evening, the one on page 21, will require considerable discussion, and in view of the fact that it has already been passed over temporarily, I think it would be unwise to attempt to take that amendment up at this time. For that reason I think we might as well suspend now, and let the amendment go over until tomorrow.

Mr. BYRNES. Mr. President, I move to reconsider the vote by which the Russell amendment was agreed to.

Mr. RUSSELL. I move to lay the motion on the table.

The motion was agreed to, and Mr. BYRNES' motion was laid on the table.

ADDITIONAL REPORTS OF A COMMITTEE

Mr. COPELAND, from the Committee on Commerce, to which was referred the bill (S. 1688) to provide for the acquisition of a site for and establishment of a fish hatchery for Glacier National Park, in the State of Montana, and for other purposes, reported it with amendments and submitted a report (No. 1946) thereon.

He also, from the same committee, to which was referred the bill (S. 4055) to authorize the construction of certain vessels for the Coast and Geodetic Survey, Department of Commerce, and for other purposes, reported it without amendment and submitted a report (No. 1947) thereon.

ADDITIONAL BILL INTRODUCED

Mr. THOMAS of Utah introduced a bill (S. 4127) for the relief of William Henry Johnston, Jr., a minor, which was read twice by its title and referred to the Committee on Claims.

RELIEF AND WORK-RELIEF APPROPRIATIONS—ADDITIONAL AMENDMENTS

Mr. WHEELER and Mr. HAYDEN each submitted an amendment intended to be proposed by them, respectively, to the joint resolution (H. J. Res. 679) making appropriations for work relief, relief, and otherwise to increase employment by providing loans and grants for public-works projects, which were ordered to lie on the table and to be printed.

EXECUTIVE SESSION

Mr. BARKLEY. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE MESSAGES REFERRED

The PRESIDING OFFICER (Mr. THOMAS of Utah in the chair) laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

EXECUTIVE REPORTS OF COMMITTEES

Mr. McKELLAR, from the Committee on Post Offices and Post Roads, reported favorably the nominations of sundry postmasters.

Mr. PITTMAN, from the Committee on Foreign Relations, reported favorably without reservation the following supplementary extradition treaty and supplementary convention and submitted reports thereon:

Executive E, Seventy-fifth Congress, third session: Supplementary extradition treaty between the United States and Norway, signed at Washington on February 1, 1938, adding to the list of crimes or offenses enumerated in the extradition treaty between the two countries of June 7, 1893, on account of which extradition may be granted crimes or offenses against the bankruptcy laws and violations of legislation concerning narcotics (Exec. Rept. No. 12); and

Executive I, Seventy-fourth Congress, second session: Supplementary convention between the United States and the King of Great Britain, Ireland, and the British Dominions Beyond the Seas, Emperor of India, in respect of Great Britain and Northern Ireland, the Commonwealth of Australia, and the Dominion of New Zealand, signed at Washington on May 27, 1936, amending article IV and the second paragraph of article VI of the convention concerning the tenure and disposition of real and personal property signed at Washington on March 2, 1899 (Exec. Rept. No. 13).

The PRESIDING OFFICER. The reports will be placed on the Executive Calendar.

If there be no further reports of committees, the clerk will state the nominations on the calendar.

DEPARTMENT OF THE INTERIOR

The legislative clerk read the nomination of Harry Slattery, of South Carolina, to be Under Secretary of the Interior.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

THE JUDICIARY

The legislative clerk read the nomination of John M. Guay to be United States marshal for the district of New Hampshire.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

DISTRICT OF COLUMBIA

The legislative clerk read the nomination of Richmond B. Keech, of the District of Columbia, to be a member of the Public Utilities Commission.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

REGISTER OF LAND OFFICE

The legislative clerk read the nomination of Fred S. Minier, of Pierre, S. Dak., to be register of the land office.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

POSTMASTERS

The legislative clerk proceeded to read sundry nominations of postmasters.

Mr. McKELLAR. I ask that the nominations of postmasters be confirmed en bloc.

The PRESIDING OFFICER. Without objection, the nominations of postmasters are confirmed en bloc.

DEPARTMENT OF THE NAVY

The legislative clerk read the following nominations:

Rear Admiral James O. Richardson to be Chief of the Bureau of Navigation with the rank of rear admiral; and

Capt. Walter B. Woodson to be Judge Advocate General with the rank of rear admiral.

The PRESIDING OFFICER. Without objection, the nominations are confirmed.

RECESS

The Senate resumed legislative session.

Mr. BARKLEY. I move that the Senate take a recess until tomorrow at 11 o'clock a. m.

The motion was agreed to; and (at 9 o'clock and 25 minutes p. m.) the Senate took a recess until tomorrow, Thursday, June 2, 1938, at 11 o'clock a. m.

NOMINATIONS

Executive nominations received by the Senate June 1 (legislative day of April 20), 1938

UNITED STATES ATTORNEY

Carlisle W. Higgins, of North Carolina, to be United States attorney for the middle district of North Carolina. (Mr. Higgins is now serving in this office under an appointment which expires June 15, 1938.)

UNITED STATES MARSHALS

William E. McDonnell, of Illinois, to be United States marshal for the northern district of Illinois. (Mr. McDonnell is now serving in this office under an appointment which expires June 18, 1938.)

Gordon Campbell, of Carmel, Calif., to be marshal of the United States Court for China, vice Edward L. Faupel, resigned.

PUBLIC HEALTH SERVICE

Senior Surgeon Charles L. Williams to be Medical Director in the United States Public Health Service, to rank as such from May 23, 1938.

The following-named doctors to be assistant surgeons in the United States Public Health Service, to take effect from date of oath:

Francis J. Weber	Glenn S. Usher
Thomas R. Dawber	Charles C. Smith
Thomas H. Diseker	William N. Donovan
Theodore F. Hilbish	Wendell A. Preston
Robert D. Duncan	Murdo E. Street, Jr.
Michael L. Furcolow	Edgar B. Johnwick
James Watt	James V. Lowry
George R. Tooley, Jr.	Louis F. Cleary
Robert L. Zobel	James E. Hemphill
Thomas F. Crahan	Joseph S. Cope
Raymond F. Kaiser	

CONFIRMATIONS

Executive nominations confirmed by the Senate, June 1 (legislative day of April 20), 1938

DEPARTMENT OF THE INTERIOR

Harry Slattery to be Under Secretary of the Interior.

UNITED STATES MARSHAL

John M. Guay to be United States marshal for the district of New Hampshire.

DISTRICT OF COLUMBIA

Richmond B. Keech to be a member of the Public Utilities Commission of the District of Columbia.

REGISTER OF LAND OFFICE

Fred S. Minier to be register of the land office at Pierre, S. Dak.

DEPARTMENT OF THE NAVY

Rear Admiral James O. Richardson to be Chief of the Bureau of Navigation with the rank of rear admiral.

Capt. Walter B. Woodson to be Judge Advocate General with the rank of rear admiral.

POSTMASTERS

NEW YORK

Loretta Patton, Harrison.

NORTH CAROLINA

William R. Young, Badin.
Zula S. Glovier, Catawba.
Paul R. Younts, Charlotte.
Shepperd Strudwick, Hillsboro.
Jennings M. Koontz, Kannapolis.
Carl H. Hand, Lowell.
Robert T. Teague, Newland.

HOUSE OF REPRESENTATIVES

WEDNESDAY, JUNE 1, 1938

The House met at 12 o'clock noon.

Rev. W. Clark Main, Arlington Methodist Episcopal Church, Arlington, Va., offered the following prayer:

Almighty and Eternal God, Thou art the Father of all men. As we stand in this presence today most of us are in high position of great responsibility. Others of us walk in more humble ways. But Thou art the Father of us all. As we are called upon to seek a solution for the problems that so greatly perplex the minds of men, may we remember always that there is in the world and in human life such a person as Thyself. May we see in Thy fatherhood of us all the common brotherhood of our humanity. May we be able to divest ourselves of an impersonal attitude and replace it with an eager effort to lift the level of the life of all men and unite with them in a cooperative endeavor to make this world a better place in which to live. May the words of our mouths and the meditations of our hearts be acceptable in Thy sight, O Lord, our strength and our Redeemer. Amen.

The Journal of the proceedings of yesterday was read and approved.

SUNDRY MESSAGES FROM THE PRESIDENT

Sundry messages in writing from the President of the United States were communicated to the House by Mr. Latta, one of his secretaries, who also informed the House that on the following dates the President approved and signed bills and joint resolutions of the House of the following titles:

On May 23, 1938:

H. R. 8837. An act making appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, and offices, for the fiscal year ending June 30, 1939, and for other purposes.

On May 24, 1938:

H. R. 5030. An act granting pensions and increases of pensions to certain soldiers, sailors, and nurses of the War with Spain, the Philippine Insurrection, or the China Relief Expedition, and for other purposes;

H. R. 6410. An act granting a pension to Mary Lord Harrison; and

H. R. 10704. An act to amend section 4132 of the Revised Statutes, as amended.

On May 25, 1938:

H. R. 5633. An act to provide additional funds for buildings for the use of the diplomatic and consular establishments of the United States;

H. R. 7187. An act to amend section 12B of the Federal Reserve Act, as amended;

H. R. 10193. An act authorizing the temporary detail of United States employees, possessing special qualifications, to governments of American republics and the Philippines, and for other purposes; and

H. J. Res. 678. Joint resolution making an additional appropriation for grants to States for unemployment compensation administration, Social Security Board, for the fiscal year ending June 30, 1938.

On May 26, 1938:

H. R. 7104. An act for the relief of the estate of F. Gray Griswold;

H. R. 8148. An act to amend Public Law No. 692, Seventy-fourth Congress, second session;

H. R. 8203. An act for the inclusion of certain lands in the Kaniksu National Forest in the State of Washington, and for other purposes;

H. R. 9688. An act to extend the times for commencing and completing the construction of a bridge across the Ohio River between Rockport, Ind., and Owensboro, Ky.;

H. R. 10117. An act granting the consent of Congress to construct, maintain, and operate a toll bridge, known as the Smith Point Bridge, across navigable waters at or near Mastic, southerly to Fire Island, Suffolk County, N. Y.;

H. R. 10118. An act granting the consent of Congress to construct, maintain, and operate toll bridges, known as the Long Island Loop Bridges, across navigable waters at or near East Marion to Shelter Island, and Shelter Island to North Haven, Suffolk County, N. Y.;

H. R. 10190. An act to equalize certain allowances for quarters and subsistence of enlisted men of the Coast Guard with those of the Army, Navy, and Marine Corps;

H. R. 10351. An act to extend the times for commencing and completing the construction of a bridge across the Columbia River at Astoria, Clatsop County, Oreg.; and

H. R. 10535. An act to amend the Second Liberty Bond Act, as amended.

On May 31, 1938:

H. R. 4222. An act for the relief of Mary Kane, Ella Benz, Muriel Benz, John Benz, and Frank Restis;

H. R. 4650. An act to amend section 40 of the United States Employees' Compensation Act, as amended;

H. R. 7534. An act to protect the telescope and scientific observations to be carried on at the observatory site on Palomar Mountain, by withdrawal of certain public land included within the Cleveland National Forest, Calif., from location and entry under the mining laws;

H. R. 7553. An act to amend the laws of Alaska imposing taxes for carrying on business and trade;

H. R. 7711. An act to amend the act approved June 19, 1934, entitled the "Communications Act of 1934";

H. R. 7778. An act to amend section 26, title I, chapter 1, of the act entitled "An act making further provision for a civil government for Alaska, and for other purposes," approved June 6, 1900;

H. R. 7827. An act to authorize public-utility districts in the Territory of Alaska to incur bonded indebtedness, and for other purposes;

H. R. 8177. An act to create a commission to be known as the Alaskan International Highway Commission;

H. R. 8404. An act to authorize the Territory of Hawaii to convey the present Maalaea Airport on the island of Maui, Territory of Hawaii, to the Hawaiian Commercial & Sugar Co., Ltd., in part payment for 300.71 acres of land at Pulehu-Nui, island of Maui, Territory of Hawaii, to be used as a site for a new airport;

H. R. 8700. An act relating to the retirement of the justices of the Supreme Court of the Territory of Hawaii and judges of the United States District Court for the Territory of Hawaii;

H. R. 8715. An act to authorize the Secretary of Commerce of the United States to grant and convey to the State of Delaware fee title to certain lands of the United States in Kent County, Del., for highway purposes;

H. R. 9123. An act to authorize the Secretary of War to lease to the village of Youngstown, N. Y., a portion of the Fort Niagara Military Reservation, N. Y.;

H. R. 9358. An act to authorize the withdrawal and reservation of small tracts of the public domain in Alaska for schools, hospitals, and other purposes;

H. J. Res. 447. Joint resolution to protect the copyrights and patents of foreign exhibitors at the Pacific Mercado International Exposition, to be held at Los Angeles, Calif., in 1940; and

H. J. Res. 647. Joint resolution to increase by $15,000 the amount authorized to be appropriated for the observance of the anniversary of the adoption of the Ordinance of 1787 and the settlement of the Northwest Territory.

TAXES IN GREAT BRITAIN AND UNITED STATES

Mr. ROBERTSON. Mr. Speaker, I ask unanimous consent to proceed for 30 seconds.

The SPEAKER. Is there objection?

There was no objection.

Mr. ROBERTSON. Mr. Speaker, I shall today insert in the Appendix of the RECORD a comparison of the taxes in Great Britain and in the United States, which should be of interest to those who wish to make a further study of our tax structure.

EXTENSION OF REMARKS

Mr. FITZPATRICK. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by inserting my statement on the proposed salary cut on the W. P. A. workers.

The SPEAKER. Is there objection?

There was no objection.

Mr. SCRUGHAM. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by inserting therein a letter written by me to the Secretary of State.

The SPEAKER. Is there objection?

There was no objection.

Mr. ANDERSON of Missouri. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by inserting therein an address delivered on Decoration Day at St. Louis, Mo., by Bernard F. Dickman at the formal opening of the Soldiers' Memorial Building.

The SPEAKER. Is there objection?

There was no objection.

Mr. DICKSTEIN. Mr. Speaker, I have three unanimous-consent requests which I desire to submit. First, to extend my remarks by inserting a radio address that I delivered over WMCA on May 28.

The SPEAKER. Is there objection?

There was no objection.

Mr. DICKSTEIN. Mr. Speaker, I ask unanimous consent to extend my remarks by inserting a radio address delivered by me on May 31 over the Columbia network.

The SPEAKER. Is there objection?

There was no objection.

Mr. DICKSTEIN. Mr. Speaker, I ask unanimous consent to insert in the RECORD a short editorial from the East Side News, a paper printed in my district on the East Side, on the salute to our soldiers and heroes during the Decoration holidays.

The SPEAKER. Is there objection?

There was no objection.

THE DEPRESSION—THE CAUSE AND THE REMEDY

FIRST: SPEAKING ON THE DEPRESSION UNDER FIVE ADMINISTRATIONS

Mr. GRAY of Indiana. Mr. Speaker, following in the wake of the great World War a withering blight fell upon the Nation, a world economic or industrial paralysis, and spreading not only to every nation involved but to other nations and countries as well, and following close on the armistice and peace to add still further to the sufferings of the war-stricken world.

This world industrial or economic crisis did not come upon all the nations all at one and the same time, but came upon the different nations stricken in the order and time of certain fiscal adjustments as they were entered upon by the nations after the war and involved certain monetary and fiscal changes and coming to our own Nation among the first in 1920.

This world industrial panic or depression coming upon this Nation first in 1920 has continued with only interruptions of relief from its beginning down to the present time, with a second panic coming in 1929 as a relapse of the 1920 depression, and this 1937 depression as a relapse of both.

First, as each nation came under the blight of the world industrial depression, to relieve their people from the failure of employment, the nations first resorted to public works and operations and entered upon a national policy of reducing farm crops and limiting production to restore prices and commodity values.

A part of the nations after struggling long in vain and suffering great privation from unemployment, and despairing of regaining normal economic conditions, have surrendered their institutions of liberty and free self-government and welcomed the arbitrary rule of dictators for relief and the pendulum of human progress and civilization was swung back 1,000 years to war, conquest, and subjugation.

Other nations continued on or persevered in the relief program of public works and the policy of restricting production, going to the limit of sheer exhaustion, only to find themselves at the end of the trail suffering a relapse of the depression and left to start their expenditures all over again.

And still another group of nations after following public works and expenditures and the limitation of production for the time abandoned their first and original plans of relief and entered upon a program of recovery providing for the public control of the currency and now claim far greater progress than other nations.

And here is where the nations of the world stand today on the road to relief and recovery after their struggle for almost 18 years to recovery from the world economic depression, and after trial of different forms of relief measures and expenditures of vast sums of money to restore private industry and employment.

But we are all more interested and concerned with our own, the progress of this Nation, in recovery from the great post-war depression, how far we have advanced since 1920, how far private industry and employment has been restored, and the basis of recovery, hope for recovery or what we can look for by tomorrow.

The political party in control of Congress, at the time and after the world depression came in 1920, suffered the relapse of the 1929 panic to come, and, after creating certain governmental agencies for control of prices by orderly crop marketing, and for Government financing of private industry, failed to restore employment to the people and was voted out of power in 1932.

By the same voice of the people discharging the Republican Party the Democratic Party and a new Congress were commissioned to remedy the 1929 depression and restore private

The Journal of the proceedings of yesterday was read and approved.

taxes for carrying on business and trade;

industry and employment. But after trial of many and different measures, and the expenditure of vast public funds, the 1937 relapse of depression was suffered to come and the country remains still suffering from unemployment, with three depressions now merged into one.

The Republican minority Members in Congress are posing only in the role of objectors, and claiming this as their only purpose to be served by a minority party in considering legislation and are not advancing a single proposal or suggestion for a present remedy to be followed in the future, other than the generality or platitude of "confidence," nor more than recommending a shower bath as a remedy for smallpox, a broken limb, or typhoid fever.

And now with the Democratic majority directing the recovery program in Congress, it is proposing only a continuation of the same public works which have failed as a remedy and under which the 1937 industrial relapse has come. And without a new or further remedy to be tried, Congress is left drifting without a recovery program.

Both political parties in Congress having failed to provide for more than a temporary remedy from the depression still paralyzing industry, it becomes the duty of individual Members or groups in Congress making the problem a study to present to Congress and the country their measure or program for permanent relief.

As a Member of Congress who has voted to try out and test many relief measures with more hope than faith in their efficiency, I consider it my duty, on the failure of both party organizations in Congress, to present a measure to provide relief and to submit and make further explanation to Members the measure I have long urged while consenting to try others.

I am undertaking this presentation and explanation at great cost, time, and painstaking labor, because from my studies, inquiries, and investigations I am more and more convinced that such a remedy can be made available to Congress promptly, without hesitation or delay, and the remedy will revive private industry and employment like the raindrops bring back life in green to the dead, dry, brown ground, parched sod.

These first relapses of the depression have been holding the people in the strain and agony of unemployment and enforced idleness, with only temporary interruptions of relief, of fair and tolerable prosperous times since 1920, or for almost 18 years. And if further prolonged the great common laboring masses will be drifting into a temper and state of mind of growing indifference toward our public institutions.

If this great industrial panic or depression be allowed, prolonged, or further continued without explanation, remedy, or relief, many loyal and patriotic men, long suffering in patient silence, will be led to question, doubt, and conclude that the evil is in our industrial system or is in our free representative governmental system, or if not all in one, then in both.

And our free competitive system of industry with all its pleasures, benefits, and blessings, with all its incentive for effort and enterprise and stimulus to energy and action by men, as well as our system of free institutions, will be menaced, jeopardized, and endangered, and in an unguarded moment may be lost or greatly impaired and the continuance of pacifism will be in vain.

It must be promptly shown and made plain that the economic failures and disorders from which the country is suffering are not because of any inherent evil, either in our industrial or governmental system, but that all result from the violation and abuse of our systems of industry and government and the perversion of their normal uses and functions.

And to justify our system of industry and our forms of free self-government and our institutions of peace and civil life, we must now restore to the people promptly, without further hesitation or delay, full-time employment at fair wages, with tolerable working and laboring conditions.

The toiling, laboring masses of the country will not long accept the threadbare subterfuge from those who are reveling in luxury and wealth, while they and those by nature dependent upon them are left suffering in want and destitution, half fed, half clothed, half housed and sheltered, with only the explanation that "panics are a mystery" and defy the powers and comprehensions of men.

To justify our system of industry and government before the suffering unemployed, there must be an explanation, there must be a remedy for relief, there must be restoration of employment, an opportunity for men to labor to live with assurance of the right to take and enjoy the fruits of their toil and their labor.

For this Congress to adjourn or recess in the midst of this, another relapse of the depression, with providing and leaving in administration only the means and remedies already tried out, and which have failed of relief required, and under which this relapse of recovery has come, will be leaving a hazard and menacing condition to jeopardize the very existence of our institutions.

Such adjournment or recess for Congress without providing a further or more certain remedy will be temporizing with our forms of democracy, will be parleying with our free institutions, will be toying with chaos, disorder, and revolution, will be preparing the way for designing men to prey upon the suffering, laboring masses and mislead them to change their form of government.

We are too far advanced from superstition to accept the belief and theory that panics are brought on by the Almighty. Panics are evils and disorders caused by men, are within the comprehension of men, can be solved and explained by men, can be remedied and relieved by men.

For men to make the explanation today that these man-made panics or depressions are an insolvable, unexplainable problem, are incomprehensible industrial mysteries, will be justly censured and condemned as a maneuver to evade responsibility or a cowardly mental retreat.

I believe there is a reason, a cause, a relief, a restoration of employment, a remedy in rational means and methods, and it is my purpose in this series of addresses to show the cause, when and where, how, by whom, and by what purposes, and the remedy as plain as the cause.

With unemployment still increasing, with no further assurance of recovery more than temporary or uncertain relief, with foreign societies everywhere organizing to present and urge their alluring claims under dictators and arbitrary rule, no time calls for the exercise of greater precaution than now.

I am making this appeal to Members of Congress and indirectly to the people of the country who believe in, take pride in, and wish to safeguard our free, competitive system of industry, our forms of democracy and free self-government, and our institutions of peace and civil life, and their blessings for posterity.

No serious-minded Member of Congress, aware of the uncertain drift of the times, without a remedy provided or found, more than the measures already tried out and failed, and under which this 1937 depression has come, will wish to desert his post of duty here until some relief is found more certain and assured, and recovery is on the way before adjournment.

EXTENSION OF REMARKS

Mr. STACK. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD regarding a story from the White House yesterday about an attempt to pass the reorganization bill.

The SPEAKER. Is there objection?

There was no objection.

THE BUDGET

Mr. RICH. Mr. Speaker, I ask unanimous consent to proceed for 1 minute.

The SPEAKER. Is there objection?

There was no objection.

Mr. RICH. Mr. Speaker, for several years the President of the United States has promised a balanced Budget this year. On May 27, 1938, we were $1,452,983,071.98 in the red, with a total national debt of $37,419,821,347.17, the largest in our

to extend my remarks by inserting a radio address delivered by me on May 31 over the Columbia network.

Party the Democratic Party and a new Congress were commissioned to remedy the 1929 depression and restore private

history; and this administration in 5 years is mostly responsible. All contrary to their promises.

The other day Senator CARTER GLASS remarked that the country was in a state of "irretrievable bankruptcy," while Senator H. STYLES BRIDGES declared that New Deal spending was "a vote-buying scheme" and "a national swindle."

During these troubled times it is interesting and enlightening to read a portion of a letter written by the founder of democracy in 1799. Thomas Jefferson said:

I am for a government rigorously frugal and simple, applying all the possible savings of the public revenue to the discharge of the national debt, and not for a multiplication of officers and salaries merely to make partisan.

The remarks of Jefferson were wise; they were the words of a statesman.

Oh, were it possible that we had a Jefferson in the White House today.

Oh, it is too bad that the present occupant of the White House has not carried out his promises made previous to his election. Why has not he done so?

July 2, 1932, in his acceptance speech, Mr. Roosevelt said—and I quote:

I propose to you, my friends, * * * that government * * * be made solvent, and that the example be set by the President of the United States and his Cabinet.

Has he done so? Why did he not do it? Oh, Mr. President, speak; tell us why you have changed so much from economy to extravagance.

UNITED STATES HOUSING ACT OF 1937

Mr. O'CONNOR of New York, from the Committee on Rules, submitted the following resolution, which was referred to the House Calendar and ordered printed:

House Resolution 514

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of H. R. 10663, a bill to amend the United States Housing Act of 1937. That after general debate, which shall be confined to the bill and continue not to exceed 4 hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Banking and Currency, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the reading of the bill for amendment, the Committee shall rise and report the same to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion, except one motion to recommit, with or without instructions.

CAMPAIGN EXPENDITURES—CANDIDATES FOR HOUSE OF REPRESENTATIVES

Mr. O'CONNOR of New York, from the Committee on Rules, reported the following resolution, which was referred to the House Calendar and ordered printed:

House Resolution 291

Resolved, That a special committee of seven be appointed by the Speaker of the House of Representatives to investigate and report to the House not later than January 3, 1939, the campaign expenditures of the various candidates for the House of Representatives in both parties, or candidates of parties other than or independent of the Democratic or Republican Parties, the names of persons, firms, associations, or corporations subscribing, the amount contributed, the methods of collection and expenditures of such sums, and all facts in relation thereto, not only as to subscriptions of money and expenditures thereof but as to the use of any other means or influences, including the promise or use of patronage, and all other facts in relation thereto that would not only be of public interest but would aid the Congress in necessary legislation or in deciding any contests which might be instituted involving the right to a seat in the House of Representatives.

The investigation hereby provided for in all the respects above enumerated shall apply to candidates and contests before primaries, conventions, and the contests and campaigns of the general election in 1938, or any special election held prior to January 3, 1939. Said committee is hereby authorized to act upon its own initiative and upon such information which in its judgment may be reasonable and reliable. Upon complaint being made before such committee, under oath, by any person, persons, candidates, or political committee, setting forth allegations as to facts which, under this resolution, it would be the duty of said committee to investigate, said committee shall investigate such charges as fully as though it were acting upon its own motion, unless, after hearings on such complaints, the committee shall find that such allegations in said complaints are immaterial or untrue.

That said special committee or any subcommittee thereof is authorized to sit and act during the adjournment of the Congress, and that said committee or any subcommittee thereof is hereby empowered to sit and act at such time and place as it may deem necessary; to require by subpena or otherwise the attendance of witnesses, the production of books, papers, and documents; to employ stenographers at a cost of not exceeding 25 cents per hundred words. The chairman of the committee or any member thereof may administer oaths to witnesses. Subpenas for witnesses shall be issued under the signature of the chairman of the committee or subcommittee thereof. Every person who, having been summoned as a witness by authority of said committee or any subcommittee thereof, willfully makes default, or who, having appeared, refuses to answer any question pertinent to the investigation heretofore authorized, shall be held to the penalties as prescribed by law.

THE MOTOR INDUSTRY

Mr. HOFFMAN. Mr. Speaker, I ask unanimous consent to proceed for 1 minute.

The SPEAKER. Is there objection?

There was no objection.

ARE YOU OUT OF A JOB? WHY?

Mr. HOFFMAN. Mr. Speaker, I call the attention of the House to the fact that the administration, having so far been unable to put out of business the motor industry in Michigan, which led the way back to recovery during the dark days of the depression following 1929, by using John L. Lewis and the activities of the C. I. O., which invaded Michigan, called strikes, closed factories, destroyed machinery, drove men from their jobs and strangled industry, and the persecutions instituted by the National Labor Relations Board, it has now turned loose on General Motors, Chrysler, and Ford the Department of Justice, persecuting them because they made an attempt to relieve those who were forced to ask for credit when purchasing automobiles from the Shylock-like activities of gouging finance companies.

JOBS WERE PLENTIFUL, WAGES HIGH, IN MICHIGAN UNTIL THE NEW DEAL CAME

It is a fact—one of the few stated by Governor Murphy—that, early in 1937, there was in Michigan—

A general picture of high wages, good condition, security, and recognition (of labor), which is one of the best in the country.

He further said, and that statement was true, even though he made it, that—

Wages here are the highest of any place in the country or in the world.

MOTOR INDUSTRY LED THE WAY TO RECOVERY—UNTIL JOHN L. LEWIS CAME

Notwithstanding this picture of conditions that were ideal for the man who worked; notwithstanding the fact—and it is undisputed—that the motor industry was lifting not only Detroit and Michigan but the whole Nation out of the depths of the depression, John L. Lewis turned loose his communistic-controlled C. I. O., with its flying squadrons of wrecking gangsters armed with deadly weapons on Flint, Detroit, and other Michigan cities and, by force of arms, throttled the motor industry.

That industry, notwithstanding this vicious assault, the loss of millions of dollars, while crippled, was not destroyed and through the energy and the perseverance of its executives continued to carry on as best it could.

Then the administration loosed another assault against it. Some of its leaders were summoned before senatorial committees and others were directed to appear before the Senate Civil Liberties Committee, an auxiliary of the C. I. O.

STILL ANOTHER ASSAULT

Still unable to break the motor industry, another governmental agency, the National Labor Relations Board, was turned loose on Ford. Ford was unjustly convicted of unfair labor practices by the order of this agency, one charge being that he told his men they did not need to pay anyone for the privilege of working in a Ford factory. Conviction on this charge shows how like Stalin and Hitler the New Deal administration has become.

Henry Ford himself was called down to Washington to visit the President, presumably on the theory that Henry would shrivel and curl in the presence of pseudo, bogus, self-anointed royalty, but fortunately for the American people,

Henry possesses the princely characteristics of the common man, simplicity, honesty, faith in country and in God and, when the interview with the waster, the spender, the nonproducer, the would-be dictator Roosevelt was over, it was evident that it was Ford, the simple man, who had prevailed in the contest.

So the hounds of the so-called Justice Department were turned loose, and now Ford, Chrysler, and General Motors and many of their officials have been indicted. What for? No matter what the charge may be made to read, the real complaint is that these industries have failed to bend the knee and bow the head and accept the terms dictated by John L. Lewis and the C. I. O.; therefore the lash wielded by the Department of Justice must be laid upon their backs.

They are being persecuted, not because they may have violated some law, but because they have been giving employment and paying wages to men who work without the consent of the President's campaign-fund collectors, John L. Lewis and the C. I. O. That is their real offense, and because of it they have been arrested and held for trial.

Said the Apostle, St. Matthew:

> And why beholdest thou the mote that is in thy brother's eye, but considerest not the beam that is in thine own eye?

If the President really wants to prosecute someone, why not order the Department of Justice to try the National Democratic Committee, which solicited and received contributions from corporations for the purchase of worthless campaign books, in violation of the Corrupt Practices Act? Why not call for the prosecution and trial of Ickes and Hopkins and that horde of other disbursers of political patronage who, by gifts of public moneys and favors, seek to promote the election of rubber-stamp Senators and Congressmen?

How long will the people of the Nation submit to tactics of this kind? To the "rule or ruin" policy? To the crazy notions of the man in the White House, who seems to think that industry must be destroyed that he may reign supreme?

There were jobs in Michigan; there were wages to be earned. But the C. I. O. came to Michigan to bring the blessings of the New Deal, the "more abundant life." And they brought it with gas pipe and blackjack; with riot and with civil war. In the wake of that organization, the instrumentality of the administration, loss of employment, loss of wages, hunger, and privation have followed as night follows day, and on the doorstep of the President may be laid the cause of the disaster.

IF THE AUTOMOBILE FACTORIES IN MICHIGAN CLOSE, THEY WILL CLOSE LARGELY BECAUSE OF THE PRESIDENT'S ACTIVITIES

Just prior to the election of 1936, the President came to Detroit and he told the automobile workers what he would do for them. You remember some of his promises. Look about you. Consider the empty shelves in your pantries, the dissipation of your savings, the empty pay envelope. Then get down on your knees and thank God that next November you will have a chance to repudiate Murphy and Roosevelt and get rid of these two dreamers, these two ambitious men, who, posing as friends of the worker, are, figuratively speaking, clothed in silk and purple robes and partake of food fit for the gods, while you, the workers, go hungry and your children mourn the loss of opportunity which is by right their American heritage.

What is there left for the motor industry? The executive officers of General Motors, of Ford, and of Chrysler, if they are human, must first give their attention to protecting themselves from this Federal persecution. Undoubtedly this will require practically all of their time; and, if these three great motor plants close during the coming months and remain closed, those who would otherwise work in them, those who would otherwise earn the money which provides a livelihood for themselves and their families, should remember that they are closed, not because Ford, General Motors, or Chrysler wish to close their plants, but because the man in the White House has badgered, harassed, and persecuted them until they no longer can keep them open.

If Ford, Chrysler, and General Motors officials and the others who have been indicted because they made it possible to buy cars without paying excessive finance charges are forced to spend all their time defending themselves, they cannot operate their factories.

If the automobile factories in Michigan close, they close because of the activities of John L. Lewis, the C. I. O., the N. L. R. B., sanctioned by the President. The President and no one else is to blame if you, an automobile worker, are out of your job.

EXTENSION OF REMARKS

Mr. THOMAS of New Jersey. Mr. Speaker, I ask unanimous consent to extend my own remarks.

Mr. O'CONNOR of New York. Mr. Speaker, reserving the right to object, I may state that a few days ago unanimous consent was granted to all Members from now to the end of the session to extend their own remarks as often as they wish.

The SPEAKER. Does the gentleman desire to incorporate any extraneous matter, editorials, or excerpts?

Mr. THOMAS of New Jersey. No.

The SPEAKER. The gentleman already has permission to extend his remarks.

AMENDMENT OF FEDERAL-AID ROAD ACT

Mr. CARTWRIGHT. Mr. Speaker, I call up the conference report on the bill (H. R. 10140) to amend the Federal-Aid Road Act, approved July 11, 1916, as amended and supplemented, and for other purposes; and ask unanimous consent that the statement may be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

(For conference report and statement, see p. 7759.)

Mr. CARTWRIGHT. Mr. Speaker, road authorizations have been in a rather unsettled condition during this Congress. The main thing, of course, is to maintain the established system which has been followed over a period of years.

On May 6 the House passed H. R. 10140, providing for an authorization of $476,000,000 for the fiscal years ending June 30, 1940, and June 30, 1941. The Senate reduced the authorizations $161,500,000. We went to conference and restored $35,000,000, and this leaves a net reduction of $126,500,000 in the amounts approved by the House.

You may wonder why all this reduction. Well, I will tell you why. We were confronted with this situation: The Bureau of Public Roads reported a carry-over of $150,000,000 from apportionments made to the several States under previous Highway Authorization Acts, and we were reminded that the relief bill which the Congress recently passed carried an earmarked provision for $425,000,000 for highway, road, and street improvements. We were assured that at least $150,000,000 of this would be used for farm-to-market roads, rural free-delivery mail roads, and public-school bus routes, in which so many of us are specially interested. We were also given to understand that the President would sign the bill for the amounts carried under the Senate amendments. Notwithstanding that, we did raise the total amount authorized $35,000,000 over the amounts proposed by the Senate, and we have every reason to believe this bill will be signed and become a law within a few days.

My colleagues, under the circumstances, we did the best we could, and I hope the report will be adopted.

I do not wish to take much time, but I will go a little further and explain that the Senate reduced Federal aid for primary roads from $125,000,000 for 1940 to $75,000,000. In conference we increased that to $100,000,000. The Senate reduced the item for secondary, feeder, and farm-to-market roads from $25,000,000 to $10,000,000 for each year. We compromised on $15,000,000 for each year, which, with the estimated $20,000,000 carry-over of unobligated or unappropriated balances, makes a total of $50,000,000 available for secondary roads during the period we are providing for in this act under our regular road program.

I could go on through the entire list of provisions in various sections for grade-crossing eliminations, forest roads, public-land roads, roads in national parks and national park-

ways, and Indian roads and trails, but probably these items will be discussed by other members of the committee.

I shall summarize by saying that if the conference report is adopted there will be, with the carry-overs from previous authorizations, a total of $499,500,000 available for highway and road construction after January 1, 1939, according to the best estimates, for Federal participation in highway and road construction. And that is not considering in any way the $425,000,000 provided in the relief bill for road and street improvements.

I repeat we did the best we could under the circumstances. We maintained the principles of our present proven system of highway construction in cooperation with the States, and provided authorizations which, with amounts already available, will permit highway and road improvement work to continue at about the present rate of progress. The effect will be that the States will take up the slack in the form of unobligated balances accumulated while unmatched Federal money from emergency highway appropriations could be used.

I want to take this opportunity to thank the many Members of the House who manifested an active interest in road legislation, and particularly to express my gratitude to each and every member of the Roads Committee for their faithful work and loyal support during this Congress. I have had a lot to contend with and could not have done anything without the fine cooperation I have received from the committee.

Mr. LEAVY. Mr. Speaker, will the gentleman yield?

Mr. CARTWRIGHT. I yield.

Mr. LEAVY. Will the gentleman state the exact figures to which the reduction brought the item for roads across public lands, park roads, and forest roads?

Mr. CARTWRIGHT. I cannot put my hand on the figures at the moment.

Mr. WARREN. Mr. Speaker, will the gentleman yield?

Mr. CARTWRIGHT. I yield to the distinguished gentleman from North Carolina.

Mr. WARREN. The House bill carried $14,000,000 for 1940 and 1941 for forest roads and trails. That was the smallest reduction made by the Senate. They reduced it to $10,000,000 for 1940 and $13,000,000 for 1941.

Mr. CARTWRIGHT. There was a carry-over of $4,000,000.

Mr. VOORHIS. Mr. Speaker, will the gentleman yield?

Mr. CARTWRIGHT. I yield.

Mr. VOORHIS. What happened to section 12?

Mr. CARTWRIGHT. Section 12 was dropped entirely. We did not agree to it and the Senate yielded, and it was knocked out.

Mr. VOORHIS. I thank the gentleman.

Mr. CARTWRIGHT. Mr. Speaker, I yield 5 minutes to the gentleman from Oregon [Mr. MOTT].

Mr. MOTT. Mr. Speaker, I was glad to have the opportunity yesterday by consent of the House to insert in the RECORD my dissenting views on conference report on H. R. 10140. The statement of my views, which appears in the RECORD today, covers my argument against accepting the Senate amendments, and I do not care to take up unnecessary time here in repeating those arguments.

As a member of the conference committee I am, of course, sorry indeed to have to dissent from the views and the recommendations made by the majority of my colleagues on that committee; but as I see it I can take no other course and still be consistent with my convictions on this subject. This report should be again sent back to conference and the authorizations provided in the House bill should be restored.

The reason why my conviction in that regard is so strong is simply this: If you will make a study of the entire record of the hearings, both in the House and in the Senate, you will not find one single fact, you will not find one shred of testimony to justify any of the reductions that have been recommended in the report of the conference committee. Now, if that is the case—and I am sure no one will contend that it is not—then why should the House accept the slashings which the Senate has made in H. R. 10140?

My very good and able friend the gentleman from Oklahoma, chairman of our committee, has just told you some reasons why he thought the reductions were made and why they were agreed to in conference. I have the utmost admiration and regard for my colleague from Oklahoma, but I am sure that he and every other member of the conference committee, if direct inquiry were made of them, would tell you that the only reason these reductions were recommended was because the President demanded them and that, in the opinion of the majority of the conferees, if these reductions were not made the President would veto the bill. Now that, in my opinion, is not a sufficient reason why the House should recede and concur in virtually all of these Senate amendments, even if we were certain the President would veto the bill. In that event the House would have its remedy and it could pass the bill over the veto.

Mr. Speaker, it will be recalled that this bill was reported unanimously to the House by the House Committee on Roads and that after full debate under an open rule it was passed without reduction in any of the authorizations and without a dissenting vote. That is what the House thought about this bill then. I am convinced the House has the same opinion of it now, although I realize that the House, on account of its fear of a Presidential veto, intends to adopt the report today rather than send it back to conference in an effort to restore the authorization to the full amounts provided in the House bill.

I call your attention to the fact, nevertheless, that when the House passed this bill on May 6 it did so with full knowledge that the President had already expressed his opposition to authorizations as large as this. He did that in the message sent here early in the session, in which he asked that existing authorizations be canceled and in which he recommended reductions down to $125,000,000 per year in authorizations to be made in the next several years. That would be a little more than one-half of the amount which the States have been receiving during the past several years from the Federal Government in aid for road building.

The Senate committee on Post Offices and Post Roads reported out the House bill without holding any public hearings after it received the bill. It merely called in the Chief of the Bureau of Public Roads who submitted his figure on the so-called carry-overs, and then reduced the authorizations for the 2 years 1940 and 1941 by $161,000,000. In conference $35,000,000 of this was restored and as the conference report comes to us today there is a recommended net reduction of $126,000,000 from the House bill. I say there is no justification for that reduction. It is not based on anything. It is simply an arbitrary slash to meet the President's demands. There was no testimony adduced before any of the committees justifying this reduction. It was not justified or attempted to be justified in the conference committee, and I think I am violating no confidence when I say the opinion was freely expressed in the conference committee by the members who signed the report that these reductions could not be defended. The only reason for agreeing to them was the fear the President would veto the bill.

[Here the gavel fell.]

Mr. CARTWRIGHT. Mr. Speaker, I yield the gentleman 5 additional minutes.

Mr. MOTT. Mr. Speaker, I do not think that it is proper for this House to permit its legislative actions to be determined by the question of whether the President may or may not veto a bill which the House has under consideration. The President has his own exclusive jurisdiction and responsibilities as the Chief Executive of the Nation. The Congress, likewise, has its own responsibilities and its own exclusive jurisdiction under the Constitution as the lawmakers of the United States. The jurisdiction and the duties of each are separate and distinct, and neither should undertake to interfere with or to trespass upon the jurisdiction of the other.

Mr. PIERCE. Will the gentleman yield?

Mr. MOTT. I yield to my colleague from Oregon.

Mr. PIERCE. Is it not a fact that many more millions have been taken from the W. P. A. fund for these roads than we were getting under the House bill?

Mr. MOTT. We were not getting any W. P. A. funds for roads under the House road-authorization bill. The W. P. A. road money will come from the works-relief bill. We have always received some W. P. A. funds for roads when they were available. I do not consider that the amount of W. P. A. money we may get for road work has anything to do with this bill, which provides for taking care of the regular Federal-aid highway programs of the several States for the years 1940 and 1941.

Mr. Speaker, before I yielded to my colleague I suggested that for the House to refuse to insist upon the passage of a bill which it has unanimously endorsed heretofore and which every Member of the House still favors—simply because the President might possibly veto it—would be equivalent to allowing the President to make the law.

The House should not permit itself to be put in such a position, even though it knew what the President's intentions were in this regard, because the House could still exercise its right to pass the bill, notwithstanding the veto, and it is my opinion, judging from the vote this bill received on May 6, that the House would override a veto.

As to the question of whether or not the President would veto this measure if it contains the full authorizations provided in the House bill, I may say to those who consider the possibility of a veto to be a controlling factor in this discussion that there are many reasons why, in my opinion, he would not veto the bill.

I do not, of course, presume to speak for the President or to undertake to interpret his actions or to predict what he might do in any particular circumstance. And in this respect I am no different than any of the other House conferees on this bill. The President has never told me what he was going to do about it, and, so far as I know, he has not told the chairman of our committee nor any of the House conferees. If he were so positive in his intention to veto H. R. 10140 in event the full House authorization should be retained, as it has been claimed he is, I believe he would have communicated his intentions at least to the chairman of the House Committee on Roads, which he has not.

Another reason which leads me to believe the President would not veto the House authorization is that they have met with universal approval by the whole country. Every State, every county, and every road district in every one of the 48 States wants these House authorizations retained. It would be a great surprise to me if in the face of this Nation-wide demand the President should decline to acquiesce in the wishes of the Congress that the House authorizations be retained.

It has been contended by some that, on account of the nearness to adjournment, if this conference report were sent back to conference for the purpose of trying to get the full House authorizations restored the Congress might adjourn in the meantime and we would have no bill at all. Obviously there can be no merit to such a contention. The Congress has never been known to adjourn while a bill as important to the country as this one is was in conference or while it was in the hands of the President awaiting his approval or disapproval. Gentlemen may rest assured that there will be no adjournment until H. R. 10140 becomes law, whether it is returned to conference or not.

In conclusion I can only repeat what I have already stated in my minority views. I contend that no reason has yet been advanced why we should accept the Senate reductions, even with the slight increases agreed to in conference. The report of the conference committee under the circumstances should be returned to conference with instructions that the House authorizations be restored, and the bill should become law carrying the full amount authorized by H. R. 10140, as that bill was unanimously reported by the Committee on Roads and unanimously passed by the House of the 6th day of May. [Applause.]

Mr. CARTWRIGHT. Mr. Speaker, I yield to the gentleman from Connecticut for a unanimous-consent request.

COMMITTEE ON THE JUDICIARY

Mr. CITRON. Mr. Speaker, by direction of the Judiciary Committee I ask unanimous consent that this committee may be permitted to sit this afternoon during the session of the House to consider the bill (H. R. 10387) to amend the act entitled "An act to establish a uniform system of bankruptcy throughout the United States," approved July 1, 1898, and acts amendatory thereof and supplementary thereto, and for other purposes.

The SPEAKER. Is there objection to the request of the gentleman from Connecticut?

There was no objection.

AMENDMENT OF FEDERAL-AID ROAD ACT

Mr. CARTWRIGHT. Mr. Speaker, I yield 5 minutes to the gentleman from North Carolina [Mr. WARREN].

Mr. WARREN. Mr. Speaker, personally I am more in favor of appropriations for Federal aid to roads than any other form of appropriation that we pass here. We all know the vast benefits that accrue from it and how very deeply it is appreciated by the several States of the Nation.

We are faced in connection with this bill with a practical proposition, and for this reason it is not my purpose to let the remarks of the gentleman from Oregon go unanswered. The President, at the extra session of Congress, sent a message to the Congress asking that we repeal the 1939 authorization. That message was received with great regret by many Members of the House. As a member of the Committee on Roads, I take my full share of the responsibility for not acceding to the wishes of the President in that respect, because the contracts had already been made by the several States for roads during the present fiscal year.

In the same message the President asked that the authorizations for the next 2 fiscal years, in 1940 and 1941, be substantially and materially reduced. Ignoring the recommendations of the President, the House Committee on Roads, of which I am a member, brought in a bill carrying the same authorizations as we have had in the last 2 years. When the bill reached the Senate, as has already been stated, the the Senate reduced the amount by $161,500,000.

I do not believe there is any reason for secrecy in this matter, as has been inferred by the gentleman from Oregon [Mr. MOTT].

Of course, there has been no communication to me from the White House on this subject, but it was freely stated that members of the Senate committee had consulted the President about this measure and he had indicated to them the type of measure that he felt like signing in the event the Congress should pass it.

We are confronted just with this situation. As has also been stated, the House raised the Senate figures $35,000,000. Forty-four State legislatures meet next January. It is absolutely imperative that if we have any legislation at all we have it at this session of Congress, which we hope to adjourn within the next 2 weeks. If this bill should fail of passage, if this conference report should be voted down, it means that the roads plans will be disrupted in every State in the Union and they will be left in a state of absolute chaos.

I am confident we have met the reasonable objections made by the President to this bill, and although we have succeeded in raising the amount $35,000,000 over the Senate figures, I am likewise confident that the President will sign this bill. I believe we can make up our minds that if the House bill were adopted we would have no authorization at all for the next 2 years. [Applause.]

Mr. CARTWRIGHT. Mr. Speaker, I yield 5 minutes to the gentleman from Iowa [Mr. DOWELL].

Mr. DOWELL. Mr. Speaker, I regret very much that the committee of conference has reduced the authorizations provided in the House bill for the construction of Federal-aid roads for 1940 and 1941. I do not believe this reduction is justified. I believe the necessity for building roads is so great that the committee of conference should have agreed

to the provisions of the House bill. I note, however, that the committee of conference has reduced the authorizations for farm-to-market roads from $25,000,000 to $15,000,000. To me this seems even more regrettable than the reduction of the general Federal-aid funds. There is more necessity today for the building of farm-to-market roads then there has ever been. I am indeed sorry that the committee has consented to make this reduction which was altogether too small originally I note also there has been a reduction, which I believe should not have been made, in the authorizations for railroad crossings.

The gentleman from North Carolina has suggested the one reason, in my judgment, for the adoption of this conference report. If this bill were originally before the House with the provisions contained in this conference report I am confident it could not be approved, but with the situation that unless legislation is passed at this session of Congress to authorize these appropriations the legislatures of the several States will be unable to provide legislation to meet the Federal aid. This being the situation, it is important that this legislation be adopted at this session. If by voting against this conference report I could restore the amount provided in the original House bill, I would do so, but not being able to accomplish that result, I see no reason for voting against the conference report.

Mr. MOTT. Mr. Speaker, will the gentleman yield?

Mr. DOWELL. I yield to the gentleman from Oregon.

Mr. MOTT. Does the gentleman know of any other method of restoring the authorizations of the House bill than by voting against the adoption of the report and sending the bill back to conference, where we can get some more consideration?

Mr. DOWELL. At this stage of the proceedings I believe the gentleman is correct, but this should have been done before hand. At this stage of the proceedings it is very difficult to secure the increase in these authorizations. I am very sorry that our conferees have consented to this report.

Mr. CARTWRIGHT. Mr. Speaker, I yield 5 minutes to the gentleman from Nebraska [Mr. STEFAN].

Mr. STEFAN. Mr. Speaker, many Members of the House who have discussed this measure with me have felt that perhaps this is an appropriation bill. Some of them seem to have forgotten we passed the appropriation bill for Federal-aid roads for 1939, and that remains in status quo. This is merely an authorization bill for the years 1940 and 1941.

I wish to take this opportunity of paying a tribute to the chairman, the gentleman from Oklahoma [Mr. CARTWRIGHT] not only for the tremendous amount of work he has done in connection with this measure but for the work he has done previously, resulting in the establishment of a principle in the method of building highways in our country.

I deplore the fact, Mr. Speaker, that our conferees could not raise this authorization to the amount included in the House bill.

Mr. MURDOCK of Arizona. Mr. Speaker, will the gentleman yield?

Mr. STEFAN. I yield to the gentleman from Arizona.

Mr. MURDOCK of Arizona. I wish to second the appreciative remarks of the gentleman concerning the chairman of the House committee, and also to ask the gentleman this question: If we adopt this conference report, we are not breaking faith with the States as far as their road-making programs are concerned? I greatly regret any reduction in this field of construction, but especially do I desire not to desert the States which have been cooperating in the work of road building.

Mr. STEFAN. In reply to the gentleman from Arizona I wish to state that we agree entirely, but this has become a matter of give and take in conference. The gentleman from Arizona has been a great booster for road work because he and I know that more employment goes to workers from the road dollar than from any other source. The gentleman from Arizona has always been on the alert to protect not only his own State but has worked with us to carry out an orderly program for road building. But let me explain further to all Members of this House. We were confronted with a Senate bill which slashed our House bill to pieces. But in conference we retained the entire principle of orderly Federal-State aid road building. For that I feel we must thank our distinguished chairman [Mr. CARTWRIGHT] and the conference committee. I know it appears that we had to take everything the Senate proposed, but that is not entirely the fact. What we did was really to increase the bill $35,000,000 from the Senate cut, which now is a total of $126,500,000.

We had to let the Senate cut for 1941 stand as the Senate wrote it. We were able to eliminate section 12, which would have stopped States from using their own prerogative as to taxation and which would have been a great hardship on the counties and the county commissioners and county supervisors in road work. We also were able to cut out section 14 which would have given the Secretary in Washington all power over how roads should be constructed and would have also given him tremendous power over traffic regulations. These sections are out. They represent a victory for the House. Regarding section 12, the House committee is unanimous against diversion, but the section went too far.

There is one deplorable thing in this compromise, however, to which I cannot subscribe. My distinguished chairman knows of my continuous fight for farm-to-market roads. I did not care to talk again on this road matter for fear of becoming boresome to the House, but I thank my chairman for giving me this oportunity to conclude my thoughts on the matter. The cut in the farm-to-market road item is too deep. Naturally I am appreciative of the fact that our committee was able to boost this $5,000,000, but that is a drop in the bucket. I thought that I had reached a compromise in committee by not remaining adamant on my determination to make this item $35,000,000. Our committee fixed it at $25,000,000, and the Senate immediately cut it to $10,000,000. Now we have pushed it back up to $15,000,000. I will support the conference report, however, because I am assured that out of the new relief funds we will get $150,000,000, and that there is an unexpended balance for the same item of about $40,000. If I could be assured that we will get $205,000,000 for farm-to-market roads this year, I would be very happy.

Mr. CARTWRIGHT. Mr. Speaker, will the gentleman yield?

Mr. STEFAN. I yield.

Mr. CARTWRIGHT. It was indelibly impressed upon us that $150,000,000 out of the relief bill which we passed a few days ago would be used for farm-to-market roads.

Mr. STEFAN. I thank my distinguished chairman. I was coming to that matter again if time permitted. I wish to tell Members that our chairman has always assisted us in our fight for farm-to-market roads and to him we owe much credit for getting the item into the regular road bill after many months of work. We retain the principle that farm-to-market roads must remain in the bill. That the secondary roads at last must be given as much attention and that they are as important as these gigantic tourist highways. Now that my chairman has mentioned it, I wish to inform the House that when we passed the new relief bill there was an item of $425,000,000 set aside for roads, streets, highways, and so forth. We were told time and again that at least $150,000,000 of this would go to the construction of farm-to-market roads. I hope that those who are in power will not forget that promise.

It has been no easy matter to finally convince the great road builders of our Nation that it is very important to provide roads for farmers to reach their markets. After many months of work in the days when this item was never even thought of in these regular road bills, we were able to convince the executive department that the farmer still travels over mud roads. There are thousands of miles of these mud roads in existence today. In my State of Nebraska we have farmers who cannot reach the regular highways during inclement weather. They cannot reach their mail boxes. Rural mail carriers cannot travel over them.

Farmers cannot reach the towns. When that happens the towns are dead because when the farmer cannot reach the trading points there is no trade and the merchants might as well close their doors. All business stops. Railroads and trucks have nothing to haul and jobbing houses get no orders. These farm-to-market roads are the best national defense we have. They are the arteries to the Nation's food basket. These big road people who are so interested in selling cement, steel, and other material finally saw the light. From the first relief bill we secured money for the first farm-to-market road work. It has been very popular in all States where people realize that when the farmer cannot travel, there is no business. In this first drive for farm-to-market roads we were given much encouragement and assistance by President Roosevelt with whom some of us discussed the matter personally.

Perhaps it would be unbecoming for me to quote the President here, but I know that he feels that this kind of road building is economically sound and that it provides work for many unemployed in sections where we cannot build other things. The rural mail carriers have assisted us in this work because they travel these roads and know what it means for a farmer to be marooned and isolated on his farm when other citizens travel so comfortably only a few miles away.

So I say, Mr. Speaker, I feel deeply that perhaps some effort may be in the making here to eliminate this secondary road item from our road program. I know that cost of cement roads has been cut down to $20,000 a mile for a 20-foot slab as compared with $30,000 a few years ago. I know that much material is purchased for these fine tourist roads, and I know that materialmen would rather have the paved roads. We cannot pave all the farm-to-market roads today, but we can put a little stone and gravel on the mud and make it possible for the farmer to have all weather roads at a very small expense. The farmer does not ask for much when he asks to be allowed to reach these fine highways which he has helped to pay for with his tax money. So I caution Members here today to be ever on the alert to keep this principle of farm-to-market roads in all our regular Federal-aid legislation. Otherwise you may find special interests ready to eliminate the principle altogether. Feeling we have won by keeping the principle of farm-to-market roads in this bill I shall gladly support the conference report.

Mr. MAY. Mr. Speaker, will the gentleman yield?

Mr. STEFAN. I yield.

Mr. MAY. Does the gentleman know anything the Congress has ever done or could ever do that is more beneficial than the construction of farm-to-market roads?

Mr. STEFAN. I thank the gentleman from Kentucky for his contribution. The gentleman from Kentucky was one of those who helped to make the secondary or farm-to-market road work possible. In reply to his query I wish to say that I know of nothing that the Government has done that is more beneficial than the construction of farm-to-market roads. The gentleman from Kentucky answered his own question because he has fought so ardently and so earnestly on the floor of this House for the cause of the farmers in his district and his State. Because of my interest in the welfare of the farmers of my district and my State I merely join him here in expressing their views. If they were here personally—and I wish that sometimes they could all come here—they perhaps could and would say it in more determined language. Because they are not here and because they sent me here as their hired man to speak for them, I merely do the best I know how to represent them. I hope and pray that I have carried out their wishes.

The SPEAKER. The time of the gentleman from Nebraska has expired.

Mr. CARTWRIGHT. Mr. Speaker, I yield 5 minutes to the gentleman from Mississippi [Mr. WHITTINGTON].

Mr. WHITTINGTON. Mr. Speaker, I hesitate to detain the House. It is well known that there has been a difference between the Executive and the Congress respecting Federal-aid highway legislation. I believe that the conference report is a fair solution of those differences, and in these differences I am sure that the Congress has been victorious. I doubt, with all deference, that my colleague the gentleman from Oregon [Mr. MOTT] speaks for the President of the United States. I think there are others who are more qualified to do so and who can speak with more authority respecting his views.

Mr. MOTT. Mr. Speaker, will the gentleman yield?

Mr. WHITTINGTON. In a moment. I want first to complete my statement. I am sure that we are all in agreement with respect to farm-to-market roads. The House conferees insisted upon an increase in the provisions for farm-to-market roads over those carried in the Senate bill. Two increases have been made. Some members on the Committee on Roads felt that there should have been an adjustment in an effort to meet the views of the Executive when this bill was before our committee. Personally I think there should have been a percentage reduction in all appropriations, but a majority of the committee of the House did not agree with that viewpoint. Personally I think the House has lost in that regard because the conferees have insisted upon every reduction made by the Senate being retained, and this conference report provides for every reduction being retained except as to Federal-aid highways and secondary roads. Under existing authorizations the amount authorized for Federal aid is $125,000,000 annually. Under the conference report there is a reduction of $25,000,000 in 1940 and $10,000,000 in 1941. We have increased the authorization for secondary roads from $10,000,000 to $15,000,000. I remind the House that in the pending relief and emergency appropriation bill there will be expended in the next fiscal year approximately $400,000,000 for secondary roads and streets, and for that reason in an effort to maintain the principle of Federal aid, those of us who know and have cooperated with the Executive agreed that for the next 2 years we would have probably the best provision for secondary roads that our country has ever had. Therefore, we agreed to a reduction for the next 2 years in the authorizations for secondary roads, and I believe that we are right. I believe the bill as agreed to in conference is far better than no bill at all.

I conclude by saying that we have maintained existing law and that we have eliminated the provision of the Senate that would have increased penalties for diversion. We stand for the prevention of diversion. The House went into that matter carefully. Existing law as interpreted by the Department of Agriculture was contained in the House bill. The House eliminated that provision because the House was satisfied with existing law. This conference report conforms to the views of the House with respect to diversion.

We eliminated the section that gives to the Secretary of Agriculture supreme power to fix standards, and we provide for that cooperation existing between the Bureau of Good Roads and the State highway departments in the past. I trust that the conference report will be adopted.

I now yield to the gentleman from Oregon [Mr. MOTT].

The SPEAKER. The time of the gentleman from Mississippi has expired.

Mr. CARTWRIGHT. Mr. Speaker, I yield the gentleman 1 minute.

Mr. MOTT. Mr. Speaker, I understood the gentleman to say that in the course of my remarks I was claiming to speak with authority for the President of the United States.

Mr. WHITTINGTON. I said that there are others in the House better qualified to interpret the views of the President of the United States than the gentleman from Oregon, and I stand on that statement. [Applause.]

Mr. MOTT. If the gentleman said that I claimed to be speaking with authority for the President of the United States, I hope that he will correct his remarks, because I made no such claim.

The SPEAKER. The time of the gentleman from Mississippi has again expired. The question is on ordering the previous question on the conference report.

The previous question was ordered.

only his own State but has worked with us to carry out an orderly program for road building. But let me explain further that the Federal Government has not been unmindful of the needs of the farmers for roads to get their products to market. Many of the roads built by the Public Works Administration and the Works Progress Administration have been farm-to-market roads. Many of the roads built by the Bureau of Public Roads have been farm-to-market roads. Many of the roads built by the Forest Service have been farm-to-market roads. Many of the roads built by the Indian Service have been farm-to-market roads. Many of the roads built by the Tennessee Valley Authority have been farm-to-market roads. Many of the roads built by the Civilian Conservation Corps have been farm-to-market roads. Many of the roads built by the Resettlement Administration have been farm-to-market roads. Many of the roads built by the Soil Conservation Service have been farm-to-market roads. Many of the roads built by the Rural Electrification Administration have been farm-to-market roads. Many of the roads built by the Farm Security Administration have been farm-to-market roads. Many of the roads built by the Agricultural Adjustment Administration have been farm-to-market roads. Many of the roads built by the Farm Credit Administration have been farm-to-market roads. Many of the roads built by the Commodity Credit Corporation have been farm-to-market roads. Many of the roads built by the Federal Crop Insurance Corporation have been farm-to-market roads. Many of the roads built by the Federal Surplus Commodities Corporation have been farm-to-market roads. Many of the roads built by the Federal Surplus Relief Corporation have been farm-to-market roads. Many of the roads built by the Federal Emergency Relief Administration have been farm-to-market roads. Many of the roads built by the Civil Works Administration

firms who have rendered great and valuable service to suffering humanity and made their life's work a benediction and blessing to the afflicted.

Mr. PHILLIPS. Mr. Chairman, I rise in opposition to the amendment.

I have listened with great interest to the remarks of the distinguished gentleman who has just spoken; however, I find myself conscientiously at variance with him. There may be individuals or companies that can diagnose by mail. On the other hand, I believe that those who can render an adequate diagnosis of disease of any kind by mail are so far in the minority, and that those who purport to diagnose by mail and are quacks are so much in the majority, I am constrained to oppose the gentleman's amendment. With all due respect to the remarks of the gentleman, he still has not convinced me. It seems to me, if there is a medicinal preparation for the treatment of asthma or any other condition, certainly a physician would like to find such preparation and would be glad to prescribe it; therefore, Mr. Chairman, I say again I am constrained to oppose the gentleman's amendment. I fear it would open the door to quackery and serve to hurt suffering people and do exactly what we do not want this bill to do. For the reasons stated I am against the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Mississippi [Mr. DOXEY].

The amendment was rejected.

The Clerk read as follows:

CERTIFICATION OF COAL-TAR COLORS FOR DRUGS

SEC. 504. The Secretary shall promulgate regulations providing for the listing of coal-tar colors which are harmless and suitable for use in drugs for purposes of coloring only and for the certification of batches of such colors, with or without harmless diluents.

NEW DRUGS

SEC. 505. (a) No person shall introduce or deliver for introduction into interstate commerce any new drug, unless an application filed pursuant to subsection (b) is effective with respect to such drug.

(b) Any person may file with the Secretary an application with respect to any drug subject to the provisions of subsection (a). Such person shall submit to the Secretary as a part of the application (1) full reports of investigations which have been made to show whether or not such drug is safe for use; (2) a full list of the articles used as components of such drug; (3) a full statement of the composition of such drug; (4) a full description of the methods used in, and the facilities and controls used for, the manufacture, processing, and packing of such drug; (5) such samples of such drug and of the articles used as components thereof as the Secretary may require; and (6) specimens of the labeling proposed to be used for such drug.

(c) An application provided for in subsection (b) shall become effective on the sixtieth day after the filing thereof unless, prior to such day the Secretary by notice to the applicant in writing postpones the effective date of the application to such time (not more than 180 days after the filing thereof) as the Secretary deems necessary to enable him to study and investigate the application.

(d) If the Secretary finds, after due notice to the applicant and giving him an opportunity for a hearing, that (1) the investigations, reports of which are required to be submitted to the Secretary pursuant to subsection (b), do not include adequate tests by all methods reasonably applicable to show whether or not such drug is safe for use under the conditions prescribed, recommended, or suggested in the proposed labeling thereof; (2) the results of such tests show that such drug is unsafe for use under such conditions or do not show that such drug is safe for use under such conditions; (3) the methods used in, and the facilities and controls used for, the manufacture, processing, and packing of such drug are inadequate to preserve its identity, strength, quality, and purity; or (4) upon the basis of the information submitted to him as part of the application, or upon the basis of any other information before him with respect to such drug, he has insufficient information to determine whether such drug is safe for use under such conditions, he shall, prior to the effective date of the application, issue an order refusing to permit the application to become effective.

(e) The effectiveness of an application with respect to any drug shall, after due notice and opportunity for hearing to the applicant, by order of the Secretary be suspended if the Secretary finds (1) that clinical experience, tests by new methods, or tests by methods not deemed reasonably applicable when such application became effective show that such drug is unsafe for use under the conditions of use upon the basis of which the application became effective, or (2) that the application contains any untrue statement of a material fact. The order shall state the findings upon which it is based.

(f) An order refusing to permit an application with respect to any drug to become effective shall be revoked whenever the Secretary finds that the facts so require.

(g) Orders of the Secretary issued under this section shall be served (1) in person by any officer or employee of the department designated by the Secretary or (2) by mailing the order by registered mail addressed to the applicant or respondent at his last-known address in the records of the Secretary.

(h) An appeal may be taken by the applicant from an order of the Secretary refusing to permit the application to become effective, or suspending the effectiveness of the application. Such appeal shall be taken by filing in the district court of the United States within any district wherein such applicant resides or has his principal place of business, or in the District Court of the United States for the District of Columbia, within 60 days after the entry of such order, a written petition praying that the order of the Secretary be set aside. A copy of such petition shall be forthwith served upon the Secretary, or upon any officer designated by him for that purpose, and thereupon the Secretary shall certify and file in the court a transcript of the record upon which the order complained of was entered. Upon the filing of such transcript such court shall have exclusive jurisdiction to affirm or set aside such order. No objection to the order of the Secretary shall be considered by the court unless such objection shall have been urged before the Secretary or unless there were reasonable grounds for failure so to do. The finding of the Secretary as to the facts, if supported by substantial evidence, shall be conclusive. If any person shall apply to the court for leave to adduce additional evidence, and shall show to the satisfaction of the court that such additional evidence is material and that there were reasonable grounds for failure to adduce such evidence in the proceeding before the Secretary, the court may order such additional evidence to be taken before the Secretary and to be adduced upon the hearing in such manner and upon such terms and conditions as to the court may seem proper. The Secretary may modify his findings as to the facts by reason of the additional evidence so taken, and he shall file with the court such modified findings which, if supported by substantial evidence, shall be conclusive, and his recommendation, if any, for the setting aside of the original order. The judgment and decree of the court affirming or setting aside any such order of the Secretary shall be final, subject to review as provided in sections 128, 239, and 240 of the Judicial Code, as amended (U. S. C., 1934 ed., title 28, secs. 225, 346, and 347), and in section 7, as amended, of the act entitled "An act to establish a Court of Appeals for the District of Columbia", approved February 9, 1893 (D. C. Code, title 18, sec. 26). The commencement of proceedings under this subsection shall not, unless specifically ordered by the court to the contrary, operate as a stay of the Secretary's order.

(i) The Secretary shall promulgate regulations for exempting from the operation of this section drugs intended solely for investigational use by experts qualified by scientific training and experience to investigate the safety of drugs.

Mr. PHILLIPS. Mr. Chairman, I offer an amendment, which I send to the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. PHILLIPS: Page 76, line 15, after the comma, insert "or if such drug shall be alleged to cure cancer."

(Mr. PHILLIPS asked and was given permission to revise and extend his own remarks in the RECORD.)

Mr. PHILLIPS. Mr. Chairman, the amendment I have just offered is along the line of the amendments I offered yesterday. I am sorry to say they were defeated. Everywhere in this bill where I could find an opportunity to write into the bill a clause or phrase striking against those miserable, contemptible charlatans who are endeavoring to pretend to the American people that they can cure cancer I have endeavored to do so. I am indeed trying to strike at those people.

Mr. Chairman, I produced on this floor yesterday printed and typewritten evidence to the effect there are charlatans who are, through the mails, stating they can cure cancer. They are deluding poor, suffering human beings who grasp at any straw they can grasp in an endeavor to have that horrible disease, cancer, alleviated and cured. You know and I know the only cures for cancer are surgery, X-ray, or radium; therefore anybody who purports to cure cancer in any other way is a miserable, contemptible, inhuman charlatan. In an endeavor to stop this sort of thing, this chicanery in medicine that is being inflicted on our people, I am introducing this amendment and hope it will be agreed to.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Connecticut [Mr. PHILLIPS].

The amendment was rejected.

The Clerk read as follows:

CHAPTER VI—COSMETICS

ADULTERATED COSMETICS

SEC. 601. A cosmetic shall be deemed to be adulterated—

(a) If it bears or contains any poisonous or deleterious substance which may render it injurious to users under the conditions

of use prescribed in the labeling thereof, or under such conditions of use as are customary or usual: *Provided*, That this provision shall not apply to coal-tar hair dye, the label of which bears the following legend conspicuously displayed thereon: "Caution—This product contains ingredients which may cause skin irritation on certain individuals, and a preliminary test according to accompanying directions should first be made. This product must not be used for dyeing the eyelashes or eyebrows; to do so may cause blindness.", and the labeling of which bears adequate directions for such preliminary testing. For the purposes of this paragraph and paragraph (e) the term "hair dye" shall not include eyelash dyes or eyebrow dyes.

(b) If it consists in whole or in part of any filthy, putrid, or decomposed substance.

(c) If it has been prepared, packed, or held under insanitary conditions whereby it may have become contaminated with filth, or whereby it may have been rendered injurious to health.

(d) If its container is composed, in whole or in part, of any poisonous or deleterious substance which may render the contents injurious to health.

(e) If it is not a hair dye and it bears or contains a coal-tar color other than one from a batch that has been certified in accordance with regulations as provided by section 604.

MISBRANDED COSMETICS

SEC. 602. A cosmetic shall be deemed to be misbranded—

(a) If its labeling is false or misleading in any particular.

(b) If in package form unless it bears a label containing (1) the name and place of business of the manufacturer, packer, or distributor; and (2) an accurate statement of the quantity of the contents in terms of weight, measure, or numerical count: *Provided*, That under clause (2) of this paragraph reasonable variations shall be permitted, and exemptions as to small packages shall be established, by regulations prescribed by the Secretary.

(c) If any word, statement, or other information required by or under authority of this act to appear on the label or labeling is not prominently placed thereon with such conspicuousness (as compared with other words, statements, designs, or devices in the labeling) and in such terms as to render it likely to be read and understood by the ordinary individual under customary conditions of purchase and use.

(d) If its container is so made, formed, or filled as to be misleading.

REGULATIONS MAKING EXEMPTIONS

SEC. 603. The Secretary shall promulgate regulations exempting from any labeling requirement of this act cosmetics which are, in accordance with the practice of the trade, to be processed, labeled, or repacked in substantial quantities at establishments other than those where originally processed or packed, on condition that such cosmetics are not adulterated or misbranded under the provisions of this act upon removal from such processing, labeling, or repacking establishment.

CERTIFICATION OF COAL-TAR COLORS FOR COSMETICS

SEC. 604. The Secretary shall promulgate regulations providing for the listing of coal-tar colors which are harmless and suitable for use in cosmetics and for the certification of batches of such colors, with or without harmless diluents.

CHAPTER VII—GENERAL ADMINISTRATIVE PROVISIONS

REGULATIONS AND HEARINGS

SEC. 701. (a) The authority to promulgate regulations for the efficient enforcement of this act, except as otherwise provided in this section, is hereby vested in the Secretary.

(b) The Secretary of the Treasury and the Secretary of Agriculture shall jointly prescribe regulations for the efficient enforcement of the provisions of section 801, except as otherwise provided therein. Such regulations shall be promulgated in such manner and take effect at such time, after due notice, as the Secretary of Agriculture shall determine.

(c) Hearings authorized or required by this act shall be conducted by the Secretary or such officer or employee as he may designate for the purpose.

(d) The definitions and standards of identity promulgated in accordance with the provisions of this act shall be effective for the purposes of the enforcement of this act, notwithstanding such definitions and standards as may be contained in other laws of the United States and regulations promulgated thereunder.

(e) The Secretary, on his own initiative or at the request of any interested industry or substantial portion thereof, shall hold a public hearing upon a proposal to issue, amend, or repeal any regulation contemplated by any of the following sections of this act: 401, 403 (j), 404 (a), 406 (a) and (b), 501 (b), 502 (d), 502 (f), exclusive of the proviso therein, 502 (h), 504, and 604. The Secretary shall give appropriate notice of the hearing, and the notice shall set forth the proposal in general terms and specify the time and place for a public hearing to be held thereon not less than 30 days after the date of the notice, except that the public hearing on regulations under section 404 (a) may be held within a reasonable time, to be fixed by the Secretary, after notice thereof. At the hearing any interested person may be heard in person or by his representative. As soon as practicable after completion of the hearing, the Secretary shall by order make public his action in issuing, amending, or repealing the regulation or determining not to take such action. The Secretary shall base his order only on substantial evidence of record at the hearing and shall set forth as part of the order detailed findings of fact on which the order is based. No such order shall take effect prior to the ninetieth day after it is issued, except that if the Secretary finds that emergency conditions exist necessitating an earlier effective date, then the Secretary shall specify in the order his findings as to such conditions and the order shall take effect at such earlier date as the Secretary shall specify therein to meet the emergency.

(f) In a case of actual controversy as to the validity of any order under subsection (e), any person who will be adversely affected by such order if placed in effect may at any time prior to the ninetieth day after such order is issued file a complaint with the district court of the United States for the district wherein such person resides or has his principal place of business, to enjoin the Secretary from placing the order in effect and to compel him to modify the order in the respects set forth in the complaint. The summons and complaint may be served at any place in the United States. The Secretary, promptly upon service of the summons and complaint, shall certify and file in the court the transcript of the proceedings and the record on which the Secretary based his order. The court shall, upon the showing that such additional evidence is material and that there were reasonable grounds for failure to adduce such evidence at the proceeding before the Secretary, permit the complainant to supplement the evidence in such record by adducing additional evidence, which the Secretary may rebut, bearing on the validity of the order. For this purpose the court may require such evidence to be taken before the court or a master, or may remand the case to the Secretary for the taking of such evidence and the making of such amendment to his order as may be required. The court shall have jurisdiction by appropriate judgment to enjoin the Secretary, temporarily or permanently, from placing in effect or enforcing his order. The court may by such judgment in addition direct the Secretary to take such further action as justice may require. Any action instituted under this subsection shall survive notwithstanding any change in the person occupying the office of Secretary or any vacancy in such office. The remedies provided for in this subsection shall be in addition to and not in substitution for any other remedies provided by law.

(g) A certified copy of the transcript of the record and proceedings under subsection (e) shall be furnished by the Secretary to any interested party at his request, and shall be admissible in any criminal, libel for condemnation, exclusion of imports, or other proceeding arising under or in respect to this act, irrespective of whether proceedings with respect to the order have previously been instituted or become final under subsection (f).

Mr. MAPES. Mr. Chairman, I offer an amendment, which I send to the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. MAPES: Page 83, line 20, strike out all of paragraph (f), section 701, and insert the following:

"(f) In a case of actual controversy as to the validity of any order under subsection (e), any person who will be adversely affected by such order if placed in effect may obtain a review of such order in the circuit court of appeals of the United States within any circuit where such person resides or carries on business by filing in the court, within 60 days from the date of such order, a written petition praying that the order of the Secretary be set aside. A copy of such petition shall be forthwith served upon the Secretary, and thereupon the Secretary shall certify and file in the court a transcript of the entire record in the proceeding, including all the evidence taken and the report and order of the Secretary. Upon such filing of the petition and transcript the court shall have jurisdiction of the proceeding and of the question determined therein, and shall have power to make and enter upon the pleadings, evidence, and proceedings set forth in such transcript a decree affirming, modifying, or setting aside the order of the Secretary. The findings of the Secretary as to the facts, if supported by evidence, shall be conclusive. If either party shall apply to the court for leave to adduce additional evidence and shall show to the satisfaction of the court that such additional evidence is material and that there were reasonable grounds for the failure to adduce such evidence in the proceedings before the Secretary, the court may order such additional evidence to be taken before the Secretary and to be adduced upon the hearings in such manner and upon such terms and conditions as the court may deem proper. The Secretary may modify his findings as to the facts, or make new findings, by reason of the additional evidence so taken, and he shall file such modified or new findings, which, if supported by evidence, shall be conclusive, and his recommendation, if any, for the modification or setting aside of his original order, with the return of such additional evidence. The judgment and decree of the court shall be final, except that the same shall be subject to review by the Supreme Court upon certiorari, as provided in section 240 of the Judicial Code."

Mr. MAPES. Mr. Chairman, I ask unanimous consent to proceed for 5 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. MAPES. Mr. Chairman, it is unfortunate to have to consider an amendment of this importance with so few Members on the floor. Several months ago the Committee on Interstate and Foreign Commerce, which reported the

pending committee substitute, brought in a bill to amend the Federal Trade Commission Act. The amendment which I have offered is the same as the court review section in the Federal Trade Commission Act with only such changes as are necessary to adapt it to the pending bill. In substance my amendment is identical with the provision reported by the Committee on Interstate and Foreign Commerce relating to the Federal Trade Commission, except that it applies to the Food and Drug Administration instead of the Federal Trade Commission. I referred yesterday to similar provisions in the acts relating to other regulatory bodies. At that time I did not have before me this act relating to the Federal Trade Commission. As I said yesterday, nowhere is there any law that I know of having to do with a regulatory body that is comparable or similar to the provision contained in the pending bill. This legislation started out to enlarge the scope of the food and drug law and the jurisdiction of the Food and Drug Administration, but if this section remains in the bill it will end up by materially weakening and limiting the authority of the Food and Drug Administration.

The chairman of the Committee on Interstate and Foreign Commerce yesterday stated that the minority report was unfair and unwarranted, in that it quoted a letter of the Secretary of Agriculture with reference to this legislation. When did it become unfair or unwarranted to let the membership of the House know what the views of the head of a great department are in regard to legislation affecting one of the principal bureaus of his department? I find myself in the position of trying to sustain, as against the majority of the committee, the views of not only the Department of Agriculture, but the Department of Justice as well, with reference to this legislation.

I hold in my hand a memorandum which was prepared by the Department of Justice with reference to this bill. I may say it was not prepared for me or at my request. However, I have been authorized over the telephone to say that it was prepared in the Department of Justice and expresses the views of that Department in regard to some of the provisions of this bill.

I shall read extracts from it and put the rest of it in the RECORD without taking the time to read it. It is as follows:

RE S. 5—PURE FOOD AND DRUG BILL

Section 701 (f), which relates to judicial review of the orders of the Secretary of Agriculture by means of injunction suits in the United States district courts, constitutes a radical and undesirable departure from established practice.

This section provides that any person adversely affected by any such order may bring an injunction suit against the Secretary of Agriculture in the district wherein such person resides or has his principal place of business. The consequence of such grant of jurisdiction would be to subject the Secretary to the possibility of injunction suits by different parties in 85 different districts to review the validity of the same order. The Secretary conceivably might be required to defend simultaneously numerous suits in as many as 85 jurisdictions.

Now, listen to this:

Not only would this result in an intolerable burden on the Government, in that Government attorneys, Department of Agriculture experts, Government files, laboratory specimens, etc., would have to be carried from district to district, but divergence of decisions might result which would tie up enforcement for months and even years until the conflict of decisions is ironed out by a series of decisions of the circuit courts of appeals or by a decision of the Supreme Court of the United States. The ultimate result would be to seriously hamper and weaken the enforcement of the Pure Food and Drug Act.

Under existing law, heads of Government Departments are suable only in the District of Columbia, because the District of Columbia is regarded as their official residence.

Do the Members get that? Under existing law, heads of Government Departments are suable only in the District of Columbia.

No reason appears for extending preferential treatment in that respect to litigants under the Pure Food and Drug Act, which is not extended to litigants against heads of other Government Departments or to litigants who sue the Secretary of Agriculture under other statutes.

That is not my language. It is the language of the Department of Justice.

The memorandum continues:

If the long-standing and established practice is followed, persons who feel aggrieved at an order of the Secretary of Agriculture, and desire a judicial review of the validity of his action, should be required to pursue their remedy in the District Court of the United States for the District of Columbia. In that way not only would the Government be saved the intolerable burden above mentioned but a diversity of decisions would be prevented, and a final determination could be expeditiously secured in a single jurisdiction as to the validity of an order of the Secretary. In this way the citizen would have his day in court and would be accorded the full and complete right of judicial review of the validity of an administrative order or regulation. At the same time interference with enforcement of administrative orders and regulations, and the orderly conduct of governmental business would be reduced to a minimum.

It is, therefore, suggested that if this subsection is to remain in the bill, it should be amended by striking the words "for the district wherein such person resides or has his principal place of business" from page 83, line 25, to page 84, line 1, of the bill, and substituting in lieu thereof "for the District of Columbia."

And now listen to this, and this again is the language of the legal Department of the Government, the Department of Justice. I tried to make this clear yesterday, and I am glad to be substantiated by the Department of Justice.

As a matter of fact, the entire subsection is really unnecessary, because even without any express provision in the bill for court review, any citizen aggrieved by any order of the Secretary, who contends that the order is invalid, may test the legality of the order by bringing an injunction suit against the Secretary, or the head of the Bureau, under the general equity powers of the court.

The memorandum then discusses another section of the bill. While that part of the memorandum is not pertinent to my amendment, I will incorporate it in the RECORD. It is as follows:

Sections 304 (a) and (b) which relate to seizure, contain provisions under which the owner of the article libeled by the Department of Agriculture may secure under certain circumstances a change of venue at his option. No such privilege, however, is accorded the Government. Why a defendant should be extended the option of choosing in what jurisdiction he should be sued, and yet the Government should be precluded from making a selection of the district in which suit should be brought, appears to be inexplicable.

It should be noted that under the Federal judicial system, changes of venue are unknown. There are no provisions in Federal statutes permitting either party to move for a change of venue. No reason appears for introducing this remedy in respect to one type of proceedings under a special statute. Moreover, if the remedy is to be accorded at all, it should be equally available to both parties.

Specifically, sections 304 (a) and (b) provide that if two libels are pending involving the same person and the same issues, in two or more districts, the claimant may require that the proceedings be consolidated for trial and tried in any one of such districts which is selected by him. Why should not the selection be made by the Government, which is the plaintiff in the libel proceedings?

The section further provides that the trial in such cases may also be had in a district in a State contiguous to the State of the claimant's principal place of business, such district to be agreed upon by stipulation or to be designated by the court. In other words, under the second alternative, the claimant in a series of libel proceedings may insist on having all the libels transferred to one district, and at that a district in which none of them is pending, so long as such district is contiguous to the State of the claimant's principal place of business. No reason appears for according to the owner of articles charged with being in violation of the Pure Food and Drugs Act, the right to select the forum in which the issues shall be determined.

It is suggested, therefore, that section 304 (a) be amended by entirely striking therefrom the clause beginning with the word "and" on line 14, page 53, and ending with the end of the subsection; and that section 304 (b) be amended by entirely striking therefrom lines 4–21, inclusive, on page 54 of the bill.

Then the Department of Justice concludes:

It is important to observe that the provisions to which objection is made are not limited to the new powers proposed to be granted to the pending bill.

It would seem as if the writer of the minority report, which the chairman of the committee says is unwarranted and unfair, might have had some consultation with the Department of Justice before drafting the report. Let me assure you, however, that he did not have any such consultation.

The Department of Justice says, I repeat—

It is important to observe that the provisions to which objection is made are not limited to the new powers proposed to be granted by the pending bill. They would affect the enforcement of the

present law, as well as of the new law, and therefore, are particularly undesirable in that they may undermine, hamper, and weaken the entire enforcement of the Pure Food and Drugs Act.

The Secretary of Agriculture states the enactment of this section would hamstring the Department in the enforcement of the Food and Drugs Act.

The Department of Justice memorandum closes with this statement:

While undoubtedly this is not the intention, unfortunately, it may be the result of the enactment of the bill in its present form.

Why should the Food and Drug Administration, among all the regulatory bodies of the Government, be singled out for special treatment and, in the language of the Secretary of Agriculture, be hamstrung in its enforcement of food and drugs laws providing for the protection of the health and the well-being of the consuming public—the men, women, and children of the United States? Why should the Food and Drug Administration be put on trial? Why one rule for other regulatory bodies and another for the Food and Drug Administration?

Perhaps the apple growers have been overemphasized in this debate. They are not the only ones affected by this law. The law applies to proprietary patent medicines, to impure and adulterated foods and drugs of all kinds, and to cosmetics and devices. Is the House ready to weaken the administrative efficiency of the Food and Drug Administration in all its regulatory work merely to satisfy the complaints of the apple growers? If this bill applied only to apple growers perhaps this section would not be so objectionable, but it applies to all violators of the food and drugs law or to all who come within its provisions. As the Secretary of Agriculture states in his letter which is printed in the minority report, the enactment of this section as it stands will hamstring the Food and Drug Administration in the enforcement of the entire law.

Mr. VOORHIS. Mr. Chairman, will the gentleman yield?

Mr. MAPES. I yield to the gentleman from California.

Mr. VOORHIS. Is it not true that the inclusion in the bill of this section will mean we are taking a backward step; in other words, there is no provision of this kind in existing law, and if existing law is not strong enough to accomplish the purpose, then surely this new legislation would not be.

Mr. MAPES. Absolutely. That is the opinion not only of the men who signed the minority report but of the Department of Agriculture, the Food and Drug Administration, and the Department of Justice.

Mr. VOORHIS. Does the gentleman know whether there has been any legitimate amount of complaint that there has not been sufficient opportunity to get a review of orders up to now?

Mr. MAPES. No. Let me say in that connection—and I am glad the gentleman interrupted me—that under existing law any individual may go into the district court in which he resides for the purpose of obtaining an injunction against any order of the Food and Drug Administration that applies to him, that is arbitrary, capricious, unreasonable, or contrary to law, and that will cause him irreparable damage. No one proposes to take that right away from anyone.

Mr. FORD of California and Mr. MURDOCK of Arizona rose.

Mr. MAPES. I yield to the gentleman from California.

Mr. FORD of California. Is it not true that under the law as written, if that provision were left in the bill it would practically vitiate all the desirable things that the bill seeks to accomplish?

Mr. MAPES. Yes.

Mr. FORD of California. And is it not also true that if that provision were eliminated and no other amendment put in, although I like the gentleman's amendment, they would still have the usual remedy that anyone now has under the laws of the United States of America?

Mr. MAPES. The gentleman is entirely correct, and my amendment goes more than half way. It tries to meet the views of the Committee on Interstate and Foreign Commerce as expressed in recent legislation taking the advertising of foods and drugs away from the Food and Drug Administration and putting it under the jurisdiction of the Federal Trade Commission. It proposes to give everyone the same kind of a court review of an order of the Food and Drug Administration as he has of an order of the Federal Trade Commission. That is all it does. [Applause.]

[Here the gavel fell.]

Mr. ROBERTSON. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I do not intend to enter into any elaborate discussion of this amendment. The effect of the amendment is simple. It makes a departmental order supreme and denies to those affected a day in court. It makes it virtually impossible for any user of a spray material for fruit or vegetables to test in court the reasonableness of a departmental order affecting residue tolerance.

The amendment seeks to accomplish this in two ways. In the first place, it provides that if there be any evidence whatever, regardless of how inconsequential or flimsy it may be, to support the findings of the Department of Agriculture, such evidence becomes conclusive and binding upon the court. You do not have any hearing on the facts under this amendment. Of course, the Department would have some evidence, but our position is that it should be evidence that is substantial and that, in the opinion of a reasonable court, would justify the court in upholding the order of the Department that issued it.

The second provision of this amendment—and I could not follow my friend fully on this, but I understood him to say yesterday he wanted to bring all these cases to the District of Columbia. I now understand that some cases could be heard in the circuit court of appeals of the State in which they arose, but if the question at issue is Nation-wide in its effect, it still has to come to the District of Columbia.

Mr. MAPES. Mr. Chairman, will the gentleman yield?

Mr. ROBERTSON. I yield.

Mr. MAPES. As I said in answer to an interruption, I have gone more than half way to meet the views of the Committee on Interstate and Foreign Commerce as expressed in the recent bill which the committee reported relating to the Federal Trade Commission.

Mr. ROBERTSON. Mr. Chairman, this court-review section has been provided in the Senate bill, and I feel that I am justified in stating to the House that this bill will be enacted into law by the Senate without it. This court-review section is approved by a majority of the committee that brings this bill to us. It has the support of every apple organization in the United States. It has the support of all the organizations representing the production of any type of fruit or vegetable where spray must be used in the production.

If we adopt this amendment we will leave thousands and thousands of farmers in this Nation who must depend upon the reasonableness of departmental regulations with respect to spray residue to keep their products on the market at the mercy of the Department. We have had an illustration within the past 5 years of what might happen to them. Dr. Tugwell, Acting Secretary in the absence of the Secretary of Agriculture, in misguided enthusiasm to protect the public health, well meaning but ignorant of what was involved, promulgated a tolerance as to lead residue that was nearly 100 percent below the then existing tolerance. It would have put every apple producer in the United States out of business. It was so capricious and so unreasonable that as soon as the Secretary got back and considered the matter he reversed it and restored the previous tolerance. That happened once. It could happen again; and under the amendment proposed by our distinguished colleague from Michigan fruit and vegetable raisers could be destroyed without a day in court. I do not believe for a minute this House will vote to subject the farmers of this Nation to any such hazard at a time when we all know they are not making both ends meet. [Applause.]

[Here the gavel fell.]

Mr. VOORHIS. Mr. Chairman, I rise in support of the amendment. I ask the gentleman from Michigan [Mr. MAPES] if he will be good enough briefly to explain to us

what his amendment provides, in contradistinction to the provisions of the bill.

Mr. MAPES. Mr. Chairman, it provides in the first place that anyone who desires to test the validity of a regulation or order of the Food and Drug Administration, instead of being permitted to go into any district court of the United States, must go before a circuit court of appeals within the district in which he resides. The hearing would then come up before a three-judge court instead of a one-judge court. The action would be confined to 10 circuits instead of to 85 districts. The amendment also contains the usual provision, that the court is bound by the findings of fact of the Food and Drug Administration if supported by substantial evidence, or evidence, and if new evidence is discovered after the hearing, then the court, instead of opening the case and taking the testimony itself, must remand the case to the Food and Drug Administration to take the additional evidence. That is the usual provision.

Mr. VOORHIS. What about injunctions under the gentleman's amendment?

Mr. MAPES. The injunction matter is outside of both of these provisions. The injunction remedy by any aggrieved person is had without reference to the provisions in the bill or to my amendment.

Mr. VOORHIS. I thank the gentleman.

Mr. COFFEE of Washington. Mr. Chairman, will the gentleman yield?

Mr. VOORHIS. Yes.

Mr. COFFEE of Washington. Section 701 (f) which is involved in this dispute at the present time is the one to which the leading women's clubs and consumers' organizations in America are offering objection, is it not?

Mr. VOORHIS. So I understand.

Mr. COFFEE of Washington. Every organization of which I know anything that has made a study of this question is bitterly opposed to section 701 (f).

Mr. THOMAS of Texas. Mr. Chairman, will the gentleman yield?

Mr. VOORHIS. Yes.

Mr. THOMAS of Texas. To ask a question of our colleague from Michigan [Mr. MAPES]. Under section 701 (f) of the bill, suppose a manufacturer is making improperly some type of food or drug, and persisted in that distribution. How long would it take under that procedure before the Government could really stop him from using the channels of interstate commerce?

Mr. MAPES. I do not know that I can answer that question.

Mr. VOORHIS. We have had some experience, I believe, with other types of legislation.

Mr. LEA. Mr. Chairman, will the gentleman yield?

Mr. VOORHIS. Certainly, I yield to the chairman of the committee.

Mr. LEA. Under this bill the Government can act in that case within 24 hours.

Mr. THOMAS of Texas. The Government can act within 24 hours, but how effectively can it act within a year even?

Mr. LEA. It can stop the circulation of it in 24 hours, because under this bill we give the Food and Drug Administration the right to an injunction to stop it immediately.

Mr. THOMAS of Texas. And that injunction remains in effect until it goes through the regular routine of court procedure?

Mr. LEA. We give that power to the Food and Drug Administration in every case, practically, that is involved here.

Mr. THOMAS of Texas. And it stops right there?

Mr. LEA. Yes, absolutely; and that is a new power we give, by the way.

Mr. VOORHIS. Mr. Chairman, as I understand the provisions of section 701 (f) it would mean that if one district court was willing to issue an injunction holding up an order of the Secretary under this bill, that that would mean that that order could not go into effect regardless of how serious or important the provision was, and because it avoids that possibility, it seems to me, that the amendment of the gentleman from Michigan is a worthy one, and should be supported. I believe we have had experience with other types of legislation, where we have seen an endless amount of litigation take place, where we have seen the machinery hung up over long periods of time. This is a matter where we are attempting to get effective regulation for the protection of the health of the people, and I would hope, as was said by the gentleman from Michigan, that we would not have to hamstring the Administration in that fashion. I call the attention of the House also to the fact that no such provision as this is in existing law, that this is a new departure and that it further complicates the situation over what we have now, and that if we wish to strengthen the Food and Drug Administration, we should not take the step of writing section 701 (f) in the bill.

The CHAIRMAN. The time of the gentleman from California has expired.

Mr. SAUTHOFF. Mr. Chairman, I move to strike out the last word. I have asked for this time purely to get this thing straightened out as between the gentleman who proposes the amendment and the gentleman from California, the chairman of the committee. If I understand correctly, the gentleman from Virginia [Mr. ROBERTSON], replying to the injury that might be done to some apple concern which was selling a sprayer——

Mr. ROBERTSON. Oh, not an apple concern selling a spray, but to the farmer producing apples, who must spray them, to protect them from insects.

Mr. SAUTHOFF. Very well. Let us take that situation. If any apple raiser felt himself aggrieved now, without this law, under an order of the Secretary, he could very properly go into his district court and ask for an injunction, alleging that such order was working him an irreparable injury. Is not that true?

Mr. ROBERTSON. No; not exactly true.

Mr. SAUTHOFF. Why?

Mr. ROBERTSON. Because he does not get a hearing in the courts on the facts but only on the law; yet the Government in its prosecution of those cases where residue tolerances have been exceeded have never thus far proven a case where spray residue has been injurious to the human body.

Mr. SAUTHOFF. That is not the question. The question here involved is the remedy, and the remedy exists if I am not mistaken. You have your hearings before the Secretary, your facts are produced before the Secretary; and the law, of course, must conform to the facts. That is your case. Any grower who feels himself aggrieved, of course, has the right to get an injunction. It seems to me as I look over this amendment offered by the gentleman from Michigan that it is an excellent amendment and much better than section 701. Section 701 seems to me to hamstring our law and make it pretty easy for the makers of proprietary and patent medicines to defeat the wishes of Congress by constantly going into various hearings and taking appeals from the hearings and going into court for injunctions. With 85 different district courts, just think of the chance a chain store has. It could undoubtedly prolong litigation and hold it up in one State after another. The way to avoid that, in my judgment, is to hold the hearing before the Secretary, and let the Secretary make his findings. If, then, the applicant feels himself aggrieved, let him take an appeal to the circuit court of appeals rather than to the district court, because there are a limited number of circuit courts of appeal; and, secondly, when a decision is handed down you are more apt to have uniformity of decisions. This stands to reason. In looking over the amendment offered by the gentleman from Michigan it seems to me ample remedy is afforded to any applicant who feels himself aggrieved, because one part of the amendment gives him the opportunity to bring any additional evidence he may have on which to make a showing.

[Here the gavel fell.]

Mr. LEAVY. Mr. Chairman, I rise in opposition to the pro forma amendment.

Mr. Chairman, it is to be regretted that so many of us who apparently think alike are so far apart upon this particular amendment. The difficulty doubtless lies in the fact that the Pure Food and Drug Administration is being given power to regulate by a bureaucratic order both processed products and those that are produced naturally. The argument made in opposition to the present language in the law has some substantial weight when applied to processed products, but when you get over into the field of natural products, like all fruits and vegetables growing above ground, that have to be protected from pests by the use of spray material, then you have examples in which it does an injury that is irreparable. The individual producer can get no relief if he is denied a hearing before the order is made, and also denied a day in court as would happen if this amendment prevails.

I take issue with the gentlemen who say you can go into any Federal court and there get an injunction against an agent of the United States Government, for official actions. Every lawyer knows that the United States Government cannot be made a party defendant. No individual can bring a suit against the Government except by congressional authorization. I challenge the gentleman from Michigan [Mr. MAPES] to cite authority authorizing such general actions, as he refers to in his remarks, where the citizen can institute suit against the United States.

Mr. SAUTHOFF. Mr. Chairman, will the gentleman yield?

Mr. LEAVY. I will yield to the gentleman if he will cite me the Federal statute that authorizes an action of that kind on the part of an individual against the United States Government.

Mr. SAUTHOFF. I am not citing——

Mr. LEAVY. If the gentleman cannot give me a citation, I do not care to have more of my time consumed.

Mr. SAUTHOFF. The suit is brought against the person holding office, not against the Government.

Mr. LEAVY. The person making the order is an executive officer of the Government.

Mr. SAUTHOFF. Certainly.

Mr. LEAVY. He is appointed by the Secretary of Agriculture. The Secretary of Agriculture is appointed by the President, who is the head of the executive branch of the Government; and any court action must be against him as an official, and not as an individual; therefore it becomes a suit against the United States.

The reason this has no comparison with the citations of law concerning the Federal Trade Commission and the Communications Commission and all those other commissions is the fact that they are not executive arms of the Government; they are quasi-judicial bodies that hold hearings and determine in a judicial manner the facts. In the instant case, however, you have an executive officer who arbitrarily sits down, without hearing a particle of evidence, if he sees fit, and makes an order. That is exactly what occurred, so far as I have been able to learn, in connection with spray residue. I am sure no one will contend there was a hearing where evidence was taken, where interested parties could appear, and where a record was made.

Mr. MURDOCK of Arizona. Mr. Chairman, will the gentleman yield?

Mr. LEAVY. I am sorry, I have not time enough. If I have time later, I will yield.

Here is what the eighth circuit court said last year, and the grower had to wait until $5,000 of his property was seized and destroyed.

The court said:

> It is obvious that the question whether such an amount of arsenate of lead as is present in these apples would be present if they were processed and would result in an injury to health under the evidence is a controversial and doubtful question of fact.

[Here the gavel fell.]

Mr. LEAVY. Mr. Chairman, I ask unanimous consent to proceed for 5 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Washington?

There was no objection.

Mr. LEAVY. Mr. Chairman, the court further said:

> It is to be noted in this connection that no expert who testified upon the trial was able to say that he knew of any case of lead or arsenic poisoning resulting from eating apples which had been sprayed by arsenate of lead, or the products of such apples.

In spite of a finding by the second highest court in the land, the Food and Drug Administration did not see fit to change its tolerance limit, and, as I stated yesterday, this has cost the growers of our State of apples and pears alone $36,000,000 since this regulation has been put into effect, in 1926. We have no court to which we can go for relief. The bill as now written gives us that relief. Why should that be denied to us? We want to protect the public, but you should not destroy thousands of farmers by an arbitrary departmental order.

Mr. Chairman, eighteen one-thousandths of a grain of lead on a pound of apples is considered dangerous under present orders. We are asking that we may be given twenty-five one-thousandths of a grain to the pound of apples, and we feel we are safe. Scores of the best medical and chemical experts have said that is safe. We have certificates, and we have made showings to the Department of Agriculture, from over 100 doctors who have practiced from 5 to 30 years in communities where these apples are produced, and they have never had to treat a case of lead-arsenate poisoning. The Public Health Service is now carrying on an official investigation to scientifically determine the limit of tolerance. This should have been done before any order was ever made. Lead poisoning is possible by inhalation through the lungs or by injection into the blood stream, but there is no evidence whatever that it is possible by ingestion or eating.

Mr. ROBERTSON. Will the gentleman yield?

Mr. LEAVY. I yield to the gentleman from Virginia.

Mr. ROBERTSON. Does not the gentleman from Washington think that a man who has all of his life savings invested in an apple orchard should have a day in court before we put him out of business through some departmental order?

Mr. LEAVY. I certainly do, and that is exactly what this bill gives to him. It is a question whether you are going to permit the American citizen, whose economic existence is being threatened and taken from him, the opportunity to go into court.

Mr. MURDOCK of Arizona. Will the gentleman yield?

Mr. LEAVY. I yield to the gentleman from Arizona.

Mr. MURDOCK of Arizona. It occurs to me that the gentleman has put his finger exactly on the spot. I rather favor the amendment that has just been offered, but I can also see the gentleman's point. We are enacting this legislation for the protection of the consuming public, but we must safeguard the legitimate producer. Is there any way to separate the operation of this law in such a way that the provision in the printed bill may apply to natural products, whereas the amendment offered may apply to manufactured or processed products?

Mr. LEAVY. It could probably be done through an independent quasi-judicial body, set up to determine these matters, hold hearings, and from the hearings and the record made take such action as the facts warrant, and then an appeal might be taken to the courts, just as is now done with the National Labor Relations Board and other boards and commissions.

Someone here suggested, "Why, take this case into the circuit court for your injunction." The circuit courts are appellate courts and do not have original trial jurisdiction. Of necessity you have to go into a district court in the first instance, so long as this subject matter is under the executive department of the Government.

Mr. REES of Kansas. Will the gentleman yield?

Mr. LEAVY. I yield to the gentleman from Kansas.

Mr. REES of Kansas. The gentleman does not want this House to understand that he cannot go into a Federal court, take his transcript, his abstract and brief and be heard by the Federal court?

Mr. LEAVY. I want the House to understand that my view of the law is that an apple grower in the State of

Missouri, Virginia, or Washington cannot institute an action against the United States Government for injunctive relief without congressional authority to do so.

Mr. REES of Kansas. The action would not be against the Government. The action would be against the Secretary of Agriculture as an individual.

Mr. LEAVY. The Secretary of Agriculture is the agent of the Federal Government, and he acts in an executive capacity. What he does in enforcing the laws he does in his official capacity, not his individual capacity.

[Here the gavel fell.]

Mr. REES of Kansas. Mr. Chairman, I move to strike out the last two words.

Mr. Chairman, the big complaint here seems to be on the part of apple growers. Out of all the people affected by the amendment or that may be affected, it seems the only complaint comes from the apple growers. I think the apple growers want to comply with the laws of our country; and, after all, if the apple growers are going to use a poisonous substance in connection with their operations, they ought to be willing to comply with reasonable, fair rules and regulations. I realize there are a great many big apple growers in this country who would be very careful in the use of these poisonous substances, but there may be a great many others who might not be so careful.

If the only complaint comes from the apple growers, I do not believe that is sufficient to sustain the objections made to this particular amendment.

Let me call your attention to something else. Under the present section of the bill, you will observe if you give it your attention, there is a complete departure from our regular method of handling problems of this kind. Anyone who has a complaint has a right, of course, to be heard. He is given a full and complete hearing; and, by the way, in the stockyards case just decided by the Supreme Court it was held that both sides must be given a complete hearing. You also may secure a rehearing. All you do is bring your evidence before the Federal court in the form of a transcript, file your abstract and your brief, and you will receive a hearing by the Federal court.

Under the present bill you go back into the Federal court after a full and complete hearing. You pick out your court that suits you. If you do not get what you want, you pick out another Federal court, go in there and start all over again. You introduce your evidence on one side, then the other, and try the case. In other words, you have another trial. You then appeal the case to the Supreme Court if you want to. You would be forever and ever in the courts if you leave this particular section in the bill.

I say to you again, Mr. Chairman, no matter how good this bill may be or appear to be, if you are going to leave this particular section in the bill, you ought to vote against the bill, because it will not be worth anything if you leave that section in it.

Mr. ROBERTSON. Mr. Chairman, will the gentleman yield?

Mr. REES of Kansas. I yield to the gentleman from Virginia.

Mr. ROBERTSON. I am afraid the gentleman from Kansas is confusing enforcement of a regulation with the promulgation of the regulation. The apple producers do not object to the strict enforcement of proper and reasonable regulations, but this goes to the promulgation of a regulation that might conceivably be capricious and arbitrary. We say, if that should be the case, let us have it so that before the Department promulgates a regulation it will know it must have sufficient proof to make that regulation stand up in court when challenged by a producer who states it is capricious and unreasonable.

Mr. REES of Kansas. Oh, the gentleman is going on an assumption here.

Mr. ROBERTSON. That is what is involved.

Mr. REES of Kansas. The assumption is that the Department of Agriculture is going to pick up the apple growers and be particularly unfair to that particular group.

Mr. ROBERTSON. No; I do not say that; but I say before you pass a law that would enable the Department to wipe out an industry you should give that industry an opportunity to have a day in court on the reasonableness of the regulations that are promulgated.

Mr. REES of Kansas. Under this bill that question would be tried out in case an action is brought against someone who is alleged to have violated that particular rule or regulation that has been made by the Department of Agriculture.

Mr. ROBERTSON. I believe we should accept the provision in this bill as reported by the committee.

Mr. REES of Kansas. Our first consideration is taking care of the health of the public. We are talking about a pretty dangerous thing when we are talking about the apple growers being permitted to use a poisonous spray to protect their particular article.

Mr. BUCK. Mr. Chairman, will the gentleman yield?

Mr. REES of Kansas. I yield to the gentleman from California.

Mr. BUCK. Would not the gentleman rather have the apples free of codling moths than eat those bugs that would be in a lot of apples?

Mr. REES of Kansas. Oh, yes; but that has nothing to do with the question.

[Here the gavel fell.]

Mr. O'CONNELL of Montana. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I rise in support of the amendment offered by the distinguished gentleman from Michigan, and I rise as a member of the committee who signed the minority report strictly because of the reason that this so-called court-review section was in the bill. I say, as every other man who has spoken in behalf of this amendment has said, if you permit this bill to stand with the present court-review section in it, you may as well kill the measure entirely, because you are going to create a situation far worse than we have now. As I understand, on yesterday and all day today those who are here pleading in behalf of the apple growers have time and time again said there has never been one single, solitary case of a death resulting from arsenic poisoning caused by spray residue. I have here a citation taken from the American chamber of horrors, which is absolutely authentic.

Ten-year-old Ralph Dodge died from eating perhaps a dozen sprayed apples picked up in the orchard where his father was employed. When the family doctor saw him the day after his indulgence he was too far gone to be helped, for he had been having convulsions, and his throat was closed, making it impossible to give him any medication by mouth. The autopsy disclosed damage to the liver and other organs that was clearly indicative of metallic poisoning. On chemical analysis these organs were found to contain 2.5 milligrams of arsenic trioxide and 6.3 milligrams of lead per kilo of sample. This, of course, was not all the poison the boy had taken into his system, for some had been distributed to other tissues and some had been eliminated. But there was enough for the death certificate to say:

Cause of death, poisoning, acute, arsenical.

I have here a photostatic copy of the certificate of death from the State of West Virginia, County of Jefferson, wherein the Clerk of the County Court in said county certifies that the death was due to poisoning, acute, arsenical.

Mr. LEAVY. Mr. Chairman, will the gentleman yield?

Mr. O'CONNELL of Montana. I yield to the gentleman from Washington.

Mr. LEAVY. I am granting now that what the certificate indicates is a fact, although I am rather inclined to be doubtful, but that does not apply to apples that have a reasonable tolerance limit and have the spray removed to a reasonable degree.

Mr. O'CONNELL of Montana. I say this absolutely destroys the arguments that have been made here that there has never been a death from arsenic poisoning from spray residue.

Mr. SIROVICH. Will my distinguished colleague yield for a question?

Mr. O'CONNELL of Montana. I yield to the gentleman from New York.

Mr. SIROVICH. From a medical standpoint, it is the consensus of opinion that whenever you spray apples with a lead arsenic preparation the Government of the United States ought to supply every farmer with a dilute solution of hydrochloric acid, which is very weak, and which washes off the spray and does not harm anyone. This solution is being used in California and in Oregon and Washington. In many instances apples may contain a hypersaturated solution of the preparation and may cause gastro-intestinal disturbances. In this particular case the boy ate 12 apples, as I understand, which gave a cumulative dose, and this was responsible for the arsenical poisining. If the Government supplied every farmer in the United States with a dilute solution of hydrochloric acid, which is very cheap, none of these occurrences would ever happen.

Mr. O'CONNELL of Montana. The gentleman is correct.

Mr. WHITE of Idaho. Mr. Chairman, will the gentleman yield?

Mr. O'CONNELL of Montana. I yield to the gentleman from Idaho.

Mr. WHITE of Idaho. Is it not a fact that the apple producers and apple shippers comply with the rules and regulations of the Department of Agriculture and wash apples and prepare them for shipment in compliance with the regulations for the removal of the spray?

Mr. O'CONNELL of Montana. The very reason you are pleading here or the very reason that the apple growers are pleading here is because they do not want to comply with the regulations of the Department. They want to have this so-called spurious court proceeding or court review, which would permit them to go into courts all over the country and permit them to tie up the proceedings indefinitely, and then after a decision is rendered they will take up some other protective feature of the law and go into the courts on that, so that, finally, you will have no food and drug law whatsoever.

[Here the gavel fell.]

Mr. O'CONNELL of Montana. Mr. Chairman, I ask unanimous consent to proceed for 2 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Montana?

There was no objection.

Mr. WHITE of Idaho rose.

Mr. O'CONNELL of Montana. I do not want the gentleman to take up all the rest of my time.

Mr. WHITE of Idaho. I think the gentleman wants to enlighten the Committee on this question.

Mr. O'CONNELL of Montana. I yield to the gentleman.

Mr. WHITE of Idaho. I represent an apple-producing section of the West and, as a matter of fact, the object of the apple growers is to comply with a reasonable tolerance with respect to apples in interstate commerce, and today at a great deal of expense they wash their apples in the big packing plants.

Mr. O'CONNELL of Montana. I do not want the gentleman to make a speech, and the fact they do that today is because there is regulation, but they want to fix it now so they will not have to do anything of that kind.

Mr. SIROVICH. Mr. Chairman, will the gentleman yield?

Mr. O'CONNELL of Montana. I yield.

Mr. SIROVICH. Does the gentleman think this section is for the benefit of the producer or for the benefit of the consumer?

Mr. O'CONNELL of Montana. This section, as written, is decidedly for the benefit of the producer and not for the consumer.

It has been stated that the issue here is whether you are going to wipe out the investment of these poor apple growers, but I contend that the issue in this court review section and the issue in this bill is whether you are going to permit these young children and men and women to be killed by spurious patent medicines and by all the fake drugs and cures that are flooding the market today, which are far more involved in this bill than the question of the production of apples.

The question further is whether little children are going to die in vain and whether all this agitation over such poisonous deaths is to be in vain. The question is whether we are going to wipe all that out now in order to help a few apple growers in this country. I maintain that human life is far more important than profits.

Are we going to legislate for the great benefit of the American people and for the consumers of the United States or are we going to legislate for this little group?

I hope sincerely you will support the amendment of the gentleman from Michigan [Mr. MAPES].

Mr. BUCK. Mr. Chairman, I move to strike out the last three words.

Mr. Chairman, I shall not use 5 minutes. I just want to cite the actual history of lead-arsenic tolerance for the last few years to show you how necessary it is to have a review of the facts, to find out whether departmental findings are based on facts.

The tolerance for years and years was fixed at 0.003 without any harm whatsoever to consumers. On April 2, 1933, the then Assistant Secretary of Agriculture Tugwell and his advisers became convinced that that was not right, and they fixed the tolerance at 0.014 grain of lead. Only 2 months and 18 days later Secretary Wallace reached a different conclusion and raised it to 0.02 grain, and subsequently it was changed again to 0.018. Now, which determination, if any, was right? What finding was the fact?

The only safety the average citizen, not merely the apple and pear grower, has is to require the Government to prove in every case the soundness of its regulations and the basis on which they rest. There is no way in the world, unless you leave this section in the bill, whereby not merely the apple grower, but the pear grower, or any other producer of perishable commodities can protect himself against such erratic meanderings of the minds of the departmental authorities as I have briefly cited you.

Mr. LEA. Mr. Chairman, it is unfortunate that a question of law and of legitimate procedure for the protection of the people of the United States must be discussed with so much exaggeration and distortion as has been presented here today.

Some time ago I attended a meeting of about 300 lawyers in the city of Washington who were concerned with administrative law. It seemed to be the unanimous opinion of these men, even the men in the Government Departments themselves, that we badly need a provision regulating the court review of administrative proceedings. I believe there is no good lawyer in the United States who will not admit we are seriously in need of legislative improvement of procedure as to administrative law and practice. Our committee recognizes this, and we have attempted in this bill to provide a legitimate, orderly method of hearing these cases and disposing of them more promptly and in a way that will greatly reduce litigation. If more farsighted and progressive, the Departments would welcome provisions such as we have in this bill. With greater prestige to themselves they would face less litigation and dispose of their cases more promptly. But to the static mind every innovation, no matter how beneficial ultimately, is destructive of their rights. They cannot conceive of their being deprived of any arbitrary power to the advantage of the public.

A substitute amendment is proposed here that seeks to gut this court-review section. It does all it can to destroy a legitimate court review without providing one that is of any use. It provides, among other things, that if the record contains any evidence to support the findings, then the court must deny relief against arbitrary action by the administrative agency. The proposal is absurd on the face of it. Nothing could be better written into the law to shield irresponsible government, than the court review in the gentleman's amendment. It is a perfect arrangement for arbitrary exercise of power without legitimate opportunity for the citizen affected to protect himself.

Mr. MAPES. Mr. Chairman, will the gentleman yield?

Mr. LEA. Later on.

Mr. MAPES. Right on that point.

Mr. LEA. Very well; but make it brief.

Mr. MAPES. The gentleman supported the provision which he is now criticizing in supporting the amendment to the Federal Trade Commission.

Mr. LEA. But the Federal Trade Commission is a semi-judicial body. Here we have a purely administrative body with no judicial procedure. Even if I supported a less desirable provision yesterday that is no reason I should repeat the mistake today.

I know of a case in one of the Departments in which three men had the right to write regulations. They were inexperienced men; they were incompetent men. They would go into a back room and write regulations, with the result that there was a regular stream of irresponsible regulations coming from that Department. After a little experience was applied to their regulations they appeared as utterly ridiculous.

It is a question whether you want orderly government by legitimate procedure, or whether you want to protect irresponsible, bureaucratic control. Do you want government by edict, or by orderly procedure. We have had to fight for any court review. Now it is claimed the Department is for some kind of a court review. What we are offered is a pretense instead of substance. It is a shield for the exercise of arbitrary power. The amendment presented here is skillfully designed to really prevent any legitimate and necessary court review.

It is said that there is no comparable law. As to fundamental features, that would not be true; but it is true that today we have no legitimate orderly law that provides for a practical method of testing the validity of regulations prior to their enforcement.

Recently the Supreme Court reversed a case affecting the Secretary of Agriculture, and why? The case had been pending for 7 years, and only the other day it was decided on a matter of procedure instead of passing on the merits. It was because we do not have any orderly procedure provided by the statutes of the United States such as we offer here. If this provision had been in effect, the Secretary of Agriculture would probably have had that case decided several years ago, and in his favor. He would have been provided with a clearly defined course of duty that would have saved him from the pitfall in which he finds himself. Our court-review procedure is largely based on judicial interpretation of the Constitution, without any orderly defined procedure.

The CHAIRMAN. The time of the gentleman from California has expired.

Mr. LEA. Mr. Chairman, I ask unanimous consent to proceed for 5 additional minutes.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. LEA. The scarecrow is thrown out here about having the same kind of a case pending at the same time in each of the 85 judicial districts of the United States. It is represented to you that when the Secretary wants to adopt and enforce a regulation, suit will be brought in each of 85 districts in the United States to restrain him, and if one district rules against the regulation, it will be tied up all over the country. Nonsense. There is no just foundation for that statement. These courts can decide in favor of the Secretary as well as against him. One in his favor is just as potent as one against him. If one court decides the matter, that decision is binding in that district and no place else in the United States. The presentation of such a scarecrow as that is not intended to be of any help toward reaching a just conclusion.

One great trouble we have had in the formulation of this bill is propaganda. We have had innocent groups of good people used to pull chestnuts for shrewd propagandists in Washington. A wire goes out from Washington, and next day these good people, with little knowledge of what it is all about, proceed to act as if they were manikins operated by the irresponsible and concealed hand corrupting their sources of information from Washington. They permit themselves to be used to seek to intimidate or influence men in Congress to act in violation of their own better judgment.

Mr. SIROVICH. Mr. Chairman, will the gentleman yield?

Mr. LEA. I yield.

Mr. SIROVICH. What would be the modus operandi under his amendment as opposed to the amendment offered by the gentleman from Michigan if the Department had to deal with a condition such as occurred a few years ago when Ginger Jake poisoned 25,000 people in 20 States of the Union, killed hundreds of them; yet only 5 people were sent to jail for about 2 years? What would happen if this amendment suggested by the gentleman were approved as opposed to the amendment offered by the gentleman from Michigan?

Mr. LEA. This is not the provision that takes care of such a situation. In such a case it would be too slow to adopt a regulation to be put into effect 90 days afterward. We have taken care of that in this bill by clothing the Department with a new authority, authority to file an injunction immediately and stop the evil in 24 hours. In addition to that we have provided severe criminal penalties. The new drug sections of the bill provide for the examining and testing of these products before they are put on the market.

Mr. REECE of Tennessee. Mr. Chairman, will the gentleman yield?

Mr. LEA. I yield.

Mr. REECE of Tennessee. I think it is well to bear in mind that the injunction provision which is to be invoked in case of emergency, when public health is being endangered, enables the Department to go into court and immediately remove the offending product from circulation.

Mr. LEA. That is true.

Let me refer again to the apple question. Do not get a perverted view of the apple situation for that is only one phase of this subject. This problem involves regulations adopted by administrative departments with the people of the United States not knowing who is writing the regulations, regulations that have the effect of a law passed by this Congress, Nation-wide in scope, for violating which a citizen may be sent to jail for as much as 3 years. Do you want such important functions performed in a perfunctory and irresponsible way, or subject to a procedure that will assure that work being done under a sense of responsibility?

In 1933, after the spraying season was partly over, news came out that certain tolerances only would be permitted. Then came the question of inspection to see whether or not the pears, or apples, or whatever the food might be, conformed. It was proposed that the farmers' fruit would be inspected at New York. He took it to the packing house in California, shipped it to New York on consignment because he could not sell it for cash, and subject to inspection at New York. If it did not conform to the requirements it had either to be reconditioned or destroyed. When you destroy a carload of fruit it means that the average small farmer in California has lost all the profits on his fruit that year. He may have figured on paying off part of his mortgage or doing something for his family, but a regulation like that if carried out would have prevented it. I sincerely hope the substitute amendment will be defeated.

[Here the gavel fell.]

The CHAIRMAN. The question is on the amendment offered by the gentleman from Michigan.

The question was taken; and on a division (demanded by Mr. MAPES) there were—ayes 34, noes 57.

So the amendment was rejected.

The Clerk read as follows:

EXAMINATIONS AND INVESTIGATIONS

SEC. 702. (a) The Secretary is authorized to conduct examinations and investigations for the purposes of this act through officers and employees of the Department or through any health, food, or drug officer or employee of any State, Territory, or political subdivision thereof, duly commissioned by the Secretary as an officer of the Department. In the case of food packed in a Territory the Secre-

tary shall attempt to make inspection of such food at the first point of entry within the United States when, in his opinion and with due regard to the enforcement of all the provisions of this act, the facilities at his disposal will permit of such inspection. For the purposes of this subsection the term "United States" means the States and the District of Columbia.

(b) Where a sample of a food, drug, or cosmetic is collected for analysis under this act the Secretary shall, upon request, provide a part of such official sample for examination or analysis by any person named on the label of the article, or the owner thereof, or his attorney or agent; except that the Secretary is authorized, by regulations, to make such reasonable exceptions from, and impose such reasonable terms and conditions relating to, the operation of this subsection as he finds necessary for the proper administration of the provisions of this act.

(c) For purposes of enforcement of this act, records of any department or independent establishment in the executive branch of the Government shall be open to inspection by any official of the Department of Agriculture duly authorized by the Secretary to make such inspection.

Mr. LEA. Mr. Chairman, I offer an amendment to the preceding section.

The Clerk read as follows:

Amendment offered by Mr. LEA: Page 82, lines 17 to 19, strike out the words "at the request of any interested industry or substantial portion thereof" and in lieu thereof insert, "or upon an application of any interested industry or substantial portion thereof stating reasonable grounds therefor."

Mr. LEA. Mr. Chairman, this is the amendment that during general debate I stated I would offer. It provides that when a request is made on the Secretary of Agriculture for a hearing before him reasonable grounds shall be shown; and it is a further attempt to meet the attitude of the Department of Agriculture as to procedure under the court review section.

Mr. MAPES. Mr. Chairman, I rise in support of this amendment because it corrects in some respects the action of the committee to which the minority report called attention, and which the minority report said weakened the administrative feature of the act. I am glad to note that the majority of the committee has been converted to the views of the minority in this respect.

The CHAIRMAN. The question is on the amendment offered by the gentleman from California [Mr. LEA].

The amendment was agreed to.

Mr. LEA. Mr. Chairman, I offer another amendment which I send to the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. LEA: Page 85, line 5, after the word "request", insert "and payment of the costs thereof."

The amendment was agreed to.

Mr. LEA. Mr. Chairman, I ask unanimous consent to return to page 49, line 5, for the purpose of correcting a mistake in the text of the bill.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

Mr. MAPES. Mr. Chairman, reserving the right to object, may we have the amendment reported.

The CHAIRMAN. Without objection, the Clerk will report the amendment for the information of the House.

There was no objection.

The Clerk read as follows:

Amendment offered by Mr. LEA: Page 49, lines 5 and 6, strike out the words "any certificate authorized under the provisions of section 505, or."

Mr. LEA. Mr. Chairman, there is a mistake in the reference there. The bill was amended in reference to the new drug section and when it was brought into the House the print shows an incorrect reference. I offer the amendment to strike out the incorrect reference.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Amendment offered by Mr. LEA: Page 49, lines 5 and 6, strike out the words "any certificate authorized under the provisions of section 505, or."

The amendment was agreed to.

Mr. PHILLIPS. Mr. Chairman, I offer an amendment, which I send to the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. PHILLIPS: Page 86, line 10, after the word "act", strike out the period, insert a colon and the following words: '*Provided*, That no exception shall be made in connection with any so-called cancer cure."

Mr. PHILLIPS. Mr. Chairman, this is the last of the many amendments which I shall offer for the consideration of the Committee on the subject of purported cures for cancer. As the Committee will no doubt have gathered by this time in connection with the various amendments which I have offered—and this is, as I say, the last one—I have endeavored to write into the law repeatedly and again the proposition that any so-called cure for cancer is a fake, a chicanery, and the product of a charlatan, unless that cancer cure be X-ray, radium, or surgery. The wording which I have endeavored to insert in this bill would, if the Committee had adopted my amendments, strike down and do away with the contemptible practices of many charlatans in America today who hold out to poor, suffering people the idea that they can be cured of cancer, when these same contemptible scoundrels have no idea of curing these poor people and when they know they have no cure. All these quacks are trying to do is take money away from the poor, suffering people, who are merely grasping at straws as they reach out to get some help to cure themselves from this dread disease, cancer. After all of the endeavors which have been made to strike against these contemptible ones who are thus victimizing the American people, I trust the Committee will adopt this last amendment and write into the bill a definite provision striking at such pusilanimous fakers.

Mr. MURDOCK of Arizona. Will the gentleman yield?

Mr. PHILLIPS. I yield to the gentleman from Arizona.

Mr. MURDOCK of Arizona. I am greatly in sympathy with the amendment the gentleman has offered. I wish to do away with quackery, too, but may I ask the gentleman, must we not be careful not to prevent research that may lead to the cure of this dread disease? I have gone on record as favoring every possible step that this Government can take to investigate the cause and cure of cancer. We should not only appropriate money to carry on the work but cooperate with private investigators. I am wondering if the gentleman in his desire as shown by these offered amendments will not block somewhat the efforts to find such a cure?

Mr. PHILLIPS. I am glad the gentleman asked the question. May I repeat for the benefit of some of the gentlemen who may not have heard. The question was asked whether this effort would really stop any endeavors to find a cure for cancer. The answer, of course, is that all over the United States reputable medical schools, reputable physicians, and reputable research investigators are endeavoring to find a cure for cancer. There is not a single one of them who falsely claims he has a cure or who advertises a cure or holds out false hope to anybody. Each is doing a scientific job in a scientific way. This amendment is an endeavor to strike against the charlatans who practice quackery, and it will not in any way strike against reputable persons endeavoring to find a cure for cancer.

Mr. HOUSTON. Will the gentleman yield?

Mr. PHILLIPS. I yield to the gentleman from Kansas.

Mr. HOUSTON. I shall be very glad to support the gentleman's amendment, but I think he should incorporate in there capital punishment for all convicted of kidnaping.

Mr. PHILLIPS. I would be glad to do that if that subject would not be ruled out of order in this bill, which it would, inasmuch as discussion of such a subject at this place would be ruled by the Chair as extraneous and not germane. I would make the capital punishment, too, the kind of capital punishment that everybody would be afraid to have meted out to him.

Mr. SIROVICH. Mr. Chairman, will the gentleman yield?

Mr. PHILLIPS. I yield to the gentleman from New York.

Mr. SIROVICH. Does the gentleman know of any magazine, newspaper, periodical, or publication that today prints

advertisements by persons claiming they can cure cancer, without the Federal Trade Commission ordering their arrest and issuing an order to cease and desist?

Mr. PHILLIPS. I am pleased the gentleman has asked that question, which I am glad to answer. Yesterday right on the floor of this House I showed the Members of the House a printed advertisement that came in the mail to me. The gentleman from Nebraska [Mr. LUCKEY] said he had received a duplicate of it. In plain English this advertisement stated its sponsors had a cure for cancer. I also showed on the floor of the House yesterday, another advertisement from a certain medical school in New Jersey, which claimed in so many words that simply by water they could cure cancer. I believe that answers the gentleman's inquiry.

Mr. SIROVICH. Will the gentleman furnish me with these advertisements? If he will, I will give them to the Federal Trade Commission, which will put these people out of business in a week's time.

Mr. PHILLIPS. I will gladly do that. May I say to the gentleman I have already been in touch with the Postmaster General on this very question, and I welcome the cooperation of the gentleman.

[Here the gavel fell.]

Mr. LEA. Mr. Chairman, I ask unanimous consent that all debate on this amendment close in 5 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. FULLER. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I know of no authority by which my friend, the gentleman from Connecticut [Mr. PHILLIPS], a layman, can speak as an authority on cancer. I know the American Medical Association advocates the belief that cancer cannot be cured except by knife, X-ray, or by radium, but I know, and everybody else knows, and every physician knows that that is not true in all instances. I have no fight with the medical profession because to my mind they are among God's noblemen, but they are not immune from mistakes. A few years ago if one had told us you could soon fly from here to San Francisco in a few hours, everyone would have thought you were crazy, and the same principle applies to electric lights, automobiles, phonographs, motion pictures, radio, and many other modern inventions. The entire medical profession that is not hidebound is willing indeed to find a remedy for cancer. I may say to my good friend of Phillips magnesia fame, they might have said in advertising his business a few years ago that there was not a cramp in a gallon of magnesia, but we who have had expedience know that is not true. Should we thus be blind to the fact that this same magnesia brings relief. Should we brand the remedy as a farce? Legislation should not be enacted upon hatred or false information. There is a man by the name of Norman Baker in my home city, Eureka Springs, who is operating a very large institution for cancer cure. He sends to Members of Congress and throughout the United States mails the statement that he can cure cancer, and he invites investigation by this House or any other unbiased Federal agency as to the truthfulness of his statement.

Mr. PHILLIPS. Mr. Chairman, will the gentleman yield?

Mr. FULLER. I yield to the gentleman from Connecticut.

Mr. PHILLIPS. Does the gentleman maintain that this man who sends out that advertising really can cure cancer?

Mr. FULLER. I do not think anything about it; I know he does. That is, I have seen many who claimed they were cured. I am not to be used as a witness.

Mr. PHILLIPS. I disagree with the gentleman.

Mr. FULLER. I am not advocating his cancer cure nor interested in his fight with the American Medical Association. However, I know people come to this city by the hundreds, and there are from 500 to 600 people there all the time, yet the people of my community say they hear all praise and scarcely a complaint. A few of the patients have died there, and some of them have gone back home to die. Of course, nobody can cure all kinds of diseases in their advanced stages. However, in the little time I have been home in the last 18 months, which is about a month and a half, just like the rest of the Members of Congress, I have seen people by the dozens in the barber shop and in the streets claiming they have been cured. North of me in Missouri, the district represented by Mr. DUNCAN, is an institution operated for years, where many people of my community have been cured of so-called cancer.

Of course, the cases I refer to are not stomach cancers, or the inward cancers; they are mostly external cancers, that you can see. This man, Norman Baker, who operates the cancer institution in my town, invites the Congress of the United States to investigate him. I made a speech on the floor of the House a few days ago and asked the gentleman from California [Mr. SCOTT], who had a resolution pending, to amend it so the Congress could investigate Baker's claim of cancer cure. If he is a crank and a fake, I want the people of the United States to know it. If he has a real remedy that is curing the worst curse that affects the American people, I want the people of the world to know it in order that they can receive some of the benefits of that great institution. This man does not ask any favors from Congress. If he is a crook, investigate him. Introduce a resolution and put Members of Congress, even the gentleman from Connecticut, as radical as he is, on that committee of investigation, together with others who are not biased and prejudiced, and let them go there and investigate and see whether or not his cure is a fake. I do not know why a man should be so imbued with one idea as a layman that he would write into the laws of the country and place upon the statute books a fallacy by saying that "such and such is a fact, and I, as a layman, declare it," without submitting it to a tribunal for determination or permitting some other person to pass judgment upon it. [Applause.]

[Here the gavel fell.]

The CHAIRMAN. The question is on the amendment offered by the gentleman from Connecticut.

The amendment was rejected.

The Clerk read as follows:

RECORDS OF INTERSTATE SHIPMENT

SEC. 703. For the purpose of enforcing the provisions of this act, carriers engaged in interstate commerce, and persons receiving food, drugs, devices, or cosmetics in interstate commerce or holding such articles so received, shall, upon the request of an officer or employee duly designated by the Secretary, permit such officer or employee, at reasonable times, to have access to and to copy all records showing the movement in interstate commerce of any food, drug, device, or cosmetic, or the holding thereof during or after such movement, and the quantity, shipper, and consignee thereof; and it shall be unlawful for any such carrier or person to fail to permit such access to and copying of any such record so requested when such request is accompanied by a statement in writing specifying the nature or kind of food, drug, device, or cosmetic to which such request relates: *Provided*, That evidence obtained under this section shall not be used in a criminal prosecution of the person from whom obtained: *Provided further*, That carriers shall not be subject to the other provisions of this act by reason of their receipt, carriage, holding, or delivery of food, drugs, devices, or cosmetics in the usual course of business as carriers.

Mr. PHILLIPS. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I did not intend to take the floor again on this subject, but after the eloquent address of the gentleman who has just spoken I cannot do otherwise. After the personal remarks and all the advertising he has given it, I only regret I no longer have any financial interest in the preparation which he has advertised to such good purpose here this afternoon.

With regard to the subject of cancer, I know the gentleman is absolutely sincere in what he has stated and I am just as sincere in what I say, but I believe the gentleman is grossly misguided. I wish it were not personal so that I could state how and why I have some knowledge of the subject. I would not take the time of the Members of the House to discuss it at this length unless I did have some knowledge. However, respect for the amenities, or whatever you want to call it, prevents me from using the word

"I." The fact is that I do know something about the subject of cancer, as I hope the gentleman has gathered, or I would not take the time of the House with these discussions. I am just as convinced as I am that I stand here, and I say it with all the earnestness that I command, that the only cure today for that dread disease we are spending millions of dollars to try to cure—cancer—is surgery, X-ray, or radium.

Mr. FULLER. Mr. Chairman, will the gentleman yield?

Mr. PHILLIPS. I yield to the gentleman.

Mr. FULLER. The gentleman knows that the physicians themselves say that is not a cure.

Mr. PHILLIPS. The gentleman is absolutely right. Unfortunately, a great part of the time they cannot cure it and nobody else can either, and I again say with all the earnestness that I can bring forward that anybody who holds out the hope of cure in any other way than as I have stated is a contemptible charlatan, and in my honest opinion is guilty of holding out false hope to suffering people. I hope the gentleman who has just spoken will be willing to investigate the case further before he puts his stamp of approval on any other form of cancer treatment than X-ray, surgery, or radium, if you want to call it treatment that may cause thousands of people, in the end, greatly to suffer. [Applause.]

The pro forma amendment was withdrawn.

The Clerk read as follows:

FACTORY INSPECTION

SEC. 704. For purposes of enforcement of this act, officers or employees duly designated by the Secretary, after first making request and obtaining permission of the owner, operator, or custodian thereof, are authorized (1) to enter, at reasonable times, any factory, warehouse, or establishment in which food, drugs, devices, or cosmetics are manufactured, processed, packed, or held, for introduction into interstate commerce or are held after such introduction, or to enter any vehicle being used to transport or hold such food, drugs, devices, or cosmetics in interstate commerce; and (2) to inspect, at reasonable times, such factory, warehouse, establishment, or vehicle and all pertinent equipment, finished and unfinished materials, containers, and labeling therein.

PUBLICITY

SEC. 705. (a) The Secretary shall cause to be published from time to time reports summarizing all judgments, decrees, and court orders which have been rendered under this act, including the nature of the charge and the disposition thereof.

(b) The Secretary may also cause to be disseminated information regarding food, drugs, devices, or cosmetics in situations involving, in the opinion of the Secretary, imminent danger to health or gross deception of the consumer. Nothing in this section shall be construed to prohibit the Secretary from collecting, reporting, and illustrating the results of the investigations of the Department.

COST OF CERTIFICATION OF COAL-TAR COLORS

SEC. 706. The admitting to listing and certification of coal-tar colors, in accordance with regulations prescribed under this act, shall be performed only upon payment of such fees, which shall be specified in such regulations, as may be necessary to provide, maintain, and equip an adequate service for such purposes.

CHAPTER VIII—IMPORTS AND EXPORTS

SEC. 801. (a) The Secretary of the Treasury shall deliver to the Secretary of Agriculture, upon his request, samples of food, drugs, devices, and cosmetics which are being imported or offered for import into the United States, giving notice thereof to the owner or consignee, who may appear before the Secretary of Agriculture and have the right to introduce testimony. If it appears from the examination of such samples or otherwise that (1) such article has been manufactured, processed, or packed under insanitary conditions, or (2) such article is forbidden or restricted in sale in the country in which it was produced or from which it was exported, or (3) such article is adulterated, misbranded, or in violation of section 505, then such article shall be refused admission. This paragraph shall not be construed to prohibit the admission of narcotic drugs the importation of which is permitted under section 2 of the act of May 26, 1922, as amended (U. S. C., 1934 edition, title 21, sec. 173).

(b) The Secretary of the Treasury shall refuse delivery to the consignee and shall cause the destruction of any such article refused admission, unless such article is exported by the consignee within 3 months from the date of notice of such refusal, under such regulations as the Secretary of the Treasury may prescribe: *Provided*, That the Secretary of the Treasury may deliver to the consignee any such article pending examination and decision in the matter on execution of a bond as liquidated damages for the amount of the full invoice value thereof together with the duty thereon and on refusing for any cause to return such article or any part thereof to the custody of the Secretary of the Treasury when demanded for the purpose of excluding it from the country or for any other purpose, such consignee shall forfeit the full amount of the bond as liquidated damages.

(c) All charges for storage, cartage, and labor on any article which is refused admission or delivery shall be paid by the owner or consignee and in default of such payment shall constitute a lien against any future importations made by such owner or consignee.

(d) A food, drug, device, or cosmetic intended for export shall not be deemed to be adulterated or misbranded under this act if it (1) accords to the specifications of the foreign purchaser, (2) is not in conflict with the laws of the country to which it is intended for export, and (3) is labeled on the outside of the shipping package to show that it is intended for export. But if such article is sold or offered for sale in domestic commerce, this subsection shall not exempt it from any of the provisions of this act.

CHAPTER IX—MISCELLANEOUS

SEPARABILITY CLAUSE

SEC. 901. If any provision of this act is declared unconstitutional, or the applicability thereof to any person or circumstances is held invalid, the constitutionality of the remainder of the act and the applicability thereof to other persons and circumstances shall not be affected thereby.

EFFECTIVE DATE AND REPEALS

Mr. FERGUSON. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. FERGUSON: On page 91, after line 3, insert a new paragraph, as follows:

"(b) That no drug, medical device, advertising literature, or offer of medical advice or treatment, printed or in writing, may be accepted by carriers in interstate commerce if such drug, medical device, advertising literature, or offer of medical services or treatment are advertised over a foreign radio station."

Mr. LEA. Mr. Chairman, I reserve a point of order against the amendment.

Mr. FERGUSON. Mr. Chairman, I live in a section that was inflicted with a radio doctor by the name of Brinkley. The State association and the State of Kansas refused him the privilege of practicing in Kansas. He was refused permission to run a radio station. So to avoid the laws of the United States he moved to Mexico. However, he maintains his hospital in the State of Texas, but advertises over a foreign radio station. He prescribes by mail. He sends out medicine to anyone who writes about their diseases to him, and he will prescribe for them over the radio and send out the medicine. He broadcasts all night long at 4-hour intervals, hoping to reach those who are in distress during the night and hold out to them the hopes of his marvelous cures. He has been able to build up a very, very, very lucrative business.

To show the type of associates he has and the type of business he is in, on the same radio station he sells life insurance, he tells fortunes, he sells perfumery, and they teach tap-dancing, everything being done by mail. He has also opened now a very luxurious hospital in Arkansas, because it seems that Del Rio, Tex., was too far away from the center of population.

This man is taking in thousands of dollars, and he operates in this way: After he urges the people to come to Dr. Brinkley before it is too late, then when he gets them down there he demands at least $500 cash "on the barrel head" before he proceeds.

I have listened to him on numerous occasions. He will sink to any level in order to get his ideas over. Riding along one night on the occasion of the death of Dr. Mayo's son, he said that he sent sincere sympathy to Dr. and Mrs. Mayo from Dr. and Mrs. Brinkley and Sonny Boy, stating that he realized there were other good doctors and institutions in the United States, and he recognized Mayo brothers as being at least, or almost, on a par with the Brinkley institution. [Laughter.]

For 10 cents he will send you a book diagnosing all ailments, called Dr. Brinkley's Doctor Book, in which he goes into detail about how to cure these diseases. He makes a continuous and unabated attack on the entire medical profession, telling the people that if they fool with the regular doctors trouble and suffering will come to them because the only solution is to come to Brinkley's Hospital.

Mr. PHILLIPS. Mr. Chairman, will the gentleman yield?

Mr. FERGUSON. I yield.

Mr. PHILLIPS. Will the gentleman tell us why this great physician is not advertising over an American radio system?

Mr. FERGUSON. Because he has been ruled off the airways, being recognized as a charlatan, and now we are allowing him to advertise over this foreign radio station, where he advertises services at Little Rock, Ark., and Del Rio, Tex.

I plead with the committee to accept this amendment in order that we may, in conference, accept a provision that will stop this terrible practice of robbing the people for services that cannot be of any value. If my amendment is not entirely in accord with the bill, rewrite it in conference so it will stop this practice that is taking millions of dollars from our people. [Applause.]

Mr. Chairman, I ask unanimous consent to proceed for 1 minute.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. HOUSTON. Mr. Chairman, will the gentleman yield?

Mr. FERGUSON. Yes.

Mr. HOUSTON. Does the gentleman know that Dr. Brinkley received over 200,000 votes for Governor of the State of Kansas?

Mr. FERGUSON. And I would say, if I came from the State of Kansas, I would not be very proud of that fact.

Mr. HOUSTON. And in reply to that, I might add that he got 1,500 votes for Governor of Kansas from the district the gentleman represents in Oklahoma.

Mr. FERGUSON. And I am not proud of that, either.

Mr. Chairman, to show how prosperous this business has been Dr. Brinkley has not one, but two luxurious yachts, and on the occasion of naming the second yacht, only modesty, after due consideration impelled him to name it "John R. Brinkley, Second." I hope the committee will accept this amendment and not make a point of order, although I think it is in order, and work out something in conference to stop this advertising which has been recognized as bad over American stations, and stop this man from doing this business, running down the medical profession, selling drugs by advertising from a foreign radio station.

The CHAIRMAN. The time of the gentleman from Oklahoma has again expired. Does the gentleman from Oklahoma desire to be heard upon the point of order?

Mr. FERGUSON. Mr. Chairman, in section 703 provision is made for the regulation of the shipment of drugs in interstate commerce. My amendment makes it unlawful for the products of medical information, advertising over a foreign radio station to be shipped in interstate commerce. I think the amendment should be held germane.

The CHAIRMAN. The Chair is ready to rule. Section 901 provides as follows:

SEC. 901. If any provision of this act is declared unconstitutional, or the applicability thereof to any person or circumstances is held invalid, the constitutionality of the remainder of the act and the applicability thereof to other persons and circumstances shall not be affected thereby.

To that section the gentleman from Oklahoma offers an amendment which reads:

No drug, medical device, advertising literature, or offer of medical device or treatments printed or in writing, may be accepted by carriers in interstate commerce if such drug, medical device, advertising literature, or offer of medical services or treatment are advertised over a foreign radio station.

The reading of the section and the reading of the amendment combine to make a complete argument to sustain the point of order directed to it by the chairman of the committee [Mr. LEA]. The Chair, therefore, sustains the point of order.

The Clerk read as follows:

SEC. 902. (a) This act shall take effect 12 months after the date of its enactment. The Federal Food and Drugs Act of June 30, 1906, as amended (U. S. C., 1934 ed., title 21, secs. 1–15), shall remain in force until such effective date, and, except as otherwise provided in this subsection, is hereby repealed effective upon such date: *Provided*, That the provisions of section 701 shall become effective on the enactment of this act, and thereafter the Secretary is authorized hereby to (1) conduct hearings and to promulgate regulations which shall become effective on or after the effective date of this act as the Secretary shall direct, and (2) designate prior to the effective date of this act food having common or usual names and exempt such food from the requirements of clause (2) of section 403 (i) for a reasonable time to permit the formulation, promulgation, and effective application of definitions and standards of identity therefor as provided by section 401: *Provided further*, That sections 501 (e), 505, and 601 (a), and all other provisions of this act to the extent that they may relate to the enforcement of such sections, shall take effect on the date of the enactment of this act, except that in the case of a cosmetic to which the proviso of section 601 (a) relates, such cosmetic shall not, prior to the ninetieth day after such date of enactment, be deemed adulterated by reason of the failure of its label to bear the legend prescribed in such proviso: *Provided further*, That the act of March 4, 1923 (U. S. C., 1934 ed., title 21, sec. 6; 42 Stat. 1500, ch. 268), defining butter and providing a standard therefor; the act of June 6, 1896 (U. S. C., 1934 ed., title 26, ch. 10), defining cheese and providing a standard therefor; the act of July 24, 1919 (U. S. C., 1934 ed., title 21, sec. 10; 41 Stat. 271, ch. 26), defining wrapped meats as in package form; and the amendment to the Food and Drugs Act, section 10A, approved August 27, 1935 (U. S. C., 1934 ed., Supp. III, title 21, sec. 14a), shall remain in force and effect and be applicable to the provisions of this act.

(b) Meats and meat food products shall be exempt from the provisions of this act to the extent of the application or the extension thereto of the Meat Inspection Act, approved March 4, 1907, as amended (U. S. C., 1934 ed., title 21, secs. 71–91; 34 Stat. 1260 et seq.).

(c) Nothing contained in this act shall be construed as in any way affecting, modifying, repealing, or superseding the provisions of the Virus, Serum, and Toxin Act of July 1, 1902 (U. S. C., 1934 ed., title 42, ch. 4).

(d) In order to carry out the provisions of this act which take effect prior to the repeal of the Food and Drugs Act of June 30, 1906, as amended, appropriations available for the enforcement of such act of June 30, 1906, are also authorized to be made available to carry out such provisions.

Amend the title so as to read: "An act to prohibit the movement in interstate commerce of adulterated and misbranded food, drugs, devices, and cosmetics, and for other purposes."

Mr. WITHROW. Mr. Chairman, I offer the following amendments, which I send to the desk and ask to have read.

The Clerk read as follows:

Amendments offered by Mr. WITHROW: Page 92, lines 7 and 8, strike out the language reading as follows: "The act of June 6, 1896 (U. S. C., 1934 ed., title 26, ch. 10), defining cheese and providing a standard therefor."

On page 92, line 23, strike out the period and insert the following: "; the Filled Cheese Act of June 6, 1896 (U. S. C., 1934 ed., title 26, ch. 10); the Filled Milk Act of March 4, 1923 (U. S. C., 1934 ed., title 21, ch. 3, secs. 61–63); or the Import Milk Act of February 15, 1927 (U. S. C., 1934 ed., title 21, ch. 4, secs. 141–149)."

Mr. WITHROW. Mr. Chairman, yesterday the chairman of the committee signified his willingness to accept three amendments pertaining to cheese. The one amendment was formally accepted yesterday, and these are the two other amendments.

Mr. LEA. Mr. Chairman, the gentleman is correct. I see no reason why the amendments should not be adopted.

The CHAIRMAN. The question is on agreeing to the amendments offered by the gentleman from Wisconsin.

The amendments were agreed to.

The CHAIRMAN. The question now arises on the committee substitute, as amended, to the Senate bill.

The question was taken; and the committee substitute, as amended, was adopted.

The CHAIRMAN. Under the rule the Committee will automatically rise.

Accordingly the Committee rose; and Mr. THOMPSON of Illinois, having resumed the chair as Speaker pro tempore, Mr. DRIVER, Chairman of the Committee of the Whole House on the state of the Union, reported that that Committee had had under consideration the bill (S. 5) to prevent the adulteration, misbranding, and false advertisement of food, drugs, devices, and cosmetics in interstate, foreign, and other commerce subject to the jurisdiction of the United States, for the purposes of safeguarding the public health, preventing deceit upon the purchasing public, and for other purposes; and, under the rule, he reported the same back to the House with an amendment.

The SPEAKER pro tempore. The question is on the Committee amendment.

The Committee amendment was agreed to.

The bill was ordered to be read a third time, and was read the third time.

The SPEAKER pro tempore. The question is on the passage of the bill.

Mr. MAPES. Mr. Speaker, I offer a motion to recommit.

The SPEAKER pro tempore. Is the gentleman opposed to the bill?

Mr. MAPES. I am with paragraph 7 of section (f) in it.

The SPEAKER pro tempore. The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. MAPES moves to recommit the bill to the Committee on Interstate and Foreign Commerce with instructions to that committee to report the same back to the House forthwith with the following amendment: Strike out paragraph (f) of section 701, beginning on page 83, line 20, and insert the following:

"(f) In a case of actual controversy as to the validity of any order under subsection (e), any person who will be adversely affected by such order if placed in effect, may obtain a review of such order in the circuit court of appeals of the United States, within any circuit where such person resides or carries on business, by filing in the court within 60 days from the date of such order, a written petition praying that the order of the Secretary be set aside. A copy of such petition shall be forthwith served upon the Secretary, and thereupon the Secretary shall certify and file in the court a transcript of the entire record in the proceeding, including all the evidence taken and the report and order of the Secretary. Upon such filing of the petition and transcript the court shall have jurisdiction of the proceeding and of the question determined therein, and shall have power to make and enter upon the pleadings, evidence, and proceedings set forth in such transcript, a decree affirming, modifying, or setting aside the order of the Secretary. The findings of the Secretary as to the facts, if supported by evidence, shall be conclusive. If either party shall apply to the court for leave to adduce additional evidence, and shall show to the satisfaction of the court that such additional evidence is material and that there were reasonable grounds for the failure to adduce such evidence in the proceeding before the Secretary, the court may order such additional evidence to be taken before the Secretary and to be adduced upon the hearings in such manner and upon such terms and conditions as the court may seem proper. The Secretary may modify his findings as to the facts, or make new findings, by reason of the additional evidence so taken, and he shall file such modified or new findings, which, if supported by evidence, shall be conclusive, and his recommendation, if any, for the modification or setting aside of his original order, with the return of such additional evidence. The judgment and decree of the court shall be final, except that the same shall be subject to review by the Supreme Court upon certiorari, as provided in section 240 of the Judicial Code."

Mr. MAPES (interrupting the reading of the motion). Mr. Speaker, with the statement that this is the amendment which I offered in the Committee of the Whole and that it is the provision of the law as applied to the Federal Trade Commission adapted to the food-and-drug bill I ask unanimous consent that the further reading of the motion be dispensed with and that it be printed in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Michigan?

There was no objection.

The SPEAKER pro tempore. The question is on the motion to recommit.

The question was taken; and on a division (demanded by Mr. LEA) there were—ayes 27, noes 59.

So the motion to recommit was rejected.

The SPEAKER pro tempore. The question is on the passage of the bill.

The bill was passed, and a motion to reconsider was laid on the table.

The title was amended so as to read: "An act to prohibit the movement in interstate commerce of adulterated and misbranded food, drugs, devices, and cosmetics, and for other purposes."

Mr. PHILLIPS. Mr. Speaker, I ask unanimous consent to address the House for 5 minutes.

The SPEAKER pro tempore. The Chair calls the gentleman's attention to the fact that there are some special orders heretofore entered that must be disposed of before the gentleman can be recognized.

Mr. PHILLIPS. I thank the Chair for calling it to my attention.

EXTENSION OF REMARKS

Mr. CRAWFORD. Mr. Speaker, I ask unanimous consent to extend my remarks and to include therein a letter which I have received from the Commissioner of Indian Affairs, Department of the Interior, and an opinion by the Solicitor for the Department of the Interior, and an analysis of the opinion.

The SPEAKER pro tempore. Without objection it is so ordered.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. St. Claire, one of its clerks, announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 10140) entitled "An act to amend the Federal Aid Road Act, approved July 11, 1916, as amended and supplemented, and for other purposes."

MILITARY ESTABLISHMENT APPROPRIATION BILL, 1939—CONFERENCE REPORT

Mr. SNYDER of Pennsylvania, from the Committee on Appropriations, presented a conference report and statement on the bill (H. R. 9995) making appropriations for the Military Establishment for the fiscal year ending June 30, 1939, and for other purposes, for printing under the rule.

WAR DEPARTMENT CIVIL FUNCTIONS APPROPRIATION BILL, 1939—CONFERENCE REPORT

Mr. SNYDER of Pennsylvania, from the Committee on Appropriations, submitted a conference report and statement on the bill (H. R. 10291) making appropriations for the fiscal year ending June 30, 1939, for civil functions administered by the War Department, and for other purposes, for printing under the rule.

EXTENSION OF REMARKS

Mr. MEAD. Mr. Speaker, I ask unanimous consent to extend my remarks concerning the services of the gentleman from Pennsylvania [Mr. DEMUTH].

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

PERMISSION TO ADDRESS THE HOUSE

Mr. RAMSAY. Mr. Speaker, I ask unanimous consent that on Friday next after the completion of the legislative program for the day I may be permitted to address the House for 30 minutes.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from West Virginia?

There was no objection.

Mr. FLETCHER. Mr. Speaker, I ask unanimous consent that on next Friday, following the special order just granted to the gentleman from West Virginia, I may be permitted to address the House for 20 minutes.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Ohio?

There was no objection.

EXTENSION OF REMARKS

Mr. MAPES. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to print therein the complete memoranda from the Department of Justice, extracts from which I read this afternoon.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Michigan?

There was no objection.

The SPEAKER pro tempore. Under a special order of the House previously entered, the gentleman from Nebraska [Mr. BINDERUP] is recognized for 30 minutes.

GOVERNMENT MONETARY CONTROL

Mr. BINDERUP. Mr. Speaker, one of the things I have not had time to explain in reference to my bill for governmental monetary control is the $1,000,000,000 a year for the rehabilitation of farms. We may not always be able to have

this amount for our rehabilitation program, yet we start with $1,000,000,000 a year; but it may be that this amount is going to bring us above our price level and then we close down on this feature of our program accordingly.

Our price level must be maintained in all events, so we use the farm-rehabilitation program as a valve to regulate this. But we never shut off on old-age pensions; these are taken care of by the 4-percent physical growth of our Nation which I have previously explained. However we may have to close down, shut off the valve, with respect to these other things being done, although it is my opinion that we will take more than $1,000,000,000 a year for farm rehabilitation, at least for a few years, to build up to our 1926 price level and to maintain it. However, it is not necessary to determine all this now, only this, that the price level must determine.

Mr. BOILEAU. Mr. Speaker, will the gentleman yield?

Mr. BINDERUP. I yield.

Mr. BOILEAU. The gentleman says that at the present time there are about fifteen or sixteen billion dollars of idle money. If we expand the currency and use this new money, 4 percent each year, how would you control the owners of private capital, and how would you insist upon all this money working, or would it be possible for an increased amount to be idle over the $16,000,000,000 and thereby defeat the plan?

Mr. BINDERUP. Let me thank the gentleman from Wisconsin for this enlightening question. What is the reason this money lies idle? It is timidity. They are afraid to put the money out. The people are afraid to borrow the money, but as soon as you create stability and security in your monetary plan you will solve the difficulty. Money naturally wants to flow. The bankers do not want dormant bank deposits. They want the money out earning interest for them. Nobody can borrow because we have depleted people of their equities, we have gathered away from the people by our process of selling bonds instead of buying bonds every little bit of money and every equity from the city and the rural sections of the country. We have depleted our people of all ability to borrow, because there are no stable equities that the banks care to risk money on. For we have reduced the price of farm land from sixty-six billion to twenty-eight billion dollars. We have reduced farm income from thirteen billion to five billion. National income has been reduced from ninety-one billion to forty-four billion, employment from an index figure of 107 to 72, the all-commodity index from 154 to 65. These figures are from the high point to the low point which resulted in freezing all the equities and we are today almost back to the extreme low.

Mr. BOILEAU. The gentleman said that people hold money because they think it is a better investment than holding property, and I am inclined to agree with the gentleman. Is it the gentleman's intention to take away the incentive to hold money?

Mr. BINDERUP. Yes. When property values rise then dormant money moves out, because it then becomes more profitable to invest in commodities than to invest in money.

Mr. BOILEAU. If they feel there is going to be more money, they will not hold it.

Mr. BINDERUP. Exactly.

Mr. TRANSUE. Mr. Speaker, will the gentleman yield?

Mr. BINDERUP. Yes.

Mr. TRANSUE. In the gentleman's plan, how would he control the effect of those commodities that go to make up the price level which are affected by a world market and not by a home market?

Mr. BINDERUP. I would reestablish our home market to its fullest capacity, and especially as to agriculture; if our people had purchasing power, there would be nothing in this line to export; and as far as it pertains to manufactured articles, if they expand beyond the Nation's ability to consume, let them export their surplus as they do now, sell it for what they can get for it. Industry now exports all their last year's models and in this way cleans house, and it is a good plan. The price level, if I might so picture it, is like a rope. In a rope, we will say, there are 784 different fibers. There is no single fiber of that rope that is straight. They go up and down and in and out, but when you stretch the rope it becomes a straight rope. So it is with the 784 commodities that go to make up our price level. There is no single commodity of which the price runs level; every commodity goes in and out and up and down; but when you take the 784 commodities in this rope, as I have pictured it, and stretch it out, you have a straight price level that does not vary.

The reason that the price level goes up and down is not because the average of the 784 commodities rises and falls, but it is because the dollar that measures them rises and falls according to its own abundance or scarcity.

Mr. CRAWFORD. Forgetting for the moment that this idle money is available, which Mr. Crowley spoke about, just erasing that from the picture, what is there in the gentleman's bill which would take care of the rise and fall of prices due entirely to the psychology of the people, where they expand or contract through fear? Has the gentleman something in his bill that takes care of that?

Mr. BINDERUP. Yes; and I will tell you how the Government monetary control bill controls that characteristic of human nature. I erase that psychology that is in people's minds, the fear, by making a stable, definite money system, controlled by the Government. The first thing that I would want to eliminate would be fear, which like a spark in the brain of man can be snuffed out by a slight little remark made by some influential money baron, or, as you noticed, by President Roosevelt if he makes the slightest remark that would indicate we were going to have more money in circulation, up go prices. Our whole monetary system, as at present, is governed by three things. First, selfish greed of the individual, and that is human, and then amplified by optimism or fear.

Consequently if we immediately have a safe plan and the people know definitely that there is not going to be any more secret meeting of the 12 Directors of the Federal Reserve Board, together with 40 other big bankers, things would be different. We do not know now when, or where, they are going to meet again, as they did in May 1920, or in August 1929, or again in May 1937 when the bankers met and contracted our money supply which caused the 784 commodities to fall, and they fell in the same proportion as the money was contracted. It would be unreasonable to believe that the price level of these commodities themselves, because of themselves, would fall. It is easy to understand that that one commodity in which you measure all values is the thing that changes value, and our bankers can change this value, by making our money scarce or plentiful, just as they please, entirely without restraint or without the slightest control by Government.

You ask, because it is so important, how would I eliminate that fear psychology?

I would eliminate it by eliminating fear, because I think the greatest handicap there is is fear of the bankers' tinkering with our money supply. So I would take away from the banks every power to control our money and bring that power back to the people's Congress, under the supervision of a monetary authority, an agent of Congress, with definite mandate as to just how it shall be done, and if they fail to maintain the 1926 price level of commodities, I would have them impeached.

Mr. WHITE of Idaho. Mr. Speaker, will the gentleman yield?

Mr. BINDERUP. I yield.

Mr. WHITE of Idaho. In the mechanics of creating and issuing this money, it is my understanding that the gentleman would increase the volume of money by creating new money to the extent of 4 percent a year.

Mr. BINDERUP. Yes.

Mr. WHITE of Idaho. How would that get into the channels of trade and business? Would the Government use it to pay its bills and its running expenses?

Mr. BINDERUP. That is exactly the question our friend from Michigan just asked me, how we would get that money

into circulation. I want to repeat again and again, because it is new, because it is important. It would be done just as was done recently, when the Government wires credit to the Federal Reserve banks and checks on them; and when the checks come back it balances the account with authorized Government credit on one side and checks issued by Government authority on the other side. Consequently gold and silver, as money and currency, are things of the past, except to the extent of $875,000,000 that we usually call pocket money, or change. The $26,000,000,000, or 97 percent of the Nation's circulating medium, is bank credit. The thing necessary is to have Government monetary control and to have Government credit in the 12 Federal Reserve banks in place of the banks' credit. The day of tangible money, except as pocket money, is largely past and credit has taken its place, and it is a very splendid plan, the best the world has ever had, provided it is controlled by the Government and not by private interests.

Mr. WHITE of Idaho. I assume that when the Federal Reserve banks were extended that credit, that that was followed by the issuance of gold certificates and that the Government then checked on that credit, and that it operated the same as creating new money and putting it into circulation by paying Government bills. Does it not operate that way?

Mr. BINDERUP. Yes; it operated the same.

Once more I want to repeat these fundamental principles which must never be forgotten if we are going to solve our economic problems, our monetary system. We must understand, first, 97 percent of our money is manufactured by private bankers. The 97 percent are demand bank deposits. This represents 97 percent of all the money we have in the Nation, and these bankers can increase or decrease our money supply without any control whatsoever by our Government. Today we have $23,000,000,000 of demand bank deposits; I have earlier in my talks said $26,000,000,000, which was based on earlier information, but today I am advised we have only $23,000,000,000, thus showing how uncertain our monetary system is. We do not know when the banks are taking our money supply out of circulation. We lost about $3,000,000,000 from April 1937 to date, while at the same time our money supply should be increased every year to keep up with the growth of the Nation in increased population, business expansion, and new industries.

The people do not realize the disaster created when the banks contract our money supply. For example, suppose someone should break into our Treasury or into the hole down in Kentucky, where we have our gold buried, and steal $3,000,000,000; why, the whole country would become frantic and the newspapers would spread it over their front pages for weeks and refer to it in almost every issue for years; Congress would be called into extra session and the whole world would become startled. And yet our monetary and banking system is so sly that this amount of money can be taken away from the people so quietly that no one seems to care, and remember that it is not so much the loss of the $3,000,000,000 as it is the effect it has in depreciating the value of all commodities and services. That loss of $3,000,000,000 would mean a loss of $9,000,000,000 in national income, and that would reduce values in the United States many hundred billion dollars, throw millions out of employment and set the Nation back many years.

And all this because we are so uninformed about money and cannot understand that all money is created by law and that a simple act of Congress, allowing the people to exercise their constitutional right, would bring this and any amount of money back into circulation, as money is made by Congress—by an act of Congress; for example, in 1933 we went off the gold standard, revalued gold, and like magic in 5 minutes we created $2,700,000,000, all perfectly good, as is all money made by law if controlled as to volume and velocity as provided in my bill.

I am often asked just how far banks can go in expanding our money supply. With the present gold supply the Government has, if released as a basis for reserves, and with our present monetary system banks could expand credit to approximately $300,000,000,000, or under our present program they could reduce it to a dollar, and there is no power in the hands of this Government, under present laws, to control the volume of money in circulation, nor the velocity of money. You cannot have a monetary control bill without control of volume and velocity, you cannot have a price level without these two principles included in the plan.

Naturally, of course, the bill I present to you controls. Not alone does it control the volume of money but velocity as well, both of which establishes the price level, a price level that protects the creditor—which is necessary—as well as protecting the creditor. A plan that gives to our money 100 percent velocity, moving at full speed, and without hoarding.

Mr. CRAWFORD. Mr. Speaker, will the gentleman yield?

Mr. BINDERUP. Yes; I yield with pleasure to the gentleman from Michigan.

Mr. CRAWFORD. Before going on to the subject of velocity, will the gentleman make a little clearer this thought, that the State banks, not members of the Federal Reserve System, are thereby not under the control or influence, we will say, of the Federal Reserve Board?

Mr. BINDERUP. Exactly.

Mr. CRAWFORD. And they are banks of issue.

Mr. BINDERUP. Yes.

Mr. CRAWFORD. That is, they create and expand and contract credit money.

Mr. BINDERUP. Yes.

Mr. CRAWFORD. Will the gentleman make it just a little clearer wherein we do not have control, because even if all of those on the floor understand that perfectly, the gentleman's record will be read, and the people in the country do not understand it.

Mr. BINDERUP. I thank the gentleman very much for bringing that to my attention. Perhaps I could best illustrate, or rather explain, that very thing by referring to the very first paragraph of my bill on page 3, beginning with line 3, wherein it provides that all individuals, firms, and associations or corporations in the United States, or Territories or possessions thereof, receiving deposits of money or credit or any other substitute medium of exchange shall be deemed to be commercial banks and engaged in interstate commerce, and as such are subject to Federal jurisdiction and to the monetary authority provided for in the bill.

We have at present 117 banks that refuse or neglect to send in reports. They do not belong to the Federal Reserve System, which privilege is at present optional with State banks, and are not under the jurisdiction of the Federal Reserve Board. But when we have our Government monetary control all banks will be under Federal jurisdiction, pertaining only, however, to demand deposits or the instrumentality whereby the banks are now creating our money supply by making and recalling loans, that which constitutes 97 percent of our money, as formerly referred to. In this bill all banks are under supervision, to this extent only, of our monetary authority. Independent otherwise as to their method of banking, entirely free as far as this bill goes to do business as they please or as the Federal Government or their States require. Let me repeat, this bill leaves banking exactly as it is today, except that we require banks to hold their depositors' money—that is subject to check—intact 100 percent; and the bill provides the plan whereby our Government will enable each bank to comply, so there can be no bank failures and the depositors' money will be perfectly safe.

Banks are free to make a charge for services in keeping these demand-deposit accounts; that is up to the banks themselves, but of course a natural consequence as the banks are entitled to pay for their services. Now there is nothing original, or rather this bill does not in itself establish the fact that all banks are engaged in interstate commerce, but the late decision of the Supreme Court in a parallel case this summer, the Associated Press case, definitely includes banking as interstate commerce. And it is right that banking should be thus included. The Supreme Court in the Associated Press case decided that an intangible thing such

as a message crossing State lines constituted interstate commerce and consequently an intangible thing such as credit, not to mention bank checks, crossing State lines would be similarly considered by the Court.

Credit money, meaning check money based on established credit in the bank, that is what we mean by banker-created money. The plan is fine if under Government control, but disastrous when in the control of selfish interests. In fact, no nation can live under this privately controlled monetary system without completely centralizing all wealth in the hands of the banks which create this money with a fountain pen. That is the thing that usually baffles people. That is the real material thing. As an illustration of exactly what I mean, an example, I remember a few years ago I went to my bank. I wanted to borrow a thousand dollars. I am going to give you a personal illustration, because I want to bring to you the facts of how it happens, how a bank creates money. My old banker was a great gold-standard man. We used to argue about it a great deal. On the occasion referred to I, as I had often done before, secured a loan from the bank, this time a thousand dollars. I gave the banker a mortgage on 12 brindle cows and a note, and I got in return credit on the bank's books and a checkbook; no money changed hands; that is, no currency. I now went out to create this banker-credit money. He had loaned me bank credit only, and with this checkbook I soon created $1,000 new money that would remain money until the banker called the loan.

After I had given him the mortgage on the cows I stood at the bank window for a bit and he came back and said, "Is it not all right?" I said, "Yes, I guess it is all right, but I was just trying to understand it. You talk to me so much about the gold standard, and I am wondering where the gold standard comes in. Where is the gold here? I gave you my note for $1,000 and you gave me a check book; I gave you a mortgage on 12 brindle cows and you gave me just credit on your books and said go out and check against this credit; but what bothers me is you talk about money being no good unless it is backed by 40 percent gold and I just cannot see the 40 percent gold. This money surely cannot be gold-standard money; do you not think it is what we might call brindle-cow standard money?"

No our bankers are not required to carry 40 percent reserves in gold; that is simply poppycock. The member banks of the Federal Reserve are required to carry 10 percent more notes on deposit than loans, but not gold, they are not required to carry a cent of gold and if they had the gold in their possession they would be sent to jail for having the gold. The member banks credit with the Federal Reserve bank of their district and the Federal Reserve bank is required to carry 40 percent of the 10 percent, or about 2½-percent reserve back of commercial paper.

That is, today the banks with which we deal need, themselves, keep no cash reserves at all; they need keep only credit reserves; that is, the promises of the Federal Reserve bank to furnish cash on demand. These reserves are required by law, according to the location of the bank, to be equal to at least 7 percent, 10 percent, or 13 percent of the deposits of the public in the member banks—these percentages were raised some months ago but again lowered, so that now they are about as shown here. The law also requires the Federal Reserve banks to keep a 35-percent reserve against the member bank deposits. Only this reserve—the reserve kept by the Reserve bank—must be in cash or bearer money. "Lawful money" is the statutory expression. Thus in a small town, for example, a bank with checking deposits of $100,000 must keep a reserve of 7 percent, or $7,000, all of which is deposited in the Federal Reserve bank. Behind this deposit, in turn, the latter bank must keep a 35 percent reserve, or $2,450 in actual cash. This is 2 45/100 percent cash behind $100,000 deposits held by the public, or about 2½ percent; that is, 35 percent of 7 percent.

Mr. FLETCHER. Before the gentleman goes into the other phases, will he just explain about countries where he has traveled and investigated that are using the program that he suggests to stop unemployment? It is our information that in all those countries there is tragic unemployment and depression.

Mr. BINDERUP. I would like to leave that part of my program until another day, but I am going to dwell a little on it and answer the gentleman's question. There are both kinds of countries in Europe. There are countries that have great prosperity and there are countries that are starving today.

Mr. FLETCHER. As a result of this program?

Mr. BINDERUP. As a result of a lack of monetary control and lack of sufficient money in circulation. There never was a picture more easy to present than to show you a comparison of these various countries, and why it is that one starves and another flourishes; why it was that France after the war had great prosperity, and everybody pointed to France and said, "Is it not strange, the land that suffered more than any other land has great prosperity, and others have poverty and misery?"

And then a few years after that, in 1934–35–36–37, England had prosperity and France had poverty; that is the thing I wanted to call to your attention. A later explanation of this is how money in circulation determines the economic condition of the country. There is no other cause for unemployment than the lack of monetary control; this determines employment and unemployment.

Mr. FLETCHER. The gentleman says this program alone will solve the unemployment problem. Does that take into consideration the fact that we have the middle age employment deadline, that refuses employment to those past 40 years of age?

Mr. BINDERUP. Yes; I will say to the gentleman this bill provides for a general prosperity for everyone regardless of age. It is a fact that no nation can be prosperous unless all the citizens enjoy prosperity and have a purchasing power. Purchasing power is created by the money supply. We all have too much of our own goods and cannot exchange for the goods of the other.

Mr. FLETCHER. And machines that throw men out of work?

Mr. BINDERUP. Yes; for the reason machines do not throw men out of work as a whole, machines create employment, as borne out by the statistics of the Labor Department here in Washington.

Mr. FLETCHER. Regardless of that, this program will solve that problem? Will the gentleman explain in detail how that is?

Mr. BINDERUP. I understand my reply will provoke much opposition, but nevertheless it is true. The statistics of the Labor Department show labor is increased by machinery no less than 8 percent in, I think it reads, 25 years. We know from our own observation that it is not machinery that causes unemployment, for we had the greatest period of unemployment in the year 1869, when we had Black Friday, when the Nation stood still and there was practically 100-percent unemployment.

When Gould and Fisk had cornered our money and President Grant saved the day by releasing all the money out of the Treasury in 1873—history records this as the "Crime of 1873"—there prevailed in the United States the greatest of unemployment, and yet we had no machinery to speak of in either of these years. We know that the greatest poverty reigns over the world where there is the least machinery. No, let me repeat, there never was a period of unemployment that was not directly preceded by a period of money scarcity and there never was a period of money scarcity that was not immediately followed by a period of unemployment. There is no other cause, believe me.

Mr. VOORHIS. Mr. Speaker, will the gentleman yield for a question?

Mr. BINDERUP. I yield to my friend, Mr. VOORHIS, the gentleman from California.

Mr. VOORHIS. I understood the gentleman from Ohio to have in mind that the gentleman's plan had been put into effect in certain European countries. That is not the case, is it?

Mr. BINDERUP. No; that is not the case.

Mr. FLETCHER. That was the implication from what the gentleman said.

Mr. VOORHIS. No; I think not.

Mr. BINDERUP. I beg the pardon of the gentleman from Ohio [Mr. FLETCHER], that was not the impression I wished to give.

Mr. VOORHIS. And if the gentleman will yield further?

Mr. BINDERUP. I yield.

Mr. VOORHIS. I would like to ask the gentleman a question in connection with what the gentleman from Michigan [Mr. CRAWFORD] asked. Is it not true we can illustrate the impossibility of controlling the flow of money and credit under present circumstances by comparing what happens when the Government buys bonds with what happens when it sells bonds?

Mr. BINDERUP. Exactly.

Mr. VOORHIS. If the Government sells bonds or desterilizes gold, as it recently did, the Government gets dollar for dollar from the bank on the time deposits of the bank or the total amount of gold, credit for which was desterilized.

Mr. BINDERUP. Yes; the gentleman from California is correct.

Mr. VOORHIS. After that has been done those credits which constitute reserves in the bank may be expanded as much as 6 to 1 or may not be expanded at all.

Mr. BINDERUP. Yes; or 10 to 1.

Mr. VOORHIS. Or may not be expanded at all, depending on the willingness to lend on the part of the bank and willingness to borrow on the part of the people. So that control of expansion is not in the hands of the Government.

Mr. BINDERUP. Absolutely not. And control is not in the hands of the bankers either exactly, because each bank is acting independently of the other and one bank can pull down the rest and start a panic at any time.

Mr. HILL. Will the gentleman yield?

Mr. BINDERUP. I yield to Mr. HILL, the gentleman from Washington.

Mr. HILL. How much did the gentleman say that private banks had in reserves back of the money that was issued?

Mr. BINDERUP. I said banks had from 10 percent to 14 percent, according to the class of bank but that this credit is not in gold but in commercial paper or Government bonds. I said that we had demand bank deposits today of $23,000,000,000. We did have, about 8 months ago, $26,000,000,000, but in the 1937 recession the banks decreased the money by $3,000,000,000. Mr. Eccles said we had done it after a plan, that we intended to do it, we had done it intentionally or premeditatedly, because the Federal Reserve Board feared a period of uncontrollable inflation. And I say, as the record of Uncle Sam shows, there never was a depression, or a recession, or as we used to call it, a money panic, in the United States; there never was a period of unemployment in the United States that was not caused by the banks, because they have complete control. The rest of us are absolutely at the mercy of the banks; and most especially may I add that the most drastic depressions we have had have been the last three—1920, 1929, and now, 1937—the one that is still raging, still going on.

These 3 depressions were caused completely and absolutely by the Federal Reserve Board acting in connection with the 12 Federal Reserve banks, and I have a right to say it because I have the records of 1920, 1929, and 1937, which show for themselves; and neither the Federal Reserve banks nor the Board will deny it. Pehaps I am one of the few in Washington who have the minutes of the meeting of the bankers, the 52 bankers, in 1920; and before I get through I am going to incorporate in my talks the names of these bankers who were present at that time and what these bankers said, and the resolution that was passed that caused the disastrous panic, the worst one we had, that of 1920. I am going to show you men exactly what happened at that meeting and how it was that we had the panic of 1929, and how it was that in the cooperation of Mr. Eccles, his Federal Reserve Board, and the Federal Reserve banks that we had the recession of 1937.

Mr. Eccles made a statement, and it is published in Fortune Magazine. I have a lot of respect for Mr. Eccles. I do not have anything against the bankers, I pity them. I have nothing against the members of the Board of Governors of the Federal Reserve System. We gave them a big job to do, but we did not give them the tools with which to do it.

That answers my good friend from Michigan [Mr. CRAWFORD] when he asked me whether it was not as Mr. Goldenweiser had said, because they lacked the authority to go on, which is absolutely true.

The SPEAKER. The time of the gentleman from Nebraska has expired.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to Mr. LUECKE of Michigan, for Wednesday, Thursday, and Friday, on account of official business.

DEATH OF MRS. JOHN J. COCHRAN

Mr. CANNON of Missouri. Mr. Speaker, I rise to announce with deep regret the untimely death of Mrs. Cochran, the wife of Representative COCHRAN, of Missouri, one of the best beloved women of the Missouri delegation and the House. I ask for my colleague, Mr. COCHRAN, indefinite leave of absence.

GREAT LAKES-ST. LAWRENCE SEAWAY

Mr. BEITER. Mr. Speaker, I ask unanimous consent to address the House for 5 minutes.

The SPEAKER pro tempore. Is there objection?

There was no objection.

Mr. BEITER. Mr. Speaker, the Great Lakes-St. Lawrence seaway again claims attention, for Secretary of State Hull last night offered to the Government of Canada the draft of a proposed treaty which encompasses the provisions of a deep waterway from the Great Lakes to the ocean and the production of great amounts of electric power.

The assertion that opposition to the project is that of selfish interests suggests that some facts relative to the situation may not be amiss.

Persons of responsibility have declared the proposed seaway economically unjustified; they have asserted that it would impose on the States of New York, Pennsylvania, and Massachusetts burdensome expenses of construction; officials of water transportation have repeated that they would adhere to their earlier declarations that they would not use the completed seaway; evidence shows that more than half of the power consumed in cities adjacent to Niagara Falls is produced from coal mined 200 miles away, and yet they have an average rate, excluding taxes, of 1.18 cents a kilowatt-hour.

The St. Lawrence advocates have left no stone unturned to push the treaty since its defeat in the Senate, March 14, 1934, and have brought western propagandists to Washington and to the St. Lawrence territory, circulating glib stories and giving out glowing interviews.

It is an attempt to gloss over the real facts with glittering generalities of mythical benefits to be derived from this visionary dream.

All these arguments against the seaway may be waived and there remains one indubitable fact that should condemn the project at this time—it is not a necessity; and it will be difficult to explain an unnecessary expenditure of $540,000,000 for this development to the American taxpayers.

Construction of the seaway is desired by three groups—some politicians who would benefit by the patronage it would give them; the Power Authority of the State of New York, headed by Frank P. Walsh, who is on the New York State pay roll at a salary of $75 a day and expenses, but who gives practically 100 percent of his time to lobbying activities in the Northwest advocating the St. Lawrence development, persistently misrepresenting New York State and the wishes of its people; and a portion of the Middle West that has not awakened from a dream of expected savings to the grain trade by the seaway, which cannot materialize because of rapidly diminishing exports.

In February 1935, and again very recently, Premier Mitchell F. Hepburn, of Ontario, said:

We do not need another avenue of transportation. We have an acute railroad problem. Here in Canada we are paying $1,000,000 a week to make up the deficit of the Canadian National Railway. In the second place, we do not need any more power, production of which is given as one of the chief reasons for the projects. In other words, to build the seaway would be an unnecessary waste of money, which we cannot afford. The Hudson Bay Railroad was built on propaganda and it was a failure. Ontario will not approve of any such scheme for the St. Lawrence.

The Canadian railroad situation is no more acute than that facing our own rails. The seaway would not merely add to their troubles; it would mean ruination for what was once one of America's thriving industries.

Mr. Speaker, in Mr. Hepburn's statement there is no suggestion that the Canadian Government will yield in this matter, that they will withdraw objections previously declared to the St. Lawrence Treaty.

If the seaway is built, its cost will be paid by men and women who can least afford to pay for it. Those who seek to put the seaway project through, and not those who oppose the scheme, may be accused of selfishness in striving to lay on the backs of an already overtaxed people a still heavier load so that there may be created more material for construction and repair of political fences.

Mr. MEAD. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York.

There was no objection.

Mr. MEAD. Mr. Speaker, the passage today of the so-called food and drug bill (S. 5) completes a reform of the food and drug legislation which was recommended to the Congress several years ago.

While every Member favors the proper protection of the health and well-being of our people, there were Members, including myself, who were critical of the manner in which this measure was originally presented to the committee.

It is true that more effective provisions against abuses of consumer welfare were necessary, because of the deficiencies in the Food and Drug Act of June 30, 1906, as amended. The original act, as well as the amendments adopted from time to time, was highly beneficial, as experience proves. The manufacture and distribution of cosmetics, therapeutic devices, and certain drugs not now within the provisions of the old law present compelling reasons for the necessity of this new proposal.

I agree thoroughly with the objectives of this legislation. The adulteration and misbranding of cosmetics should be prohibited. Therapeutic devices should be brought under proper control. Drugs advanced as remedies for underweight or overweight, or which otherwise affect the structure or function of the body, should be subject to reasonable authority. The testing of new drugs, for the protection of the public, before they are placed on the market is a proper prerogative of government. Requiring sanitation in the production of foods, drugs, and cosmetics is a reasonable demand. The regulation of foods and certain combinations of foods in the interest of safeguarding the public health comes naturally within the provisions of a bill of this character. The labeling of drugs, setting forth their contents, warning against their improper use, and other similar and helpful information, is a wholesome requirement included in this legislation.

I favor and have always favored the enactment of this legislation. I voted for it on several occasions. My only regret is that the provisions contained in this bill were not passed years ago and as quickly as the need for Federal authority became apparent.

In the future I trust the Department will keep the committee advised and informed from time to time of the need of added amendments, so that it will not be necessary to take up an omnibus bill covering the full width and scope of the entire subject.

Ever since the enactment of the original legislation sponsored by Dr. Wiley, the work of the personnel of the food and drug section of the Department of Agriculture has been praiseworthy, and their contribution to the well-being of our people is deserving of our highest commendation.

Our committee, together with its chairman, the distinguished gentleman from California [Mr. LEA], likewise merit the felicitations of the membership of the House for their contribution in the safeguarding and the protecting of the public health. In the enactment of this legislation they have given consideration to the proper functions of the Federal agencies involved, as they have also given consideration to the professions and industries affected, and, above all, to the public weal.

WHAT FARMERS WANT TO KNOW

Mr. FLETCHER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. FLETCHER. Mr. Speaker, I have received a number of inquiries from the farmers of my State and from some of the other States who seem to be confused in regard to the application of the Agricultural Adjustment Act. I have taken questions from these letters and in this speech I shall answer them as follows:

FACTS FOR FARMERS WHO WANT THE TRUTH

First question. Is the farm program of the Agricultural Adjustment Administration a program of scarcity?

The answer: No; the farm program of the Agricultural Adjustment Administration offers a program not of scarcity but of greater abundance for the United States than has existed in the past without the program.

In the past when large surpluses of corn and other feed grains piled up, the farmers had no way to hold them over for a poor crop year when they would be needed.

The corn surpluses drove corn prices down. Then farmers fed as much corn to livestock as they had livestock to hold it. That created larger supplies of livestock, and farmers got ruinous prices for their hogs and cattle.

Then a year of poor growing weather inevitably came along. The surpluses had been largely used up by feeding more livestock than the market would take at a fair price.

Farmers did not have enough corn in reserve from the surplus years to hold their livestock, and then they were forced to sell them at a sacrifice.

They had to sell their feeders at light weights and dispose of their valuable breeding stock because they did not have enough feed for them.

The result was a year or 2 years of short meat supplies and high meat prices until finally good crop-growing weather came again, and farmers could again build up their feed supplies and livestock herds.

The new Farm Act can be expected to increase these reserves against short feed supplies. The corn allotments provide for about twice as large reserves as carry-overs in the past. This means greater protection against short livestock and meat supplies.

The more stable farm prices under the new farm program should also decrease the incentive for farmers to expand feeding operations rapidly for a year or two and then drop out entirely. That is what ruins the real, dependable livestock feeders.

WHAT ABOUT PROTECTION FOR CONSUMERS?

Second question: Is there any protection for consumers in the farm program?

The answer: Yes; the 1938 Farm Act has very definite provisions to protect the consuming public.

Acreage allotments must provide for all domestic needs, probable exports, and in addition larger reserves than we have had in the past.

Any voluntary control over acreage is definitely limited to any surplus above these three requirements which might destroy the farmers' purchasing power.

No other industry begins to approach the degree of consumer protection which we have stated in the Farm Act.

Most industries curtail production whenever prices start to decline. They usually display very little interest either in the needs of the consumer for goods or their own employees for work.

The Farm Act furnishes insurance of adequate domestic supplies. Only in preventing unwarranted and unmanageable surpluses is there any limitation on supplies to maintain decent prices. This is as it should be.

All fair-minded farmers realize that their farm program can be justified only as it definitely contributes to the prosperity of the Nation.

The most short-sighted thing in the world would be to attempt to raise prices by curtailing production to the extent that there would not be an adequate supply of food. The Farm Act does just the opposite. It provides real insurance of adequate supplies.

WHAT IS THIS REGIMENTING THE POLITICIANS ARE YELLING ABOUT?

Third question: Is the farmer regimented by the farm program?

The answer: No; there is nothing compulsory about this program, and there is no regimentation. Its success depends largely on the mutual good will and confidence of the farmers in their own elected township and county committeemen.

Congress has provided the mechanism and the money by which farmers themselves, by cooperating together with the assistance of the Federal Government, can work out their own economic problems.

The administration and the leadership of this program is in the hands of the farmers themselves.

This program is built from the ground up and affords opportunity for farmers to make their wishes known through their own locally elected committeemen.

It is not an attempt to superimpose a program from the top down based on any arbitrary rules or regulations.

All sections of the country depend on the maintenance of the farmers' purchasing power.

This purchasing power is maintained when the farmer has something to sell and receives a decent price for his production. Corn, wheat, and cotton loans are a partial insurance of a decent price. Crop insurance assures the farmer of something to sell.

The initial effect of the voluntary adjustment program is to prevent the creation of unneeded price-depressing surpluses. In the long run it helps to prevent the operation of forces which might create a real food shortage in this country.

Neither Congress nor the Department of Agriculture is forcing anything on the farmer. On the other hand, they are offering him the greatest opportunity he has ever had for economic self-government.

The success of the farm program will depend upon the extent to which farmers recognize these opportunities and accept the responsibilities for their own economic needs.

The issue is clear-cut. The farmers can do their own thinking and work out their own program. Or they can let someone else do it for them and suffer the coercion brought about by low prices.

The present farm program is entirely voluntary, and farmers can keep it voluntary.

SHOULD THE FARMER PRODUCE MORE THAN HE CAN SELL?

Fourth question. Why could not consumption in this country be increased enough to use everything farmers could produce?

The answer. Farmers are a large scattered group that in the past has been unable to do anything but keep on producing to the limit, regardless of demand or price.

Industry, on the other hand, has been concentrated and organized. It has been able to deal effectively both with the volume of output and prices.

Would the people who are in favor of unlimited production by farmers advocate compulsory production for industry?

Would they force industry to manufacture hundreds of thousands of automobiles every year that could not be sold at any price?

Would they insist that industry fill hundreds of city blocks with new automobiles and hundreds of acres of land with new farm machinery that no one could buy for lack of money?

Some people will have to be taken care of by relief agencies until they can be gainfully employed by industry. They could not purchase the kind and amount of food recommended for a high standard of living if farm prices were cut 75 percent. Such a cut would, of course, wipe out farm buying power and bankrupt the farmer.

Agriculture must have prices comparable with the prices and wages of industry. Then and then only can agriculture and industry move together toward greater stability and higher standards of living in this country.

WHAT ABOUT MARKETING QUOTAS ON CORN?

Fifth question: How often in the past would we have had marketing quotas on corn under the present Farm Act?

The answer: First, no referendum on corn-storage quotas can ever be held unless the supply of corn is so large that low corn prices are threatened. Then quotas cannot go into effect without a 2 to 1 favorable vote by the farmers affected.

This year the marketing quota level is over 2,800,000,000 bushels. In previous years it would have been a larger figure because livestock numbers were much greater.

Since 1909 there have been only 4 years when a referendum on marketing quotas could have been held under the provisions in the Farm Act. Those years are 1910, 1920, 1921, and 1932.

In 1910 the average price received by farmers for their corn was 51.6 cents.

In 1920 the price dropped from $1.51 to 61.8 cents, and in 1921 it fell further to 52.3 cents.

In 1932 the average price was 31.9 cents.

Thousands of bushels of corn were sold in 1932 for 7 to 8 cents a bushel, and hundreds of farmers in the Corn Belt could not sell their corn at any price. Corn was used for fuel because it was cheaper than coal.

Thus, it can be seen readily that marketing quotas on corn are purely an emergency measure. They are designed for use only when a serious need for them exists.

In these emergency surplus years it would be bad business for the Government to make any price-supporting loans on corn. The use of marketing quotas would make it possible for the Government to put a bottom under corn prices with substantial corn loans.

HOW WILL EXCESS CORN CROP IN CERTAIN AREAS BE HANDLED?

Sixth question. If a county not in the commercial corn-producing area in 1938 greatly increases its corn production, what will be done about it?

The answer. The Farm Act provides for a new survey every year to determine what counties will be commercial corn-producing counties.

If any county anywhere in the United States has a 10-year average production of 450 bushels of corn per farm and 4 bushels of corn per acre of farm land, it will be included in the commercial corn area. Then the farms in the county would have corn-acreage allotments.

They would also be subject to corn-storage quotas if the supply reached more than 10 percent above normal and farmers voted to store part of their corn under marketing quotas.

Other counties bordering upon these counties are included in the commercial corn-producing area if any townships produce 450 bushels per farm and 4 bushels per acre of farm land.

In this manner the Farm Act provides for adjustments every year in line with corn-production trends throughout the country. The commercial corn area cannot be frozen to cover certain counties if other areas increase production.

CAN EVERYBODY VOTE?

Seventh question. Who is eligible to vote in the referendum on corn-marketing quotas?

The answer. If the marketing-quota level is reached, then every farmer in the commercial corn area who would be subject to marketing quotas would be eligible to vote.

Small farmers normally producing less than 300 bushels of corn on the acreage planted in the year of the referendum would not be subject to the quotas, and therefore would not have a vote.

Farmers would be eligible to vote regardless of whether they voluntarily stayed within their corn allotments or exceeded them and regardless of whether they received any conservation payments.

IS PARTICIPATION ENTIRELY VOLUNTARY?

Eighth question. How often in the future can we expect to have corn-marketing quotas?

The answer. In the first place, marketing quotas on corn can never go into effect unless voted by a 2-to-1 majority of the farmers who cast ballots in the referendum.

Second, no referendum can ever be held unless the supply of corn exceeds the high marketing quota level, which this year is more than 2,800,000,000 bushels.

Under the Farm Act the corn-acreage allotments aim to avoid the emergency that would bring about a need for marketing quotas.

Participation in the acreage allotments is entirely voluntary. Thus, there are only two ways that corn supplies can reach the marketing-quota level: First, if too many farmers plant a good deal more corn than their acreage allotments provide for; second, if crop-growing conditions are exceptionally good and yields exceptionally high in a large part of the country.

With 75 or 80 percent of the farmers coming into the voluntary-acreage program, the corn-marketing-quota level would not be reached oftener than once every 5 or 10 years on the average.

WHAT IF A FARMER DOES NOT WANT TO COOPERATE?

Ninth question: Who would be subject to corn-marketing quotas?

The answer: First, no marketing quotas can be put into effect unless the supply of corn exceeds a hugh-surplus level—this year over 2,800,000,000 bushels. Then, they cannot be put into effect unless two-thirds of the farmers voting in the referendum favor the use of marketing quotas.

Marketing quotas would apply in exactly the same manner in all counties in the commercial corn area. They would not apply outside the area.

No marketing quota would apply to any farm on which the normal production on the acreage planted in that particular year was less than 300 bushels of corn.

If a storage amount of less than 100 bushels was calculated for the farm, the producer would not have to store any corn.

If a farmer planted less than his corn-acreage allotment—not more than the marketing percentage of his allotment—he would have no storage amount in a marketing-quota year.

All other farmers in the commercial corn-producing area would either have to put a small percentage of their corn in storage for a year or pay a penalty of 15 cents per bushel upon that amount.

It makes no difference whether a farmer takes part voluntarily in the conservation program, or exceeds his acreage allotments, or receives any A. A. A. payments. He will be eligible to vote if his production would bring him under marketing quotas and if he lives in a commercial county. He will have a vote regardless of any nonparticipation in the voluntary A. A. A. programs.

HOW ABOUT IMPORTS?

Tenth question: Is it true that we cut down on production of farm products and then import products from abroad?

The answer: The amount of imports of farm products into this country is small. Exports of farm products have been large since last summer, much to the benefit of our farmers.

The farm program cannot, under the 1938 Farm Act, cut acreage of farm crops below the amounts needed for domestic consumption, for exports, and for large ever-normal granary reserves.

Bad weather conditions, however, cannot be prevented. In 1934 and 1936 the two worst droughts in history hit in rapid succession.

The farm programs increased the amounts of reserve supplies and emergency crops for livestock feeds, but still there was not enough.

Feed supplies were short and prices rapidly rose far above the prices in other countries. Then feed grains grown in other countries were sold in the United States after paying the full tariff.

Farmers in this country were receiving high prices for their grains. Dairy, livestock, and poultry farmers needed more feeds than drought weather had produced. These farmers needed imports even though the imports were only a small percentage of the domestic production.

The new farm act will minimize the need for imports, even in the most severe drought year. It will do this through the ever-normal granary.

The acreage allotments will encourage farmers to produce crops large enough to double the reserve supplies of wheat and corn.

The crop loans will help them store these reserves on their own farms for use in any year that crop-growing conditions are poor. In this way the new farm act can be expected to decrease the imports of farm products into this country and diminish the need of dairy, livestock, and poultry farmers for any imports.

Eleventh question: How large are the imports of farm products into this country?

The answer: The imports of farm products into the United States are negligible. Much larger quantities of farm products are being sold by American farmers to foreign countries.

From November 1, 1937, to April 30, 1938, only 529,000 bushels of corn were imported into this country, while 64,844,000 bushels were exported during the same period; more than a 64,000,000 gain for our farmers.

From July 1, 1937, to April 30, 1938, only 696,000 bushels of wheat were imported into this country, while 76,159,000 bushels were exported during the same period, a gain of more than 75,000,000 for our farmers.

WHAT ABOUT TARIFFS?

Twelfth question: Does the Government reduce the tariffs on farm products at the same time it is trying to raise the prices for them?

The answer: Of 23 farm commodities cited by opponents of the tariff and farm policies of the Government, the tariff has been reduced on only 3. These reductions have been restricted so completely that they have in no way reduced the incomes of farmers in this country.

In every respect practically all farm products imported into the United States must pay exactly the same tariff rates as they did before the New Deal.

The farm program aims to establish an effective balance between the prices of industry and the prices of agriculture. It aims to build up reserves for use in this country and thereby reduce the need for any imports.

Besides that, it is designed to encourage production of all supplies of farm products that can be exported at a decent price.

The reciprocal-trade-agreements program is doing the other half of the job by opening up larger foreign markets for our farm products.

The two work hand in hand to bring better farm incomes by increasing exports of farm products on a permanent basis.

WHAT BETTER PLAN DO YOU SUGGEST?

Thirteenth question: Why do not the politicians and knockers who are criticizing this program to help the farmers make more money offer something better or else stop knocking and give the farmers a chance to make money under this plan?

The answer: Well it just seems to be natural for some people to criticize and block the efforts of those who are trying

to do everything possible to help the farmer make more money, but when you ask these critics for their plan, they usually run to cover or admit they have no plan to offer. Most of the critics do not even go to the trouble to investigate and get the true facts about the program they are criticizing. They just take somebody's word for it, listen to the political gossips and the wild rumors that are being spread about by the propagandist, and, of course, fail to get the facts.

In any event the present plan can be changed or discarded altogether if the farmers do not want it and most vital of all is the fact that it is entirely a voluntary program and not compulsory as it has been misrepresented to be.

Every informed and fair-minded person will admit that cooperation and working together will help to bring greater prosperity for the farmer everywhere throughout the Nation. And if your question is not answered here, write to me, state your question, and I shall do my very best to give you an answer to your question in accordance with the facts as I understand them.

ENDORSED BY REPUBLICANS FROM WHEAT SECTION AND CORN BELT

Farmers who raise wheat will be interested in knowing that the gentleman from Kansas [Mr. HOPE], who represents one of the greatest wheat sections of the Nation, has been a leader in behalf of this legislation to help the farmers.

The gentleman from Kansas [Mr. HOPE] is one of the most highly esteemed Republican Members of the House. Because of his wide experience in agricultural legislation as a member of the Agriculture Committee of the House, his opinion is highly regarded by every Member of Congress.

Wheat farmers well know that when Republican Members of Congress like Mr. HOPE approve of the legislation we are discussing here, then they may well feel assured that it was enacted for the purpose of bringing greater prosperity to the farmers and is not the kind of legislation some of the critics are trying so hard to make you believe it is.

WHAT LEADING REPUBLICAN FROM CORN BELT SAYS

One of the most eloquent and convincing speeches made at this session of Congress in behalf of this Farm Act was delivered by the gentleman from Iowa [Mr. GILCHRIST], Republican member of the House Committee on Agriculture.

Mr. GILCHRIST represents the greatest corn-growing section of this or any other country in the world. Because of his ability and sincerity as one of the best-informed spokesmen for agriculture in either branch of Congress, Mr. GILCHRIST is respected by both Democrats and Republicans alike. The farmers of the country are fortunate in having as their representative on the House Committee on Agriculture a man from the heart of the Corn Belt, who possesses the ability and courage to speak as Mr. GILCHRIST did in his address to the House May 20. Speaking as a Republican member of the Agriculture Committee and as the Representative of the greatest corn-growing section of the Nation, Mr. GILCHRIST said:

> Many idle things have been said about this Farm Act. In his speech the other day the gentleman from Minnesota [Mr. ANDRESEN], spoke about compulsion. He repeated that at least 50 times and 7 or 8 times on every page. In making such statements he was lacking in candor. I would not say that he was guilty of false representation, but I do say that there has been more misrepresentation and more false statements made in public about this Farm Act than any act that I ever knew about.
>
> Now, the fact is that you can raise all the corn you want to raise under this act. Nobody can object to it and nobody is trying to.
>
> If you own a quarter section of land you have the right under this act to produce and raise 160 acres of corn and nobody can stop you or put one penny of penalty for doing it.
>
> What is all this talk about crop-production control? There is none.

Then Mr. GILCHRIST, the distinguished Republican Member from Iowa, challenged the gentleman from Minnesota [Mr. ANDRESEN], by saying:

> I will give the gentleman any amount of money if he will answer the question without equivocation and point out the section or the paragraph of the act that says that a farmer cannot raise all the corn he wants to.

The above statements are direct quotations from the able speech made by the distinguished Republican Congressman from Iowa, Mr. GILCHRIST, member of the House Agriculture Committee. You will find his convincing speech on page 7205 May 20 issue of the CONGRESSIONAL RECORD. Every farmer who wants to know the truth should read Mr. GILCHRIST'S speech.

DO NOT LET THEM FOOL YOU, MR. FARMER—INSIST ON THE FACTS

Watch out for the troublemakers, paid propagandists, self-seeking politicians who are out to wreck the farm program by throwing stink bombs of misrepresentation and confusion.

Ask the critics, troublemakers, knockers, and the politicians with an ax to grind if they have any better plan and make them tell you what it is. They will try to evade you and side-step when you ask them that question, because they have not any plan. What they are after is your vote, Mr. Farmer. Do not let them fool you.

Mr. RICH. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

Mr. RICH. I may say to my colleague that I can justify any vote of mine to exceed the Budget of the President of the United States. I would remind you further that the Budget officer of the United States has jumped up his Budget time after time many, many times. When I voted to exceed the Budget it was for rural electrification and was requested by the department for some particular purpose, it was to earmark the money so that the Members of Congress may say how the money is going to be spent, for I do not want it all to be in the hands of the President of the United States. I tell you right here and now I will never be one to put all my confidence in him because my confidence has been so shaken I cannot. I have one of the best records in Congress in voting to save the taxpayers' money from being frittered away in worthless, nonsensical projects. I want sound expenditure of Government funds.

[Here the gavel fell.]

SENATE ENROLLED BILL SIGNED

The SPEAKER announced his signature to an enrolled bill of the Senate of the following title:

S. 3843. An act to remove certain inequitable requirements for eligibility for detail as a member of the General Staff Corps.

JOINT RESOLUTIONS PRESENTED TO THE PRESIDENT

Mr. PARSONS, from the Committee on Enrolled Bills, reported that that committee did on this day present to the President, for his approval, joint resolutions of the House of the following titles:

H. J. Res. 687. Joint resolution to amend title VI of the District of Columbia Revenue Act of 1937; and

H. J. Res. 693. Joint resolution making an appropriation to aid in defraying expenses of the observance of the seventy-fifth anniversary of the Battle of Gettysburg.

ADJOURNMENT

Mr. HOUSTON. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 4 o'clock and 5 minutes p. m.) the House adjourned until tomorrow, Thursday, June 2, 1938, at 12 o'clock noon.

COMMITTEE HEARINGS

COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE

There will be a meeting of the Committee on Interstate and Foreign Commerce at 10 a. m. Thursday, June 2, 1938. Business to be considered: Hearings on H. R. 10127, railroad unemployment insurance; hearings on H. R. 10620, entitled "To remove existing reductions in compensation for transportation of Government property and troops incident to railroad land grants."

There will be a meeting of a subcommittee of the Committee on Interstate and Foreign Commerce at 10 a. m. Saturday, June 4, 1938. Business to be considered: Continuation of hearing on H. R. 4358, train dispatchers.

There will be a subcommittee meeting of the Committee on Interstate and Foreign Commerce at 10 a. m. Monday, June 6, 1938. Business to be considered: Continuation of hearing on H. R. 10348, foreign radio-telegraph communication.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1410. A letter from the Archivist of the United States, transmitting lists of papers, consisting of 1,177 items, among the archives and records of the Department of the Treasury which the Department has recommended should be destroyed or otherwise disposed of; to the Committee on the Disposition of Executive Papers.

1411. A letter from the Archivist of the United States, transmitting a list of papers among the archives and records of the Department of Agriculture which the Department has recommended should be destroyed or otherwise disposed of; to the Committee on the Disposition of Executive Papers.

1412. A letter from the Archivist of the United States, transmitting a list of papers, consisting of 91 items, from the Department of Labor, which the Department has recommended should be destroyed or otherwise disposed of; to the Committee on the Disposition of Executive Papers.

1413. A letter from the Archivist of the United States, transmitting a list of papers, consisting of 54 items, among the archives and records of the Veterans' Administration, which the Administrator has recommended be destroyed or otherwise disposed of; to the Committee on the Disposition of Executive Papers.

1414. A letter from the Archivist of the United States, transmitting a list of papers consisting of five items, heretofore transferred to The National Archives by Executive Order No. 6060 which are to be destroyed or otherwise disposed of; to the Committee on the Disposition of Executive Papers.

1415. A letter from the Chairman, Jefferson Memorial Commission, transmitting a report and recommendations upon location, plan, and design for a memorial in the city of Washington, D. C., in accordance with the act of Congress, creating the Commission, approved June 26, 1934 (H. Doc. No. 699); to the Committee on the Library and ordered to be printed, with illustrations.

1416. A letter from the Chief Clerk of the Court of Claims of the United States, Washington, D. C., transmitting certified copies of the special findings of the court of February 3, additional findings of fact on accounting, decided June 7, 1937, and a motion for a new trial, decided May 31, 1938, in the case of *Lester P. Barlow* v. *The United States*, No. H–272, which case was referred to this court by a special act of Congress; to the Committee on War Claims.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. O'CONNOR of New York: Committee on Rules. House Resolution 514. Resolution providing for the consideration of H. R. 10663, a bill to amend the United States Housing Act of 1937; with amendment (Rept. No. 2525). Referred to the House Calendar.

Mr. O'CONNOR of New York: Committee on Rules. House Resolution 291. Resolution providing for the appointment of a special committee of the House of Representatives to investigate the campaign expenditures of the various candidates for the House of Representatives and for other purposes; with amendment (Rept. No. 2526). Referred to the House Calendar.

Mr. TOWEY: Committee on the Judiciary. House Joint Resolution 699. Joint resolution to amend sections 101, 102, 103, and 104 of the Revised Statutes of the United States relating to congressional investigations; without amendment (Rept. No. 2533). Referred to the House Calendar.

Mr. O'BRIEN of Michigan: Committee on the Judiciary. S. 3417. An act for the relief of the State of Wyoming; without amendment (Rept. No. 2534). Referred to the Committee of the Whole House on the state of the Union.

Mr. KELLER: Committee on the Library. House Joint Resolution 703. Joint resolution to authorize the acceptance of title to the dwelling house and property, the former residence of the late Justice Oliver Wendell Holmes, located at 1720 Eye Street, NW., in the District of Columbia, and for other purposes; without amendment (Rept. No. 2560). Referred to the Committee of the Whole House on the state of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. RANDOLPH: Committee on the District of Columbia. H. R. 10326. A bill to authorize and direct the Commissioners of the District of Columbia to set aside the trial-board conviction of Policemen David R. Thompson and Ralph S. Warner and their resultant dismissal, and to reinstate David R. Thompson and Ralph S. Warner to their former positions as members of the Metropolitan Police Department; without amendment (Rept. No. 2527). Referred to the Committee of the Whole House.

Mr. WOOD: Committee on War Claims. S. 931. An act for the relief of the widow of the late William J. Cocke; without amendment (Rept. No. 2528). Referred to the Committee of the Whole House.

Mr. BEITER: Committee on War Claims. S. 3005. An act to confer jurisdiction on the Court of Claims to hear and determine the claim of the A. C. Messler Co.; without amendment (Rept. No. 2529). Referred to the Committee of the Whole House.

Mr. O'MALLEY: Committee on War Claims. H. R. 3961. A bill for the relief of the estate of Benjamin A. Pillsbury (William J. Pillsbury, executor); without amendment (Rept. No. 2530). Referred to the Committee of the Whole House.

Mr. BEITER: Committee on War Claims. H. R. 8753. A bill for the relief of the Choctaw Cotton Oil Co., of Ada, Okla.; without amendment (Rept. No. 2531). Referred to the Committee of the Whole House.

Mr. O'MALLEY: Committee on War Claims. H. R. 7293. A bill for the relief of the estate of John B. Brack; with amendment (Rept. No. 2532). Referred to the Committee of the Whole House.

Mr. CASE of South Dakota: Committee on Claims. H. R. 342. A bill for the relief of Ward Bell; with amendment (Rept. No. 2537). Referred to the Committee of the Whole House.

Mr. CASE of South Dakota: Committee on Claims. H. R. 347. A bill for the relief of W. Glenn Larmonth; with amendment (Rept. No. 2538). Referred to the Committee of the Whole House.

Mr. RAMSPECK: Committee on Claims. H. R. 7818. A bill for the relief of Luke A. Westenberger; with amendment (Rept. No. 2539). Referred to the Committee of the Whole House.

Mr. ATKINSON: Committee on Claims. H. R. 7966. A bill for the relief of Capt. James L. Alverson; with amendment (Rept. No. 2540). Referred to the Committee of the Whole House.

Mr. EBERHARTER: Committee on Claims. H. R. 8098. A bill conferring jurisdiction upon the Court of Claims to hear, determine, and render judgment upon the claims of Edward Forbes, and others, as set out therein; with amendment (Rept. No. 2541). Referred to the Committee of the Whole House.

Mr. RAMSPECK: Committee on Claims. H. R. 8401. A bill for the relief of Stanley Mercuri; with amendment (Rept. No. 2542). Referred to the Committee of the Whole House.

Mr. KENNEDY of Maryland: Committee on Claims. S. 213. An act for the relief of Ida A. Gunderson; with amendment (Rept. No. 2543). Referred to the Committee of the Whole House.

Mr. KENNEDY of Maryland: Committee on Claims. S. 375. An act for the relief of Mrs. John Olson; with amendment (Rept. No. 2544). Referred to the Committee of the Whole House.

Mr. KENNEDY of Maryland: Committee on Claims. S. 2052. An act for the relief of Henry E. Reents; with amendment (Rept. 2545). Referred to the Committee of the Whole House.

Mr. KENNEDY of Maryland: Committee on Claims. S. 2072. An act for the relief of Stuart C. Peterson; with amendment (Rept. No. 2546). Referred to the Committee of the Whole House.

Mr. KENNEDY of Maryland: Committee on Claims. S. 2437. An act for the relief of Oscar Jones; with amendment (Rept. No. 2547). Referred to the Committee of the Whole House.

Mr. KENNEDY of Maryland: Committee on Claims. S. 2994. An act for the relief of Mrs. Morgan R. Butler; with amendment (Rept. No. 2548). Referred to the Committee of the Whole House.

Mr. KENNEDY of Maryland: Committee on Claims. S. 3031. An act for the relief of the Lima Locomotive Works, Inc.; with amendment (Rept. No. 2549). Referred to the Committee of the Whole House.

Mr. LESINSKI: Committee on Immigration and Naturalization. H. R. 10083. A bill for the relief of Salvatore Spagnuolo; without amendment (Rept. No. 2550). Referred to the Committee of the Whole House.

Mr. SIMPSON: Committee on Immigration and Naturalization. H. R. 10627. A bill for the relief of Mike Kotis; without amendment (Rept. 2551). Referred to the Committee of the Whole House.

Mr. RAMSPECK: Committee on Claims. Senate Joint Resolution 114. Joint resolution for the relief of certain persons who suffered damages occasioned by the establishment and operation of the Aberdeen Proving Ground; with amendment (Rept. No. 2552). Referred to the Committee of the Whole House.

Mr. LESINSKI: Committee on Immigration and Naturalization. H. R. 10806. A bill for the relief of sundry aliens; without amendment (Rept. No. 2553). Referred to the Committee of the Whole House.

Mr. LESINSKI: Committee on Immigration and Naturalization. H. R. 10807. A bill for the relief of sundry aliens; without amendment (Rept. No. 2554). Referred to the Committee of the Whole House.

Mr. LESINSKI: Committee on Immigration and Naturalization. H. R. 10808. A bill for the relief of sundry aliens; without amendment (Rept. No. 2555). Referred to the Committee of the Whole House.

Mr. SIMPSON: Committee on Immigration and Naturalization. H. R. 10809. A bill for the relief of sundry aliens; without amendment (Rept. No. 2556). Referred to the Committee of the Whole House.

Mr. SIMPSON: Committee on Immigration and Naturalization. H. R. 10810. A bill for the relief of sundry aliens; without amendment (Rept. No. 2557). Referred to the Committee of the Whole House.

Mr. SIMPSON: Committee on Immigration and Naturalization. H. R. 10811. A bill for the relief of sundry aliens; without amendment (Rept. No. 2558). Referred to the Committee of the Whole House.

Mr. ROCKEFELLER: Committee on Immigration and Naturalization. H. R. 10812. A bill for the relief of sundry aliens; without amendment (Rept. No. 2559). Referred to the Committee of the Whole House.

CHANGE OF REFERENCE

Under clause 2 of rule XXII, the Committee on World War Veterans' Legislation was discharged from the consideration of the bill (H. R. 10182) granting a pension to D. F. MacMartin, and the same was referred to the Committee on Pensions.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. MAY (by request): A bill (H. R. 10798) to extend the benefits of the United States Employees' Compensation Act to members of the Officers' Reserve Corps and of the Enlisted Reserve Corps of the Army, who are physically injured in line of duty while performing active duty or engaged in authorized training, and for other purposes; to the Committee on Military Affairs.

By Mr. PHILLIPS: A bill (H. R. 10799) making appropriations for a planetarium as a memorial to Thomas Jefferson; to the Committee on Appropriations.

Also, a bill (H. R. 10800) to authorize the erection and maintenance of a planetarium as a memorial to Thomas Jefferson; to the Committee on Naval Affairs.

By Mr. LEWIS of Colorado: Resolution (H. Res. 515) authorizing an appropriation of not to exceed $20,000 for the expenses of the select committee appointed under House Resolution 291; to the Committee on Accounts.

By Mr. PHILLIPS: Resolution (H. Res. 516) to investigate all leases and purchases of naval petroleum reserves No. 1 and No. 2, Kern County, Calif.; to the Committee on Rules.

By Mr. CROWE: Concurrent resolution (H. Con. Res. 53) providing for the appointment of a committee of Senators and Representatives to participate in the one hundredth anniversary of the birth of the late John Hay, and for other purposes; to the Committee on the Library.

By Mr. FULMER: Concurrent resolution (H. Con. Res. 54) to establish a Joint Committee on Forestry; to the Committee on Rules.

MEMORIALS

Under clause 3 of rule XXII, memorials were presented and referred as follows:

By the SPEAKER: Memorial of the Legislature of the State of Louisiana, memorializing the President and the Congress of the United States to consider their resolution dated May 24, 1938, with reference to House bill 10340 and Senate bill 419, with reference to general welfare; to the Committee on Education.

Also, memorial of the Legislature of the State of Louisiana, memorializing the President and the Congress of the United States to consider their Resolution No. 6, dated May 17, 1938, with reference to public welfare; to the Committee on Ways and Means.

Also, memorial of the Legislature of the State of Louisiana, memorializing the President and the Congress of the United States to consider their Resolution No. 7, dated May 19, 1938, with reference to Federal aid for social security; to the Committee on Ways and Means.

Also, memorial of the Legislature of the State of Louisiana, memorializing the President and the Congress of the United States to consider their Resolution No. 4, dated May 10, 1938, with reference to National Youth Administration; to the Committee on Education.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BEITER: A bill (H. R. 10801) to carry out the findings of the Court of Claims in the case of *Lester P. Barlow* v. *The United States;* to the Committee on War Claims.

By Mr. FLETCHER: A bill (H. R. 10802) for the relief of Paul G. Wynn; to the Committee on Military Affairs.

By Mr. LUCKEY of Nebraska: A bill (H. R. 10803) granting an increase of pension to Angeline Raper; to the Committee on Invalid Pensions.

By Mr. RAMSPECK: A bill (H. R. 10804) authorizing the Secretary of War to bestow the Silver Star upon Charles H. Drayton, William J. Cordes, James D. DeLoache, Jr., Hulon G. Campbell, Eric B. Logan, Frank A. Gibson, George W. Drake, Henry T. Boman, Luther M. Kiger, Ellis F. Dikeman,

George R. Brock, William J. Smith, Charles C. Ingram, and Merrill S. Brown; to the Committee on Military Affairs.

By Mr. VOORHIS: A bill (H. R. 10805) for the relief of Edna Frances Muldoon; to the Committee on Claims.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

5279. By Mr. BARRY: Resolution of the Jackson Heights Merchants' Association, Inc., protesting against any act by subversive forces, which tends to destroy American ideals of freedom of worship, freedom of speech, and freedom of action; to the Committee on the Judiciary.

5280. By the SPEAKER: Petition of the Board of Supervisors of the city and county of Honolulu, petitioning consideration of their Resolution No. 396 with No. 377 with reference to Works Progress Administration; to the Committee on the Territories.

5281. Also, petition of the New Orleans Association of Commerce, New Orleans, petitioning consideration of their resolution dated May 13, 1938, with reference to the feasibility of constructing a large auditorium in the city of Washington, D. C.; to the Committee on the District of Columbia.

5282. Also, petition of the Board of County Commissioners of St. Louis County, State of Minnesota, petitioning consideration of their resolution dated May 24, 1938, with reference to House bill 4199, known as the General Welfare Act; to the Committee on Ways and Means.

5283. Also, petition of the Board of Supervisors of the County of Riverside, State of California, petitioning consideration of their resolution dated May 23, 1938, with reference to House bill 4199, known as the General Welfare Act; to the Committee on Ways and Means.

5284. Also, petition of the County Board of Outagamie County, State of Wisconsin, petitioning consideration of their resolution dated May 6, 1938, with reference to House bill 4199, known as the General Welfare Act; to the Committee on Ways and Means.

5285. Also, petition of the Board of County Commissioners of Mason County, State of Washington, petitioning consideration of their resolution dated May 1937, with reference to House bill 4199, known as the General Welfare Act; to the Committee on Ways and Means.

5286. Also, petition of the Board of Supervisors of the County of Maui, Territory of Hawaii, petitioning consideration of their Resolution No. 116, dated May 16, 1938, with reference to House bill 4199, known as the General Welfare Act; to the Committee on Ways and Means.

5287. Also, petition of the Steinway Community Council, Public School No. 141, Steinway, Long Island City, N. Y., petitioning consideration of their resolution dated May 31, 1938, with reference to immigration and unemployment; to the Committee on Immigration and Naturalization.

5288. Also, petition of the Central Labor Council, West Bridgewater, Pa., petitioning consideration of their resolution dated May 31, 1938, with reference to wages and hours; to the Committee on Labor.

SENATE

THURSDAY, JUNE 2, 1938

(Legislative day of Wednesday, April 20, 1938)

The Senate met at 11 o'clock a. m., on the expiration of the recess.

THE JOURNAL

On request of Mr. BARKLEY, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day Wednesday, June 1, 1938, was dispensed with, and the Journal was approved.

CALL OF THE ROLL

Mr. LEWIS. I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Connally	Johnson, Calif.	O'Mahoney
Andrews	Copeland	Johnson, Colo.	Overton
Ashurst	Davis	King	Pepper
Austin	Dieterich	La Follette	Pittman
Bailey	Donahey	Lee	Pope
Bankhead	Duffy	Lewis	Radcliffe
Barkley	Ellender	Lodge	Russell
Berry	Frazier	Logan	Schwartz
Bilbo	George	Lonergan	Schwellenbach
Bone	Gerry	Lundeen	Sheppard
Borah	Gibson	McAdoo	Shipstead
Brown, Mich.	Green	McCarran	Smathers
Brown, N. H.	Guffey	McGill	Smith
Bulkley	Hale	McKellar	Thomas, Utah
Bulow	Harrison	McNary	Townsend
Burke	Hatch	Maloney	Truman
Byrd	Hayden	Miller	Tydings
Byrnes	Herring	Milton	Vandenberg
Capper	Hill	Minton	Van Nuys
Caraway	Hitchcock	Murray	Wagner
Chavez	Holt	Neely	Wheeler
Clark	Hughes	Norris	White

Mr. LEWIS. I announce that the Senator from Oregon [Mr. REAMES] is detained from the Senate because of illness.

The Senator from Iowa [Mr. GILLETTE], the Senator from Virginia [Mr. GLASS], the Senator from North Carolina [Mr. REYNOLDS], and the Senator from Oklahoma [Mr. THOMAS] are detained on important public business.

The Senator from Massachusetts [Mr. WALSH] is today delivering a commencement address at the Coast Guard Academy in New London, Conn.

I ask that this announcement stand of record for the day.

Mr. AUSTIN. The Senator from New Hampshire [Mr. BRIDGES] is absent on account of the death of his wife.

The VICE PRESIDENT. Eighty-eight Senators have answered to their names. A quorum is present.

INVESTIGATION OF SENATORIAL CAMPAIGN EXPENDITURES

The VICE PRESIDENT. The Chair appoints the Senator from Minnesota [Mr. SHIPSTEAD] a member of the Special Committee to Investigate Senatorial Campaign Expenditures for 1938, authorized by Senate Resolution 283 (agreed to May 27, 1938), in place of the Senator from Nebraska [Mr. NORRIS], resigned.

PETITIONS

The VICE PRESIDENT laid before the Senate a resolution adopted by the Board of Commissioners of Mason County, Wash., favoring the prompt enactment of House bill 4199, the so-called General Welfare Act, which was referred to the Committee on Finance.

He also laid before the Senate a resolution adopted by the American Bandmasters' Association, New York, N. Y., favoring the prompt enactment of the bill (H. R. 4947) to amend the act entitled "An act for making further and more effectual provision for the national defense, and for other purposes," approved June 3, 1916, as amended, and for other purposes, which was referred the Committee on Military Affairs.

REPORTS OF COMMITTEES

Mr. SHEPPARD, from the Committee on Military Affairs, to which was referred the bill (S. 4119) to authorize the Secretary of War to lend War Department equipment for use at the 1938 National Encampment of Veterans of Foreign Wars of the United States to be held in Columbus, Ohio, from August 21 to August 26, 1938, reported it without amendment and submitted a report (No. 1948) thereon.

He also, from the same committee, to which was referred the bill (S. 3916) for the relief of George Francis Burke, reported it with an amendment and submitted a report (No. 1961) thereon.

He also, from the Committee on Commerce, to which were referred the following bills, reported them severally without amendment and submitted reports thereon:

S. 3707. A bill to authorize the acquisition of the bridge across the Mississippi River at Cape Girardeau, Mo., and the approaches thereto, by a single condemnation proceeding in either the District Court for the Eastern Judicial District of Missouri or the District Court for the Eastern Judicial Dis-

trict of Illinois, and providing the procedure for such proceeding (Rept. No. 1957);

S. 4007. A bill authorizing the county of Lawrence, Ky., to construct, maintain, and operate a free highway bridge across the Big Sandy River at or near Louisa, Ky. (Rept. No. 1959); and

S. 4011. A bill to extend the time for completing the construction of a bridge across the Mississippi River at or near a point between Cherokee and Osage Streets, St. Louis, Mo. (Rept. No. 1960); and

H. R. 10275. A bill to extend the times for commencing and completing the construction of a bridge and causeway across the water between the mainland, at or near Cedar Point and Dauphin Island, Ala. (Rept. No. 1956).

Mr. LOGAN, from the Committee on Military Affairs, to which was referred the bill (S. 2844) relating to the disposition of certain funds held by the State of Mississippi on behalf of veterans of the Spanish-American War, reported it with an amendment and submitted a report (No. 1949) thereon.

Mr. LONERGAN, from the Committee on Finance, to which was referred the bill (H. R. 9848) to require that horses and mules belonging to the United States which have become unfit for service be destroyed or put to pasture, reported it without amendment and submitted a report (No. 1950) thereon.

Mr. BROWN of Michigan, from the Committee on Finance, to which was referred the bill (H. R. 9610) to amend the National Firearms Act, reported it with an amendment and submitted a report (No. 1951) thereon.

Mr. KING, from the Committee on Finance, to which was referred the bill (H. R. 10459) to amend certain provisions of law relative to the production of wines, brandy, and fruit spirits so as to remove therefrom certain unnecessary restrictions; to facilitate the collection of internal-revenue taxes thereupon; and to provide abatement of certain taxes upon wines, brandy, and fruit spirits where lost or evaporated while in the custody and under the control of the Government without any fault of the owner, reported it with an amendment and submitted a report (No. 1952) thereon.

Mr. COPELAND, from the Committee on Commerce, to which were referred the following bills, reported them severally without amendment and submitted reports thereon:

S. 4048. A bill to amend section 4197 of the Revised Statutes, as amended (46 U. S. C. 91), and section 4200 of the Revised Statutes (46 U. S. C. 92), and for other purposes (Rept. No. 1953);

H. R. 9557. A bill to authorize the Secretary of Commerce to dispose of material of the Bureau of Lighthouses to the Sea Scout department of the Boy Scouts of America (Rept. No. 1954); and

H. R. 9707. A bill to authorize the conveyance of the old lighthouse keeper's residence in Manitowoc, Wis., to the Otto Oas Post, No. 659, Veterans of Foreign Wars of the United States, Manitowoc, Wis. (Rept. No. 1955).

Mr. MILLER, from the Committee on Military Affairs, to which was referred the bill (S. 4096) to authorize the erection within the Canal Zone of a suitable memorial to the builders of the Panama Canal and others whose distinguished services merit recognition by the Congress, reported it without amendment and submitted a report (No. 1958) thereon.

Mr. OVERTON, from the Committee on the District of Columbia, to which was referred the bill (H. R. 9844) providing for the zoning of the District of Columbia and the regulation of the location, height, bulk, and uses of buildings and other structures and of the uses of land in the District of Columbia, and for other purposes, reported it with amendments and submitted a report (No. 1962) thereon.

ENROLLED BILLS PRESENTED

Mrs. CARAWAY, from the Committee on Enrolled Bills, reported that that committee presented to the President of the United States the following enrolled bills:

On May 27, 1938:

S. 1225. An act to provide for insanity proceedings in the District of Columbia.

On May 31, 1938:

S. 1307. An act for the relief of W. F. Lueders;

S. 3092. An act for the relief of the Georgia Marble Co.; and

S. 3522. An act authorizing the President to present the Distinguished Service Medal to Rear Admiral Reginald Vesey Holt, British Navy, and to Capt. George Eric Maxia O'Donnell, British Navy, and the Navy Cross to Vice Admiral Lewis Gonne Eyre Crabbe, British Navy, and to Lt. Comdr. Harry Douglas Barlow, British Navy.

On June 1, 1938:

S. 3843. An act to remove certain inequitable requirements for eligibility for detail as a member of the General Staff Corps.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. LONERGAN:

A bill (S. 4128) to prevent the retroactive application of any Federal tax on employees of the States and their subdivisions; to the Committee on Finance.

By Mr. BULKLEY:

A bill (S. 4129) to authorize an appropriation for the purpose of establishing a national cemetery at Columbus, Ohio; to the Committee on Military Affairs.

By Mr. TRUMAN:

A bill (S. 4130) granting a pension to Buena Vista McGannon; to the Committee on Pensions.

By Mr. KING:

A bill (S. 4131) to amend section 3 of title IV of the District of Columbia Revenue Act of 1937, as amended; to the Committee on the District of Columbia.

By Mr. SHIPSTEAD:

A bill (S. 4132) limiting the hours of labor of certain officers and seamen on certain vessels navigating the Great Lakes and adjacent waters; to the Committee on Commerce.

By Mr. HAYDEN:

A bill (S. 4133) for the relief of the San Francisco Mountain Scenic Boulevard Co.; to the Committee on Agriculture and Forestry.

FEDERAL TAXATION OF INCOME OF EMPLOYEES OF STATES AND THEIR SUBDIVISIONS

Mr. LONERGAN. Mr. President, I desire to call attention of the Senate to a bill which I have introduced today to prevent the retroactive application of any Federal tax that may be assessed on the income of officers and employees of States and their subdivisions as a result of the recent Supreme Court decision in the case of Helvering against Gerhardt, which overruled the previously accepted doctrine with regard to immunity of such employees from taxation.

This bill is introduced at the request of Mr. Charles J. McLaughlin, attorney general of Connecticut, who has been in conference this week in Washington with legal representatives of 26 States, and with three officials of the Treasury Department who were designated to assist in preparing a draft of the measure.

Although the Supreme Court in the Helvering against Gerhardt case makes no comment on the situation in that decision, it would have the incidental effect of rendering hundreds of thousands of State and municipal employees immediately subject to the payment of full income taxes together with interest thereon for the years 1926 to date.

Until the promulgation of that decision, it had been the established and accepted rule, one that was recognized in the regulations of the Treasury Department prior to January 7, 1938, that officers and employees of the States and their political subdivisions, not engaged in the performance of a proprietary or private type of function, were immune from Federal income tax. Hundreds of thousands of public

employees have relied upon that rule, and in reliance upon it have never submitted a Federal return. If technically construed, the effect of this decision would be the financial ruin of these people, by assessing upon them, not only full income taxes from 1926 to date, but also interest charges that would practically double the face amount of those payments. Such an assessment would, of course, be demoralizing not only to the thousands of public employees affected, but also to the service of the public function in which they are engaged.

In this connection, it must be borne in mind that the employees of the Port of New York Authority are a comparatively small group of those immediately affected by the decision. The minority opinion of Justices Butler and McReynolds, as well as the concurring opinion of Mr. Justice Black, emphasized the point that the present decision makes evident its application to employees of such State and municipal agencies as the following, all of which have heretofore been accepted by the Treasury Department as immune and all of whom have relied on the decisions of the Board of Tax Appeals, the Circuit Court of Appeals, and the Supreme Court of the United States itself in prior decisions which are overruled by the present one: Department of parks; health and hospital departments; State boards of conservation and development; State agricultural boards; boards of water supply; departments of street cleaning and sanitation; bridge, highway, sewer, and irrigation departments, to name only a few of the ones most obviously affected. In addition, the decision makes it highly questionable whether teachers throughout the country are not also affected. The reasoning upon which the opinion is based may be interpreted to mean that all clerical and other workers in all departments of State and municipal governments will now, as a result of this decision, be faced with the necessity of paying all Federal taxes, including interest thereon, that could have been levied on their salaries from 1926 to the present time. To quote a report from the Scripps-Howard Washington office, which appeared in the World-Telegram under date of May 24, 1938:

> It appears possible that the ancient principle of tax immunity has been whittled down to include only judges, executives, and lawmakers in State and local governments.
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> Justices Butler and McReynolds, dissenting in both cases, said the Port Authority case overruled a century of precedents and set up the doctrine that, although the Federal tax may increase cost of State government, it may be imposed if it does not curtail functions essential to their existence.
>
> This view might bring up the question whether taxation of the salaries of school teachers, file clerks, and hundreds of thousands of other State and local government workers would "curtail essential functions."

The decision establishes the rule by which all of these employees are likely to be called upon hereafter to pay Federal income tax. But whether or not this interpretation of the decision is sound, the fear that it will be so interpreted and applied retroactively is spreading throughout the field of public employees and, in consequence, impairing the work of the States and municipalities.

The bill I have introduced is addressed only to the problem of immediately relieving this situation and to prevent the possibility of hardship and disaster that will indubitably be faced by hundreds of thousands of employees if retroactive application of the new rule is made. I have noted that retroactive effect would run back to 1926. This purpose conforms to the suggestion of President Roosevelt that legislation should be adopted to eliminate the immunity of the compensation of such employees and of the interest on Government bonds to be issued thereafter. The President indicates clearly the purpose to restrict the change of the rule to future situations.

Those of us in the Senate and the House who have been devoting special attention to the problem of taxing income of State employees and the income from tax-exempt securities have practically been unanimous in the thought that legally, and in fairness, we should not expect to make the tax retroactive. In my efforts of the past several years to provide for the taxation of income from securities now exempt I have consistently urged that, if and when Congress acts on that question, it should provide for a tax on the income from future issues only. Of course, there is a legal question there with respect to the retroactive tax that may not exist with respect to retroactive taxation of State and municipal employees, but the hardship and unfairness would be greater in the case of the employees than in the case of holders of securities. If these important changes are to occur, by court decision or by constitutional amendment or by laws enacted by Congress, there will be enough adjustments to make without imposing unexpected burdens upon individuals or others.

Until now I have not given special attention to the taxing of income of officers and employees of States and municipalities, being fully occupied on what I regard as the more important, yet more complex, problem of taxing the income from future issues of securities now exempt.

After reading several recent decisions of the Supreme Court relating chiefly to taxation, I am convinced that, although we have a modification of the doctrine with respect to employees, there is no good reason to believe that the Supreme Court would uphold a tax on income from exempt securities issued by the States without a constitutional amendment. I intend to develop this point in a statement to the Senate at a later time, but at present it would appear that the Supreme Court is upholding a Federal tax only when it does not seriously interfere with an essential function of a State or its subdivisions. The reasoning of the Court has been that in certain cases, such as the employee of the Port of New York Authority involved in the Helvering against Gerhardt decision, there would be no serious effect upon the essential functions of the State if a Federal income tax were collected. While there is an unascertainable increase in the cost of operation where such employees are taxed, the Court seems to hold that the effect upon the State must be more definite and more serious to make the doctrine of exemption applicable.

This makes it clear that State employees, such as those of the judiciary, and any other branch vital to existence and welfare of the State, will still be exempted from a Federal tax, but it leaves us in doubt as to where to draw the line. Will the Court say that school teachers are engaged in an essential function of the State and should be exempt? No one knows; and it is very important at this time that the Treasury Department should consider carefully any tax policy laid down as a result of these decisions. In this connection I call attention of all Senators to a summary of these decisions, which were printed on page 2153 of the Appendix of the CONGRESSIONAL RECORD at the request of Hon. H. JERRY VOORHIS, Representative from California.

Inasmuch as the activities of a State are so vitally affected by its finances, and since the States and their subdivisions have done so much financing by issuance of exempt securities, I am not yet willing to agree that the Supreme Court would uphold a Federal law taxing the income from such securities except by constitutional amendment. Money borrowed by the State is as vital, and often more vital, than the taxes it collects to continue essential functions of the State. Very often such money is the very blood stream of State activity, and it would be difficult for the Supreme Court to uphold a tax on the income from such securities as not essential to the vital operation of the State. The way may have been opened to tax income from securities issued by or for the benefit of certain State agencies which may not be deemed to be essential in relation to their functions for the State. But these issues are only a small portion of the securities issues outstanding; and to clarify the whole problem we should, with respect to securities, propose a constitutional amendment which would empower the States to tax income from Federal issues and enable the Federal Government to levy a tax upon State issues. This would avoid any disparity in values of Federal and local securities which might in difficult times affect the ability of a State to borrow money at all.

But whatever we do on these important tax questions, I hope the Senate will insist that the taxes are applicable only to the present or future. Otherwise the tax would be ruinous even if the doctrine should be a fair one.

A copy of the bill introduced by me today is submitted herewith, as follows:

A bill (S. 4128) to prevent the retroactive application of any Federal tax on the income of employees of the States and their subdivisions

Be it enacted, etc., That no taxes, nor any interest or penalty in connection therewith, imposed by the Revenue Act of 1936 or prior revenue acts shall be assessed after May 23, 1938, in respect of amounts received as compensation for personal services as an officer or employee of any State or States or of any political subdivision thereof, or any instrumentality of one or more States or political subdivision thereof.

RELIEF AND WORK-RELIEF APPROPRIATIONS—AMENDMENT

Mr. McADOO submitted an amendment intended to be proposed by him to the joint resolution (H. J. Res. 679) making appropriations for work relief, relief, and otherwise to increase employment by providing loans and grants for public-works projects, which was ordered to lie on the table and to be printed.

JOINT COMMITTEE ON FORESTRY—CHANGE OF REFERENCE

Mr. McADOO. Mr. President, on the calendar day April 14 I submitted Senate Concurrent Resolution 31, providing for the establishment of a joint congressional committee to be known as the Joint Committee on Forestry. The concurrent resolution was referred to the Committee on Public Lands and Surveys. A question has arisen as to whether or not the Committee on Agriculture and Forestry or the Committee on Public Lands and Surveys should have jurisdiction. It is a matter that ought to be settled, and I ask unanimous consent that the Committee on Public Lands and Surveys be discharged from the further consideration of the concurrent resolution, and that it be referred to the Committee on Agriculture and Forestry.

Mr. ADAMS. Mr. President, will the Senator yield for a second?

Mr. McADOO. I yield.

Mr. ADAMS. I think I may say that the concurrent resolution could properly go to either of the committees referred to. It has to do with public lands, over which the Committee on Public Lands and Surveys has jurisdiction, and it also deals with forestry, over which the Committee on Agriculture and Forestry has jurisdiction. It is entirely agreeable to me, as chairman of the Committee on Public Lands and Surveys, for the convenience of the Senator from California, to have that committee discharged from the further consideration of the concurrent resolution and to have it referred to the Committee on Agriculture and Forestry.

The VICE PRESIDENT. Is there objection to the request of the Senator from California that the Committee on Public Lands and Surveys be discharged from the further consideration of Senate Concurrent Resolution 31, to establish a Joint Committee on Forestry, and that it be referred to the Committee on Agriculture and Forestry? The Chair hears none, and the change of reference is made.

INVESTIGATION OF AGRICULTURAL COMMODITY PRICES—LIMIT OF EXPENDITURES

Mr. SMITH submitted the following resolution (S. Res. 288), which was referred to the Committee to Audit and Control the Contingent Expenses of the Senate:

Resolved, That the Committee on Agriculture and Forestry, authorized by Resolution No. 158, agreed to August 10, 1937, to conduct investigations and draft legislation to maintain both parity of prices paid to farmers for agricultural commodities marketed by them for domestic consumption and export, and parity of income for farmers marketing such commodities; and, without interfering with the maintenance of such parity prices, to provide an ever-normal granary for each major agricultural commodity; and to conserve national soil resources and prevent the wasteful use of soil fertility, hereby is authorized to expend from the contingent fund of the Senate $698.13, in addition to the amount heretofore authorized for such purposes.

SPECIAL COMMITTEE TO INVESTIGATE UNEMPLOYMENT AND RELIEF—LIMIT OF EXPENDITURES

Mr. BYRNES submitted the following resolution (S. Res. 289), which was referred to the Committee to Audit and Control the Contingent Expenses of the Senate:

Resolved, That the special committee appointed by the Vice President pursuant to Senate Resolution 36, agreed to June 10, 1937, to study, survey, and investigate the problems of unemployment and relief in the United States, hereby is authorized to expend from the contingent fund of the Senate $5,000 in addition to the amounts heretofore authorized to be expended for such purposes.

AFFAIRS IN CENTRAL EUROPE—STATEMENT BY SECRETARY OF STATE

Mr. POPE. Mr. President, I ask unanimous consent to have inserted in the RECORD a statement by Hon. Cordell Hull, Secretary of State, on May 28, 1938, on a very important subject.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY THE SECRETARY OF STATE

MAY 28, 1938.

With reference to the critical situation involving countries in central Europe, I desire to say that the Government of the United States has been following recent developments with close and anxious attention.

Nearly 10 years ago the Government of the United States signed at Paris a treaty providing for the renunciation of war as an instrument of national policy. There are now parties to that treaty no less than 63 countries. In that treaty the contracting parties agree that "the settlement or solution of all disputes or conflicts of whatever nature or of whatever origin they may be, which may arise among them, shall never be sought except by pacific means." That pledge is no less binding now than when it was entered into. It is binding upon all of the parties.

We cannot shut our eyes to the fact that any outbreak of hostilities anywhere in the world injects into world affairs a factor of general disturbance, the ultimate consequence of which no man can foresee, and is liable to inflict upon all nations incalculable and permanent injuries.

The people of this country have in common with all nations a desire for stable and permanent conditions of peace, justice, and progress; and a most earnest desire that peace be maintained no matter where or in what circumstances there may be controversies between nations.

MEMORIAL DAY ADDRESS BY SENATOR THOMAS OF UTAH

[Mr. POPE asked and obtained leave to have printed in the RECORD a radio address on the subject Foundation for Opportunity, delivered by Senator THOMAS of Utah at Washington, D. C., on May 30, 1938, which appears in the Appendix.]

POLITICS ON THE BENCH

[Mr. GUFFEY asked and obtained leave to have printed in the RECORD an editorial entitled "Politics on the Bench," from a recent issue of the Philadelphia Record, which appears in the Appendix.]

AMERICA'S FOREIGN RELATIONS

[Mr. SHIPSTEAD asked and obtained leave to have printed in the RECORD two editorials appearing in the Washington Herald-Times under date of Sunday, May 29, 1938, and Monday, May 30, 1938, respectively, entitled "Never Again" and "In Memory of a Big War," which appear in the Appendix.]

FEDERAL HOUSING—ADDRESS BY SENATOR WAGNER

[Mr. O'MAHONEY asked and obtained leave to have printed in the RECORD a radio address delivered this afternoon by Senator WAGNER on the subject of Federal Housing, which appears in the Appendix.]

BILL OF RIGHTS

[Mr. SCHWELLENBACH asked and obtained leave to have printed in the RECORD an article from the New York Times of Tuesday, May 24, 1938, relative to the Bill of Rights of the American Constitution, which appears in the Appendix.]

THE FEDERAL TRADE COMMISSION

[Mr. TRUMAN asked and obtained leave to have printed in the RECORD a statement relating to the Federal Trade Commission, embodying a recapitulation of the Wheeler-Lea amendment to the Federal Trade Act, together with some of the orders of the Commission and their effect on the public welfare, and also some of the functions of the

Commission under the Clayton Act, which appear in the Appendix.]

WORK OF THE FEDERAL POWER COMMISSION

[Mr. HATCH asked and obtained leave to have printed in the RECORD a statement relative to the work of the Federal Power Commission, which appears in the Appendix.]

ADMINISTRATION OF NATIONAL LABOR RELATIONS ACT

Mr. MURRAY. Mr. President, last week, during the course of my remarks on the pending measure, I referred briefly to the National Labor Relations Act. I pointed out briefly that a sane, intelligent, and effective administration of the National Labor Relations Act would eventually remove from American industry the serious and costly conflicts which have been occurring between capital and labor.

Many progressive, farsighted leaders in business and industry are coming to recognize this self-evident truth. A number of them appeared before our Committee on Unemployment and Relief, and expressed the view that the fair and just administration of the National Labor Relations Act would have the effect I have mentioned. I think it is clearly dawning on the people of the country and upon the business and industrial interests that their welfare, and, I might say, the future of our American economic system, depends upon the ironing out of these conflicts; and that our American industrial system can be protected and saved only by benefiting and improving the condition of the workers, spreading employment and raising purchasing power, and not by any policy of exploitation of labor.

I have here a study of the National Labor Relations Board during the past year, showing the scope and effectiveness of the Board's work, and also calling attention to the decisions of the courts of the United States upholding the law.

I ask that this be incorporated in the RECORD in connection with and as a part of my remarks.

There being no objection, the matter was ordered to be printed in the RECORD, as follows:

The work of the National Labor Relations Board during the past year has been directed by changing developments in employer-employee relations in the Nation. The scope and effectiveness of the Board's work is clearly indicated by the number of workers affected by its activities, the wide extension of union agreements in industry, the decrease in time lost by workers on strike, and by growing acceptance of the principles embodied in the National Labor Relations Act.

During the past year, application of the act was upheld and extended by many decisions of the circuit courts of the United States and by the Supreme Court.

While it is true that for many years workers have had the theoretical "right" to organize and bargain collectively, it was in 1935, for the first time in our history, that a Federal agency was created solely to protect this long-recognized abstract right, in much the same way the Government sought to protect other groups, such as shippers and passengers, merchants and manufacturers, consumers, farmers, bank depositors, and home owners.

On April 12, 1937, almost 2 years after its passage, the National Labor Relations Act was declared constitutional by the United States Supreme Court, the third coordinate branch of the Government to approve it as an instrument of public policy. The Court's opinions in the five cases decided that day held that Congress has the power to intervene in labor relations in transportation, communication, and manufacturing industries which affect commerce, that the act does not violate the "due process clause" of the Constitution, and that the act's procedure provides adequate safeguard against arbitrary action.

The Court ruled on six other cases involving the act during the past year, sustaining the Board's position in all instances. In two it held that the Board could not be estopped from holding public hearings on complaints of unfair practices; in two others that the Board could order company-dominated unions disestablished, and in another that the act applied to a cannery, even though it secured its raw materials from within the State and shipped less than half its production over State lines. In the latest Board case (Mackay Radio, May 23) the Supreme Court held that strikers were still employees, and in reinstating them the employer could not discriminate against some because of union activity, and that the Board's procedure, although omitting an intermediate report, fully protected the interests of all parties.

The volume of work which has confronted the Board has been heavy. More than 14,000 cases have been handled since the fall of 1935, including charges of unfair labor practices and election petitions. More than 10,000 of these cases have been disposed of, more than 5,000 closed by agreement of both parties; about one-fourth were withdrawn by the unions or individuals who began them, 16 percent dismissed by the Board, and only 5 percent closed in some other way, including Board decision, certification or other ruling. In only one case in 20 was a public hearing necessary to enforce the act. More than 2,100,000 workers were affected by the Board's activities during this period.

In approximately 1,200 cases the Board's agents conducted elections for collective-bargaining representatives. More than 500,000 workers were eligible to vote in these polls, and approximately 96 percent voted. In 75 percent of these elections, established trade-unions were selected. In the others the workers either selected new and unaffiliated unions or expressed their desire for no union.

The Board brought about the reinstatement of about 9,255 men alleged to have been discriminatorily discharged. Likewise, 178,693 workers were reinstated following a strike or lock-out.

The Board has settled 1,147 strikes involving 185,871 workers and averted 543 threatened strikes involving nearly 150,000 workers.

The results of this spirit generated by the new labor-relations legislation is seen in two important changes in industrial relations—duration of strikes and the growth in the use of written trade agreements.

The average worker who went on strike in 1937 lost 11 less days than in 1932—16 as compared with 27. In the period 1927–29 the average striker was out 85 days. Prolonged industrial disputes are on the wane as workers find governmental support when they first attempt to organize and as employers come to appreciate the value of amicable adjustment of labor disputes.

Public attention is sensationally turned by the press toward large strikes for recognition. These large strikes during the spring of 1937, including automobiles and steel, occurred at the height of employer resistance and before and immediately following validation of the act by the Supreme Court. While these were in process many larger groups of workers, through their unions, were entering into written agreements with their employers without resort to force. One million workers are party to agreements in the railroad industry, in which there is a long-standing history of Government intervention in labor relations; there are other industries with a long history of collective bargaining covering hundreds of thousands of workers, such as anthracite and bituminous coal, with 600,000 workers.

Noteworthy instances of new agreements negotiated during the year without strikes are General Electric, Westinghouse Electric, Packard, and Allis Chalmers, together involving more than 130,000 workers. During the past year the United States Steel Corporation, with 220,000 workers, renewed a union agreement.

An increase in the signing of union agreements followed closely upon the validation of the act by the Supreme Court. Many of these were in previously unorganized industries. Agreements were signed among the following:

Auto workers, 500 firms, 300,000 workers; brewery workers, 408 contracts; building-service employees, 40,000 workers; clothing workers, 135,000 workers; California cannery workers, 91 firms, 40,000 workers; electrical and radio workers, about 500 contracts; hat, cap, and millinery workers, 800 firms, 22,000 workers; hosiery workers, an increase from 59 to 208 contracts; maritime workers, agreement with 60 lines, not yet ratified by membership; printing and typographical workers, 350 contracts; rubber workers, 18 contracts; shoe workers, 150 contracts, 52,000 workers; silk workers, 54 firms; steel workers, 512 contracts, more than 500,000 workers (55 signed before April 12, 1937); textile workers, 1,000 agreements, 280,000 workers.

Until the National Labor Relations Act was upheld by the Supreme Court, many employers refused to conform to its provisions. Following the decisions of the Court many accepted the law. Those continuing to resist developed more subtle patterns of evading the act. These new mediums of evasion have been described by the Civil Liberties Committee in a recent interim report, as follows:

"The National Labor Relations Act is a codification of fundamental rights of the American workingman * * * yet these simple edicts, with respect to industrialists and labor, started a great hunt by the first party, the industrialist, for a third party to do to labor on industry's behalf what the individual employer himself could not longer do legally. One third party at hand was the detective and strike-breaking agency. * * * a substitute third party appeared in the shape of employers' associations * * * still another 'third party' discloses itself in movements to have the community or 'the public' to do the same job in behalf of the employer, such as 'citizens committees', and 'back-to-work movements.'"

The nature of these strike-breaking tactics has become well known through the wide publicity given by the National Association of Manufacturers, and other employer agencies to the so-called Mohawk Valley formula of the Remington Rand Co.

Apart from the direct strike-breaking tactics of some employers and the closely associated "third parties," a further movement has recently arisen, which is designed to check bona fide union organization. This is the "independent" union movement, grown to national proportions with widespread distribution of materials designed to aid in their establishment. Most of these organizations were formed after the Supreme Court's April 1937 decision. "Independent" unions, in most essentials, would appear to be identical with the company-dominated unions.

These lineal descendants of the company union are so constituted that it is often difficult to establish their connection with

employers, but many of the "independents" thus far investigated by the Board have been found to be company-inspired and dominated. Of 55 such company-dominated "independents," found in decisions of the Board between December 21, 1935, and April 21, 1938, all but 7 were in decisions of the Board following the Supreme Court's validation of the act.

Effective functioning of the National Labor Relations Act has been confined almost entirely to the last year. Bitterly opposed before it was passed by Congress, it has been no less bitterly resisted since it was upheld by the highest court in the land. Enmeshed in about 100 injunction suits (all save a current one later dismissed) the Board nevertheless proceeded upon the important task of protecting labor organization and collective-bargaining rights. Opponents of the act might well look to the history of legislative aid in stabilizing labor relations in the railroad industry. Over the past 20 years in this industry the country has seen a gradual diminution of strikes and an increased orderly conduct of labor relations. The past years' activities of the National Labor Relations Board afford a basis for the expectation that in other industries an important step has been taken toward the businesslike handling of labor relations.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Chaffee, one of its reading clerks, announced that the House had passed the bill (S. 5) to prevent the adulteration, misbranding, and false advertisement of food, drugs, devices, and cosmetics in interstate, foreign, and other commerce subject to the jurisdiction of the United States, for the purposes of safeguarding the public health, preventing deceit upon the purchasing public, and for other purposes, with amendments, in which it requested the concurrence of the Senate.

ENROLLED BILLS SIGNED

The message also announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the Vice President:

S. 1585. An act for the relief of Sallie S. Twilley; and

H. R. 10140. An act to amend the Federal Aid Road Act, approved July 11, 1916, as amended and supplemented, and for other purposes.

RELIEF AND WORK-RELIEF APPROPRIATIONS

The Senate resumed the consideration of the joint resolution (H. J. Res. 679) making appropriations for work relief, relief, and otherwise to increase employment by providing loans and grants for public-works projects.

The VICE PRESIDENT. The clerk will state the first committee amendment passed over.

The LEGISLATIVE CLERK. On page 19, line 23, it is proposed to change the number of the section, so as to read:

SEC. 24. This title may be cited as the "Emergency Relief Appropriation Act of 1938."

Mr. NORRIS. Mr. President, that amendment went over at my request. I have no objection to it. The amendment on the next page also went over at my request. I do not care to debate it. The amendment on page 19, line 23, is a formal amendment.

The VICE PRESIDENT. That is a pro forma amendment, changing the number of a section.

Mr. NORRIS. I do not care to be heard on it, and the same statement applies to the amendment on line 14 on the next page, page 20, which went over at my request. I do not care to discuss that.

The VICE PRESIDENT. The Chair thinks other Senators may desire to discuss that amendment.

Without objection, the pro forma amendment on page 19, line 23, proposing to strike out "23" and to insert "24" is agreed to.

The clerk will state the next amendment passed over.

The next amendment passed over was, in title II, section 201 (a), page 20, at the beginning of line 14, to strike out "$965,000,000" and insert "$865,000,000", so as to make the paragraph read:

SEC. 201. (a) In order to increase employment by providing for useful public works projects of the kind and character which the Federal Emergency Administrator of Public Works (herein called the "Administrator") has heretofore financed or aided in financing, pursuant to title II of the National Industrial Recovery Act, the Emergency Relief Appropriation Act of 1935, the Emergency Relief Appropriation Act of 1936, or the Public Works Administration Extension Act of 1937, there is hereby appropriated, out of any money in the Treasury not otherwise appropriated, to remain available until June 30, 1940, the sum of $865,000,000, to be expended by such Administrator, subject to the approval of the President, for (1) the making of allotments to finance Federal projects, or (2) the making of loans or grants, or both, to States, Territories, possessions, political subdivisions, or other public bodies (herein called public agencies), or (3) the construction and leasing of projects, with or without the privilege of purchase, to any such public agencies.

Mr. HAYDEN. Mr. President, after very careful consideration, I have reached the conclusion that the committee amendment should not be adopted. Nine hundred and sixty-five million dollars is the amount of money estimated by the Bureau of the Budget for the Public Works Administration. If the Congress should reduce that amount by $100,000,000, it would give an excuse to the Public Works Administration for saying, "We asked for a sum of money adequate to do the job, and the Congress denied it to us." The President, in submitting this Budget estimate, asked for $965,000,000 to carry on the public-works program, which is all set up and ready to go, and that is the sum which should be allowed.

In the second place, the Senate has adopted an amendment increasing the amount for public projects from $100,000,000 to $200,000,000 to come out of this $965,000,000. It was the judgment of the Committee on Appropriations that it is wiser to expend money wholly on Federal projects than it is to give away 45 percent of the money in the form of grants. To expedite the construction of Federal projects means an ultimate saving to the Treasury.

For example, if there is a certain amount of construction to be done on any kind of a Federal project, like a public building or housing for an Army post, if it is work that is going to be done anyway as a part of a recognized program, to the extent that such work is done with emergency funds, the amount of money that must be regularly appropriated in future fiscal years will be diminished. There is a net saving which will aid in Budget balancing in the future by doing work on strictly Federal projects rather than on loan and grant projects.

There is another feature to be considered. Out of the sum of $965,000,000 it was originally proposed, on page 23, to place $500,000,000 in a revolving fund. A revolving fund means that on loan and grant projects, when a municipality or other public body submits its bonds and they are accepted, the bonds may be sold and the money again used at a later date for loans and grants.

The President, very wisely I think, in a letter published in the newspapers, addressed to the chairman of the subcommittee, has suggested that what should be done is to do something now, and to do it as quickly as possible.

The great objective is to stop the downward spiral of depression. What may be done next year or the year afterward cannot have any immediate effect on the business situation as it exists today. The things that can be accomplished with the revolving fund are something that will be done at the later end of this construction program. I am told that with the original set-up of $965,000,000 it is not expected that more than a quarter of a million dollars could be used in the revolving fund in the time fixed in this joint resolution, which is about a year and a half. So the revolving-fund item could be very safely reduced $100,000,000 if the Senate so desired; but certainly we ought not to cut down below the amount of money requested by the President in his Budget estimate for public works, and I therefore hope the committee amendment will be rejected.

Mr. ADAMS. Mr. President, of course this reduction in the amount appropriated under title II was made by reason of increases in other places; that is, we increased the amount carried by the joint resolution $212,000,000 for farm payments and yesterday we restored the House figures on rural electrification.

I am always most reluctant to disagree with the very persuasive Senator from Arizona; but from my own personal standpoint this amendment is one of the best amendments

in the joint resolution. It is about the only amendment which reduces the burden on the United States Treasury.

Mr. HAYDEN. The Senator will agree with me, however, that each tub should stand on its own bottom. When the Senate voted for rural electrification it did so for a sound reason—that it was really a loan and not a wasteful expenditure. There should be no relationship whatever between cutting off $75,000,000 for rural electrification in one place and adding $212,000,000 for price-adjustment payments to the producers of cotton and corn, as proposed by the Senator from Georgia [Mr. RUSSELL]. What the Senate did definitely last night with respect to the Price Adjustment Act of 1938 was because a majority of the Senators believed that the proposal was desirable on its own merits. If the administration asks for $965,000,000 to carry on a public-works program—and that is the exact size of it—I do not believe Congress should fail to grant that amount of money. I am not proposing to increase it or to decrease it. I am merely asking the Senate to give what was asked by the Budget Bureau.

Mr. ADAMS. I was much more persuaded by the argument the Senator from Arizona made in the committee—I think he was responsible for the reduction—than I am by the argument he has made today.

Mr. HAYDEN. I voted against this reduction in the committee. I also opposed in the committee the adoption of the price-adjustment amendment offered by the Senator from Georgia. I said at the time that payments to farmers should not be conditioned upon a reduction elsewhere in the bill. That was the basis for my objection to the appropriation of $212,000,000, as proposed by the Senator from Georgia.

Mr. BYRNES. Mr. President, I desire to express the hope that the committee amendment will be agreed to.

As a matter of fact, the estimate for this appropriation is based upon the needs of people at this time, in view of the situation which has arisen, increasing the number of persons on the relief rolls throughout the country.

The public-works section of the joint resolution admittedly does not provide immediate relief. The large public-works projects which require investigation by the engineering divisions, examining divisions, and legal divisions cannot possibly put people to work as quickly as can the money appropriated in title I of the joint resolution. If we are to increase the total, so far as I am concerned I should much rather have the appropriation increased in title I of the joint resolution, and have the executive departments of the Government given power and authority overnight to provide with jobs the 500,000 men who have been certified in the States of the Union, but who are without employment. The appropriation of $965,000,000 in title II would be spent without having regard to the number of persons on relief rolls in a community, and we know that for months to come these projects cannot give employment to many persons.

Mr. HAYDEN. Mr. President, will the Senator yield?

Mr. BYRNES. Yes; I yield.

Mr. HAYDEN. The Senator will remember that in his testimony before our committee, the Public Works Administrator, Secretary Ickes, stated that this amount of money was necessary in order to take care of public-works projects that had passed through all the three divisions. The projects are all set up. They have all been examined from an engineering point of view, from the standpoint of social desirability, and from the standpoint of their legal status. There will be a proposal vastly to increase this sum, to say that everything that has been approved by the three divisions shall be undertaken. I am sure that the Senator will agree that that should not be done.

Mr. BYRNES. Mr. President, I will agree to that statement. If I thought for one minute that every one of the projects on the list in P. W. A. was going to be approved and put into operation, I should vote to further reduce this amount, because every man who is acquainted with the subject knows that those applications were filed more than a year ago. They were filed by cities and counties and States. Conditions have changed since the applications were filed. They were considered originally by the P. W. A. authorities. They made allotments for the most desirable projects that were examined. All that the examination meant was that the projects were eligible. Then the Director considered them. We must assume that he selected the best, and he left those that he did not think so desirable. Then the officials of P. W. A. came before Congress in the last session and asked for an additional amount, and $300,000,000 was authorized. The Congress provided that preference should be given to projects where bond issues had been authorized in elections. The Senator from Arizona was greatly interested in that appropriation. The appropriation was made. Many projects remained on the list.

I know there are some deserving projects there, but I also know there are some there that the Director will never undertake at this time and should not undertake at this time. If an amendment is presented to limit the expenditure of this fund to those projects, and those alone, I intend to oppose it. I think now, however, that we should not increase this amount and pass this bill with an amount greatly in excess of what it carried when it passed the House.

Mr. LEE. Mr. President, it is my intention to support the program advocated by the Senator from Arizona. The money we spend under W. P. A. does not get the man for whom we spend it any nearer to a self-supporting status. We do not start any self-sustaining machinery. We all realize it is a sort of stop-gap proposition. The money spent under P. W. A. puts men to work in a normal, natural manner by restoring private industry.

This program results in the use of material, and when material is used men are put to work higher up the stream.

Of course, we do not put as many men to work right on the project, but when we use cement we put someone to work mining cement, grinding cement, hauling cement, sacking cement. When we use steel we put men to work mining it, manufacturing it, hauling it. The P. W. A. program is moving us toward the place we hope to reach, namely, reestablishing private industry. I believe that we should put the emphasis on the P. W. A. program, for a second reason, that under the P. W. A. program many self-liquidating projects have been built and many will be built in the future. That is not so true under the W. P. A.

I think we should favor the self-liquidating projects. We could build the superhighways which have been advocated by the Senator from Ohio [Mr. BULKLEY], and we could retire the bonds by collecting toll on roadside concessions, and not place that burden on the taxpayer. We could build canals and charge tolls, we could build toll bridges, we could build power projects and let the sale of electricity retire the bonds issued to meet the cost of the construction. We could build irrigation dams and let the payments for water rights cover the cost. Therefore I believe we should put more emphasis on this type of construction, on this type of employment, which gets the Government out of the business of actually working the men on the job. The bane of the whole W. P. A. program has been the necessity of the Government doing what we all would like to see private industry and private institutions doing.

We are more nearly approaching that goal under the program of the P. W. A. than under the W. P. A. I had hoped that this year we would be able to taper off even more than we did last year on the W. P. A. program, and put more emphasis on self-liquidating projects, and on a program which would give us something for use in the future.

If we build a nice roadbed with a dirt surface, that is fine; but about the time we get it finished along comes a rain storm, a regular gully washer and clod buster and washes it all away. But if we are able to put some money into material and build a concrete road, with an all-weather surface, the people in the future will have something for their money. That is how this type of program is giving us benefit for the future.

For these reasons I strongly favor reestablishing the amount of money the House provided for P. W. A., that is, $965,000,000.

Mr. BORAH. Mr. President, the difficulty I have in following the able Senator from Oklahoma is that when he speaks of buying cement, steel, and other materials, I reflect that about 20 percent of the money expended along those lines goes to labor and about 70 or 80 percent goes to the steel and cement industries, which are fixing their own prices.

Mr. LEE. Mr. President, will the Senator yield?

Mr. BORAH. I yield.

Mr. LEE. What does the Senator mean when he says it goes to the cement industry? Does the Senator mean that the cement costs that much in its original state, or does he not include in the 20 percent the labor necessary to put it in its finished form?

Mr. BORAH. Of course, some labor is involved, and I am including that in the 20 percent, but the vast amount of the expenditure goes to the corporations which are in control of these great natural resources, and which fix their own prices; and it cannot be avoided as things now stand, because they are in control of the situation.

Mr. LEE. Mr. President, the Senator will get no argument from me on that proposition. We find ourselves in complete agreement so far as the trusts and monopolies of the Nation are concerned. I heard the Senator's very able address a few days ago on that subject and only wished then that it were possible to do something about it at once. However, that does not change the situation I have just discussed. I would gladly support any program to prevent the trusts and monopolies from having an undue share of the profits from the production of cement and steel and other materials, but that does not change the situation in this particular part of the program.

Mr. BORAH. Mr. President, I rose only to say that I should much prefer to see the amount of the appropriation under title I increased and the amount under title II decreased, because, after all, the money which is to be paid to the workmen will be put into circulation immediately. The payment of money to labor has a tendency to increase purchasing power. They expend it all. They do not put any of it away in coffers, because they have not enough to put away. Every dollar of it is spent for something, clothing, or food, or some other necessary of life. It is put into circulation in some way, and that naturally increases purchasing power throughout the country; whereas, if we put a vast amount of money into the hands of those who may put it away in the way of large profits, increased dividends, and so forth, that amount does not add anything, in my judgment, to the general purchasing power, which we are seeking to increase.

Mr. BYRNES. Mr. President, will the Senator yield?

Mr. BORAH. I yield.

Mr. BYRNES. Does not the Senator agree that the projects from their very nature cannot be started quickly, and that they continue at a time when we would like to stop them? If business revives, we would like to have the Government out of business, and it is difficult to stop a project which takes a year or a year and a half to construct. If we are to get out of the situation in which we now find ourselves something must be done immediately. It can be done immediately only by such an appropriation as can put men to work in the next few weeks.

Mr. BORAH. I agree to that.

Mr. WAGNER. Mr. President, I did not intend to inject myself into this discussion, but I have long been interested in the matter of public works as a means of taking up the slack during periods of private business decline, and a remark which the Senator from South Carolina made a moment ago impelled me to rise.

There is now upon the statute books a law which I sponsored in the Senate, and which was enacted during the administration of President Hoover, and was signed by him. He predicted that under it we could prepare a public-works program 6 years in advance, as the law provided.

Under that law provision was made for a stabilization board, which was to keep constantly in contact with the economic situation of the country and plan Federal public works 6 years in advance, so that as the barometer of the economic situation of the country went up we would retard our public-works program, and as it went down we would accelerate the public-works program for the purpose of taking up the slack in private industry. Unfortunately, after the law was passed, the depression deepened, and thus we did not have the time to prepare 6 years in advance; and, unfortunately, even in this administration the act has not been taken advantage of.

I have been surprised to hear it asserted upon this floor every once in a while that it is our duty to prepare a public-works program 6 or 8 years in advance so as to meet a declining economic situation when it confronted us, when, as a matter of fact, a law providing that that shall be done is now upon the statute books, and although I have urged it time and time again, it has not yet been taken advantage of. My opinion is that a public-works program properly formulated and prepared is the surest way of preventing precipitate and sustained economic declines.

England recognizes that fact; England has realized that she must prepare in advance. I read an article in the New York Times a few days ago in which it was stated that the English are anticipating a possible depression after their armament program is completed, that is, a period of unemployment. They are now preparing a program for the construction of public works in order to avoid an economic depression when their armanent program is concluded. We have a law upon the statute books in this country looking to that end, but have done nothing about it.

I hope the pending amendment will be defeated, and that we will at least give to the Public Works Administration as much money as it is able to use now. In answer to the argument of the Senator from South Carolina, the Public Works Administration has asserted that it is now prepared to utilize this fund at once upon public projects on which surveys have been made and which are in preparation, and which may be begun at once so as to put people to work.

The Senator from Idaho stated a moment ago that upon all these projects we are paying the prevailing rate of wage. In other words, not a mere security wage, but a decent full-time wage is paid, which will increase the purchasing power of workers who are employed upon these projects, and thus help provide the lifeblood of our economic system, namely, purchasing power.

Let me state what has already been done under our public-works program, which is by way of answer to those who have been contending that a public-works program is of no use in a situation of this kind. Those who make that contention either have not studied the statistics, or they are ignoring the facts involved. In the first place, with respect to most of the projects the Government pays only 45 percent. On all non-Federal projects, the local communities pay 55 percent toward the cost.

Mr. BORAH. Mr. President, I may say, however, that whoever pays for the project, the money comes from the same taxpayer. There is only one taxpayer in this country. You may speak of what the Federal Government supplies and what the State supplies but all comes from the same taxpayer.

Mr. WAGNER. I am not making a point of that. What I meant to say, I may suggest to the Senator from Idaho, is that when we are appropriating $950,000,000, that does not represent the total amount used for employment on the projects for which this money is to be spent, because in addition to what the United States Government spends or lends, the communities may spend other funds of their own or borrow from other sources; and furthermore, the Federal loan money is in the nature of a revolving fund.

Mr. BURKE. Mr. President, will the Senator yield to me at that point to make a statement?

Mr. WAGNER. Yes.

Mr. BURKE. The Senator will note that in subsection (e) of this section it is provided that not more than $750,000,000 of the $965,000,000 shall be used for grants. In other words, only $215,000,000 may be used for loans.

Mr. WAGNER. Under the public-works program, loans are made to municipalities and to other political subdivisions up to 55 percent of the cost of the project, and 45 percent is a grant made by the Federal Government.

Mr. BYRNES. Does the Senator find that written in the law at any place?

Mr. WAGNER. It is in the law today.

Mr. HAYDEN. Mr. President, will the Senator yield?

Mr. WAGNER. I yield.

Mr. HAYDEN. It is provided in this joint resolution that not more than $750,000,000 shall be used for grants to projects with respect to which municipalities provide 55 percent of the cost, or more than half of the cost. The municipalities borrow in the market between 80 and 90 percent of the loan money. They get but a small part of it from the Government. The enactment of this joint resolution means that there will be a construction program of more than a billion and one-half dollars, the major part of which will not be paid for out of the Federal Treasury.

Mr. WAGNER. Mr. President, I have always believed and have advocated that we should have a permanent public-works program, such as other countries have, in order to meet economic depressions. The trouble with us now is that we wait until it is too late. The mistake we made, and which I think is one of the causes of the depression, is that we reduced Government expenditures for public works too soon. The rise in prices, and the backing up of inventories, far above what this country was able to consume—an increase in inventories which was made by reason of fear of higher prices—together with the badly timed stopping, or at least extreme reduction, in Government expenditures at the end of 1936 and the beginning of 1937, caused the sudden reduction in employment, and we now have the recession from which we are suffering. There may be another occasion to study that more in detail.

The other great advantage of a public-works program is that under it we are adding to the assets of the country. If Senators will study the projects which were constructed under our last public-works program they will see that we have enormously increased the wealth of our country. The money has not been wasted. The structures stand, and they are structures which have been needed for some time by local authorities. The deficit had been created because the local authorities were unable to construct necessary public projects.

Mr. President, to begin with we created during that period of time a billion and one-half man-hours of work at the site, which means full-time employment of over a million men at prevailing rates of wages. We also created two and one-half times that volume of employment "behind the lines," because it has been clearly established by the reports of the Bureau of Labor Statistics—and in my humble way I have given it some thought—that for everyone who is employed at the site of a project, two and a half times that number are employed outside of the site, in the manufacturing and transportation of the materials which go into the construction of the project. So the pursuit of the program has employed a great many of our people. Our public-works program made possible four-fifths of all the public construction throughout the country. Seventy percent of all our schools which were built during this period, and more than 60 percent of all the hospitals and waterworks throughout the country, were built as the result of this program. Remember, Senators, these are all needed public improvements. By the way, those schools provide a seating capacity of a million four hundred thousand students in new and improved educational buildings.

Mr. President, the public-works program built 922 hospitals. Who will deny not only the desirability but the necessity for up-to-date hospitals to care for our sick? It built 2,000 community halls. It afforded over $1,700,000,000 of material orders for the different types of industry. I know what the Senator from Idaho (Mr. BORAH) is thinking about when we are talking about materials. He knows that he and I are in absolute accord in respect to that matter. That is a problem which Congress must face, because the materials which were sold for use upon these projects were sold at too high a price. That was not due to the increase in the prevailing rate of wages. That was due absolutely to monopolistic practices. I shall not now take time to discuss that, but on some other occasion I shall analyze just what increased cost of labor has meant and what monopolistic practices have meant in the carrying out of public works, and show the large profits which have been earned by many of the large corporations, in spite of the reasonable increase of wages.

There we have a tremendous disparity which I think will somewhat seal the lips of those who are constantly saying that it is the increase in wages which has brought about the terrific increase in cost of building. That is not the fact. Think of the one-third of our urban population which, per family, is earning less than a thousand dollars per year. Then how can anyone talk about high wages!

I did not expect to say as much as I have said upon this subject, but I hope that all of the money which has been asked for by the Public Works Administration, which it says can be utilized now, will be granted by Congress.

The PRESIDENT pro tempore. The time of the Senator on the amendment has expired.

Mr. LOGAN. Mr. President, I have listened with a great deal of interest to what the Senator from New York [Mr. WAGNER] has said. I realize that we must make this appropriation. I realize fully that the joint resolution must be passed. But I cannot refrain from calling the attention of the Senator from New York to the fact that, notwithstanding our large expenditures on public works during the past 2 years, we are now right back to the point at which we commenced. What is the reason for that? Why is it that we are almost back to where we were in 1933?

Do we not have some basis for the belief that when we shall have expended the amount which is to be appropriated by the pending joint resolution, we will be right back to where we are now? If that be true, then there is something wrong with the program.

The Senator from New York has said that we ought to have a permanent public-works program. I agree with him. And that when business is good we can contract our program, and when business is bad we can expand it. That is very sound, except it is not the business of the Public Works Administration to maintain the even flow of money which is necessary to do business in this country. That is the duty of the Congress, through its agency, the Federal Reserve Board.

Some reference has been made to England. England has done vastly more than simply establishing a public-works program. England has taken control of her money. She has made provision that when there is a strike on the use of money, if that is what is now the trouble in America, when people will not use the money which is on deposit in the banks, England will see to it that another supply of money is provided; and I would have the Senator from New York remember that in order to induce investors to borrow money or to use money, England has now a rate of 2 percent on the money that borrowers secure for carrying on their business.

I should like to say further that when we remove the profit motive from business in the United States, we destroy the capitalistic system. We must build our economic recovery upon the idea that men seek profits. We must also realize that men will not carry on business until they have a reasonable prospect of making profits.

Mr. WAGNER. Mr. President, will the Senator yield?

Mr. LOGAN. I shall be very glad to yield.

Mr. WAGNER. I hope the Senator did not understand me to say that I am opposed to the profit system. On the contrary, the public-works program is a program which helps private business to obtain profits, and in that way supports the economic system in which I believe and under which we live.

Mr. LOGAN. I agree with the Senator. I did not mean to convey the idea that I thought he did not believe in the profit system. I do not believe there is a Member of the Senate who does not believe in the profit system. The trouble about it is that we have done something, or we are failing to do something, which has brought about a condition under which men cannot realize a profit. Consequently, they will not engage in business. Instead of dealing with superficial things, which we must deal with in the joint resolution, instead of looking at the matter purely from a superficial standpoint and just sticking in the bark, as it were, we ought to try to find out what is wrong with this country which brings about a condition under which men are afraid to attempt to make a profit. In order to determine that question we must agree upon some very simple rules.

In the first place, does the quantity of money in circulation have anything to do with prices? There are men who deny that it does. They deny that the quantitative theory of money is the correct theory.

If the quantitative theory of money is the correct theory—and I think everyone who has ever given any study to the subject will agree that it is—the next question we must determine is, What is money?

Of course, the money we carry in our pockets, the gold, silver, or paper, does very little of our business in this country; perhaps less than 5 percent of it. We all know that our time deposits and our savings deposits are not used in the transaction of business. So we get down to the question, Have we on hand, in the banks of the country, demand bank deposits sufficient to carry on the business of the country? I refer to deposits against which checks are drawn. It is not sufficient that they be demand bank deposits. They must be active demand bank deposits. It is true that 2 percent of the total depositors in the United States control $20,000,000,000 of the $24,000,000,000 demand deposits in the banks today. Ninety-eight percent of the number of depositors control only $4,000,000,000.

Under such conditions we should first determine whether the quantitative theory of money is sound. I want to go back for just a moment to show what others have said on the subject. I know a very distinguished gentleman who is a Member of this body, and one of the most outstanding men in the Senate.

Two or three years ago, when the Senator from Oklahoma [Mr. THOMAS] was discussing the money question, this Senator said that the quantitative theory of money was all Greek to him, and he did not know any Greek.

If it be true that the quantity of money does not have anything to do with prices, then I am very greatly mistaken. If it does have something to do with prices, then we must devise some plan under which a normal supply of active demand deposits, against which checks are drawn, may be maintained in the banks.

Let us go back to the time of the Civil War, when the Treasury Department issued its first greenbacks and Government bonds. It was stated by Ricardo, one of the great statesmen:

> That commodities rise or fall in proportion to the increase or diminution of money, I assume as a fact that is incontrovertible.

John Locke, one of England's greatest thinkers and economists, says:

> The lessening of the quantity of money makes an equal quantity of it exchange for a greater quantity of any other commodity.

John Stuart Mill tells us:

> That an increase of the quantity of money raises prices and diminution lowers them, is the most elementary proposition in the theory of currency, and without it we should have no key to any of the others.

Adam Smith said:

> Money measures things and things measure money. Each measure the other by and according to its own abundance, by comparison. If you double the volume of money in circulation, you double the price of everything. By doubling the price you divide the debt because it takes only half as much labor or the products of labor to pay the same debt. If you divide the amount of money in circulation, you divide the price of everything. By dividing the price of everything, you double your debts, for it will take twice as much labor or the products of labor to pay the same debt.

Abraham Lincoln said:

> If a government contracted a debt with a certain amount of money in circulation and then contracted the money volume before the debt was paid, it is the most heinous crime a government could commit against the people.

Thomas Jefferson gave utterance to the same views; and a good many others whom we regard as distinguished statesmen of the past have announced the same doctrine. The trouble is that our people today are trying to apply to the money question the old rules which applied when we did not have any banks; and the people consider currency as money.

As a matter of fact, if we direct our thinking toward the point that the money of the country is that which circulates and is used to carry on business, and then attempt to stabilize it, we can stabilize prices. If that be true, then there is no necessity to discuss inflation, which scares everybody to death, or deflation. The question is one of stabilization. If we are wise enough, and if today we have statesmen who are wise enough to solve this question, it must be done through determining the active demand bank deposits which are in use in carrying on the business of the country.

It may be stated as a fixed law that the business of the country—that is, the income of the citizens of the Nation—will always be about three times the amount of the active demand bank deposits in the banks. If we had $30,000,000,000 used in carrying on the business of the country, against which checks were drawn, we should do about $90,000,000,000 worth of business in the country. If the demand bank deposits, as shown by the checks drawn against them, should amount to only about $15,000,000,000 a year, we should do about $45,000,000,000 worth of business.

So if we wish to solve the question of relief, if we wish to solve the tax question, if we desire to solve all the ills confronting us, let our statesmen turn their attention toward determining how much annual income the citizens of the Nation should have, and then go about fixing the quantity or the amount of the circulating medium so as to produce that amount of income.

Mr. BORAH. Mr. President, will the Senator yield?

Mr. LOGAN. I yield.

Mr. BORAH. Suppose we should establish the amount of money as the Senator indicates which should be in circulation, and the amount which each citizen should have, in order to have a sufficient circulating medium. What are we to do if we have an economic system by which 10 percent of the people of the country may secure control of practically the entire amount or control of the material wealth which gathers to them the money of the country?

Mr. LOGAN. If 10 percent of the businessmen of the country own most of the money in circulation, and they refuse to use it, then the United States Government, through its Federal Reserve System, must replace that money through its open-market operations and by other means.

In addition to that, we must do what has been done in England. We must increase the desire to make profits, or to make more certain profits, by reducing the interest rate. Whenever we reduce the interest rate to the point at which a man can borrow money and make a profit, we shall not have in the banks stagnant money which is not in use at all. As long as prices are falling, men who have money in the bank which they are not using will keep it there, waiting for prices to reach the lowest point. Men are not going to buy property when values are going down. If those who sold their stocks on the market a few months ago secured billions of dollars through such sales, that money is in the banks today and is waiting for stocks to reach the very lowest point so that the men with the money may buy them back again. So long as we have a currency which fluctuates in value, and so long as our property has no stabilized value, we may expect no prosperity in this country. The whole responsibility rests on the Congress of the United States.

I hope sometime during the day to call attention to what the Democratic Party, at least, has said on this subject in its platforms. No later than 1936 it pledged the people of the United States that it would stabilize prices. What has it done about that question? Prices fluctuate more greatly now than they ever have almost in the history of our country. What have we done as representatives of the Democratic Party to stabilize prices and to make it possible for farmers to receive a fair price for their products? The farmers this year will have a great crop and yet they will receive perhaps less for it than they have received in many years. Why? We have done nothing to stabilize prices; we are not trying to do anything to stabilize prices. What we are trying to do is to keep on spending, knowing that it does have some effect, and we will keep on spending until our money is all gone, and then the Lord only knows what will happen.

Mr. WHEELER. Mr. President, I have sent to the desk, and, if it is appropriate at this time, I wish to offer an amendment, on page 20, line 14, to strike out "$865,000,000" and insert in lieu "$765,000,000", and also, on page 20, line 21, after the word "agencies", to insert a semicolon and the following:

And the sum of $100,000,000 to be expended by the Secretary of the Interior, for constructing, continuing construction, and expediting construction of projects under the authority of the Reclamation Law: *Provided*, That not to exceed $1,500,000 of this amount shall be made immediately available and to remain available until expended, for the construction of small storage reservoirs, as authorized by the act of August 26, 1937 (50 Stat. 841): *Provided further*, That not to exceed $900,000 of this amount shall be made available to enable the Secretary of the Interior, through the Bureau of Reclamation, to carry on any engineering and economic investigations of proposed Federal reclamation projects, surveys for reconstruction, rehabilitation or extension of existing projects, and studies of water conservation and development plans, such investigations, surveys, and studies to be carried on by said Bureau either independently or, if deemed advisable by the Secretary of the Interior, in cooperation with State agencies and other Federal agencies including the Corps of Engineers, National Resources Committee, and the Federal Power Commission.

Let me say to the Senate that the purpose of this amendment, of course, is to earmark $100,000,000 of this money for the purpose of expediting reclamation projects which have already been started, and also to construct new reclamation projects in the drought area.

Much has been said, Mr. President, on the floor of the Senate with reference to the necessity of carrying on Works Progress projects. The Senator from New York has just pointed out that there have been 2,000 community halls built, and he pointed out how many schools have been built, and how money has been used in other ways. I have no fault to find whatever with the building of community halls; I have no fault to find with the building of armories, and I do not desire to tell anybody in any other section of the country how they should spend their money. I know, however, Mr. President, that if we want to add to the capital assets of the Nation in my section of the country there is only one way to do it. There has been a drought in some parts of the so-called Great Plains area for 3 or 4 years and in other parts of it for 7 years. We have heard about the Dust Bowl. The present administration has caused conferences to be held in Sioux City and in Bismarck; a committee has been appointed to make a study of the whole subject, and every time anyone runs for office the people are told what is going to be done for the Dust Bowl.

Mr. President, there is only one way that we can do anything for the Dust Bowl; there is only one way we can do anything for the drought-stricken area. It does not do any good to build community halls in that section of the country; it does not do any good to build schoolhouses there, because the people are leaving there by the thousands; and it does not do any good to build the post offices there, because there will not be any use for post offices very long. We can, however, add to the capital assets of that region if we will earmark this $100,000,000 and spend it on irrigation and reclamation.

As I have said, we are always talking about doing something along this line around election time; we are sending commissions out there to make studies of conditions. It is not necessary to send any commissions out there. Every Member of the Senate who has lived in North Dakota, South Dakota, Montana, or in parts of Colorado knows that there is just one thing that can be done to help those people, and that is to build dams and to irrigate the land.

Mr. WAGNER. Mr. President, will the Senator yield?

Mr. WHEELER. I yield.

Mr. WAGNER. I agree with what the Senator says in regard to irrigation in the section to which he refers. I have visited that section; I realize that water is a great problem there, and it is very desirable that irrigation projects should be undertaken; but without any amendment such as the Senator proposes, the Public Works Administration, of course, would have complete authority to undertake such projects.

Mr. WHEELER. I understand that to be so; I thoroughly appreciate the fact that P. W. A. can build projects similar to those of which I am now speaking; but the trouble is that unless we earmark some of this money for this purpose much of it is going to be spent for projects that are not of any practical benefit to the people in that region at this time, when what they need is the conservation of their water resources.

I have called the attention of the administration on numerous occasions to this subject. I have said, "I am not going to try to tell you how money should be spent in the State of New York, because I do not know sufficient about conditions in New York; I am not going to tell you how to spend money in Pennsylvania; I am not going to tell you how money should be spent in New England, although I lived there for a good part of my life; but I am going to tell you that the best and the most feasible way to spend money in the Rocky Mountain area, which is affected by a serious drought and which has mountains and streams, is to build dams so as to conserve the water that comes down from the mountain tops.

Mr. President, we have done some of that work; the present administration has done a considerable portion of work of that kind in my State and in other States, and I desire to give it great credit for the work it has done; but I wish to impress on the Members of the Senate that there is just one thing to do. We are spending money to put the farmers in these regions on relief. In some of the sections which I have in mind they obtain a crop once in 5 years, and they are being put on relief. The Government is making seed loans to them which they can never pay back; they have mortgages on their farms which the Government of the United States and the Federal land banks hold which the farmers will never be able to repay. But, mind you, Mr. President, the money that is spent on the reclamation projects is not lost; it comes back into the Treasury, because the farmers who occupy the irrigated lands pay the cost over a long period of time, together with interest on it. So the money is not lost to the Government of the United States. There is no 45-55 contribution. The farmers who locate upon that land eventually pay it back and pay the interest.

We hear much said about building a better civilization; we hear gentlemen talking about doing something for the children; we hear them talking about providing schools and homes, and so forth. Let me say that when we put a man on a piece of irrigated land where he can raise some alfalfa, have some chickens, have a cow, and really have a home, on a tract of land on which he can make a living, we are making a good citizen out of him. Soon we see schools being erected; we see churches being built; we see a very prosperous community. Under those circumstances, the people on the project are able to buy manufactured goods, boots, shoes, and clothing of every kind and description; their children are better dressed. I visited the drought-stricken area a few years ago with my late colleague, Senator

Walsh. We saw little children there being kept out of school because they had no clothes to wear; we saw girls forced to wear old overalls. They were kept out of school because their parents did not have sufficient money properly to clothe them for school. That condition has obtained there for 5 or 6 years.

Mr. HAYDEN. Mr. President, will the Senator yield?

Mr. WHEELER. I yield.

Mr. HAYDEN. I am well satisfied that the Senator from Montana is making an entirely accurate and truthful statement to the Senate with respect to the value of reclamation to the Nation. I will go further than that with respect to Federal expenditures for irrigation in the semiarid area and say that if the vast sums of money that have been expended during the last 5 years on direct relief in the States where the Dust Bowl is located could have been applied to irrigation projects such as the Senator has described we would have arrived at a real solution of the relief problem in those States.

I should like to discuss the amendment of the Senator for a moment. We have here two substantive propositions. First, to fix the total sum to be appropriated and, second, to earmark a part of that total sum for reclamation. The suggestion I have made to the Senate is to reject the Senate committee amendment reducing the amount requested by the Bureau of the Budget from $965,000,000 to $865,000,000, while the Senator from Montana proposes further to reduce the $865,000,000 by another $100,000,000. The total amount to be appropriated is a proposition which will have to be voted on separately. The Senator first desires a cut of $200,000,000 under the Budget estimate, and then proposes to appropriate $100,000,000 for a specific purpose. I should like to ask the Senator just how, in good conscience, I could vote for his proposal to earmark $100,000,000 for reclamation and then vote against the proposal of the Senator from New York to earmark a large sum for flood control, and a further proposal, which will undoubtedly be offered, for Army housing? There will be other attempts at earmarking which if successful will leave no discretion at all in the Public Works Administrator as to what projects shall be undertaken.

Mr. WHEELER. I think that can be very well answered. I may say we have a huge Army appropriation bill before the Senate every year. We have appropriated billions of dollars this year for a navy and for building battleships. We are appropriating huge sums of money in every appropriation bill that comes before us. I do not want to reduce the amount of this appropriation for public works, and that is not my intention.

Mr. HAYDEN. The amendment does it. It strikes out $865,000,000, which is the amount of the committee amendment, and reduces it to $765,000,000. My proposal is that we should allow what was asked for, which is the Budget estimate of $965,000,000; in other words, that we should reject the committee amendment.

Mr. WHEELER. Let me explain to the Senator what I want to do. I have no desire to cut down the total amount of the appropriation, and I understood from those who drafted the amendment and presented it for me that it did not do so. I shall be glad to talk to the Senator about the matter if he is correct about it; but my understanding was that the amendment did not cut down the total amount of the appropriation. As I understood, it simply cut down the amount allotted to the Secretary of the Interior to be spent for that particular purpose; but while it cut down the amount in one place, it added it in another place, so that it made the total $865,000,000. Is not that correct?

Mr. HAYDEN. But when the Senate comes to vote, it cannot vote upon the Senator's amendment as a whole. The first part of his amendment is in order now; that is the amount of money which shall be authorized for this purpose. The remainder of the amendment is not in order, because it amends another part of the joint resolution, and must be offered after the committee amendments shall have been disposed of.

What I think the Senate should do is to vote upon the primary question of how much money altogether we propose that the Public Works Administration shall have. Then, when we come to the various earmarking proposals, the Senate may vote them up or down. We should not confuse the two matters.

The PRESIDENT pro tempore. The time of the Senator from Montana on the amendment has expired.

Mr. WHEELER. Mr. President, I will temporarily withdraw my amendment and offer it again later on, because I want to have an opportunity to explain the matter to the Senate. There seems to be considerable confusion with reference to the amount of money that should be spent for reclamation.

Mr. MURRAY. Mr. President, I wish to express myself in favor of the provision of the original House joint resolution as it came to the Senate, providing $965,000,000 for public works.

In addition to the problem of immediately furnishing employment, and in addition to the necessity of rehabilitating private industry, there is also a very serious problem which the Government must meet, and that is the problem of providing an opportunity for stranded citizens of the country who are unable to locate themselves in jobs or to locate themselves on land where they can be self-sustaining.

In the western arid States thousands of farm families are at present stranded, and are on the W. P. A. relief rolls. Under this provision of the pending measure there is an opportunity for the Government to construct very important projects which will provide homes for these stranded farm families and put them on a self-sustaining basis. I think that is a very important consideration for the Senate in connection with the pending measure. It seems to me that these projects which are of a regenerative character and which provide homes and opportunities for American citizens to rehabilitate themselves, are of greater importance than rehabilitating private industry, or finding immediate jobs for the unemployed.

One of the strong arguments against pump priming has been that it is no cure for our economic ills. This part of the pending measure, it seems to me, in a large measure cures the very serious situation which we have in our drought-stricken sections. Therefore, I am in favor of the provision as it came from the House.

I think the arguments which have been advanced against public works are not well founded. It is true that the great monopolistic corporations have made enormous and excessive profits during the past few years; but there should be some method of taking care of that situation without going to the extreme of denying this very important provision a place in the pending joint resolution. A week ago I pointed out on the floor of the Senate that practically all of the heavy-industry corporations of the United States made greater profits in 1936 and 1937 than they did at any time during the period from 1929 to the present date. In fact, 130 of the great corporations of the country made greater profits than they did in 1929.

Mr. WAGNER. Mr. President, will the Senator yield?

Mr. MURRAY. I yield to the Senator from New York.

Mr. WAGNER. Is it not true that in some instances some of the corporations made larger profits than ever before in the history of their existence?

Mr. MURRAY. Yes; that is absolutely true.

Mr. President, I am not a member of the Senate Finance Committee, which undertook to work out the tax bills, but it seems to me a mistake is being made in not exacting higher taxes from the gigantic corporations which have made excessive profits. It seems to me it is the duty of the Government to take some steps to curb corporations which are carrying on such practices. I am sure some of the leading industrialists of the country are coming to recognize this situation. A week ago I introduced into the RECORD a very important editorial which appeared in Fortune magazine, discussing this situation, and pointing out that heretofore in the history of our country it has been contended that the economic territory

was supposed to be territory into which government had no right to intrude or interfere; that it was exclusively the jurisdiction of industry; and that it was wrong for the Government to interfere in industry; and yet private enterprise made a complete and absolute failure so to operate our economic system as to avoid serious national economic disturbances. In 1929, as a result of that failure so to conduct our economic system as in theory it is supposed to be conducted, we witnessed the greatest depression that this country, or perhaps any other country on the face of the earth, ever experienced. It will not do for industry merely to say that this very serious and dangerous unemployment situation is something for which they are not responsible. If they are going to assume the right to have control of our American economy, they must work out an economic system which will substantially avoid those conditions.

Therefore it seems to me that, so far as this measure is concerned, arguments relating to monopolistic practices constitute no serious objection to authorizing this appropriation to carry on a public-works program. It is of greater importance than the Works Progress provisions of the joint resolution, because, as I say, it enables us in the West to establish and construct regenerative projects in arid and semiarid areas which will take thousands of stranded farm families off our work-relief rolls and provide homes for them, where they may become self-sustaining. It will put lands back on the tax rolls and will rehabilitate counties in various parts of the dry-land sections of the country which are now suffering serious economic distress, and are unable to furnish the sponsor funds required for the W. P. A. program.

Therefore I earnestly urge the rejection of the committee amendment.

The PRESIDENT pro tempore. The question is on agreeing to the amendment reported by the committee. [Putting the question.] The Chair is in doubt.

On a division, the amendment was rejected.

The PRESIDENT pro tempore. The clerk will state the next amendment of the committee passed over.

The LEGISLATIVE CLERK. On page 21, line 1, it is proposed to strike out "June 30, 1940" and to insert "September 30, 1940."

Mr. WHEELER. Mr. President, if it is in order—and I understand it is—I desire to offer an amendment to be inserted on page 20, line 21.

The PRESIDENT pro tempore. It is the opinion of the Chair that the amendment would be an amendment to the text, and such an amendment will not be in order until after the committee amendments passed over have been acted on. It will then be in order.

Mr. NORRIS. A parliamentary inquiry.

The PRESIDENT pro tempore. The Senator will state it.

Mr. NORRIS. I should like to inquire whether the committee amendment on line 1, page 21, is one amendment and the other five lines comprise another amendment, or whether it is all one committee amendment.

Mr. ADAMS. Mr. President, it is two separate amendments, offered for different purposes.

The PRESIDENT pro tempore. The question at the present time is on the first amendment, on line 1, page 21, to strike out "June 30, 1940" and to insert "September 30, 1940."

Mr. ADAMS. Mr. President, I desire to explain the purpose of the proposed change.

Under the bill as it came from the House it was provided that funds appropriated under title II could not be allotted to projects which could not be completed before June 30, 1940, and it was the opinion of the committee, in accordance with the suggestion of the Public Works Administrator, that the period of completion should be extended 3 months, until September 30, 1940, to open the way for the construction of projects which would take a little longer time.

The PRESIDENT pro tempore. The question is on agreeing to the amendment.

The amendment was agreed to.

The PRESIDENT pro tempore. The clerk will state the next amendment of the committee passed over.

The LEGISLATIVE CLERK. On page 21, it is proposed to insert, after line 1, the following:

nor for any income-producing project under clause (2) or (3) of subsection (a) of this section which will compete with any existing privately owned or operated public utility the rates of which are now subject to public regulation.

Mr. ADAMS. Mr. President, there has been much discussion in reference to this amendment, which has been commonly referred to as the public-utility amendment. I am going to avail myself of the privilege which has been taken by other members of the committee and express my own judgment in reference to the amendment. My own judgment is that the amendment as it stands should not be adopted. I think it does not express that which was in the minds of the majority of the committee when the amendment was adopted by the committee.

The committee had certain objects in mind. Further study of the amendment—and I may add that my own study includes information coming from the Public Works Administration—shows that the amendment as it stands would be a damaging and a detrimental provision.

I think it should be added that the amendment was submitted by the senior Senator from Maine [Mr. HALE]. It was prepared hastily in the committee room, I think without preliminary study of the matter, in an effort to reach certain purposes in the minds of the committee.

Mr. HALE rose.

Mr. ADAMS. I am not speaking for the Senator from Maine, but I know the amendment was hastily submitted.

Mr. HALE. Mr. President, I will say to the Senator that when I attended the committee meeting at which the amendment was adopted I had no intention of offering any amendment. When this question came up for discussion in the committee various ideas were presented, but no one offered an amendment. Therefore, I took it upon myself, since it seemed that no one else was going to do it, to offer an amendment.

I can see, as the Senator has stated, that the amendment as offered is probably too broad to have any chance of enactment, and I am entirely willing to accept an amendment to the amendment which will accomplish the general purpose that I should like to see accomplished, which is fair treatment for the utility companies.

Mr. ADAMS. Part of my purpose in making the statement in reference to the amendment is to perhaps avoid an extended discussion of an amendment which is not supported by the committee—that is, which was presented in part under a desire to accomplish certain things, but which would accomplish other things not desired by the committee.

The problem as it was presented to the committee generally was this: That the purpose of the pending measure was to put people to work, to look after those in need and in distress. The public-works part was inserted for the purpose of providing for the construction of public projects which would give employment and would result in the use of materials, the production of which would put others to work in the factories and in the mines.

It was not the desire of those advocating the Public Works projects that people should be put out of work. Most of the members of the committee had in mind that if a particular community, such as a city, had within it a public utility which was furnishing adequate service at fair rates, and was subject to public regulation, the Government should not go in and provide 45 percent of the cost of constructing a plant which would duplicate the existing plant, which would not provide better service, which would not provide better rates, but the result of which would be the destruction of the existing plant, putting out of work just as many as would be put to work by the construction of the new plant.

In addition to that, if a utility of that kind were destroyed by the public plant, it would mean the destruction of wealth, consisting of the plant itself, which would become useless, and of the interests of the stockholders scattered throughout the land.

There are a few who regard every public utility as a public enemy and think it is a good thing to destroy any public utility regardless of how or when it is done.

My own contact with public utilities goes back to a very early day. I lived in a frontier town. The principal public utility in my town was a team of horses and a wagon run by old man Ottoway, who went to the river and, with barrels, got water which he distributed to the homes in the city. That was the only public utility in the community. My father, a young man, proceeded to dig a well in our backyard. The result was that other people did likewise, and that particular public utility was gradually put out of business by better service, which was more adequate.

Mr. BULKLEY. Mr. President, will the Senator yield?

Mr. ADAMS. I yield.

Mr. BULKLEY. Does the amendment make any discrimination between a loan and a grant to compete with a privately owned public utility?

Mr. ADAMS. I do not know that I can answer that question yes or no. It provides that the customary method of making a grant of 45 percent of the cost to the public body constructing a utility shall be followed. In addition to that, the authority is given to make a loan of 55 percent, or any other amount which the Public Works Administration may see fit to make. The local governmental agency must provide 55 percent of the cost, it matters not in what way it provides the funds. It might borrow the money from the Public Works Administration; it might borrow it from other sources; it might raise it by taxation; but it would receive a grant of 45 percent from the Public Works Administration.

Mr. BULKLEY. I can see no objection to the Federal Government doing that by way of a loan, but it seems to me there might be some question whether the Federal Government should contribute public money to compete with private capital.

Mr. ADAMS. That was the position most members of the committee took, I may say to the Senator from Ohio, respecting a case where the public was being served. If the public were not being properly served or if the rates were extortionate, then it would be perfectly proper for the Federal Government to go in and help the local community to meet its problems, help it to escape from the impositions of an unfair utility. But consider what has happened in many communities. In my own community in the early days we wanted a gas plant, so a meeting of the citizens was called, and they proceeded to contribute, and they established a plant, which they owned.

It would not be fair, if that plant were giving service, for the Federal Government to go in and put up, by donation, 45 percent of the cost of a plant constructed by the community, in order to destroy the original plant, erected in good faith, to render community service as a convenience.

Mr. SCHWELLENBACH. Mr. President, will the Senator yield?

Mr. ADAMS. I yield.

Mr. SCHWELLENBACH. I should like to ask the Senator whether or not, after hearing Mr. Gadsden, the committee called upon anyone on the opposite side of this question to hear testimony as to the method used in determining whether loans should be made or grants should be made to meet the needs of the community. Was any testimony received by the committee except that of Mr. Gadsden?

Mr. ADAMS. I received a very full written explanation from the Public Works Administration.

Mr. SCHWELLENBACH. That was received personally by the Senator?

Mr. ADAMS. Yes; but for the use of the committee. What we did in the committee—as the Senator knows, because he has been before the committee—was that we gave opportunity to be heard to those who came before the committee. We had a full statement from Mr. Hopkins and Mr. Ickes as to their plans.

We had before us the House hearings in which this matter had been given consideration. For instance, a list of public-utility projects was included in the House hearings. I do not think the Senate committee lacked information. The thing in which the committee was interested was the accomplishment of the purpose of the joint resolution; that is, to put the greatest number of people to work, and do the greatest good by way of meeting the depression in which we now find ourselves.

The Senator from Washington has the mistaken idea that the committee was especially impressed by Mr. Gadsden. As I said, this matter came up in the closing hours of our committee meeting, and the Senator from Maine, apparently being impressed that there was danger of duplication and interference, hastily prepared an amendment. I do not know what passed in his mind. I do know the discussion which took place between some members of the committee. However, it was not the intention of the committee in any way to interfere with the public ownership or the public construction of public utilities. We thought that a grant of public money ought not to be made to destroy an existing utility within a city, when that utility was giving adequate service at fair rates. The Senator from Kentucky, the Democratic leader, has not submitted the matter to the Senate, but a suggestion on his part in an effort to meet that situation was discussed. I think that perhaps every member of the committee believes in the Government ownership of the public utilities which affect cities. I also think that every member of the committee and every Member of the Senate wants that accomplished by fair methods; that is, there is no desire to do an injustice to the stockholders in the public utilities so long as the public can be properly served.

Mr. SCHWELLENBACH. Mr. President, the Senator used the word "grants." To go back to the question of the Senator from Ohio, Was there a distinction made in the committee between grants and loans?

Mr. ADAMS. The whole thing goes back to the matter of grants. The loans are matters aside from grants. The fundamental purpose of the provision dealing with the Public Works Administration is to provide for the making of grants of 45 percent of the cost of projects, and to say to the local organization, "You provide the 55 percent in any way you see fit. We shall be glad to lend it to you if you provide adequate security. You may get it any way you please." But the function we are performing is providing for the making of grants to encourage the employment of men, the construction of public works, and the meeting of the problems of unemployment.

Mr. SCHWELLENBACH. In listening to the testimony of Mr. Gadsden, did the Senator feel that Mr. Gadsden would be satisfied if the question were limited to that provision?

Mr. ADAMS. Strange to say, Mr. Gadsden was only objecting to the leasing provision in the bill. He said that was the only part in which he was concerned, much to my surprise.

Mr. SCHWELLENBACH. But he did tell the Senator that private utilities could put two or three billion dollars to work, and much other stuff that had no basis in fact?

Mr. ADAMS. Yes.

Mr. SCHWELLENBACH. And the committee was impressed by the testimony with respect to some two or three billion dollars that could be put to work, was it not?

Mr. ADAMS. I will say to the Senator that he is only partly correct. The committee knows, as the Senator knows, that an effort has been made——

The PRESIDING OFFICER (Mr. MURRAY in the chair). The time of the Senator on the amendment has expired.

Mr. ADAMS. I will take my time on the bill. The Senator knows that the President of the United States and other persons have been endeavoring to persuade industry to put people to work. Among those who have been urged to employ people to expand their plants are the utilities. There has been a great deal of fiction, as pointed out by the Senator from Washington, with respect to the amount of money that might be spent, but some money, a substantial amount, could be spent by utilities, according to statements made at the committee hearings. It was not to be expected, however, that the public utilities would expand their plants, would

spend money, if they were under the threat every instant that their plants would be destroyed by the construction of competing plants, 45 percent of the cost of which would be donated by the Federal Government. In other words, there is some merit in the contention of those who have utility interests that they ought not to be destroyed unless the public interest is to be served thereby.

Mr. SMATHERS. Mr. President, will the Senator yield?

Mr. ADAMS. I yield.

Mr. SMATHERS. I should like to ask the Senator what provision is made under his amendment——

Mr. ADAMS. Wait a minute. I do not have any amendment. I have said to the Senate that I am opposed to the committee amendment. I am now arguing against the committee amendment.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. ADAMS. I yield.

Mr. BARKLEY. I do not wish to consume the Senator's time, but I desire to make a statement.

Mr. ADAMS. Will the Senator let me complete just one suggestion, and then I will yield to him?

Mr. BARKLEY. Yes.

Mr. ADAMS. I have a particular project in mind which would be impaired by this type of an amendment. That brought its effect home to me. In my State the Congress has authorized the construction of what is known as the Colorado Big Thompson reclamation project. As one part of that project, power will be developed. If the amendment under consideration were adopted in the form in which it now stands, it would be impossible for that publicly constructed project to secure any grant from the Federal Government. They do not need such a grant. I give it merely as an illustration, because the amendment as it is drawn prevents the contribution by the Federal Government to the construction of any utility which will compete with any existing utility.

This project in my State plans to reach out into the farming areas of the State. There are utilities in the small cities which run their lines out into the farming sections. The project will to that extent compete with them. It will not necessarily go into those cities, but under the pending amendment, as it is drawn, there will be no chance for that utility to secure a grant. It was the understanding of some of us when the amendment was being considered that it was to be limited, even in the form in which it came to us, to municipal plants; that it was not to go beyond the municipal plants, which met the situation about which I was speaking.

I now yield to the Senator from Kentucky.

Mr. BARKLEY. Mr. President, inasmuch as the Senator has discussed an amendment which I had had in contemplation and abandoned for reasons which I wish to explain, I wonder if the Senator will yield to me to make the statement about it at this time, which I contemplate making. I do not want to take the Senator's time. I can do it in my own time later.

Mr. ADAMS. My suggestion is that I am speaking on the bill, and if there is some way by which my time may be saved to me, I should like to have that done. I ask unanimous consent that the Senator from Kentucky may make the statement he wishes to make, without the time being charged to my time on the bill.

Mr. McNARY. Mr. President, I could not consent to that request, much as I should like to do so. The Senate should continue the debate under the plan of the agreement which was reached the other day. There are two ways by which the Senator can do what he has in mind to do.

Mr. BARKLEY. Mr. President, I have made no request.

Mr. McNARY. I understand that, but I shall have to object to the request made by the Senator from Colorado.

Mr. ADAMS. Mr. President, I ask how much time I have left.

The PRESIDING OFFICER. The Senator has 25 minutes left.

Mr. ADAMS. How long will it take the Senator from Kentucky to make his statement?

Mr. BARKLEY. I think I can make it in 5 minutes.

Mr. ADAMS. Then, I will yield to the Senator from Kentucky to make his statement in my time.

Mr. McNARY. Mr. President, the unanimous-consent agreement provides that no Senator may speak longer than 30 minutes nor more than once on the bill.

Mr. ADAMS. I do not think that is in the unanimous-consent agreement.

Mr. McNARY. I think it is.

Mr. BARKLEY. Mr. President, I do not want to violate any understanding into which the Senate has entered. If I may be recognized following the address of the Senator from Colorado to make the statement which I wish to make, in view of the situation which arose concerning an amendment that I had contemplated offering, it might result in saving extended discussion on the floor with respect to the subject, not only involving the amendment of the committee, to which I am opposed, and which I am glad to note the Senator from Colorado opposes, but any other amendment along the same line or similar lines. I hope that this provision will be left as the House sent it to the Senate.

Mr. ADAMS. Mr. President, I will say to the Senate that I am amazed that any Senator would not wish to hear from the Senator from Kentucky at the earliest possible moment. That amazes me.

Mr. BARKLEY. Of course, I can understand why no one would want to hear from me at any time, but I am making no request that any exception be made with respect to me in regard to that matter.

Mr. NORRIS. Mr. President, I could not understand everything that was said by the Senator from Colorado and the Senator from Kentucky; but as I understand, they are making an arrangement by which the Senator from Colorado shall be followed by the Senator from Kentucky. I do not wish to agree to that arrangement. That will probably happen, because the Chair has the right to do as it pleases in the matter of recognizing Senators; but I should not want to have it understood that it shall so happen.

Mr. ADAMS. That is a matter over which I have no control, I will say to the Senator from Nebraska. I was trying to arrange it so that the Senator from Kentucky could use part of my time.

Mr. BARKLEY. I do not want to delay the matter. I will take my own chances.

Mr. NORRIS. The Senator cannot yield his time to another Senator in which to make a speech.

Mr. BARKLEY. I will say what I have to say in my own time.

Mr. ADAMS and Mr. BYRNES addressed the Chair.

Mr. McNARY. Mr. President, I demand the regular order.

Mr. ADAMS. That is exactly what I am asking.

Mr. McNARY. Very well; let us get busy.

The PRESIDING OFFICER. The Senator from Colorado has the floor.

Mr. POPE. Mr. President, will the Senator yield?

Mr. ADAMS. I yield.

Mr. POPE. I should like to ask the Senator from Colorado whether or not he knows of any States or municipalities which do not now have public regulation of utilities?

Mr. ADAMS. I do not. I should have to make a qualification. The Senator says "States." It happens that in my State we have what are known as home-rule cities. The city of Denver, and the city of Pueblo, in which I live, have regulation of rates by the local municipality bodies and by State bodies. However, where there is no home-rule regulation, there is regulation by State bodies.

Mr. POPE. The Senator will note the language, "which will compete with any existing privately owned or operated public utility the rates of which are now subject to public regulation." It occurred to me that all such utilities are subject to public regulation in one way or another.

Mr. ADAMS. I think so.

Mr. POPE. So that this provision would amount to a prohibition against making loans to cities?

Mr. ADAMS. No; that is not its purpose.

Mr. HUGHES. Mr. President, will the Senator yield?

Mr. ADAMS. I yield.

Mr. HUGHES. I might say that in my State there is no regulation.

Mr. ADAMS. Delaware is an exception in many respects.

Mr. SCHWELLENBACH. Mr. President, will the Senator yield?

Mr. ADAMS. I yield.

Mr. SCHWELLENBACH. In fairness to the junior Senator from Delaware, I think the Senator should say that if the junior Senator from Delaware and his friends had been in power in the State of Delaware during the past 25 or 30 years, there would have been regulation.

Mr. ADAMS. I have no doubt of that. I assumed that was thoroughly understood.

Mr. HUGHES. We are in power now, but we are not in control of the legislature.

Mr. ADAMS. I think the Senator entirely understands the situation in Delaware.

Mr. President, in an effort to present in somewhat condensed form my own theory of an amendment which would be proper, I have prepared a substitute which I have been asked to submit, and which I shall read at this time in order to make it clear. I may later offer it as a substitute for the provision under discussion. My draft provides a limitation in reference to loans in the following language:

Nor for any municipal project which will substantially duplicate the services furnished by any existing public-utility plant the rates of which are fair and reasonable and are under public regulation, and which provides within the jurisdiction of such municipality adequate services of the same kind proposed to be furnished by such new plant.

That language seemed to me to prohibit grants in cases of unfair rates or inadequate service. The scope of the language is very limited.

Then, because of the fact that there is just apprehension that if there be limitations included in the law as to loans the Administrator would be taken into court by competing utilities, I have added to my suggestion the following:

The findings and decision of the Federal Administrator of Public Works upon all questions arising under this paragraph shall be final and not subject to review by any court.

In other words, I wanted to leave the field wide open to aid every community which, by any process of justice or reason, was entitled to help. The only utilities which would be protected against that type of Government-financed competition would be those, in the first place, within a city, those which were furnishing adequate service within the city, and those whose rates were fair.

Mr. NORRIS. Mr. President, will the Senator yield?

Mr. ADAMS. I yield.

Mr. NORRIS. Who will determine that question? How can we keep out of court the question whether the rates are fair, and whether the service is adequate?

Mr. ADAMS. That is exactly the reason for the last sentence, which provides that the findings of the Federal Administrator of Public Works upon all questions arising under this paragraph shall be final and not subject to review by any court.

Mr. NORRIS. What is to prevent that question from being taken into court? It would go into court the first whirl out of the box.

Mr. ADAMS. Someone might go into court today and charge the Senator from Nebraska with murder. There is nothing to prevent people from going into court. The Senator knows that. There is nothing to prevent people from going into court and challenging any provision of any law, so long as there are lawyers willing to do the absurd thing.

Mr. NORRIS. Under existing circumstances, during the past several years since we have had a P. W. A., all the questions of law have been fought out and determined by the courts. Unless we should change the law by inserting some new language, no one would be able to get to first base in court, because the law has already been determined by the Supreme Court itself.

Mr. ADAMS. We are all familiar with the decisions which have met the problems raised in connection with the Tennessee Valley Authority. The Government has the full right to make its contribution if it sees fit. It has the right to build a plant to compete with a private utility if it wishes. There is nothing in the law yet whch forbids anybody from going into court.

Mr. NORRIS. The reference I made was not to the T. V. A., but to the municipalities themselves. So far as I know, in every instance municipalities which undertook to take advantage of the existing law were haled into court, and their municipal plants were held up for 2 or 3 years without anything being done, and in many instances until the question of employment had disappeared.

Mr. BYRNES. Mr. President, will the Senator yield?

Mr. ADAMS. I yield.

Mr. BYRNES. At first glance I thought the Senator's proposal might avoid litigation; but it occurred to me that under the terms of the joint resolution a project may be approved only if started within a limited time. As the Senator says, there is nothing to prevent any individual or corporation from going into court. I have come to the conclusion that if individuals or corporations should go into the courts and secure injunctions, the beginning of the projects would be delayed beyond the time fixed in the joint resolution when they must start. I fear that the utilities could thus accomplish what they are seeking to accomplish and what the Senator from Colorado would not want them to accomplish.

Mr. ADAMS. I will say to the Senator from South Carolina that I have not offered the amendment. I had my ideas put into the form of an amendment in order to condense my own views. At the present time I have no intention of offering the amendment. I am opposed to the committee amendment. If I did not think it would interfere with the freedom of debate, I should move to lay the committee amendment on the table and dispose of it.

The junior Senator from Connecticut [Mr. MALONEY] has an amendment which I have not read with care, but which I understand embodies the intent of the amendment which at one time was drafted by the Senator from Kentucky [Mr. BARKLEY]. I do not want in any way to foreclose the consideration of that question, but I am trying to make it clear that so far as the majority of the Appropriations Committee are concerned today, they are not in favor of this amendment.

Mr. BYRNES. Mr. President, will the Senator yield?

Mr. ADAMS. I yield.

Mr. BYRNES. I ask unanimous consent that the Senator from Colorado be permitted to yield to the Senator from Kentucky [Mr. BARKLEY] to make a statement in his time.

Mr. McNARY. Mr. President, I shall object to that.

The PRESIDING OFFICER. Objection is heard.

The Senator from Colorado has the floor.

Mr. ADAMS. Just one other suggestion. It is my understanding that the statement which will be made by the Senator from Kentucky [Mr. BARKLEY] will give to the Senate an understanding of what the Public Works Administration and the administration mean to do. I have no right to anticipate his statement, but I understand that, if the committee amendment is stricken out, the actual program of the administration will afford protection in those cases which some of us think ought to be protected. In other words, I understand that the administration has no intention of engaging in unfair or destructive competition through the means of Federal grants or Federal loans.

Mr. SCHWELLENBACH. Mr. President, will the Senator yield?

Mr. ADAMS. I yield.

Mr. SCHWELLENBACH. I should like to ask the Senator a question. It seems to me he has gone to great lengths in an effort so to word his proposed substitute as to protect against improper legal action. However, I should like to ask him if he does not recognize that under the language contained in his proposed substitute, strong as it is, the utility

companies would go into court and contest the constitutional right of the Congress to include in the law a provision delegating the power to an administrative agency, on the basis of which that administrative agency might act arbitrarily and capriciously, and contest very seriously, and with some considerable legal basis, the right of Congress to take away from the judiciary the determination of the question as to whether or not a governmental agency has acted arbitrarily and capriciously?

Mr. ADAMS. I think the argument of the Senator from Washington illustrates that he has in mind that there is nothing to prevent the imagination of attorneys for the utility companies leading them into court with some new, unsound, and imaginary theories. What I was trying to do was to make the decision of the Federal Administrator of Public Works final on these questions. When the Federal Government gives its money away the Federal Public Works Administration should be the final judge, and his decision should not be subject to review in court on the question of when the Federal Government should give money to a public body for that body to use in the construction of a public utility.

Mr. KING. Mr. President, will the Senator yield?

Mr. ADAMS. I yield.

Mr. KING. The Senator does not take the position, does he, that the Federal Government, by making grants, may deliberately destroy private property, and then deny to the person whose property is being destroyed access to the courts? I agree with the Senator from Washington, if I correctly understand his statement. We may not deny to an individual, even though his claim may be fantastic, the right to invoke the power of the courts to determine whether his constitutional right of property has been denied him.

Mr. ADAMS. Of course, we cannot deny the right of anyone to go into court. However, the Supreme Court of the United States has settled the question of the right of the Federal Government to do these things. In the next place, if my proposal were enacted into law it would make the decision of an administrative officer final and conclusive upon questions of fact.

We have voted such provisions in many of the laws which we have passed. Senators are familiar with them; they have voted for many of them in an effort to expedite these provisions. As I have said, it is because of that that I am willing to vote and expect to vote against the committee amendment, and I probably will vote against other amendments, because I am advised now, as I think the Senate will be advised by the Senator from Kentucky, that the thing that might have been apprehended will not occur, and it is better to leave in the hands of the administration perhaps the power to do an injustice than to impose restrictions which might prevent the doing of a necessary and appropriate act.

I took the floor because of things which have been said indicating a wrong attitude upon the part of the committee. I think a very substantial majority of the committee is in entire accord with what I have said, but, coming here as chairman of the subcommittee, I did not want to have the committee misrepresented before this body. I wanted to present to the Senate the fact that further study of the amendment, which was hastily drawn, had led members of the committee personally to feel that it ought not to be adopted.

Mr. BARKLEY. Mr. President, in view of the situation which has arisen with regard to this amendment and an amendment to it or a substitute for it which I had planned a week ago to offer, and which I have abandoned, I wish to make a very frank statement about how the matter arose and what followed with reference to it.

At a conference some days ago with the President which was attended by Vice President Garner, Speaker Bankhead, House Leader Rayburn, and myself, the question of the propriety and wisdom of the committee amendment prohibiting the allocation of any funds from this appropriation for the construction of competing public utilities in States, counties, or other political subdivisions in which there is an existing plant, came up for discussion. The President took the position that Federal money ought not to be allocated for the construction of public utilities where there is an existing private utility whose rates are regulated by a public authority until and unless the municipality or other political subdivision made in good faith an offer to purchase at a fair price the existing privately owned and operated plant. This position was agreed to by all those present at the conference.

As a result of this discussion and understanding, I prepared and intended to offer an amendment to the pending joint resolution carrying out this idea. In other words, I prepared and had intended to offer an amendment which in substance would prohibit the allocation of funds carried in this relief appropriation for the construction of competing publicly owned utilities in cities where there is a privately owned utility whose rates and practices are being regulated by public authority unless and until the municipality had offered in good faith to purchase the private utility at a fair price and such offer had been rejected.

Upon further consideration, however, it was discovered that such a provision would very probably result in litigation as to the fairness as well as the good faith of any offer made by a municipality to purchase an existing plant. It was realized that with such a provision included in the law, it would be possible to bring about much litigation in the courts over the question of fair price and its acceptance or rejection and that, in view of the limitations of time contemplated for the beginning and completion of projects for which these appropriations are made, such delays might occur in the prosecution of injunctions and other forms of litigation as to nullify and make useless any allocation of funds that might be made for the construction of a utility plant where in good faith a fair price had been made to purchase the existing private plant.

In view of these circumstances it has been thought best not to offer the amendment so as to carry in the law itself a provision involving the possibility of endless delay by litigation.

For this reason I will not only not offer the amendment which we discussed and contemplated, but I oppose the amendment which the committee has inserted in the bill prohibiting the use of any of these funds under any circumstances for the erection of a competing utility where one already exists. I am authorized to say that the President assumes the same position; in other words, he takes the position that it is unwise to prohibit altogether the use of funds for this purpose regardless of circumstances, and he believes it unwise to write into the law a provision regarding the good faith or fairness of an offer for the reasons which I have set forth.

However, I am authorized by the President to say that he has not changed his opinion as to the propriety or wisdom of allocating Federal funds for the construction of publicly owned utilities where there is an existing utility giving adequate service and whose rates are regulated by public authority unless and until the municipality has in good faith made an offer to purchase the private utility at a fair and reasonable price. And I am authorized to say that it is his purpose to carry out this policy in the allocation of any funds under this appropriation for the construction of public utility plants, and that he does not contemplate or expect or intend to allocate funds out of this appropriation for this purpose unless and until such municipality as may apply for such an allocation has in good faith made an offer to purchase the existing private plant coming within the above description at a fair and reasonable price. In other words, it is not his purpose to allocate funds from these appropriations to set up competing publicly owned utility plants without giving to the privately owned utility plant an opportunity to sell its property at a reasonable price to the public which desires and is authorized to engage in the construction and operation of such a plant under the laws of the State where located.

Mr. BYRNES. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield to the Senator from South Carolina.

Mr. BYRNES. In connection with the statement of the views of the President, the Senator, of course, has in mind that while title I places the expenditure of the money appropriated in the officials of the departments, under title II the expenditures can be made only with the approval of the President, so that his statement governs the expenditures.

Mr. BARKLEY. Oh, yes; I thank the Senator for calling my attention to that. Under the provisions of the pending joint resolution all these allocations, in the last instance, have to be approved by the President, and in making the allocations for the construction of public-utility plants in municipalities that are authorized under the law to do so, and in passing upon the allocations and determining whether any of them shall be made, consideration is to be given to the circumstance whether a bona fide offer has been made to purchase the existing plant at a fair and reasonable price.

Mr. BORAH. Mr. President——

The PRESIDING OFFICER. Does the Senator from Kentucky yield to the Senator from Idaho?

Mr. BARKLEY. I yield.

Mr. BORAH. May I ask the Senator from Kentucky, on the question of good faith and fair and reasonable price, who is the final judge as to those matters?

Mr. BARKLEY. Of course, the President will be, as he must be in that as in all other matters, because it is left to him finally to determine whether an allocation shall be made at all; and even when an offer in good faith has been made by a municipality to purchase an existing private plant at a fair and reasonable price, the President, under the pending measure, would have the power to deny either a loan or a grant for such purpose. So, of course, he would have the final determination as to whether an offer had been made in good faith and at a fair price. Though he were inclined to make the allocation under those circumstances, he could deny the application for the loan or grant, even if the conditions set cut in the statement which I have read were complied with. I will say to the Senator that there is a very potent reason for not including it in the law, because, the President being the final authority in all these allocations, loans, and grants, and intending not to make them for this purpose except where these conditions have been complied with, no possibility is involved of long delay over the question of good faith or fairness of the price, since whether he will make the loan or the grant under any circumstances is a matter in his discretion; whereas the possibility of long delay would be involved, and might result in litigation, if the policy were set out in the law itself.

Mr. BORAH. In other words, if the President comes to the conclusion that the offer is not in good faith, or that the price is not reasonable, he is then entirely free to enter the field with his allocations?

Mr. BARKLEY. No not at all. If he should reach the conclusion that the offer was not in good faith and not a fair and reasonable price, he would have no reason in the world to make the allocation.

Mr. KING. He would be forbidden to do it, would he not?

Mr. BARKLEY. No, he would not be forbidden to do it, but he has no intention of doing it. If there were such a case as an offer made not in good faith, of course, the President would not be justified in making an allocation to any concern or anyone. If he should reach the conclusion that while the offer was made in good faith the price was not reasonable and fair, he would still deny the allocation. He has the power to deny it even where he is convinced that the offer is made in good faith, and the price is reasonable.

Mr. HATCH. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield to the Senator from New Mexico.

Mr. HATCH. As I understand the statement the Senator has made, it is simply to the effect that before a municipality, say, could obtain a loan or grant under this provision where there was an existing private utility, the municipality would first have to show in the application, let us say, that it had made a fair and reasonable offer for the private utility, and that the offer had been refused.

Mr. BARKLEY. Although the terms of the application cannot be set out in the law itself, I think that under the statement of the policy of the President, when a municipality applied for a loan or grant, or both, to construct a public utility, it would be required to show whether there was an existing plant in the municipality, and whether it had made in good faith an offer to buy the plant at a reasonable price, because if the municipality did not set out those facts in the application, of course, the President would require it, by supplemental information, to supply the deficiency.

Mr. BORAH. Mr. President, just one further question. At some time or other someone would have to determine the question of good faith in case the transaction occurred at all, and also the reasonableness of the price.

Mr. BARKLEY. That is correct.

Mr. BORAH. And that would be the President of the United States?

Mr. BARKLEY. That would be the President of the United States. Of course, an instance might arise in which an offer was made by a municipality which was not authorized under the law of the State to purchase or to construct its own public utility. If the municipality made an offer without any authority to go through with it, manifestly that could not be regarded as being an offer made in good faith, because it could not be carried out.

Mr. KING. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield.

Mr. KING. The Senator now is touching upon the question about which I intended to inquire.

I am told that there is in the joint resolution a provision, regarding which there has been considerable comment, under the terms of which the President, or the authority administering the law, would have a right to abrogate existing limitations upon municipalities, so that though there was a prohibition against such action in the constitution of the State or in the act under which the municipality performed its functions, it could be violated, and the municipality could obtain a grant which later on might be repudiated by the taxpayers, and no compensation then would result to the Government for the grant or the loan which had been made.

Mr. BARKLEY. I think the questions of fairness and bona fides must go along together with respect to offers to purchase existing plants.

Mr. BYRNES. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield to the Senator from South Carolina.

Mr. BYRNES. The Senator from Utah is now referring to a section of the joint resolution which was stricken out in the committee.

Mr. BARKLEY. Yes; that matter really is not involved here at all.

Mr. BULKLEY. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield to the Senator from Ohio.

Mr. BULKLEY. How would this principle apply to the question of extending an existing municipal light plant when there is already a privately owned public utility in the community, as there is in the city of Cleveland? Would it be necessary for the city of Cleveland, in order to get funds to extend an existing municipal light plant, to make an offer to buy out the whole public utility?

Mr. BARKLEY. Oh, no; I do not think so. Of course, that is one reason against putting in the law itself anything on the subject of fairness of the offer, because the matter must be left to somebody who will have a flexible discretion with respect to the use of the power; and, under this policy, that must be the President. If there are competing plants in the city of Cleveland or any other city,

one of them private and the other public, and the publicly owned utility desired to extend its facilities——

Mr. BULKLEY. That is exactly the situation today.

Mr. BARKLEY. I do not interpret the President's policy to be that before he could consider such a loan or grant, the publicly owned utility would have to buy out the private utility occupying a part of the city not contemplated by the extension desired by the publicly owned utility. So I do not think there is anything in this policy which would prevent the President from making a loan in a case like that.

Mr. BULKLEY. The publicly owned utility wants to expand primarily for the production of current to be used in public service to the city.

Mr. BARKLEY. I do not think the President would be barred, even by his own declaration of policy, from making a grant or a loan in a case like that, because it would not involve the question of the purchase of a competing private plant in a community that desired the grant or the loan.

Mr. BYRNES. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield to the Senator from South Carolina.

Mr. BYRNES. When the Senator from Kentucky first proposed the amendment to which he refers I agreed with the proposal. After considering it, I reached the conclusion which the Senator from Kentucky has announced in his written statement, that if the provision were written into the law the power companies would go into court and delay the projects so that they never could be constructed.

The PRESIDING OFFICER. The time of the Senator from Kentucky has expired.

Mr. BARKLEY. Mr. President, I shall not take any time on the joint resolution, because, if an amendment is offered along the lines of or in any way pertaining to this subject, I shall have time to speak on the amendment.

Mr. MALONEY. Mr. President, several days ago I sent to the desk and had read a proposed substitute for the amendment now under consideration. I should like to call up that substitute.

The PRESIDING OFFICER. The amendment offered by the Senator from Connecticut in the nature of a substitute for the pending committee amendment will be stated.

The CHIEF CLERK. On page 21, beginning with line 2, it is proposed to strike out through line 5 and to insert in lieu thereof the following:

And no funds appropriated under this title shall be allotted for any project of the character described in clause (2) or (3) of subsection (a) of this section which will compete with any privately owned or operated public utility whose rates are subject to public regulation on the date of enactment of this joint resolution (1) until such public utility has been notified by the Administrator that a competing project of such character is proposed to be financed with such funds, and (2) until such public utility (A) has rejected, or has failed to accept within 30 days after it is made, a bona fide offer by a public agency, or by or on behalf of the United States, to purchase the property of such public utility at a price fixed by a board of arbitration appointed as hereinafter provided, or (B) has failed to appoint within the time specified a member of the board to be created for the purpose of fixing such price: *Provided*, That the board of arbitration in each such case shall consist of three members, of whom one shall be appointed by the public utility, one by the public agency which is to construct such competing project or to which such project is to be leased, and one by the two members so appointed, and all such appointments shall be made within 30 days after the notification by the Administrator to public utility as provided in clause (1) of this subsection: *Provided further*, That if the members of any such board appointed by the public utility and the public agency are unable to agree upon the third member of the board within such 30-day period, then the Governor of the State in which the competing project is proposed to be located shall, within 10 days after the expiration of such period, appoint a third member of such board: *Provided further*, That the price fixed by the board for the property of the public utility in any such case shall be fair and reasonable, shall be agreed upon by at least two members of the board, and shall be fixed within 60 days after the third member of the board is appointed: *Provided further*, That in any case in which the Governor of any such State fails to appoint a third member of a board of arbitration within the time specified for such appointment by him, and in any case which any such board fails to fix the price for the property of the public utility within the time specified therefor, funds appropriated under this title may be allotted for the competing project.

The PRESIDING OFFICER. The question is on agreeing to the amendment, in the nature of a substitute, offered by the Senator from Connecticut [Mr. MALONEY] to the amendment reported by the committee.

Mr. KING. Mr. President, this is an important matter. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Adams	Connally	Johnson, Calif.	O'Mahoney
Andrews	Copeland	Johnson, Colo.	Overton
Ashurst	Davis	King	Pepper
Austin	Dieterich	La Follette	Pittman
Bailey	Donahey	Lee	Pope
Bankhead	Duffy	Lewis	Radcliffe
Barkley	Ellender	Lodge	Russell
Berry	Frazier	Logan	Schwartz
Bilbo	George	Lonergan	Schwellenbach
Bone	Gerry	Lundeen	Sheppard
Borah	Gibson	McAdoo	Shipstead
Brown, Mich.	Green	McCarran	Smathers
Brown, N. H.	Guffey	McGill	Smith
Bulkley	Hale	McKellar	Thomas, Utah
Bulow	Harrison	McNary	Townsend
Burke	Hatch	Maloney	Truman
Byrd	Hayden	Miller	Tydings
Byrnes	Herring	Milton	Vandenberg
Capper	Hill	Minton	Van Nuys
Caraway	Hitchcock	Murray	Wagner
Chavez	Holt	Neely	Wheeler
Clark	Hughes	Norris	White

The PRESIDING OFFICER. Eighty-eight Senators having answered to their names, a quorum is present.

Mr. McADOO. Mr. President, I send to the desk an amendment which I intend to offer to the pending joint resolution, and ask that it lie on the table.

The PRESIDING OFFICER. The amendment will be received and will lie on the table.

Mr. MALONEY. Mr. President, before I start a brief discussion of the amendment which I attempted to explain to the Senate a few days ago, I should like to point out two typographical errors in the substitute just read by the clerk.

On line 15, page 2, the word "the" is omitted after the word "to," and on page 3, line 5, after the word "case," the word "in" is omitted.

Mr. President, I have been very much impressed by two statements made on the floor this afternoon, one the statement of the Senator from Colorado [Mr. ADAMS], who is in charge of the joint resolution, and the other the statement of the majority leader, the Senator from Kentucky [Mr. BARKLEY].

I stated in discussing my proposed amendment a few days ago that I was opposed to the so-called committee amendment, but because that is now so completely abandoned, and because of the discussion of it by the Senator from Colorado, which seems to express the views of the committee, I shall say no more about it than that, as I stated a few days ago, I am opposed to the committee amendment.

I am tremendously impressed by the statement made by the Senator from Kentucky in which he expressed the views of the President of the United States. I am sure that the President is not familiar with the substitute proposal I have offered. I am in accord with the statement of the Senator from Kentucky, of course, and in hearty accord with the views he carries from the President. But I should like to emphasize the fact that my amendment does nothing more than supplement that splendid statement and attitude of the President of the United States.

I should like to say again that I firmly believe that when the States of the Union provide that municipalities may own and operate their own power plants, the Federal Government, under a program of this sort, should be permitted to make loans and grants to those municipalities. I believe in public ownership if the people of a community decide by their vote that they desire public ownership.

At this point I should like to say that there is no power issue involved in my amendment. Regardless of whether or not the amendment shall be adopted, I want to point out

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that my State is in no wise affected by this part of this bill. If I understand the law of my State, loans and grants cannot be made under the pending measure except in keeping with the kind of a proposal I am making.

I desire to make a little bit of a personal reference here in order that I may not be misunderstood at home. Very recently an election was held in my State in which power was an issue. The people of the community there were insistent upon a reduction in power rates, and the candidate sponsoring that issue was successful in the election. Because I believe him a man of earnestness and sincerity, I feel sure that he will pursue the program outlined in his campaign. I want the people of that community to know that, regardless of what happens to this proposal of mine, there will be no effect on their desire unless my amendment may be helpful.

I do not wish to see competition in the field of public utilities if it can be avoided. I tried to point out a few days ago that we had suffered tremendously in this country because of a duplication in the railroad field, that there was a great waste where parallel lines were in operation, to the misfortune of the stockholders of the railroads, and now to the misfortune of the taxpayers of the country, as well as the employees of the railroads.

We can avoid waste. I firmly believe the President of the United States; I am absolutely convinced that he would act under the proposed law in accordance with the statement of the Senator from Kentucky. But I insist that my proposal will make it easier for him to carry out what he has in mind. He recognizes the danger of competition, and he recognizes the wastefulness of that competition; so he is reluctant to make loans to municipalities where there are existing utilities, and would demand that a fair offer be made for such a utility.

Mr. President, my amendment provides the way. It does, however, give the millions of investors in utilities securities a voice in any controversy which might ensue. It gives them representation at a table of arbitration.

The amendment provides, first, that when a request is made for a loan or a grant, or both, the Administrator of Public Works shall notify the affected utility, and that utility may appoint one member of a board of arbitration. It next provides that the municipality desiring the loan or grant may name a second member of such a board of arbitration, and it definitely provides that this action must be taken in a very limited period of time.

It provides, further, that these two persons shall select a third and final member of the board of arbitration. But it is obvious that a utility desiring to obstruct or one which was obstinate, might fail to agree upon a third person, and, to safeguard against any such situation, provision is made that in the event of failure on the part of the first two members of the board of arbitration to appoint a third within a limited period of time, the Governor of the State in which the proposed plant would be erected would be required within a more limited period of time to name the third member.

We have no control over the sovereign States in matters of this sort, and there is the remote possibility that for some reason or other, good or bad, the Governor might fail to appoint the third member of the board of arbitration. So the amendment proposes to make every safeguard on behalf of the municipality and the people of the municipality desiring their own plant, and provides that in the event of failure on the part of the Governor, the loan or the grant may be immediately made.

Mr. President, that is all the amendment would do. I have no political friendship with the power interests. I dislike to say it here, and I do not know that I wear it as a badge of honor, but if there are any liberal utility organizations in my State—and I do not admit there are—the most liberal of them condemned me in its annual statement for my votes in Congress on power questions, particularly for my vote for the death-sentence provision in the Public Utility Act of 1935. I do believe, however, that I have the respect of the utility people in my State, because I think they believe that I am fair. Because I aim to be fair I offer this amendment at this time.

I wish to protect the millions of people who have investments in this field. I want to protect the millions of insurance policyholders who are involved, because insurance companies hold utility stock. I desire to make certain that invested capital is not impaired. But I do not particularly insist upon emphasizing those arguments, Mr. President. I want to make another kind of argument.

I said in the beginning of my remarks that no power issue should be involved in this matter. Mr. President, this is a relief measure. It has been properly described by those in authority as a pump-priming bill. I do not suppose that any Member of the Senate believes that the Government of and by itself, at the expense of the taxpayers of this country, can go on indefinitely providing jobs and relief for those millions of people who are unemployed. I presume that it is because of a realization of that fact that this measure is called a pump-priming bill. To me that indicates that the Government is aware, to the last man, that we can hope for no more from the relief legislation which we are repeating this year, and which we will repeat again next year, than resulted from such legislation in the past, Mr. President, unless we adhere to the description of the measure that I make now, that this is a pump-priming bill; that it is intended to speed up private industry, that it is to make the pump of private industry and private capital work.

I assume that because this is a pump-priming bill we understand that we cannot go along without the help of private industry and private capital and that the Federal Government cannot carry the load alone. I presume that the Members of the Senate believe that this is the right way to do it; that the way of providing employment for men is through private industry. No other way exists under the capitalistic system. The profit system will pass, unless the burden of providing employment is carried by private capital and by private industry.

So, Mr. President, I offer my amendment as a measure of protection to those who have invested their money and to encourage a free flow of private capital into industry, particularly into this tremendous and important industry.

I must take time to say that I feel that the utility people have abused their privileges, that for altogether too long they have been exploiters of the public, that in too many places rates are still too high. I have a feeling that in some places near at hand to me those entrusted with the supervision of utility affairs have been a little careless of the common welfare and the public good. However, two wrongs do not make one right.

I believe that the President of the United States will carry on as the message of the majority leader indicates, but I do not believe that he is fairly provided with all of the necessary machinery with which to undertake what may be proposed under this measure unless some such amendment as mine shall be adopted. Without a provision of the machinery, as the Senator from Idaho asked in a brief colloquy with the majority leader, who is to determine what is the proper price? I do not doubt the qualifications of the President in that respect, but he has not the time to give to each problem. He cannot take care of it. The work must be delegated to someone else. To whom? My amendment proposes a way to delegate the work, in which the municipalities involved, the utilities involved, and the general public have a say, compelling action within a very limited period of time, and taking fear out of the minds of the potential investors of this country, and fear out of hearts of those who have already invested their money.

Those of us who voted on the side which may be considered the opposite side from that of the power interests, have asked

for the help of those investors and potential investors in getting us out of the present depression. They furnish employment for hundreds of thousands of men. We are told, and I believe, that there is a great field left untouched, that there is an opportunity for the further expenditure of a great amount of money in the utility field, and we are told that if we can quiet the fears of the country and can give encouragement to those who have money to invest, there will be money coming into the utility field, that men will be given jobs, that fear will be abandoned, that confidence will be restored, and that we can proceed on the too long delayed march toward better times.

I do not want long to delay a further consideration of this relief proposal, and I want to point out now, Mr. President, for the RECORD, that whether or not my amendment is adopted, I am in favor of the pending joint resolution. I believe in the pending spending program to protect the Nation against a contracting economy. If I have any doubt about it, the doubt is that the amount provided may not be sufficient to carry us through until Congress returns next January.

The PRESIDING OFFICER. The time of the Senator on the amendment has expired.

Mr. MALONEY. I shall take my time on the bill.

I have just one more point to make, Mr. President, as to what will occur if there shall be a slip, if authority is granted and loans are made to provide this kind of assistance to municipalities, and there is a duplication of utility plants in some places. I want the Members of the Senate to see clearly the picture. The taxpayers on one hand are building a utility in competition with the taxpayers on the other hand. We see the taxpayers and the investors over here on one side, and the taxpayers and the investors and the small insurance policyholders over here on the other side; the taxpayers on the one side being in competition with respect to the sale of power with the taxpayers on the other side.

Mr. President, I cannot see how my proposal will cause delay. I must assume that the argument will be made that it will give the utility company a chance to hang its coat upon a peg of procrastination. I cannot see that, Mr. President. It seems to me that my amendment would avoid delay; that it would speed up a consideration of individual proposals.

As I close I must particularly emphasize the fact that the proposed legislation has no effect upon the utilities of my State, because of the law peculiar to my State. In Connecticut there has been provision made with respect to the manner in which the public ownership of utility plants may be undertaken. The legislation does, however, affect the people of my State, because it might affect the economic situation generally. It does affect the people of my State, school teachers, small-business men, workers in factories, and countless others, who have a little money invested in utilities outside of my State. Connecticut has no other stake in the proposal under consideration. In my own behalf I may lay emphasis upon the fact that I have compelled the utilities of my State to reduce their rates. I have prevailed upon them to change certain contracts. I have not been in the position of being on their side in the votes I have cast while I have been a Member of Congress. But, Mr. President, we owe them fairness for the sake of fairness. We owe them this protection for our own sake. We owe the investors in the utility field and the potential investors in that industry the encouragement to send future and additional money into this gigantic enterprise which can do so much to return us to good times in America.

Mr. HALE. Mr. President, I have listened with interest to the remarks of the Senator from Connecticut. I think the amendment to the committee amendment offered by the Senator from Connecticut is a reasonable one, and I shall be glad to support it.

The purpose of the committee amendment is to prevent the granting or loaning by the Public Works Administration of the funds provided in section 201 of the joint resolution to States, Territories, possessions, political subdivisions, or other public bodies—herein called public agencies—to enable them to develop projects that will compete with existing privately owned utilities, or, through the threat of such competition, to drive such utilities into selling out to the municipalities. The Senator's amendment permits the granting and loaning of the funds, but provides for a fair offer to the existing utility for its property before the project goes into effect.

Since 1933 the Government has paid out under the public-works program in loans and grants a total of one-hundred-and-thirty-two-and-odd-million dollars for electrical facilities, which, in Secretary Ickes' own words, may be said to be competitive with existing facilities. These figures appear in a table furnished by Secretary Ickes, which appears in the House hearings on page 448. The figures involve projects whose estimated cost is one-hundred-and-ninety-five-and-odd-million dollars for electrical plants alone.

On pages 391 and 392 of the House hearings is another list furnished by Secretary Ickes, showing approved power projects of a total estimated cost of one-hundred-and-forty-five-and-odd-million dollars, on which the Government is to furnish ninety-and-odd-million dollars in loans and grants. These projects are not all competitive projects. On page 483 of the House hearings Mr. Gray, of the Public Works Administration, inserted a list of projects, the total cost of which is forty-four-and-odd-million dollars, which the table states will be operated in direct competition with present privately owned facilities. The break-down of this list shows thirty-six-and-odd-million dollars to be contributed by the Government in loans and grants. I have been told that some of the approved projects which are not included in this list, such as the San Francisco electric-distribution project, which involves a grant of twelve-and-odd-million dollars, are distinctly competitive. All the approved projects are ready to go ahead as soon as the joint resolution becomes a law. In other words, the Public Works Administration since 1933 has expended considerable sums of money to be used in direct competition with existing privately owned utilities, and has a set-up ready for operation for the expenditure of considerable additional sums of money.

The result of this policy of the Public Works Administration, and the threat that is held over every privately owned company that at any time it may be confronted with the choice of operating under disastrous competition or selling out at whatever price it can get, has decreased the value of the securities of the utilities and has materially affected the credit of the privately owned companies with the banks. It has prevented them from making improvements which, as the committee was told by Mr. Gadsden, the head of the public utilities executives, run into hundreds of millions of dollars. These improvements would put great numbers of men to work.

Mr. President, in this morning's New York Times I find a short editorial, which I shall read. It is entitled "Putting Men to Work."

On the ground that flexibility is essential, the President yesterday requested that no restrictions be placed on his power to spend the enormous funds that will be made available by the new pump-priming bill. This is essential, he said, if the Government is to achieve its purpose of putting the greatest number of unemployed to work in the shortest time. But there is one situation in which restrictions on spending would very definitely help to put men to work. This is in the use of Government money for the purpose of subsidizing competition with the public-utility industry.

There is today a lag of two and a half billion dollars in new utility construction. One unmistakable reason for this lag, which has meant the loss of orders for hundreds of companies and the lack of employment for thousands of men, is that the public-utility industry has been kept in a state of confusion for the last 5 years, never knowing when or where or how suddenly the Government would decide to make an outright gift of funds for the purpose of duplicating some existing utility facility. An industry does not expand under these conditions.

Pending before the Senate at this moment is a plan to place certain restrictions on the future use of Federal money for public power plants. In the interest of increasing employment, as well as in justice to the taxpayer, such restrictions ought to be adopted. For there is no reason whatever to believe that a few million dollars spent here and there for the purpose of duplicating some private property can possibly create as many jobs as a truce that would revitalize the whole utility industry by

putting an end to the threat of indiscriminate competition by the Government.

The utilities have made their blunders. It is folly to penalize them now by keeping idle craftsmen out of work.

I also wish at this time to read a letter which I have received from Mr. Waldo S. Kendall——

Mr. McKELLAR. Mr. President, will the Senator yield?

The PRESIDING OFFICER [Mr. MINTON in the chair]. Does the Senator from Maine yield to the Senator from Tennessee?

Mr. HALE. I yield.

Mr. McKELLAR. The Senator said something about the large amount of money which would be spent by the public utilities. The Senator will recall that Mr. Gadsden, who I believe is the lobbyist for the power interests, appeared before our committee and stated the facts about what the utilities had been spending. For instance, in 1932 they had reached the point of $750,000,000 a year, and during the past year they spent $450,000,000. So that the difference between $450,000,000 and $750,000,000, while it is a very large sum, would not account for very much employment.

Mr. HALE. In answer to the Senator's question, I will say that the statement in the editorial about the two and a half billion dollars which would be spent represents the aggregate of the slow-up over a period of years. I have already said in my statement that Mr. Gadsden stated that confidence on the part of the utilities would lead to the making of improvements which would put many hundreds of millions of dollars into circulation.

Mr. McKELLAR. The very best he testified to was $300,000,000, the difference between what they were spending in 1929 and what they are spending now.

Mr. HALE. In what I have already stated, Mr. President, I have said that the expenditures would run into hundreds of millions of dollars. The Senator cannot find fault with that statement. He may find fault with the editorial.

Mr. BONE. Mr. President, will the Senator yield?

Mr. HALE. I am somewhat limited in my time. I should appreciate it if the Senator will allow me to go on.

Mr. BONE. I should like to ask just one question. Is the money to be spent in rural districts, or in cities and urban districts?

Mr. HALE. Mr. President, I was about to read a letter sent to me by Waldo Kendall, president of the Security Dealers Association of New England. I read:

SECURITY DEALERS ASSOCIATION OF NEW ENGLAND,
Boston, May 27, 1938.

Re section 201 of the relief bill.
Hon. FREDERICK HALE,
Senate Office Building, Washington, D. C.

DEAR SENATOR HALE: With 35 years of experience in the investment business practically entirely in the private investor field in conservative securities, especially of public-utility nature, I feel that I can speak with definite authority in regard to the dangers of any provision in the bill in question that would permit of competition with privately owned utilities through municipally owned plants.

From my observation, the troubles of the country are summed up in the lack of confidence on the part of anybody who owns securities or has money in the bank, as regards his future income. This lack of confidence has been increasing from month to month as the stagnation in the securities markets only too well attests. Confidence is the cement that binds all the other ingredients together, as you as a businessman well know.

Now comes this terrifying proposal, the extent of the results of which would be shown only in the event, to add to the fear of the future. I only wish that legislators could sit at my desk day in and day out and hear the reports from salesmen as to the terror, and it is nothing less, that possesses especially the minds of small investors.

Then they would know that there could be no increase in the national income sufficient to support adequately the present burden of taxation, unless there is an alleviation of their lack of confidence in the future, a lack which is making for smaller expenditures for all the luxuries and for many of the necessities of life.

I hope, therefore, that your committee and the Senate will act with due consideration of these facts in mind.

Very truly yours,

WALDO KENDALL,
President, Security Dealers Association of New England.

As I have said, the purpose of the committee amendment is, as far as possible, to stop using the funds of the Government to encourage this unfair and ruinous competition.

Under the bill as it came over from the House, the Public Works Administration may grant outright 45 percent of the cost of a project to municipalities and other public agencies, and may loan to them up to 55 percent. In other words, the Public Works Administration may assume the financing of the entire project, and actually contribute as a gift 45 percent.

If a municipality decides to start a municipal project in a field occupied by a privately owned utility, the municipality has the choice of buying out, with funds of its own, the existing utility and taking over its plant and then coming to the Public Works Administration for a loan and grant on whatever expansion it may decide to make, or of getting a loan and grant on an entirely new plant and then competing with the existing company. Under Public Works Administration regulations a grant may not be used for the purpose of buying an existing plant.

In most of our towns and cities there is not room for two such plants, and the disastrous effect of the coming competition practically forces the existing company to sell out on whatever terms it may obtain. As the municipality gets from the Public Works Administration 45 percent of the cost of the new plant and a loan on such part of the remaining 55 percent as it cannot furnish itself, and as it has the added advantage of not having to pay any taxes, in the long run it is so certain to drive the old plant out of business that it should be able to acquire the old plant for little more than junk value plus a certain amount for nuisance value.

The statement of the Senator from Kentucky [Mr. BARKLEY] this morning was an excellent one, but I do not think that we ought to depend on any statement of intention. I think we ought to fix definitely in the law some provision which will make sure that the private companies when they are put out of business will receive a fair and a reasonable amount for their property.

Mr. NORRIS. Mr. President, will the Senator yield there?

The PRESIDING OFFICER. Does the Senator from Maine yield to the Senator from Nebraska?

Mr. HALE. I yield.

Mr. NORRIS. Can the Senator frame language that would not put on somebody the responsibility to decide whether the price was fair and also the responsibility of deciding several other questions? The Senator says he wants to put such a provision in the law. Who would decide the question if we should put it in the law?

Mr. HALE. Mr. President, under the amendment of the Senator from Connecticut, which I approve, the matter would be decided by a fair board of arbitration.

Mr. NORRIS. What about the suggestion of the Senator from Colorado that the Administrator determine the question or the suggestion of the Senator from Kentucky that the President determine it? In other words, somebody must determine it, must he not?

Mr. HALE. Yes, but I think if a fair board of arbitration were appointed, one member of which represented the municipality, one represented the existing utility company, and one was appointed by the two, it would be a fair body to decide the question.

Mr. NORRIS. Does the Senator think that the two would be able to select a third who would agree with the others?

Mr. HALE. I think they could select someone who would agree with one or the other.

Mr. NORRIS. Is not that contrary to most of the Senator's experience? When a lawsuit is tried are the defendant and plaintiff both put on the jury? Would the Senator let the plaintiff and the defendant in a case select the men who are to try the case?

Mr. HALE. If they could not agree, under the provisions of the amendment of the Senator from Connecticut, it

would be the duty of the Governor of the State to appoint a third member.

Mr. NORRIS. Suppose the Governor should not do it or suppose he should after all it would be up to somebody to decide whether the price was fair or whether it was not?

Mr. HALE. I do not think it should be up to the man who decides that the existing company is to be put out of business.

Mr. NORRIS. Does the Senator want the company itself to select the judge or does he want the municipality to select him?

Mr. HALE. I just told the Senator that I think that a board, one of whose members was appointed by the utility, one by the municipality, and the third by the two thus selected, would be a fair board.

Mr. NORRIS. The private company selects one and the municipality selects one, and, if they do not agree on the third, then the Governor is to make the selection; but if the Governor does not do so, then should we say to the two, "You settle it"? That, of course, would be an impossibility. If they should be able to settle it, could any language be devised by which the question could be kept out of court? Either party could go into court and even up to the Supreme Court of the United States.

Mr. HALE. Mr. President, if the Senator will allow me, I will proceed with what I have to say.

Armed with the deadly club of the Government grant and loan for the new plant, the municipality is ready to make what terms it deems advisable with the existing company or to go ahead and build its new plant. Obviously, if it can acquire the old plant for a sum of money less than the 55 percent which it must furnish either from its own resources or through Government loan, it is better off if it does so, and it will then operate the old company itself. If not, it will go ahead under the loan and grant and build its competitive plant. In the first case, it will call off its transaction with the Government, the proffered Government aid having accomplished its purpose. In either case the privately owned utility faces almost certain ruin.

The purpose of the pending joint resolution is to afford work relief to the unemployed. Should the existing company be forced to sell out and the municipality should take over its plant and operate it, no additional work would be furnished by the transaction, and no additional men would be employed unless the municipality made extensions through a grant and loan from the Government. Clearly, therefore, if the existing company is forced to sell, as in most cases it will be forced to sell, the project is not in the main a relief project at all; and so far as the public utilities are concerned, section 201 merely sanctions the Government's providing or threatening to provide the resources to put the existing utilities out of existence in order to bring about Government ownership.

The PRESIDING OFFICER. The time of the Senator from Maine on the amendment has expired.

Mr. HALE. I will proceed on the bill.

The purpose of the pending amendment is not to check competition by municipalities and other public agencies, but to protect the existing privately owned utilities from practical confiscation of their property.

If the service of an existing company is not good, the municipality or other public body has at present the right to borrow money from the Reconstruction Finance Corporation, and if it has a good case it can get a loan from that institution. Clearly it is a most unfair proposition that the Federal Government should interfere with existing privately owned utilities by granting outright to any municipality or public body nearly one-half of the cost of its project in order to put out of business the existing company and make no provision for the protection of its property rights which the Government has assisted in destroying.

I can conceive no greater blow to business in general in this country than the failure on the part of the Congress to adopt this or some equally reasonable amendment. On the other hand, I believe that its adoption would do more than anything we could do at the present time to indicate that the Federal Government is not, as many have claimed, using its strength and resources to destroy the lifeblood of the country, American business.

Time after time the President has called on business to take up the slack of unemployment. Failure to do so, he tells us, makes imperative enormous appropriations for pump priming. I wish in all fairness that someone would tell me how it is possible for the public utilities, which constitute one of the largest industries in the country, to do their part in taking up the slack, when with direct financial aid from the Government, under the guise of appropriations for work relief, they are to be put out of business.

Mr. NORRIS. Mr. President, it is my desire to show that the pending substitute and also the committee amendment and any other amendment or substitute that may be suggested should be voted down by the Senate.

Under the existing law for several years the P. W. A. has been making grants to municipalities to build municipal electric-light plants. I do not know of an instance where the power interests have not taken every one of those cases into court and secured an injunction. There may be exceptions, but I cannot call any to mind. Those injunction suits have gone through the courts, and finally been passed on by the Supreme Court of the United States. So the law has become well settled, and no more injunction suits can possibly be commenced under the existing law, which is contained in this bill as it comes to us from the other house.

So if we reject all these amendments, the result will be that we have probably made it impossible for injunctions to be brought in the courts. If we put in the joint resolution either the committee amendment or any substitute for it, and especially one such as the one pending—which is offered, I concede, in the best of faith but which contains dozens of provisions of which a shrewd lawyer may take advantage and commence an injunction suit—we shall have made it possible for the private utilities of the country to hold up every single one of these proposed improvements by injunctions, and to travel the same road they have traveled during the last 2 or 3 years.

Mr. BROWN of Michigan. Mr. President, will the Senator yield?

Mr. NORRIS. I yield.

Mr. BROWN of Michigan. The amendment of the Senator from Connecticut [Mr. MALONEY] provides that the price fixed by the board for the property of any public utility shall be fair and reasonable. Does not that open the way for a public utility to get into court in every instance to find out whether or not the court would hold the price to be fair and reasonable?

Mr. NORRIS. It does.

Mr. BROWN of Michigan. And second, in view of the fact that every project must be started by January 1, 1939, it would be necessary to hold up any project for only a very short time in order to prevent its construction.

Mr. NORRIS. There is not any doubt that any shrewd lawyer, such as the Power Trust always has, could devise such a scheme and prepare on paper such a showing that a court, taking the facts alleged as granted, would, of course, issue an injunction upon it; and then, when the litigation was started, there would not be any stopping the injunction this side of the Supreme Court of the United States; and when the courts got through with that injunction suit the Power Trust could start another one.

Mr. BROWN of Michigan. And the project would have to be started by January 1, 1939, when the authority expires.

Mr. NORRIS. That is true.

Mr. President, I now desire to discuss in a general way the present conditions as I think they apply to this amendment.

In the first place, as I understand, the committee amendment was put into the joint resolution upon the recommendation of Mr. Gadsden. I am told by members of the committee that he is the only witness who appeared before the

committee advocating the committee amendment. The committee put in the amendment.

I shall not have time to go over the question of who Mr. Gadsden is. He ought to be known to every Member of the Senate. He is known to practically every Member as one of the greatest lobbyists who ever lived. He is known as being the head of what I believe is properly denominated the Power Trust. His work, as exposed by the investigating committee headed by former Senator Black, shows, in my opinion, that no committee of the Senate ever ought to open its doors to that man to give it any advice.

I shall not go into the matter further than to say that I think we could well afford to follow the advice of anybody rather than Mr. Gadsden. His record in the holding-company investigation will be mentioned by other Senators, and I shall not go into it; but I understand that he charged before the committee that Mr. Ross, one of the great hydroelectric engineers of the United States, was opposed to competition on the part of public-utility companies with municipal plants.

Mr. Ross called me on the long-distance telephone from the State of Washington, and I took down his statement. I have since seen him, and have since had a letter from him on the subject; but I have his statement, which is just the same as what he wrote me and what he afterward told me. He said:

> In answer to Mr. Gadsden's statement before a subcommittee of the Committee on Appropriations to the effect that I am opposed to duplicating private power systems by the building of competitive public power systems, I wish to emphatically state that his statement is absolutely without any foundation in fact. I believe that every major reduction in power rates of private power companies has not been made voluntarily, but has been forced by public competition.
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> I have advocated that where possible a public power system shall buy out its private competitor at a fair price. If this is impossible, I am for competition; and by "competition" I mean competition that will produce low rates for everyone.

I desire to go over very briefly the history of the injunctions which have been granted in connection with the work of the P. W. A. under the law which we passed some time ago. The present joint resolution, if unamended, is the same as the present law, and will continue the same kind of work.

Mr. BONE. Mr. President, will the Senator yield for an instant?

Mr. NORRIS. Yes.

Mr. BONE. The Senator already has expressed the idea; but I doubt if there is a lawyer in this body who would question for an instant the fact that if either of these amendments is adopted—the one offered by the Senator from Connecticut [Mr. MALONEY] or the committee amendment on page 21—the Federal courts from now on would be filled with injunction suits to prohibit the lending or granting of any money to public bodies under the pending joint resolution.

Mr. NORRIS. That is what I tried to say a while ago.

I am going to show that under the existing law the power companies have traveled through that channel of injunctions, and have obtained injunctions I think in every case, and carried them to the court of last resort. Some of these lawsuits have been drawn out for 10 years. It often happens that on account of some technicality the court above reverses the case and sends it back, and it is tried over again. I have in mind a particular municipality in Ohio, in whose case over 10 years elapsed between the time they commenced their municipal plant and the time they finally got it going, all that time being taken up by injunctions by the private power company. In the meantime, the city had grown away beyond the proportions that existed at the beginning of the agitation; and the plans made out to begin with, when they were finally sustained 10 years later, did not fit the case, and the municipality had to commence over again.

The lawsuits which have been commenced against the P. W. A. and against granting funds to municipalities, for the purpose of preventing municipalities from building, have been instituted in Federal courts, State courts, and every court on earth. The companies have exhausted their powers; and the great reason why I do not want an amendment on this subject is that I do not want the municipalities to be compelled to travel over that road again. Just as surely as we adopt an amendment of this kind, we shall make it possible for every municipality which desires to build its generating or distributing system to be held up indefinitely, and in the meantime whatever good may come from it will be held up.

I desire to give the Senate a short history of the matter. I shall not go into many details of it, because I have not the time to do so.

When I discussed this question in the Senate in May 1937 I presented some statistics. Some of them I desire to repeat:

> Fifty-six injunctions still block the efforts—

Remember, this was May 28, 1937, just about a year ago. Since that time all these injunctions have been cleared away. The Supreme Court has given a complete victory to the municipalities in these cases, but I said at that time:

> Fifty-six injunctions still block the efforts of the Federal Government to provide employment through the construction of power facilities as useful public works. Out of the 76 injunctions that have been granted by the courts against P. W. A. power projects, 21 cases have been tried by the district courts. Sixteen have been won and five lost in the district courts. Thirteen have been decided by five different circuit courts of appeals, and no one of these has decided against the Federal Government's right to make the loans and grants, although one case was lost on State issues. Twenty of the original seventy-six injunctions have been settled out of court, leaving 56 still pending and awaiting some final action on the part of the Supreme Court.

The PRESIDING OFFICER. The time of the Senator from Nebraska on the amendment has expired.

Mr. NORRIS. Very well; I will speak on the joint resolution.

Mr. President, I further said at that time:

> Two of the injunctions allow the Federal Government to advance funds for certain aspects of the contemplated construction on the Central Nebraska Public Power and Irrigation District and the Lower Colorado River Authority, both of which projects have other aspects than power.
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> * * * * * * *
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> The 54 projects which are being held up as the result of these injunctions have allotments of more than $51,000,000.

If we were going to get any good out of those funds, the injunctions had the effect of preventing it. Fifty-one million dollars' worth of work was held up by these injunctions.

> These allotments should provide, according to figures worked out by the Bureau of Labor Statistics in the Department of Labor on the basis of six previously completed P. W. A. power projects, approximately 95,000,000 man-hours of employment, including employment on site and off site.

Ninety-five million hours of labor. So these injunctions have had a very material effect in interfering with the progress we have tried to make during the time we have been fighting this awful depression.

I shall now read from a letter of the Secretary of the Interior on this question, only an extract:

> The greatest injury of all, however, is done to the thousands of unemployed who could have been at work were it not for the litigation. The great purpose for which Congress established the Public Works Administration—that is, the reinvigoration of our economic system through the employment provided by the construction of permanent and useful public works—has unquestionably suffered because of this litigation. Thousands of workers who would otherwise have been employed on the site, and other thousands who would have been doing useful work in the providing of necessary materials, have not received the benefits which Congress intended for them. The preliminary injunctions have worked the gravest injury to these thousands of workers and their families by depriving them of necessary employment at a time when it was most needed. Unfortunately, the processes of law are such that if the companies lose these suits they cannot be compelled to recompense the unemployed for the injury that has been inflicted upon them.

Let us not forget that—that the injury which is inflicted by these injunctions can never be recompensed or paid for by the utilities which inflict the damage.

Mr. President, here is something more on these injunctions. I want Senators to get a taste of what is coming if we adopt any amendment that is new, and give these utilities an opportunity to go into court and get injunctions. I am not finding

fault with the courts. Almost without exception the municipalities have won the suits in the end. But we hear it said so much, "Oh, these widows and orphans, these suffering people who have invested their hard cash in these utilities, are going to be crushed and killed by the Government of the United States."

Think of it, Mr. President. Does the Government want to injure anybody? Do we who advocate this provision in the pending measure want to injure anybody? We have never yet in all this difficulty made any attempt to bring any injury on any honest private investor; and that is true in all these cases.

What happens first when the people become dissatisfied with the exorbitant rates which are being asked of them? They go to the utilities and on bended knees they say, "Give us a lower rate," and the utilities kick them out of the office.

Where do they go then? They get together in little groups and organize and say, "Let us put in a public-utility plant." I do not know of a single one that has ever been erected except for the reason that the private utilities would not give the people a reasonable rate.

The people organize; they call an election under the law. There is nothing illegal about it. The election is called only to redress their grievances, and to get honest rates. Then the matter is fought out before the people, and that ought to end it. If the utility wins in the fight and the municipality is beaten, it does end it, as it ought to, and the people abide by the election. But if the utilities are beaten, the fight has only commenced. The next day there is a petition for an injunction in court, and from that on to the supreme court of the State and to the Supreme Court of the United States the brightest lawyers obtainable, with huge fees, are fighting for these injunctions. Usually they are beaten all the way through.

Are they looking after the investors when they spend their money thus? Are they caring for the widow and orphan when they are ruthlessly giving away the money to fight an impossible litigation which they know they will lose in the end? But they do it. Millions of dollars are thus spent.

Finally, 2 or 3 years afterward, they get to the Supreme Court, and the Supreme Court decides that the municipality had a right to erect the plant. In the meantime the money is held up.

There is no danger of an honest utility suffering a penny of loss.

The first thing municipal officials do—and I call attention to this specifically, because Senators will undoubtedly recall instances in which they were personally acquainted with the facts—when it is decided by vote of the people that they will build an electric plant is to try to buy the private plant. They negotiate. As a rule, they offer the utility more than the private plant is worth. I have advised dozens of committees from municipalities, when the fight reached that stage, to have engineers determine the fair value of the plant, then to add five, or ten, or twenty-five, or fifty thousand dollars, and to make an offer for the plant. Almost always that is done. There is another place where the rights of the widow and the orphan who own the stock are protected—unfortunately, the stock is all owned by widows and orphans. But the utilities will not agree. They hire big lawyers and pay them huge fees to advise them not to agree, and they go into court, where thousands of dollars paid in legal fees and other expenses are all lost.

The report of the Federal Power Commission made in response to a resolution of the Senate gives some wonderful disclosures in the way of government by injunction. This report is confined entirely to injunctions relating to public electrical projects. It must be remembered, too, that this report ends with the year 1935. There should be many cases added, because 1936 is prolific with injunction suits commenced by private utilities against the installation of publicly owned electric-light projects. Since 1931 and up to December 31, 1935, there were 186 restraining orders and injunctions applied for in such cases. The delay incurred from litigation in 246 cases amounted in the aggregate to 289 years 8 months and 22 days, an average of 1 year 2 months and 4 days per case. The great bulk of these cases occurred in comparatively recent years.

Direct expenses incurred in such cases amounted to $376,233 for 198 cases, an average per case of more than $1,900. These figures do not include direct expenses estimated at $1,000,000 by the city of Los Angeles. Indirect expenses, consisting of extra charges, losses in profits, and losses to consumers, extra charges to the authorities for electrical energy for such use, totaled $11,920,207 in 162 cases, or an average of $73,582 per case.

The majority of such orders have been sought during the past 5 years—90 prior to 1931; 186 since that date up to December 31, 1935. Between January 1, 1931, and December 31, 1935, 127 cases were instituted against public authorities not involved in P. W. A. or T. V. A. proposals or activities, 50 cases involving P. W. A. loans or grants, and 9 cases against the 19 public authorities concerned in the Tennessee Valley Authority's proposals.

I want the Senate to understand into what chaos we will put this question if we insert an amendment which will make it possible for public utilities to carry these cases to the Supreme Court.

Mr. President, how much time have I left?

The PRESIDING OFFICER. The Senator has 14 minutes remaining.

Mr. NORRIS. I will have to omit some things I wanted to say, because I do not want to lose the opportunity to explain very briefly the three charts on the wall of the Senate.

Chart No. 1 presents a comparison between the principal typical net monthly bills for the various classes of service rendered by publicly owned electrical utilities with similar bills by privately owned utilities.

The typical net monthly bills shown in the charts are averages of the 1935 bills in all communities in the United States with populations of 10,000 and over for residential and commercial service, and 25,000 population and over for industrial power service. The averages are weighted averages. They were derived from the tables showing such averages by geographical divisions in the Federal Power Commission's publication, Rate Series No. 5.

This was an official document showing the investigation made by the Federal Power Commission under a resolution passed by the Senate.

In addition to the typical bill comparisons, chart No. 1 presents a comparison of the taxes and tax equivalents paid by the publicly owned electric utilities with the taxes paid by privately owned utilities. Taxes and tax equivalents, that is, cash contributions and free services, are shown in percentages of the gross electric revenues of utilities for the year 1933.

That, Mr. President, is shown in the lower part of chart No. 1. I am going to take that up later, but at present I wish to go on with an explanation of the other two charts. I shall say something more about the illustrations shown on that chart with respect to taxes. I think that is the most important item on the chart, and I invite the consideration of all Senators to it.

The first comparison in chart 1 is between the averages of the typical net monthly bills for residential service. The first of these bills, the bills for 25 kilowatt-hours, is representative of customers using electric energy for lighting and small appliances only. This group of customers comprises about one-half of all residential customers. A comparison of the average bills for 25 kilowatt-hours in communities served by publicly owned utilities with those of privately owned utilities shows that the privately owned utilities charged 27.5 percent—listen, Senators—the privately owned utilities charged 27.5 percent more for these services in 1935 than the publicly owned utilities.

That is shown on chart No. 1. In other words, the public utilities furnished this service for 27½ percent less than the private utilities charged. Take that in connection with the comparison made with respect to taxes, and see where we come out.

The second residential bill used in this comparison is the bill for 100 kilowatt-hours, which represents the class of residental customers who use energy for electrical refrigeration in addition to its use for lighting and small appliances. A comparison of the average bill for this service shows that the private utilities charged 23.3 percent more than the publicly owned utilities.

That is shown in the column on the chart which I now indicate.

The third and last of the residential bills represent customers who use electric energy for both an electric range and a refrigerator in addition to energy used for lighting and small appliances. A comparison of the average bills for this service shows that privately owned utilities charged 23.7 percent more than publicly owned utilities.

In the comparison of the average bills for 0.075 kilowatt of demand and 50 kilowatt hours for commercial lighting service, the chart shows that privately owned utilities charge 33.5 percent more than publicly owned utilities.

A comparison of the bills for 3 kilowatts of demand and 150 kilowatt-hours for commercial lighting service shows that the privately owned utilities charged 44.1 percent more than the publicly owned utilities. For 3 kilowatts of demand and 375 kilowatt-hours the privately owned utilities charged 32.5 percent more than the publicly owned utilities.

In industrial service the privately owned utilities charge 34.1 percent more for the 150 kilowatts of demand and 30,000 kilowatt-hour bill, 31.4 percent more for the 300 kilowatts of demand and 60,000 kilowatt-hour bill, and 30.1 percent more for the 1,000 kilowatts of demand and 200,000 kilowatt-hour bill than was charged for similar services by publicly owned utilities.

The last comparison made in chart 1 is between the taxes, cash contributions, and free services contributed by municipal utilities with the taxes paid by privately owned utilities.

I now come to the question of the taxes, and shall speak on that subject briefly. The Vice President is standing right in front of the taxation illustration on the chart. I cannot see through him very well. [Laughter.]

Mr. LEWIS. Does the Senator mean that he cannot see through the Vice President? [Laughter.]

Mr. NORRIS. Comparison of taxes and tax equivalents contributed by electric utilities are based on reports from 1,618 municipal utilities for taxes and cash contributions in 1933, 689 municipalities for free service, and 1,216 privately owned utilities for taxes. They are not based on reports from only utilities serving communities of 10,000 population and over, because such averages have not been computed, and also because privately owned utilities which serve communities of 10,000 population and over usually serve smaller communities in addition to the large communities.

Mr. BYRNES. Mr. President, will the Senator yield?

Mr. NORRIS. I yield.

Mr. BYRNES. What is meant by "cash contribution"?

Mr. NORRIS. I am coming to that, Mr. President.

Mr. Duval, the representative of the Federal Power Commission, says it is believed that the results which would have been secured by using only the utilities serving communities of 10,000 population and over and the results shown would be approximately the same.

It should be noted that municipalities contributed 0.9 percent of gross electric operating revenues in the form of taxes, 14.2 percent in net cash contributions, and 8.7 percent in free services, or a total of 23.8 percent which is more than double the 11.6 percent of the gross electric revenues paid in taxes by the privately owned utilities in 1923.

Mr. President, that is the latest computation I have been able to obtain. Since that date taxes, or these payments in lieu of taxes, in both municipalities and publicly and privately owned utilities, have gone up. The Federal Power Commission representatives tell me that they are working on the year 1936, and they believe it will be found that the taxes paid by privately owned utilities, instead of being 11.6 percent will be between 14 and 15 percent, and that the payments made in lieu of taxes by publicly owned plants, instead of being 23.8 percent, as now, will be very materially increased.

The Senator from South Carolina asked me what is meant by "cash contributions," as shown on the chart. I do not know that I shall be able to explain it fully, but I will say that it is a payment made from the returns of the municipally owned plant to the municipality. As I understand, it may come in various forms. I can obtain that information definitely and show just exactly what is meant by that item.

Taxes paid by private utilities are shown by the yellow line. The amount paid by publicly owned municipal plants in lieu of taxes is also shown on the chart. In 1933 the amount paid by publicly owned municipal plants in lieu of taxes was twice as much as the taxes paid by private utilities. The amount paid in lieu of taxes by privately owned municipal plants in some places represents free service. In other places it refers to a paving contract, or an auditorium, or something of that kind, which is often paid for out of the income from the utility.

I should say at this point that personally I have some definite ideas on the tax question. I do not believe municipalities ought to furnish any free service, as many of them do. I do not believe they ought to use their money to pave streets, or to build auditoriums or schoolhouses, as is often done. In order to keep their books correctly, and know just exactly how everything stands, they ought to charge the utility the same as they do anybody else, and reduce the rates as much as possible. Then, in lieu of taxes, they ought to pay what would be paid if the utility were privately owned. That would settle the tax question.

Mr. BYRNES. Mr. President, will the Senator yield?

Mr. NORRIS. I yield.

Mr. BYRNES. The explanation is that local officials, rather than levy taxes to build schoolhouses and other buildings, divert the funds from the public utility.

Mr. NORRIS. That is correct. We often see signs as we enter towns of reasonable size to the effect that "This city has no municipal taxes." All the expenses of running the city are paid out of the revenue which comes from a publicly owned electric lighting plant. I do not believe that is the right way to do. However, that is their business.

Mr. BYRNES. It prevents us from ever knowing exactly what the facts are.

Mr. NORRIS. We never can know just exactly what the facts are. That is what we ought to know, if we can.

I should like to refer to the other charts. Chart No. 2 shows the effect of competition on the rates charged by both publicly owned and privately owned utilities. In these comparisons the average residential bills for publicly owned utilities in communities where there is competition with a privately owned utility are shown first, and these bills are used as 100 percent in calculating the percentages.

It should be especially noted that in residential service, as well as in other services, the typical bills of publicly owned utilities with competition are the lowest bills, with practically no exceptions; and that the difference between these bills and the bills of privately owned utilities where there is competition is relatively small. I think that point ought to be plain to everybody. Sometimes the bills are exactly the same, brought to the same basis by the fact that the public owns the public utility and a rate has been established which the private company is compelled to meet.

Also of considerable interest is the fact that the average bills in the communities served by privately owned utilities without competition are materially higher than bills in communities served by privately owned utilities with competition.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. SCHWELLENBACH. Mr. President, I desire to discuss the committee amendment and the proposed substitute of the Senator from Connecticut [Mr. MALONEY]. I should like to say at the outset that I was very greatly pleased with the attitude of the members of the committee, and particularly the attitude of the Senator from Colorado [Mr.

ADAMS], after more mature consideration, in deciding to recommend to the Senate the rejection of the committee amendment.

I wish to say, without the slightest criticism of the committee, that the record of the committee shows that the only witness who appeared on the subject was Mr. Gadsden, who testified and presented to the committee the idea that a great amount of employment might be furnished if the private utilities were given an opportunity to go ahead, if they might be relieved from the possibility of a threat of public competition.

I was delighted to know that after the conclusion of the hearings the members of the committee asked for reports and recommendations from the Department. It seems to me it would have been a shocking thing if a committee of this body had accepted the testimony of Mr. Gadsden, and had not attempted to obtain testimony from any other source. No man in the history of legislative affairs in the past 15 or 20 years has shown more contempt for the Congress of the United States, or a greater willingness to use improper methods to create sentiment for the purpose of influencing legislation in the Congress of the United States, than has Mr. Philip Gadsden.

Mr. Gadsden testified in 1935 that he was the head of the Public Utility Executives' Association, the organization which conducted and carried on the campaign against the public-utility bill. It was under his direction that the telegraphic campaign, which upon investigation was shown to be mostly fraudulent, was carried on. He admitted quite freely and frankly before a committee of this body that under his direction Members of the House of Representatives had been consulted by their most intimate friends living in their congressional districts, who were brought to the city of Washington at the expense of the private utilities, regardless of whether they knew anything about the public-utility bill, and regardless of whether they knew anything about the sentiment in the district. They were paid to come to Washington and tell their intimate friends, Members of the Congress of the United States, how they should vote upon the bill. In my opinion, that is the most infamous and the most regrettable admission that has ever been made before a committee of the Congress. Mr. Gadsden blithely and without the slightest element of remorse admitted that that was the method he directed.

Mr. BORAH. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. HILL in the chair). Does the Senator from Washington yield to the Senator from Idaho?

Mr. SCHWELLENBACH. I yield.

Mr. BORAH. The Senator spoke about influence being used in connection with the bill. Does he mean the measure which is pending?

Mr. SCHWELLENBACH. I said that the witness who appeared and presented the testimony upon which the committee amendment was proposed was Mr. Gadsden, who directed the campaign against the utility bill of 1935.

Much has been said in the past several months about the fact that public-utility companies were in a position to furnish employment to a large number of people in the country if a condition were brought about under which they would not be subjected to further governmental restrictions or further governmental competition. I wish to read to the Senate an editorial written in the May 7, 1938, issue of the Electrical World. The Electrical World calls itself the voice of the public-utility companies of the country. It is the recognized trade journal of the public utilities of the country, printed by men who are experts along the line of public utilities. It is sold very largely to public utilities. It is dependent for its advertising upon those who sell supplies, materials, and equipment to public utilities. It is the voice of the private utilities so far as a trade journal is concerned. In the issue published on May 7 this trade journal of the private utilities had the following to say in discussing this precise question:

Statements have been made from time to time by economists, Government officials, and even utility people that the electric-light and power utilities had a construction backlog of between two and three billions. It was intimated, and in some cases positively stated, that this huge construction program would be released as soon as money was available. Newspapers, columnists, editorial writers all over the country took up this statement, quoting one leading economist to the effect that a release of this electric-utility spending was all that was needed to break the current business recession. It was stated over and over that the money could not be secured until the Government had stopped its act of sabotage against the utilities. Thus was the administration held responsible for the prolongation of the business decline. The answer to this attack has come in the announcement that any utility that cannot secure money for new construction can borrow funds for that purpose from R. F. C.

Politically, all of these moves may have been fine strategy at the time, but they do not bring the true situation to light, nor do they solve the basic problem. And all the time this jockeying for position continues the investing public is hearing more and more about why it is not safe to put money in utilities.

Basically, the facts are these. The electric utilities do not have a construction backlog of close to $3,000,000,000. And if they did have and if they had the money to finance a construction program of that magnitude the manufacturers of electrical equipment could not turn out the orders.

This is the voice of the private utilities, speaking through their recognized trade journal.

There is a construction backlog, of course, but it is nowhere near as large as some people imagine. The backlog for the most part comes in lessened capacity reserve in plant and system. But it must be remembered that in the last few years the industry has demonstrated that reserve need not be of the same magnitude as was once thought necessary. This was fortunate indeed, for it brought with it increased use of investment and, therefore, better financial stability.

The industry has spent money as needed. It has not found it necessary to refuse load because capacity was not available. There may be some properties that will find themselves in trouble if load goes to new peaks because they are now in financial hot water. But by and large, the utilities will continue to keep ahead of the load.

Again I remind the Senate that this is the voice of the private utility companies speaking.

Again generally speaking, there will be no trouble getting the money for these undertakings, but there is a question as to what kind of dollars can be had. New money can be borrowed, and for the most part at reasonably low yields. Such financing, however, merely adds to the fixed charges, piling up trouble against the day when net income, due to another prolonged depression, will be insufficient to meet debt service. It is equity money that is wanted, and that is not easy to get so long as the policy of the administration toward utilities is not unequivocally defined.

So, in spite of the fine gesture by the administration, the utilities as a whole can hardly be expected to apply for any large amount of R. F. C. money. The real spending power of the utility industry can be encouraged best by a straightforward statement of policy toward the industry that can be interpreted in only one way—a policy that will build confidence in the integrity of utility equity investment.

In spite of all that has happened in the past 5 years, the utility industry is still strong financially. For that reason it can borrow all of its construction requirements at favorable rates from regular channels without having to seek R. F. C. loans and their attendant limitation upon company operations. New commitments for construction are low now, not because of inability to finance, but because of load conditions. When load picks up construction will pick up. Against the time when new peaks will require a large expansion and rebuilding program, necessitating the raising of large amounts of new capital, we should begin to emphasize the strength of the industry's financial organization and not its weaknesses.

In other words, the voice of the private utility companies in a magazine which, as I have said, secures its advertisements from concerns that sell to private utility companies, says that there is nothing to this two and three billion dollar talk; that they have no demand for new construction; that they have kept ahead all the time, and that money is available to them, but they do not want the kind of money they can now get. What they want, according to their own magazine, is "equity money." What is meant by "equity money"? They want money that they can secure through the sale of stocks to the people of the United States. They do not want to borrow money; they do not want money they can secure by the issuance of bonds; they want to sell more of their stocks to the widows and orphans of the United States.

There has been a very decided tendency upon the part of the utility companies and a surprising tendency upon the part of the Members of Congress to accept the statement that the utility heads are attempting to protect an investment of the widows and orphans of this country. There has not been

a single thing done by the Government; there has not been a single thing done by the present administration which to the slightest extent has hurt the investors in these companies.

I wish to read some figures I take from the State of Washington, because of the fact that there has been probably a greater public development of power there during the last 5 years than in any other section of the United States, and if there is one place in which private utilities would have been frightened it would be the State of Washington.

We have two major companies in that State, one of which is the Puget Sound Power & Light Co., and I wish to read something of their net operating revenues after taxes. In 1932 they had net operating revenues of $2,525,113; in 1933, $838,202; in 1934, $761,876; in 1935, $1,094,934; in 1936, $1,662,600; and in 1937, $1,771,607. In other words, under the present administration the net operating revenue of this company, which is a major company in an area where there is more public competition than in any other part of the country, has steadily increased.

What about the price of their bonds? It got down in 1933 to $65. The bonds sold within the last 2 or 3 weeks for $102. Is that any indication that the Government is doing anything which is depressing the ability of these companies to borrow money by selling their bonds?

Their second-class bonds got down as low as $36, but sold a couple of weeks ago for $65. Their third-series bonds got as low as $33; they sold a couple of weeks ago for $60. Their preferred stock got down to $7.75, but it is now up to $28⅛ a share. Their second preferred sold for $5; it is now selling for $13.

That is a typical example of what is happening in the public-utility field in this country. Those who have lost money from the purchase of stocks in utility companies did not lose any money as the result of the activities of the Government or of the present administration. They lost their money the minute they turned their cash over to the stock salesmen who delivered the stock to them, because there never was behind the stock which they purchased any material equity. They called it "equity money," but it is really just "wind and water" money, because there never has been any equity behind it.

The PRESIDING OFFICER. The time of the Senator on the amendment has expired.

Mr. SCHWELLENBACH. I will take time on the joint resolution.

The PRESIDING OFFICER. The Senator from Washington is recognized to speak on the joint resolution.

Mr. SCHWELLENBACH. I repeat, Mr. President, there never has been, on the average and in the aggregate, any equity behind the utility stocks. I wish to present upon that point the testimony of a man who probably is in a better position to know about that subject than is any other man in the United States. He testified before a committee of this body a couple of years ago, though his testimony did not attract very much attention. His name is Victor A. Dorsey. An opportunity was given to the public-utility companies to disprove his statements, but they failed to avail themselves of that opportunity. He testified at that hearing that he was connected with the engineering appraisal concern which has appraised practically every private public utility in the United States. He stated that they appraised practically all of them with the exception of those in the State of Vermont, and had appraised one or two small companies in Vermont; but in every other State they had made the major appraisals and that he was the appraising engineer. The name of the firm was Hagenah & Erickson. Everyone familiar with the public-utility business knows that the firm of Hagenah & Erickson has sent its representatives into every State and that its representatives have been the experts who have represented the private utilities before State regulatory bodies. He testified in this hearing that in the aggregate and as an average there was no value behind the stock of any of the utility companies. Senator Gibson was cross-examining him when he said:

But from my experience and knowledge, I would feel that the value in them, taking all companies, of their physical assets would closely represent the first-mortgage bonds that are outstanding against the properties.

Now, in some instances, the ratio of the bonds to the preferred stocks and common stocks in a well-financed company, where it is about 60 percent, are reasonable, but during the period covered in the years from 1923 to 1929, when the greatest amount of public-utility financing and reorganizations and purchases were made, there were a great many properties bought at twice the amount of money that was ever invested in them, and bonds were issued for 80 to 90 percent of the purchase price of those properties. So, taking it as a whole, from what I know as to the policy that was followed, I should say the bonds very closely represent the invested capital in public-utility properties in the United States.

The further question was asked him:

That statement was made as to the bonds amounting to the actual value of the property——

Mr. DORSEY (interposing). That is in the aggregate; not all of them.

Senator SCHWELLENBACH (continuing). Means taking in the aggregate public utilities in this country they have no real value behind the common stock or the preferred stock?

Mr. DORSEY. There is some value in some companies, but not in the majority.

Senator SCHWELLENBACH. You are taking the average throughout the country?

Mr. DORSEY. Yes; that is right.

Senator SCHWELLENBACH. And your firm of Hagenah & Erickson, of which you were a member all these periods of years, has made as many, if not more, appraisals for public-utility companies than any other firm in the United States?

Mr. DORSEY. I think that is true in the aggregate; yes.

Senator SCHWELLENBACH. And you personally handled most of the appraisals?

Mr. DORSEY. I did the work. I was the engineering member of that firm.

Further along in the testimony he was asked this question:

Senator SCHWELLENBACH. As the result of those three elements you now say you think that the aggregate amount of bonds outstanding just about covers the aggregate value of the property?

Mr. DORSEY. Of all public-utility properties in the United States.

Senator SCHWELLENBACH. Yes; taking the average and the aggregate throughout the United States.

Mr. DORSEY. Yes; that is correct.

We talk about putting into this law language which will be fair to these people. It is a little difficult to be even fair to organizations such as the public-utility companies of the United States; but I do not think anybody desires to be unfair to them. The President of the United States, through the Senator from Kentucky [Mr. BARKLEY], has given out a definite statement as to what shall be the policy. There is not anybody in this body who knows anything about public-utility companies, who has had any personal experience in his own community or his own State in dealing with public-utility companies, who does not know that the insertion of any language on the subject in this joint resolution, I do not care what it may be, will be used as a basis of lawsuits so that the public-utility companies may continue in their efforts to defeat the desires of the people of these communities to give reasonable power rates to the communities, and defeat the desire of the people to give employment by the construction of public plants.

Mr. MALONEY. Mr. President——

Mr. SCHWELLENBACH. I yield to the Senator from Connecticut.

Mr. MALONEY. In view of the Senator's feeling that any amendment on this subject would give the utilities an excuse for delay, I should like to ask him, aside from that, if he would care to give me an opinion on the fairness of the substitute amendment I have offered.

Mr. SCHWELLENBACH. The situation would be different if we were dealing with anybody of a reasonable degree of fairness; if we had not the background of the experience we have had, as outlined a few minutes ago by the Senator from Nebraska [Mr. NORRIS], of the utility companies taking the slightest excuse and using it for the purpose of delay, in order to continue what the Senator from Wyoming [Mr. SCHWARTZ] described the other day when he said they declared—

This is our domain, and we intend to hold it until we are driven from it.

That is the attitude they have. They have gone out to the public and taken the public's money, and then, by control of

the regulatory bodies throughout the country, they have been enabled to make a return upon that money, not investing the money in the plants, but giving it as profits to the financiers, the holding companies, and the various other milking organizations which have used public utilities for the purpose of deriving enormous profits for themselves at the expense first of the rate payers, and, second, at the expense of those who bought their so-called equity stocks. Now they are insisting upon continuing that practice, and they are going to use every method they possibly can to enable them to do so.

Now, let me answer the Senator's question. If it were not for that state of affairs, I do not think the proposal of the Senator from Connecticut would be unfair at all. In dealing with ordinary people, a proposal for some sort of arbitration, one side appointing one member, the other side appointing another member, and the two appointing the third, usually works out in a fairly reasonable sort of a way; but it would not be fairly used by the public utilities of the country. It would be used as an instrumentality for the purpose of continuing a policy of unfairness. That is the reason why, although in theory the Senator's proposal may be fair, actually it would result in being unfair.

Mr. MINTON. Mr. President, will the Senator yield?

Mr. SCHWELLENBACH. I yield.

Mr. MINTON. The Senator knows that the Supreme Court of the United States decided against the utilities on the question of the right of P. W. A. to loan money to municipalities to build utility plants in the October term, 1937—to be exact, on January 3, 1938—in the case of Alabama Power Co. against Ickes. Having lost, as the Senator from Nebraska pointed out in his speech, all of their contests in court, clear to the Supreme Court of the United States, they now come back in Congress to try to get into this joint resolution a provision which will upset all that the courts have decided against them.

Mr. MALONEY. Mr. President, will the Senator from Washington yield to me?

Mr. SCHWELLENBACH. I yield.

Mr. MALONEY. I am not quite sure that I understood the language of the Senator from Indiana. Was he referring to my amendment in that instance?

Mr. MINTON. I am referring to the activities of the utilities when they came in and got into the joint resolution the provision which they did get into it.

Mr. MALONEY. That is the committee amendment.

Mr. MINTON. And, of course, although the Senator from Connecticut has no such thing in mind, I think the same thing would operate in the case of the Senator's amendment. It would be just exactly as the Senator from Nebraska [Mr. NORRIS] has pointed out; it would open the doors for the utilities to file innumerable lawsuits, and challenge the spending of money by P. W. A. at every turn of the road; and we would go to the Supreme Court and win the lawsuits, but that would consume years of time.

Mr. MALONEY. If the Senator from Washington will yield to me just a moment further, I should like to point out that the contrary would be true in my State; that my amendment would be helpful to a municipality in Connecticut anxious to acquire a municipal plant. It would speed up matters rather than delay them.

Mr. SCHWELLENBACH. Mr. President, I desire to say just one general thing in conclusion.

We have heard repeatedly on the floor of this body, from those who are critical of the administration, the statement that if we could just get back to the American way of doing things, if we could just stop this business of spending public funds, borrowing public moneys and issuing bonds for them, and get back to the American way, private capital would take care of all of these people, and put them to work.

Where is private capital going to get the money? Where has private capital gotten its money in the past? Where has it gotten the money for the purpose of building the utility chains? Where has it gotten the money for the purpose of building the railroad empires? Where has it secured the money for all the development that has taken place?

The private utility companies have done one of two things: They have sold bonds, or they have sold stocks. The records disclose that in 90 percent of the instances in which they sold stocks, the money they received from their investors was totally lost, and the investors received no return upon it. I think in the next 2 years we are going to see the most stupendous struggle between those who believe that the Government should do something to protect the people of the country and those who believe that we should go back to the days of brigandry, the days of piracy, under which we have operated in the past. The question that is going to be decided is, What is the American way?

It was all right as long as we had a great empire to the West, and there were great resources which the financiers could go out and grab, and enough could be consumed in that way to take care of the improper and excessive profits which were made by the financial organizations of the country but the public-utility instance is an instance of precisely what has gone on in this country, and what will go on if those who believe that we should go back to the old days surrender in this fight.

I know there are many Members of this body who believe that we should do that. They say that what we propose is just a terrible thing, and they talk about "dictatorships" and a great many other things, and they get up and beat their breasts, and they see ghosts and shadows every afternoon. We have gotten beyond the point, however, where the sort of financing can be tolerated that was described by the Electrical World as the one they want—a return to equity financing, so that they may go to the widows and orphans and sell them stock, and not have any property behind the stock which is sold. We have reached the time in this country when that day has ended. The sooner the fact is accepted by the public utilities and the financial interests of the country that we have gotten beyond that point, the sooner we shall find a solution of our problems.

Mr. PITTMAN. Mr. President, I desire to ask the Senator from Connecticut [Mr. MALONEY] to accept an amendment to the amendment he has proposed. It is as follows:

In line 24, page 2, of the amendment of the Senator from Connecticut, insert the words "what in their opinion is the", and after the word "reasonable" insert "value of such property to the public agency, and."

The PRESIDING OFFICER. The Chair will advise the Senator from Nevada that the amendment which the Senator from Connecticut has offered is an amendment in the second degree. Another amendment would be in the third degree, and therefore would not be in order at this time.

Mr. PITTMAN. The Senator from Connecticut may accept the proposed language if he sees fit, because it is his own amendment which I propose to amend.

The PRESIDING OFFICER. Yes; the Senator from Connecticut may modify his own amendment.

Mr. PITTMAN. I am asking the Senator if he will accept this language as a part of his amendment. I will explain to the Senator and to the Senate why I propose the change.

Mr. MALONEY. Will the Senator repeat the amendment he suggests?

Mr. PITTMAN. Commencing in line 23, page 2, the amendment at present reads as follows:

That the price fixed by the Board for the property of the public utility in any such case shall be fair and reasonable.

Having in mind the statement of the Senator from Nebraska [Mr. NORRIS] that a private utility might seek any way to find the foundation of a suit, and if we should state that the price must be fair and reasonable the court might have jurisdiction to decide as to whether the price was fair and reasonable——

Mr. MALONEY. May I interrupt the Senator at that point?

Mr. PITTMAN. Yes, sir.

Mr. MALONEY. I merely wish to say that I hasten to accept an amendment which would correct that situation, because I do not want to give the utilities that excuse, if that would be one.

Mr. PITTMAN. Therefore I have suggested amending the language to read in this way:

That the price fixed by the board for the property of the public utility in any such case shall be what, in their opinion, is the fair and reasonable value of such property to the public agency, and—

"Public agency" is defined in the act to mean State, county, municipality, or other public subdivision.

Mr. MALONEY. Mr. President, I not only accept the amendment but I am very grateful to the Senator from Nevada for suggesting it.

The PRESIDING OFFICER. The amendment of the Senator from Connecticut is accordingly modified.

Mr. PITTMAN. Mr. President, in my opinion, my amendment removes any possible cause for a lawsuit. In the first place, the arbitration over the fixing of the price is solely to govern the administrator as to whether he will make the loan or not. But the sentence as written by the Senator stated that the value fixed should be fair and reasonable, and a court might have held that the question as to whether the price was fair and reasonable was a question of fact that might be determined by a court. But if we state that the price fixed shall be that which, in the opinion of the arbitrator, is the fair and reasonable value of the property, I take it that we would get away from that legal question.

I have listened to the speech of the Senator from Nebraska [Mr. NORRIS]. I know that he is violently prejudiced against public utilities, and I am sorry to say that his prejudice is well founded. If there ever was a greedy and stupid industry it is the public utilities industry as a whole. I do not mean to say that there are not exceptions. All of us know of exceptions. There are thousands of little towns throughout the United States totally disconnected from any great utility system which, in the very necessity of the case, have had to build their own little electric-light systems. Those people are very far removed from those great utilities against which there has been complaint.

I realize that under our platforms, and under the statement made by the President of the United States in his speech at Portland in 1932, we recognize that it is the right of any municipality to have its own electric light and power system when a majority of the people by referendum decide that they want it. The question involved here is, is it the intention of Congress to confiscate the property of public utilities on the grounds suggested, possibly, in the speech of the Senator from Washington, that is, that they have been greedy, that they have been crooked, that they have no values behind their stock? If that is the case, why prepare in a measure here to possibly lend Government money to 40 or 50 towns in the United States with which to build their own electric light and power systems? Why not appropriate enough money so that all of the municipalities and States can borrow the money to instantly change the systems into municipally operated power and light plants?

What we are trying to determine now is a policy. The object of the pending legislation, of course, is solely to employ labor, but the purpose goes further than the employment of labor; it is the establishing of a policy, it is the furnishing of Government money to carry out a policy. It is a policy I favor, but I do not favor confiscation. I do not favor confiscation of the property of any citizen of the United States if it has been obtained in accordance with the laws of the United States, and is held under the laws of the United States. Unless the intention is that there shall be confiscation, by a refusal to accept this amendment, then there is no excuse for not accepting it.

I was not in the Chamber when our leader read something which is assumed to come from the White House with regard to the President's views on this matter. I would not need to read the statement. I know the President's views. I have heard him speak them many a time. I know he believes that a municipality has a right to own its own electric light and power plant. I believe that if he were handling the matter individually he would not attempt to confiscate any property.

This amendment is not in conflict with his views but simply provides an expeditious method of fixing the amount of the offer.

If that is the case, why fear to arbitrate the price? As I understand, the President would insist that a fair offer be made to an existing privately owned public utility before money was furnished to build a competing system.

Mr. NORRIS. Mr. President, may I interrupt the Senator on that point?

Mr. PITTMAN. Certainly.

Mr. NORRIS. I did not hear the first part of the Senator's address, but it seems to me this ought to be considered along the line on which the Senator is now speaking. If we provide in the law for arbitration, it makes it possible for the utilities to go into court and have all these matters fought over again. If we leave the decision to the President, the matter never can get into court, because there will be nothing in the law about it, and the President will do the same that is attempted to be done by the amendment.

Mr. PITTMAN. I have offered an amendment which gives such discretion in the matter, but, in my opinion, there will be no possibility of a suit, and a case would go out instantly on demurrer. This is the language as it now reads:

That the price fixed by the board for the property of the public utility in such case shall be what in their opinion is the fair and reasonable value of such property to the public agency.

There are two things in that. I say the value to the public agency. That eliminates all question of good will, and all such things. I have eliminated the necessity of the price being fair and reasonable. That would be subject to litigation, probably. I say "in their opinion." It is left to the discretion of the arbitrators. Having formed their opinion and fixed the price, then the public utility must take it or all restraint upon the administrator is removed in the lending of the money. I think the suit question is removed.

Mr. President, I am against confiscation of property, without regard to the prejudice any of us may have against the great public utilities, which constitute largely a trust and monopoly; and so far as I am concerned, that prejudice, as I have said, seems well grounded to me. I repeat, for the benefit of the Senator from Nebraska, what I said before, that I think of all the stupid and greedy industries in all the world the public utilities are the prize winners. But that does not affect my principle with regard to the confiscation of property. I will never vote for the confiscation of any property that is held in accordance with the laws of the United States. If it is illegally held, there are methods to pursue under the law.

I understand the President favors paying the utilities the reasonable value of their physical property. We should pay them the reasonable value of the property. The public agencies could probably get the lines that are strung cheaper than they could string them. The basis I have included in the amendment now is the value of the property to the public agency. The "public agency" is the municipality. That is what is to be determined. That lays down the basis of the arbitration. The question arises what would be the cost of the replacements? This being determined, the depreciation of existing lines and plant would be deducted.

We remove the legal objection by this amendment, I believe. We come down to the moral question involved. If the President wants to pay the value of existing plant, how is he to get his information as to the value? Could he obtain the value of the property through any more economical or expeditious plan? Would he send someone out to assess the value of the property? Whom would he sent out for that purpose? As a matter of fact, we know that it will be left entirely to the arbitrary judgment of the Administrator of Public Works. There is no question about that. He will attempt to buy the property as cheaply as possible. He will offer 25 percent of the value

of the property. What would the private utility do if that were all he offered?

Mr. NORRIS. Mr. President, I am just as anxious to preserve everyone's property rights as the Senator is.

Mr. PITTMAN. I am sure of that.

Mr. NORRIS. I can only say what a certain official named would do by comparing him with my own inclination. I know that I would be so careful that, if I did anything, I would lean backwards; I would give them more than their property was worth. I have told dozens of committees which have waited on me that I thought that kind of a course was advisable in order to leave no doubt, in the first place, about a fair return, and, in the next place, it would settle the matter, probably, and stop litigation.

Mr. PITTMAN. Unfortunately there are few men I know of who are innately as fair and as just as is the Senator from Nebraska, and who have the legal knowledge the Senator from Nebraska possesses, and whenever we frame legislation which is based upon the ability, the integrity, and the fairness of one man we are engaging in something we have no right to engage in. That is exactly what the provision proposes to do. That one man is not the President of the United States. That one man will be either the administrator or a deputy administrator, or a deputy administrator to a deputy administrator, with regard to whose character we are ignorant, with regard to whose ability we know nothing, with regard to whose prejudices we are uncertain.

When the President wants the fair price paid, why not take the simple method of determining the value? It is the simplest method that could be conceived. It is simpler than the administrator could do it himself if he tried to do it intelligently and fairly. Inside of 30 days a board of arbitration can be appointed, consisting of three members, one to be appointed by the public utility, one by the public agency, and one by the two members so appointed. If the two members do not select a third within 30 days after the notification by the administrator to the public utility, then the Governor of the State has 10 days within which to appoint the third member. If he does not appoint the third member, the restraint placed on the loan is taken off.

Mr. President, is there any delay in that kind of proceeding? Is there any faster or fairer method to get at the situation than that? We do not have before us the old question that came up in the valuation and condemnation proceedings, because we specifically say that the only thing the arbitrators are to determine is the value of the property to the public agency.

The PRESIDING OFFICER. The time of the Senator on the amendment has expired.

Mr. PITTMAN. I will take a few minutes on the joint resolution.

Every precaution is contained in this amendment for speed and for fairness. The measure of value is the measure of the physical property to be purchased that will be of value to the public agency which is going to build the new plant. That is all there is to it. The measure of value fixed there by the arbitrator must be the value of the replacement of the present system, less depreciation. No goodwill is to be taken into consideration, or anything else.

I think that that provision of the amendment alone—namely, that the finding shall be made on the basis of value to the public agency—is of great benefit to any town or community which wants to start out and put in its own municipal system. To me the question is one of honesty. I believe that any Senator who does not favor confiscation must favor the payment of a fair and reasonable value for the physical property to be taken over by the new public utility. If Senators favor that, I do not see why they should object to the three men who are the arbitrators saying what that value is.

Here, Mr. President, is the worst of the matter. Our Government has attempted to convince the great public utilities of this country that they should invest hundreds of millions of dollars in the expansion of their services so that labor would be employed. If we do not adopt this amendment we serve notice on them that Congress is indirectly going to take their property away from them eventually by this method of lending money and making grants to municipalities with which to build parallel electric light and power systems.

If they do build parallel electric lines and power systems, that, in my opinion, is confiscation, because I do not believe in that case that any private utility could live.

Private utilities must make, if not a profit, at least expenses. A municipality may cover a deficit by taxation. So we are serving notice that Congress is willing to trust the taking of private property of private utility companies to one man, without limitation, without basis of action. If Congress will adopt that policy now in a small way, why will it not do it in the future with regard to all the privately owned public utilities? If that be true, the management of any public utility in the United States which would put a dime more into its property would be insane.

Of course, we should decide now whether we want to have privately owned utilities all become municipally owned in the United States, and if so, notify the public utilities of that fact, and let us appropriate several billions of dollars to lend to any and all of the cities of this country with which to buy the utilities. Let us establish a principle with respect to that matter. Let us not take $250,000,000 and lend it or grant it to a few municipalities which will employ only a very few men, and at the same time prevent the employment of hundreds of thousands of men in private utilities by reason of the threat contained in the pending measure.

Mr. CONNALLY. Mr. President, will the Senator yield to me for a question?

Mr. PITTMAN. I yield.

Mr. CONNALLY. Does not the Senator from Nevada feel that the decision with respect to this question could be entrusted to the cities which want to buy a plant, and to a company which, probably, wants to sell its plant to arrive at a fair appraisal and the terms of sale or purchase? If the city can buy a plant already established for no more than it would cost to build another plant, can not the city and the company be trusted to adopt that procedure?

Mr. PITTMAN. If the Senator wants my opinion about it, I should say no.

Mr. McKELLAR. Mr. President, will the Senator yield to me for a moment?

Mr. PITTMAN. I yield.

Mr. McKELLAR. We have the proof of it in the case of what just happened in Knoxville, Tenn. That precise question arose; and the power company on one side and the city of Knoxville on the other came to an agreement, and the power company sold the plant to the city of Knoxville.

Mr. PITTMAN. That does not answer the question which the Senator from Texas asked me.

Mr. CONNALLY. What I am trying to arrive at is this: Cannot the public officers, the mayors, and other officials responsible to the public be trusted, if the company will sell its property at a fair price? If the question should arise with respect to the establishment of a municipally owned plant, could not the officials of the municipality be trusted to negotiate with the competing plant for its purchase, and then if they cannot buy that plant at a fair price, money can be loaned to them with which to build a competing plant?

Mr. PITTMAN. If the property of a private utility can only be acquired by condemnation proceedings, the theory in court action is that under the condemnation proceedings the fair value will be obtained. That is the theory of the court action. In this case the private utility in the community has not any legal remedy. It has nothing to do with the city council borrowing the money with which to build a parallel line. Of course, the city, when it is going into a condemnation proceeding to fix the value of the plant, would rather agree with the private utility than to have to go through a long condemnation proceeding. But in the present case the existing private utility has no remedy, because one man lends the money—part loan and part grant—

to the municipality which wants it. He can say, "There is the money. Here is the grant. There are no restrictions on you whatever. Build the parallel lines." The municipality can thus obtain an advantage in the negotiations.

Mr. CONNALLY. Mr. President, the Senator is assuming that whoever is going to administer this fund is going to disregard all other considerations and deliberately force the private companies out of business. I am not prepared to agree to that.

Mr. PITTMAN. I say the company could be forced to sell at almost any price, because the company would be forced out of business when the lines were paralleling each other.

Mr. CONNALLY. I should like to ask one further question, and then I shall subside.

Mr. PITTMAN. I yield.

Mr. CONNALLY. Under the present law, regardless of the Federal Government, if a city wants to build a parallel line now, what is there to prevent it from floating a bond issue and building such a parallel line? What is there to prevent the city from doing that now? The Senator says that that is wrong. However, if they can float a loan, they can build another line completely.

Mr. PITTMAN. By doing that they beat the system now in existence down to nothing in value.

Mr. CONNALLY. Is not one of the great troubles in connection with negotiating with private utilities that they want to capitalize their franchises, and a great many other things of that kind, which have no material value except as a grant from the cities? Is that not true?

Mr. PITTMAN. That is correct. Therefore, the amendment which I ask the Senate to accept provides that the factor that shall govern the finding of the arbitrators is the value of the property to the purchaser, the value of the property to the public agency, which eliminates all question of watered stock, all questions of good will, all questions of going concern. The arbitrators shall find only the reasonable value in their opinion of the physical property to be taken over. In many cases the administrator lending the money would be fair.

In many cases there would be nothing wrong; but I say that it is not proper legislation to authorize the lending or granting of money to build a competing municipal plant, which will amount to confiscation, unless some reasonable offer to purchase should be made before the utility is put out of business. That is all there is to it.

Mr. KING. Mr. President, will the Senator yield?

Mr. PITTMAN. I yield.

Mr. KING. It seems to me the Senator from Texas [Mr. CONNALLY] ignores the fact that this is a relief measure, and not a bill for the purpose of trying to build up other utilities at the expense of businesses now in existence. It seems to me he ignores the fact that when we put a public utility in competition with one already existing we destroy the taxes now received by the State. In my State we get more taxes from the electric power companies than we get from the railroads. If we destroy a private utility by building up competing public utilities, we destroy one of the sources of revenue which is now important.

Mr. PITTMAN. That is a question which I believe the people in a community ought to decide for themselves. They may find that the rates being charged are outrageous, and they have no remedy. In that case, if I were in the town, I should certainly vote for a municipally owned utility.

Mr. CONNALLY. Mr. President, may I ask the Senator one question?

Mr. PITTMAN. Yes.

Mr. CONNALLY. I am in agreement with the Senator on the theory that there is no economic value in building parallel lines. But will not the city authorities bear that fact in mind in making the purchase?

Mr. PITTMAN. Certainly they will. But would the city authorities pay $1,000,000 if they could purchase the plant for $250,000?

Mr. CONNALLY. I am assuming that the city authorities have some conception of fairness, justice, and right.

As a rule, the people in the community are stockholders in the utilities. They live there, and they have some influence and some prestige. I do not believe the Federal Government would deliberately authorize a loan merely to punish some utility.

Any public utility, in essence, is a monopoly; and I do not believe in irrevocable and exclusive franchises being granted to these corporations, and then having them come in, when the city wants to take them over, and say, "The franchise is worth $1,000,000, and we are going to make you pay for all this wind and water."

Mr. PITTMAN. Neither do I. I am not dealing with that question at all. I am trying to avoid it. I am dealing with the question of honesty. I am dealing with the question of confiscation. It is perfectly evident that under the provisions of the joint resolution the power of confiscation of private property exists, dependent solely on the intelligence, the honesty, and the fairness of one man.

Mr. MALONEY. Mr. President, will the Senator yield?

Mr. PITTMAN. I yield.

Mr. MALONEY. Is it not a fact that this amendment, most certainly as amended by the Senator from Nevada, provides for exactly the thing which the Senator from Texas wants to do?

Mr. PITTMAN. Yes; and exactly what the President wants to do, except that the President is willing to trust one man, and I am not.

Mr. BAILEY. Mr. President, I feel somewhat encouraged. I believe we are making a little progress in the matter of our national policy concerning utilities. At least we are considering at this time an amendment which proposes to give them a little something to compensate the investors in the utilities to a slight extent for the injury we do them, and the ruin we work.

I thought I might comfort some of the Senators with a statement of the facts. If the purpose of the national policy has been to punish investors in utility stocks and bonds, I am prepared to argue and to show by the evidence that there has been sufficient punishment. But if the purpose has been to destroy, I am equally prepared to argue that we have but little further to go, and that we might as well proceed to go the whole way and pay the price, which will be exacted of us in the national economy.

Let us look at the facts. While the Senator from Washington [Mr. SCHWELLENBACH] was speaking I went to the reading room and obtained the market quotations from the Journal of Commerce, of New York, for June 2. Here is the preferred stock list:

Alabama Power preferred, a $100 stock, purporting to pay 7 percent, is selling for $60. That was the highest bid on that day. There is a $40 penalty, not put upon the power executive but upon the person who invested money. Being an innocent bystander, I think the investor might at least be let off after being punished to the extent of $40.

American States Utilities preferred is down to $11.25. The common is $1.50.

American Utilities Service preferred is $4.50.

Arkansas Power & Light, 7 percent preferred, is selling at $70. Holders of that stock have been punished $30 on the $100.

Associated Gas & Electric, original preferred, is selling at $2.25.

Birmingham Electric, 7 percent preferred, is selling at $60.

Buffalo N. & E., $1.60 dividend stock, preferred, is selling for $20.25.

Carolina Power & Light, preferred, 6 percent, is selling at $64. I know something about that stock. That stock is not owned by wealthy people. It never has been owned by wealthy people. That stock was sold by advertising in the North Carolina newspapers. Widows who received estates from their husbands invested in it. Attorneys who advised minors or guardians as to how to invest money felt assured, and advised their clients that this preferred stock was good for $100. I remember buying some of this stock for a widow 10 or 15 years ago. I shall always remember gratefully that I advised her to sell it at $110, before the present

national policy was inaugurated. Otherwise I should feel somewhat to blame for what happened. I know that that stock is owned by the great rank and file of the people. I know that the preferred stocks in the power companies of North Carolina are held by 15,000 people. They are not Insulls. They are not criminals. They are not power executives. They are not even politicians. I think a great many of them were new dealers. They thought that the investment was good; and it was good until the national policy destroyed it.

Why punish them for what Insull did? Why strike down the investors of the country if we want to punish the executives? Let us assume that the executives have committed every crime in the catalog. Why destroy the people who put their money in businesses like this in the best of faith, and whose money would be all right now but for the national policy? The idea that we are striking down a great many rich millionaires is a piece of political demagogy. Every man ought to know better than that. There are 10,000,000 stockholders in America. Not all of them are power stockholders, but I think there are something like four or five million stockholders and bondholders in power companies.

Mr. SCHWELLENBACH. Mr. President, will the Senator yield?

Mr. BAILEY. I yield. I have only 15 minutes.

Mr. SCHWELLENBACH. Repeatedly since I have been a Member of this body the Senator from North Carolina, in expounding his political and economic philosophy, has referred to those of us who disagree as being demagogues. I merely want to say that I resent it. I hope the time will come when the Senator from North Carolina will refrain from that sort of discussion upon the floor of the Senate.

Mr. BAILEY. I wish to say, Mr. President, that I was not aware that I had ever done so. What I said was that the idea that we are striking down a great many rich millionaires is a piece of political demagogy. I did not know that any Senator had ever said that. I said that the idea that the stockholders in these companies were all rich people is political demagogy. I do not know that any Senator has ever said it. I wish to assure the Senator that I would not think of imputing demagogy to any Senator. I never had any such thought.

Let us go on. I think I shall put in the entire list, because I do not want to take up all my time with reading.

I give you the Mountain States Power preferred, selling at $19.

National Gas & Electric is selling at $2.75.

The Senator from Nebraska is not in the Chamber at this moment. It is a rather singular thing that Nebraska Power 7 percent preferred is still selling at $105. It is one of the few left that is above $80.

Ohio Public Service is selling at $83.

Pennsylvania Power & Light is selling at $85.

Texas Power & Light preferred is selling at $92.

United Gas & Electric, 7 percent preferred, is selling at $62.

United Public Service common is selling at $1.25.

United States Public Utilities, 3 percent preferred, is selling at $10.

So much for the preferred stocks. If the purpose was punishment, the holders of the preferred stocks have been sufficiently punished.

The Senator from Washington [Mr. SCHWELLENBACH] said something a few moments ago about "equity financing." Equity financing is deriving money from the sale of common stocks. It is now absolutely out of the question to do it. If the preferred is selling at $62, how can it be expected the common will sell for anything? The dividend on the preferred must be paid first. The $62 indicates that the dividend is already impaired or in doubt.

Let us look at the bonds. From the same publication, I note that Alabama Power 4¼-percent bonds, due in 1967, are selling at $80.50.

American Power & Light 6's are selling at 77; Arkansas-Louisiana Gas selling at 100; Arkansas Power & Light 5's due in 1956 selling at 94; Associated Gas & Electric 4½'s selling at 25¼.

I could read all the way down here and pick out a great many of them that are selling pretty well, others that are selling very low. Here I find Electric Power & Light 5's selling at 69½; General Public Utility 6½'s selling at 71; National Power & Light 5's selling at 74; New England Gas & Electric 5-percent bonds selling at 50; and so on.

Now, to the point about that: If the purpose of the public policy is to punish the bondholders, I am saying that the bondholders have been sufficiently punished, and I think it is about time to quit. Usually when we put a man in the penitentiary for 10 years, after he serves 6 years we let him out.

Of course, if it is the desire to destroy the utilities these quotations ought to be assurance that you are not far from your goal. You have them at a point where no prudent man will put his money in them. Who would buy a share of common stock—talking about equity financing—and who would put money up to buy new preferred stock at 100 when preferred stocks right here are selling at 60 and 70?

So we have destroyed the credit of the utilities of this country; we have destroyed their capacity to do equity financing; we have destroyed their capacity to sell bonds, and this bond list shows it.

Having done that, we propose to go further here today and notify every utility in America—and that is the evil of this measure—that we will go down into the Treasury and borrow money to put up plants to compete with them. Who is going to invest in utilities on that basis? So much for that part of it.

I wish to turn now for a moment to the remarks made by the Senator from Kentucky [Mr. LOGAN] this morning on the subject of the circulation of money. He complained very earnestly that money was not circulating in the United States, and he attributed it to the fact that there was not sufficient money in circulation. I question whether he can maintain that thesis, but I will agree with him that money is not circulating. By how much has it fallen short? Here is the report of the Federal Reserve Board for the month of May, brand new to hand. We find that the circulation in America has dropped from $42,000,000,000 in March 1937 to $32,109,000,000 in March 1938. There is a loss of $10,000,000,000 of circulation in 1 year, comparing March 1937 with March 1938. The circulation in March 1937 was $42,000,000,000; that is the real circulation, the exchange of money by way of checks. Now it has dropped by about 25 percent in 1 year.

Here is my point: It has dropped off $10,000,000,000 as between March 1937 and March 1938, the present time, and it will continue to drop so long as the Federal Government pursues a policy that induces men not to put their money in enterprises. We can take the other figures here—and this is a public document; I am not bringing anything out of Wall Street. Here are the figures as to capital issues—a decrease of three billions a year, as compared with the 10-year average 1920–29.

When you do equity financing you induce money out to buy common stock; when you do other financing you induce money out to buy preferred stocks, you induce it out by a bond issue; but so long as a policy is pursued that prohibits men from putting their money in bonds, or common stock, or preferred stock, the circulation of money in the country is paralyzed.

The circulation has dropped $10,000,000,000. The money in circulation, $6,380,000,000, is of small consequence when compared with the circulation of that money by way of check transactions.

The PRESIDING OFFICER. The time of the Senator from North Carolina has expired on the amendment.

Mr. BAILEY. Very well, I will save my time on the joint resolution itself.

The PRESIDING OFFICER. The question is on the amendment offered by the Senator from Connecticut.

Mr. BAILEY subsequently said: Mr. President, will the Senator allow me to send forward the quotations from the stock market which I hold in my hand, to be printed in connection with my remarks? Here is the whole list, which I ask to have printed in the RECORD.

Mr. MINTON. I yield.

The PRESIDING OFFICER. Without objection, the matter will be printed in the RECORD.

The matter referred to is as follows:

Domestic bonds

Sales in thousands	High	Low	Close	Net change
$18 Ala Pw 4½'67	81	80¼	80¾	+¼
11 Ala Pw 5'46	97½	97¼	97½	+⅜
5 Ala Pw 5'56	91½	91½	91½	
1 Ala Pw 5'68	87	87	87	+1
3 Am GE 5 2028	108	108	108	+⅛
3 Am PL 6 2016	77	76	77	+2
2 Am Seat 6'40st	83	83	83	−1¾
*43 Ark La G 4'51	100¼	100	100¾	+⅛
5 Ark P&L 5'56	94	94	94	−⅜
11 Asso El 4½'53	37	36¼	37	+1
13 As GE 4½'49	25½	24⅞	25¼	+⅜
4 Asso GE 5'50	27¼	27	27	
3 Asso GE 5'66	26⅝	26¼	26⅜	+⅜
3 Asso TT 5½'55A	73¼	73¼	73¼	−⅜
2 Ttlan CEl 3¼'64	99⅞	99⅞	99⅞	
*5 Bald Loc 6'50	65	65	65	
3 BellTCan 5'57B	120⅝	120⅜	120⅜	−⅜
4 BellTCan 5'60C	121¼	121¼	121¼	
1 Broad Pw 5A'54	83	83	83	
2 Can NPw 6'53A	104⅝	104⅜	104⅝	+⅛
13 Carol PL5'56	88½	88⅝	88½	−½
3 Cedar Rp 5'53	113⅜	113⅛	113⅛	−⅛
1 Cen Ill PS '56E	101½	101½	101½	+⅛
4 CenIlPS 4½'67F	93½	93½	93½	+⅛
2 CenIlPS 5'68G	100	99	100	+⅝
2 Cen Pw Lt 5'56	90⅝	90½	90½	+½
13 CenSt El 5'46	32½	31⅝	32½	+⅝
6 CenSEl 5½'45xw	32	31⅜	32	+½
3 CenStPL 5½'53	46⅜	46⅜	46⅜	+⅝
8 Cin SRy 5½'52A	78	77	78	+3
36 Cit S Gs 5'50	58	55¾	58	+2⅝
2 Cit Srv 5'58	56	55	56	+1
3 Cit Srv 5¼'42	99⅝	99⅝	99⅝	+1¼
3 Cy SvPL 5½'49	54½	54	54	+1¼
17 Cy SrvPL 5½'52	55	53	54⅜	+1¾
8 Comm PL 5'57	72	70⅞	72	+2
*2 CommuPS 5'60	99	98½	99	+1½
*11 Cmw Sb 5¼'48A	103	103	103	
*19 ConGsBlt 5'39	104⅞	104⅞	104⅞	−⅛
1 Con GBlt 4½'54	122⅜	122⅜	122⅜	−¾
*6 CnsGEP 3¼'71	106¾	106¾	106¾	
12 Cnt GE 5'58A	78¼	78	78¼	+½
11 Crue Stl 5'40	101½	101½	101½	+¼
11 Cud Pk 3¾'55	95⅞	95	95⅞	+⅞
1 Del El P 5½'59	100	100	100	−½
2 Dnvr GE 5'49	108¾	108¾	108¾	
4 DetCy Gs 5'50B	101½	101⅜	101½	+¼
*8 SEast G&F 4'56	76½	76¼	76½	+¼
2 Elec PL 5 2030	69½	69	69½	+1½
2 Emp DEl 5'52	92½	91½	92½	
35 EmprO&R 5½'42	84	83½	84	+¾
3 ErieLt 5 67 3	105¼	105¼	105¼	+¼
3 Erie Lt 5s 67	105¼	105¼	105¼	+¼
1 FdWatS 5½ 54	70	70	70	+1
1 Fire CotM 5'48	102¾	102¾	103¾	
3 FireT&R 5s 42	103⅜	103⅜	103⅜	+1
4 FlorP&L 5 54	84¾	83¾	84¾	+¼
12 Gatin Pw 5 56	103⅞	103⅜	103⅜	−¼
4 Gen PUt 6½56A	71½	71	71	+1
1 GenWWk 5'43A	80½	80½	80½	+¼
10 Geo Pow 5s 67	89	88⅜	88⅝	+⅜
1 Geo P&L 5s 78	49¾	49¾	49¾	−¼
2 Glen Alden 4s 65	68	68	68	
34 GrandTrRy 4'50	85¾	85	85	
*1 GuardInv 5'48A	32	32	32	
5 HousLP 3½ 66	106¾	106½	106¾	
1 IllNoUtil 5s 57	107¼	107¼	107¼	−¾
4 IllPL 6s 53A	96	96	96	
1 IllPL 5½ 54B	90½	90½	90½	+½
5 IllPL 5s 56C	88¼	87	88⅛	−⅛
13 IndPL 5 57A	105⅞	105⅞	105⅞	+⅜
9 IndServ 5s 50	55	54	54	+1
21 Inter Pw 5s 57	46¾	45¾	46¼	+¾
3 Inter Pw 6s 52	26¼	26	26¼	+1¼
3 IntPSer 4½'53F	68	67¾	68	−1½
1 IaNbLP 5 57A	95½	95½	95½	+¼
2 ItalSuPw 6 63A	42	42	42	+1
4 JacsnG 5 42stp	41	40½	40½	−1½
17 JyCPL 4½ 61C	103½	103¼	103½	+⅝
5 KyUtil 5s 61H	78¾	78¾	78¾	+¾
5 LexUtil 5s 52	90	90	90	−¾
1 LongIsLt 6s 45	87	87	87	+1
23 Louis PL 5s 57	103½	103⅜	103½	+¼
7 MempPL 5 48 A	91⅛	90	91	+1¾
*1 MengCo 4½ 47	76	76	76	
4 MetrEd 4'65 G	105¾	105¾	105¾	
4 MidVyRR 5 43	55¾	55	55	
1 MilGas 4½ 67	94¾	94¾	94¾	+1¼
3 MinPL 4½s 78	92¾	92	92¾	+¼
3 Min PL 5s 55	99½	99½	99½	+⅛
6 MissPw 5s 55	76¼	76	76	−½
22 MissPL 5s 57	85½	84½	84½	−1¾
*4 MoPSv 5 60A	66	66	66	
4 Nas&SuLt 5 45	83⅜	83¼	83¼	−¾
30 Nat PL 5 2030B	74	73¾	74	+1
2 Nev Cal El 5'56	77	77	77	+½

Domestic bonds—Continued

Sales in thousands	High	Low	Close	Net change
9 NEngGE 5 47	50	48½	50	+2¼
11 NEngGE 5s 50	50⅝	49½	50	+2½
1 NEngPow 5s'48	79½	79½	79½	+⅞
1 NEngPw 5½ 54	83½	83½	83½	+1
1 NwOrPS 5'42ST	90¼	90¼	90¼	+¼
x3 NOrPS 6 49A	73	72½	73	−2
1 NY CnEl5½ 50	93	93	93	−3¾
5 NYPORR 4¾ 50	58½	58½	58½	−1½
5 NYPwLt 4½'67	107½	107⅜	107½	+½
40 NYSTEG 4½ 80	92	90¾	92	+2
6 NYWtL 4 2004	104½	104¼	104½	−¼
1 NoALP 5½ 56	80	80	80	−¾
9 NoCnUt 5½ 48A	42½	42	42½	+1⅜
2 NoIndPS 5 39D	98	98	98	+½
13 NoStPMn3½ 67	102	101⅞	102	+½
3 OhPw 4½ 56D	105⅛	105⅛	105⅛	
4 OkNatG 4½ 51	100	100	100	
7 Pac GE 6 41B	115⅜	115½	115½	
10 P P&L 5 55	70¼	69⅝	70	−½
5 PBCL&P 4½ 77	83¾	83	83	−1
1 P P S 6 47 C	103	103	103	+1
*4 P W&P 4½ 68 B	107½	107⅛	107½	
1 P GLC 4 B81 B	89¼	89¼	89¼	−¼
4 Phil E 5½ 72	111⅛	111⅛	111⅛	+⅛
4 Pied E 6½ 60 A	55½	54⅞	55	+2
1 Pitts Stl 6s 48B	90¾	90¾	90¾	−2¾
1 Port G Co 5 40	55	55	55	+¼
1 Pot E 5 56 E	107½	107½	107½	
*4 PS NI 4¾ 81F	104	104	104	
2 PSP&L 4½ 50D	65½	65½	65½	+1
2 Qns G 5½ 52	77	77	77	
5 San Ant 5 58 B	105½	105½	105½	
1 ScullinStl 3 51	42	42	42	87
39 Sh WP 4½ 67A	104⅛	104⅛	104⅛	−⅛
8 Sh W C 6 47	55⅛	55⅛	55⅛	−1⅛
7 S'east P&L 6 25	89	88¼	88¼	+¼
*6 S C E 3¾ 45	106	106	106	+¼
*5 S C E 3¾ 60B	107⅜	107⅜	107⅜	+⅛
1 S Cal E 4 60	110	110	110	+¼
9 S Car P 5 57	80	79⅞	79⅞	+⅛
3 S'w L&P 5 57A	98⅞	98	98⅞	+1⅛
6 S'w PS 6 45 A	99⅜	99⅜	99⅜	
8 S'w AST 5 61 A	95	94½	95	
4 Std G&E 6 35	50	47½	50	+2
11 Std GE 6 35 cd	48	47	48	+1
1 Std GE 6 35cv	50	50	50	+1⅛
4 St GE 6 35 cved	48	47	48	+1
16 Std GE 6 51	49½	48½	49½	+3
5 Std GE 6 66 B	49	48	49	+⅝
14 Std PL 6 57	46½	45	46½	+1⅛
9 Tenn ElP 5'56	88	88	88	+1¾
10 Tenn PSv 5'79	94⅛	93½	94	+1
1 Tex ElSv 5'60	90½	90½	90½	−⅝
2 Tex PL 5'59	102	102	102	−⅛
7 Tol Ed 6'62	107⅝	107½	107½	
8 TwCRT 5½'52A	55⅛	54	55⅛	+1⅝
5 Uln Co 6'50ivst	35¾	35¾	35¾	+1¾
3 Unit LP 5½'59	100½	100½	100½	
1 Unit LP 6½'74	71½	71½	71½	
1 Un P&R 6'73A	70	70	70	
3 Utah PL6 2022A	73	73	73	
2 Va PSv 6'46	74	74	74	−½
5 Va PS 5½'46A	85	84	84½	−1⅜
10 Va PS 5'50B	82⅝	81¼	82⅝	+1
*4 Wald-Ast 5'54	18¾	18¾	18¾	+⅛
2 West Pa T 5'60	102½	102½	102½	
6 WTx Ut 5'57A	88	87½	87½	−½
4 WnUGE 5½'55A	105¼	105	105	−¼
1 Wis MLP 5'44	106½	106½	106½	
5 Yadkn R P5'41	101⅜	101¼	101⅜	+⅛
12 York Rys 5'37st	80¼	75	80	+8
3 York Rys 5'37	79¾	79	79⅝	+4¾

Public-utility stocks

	Bid	Ask
*Alabama Pw 7% pf	60¾	62¾
Amer States Util pf	11¼	12
do com	1½	2
Amer Util Serv pf	4½	5¼
do com	⅛	⅜
*Ark Pwr&Lt 7% pf	70	72
*Assoc G&E orig pf	2¼	3¼
*Assoc G&E 6.50 pf	4⅛	5⅛
*Assoc Gas Elec $7	4½	6
*Atl City El 6% pf	105	
*Bangor Hy 7% pf	120	123
*Birm Elec $7 pf	60	63
*Buff N&E $1.60 pf	20¾	21¾
*Caro P&L 6% pf	64	65¾
*do 7% pf	70	72½
*Cent Me Pwr $6 pf	62½	65
*do 7% pf	72½	75
*Cent F&L 7% pf	69	71
*Citizens Util com	1	1⅛
Conn Lt & Pow	48	50
Conn Power	41	43
*Consol E&G $6 pf	6	8
*Consol Trac N J	36	40

Public-utility stocks—Continued

	Bid	Ask
*Consum P $5 pf	92	93½
*Cont G&E 7% pf	68¾	70¾
*Dallas P&L 7% pf	114	118
*Derby G&E 7% pf	27	31
*Essex & Hud Gas	105	
*Federal Wat Serv		
*do $6 cum pf	17½	18¾
*do $6.50 cum pf	18	20
*do $7 cum pf	19½	21
*G & E of Bergen	123	
Hrtford Elec	5a4	56
*Hud County Gas	185	
*Idaho Pow $6 pf	97½	100½
*Idaho Pow 7% pf	108½	110½
*Int State Nat Gas	21½	23
*InterState P $7 pf	4	5½
*Iowa So Ut 7% pf	37	38½
*Jamaica W 7½% pf	52	55
*JerCent P&L 7% pf	75	76½
*Kan G&E 7% pf	106	108
*Kings Co Lt 7% pf	34	37
*Long Isl L 6% pf B	26¾	28¾
*do 7% pf A	31	32¼
*Memph P&L $7 pf 4	63¾	65½
*Miss Power $6 pf	49½	53
*do 7% pf	60	63
*Miss P&L $6 pf	52½	54½
*Miss River Power 6% pf	104½	107
*Mo-Kan Pipeline	4	4⅝
*Monongahela West Penn W S 7% pf	23	25
*Mountain States P 7% pf	19½	22
*Nass & Suff 7% pf	12	14½
Nat Gas & Elec	2¾	3¼
*Nebraska Pw 7% pf	105	106¾
*Newrk Caons Gas	125	
*New Orl P S $7 pf	64	66
*NY P & L $6 pf	85¾	87¼
*do 7% pf	96	98
*Nor States Power (Del) 7% pf	61¾	64¼
*Nor States Power (Minn) $5 pf	92½	93
*Ohio Edison $6 pf	86¾	88¼
*do $7 pf	98	100
*Ohio Pow 6% pf	110½	112
*Ohio Pub S 6% pf	83¼	85
*do 7% pf	92¾	94¼
*Okla G & E 7% pf	98	100¾
*Pa P & L 7% p	55½	58½
*Penn P L 7% pf	85¾	87¼
Potomac Ed 7% pf	105	
do 6% pf	93½	94½
*Qu Boro G-E 6% pf	19	22
*Rep Nat Gas	3¼	4¼
*Roch G&E 6% pf C	89	90½
*Sioux C G&E $7 pf	79½	81¼
*So Cal Ed 6% pf B	23½	27½
*So Jersey G&E	185	
*Tenn El Pow 6% pf	60¾	62¼
*do 7% pf	62¼	64
*Texas P&L 7% pf	93½	94¼
*Toledo Edis 7% pf	94½	103½
†Unit G&E C 7% pf	62	65
Unit Pub Serv com	1¼	2
Unit Pub Util 3 pf	10¼	11¼
Do $2.75 pf	9¼	10¾
Do "A" com	½	1
*Utah P&L 7% pf	33½	35
*Virginia Ry	116	122

† Ex dividend.

Mr. MINTON. Mr. President, I shall take only a few minutes. The Senator from North Carolina [Mr. BAILEY] has quoted from newspapers and periodicals to show that stocks of certain utilities at the present time are perhaps exceedingly low. I shall not dispute that statement; perhaps they are.

Mr. SCHWELLENBACH. Mr. President, will the Senator yield?

Mr. MINTON. I yield.

Mr. SCHWELLENBACH. The Senator from North Carolina gave a list of the stocks. I am not familiar with the market of all these stocks, but I happen to remember one of them. He said that the Associated Gas & Electric preferred stock was selling for twenty-five and a quarter dollars. I happen to remember that when Mr. Hobson, of the Associated Gas & Electric Co., was before the committee 2 years ago he testified that in 1933 that same stock which now, according to the figures quoted by the Senator from North Carolina, is selling for $25.25 was selling for $1.75. So apparently Associated Gas has not fared so badly.

Mr. MINTON. Mr. President, I shall not dispute the fact that some of these utility stocks are low; at this time I shall not dispute the statement of the Senator from North Carolina that, by and large, these stocks are not owned by rich people. It is probably true, as the Senator says, that they are owned widely, and that money of the small investors is invested in these stocks, but I do not think that the money of widows and orphans is largely invested in stocks of this kind. I do not think that anybody charged with the responsibility of a trust would invest anyone's money in stocks of this kind. In my State it would be illegal, and a trustee would be liable on his bond if he did so, and, in addition to that, he would go to jail. So, I do not think the money of widows and orphans is very largely invested in this kind of stock.

But, Mr. President, the Senator from North Carolina has asserted that the policies of the present administration, if I understood him correctly, are responsible for the low levels to which these stocks have fallen.

Let me remind the Senator that in 1929 stocks started down and went to the lowest level they have ever attained in the history of this country. At that time we were living under an administration which held that a utility could do no wrong. Throughout the entire administrations of Harding, Coolidge, and Hoover, business, including the utilities, had carte blanche to do anything it pleased, and business took advantage of it. Before the year 1929 closed we were plunged into the worst panic this country has ever seen, and before the administration of Mr. Hoover was over, when business had carte blanche to do as they pleased, even when the house was falling down upon their heads, stocks fell to the lowest level they had ever reached in all the history of this country.

In my State, when the Insull empire toppled in 1929, the people who had invested their money in Insull stocks, with the representation of the then administration that all was well with business and everybody had a green light, saw those stocks fall from 100 and better down to less than a dollar a share. They were not worth the paper on which they were written because they had no value behind them. The value that the Senator from North Carolina is talking about just did not exist, because those stocks, common and preferred, and even many of the bonds of that organization, were not worth the paper on which they were written.

Mr. President, that happened not under the present administration, not under the Roosevelt administration, which the Senator from North Carolina says is hostile to business, and that, if it would only modify and change its policies, everything would be fine and lovely for the business world, especially for the utilities, when we all know that they could not have had more leeway than they had under Harding, Coolidge, and Hoover. So, Mr. President, it seems to me the argument of the Senator from North Carolina does not hold up in the light of all of our recent experiences.

Now, just a word about the other phase of the particular amendment which is before the Senate.

The Senator from Connecticut [Mr. MALONEY] has offered his amendment in the utmost good faith, in an effort to solve a very difficult problem; but, as has been so clearly pointed out by the distinguished Senator from Nebraska [Mr. NORRIS], any amendment of this part of the joint resolution will only lead to continued litigation. The utilities have just come fresh from the courts, as the Senator from Nebraska pointed out. They have challenged the right of the P. W. A. to spend any money to aid a municipality to establish and build any kind of a utility plant. They challenged it at every door, in every court in the land, and went clear to the Supreme Court of the United States. In the case of Alabama Power Co. versus Ickes, Mr. Justice Sutherland said to the Alabama Power Co. "You have not any vested right in a monopoly. The municipality had a perfect right to set up a competing utility, if it pleased, against the existing utility, and you have no vested right in your monopoly. If your monopoly fails because of this kind of competition, there is not a court in the land that can hear you, because it is damnum absque injuria. You may have some damage, but you have not any injury."

That is what the Supreme Court of the United States said to the utilities when they arrived at the highest Court of the land. That, I think, was the unanimous opinion of that Court. Perhaps Mr. Justice McReynolds dissented.

I am not sure; I think perhaps he did; but Mr. Justice Sutherland wrote the opinion.

I want to be sure about that. I really think the opinion was a unanimous one. Yes; it was a unanimous opinion. Every member of the Court said to the utilities: "You are wrong about this matter. The municipalities of the country have a perfect right to build competing utilities, and the P. W. A. has a right to lend them money to build competing utilities."

Having lost the battle in the courts clear up to the Supreme Court of the United States, and finding themselves at last stopped by the law of the land in the highest court of the land, the utilities now come to the Congress of the United States and seek a remedy by way of legislation to undo all that has been done heretofore; in other words, to clear away the obstruction which the courts have placed across their pathway, and make it possible again for the utilities to go into court and challenge the right to spend on the basis of whether or not the price offered is reasonable and fair, and what not. As the Senator from Nebraska pointed out, just as surely as we put any amendment of that nature on this joint resolution we shall be challenged in the courts time and time again by the utilities with injunctions and suits asking for constructions of this measure, and again the people of the country will be denied that which they seek.

As the Senator from Texas [Mr. CONNALLY] pointed out, we can do under the law as it now exists everything that anybody wants to do; namely, negotiate with the utilities for the purchase of their property. We do not have to amend the pending joint resolution in order to do that. I think we all agree that no attempt would be made by any municipality, at least not with the encouragement and aid of the Federal Government, to establish a competing utility if it had not carried on legitimate negotiations with the existing utility for the purchase of its property. But bear in mind that the utility in that community exercises a monopoly; and having that much of a stranglehold upon the community, and wanting to continue not only in its monopoly but to strangle the community and force them to pay for the property more than it is worth, why should not the people themselves have the power to step in and build a competing utility? Why should they be held up by the utility first with an exorbitant rate, and then when they try to protect themselves against an exorbitant rate, be held up a second time by an exorbitant price for the utility's property?

So, Mr. President, we are not seeking to confiscate anybody's property. We are seeking only to enable the people who have granted franchises to utilities which exercise a monopoly to protect themselves against the exercise of monopolistic powers by the utility. That is all that we seek to do. We do not want to hamper the Administrator of the P. W. A. funds provided in the joint resolution by limitations which will enable the utilities again to drag us through all the courts in the land, year after year. We seek legislation that will enable the Administrator only to administer the funds in such a way that the people of the country may protect themselves against the monopoly, and protect themselves against the inordinate rates and exorbitant prices which may be charged by the utilities.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Chaffee, one of its reading clerks, informed the Senate that Mr. RANDOLPH had been appointed a manager on the part of the House at the conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 2475) to provide for the establishment of fair labor standards in employments in and affecting Interstate Commerce, and for other purposes, vice Mr. GRISWOLD, resigned.

The message also announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 9995) making appropriations for the Military Establishment for the fiscal year ending June 30, 1939, and for other purposes, and that the House had receded from its disagreement to the amendments of the Senate numbered 20 and 30 to the bill and concurred therein, each with an amendment, in which it requested the concurrence of the Senate.

The message further announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 10291) making appropriations for the fiscal year ending June 30, 1939, for civil functions administered by the War Department, and for other purposes; that the House had receded from its disagreement to the amendments of the Senate numbered 7, 10, 11, 12, and 19 to the bill and concurred thereon, and that the House had receded from its disagreement to the amendments of the Senate numbered 15, 20, 21, 22, and 23 to the bill and concurred therein, severally with an amendment, in which it requested the concurrence of the Senate.

RELIEF AND WORK-RELIEF APPROPRIATIONS

The Senate resumed the consideration of the joint resolution (H. J. Res. 679) making appropriations for work relief, relief, and otherwise to increase employment by providing loans and grants for public-works projects.

Mr. BONE. Mr. President, I doubt if any of us can escape the conviction that in this session we are witnessing an attempt to throw into reverse all of the New Deal activities of the Congress of the United States with respect to the utility problem.

In 1935 we passed the Wheeler-Rayburn bill, and it then seemed that the New Deal was determined to give the people of the country real relief from the exactions, extortions, and abuses inherent and implicit in private ownership of power. It seems to me there can be no escape from the conclusion that if either of the amendments proposed to this part of the joint resolution shall be adopted, we will completely reverse ourselves and undo everything that we of the New Deal, the Democratic Party, have so far done in the utility field, for we will be going in an opposite direction.

If the language of the committee be adopted—and, parenthetically, let me say I am happy that the committee members have indicated a disposition to abandon the committee amendment—all hope of really helping public power development in this country will be as dead at Tophet. If the amendment of the Senator from Connecticut [Mr. MALONEY] is adopted, we will open the gateway to interminable injunction suits in the courts. When we attempt to say that a fair and reasonable price must be previously agreed upon, we do not, by that language, deprive the courts of jurisdiction if they are appealed to. By that sort of language we virtually abrogate a rule of law in the States relating to the right of a public body to condemn a power system. If we deprive any locality of Government aid, loan, or grant if it elected to condemn, we present an impossible picture to them. So the act of Congress would be tantamount to striking from the hands of the local organization the power of condemnation if they elected to pursue that sort of a remedy, for if they did they would get no aid from P. W. A.

Mr. MALONEY. Mr. President, will the Senator yield to me?

Mr. BONE. I yield.

Mr. MALONEY. I should like to ask the Senator if he is familiar with the perfecting amendment offered by the Senator from Nevada [Mr. PITTMAN].

Mr. BONE. I have not read the exact language of the amendment, but I heard part of the discussion; and it is my judgment that that amendment would not keep out of the Federal courts the power districts and public bodies which seek aid from the Government if a private company elected to take them in. In other words, it would let down the bars to a new flood of injunction suits at the very moment when we have achieved a complete victory in this particular field. Now we are going to undo it all. We are going to discard all that has been done before, and lay

down a new principle which is fundamentally different and a complete departure from the thing we have heretofore elected to do. I cannot escape a feeling of great regret, and a feeling that we are simply undoing, wholly and completely, everything we have done along this line up to this time. It is a repudiation of one of the fine accomplishments of the New Deal.

Mr. MALONEY. Mr. President, will the Senator yield to me for a moment further? I should like to say that I completely disagree with him. The amendment is a step forward in the program we have pursued up to now; and I should like to be sure that the Senator recalls that I participated in the program to which he refers.

Mr. BONE. I should be happy to yield all the time possible to my friend from Connecticut; but my time is very limited, and it is desired to have a vote on this matter as soon as possible, so I do not like to yield time if I can avoid it.

Mr. President, out in the Northwest, as well as in the great Tennessee Valley, the Federal Government has undertaken large power developments at considerable expense. Out in my part of the country, by virtue of State laws, and in other sections of the country by virtue of State laws suggested by the Department of the Interior at the time these loans were first proposed, legislation authorizes districts and localities to set up publicly owned power systems.

Such a legal development is the direct outgrowth of years and years of the most flagrant abuses that ever challenged the Nation. Private power companies of this country have no one but themselves to blame for the picture that is now presented in the form of public ownership.

I have listened to the talk about widows and orphans holding stock. I have heard it in my section of the country for 20 years. Let me give Senators an illustration of this widow and orphan business. There is a little river in the southern part of my State on which a 15,000 horsepower plant was built by a private corporation. That plant cost, according to the sworn statement of the company which built it, the sum of $1,230,000. It filed on the water right, which was the right to utilize the waters of that river.

This company built a dam. It issued one block of common stock which did not represent one penny of investment, one block of common stock amounting to $10,425,000, or eight times the capital cost of the whole plant. On that capital stock for many years that company earned and paid from 10 to 15 percent to the insiders to whom it was issued. Each year the return on that common stock was more than the entire capital cost of the whole plant. That plant was within a few miles of the home of the senior Senator from the State of Oregon. It is known as the White Salmon plant.

Mr. President, that stock was placed in the hands of the men who later controlled the holding company which controlled the operating company. We hear about the troubles of the railway corporations of this country, and the statement has been made, not only by well-intentioned but well-advised individuals in this body, and elsewhere, that the only salvation for the railway set-up in this country is, to use a vulgarism, to "put them through the wringer" to get rid of the abnormal capitalization; not abnormal from the standpoint of the railway company executives, but abnormal in size from the standpoint of capacity to earn on the securities on present-day revenues of the railroads.

Not so with the power companies. They issued vast floods of securities on which they made earnings. One holding company came into my State and bought the control of a private power company for $26,000,000, and immediately thereafter issued $52,000,000 worth of stock against the property so acquired. The claim is made that there is no relationship whatever between the extent of stock issues and the rate base or the earning power of the company. Then why such an issue of stock, unless they were capitalizing hopes? That stock may have passed into the hands of so-called innocent purchasers, but just ask yourselves this one question: Is the Congress of the United States going to validate all of this kind of stock by legal action, by the enactment of legislation? If you are going to attempt to validate stock of this kind, by breathing the breath of value into such securities, then the solemn duty rests upon you to also validate and give legislative value to every share of stock of every bank that was in trouble; of every private business enterprise that was in trouble or failed.

Why, forsooth, single out power companies to validate their operations and stock values when you as Senators of the United States refuse to validate operations and stock values of other companies and other forms of business enterprises which have failed or suffered losses that affect security values? Ask yourselves why we, as Members of Congress, are made the target of solemn demands to validate power company securities, when we would repel immediately the thought that we should validate the securities of all other forms of business organizations. You can search your hearts in vain to find an answer to this query.

Why pick out power companies as the sole object of our tender solicitude? Is there a Member of the Senate who would validate the $10,500,000 of wind and water I have mentioned, which was issued by the Northwestern Electric Co. and turned over to a holding company, on which there was an earning of from 10 to 15 percent a year for many years? Would we deliberately validate an operation whereby a company was permitted to earn a million dollars a year or nothing? Can it be that the Congress of the United States would consciously lend itself to that sort of an operation? Yet it solemnly proposed to our committees that we as Senators of the United States should validate that sort of an operation in the interest of widows and orphans.

Many widows and orphans have bought other kinds of stock, but I have yet in my service here to hear an argument made on this floor that we validate any other kind of securities issued by other forms of business organizations. If there is any Senator who knows when that sort of an argument has been made, and by whom, I should be glad to be enlightened. But, strange as it may seem, we pick out the power companies alone as the object of our solicitude. Why? Banks have closed in this country by the thousands and their stock has become worthless. Men have lost their savings, but I hear no argument that we should breathe the breath of life into these bank stocks. They, too, may have been owned by widows and orphans who have equal right to claim our support.

Power companies are entitled to claim depreciation on their entire valuation; and let me say that power companies have not hesitated to carry water-power rights into their rate base for the purpose of making rates. Imagine that, capitalizing a flowing stream which cost nothing. Imagine claiming depreciation on water power itself. If one can find a more astounding claim than that put forth among men from the dawn of time down to the present, I should like to know what it is. Capitalizing gravity, and claiming depreciation on gravity must be great sport.

Mr. President, I have before me a clipping from a Washington, D. C., newspaper, which states that the local telephone company made a claim for $4,000,000 for going-concern value. Mind you, it has a monopoly here, there is no other telephone company here, but this company wants to capitalize $4,000,000 of value because it enjoys a monopoly in this field. It would have the people of Washington, D. C., pay interest and dividends on $4,000,000 of phantom dollars which it wants made very real by the alchemy of law. They may have gotten away with it, for all I know. Monopoly takes a fearful toll.

We are told that all the power companies lack now is confidence. I think the most abused word today in the English language is the word "confidence." I am astonished that anyone really wants to employ that word seriously any longer.

Fresh in our minds are the experiences of the lush days of the twenties, when the power companies and everyone else had limitless confidence. The power company I have mentioned had so much confidence in its ability to fleece the

public that it translated absolutely nothing into ten and a half million dollars and made earnings on it, and would have continued to do so for the rest of eternity if it had not been stopped by appropriate action.

Confidence was the keynote of everything that was done in the era of Republican rule, and it was the keystone of the arch, on which rested all the gigantic operations that came under the observation of the Federal Trade Commission and Senate committees, and some of which, thanks be to God, were stopped in their tracks by law.

The power companies had ample confidence in 1926, 1927, 1928, and in 1929, at the time the bottom fell out.

The PRESIDING OFFICER. The time of the Senator from Washington on the amendment has expired.

Mr. BONE. I will speak on the joint resolution.

The PRESIDING OFFICER. The Senator is recognized on the joint resolution.

Mr. BONE. There was ample confidence in 1929 to sustain our economic structure if that was all we needed. But the reason the bottom fell out of power-company values was the reason I have indicated. It was becoming known to the people that the values represented by the capital write-ups of these companies were absolutely fictitious values, without a semblance of reality. The men who did that sort of thing came to know that they were without real value. As a consequence, the bottom fell out.

We are told that we will confiscate these properties by public competition. One of the most astounding things is the argument made that competition is a bad thing. The Republican Party in its platforms upon at least one, and probably more, occasions—and if I am in error, my Republican colleagues will correct me—pronounced the doom of monopoly, asserting that monopoly was an intolerable and indefensible thing. The Democratic Party, not to be outdone in service to that ideal, announced with fervor and vigor—in fact, with a fervor that registered 800 in the shade—that monopoly was intolerable and indefensible. Yet we are now told it is a very bad thing to have public competition with the Power Trust monopoly.

Upon what sort of political meat has this Caesar of business fed that it now boldly claims immunity from any form of competition? If competition is a bad thing, then the capitalistic system is in a very bad way. In fact, one might easily foresee its end if competition is to be abolished. Yet arguments heard in the Senate call for the abolition of competition—with the Power Trust.

I know of no other business that comes to us and demands that we relieve it of any competition. Power companies claim that competition confiscates their property. But what happened to the property of the people in my State and in Oregon who from their slender purses were compelled to pay interest and dividends on ten and a half million dollars of wind and water? That was confiscation with a vengeance. Their property was confiscated by due process of law, sanctified, or at least ignored, by the regulatory provisions that were in force in the States of Washington and Oregon.

The one hope of the people in the Northwest, and I think of many other sections of the country where the Government is engaged now in the development of big power systems, is in the assistance the Federal Government may now, with perfect propriety and in perfect justice, give these localities in the development of their public power systems.

If the language which is suggested in either amendment remains in the joint resolution, it will strike from the hands of the people of the great Northwest and other sections of the United States the power to develop many of the public power systems that are now being developed and in contemplation.

Let us examine the language of the first suggested amendment in the bill. It provides that no loans can be made to any income-producing project which will compete with any existing privately owned or privately operated public utility whose rates are subject to public regulation.

That means that not another one of these plants now in contemplation, these public developments out in my Northwest, could ever come into existence. Senators, not one of these public power developments will ever come into existence by virtue of this legislation if the joint resolution be passed with that committee amendment in it. Private companies there are subject to so-called State regulation.

I think the amendment tendered by the Senator from Connecticut possesses the same fatal defect. It would provoke interminable lawsuits. It would tie up nearly every one of these proposed developments in my section of the country, and in other sections of the country where plants of this kind are in contemplation if adopted by the Senate.

But I think over and above this consideration is the stark fact that right now we are getting this whole New Deal program of ours in reverse. There is no question about that. Out in my country we have electrified rural districts. But in my own State, as complete as has been the fight out there for public power development and private development in rural areas, only 41,931 farms out of 86,000 farms in my State receive electric service. That is not the happiest showing. One of the things which is contemplated now in the State of Washington and in other sections of the country is the development of rural areas by R. E. A. loans and by loans and grants to public bodies which want to go into the power business.

I do not share the view that private companies are badly hurt. I have before me an editorial from a Washington, D. C., newspaper of a few months ago pointing out the earnings of the Commonwealth & Southern Co., a prominent holding company in the T. V. A. section. What is shown in this editorial does not square with the pitiful claims made on the floor of the Senate that these companies are being grievously wounded by what is going on. In 1934 the net earnings of Commonwealth & Southern were $7,400,000, according to this editorial. In 1935 the net earnings of that company were $9,400,000. In 1936 they were $13,300,000, and for the year ending October 30, 1937, they were $15,900,000. The earnings were going up at a very sharp angle. That is a holding company. It produces these earnings out of the operating companies which it controls.

Mr. President, there is a challenge to all this—a challenge which, it seems to me, goes to the very roots of the thing that we contemplate as truly American.

I recall being in the State of Oregon some time ago at a time when a case was being tried in the Supreme Court of the State of Oregon, which revolved around the right of the city of McMinnville, Oreg., to sell some of its power outside of the city. I think one of the potential customers it desired to serve was a golf club. The suit was brought upon the complaint of a power company, which sought to restrain the city of McMinnville from selling power outside city limits. Senators, listen to this language. You would think it was the feudal system which was being discussed, and not the American system of free competition in the year 1930.

The case to which I refer was Yamhill Electric Co. against the city of McMinnville. In that case the complaint of the private power company set forth that the private company had for a long time served the outside territory and expended large sums of money serving the people of Yamhill County. Then the complaint set forth:

> That by reason thereof, the whole of Yamhill County, Oreg., with the exception of the said city of McMinnville, Oreg., now is, and for a long time prior thereto continually has been, the territory belonging to the said plaintiff as a public utility in the furnishing and sale of electric power and light.

Imagine the use of the possessive case by a private utility. Observe that it boldly asserts that the county "belongs to it," and that the city had no right under the law to put a line out there to serve the people of that county. That contention was based on another one of these blessed certificate of necessity and convenience acts which have sprung into existence on the statute books. I believe the first of them were written into the statutes of the State of Massachusetts; such statutes create by law a monopoly, an

airtight monopoly. Then when the monopoly is enthroned under a certificate of necessity and convenience, the company follows the usual devious routes of injecting fictitious values into its rate base, and the trimming of the public proceeds apace.

I am sorry the Senator from Indiana is not now present. I remember the McArdle case in Indianapolis, in which a water company had expended over the years something like $10,000,000 in the building and development of a private water system, and when they got through with all of the shenanigans in connection with the establishing of a rate base, the value of the company as a going concern was increased, as I remember, by about $7,000,000. On this value, added by various methods of inflating a rate base, the people of Indianapolis must pay interest and dividends for all time.

Mr. President, the alchemist of the Middle Ages took a little bit of base metal, such as lead, and transmuted it into gold. That was considered the outstanding stunt of all times. That was the most astounding thing that a man had ever been able to achieve. But, Senators, power company alchemists nowadays have these old fakers completely shaded. With high-pressure experts, and clever valuation engineers, power companies are able to pump pure wind and water into a rate base, and thereby translate phantom dollars into real dollars; translate nothing into something; translate engineers' theories into millions of dollars of real value; on which the American people must pay interest and dividends forever. Every expert who has ever examined this field knows that is true. When anyone lays profane hands on that sort of a golden calf he is met with the charge that he does violence to fundamental American ideals and ideas.

Mr. President, if we are going to validate that kind of business, then it behooves us to attempt to validate every other kind of irregular business under the sun.

I think it is a fair thing for us to let the people of the United States know that when we adopt these amendments the Senate of the United States has very calmly elected to undo all that the New Deal has done in the electrical field up to now. I do not like to be harsh in my judgments, because I want my brethren to be tolerant of me, but I know as surely as I stand in my place in the Senate that if either of these amendments is adopted we are going to undo all our previous efforts. We are going to strike from the hands of our public officials the last bit of ability to help these public outfits in the West which want to develop their own plants. In my State of Washington I am going to be compelled to tell the people that our party has abandoned the power fight. Our President came to my State and announced principles that appealed to the progressive views of its people. We should not abandon them. The President of the United States pointed out to the people of the great Northwest the possibility for cheap power.

Senators may not know what cheap power means to us. When I look at the tax charts on the wall I want to smile. The plant in my city of Tacoma gives to the city of Tacoma street lighting for half what it would cost if furnished by a private concern. It would cost the city thousands and thousands of dollars more if it bought that current from a private company. When comparison is made between the domestic rate charged by the city of Tacoma and the rate charged by the city of Chicago, or other cities, the comparison is astounding. The difference between the charge for electric energy made in many of the cities of the East and the charge made for electricity in my city of Tacoma would operate my city of Tacoma without the levy of one penny of tax on a human being in that city. We pay rent for offices in the city hall there for the light system. Our lighting system is run as an independent entity. It stands on its own bottom and is as solid as the Rock of Gibraltar.

Talk about private companies paying taxes. Let me give a little illustration. The city of Puyallup, Wash., condemned a private utility operating in that city a few years ago. Engineers and valuation experts went on the witness stand and testified that the system was worth from $400,000 to $500,000, and it was earning a good return on that valuation. I was in the Federal court when that testimony was given, as I was interested in the case. I went down to the office of the county assessor, to determine how much tax that company paid on this half-million-dollar property. It was earning a good return on half a million dollars, a fine return, a return which would satisfy the average businessman. How much, Mr. President, do you suppose the half-million-dollar property was carried for on the tax rolls? It was assessed for taxation purposes at $15,000.

The power companies in my State, during an election campaign out there—and, by the way, they gave me a successful drubbing on that issue—put out half a million circulars proclaiming that they had $300,000,000 worth of property on the tax rolls, and were paying taxes on it like any other citizen.

What were the facts? That year the average normal tax was about 72 mills in my State. Using this as a basis of computation, the private companies paid on a value of $9,470,000, or less than one-thirtieth of what they claimed to be the true tax worth of their properties. I have thousands of pieces of literature in my possession containing the tax arguments of power companies, which are disproved by the cold records made under oath by their executives.

I have on my desk an editorial from the Electric World, containing a bold plea to power companies to go still deeper into politics, and a bald threat that they are going into politics in every community and in every congressional district, and are going to elect every man they can, from top to bottom, in order to defend such set-ups as the White Salmon affair, which I have discussed.

Mr. WAGNER. Mr. President, will the Senator yield?

Mr. BONE. I shall be very glad to yield.

Mr. WAGNER. I take it there is a public utilities commission in the Senator's State regulating the rates of private utilities.

Mr. BONE. There is.

Mr. WAGNER. In connection with the instance which the Senator just cited, is the amount upon which the utilities pay taxes the sum used as the basis for fixing rates?

Mr. BONE. It is not. In fact, the utilities commission had nothing whatever to do with the assessment of taxes. That was done by the local county assessor.

Mr. WAGNER. I take it that when it comes to taxing their properties, the values which the utilities place upon their properties is one sum; but when the rate base is fixed, upon which they may be permitted to earn a certain percentage—4 or 5 percent—then I take it the value claimed is a larger sum.

Mr. BONE. Oh, yes. It is abnormal. The power companies in my State—and I think the situation is typical of all States—introduce a great many phantom values into their rate bases. I remember a certain editorial published in a newspaper in the southern part of my State. The utilities were fighting a power bill which was initiated in the State by the State Grange. The editor said in this editorial:

> The power companies of this State are putting $20,000,000 worth of new property on the tax rolls every year.

He meant to imply by that, and to assert—and it was an argument—that every year $20,000,000 of new taxable wealth went on the tax rolls, to relieve home owners of taxes. That very year the normal tax in my State was around 70 mills.

Using that as the rate which was applied to our homes, the total tax paid by all the private power companies in my State reflected a tax on only $17,500,000 of power-company value in the whole State. In other words, if they had paid a 70-mill tax on an actual value of $17,000,000 plus, they would have paid as much money as they actually paid. That statement was 5 years after the $300,000,000 statement. If the statement was true, they would have had $400,000,000 worth of property on the tax rolls, according to the arguments of the Power Trust editors, and they would have paid taxes on $400,000,000, which is the value the utilities claimed.

Mr. WAGNER. Does the Senator know, in that particular instance, what value was claimed for rate-making purposes? It must have been a very much larger sum.

Mr. BONE. Despite the fact that we have the orthodox regulation in my State, for years and years probably the largest private power company in that State had never been evaluated for rate-making purposes. The commission merely took the book values or plant values. They took the company's word, because the State legislature had not made money available to the public utilities commission to make the studies; and when the commission did not have the money, they merely took the company's word, because they had to take it. One other company had been evaluated.

In my city of Tacoma when we built the power system we issued bonds to build it, and we paid off the bonds. Today the system, which is worth probably $30,000,000, has a debt of about $4,000,000, and we are paying that debt off at the rate of somewhere around half a million dollars a year. Does the Senator realize what that means?

Mr. WAGNER. Yes.

Mr. BONE. In a little while we shall have a $30,000,000 plant and there will not be one penny in its capital structure.

Mr. WAGNER. I was in the Senator's great city and saw the plant referred to. Does the Senator know just what the disparity is between the values which were used for taxation purposes and the values claimed for rate-making purposes?

Mr. BONE. I should say that the ratio runs all the way from 7 or 8 to 1 up to 30 to 1. In other words, the values of the private power companies in my State, for rate-making purposes, have been as much as 30 times the values on which they paid taxes.

Mr. WAGNER. Then it seems to me someone is not performing his duty. Either the tax assessor is not performing his duty or the public utilities commission is not performing its duty. Otherwise the disparity could not exist.

Mr. BONE. Let some unfortunate wight in public office suggest that and the condemnation of the press is made to descend upon his head. Certain newspapers arise with one accord and with altitudinous elan and wild acclaim call down upon his head the mildew of the Almighty's wrath.

I ask Senators what is fundamentally wrong, or what is morally wrong about a city like Tacoma selling cheap power to the farmers? Why should my State be in serfdom and bondage to an alien corporation which has no other purpose than to squeeze all the money it can out of the people? The State has been blessed by the Almighty with the most wonderful rivers, which may be harnessed, and from which the cheapest power on earth may be pumped into homes.

Mr. LUNDEEN. Mr. President, will the Senator yield?

Mr. BONE. I yield.

Mr. LUNDEEN. I wonder if the Senator has mentioned in his very able discussion Mason City, of some 4,000 inhabitants, at Grand Coulee? There is not a chimney in that city. The city is east of the Cascades, where the climate is fairly cold.

Mr. BONE. Yes.

Mr. LUNDEEN. The needs of the people for electric current are supplied at a very low rate.

Mr. BONE. That is correct.

MASON CITY AND BOULDER DAM

Mr. LUNDEEN. I myself have been out there several times, and I have been much impressed with the work of the Government. The Grand Coulee is the greatest structure ever built by man on the face of the earth. In cubic content of concrete it is three times the size of Boulder Dam. There is a city of 4,000 souls located there, and the houses are heated with electricity. It is an outstanding example for our cities and our States. It ought to be remembered by the Federal Government.

Mr. BONE. There are 2,600 apartments in my city of Tacoma which have no chimneys. They are heated by electricity. I use a great deal of current in my home. My city has a very profitable light system, which furnishes electricity at a rate of 5 mills per kilowatt-hour.

Mr. LUNDEEN. The Senator's city of Tacoma is west of the Cascades.

Mr. BONE. That is correct.

Mr. LUNDEEN. The climate in Tacoma is warmer than that east of the Cascades. I think the contrast is greater at Mason City because the climate east of the Cascades is much colder, and yet there is not a chimney in the city at Grand Coulee.

GOVERNMENT OWNERSHIP OF ELECTRIC LIGHT AND POWER

How long will we sleep on. How long before we follow the example of Tacoma, Seattle, Los Angeles, Pasadena, Ontario, Canada, and innumerable other outstanding communities. Here electric light and power and electric service is produced for service for the people of these United States and for the people of Canada. How long before we will see the light. Let us here and now begin our struggle for Government control and ownership of public utilities.

Mr. BONE. That is correct.

Mr. LUNDEEN. All heating is done by electricity—the modern method of heating, at a remarkably low cost. All light is furnished and all light, heat, and power at cost for service. I thank the Senator for his able speech and for his admirable stand for Government control and ownership of light and power.

Mr. BONE. I am pleading with Senators to reject these amendments, because we have a marvelous thing of vast social value growing up out in the West. I plead with Senators to refrain from injuring in any way the wonderful possibilities of the great Northwest, which will become the great electrical empire of the country. Two million horsepower will be unleashed at Grand Coulee; and I want to live long enough to see the power pumped into every little home out there at cheap rates. I do not want the Congress of the United States to strike from the hands of the public the ability to make that possible.

Do Senators realize what cheap power means and what cheap rates mean? Let me give one illustration. Much has been said about taxes. I am sorry the Senator from Nebraska did not have time to discuss that question. In the State of Washington we made tax studies of the amount of money paid by all the private power companies. Let me tell the Senate what would have washed that all out. I should like to have the Senator from Nebraska [Mr. NORRIS] hear the comparison, because it is an interesting one, and I am sure it will be challenging to other Senators.

If by any sort of regulation we could have secured a reduction of one-tenth of 1 cent per kilowatt-hour in the rate for electrical energy sold in my State—1 mill per kilowatt-hour—the saving to the people of the State of Washington would have been several thousand dollars a year more than all the taxes paid by all the private power companies in that State to the State and its political subdivisions. Is there a Senator here who, in the face of that sort of statement, will be tremendously perturbed by the tax showing of private power companies?

I was in Chicago when Chicago was not paying its school teachers, firemen, and policemen. I looked at the great opera house in Chicago, given to the city of Chicago by Mr. Samuel Insull. I can understand how Sam Insull could give a $20,000,000 opera house to the city of Chicago when I looked at the electric-light rates in Chicago. Insull's company was squeezing enough out of the slender purses of the people of Chicago to have paid the policemen, the firemen, and the school teachers.

I had with me a bill from my home for $16.55 for 1 month. I walked into the office of the Commonwealth Edison Co., of Chicago, laid the bill on the counter, and said, "Tell me how much this would cost a home in Chicago." The bill was for 1 month, for 2,249 kilowatt-hours of electric energy. The man asked me: "What are you doing, running a hotel?" I said, "No; that is my home bill. I use electricity for heating as well as for regular uses."

How much do Senators think the bill would have been in Chicago, where Sam Insull gave an opera house to people who were unable to pay policemen, firemen, and school teachers? My bill for $16.55 in Tacoma would have been around $98 in Chicago on its best domestic rate.

We are assured we must be tender with that sort of burglary. And the same outfit, the Insull crowd, were busy publishing books—I have a number of them in my library—telling how much more successful they are, how much more efficient they are than public plants and how their steam plants are so much more efficient than our hydroplants in the West; how they can make power cheaper, and in the same breath they talk about the concentrated distribution in a great city like Chicago, where they do not have to distribute power great distances on slender lines, with only a few customers per mile. Every argument they made damned every other argument they made. Why did Insull charge what he did in Chicago, when the city of Tacoma, with a magnificently successful plant, could give me for $16.55 what the Insull company charged the residents of Chicago $98 for?

That is the answer to this power business. These fellows do not want you to tear their grip from the throats of Americans. I would rather own a power system than the best gold mine on earth, under modern systems of regulation.

Mr. LEWIS. Mr. President——

Mr. BONE. I yield to the Senator from Illinois.

Mr. LEWIS. Looking for information, and knowing that the Senator from Washington has given great consideration to the question, I should like to ask him whether there was any evidence of a better service, a more valuable service given in Chicago for the sum the Senator mentions than that which was given in Tacoma for the sum he has named.

Mr. BONE. No. A kilowatt-hour of electric energy, which is a force, light, heat, comes into your home over two or three wires, dependent upon the type of service you are using. If you want to use a 220-volt service for heating purposes or cooking purposes, it comes in on three wires. A kilowatt-hour of electric energy in Chicago is exactly like a kilowatt-hour of electric energy in Tacoma—60-cycle alternating current is the same the world over. There is not a particle of difference. All that the Chicago Commonwealth Edison Co. did was to run wires into homes and provide energy for ranges, lighting and electrical gadgets. That process is the same the world over.

The PRESIDING OFFICER. The time of the Senator from Washington has expired.

Mr. MALONEY. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Copeland	Lee	Pittman
Andrews	Dieterich	Lewis	Pope
Austin	Ellender	Lodge	Radcliffe
Bailey	Frazier	Logan	Russell
Bankhead	George	Lonergan	Schwartz
Barkley	Gerry	Lundeen	Schwellenbach
Berry	Gibson	McAdoo	Sheppard
Bilbo	Green	McCarran	Shipstead
Bone	Guffey	McGill	Smathers
Borah	Hale	McKellar	Smith
Brown, Mich.	Hatch	McNary	Townsend
Brown, N. H.	Hayden	Maloney	Truman
Bulkley	Hill	Miller	Tydings
Bulow	Hitchcock	Minton	Vandenberg
Byrd	Holt	Murray	Van Nuys
Byrnes	Hughes	Neely	Wagner
Capper	Johnson, Calif.	Norris	Wheeler
Caraway	Johnson, Colo.	O'Mahoney	White
Chavez	King	Overton	
Connally	La Follette	Pepper	

The PRESIDING OFFICER. Seventy-eight Senators have answered to their names. A quorum is present.

Mr. MALONEY. I ask for the yeas and nays on my amendment.

The yeas and nays were ordered.

Mr. BORAH. Mr. President, what is the parliamentary situation?

The PRESIDING OFFICER. The question is on agreeing to the modified amendment of the Senator from Connecticut [Mr. MALONEY] to the amendment reported by the committee, which committee amendment is on page 21, lines 2, 3, 4, and 5.

Mr. BORAH. It is not a substitute, but an amendment to it?

The PRESIDING OFFICER. It is a substitute amendment to the committee amendment.

The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MCNARY (when his name was called). On this question I have a pair with the senior Senator from Mississippi [Mr. HARRISON]. Not knowing how he would vote, I withhold my vote. If at liberty to vote, I should vote "nay."

Mr. SHIPSTEAD (when his name was called). I have a general pair with the senior Senator from Virginia [Mr. GLASS]. I transfer my pair with him to the junior Senator from North Dakota [Mr. NYE], and will vote. I vote "nay." I am advised that if present and voting the Senator from Virginia would vote "yea."

The roll call was concluded.

Mr. LOGAN (after having voted in the negative). I have a general pair with the senior Senator from Pennsylvania [Mr. DAVIS], who has not voted. I transfer my pair with him to the junior Senator from Wisconsin [Mr. DUFFY], and will allow my vote to stand. I am advised that if the Senator from Pennsylvania were present he would vote "yea," and the Senator from Wisconsin "nay."

Mr. TRUMAN. My colleague [Mr. CLARK], who is detained on public business, is paired with the Senator from Massachusetts [Mr. WALSH]. If my colleague were present, he would vote "nay," and if the Senator from Massachusetts were present he would vote "yea."

Mr. HAYDEN. My colleague [Mr. ASHURST] is necessarily detained from the Senate. If present, he would vote "nay."

Mr. GERRY. I desire to announce that the Senator from Nebraska [Mr. BURKE] is paired with the Senator from Oklahoma [Mr. THOMAS]. If the Senator from Nebraska were present, he would vote "yea," and if the Senator from Oklahoma were present he would vote "nay."

Mr. AUSTIN. The Senator from New Hampshire [Mr. BRIDGES] is paired with the Senator from North Carolina [Mr. REYNOLDS]. The Senator from New Hampshire is absent because of the death of his wife. If he were present, he would vote "yea" on this question, and if the Senator from North Carolina were present he would vote "nay."

The Senator from Pennsylvania [Mr. DAVIS] is necessarily absent.

Mr. LEWIS. I announce that the Senator from Oregon [Mr. REAMES] is detained from the Senate because of illness.

The Senator from Nebraska [Mr. BURKE], the Senator from Mississippi [Mr. HARRISON], the Senator from New Jersey [Mr. MILTON], the Senator from Ohio [Mr. DONAHEY], the Senators from Iowa [Mr. HERRING and Mr. GILLETTE], the Senator from Virginia [Mr. GLASS], the Senator from North Carolina [Mr. REYNOLDS], and the Senator from Oklahoma [Mr. THOMAS] are detained on important public business.

The Senator from Massachusetts [Mr. WALSH] is delivering a commencement address at the Coast Guard Academy in New London, Conn.

The Senator from Utah [Mr. THOMAS] is detained in a conference on the wage and hour bill.

The Senator from Wisconsin [Mr. DUFFY] is unavoidably detained.

The result was announced—yeas 30, nays 47, as follows:

YEAS—30

Adams	Caraway	King	Radcliffe
Austin	Chavez	Lewis	Townsend
Bailey	Copeland	Lodge	Tydings
Bankhead	Gerry	Lonergan	Vandenberg
Berry	Gibson	Maloney	Van Nuys
Bulkley	Hale	McCarran	White
Bulow	Johnson, Calif.	O'Mahoney	
Byrd	Johnson, Colo.	Pittman	

NAYS—47

Andrews	Brown, N. H.	Frazier	Hill
Barkley	Byrnes	George	Hitchcock
Bilbo	Capper	Green	Holt
Bone	Connally	Guffey	Hughes
Borah	Dieterich	Hatch	La Follette
Brown, Mich.	Ellender	Hayden	Lee

Logan	Minton	Pope	Smathers
Lundeen	Murray	Russell	Smith
McAdoo	Neely	Schwartz	Truman
McGill	Norris	Schwellenbach	Wagner
McKellar	Overton	Sheppard	Wheeler
Miller	Pepper	Shipstead	

NOT VOTING—19

Ashurst	Donahey	Herring	Reynolds
Bridges	Duffy	McNary	Thomas, Okla.
Burke	Gillette	Milton	Thomas, Utah
Clark	Glass	Nye	Walsh
Davis	Harrison	Reames	

So Mr. MALONEY's amendment, as modified, in the nature of a substitute for the committee amendment, was rejected.

Mr. BARKLEY. Mr. President, while there is a good attendance in the Senate I wish to make an announcement, not that it is necessary, because I have made the announcement two or three times, but I wish to advise the Senate that it is our purpose to continue on into the evening, without recess.

The VICE PRESIDENT. The question is on agreeing to the amendment of the committee.

Mr. BONE. I ask for the yeas and nays.

The yeas and nays were not ordered.

The amendment was rejected.

REGULATION OF TRAFFIC IN FOOD, DRUGS, AND COSMETICS

The VICE PRESIDENT laid before the Senate the amendments of the House of Representatives to the bill (S. 5) to prevent the adulteration, misbranding, and false advertisement of food, drugs, devices, and cosmetics in interstate, foreign, and other commerce subject to the jurisdiction of the United States, for the purposes of safeguarding the public health, preventing deceit upon the purchasing public, and for other purposes.

Mr. COPELAND. I move that the Senate disagree to the amendments of the House of Representatives, request a conference with the House on the disagreeing votes of the two Houses thereon, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Vice President appointed Mr. COPELAND, Mr. BAILEY, Mr. CLARK, Mrs. CARAWAY, Mr. MCNARY, Mr. VANDENBERG, and Mr. GIBSON conferees on the part of the Senate.

CONGRESS CONSTRUCTION CO.

The VICE PRESIDENT laid before the Senate the amendment of the House of Representatives to the bill (S. 3113) for the relief of the Congress Construction Co., which was, on page 1, line 7, to strike out "$3,335.51" and insert "$6,402.60."

Mr. BAILEY. I move that the Senate concur in the House amendment.

The motion was agreed to.

RELIEF AND WORK-RELIEF APPROPRIATIONS

The Senate resumed the consideration of the joint resolution (H. J. Res. 679) making appropriations for work relief, relief, and otherwise to increase employment by providing loans and grants for public-works projects.

The VICE PRESIDENT. The clerk will state the next amendment passed over.

The LEGISLATIVE CLERK. The next amendment passed over was on page 22, after line 8, where it was proposed to strike out the following:

(e) In the event that, due to constitutional limitations, any State, Territory, possession, political subdivision, or other public body shall be unable to participate by way of loan and grant in the benefits of this title, the Administrator, with the approval of the President, may advance moneys to any such public agency upon agreement by such public agency to pay back in annual installments, over a period of not to exceed 25 years, at least 55 percent of the amount so advanced with interest thereon for the period of amortization.

Mr. RUSSELL. Mr. President, after investigating other phases of the bill I do not desire to interpose any further objection to the amendment of the committee.

The VICE PRESIDENT. The question is on agreeing to the amendment of the committee.

The amendment was agreed to.

The VICE PRESIDENT. The clerk will state the next amendment passed over.

The LEGISLATIVE CLERK. The next amendment passed over is, on page 23, line 22, where it is proposed to strike out "$500,000,000 shall" and to insert "$400,000,000 may."

Mr. HAYDEN. Mr. Mr. President, I ask that the amendment be agreed to.

The VICE PRESIDENT. The question is on agreeing to the amendment.

The amendment was agreed to.

The VICE PRESIDENT. All the committee amendments have now been disposed of.

Mr. LODGE obtained the floor.

Mr. BANKHEAD. Mr. President, there is a formal amendment, presented by the Senator from Kansas [Mr. MCGILL], the Senator from Iowa [Mr. GILLETTE], and myself, which I should like to have agreed to. I am sure there will be no controversy, and I ask the Senator from Massachusetts if he will not yield to me.

Mr. LODGE. I yield to the Senator from Alabama.

The VICE PRESIDENT. The clerk will state the amendment.

The LEGISLATIVE CLERK. At the end of title V it is proposed to insert the following new section:

SEC. . (a) The first sentence of subsection (b) of section 302 of the Agricultural Adjustment Act of 1938, as amended, is amended (1) by inserting after "June 15" the words "or at any time thereafter during such marketing year;" and (2) by striking out "on such date" and inserting in lieu thereof "at any such time."

(b) The first sentence of subsection (c) of section 302 of such act, as amended, is amended (1) by adding after "August 1" the words "or at any time thereafter during such marketing year"; and (2) by striking out "on such date" and inserting in lieu thereof "at any such time."

(c) The first sentence of subsection (d) of section 302 of such act, as amended, is amended by inserting after "November 15" wherever it appears the words "or at any time thereafter during such marketing year."

Mr. MCNARY. Mr. President, if I properly understand the proposal I have no objection to it. I should like to have a brief statement from the Senator from Alabama to see if I am correct in my conclusion.

Mr. BANKHEAD. Mr. President, it developed a few days ago, in connection with the farm law, that a definite day was fixed on which prices of wheat, corn, and cotton must be at the 52 percent of parity level in order that loans might be obtained on those commodities. For instance, the date for wheat is the 15th of June. If on that date wheat is just a point or two above the 52 percent, a farmer could not get a loan on his crop. That was not the intention of the committee, and the amendment just read has been prepared after consultation. It is offered jointly by the Senator from Kansas [Mr. MCGILL], representing wheat, the Senator from Iowa [Mr. GILLETTE], representing corn, and I myself, representing cotton.

The amendment merely provides that the price at any time during the marketing year, may be considered, so that if there is a great drop in the price of any one of these commodities after the fixed date, loans may still be available.

The VICE PRESIDENT. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. BONE. Mr. President——

The VICE PRESIDENT. The Senator from Washington.

Mr. LODGE. Mr. President, I believe I have the floor. I yielded to the Senator from Alabama.

The VICE PRESIDENT. When the Senator from Massachusetts yielded to the Senator from Alabama to offer an amendment, and the amendment was considered and voted upon, in the opinion of the Chair the Senator could not possibly have held the floor. However, if the Senator from Washington will yield to the Senator from Massachusetts he will be recognized.

Mr. BONE. I yield.

Mr. LODGE. I appreciate the Senator's courtesy very much. I have sent an amendment to the desk, which I ask to have stated.

The VICE PRESIDENT. The clerk will state the amendment.

The LEGISLATIVE CLERK. On page 2, lines 1 and 2, it is proposed to strike out "as follows" and to insert the following:

The sum of $2,214,905,000. The funds appropriated in this title to the Works Progress Administration shall be expended so as to give equal employment, over the period ending February 28, 1939, to every person determined or certified, by any public relief agency or employment office approved by the Works Progress Administration, to be in need of relief and registered as employable at an office of the United States Employment Service, so as to provide a Works Progress Administration job for every needy man and woman. The funds appropriated in this title shall be distributed as follows:

On page 20, beginning with line 1 and ending on page 27 with line 20, it is proposed to strike out all of title II and III.

Mr. LODGE. Mr. President, I should like briefly to explain the amendment. It strikes out the so-called pump-priming portions of the joint resolution, and increases the amount for title I by $500,000,000.

It is my intention, if this amendment shall be adopted, to move further to reconsider the amount agreed upon yesterday, and apportion the $500,000,000 one-half to straight W. P. A., one-fourth to white-collar projects, and one-fourth to the National Youth Administration.

I think it is self-evident that the times are so serious that the country cannot afford the luxury of a so-called pump-priming program. Such a program was all very well when the Treasury was in good condition, and before the present enormous debt had been piled up. It was tried then. It did not work then, it will not work now.

Today, however, we have the solemn duty of avoiding all unnecessary expense so that we may give more to the men and women who are in serious need. My amendment puts more money into jobs and less money into structures, allocates more money for men and less money for the dealers in building material.

The further provision in my amendment that every needy employee shall receive work is so obviously just and equitable that argument is unnecessary. Evidence submitted to the Special Committee on Unemployment and Relief indicated that there were within New York city, for example, 139,000 employables on W. P. A. and 103,000 who were equally employable but were not on W. P. A. Evidence submitted to the same committee showed that in the city of Cleveland, for example, there were 28,000 on W. P. A. and 64,500 equally employable who were not on W. P. A.

Mr. President, the people who were not on W. P. A. were just as good Americans, they felt just the same pangs of hunger, their spirits received the same blow as the more relatively fortunate ones who did get on.

I give these illustrations at random because I know that every Senator constantly receives letters from constituents telling of their inability to get on W. P. A., even though they are badly in need.

This amendment will take care of that situation. It is not necessary for me to belabor the point. This money is intended for the needy people of America, not for some of them, but for all of them. When it comes to human misery, there should be no favorites.

Colonel Somerville, the W. P. A. administrator in New York City, when he appeared before the Byrnes committee, indicated that this rotation scheme had their approval, and it has the approval of many others in W. P. A. I hope the amendment will be agreed to.

I have just been handed a letter which came to me a few days ago when I made a release of this amendment to the press. It came to me in the mail from the city of Waltham, Mass. It is written by the works-progress sponsor's agent for that city. He says:

We have recently certified 150 men for work, and we have in our files 270 applications from men who are unemployed and eligible for relief work if it were available.

This is an illustration of the point I was trying to make. I ask unanimous consent to have the letter printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

CITY OF WALTHAM, MASS.,
Bemis School, May 25, 1938.

Senator HENRY CABOT LODGE, JR.,
Washington, D. C.

DEAR SENATOR LODGE: Under date of May 24 an article appeared in the Boston Globe quoting statements made by you regarding W. P. A.

I heartily agree with your views and thought you would be interested in some figures from Waltham.

At the present time we have 920 persons working on W. P. A. in the city of Waltham.

We have recently certified 150 men for work, and we have in our files 270 applications from men who are unemployed and eligible for relief work if it were available. In addition we have 75 applications from women seeking work.

Of course we have new applications made daily, and judging from the business outlook in Waltham at the present time, the number of applications will increase rather than decrease.

We, therefore, concur with you that more people should be put to work on W. P. A. at once, in order that some of the very real distress be lightened.

Very truly yours,

JOSEPH P. TROMBLEY,
Sponsor's Agent.

P. S.—Of the 150 men recently certified for work, only about 10 have been assigned to work, which means, of course, that the remainder are still unemployed.

The VICE PRESIDENT. The question is on agreeing to the amendment of the Senator from Massachusetts.

Mr. McNARY. I ask for the yeas and nays.

The yeas and nays were not ordered.

Mr. McNARY. I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Copeland	Lee	Radcliffe
Andrews	Dieterich	Lodge	Russell
Austin	Ellender	Lonergan	Schwartz
Bailey	Frazier	Lundeen	Schwellenbach
Bankhead	George	McAdoo	Sheppard
Barkley	Gerry	McGill	Shipstead
Berry	Gibson	McKellar	Smathers
Bilbo	Green	McNary	Smith
Bone	Guffey	Maloney	Thomas, Utah
Borah	Hale	Miller	Townsend
Brown, Mich.	Hatch	Minton	Tydings
Brown, N. H.	Hayden	Murray	Vandenberg
Bulkley	Hill	Neely	Van Nuys
Bulow	Hitchcock	Norris	Wagner
Byrnes	Holt	O'Mahoney	Wheeler
Capper	Hughes	Overton	White
Caraway	Johnson, Calif.	Pepper	
Chavez	Johnson, Colo.	Pittman	
Connally	La Follette	Pope	

The PRESIDENT pro tempore. Seventy-three Senators having answered to their names, a quorum is present.

The question is on agreeing to the amendment of the Senator from Massachusetts [Mr. LODGE], on page 2, lines 1 and 2.

Mr. McNARY. I ask for the yeas and nays.

The yeas and nays were ordered, and the legislative clerk called the roll.

Mr. SHIPSTEAD (after having voted in the negative). I have a pair with the Senator from Virginia [Mr. GLASS]. I transfer that pair to the Senator from North Dakota [Mr. NYE], and allow my vote to stand.

Mr. AUSTIN. I announce the pair of the Senator from New Hampshire [Mr. BRIDGES] and the Senator from North Carolina [Mr. REYNOLDS]. If present and at liberty to vote, the Senator from New Hampshire would vote "yea," and the Senator from North Carolina would vote "nay."

I also announce the general pair of the Senator from Pennsylvania [Mr. DAVIS] and the Senator from Kentucky [Mr. LOGAN].

Mr. MINTON. I announce that the Senator from Oregon [Mr. REAMES] is detained from the Senate because of illness.

The Senator from Nebraska [Mr. BURKE], the Senators from Virginia [Mr. BYRD and Mr. GLASS], the Senator from Missouri [Mr. CLARK], the Senator from Ohio [Mr. DONA-

HEY], the Senators from Iowa [Mr. GILLETTE and Mr. HERRING], the Senator from Mississippi [Mr. HARRISON], the Senator from New Jersey [Mr. MILTON], the Senator from North Carolina [Mr. REYNOLDS], the Senator from Oklahoma [Mr. THOMAS] and the Senator from Missouri [Mr. TRUMAN] are detained on important public business.

The Senator from Wisconsin [Mr. DUFFY], the Senator from Utah [Mr. KING], the Senator from Illinois [Mr. LEWIS], the Senator from Kentucky [Mr. LOGAN], and the Senator from Nevada [Mr. MCCARRAN] are unavoidably detained.

The Senator from Massachusetts [Mr. WALSH] is delivering a commencement address at the Coast Guard Academy in New London, Conn.

Mr. HAYDEN. I announce that my colleague [Mr. ASHURST] is detained from the Senate because of illness.

The result was announced—yeas 17, nays 56, as follows:

YEAS—17

Austin	Copeland	Johnson, Calif.	Vandenberg
Bailey	Gerry	Lodge	White
Berry	Gibson	Lundeen	
Borah	Hale	McNary	
Capper	Holt	Townsend	

NAYS—56

Adams	Dieterich	Lonergan	Pope
Andrews	Ellender	McAdoo	Radcliffe
Bankhead	Frazier	McGill	Russell
Barkley	George	McKellar	Schwartz
Bilbo	Green	Maloney	Schwellenbach
Bone	Guffey	Miller	Sheppard
Brown, Mich.	Hatch	Minton	Shipstead
Brown, N. H.	Hayden	Murray	Smathers
Bulkley	Hill	Neely	Smith
Bulow	Hitchcock	Norris	Thomas, Utah
Byrnes	Hughes	O'Mahoney	Tydings
Caraway	Johnson, Colo.	Overton	Van Nuys
Chavez	La Follette	Pepper	Wagner
Connally	Lee	Pittman	Wheeler

NOT VOTING—23

Ashurst	Donahey	King	Reames
Bridges	Duffy	Lewis	Reynolds
Burke	Gillette	Logan	Thomas, Okla.
Byrd	Glass	McCarran	Truman
Clark	Harrison	Milton	Walsh
Davis	Herring	Nye	

So Mr. LODGE's amendment was rejected.

Mr. BONE. Mr. President, I send to the desk an amendment, which I ask to have stated.

The PRESIDENT pro tempore. The amendment will be stated.

The LEGISLATIVE CLERK. On page 20, line 24, it is proposed to strike out "January 1" and to insert "March 31."

Mr. BONE. Mr. President, I wish to make a brief statement with respect to the amendment. Due to winter conditions and to many other conditions with which Senators are familiar, it has been deemed advisable by a number of Senators interested in public development to propose to extend by these few days the time for the commencement of the P. W. A. features of the bill. I have talked to a number of Senators, and many of them, because of winter conditions, would like merely to extend the time for beginning the P. W. A. operations under the joint resolution for approximately 90 days. I hope Senators will find it agreeable to make this extension. The Governor of my State and a number of others have called my attention to the weather conditions which seem to make the extension desirable.

Mr. BULKLEY. Mr. President, I have had a very urgent demand from my own State along the same line. I hope the amendment will prevail.

Mr. ADAMS. Mr. President, I think before the Senate adopts the amendment it should understand its purport and consequences. The purpose of the joint resolution and particularly of the portion of the joint resolution which provides for the construction of public works, is to have the work commence at as early a date as possible in order to meet the emergency which now confronts the country.

The joint resolution as it stands provides that the time shall extend until January 1. That is 7 months. The amendment would extend the time beyond that, so that the Public Works Administration would be given 9 months before it would be necessary for it to commence a project. The purpose of the joint resolution is to meet an immediate emergency. The matter was discussed before the committee and it is for the Senate to decide. I am merely calling the Senate's attention to the consequence of the adoption of the amendment.

Mr. SCHWARTZ. Mr. President, there is nothing in the amendment which would interfere with the administration going ahead with whatever projects are ready, and spending the money provided in the measure as fast as they saw fit, in order to meet the emergency. All the amendment now pending proposes to do is to make it possible in about 38 States of the Union for their legislatures, which meet in January, to authorize the proper State authorities to provide for the issuance of bonds, or to take other action which will enable the States to present some very meritorious projects. I know that in our State there are some meritorious projects relating to future construction in connection with the State university. Whether or not there will be any money available in March 1939 is a question as to which we must take a chance. But we should at least have an opportunity to place our university board in such position as to be able to present its projects. That will be true of many projects in many of the States throughout the Nation.

Mr. HAYDEN. Mr. President, will the Senator yield?

Mr. SCHWARTZ. I yield.

Mr. HAYDEN. Mr. President, if the proposal which the Senator makes should be adopted not one lick of work would be done with respect to such projects as would be affected by the amendment during the entire working season this summer.

The purpose of the pending legislation is to provide work as quickly as possible. Under the proposed amendment projects would be presented upon which work could not be commenced until next summer. Then the authorities would advise the Public Works Administrator, "We do not have the projects ready so that work can be done upon them now. We want the work undertaken next year. We shall have to wait until our legislature meets in its next session before the work can be arranged."

Mr. President, the whole purpose of the joint resolution is to attempt to put people to work now, and not next year. It seems to me the object of the measure would be defeated by extending the time as suggested.

Mr. SCHWARTZ. Mr. President, it may be possible that some communities in Arizona will not ask for any money with respect to certain projects because the legislature may not be able to meet until next February and act upon those projects which they want, and therefore it is probable that there will be no money available; but so far as Wyoming and other States with which I am familiar are concerned, they will present the different projects which they have, and they would like to have preserved an opportunity to ask for money for those additional projects if there is any money left. Our State planning board has, I think, about 35 projects, and is very hopeful about them. It will undoubtedly present some of those projects. We have some projects which are now ready to be released.

All the amendment does is to provide that if money is available and if the unemployment situation does not continue to be so bad as Senators may fear at that time, if our legislature or the legislatures of some other States want to authorize the issuance of bonds for some projects, they shall have that privilege.

Mr. HAYDEN. Mr. President, all the money may be used up by January, in which case the amendment would be useless. If the amendment were agreed to, the Senate would hold out a false hope that by delaying, in some manner the States would be able to get something that appears to be more desirable than something which is ready now, whereas the chief virtue of the proposed legislation is that money shall be provided for any work that is ready now, so that men can be put to work within the next 30 or 60 days. I am sure the Public Works Director in his testimony before our committee said that he would give preference to projects which are ready and on which men can go to work quickly.

Mr. O'MAHONEY. Mr. President, will the Senator yield?

Mr. SCHWARTZ. I yield.

Mr. O'MAHONEY. Upon the basis of the argument which the Senator from Arizona presents it will be necessary for him to support any amendment that may be presented which would apply all of these funds to the projects which are now ready and which have been approved. Does the Senator propose to do that?

Mr. HAYDEN. I certainly think that the President was right in submitting his proposal to Congress. I think the Public Works Administrator was right when he presented the proposition to our committee. The object of this measure is to put people to work right away.

Mr. O'MAHONEY. There can be no doubt about that. Nobody is disputing it. My colleague is not pretending to argue against it. All he is saying is, if the fund remains available until the 31st of March, that the States may then be permitted to file their applications. What possible objection can there be to that? This amendment does not deprive the Public Works Administrator of the authority to award every penny of this appropriation before that date arrives. And if he does, there is no money left. But if he does not make the award, why should there be objection to extending the period within which the application may be made.

Mr. HAYDEN. My own judgment is that there will not be any money left, and the adoption of the amendment would hold out a false hope which would not lead to fruition.

Mr. O'MAHONEY. It holds out no such false hope to the people who are urging that it be adopted. They understand as well as we do that the money may be used before that time. I hope the Senator from Arizona will withdraw his opposition to this amendment.

I hope the Senator will withdraw his resistance to this amendment.

The PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the Senator from Washington [Mr. BONE], on page 20, line 24.

Mr. O'MAHONEY. Mr. President, I ask for a division.

On a division, the amendment was agreed to.

Mr. SMITH. Mr. President, I send to the desk an amendment which I ask to have stated.

The PRESIDENT pro tempore. The amendment will be stated.

The LEGISLATIVE CLERK. On page 20, line 19, after the comma, it is proposed to insert:

Or (3) the making of grants to nonprofit hospitals toward defraying the cost of self-liquidating projects heretofore undertaken and completed with the use of moneys loaned by the Federal Government but with respect to which no grants have heretofore been made.

On page 20, line 19, it is proposed to strike out "(3)" and insert in lieu thereof "(4)".

Mr. SMITH. Mr. President, just a word of explanation. Under the previous relief act, provision was made for the establishment of hospitals. The hospitals were to be given grants and loans in case they needed them. In order that a hospital might receive a grant it was necessary that it be municipally owned, or owned by some subdivision of the Government.

Eleven hospitals were established which were not connected with a municipality or subdivision of the Government, but which were nonprofit making, and community-owned. They had self-perpetuating boards of trustees to supervise the eleemosynary work of the hospitals.

These hospitals have now reached such a point that, in order to be on the same footing with others and in order to do the work which every Member of this body feels ought to be done—that is, to provide for the sick and those unable to pay—they must have assistance.

The 11 hospitals referred to do not come under the grant provision of the law. They are doing as good work as are the majority of hospitals which are municipally owned or are connected with some political subdivision of the State, or perhaps better work.

Mr. WAGNER. Mr. President, will the Senator yield?

Mr. SMITH. I yield.

Mr. WAGNER. These hospitals are absolutely nonprofit making; are they not?

Mr. SMITH. Nonprofit making.

Mr. WAGNER. And they really render the same service which is rendered by municipally owned hospitals.

Mr. SMITH. That is true; and they are not profit making.

Mr. WAGNER. They serve the public, do they not?

Mr. SMITH. They serve the public. I am acquainted with the operations of some of them; and I will say to this body that they are doing a work which is tremendously superior in most respects to the work done by hospitals which are municipally owned or sponsored by some political subdivision.

Mr. HAYDEN. Mr. President, will the Senator yield?

Mr. SMITH. I yield.

Mr. HAYDEN. I do not quite understand the effect of the Senator's amendment. Is it proposed to change the condition under which the hospitals heretofore have obtained money, or is it proposed now to make a grant for new construction?

Mr. SMITH. The hospitals received loans, but under the construction of the law they received no grants. They subscribed to every provision and requirement save that of connection with a municipality or a political subdivison. Most of them have received loans. In order to enable them to carry on and meet the necessities of the case, a grant is necessary.

Mr. HAYDEN. Heretofore the hospitals received loans, and with the loans did certain construction. Now the Senator proposes not to require the payment of the loans, but to allow a grant of 45 percent to be made. I should like to inquire of the Senator how that will provide work for anybody.

Mr. SMITH. Mr. President, it is not a question of providing work. It is a question of taking care of those who have been disqualified for work. If we are to give relief to the able-bodied, and, when they become sick, permit them to die by the wayside, the relief measure is not worth the paper on which it is written.

Mr. HAYDEN. I may have totally misunderstood what the Senator proposes; but it seemed to me, from listening to him——

Mr. SMITH. I am merely proposing that the particular institutions which have received loans, but no grants shall be entitled to grants to enable them to meet the tremendous drafts on them to take care of those who cannot pay.

Mr. HAYDEN. What the Senator proposes, in substance, is a gift of 45 percent of the previous loan to the hospital.

Mr. SMITH. That is correct.

Mr. HAYDEN. Now I understand the proposal.

Mr. SMITH. The purpose of the amendment is merely to put the 11 hospitals on an equal footing with hospitals which are municipally owned or connected with some political subdivision of the Government.

I state without fear of contradiction that these 11 hospitals are doing a wonderful work for the poor. They have no politics. They are nonprofit making. They were established for the purpose of serving the suffering, the down and out; and I think they are preeminently entitled to better treatment than they have received.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. SMITH. I yield.

Mr. BARKLEY. I do not know that I quite understand the Senator's amendment. Up to the present time the W. P. A. has not engaged in making allotments to privately owned institutions, whether they be hospitals or other institutions.

Mr. SMITH. No.

Mr. BARKLEY. Does the Senator's amendment permit the W. P. A. to make allotments to hospitals the title to which is in private persons?

Mr. SMITH. The amendment merely provides grants for the 11 hospitals which were established under the original

law. Under the original interpretation of the law, it was thought that if the hospitals were nonprofit making, with not a penny accruing to the hospitals, they would then be qualified to receive a grant. However, under the subsequent interpretation of the law, only those hospitals which were connected with a municipality or a political subdivision of the Government could receive a grant.

Mr. BARKLEY. As I understand, these 11 hospitals are privately owned.

Mr. SMITH. They are not privately owned.

Mr. BARKLEY. How are they owned?

Mr. SMITH. They are community owned.

Mr. BARKLEY. They are not owned by any political organization or subdivision, such as a city, county, or district, are they?

Mr. SMITH. No; they are community owned. The community owns them. They have self-perpetuating boards of trustees who see to it that no profit is made. The hospitals are operated entirely for the benefit of the communities. When a patient can afford to pay, the hospital makes a charge, as do all other hospitals, and that income goes to help meet the loans which have already been made to the hospitals.

Mr. BARKLEY. Will the Senator's amendment result in opening the door for the establishment of similar hospitals in the future?

Mr. SMITH. No.

Mr. BARKLEY. How can we limit the application of the amendment to the 11 hospitals?

Mr. SMITH. The 11 hospitals referred to are the only ones which were established by the W. P. A. under the provisions of the original act. Loans were made to construct them, and they were constructed. Now that they are unable to qualify for a grant, most of them must run into debt. They are doing the same type of work as other hospitals which may be connected with a municipality or a political subdivision.

Mr. BARKLEY. Let me ask the Senator another question. If the W. P. A. is to be opened up to these 11 hospitals, how can we discriminate against a hospital, for example, which was built as the result of a bequest made by a woman in her will with a provision that the hospital should be operated for the benefit of the public under the jurisdiction and control of the circuit or district court, which should appoint trustees to operate the hospital? Technically, it is a privately owned hospital, but it is dedicated to the public. Under the law, it cannot obtain assistance. It is not one of the 11.

Mr. SMITH. Was it constructed by the W. P. A.?

Mr. BARKLEY. No; it was constructed before the W. P. A. was established; but it is conducted for the benefit of the public. No profits are derived from it. It is controlled by the court. If we are to open the door to the 11 hospitals referred to——

Mr. SMITH. We are not opening the door to the 11 hospitals, as the Senator indicates. These 11 hospitals were built, or their construction was aided, by W. P. A. money under the law.

Mr. McKELLAR. Mr. President, will the Senator yield?

Mr. SMITH. I yield.

Mr. McKELLAR. Where are the institutions referred to?

Mr. SMITH. They are situated in a number of States. They are scattered all over the country. Some are in Ohio, some in New York, some in Pennsylvania, and some in South Carolina.

The only point I am making is that under the original act these 11 hospitals were built, or their construction was aided, by the W. P. A. It was thought that the hospitals would get all that was coming under the law; but under the construction of the law, of the 400 hospitals, only these 11 could not qualify, after they had subscribed to all the rules and regulations of the W. P. A.

Mr. BARKLEY. Are the 11 hospitals now in operation?

Mr. SMITH. They are now in operation.

Mr. BARKLEY. Who controls them?

Mr. SMITH. They are controlled by a body of trustees selected by the community. They are nonprofit making, and all of them are operating in the same manner as municipal hospitals.

Mr. BARKLEY. Nearly all hospitals are nonprofit making.

Mr. SMITH. Not all of them.

Mr. MILLER. Mr. President, the reason why they cannot qualify for the loan is the fact that they have no profits to pledge.

Mr. SMITH. That is correct.

Mr. McKELLAR. Mr. President, was the subject of these hospitals before the committee of either House? Was the amendment considered by the committee of either House?

Mr. SMITH. I do not recall whether it was or not.

Mr. McKELLAR. I do not think it came before our committee.

Mr. SMITH. The thing which impressed me was the fact that of all the hospitals which were constructed under the W. P. A., these 11 did not qualify under certain provisions.

Mr. WAGNER. Mr. President, will the Senator yield?

Mr. SMITH. I yield.

Mr. WAGNER. When the loan was originally made, as I understand, these 11 hospitals were regarded as being in the same classification as other projects which were entitled to a grant.

Mr. SMITH. That is correct.

Mr. WAGNER. But after the loan was made, by reason of some technical construction of the act, it was decided that, although the hospitals were doing a public service, they were privately owned, although nonprofit making, and that further legislation would be required in order to make possible a grant.

Mr. SMITH. That is correct.

Mr. WAGNER. That is the situation which the Senator is trying to correct.

Mr. SMITH. That is the whole story. The 11 hospitals have complied with every feature of the law except that with respect to their connection with a municipality or other political subdivision. I maintain, and every man who has any practical knowledge of affairs knows, that a nonpolitical hospital is a better hospital than one which is political.

Mr. COPELAND. Mr. President, will the Senator yield to me?

Mr. SMITH. I yield; yes.

Mr. COPELAND. I assume that these hospitals were completed, and then, to their disappointment, those who brought about their construction found that they were not going to receive grants.

Mr. SMITH. That is true.

Mr. COPELAND. Probably by this time the mortgage sharks have gotten hold of the hospitals, and unless some relief is had they will be turned into some other nonpublic use. Is that true?

Mr. SMITH. That is true.

The PRESIDENT pro tempore. The time of the Senator from South Carolina on the amendment has expired.

Mr. COPELAND. I will take my time on the amendment.

The PRESIDENT pro tempore. The Senator from New York is recognized on the amendment.

Mr. COPELAND. Then, in order to save these institutions for their philanthropic purpose, the Senator aims to have the grants made as in other hospitals which are muncipally owned.

I feel very sympathetic to the Senator's proposal, because I know that in many small communities these so-called private hospitals—which are not privately owned hospitals but which have been raised by public contribution, by passing the hat—are rendering a fine service, each in its own community. They have not rich people to appeal to; and if this aid is not given, undoubtedly they will not long continue as hospitals.

Mr. SMITH. That is true.

Mr. COPELAND. I hope the amendment of the Senator will prevail.

Mr. ADAMS. Mr. President, the amendment, if adopted, will introduce into the joint resolution an entire change in its policy and purpose.

Under the joint resolution, every appropriation is for some public agency, publicly owned by the State or the Nation, or some subdivision of the State. This amendment proposes to authorize grants to privately owned hospitals. The mere fact that they are nonprofit hospitals does not change the fact that they are privately owned hospitals.

Mr. SMITH. Mr. President, these hospitals are not in any sense privately owned. Nearly every one of them has obtained a loan under the law, and is obligated to the Government to the extent of the loan. The Government itself, under the W. P. A., today is a director in every one of these institutions. It has a loan in every one of them. It has a stake in every one of them.

Mr. ADAMS. Is the Senator sure it is the W. P. A. which has made the loan and not the R. F. C.?

Mr. SMITH. It is W. P. A. money. I know of one which——

Mr. ADAMS. This is my time.

SEVERAL SENATORS. P. W. A.

Mr. SMITH. Well, it is one of them—W. P. A. or P. W. A.

Mr. ADAMS. If I may conclude now, each and every one of these hospitals is privately owned. They are nonprofit institutions. The fact that they render community service does not make them a public agency.

That is not all. We are distinguishing here 11 hospitals. There probably are 1,500 nonprofit hospitals in the United States.

Mr. SMITH. Mr. President, may I ask——

Mr. ADAMS. No; I will not yield.

Mr. SMITH. All right.

Mr. ADAMS. There are two in the city in which I live which are rendering to humanity service fully equal to any that these 11 can render; but it so happens that the 2 hospitals in my community and 1,500 other nonprofit hospitals in the United States did not have the benefit of Government loans. We now propose to say that those which have already had the benefit of Government loans shall be the only hospitals to have grants. If there is to be any discrimination it should be the other way around, and those which have not had the benefit of Government loans should now have the benefit of them.

It seems to me we should not enter upon a program of making grants to private institutions, no matter how beneficial they may be, unless we wish to open the joint resolution to every eleemosynary institution, everything of benefit, every institution of charity in the United States.

Mr. GUFFEY. Mr. President, I favor the amendment and hope it will be agreed to. I am familiar with the applications which were filed and the loans granted in the case of two of the hospitals in Pennsylvania. When the applications were filed those filing them believed, as I did, that they were going to get the 45-percent grants. When it was ruled later, after the buildings were under construction and partly completed, that they would not get the grants, I think unconsciously and unintentionally those in authority did these two institutions a great injustice. I am not familiar with what happened to the hospitals in other States, but I am familiar with the two in Pennsylvania. I hope the amendment will be agreed to.

Mr. BANKHEAD. Mr. President, if the Senator will yield, I should like to know the amount of the potential liability under this amendment against the relief funds.

Mr. GUFFEY. It is $3,973,500. That covers the grants to the 11 hospitals, in 9 States.

Mr. TRUMAN. Mr. President, I should like to offer an amendment to the amendment. I desire to strike out of the amendment all the language after line 2.

Mr. PEPPER. Mr. President, it does not seem to me, if I may humbly say so, that it is fair to the rest of the country to adopt this amendment. If these hospitals have already been built, I do not see how the money we now appropriate is going to be used in giving jobs to the needy man who does not now have a job. I understood that we were trying to achieve a double purpose, to construct useful public improvements, and, at the same time, to give employment to persons who are unemployed.

This afternoon the Senator from Massachusetts offered an amendment to the effect that there should be direct relief afforded to the unemployed, and by an overwhelming vote we rejected the amendment because we were not willing to appropriate money directly to the unemployed without the assurance that the appropriation was also connected with some useful public construction.

So, it seems to me that it is not fair, now that these hospitals, laudable as they are, already have been constructed and are already in existence and already in operation, that we should go back and make an outright appropriation as an outright gift of 45 percent of the construction cost of those projects, when there are thousands of communities in this country which are not able even to borrow the money to construct a hospital under any kind of management.

I know that there are approximately 1,400 rural counties in the United States which do not have any kind of hospital. If there is to be any money available to build hospitals, it should certainly be appropriated to build hospitals in areas where hospitals do not exist, and where the people cannot even borrow the money unless they have access to some public reservoir such as is provided in the pending joint resolution.

It seems to me that the 11 institutions referred to were not only able but willing to go ahead and construct hospitals upon the acceptance of a loan only, without any grant, and they certainly knew when they accepted the loan that they were not supposed to get a grant. They built the hospitals without any expectation of a grant. It does not seem to me to be fair to deny the rest of the country some of this money for the purpose of building hospitals where they may be needed, just for the purpose of making an outright gift of 45 percent of the construction cost of these institutions.

Mr. TRUMAN. Mr. President, if the Senator will yield, my amendment would cure that very defect in the amendment of the Senator from South Carolina, because it would take care of all nonprofit hospitals. There is one in my own town which has been standing unfinished for 5 years because those back of it cannot raise the funds to finish it. It is a nonprofit hospital, and should be completed. If we are to make grants of the sort suggested, let us make them to all the hospitals in the country.

Mr. PEPPER. Mr. President, the Senator from Missouri is quite right in the universality of his claim, but that does not give it any more standing. It is perfectly proper in the case mentioned by the Senator from Missouri that funds might be granted for the completion of the hospital to which he has referred, but why go back and take 45 percent of the money that is necessary to carry out these grants upon hospitals already constructed, just to make it applicable to the case of the Senator from Missouri?

Mr. SMITH. Mr. President, does the Senator think it is fair to give grants and loans to the 415 which qualified under the law and not give it to all the hospitals, as the Senator from Missouri suggests? These 11 qualified under the law and have gotten loans. Why should we not give the money to all? Eleven of them did not understand that if they subscribed and qualified under the law they would have to be municipally connected. They went ahead, got their loans, and then when they applied for the grants like the other 415, they did not get them because they happened not to be technically connected with some political subdivision. Why should we not require all the 415 institutions which obtained grants and loans under the law to return the grants?

Mr. PEPPER. Mr. President, I will ask the Senator from South Carolina if it is not a fact that they got just exactly what they were notified they were getting and expected to get.

Mr. SMITH. No. I say emphatically that the hospitals of which I am speaking thought they were eligible for grants. The law was not exactly clear until the ruling of the Department that those which were not absolutely controlled by municipalities or political subdivisions could not get the grants. They got the loans all right.

Mr. PEPPER. Will the Senator be kind enough to state whether or not when they accepted the loans and constructed the hospitals under the loans, they knew they were not going to get any grants?

Mr. SMITH. Some of them did not. They took the loans just like these others did and built their hospitals.

Mr. TYDINGS. Mr. President, will the Senator yield?

Mr. SMITH. I yield.

Mr. TYDINGS. Is it not a fact that in the case of a great many of the applications which were approved the applicants did not get the grants because it was felt that under the technical construction of the law it was questionable in this particular class of work whether or not they could get the grants, and therefore, the grants were withheld because those in authority were afraid the act was not broad enough to give them what every other agency received, a grant and a loan? The reason why the amendment is offered, as I understand the situation, is to correct what was apparently an oversight in drafting the law with reference to these hospitals.

Mr. PEPPER. Mr. President, I will ask the Senator if it is not a fact that before they actually received this money and constructed the hospitals they did not know that the department regulations or the law would not permit them to get a grant, and therefore did they not accept the money and build the hospitals with the knowledge that they were not going to get grants unless Congress later passed legislation providing that grants should be given to them?

Mr. SMITH. No. The evidence before me is to the effect that they were saving the grant for use later, or if it was needed they would ask for it; but when they did ask for it it was not forthcoming.

The PRESIDENT pro tempore. The question is on the amendment of the Senator from Missouri [Mr. TRUMAN] to the amendment of the Senator from South Carolina [Mr. SMITH].

The amendment to the amendment was rejected.

Mr. BARKLEY. Mr. President, I wish to offer an amendment to the amendment proposed by the Senator from South Carolina [Mr. SMITH], in line 5 of the amendment, after the word "Government", to insert the words "or derived from charitable bequests or contributions", so that it would include any hospital built as a public institution as the result of a charitable bequest or contribution made for charitable purposes by people in the community.

I think that if we are to include the hospitals which have been named under the amendment which is pending, certainly others equally worthy institutions built by charitable funds, either from contributions in the community or as the result of some charitable bequest, ought to stand on the same basis, because they are equally worthy and equally serviceable, and they have never received either a grant or a loan under the W. P. A. or P. W. A., or any other Government agency.

Mr. PEPPER. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield.

Mr. PEPPER. Can the Senator state whether or not all of the hospitals which have been built partially with the P. W. A. funds, except the 11 which have been referred to by the Senator from South Carolina, have already received a 45-percent grant?

Mr. BARKLEY. No; I cannot, because all hospitals that made application for loans did not simultaneously make application for grants. Many of them did. Many of them received both loans and grants. Many of them received loans but not grants. Out of four-hundred-odd I am not able to tell how many received loans. Regardless of that, if we are going to make certain institutions eligible, I do not think we ought to include this small number and then exclude other hospitals which are to all intents and purposes public hospitals, operated for the benefit of the public without profit, under the control of a public authority in the community, but the title to which is technically in a private person or a group of trustees.

Mr. SMITH. Mr. President, the only reason I was interested in the matter, and brought forward the amendment, was that the institutions referred to already have Government funds, and they are doing work under the auspices and regulations of the law providing for such hospitals.

Mr. BARKLEY. I will say to the Senator and to my colleagues that there is a hospital with which I am familiar which, 25 or 30 years ago, was built out of funds bequeathed to the public by a charitably inclined lady, and in her will it was provided that the hospital should be controlled by a board of three trustees appointed by the court. Except for the circumstance that the title to the property rests in these trustees and their successors, it is a public hospital. I undertook to get a loan or a grant from the W. P. A. to build an addition to that hospital or to improve it, because it is old, and it is the only hospital in a city of 40,000 people. But because technically it was not a public hospital, that is, the title of the property was not in the public, not in the municipality, it was impossible to get either a grant or a loan.

I do not know how many more such institutions there are, but I imagine there are many of them in the country which are just as worthy and just as indispensable as these 11, or any other number.

Mr. SCHWELLENBACH. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield.

Mr. SCHWELLENBACH. I should like to ask the Senator if he would be willing to accept a modification, that no hospital shall receive any public assistance of any kind unless it is certified by the American College of Surgeons.

Mr. BARKLEY. That brings a new element into the picture.

Mr. SCHWELLENBACH. It brings in a very important element, if I may say so.

Mr. BARKLEY. I do not know whether the American College of Surgeons is able to inspect all of them and to certify to all of them in the country.

Mr. SCHWELLENBACH. The matter appears to be a very important one to me. The American College of Surgeons has the right to certify those hospitals in which it will permit the members of the American College of Surgeons to perform operations. It has control over most of the leading hospitals in the country. There is a dispute as to whether or not we should have public-health regulations, whether we should have socialized medicine, and if the Government is going to be asked to enter upon the financing of hospitals. I think that before that question is decided the question as to whether or not those who do not belong to the American College of Surgeons shall be permitted to perform operations in these hospitals should be determined by the Government. I see the Senator smiles, but——

Mr. BARKLEY. Well, I saw the Senator smile first. [Laughter.]

Mr. SCHWELLENBACH. It is a serious question before the recognized medical societies at the present time. I think the Senator from New York, who is a very distinguished medical authority, would be interested in that question.

Mr. BARKLEY. I do not know whether or not the Senator from Washington is serious in his suggestion. It strikes me it would be difficult for Congress to decide that question.

Mr. SCHWELLENBACH. I am serious. I say, until the American College of Surgeons has decided that question, public funds should not be used in the operation of hospitals.

Mr. BARKLEY. Of course, if the Senator's suggestion is to be made applicable to the 11 hospitals referred to, and to those which would be covered by my amendment, it probably should be made retroactive, and apply to all hospitals which have received funds from the Government.

Mr. SMITH. Mr. President, I accept the amendment offered by the Senator from Kentucky.

The PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the Senator from South Carolina [Mr. SMITH], on page 20, line 19, as modified. [Putting the question.] The noes seem to have it.

Mr. McCARRAN. I ask for a division.

On a division, the amendment, as modified, was rejected.

Mr. HATCH. Mr. President, I send to the desk an amendment, which I ask to have stated.

The PRESIDENT pro tempore. The amendment will be stated.

The CHIEF CLERK. At the proper place in the bill it is proposed to insert the following new section:

SEC. —. No person whose compensation, or any part thereof, is paid from funds appropriated by this act shall use his official authority or influence for the purpose of interfering with an election or affecting the results thereof. Any such person shall retain the right to vote as he pleases and to privately express his opinions on all political subjects, but shall take no active part in political management or in political campaigns. Any person violating the provisions of this section shall be immediately removed from the position or office held by him, and thereafter no part of the funds appropriated by this act shall be used to pay the compensation of such person.

Mr. HATCH. Mr. President, the amendment which has just been read has been the subject of some discussion heretofore. The principle sought to be applied by this amendment is the same as is now applied to political activities on the part of civil-service employees. Probably it is unnecessary to take the time of the Senate in discussing an amendment of this nature, but I feel that I must present to the Senate some views which I have on this subject and which have been long entertained. I say they have been long entertained, because of some of the discussion which has been going on on the floor of the Senate and throughout the country generally concerning charges of political activity in the Works Progress Administration.

Mr. McCARRAN. I suggest the absence of a quorum.

The PRESIDENT pro tempore. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Adams	Connally	Johnson, Calif.	O'Mahoney
Andrews	Copeland	Johnson, Colo.	Overton
Ashurst	Davis	King	Pepper
Austin	Dieterich	La Follette	Pittman
Bailey	Donahey	Lee	Pope
Bankhead	Duffy	Lewis	Radcliffe
Barkley	Ellender	Lodge	Russell
Berry	Frazier	Logan	Schwartz
Bilbo	George	Lonergan	Schwellenbach
Bone	Gerry	Lundeen	Sheppard
Borah	Gibson	McAdoo	Shipstead
Brown, Mich.	Green	McCarran	Smathers
Brown, N. H.	Guffey	McGill	Smith
Bulkley	Hale	McKellar	Thomas, Utah
Bulow	Harrison	McNary	Townsend
Burke	Hatch	Maloney	Truman
Byrd	Hayden	Miller	Tydings
Byrnes	Herring	Milton	Vandenberg
Capper	Hill	Minton	Van Nuys
Caraway	Hitchcock	Murray	Wagner
Chavez	Holt	Neely	Wheeler
Clark	Hughes	Norris	White

The PRESIDENT pro tempore. Eighty-eight Senators have answered to their names. A quorum is present.

Mr. HATCH. Mr. President, as I was saying at the time the quorum call began, much has been said on the floor of the Senate and throughout the country concerning political activity in the Works Progress Administration and perhaps in other agencies of the Government. I was about to say that those particular charges and the statements which have been made in recent weeks have not in any sense actuated or prompted the amendment which I offer. The fact is that this particular amendment was printed sometime before the charges were publicly made to any great extent.

In presenting an amendment which is designed and intended to prevent political activity and influence in the administration of relief I do so not because of any desire to purify politics. I do not essay the task or role of a reformer. I do not undertake the Herculean task of cleaning political stables.

Mr. ADAMS. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. MINTON in the chair). Does the Senator from New Mexico yield to the Senator from Colorado?

Mr. HATCH. I yield.

Mr. ADAMS. I should like to obtain a little information about the amendment. The amendment begins:

No person whose compensation, or any part thereof, is paid from funds appropriated by this act.

That language describes the persons to whom the amendment applies. It is perfectly plain that it applies, and, if the Senator's theory is correct, should apply, to title I. I am thinking of a public-works project in which the work is done under contract. As a matter of fact, the funds are used to pay the compensation, and yet the workmen who may be selected may be members of a union, not in any sense employees of W. P. A. and not receiving direct checks.

Mr. HATCH. My interpretation is that the amendment would not apply in such a case.

Mr. ADAMS. Might it not be well to make that fact clear in the amendment?

Mr. CHAVEZ. Mr. President, will the Senator yield?

Mr. HATCH. I yield to my colleague.

Mr. CHAVEZ. If the amendment is good for the W. P. A. worker in New Mexico or elsewhere, why should it not apply to prohibit the Secretary of the Interior from mixing in politics in Oregon or elsewhere?

Mr. HATCH. Mr. President, my colleague knows my views on that subject. He knows that if I had my way, I should make the rule apply much more widely and in a stronger way than this particular amendment does; and I should cover a great many situations which, unfortunately, I cannot cover at one time.

Mr. NORRIS and Mr. McGILL addressed the Chair.

The PRESIDING OFFICER. Does the Senator from New Mexico yield; and if so, to whom?

Mr. HATCH. I yield first to the Senator from Nebraska.

Mr. NORRIS. Mr. President, the Senator's amendment says:

No person whose compensation, or any part thereof, is paid from funds appropriated by this act shall use his official authority or influence for the purpose of interfering with an election or affecting the results thereof.

I believe the Senator ought to include a primary election or a convention.

Mr. HATCH. I shall be very glad to accept both suggestions of the Senator from Nebraska. I wish to make the amendment just as broad as possible. The reason why it was drawn in this manner, as I stated on the floor the other day, is that the background of the amendment is the present civil-service rules. I asked the Legislative Counsel to make those rules applicable, so far as possible, to politics and political activity.

Mr. McGILL. Mr. President——

Mr. HATCH. Mr. President, in view of the fact that my time is somewhat limited, and there are several matters which I should like to cover, I request that for at least a little while I be not asked to yield. I always desire to yield to Senators to clear up anything in their minds with regard to any matter in which I am interested. I make this observation now, and it applies to all.

There is no pride of authorship on my part concerning the amendment. If any Senator can make any suggestion which will strengthen the amendment, make it broader, and help carry out the purposes I have in mind, I shall be glad to accept the suggestion.

When I was interrupted I had started to say that the charges which have been made and the talk about the use of Works Progress or relief funds in elections which have recently been held or are now in prospect did not in any sense move me in offering the amendment. The fact is that the amendment is not directed at any individual or administrative official. I have said previously on the floor of the Senate that I do not think legislation should ever be directed at indi-

viduals. It must be based on a principle. The principle involved in this case is one which strikes at all political activity of Federal employees. The only reason why the amendment is limited to this measure is because, under proper parliamentary procedure, I think it should be so limited. However, I should like to make it general.

Is it necessary for me to argue to the Senate of the United States that there is danger when we appropriate billions and billions of dollars to be used mainly to relieve distress and suffering, and turn the money over to be expended and paid out without any restrictions or safeguards whatever?

I stated in the beginning that I did not entertain any hope of purifying politics, and I indicated that I have a practical sense of politics. I have benefited from political organizations and I believe in political organization and in party government. However, as a legislator, if I see a danger existing to the country, I do not believe I have any right to silence my voice and not say what I think the danger is. Having had some experience in practical politics, and having some knowledge of human beings and of human nature, I know—and it does not take any investigation to convince me—that when money is being paid out indiscriminately through Government agencies, no matter what the intentions are, there will be those who will misuse funds and seek to gain advantage from them.

I know that, and no argument can convince me to the contrary. I believed it when we first started on this program. I did not know then just how the danger might arise. I anticipated that possibly in letting contracts, and in paying out large sums of money, scandals might arise, and moneys might be used as political contributions to campaign funds to seek favors in the way of granting contracts, and to keep in power the organization which had made personal success possible.

Shortly after the relief bill of 1935 became effective, the Senator from Virginia [Mr. BYRD] and I drafted and offered to the Senate an amendment seeking to guard against that evil, because that sort of thing had happened in the course of the country's history. I have before me today the amendment to which I have alluded. It was referred to the Committee on Appropriations; and I was told at that time that it was not reported out because it was believed that the general law was sufficient to protect against such dangers. Then, as our work-relief program progressed, I realized how perfectly natural it would be for men with the best motives in the world to try to keep their own party in power, and to use their influence as county chairmen or foremen over those receiving the bounties and benefits from our program, and in some instances perhaps corruptly to influence and control votes.

Senators may think that is an exaggeration and that I am seeing things which do not exist, but I say to Senators of the United States that if anyone is seeing things and believing things, those of you who can say that you honestly and conscientiously believe that out in the counties and the cities and the precincts this instrumentality which we have set up is not being used for political purposes are more credulous than I am.

Mr. POPE. Mr. President, will the Senator yield to me for a question?

Mr. HATCH. I yield.

Mr. POPE. I refer to title V, which provides for parity payments to farmers. I am wondering whether or not the Senator intends that his amendment shall apply to farmers who receive parity payments.

Mr. HATCH. I do not think, under any stretch of the imagination, it could be construed to apply to parity payments. I do not thnk those payments are compensation within the terms of the amendment; but if there is any doubt about it, and the Senator wants to exempt them, that is perfectly all right with me.

Mr. CHAVEZ. Mr. President, will my colleague yield to me?

Mr. HATCH. I yield to my colleague.

Mr. CHAVEZ. I feel generally in accord with my colleague; but if this is a good proposal in the case of the $70-a-month foreman of W. P. A., or the $77-a-month timekeeper, why should it not apply to the Director of W. P. A. in Washington and the Director of P. W. A. in Washington?

Mr. HATCH. In answer to my colleague I will say that under the terms of the amendment it would apply to the Director of W. P. A., who lives in Washington, but it would not apply to the Public Works Administrator, because I assume his salary as Secretary of the Interior is paid out of other funds.

Mr. President, I desire to say that I have voted for every relief appropriation. I have supported this administration. I have cast these votes and have supported the administration almost without exception. I apologize to no man for so doing. I have believed in the program and I now believe in it. I think the Congress of the United States had to take the action we have taken in the spending program, and I shall vote for the pending joint resolution regardless of what happens to this amendment.

I say, however, that we as legislators, in providing funds for these laudable purposes, are charged with the greater obligation and the greater responsibility to see that they are not misused, and in particular to see that under the guise of relieving distress and want and suffering we are not building up our own political strength and our own political machine.

The PRESIDING OFFICER. The time of the Senator from New Mexico has expired.

Mr. HATCH. I will speak on the joint resolution.

The PRESIDING OFFICER. The Senator takes his time on the joint resolution.

Mr. McGILL. Mr. President, will the Senator yield to me for just a moment?

Mr. HATCH. Just a moment.

Mr. McGILL. There is a question which I should like to ask the Senator in order to have a correct understanding of what is intended by the amendment.

I observe that in the first part of the amendment it is provided that no person shall use his official authority or influence for the purpose of interfering with or affecting the results of an election. Later on in the amendment provision is made that any such person, if he violates the terms of the amendment, shall be removed from the position or office held by him.

What I should like to know is whether it is intended by the language of the amendment to make it apply only to those in W. P. A. who hold official or administrative positions, or whether it is intended that all persons working for W. P. A. in any capacity shall be denied the right to participate in a political campaign.

Mr. HATCH. Of course, the Senator exceeds the provisions of the amendment when he says "participate in a political campaign." The amendment makes no such provision. It expressly provides that the persons referred to may exercise every right to vote and to express their views.

Mr. McGILL. Privately.

Mr. HATCH. They shall not be active, however, in the political management of a campaign. The amendment provides identically the same rule now applied to all civil-service employees, and I intend that it shall apply to every person who is paid under this act.

Mr. McGILL. Regardless of the job he holds?

Mr. HATCH. Regardless of the job he holds. That is quite correct.

Mr. McGILL. That was the point on which I desired to be informed.

Mr. HATCH. I cannot draw the line, and I do not think the line should be drawn.

Mr. BONE. Mr. President, will the Senator yield?

Mr. HATCH. Yes; I yield.

Mr. BONE. I take it that the language of the amendment is broad enough to include a private contractor who is handling a project under a P. W. A. appropriation.

Mr. HATCH. I doubt it. I do not think so.

Mr. BONE. He would receive compensation under this measure.

Mr. HATCH. It would apply to his compensation.

Mr. BONE. Of course, his compensation would be received under this act, which has two titles in it.

Mr. HATCH. That is true.

Mr. O'MAHONEY. Mr. President, will the Senator yield to me?

Mr. HATCH. I yield to the Senator from Wyoming.

Mr. O'MAHONEY. In view of some of the questions which have been directed to the Senator, and the line which the discussion is following, I desire to ask him whether he would be willing to accept an amendment to the proposal by which there should be inserted, after the word "person," in line 1, this language:

Employed in any administrative capacity by any agency of the Federal Government—

So as to limit the application of the prohibition to persons who have administrative authority in spending the money. I do not believe it is the intention of the Senator to provide that the relief beneficiaries of the act shall be denied the opportunity of exercising their political rights.

Mr. HATCH. I want them to exercise their political rights. I want them to have the right to vote; but I want the workers themselves under this prohibition, and I will tell the Senator why I want them under the prohibition. I do not think I am exaggerating now, but I think I understand the process. I speak from no knowledge on the subject. I do not know that this is done; but I can look out, as I said before, and see this state of affairs:

Here are these poor, unfortunate persons on work-relief projects. Their very lives and the lives of their wives and their children are dependent upon the particular jobs they hold. They are not free men, because their very dependence makes them susceptible to the influence of the politician who comes around and says, "Now, you vote so and so. If you do not, you will lose your job." How is that man going to vote? He is going to vote as he is told, because he cannot help himself.

Mr. CHAVEZ. Mr. President——

Mr. HATCH. Just a minute, if my colleague will permit me. The man to whom I refer has not any weapon; he has not any shield to protect himself against those, if there be any, who would seek to use him for this political purpose. The very fact that there is a prohibition against his participating in politics will give him a shield and will give him a weapon. When the politician comes to him and says, "You must vote so and so," he can say, "The law says that I must not be active in politics, and if you seek to control my vote, you will lose your job." The amendment is a weapon in the hands of the unfortunate man, and that is what I want of it.

If I have not done that, as I said in the beginning, then if any Senator can suggest an amendment which will give that shield and protection to the worker, I want him to have it.

Mr. CHAVEZ. Mr. President——

The PRESIDING OFFICER. Does the Senator from New Mexico yield to his colleague?

Mr. HATCH. I do.

Mr. CHAVEZ. Of course, I agree with my colleague that no one should have the power he describes to control the vote of another, but his argument could be carried to an extreme. The weapon possessed by the poor $77-a-month clerk who elects all of us, who rings doorbells, is not as powerful or as potent as the weapon that could be used by the average bureau head or by the average man we recommend to an office.

So why punish one American citizen just because he dares be in favor of the Senator from Georgia [Mr. GEORGE] or the Senator from Indiana [Mr. VAN NUYS], just because he dares to express his opinion, while a governmental official who has more power than he, and whom we have recommended to his position, is free to do as he wishes? Why not let all of them express their opinions as they see fit as Americans?

Mr. O'MAHONEY rose.

Mr. HATCH. I would not do otherwise; but in view of the fact that my time is rapidly going by, I shall have to ask Senators not to interrupt me and, if possible, to let me finish a few things I want to state before my time expires.

I have pointed out how these things can happen and how they may happen and how many persons are saying that they are happening. I now come to the main reason for sponsoring this amendment.

It is my firm judgment and belief that if we build up a system by which we can use funds from the Public Treasury to control the votes of the people of the Nation it is no exaggeration to say that the moment that is done democracy in America is dead; and I think it is our obligation and our responsibility as Democrats who are making these funds available to throw around them every safeguard and protection in the world.

The Senator from Vermont [Mr. AUSTIN] has an amendment relating to this subject. It is a splendid amendment, and I shall vote for it. It is not inconsistent with the plan I am offering. The reason why I have chosen this method is simply because it has been in effect in this country since 1883. It has been approved by both great political parties.

Time after time in their platforms they have declared for the principle enunciated in this amendment. I have those declarations here on the desk. If I had time, I would read them to the Senators. I would read them particularly to Democrats, and let them listen to the words of Democrats and of the Democratic Party, to what we have professed to believe in, to what we have told the people of America we believe in.

When the other party is in power, when it has charge of governmental affairs, we come out in ringing terms denouncing patronage in office and deploring the use of offices to further political ends; and the Republican Party does exactly the same thing. When the Democrats are in power, the Republican platforms and conventions ring with denunciations of the use of the spoils system and of patronage to retain the Democratic Party in power. It is an interesting study. I have taken the platforms of both parties as far back as I could get them and compared them, and what I have said is true.

I now desire to call the attention of Senators, lest I forget to do so, to the words of one of the greatest Americans who ever lived concerning the spirit of government. In this discussion he mentions three types of government.

The first is a government operating by military force.

The second is a government operating by corrupt influence. I say that if the Democratic Party uses relief funds, and if we use the want and distress of human beings to perpetuate ourselves in office, it is a corrupt influence.

A government operating by corrupt influence; substituting the motive of private interest in place of public duty; converting its pecuniary dispensations into bounties to favorites, or bribes to opponents; accommodating its measures to the avidity of a part of the Nation instead of the benefit of the whole; in a word, enlisting an army of interested partisans—

"Enlisting an army of interested partisans"—

whose tongues, whose pens, whose intrigues, and whose active combinations, by supplying the terror of the sword—

This was written many years ago, and I think today he would write "by supplying the force of the ballot"—

may support a real domination of the few under an apparent liberty of the many. Such a government, wherever to be found, is an impostor. It is happy for the New World that it is not on the west side of the Atlantic. It will be both happy and honorable for the United States if they never descend to mimic the costly pageantry of this form, nor betray themselves into the venal spirit of its administration.

So wrote James Madison; and I want to say, with him, happy it is that this thing does not exist west of the Atlantic. But are we doing our duty as legislators to see that these evil and corrupting influences, which strike at the very foundations of the Republic, are not allowed to creep in? Are we protecting and safeguarding?

Let me call attention to another thing. If Senators think this is a far-fetched amendment, let me read a quotation to them:

I want to repeat once more our rules about elections, so there will be no misunderstanding. Every person who works for the Works Progress Administration, whatever his job, has a right to vote in any election for any candidate he chooses; and, moreover, no W. P. A. worker is required to contribute to any political party

or any campaign fund in order to hold his job. No one will lose his W. P. A. job because of his vote in any election or for his failure to contribute to campaign funds.

That is a splendid rule, is it not, a fine declaration, just exactly what I am seeking to write into the law. But who said that? Did the Congress of the United States write any such declaration as that? No. The best thing Congress could do was to write a provision in the Relief Act saying that the poor man who is on the pay roll cannot run for office. Congress did insert that provision. The man who wrote these rules is the Works Progress Administrator, who is condemned here, having perhaps a greater regard for the welfare of his department than the Congress of the United States, which has altogether failed.

I charge, Senators, that if there is corruption in the Works Progress Administration, if the Public Works Administration uses its funds, if they all combine to corrupt the electorate of this country, and to control elections, let Senators not stand on the floor of the Senate and condemn Harry Hopkins and Mr. Ickes. Do not condemn the foreman on the job, or the county chairman; do not stand here and criticize, blame, and find fault with them, but be honest and square and say, "The fault is with me. Mine was the responsibility, mine was the duty, and mine was the obligation, and because I failed to discharge my duty and my obligation, this thing has been made possible."

Mr. President, tonight I have sought to discharge my duty and my obligation, and I ask Senators to vote on this amendment, not as a favor to me, but to fulfill the obligation which rests upon them, not as Democrats or as Republicans, but as Senators of the United States.

Mr. O'MAHONEY. Mr. President, will the Senator yield?

Mr. HATCH. I yield.

Mr. O'MAHONEY. Mr. President, I propounded an inquiry to the Senator a few moments ago when all the interruptions were taking place, and he did not find opportunity to answer me. The inquiry was whether or not the amendment which I suggested would be acceptable to him. Before the Senator answers, may I call his attention to the provisions of the law?

Mr. HATCH. Mr. President, I wish to say to the Senator from Wyoming that I read the Senator's amendment in the hurry of my speech, and I am glad to answer him now. I think he has improved my amendment. I am willing to accept the judgment of the Senator from Wyoming and let his amendment be included in mine.

Mr. O'MAHONEY. May I then state the reasons why I felt that should be done?

Mr. HATCH. Certainly.

Mr. O'MAHONEY. The civil-service law, to which the Senator has so eloquently called attention, contains a provision in section 2 that among the duties of the commissioners shall be that of drafting rules and regulations, and among these rules and regulations it is provided in the law itself one shall be:

> That no person in said service has any right to use his official authority to influence or coerce the political action of any person or anybody.

That was the law enacted in 1883. In conformity with the injunction which was laid upon the Civil Service Commissioners by that formal act of Congress, the Civil Service Commissioners promulgated this regulation, which is regulation No. 1 under rule No. 1:

> No person in the executive civil service shall use his official authority or influence for the purpose of interfering with an election or affecting the results thereof.

Mr. President, that has been the law of this country for more than 50 years. It has been the rule accepted by Members of the Senate and of the House of Representatives, by members of both political parties, by the entire electorate, that when a person enters the civil service of the United States his duty shall be to all the public and not to any part of the public, and that the decision with respect to the adoption of policies regarding the election of officials shall rest upon the rank and file of the citizenship without influence from those who occupy public positions.

I suggested this amendment to the Senator because, as his proposal was offered, it would unquestionably have had the effect of restraining the political activity in the normal, natural, individual sense of the beneficiaries of relief. That was not the intention of the Senator, I am sure.

With the addition of the amendment which I have suggested, every possible safeguard will be thrown around the expenditure of these funds, and it will become clear that any person who is charged with the duty of administering them will be obliged to keep his hands off political campaigns, and not make any attempt to influence the votes of those poor unfortunate persons who, through no fault of their own, are now accepting and must accept the benefits, not of any political party, not of any administration, not of any group of officials, but of all the people of the United States. The money which we are appropriating here does not come from any small group. It does not come from the Senate, it does not come from the House. We stand here and cast our votes as the representatives of all the people of the United States, and we have no right to do other than say that when this money is expended it shall be expended free from any taint of personal or political control.

Mr. HATCH. Mr. President, I am most happy to have the interruption from the Senator from Wyoming, and to have his observation, and to hear him join in the general thought we are seeking to carry out by this amendment. I know he agrees with me that, even if this is only a small start today, it is the best we can do. It is absolutely incumbent upon the Congress of the United States to make some declaration, some statement, as to that policy.

Mr. O'MAHONEY. Has the Senator accepted my amendment?

Mr. HATCH. I accepted the amendment.

Mr. O'MAHONEY. A parliamentary inquiry. Is the amendment which I have suggested now a part of the Senator's proposal?

The PRESIDING OFFICER. It is.

Mr. McCARRAN. Mr. President, will the Senator yield?

Mr. HATCH. I have yielded to the Senator from Wyoming.

Mr. McCARRAN. I desire to ask the Senator from Wyoming a question along the line he was propounding to the Senator from New Mexico. Does the Senator from Wyoming think that the law which he read to the Senate a moment ago, in propounding the inquiry to the Senator from New Mexico, applies to the appropriation we are now making?

Mr. O'MAHONEY. No; it does not, because the officials who will administer the appropriation which we are now making have been exempted from the civil-service law. They were exempted from the civil-service law because at the time the first emergency appropriation was made it was believed that the expenditure of that fund would be sufficient to start the country upon the road to prosperity again, and that it would soon be possible to demobilize the emergency forces.

Mr. McCARRAN. Does the Senator believe that any public money should be used by any official, whether under an emergency or otherwise, for the purpose of engaging in pernicious political activity?

Mr. O'MAHONEY. It certainly should not be so used; and let me say to the Senator that a former President of the United States, whom he and I and others have been very happy to honor from time to time, and to call a great Democrat, once made the statement that public office is a public trust. That means only one thing, that when a person in public office is entrusted with the expenditure of public funds, those funds shall be expended for the general good, and not for the advancement of any particular cause or any particular faction. Have I answered the Senator?

Mr. McCARRAN. In part. If I may ask one more question, I will conclude.

Mr. AUSTIN. Mr. President, a parliamentary inquiry. I should like to know who has the floor.

The PRESIDING OFFICER. The Senator from New Mexico has the floor.

Mr. HATCH. I yield.

The PRESIDING OFFICER. The Senator cannot yield to others to make speeches. The Senator from Virginia will be recognized if the Senator from New Mexico has yielded the floor.

Mr. HATCH. I was yielding to the Senator from Nevada.

The PRESIDING OFFICER. For a question?

Mr. HATCH. If the Senator desires to ask a question. He asked me to yield. I yield for a question.

Mr. McCARRAN. I wish to propound to the Senator from New Mexico a question which would apply to the interrogatory propounded to the Senator from New Mexico by the Senator from Wyoming.

In view of the fact that the individual who has absolute control of W. P. A. funds has openly and publicly declared in favor of certain candidates in primary elections, does the Senator from Wyoming consider that a violation of the spirit and rule he read to the Senate?

Mr. O'MAHONEY. I shall be very glad to say to the Senator that I think it is a violation of the rule which that gentleman himself announced.

Mr. BYRD and Mr. CHAVEZ rose.

Mr. HATCH. Mr. President, I yield the floor.

Mr. AUSTIN. Mr. President, it is difficult for Senators on the Republican side of the aisle to hear what is going on on the other side. I ask what the pending question is.

The PRESIDING OFFICER. The pending question is the modified amendment offered by the Senator from New Mexico [Mr. HATCH].

Mr. AUSTIN. I do not know what it is. May we have it stated?

The PRESIDING OFFICER. The amendment, as modified, will be stated.

The CHIEF CLERK. At the proper place it is proposed to insert the following new section:

SEC. —. No person employed in any administrative capacity by any agency of the Federal Government, whose compensation, or any part thereof, is paid from funds appropriated by this act shall use his official authority or influence for the purpose of interfering with an election or affecting the results thereof. Any such person shall retain the right to vote as he pleases and to privately express his opinions on all political subjects, but shall take no active part in political management or in political campaigns. Any person violating the provisions of this section shall be immediately removed from the position or office held by him, and thereafter no part of the funds appropriated by this act shall be used to pay the compensation of such person.

Mr. BYRD obtained the floor.

Mr. CHAVEZ and Mr. CONNALLY rose.

The PRESIDING OFFICER. Does the Senator from Virginia yield; and if so, to whom?

Mr. BYRD. I yield to the Senator from New Mexico.

Mr. CHAVEZ. Mr. President, the Senator from Nevada [Mr. McCARRAN] asked a question of the Senator from Wyoming [Mr. O'MAHONEY] whether a person who had control of W. P. A. disbursements or funds should have something to say about, as I understood it in effect, or should control what someone else was doing. Did I understand the Senator from Nevada correctly?

Mr. McCARRAN. Not as the Senator has expressed it.

Mr. CHAVEZ. I want to be correct about it. How did the Senator from Nevada put the question?

Mr. McCARRAN. I asked the Senator from Wyoming if he thought that one who had control of all of these funds under W. P. A. should give out any declaration for some particular candidate in a primary election, and whether that was in violation of the spirit of the law which the Senator from Wyoming had read to the Senate. That was the substance of what I propounded.

Mr. CHAVEZ. With the permission of the Senator from Virginia, may I ask the Senator from Nevada a question?

Mr. BYRD. I yield.

Mr. CHAVEZ. What makes the average Senator under our law and Government more sacrosanct, so that he should be preferred when it comes to taking part in a primary election rather than a man who is working for the Government in an administrative capacity?

Mr. McCARRAN. Because the public administrator is dealing with starving human hearts, that is why. And because a starving human heart is the most subjugated thing in all the world, and a starving, unclad human being is under the control of the man who says to him, "Cast your vote as I dictate in Iowa, or you will not have anything to sustain your life nor clothe your nakedness."

Mr. CHAVEZ. And the Senator from Nevada feels that the average Senator can be more honest and treat that starving man better than can administrative officials?

Mr. McCARRAN. Because the Senators are voting the public funds to be administered by a humanitarian, without regard to political lines. There are Senators on the other side of the Chamber who will vote to appropriate this money. There are Senators on this side of this Chamber who perhaps will vote against the measure. I am guessing about that.

Mr. BYRD. Mr. President, I want to be generous to my colleagues, but they are taking a great deal of my time.

Mr. McCARRAN. If the Senator will yield to me for just a moment, I shall conclude. The Senate represents the entire sisterhood of States of this country, and Senators do not vote along political lines when they are voting to feed the hungry and clothe the naked.

Mr. CHAVEZ. I am glad the Senator feels that way about many of us Senators.

Mr. McCARRAN. I am sorry that the Senator from New Mexico does not feel that way.

Mr. CHAVEZ. I think they are all honest.

Mr. BYRD. Mr. President, I offer an amendment to strike out title II. While I know the amendment cannot be considered at this time, I desire to offer some observations with respect to it, as well as with respect to the bill as a whole.

I realize, Mr. President, the utter futility of attempting to reduce the amounts that are included in this appropriation measure.

In speaking to the amendment to strike out title II of the pending resolution which makes available $1,265,000,000 for public works and pump priming, again I desire to emphasize that I stand ready now, as I have in the past, to vote adequate sums for the relief of those in distress, but it is to be likewise emphasized that relief should be efficiently and nonpolitically administered. The relief rolls should be purged of those not deserving.

To spend $1,000 a year for each person on relief, as we are now doing when the income of the average citizen in 1938 is estimated at less than $400, obviously offers opportunities for constructive economies in the present costly and wasteful administration of Federal relief. That, I am confident, can be done without depriving those in actual need of the necessities of existence.

LARGEST RELIEF APPROPRIATION

Mr. President, let us take note of the fact that the appropriation in title I for work relief and relief of $1,714,905,000 to carry relief expenditures to February 28, 1939, is the largest relief appropriation yet made. To this sum must be added the transfer of all unexpended balances as authorized by title I which remain unobligated on June 30, 1938. Exclusive of such unexpended balances, title I provides for an average relief expenditure until February 28 next of $214,250,000 monthly. On the same basis, to carry the relief appropriation until July 1, 1939, completing the fiscal year, an additional $858,000,000 must be appropriated, making a total of relief appropriations for the next year of $2,572,905,000, and this does not include unexpended balances, or public works, or other pump-priming appropriations. This will exceed by $500,000,000 the largest previous relief expenditure which was made in the fiscal year 1937. And yet, since then hundreds of millions have been collected in taxes

and expended for unemployment insurance, which should reduce the demand for relief.

The fact that the administration now recommends an increase in excess of 25 percent above the peak of any previous year for relief purposes is to me an indictment of the spending program for recovery. It is a confession that this program is no remedy for unemployment and that conditions in the coming months will be so bad as to require larger relief expenditures than at any time since the depression began. For direct and work relief, the following expenditures have been made:

1933	$350,700,000
1934	1,520,900,000
1935	1,925,400,000
1936	$1,856,100,000
1937	2,080,900,000
1938 (estimated)	1,699,000,000

If the pending resolution is approved, $2,572,905,000 will be expended for 1939.

GREATER ECONOMY IN RELIEF

Whenever anyone puts the impious finger of practical economy on national extravagance, he is indicted as a hard-hearted individual willing to see men, women, and children freeze and starve. Notwithstanding, I do say that the localities should be made to do more for themselves in the care of their own destitute and unemployed; and I say that a dangerous spirit of dependence upon the Federal Government has been fostered by the manner in which Federal funds have been spread over the country. It is a spirit ruinous to the morale of the Nation. Moreover, the Federal control of these funds tends to destroy the political independence of the recipients of Government relief. The very localities that receive this assistance and the Nation as a whole would be better off if a reasonable but definite provision were made in each local budget for poor and unemployment relief, and it would be infinitely better if local authorities were given more responsibility in the local relief administration.

Mr. President, social security built on an excessive and overwhelming debt is like a house built upon the sands. A fight against waste and extravagance necessitating vast increases in the public debt is just as vital to the welfare of the poor as it is to the rich. The solvency and resources of the Government determine its capacity to aid the distressed in times of acute emergency. Asserting this fundamental principle, the President said, in his message to Congress on April 20, 1937:

> While I recognize many opportunities to improve social and economic conditions through Federal action, I am convinced that the success of our whole program and the permanent security of our people demand that we adjust all expenditures within the limits of my Budget estimate.

Let us not deceive ourselves. All the people will pay this vast debt with accumulated interest, and all the people will carry, by direct taxation, this heavy national expenditure.

What is our situation today? We work under the load of the most stupendous debt any nation has ever carried. Our taxes are reaching the point of diminishing returns. Today they are a decided factor in the high cost of living. It must be remembered that half of the taxes collected by the Federal Government come from invisible taxes paid by the housewife, the laborer, and everyone who eats or buys necessities. Last year 43 citizens had incomes of over $1,000,000 and the aggregate of these incomes was seventy-three millions. If we confiscated all of this income of these millionaires the money obtained would operate the National Government for only about 2 days.

We have indulged for 5 years in the experiment of priming the pump and attempting to spend ourselves into prosperity on borrowed money. It has been a colossal failure. Our unemployment is as large as when the experiment began. The index of business activity is nearly back to where it was.

ARE WE TO PROFIT NOTHING?

Are we to profit nothing by the experience of the very obvious failure of this method of restoration of business prosperity? The passage of this resolution will be merely another shot in the arm; another artificial stimulant which will leave the patient in a still more weakened condition, less able to meet and overcome the adversities of the future because of the creation of a public debt so vast that generations to come will be called upon to pay interest and principal as a tribute to our folly and our unwillingness to face the realities of the present.

Mr. President, let us remember that the Chief Executive and the administration leaders told us when the first huge priming appropriation measure was passed that every man then unemployed would be given a job until absorbed by the rising tide of business employment which would result. Again and again the same prediction was made as subsequent huge appropriations were urged.

And now after 5 years of trial, when another even greater pumping-priming appropriation is requested, at least we should examine the situation in the light of the facts. If we choose to continue on a course which has proved a tragic failure, let us do so with our eyes open. Why disguise our condition? A true diagnosis must precede an effective remedy, and a true diagnosis requires a frank and fearless recognition of our economic predicament.

Creating prosperity by public spending in excess of actual and reasonable needs of the Government is based on the theory that an impetus is thus given to business activity, and that after the pump is primed business will go forward under its own power. We have spent over $20,000,000,000 in the past 5 years for recovery and relief, exclusive of the ordinary expenses of government. If twenty billions has failed to prime the pump is it reasonable to assume that an additional five billions obtained on borrowed money will accomplish this objective?

As we adopted the experiments recommended to Congress for the past 5 years, we were told that by the principle of trial and error we would go forward profiting by our mistakes and discarding the policies shown by actual trial to be ineffectual and unwise. Neither pride of authorship nor political expediency should impel us to continue on a road which leads ultimately to disaster only.

The details of the five and one-half billion dollar spending-lending program may be summarized as follows:

For relief until February 28, 1939—$1,714,905,000.

For relief from February 28, 1939, to July 1, 1939—$858,000,000.

One and one-half billion dollars for expansion of credit.

One and one-half billion dollars for public works.

FIVE BILLION DEFICIT

It must not be overlooked that this five and one-half billion dollars of expenditures is pyramided on the regular Budget, making a total authorized disbursement for spending and lending in the fiscal year of 1939 of twelve and one-half billion dollars. This is by far the largest peacetime expenditure on record. The deficit next year will exceed $5,000,000,000, and this will be the largest peacetime deficit on record. This deficit will exceed by nearly $1,000,000,000 the next largest deficit, which was in 1936, when most of the soldiers' bonus was paid.

The deficit will be more than this if the Reconstruction Finance Corporation makes the loans as authorized and obtains such funds through the Treasury according to the custom in the past. If, however, the Secretary of the Treasury, exercising the authority he has, issues obligations of the R. F. C. for such additional loans, then this contingent liability is not included in the direct obligations of the Government. The deficit will be more if the Budget estimate of $6,000,000,000 of revenue is not forthcoming, as is likely, due to the severity of the depression.

The 1939 revenue is based by the Treasury officials upon the business activity for the year 1937. It may be well here to note that the index of industrial production in 1937, upon which this estimate of income was based, was 110. The same index is now 76, which foreshadows a very large reduction in the estimated revenue from income taxes and other taxes directly dependent on business activity. To the extent that the estimated revenue of 1939 is not realized, the estimated deficit of five billions will be increased.

FORTY-EIGHT BILLION DEBT

If this appropriation is authorized and spent, the direct debt on July 1, 1939, will reach a new peak of approximately $43,000,000,000, which, with five and one-half billion dollars of guaranteed obligations issued by Government corporations, makes a total debt on July 1, 1939, of over $48,000,000,000, as compared to $21,000,000,000 on March 1, 1933.

So the year 1939, if this legislation is enacted, will see three peacetime records established—the largest expenditures in the history of the United States, the largest deficit in the history of the United States, and the largest debt in the history of the United States.

In reviewing the history of the past 5 years, it is significant that the greatest business recovery ever recorded in a similar period of time occurred from March 1933 to July 1933.

The PRESIDING OFFICER. The time of the Senator on the amendment has expired.

Mr. BYRD. I will take time on the joint resolution.

On March 10, 1933, the President declared:

For 3 long years the Federal Government has been on the road toward bankruptcy.

Continuing, he said that the Hoover deficit—

Has contributed to the recent collapse of our banking structure. It has accentuated the stagnation of the economic life of our people. It has added to the ranks of the unemployed. Our Government's house is not in order, and for many reasons no effective action has been taken to restore it to order.

Upon the unimpaired credit of the United States Government rest the safety of deposits, the security of insurance policies, the activity of industrial enterprises, the value of our agricultural products, and the availability of employment. The credit of the United States Government definitely affects these fundamental human values. It therefore becomes our first concern to make secure the foundation. National recovery depends upon it.

* * * * * * *

We must move with a direct and resolute purpose now.

* * * * * * *

I ask that this legislation go into effect at once without even waiting for the beginning of the next fiscal year. I give you assurance that if this is done there is reasonable prospect that within a year the income of the Government will be sufficient to cover the expenditures of the Government.

BALANCED BUDGET BUSINESS

The Nation, encouraged by this message and the other brilliant, wise, and effective actions of the President, responded so as to increase the index of industrial production as kept by the Federal Reserve Board from 60 in March 1933 to 100 in July 1933, the greatest increase in business activity in a short period in the history of the Nation. In percentage, this is an increase in industrial production of over 70 percent.

While pointing out this astounding progress made from March 1933 to July 1933, when the industrial production rose 40 points, reflecting business activity equal to the 1923–25 average, let me emphasize that heavy public spending did not contribute to this business revival. The expenses of government, on the contrary, were actually reduced. This recovery came from the leadership of President Roosevelt in closing the banks for the emergency; his pledge for sound economy and for a balanced Budget; the faith the people of America had that under his leadership permanent prosperity would come by industry and thrift, and adherence to the sound economic laws which from the beginning of all time have never been discarded, except in very brief periods, without disastrous results.

During this period of sound government, the factory employment index increased from 57 to 69 in the brief space of 4 months; factory pay rolls increased from 37 to 50; freight-car loadings from 50 to 65; and commodity prices from 60 to 69.

RECKLESS SPENDING BUSINESS

Then began an era of reckless spending without parallel in the history of any country since civilization began. In 5 years the Federal Government spent more than $40,000,000,000; spent, in fact, $2 for every dollar of income. Now we are asked to spend $12,000,000,000 more within a single year. We have already added $18,000,000,000 to the direct public debt, and this appropriation will add another $5,000,000,000 and increase the present total debt by more than 15 percent. In addition, the Federal Government has endorsed five and one-half billion dollars of bonds issued by Government corporations, the payment of which has been guaranteed 100 percent by the Federal Government; so that on July 1, 1939, our combined Federal debt, direct and contingent, will be at least $48,000,000,000, an increase of over 130 percent since March 1933. Our taxes have been increased threefold, both in amount and in percentage of national income.

Today we have vividly before us the definite and concrete results and effects of excessive public spending as a panacea for business depressions. It is our duty carefully to analyze the results obtained from 5 years of spending. No one will deny that pump priming creates something of a transient and artificial business recovery; but that prosperity is so temporary and shallow that it cannot be called prosperity.

We cannot indefinitely continue to spend $2 for every dollar of income. We are now entering the ninth consecutive year of great deficits, with no prospect of balancing the financial accounts of the Government. Never before in our history has our Government incurred a deficit longer than 2 consecutive years, and that was when we financed the World War.

I say the spending program has failed, and tragically failed, to bring business recovery, and that conditions today prove it. Today the index of industrial production is at 76 as compared to 100 in July 1933, a loss of 24 percent in industrial production. This index is still falling, after nearly 5 years of unprecedented spending. In July 1933 the index of car loadings was 65. It is now 60, and is still falling. The Standard Statistics Co. is authority for the statement that the composite level of industrial production has dropped approximately 40 percent in the past 17 months from the peak of 1937; that steel activity is sagging at the low level of 20 percent of operating capacity; that the automobile industry, which produced over 5,000,000 cars in 1937, may report a total output of less than 2,000,000 units in 1938; and that, of all the depressions experienced in this country, only four have been longer in duration or more severe than the present recession. No assurance of an early revival on a stable and permanent basis is before us.

In the debate on this joint resolution I have heard no one assert that the attempt to spend ourselves into prosperity has succeeded. Our unemployment is increasing daily, and was estimated at 13,327,000 persons in March, an increase of 3,734,000 over March 1937. In March 1933, at the peak of the first depression, the unemployed were estimated at 13,723,000, so we are headed back to where we were in unemployment.

Mr. SCHWELLENBACH. Mr. President, will the Senator yield?

Mr. BYRD. I yield.

Mr. SCHWELLENBACH. What was the source of the last figure? My understanding is that there was an American Federation of Labor figure which, as I remember it, was 17,000,000, and a Department of Labor figure which was something like 14,900,000 or 15,000,000.

Mr. BYRD. The figure was taken from the testimony before the Byrnes committee.

The relief appropriations now requested are the largest in our history; so we are back where we were in relation to relief. We have with us the colossal debt created in the past 5 years; but prosperity and business recovery on a permanent basis are as far or farther away than ever.

FAMILY DEBT INCREASED THREE TIMES

In 1931 the proportion of the public debt of the average family of five was $677.10. It is now $1,468.50 for each average family. If the pending program is adopted, the average debt per family will be at least $1,700, without including the contingent liability of the Federal Government. When the debt of America's average family has increased nearly three times in a brief period of 8 years, we should certainly pause and take stock of our situation.

Mr. President, the Senators who have been protesting against the waste of public funds and calling attention to

the perils of reckless and stupendous increases in the public debt have received little attention in the Halls of the Congress. Less than a year ago a colleague who has now passed away, and whose ability, patriotism, and loyalty to the President of the United States could never be questioned, uttered words on the floor of the Senate which, in the light of developments of today, were inspired with a prophetic vision. Senator Joseph Robinson, the Democratic leader, said about a year ago, on June 18:

> Gentlemen may laugh about a $36,000,000,000 debt hanging over the Treasury of the United States if they wish to, but with all my refined and expanded sense of humor I find it impossible to laugh about such a thing. I recall the time when our armies came out of the bloodiest and most cruel war that was ever waged on this earth to find a debt far below the amount the Government now owes, and we worried about it then. But now nobody seems to worry about the debt. We spend and we spend and we spend, and there are some who vote for all appropriations and against all taxes. I do not name anyone; sometimes I have been inclined to get into that class myself. But the point I am making is that we cannot go on forever doing it. * * *
>
> Let me ask what would happen if another depression, such as that which began in 1929 or 1930, and which has continued until recently, should strike the people of the United States and their affairs next year or the year following? Of course we do not look for it, of course we hope it will not occur, but there are some who say that we will have a recession in business and industry.
>
> What if our revenues from incomes should fall off? What if the sources of taxation available for the United States should dry up to an extent, as they did dry up in 1930 and in the years which immediately followed that year? We would find ourselves in a situation which would be terrible; and as representatives of the whole people, expressing full appreciation for the liberality of the Government, we owe an obligation to the Government, to those who live now and to those who will come after, to make provision for the needy living, for those who cannot get along without assistance; but we also owe the generations to come a measure of duty to safeguard them against an unreasonable and an excessive burden which may bring back upon them the sorrows, the travails, and the woes we have so recently experienced.

What Senator Robinson hoped would not occur has occurred. Our revenues are reduced; the relief load is greater; business is not improving; and yet the only remedy suggested is to spend more and more. Attempts have been made here to justify this new spending program with the allegation that the Federal Government stopped spending too abruptly, causing the present recession in business. This has been repeated so often and by so many leaders of the administration that many have accepted this statement as the truth. The truth is that there has been no reduction in public spending. To the contrary, for the year ending this month, we will have spent more than in any previous peacetime year in the history of the Nation, excepting the year 1936 when the major part of the soldiers' bonus was paid; and, even including the bonus for 1936, our expenditures for the current year will be only several hundred million dollars less. For the same period of this fiscal year the Federal Government has spent more than in the same period of the 1937 fiscal year.

THE SPENDING ALIBI

I present figures showing the expenditures, exclusive of debt retirement but including loans and subscriptions, and I ask unanimous consent that they may be printed in the RECORD.

The PRESIDING OFFICER. Without objection, permission is granted.

The figures referred to are as follows:

1931	$3,679,900,000
1932	4,771,000,000
1933	4,681,300,000
1934	6,745,200,000
1935	6,802,300,000
1936	8,472,500,000
Soldiers' bonus	1,773,000,000
Total expenditures in 1936, exclusive of bonus	6,699,500,000
1937	8,001,200,000
Soldiers' bonus	556,000,000
Total expenditures in 1937, exclusive of bonus	7,445,200,000
1938 (estimated)	8,000,000,000

Mr. BYRD. So those who seek an alibi for the failure of the spending program to relieve unemployment and restore prosperity must look to some other source, because the records bear evidence that spending has not been reduced.

On January 3, 1938, the President recommended to the Congress a drastic curtailment in public-road construction, of river and harbor improvements, of reclamation projects, in public-building construction, and other public works. The President in his message to Congress then stated:

> This year I recommend that such items—
>
> As those I have just mentioned—
>
> be curtailed. First, because expected Government income will be less, and second, because it has been amply demonstrated that they do not provide as much work as do other methods of taking care of the unemployed.

So here we have the testimony of the President of the United States that the construction of public works provided for in the pending joint resolution does not provide "as much work as do other methods of taking care of the unemployed."

The problem before us is to relieve unemployment, and, if the President is correct in his recent assertion that other methods are more effective in taking care of the unemployed, then I submit the adoption of the amendment I offer becomes more imperative. If unemployment is not substantially relieved by public works, this removes the only justification for borrowing money for expenditure which will not be productive in gaining the very objective we desire. Our 5 years of experience demonstrates that public works constructed on borrowed money as provided in this joint resolution will not succeed in solving the problems of unemployment.

SOUL OF BUSINESS

Today the uncertainties, many of them creatures of government, have created a lack of confidence in the business world, and this lack of confidence is a prime cause of our present difficulties. Confidence is the soul of business, security, and prosperity.

In the early days of the depression spending was justified as a temporary expediency to meet the crisis of the emergency. Time and time again the people were assured that the Budget would soon be balanced, and, with sound fiscal policies, the country would move forward to a new era of prosperity.

Speaking for the administration on November 10, last, Secretary Morgenthau admirably stated the problem when he said:

> The basic need today is to foster the full application of the driving force of private capital. We want to see capital go into the productive channels of private industry. We want to see private business expand. We believe that much of the remaining unemployment will disappear as private-capital funds are increasingly employed in productive enterprises. We believe that one of the most important ways of achieving these ends at this time is to continue progress toward a balance of the Federal Budget.

The Democratic platform in 1936—I will make no reference to the platform of 1932—the Democratic platform in 1936 declared for a reduction in public spending. The President promised this reduction in his 1936 campaign speeches. In fact, two definite dates for Budget balancing were set by the Executive in official messages to Congress. In 1934 the President stated that—

> A program for a completely balanced budget by June 30, 1936, was determined upon as a definite objective.

Again, on January 8, 1937, the President said:

> I regard it as extremely important that we should achieve a balance of actual income and outgo for the fiscal year 1939, and I appeal to you to join with me in a determined effort to bring about that result.

The latest pronouncement for a balanced Budget from the administration was on December 8 last, when Secretary Morgenthau said, in testifying before the House Appropriations Committee:

> I think I may say that I can speak for the administration when I say that we are determined to make every effort to balance the Budget in the coming fiscal year. We feel that the direction this

should take would be to try, first, to achieve a balancing of the Budget through making every possible economy.

I pointed out in my talk (the New York Political Science) that we felt that economies could be accomplished through keeping down the agricultural appropriations, and since then the President has sent a letter to Senator BARKLEY saying that he hoped those appropriations would be kept down to $500,000,000. He said that if they were above that amount, he thought it would be necessary to find additional revenue to meet them. I also pointed out at that time that economies could be made through keeping the roads appropriation at the average amount that they were prior to 1933.

A balanced Budget was advocated by the administration last December. Ninety days later appropriations were requested which will create the greatest deficit in all peacetime history.

It is probable that for every dollar the Government spends in "pump priming", except for a temporary period, it drives away several dollars of private spending. It shakes faith in the credit of the Government and the stability of the currency. Such a condition makes private investors hesitant about any kind of investment. It threatens competition with existing business and gives notice of exorbitant taxes that must be paid in the years to come.

Chief Justice Marshall declared that, "The power to tax is the power to destroy." He was thinking of the danger of the destruction of the individual citizen. For a time the actual magnitude of taxes may be concealed by borrowing, postponing the day for payment of the principal, and even borrowing the interest, as we are doing today, but the day of reckoning comes to a nation as it surely comes to an individual.

Of course, there is a limit to the debt that even the wealthiest nation may create. That limit is reached when the taxes imposed become an undue and unbearable burden on production.

When a nation exacts huge taxes and is still unable to balance its budget; when great appropriations, excused as emergency expenditures, have continued unabated for 5 years, and when the fifth year of unemployment finds our present state worse than our first, then the time for prudent restraint on borrowing is here.

TAXES LARGEST IN HISTORY

This year the Federal taxes collected are the largest in history and are 11 percent of our national income; and even then we are not balancing the Budget. Our local, State, and National taxes combined, if we paid as we spent, would exact at least 30 cents out of every dollar of national income. And yet in the place of restraint there is proposed new borrowing of billions of dollars, new prodigalities for public works, new excuses for perpetuation of the most extravagant and enormous Federal bureaucracy that ever sapped the spirit of individual independence.

Everyone knows that taxes are a burden on all of us, not merely on the rich. President Roosevelt himself not long ago emphasized that—

> Taxes are paid in the sweat of every man who labors, because they are a burden on production and can be paid only by production. If excessive, they (taxes) are reflected in idle factories, tax-sold farms, and hence in hordes of hungry tramping the streets.

Today oppressive taxes are a substantial factor in preventing business recovery. Let us not forget that for every dollar we now add to the public debt we will, in all likelihood, pay another dollar in interest. Even now we are paying $1,000,000,000 a year in interest, and we are borrowing the money to do this. This appropriation will add to our interest bill the sum of $125,000,000 annually, which means a total interest bill of about $10 each for every man, woman, and child in America each year. Even though we balance the Budget soon, and pay $500,000,000 each year on the debt, it would take 85 years to complete the difficult and weary task. Including this appropriation, it would take 45 years to reduce the debt to where it was 5 years ago. If we paid one-half a billion dollars each year for debt retirement, the interest which will accrue, and which must be paid before the debt is discharged, would be greater than the debt itself is today.

The pump of private enterprise, Mr. President, does not require priming with a profligate outpouring of dollars paid out of taxes.

The pump of private enterprise can only be run by the motor of confidence, and that motor will run only when the private businessman is assured that he will get a fair deal from his Government.

We should seek out and punish the guilty businessman, but we should not harrass and condemn the innocent. We should give him assurance that he will be permitted to exercise a reasonable control of his own business; that he will not be presumed guilty in every dispute with a Government bureau, but will be given just treatment by those bureaus having judicial power; that fiscal prudence be restored and emergency appropriations be limited to the amounts actually required for relief purposes and on the most economical basis possible.

America wants wages—not charity; work—not taxes.

Mr. AUSTIN. Mr. President, I support the amendment of the Senator from New Mexico [Mr. HATCH]. It is my judgment that in no wise does it conflict with an amendment which I had printed several days ago and laid upon the table for the information of Senators.

I have called the attention of the Senate to the amendment I intend to offer in order that Senators may see the difference in the scope of the amendment offered by the Senator from New Mexico and that which I intend later to offer.

As a matter of fact, if I thought the Senate desired to pursue that sort of a parliamentary course and that it was agreeable to the Senator from New Mexico, I should be willing to have my amendment attached to his amendment as an additional part of it; but I do not propose that course. I do not want to intrude the amendment upon anybody. I read it for the information of the Senate. If they care to hear it, all right. If they do not, it is all right also.

Mr. HATCH. Mr. President, I cannot tell whether or not the Senator from Vermont is addressing a remark to me. I heard him say something about some course being agreeable to the Senator from New Mexico, but I could not hear what it was.

Mr. AUSTIN. Mr. President, I will say to the Senator from New Mexico that I was not addressing him in particular. I was merely saying that if it were agreeable to him, the author of the pending amendment, to accept my proposals as an addition to his amendment, I should be be glad to have that done; but I do not ask that it be done, and I do not tender my amendment as an addition to his, because I do not want to embarrass the Senator from New Mexico with anything which he might regard as a clog upon the smooth passage of his amendment.

Mr. HATCH. Mr. President, I do not want to take the Senator's time; but I will say, as I said before, that I intend to support the amendment of the Senator from Vermont. I do not think, however, that it would be wise to attach it to the pending amendment.

Mr. AUSTIN. That is satisfactory to me. I call attention to my amendment at this time in order that Senators who realize that it is coming will notice the distinction between the amendments, and will realize that the amendment of the Senator from New Mexico may be supported without any conflict with the one I propose later to offer.

My amendment reads as follows:

> SEC. —. (a) No part of any appropriation in this act shall be used for any political purpose, and no authority conferred by this act upon any person shall be exercised or administered for any such purpose.
>
> (b) It shall be unlawful for any person whose compensation, or any part thereof, is paid from funds appropriated by this act to use or threaten to use his official authority, or influence for any of the following purposes:
>
> (1) To interfere with, restrain, or coerce any individual in the exercise of his right to vote at any primary or other election;
>
> (2) To encourage or discourage membership in, or contribution to, any political party by discrimination, threatened or executed, in regard to the granting or withholding of benefits, or the execution of any of the powers, functions, or purposes, included in this act;

(3) To discriminate against any person in regard to benefits from the United States because such person has filed charges or given testimony with respect to any matter arising under this act;

(4) To discriminate against any individual in regard to benefits from the United States because such individual has voted at any election according to his free choice, or because such person is a member of, or has made contributions to, the political party of his own choosing; or

(5) To discriminate against any corporation in regard to benefits from the United States because any officer or director thereof is a member of, or has made contributions to, the political party of his own choosing.

(c) It shall be unlawful for any person whose compensation or any part thereof, is paid from funds appropriated by this act, to act as election official, ballot clerk, or watcher, or in any other similar capacity at any polling place in any primary or other election.

(d) It shall be unlawful for any person whose compensation or any part thereof is paid from funds appropriated by this act, to solicit, persuade, or induce, by the exercise of his power to administer, supervise, regulate or otherwise put into effect, this act or any part thereof, contributions to a political party, or any agency thereof, for any purpose whatsoever.

(e) It shall be unlawful for any person whose compensation, or any part thereof, is paid from funds appropriated by this act, to be detailed to service, or to serve as a political campaign worker for any political party.

(f) Any person who violates any provision of this section shall be punished, if such person is an individual, by a fine of not more than $5,000, or by imprisonment for not more than 3 years, or both, and in all other cases, by a fine of not more than $25,000.

Mr. President, there is a great difference between a civil-service rule—which, in effect, is the amendment offered by the Senator from New Mexico—and this amendment, which creates a new offense, an offense not created by any law now in existence.

There is an exciting cause for this type of amendment, as I have shown by remarks heretofore made on the pending joint resolution. Before sunrise I hope to be able to call to the attention of Senators numerous specific cases which show the precise application of the definition of the crime created by my amendment. You can see that the scope of the amendment covers primaries as well as elections. Primaries, as you all know, are not within the prohibition of the Corrupt Practices Act; only elections, and then only elections of certain officials of the United States.

You will observe that my amendment comprehends primaries as well as elections, and that it makes no difference for what office the candidate may be running, and it makes no difference what particular objective a party may have, or what its platform may be. The offense set up here is the abuse—I regard it as one of the worst imaginable abuses of this type—of using money designed to relieve the poor and suffering for the purpose of directing the political thought of the people.

Mr. President, it is not my purpose to talk as long as I can on this amendment. I have called attention to it sufficiently to show that there is no inconsistency between the amendment offered by the Senator from New Mexico and that offered by me. I intend to support by my vote the amendment offered by the Senator from New Mexico.

Mr. KING. Mr. President, will the Senator yield?

Mr. AUSTIN. Yes.

Mr. KING. Does the Senator offer the amendment which has just been read as a substitute for the amendment offered by the Senator from New Mexico?

Mr. AUSTIN. I do not. I intend to offer my amendment at a time which is entirely convenient to the Senators present; and, even if it is the very last amendment offered, I shall make an earnest effort to have it accepted.

Mr. KING. Let me say to the Senator that I shall be glad to vote for his amendment, as I shall be glad to vote for the amendment offered by the Senator from New Mexico.

Mr. WHEELER. Mr. President, I shall support the amendment of the Senator from New Mexico [Mr. HATCH]. I inquire of the Senator from New Mexico whether or not there is a penalty attached to his amendment other than dismissal, or that no part of the funds appropriated by the act shall be paid to any person violating the provisions of the amendment.

Mr. HATCH. No. As I said in discussing the amendment, in preparing it I simply took as its basis the civil-service rule; and the only penalty provided is that of dismissal. If the Senator will permit me to interrupt him further, I will state that the reason why I did that was simply because I thought it was a milder approach to the matter, and would have a better chance of passing. So far as I am concerned, I am perfectly willing that the strongest sort of penalty shall be attached.

Mr. WHEELER. Mr. President, when we passed other legislation in this body, such as the Farm Act, we provided terrific penalties for a farmer violating some provision of the act, even up to 10 years' imprisonment in the penitentiary. I should not go as far as that, but I do think violation of the provisions of this amendment ought to be made a misdemeanor.

Mr. McGILL. Mr. President, will the Senator yield?

Mr. WHEELER. I yield.

Mr. McGILL. I think the Senator is very much in error in the statement he has just made about the penalty provided against farmers for violation of the Farm Act. That provision of the bill, upon an amendment offered by myself, was stricken out.

Mr. WHEELER. It was? I knew it was in the bill originally.

Mr. McGILL. There is no such provision in the law.

Mr. WHEELER. I thank the Senator from Kansas very much for calling that fact to my attention.

Mr. POPE. Mr. President, will the Senator yield?

Mr. WHEELER. I yield.

Mr. POPE. I will say to the Senator also that the penalty in the original bill, as against the farmer, was only $100 and that was stricken out.

Mr. WHEELER. I am very thankful to the Senator for calling the matter to my attention. Be that as it may, however, we have passed a great many bills in which we have provided very severe penalties for violation of their provisions, and I found no objection to that course. I want to say, however, that I should favor making it a misdemeanor for one who has charge of W. P. A. funds in an administrative capacity to play politics in his capacity as administrator.

It has been stated on the floor of the Senate that Members of the Senate feel that they may make statements and play politics, but that there is not any difference between an administrator doing it and the United States Senator doing it.

I submit that there is a vast difference between a United States Senator who is elected by the people of his particular State to represent them in the Halls of Congress, and who holds a purely political job, expressing his opinion, and a man who dispenses public money to the poor and the needy of the country playing politics with human misery. It seems to me a man must have a perverted mind who cannot draw a distinction between one who is elected to political office and one who is appointed to administer relief funds, and who has the power to deny or to give funds to individuals.

Mr. President, the charge has been made that these funds are being used as slush funds. I think on the whole Mr. Hopkins has tried to do a good job, and tried to keep politics out of his administration. He issued a statement on May 5 with reference to keeping politics out, to which the Senator from New Mexico has called my attention.

Mr. HATCH. Mr. President, may I say to the Senator from Montana that I received that statement from a lady who happened to be in Washington, who lives in El Paso, Tex., who is an employee of the Works Progress Administration, and the letter was enclosed with the last check she received.

Mr. WHEELER. I happen to know that Mr. Hopkins in my own State has cautioned the individuals under him not to play politics, and has practically said to them that if they did, they would be discharged. There is probably not a Senator on this floor who will not say that he knows of specific instances of violations of this rule having occurred.

Mr. LOGAN. Mr. President, will the Senator yield?

Mr. WHEELER. I yield.

Mr. LOGAN. I merely want to make response to that particular statement. I can say truthfully that I do not know of a single instance in the State of Kentucky where any of the P. W. A. workers or the W. P. A. workers, or anyone connected with those administrations, has attempted to play politics to any extent. There have been charges. The charges have been that the Republicans in my State have all the jobs and have been favored. I do not know whether or not that is true; but I have received hundreds and thousands of letters to that effect. I made a race in Kentucky 2 years ago, and I do not know of a single instance where politics was played by those connected with these administrations. As a matter of fact, I would have contempt for any man who would attempt to play politics under such circumstances, and I never hesitated to express my opinion to W. P. A. workers and everyone else to the effect that I did not believe politics should be played.

Mr. WHEELER. The situation has been considerably different in my State. I know it from a practical standpoint, and Mr. Hopkins knows it, because I called his attention to it, and I know he has not agreed with what has been done.

Notwithstanding the fact that Mr. Hopkins has issued this statement since I made some reference to Mr. Hopkins' statement about the situation in Iowa, my attention has been called to conditions in Minnesota by a Democrat in that State who has protested about what has been taking place there.

I call attention to a statement from the Pioneer Press, of St. Paul, and I call attention to editorials which I shall put into the RECORD from Democratic newspapers, from independent newspapers, and from Republican newspapers, with reference to the discharge of Mr. Christgau, head of the W. P. A. in Minnesota, because of political reasons. It has created such a situation in the State of Minnesota that pretty nearly every Democratic paper, and every Republican paper, and every independent paper has taken it up. The two Democratic candidates are protesting to the President of the United States about the discharge of Mr. Christgau. As I understand, there was no charge that Mr. Christgau was incompetent, that he had not done his work well. As a matter of fact, Mr. Hopkins offered him a better position here in Washington. Political pressure was brought to bear.

Mr. TYDINGS. Mr. President, will the Senator from Montana yield?

Mr. WHEELER. I yield.

Mr. TYDINGS. Along the line of the Senator's remarks, it may be wise to put some safeguards in the pending measure to prevent occurrences such as those he has described. But while we are doing that we should not overlook the fact that certain gentlemen here in Washington who occupy very high-salaried jobs as counsel spend nearly all their time trying to defeat present members of the House and the Senate who perchance do not care to go along with their political philosophy. It seems to me it would be wise to send some of these gentlemen back to the work for which they were appointed, and not have them spending all their time in political machinations which are so transparent that they are fooling no one. I would much rather go to high places and root some of these gentlemen out and send them back to do the people's work, for which they are drawing salaries, than have them spend their time opposing United States Senators whom they cannot keep down by force or threats or in any other way.

Mr. KING. Mr. President, will the Senator yield?

Mr. WHEELER. I yield, but my time is very limited.

Mr. KING. I was interested in the statement made by the Senator from Kentucky a moment ago. I received a letter from the manager of the opponent of our distinguished leader, in which he charges, as I have read his letter, that organizations in Kentucky, the Works Progress Administration and others, are very active in their support of a certain candidate and in opposition to another.

I agree with what the Senator from Maryland has said, and before the evening is over, or tomorrow, I shall put into the RECORD the names of a large number of officials of our Government who are spending most of their time in political activity, leaving their offices here, where they are getting five to ten thousand dollars a year, spending their time in political activity.

Mr. TYDINGS. Mr. President, will the Senator yield further?

Mr. WHEELER. I do not care to refuse to yield, and I will yield for a question, but I do not want to yield for a speech.

Mr. TYDINGS. I should like to ask the Senator if he does not feel that if the facts set forth by the Senator from Utah and the Senator from Maryland are accurate, we would best devote our attention to these gentlemen, who have come down from Wall Street and turned liberal with the administration, who left the fleshpots when it was profitable to do so, and now pose as political mentors and the unseen directors of the United States Government.

Mr. WHEELER. I agree with the Senator.

Mr. CHAVEZ. Mr. President, will the Senator yield?

Mr. WHEELER. I yield.

Mr. CHAVEZ. As I understand the Senator, he does not want politics in the W. P. A.

Mr. WHEELER. That is correct.

Mr. CHAVEZ. I happen to know that Mr. Christgau, who served in the House of Representatives with me, ran on the same ticket with Mr. Hoover in 1932, and he was playing politics, and why should he be at the head of the W. P. A.?

Mr. WHEELER. I do not know Mr. Christgau. The first time I became acquainted with Mr. Christgau, or ever saw him, was when he was appointed by Secretary Wallace in the A. A. A. The next I heard of Mr. Christgau was that he was appointed W. P. A. director under Mr. Hopkins in the State of Minnesota. Secretary Wallace appointed him to a position, and Mr. Hopkins appointed him to head the W. P. A. in Minnesota. Now, apparently, because somebody is putting political pressure on him, he is to be thrown out. If in his service he has made a good record, he should not be kicked out for political reasons.

Mr. TYDINGS. Mr. President, will the Senator yield for one question?

Mr. WHEELER. I yield.

Mr. TYDINGS. I wonder if the Senator would support a resolution to have a small investigating committee appointed to look into these supergovernment men who are devoting all their time to politics and so little to their jobs.

Mr. WHEELER. Such a committee would have a big job. I have just been informed by the Senator from Minnesota that Mr. Christgau supported Mr. Roosevelt in 1932. Of course, I appreciate the fact that other Republicans and Progressives supported him, but after they supported him, in 1932, and wanted positions, later they became persona non grata.

I wish now to call attention to the following from the Pioneer Press:

Meanwhile supporters of Victor E. Anderson, United States district attorney, who entered the race for the Democratic gubernatorial nomination here with national administration approval, and supposedly with its support, planned to appeal directly to President Roosevelt when he returns to Washington Tuesday to overrule Hopkins on Christgau's removal.

Anderson said Sunday that "we are not through yet." He previously had telegraphed the President protesting removal of Christgau, and his friends indicated they will continue to carry the fight to the President.

Hunter released to the Associated Press in Chicago the following telegram which he sent to Christgau Sunday:

"Upon instructions from Administrator Harry L. Hopkins, I am today placing Roy C. Jacobson as acting administrator of the Works Progress Administration in Minnesota with full authority."

Hunter would not elaborate on the announcement except to say that Jacobson will arrive in St. Paul Wednesday and will serve until a permanent appointment is made.

Christgau, when reached Sunday night, said he has received Hunter's telegram and was prepared to turn over the office to Jacobson when he arrives. Christgau released to the press the following telegram which he sent to Hopkins Saturday afternoon, with a copy also going to Hunter in Chicago.

The PRESIDING OFFICER. The time of the Senator on the amendment has expired.

Mr. WHEELER. I have some time on the joint resolution.

The PRESIDING OFFICER. The Senator from Montana is recognized on the joint resolution.

Mr. WHEELER. I read from Christgau's telegram:

In re my conference last Tuesday morning with you and Hunter at which you advised me of your intention to remove me as State administrator and offered me an opportunity of accepting a position in Washington because of the constant demands made upon you by the Farmer-Labor Party leaders. I originally accepted the appointment of State administrator for Minnesota with the understanding that it was not a partisan political position and have conducted the office on a nonpartisan and nonpolitical basis. My removal by you could be interpreted only as a political move to satisfy a minority group of selfish and unscrupulous politicians.

Then it goes on to state that Mr. Hopkins offered him a better position in the city of Washington. If he was a Republican and a bad man, certainly Mr. Hopkins would not have offered him a better position in the city of Washington. As I said, I am given to understand that the Democratic national committeeman from the State of Minnesota made a protest and that two Democratic candidates for office made a protest against the action that was taken, and that nonpartisan bodies composed of practically all the county commissioners all over the State of Minnesota adopted resolutions unanimously protesting against the removal of this man, stating that he had conducted his work on a nonpartisan basis.

Mr. President, we cannot expect the understrappers, we cannot expect the little administrators, and assistant administrators, and the foremen, not to play politics with human misery if they see their chief picking a man out, firing him, or offering to demote him because he wants to employ in his place someone who is going to play politics.

Mr. HATCH. Mr. President, will the Senator yield?

Mr. WHEELER. I yield.

Mr. HATCH. I wish to ask the Senator from Montana what reason any of these officials would have to think that they should not play politics, so long as the Congress of the United States fails to take any action or to write a single word against it?

Mr. WHEELER. I agree with the Senator from New Mexico. I think we have been derelict in our duty in not doing something about it, and not writing into the law a provision prohibiting their playing politics, so that there could be no misunderstanding about the matter.

I will say that, so far as my particular State is concerned, the State administrator is a personal friend of mine, and I have no complaint against him, nor have I any complaint against the administrators in my State so far as I am personally concerned, but I do say, Mr. President, that, regardless of whether or not they are playing politics on one side, or whether they are playing politics on the other side, it is not fair to the people of the State, it is not fair to those who are receiving relief checks, and who are depending for their living upon the relief program, to be subjected to pressure of any kind or character because if they shall continue to be so subjected, then, as some Senator said in the Chamber tonight, in view of the fact that we are continually appropriating billions of dollars for relief, it is not going to be long before democracy will be destroyed in the United States.

Mr. HATCH. Mr. President, I made that statement, and I believe it. But I still say that if there is corruption or political influence or wrongdoing on the part of any of these officials, such corruption and political influence and wrongdoing will rest on the doorstep of the Congress of the United States.

Mr. WHEELER. If we do not adopt an amendment to the joint resolution prohibiting such action, then the general impression will go out to the people of the United States that the Congress approves of playing politics with human misery. It seems to me there can be no excuse for any Senator upon the floor of the Senate who does not want to play politics with human misery—and every man on the floor of the Senate will protest and say that he does not want to play politics with human misery—not to vote to adopt the amendment proposed by the Senator from New Mexico. It seems to me that we should go further than that, and make it a misdemeanor for anyone to use an office dealing with relief for political purposes.

Mr. President, I call attention to a number of editorials and newspaper articles, which I shall ask to have printed in the RECORD as part of my remarks: An editorial in the Mankato (Minn.) Free Press; one in the Minneapolis Journal; an article by Vivian Thorpe; another from the Minneapolis Star; another from the Fergus Falls (Minn.) Daily Journal; another from the Red Wing Daily Eagle; another from the Austin Daily Herald; another from the St. Paul Pioneer Press. I ask that these editorials be printed in the RECORD at this point as part of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

The editorials are as follows:

[Austin Daily Herald, Friday, May 27, 1938]

Their (the Fascists') concept is every individual simply a molecule in a mass-directed State.—Former President Hoover.

THE FARMER-LABOR INDICTS ITSELF

The storm brewed by the Farmer-Labor hierarchy in St. Paul in the caldron of hatred and dislike toward W. P. A. Director Victor Christgau is an indictment of the Farmer-Labor Party tactics itself as applied to those now in charge of its policies. Frankly and candidly, Mr. Hopkins, the national W. P. A. director, has admitted that there is not the slightest taint of scandal, corruption, or fraud in any detail of the administration of the W. P. A. program in Minnesota. Mr. Christgau's record in that respect is stainless, and even the Farmer-Labor chieftains know that to be a fact.

Outright dismissal of this farm boy who has gone into the large city and made good is feared, but still he is to be sacrificed because he has been seeking conscientiously to carry out the purpose and intent of the W. P. A., which is to provide work for needy people without consideration of politics in any shape or form. That Vic Christgau has done. He has remained true to the instructions given him in Washington when he was first placed in charge of the State work, but that is not what the Farmer-Labor plotters in St. Paul want.

Carrying at the head of its banner a declaration for honesty in public service, economy of administration, no favoritism to special interests and other laudatory high-sounding ideals of that sort, the Farmer-Labor Party has now degenerated into a political, conniving machine which will resort to the basest tactics in order to maintain itself entrenched in office. But the day of reckoning comes just as it did for Will Brown, head of the ruthless drivers' union in Minneapolis, who fell a prey to the same violent tactics which have been pursued by his organization for many years.

No longer, apparently, can the Farmer-Labor Party in Minnesota conduct a campaign with the hope of winning on the basis of fair play and direct appeal to the voters on the merits of its record. It must resort to motives and courses which seek to undermine honest administration and conscientious duty. Mr. Christgau had the impression when he accepted the office that the citizens of the State generally—regardless of political affiliations—were to receive the greatest amount of benefits from every dollar spent through the channels of the W. P. A. That he set out to do and that he has done. His thanks from the national administration is apparently to be "promoted" to another position or dismissal because he has refused to stoop to the ward-heeling, soap-box methods of the F-L. It indicts itself.

[From St. Paul Pioneer Press]

CRUDE POLITICS

If there were any doubt before that the W. P. A. is in politics, the removal of State Administrator Victor Christgau ends that doubt. A cruder or more unashamed diversion of public money to the political uses of an administration in power has rarely occurred.

If any position in the Federal service should be apart from politics, if any official should have the status of civil servant detached from politics, it is the office of W. P. A. Administrator. The public money put in his hands is not there to advance the political fortunes of any man, or to make secure the tenure in office of any party. He has the obligation and responsibility of aiding those in need, and he cannot serve two masters—he cannot serve his political superiors and also perform his duty to the public.

Such a civil servant Victor Christgau has tried to be. Not a breath of scandal has been raised against him and not a suggestion of inefficiency. The complaints have been of the purest, or impurest, political kind. The Farmer-Labor Party has wanted the patronage of the vast organization of W. P. A. and the political

power that goes along with control over allocation of such great sums of money. Disagreements as to matters of judgment or policy have existed, as perhaps in this weed-eradication program, but there has been no blot on the record of the State W. P. A. administration. It has been a model among the various State organizations of W. P. A. The projects have been in general of permanent usefulness. Considering the difficulty of the conditions under which W. P. A. operates, they have been carried out well. Mr. Christgau has been fair, impartial, nonpolitical.

All this is not denied by Mr. Hopkins, the Chief of W. P. A. On the contrary, he has often expressed his approval of Mr. Christgau and he does not withdraw his endorsement now. In fact, he renews it by offering Mr. Christgau a higher job in the organization at Washington, as if to make amends for the shabby treatment of a loyal and competent subordinate.

Mr. Christgau's good faith is all the more marked because he refuses to oblige Mr. Hopkins by allowing himself to be "kicked upstairs." He refuses to be a party to this nauseous piece of practical politics and he turns his back on the offer rather than seem to get an advantage out of it. In plain language, Mr. Christgau was offered the bribe of a better job to put a false front of propriety on a shady deal, and Mr. Christgau, with a higher sense of principle, refused to be bribed. There is plainly no place for such an official in a government service at a time when his office is to be prostituted to political ends.

Mr. Hopkins explains that he does this simply because he is tired of the constant complaints from the Farmer-Labor Party. In other words, he will yield to political attack and sacrifice his best subordinates when the politicians of the right party want him to do so. It was Mr. Hopkins' duty to stand against these political attacks and show that his organization is not in politics. But he has done the opposite and has shown that his organization is in politics.

So it appears that the national administration has again given the State Democrats, and particularly District Attorney Victor Anderson, the double cross. The administration now has two horses in the primary race, and can turn to either after June 20. Perhaps they fear that Mr. Anderson cannot be nominated. Perhaps they want to divide the La Follette third-party movement by playing the game with the Farmer-Laborites. Whatever the purpose, it is politics of the crudest sort and it deserves to be rebuked by those whose money is being used for partisan purposes.

Nor are taxpayers alone concerned. With W. P. A. in politics, people on relief will find that the money will tend to be used where it will do the most political good, not where it is most needed. They will be subjected to the will of a political boss; there will be more money for inefficient political administration, less for relief.

If elections can be bought by the party in power by first conjuring up a great spending program and then using the money for patronage, in short to buy votes, then democracy has become a mockery in America and the supposedly untrammeled will of the people is in the hands of those who control the public purse.

[From the Red Wing Daily Eagle]

POLITICAL MANEUVERING

The ousting of Victor Christgau as State W. P. A. administrator sheds a new light on Minnesota's muddled political affairs. Christgau had to walk the plank because the Benson political machine wanted no more of him. Christgau halted the move of the machine to add about 2,000 or more weed inspectors to the State pay roll. So the machine demanded of the Federal administration that Christgau get out. This in the very face of protests of Senator SHIPSTEAD, the highest ranking Farmer-Laborite in the State, and of Victor Anderson, the acknowledged candidate of the Roosevelt-Farley combination for the Democratic gubernatorial nomination. Now the political wiseacres of Minnesota are wondering what the Anderson candidacy is all about. Is there a trick to it?

Benson will have the battle of his life to win the Farmer-Labor nomination in June. Hjalmar Petersen may take his measure with Republican and Democratic conservatives help. Should Benson win the primary, he will face another strenuous battle in November. He might even need another "horse trade" similar to the one pulled 2 years ago when the Democratic nominee withdrew in his favor.

Here are some questions that are being asked in view of the Christgau discharge: If Anderson and Benson are the Democratic and Farmer-Labor nominees, will Anderson withdraw? If Anderson and Petersen win, will the Benson crowd swing over to Anderson? If Anderson fails to gain the Democratic nomination will the Roosevelt-Farley support be swung to the Farmer-Labor nominee?

Surely the way is left open for any kind of a "swing" in the fall. Benson wanted Christgau fired; the administration crowd at Washington complied by kicking out Christgau. That proves that the "combination" that engineered the Delaney-Curtis withdrawal 2 years ago still holds good. Victor Anderson is the admitted choice of the Federal administration. Anderson opposed Christgau's removal. That puts Anderson in solid with the anti-Benson forces of the Farmer-Labor Party. At the same time, the Benson forces are in solid with the administration powers that rule the dominating faction of the Minneosta Democrats. It's a sort of a "heads I win, tails you lose," so far as this set-up is concerned. With Benson the nominee, Anderson can be withdrawn; with Benson out, his support swung to Anderson—if Anderson wins.

[From the Fergus Falls Daily Journal]

CHRISTGAU OUSTED

The ousting of Victor Christgau as relief administrator for Minnesota gives full proof, if any were needed, that politics, not merit, governs national relief distribution. Mr. Christgau has tried to keep the W. P. A. out of politics in Minnesota and this has infuriated Governor Benson and other Farmer-Labor leaders. The Democratic candidates, including Victor Anderson, United States district attorney, who had direct orders from Washington to file for Governor, protested against Christgau's dismissal. As Mr. Anderson put it in his telegram to President Roosevelt:

"Christgau has stood firmly against attempts to use the W. P. A. as a tool of graft and corruption. He has consistently held that W. P. A. money should be used to benefit the many who lack private employment and not to benefit racketeers interested in lining their own pockets. It is because of this refusal to countenance such misdirection of the W. P. A. that the powers behind the State Farmer-Labor administration have turned their big guns on Mr. Christgau. His removal at this time, either outright or by his transfer to another post would be tantamount to a surrender of the rights of the people."

Nevertheless, Mr. Roosevelt threw Mr. Christgau out on the demand of Governor Benson and "racketeers interested in lining their own pockets."

[From the Minneapolis Star]

THE CHRISTGAU OUSTER

There appears to be a large discrepancy between the recent "no politics" warnings sounded by Harry L. Hopkins, W. P. A. Administrator, and his dismissal Sunday of Victor Christgau, Minnesota administrator of W. P. A.

The discrepancy is found in the indication that Mr. Christgau was ousted for political reasons, or rather in the lack of evidence that he was ousted for any other reason.

Unless and until Mr. Hopkins proffers an explanation which will dispel this assumption—namely, that Christgau was edged out of office by political pressure acting via Mr. Hopkins—the W. P. A. chief will stand guilty in many people's minds of grave inconsistency.

Coming on top of Mr. Hopkins' endorsement of Senator WEARIN as Democratic senatorial nominee in Iowa, the Christgau case only throws another spotlight on the apparent inability of Mr. Hopkins to keep politics out of W. P. A. in spite of his firm declarations that no politics playing will be tolerated.

It is probably idle to believe, or hope, that the dispensing of top W. P. A. jobs can be made on a 100 percent purely nonpolitical, nonpartisan basis. On the other hand, until recently Mr. Hopkins has shown a fine record of efficient handling of W. P. A. activities and has kept them freer of political taint than, perhaps, any other department of the administration.

It is up to Mr. Hopkins to clear himself now, if he can, of charges of giving in to political pressure. Until he does so, only one conclusion can be drawn from Christgau's removal—that Mr. Hopkins doesn't practice what he preaches in his "no politics in W. P. A." letters.

[From the Mankato Free Press]

A SCANDAL OF MAJOR PROPORTIONS

(Editor's Note: Since the editorial following was written, word has come officially from Washington of Mr. Christgau's removal. That only lends emphasis to what is said here. This bald and deliberate sacrifice of an official whose honesty and integrity is his sole disqualification in the eyes of the Farmer-Labor Party and of the national administration, is a disgrace to decent government in this State—a disgrace to decent government in the national relief administration. If the people take it without violent, vigorous, and decisive protest, then they are only inviting the abdication of honesty in government, the reigning supreme of spoils and corruption.)

Protests against the removal of Victor Christgau as State W. P. A. administrator are piling up in Washington. Both Senator Shipstead, who is defending Christgau, and Senator Lundeen, who has demanded his ouster, have received hundreds of messages from members of all political parties, from business and industrial leaders, from average citizens, urging that he be retained in his post.

One thing is obvious—there hasn't been much sham about the demand for Christgau's scalp. The Farmer-Labor inner leadership wants it because he hasn't turned enough patronage their way. The administration considers "kicking him upstairs" to a better Washington appointment solely to satisfy the Bensonites' demand for more pap and spoils. That the removal of a conscientious and efficient public servant should be proposed with such barefaced indifference to the public service or the repeated promises to keep politics out of relief is perhaps a testimonial to the low estate to which honesty in government has fallen.

That there has been such a volume of protest over the proposed Christgau ouster is somewhat encouraging. Perhaps honesty and efficiency in government is worth while after all. Perhaps the public holds it in higher esteem than some of our leading public officials.

If the disgraceful proposal of throwing Christgau to the wolves just because he would not knuckle down to the Farmer-Labor spoilsmen is actually carried through, it should become a major campaign issue. It should be carried to the floor of the Senate, where the fight to keep politics out of the new relief bill is in progress. It would be a major scandal of national proportions and it should be aired and agitated as just that.

[From the Journal, Tuesday, May 31, 1938]

SPOILS TRIUMPHANT

The administration of W. P. A. in Minnesota has been sold out to partisan politics. From now on it will wear the color of a political machine. And this disservice has been done by Administrator Harry Hopkins, who has proclaimed again and again the absolute independence of W. P. A. from political influence and control.

Removal of Victor Christgau as Minnesota director is an abject surrender to the importunities of the Farmer-Labor State machine, which has been demanding his ouster for years. Mr. Hopkins finally became "sick and tired" of this pressure, he has said, but instead of rebuffing the tactics, he has placed the blame on Christgau and made him a sacrifice.

No reason is given for the Christgau removal. That, and the fact that he was offered a good position at Washington, give proof that Mr. Christgau is justified in making this statement to Mr. Hopkins:

"My removal by you could be interpreted only as a political move to satisfy a minority group of selfish and unscrupulous politicians."

There is no need for argument, and very little for comment, in view of the plain facts. It is apparent that Christgau has offended in resisting the demands of the State machine that he turn his staff over to its patronage bureau. Only one conclusion is possible now—that W. P. A. in Minnesota has been thrown to the wolves of politics. We may hear next that political "clearance" is demanded, not only of the supervising force, but of the unemployed who want W. P. A. work.

Mr. Hopkins put W. P. A. into politics when he endorsed a favored candidate for the Senate in Iowa as against the Democratic incumbent. But that error was insignificant beside the Minnesota sell-out.

It is most unfortunate that W. P. A., a worthy undertaking inspired by humanitarian ideals and run in consonance with those ideals in this State in the past, must carry hereafter the handicap of a partisan brand.

OUSTER OF CHRISTGAU CALLED SHOCK TO CITIZENS OF STATE

(By Vivian Thorp)

The removal from office of a public servant whose great sin seems to have been the fair performance of his duty has been a disagreeable shock to the people of this State who believe in decent government administration.

In the weeks and months the State administration has been harrying Victor Christgau for political reasons, citizens have refused to believe his removal would be effected by Farmer-Labor.

It has been generally believed, almost up to the last moment, that national W. P. A. Administrator Harry L. Hopkins would have sufficient guts to stand back of a man who has apparently performed his job faithfully, according to Federal regulations, and that the President would deem it his duty to uphold Hopkins in so doing.

The belief was evidently misplaced and it becomes daily more difficult to maintain with any conviction that there is anything in the theory that even an attempt is being made to carry on such relief services as W. P. A. without partisan politics.

In justice to Hopkins, it must, perhaps, be said he did not like this Christgau affair, and that he balked at it as long as he could safely do so. But after all, that is a poor excuse.

In the light of this affair it would be interesting to know how the national administration can ever hope to convince Minnesota Democracy it is considered worthy of the slightest consideration by the President.

Governor Benson, in his attack on the protestations against Christgau's removal, makes the charge that Christgau has been using the office of WPA Administrator as a political build-up for himself. This is not supported by public proofs.

The Benson statement that the objections to Christgau's removal have been made by people "who would abolish W. P. A. entirely if given the power" is an ill-considered and obvious smoke screen.

The administration offers no reason for his removal and leaves the general public the plain assumption that the removal was made for purely partisan political reasons. Though the adjective "pure" has probably little to do with the case.

Reactions of the State press to the Christgau matter should be interesting.

The Blooming Prairie Times (Independent) has already expressed itself right vigorously. Says its editor:

"The trouble with Christgau is that he is an honest man. In handling relief, he felt that was too big an issue to become a cheap partisan issue. He tried to conduct the W. P. A. so the workers got as much out of every dollar as was humanly possible and the local communities got as much for their relief dollar as was possible.

"He picked his staff on the basis of merit and qualifications irrespective of party. As a result, the W. P. A. of this State has always been cited as one of the most efficient organizations in the country."

Mickelson continues that one of Christgau's greatest troubles was that the "regional and Federal offices are always raiding his organization, taking to Chicago or Washington the capable men and women he has trained."

Finally the editor of the Blooming Prairie Times says:

"So the great crime Christgau committed is not that he played politics but that he refused to play the brand of politics this little gang on Capitol Hill has been playing for 2 years."

Perhaps Mr. Mickelson has thoroughly covered the case.

The achievement of a desired end sometimes spells only temporary success.

It is more than possible that the Christgau head-on-a-charger delivered to the State administration is not Christgau's head at all, but is instead just another sizeable nail in the administration's coffin.

It will undoubtedly be claimed by the State administration that the hue and cry against Christgau's removal will come solely from the political opponents of Farmer-Labor. I do not believe this to be the truth.

Rather, it will be the expression of sincere indignation on the part of the State's citizens.

Mr. WHEELER. Mr. President, I hope that the amendment which has been offered by the Senator from New Mexico will be adopted. I have not read the amendment offered by the Senator from Vermont [Mr. AUSTIN], but if his amendment makes it a misdemeanor for those who hold these executive positions to use them for political purposes, then I certainly shall also support that kind of an amendment to the joint resolution. I hope both of them will be adopted.

Mr. CHAVEZ. I dislike extremely to disagree with my colleague [Mr. HATCH]. No one in this body understands him better than I, or appreciates his sincerity of purpose and good faith, honesty, and integrity, more than I do. But I believe in this instance that what my colleague tries to accomplish by the amendment suggested by him will not do what I know, in his heart, he wants to do; but it will be more detrimental to the general purposes which he has in mind than beneficial.

I have sat in this body since 1935, and have listened and observed, and I have come to the conclusion that every State is represented by fine, upstanding men, who possess many human failings and also most human virtues; they are regular folks.

I have heard the discussion on the pending amendment, and it may be that because I have not been in the Senate long enough that I express my opinion in the way I shall this evening.

I have heard much said about politics. I have often heard it said that "You must not be in politics"; and that "Civil service keeps people out of politics." The civil-service system may keep some person who is working for the Government from helping the Senator from Georgia [Mr. GEORGE] or the Senator from Maryland [Mr. TYDINGS], but it will not keep that same person from crowding the Senator from Maryland or the Senator from Georgia or the Senator from New Mexico if the particular bureau that he is working for is interested in some legislation. Politics applies only so far as helping you boys to stay here. Let us try to be a little practical about these things.

Mr. McCARRAN. Mr. President, will the Senator yield?

Mr. CHAVEZ. I yield.

Mr. McCARRAN. Will the Senator amend his last remark by saying that it goes only so far as to "keep you boys from being here."

Mr. CHAVEZ. That is correct. They will not help the Senator from Nevada to be here.

Mr. McCARRAN. I agree with the Senator from New Mexico.

Mr. CHAVEZ. But they will gang up on the Senator from Nevada, in spite of the civil-service rules, and the Senator from Nevada knows it.

Mr. McCARRAN. I realize that the Senator from New Mexico is entirely correct. Although I am going to vote for the measure, I know it is going to be administered so, if

possible, to prevent my coming back to the Senate. I realize that. I realized such a possibility when I voted against the Court plan, and I have realized it ever since.

Mr. CHAVEZ. Mr. President, I have heard Mr. Hopkins criticized, and, I think, justly. I may be criticized justly; but I pray to God that the Senator from Nevada may come back to the Senate.

Mr. McCARRAN. I am grateful to the Senator from New Mexico. That is the finest benediction I have had in a long time.

Mr. CHAVEZ. I do not care how the Senator from Nevada votes. I know he will vote his conscience and that is good enough for me.

We have heard a great deal about politics and about civil service. Our very government, our system of government is based on politics. Which one of the Senators who is listening to me tonight would be here this evening if he had not been in politics, and if some of the boys whom it is now proposed to punish because they dare to express their opinions, had not gone about ringing doorbells and obtaining a few votes for the Senator from Nevada, or the Senator from West Virginia, or my friend, the Senator from Missouri?

Let us go a little further with politics. How are we to elect a President of the United States? No matter how good a candidate he may be, no matter how good a man, no matter what kind of heart he may have, how can we elect a President of the United States—including our present President—without politics? It was politics, pure and simple, as known to the average Republican or Democratic Senator which resulted in the nomination of Franklin D. Roosevelt at Chicago. It was not Mr. Ickes, Mr. Wallace, Mr. Hopkins, or Mr. Corcoran. They were not there. They were not delegates. It was politics.

I am proud to say that I have been in politics. I was a delegate to the political convention at Chicago which made it possible for the citizens of the United States to vote for Franklin D. Roosevelt. Mr. Ickes was not there. Mr. Wallace was not there. Mr. Hopkins was not there. Mr. Corcoran was not there. The Senator from Nevada [Mr. McCARRAN] was there, bless his soul. The Senator from Maryland [Mr. TYDINGS] was there. The Senator from Pennsylvania [Mr. GUFFEY] was there. the Senator from California [Mr. McADOO] was there, and the Vice President was there. I was there, and many others were there.

We often hear the statement, "We do not want politics." Well, I do want politics. I believe in party politics and party responsibility. When we abolish party responsibility, we abolish the democracy of which we boast. I still believe, honestly and in conscience, that a Democrat can do a better job with W. P. A. than Mr. Christgau, of Minnesota, who ran on the ticket with Mr. Hoover in 1932. If that be treason, make the most of it. I happen to be an old-fashioned Democrat. I believe there are honest Democrats who do not have to play with human misery.

The President has a great program. I have voted for that program practically 100 percent, and I think in order to carry out that program the persons administering it must believe in the program. It is not possible for a Republican to do that.

Mr. WHEELER. Mr. President, will the Senator yield?

Mr. CHAVEZ. I yield.

Mr. WHEELER. I suppose it is because the Senator voted for the President's program 100 percent that the Office of Indian Affairs has lined up all the Indians for him. Is that true?

Mr. CHAVEZ. The Senator from Montana is rather unfair. I do not appreciate that statement about the Commissioner of Indian Affairs. I expected the Commissioner of Indian Affairs and the Office of Indian Affairs to vote against me, but I did not expect the Office of Indian Affairs and its agents to vote against the President, which they did. If they voted against the President, I do not have much complaint. I expected them to vote against me.

Mr. KING. Mr. President, will the Senator yield?

Mr. CHAVEZ. I yield.

Mr. KING. Does the Senator think it would be fair for Mr. Collier, the head of the Indian Office, with $27,000,000 to spend among the Indians, to coerce the Indians, or to use them—as it is alleged they have been used—to defeat the Senator or cripple his influence?

Mr. CHAVEZ. Mr. Collier was not coercing the Indians or using the Indians to defeat me. He was using his own Indian agents to vote against the President and against me. However, that is neither here nor there. I do not blame the President for things of which he is not guilty. If Mr. Collier has made a mess of the Office of Indian Affairs, I shall not blame the President. There are many things within the Government which I dislike. There are many things which I should vote against. However, I am still sticking by the President, and shall continue to stick by the President, notwithstanding the fact that I know that within the Government there are men and administrators who possibly are not trying to carry out the purposes and ideas of the President. However, I am still for the President, notwithstanding the things which I do not like.

I wish to make an honest confession—possibly because I am young. I like both Cordell Hull and "Jim" Farley. I like the Secretary of State and I like the Postmaster General. One is a politician and the other is an outstanding statesman. I think both have their functions. We must have politics.

I know what is in the mind of my colleague [Mr. HATCH] in offering his amendment. He is sincere, honest, and a man of the highest integrity. He is as peaceful and inoffensive a man as it is possible to find. He would not hurt a child. He would not make an attempt to do a thing that was wrong. However, this particular amendment will have only one effect; and I wish Senators would keep it in mind. It will hurt those who are trying to do what the average Democratic Senator in this body wants to do. It will not keep politics out of the individual States.

It will help the organization of the average Governor, who perhaps wants to be a United States Senator, as against a United States Senator. It will work against the interests of the average Senator, who is just as honest, just as sincere, and just as desirous of keeping W. P. A. out of politics as anybody could be.

Whether we like it or not, we must get back to politics. The average Governor of a State is looking to a seat in the United States Senate. That is the practical side of the matter.

The PRESIDING OFFICER. The time of the Senator on the amendment has expired.

Mr. CHAVEZ. I will take time on the joint resolution.

My colleague [Mr. HATCH] made an attempt at the last session of the New Mexico Legislature to obtain the passage of a resolution similar to the present amendment, applicable to State employees. There was not a chance for it. Call it politics if you will. As a practical proposition, shall we tie the hands of the Senator from Kentucky [Mr. BARKLEY] or any other Senator, just because he happened to have recommended to W. P. A. some honest Democratic friend who could do the job? Shall we prevent that friend from giving the Senator a lift when he needs it? I want my friend from Nevada [Mr. McCARRAN] to receive the help of every person he recommended for office in Nevada. If such persons do not help him, they do not belong in office.

If we adopt the pending amendment, the result will be to hurt a Senator such as the Senator from Kentucky [Mr. BARKLEY]. The Senate can do so if it desires. However, I still believe in politics; and I believe that Democrats are just as honest and can do just as good a job for W. P. A. as any other class of persons.

Mr. SHIPSTEAD. Mr. President, I wish to say something about the Christgau affair.

I understand Mr. Christgau has been removed. I am under no obligations to Mr. Christgau. I had nothing to do with his appointment. He had served for something like 4 years. From time to time complaints have come to me, principally from the Workers' Alliance, objecting to his being continued

as administrator of the W. P. A. in Minnesota. Objections have been based upon various allegations.

I have always felt that a man in a position of that character is in a very difficult situation. Mr. Christgau is not the only man whose removal I have been asked to use my influence, if I have any, to secure since I came to Washington. I have never followed that course. My idea of an administrative office is that it belongs to the executive branch of the Government. If a man has a record that cannot be called reprehensible, if he is not guilty of malfeasance in office or of incompetence, it is none of my affair, unless it be shown by irrefutable evidence that he is guilty and the executive power which appoints him refuses to remove him. Then I might step across the line of demarcation between the legislative and the executive fields and demand that the Executive perform his public function to protect the public service. Such has been my position in regard to patronage. So far as I remember, I have not deviated from that course.

I have never subscribed to the theory that the legislative branch should request patronage from the Executive. I always considered it a form of bribery. I have seen it, not only in the legislative assembly of Minnesota, but in the Congress—at least to my own satisfaction. I think it is deplorable that such a thing should be true.

I received a telegram dated May 16 from the State secretary of the Farmer-Labor Party in Minnesota. I send the telegram to the desk and ask that the clerk read it.

The PRESIDING OFFICER. Without objection, the clerk will read, as requested.

The legislative clerk read as follows:

ST. PAUL, MINN., *May 16, 1938.*

Senator HENRIK SHIPSTEAD:

State committee urges you contact Hopkins, Williams, for removal of Christgau account antilabor policies. We meet again Saturday. Desire expression as to your attitude.

HAROLD L. PETERSON, *State Secretary.*

Mr. SHIPSTEAD. I send to the desk a letter dated May 18 and ask the clerk to read it.

The PRESIDING OFFICER. Without objection, the clerk will read, as requested.

The legislative clerk read as follows:

MAY 18, 1938.

Mr. HAROLD L. PETERSON,
State Secretary, St. Paul, Minn.

MY DEAR MR. PETERSON: I have your telegram requesting me to contact Harry Hopkins and Aubrey Williams concerning the removal of Victor Christgau "on account of antilabor policies."

It seems to me that if it is desired to remove Christgau because of antilabor activities, you should direct your request to Mr. Hopkins and to President Roosevelt whose agent he is and from whom he takes his orders. Such a request should be accompanied by proof of the allegations which you make. If you have such proof why don't you present it to the Administrator and ask that a hearing be granted?

Mr. Hopkins' feelings and record toward labor is pretty well known and as well is that of the President. I am sure that if you want Christgau's removal on account of his being unfair to labor, that you will get a very sympathetic hearing and a fair decision in the matter. I have been requested before to take such action as you suggest but I feel it is not honest or fair for me to ask for a removal of a man on the basis of gossip. I have seen no proof, I have had no one offer me proof of his antilabor policies. As a matter of fact you ought to know that Christgau is an employee of the executive department of the Government and you should file your complaint through that channel.

With best wishes, I am,
Yours sincerely,

HENRIK SHIPSTEAD.

Mr. SHIPSTEAD. Mr. President, I have had the telegram and letter read to show my position in this matter as well as in all other patronage matters. There have been charges and allegations made on both sides of the controversy, but no one has offered any proof; no one has asked for a hearing; and no one has offered any evidence. For that reason, I felt, as a Senator, that I should take the same position I would take with respect to any man who holds public office and who occupies a place that someone else may desire to have, unless there is proof of malfeasance or nonfeasance or incompetence in office. As to the charges or allegations made on both sides, I know nothing about them. However, I think it only fair that I ask to have printed in the RECORD letters and telegrams from both sides of the controversy. They have come to me during the last year, and particularly during the last few days.

I shall ask, Mr. President, to have printed in the RECORD some letters requesting the removal of Christgau and stating the reasons why it is desired to have him removed. I shall also ask to have printed in the RECORD telegrams from various communities, particularly from city and public officials who are elected in Minnesota on a nonpartisan ballot. In Minnesota we are so old-fashioned that we believe we are still governed by a constitution. Every city official, every village official, every township supervisor, and every member of the legislature takes an oath to support the Constitutions of the State and of the United States. He does not take an oath to support any party. So he is sworn to execute the duties of his office under the Constitutions of the State and of the United States. Therefore we elect them on a nonparty ballot. These telegrams that come to me come from public officials, mostly, also labor unions and veterans' organizations. They come from Republicans and Democrats and people of various political affiliations. As a matter of fairness to them, to those who want Mr. Christgau removed and to those who protest against his removal, I ask that at least a fair sample of them be presented and printed in the RECORD.

Mr. President, so far as the pending amendment is concerned, I think it is unnecessary for me to express at any length my opinion. I have heretofore expressed my opinion on the floor of the Senate. In Europe, under the parliamentary system there prevailing, there is strict party government. The government in power may be kicked out at any time when there is a vote of lack of confidence. The Members of the Parliament are not elected for a term of years; they are elected by a party and obey the party leader. Here we are elected under the Constitution, and we swear to support it and discharge the duties as was intended by those who founded this Government. A Member of the House of Representatives represents his district, and a man elected to the Senate represents his State as such. In my opinion, it is un-American to consider that he has loyalty to anything but his State, to the Nation, and to the Constitution.

In my opinion, any man who would use public funds or permit public relief funds to be used to influence a free election by a free people ought to be driven from public office. It is impossible to have a free people unless we have free elections, and we cannot have free elections if they can be bought with money.

I will go further than the Senator from New Mexico, for I would make it a crime for anyone appointed—and there is a difference, as we all known between a man who is elected to a legislative position to make the policies of government and a man who is appointed to a clerical or executive position to administer the law—I would make it a crime for anyone appointed to handle relief funds, which should be distributed to men of all parties, to corrupt their freedom of ballot. The man who is hungry and votes one ticket is as much entitled to relief as is the one who votes another ticket.

Men's political affiliations should have nothing to do with whether they shall have bread. They are all entitled to bread. That is why the money is voted by the Congress of the United States. I do not believe we can make too stringent legislation to protect the freedom of the conscience of the people and to divorce political considerations from the privilege of having bread.

Now, Mr. President, I send to the desk the letters and telegrams to which I have referred and ask that they be printed in the RECORD at this point.

The PRESIDING OFFICER. Without objection, it is so ordered.

The letters and telegrams referred to are as follows:

MINNEAPOLIS, MINN., *March 15, 1938.*

Senator SHIPSTEAD.

DEAR SENATOR: Am writing you to let you know I am very much disappointed in your attitude toward Christgau. If there was ever a man who was not big enough for his job it is this same

Christgau. He has been unfair to organized labor from the first day he was put in that job. If you are not a friend of labor, admit it, and we will act accordingly. Hoping you see fit to stand back of the people that elected you, I am

Sincerely,

H. R. McDONALD.

WORKERS' ALLIANCE OF MINNESOTA,
St. Paul, Minn., April 4, 1938.

LABOR RELATIONS BOARD,
Works Progress Administration, Washington, D. C.

GENTLEMEN: The Workers' Alliance of Minnesota wish to protest the action of Victor Christgau in the refusing of jobs to single workers in camps who voluntarily returned to their place of residence in St. Paul and Minneapolis in the hope of getting jobs at home when the State's quota was increased by 12,000 on March 1, 1938.

Single workers who refused to go to camps for the past year or two but who were on relief in Minneapolis and St. Paul during February 1938 were given a choice of (1) taking a job in their place of residence with the understanding that they might be laid off if additional married men were certified for jobs, or (2) taking a job in a camp (about 200 miles from their place of residence and at a $44 wage instead of $60.50).

Single workers who individually have left the camps since March 1 for personal reasons or for drunkenness have been assigned to Works Progress Administration jobs in Minneapolis and St. Paul.

However, some 94 single workers, who collectively came to Minneapolis and St. Paul the last week in February under the leadership of the Workers' Alliance asking that they be given the same choice as single workers who previously have refused to go to the camps, have been consistently blacklisted and discriminated against by Victor Christgau, in the hope of starving them into submission and forcing them to go back to camp. All this has been going on while the job quotas in Minneapolis and St. Paul are not yet filled.

In a recent conference with R. C. Jacobsen, regional representative of the Works Progress Administration, Jacobsen defended Christgau to V. L. Mitchell, secretary-treasurer of the Minnesota Workers' Alliance, and stated that this was a "disciplinary measure" and that the whole Works Progress Administration was a "disciplinary program."

We wish to state that we thoroughly disagree with Mr. Jacobsen's stand on this question and that only an Army man or an overzealous social or religious fanatic could have such a viewpoint toward a Government works program under our democratic system of government.

President Roosevelt in a letter to David Lasser on March 19, in greeting the National Conference on Work and Security, held in Washington, D. C., on that date, stated, "Our first duty then is to find work for every able-bodied man and woman." He did not say that these men and women had to be married or that 100 single men in Minneapolis and St. Paul should be blacklisted because they collectively demanded jobs in their place of legal residence when such jobs were open on the Works Progress Administration quota.

President Roosevelt further stated that "only through labor can security be achieved." From this remark we conclude that he does not favor the hamstringing of honest and constructive efforts on the part of Works Progress Administration workers to improve their conditions.

In this same letter President Roosevelt stated that he welcomed constructive recommendations and that discussion on unemployment should be "full and free, but constructive in tone and objective, as well as frank and honest in approach."

We maintain that the approach of Victor Christgau in handling the problem of single workers in Minnesota has not been frank and honest, nor has it been constructive, but rather a sabotage of single workers who during the past one and a half years have been forced to go to far-distant camps or starve to death as the local relief administrators collaborated during that period of time to refuse relief to anyone who would not accept a Works Progress Administration camp job.

Local relief officials have recently rescinded their drastic policy and have expressed the desire that these workers be given jobs in their place of residence and that only volunteers be sent to camps. However, Christgau still refuses to yield to reason or a fair settlement of this problem.

In a recent interview with Aubrey Williams, Acting Director of Works Progress Administration, in regard to this problem, Mr. Williams informed me that he was opposed to a "forced labor policy" regarding jobs on Works Progress Administration. Then why does this policy still exist in Minnesota and even get worse with a "blacklist" formed when workers try to honestly and constructively call this to the attention of the administration?

May we have an honest and immediate solution of this question in Minnesota?

Very truly yours,

CHESTER WATSON,
President, Workers' Alliance of Minnesota.

FRAZEE, MINN., *April 25, 1938.*

Hon. HENRIK SHIPSTEAD,
Washington, D. C.

DEAR SENATOR: As a member of the Workers' Alliance I am asking you to aid Minnesota's W. P. A. and other workers, including farmers, in getting Mr. Christgau removed as State administrator of the W. P. A., and a more sympathetic man in charge of the work he is supposed to do.

There are rather grave charges against Mr. Christgau, as favoritism and unwillingness to encourage the noxious-weed eradication. We need a man at head of W. P. A. who cares for the "ill-housed, ill-clad, ill-fed."

Thank you for attention.

Sincerely,

Rev. C. E. WALKER.

P. S.—Of course, you will support bills for increased appropriations for Works Program.—C. E. W.

MINNEAPOLIS, MINN., *March 13, 1938.*

Senator HENRIK SHIPSTEAD,
Washington, D. C.:

Fifth District convention today unanimously request that you bend every effort to secure removal of Victor Christgau immediately. Christgau has repeatedly demonstrated his opposition to organized labor and progressive movements. Christgau sabotage of liberal movement must be stopped.

FIFTH DISTRICT CONVENTION.

ST. PAUL, MINN., *March 14, 1938.*

Hon. HENRIK SHIPSTEAD,
United States Senator for Minnesota:

Urgently request that you make every effort to secure removal of Christgau. His continued opposition to progressive movement and sabotage of New Deal objectives must be stopped.

OLIVER C. AMUNDSON,
K. H. MARCH,
Second Congressional Committeemen.

MARCH 16, 1938.

Senator HENRIK SHIPSTEAD,
Washington, D. C.

DEAR SIR: I notice in the last Minnesota Leader that Gov. Elmer Benson has protested to you on the matter of Victor Christgau being continued as W. P. A. administrator for Minnesota.

How Mr. Christgau came to be appointed in the first place is a mystery to me. When one watches his doings and his own appointments, he shows himself up as a political opportunist of the same stripe as L. P. Zimmerman was. I suggest Christgau be tossed out like Zimmerman was.

Mr. Christgau just recently appointed a State committee to take stock of W. P. A. in the State. One of his appointments was Mr. George A. Barnes, county attorney of Redwood County. Mr. Barnes is an old stand-pat reactionary Republican and "dirty-man Friday" for former Republican Representative Frank Clague, another old-time reactionary.

Barnes has been saying nice words to the face of present administration officials, Federal and State, and turns right around as soon as their backs are turned and double-crosses them to a fare-you-well. He is the slickest saboteur of Democratic and Farmer-Labor policies there is living in this county.

Ye gods, can't you see the betrayal to Washington and yourselves when Christgau makes such appointments, for he certainly knows the kind of man Barnes is. If he don't, he is mighty careless of your interests in not finding out. Birds of a feather flock together, so I take it Christgau is of the same "feather" as Barnes.

How about a good Farmer-Labor man, or at the very least an honest-to-gosh-true-blue Democrat in Christgau's place, and soon?

May I suggest you gentlemen "put the bug" on Jim Farley and see what can be done. If we want Republicans running things here, we will get busy and elect better ones than these fellows.

Yours for a right type of man in Mr. Christgau's place.

Respectfully,

E. F. CARPENTER.

MINNEAPOLIS, MINN.,
May 19, 1938.

HENRIK SHIPSTEAD,
Senator, Washington, D. C.:

The sixth ward downtown local of the Workers' Alliance, located at 212 Hennepin Avenue, Minneapolis, Minn., resolved at their meeting tonight to send the following letter to Senator SHIPSTEAD.

DEAR SENATOR: We want Victor Christgau removed from the W. P. A. administration post in St. Paul, because he is a vicious antilaborite, he personally has never granted our committees one single demand, he is personally responsible that smaller bosses on the projects oppose our stewarts to organize and bargain collectively. To bargain collectively and organize is our constitutional right. Christgau is against the American Constitution; he is a Fascist-minded type of a person who uses his office to play politics with the Fascist-minded Republican reactionaries in order to set up a system where he and his clique can tramp on us and our rights with an iron and bloody heel. After much pressure he will put certain groups of us to work, and then in a few months he maneuvers to lay us all off again; for instance, last spring he maneuvered with the threat, "If you don't go out to the camps or find a job somewhere else you are going to lose your W. P. A. job here in Minneapolis and are not allowed to go on relief either." This threat caused fear amongst the single men, so that over a thousand men gave up their W. P. A. job in Hennepin County at $60.50 and went to the Watson, Appleton, and other camps at the

wage of $44 per month, and then when two or three hundred of them came back this spring he refused to give them jobs back in their county where they really belong; besides that he blacklists them and discriminates against them in every shape and form. Mr. SHIPSTEAD, let us guarantee you that our organization will leave no stone unturned until this vicious labor hater is out of office, and what we want beside that, is that you as a Farmer-Laborite go along with us and to let us know if you are willing to do this. We want this just for future reference, because we are just beginning to fight.

Yours truly,

H. J. JOHNSON, *Secretary.*

We have mailed to Senator ERNEST LUNDEEN proof showing there has been a blacklist system set up in Minnesota by Victor Christgau, and we hope you will see that this is abolished, and give LUNDEEN your full support.

LOCAL W–474, WORKERS ALLIANCE OF MINNESOTA,
Minneapolis, Minn.

Mr. HARRY L. HOPKINS,
Administrator, Works Progress Administration,
Washington, D. C.

DEAR SIR: At the last regular meeting of our local a motion was passed to call upon you to remove Victor Christgau as Minnesota W. P. A. administrator.

We realize that our local, embracing as it does a majority of those employed on the Twin Cities writers' project, is only a small voice. However, the demand for the removal of Mr. Christgau has become most widespread among W. P. A. workers in this State. The reasons for this you probably already know.

Certainly Mr. Christgau has not conducted his office in a manner to indicate that he is in any way in line with the politics of Mr. Roosevelt, yourself, and the New Deal.

It seems to be an open secret that for many months Mr. Christgau held the number employed here below the Minnesota quota. You are already acquainted with what happened to our weed-control project, due to this gentleman's interference.

As for our dealings with his office we can cite two instances in which we have been treated unfairly. The first instance was when after the cutting of the Federal projects last August Mr. Christgau's office attempted to transfer our workers on the writers' project to State projects at lower rates of pay. On a later occasion a delegation from our group was given to understand that Mr. Christgau's office would do nothing to assist us in getting satisfaction on our demands.

We, therefore, ask, in the name of the many thousands who are made to suffer because of Mr. Christgau's policies, that you immediately harken to the almost universal demand for the removal of this enemy of all progress. The good name of the administration is at stake. Will you not therefore act at once?

Respectfully yours,

JOHN MARSHALL, *Chairman.*

Resolution to Franklin D. Roosevelt, President of the United States, and Minnesota Senators and Congressmen and Harry L. Hopkins, W. P. A. Administrator

TWIN VALLEY, MINN., *April 8, 1938.*

At our regular monthly meeting held April 8, 1938, the following resolution was unanimously passed:

Whereas Victor Christgau, State W. P. A. administrator, is an enemy not only of the Farmer-Labor Party but a menace to the best interest of the farmers and workers in the State;

Whereas the latest manifestation of Christgau's hostility to the best interest of the State and its farmers and workers in his knifing of the State W. P. A. weed-eradication project. Noxious weeds, particularly creeping jenny and leafy spurge, have become a real menace to agriculture in the State generally and to the income of thousands of our farmers. Here was an opportunity through the use of $600,000 Federal funds for labor and $140,000 State funds for chemicals and other materials to give some real help to farmers in weed eradication without any cost to them.

What did Christgau, the farmers' friend, do? Did he help, as the W. P. A. did in other States? No. He knifed the project; and when he was exposed in his duplicity and hypocrisy by the State department of agriculture, Governor Benson, and the Department of Agriculture, he tried to cover up his betrayal of the farmers' interests by an attack on the Governor and the State administration.

Whereas our charges that Christgau is a reactionary, hostile to the New Deal and all other liberal ideals, have also been proven by the open charges made at the State convention of the Younger Democrats at Duluth that Christgau through his W. P. A. appointees endeavored to capture the convention for the reactionary Democrats who supported Landon in the last Presidential election; and

Whereas the retension of this reactionary and anti-New Dealer masquerading as a Democrat in the position of State W. P. A. administrator is an affront to the progressive State of Minnesota and results in unnecessary hardship to the W. P. A. workers in the State: Therefore be it

Resolved, That the Farmer-Labor Club, of Twin Valley, Minn., urge his immediate removal; and be it further

Resolved, That we urge the congressional delegation from Minnesota as well as all labor and progressive organizations in the State to join us in this demand for Christgau's removal because of his reactionary policies and the danger of such policies to the welfare of the farmers and workers in the State.

Copies to Governor Benson, Senators Lundeen and Shipstead, Congressman R. T. Buckler, President Roosevelt, and Harry L. Hopkins.

HANS BRAKOB,
President,
C. O. CHRISTIANSON,
Secretary,
Twin Valley Farmer-Labor Club.

Resolutions of Paynesville Workers' Alliance, Local No. G–587

The following resolutions and endorsements were unanimously passed by the Workers' Alliance, Local No. G–587, on April 14, 1938, to be presented to the national office of the Workers' Alliance of America and to our State and district offices and Congressmen and Senators in Washington, D. C.:

"*Resolved*, That the State W. P. A. administrator, Victor Christgau, be removed from office at once. The reason for this request is as follows: Because Victor Christgau is opposed to organized labor and especially the Workers' Alliance.

"The whole W. P. A. is opposed to organized labor. Specific regulations from Washington with regard to prevailing wages, hours of work, workers' right to organize, are deliberately violated or disregarded by Victor Christgau and his State and local W. P. A. administration, giving rise to labor strife and strikes on W. P. A. in various localities in the State.

"The W. P. A. is rotten with favoritism and discrimination. Foremen and timekeepers are picked not for their competency and need but because they are the political henchmen of reactionary officials. Needy unemployed persons competent to fill these jobs are left to starve or given the lowest paid jobs, while the better jobs go to the political henchmen of Christgau.

"That workers are doing skilled work but are paid unskilled wages. Trade-union standards and wages so long fought for by organized labor are being undermined and destroyed by Christgau's antilabor administration."

JOHN A. THIELEN, *President.*
E. C. BROCK, *Secretary.*

WINONA, MINN., *April 13, 1938.*

HENRIK SHIPSTEAD,
Senator from Minnesota, Washington, D. C.

DEAR MR. SHIPSTEAD: Whereas Victor Christgau has consistently set himself up against the best interests of the State and its farmers and workers; and

Whereas he has established himself as a one-man ruler and virtual dictator by his methods of self-publicity by setting up his own political machine, and by favoritism and his aid to reactionary forces to defeat progressive enactment; and

Whereas he has by his past acts and his maneuverings failed to accomplish the weed-eradication project; and

Whereby $600,000 of Federal funds did not come into the State to help the farmers, workers, businessmen; and

Whereas his activities have proven him antilabor, antiprogressive; and

Whereas he has shown himself to be definitely opposed to the workers who have lost their jobs through no fault of their own and against the farmer and small-business man:

We, members of the Workers' Alliance of Winona, Local 27, demand his immediate removal.

JESSE LONG, *President.*
LEANDER SYDLO,
Vice President.
MRS. HARRY TIETZ,
Secretary-Treasurer.

At a general meeting of the Workers' Alliance assembled on May 20, 1938, a concurrent resolution was unanimously passed as follows:

Whereas it has come to our attention that Mr. Victor Christgau, W. P. A. administrator of the State of Minnesota, is not doing his duty as such, in compliance with the needs of the people of said State of Minnesota, and

Whereas we feel that such attitude on the part of Mr. Victor Christgau is unfair and contrary to the best interests of the people concerned, and others, and

Whereas we claim the reactionary attitude of said Christgau is sufficient reason to demand his removal from the said position as Works Progress administrator of Minnesota, now therefore be it

Resolved by the Workers' Alliance of Freeborn County, Minn., That the utmost influence be used to remove Victor Christgau as W. P. A. administrator of the State or Minnesota: Be it further

Resolved, That copies of this resolution be sent to Harry Hopkins, W. P. A. Administrator, Washington, D. C.; President Roosevelt; Congressman Andresen, Washington, D. C.; David Lasser, president of Workers' Alliance of America, Washington, D. C.; Chester Watson, president of Workers' Alliance of Minnesota, St. Paul, Minn.; and Senator Henrik Shipstead.

Dated at Albert Lea, Minn., this 24th day of May 1938.

N. C. NELSON,
Chairman, Resolutions Committee.

Whereas a W. P. A. State administrator of relief work should be progressive, open-minded, loyal, and in accord with the objectives of the New Deal relief program, and in sympathy with the problems of the needy, and should have a mental attitude and character that could cooperate with the State administration; and

Whereas Mr. Victor Christgau, State W. P. A. administrator, has apparently on numerous occasions shown hostility to the Farmer-Labor State administration, disloyalty to the New Deal, a career of antilabor and antiprogressive activities, and has used his W. P. A. set-up to aid the reactionary forces of the State, and shown favoritism and discrimination in choosing his helpers; and

Whereas he has deliberately disregarded or violated specific orders from Washington with regards to specific wages, hours of work, workers' right to organize—thus giving cause for strikes; and

Whereas he ignores wage standards and scales recognized by organized labor, thus undermining the workers' standard of living; and

Whereas he had to be forced by the State administration to aid drought-stricken farmers; and

Whereas he apparently diverts Federal funds for an elaborate publicity organization for his own personal aggrandizement and aids the kept press and reactionary forces in the State in attacks on labor, the farmer, and the progressive movement; and

Whereas he is apparently knifing the State W. P. A. weed-eradication project, a project doubly valuable to the farmers, since it should tend to increase the income of the farmers, and at the same time provide employment that is now very much needed: Now, therefore, be it

Resolved, That Harry Hopkins, Federal Relief Administrator be, and hereby is, requested to immediately discharge the said Victor Christgau from his office as State W. P. A. administrator for the State of Minnesota.

LOCAL G890, WORKERS' ALLIANCE OF AMERICA,
Littlefork, Minn.

Attest:

R. H. HAWKINS, *Secretary.*
ALBERT PETERSON, *Chairman.*

CENTRAL COMMITTEE OF THE RICE COUNTY FARMER-LABOR ASSOCIATION,
Lonsdale, Minn., May 9, 1938.

Senator SHIPSTEAD,
Washington, D. C.

DEAR SENATOR: *Resolved*, We the Rice County Farmer-Labor Central Committee do hereby ask that Victor Christgau, State Works Progress Administration administrator, who has been an enemy not only of the Farmer-Labor Party but a menace to the best interests of the farmers and workers in the State, be removed from his present position.

RICE COUNTY FARMER LABOR CENTRAL COMMITTEE,
BERT L. TRAXLER, *Secretary.*

Senator SHIPSTEAD,
Senate Office Building, Washington, D. C.

REMOVE CHRISTGAU

Whereas we feel that Mr. Victor Christgau, Minnesota Works Progress administrator, is using unfair labor tactics in his discrimination against the single workers who went to the Works Progress Administration camps under promise of first chance to work in the Twin Cities area at $60.50 as soon as single men would be reassigned; and

Whereas single men who have refused to go to camps and work for $44 monthly are given assignments and Mr. Victor Christgau continually refuses to assign the single men from the camps to jobs in areas in which they are legal voters and have legal residence; and

Whereas Mr. Victor Christgau from time to time shows his hatred for organized labor by discriminating against various trade-unions and other organizations; and be it therefore

Resolved, That we demand the immediate discharge of Mr. Victor Christgau as Minnesota Works Progress administrator and be replaced by a Farmer-Laborite friendly to organized labor.

THIRD AND FOURTH WARD LOCAL WORKERS' ALLIANCE,
ALFRED BACHMAN, *President, Minneapolis, Minn.*

P. S.—Passed unanimously at regular meeting of Third and Fourth Ward Local Workers' Alliance, April 22, 1938, at Labor Lyceum. Eighty-five members present.

JOHN HANSON, *Secretary.*

What did Christgau—the farmers' friend—do? Did he help as the Works Progress Administration did in other States? No. He knifed the project and when he was exposed in his duplicity and hypocrisy by the State department of agriculture, Governor Benson, and the United States Department of Agriculture, through Mr. Paul Appleby, assistant to the Secretary of Agriculture Wallace, he tried to cover up his betrayal of the farmers' interests by an attack on the Governor and the State administration.

Despite the lying newspapers, despite Christgau's political machine and publicity organization, the farmers of Minnesota know that it is Christgau who knifed the one and only project which was intended to be of direct help to the farmers. This responsibility he cannot and will not escape.

WEED OUT CHRISTGAU

This hypocritical and false liberal must be exposed. His drive against labor, farmers, and progressives in the State must be stopped. Every honest worker, farmer, and merchant should help. Write to your Congressmen and Senators; pass resolutions and send them to Harry Hopkins, to the President, to the Minnesota Congressmen and Senators.

Tell them the truth about this man, and demand his removal.

Subscribing to the above statement, I implore those having authority, to act upon this petition.

REV. C. E. WALKER,
Minister of the Presbyterian Church.

Also signed by chairman and secretary of Workers' Alliance No. 112, of Frazee, for the entire membership of 77 by proclamation.

G. W. COBLER, *Chairman.*
MRS. MATH THELEN, *Secretary.*

WORKERS' ALLIANCE OF MINNESOTA,
St. Paul, Minn.

WEED OUT CHRISTGAU

Victor Christgau, State Works Progress Administration administrator, is an enemy not only of the Farmer-Labor Party but a menace to the best interests of the farmers and workers in the State.

His mask of false liberalism must be torn off. His lip service to the New Deal and the people's interests must be exposed. His career of antilabor and antiprogressive activities must be stopped.

Victor Christgau is a political chameleon. He had been by turns a Farmer-Laborite, a Republican, and a Democrat. Since he became State Works Progress Administration administrator he has used the powers of his office and the Works Progress Administration to support and aid the most reactionary interests in the State in their drive against the workers and farmers in the State.

The Works Progress Administration is rotten with favoritism and discrimination. Foremen and timekeepers are picked not for their competency and need but because they are the political henchmen of reactionary officials. Needy unemployed persons competent to fill these jobs are left to starve or given the lowest paid jobs, while the better jobs go to the political henchmen of Christgau.

The whole Works Progress Administration is opposed to organized labor. Specific regulations from Washington with regard to prevailing wages, hours of work, workers' right to organize are deliberately violated or disregarded by Victor Christgau and his State and local Works Progress Administration administration, giving rise to labor strife and strikes on Works Progress Administration in various localities in the State.

Workers are doing skilled work but are paid unskilled wages. Trade-union standards and wages so long fought for by organized labor are being undermined and destroyed by Christgau's antilabor administration. Women's wages on sewing projects have been cut all over the State. Deals are made with local governments and contractors whereby Works Progress Administration labor is exploited for profit by private contractors who would otherwise have to employ labor at union rates and standards. The State Federation of Labor, at its last annual convention, condemned his antilabor activities.

Every concession ever gotten from Christgau has had to be wrested from him after a long and hard struggle on the part of labor, the farmers, and progressives in the State. It was Floyd B. Olson, with the aid of labor, who made Christgau grant the 10-percent increase in the security wage. It was Governor Benson, aided by organized labor and the Workers' Alliance, who forced Christgau to employ his full Works Progress Administration quota in the State after Christgau deliberately deprived thousands of farmers in the State of Works Progress Administration jobs in the drought of 1936 when there were no quota limits.

Through an elaborate publicity organization highly paid from Government funds diverted from the unemployed, Victor Christgau floods the State with publicity for his personal aggrandizement. Through the same publicity organization he aids the kept press and every reactionary force in the State in their attacks on labor, the farmer, and the progressive movement in the State.

He twists the truth, and while he talks hypocritically of the New Deal and the people he allies himself with the worst reactionaries in both the Republican and Democratic parties for the defeat of the very measure advocated by the New Deal in the interests of the people.

The latest manifestation of Christgau's hostility to the best interests of the State and its farmers and workers is his knifing of the State Works Progress Administration weed-eradication project. Noxious weeds, particularly creeping Jennie and leafy spurge, have become a real menace to agriculture in the State generally and to the income of thousands of our farmers. Here was an opportunity through the use of $600,000 Federal funds for labor and $140,000 State funds for chemicals and other materials to give some real help to farmers in weed eradication without any cost to them.

The Workers' Alliance of the second Works Progress Administration district, in the Ninth Congressional District, held a district conference in Detroit Lakes on May 21, 1938, at 10 a. m., in the

Grand Army of the Republic Hall, with 261 delegates present, and passed the following resolution:

"Whereas Victor Christgau, Works Progress Administration administrator for Minnesota, has proven himself to be opposed to labor; and

"Whereas he has continued to appoint men and women to positions, or allowed them to be appointed by his assistants, and placed them in a position where they could jeopardize Works Progress Administration and be antagonistic to labor: Now, therefore, be it

"*Resolved*, That we support ERNEST LUNDEEN in his proceedings of removing Christgau, and that we give him all assistance possible."

EDGAR MIKKELSON,
Moorhead, President,
G. W. COLBERT,
Frazee, Vice President,
GUS NELSON,
Moorhead, Treasurer,
JOHN VOGT,
Manahga, Secretary,
GEO. W. BLAKE,
Fergus Falls, District Organizer.

DULUTH, MINN., *May 23, 1938.*

Hon. HENRIK SHIPSTEAD,
United States Senator, Washington, D. C.:
I protest vigorously any attempt to remove Mr. Christgau; his removal would be very unpopular in Minnesota; imperative he be retained.

JOHN P. ERICKSON,
Democratic National Committeeman for Minnesota.

DULUTH, MINN., *May 24, 1938.*

Hon. HENRIK SHIPSTEAD,
United States Senator, Washington, D. C.:
St. Louis County Younger Democrats heartily endorse the nonpolitical administration of Victor Christgau, Minnesota Works Progress Administration director, and urge that he be fully retained.

E. O. MUCELI,
President, Younger Democrats of St. Louis County.

APPLETON, MINN., *May 23, 1938.*

Senator HENRIK SHIPSTEAD,
Washington, D. C.:
Victor Christgau has performed superhuman service to Minnesota as Works Progress administrator, and in my estimation it would be a great mistake to discharge him and disrupt a very efficient organization to satisfy a vicious political machine. I therefore ask you to give this matter your careful consideration.

A. T. FORSBERG, *Mayor.*

ALEXANDRIA, MINN., *May 24, 1938.*

Senator HENRIK SHIPSTEAD,
Senate Chamber:
Heartily commend your support of Mr. Christgau and urge you to continue it. My intimate contact with sponsors, supervisors, and workmen in Douglas County enable me to assure you that they are very much in favor of his retention. The complaints and charges against him are without foundation and are not inspired by proper motives. If time permitted I could get every Works Progress Administration worker in my county to sign this.

J. L. FITZGERALD,
Democratic County Chairman.

ST. PAUL, MINN., *May 19, 1938.*

Senator HENRIK SHIPSTEAD,
United States Senate Office Building, Washington, D. C.:
I have the highest regard for Victor Christgau as administrator.

M. H. GEHAN,
Mayor, City of St. Paul.

DULUTH, MINN., *May 24, 1938.*

Senator HENRIK SHIPSTEAD:
All members, Local 592, National Federation of Federal Employees, strongly urge retention of Victor Christgau as State administrator. His loyalty to the program justifies this action.

W. H. MILLER,
President, Local 592, Brainerd, Minn.

VIRGINIA, MINN., *May 24, 1938.*

Senator HENRIK SHIPSTEAD,
Senate Office Building:
Keep Christgau; able, fair, satisfactory, except to radical minority group.

R. E. BAUMGARTNER,
Labor Advancement Association, Local 7.

GILBERT, MINN., *May 24, 1938.*

HENRIK SHIPSTEAD,
Washington, D. C.:
We request to retain Victor Christgau as State administrator.

LABOR ADVANCEMENT ASSOCIATION.

ST. PAUL, MINN.

Senator HENRIK SHIPSTEAD,
Senate Office Building, Washington, D. C.:
Love of our country above party label impels us to repudiate the present crude and contemptible attempt to remove Christgau. Recent requests for funds by these political manipulators who use human misery for self aggrandizement were refused by Christgau and upheld in Washington. He has efficiently and honestly handled Works Progress Administration funds in this State. We stand behind him because he has done his duty as a servant of the people and not the servant of those that now demand his removal.

YOUNGER FARMER-LABOR ASSOCIATION,
C. D. PETERSON, *President.*

ST. PAUL, MINN., *May 24, 1938.*

Senator HENRIK SHIPSTEAD,
Senate Office Building, Washington, D. C.:
Monday, May 16, a resolution was passed by the Building Trades Council asking that you remove Victor Christgau as State administrator of Works Progress Administration in Minnesota on the grounds that he has discriminated against union labor. The Twin Cities Pipe Trades Council, composed of Plumbers Local Union, No. 15, of Minneapolis; Plumbers Local Union, No. 34, of St. Paul; Steamfitters Local Union, No. 455, of St. Paul; Steamfitters Local Union, No. 539, of Minneapolis, and Sprinkler Fitters, No. 417, of Minneapolis, are very much opposed to any such action, as we feel that Mr. Christgau has always been most cooperative in every way with all the above-mentioned unions. Plumbers Local Union of St. Paul and Steamfitters Local Union of St. Paul are both affiliated with the St. Paul Building Trades Council, and neither of these local unions voted in favor of the above-mentioned resolution.

TWIN CITIES PIPE TRADES COUNCIL,
WILLIAM J. CANNON, *Secretary.*

AUSTIN, MINN., *May 24, 1938.*

Senator SHIPSTEAD:
Labor satisfied with Christgau. We urge you keep him State administrator.

FRED FISHER,
President, Machinist Lodge 563.

MINNEAPOLIS, MINN., *May 24, 1938.*

HENRIK SHIPSTEAD,
Senate Office Building, Washington, D. C.:
Plumbers' Union No. 15 of Minneapolis wish to protest any action leading to the removal of Victor Christgau as State administrator of the Works Progress Administration in Minnesota, as we feel that Mr. Christgau has done an excellent job and has cooperated with union labor in every way.

A. J. MCINERNY,
Business Representative, Plumbers' Union.

ST. PAUL, MINN., *May 23, 1938.*

Senator SHIPSTEAD,
Washington, D. C.:
We hope that you will retain Christgau as Works Progress administrator in Minnesota, as he has always been fair to our union in this county.

JOHN G. MANN,
Secretary, Bricklayers and Stone Mason Union.

MINNEAPOLIS, MINN., *May 23, 1938.*

Senator HENRIK SHIPSTEAD,
Washington, D. C.,:
Victor Christgau as State administrator a great advantage to labor. Kindly act for his retention.

WARD S. ELLIS,
President, Local 605, N. F. F. E.

AUSTIN, MINN., *May 24, 1938.*

Senator SHIPSTEAD:
Labor satisfied with Christgau. We urge you keep him State administrator.

RICHARD TAYLOR,
Chairman, Federated Shopcraft.

DULUTH, MINN., *May 24, 1938.*

Hon. HENRIK SHIPSTEAD,
United States Senator, Washington, D. C.:
Confidence of this local union still rested in Victor Christgau.

FEDERAL LABOR UNION No. 20550,
D. E. WRIGHT, *President,*
M. DEBRULE, *Secretary.*

VIRGINIA, MINN., *May 24, 1938.*

Senator HENRIK SHIPSTEAD,
Washington, D. C.:
Victor Christgau, State Works Progress Administration administrator, is able, efficient, and a conscientious public servant, we deplore the present attempt to effect his removal and strenuously object to same.

COUNTY EMPLOYEES LOCAL 117,
AMERICAN FEDERATION OF LABOR,
R. J. STICKNEY, *President.*

AUSTIN, MINN., *May 24, 1938.*

Senator HENRIK SHIPSTEAD,
Senate Office Building:

Order railway conductors satisfied with Victor Christgau administration, request he be retained as State administrator Works Progress Administration.

ORDER OF RAILWAY CONDUCTORS,
C. C. CAREY, *Secretary.*

ST. PAUL, MINN., *May 24, 1938.*

Senator HENRIK SHIPSTEAD,
Senate Office Building, Washington, D. C.:

Plumbers' Local Union, No. 34, of St. Paul, affiliated with St. Paul Building Trades Council, are not in accord with the action of said council in asking removal of Victor Christgau as Works Progress Administration administrator of Minnesota, on the contrary membership of local union, No. 34, are behind Mr. Christgau 100 percent, as we feel that he has been very fair in every way, and that rather he be censured he should be commended for the fine job he has done.

PLUMBERS' LOCAL UNION, No. 34,
A. G. ACKERMAN, *Secretary.*

MINNEAPOLIS, MINN., *May 25, 1938.*

Senator HENRIK SHIPSTEAD,
United States Senate, Washington, D. C.:

I heartily endorse Mr. Christgau's outstanding accomplishments in Minnesota.

JOSEPH H. PEPPIN,
Legislative Representative, Brotherhood Railroad Trainmen.

MOORHEAD, MINN., *May 27, 1938.*

Hon. SENATOR SHIPSTEAD,
Washington, D. C.:

Realizing the difficulties of administering the policies of Works Progress Administration, we wish to compliment the Works Progress Administration for its comprehensive program, especially in this part of Minnesota where the relief problem has been and is so acute. We hope the good work will continue.

FARGO-MOORHEAD ALLIED WORKERS, LOCAL 252.

VIRGINIA, MINN., *May 27, 1938.*

Senator HENRIK SHIPSTEAD,
Senate Office Building, Washington, D. C.:

As your constituents, we oppose any attempt to oust Victor Christgau; he has made a splendid record. Please continue your support of our administrator.

Mrs. Caroline Sandberg, Mr. and Mrs. Berge, Mr. and Mrs. Hanses, Mr. and Mrs. Smith, Mr. and Mrs. Reid, Mr. and Mrs. Hill, Mr. and Mrs. Pearson, Mr. and Mrs. Hanson, Mr. and Mrs. Ole, Dr. Hall, Dr. and Mrs. MacDonals, Reverend and Mrs. Hallsten, Mrs. Blow, secretary, Child Welfare.

SLEEPYEYE, MINN., *May 27, 1938.*

Hon. HENRIK SHIPSTEAD,
Washington, D. C.:

Victor Christgau, the Works Progress Administration administrator for Minnesota, has fulfilled his office in a very capable manner and we ask that he be retained in that capacity.

CITY COUNCIL, SLEEPYEYE,
J. A. GLASMAN, *President,*
C. C. HANSON, *Mayor.*

MORRIS, MINN., *May 24, 1938.*

Hon. HENRIK SHIPSTEAD,
Washington, D. C.:

As chairman, Minnesota Emergency Relief Committee, I had many conferences with Victor Christgau. Found him primarily interested in promoting Works Progress Administration program to do greatest possible good for needy at least possible expense. I strongly urge you support Christgau for present position.

A. D. CRISSEY.

OLIVIA, MINN., *May 27, 1938.*

Hon. HENRIK SHIPSTEAD,
Senate Building, Washington, D. C.:

Would like your support for Victor Christgau.

G. W. WINDHORST.

BEMIDJI, MINN., *May 24, 1938.*

Senator SHIPSTEAD,
Washington, D. C.:

Keep Christgau on the job. Don't let dirty politics oust the best man. Keep the grafters off that one job.

VILLAGE COUNCIL, VILLAGE OF SOLWAY, MINN.
MARTIN SORENSON,
S. M. FERRELL,
JULIUS MATHIASON,
C. W. FREDERICKSON, *Clerk.*

MINNEAPOLIS, MINN., *May 24, 1938.*

Senator HENRIK SHIPSTEAD,
Senate Office Building, Washington, D. C.:

Urge retaining Christgau. Ouster movement strictly political. Christgau is impartial.

FRANCES PLOURD.

WABASHA, MINN., *May 28, 1938.*

Senator HENRIK SHIPSTEAD,
Senate Building:

The Board of County Commissioners of Wabasha County respectfully request your continued support of Victor Christgau as State administrator for Works Progress Administration.

JOSEPH RYAN,
Chairman, Wabasha County Board.

SPRINGFIELD, MINN., *May 26, 1938.*

HENRIK SHIPSTEAD,
Senate, Washington, D. C.:

We feel that the criticism leveled at Victor Christgau is unjustified. Facts distorted to create wrong impressions. We found him fair, honest, and just in his dealings with us and the workers, and urge his retention as Works Progress Administration administrator as of greatest benefit to Minnesota.

SWIMMING POOL COMMITTEE,
R. J. MUELLER, *Chairman.*
GEO. MIESEN, *Secretary.*

STEWART, MINN., *May 26, 1938.*

Hon. HENRIK SHIPSTEAD,
Senate Building, Washington, D. C.:

We urge your active support be given Victor Christgau against his removal as State administrator of Works Progress Administration.

H. E. PROEHL, *Mayor.*
P. L. SCHMITZ, *Clerk, School Board.*

BEMIDJI, MINN., *May 26, 1938.*

Hon. HENRIK SHIPSTEAD,
Washington, D. C.:

Please use your influence to retain Victor Christgau State administrator. We are pleased with the way in which he has handled Works Progress Administration.

J. W. SMITH,
Superintendent of Schools.

EXCELSIOR, MINN., *May 26, 1938.*

HENRIK SHIPSTEAD,
Senator, Washington, D. C.:

It is the desire of this association to have Victor Christgau remain as Works Progress Administration administrator for Minnesota in view of the fact that he has exercised such good judgment in handling matters pertaining to his work. We would appreciate your cooperation in his behalf.

O. J. GRATHWOL,
President, Civic and Commerce Association.

CALLAWAY, MINN., *May 25, 1938.*

HENRIK SHIPSTEAD,
United States Senator, Washington, D. C.:

We heartily approve Mr. Christgau's program.

SCHOOL DISTRICT NO. 96.

HIBBING, MINN., *May 26, 1938.*

Senator HENRIK SHIPSTEAD,
Washington, D. C.:

The Hibbing Chamber of Commerce favors the retention of Christgau as an efficient and impartial administrator, and we request that you give your full support in holding him in present position.

HIBBING CHAMBER OF COMMERCE,
CON KEPPLE, *President.*

HIBBING, MINN., *May 26, 1938.*

Senator HENRIK SHIPSTEAD,
Washington, D. C.:

Would appreciate your efforts to retain Christgau.

Mrs. J. H. ROUGH.

ROCHESTER, MINN., *May 26, 1938.*

Senator HENRIK SHIPSTEAD,
Washington, D. C.:

We most earnestly ask that you use every influence to insure that Victor Christgau be retained as Works Progress Administration administrator for Minnesota in view of his efficient and impartial administration.

ROCHESTER CHAMBER OF COMMERCE,
ERWIN L. BRIESE, *Executive Secretary.*

CROOKSTON, MINN., *May 26, 1938.*

Senator HENRIK SHIPSTEAD,
United States Senate, Washington, D. C.:
Would appreciate your consideration in retaining Christgau as administrator.

S. S. DANIELS,
President, Crookston Association Public Affairs.

REDWING, MINN., *May 22, 1938.*

Hon. HENRIK SHIPSTEAD, *Senator,*
Washington, D. C.:
I am heartily in favor of retaining Hon. Victor Christgau, administrator of Works Progress Administration for his fair dealings and executive ability in all W. P. A. projects with us in Redwing and sincerely hope he may be retained in his present capacity as administrator of W. P. A. in Minnesota.
Yours sincerely,

JOHN G. KAPPEL, *Mayor.*

AITKIN, MINN., *May 24, 1938.*

Senator HENRIK SHIPSTEAD,
Washington, D. C.:
We urgently request you to ask Federal Administrator Hopkins to retain Victor Christgau as State Works Progress administrator.

HARRY C. MOLGREN,
Commander, Post 86, American Legion.

LESUEUR, MINN., *May 25, 1938.*

Hon. H. SHIPSTEAD,
Washington, D. C.:
We, the following service men and members of American Legion, oppose the removal of Victor Christgau and ask for his retention.
Louis Bachmen, E. W. Ipsen, W. H. Schwarts, A. Schwab, Joe Schwab, Ralph Bauleke, Ivan Nelson, L. Viehman, L. Durrenberger, S. R. Johnson, John Peterson, Joe Rudin, L. Mollenhauer, C. Frank.

SWANVILLE, MINN., *May 26, 1938.*

Senator HENRIK SHIPSTEAD:
Urgently request Christgau be retained State Works Progress administrator.

UPSALA LEGION POST.

SWANVILLE, MINN., *May 26, 1938.*

Senator HENRIK SHIPSTEAD:
Christgau administration beyond improvement. Urge he be retained.

SWANVILLE AMERICAN LEGION.

ELY, MINN., *May 26, 1938.*

HENRIK SHIPSTEAD:
Urge you expend every effort retain Victor Christgau present capacity Works Progress administrator, State of Minnesota. Success of program in Minnesota due to his capable and efficient work in past.

ST. LOUIS COUNTY CLUB AND FARM BUREAU,
JOSEPH VERANTH, *President.*

ELKTON, MINN., *May 24, 1938.*

Hon. Senator HENRIK SHIPSTEAD,
Senate Chamber:
Don't let the St. Paul gang get Christgau. It's nothing but politics. Christgau is able, fair, sincere, and impartial.

J. F. SCHNEIDER,
Mower County Representative,
Democratic State Central Committee.

ST. PAUL, MINN., *May 24, 1938.*

HENRIK SHIPSTEAD,
United States Senate:
I wish to express the most sincere endorsement of Victor Christgau as administrator of Works Progress Administration for Minnesota.

GEORGE W. SNYDER,
Grand Chef de Gare, Forty and Eight, State of Minnesota.

VIRGINIA, MINN., *May 24, 1938.*

Hon. HENRIK SHIPSTEAD:
Your constituents insist Victor Christgau must not be removed.

A. P. ROMER,
Secretary, Catholic Men's Club.

VIRGINIA, MINN., *May 24, 1938.*

Hon. HENRIK SHIPSTEAD:
We implore you to do all in your power to retain Victor Christgau.

A. P. ROMER,
Knights of Columbus.

DULUTH, MINN., *May 24, 1938.*

Hon. HENRIK SHIPSTEAD,
United States Senator, Washington, D. C.:
The Minnesota Italian-American Clubs are completely satisfied with the efficient nonpolitical manner that Victor Christgau has run the Minnesota W. P. A. We want Christgau retained.

L. J. SIGNORELLI,
Secretary, Minnesota Italian-American Clubs.

MINNEAPOLIS, MINN., *May 23, 1938.*

Senator HENRIK SHIPSTEAD,
Washington, D. C.:
Retention Victor Christgau, State administrator, desired by this post.

R. L. SALISBURY,
Commander, Preston Crichton Post, American Legion.

FAIRBAULT, MINN., *May 24, 1938.*

Senator HENRIK SHIPSTEAD,
United States Senate, Washington, D. C.:
Resist any effort to remove Victor Christgau as State director of Works Progress Administration.

JACK DUSEK,
Commander, Fairbault Post, American Legion.

THIEF RIVER FALLS, MINN., *May 24, 1938.*

Senator HENRIK SHIPSTEAD,
Washington, D. C.:
Director of Pennington County Agricultural Society definitely opposed to attempts to take relief administration out of Christgau's hands in this State. His work is definitely satisfactory and any change will not be in the interests of efficiency or economy. We ask you to support Christgau.
S. E. Hunt, president; Hans Anton, vice president; E. O. Peterson, treasurer; Robert J. Lund, secretary; William E. Dahlquist, C. G. Hillard, Oscar C. Paulson, Harry C. Woolson, R. J. McKerchen, Harry R. Lund, directors.

MOORHEAD, MINN., *May 24, 1938.*

Senator SHIPSTEAD:
Endorsing Victor Christgau for retention his present office.

JOHN T. LAMB,
Democratic Chairman, Clay County.

MINNESOTA LAKE, MINN., *May 24, 1938.*

Hon. HENRIK SHIPSTEAD,
United States Senator, Washington, D. C.:
Reading the press I find our honorable Governor of the State of Minnesota is again trying to oust Victor Christgau as State Works Progress Administration relief administrator, this time employing the help of United States Senator ERNEST LUNDEEN. I desire to inform you that at the last annual convention of the State Association of County Commissioners of Minnesota at the West Hotel, Minneapolis, Minn., February 24 and 25, 1938, a resolution was presented by the committee on resolutions endorsing Victor Christgau's services as Works Progress Administration relief administrator, which was unanimously passed with over 400 commissioner delegates present and voting with every county in the State represented. We believe that Victor Christgau is not playing politics and is wrongfully accused and we feel that he has been fair to all counties in trying to assist and cooperate with the county commissioners in every way possible within his power and we admire his courage to stand up for what is right and give a square deal to all the people of the State of Minnesota without fear or favor to any particular group. It would be a great mistake to oust a man who is doing an unbiased civil-service job of his office on merely unfounded political-gossip propaganda. Please give this your sincere consideration and investigate beyond the smokescreen and demand that his accusers give some concrete reasons why he should be ousted. The county commissioners of the State of Minnesota desire that Victor Christgau be maintained in his present position.

W. C. MINKS,
Secretary and Manager, State Association
of County Commissioners of Minnesota.

CANNON FALLS, MINN., *May 24, 1938.*

Senator HENRIK SHIPSTEAD,
Senate Office Building:
We recommend that Victor Christgau, State relief administrator, remain. Pleased with his administration.

CITY COUNCIL AND COMMERCIAL CLUB,
City of Cannon Falls.

BEMIDJI, MINN., *May 24, 1938.*

Senator SHIPSTEAD,
Washington, D. C.:
Beltrami County Farm Bureau Association strongly favors Mr. Christgau as State Works Progress Administration administrator.

He is an efficient and tireless worker; has used good judgment in approving and supervising the many Works Progress Administration projects in Minnesota.

BELTRAMI COUNTY FARM BUREAU ASSOCIATION,
CHRIST LARSON, *Secretary.*

CARLTON, MINN., *May 25, 1938.*

Senator HENRIK SHIPSTEAD,
Senate Office Building, Washington, D. C.:

I believe that the Minnesota Works Progress Administration would be handicapped tremendously by any drastic change and therefore I hope you will continue to support Victor Christgau, present administrator.

G. W. COMSTOCK,
County Chairman Carlton County.

DETROIT LAKES, MINN., *May 24, 1938.*

Hon. HENRIK SHIPSTEAD,
Senate Office Building, Washington, D. C.:

I urge the retention of Victor Christgau as Minnesota Works Progress Administration administrator. He is doing an excellent job.

A. P. HURLES,
Democratic County Committeeman.

SLAYTON, MINN., *May 24, 1938.*

Hon. HENRIK SHIPSTEAD:

Christgau considered eminently fair here. Please retain him.

I. H. ECHORN,
1936 Chairman, Roosevelt Benson Committee.

SLAYTON, MINN., *May 24, 1938.*

Hon. HENRIK SHIPSTEAD:

Keep politics out of Works Progress Administration. Keep Christgau on the job.

HAROLD E. HOOK,
Treasurer, Murray County Democratic Committee.

INTERNATIONAL FALLS, MINN., *May 24, 1938.*

Senator HENRIK SHIPSTEAD,
United States Senate Building:

We the members of the Democratic Committee of the County of Koochiching reaffirm our confidence in the integrity and ability of Victor L. Christgau, State administrator of Works Progress Administration, and endorse his administration in that office and respectfully request that he be retained in his present position as such administrator.

D. J. MCCARTHY,
Chairman, Democratic County Committee.

GONVICK, MINN., *May 24, 1938.*

Hon. HENRIK SHIPSTEAD,
Senator:

Victor Christgau, Minnesota administrator, has done his work efficiently and impartially. Urge his retention.

CLEARWATER COUNTY DEMOCRATIC COMMITTEE.

DULUTH, MINN., *May 24, 1938.*

HENRIK SHIPSTEAD,
Senate Office Building, Washington, D. C.:

Public opinion is aroused over inspired commerce attack on Victor Christgau. Any yielding on the part of the administration means the loss of public support for Federal public works. Urge that you investigate sabotage of W. P. A. by the Workers' Alliance of Minnesota. The administration is in reverse and has the wrong man on the pan.

Sincerely,

HENRY L. MORIN.

FARIBAULT, MINN., *May 24, 1938.*

SENATOR HENRIK SHIPSTEAD: The census of opinion here is that Christgau is doing a good job.

C. J. HUNT,
Faribault Daily News.

HUTCHINSON, MINN., *May 24, 1938.*

Senator HENRIK SHIPSTEAD,
Senate Building:

Christgau and local district supervisors are very satisfactory. We oppose his removal.

HUTCHINSON MUNICIPAL LIGHT COMMISSION.

JACKSON, MINN., *May 24, 1938.*

Senator HENRIK SHIPSTEAD,
Senate Office Building:

Please use effort to retain Christgau. Efficient administrator, Works Progress Administration.

JOHN L. KING.

BIWABIK, MINN., *May 24, 1938.*

Senator HENRIK SHIPSTEAD:

We strongly protest the removal of Victor Christgau, Works Progress Administration administrator from Minnesota.

HENRY ROBINSON,
Clerk, Village Council.

CROSBY, MINN., *May 24, 1938.*

Hon. HENRIK SHIPSTEAD,
Washington, D. C.:

Should keep Mr. Christgau. Work satisfactory, efficient.

JOHN P. HAWKINSON,
Village President.

GRAND RAPIDS, MINN., *May 24, 1938.*

Hon. HENRIK SHIPSTEAD,
United States Senate, Washington, D. C.:

We, the village council of Grand Rapids, urge that Victor Christgau be retained as State administrator of works program in Minnesota. We have always received his sincere cooperation.

GEORGE ARSCOTT,
Mayor, Village Council.

DEERWOOD, MINN., *May 24, 1938.*

Senator HENRIK SHIPSTEAD:

Please do not let designing Minnesota politicians influence against Christgau.

ARNOLD NEWSTROM, *Village Clerk.*

WATSON, MINN., *May 24, 1938.*

Senator HENRIK SHIPSTEAD:

Minesota Works Progress administrator Victor Christgau has done a most excellent job and deserves your support.

MAGNUS JOHNSON,
Editor, The Watson Voice.

SWANVILLE, MINN., *May 24, 1938.*

Senator HENRIK SHIPSTEAD:

Village Council of Swanville strongly protest any action unfavorable to Victor Christgau, State administrator, Works Progress Administration.

VILLAGE COUNCIL,
Per EDWIN M. J. SIMONS, *Mayor.*

DULUTH, MINN., *May 24, 1938.*

Hon. HENRIK SHIPSTEAD,
United States Senator, Senate Office Building:

The Minnesota Arrowhead Association representing 40 communities in northeastern Minnesota hopes that nothing will occur to change our present Works Progress Administration director. Victor Christgau has given eminent satisfaction to all concerned. Please advise.

S. VALENTINE SAXBY,
Executive Secretary, Minnesota Arrowhead Association.

ELY, MINN., *May 24, 1938.*

HENRIK SHIPSTEAD,
United States Senator from Minnesota:

The City Council of Ely vigorously protests the movement now under way to remove Victor Christgau as State Works Progress administrator. Christgau is fair, capable, and sincere and we urge his retainment.

JACK PESHEL, *Mayor.*

HUTCHINSON, MINN., *May 24, 1938.*

Senator HENRIK SHIPSTEAD,
Senate Building:

Request strongly uphold Victor Christgau as Works Progress Administration administrator. Has done a fine job for our city.

GRANT W. DWINNELL, *Mayor.*

TWO HARBORS, MINN., *May 24, 1938.*

HENRIK SHIPSTEAD,
United States Senate:

Lake County considers Christgau fair and efficient, urge his retention.

W. O. LOMASNEY,
Chairman, Lake County Board of Commissioners.

MCKINLEY, MINN., *May 24, 1938.*

HENRIK SHIPSTEAD:

Protesting the removal of Victor Christgau, Works Progress administrator.

JAKE BATULA, *Mayor.*

HUTCHINSON, MINN., *May 24, 1938.*

Senator HENRIK SHIPSTEAD,
Senate Building:

Hutchinson Park Board has cooperated to the limit with Christgau; his cooperation has been the same; request he be retained.

J. H. BURNS.

BIRD ISLAND, MINN., *May 24, 1938.*

Senator HENRIK SHIPSTEAD,
Senate Building:
Uphold Victor Christgau; done a fine job.

VILLAGE COUNCIL,
Bird Island, Minn.

LUVERNE, MINN., *May 24, 1938.*

Senator HENRIK SHIPSTEAD,
Senate Office Building:
I respectfully ask you do all you can to retain Victor Christgau in his office as Works Progress administrator in Minnesota. As public official in my city I know he has been most helpful and cooperative in his relations with relief and public officials. Political jealousy and maneuvering seem back present effort for his removal. Our citizens in Luverne appreciate his helpful administration of his office and want his retention to complete his work.

WILLIAM MITCHELL,
Mayor, City of Luverne, Minn.

MINNEAPOLIS, MINN., *May 27, 1938.*

Senator HENRIK SHIPSTEAD,
Senate Office Building, Washington, D. C.:
We urge your support of Copeland amendment to public works relief bill earmarking funds for river and harbor and flood control.

HENRY BANK,
President, City Council.
E. I. HUDSON,
Chairman, Harbors Committee.
F. T. PAUL,
City Engineer.

MINNEAPOLIS, MINN., *May 24, 1938.*

Senator HENRIK SHIPSTEAD,
Senate Office Building, Washington, D. C.:
Suggest you request investigation of Benson-sponsored Works Progress Administration projects, including Robbinsdale-St. Cloud granite project in which Kinzer Benson's running mate for Lieutenant Governor is involved; the Moorhead Teachers College project and motives behind Benson's weed-eradication projects. Department of investigation will show motives behind these projects same as present attempt to unseat Minnesota director Works Progress Administration.

JOHN CROWLEY.

MOORHEAD, MINN., *May 24, 1938.*

Hon. SENATOR SHIPSTEAD,
Washington, D. C.:
Realizing the difficulties of administering the policies of Works Progress Administration, I wish to compliment the Public Works Administration for its comprehensive program, especially in this part of Minnesota where the relief problem has been and is so acute. We hope the good work will continue.

Father LAMBERT WECKWERTH.

MINNEAPOLIS, MINN., *May 23, 1938.*

Senator HENRIK SHIPSTEAD,
Senate Office Building, Washington, D. C.:
Christgau has rendered us excellent service and has kept politics out of his department. He should certainly be retained as administrator.

HORATIO P. VANCLEVE.

ST. CLOUD, MINN., *May 23, 1938.*

Senator HENRIK SHIPSTEAD,
Washington, D. C.:
I want to commend you for the stand you have taken in defense of Victor Christgau. Believe he is doing good work under trying circumstances. Hope you win.

PHIL COLLIGNON, *Mayor.*

MINNEAPOLIS, MINN., *May 23, 1938.*

HENRIK SHIPSTEAD,
Senate Office Building, Washington, D. C.:
Speaking as an individual of considerable experience with Works Progress Administration work in Minneapolis, I endorse Victor Christgau as State administrator. Christgau has a clean record and should be retained. Please do what you can to keep this capable and honest man in his present position.

ALDERMAN A. B. FRUEN.

FERGUS FALLS, MINN., *May 24, 1938.*

Hon. HENRIK SHIPSTEAD,
United States Senator, Washington, D. C.:
We urge the retention of Victor Christgau. His efficiency, honesty, and industry have been outstanding.

PHILIP R. MONSON,
Mayor.
CLAUD ELLIOT,
County Commissioner.
CYRUS WRIGHT,
President, Civil Commerce Association.

BAUDETTE, MINN., *May 24, 1938.*

Hon. HENRIK SHIPSTEAD,
United States Senator, Washington, D. C.:
The Baudette Chamber of Commerce wishes to say to you that they are not in favor of the recent agitation for the removal of Victor Christgau, Minnesota Works Progress Administration administrator. We feel that Mr. Christgau is the proper man for this position, as has been demonstrated by his handling of this position.

DR. E. A. ONSTEAD,
President, Baudette Chamber of Commerce.

ALEXANDRIA, MINN., *May 24, 1938.*

Senator HENRIK SHIPSTEAD,
Senate Chamber, Washington, D. C.:
We think Mr. Christgau is very fair in his work as Works Pregress Administration administrator in Minnesota. Will you kindly do all in your power to keep him in this office.

VILLAGE COUNCIL, *Osakis, Minn.*

ADRIAN, MINN., *May 24, 1938.*

Senator HENRIK SHIPSTEAD:
We request you to support Christgau for Works Progress Administration administrator.

B. H. SASSON, *Mayor.*
F. J. FORKENBROCK,
Recorder.
EMIL R. SELL,
Treasurer, School Board.
FRANK J. SELL,
State Senator.

DULUTH, MINN., *May 24, 1938.*

Hon. HENRIK SHIPSTEAD,
United States Senator:
Cannot understand agitation for removal of Victor Christgau. Has done outstanding job as Works Progress Administration administrator. Projects in Duluth and district have been most ably handled. Please use your good offices in support of Mr. Christgau.

L. G. CASTLE,
President, Duluth Chamber of Commerce.

PEQUOT, MINN., *May 24, 1938.*

Honorable Senator HENRIK SHIPSTEAD:
Well pleased with Christgau. Glad to support him.

VILLAGE OF PEQUOT,
Pequot Commercial Club.

LYLE, MINN., *May 24, 1938.*

Senator SHIPSTEAD,
Senate Office Building:
School board here urge that you work to retain Christgau as Works Progress Administration administrator.

H. E. LERUD, *President.*

DETROIT LAKES, MINN., *May 24, 1938.*

Hon. HENRIK SHIPSTEAD:
I urge that you retain Victor Christgau as Works Progress Administration administrator for Minnesota.

ALDEN PEARSON,
Mayor, City of Detroit Lakes.

WINTHROP, MINN., *May 24, 1938.*

Senator SHIPSTEAD,
Senate Building:
Strongly uphold Christgau. He has done a good job.

LOUIS NEESSEN, *Mayor.*

AUSTIN, MINN., *May 24, 1938.*

Hon. HENRIK SHIPSTEAD,
United States Senate:
We respectfully request and urge that Victor Christgau be not dismissed as Works Progress Administration director for Minnesota. The trumped-up charges against him are inspired by political animus. His administration has been fair and impartial. Neither Christgau nor any of his staff have ever brought political pressure in connection with projects or employment. Recently Austin school board took a tour to look over Works Progress Administration projects and were convinced that money was well spent and projects purposeful. Dismissal of Christgau would be blow to ability and honesty in government. We believe Christgau should be supported 100 percent.

AUSTIN SCHOOL BOARD,
S. T. NEVELN, *Superintendent.*

OLIVIA, MINN., *May 24, 1938.*

HENRIK SHIPSTEAD,
Senate Building:
Retain Victor Christgau; his record demands it.

E. J. KUBESH, *Mayor.*

VIRGINIA, MINN., *May 24, 1938.*

HENRIK SHIPSTEAD,
United States Senate:
Mr. Christgau is a very capable administrator.

CITY OF VIRGINIA,
OSCAR TAMTE, *Mayor.*

MINNEAPOLIS, MINN., *May 21, 1938.*

Hon. HENRIK SHIPSTEAD,
United States Senate, Washington, D. C.:
Hennepin County Workers' Alliance condemns your action supporting Christgau proven discriminatory to organized labor. Urge replacement of Christgau by progressive Farmer-Laborite. Support LUNDEEN.

GERTRUDE FREDERICKSON, *Secretary.*
MILTON MCLAIN, *Chairman.*

MINNEAPOLIS, MINN., *May 23, 1938.*

Senator HENRIK SHIPSTEAD,
Senate Office Building, Washington, D. C.:
Request your cooperation. Retain Christgau as W. P. A. director. His fairness and ability much appreciated.

W. A. HOPPE, *Alderman.*

ST. PAUL, MINN., *May 24, 1938.*

Senator HENRIK SHIPSTEAD,
Washington, D. C.:
Victor Christgau has done good job as Minnesota State director of W. P. A. In my opinion he should not be replaced.

GEORGE M. SHEPARD.

MINNEAPOLIS, MINN., *May 23, 1938.*

Hon. HENRIK SHIPSTEAD,
Senate Office Building, Washington, D. C.:
Playing politics with human misery and work relief is abhorrible. We want Victor Christgau Minnesota administrator. He has done a good job.

JOHN MARSHALL HIGH SCHOOL,
Mrs. M. H. BERGREN, *President.*

AITKIN, MINN., *May 24, 1938.*

Senator HENRIK SHIPSTEAD:
As sponsors to W. P. A. activities we are satisfied with Victor Christgau and wish him retained as W. P. A. administrator in Minnesota. We are not in sympathy with his detractors.

D. R. SAVAGE, *County Engineer.*

FARIBAULT, MINN., *May 24, 1938.*

Senator HENRIK SHIPSTEAD:
United States Senate, Washington, D. C.:
Resist all efforts to remove Victor Christgau as State director of W. P. A. for Minnesota.

COUNCIL OF CITY OF FARIBAULT, MINN.,
HADLEY P. BELL, *Mayor.*

ALBERT LEA, MINN., *May 24, 1938.*

Hon. HENRIK SHIPSTEAD,
Washington, D. C.:
As city manager I have closely observed W. P. A. projects in this area and I wholeheartedly commend Victor Christgau as State administrator.

R. L. VANNOCKER, *City Manager.*

MOOSE LAKE, MINN., *May 24, 1938.*

Senator H. SHIPSTEAD:
We protest the move on foot by certain parties to oust Christgau as we believe he has handled W. P. A. in a very able and efficient manner.

A. J. WENTE, *Mayor.*

EVELETH, MINN., *May 24, 1938.*

HENRIK SHIPSTEAD:
The council of the city of Eveleth, Minn., has had several occasions to deal directly with Victor Christgau on Works Progress Administration matters and have found him to be fair and impartial. The undersigned urge that Victor Christgau be retained as State Works Progress Administration director.

HERBERT WOOLCOCK, *Mayor.*
JOHN AHO,
PETER SHOULND,
FRED RUDMAN,
LOUIS LESSAR, *Councilmen.*
ARTHUR RYE, *City Clerk.*

FAIRFAX, MINN., *May 24, 1938.*

HENRIK SHIPSTEAD,
Senate Building:
Please retain Victor Christgau as administrator for Minnesota.

VILLAGE COUNCIL.

BAUDETTE, MINN., *May 24, 1938.*

Hon. HENRIK SHIPSTEAD,
United States Senator, Washington, D. C.:
Baudette village officials urge retention of Victor Christgau as State Works Progress administrator, and object strenuously to his proposed removal. We know him to be capable and efficient and the State can ill afford to remove him from office in these troublesome times. We cannot endorse him too highly the way he has handled the works program in the State.

C. H. DODDS, *Mayor.*

FERGUS FALLS, MINN., *May 24, 1938.*

Senator SHIPSTEAD,
Washington, D. C.:
We wish Victor Christgau to be retained as Works Progress administrator for Minnesota.

DONALD COLE,
Mayor, Pelican Rapids, Minn.

ST. CLOUD, MINN., *May 24, 1938.*

Senator HENRIK SHIPSTEAD,
Washington, D. C.:
We have always found Victor Christgau fair and honest in all his dealings and believe it is vitally important that he be continued as Works Progress administrator for Minnesota.

ANTON W. TRAUT,
Chairman of Stearns County Commission.

TWIN VALLEY, MINN., *May 24, 1938.*

HENRIK SHIPSTEAD,
Washington, D. C.:
We want Victor Christgau as State W. P. A. director. Think he is very good man for the position; doing excellent directing work.

VILLAGE COUNCIL OF TWIN VALLEY, MINN.,
M. R. DURLING, *Mayor.*

BEMIDJI, MINN., *May 24, 1938.*

Senator HENRIK SHIPSTEAD,
Washington, D. C.:
Relations of city with Victor Christgau extremely satisfactory, and large number projects completed without difficulties. Feel his removal at this time would be serious mistake.

EARL W. BUCKLEN, *Mayor.*

EXCELSIOR, MINN., *May 25, 1938.*

Senator HENRIK SHIPSTEAD,
Washington, D. C.:
We in Carver County are interested in seeing Victor Christgau retained as W. P. A. administrator for Minnesota. Please use your efforts toward that end.

CARVER COUNTY CIVIC LEAGUE,
E. P. KELM, *Chairman.*

RED WING, MINN., *May 25, 1938.*

Hon. HENRIK SHIPSTEAD,
United States Senate, Washington, D. C.:
The removal of Hon. Victor Christgau would be detrimental to the welfare and interest of Minnesota. He has rendered excellent service under the most trying circumstances. I urge his retention.

Dr. GEO. W. DIEPENBROCK,
Vice Chairman of Goodhue County Welfare Board.

MINNEAPOLIS, MINN., *May 26, 1938.*

Hon. HENRIK SHIPSTEAD,
Senate Office Building, Washington, D. C.:
Northwest Coin Club want justice to prevail. Keep politics out and Christgau in, so we can keep our faith in you.

Dr. D. E. WARD.

CROOKSTON, MINN., *May 26, 1938.*

Hon. HENRIK SHIPSTEAD,
United States Senate:
Crookston very satisfied with Administrator Victor Christgau and recommend retention.

W. J. KIRKWOOD,
Mayor, City of Crookston.

CHISHOLM, MINN., *May 26, 1938.*

Senator HENRIK SHIPSTEAD,
Senate Office Building:
Fine record Victor Christgau merits retaining him as State administrator.

Mrs. MATHILDA LAFRANCE.

WINDOM, MINN., *May 26, 1938.*

Hon. HENRIK SHIPSTEAD,
United States Senate:
We greatly favor the retention of Victor Christgau as State administrator of Works Progress Administration.

PAUL J. GILLAM,
Mayor, City of Windom.

MAZEPPA, MINN., *May 26, 1938.*

Senator H. SHIPSTEAD,
Senate Building:
Please use influence to keep Victor Christgau State Works Progress administrator.

W. A. GREGOIRE,
President, Village Council.

ST. PAUL, MINN., *May 27, 1938.*

Hon. HENRIK SHIPSTEAD:
Strongly support you in opposing removal of Christgau.

MRS. M. HARRIS, *791 Holton.*

ADA, MINN., *May 26, 1938.*

United States Senator HENRIK SHIPSTEAD,
Washington, D. C.:
It has come to our attention that there is a movement under way to dismiss Victor Christgau, Works Progress Administration administrator of Minnesota. We are taking this method to inform you that we are opposed to this movement and request that he be retained in his present capacity.

NORMAN COUNTY BOARD OF COMMISSIONERS.

SWANVILLE, MINN., *May 26, 1938.*

Senator HENRIK SHIPSTEAD,
Washington, D. C.:
Protest strongly removal Victor Christgau. No replacement as satisfactory.

UPSALA VILLAGE COUNCIL.

COLERAINE, MINN., *May 26, 1938.*

HENRIK SHIPSTEAD,
Washington, D. C.:
We have enjoyed our contact with Victor Christgau and his staff. We feel the set-up has been a credit to Minnesota and that he should be retained.

MRS. ROSS COMSTOCK,
President, Coleraine Bovey Nursery School and Mothers Club.

WHITEBEAR, MINN., *May 24, 1938.*

Senator SHIPSTEAD,
Washington, D. C.:
Urge the retention of Christgau. He has always cooperated with our city.

W. HOLZHEID, *City Manager.*

LUVERNE, MINN., *May 24, 1938.*

Senator HENRIK SHIPSTEAD,
Senate Office Building, Washington, D. C.:
Many of the members of this club have the opportunity to come in touch with good work done in past by State Administrator Victor Christgau, and therefore we urge upon you to do all you can to keep him in his present office so that work to be done in the future will be carried on as well as it has been done in the past.

LUVERNE COMMERCIAL CLUB,
FRANK F. MICHAEL, *President.*

ST. PAUL, MINN., *May 24, 1938.*

HENRIK SHIPSTEAD,
United States Senator, Washington, D. C.:
Experience with Christgau proves him competent. Please protest his removal.

COMMISSIONER FRED M. TRUAX.

WHEATON, MINN., *May 25, 1938.*

HENRIK SHIPSTEAD,,
Senate Office Building, Washington, D. C.:
We approve work of Victor Christgau. Urge he be retained.

VILLAGE COUNCIL,
M. J. FRIDGEN, *Clerk.*

SPRINGFIELD, MINN., *May 25, 1938.*

Hon. HENRIK SHIPSTEAD,
United States Senate, Washington, D. C.:
It appears that unwarranted criticism has been heaped on Victor Christgau, and misstatements of facts have been made concerning his work as State administrator. Every courtesy and consideration has been given to this city in work done by the State administrator. We feel these criticisms are unwarranted and unjustified. We urge that you use best efforts to retain Victor Christgau in his present position.

AUGUST NEIMANN, *Mayor.*
ALEXANDER SEIFERT, *City Attorney.*

MINNEAPOLIS, MINN., *May 25, 1938.*

Senator HENRIK SHIPSTEAD,
United States Senate, Washington, D. C.:
Heartily endorse Mr. Christgau. His honesty and integrity are outstanding.

Dr. O. A. KIBBEE.

MINNEAPOLIS, MINN., *May 25, 1938.*

Senator HENRIK SHIPSTEAD,
United States Senate, Washington, D. C.:
Heartily endorse Mr. Christgau. His honesty and integrity are outstanding.

DOROTHY HAMILTON.

EXCELSIOR, MINN., *May 26, 1938.*

Hon. HENRIK SHIPSTEAD,
Senator, Washington, D. C.:
By all means keep Minnesota's Works Progress administrator, Victor Christgau, on the job. Doing fine work here. All Excelsior is for him. Criticism unfounded.

ELMER E. BARDWELL,
Mayor of Excelsior.

ALBERT LEA, MINN., *May 25, 1938.*

Hon. HENRIK SHIPSTEAD,
United States Senator, Washington, D. C.:
Keep Victor Christgau on the job in Minnesota.

C. A. STENSRUD, *Chairman.*
EDWARD FRETHEIM,
JOHN G. JOHNSON,
O. W. HANSEN,
Commissioners, Freeborn County.

STAPLES, MINN., *May 25, 1938.*

Hon. HENRIK SHIPSTEAD:
Noting controversy over Victor Christgau, the City Council of City of Staples passed a resolution urging his retention, as he has treated us fairly, inspected our projects, and given us good service.

B. C. BARRETT, *City Clerk.*

MINNEAPOLIS, MINN., *May 25, 1938.*

Senator SHIPSTEAD,
United States Senate, Washington, D. C.:
Heartily endorse Mr. Christgau. His honesty and integrity is outstanding.

DON BERANT.
CLARK CARTER.
DANIL FOWLIE.
JOHN CUSICK.
FOREST L. SMITH.

REDWING, MINN., *May 25, 1938.*

Hon. HENRIK SHIPSTEAD,
Washington, D. C.:
Back Mr. Victor Christgau 100 percent. We believe him a good man for the position. We urge his retention.

HENRY SATHRUM,
Goodhue County Board of Commissioners.

PARKERS PRAIRIE, MINN., *May 24, 1938.*

Hon. HENRIK SHIPSTEAD,
Washington, D. C.:
I believe in the best interest of us all that Victor Christgau be retained as Works Progress administrator for Minnesota.

HANS SCHRADER, *Mayor.*

REMER, MINN., *May 25, 1938.*

Hon. HENRIK SHIPSTEAD,
Senate Chamber:
The works program as carried out in this section by Victor Christgau has been very satisfactory. Hope that you will do all in your power to see that he remains as works director in Minnesota.

B. M. SORUM, *Mayor.*

BROWERVILLE, MINN., *May 25, 1938.*

Hon. HENRIK SHIPSTEAD:
As sponsors of relief work we favor Christgau. Retain him.

BROWERVILLE VILLAGE COUNCIL,
E. J. WOELL, *Mayor.*

LONG PRAIRIE, MINN., *May 25, 1398.*

Hon. HENRIK SHIPSTEAD,
Senator:
We are against the removal of Victor Christgau, State administrator.

VILLAGE OF LONG PRAIRIE,
R. E. BEACH, *Recorder.*

THIEF RIVER FALLS, MINN., *May 25, 1938.*

Senator HENRIK SHIPSTEAD:
Pennington County Board requests that Victor Christgau remain as Works Progress administrator in Minnesota.

PAUL ROY, *Chairman.*

PINE CITY, MINN., *May 25, 1938.*

Hon. HENRIK SHIPSTEAD:
We feel that the present Works Progress Administration under Victor Christgau is very efficient and would not like to see any change.

JAMES E. SULLIVAN, *Mayor.*

MAHNOMEN, MINN., *May 25, 1938.*

Hon. HENRIK SHIPSTEAD,
United States Senate, Washington, D. C.:
We are satisfied with Victor Christgau's administration of Works Progress Administration, Mahnomen County Board of Commissioners.

JOHN J. SPAETH, *County Auditor.*

HENNING, MINN., *May 24, 1938.*

Hon. HENRIK SHIPSTEAD,
Senate Office Building, Washington, D. C.:
We oppose any change in W. P. A. administrator in Minnesota. Our village and neighboring communities favor retention of Victor Christgau as State commissioner.

VILLAGE OF HENNING,
HENRY HOLMGREN, *Mayor.*

COLERAINE, MINN., *May 24, 1938.*

Hon. Senator SHIPSTEAD of Minnesota,
Washington, D. C.
DEAR SENATOR: The village council of Coleraine urges you to use your influence in retaining Victor Christgau as State relief administrator. We believe he is efficient and fair.

COLERAINE VILLAGE COUNCIL,
J. E. MCCARTHY, *Mayor.*

BERTHA, MINN., *May 24, 1938.*

The Honorable HENRIK SHIPSTEAD,
United States Senator, Washington, D. C.:
We are opposed to the removal of Victor Christgau as Works Progress Administration director.

VILLAGE COUNCIL OF BERTHA.

FISHER, MINN., *May 24, 1938.*

Hon. HENRIK SHIPSTEAD,
Washington, D. C.:
We wish to have Victor Christgau retained as Works Progress administrator of Minnesota. He is well qualified for this work.

THE VILLAGE COUNCIL,
A. V. JENSEN, *Mayor.*

DALTON, MINN., *May 24, 1938.*

Senator HENRIK SHIPSTEAD,
Washington, D. C.:
We would like to see Victor Christgau be retained as State works-progress administrator, and ask that you do all in your power to prevent him from being ousted.

BOARD OF EDUCATION, DISTRICT 8,
A. L. HANSON, *Chairman.*
DALTON VILLAGE COUNCIL,
HERBERT WEIBY, *President.*

SPRING GROVE, MINN., *May 24, 1938.*

Hon. HENRIK SHIPSTEAD,
Washington, D. C.:
The undersigned hereby protest the contemplated removal of our State works-progress administrator, Victor Christgau. Mr. Christgau, in our opinion, has cooperated for our interest in very able capacity. Trusting that your influence will retain Mr. Christgau in his present capacity.

SPRING GROVE COMMERCIAL CLUB.

RED LAKE FALLS, MINN., *May 24, 1938.*

HENRIK SHIPSTEAD,
United States Senate, Washington, D. C.:
For his fairness, administrative ability, and record of achievements we request that Victor Christgau be retained as Minnesota works-progress administrator.

FRANK P. GRENIER,
Chairman of Red Lake County Board of Commissioners.

RED LAKE FALLS, MINN., *May 24, 1938.*

HENRIK SHIPSTEAD,
United States Senate, Washington, D. C.:
Because of his outstanding work as Works Progress administrator for Minnesota, we humbly ask that you use your influence to maintain Victor Christgau as State administrator.

Dr. J. A. ROY.

LITTLE FALLS, MINN., *May 25, 1938.*

Hon. HENRIK SHIPSTEAD,
United States Senator, Washington, D. C.:
The village council of Pierz, as sponsor of Works Progress Administration projects, strongly supports Mr. Christgau.

Mayor F. X. VIRNIG.

INTERNATIONAL FALLS, MINN., *May 25, 1938.*

Senator HENRIK SHIPSTEAD,
United States Senate Building, Washington, D. C.:
In behalf of the Koochiching County board I wish to express every confidence and entire approval of the Works Progress Administration program in this State as administered by Victor L. Christgau, State administrator, Works Progress Administration, and strongly urge his continuance in the office in that capacity.

K. W. MORRIS,
Chairman, County Board.

CROOKSTON, MINN., *May 24, 1938.*

Senator HENRIK SHIPSTEAD,
Washington, D. C.:
This board in regular session feels that W. P. A. affairs have been efficiently handled by Mr. Christgau. We request that he be continued in office.

THE COUNTY BOARD OF POLK COUNTY,
ADOLPH J. SKYBERG, *Chairman.*

LENGBY, MINN., *May 24, 1938.*

Hon. HENRIK SHIPSTEAD,
Member of Congress, Washington, D. C.:
Understand movement started to remove Victor Christgau as State works-progress administrator. We urge that you do all in your power to retain him in his present post. We feel that he is well qualified and serves to the best interests of all concerned.

COUNCIL, VILLAGE OF LENGBY,
By KNUTE RINGSTAD, *Recorder.*

HILL CITY, MINN., *May 24, 1938.*

Hon. Senator HENRIK SHIPSTEAD,
Washington, D. C.:
We, the undersigned, are very much opposed to the removal of Victor Christgau, Works Progress administrator.
Hill City Village Council; C. W. Beerbower, mayor; Hill City School Board; Hill City News; Schoen Pharmacy; and the Northland Telephone Exchange.

DEER RIVER, MINN., *May 24, 1938.*

Hon. HENRIK SHIPSTEAD,
Senator from Minnesota, Washington, D. C.:
Vigorously protest attempts remove Christgau. Do everything possible to prevent action.

VILLAGE COUNCIL,
H. E. WOLFE, *President.*

BRAINERD, MINN., *May 24, 1938.*

Hon. HENRIK SHIPSTEAD,
United States Senator of Minnesota, Washington, D. C.:
We wish to add our testimonial regarding Victor Christgau, State administrator, Works Progress Administration. We have always found him to be capable and efficient in performing his duties, fair and just to all. We regard him highly as one who has done much for Brainerd.

J. F. CIBUZAR,
President, Brainerd Chamber of Commerce.

BROWNS VALLEY, MINN., *May 24, 1938.*

HENRIK SHIPSTEAD,
Senator, Washington, D. C.:
The Browns Valley Council is 100 percent for Christgau.

ROY MILLER, *Mayor.*

CHISHOLM, MINN., *May 25, 1938.*

Senator HENRIK SHIPSTEAD,
Washington, D. C.:
Chisholm has no criticism against Victor Christgau as State administrator. Our dealings have been fair, equitable, and they cooperated, and see no evidence of politics governing administration of the affairs of his office.

ED WHEELECOR,
Mayor, City of Chisholm.

AUSTIN, MINN., *May 25, 1938.*

HENRIK SHIPSTEAD,
Washington, D. C.:
Mr. Christgau should be retained in office because he has kept W. P. A. strictly nonpolitical in Minnesota. His handling of all projects in Austin was very efficient and satisfactory to both workers and sponsors during my administration as mayor.

H. J. MARCUSEN.

ST. JAMES, MINN., *May 25, 1938.*

Hon. Senator HENRIK SHIPSTEAD,
United States Senator, Washington, D. C.:
Knowing Victor Christgau to be efficient and fair from our association with him as administrator of adjustment programs, we protest his removal as W. P. A. administrator for Minnesota.

WATONWAN COUNTY AGRICULTURAL CONSERVATION ASSOCIATION,
HUBERT RANSOM, *Secretary.*
ROSS S. MURPHY,
Chairman, Watonwan County Agricultural Conservation Association.

ST. JAMES, MINN., *May 24, 1938.*

HENRIK SHIPSTEAD,
United Senator for Minnesota, Washington, D. C.:
We have worked with Mr. Christgau for several years. We know him to be efficient. We are for him 100 percent and any attempt to remove him as W. P. A. administrator in Minnesota will be vigorously protested.

N. L. ZENDER,
Chairman of the Watonwan County Welfare Board.
E. A. FEYDENLUND,
Chairman of the Watonwan County Board of Commissioners.

LITTLE FORK, MINN., *May 24, 1938.*

Senator HENRIK SHIPSTEAD,
United States Senate Building, Washington, D. C.:
In behalf of the citizens of Little Fork, I wish to express confidence in the conduct of the administrator of the work program in this State by Victor L. Christgau, State administrator of the W. P. A. in Minnesota, and urge that he be continued in office as State administrator.

E. J. REINARZ, *Mayor.*

JACKSON, MINN., *May 24, 1938.*

Senator HENRIK SHIPSTEAD,
Senate Office Building, Washington, D. C.:
City favors retention Christgau, State administrator. Please help his behalf.

R. H. HUTCHINSON, *Mayor.*

TWO HARBORS, MINN., *May 24, 1938.*

Hon. HENRIK SHIPSTEAD,
United States Senator from Minnesota:
It is our firm belief that Mr. Victor Christgau, State W. P. A. administrator for State of Minnesota, is discharging the duties of his office in a fair, impartial, and efficient manner, and we ask that he be retained in office.

M. H. BRICKLEY, *Mayor.*

CLOQUET, MINN., *May 24, 1938.*

United States Senator SHIPSTEAD,
United States Senate:
Present W. P. A. administration in Minnesota very satisfactory.

CIVIC RECREATIONAL CENTER,
F. L. REDFIELD, *Director.*

BRAINERD, MINN., *May 24, 1938.*

Senator HENRIK SHIPSTEAD,
United States Senator, Washington, D. C.:
Victor Christgau, Minnesota works-progress administrator, acceptable to all Crow Wing County, except a few disgruntled; proven ability, sound judgment, and courageous.

ARCHIE R. FALCONER,
President, Park Board Commission.

SPRING GROVE, MINN., *May 24, 1938.*

Hon. HENDRIK SHIPSTEAD,
Washington, D. C.:
We, the board of Wilmington township, protest against the removal of Victor Christgau, State works-progress administrator. He has cooperated with us very efficiently.

BOARD OF SUPERVISORS.

ADA, MINN., *May 24, 1938.*

Hon. HENRIK SHIPSTEAD,
United States Capitol, Washington, D. C.:
Please retain Victor Christgau in present position. He is absolutely right in every stand taken; should not be prosecuted for square and sensible dealing.
Respectfully,

S. E. OLSON,
Minnesota State Fair Board.

LE SUEUR, MINN., *May 25, 1938.*

Hon. HENRIK SHIPSTEAD,
Senator, Washington, D. C.:
The Le Sueur Commercial Club strenuously protest political ouster of Victor Christgau. His record stands for itself.
Ray N. Peterson, Vernan Baumann, W. W. O'Malley, Vernay Reindollar, Stuart Johnson, Rev. A. R. Harkness, H. Grant, R. Wishart, H. Starr, H. G. Albrecht, Executive Board.

LE SUEUR, MINN., *May 25, 1938.*

Senator HENRIK SHIPSTEAD,
Washington, D. C.:
The Le Sueur City Council protest ouster of Victor Christgau. We believe he is doing his work well.

ED WIERWILL, *Mayor,*
NORRIS DISTEL,
WESLY GLASS,
L. WIELAND,
GUST SINELL,
F. C. OSBORN,
Councilmen.

MINNEAPOLIS, MINN., *May 23, 1938.*

Senator HENRIK SHIPSTEAD,
Washington D. C.:
Press quotes you as wanting to keep politics out of relief. Only course open then is to retain Christgau.

Mrs. PRESTON DORSETT,
Secretary, Tuttle School Parent-Teachers Association.

GILBERT, MINN., *May 24, 1938.*

Senator HENRIK SHIPSTEAD:
The village council of the village of Gilbert protests against any action taken to remove Victor Christgau as State administrator of Works Progress Administration. We have found him to be an efficient, capable, and fair administrator and one who understands the relief needs of the State. Urge you to retain him because we feel that the best interests of the State are being served by his retention.

VILLAGE COUNCIL,
MIKE KOHLER, *Mayor.*

BUFFALO LAKE, MINN., *May 24, 1938.*

HENRIK SHIPSTEAD,
Senate Building:
Renville County Board of Commissioners urges Victor Christgau be retained.

HENRY DOBBERSTEIN,
Chairman, County Board.

JANESVILLE, MINN., *May 24, 1938.*

HENRIK SHIPSTEAD:
The Waseca County Board of Commissioners wish to prevail upon you to retain Victor Christgau as Minnesota works-progress administrator. He is an honest and competent public official and the above board heartily endorse Victor Christgau.

FRED ARNOLDT,
Chairman, Waseca Board of Commissioners.

UNDERWOOD, MINN., *May 24, 1938.*

Senator HENRIK SHIPSTEAD:
Realizing his excellent past work we urge that you use your influence to retain Victor Christgau as State works-progress administrator.

E. J. WAGSNESS, *President, Village Council.*
Dr. C. J. LUND, *President, Board of Education.*

MOORHEAD, MINN., *May 24, 1938.*

Senator HENRIK SHIPSTEAD,
Senate Office Building:
Victor Christgau has been responsible for honest work in this community, and it is our desire he be retained as State administrator.

JACOB F. KIEFER,
President, Moorhead Chamber of Commerce.

MOORHEAD, MINN., *May 24, 1938.*

Senator HENRIK SHIPSTEAD,
Senate Office Building:
Attempt to remove Victor Christgau deplorable. He is entitled to and has wholehearted support of all fair-minded citizens this area because of honorable administration and very excellent record in completing permanently beneficial projects that have maintained self-respect of unemployed with honest work without any tinge of political connivance.

WAYNE PETERSON,
Publisher, Moorhead Daily News.

MAHNOMEN, MINN., *May 24, 1938.*

Hon. HENRIK SHIPSTEAD,
United States Senate:
Well satisfied with Victor Christgau. Advise retaining him as State works-progress administrator.

VAL A. FRANTA,
President, Village Council.

ROCHESTER, MINN., *May 26, 1938.*

Senator HENRIK SHIPSTEAD,
Washington, D. C.:
The city of Rochester is pleased with the services of Victor Christgau in this district as Works Progress administrator.

W. A. MOORE, *Mayor.*

MARBLE, MINN., *May 26, 1938.*

Hon. HENRIK SHIPSTEAD,
Washington, D. C.:
We hereby endorse Victor Christgau as Works Progress Administration administrator. His work in our community has been very satisfactory.

MARBLE PARENTS AND TEACHERS' ASSOCIATION,
Mrs. H. H. CAMERON, *President.*

ST. PAUL, MINN., *May 26, 1938.*

Senator HENRIK SHIPSTEAD,
Washington, D. C.:
Please keep Victor Christgau Works Progress Administration administrator for Minnesota.

Senator LOUIS E. BERG.

COLERAINE, MINN., *May 26, 1938.*

Hon. HENRIK SHIPSTEAD,
Washington, D. C.:
Mr. Christgau has sponsored a number of educational projects in our school district, and we feel that he should be kept on in his present position.

Mrs. A. H. JOHNANNUBER,
President, Coleraine Parent Teachers' Association.

WINDOM, MINN., *May 26, 1938.*

Hon. HENRIK SHIPSTEAD,
Washington, D. C.:
Victor Christgau, Works Progress administrator for Minnesota, is considered by us in southern Minnesota an efficient, honest administrator, and we ask that he be retained in his position.

Mrs. HELEN WARREN,
Chairman, Legislative Committee Community Club and Member Legislative State B. P. W. Clubs.

BEMIDJI, MINN., *May 26, 1938.*

Senator HENRIK SHIPSTEAD,
Washington, D. C.:
If possible use your influence in retaining Victor Christgau as State works-progress administrator for the State of Minnesota.

BEMIDJI PARK BOARD.

BEMIDJI, MINN., *May 24, 1938.*

Senator HENRIK SHIPSTEAD,
Washington, D. C.:
We protest removal of Victor Christgau as Works Progress administrator for Minnesota.

BEMIDJI WHOLESALE CANDY CO.

DULUTH, MINN., *May 24, 1938.*

Hon. HENRIK SHIPSTEAD,
United States Senate, Washington, D. C.:
A long and intimate acquaintance with Victor Christgau personally and officially justifies me in protesting his removal or censure on account of his administration of the Works Progress Administration in Minnesota. He is an honest, industrious, conscientious public official, and should be supported by his superiors as an assurance to other such officials that such conduct will not jeopardize their jobs.

BERT FESLER.

FERTILE, MINN., *May 24, 1938.*

Senator HENRIK SHIPSTEAD,
Senate Office Building, Washington, D. C.:
Your influence in support of Mr. Victor Christgau as Works Progress administrator will be greatly appreciated.

O. I. HAUGEN,
Chairman, Village Council.

WHITEBEAR, MINN, *May 24, 1938.*

Senator SHIPSTEAD,
Washington, D. C.:
Urge the retention of Christgau. He has always cooperated with our city.

W. HOLZHEID, *City Manager.*

MINNEAPOLIS, MINN., *May 24, 1938.*

Senator HENRIK SHIPSTEAD,
Senate Chamber, Washington, D. C.:
Wish to protest earnestly against action to displace Christgau; believe him to be excellent administrator. Have had many Works Progress Administration projects in public library approved by him. Find him businesslike, intelligent, and interested when he believed a project worth while. He knows his job thoroughly and would be hard to replace.

GRATIA A. COUNTRYMAN.

AUSTIN, MINN., *May 24, 1938.*

Hon. Senator SHIPSTEAD,
Senate Office Building:
Sponsor relationship with Christgau fine; urge you retain him as State administrator.

THOMAS S. DUNLOP,
County Commissioner.

FOSSTON, MINN., *May 24, 1938.*

Hon. Senator SHIPSTEAD:
We favor retaining Victor Christgau, administrator for Minnesota. He is capable and has used good judgment and has handled situations efficiently. It is our opinion that he is honest and sincere and aims to do all justice.

E. H. CORMONTAN, *President,*
H. ALGAARD, *Secretary,*
Northwestern Minnesota Fair Association.

SHERBURN, MINN., *May 24, 1938.*

HENRIK SHIPSTEAD,
United States Senate:
We urge that you use your influence to retain Victor Christgau as Works Progress administrator for Minnesota.

H. O. GEISE,
Mayor of Sherburn.

FARIBAULT, MINN., *May 24, 1938.*

Senator SHIPSTEAD:
Please use effort to retain Mr. Christgau as Minnesita works-progress administrator. Has given very efficient service and handled projects in this community on a high-class business basis.

FARIBAULT FAIR ASSOCIATION,
CARL HANSON, *Secretary.*

KELLIHER, MINN., *May 24, 1938.*

Hon. HENRIK SHIPSTEAD,
Washington, D. C.:
Christgau's work satisfactory with us every respect. No politics involved.

CHRIST EGGEN, *Mayor,*
Village Council.

TRACY, MINN., *May 24, 1938.*

Hon. H. SHIPSTEAD,
Senate Building:
We, the mayor and members of the Tracy City Council, strongly oppose the removal of Victor Christgau as State Works Progress Administration administrator.

ROBERT CHATTO, *Mayor.*
C. C. COOK, *President of Council.*
J. E. CAIN,
W. SHOEMAN,
M. MOEN,
AL. ZENDER, *Aldermen.*

ALEXANDRIA, MINN., *May 24, 1938.*

Hon. HENRIK SHIPSTEAD,
Washington, D. C.:
Strongly urge you use your influence on Hon. Harry Hopkins to retain Victor Christgau in present position. Citizens of this city feel that his work is very satisfactory and that he is a man of unimpeachable integrity.
Very truly yours,

A. D. HASKELL,
Mayor, City of Alexandria.

SLAYTON, MINN., *May 24, 1938.*

Senator HENRIK SHIPSTEAD,
Senate Office Building, Washington, D. C.:
Murray County Board of Commissioners have every confidence in Victor Christgau. Please support him.

GEORGE HAFNER, *Chairman.*

SLAYTON, MINN., *May 24, 1938.*

Senator HENRIK SHIPSTEAD,
Senate Office Building, Washington, D. C.:
Fight against Christgau unjust. We urge your support in his behalf.

SLAYTON VILLAGE COUNCIL,
By E. J. GUSTAFSON, *Mayor.*

GULLY, MINN., *May 24, 1938.*

Hon. HENRIK SHIPSTEAD,
Washington, D. C.:
Your efforts in retaining Victor Christgau as State Works Progress Administration administrator will be greatly appreciated by our entire community.

VILLAGE COUNCIL OF GULLY,
By OLE ROULAND, *Mayor.*

ELK RIVER, MINN., *May 24, 1938.*

Senator HENRIK SHIPSTEAD,
Washington, D. C.:
Acting for Sherburne County board, I strongly recommend that you do everything possible in behalf of Victor Christgau and his retention as State administrator.

W. E. BROWN,
County Highway Engineer, Sherburne County.

BAUDETTE, MINN., *May 24, 1938.*

Hon. HENRIK SHIPSTEAD,
United States Senator, Washington, D. C.:
The independent school district No. 111 of Baudette, in session today, of which I am clerk, have unanimously endorsed Victor

Christgau's handling of the Works Progress program, and would be very much disappointed and dissatisfied to hear of his removal. We sincerely feel that he has handled his work honestly and efficiently and that the recent criticism heaped upon him is entirely unjust and uncalled for.

H. C. HANSON,
Clerk, Independent School District, No. 111.

MORRIS, MINN., *May 24, 1938.*

Senator HENRIK SHIPSTEAD,
Washington, D. C.:

Heartily approve conduct Minnesota Works Progress Administration under Victor Christgau. Record of splendid cooperation and accomplishment in Starbuck. Urge retention Christgau.

HENRY NODLAND,
Mayor, Starbuck.

DONNELLY, MINN., *May 24, 1938.*

Senator HENRIK SHIPSTEAD,
Washington, D. C.:

According to press reports Victor Christgau is to be ousted as Works Progress administrator for Minnesota. We urgently request that you use your influence to have Mr. Christgau retained as head of the Works Progress Administration in this State.

F. J. ROTH, *Mayor*
(By order of the village council).

BROWNS VALLEY, MINN., *May 24, 1938.*

Senator HENRIK SHIPSTEAD:

Browns Valley school board stands 100 percent for Christgau.

WM. JENSEN, *President.*

WACONIA, MINN., *May 24, 1938.*

Hon. HENRIK SHIPSTEAD,
United States Senate:

DEAR SENATOR: Christgau efficient W. P. A. director. Support him strongly.

GEO. ZAHLER,
Clerk of Independent School District 44,
Carver County, Waconia, Minn.
P. J. HAMRE,
Superintendent City Schools in School District 44,
Carver County, Waconia, Minn.

MCGREGOR, MINN., *May 24, 1938.*

Hon. HENRIK SHIPSTEAD:

Please retain Christgau. Service satisfactory.

VERNON J. BACHELLER,
Trustee, Village of McGregor.

MOUNTAIN IRON, MINN., *May 24, 1938.*

HENRIK SHIPSTEAD,
Senator:

We request your influence in retaining Victor Christgau Works Progress administrator in Minnesota.

C. F. FELGEN, *Mayor.*

GAYLORD, MINN., *May 24, 1938.*

SENATOR SHIPSTEAD,
Senate Building:

Kindly lend your support to Christgau, as he has done his work faithfully and well.

ALBERT LEHMAN, *County Engineer.*

RENVILLE, MINN., *May 24, 1938.*

Senator HENRIK SHIPSTEAD,
Senate Building:

We are asking you to uphold Victor Christgau. He has done a fine job.

DR. THORSON,
Mayor, City of Renville.

ST. CLOUD, MINN., *May 23, 1938.*

Hon. HENRIK SHIPSTEAD,
United States Senate, Washington, D. C.:

Sincerely hope you will continue to vigorously oppose Victor Christgau removal. His reputation here is above reproach and know your support of him is appreciated by the great majority of our citizens.

WILLIAM P. MURPHY, *Lawyer.*

ALBERT LEA, MINN., *May 24, 1938.*

Senator SHIPSTEAD,
Senate Office Building:

Relationship with Christgau fine. Urge his retention.

BOARD OF COUNTY COMMISSIONERS OF FREEBORN COUNTY.

HENDERSON, MINN., *May 28, 1938.*

Hon. HENRIK SHIPSTEAD,
United States Senator, Washington, D. C.:

We, the undersigned, urge you not to remove Mr. Victor J. Christgau from his present position.

FRED C. BENDER, *Mayor.*
G. A. BUCK, *Publisher.*
MARK V. DEMPSEY, *Merchant.*
EDWIN B. MAURER, *Banker.*
F. A. SCHULTZ, *Merchant.*
J. F. TRAXLER, *M. D.*
K. V. HENSLER, *Mortician.*

MEADOWLANDS, MINN., *May 28, 1938.*

Hon. HENRIK SHIPSTEAD,
Washington, D. C.:

Would appreciate your influence and effort toward retaining Victor Christgau as Works Progress administrator for the State of Minnesota. Due to his outstanding administration of W. P. A. affairs in this State, it would be a distinct loss to Minnesota if he were not retained.

J. ARTHUR JOHNSON,
St. Louis County Club and Farm Bureau Association.

DETROIT LAKES, MINN., *May 29, 1938.*

Senator HENRIK SHIPSTEAD,
Senate Office Building, Washington, D. C.:

Please use your influence to retain Victor Christgau as Works Progress Administration chief of Minnesota. His administration has been honest and free from politics.

L. J. NORBY CO.

BAUDETTE, MINN., *May 24, 1938.*

Hon. HENRIK SHIPSTEAD,
United States Senator, Washington, D. C.:

Due to the fact we are acquainted with the splendid manner in which Victor Christgau has handled his position in the W. P. A., we, who represent a large group of farmers in Lake of the Woods County, are not in favor of any move to oust him.

AL ANDERSON,
President, The Carp Community Club.

EVELETH, MINN., *May 24, 1938.*

Senator HENRIK SHIPSTEAD,
Washington, D. C.:

The removal of Victor Christgau, State W. P. A. administrator, will result in a keen loss to the State of Minnesota. We strongly oppose any attempt to remove him.

EVELETH DEMOCRATIC ASSOCIATION,
D. J. BALDI, *Secretary.*

GRAND RAPIDS, MINN., *May 24, 1938.*

Senator HENRIK SHIPSTEAD,
Washington, D. C.:

Continue your determined stand for Christgau. Intimate and careful observation of his work shows his honesty and fearless integrity. Benson machine opposition childish and selfish.

J. L. MCLEOD, *Senator.*

AURORA, MINN., *May 24, 1938.*

Senator HENRIK SHIPSTEAD,
Washington, D. C.:

We, the undersigned, protest the attempt to remove Victor Christgau as W. P. A. administrator of Minnesota, and hope you will do everything within your power to prevent removal.

TOWN OF WHITE,
ANTHONY SMOLICH, *Chairman.*
ADOLPH HAKALA, *Clerk.*
VILLAGE OF AURORA,
E. H. YARICK, *President.*
ANTHONY SMOLICH, *Clerk.*

WINDOM, MINN., *May 26, 1938.*

Hon. HENRIK SHIPSTEAD,
Washington, D. C.:

For the good of the State keep Victor Christgau on the job.

D. L. KEITH.

WARROAD, MINN., *May 24, 1938.*

Senator HENRIK SHIPSTEAD,
Washington, D. C.:

Wish to protest removing Victor Christgau, W. P. A. administrator. Urge use all influence retain him in present position.

H. E. ERICKSON.

WARROAD, MINN., *May 24, 1938.*

Senator HENRIK SHIPSTEAD,
Washington, D. C.:

Wish to protest removing Victor Christgau, W. P. A. administrator. Urge use all influence retain him in present position.

J. W. WAMMER.

BEMIDJI, MINN., *May 24, 1938.*

Senator SHIPSTEAD,
Washington, D. C.:
Strongly urge retention of Victor Christgau as Minnesota W. P. A. administrator.

EEMIDJI COCO COLA CO.,
A. STEVENS.

ST. CLOUD, MINN., *May 23, 1938.*

Senator HENRIK SHIPSTEAD,
Washington, D. C.:
You remember me as chairman of Ottertail Farm Labor Association for 8 years. For nearly 3 years I have been district supervisor of employment with Works Progress Administration. I know Christgau is fair to labor and to cooperative movement. He should be retained.

HANS R. MILLER.

ST. JAMES, MINN., *May 24, 1938.*

HENRIK SHIPSTEAD,
United States Senator from Minnesota, Washington, D. C.:
We are opposed to the removal of Victor Christgau as administrator of W. P. A. of Minnesota. We know him to be honest and efficient and a hard worker. We are behind him 100 percent.
M. K. Hegstrom, president, Commercial Club; Albert Thompson, president, St. James Telephone Co.; C. A. Torkelson, president, St. James Farmers Cooperative Creamery; Edward C. Meier, superintendent, South Central Electric Association; Dr. E. J. Bratrude, mayor of St. James; S. T. Rudd, president, Watonwan Game and Fish Club.

BEMIDJI, MINN., *May 24, 1938.*

Hon. HENRIK SHIPSTEAD,
Washington, D. C.:
I would appreciate your supporting Christgau as State W. P. A. administrator.

F. W. LANGDON.

BEMIDJI, MINN., *May 24, 1938.*

Senator SHIPSTEAD,
Washington, D. C.:
Strongly urge retention of Victor Christgau as Minnesota Works Progress administrator.

Dr. E. H. MARCUM,
Dr. W. K. DENISON,
Dr. T. P. GROSCUPF,
C. W. VANDERSLUIS.

WATSON, MINN., *May 24, 1938.*

Senator HENRIK SHIPSTEAD,
Washington, D. C.:
We protest Christgau removal; have always had the best cooperation.

WATSON BUSINESS MEN'S ASSOCIATION.

MADELIA, MINN., *May 24, 1938.*

Senator HENRIK SHIPSTEAD,
United States Senate:
We make vigorous protest against the removal of Victor Christgau as State administrator of Works Progress Administration for Minnesota. He is a good man in the right place.
Madelia Civic Club, A. J. McLean, president; George S. Hage, Edward Noonan, Carl Hage, S. D. Noonan, H. C. Gunderson, D. J. Hale, J. J. Bill and Son, Olaf Larson, Chas. Seibert, Peter Viet, James Hardware Co., W. D. Hinchon, C. J. Manahan, Nels Nelson, Dr. H. B. Grimes, E. H. Sebo.

BEMIDJI, MINN., *May 24, 1938.*

Senator HENRIK SHIPSTEAD:
We strongly protest the removal of Victor Christgau, State Works Progress administrator of Minnesota.

EUGENE WILLIAM GILL.

MINNEAPOLIS, MINN., *May 25, 1938.*

Hon. HENRIK SHIPSTEAD,
United States Senator:
We wish to protest the removal of Mr. Christgau, State Works Progress administrator.

RED AND WHITE GROCERY,
HARRY QUARUM.

OGEMA, MINN., *May 25, 1938.*

Hon. HENRIK SHIPSTEAD,
Senator, Washington, D. C.:
Satisfied with Victor Christgau. Respectfully urge his retainment.

THEO. S. GORNEY.

WILLMAR, MINN., *May 26, 1938.*

Hon. HENRIK SHIPSTEAD,
Senate Building, Washington, D. C.:
A large group of men wish to commend Victor Christgau for his efficient administration, his cooperation, honesty, and interests with all concerned has no equal.

A. F. BRANTON.

DULUTH, MINN., *May 25, 1938.*

Hon. HENRIK SHIPSTEAD,
Washington, D. C.:
Support you in opposing relief of Christgau.

AUGUST VIERGUTZ.

DULUTH, MINN., *May 26, 1938.*

Hon. HENRIK SHIPSTEAD,
Minnesota Senator, Washington, D. C.:
Please give all due consideration to retain in office Mr. Victor Christgau, Minnesota Works Progress administrator, who has conducted his office honestly and efficiently.

D. C. EAGLES.

ST. CLOUD, MINN., *May 25, 1938.*

HENRIK SHIPSTEAD,
United States Senator, Washington, D. C.:
Your stand against ouster of Christgau deeply appreciated.

JAMES H. MURPHY.

MINNEAPOLIS, MINN., *May 25, 1938.*

Senator HENRIK SHIPSTEAD,
United States Senator, Washington, D. C.:
Mr. Christgau has been an excellent Works Progress State administrator.

FRANCES CARTER.

CHISHOLM, MINN., *May 26, 1938.*

Senator HENRIK SHIPSTEAD,
Senate Office Building:
On basis excellent record please retain Victor Christgau as State administrator.

ALICE E. HODGINS.

CHISHOLM, MINN., *May 26, 1938.*

Senator HENRIK SHIPSTEAD,
Senate Office Building:
Urge retaining Victor Christgau State administrator on basis of splendid record.

MILDRED PASKVAN.

ST. PAUL, MINN., *May 26, 1938.*

Senator HENRIK SHIPSTEAD,
United States Senate:
Understand Christgau ouster possible. I am in touch with hundreds of young business and professional leaders who believe Christgau has administered W. P. A. efficiently and honestly. Urge his retention.

JOSEPH E. OSBORNE,
Past President Minnesota Junior Chamber of Commerce and St. Paul Junior Chamber of Commerce.

OLIVIA, MINN., *May 27, 1938.*

Hon. HENRIK SHIPSTEAD,
Senate Building:
Will you support Victor Christgau and keep him on the job?

CITIES SERVICE OIL CO.,
B. C. LEONARD, *Proprietor.*

COLERAINE, MINN., *May 26, 1938.*

Senator HENRIK SHIPSTEAD,
Washington, D. C.:
Victor Christgau is a good man and should be kept on the job hope you can see fit to give him your best support.

H. W. SUTTER.

REDWING, MINN., *May 26, 1938.*

Hon. HENRIK SHIPSTEAD,
United States Senate, Washington, D. C.:
Earnestly request your efforts to retain Victor Christgau as W. P. A. Administrator in Minnesota in interest of good government. He is doing a fine job.

JOHN C. FRIEDRICH.

DETROIT LAKES, MINN., *May 26, 1938.*

Senator HENRIK SHIPSTEAD:
We urge your support for retention of Victor Christgau as administrator. Has been an efficient executive worthy of your help.

CIVIC AND COMMERCE ASSOCIATION.

GILBERT, MINN., *May 26, 1938.*

Senator HENRIK SHIPSTEAD,
Senate Office Building, Washington, D. C.:
The people in our community are very much in favor of the retention of Victor Christgau in his present capacity and we urge you to use your best influence toward this end.

M. B. Elson, Secretary, St. Louis County Club and Farm Bureau Association, Gilbert, Minn.; Albert R. Simonson, Secretary, Alnago Farm Bureau Unit, Angora, Minn.; Walter W. Lehto, Anderson Community Club, Brittmount, Minn.; Mrs. Pauline Amistadi, Balkanary Farmers' Club, Chisholm, Minn.; Mrs. E. E. Pixley, Bear River Farm Bureau, Bear River, Minn.; Axel J. Peterson, Beatty Community Club, Cook, Minn.; John Westby, Brittmount Community Club, Brittmount, Minn.; Mrs. Alfred Erickson, Cook Neighborhood Club, Cook, Minn.; John Handberg, Crane Lake Commercial Club, Crane Lake, Minn.; Albert Bernfdorf, Elmer Community Club, Elmer, Minn.; Earnest Bloomquist, Farmers' Progressive Club of Owens, Cook, Minn.; Buford Brown, Littlescott Farmers' Club, Buhl, Minn.; Mrs. A. E. Leifte, Munger Good Fellowship Club, R. F. D., Cloquet, Minn.; Ray Rask, Payne Community Club, Payne, Minn.; Mrs. A. E. Bushell, Rice Lake Community Club, Route 4, Duluth, Minn.; Frank Wardas, Town of Leiding Farmers' Club, Orr, Minn.; Charles Neimi, Vermillion Farmers' Club, R. F. D., Tower, Minn.; John Hernesmaa, White Iron Farmers' Club, Ely, Minn.

RED WING, MINN., *May 26, 1938.*

Hon. HENRIK SHIPSTEAD,
United States Senate, Washington, D. C.:
For the best interests of the State and Nation we believe that Hon. Victor Christgau should be retained as Works Progress administrator for Minnesota.

H. J. TIEDEMAN.

MINNEAPOLIS, MINN., *May 24, 1938.*

Senator HENRIK SHIPSTEAD,
Senate Office Building, Washington, D. C.:
W. P. A. under Christgau sets example for other States.

JAMES MCELLIOTT.

MONTEVIDEO, MINN., *May 24, 1938.*

Hon. HENRIK SHIPSTEAD,
United States Senator, Senate Office Building:
We urge you to support Victor Christgau, Minnesota Works Progress administrator and heartily commend his fair and businesslike administration.

JOE IVERSON, *Watson, Minn.*

MADISON, MINN., *May 24, 1938.*

Hon. HENRIK SHIPSTEAD:
Would be pleased to have you support Victor Christgau. We regard him highly.

Rev. F. H. BERGMAN.

HUTCHINSON, MINN., *May 24, 1938.*

Senator HENRIK SHIPSTEAD,
Senate Building:
We object to Christgau removal. His cooperation has been 100 percent.

CIVIC AND COMMERCE ASSN.

DULUTH, MINN., *May 24, 1938.*

Senator HENRIK SHIPSTEAD,
United States Senate:
I heartily approve your support of Christgau. Change uncalled for.

Mrs. H. W. DAVIS.

FARIBAULT, MINN., *May 24, 1938.*

HENRIK SHIPSTEAD,
Senate Office Building, Washington, D. C.:
We respectfully urge your support to retain Victor Christgau as Works Progress administrator for Minnesota. His work in this community entirely satisfactory.

FARIBAULT CHAMBER OF COMMERCE,
G. J. BASSINGWAITE, *Manager.*

PIPESTONE, MINN., *May 24, 1938.*

Hon. HENRIK SHIPSTEAD,
Washington, D. C.:
Local sentiment demands retention of Victor Christgau as State administrator, Works Progress Administration. His continuance in office is essential to the success of the present works program.

GLENN CATLIN.

MONTEVIDEO, MINN., *May 24, 1938.*

Hon. HENRIK SHIPSTEAD:
We urge you to support Victor Christgau, Minnesota Works Progress Administration administrator, and heartily commend his fair and businesslike administration.

ADOLPHSON & HUSETH.

ST. JAMES, MINN., *May 24, 1938.*

HENRIK SHIPSTEAD,
United States Senator from Minnesota:
Watwonwan County citizens are backing Victor Christgau; know him to be efficient; protest any attempt to remove him as State administrator, Works Progress Administration, for Minnesota.

S. F. L. Bregel, Ed C. Fogarty, A. J. Uleberg, J. K. Johnson, Hilmer Flogstad, P. J. Dempsey, N. S. Zender, E. T. Tighe, Ernest Hawkinson, F. L. Boor, J. H. Curtis, W. C. Wagner, J. E. Hegstrom, E. A. Eppel, and C. A. Torkelson.

FAIRMONT, MINN., *May 24, 1938.*

HENRIK SHIPSTEAD,
United States Senator from Minnesota:
Retain Victor Christgau as Works Progress Administration administrator, Minnesota. Efforts have been commendable.

FRANK E. DOUGHERTY.
JOHN W. FLYNN.

DULUTH, MINN., *May 24, 1938.*

Senator HENRIK SHIPSTEAD:
We commend your stand on Christgau ouster.

Mr. and Mrs. ALLEN M. SHEARER.

BRAINERD, MINN., *May 23, 1938.*

Senator SHIPSTEAD,
Washington, D. C.
DEAR SENATOR: Victor Christgau has given the State an excellent administration as Works Progress Administration director, free from politics and fair in every way. I recommend that he be retained.

P. C. ROTH.

GRAND RAPIDS, MINN., *May 24, 1938.*

Senator HENRIK SHIPSTEAD,
Washington, D. C.:
Admire your good work for Christgau. Continue same. As chairman largest independent school district in United States, have had many contacts. He should be retained.

ELMER OLSON, *Shocdopole.*

MINNEAPOLIS, MINN., *May 24, 1938.*

Senator HENRIK SHIPSTEAD,
Washington, D. C.:
Demand for Christgau removal unwarranted. Ouster move purely political.

ROY HUNT.

MINNEAPOLIS, MINN., *May 24, 1938.*

Senator HENRIK SHIPSTEAD,
Washington, D. C.:
Christgau an outstanding administrator. Removal demand unwarranted.

ARNOLD TETNER.

MINNEAPOLIS, MINN., *May 24, 1938.*

Senator HENRIK SHIPSTEAD,
Washington, D. C.
DEAR SIR: Please accept thanks for supporting Victor Christgau. Stand by him. Most able, faithful, efficient.

Mr. and Mrs. SAMUEL E. ROBB.

DETROIT LAKES, MINN., *May 24, 1938.*

Hon. HENRIK SHIPSTEAD,
Senate Office Building:
Retain Christgau Minnesota Works Progress Administration administrator. Work very satisfactory.

QUENVOLD CREAMERY CO.

DULUTH, MINN., *May 24, 1938.*

Senator HENRIK SHIPSTEAD:
Heartily endorse your stand for Christgau; urge your continued support.

IZETTA WINTER ROBB.

MINNEAPOLIS, MINN., *May 25, 1938.*

Hon. HENRIK SHIPSTEAD,
Senate Office Building:
The Minneapolis Civic and Commerce Association wishes to commend the quality of administration which Victor Christgau has given Works Progress Administration in Minnesota.

MINNEAPOLIS CIVIC AND COMMERCE ASSOCIATION.

TRACY, MINN., *May 24, 1938.*

Hon. HENRIK SHIPSTEAD,
Senate Office Building:
Do all you can to keep Victor Christgau Works Progress Administration administrator.

TED VANDUSEN.

TRACY, MINN., *May 24, 1938.*

Hon. HENRIK SHIPSTEAD,
Care Senate Building:
I request you to do all you can to retain Victor Christgau as State Works Progress Administration administrator.

JOHN VAHLE.

TRACY, MINN., *May 24, 1938.*

Senator H. L. SHIPSTEAD,
Senate Building, Washington, D. C.:
Please use all your influence to retain Victor Christgau as State W. P. A. administrator.

Dr. A. D. HOIDALE.

TRACY, MINN., *May 24, 1938.*

Hon. H. SHIPSTEAD,
Senate Building, Washington, D. C.:
Please favor me by doing all you can to retain Victor Christgau W. P. A. administrator.

C. W. VAHLE.

MINNEAPOLIS, MINN., *May 24, 1938.*

Senator HENRIK SHIPSTEAD,
Washington, D. C.:
Christgau administration free of criticism. Demand he be retained.

ROSE HALLORAN.

MINNEAPOLIS, MINN., *May 24, 1938.*

Senator HENRIK SHIPSTEAD,
Senate Office Building, Washington, D. C.:
Removal demand of Christgau political move. Strongly urge his continuance.

R. D. SULLIVAN.

BRAINERD, MINN., *May 24, 1938.*

Senator H. SHIPSTEAD,
Washington, D. C.:
Urge retention Victor Christgau as administrator for his efficient accomplishments.

D. C. GRAY.

ST. PAUL, MINN., *May 23, 1938.*

Hon. HENRIK SHIPSTEAD,
Washington, D. C.:
Definitely in favor of retaining Christgau in present Works Progress Administration activities.

F. J. MORSE & CO.

NEW PRAGUE, MINN., *May 24, 1938.*

Senator HENRIK SHIPSTEAD,
Washington, D. C.:
Urge your assistance in retaining Victor Christgau, Minnesota Works Progress Administration administrator. Believe his work has been above criticism.

WM. E. FITZHARRIS.
JOSEPH W. HANCOCK.
DR. W. F. MAERTZ.
LEN SUEL.
JAMES J. MACH.
TED PROSPEK.

MINNEAPOLIS, MINN., *May 24, 1938.*

Senator HENRIK SHIPSTEAD,
Senate Office Building, Washington, D. C.:
W. P. A. under Christgau successful. Suggest continuance as administrator.

JOSEPHINE WILLIAMS.

DULUTH, MINN., *May 24, 1938.*

Senator HENRIK SHIPSTEAD,
Washington, D. C.:
Support you in stand for retention of Christgau.

HARRIET LEVIN.

MINNEAPOLIS, MINN., *May 24, 1938.*

Senator HENRIK SHIPSTEAD,
Senate Office Building, Washington, D. C.:
Christgau has proven ability. His continuance as administrator wished for.

LORRAINE SIROIS.

DULUTH, MINN., *May 24, 1938.*

Senator HENRIK SHIPSTEAD:
Support you in opposing removal of Christgau.

AGNES M. OTT.

DULUTH, MINN., *May 24, 1938.*

Senator HENRIK SHIPSTEAD:
Believe Christgau fine administrator. Urge his retention.

MR. AND MRS. W. H. PRYOR.

ST. PAUL, MINN., *May 24, 1398.*

Senator HENRIK SHIPSTEAD,
Senators Office:
I protest the action against Christgau.

W. A. BERGEN.

MINNEAPOLIS, MINN., *May 24, 1938.*

HENRIK SHIPSTEAD,
United States Senator, Washington, D. C.:
It is the opinion of thousands of the best people in Minnesota that the removal of Victor Christgau would be a major mistake. He has conducted his office in an impartial and on a nonpolitical basis. All projects completed and under construction are of high order and a credit to him and his staff. Any effort you make in his behalf will be greatly appreciated by our legion of Minnesota friends.
Sincerely.

D. J. MURPHY.

DULUTH, MINN., *May 24, 1938.*

Senator HENRIK SHIPSTEAD:
Support you in stand for retention of Christgau.

MARION MEDD.

MINNEAPOLIS, MINN., *May 24, 1938.*

Senator HENRIK SHIPSTEAD,
Washington, D. C.:
Ouster move unwarranted. Urge Christgau be retained.

THOMAS GANNON.

OLIVIA, MINN., *May 24, 1938.*

HENRIK SHIPSTEAD,
Senate Building:
We want your support for Victor Christgau.

H. GRIFFITH.

MINNEAPOLIS, MINN., *May 24, 1938.*

Senator HENRIK SHIPSTEAD,
Senate Office Building:
Protest attempt to remove Victor Christgau as State director of Works Progress Administration. He has produced clean program and administration in Minnesota.

CAROLINE M. CROSBY.

MINNEAPOLIS, MINN., *May 24, 1938.*

Senator HENRIK SHIPSTEAD,
Senate Office Building, Washington, D. C.:
Christgau most capable administrator. Any change gained inadvisable.

MARION HERMES.

DULUTH, MINN., *May 24, 1938.*

Senator HENRIK SHIPSTEAD,
Washington, D. C.:
Urge your support in protesting against removal of Christgau.

MRS. MARK H. TIBBETT.

MINNEAPOLIS, MINN., *May 24, 1938.*

Senator HENRIK SHIPSTEAD,
Washington, D. C.:
Strongly endorse administration of Christgau. Advise against his removal.

ARTHUR NELSON.

MINNEAPOLIS, MINN., *May 24, 1938.*

Senator HENRIK SHIPSTEAD,
Washington, D. C.:
Christgau administration most satisfactory. Urge his continuance as administrator.

ALICE BERGEN.

MINNEAPOLIS, MINN., *May 24, 1938.*

Senator HENRIK SHIPSTEAD,
Washington, D. C.:
Works Progress Administration in Minnesota satisfactory. Urge continued administration.

CLAUDE DUNTHY.

BAUDETTE, MINN., *May 24, 1938.*

Hon. HENRIK SHIPSTEAD,
United States Senator, Washington, D. C.:
The Business Men's Association of Baudette wishes to go on record as rigorously opposed to any move that is being made to eject Victor Christgau, Minnesota Works Progress administrator. We feel that he has been more than fair to labor, and that any change of administration during these trying times would be very unwise and expensive.

STODDARD M. ROBINSON,
President, Baudette Business Men's Association.

SHERBURN, MINN., *May 24, 1938.*

HENRIK SHIPSTEAD,
United States Senate:
We request that you use your influence to retain Victor Christgau as Works Progress Administration administrator for Minnesota.

L. O. JOHNSON,
President, Sherburn's Businessmen Association.

NEW ULM, MINN., *May 24, 1938.*

Hon. HENRIK SHIPSTEAD:
Make every effort to retain Christgau as Minnesota Works Progress Administration administrator.

Mr. and Mrs. C. M. BROWN.

ST. PAUL, MINN., *May 24, 1938.*

Senator HENRIK SHIPSTEAD,
Washington, D. C.:
I know Victor Christgau to be an able, efficient administrator, carrying on Works Progress Administration program here in splendid manner and without political bias. In interest of good government I sincerely hope he will be retained as director.

Mrs. A. J. MCGUIRE.

BRAINERD, MINN., *May 24, 1938.*

Senator HENRIK SHIPSTEAD,
Washington, D. C.:
Victor Christgau has administered a real Works Progress Administration program in Minnesota. We ask that you lend every effort to have him retained.

AMERICAN LEGION, POST NO. 255,
AXEL ANDERSON, *Commander.*

FRANKLIN, MINN., *May 24, 1938.*

Hon. HENRIK SHIPSTEAD,
Washington, D. C.:
Uphold Victor Christgau; doing fine job.

C. E. FREEMAN.
AMBER JOHNSON.
HAROLD POSS CEIL.
BENJAMIN FRED AUSTIN.

CITY OF MONTEVIDEO, MINN., *May 28, 1938.*

Hon. HENRIK SHIPSTEAD,
United States Senate, Washington, D. C.
DEAR SENATOR: Sentiment against the removal of Christgau from W. P. A. is very strong here, and I sincerely hope you will do everything possible to prevent his removal.

Many supporters of the Farmer-Labor Party, like myself—I have been a member of organized labor for over 30 years—are earnestly hoping the voters will demand a radical change in the management of that party on June 20, our primary-election date.

In fairness to everyone I would suggest that no definite action be taken toward removing Victor Christgau until after the Minnesota June primaries, which may reveal a radical change in political sentiment in Minnesota.

Yours very truly,

W. S. HASLEAU, *Mayor.*

VIRGINIA, MINN., *May 24, 1938.*

United States Senator SHIPSTEAD,
Washington, D. C.:
Strongly urge keep Christgau. Record as administrator good. Letter following.

LABOR ADVANCEMENT ASSOCIATION,
MARCO VERBON,
Chairman, Unit 17, Tower, Minn.

COLERAINE, MINN., *May 26, 1938.*

Hon. HENRIK SHIPSTEAD,
Washington, D. C.:
The Marble Calumet Nursery School, a W. P. A. project, has been altogether satisfactory—an asset to the community and much appreciated. We have no fault to find with the administration of affairs, and hope that Mr. Christgau will be retained in his present capacity.

MRS. RALPH BRANDON,
President, Marble Parent-Teachers' Association.

MARSHALL, MINN., *May 24, 1938.*

Senator HENRIK SHIPSTEAD,
Senate Building, Washington, D. C.:
We ask you use influence have Victor Christgau retained State Works Progress Administration administrator.

LYON COUNTY COMMISSIONER.

NEW ULM, MINN., *May 21, 1938.*

Hon. HENRIK SHIPSTEAD,
Senate Office Building, Washington, D. C.:
Urge your active support of Victor Christgau. Citizens of New Ulm indignant over Lundeen attitude.

CARL FRITSCHE, M. D.

SWANVILLE, MINN., *May 26, 1938.*

Senator HENRIK SHIPSTEAD,
Washington, D. C.:
We protest the removal of State Works Progress Administration administrator, Victor Christgau.

SWANVILLE COMMERCIAL CLUB.

PIPESTONE, MINN., *May 27, 1938.*

Hon. HENRIK SHIPSTEAD,
House of Senate, Washington, D. C.:
We strongly urge your support to retain Victor Christgau as Works Progress Administration administrator for this State. He is efficient, honest, and impartial.

PIPESTONE CIVIC AND COMMERCE ASSOCIATION.

NEW ULM, MINN., *May 21, 1938.*

Hon. HENRIK SHIPSTEAD,
United States Senate, Washington, D. C.:
Considerable feeling on account false reports attitude of city government against Mr. Christgau. Letter was signed by only one of eight councilors and nature of contents is disputed by signers. Great majority regard Mr. Christgau as efficient, and that he has given splendid cooperation in every way.

ALBERT PFAENDER.

Mr. BARKLEY. Mr. President, I do not wish to delay the Senate voting on the pending proposition. I wish, however, very briefly to point out why I cannot support it.

It may be that, in the interest of political purity, we should try to find some way by which to disfranchise everyone who holds a Government position, because everyone who holds a Government position, whether under civil service or outside of civil service, may be actuated in casting his vote by some personal equation or by some consideration of personal benefit or injury. Yet I would not be one who would favor denying to men or women who happen to be public servants in any capacity the same right that I enjoy and that I exercise as a Member of this body.

Much as I respect the Senate of the United States and all of its Members, I have not yet reached the conclusion that all political virtue is sealed up within these four walls; and I have not reached the conclusion that a United States Senator has any more right than the humblest man or woman in the United States to express his views on anything on which he entertains views. The fact that a humble man or woman happens to be employed by the Government of the United States is not a sufficient reason for disfranchising any such person or denying to any such person the same right that anybody else in the United States enjoys, however powerful that person may be.

We discussed the subject matter of this amendment at great length a few weeks ago when it was before us in the form of a bill, and on a roll call it was defeated by a vote of exactly 2 to 1—52 to 26—according to my recollection. I went on record against the bill when it came up independently on its merits and I have not been convinced that the position I took then is wrong now.

Mr. HATCH. Mr. President, will the Senator yield?

Mr. BARKLEY. I do not want to take more than 15 minutes.

Mr. HATCH. I just want to suggest to the Senator that the present amendment is entirely different from the bill.

Mr. BARKLEY. Oh, it is slightly different in phraseology; but the object is the same, and the objective and the purpose is the same, and the hidden insinuation contained in the amendment and in the original bill against anybody who happens to be compelled to draw compensation from the United States is the same.

There are many agencies and activities in this country which are not included in this appropriation measure. For 22 years we have been appropriating money out of the Federal Treasury to aid the States in the construction of highways all over the country. There is not a highway employee in any State who is appointed by any agency of the United States Government. They are all appointed by the State governments, and by the State highway departments of the State governments; and every one of them is controlled by the State organization which he serves. Although millions of dollars are annually contributed out of the Federal Treasury to help the States build highways, we

all know that there is not a State in the Union in which the political organization which is in control of the State does not prostitute for its own political purposes the employment of men and women on the highways, and within the offices constructing and conducting the highways.

Mr. CHAVEZ rose.

Mr. BARKLEY. I yield to the Senator from New Mexico for a question. Let me say further that this amendment does not touch such employees as those.

Mr. CHAVEZ. That is what I was about to call attention to.

Mr. BARKLEY. Are they in any better class, are they any more intelligent, are they any more patriotic, are they any more unselfish, than the men who are going to work on highways, paid out of W. P. A. funds appropriated in this joint resolution?

Under this amendment, if it is adopted, a group of men may be working on a highway that is being built out of W. P. A. funds, and over which there are foremen and superintendents in an administrative capacity, and they will be denied any right to do anything but vote—it was very generous of the Senator from New Mexico to preserve in them the right to vote—and they may privately express their views if they sneak up behind somebody and whisper into his ear what they think about some problem; but they may not express their views in public.

Mr. CHAVEZ. Mr. President, will the Senator yield to me for a moment?

Mr. BARKLEY. I yield to the Senator from New Mexico.

Mr. CHAVEZ. I will go a little further than the State highway employees. The Congress of the United States furnishes every penny that is paid to the employees of the compensation commissions in the individual States. The director of the compensation commission in my home State is appointed by the Governor, but he is paid 100 percent from Uncle Sam's money, which we appropriate. It has been found that he is politically inclined; it has been found that he does not give his entire time to the duties of the position; but because we passed a law that the Governor should appoint him, we cannot do anything about it. He is playing politics; he is playing the game; he is not giving his full time to the duties of the position; but we cannot do anything about it.

Mr. BARKLEY. I appreciate that. I was coming to that in a moment. I do not want to get away from the highway situation for a moment.

Let us conceive of a highway being constructed or repaired by W. P. A. workers who are denied the right to express themselves, and within a mile of that highway another road is being built or improved under the highway department of some State, and every foreman, superintendent, engineer, man or boy who works upon that highway may express his views. He may abandon his job and go out and electioneer for some candidate for office. I ask even the Senator from New Mexico how he can draw a distinction between those who work on a highway, paid out of W. P. A. funds, and those who work on a highway, paid partly out of road funds appropriated by Congress and in part by the State.

Mr. HATCH. Mr. President, does the Senator ask me that question?

Mr. BARKLEY. Yes; I ask the Senator from New Mexico that question.

Mr. HATCH. Then I answer the Senator in this fashion: If any such condition exists, it is the duty of the Senator from Kentucky and my duty to exercise every bit of power we have to see that these prohibitions extend to all such persons. If we have to go back to the States and clean up the States, let us do it; but let us also keep our own skirts clean.

Mr. BARKLEY. The Senator talks about going back to the States and cleaning up the States. Hercules was once assigned the task of cleaning up the Augean stables, and it took him a long time to do it. I am not certain that any of us here rise to the stature of heroism—certainly not of mythological heroism—that attaches to the name of Hercules.

As the Senator from New Mexico stated a moment ago, we appropriated one-half of all the money which goes to pay old-age pensioners. When we wrote the social security law, we contemplated and expected that the maximum amount which would be drawn by the old people would be $30 a month. We arranged to have $15 put up by the Federal Government, to be matched by the State governments. Of course, the State governments have not matched the $15, and the amount the pensioners actually draw is variable, depending upon the action of the legislatures of the States. Every one of the old men and women who have served their time and generation in the interests of the public is called upon, examined, and investigated and questioned about his or her right to draw a pension; and every one of the pension agents who go around over the States examining applications for old-age pensions is paid one-half out of the Treasury of the United States. Every one of the old persons who draw pensions draws half of it out of the United States Treasury. We are not doing anything about them in this amendment. No effort is made to touch them.

The unemployment insurance is not a loan. It is an outright grant on the part of the United States. Every man who is employed in any State as supervisor or superintendent or director of the unemployment-compensation service is paid 100 percent out of the Treasury of the United States, and every one of them is appointed by and is under the control of the political organization which operates in the State. They are at liberty to roam around at their will, or at the will of their boss or their organization, and indulge in politics to their heart's content; but we are proposing that anybody connected with a job under W. P. A., or P. W. A., or C. C. C., or the Agricultural Adjustment Administration, or any other activity for which we appropriate money in this joint resolution, shall be tied with a rope to a tree so that he is helpless and cannot even speak, unless he can whisper in the ear of somebody what his convictions are, while all these others who draw pay out of the Treasury of the United States are free to roam at will and play the political game to their heart's content.

Mr. McCARRAN. Mr. President, will the Senator yield?

Mr. BARKLEY. I have only a few moments, but I will yield for a question.

Mr. McCARRAN. Is not that due to the fact that during the time Congress has been considering this very joint resolution, those who will administer this money have made public statements which in themselves were political, and were inclined to lead the populace of the country along certain political lines?

Mr. BARKLEY. No man is greater than his creator, although men frequently assume to be; but no man is really greater than his creator. I suppose the Senator has reference to Mr. Harry Hopkins, who the other day made a reply to a newspaper inquiry about a situation in Iowa. I am willing to concede that Mr. Hopkins was guilty of an indiscretion in making that statement—the Senator from Nevada thinks it was even worse than an indiscretion—but I do not admit that as a matter of principle or as a matter of policy Mr. Hopkins was guilty of any more of an indiscretion because he spends the money than are we who appropriate it and put it at his disposal if we go around over the country expressing our views with respect to politics, and advising everybody in every State how he should vote upon any problem that may confront him.

Mr. McCARRAN. Mr. President, will the Senator yield for another question?

Mr. BARKLEY. I yield.

Mr. McCARRAN. Does not the Senator distinguish between those who merely appropriate and have no power of paying out, and the one who has absolute control and pays out directly to the dependent and the needy?

Mr. BARKLEY. Oh, I grant that there is a theoretical distinction.

Mr. McCARRAN. Theoretical?

Mr. BARKLEY. But it is entirely possible that the Senator from Nevada, and I as a Senator from Kentucky, might

influence votes within our State, if we were willing to do it, by promising greater appropriations to those who were in need, thereby influencing their votes in the same way that Mr. Hopkins or anybody else might influence them by expressing the thought that if he lived within a certain State he would vote for a certain candidate.

I am not saying this in order to inject myself into the Iowa situation. I have not undertaken to do it. I have no interest in that contest, and I have no opinion with respect to what the people of Iowa ought to do, but if we are going to adopt a code of political purity and virtue on the floor of the Senate we ought to adopt it also when we are outside of this Chamber. We ought to concede to every American, high or low, whatever office he holds—whether it is a political or any other sort of office, whether it is an elective or an appointive office—the same right which we exercise in our capacity either as Senators or as citizens of the United States.

The PRESIDENT pro tempore. The time of the Senator from Kentucky has expired.

Mr. McCARRAN. Mr. President, one question to the Senator.

Mr. BARKLEY. My time has expired.

Mr. McCARRAN. May I address a question to the Senator from Kentucky? Would not his last remarks have well applied when we adopted the civil-service laws of this country?

Mr. BARKLEY. I was not present when the civil-service laws were adopted. I concede, if the Senator will permit me to answer in his time, that lifetime appointments made as a result of examinations by the Civil Service Commission ought to preclude, and do preclude, under the law, what we call pernicious political activity.

Mr. McCARRAN. That is correct.

Mr. BARKLEY. But in order to discharge any civil-service employee who is enjoying a lifetime tenure for what is called pernicious activity in politics, there have to be charges filed, they have to be investigated by an official investigator, and they have to be established by proof which will justify a removal. That is because a man or a woman who enjoys a life tenure in a civil-service appointment may be guilty of things that bring that service into disrepute and discredit. But I would not deny to a civil-service employee, though holding a lifetime office, the right to express himself on any question in which he is interested, although I would restrict him in the exercise of his political activities to such an extent that he might not bring discredit on the service in which he was engaged. But under the amendment which is now offered no man who occupies a position or draws compensation out of this appropriation could take a position publicly upon a bond issue submitted to the people of a city to determine whether they would vote for the appropriation of money to buy a waterworks or an electric-light plant which was to be paid for out of the appropriation carried in the pending joint resolution.

No man who enjoys such a position would be permitted to express his opinion in public upon anything which might affect the outcome of an election which might involve the expenditure of money carried in this appropriation. No architect who drew the plans for a schoolhouse, or a courthouse, or a jail, or waterworks system, or any other public construction, could publicly express his views with respect to any political matter if this amendment were adopted.

Mr. HATCH. Mr. President, will the Senator from Nevada yield to me for a question?

Mr. McCARRAN. Mr. President, what is the parliamentary situation?

The PRESIDING OFFICER. The Senator from Nevada has the floor.

Mr. McCARRAN. I cannot yield for anything but a question. I did not know that I had the floor.

Mr. BARKLEY. The Senator had it, and he yielded to me to answer a question.

Mr. McCARRAN. I am very glad I yielded.

Mr. BARKLEY. He yielded to me to answer a question he asked me, which is a little reversal of the ordinary procedure; but we are not proceeding according to technicalities here tonight.

The PRESIDING OFFICER. The Senator from Nevada still has the floor.

Mr. BARKLEY. I may not have answered the question, but I expressed my own views with respect to the matter. [Laughter.]

Mr. McCARRAN. The Senator answered the question.

Mr. HATCH. Mr. President, will the Senator yield to me?

Mr. McCARRAN. In just a moment. I wish to deal with this matter as impartially and as fairly as I know how.

I think the Senator from Kentucky has taken a position which he would not take if he thought of his remarks. I agree with some things he said, but he states that those who control this money would not have the right to express themselves even on a bond issue. I wonder whether the Senator from Kentucky would want Mr. Ickes to come into a municipality and state to that municipality that it would or would not vote on a bond issue when that bond issue involved the question whether or not it would adopt the policies of P. W. A. I know what the answer is, of course. The answer is "No."

Mr. BARKLEY. In the first place, if the Senator will yield, Secretary Ickes is not involved in this, because he does not draw his compensation out of this appropriation and it does not affect him. He can do it without violating the law.

Mr. McCARRAN. The Senator from Kentucky took a very broad view of the situation.

Mr. BARKLEY. I am a broad-minded man. [Laughter.]

Mr. McCARRAN. He made the statement broader than he really intended to.

Mr. BARKLEY. No; I did not. If I had had time, I could have broadened it out a good deal.

Mr. McCARRAN. I know the Senator could have broadened it out a good deal, but he did not mean to broaden it.

Mr. BARKLEY. Oh, yes; I did.

Mr. McCARRAN. Because what the Senator said was absolutely not in keeping with this measure. The fact of the matter is that this amendment does not apply to Mr. Ickes.

Mr. BARKLEY. That is what I said.

Mr. McCARRAN. The fact of the matter is that it has been modified, that it is confined to W. P. A. activities, and, going further, the W. P. A. activities to which this amendment addresses itself are those which have aroused the Nation. They have aroused the people of this country.

Mr. BARKLEY. They have aroused the Senate; I do not know whether they have aroused the Nation or not. [Laughter.]

Mr. McCARRAN. They have gone further than that, and they have gone further than that because the press of this country has reflected the sentiments and ideas of the people of this country.

Mr. SCHWELLENBACH. Mr. President, will the Senator yield?

Mr. McCARRAN. I yield for a question; that is all I can yield for.

Mr. SCHWELLENBACH. Does the Senator intend to ask this body to believe that the press of this country reflects the sentiments of the people at any time?

Mr. McCARRAN. Yes; I think so. I will answer. I think the press of this country is supported by the American people. If the press of this country were not supported by the American people, the press of this country would go out of business. The press of this country represents a great cross section of American ideas as expressed by the average individual in the everyday walk of life. The press of this country is the voice of the people. The Senator from Washington may not agree to that but it is nevertheless true, and under a democratic form of government the voice of the people is the voice of the governing power.

Mr. BARKLEY. Will the Senator yield to me there?

Mr. McCARRAN. For a question only. The Senator from Kentucky has tied me down.

Mr. BARKLEY. No; I am not going to be guilty of taking advantage of any technicality to take the Senator off the floor, but inasmuch as he has said that I made a broader statement than I intended to make with respect to the P. W. A., I should like to say that I had no reference to Secretary Ickes, but I had reference to W. P. A.

Mr. McCARRAN. Is the Senator asking me a question, or is he making a speech?

Mr. BARKLEY. I am asking the Senator a question. I will make a statement. [Laughter.]

Mr. McCARRAN. I yield.

Mr. BARKLEY. I will ask the Senator a question.

Mr. McCARRAN. Let us see what it is.

Mr. BARKLEY. Does not the Senator know—so far it is a question [laughter]—does not the Senator know that when I referred to a bond issue in a city to determine whether that city could borrow the money to put up its part of the necessary sponorship of a W. P. A. project for streets, or sidewalks, or sewers, or a public utility, it is covered by this amendment, which denies to anybody who draws any compensation out of that fund the right to express himself publicly upon the question? That is a question.

Mr. McCARRAN. Is that a question? If so, I will answer it "no."

Mr. BARKLEY. That is an incorrect answer. [Laughter.]

Mr. McCARRAN. Mr. President, we are dealing with a thing which means much to American life. We are either going forward with a great democracy or we are going down. I have faith enough in the people of this country to believe that we are going forward. I have never lost faith in the people of this country.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. McCARRAN. For a question only.

Mr. BARKLEY. Does that include those who are working on public projects who will be paid out of this appropriation?

Mr. McCARRAN. By all means, provided their food and raiment are not affected by someone who has that in his control.

Mr. BARKLEY. All of the food and raiment——

Mr. McCARRAN. I did not yield for a statement; I yielded for a question.

Mr. BARKLEY. I will ask the Senator a question. Do not the 96 Members of the United States Senate largely depend upon what they draw from the Treasury of the United States for their food and raiment?

Mr. McCARRAN. Mr. President——

Mr. BARKLEY. If they do—and I will say frankly that I do—are we any higher in the estimation of the people, are we any purer, are we any more virtuous, are we any less likely to debauch politics and to prostitute it for our own selfish ends, than a man who draws $70 as a foreman of a street gang?

Mr. McCARRAN. Mr. President, answering the first part of the Senator's double-jointed question, and I can only speak for myself, for the time being I say "yes." That is the answer to the first part.

Secondly, we are no greater than any other individual. We simply live on what we get. I do; I speak for myself. Undoubtedly the Senator from Kentucky could answer it otherwise——

Mr. BARKLEY. No. [Laughter.] Will the Senator allow me to ask him a question?

Mr. McCARRAN. Surely.

Mr. BARKLEY. Does not the Senator know that I cannot do it otherwise? [Laughter.]

Mr. McCARRAN. I do not know that. I cannot say what the Senator has. I hope he has plenty. I should be delighted to have him have everything that God could give him, because I admire him very much.

Mr. President, going back to the subject, there is one thing uppermost in this amendment. It may be voted down, although I hope it will not be voted down. The uppermost thing is, shall American citizenship in its most lowly state occupy the high place which it was intended to occupy when this Government was created, or shall American citizenship in its most lowly state be dependent upon someone who doles out and deals out the money which comes from the brow of the labor of this country? Every dollar that goes into the Treasury of the United States of this country by way of taxation comes off the brow of labor.

Mr. WHEELER. Mr. President, will the Senator yield?

Mr. McCARRAN. I yield for a question.

Mr. WHEELER. I was going to ask the Senator why it was that we so seriously objected to a corporation putting a statement in the pay envelopes of the employees that they ought to vote so and so. Why do we pass laws against that practice, and why does everyone condemn it?

Mr. McCARRAN. For just the same reason that I would condemn one who occupies a great and high place who would say that in order for some starving individual, out of employment, to have a place at $44 a month, the miserable pittance of $44 a month, he, the one who draws the $44 a month, must yield to the will and dominance of the fellow who doles it out.

Mr. President, that sentiment runs through all American life. It is not a question to be forgotten today or tomorrow; it is a question, Shall the individual vote as he wants to vote, or shall he vote to please someone who controls his meal ticket?

Today how many are there in America whose meal ticket is controlled by some Federal agency? Does that Federal agency controlling that meal ticket have the power to say to that individual that unless he votes as the one controlling says he shall vote, he will be cut off, or shall American citizenship stand in the high and lofty position which God intended that American citizenship should occupy?

Mr. President, this is not a question of what comes out of the power of the Senate. It is not a question of whether the Senate is equal to someone who is on a dole. We are all citizens, all humble, all responding to the same oath of citizenship. That being true, then why should we give the power to someone who has this money to deal out and dole out—why should we give him the right to say that someone subservient to him shall vote as he dictates?

That is all there is to the amendment. If we express the will of the people of this country, then we will vote for the amendment. If we do not want to express the will of the people of this country, then we might vote it down. The whole question involved here is, Shall the people rule, or shall someone who has been delegated by the people to minister to the needs of the unemployed, the lowly and humble, dominate so that by reason of necessity, growing out of a colossal depression, the unfortunate shall yield their free will to the dominating force of money? The whole proposition involved in this amendment offered by the Senator from New Mexico is man against money. May God grant for the sake of America and its leadership in the affairs of the world that the most lowly man, even though he be dependent, may never be denied the right to exercise free will in the way of an untrammeled and uninfluenced vote.

Mr. NORRIS. Mr. President, I offer an amendment to the amendment of the Senator from New Mexico. In line 4, page 1, I move to strike out the third word, "an", and to insert in lieu thereof the following:

A convention, a primary, or other.

So that it will read:

Or influence for the purpose of interfering with a convention, a primary, or other election.

Mr. HATCH. Mr. President, will the Senator yield?

Mr. NORRIS. I yield.

Mr. HATCH. I have no objection to the amendment which the Senator has offered, but will the Senator object to adding to his amendment, after the word "with" the words "or influencing"?

Mr. NORRIS. Where would that language come? There is no word "with" in the amendment I proposed.

Mr. HATCH. I mean in the amendment I offered, in line 4. In that line the word "with" appears.

Mr. NORRIS. Yes; the second word.

Mr. HATCH. It reads "interfering with." I want to have the Senator insert after the word "with" the words "or influence", so it would read:

Interfering with or influencing.

Then the Senator's proposed amending language would follow.

Mr. NORRIS. I have no objection to including that language at the beginning of my amendment, so it will read as the Senator has read the language.

Mr. HATCH. I accept the amendment proposed by the Senator from Nebraska to my amendment.

Mr. BARKLEY. Wait a moment. Will the Senator yield?

Mr. NORRIS. I yield.

Mr. BARKLEY. Of course the amendment includes, as I understand it, conventions and primary elections as well as general elections?

Mr. NORRIS. Yes.

Mr. BARKLEY. So, if it were adopted, although I am sure the Senator from Nebraska does not mean any such thing as that, no one could go to a convention except the bosses; that is, the bosses over the men who are doing this work. They all have bosses. They have bosses on these projects and on the highways. They have bosses in utility plants and water works.

Mr. NORRIS. I hope the Senator will not take up all my time.

Mr. BARKLEY. No.

Mr. NORRIS. I do not believe the objection of the Senator from Kentucky is valid. If the amendment, as amended, were adopted, it would read as follows:

No person * * * whose compensation, or any part thereof, is paid from funds appropriated by this act shall use his official authority or influence for the purpose of interfering with a convention, a primary, or other election.

I think that is perfectly plain. I do not care to argue that. The Senator from New Mexico accepted the language with the words "or influencing."

Mr. HATCH. I did accept the amendment.

The PRESIDENT pro tempore. The Senator from New Mexico modifies his amendment by accepting the amendment of the Senator from Nebraska.

Mr. BYRNES. Mr. President, in my time I should like to ask the Senator from New Mexico a question. As amended the amendment would permit a man who holds a position, privately to express his opinion, provided that opinion does not influence anyone. Is that right?

Mr. HATCH. No. I would not make any such test as that. That is not the language of the amendment.

Mr. BYRNES. It does permit him privately to express his opinion, does it not?

Mr. HATCH. It is an exception to the rule; yes.

Mr. BYRNES. But it says he must not express any opinion that influences the result.

Mr. HATCH. No; I do not so read it.

Mr. BYRNES. Does it not say that he shall not influence? That is the purpose of it; not to influence the result of an election.

Mr. HATCH. There is an exception in the bill which makes it clear that nothing in this act shall prevent a man from expressing his opinion or from voting. It has nothing to do with the prohibition whatever.

Mr. BYRNES. But suppose I express my opinion to the Member of the Senate sitting next to me, and I happen to influence his vote. Am I violating the law or not?

Mr. HATCH. The Senator is not.

Mr. BYRNES. And yet the first sentence says that I must not influence the opinion of anyone. That is the purpose of the amendment, is it not?

Mr. HATCH. No.

Mr. BYRNES. What is its purpose?

Mr. HATCH. Will the Senator permit me in his time to read it?

Mr. BYRNES. Yes.

Mr. HATCH. I read:

No person employed in any administrative capacity, by any agency of the Federal Government, whose compensation, or any part thereof, is paid from funds appropriated by this act shall use his official authority or influence for the purpose of—

There is a change at that point—

for the purpose of interfering with or influencing an election.

He shall not use his official authority. That is the prohibition in the bill. And the exception simply makes clear and plain that his right to speak and express his opinion, and to vote, is not interfered with.

Mr. BYRNES. Provided he does not influence the result.

Mr. HATCH. No; there is no such language. Oh, no.

Mr. BYRNES. If an administrator in the Department should express his opinion to his secretary, and should influence the opinion of that secretary, would he or not violate that language?

Mr. HATCH. The language is plain.

Mr. BYRNES. Well, it says he can express his opinion.

Mr. HATCH. The rule has been in operation for many, many years in our Government, and it has been construed and applied and the Senator as a lawyer understands that. Let me read it again.

Mr. BYRNES. Is it already the law?

Mr. HATCH. Oh, it has been the law with respect to the civil service ever since 1883. And there has been no complication suggested such as the Senator has so wisely pointed out.

Mr. BYRNES. Is it a provision then to apply the provisions of the civil-service law to this matter, or is it different?

Mr. HATCH. I am sorry the Senator was not present when I explained the matter.

Mr. BYRNES. I have had the Senator's amendment, and I understand from the way he read it, that it has been changed.

Mr. HATCH. Yes; but it is still the identical provision which appears in the civil-service law, which prohibits political activity on the part of civil-service employees.

Mr. BYRNES. And applies it to the Works Progress Administration?

Mr. HATCH. It applies to those in official capacity to prevent their using their official authority.

Mr. BYRNES. To all, or just to P. W. A. and W. P. A.?

Mr. HATCH. It applies to all at this time, but it had been suggested that it should only apply to title I. Does the Senator think it should only apply to title I?

Mr. BYRNES. I am not offering the amendment. I would not offer it.

Mr. HATCH. I thought the Senator would want to make a restriction of that sort. If he did, I think I should agree with the Senator.

Mr. BYRNES. I am asking whether it applies to one or both.

Mr. HATCH. At the present time it applies to all receiving money from that appropriation.

Mr. BARKLEY. Mr. President, let me ask the Senator a question.

Mr. HATCH. I cannot yield, because I do not have the floor.

Mr. BYRNES. I yield to the Senator.

Mr. BARKLEY. Under this amendment any one of these people can still vote, and still express his views in private. When does an expression cease to be private and become public? How many people have to be present in order to make it a public expression? If I take the Senator out behind the smokehouse and tell him something, is it private? But if I bring him where somebody can hear it, is that public? How many persons must hear it before it is public?

Mr. HATCH. May I answer in the time of the Senator from South Carolina?

Mr. BYRNES. I yield.

Mr. HATCH. I think the Senator from Kentucky has raised a very important question. I do not like to split hairs.

I do not like to have any misunderstanding. Did the Senator mention a smokehouse?

Mr. BARKLEY. Any sort of house. That is just a common expression for the place where meat is cured.

Mr. HATCH. If that is the thing that is in the mind of the Senator from Kentucky, Mr. President, in order to relieve his mind on that score, I modify the amendment by striking out the word "private."

Mr. MURRAY. Mr. President, will the Senator from New Mexico yield?

Mr. HATCH. The Senator from New Mexico has not the floor and cannot take the floor.

SEVERAL SENATORS. Vote!

Mr. MURRAY. Mr. President, before a vote is taken I should like to inquire whether or not the amendment has been changed, and whether it now applies to a clerk or a secretary of a congressional committee.

Mr. HATCH. Oh, no.

Mr. MURRAY. It seems to me that we are unduly excited over the alleged political activities of the Works Progress Administration. So far as my State is concerned, I know there is absolutely no political activity going on in the administrative offices in my State. Of course, I do not know what the situation is in other States.

The only information we have had today with reference to alleged political activities of the Works Progress Administration has come to us in the form of clippings from newspapers. If we are to accept those as statements of fact, it seems to me we shall not be exercising common sense and common judgment in a matter of this kind.

I do not think there is justification for all the excitement that is manifested over the W. P. A. activities. It seems to me that activities are going on in other quarters which are more serious than any political activities in the W. P. A. I know of many such instances, and I intend to collect the information and data in connection with the instances I have in mind, and later submit them to the Senate.

SEVERAL SENATORS. Vote!

The PRESIDENT pro tempore. The question is on agreeing to the modified amendment offered by the Senator from New Mexico [Mr. HATCH].

Mr. HATCH. Mr. President, I desire further to modify the amendment, so as to make it apply to title I.

Mr. McNARY. Mr. President, may the amendment, as now modified, be stated?

The PRESIDENT pro tempore. The Clerk will state the amendment in its latest modified form.

The CHIEF CLERK. It is proposed to insert, at the proper place, the following:

No person employed in any administrative capacity by any agency of the Federal Government, whose compensation, or any part thereof, is paid from funds appropriated by title I of this act shall use his official authority or influence for the purpose of interfering with or influencing a convention, a primary, or other election, or affecting the results thereof. Any such person shall retain the right to vote as he pleases and to express his opinions on all political subjects, but shall take no active part in political management or in political campaigns. Any person violating the provisions of this section shall be immediately removed from the position or office held by him, and thereafter no part of the funds appropriated by this act shall be used to pay the compensation of such person.

SEVERAL SENATORS. Vote!

Mr. LA FOLLETTE. I ask for the yeas and nays on the amendment.

The yeas and nays were ordered, and the legislative clerk proceeded to call the roll.

Mr. SHIPSTEAD (when his name was called). I have a pair with the senior Senator from Virginia [Mr. GLASS]. I am informed that if present he would vote as I shall vote. I therefore vote "yea."

The roll call was concluded.

Mr. GERRY. I announce that the Senator from Nebraska [Mr. BURKE] is paired with the Senator from Oklahoma [Mr. THOMAS]. If the Senator from Nebraska were present, I am informed that he would vote "yea"; and if the Senator from Oklahoma were present, I am informed that he would vote "nay."

Mr. AUSTIN. I have been requested to announce the following general pairs:

The Senator from New Hampshire [Mr. BRIDGES] with the Senator from North Carolina [Mr. REYNOLDS].

The Senator from Pennsylvania [Mr. DAVIS] with the Senator from Kentucky [Mr. LOGAN].

The Senator from North Dakota [Mr. NYE] with the Senator from South Carolina [Mr. SMITH].

Mr. LEWIS. I announce that the Senator from Arizona [Mr. ASHURST] and the Senator from Oregon [Mr. REAMES] are detained from the Senate because of illness.

The Senator from Massachusetts [Mr. WALSH] is delivering a commencement address at the Coast Guard Academy in New London, Conn.

The Senator from Nebraska [Mr. BURKE], the Senator from Missouri [Mr. CLARK], the Senator from Ohio [Mr. DONAHEY], the Senator from Wisconsin [Mr. DUFFY], the Senator from Iowa [Mr. GILLETTE], the Senator from Virginia [Mr. GLASS], the Senator from Arizona [Mr. HAYDEN], the Senator from Kentucky [Mr. LOGAN], the Senator from New Jersey [Mr. MILTON], the Senator from North Carolina [Mr. REYNOLDS], the Senator from South Carolina [Mr. SMITH], and the Senator from Oklahoma [Mr. THOMAS] are detained on important public business.

The result was announced—yeas 37, nays 40, as follows:

YEAS—37

Austin	George	Lonergan	Thomas, Utah
Bailey	Gerry	McCarran	Townsend
Berry	Gibson	McNary	Vandenberg
Borah	Hale	Maloney	Van Nuys
Bulkley	Hatch	Miller	Wagner
Byrd	Holt	Norris	Wheeler
Capper	Johnson, Calif.	O'Mahoney	White
Connally	King	Pope	
Copeland	La Follette	Russell	
Frazier	Lodge	Shipstead	

NAYS—40

Adams	Caraway	Hughes	Overton
Andrews	Chavez	Johnson, Colo.	Pepper
Bankhead	Dieterich	Lee	Pittman
Barkley	Ellender	Lewis	Radcliffe
Bilbo	Green	McAdoo	Schwartz
Bone	Guffey	McGill	Schwellenbach
Brown, Mich.	Harrison	McKellar	Sheppard
Brown, N. H.	Herring	Minton	Smathers
Bulow	Hill	Murray	Truman
Byrnes	Hitchcock	Neely	Tydings

NOT VOTING—19

Ashurst	Donahey	Logan	Reynolds
Bridges	Duffy	Lundeen	Smith
Burke	Gillette	Milton	Thomas, Okla.
Clark	Glass	Nye	Walsh
Davis	Hayden	Reames	

So Mr. HATCH's amendment, as modified, was rejected.

Mr. BANKHEAD obtained the floor.

Mr. BARKLEY and Mr. COPELAND addressed the Chair.

The PRESIDENT pro tempore. Does the Senator from Kentucky rise for a parliamentary inquiry?

Mr. BARKLEY. No; I wish to move to suspend operations and recess until tomorrow.

Mr. BANKHEAD. I yield for that purpose; but I have the floor.

Mr. BARKLEY. It is obvious that we cannot conclude the consideration of the joint resolution this evening.

Mr. COPELAND. Mr. President, will the Senator yield for a moment?

Mr. BARKLEY. I yield.

Mr. BANKHEAD. Mr. President, I was recognized.

The PRESIDENT pro tempore. The Senator from Alabama has the floor. He has yielded to the Senator from Kentucky.

Mr. BANKHEAD. I yielded for the purpose of enabling the Senator from Kentucky to move a recess, but I want it understood that I shall have the floor tomorrow morning.

Mr. BARKLEY. There will be no difficulty about that.

Mr. BANKHEAD. I yield for that purpose.

APPROPRIATIONS FOR CIVIL FUNCTIONS OF WAR DEPARTMENT—CONFERENCE REPORT

Mr. COPELAND. Mr. President, the Army engineers are very eager to have the bill making appropriations for the civil functions of the War Department passed. I submit

the conference report on the bill, and ask for its adoption.

The PRESIDENT pro tempore. The report will be read.

The legislative clerk read the report, as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 10291) making appropriations for the fiscal year ending June 30, 1939, for civil functions administered by the War Department, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 1, 4, 6, 8, 13, 14, 16, 18, and 24.

That the House recede from its disagreement to the amendments of the Senate numbered 2, 3, and 9, and agree to the same.

Amendment numbered 5: That the House recede from its disagreement to the amendment of the Senate numbered 5, and agree to the same with an amendment, as follows: In lieu of the matter inserted by said amendment insert the following: ", and not in excess of $170,000 shall be available for the acquisition of land in the vicinity of San Francisco, California, at an average cost of not to exceed $1,000 per acre"; and the Senate agree to the same.

Amendment numbered 17: That the House recede from its disagreement to the amendment of the Senate numbered 17, and agree to the same with an amendment, as follows: In lieu of the matter inserted by said amendment insert the following: ": *Provided further*, That to the extent that the foregoing sum of $24,000,000 may be reduced by obligations for flood control made prior to April 21, 1938, the appropriation for general flood control contained in the next suceeding paragraph shall be reduced by a like amount and such amount shall then be transferred from the appropriation for general flood control to the appropriation made in this paragraph"; and the Senate agree to the same.

The committee of conference report in disagreement amendments numbered 7, 10, 11, 12, 15, 19, 20, 21, 22, and 23.

ROYAL S. COPELAND,
CARL HAYDEN,
ELMER THOMAS,
MORRIS SHEPPARD,
JOHN G. TOWNSEND, Jr.,
Managers on the part of the Senate.

J. BUELL SNYDER,
JOHN F. DOCKWEILER,
DAVID D. TERRY,
JOE STARNES,
ROSS A. COLLINS,
D. LANE POWERS,
ALBERT J. ENGEL,
Managers on the part of the House.

The PRESIDENT pro tempore. The question is on agreeing to the conference report.

The report was agreed to.

The PRESIDENT pro tempore laid before the Senate a message from the House of Representatives announcing its action on certain amendments of the Senate to the bill (H. R. 10291) making appropriations for the fiscal year ending June 30, 1939, for civil functions administered by the War Department, and for other purposes, which was read, as follows:

IN THE HOUSE OF REPRESENTATIVES,
June 2, 1938.

Resolved, That the House recede from its disagreement to the amendments of the Senate numbered 7, 10, 11, 12, and 19 to the bill (H. R. 10291) making appropriations for the fiscal year ending June 30, 1939, for civil functions administered by the War Department, and for other purposes, and concur therein;

That the House recede from its disagreement to the amendment of the Senate numbered 15 to said bill and concur therein with an amendment as follows: In lieu of the matter inserted by said amendment insert "augmentation of the foregoing appropriation of $70,020,000, $18,000,000 of the amount named for public projects in the second limitation under (d) in subsection (1) of section 1, Title I, of the Emergency Relief Appropriation Act of 1938, shall be available exclusively for the objects embraced by this paragraph: *Provided*, That nothing herein shall be construed as amending or modifying the provisions of section 3 of Title I of such act: *Provided further*, That the requirement in section 5 of Title I of such Act that no Federal construction project, with certain exceptions, shall be undertaken unless and until there have been allocated and irrevocably set aside sufficient funds for its completion is hereby waived as to this appropriation; and further in augmentation of the foregoing appropriation of $70,020,000";

That the House recede from its disagreement to the amendment of the Senate numbered 20 to said bill and concur therein with an amendment as follows: In lieu of the matter inserted by said amendment, insert a comma and "and of such sum not to exceed $3,000,000 shall be available."

That the House recede from its disagreement to the amendment of the Senate numbered 21 to said bill and concur therein with an amendment as follows: In lieu of the matter inserted by said amendment insert a comma and "as authorized by law."

That the House recede from its disagreement to the amendment of the Senate numbered 22 to said bill and concur therein with an amendment as follows: In lieu of the matter inserted by said amendment insert a comma and "and not to exceed $4,000,000 shall be available for the prosecution, under plans to be approved by the Secretary of Agriculture, of works of improvement for measures of run-off and water-flow retardation and soil-erosion prevention upon the watersheds of waterways for which works of improvement for the benefit of navigation and the control of destructive flood waters and other provisions have been or hereafter may be adopted or"; and

That the House recede from its disagreement to the amendment of the Senate numbered 23 to said bill and concur therein with an amendment as follows: In lieu of the matter inserted by said amendment insert "as at present or subsequently amended and supplemented."

Mr. COPELAND. I move that the Senate concur in the House amendments to Senate amendments numbered 15, 20, 21, 22, and 23.

The motion was agreed to.

SENATOR WILLIAM GIBBS M'ADOO—LETTER FROM THE PRESIDENT

Mr. BARKLEY. Mr. President, I present a letter from the President of the United States addressed to the Senator from California [Mr. MCADOO], which I ask consent to have printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

THE WHITE HOUSE,
Washington, March 16, 1938.

DEAR MAC: I have given much thought to the suggestion you made in our conversation a few days ago that you really desired to return to private life and be a "free man" once more. The more I think of it the more convinced I have become that you ought to seek reelection.

Because of our long association, dating back to 1911, I am qualified to say that few men in public life today have had anything like the extensive experience of public service that you have had. You began with the construction and operation of the tunnels under the Hudson River; as Secretary of the Treasury for many years you directed the financial operations of the Government during the whole period of the World War; and in addition, when the transportation system failed to meet the extraordinary demands imposed on it by the war, you served as Director General of the Railroads.

These past 5 years in the Senate have added to the wide knowledge you had already gained in serving the country. All of this experience has fitted you peculiarly for the serious and important work that lies ahead of us, and I do not need to tell you that I have always appreciated the fine support you have given to my administration. Therefore, your retirement from the Senate would be a distinct loss to the public, and all I can say is that I earnestly hope that you will run again.

As ever yours,

FRANKLIN D. ROOSEVELT.

Hon. WILLIAM GIBBS MCADOO,
United States Senate, Washington, D. C.

ADDITIONAL BILL AND JOINT RESOLUTION INTRODUCED

A bill and joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred, as follows:

By Mr. O'MAHONEY:

A bill (S. 4134) to provide for the continued operation of merchant vessels of the United States on essential trade routes; to the Committee on Commerce.

By Mr. PEPPER:

A joint resolution (S. J. Res. 304) to permit the transportation of citrus fruits by foreign-owned vessels between the ports of the State of Florida, and the ports of Portland, Oreg., and Seattle, Wash.; to the Committee on Commerce.

RELIEF AND WORK-RELIEF APPROPRIATIONS—ADDITIONAL AMENDMENTS

Mr. MCADOO submitted an amendment, and Mr. FRAZIER (for Mr. NYE) submitted two amendments intended to be proposed by them to the joint resolution (H. J. Res. 679) making appropriations for work relief, relief, and otherwise to increase employment by providing loans and grants for public-works projects, which were severally ordered to lie on the table, and to be printed.

EXECUTIVE SESSION

Mr. BARKLEY. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE REPORTS OF COMMITTEES

Mr. HARRISON, from the Committee on Finance, reported favorably the nomination of Senior Surgeon Charles L. Williams, to be medical director in the United States Public Health Service, to rank as such from May 23, 1938; and also the nominations of sundry doctors to be assistant surgeons in the United States Public Health Service, to take effect from date of oath.

Mr. SHEPPARD, from the Committee on Military Affairs, reported favorably the nominations of several officers for appointment, by transfer, in the Regular Army.

Mr. McKELLAR, from the Committee on Post Offices and Post Roads, reported favorably the nominations of several postmasters.

The PRESIDENT pro tempore. The reports will be placed on the Executive Calendar.

If there be no further reports of committees, the clerk will state the nominations on the calendar.

POSTMASTERS

The legislative clerk proceeded to read the nominations of sundry postmasters.

Mr. BARKLEY. I ask unanimous consent that the nominations of postmasters be confirmed en bloc.

The PRESIDENT pro tempore. Without objection the nominations of postmasters are confirmed en bloc.

That completes the calendar.

RECESS

The Senate resumed legislative session.

Mr. BARKLEY. I move that the Senate take a recess until 11 o'clock a. m. tomorrow.

The motion was agreed to; and (at 10 o'clock p. m.) the Senate took a recess until tomorrow, Friday, June 3, 1938, at 11 o'clock a. m.

CONFIRMATIONS

Executive nominations confirmed by the Senate June 2 (legislative day of April 20), 1938

POSTMASTERS

KENTUCKY

Rebecca B. Forsythe, Greenup.

MISSISSIPPI

Aubrey C. Griffin, Jackson.

NEW YORK

Clyde S. Edmister, Lisle.
Jesse S. Crane, Vestal.

PENNSYLVANIA

Mary R. Yocom, Douglassville.
Edwin A. Breinig, Egypt.

SOUTH CAROLINA

George N. Burnett, Greenwood.

TENNESSEE

James R. Hennessee, Sparta.

HOUSE OF REPRESENTATIVES

THURSDAY, JUNE 2, 1938

The House met at 12 o'clock noon.

The Reverend Clifford H. Jope, pastor of the Ninth Street Christian Church, Washington, D. C., offered the following prayer:

Our divine Father, we thank Thee for Thy presence, which has been with the people of this Nation through shadow and fire and has brought us to a place of honor and power. Help us to honor Thee in all our ways that our paths may be directed by Thee. Give to all who rule in this land the fear of Thy name and the accomplishment of Thy law. May Thy spirit and counsel give enlightened minds, a passion for justice, the courage to submerge selfish ambition and pride, that together we may avoid the bogs of blind contentment, distrust, and evil custom and be led of Thee into the sunlit fields of Thy domain, where dwell peace and truth. In the name of our Lord. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Frazier, its legislative clerk, announced that the Senate had agreed without amendment to a concurrent resolution of the House of the following title:

H. Con. Res. 52. Concurrent resolution authorizing the printing of additional copies of the Revenue Act of 1938.

The message also announced that the Senate agrees to the amendments of the House to bills of the Senate of the following titles:

S. 1585. An act for the relief of Sallie S. Twilley; and

S. 3113. An act for the relief of the Congress Construction Co.

The message also announced that the Vice President had appointed Mr. BARKLEY and Mr. GIBSON members of the joint select committee on the part of the Senate, as provided for in the act of February 16, 1889, as amended by the act of March 2, 1895, entitled "An act to authorize and provide for the disposition of useless papers in the executive departments," for the disposition of executive papers in the following departments: The Department of the Treasury, the Department of Agriculture, the Department of Labor, Veterans' Administration, and The National Archives.

The message also announced that the Senate disagrees to the amendments of the House to the bill (S. 5) entitled "An act to prevent the adulteration, misbranding, and false advertisement of food, drugs, devices, and cosmetics in interstate, foreign, and other commerce subject to the jurisdiction of the United States, for the purposes of safeguarding the public health, preventing deceit upon the purchasing public, and for other purposes," requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. COPELAND, Mr. BAILEY, Mr. CLARK, Mrs. CARAWAY, Mr. MCNARY, Mr. VANDENBERG, and Mr. GIBSON to be the conferees on the part of the Senate.

EXTENSION OF REMARKS

Mr. REED of New York. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD, and to include some official figures.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. DIES. Mr. Speaker, I ask unanimous consent to insert in the RECORD some information prepared by E. K. Gubin with reference to congressional investigations.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

THE PRESIDENT SPEAKS ON THE REVENUE ACT OF 1938—THOSE HE HITS CANNOT TAKE IT

Mr. McFARLANE. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD at this point, and to include the President's message on taxes and other matters.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. McFARLANE. Mr. Speaker, last Friday, May 27, the President refused to sign the new tax bill and, in connection with such refusal, made the following statement, which I deem to be of such importance that it should be inserted in the RECORD. It is as follows:

PRESIDENT'S ADDRESS AT ARTHURDALE, W. VA., MAY 27, 1938

At last after many attempts I have succeeded in coming to Arthurdale—and I greet you as friends because you are Mrs. Roosevelt's personal friends and because I have heard so much about you.

Much has been written about you good people, about the conditions of life in certain towns in this part of the world and about

what the Government has done here at Arthurdale. The Nation has heard about Scotts Run with its very poor conditions of life, and the Nation has heard about Arthurdale with its vastly improved conditions of life. But I think I voice the thoughts of you who live here when I say to the country over the radio that about the last thing you would want would be to be publicized as some rare and special type of Americans.

Let me put it this way, and I think and hope that you will agree with me when I say:

In 1933 the whole Nation knew that it faced a crisis in economic conditions, but the Nation did not realize that it faced a crisis in social conditions. If anyone were to ask me what is the outstanding contribution that has been made to American life in the past 5 years, I would say without hesitation that it is the awakening of the social conscience of America.

As one part, and only one part, of the effort of your Government to improve social conditions, we undertook in dozens of places scattered over almost every part of the country, to set up, with the cooperation of the local people themselves, projects to provide better homes, a better chance to raise foodstuffs, and a better chance to make both ends meet in maintaining a reasonably decent standard of life through the passing years.

Many different types of projects were undertaken—some of them in wholly rural sections, some in cities, some in suburbs, some for industrial workers, some for miners, some, like Arthurdale, a combination of industry and farming. These projects represent something new and, because we in America had no experience along these lines, there were some failures—not a complete failure in the case of any given project, but partial failures due to bad guesses on economic subjects like new industries or lack of markets.

On the whole, however, the percentage of good guesses in the average of these projects has been extraordinarily high, and for this success the principal part of the credit properly should go to the individual families who, themselves, have come to live in these new communities.

The lessons we have all learned will save a hundred times their cost in dollars as fast as government or private capital—or as I hope, both—go on with the inevitable task of improving living conditions throughout the country and helping Americans to live as modern science has made it possible for them to live. The extra cost of pioneering ventures such as this represents development cost which we justifiably charge off as the inevitable cost of all progress—just as we have in the past charged off the huge government share in the development costs of the railroads, the cables, the airplanes, and the improved highways that made the automobile possible. But what is equally important to me, the lessons learned from this first bold Government venture will save human lives and human happiness as well as dollars in this march of progress ahead of us.

This is a high-school graduation, and I am speaking just as much to you who graduate today as to your parents and your grown-up friends. You are the citizens of tomorrow—not just this graduating class but thousands of other high school graduating classes in every State of the Union.

When you, today's graduates, were of grade-school age we, your elders in the United States, were asleep at the switch and your Government also was asleep at the switch. For many years other nations of the world were giving serious consideration to and taking definite action on social problems while we were pushing them aside with the idea that some day we would get around to meeting them.

We had heard of the ideals of ending child labor, of initiating a 5-day week, of shortening working hours, of putting a floor under wages, of clearing slums, of bringing electricity into homes, and of giving families the chance to build or buy a home on easy terms, of starting old-age pensions and unemployment insurance. But all these things were in the greater part a beautiful dream—a dream until government, 5 years ago, tired of waiting, stepped in and started to make the dreams come true.

Government has done little more than to start the ball rolling. Government knows how much more there remains to be done. But government hopes, now that it has taken the first risks and shown the way, that private capital and businessmen will see how much it is to their own advantage—and profit—to keep the ball rolling—and keep it rolling so well that the inevitable wider improvement in American social conditions will come about in normal course of private enterprise without compelling government to use large amounts of taxpayers' money to keep America up to date.

Many sincere people—good citizens with influence and money—have come to West Virginia mining towns in the past 2 or 3 years to see the conditions under which American families lived, conditions under which, unfortunately, many American families still live. Many of these people have come to see me after their visit to Scotts Run or similar places and have expressed to me their surprise and their horror at things they have seen. They have said: "I did not imagine that such conditions could exist in the United States."

They have wanted to help at the particular spot they have seen, but the lesson which I have found it difficult to get across to them has been the fact that they have seen only one spot or two spots—tiny, single spots on a map of the United States, a map which is covered over with hundreds and even thousands of similar spots. Un-American standards exist by no means in a few coal towns only. They exist in almost every industrial community, and they exist in very many of the farming counties of the country.

Now, of course, pending the time that private capital and private enterprise will take up the burden, the money Government thus spends to encourage the Nation to live better—especially that part of the Nation which most needs it—is taxpayers' money.

Two questions, therefore arise: Is that spending justified from the point of view of the individual taxpayer and how should the money be raised?

So far as the taxpayer's individual interest is concerned, I always look at it this way.

Taxes, local and State and Federal combined, are nowhere near as high in this country as they are in any other great nation that pretends to be up to date. If I were a businessman making and hoping to continue to make good profits, I would remind myself as I paid my income tax, moderate by the standards of other nations, that the most important factor in the kind of an active economic life in which profits can be made, is people—able, alert, competent, and up-to-date people—to produce and to consume. Money invested to make and keep the people of this Nation that kind of people is therefore a good business investment.

And if I were the same man thinking about inheritance taxes and what I could leave to my children, I would say to myself that to leave them a living in a nation of strong and able men and women is to leave them a better heritage of security than a few thousand dollars saved on an inheritance tax.

Now, how should taxes be paid?

For a great many years, the Nation as a whole has accepted the principle that taxes ought to be paid by individuals in accordance with their capacity to pay. To put it another way, it has meant a graduated tax on a man's increase in wealth. For instance, a poor man or poor family whose increase in wealth in a given year is below a certain figure pays no direct Federal taxes at all; when the family gains more than $2,500 in a year the family pays a small percentage on these gains.

As the gains get still larger, the percentage of the tax goes up so that when a family's wealth increases to, say $100,000 a year, they have to pay a third of it to the Federal Government. In the case of still richer people, they may have to pay more than half of their large incomes to the State and Federal governments.

Last week the Congress passed a new tax bill. It contained many good features—improvements in tax administration, the elimination of a number of nuisance taxes on articles in common use, the lightening of the tax burden on the small corporation as I recommended to the Congress last fall. I hope that these changes made by this tax bill may be helpful to business and that this belief may, in itself, be a factor in the revival of business enterprise.

But, on the other side of the ledger, I cannot help but regret that two very fundamental principles of government must once more be called to the attention of the public.

Both of them, stripped of every attempt to confuse, are extraordinarily simple and can be understood by every citizen.

In 1936 many large corporations, especially those owned or controlled by a comparatively small number of very rich stockholders were in the habit of failing to declare dividends they had earned. Thus, their stockholders were in a position to leave the profits their money had made in the controlled corporation—paying the Government on these profits only the normal corporation tax of from 10 to 15 percent. Thus, these stockholders avoided paying a personal-income tax at a rate which in many cases would have involved a tax payment of 50 percent or even higher because the stockholders were in what is known as the upper brackets of the personal-income tax.

The Treasury Department found many instances of closely held corporations which, starting with the comparatively modest capital of several million dollars, had, over a period of years, grown into corporations worth several hundreds of millions of dollars without ever declaring a dividend to their stockholders. This meant a definite, though of course strictly legal, device by which these stockholders greatly increased their wealth year by year without having to pay to the Government more than a normal corporation tax, thus escaping very large sums of personal-income-tax payments.

The Revenue Act of 1936 sought to end this serious loophole.

In principle, our objective was right, but in practice the act, as finally worked out in the Senate, undoubtedly did prevent many small corporations from normal and reasonable business expansion, from building up adequate surpluses, or from paying off old debts.

The tax bill this year sought to get rid of these inequitable features but to retain at the same time the principle of stopping tax avoidance. As finally passed, the bill retains that principle, but the penalty for withholding dividends to stockholders is so small—only 2½ percent at the most—that it is doubtful whether it will wholly eliminate the old tax avoidance practices of the past.

It is true that the bill seeks to strengthen the authority of the Government to act against companies which clearly seek to avoid surtaxes for their stockholders by failing to declare dividends out of their profits; and I hope that this new provision, together with the recent favorable decision of the Supreme Court in interpreting the prior law, will retard the revival of the old evil. It seems to me that it is the definite duty and interest of the public and of the legislative and executive branches of the Government to watch very closely to see what happens during the coming year.

We must always remember that this old method of greatly increasing private fortunes through the withholding of corporate dividends was open and useful only to those citizens who already

had wealth large enough to control these large corporations—people whose personal income was already large enough to put them in the higher surtax brackets.

The position of the administration is, therefore, this:

We are delighted to remove any existing barriers against every little business in the Nation which is seeking to set itself squarely on its own feet; seeking to pay off its debts and seeking to make a reasonable profit; but the administration does not want large, closely held corporations making large profits to be used as a vehicle by the small number of their owners in order to avoid legitimate income taxes.

For a number of years it has been recognized that this progressive taxation of wealth realistically should apply not only to salaries and dividends and bond coupons but also to other forms of wealth such as increase in one's capital by selling any form of property at a profit.

This new bill wholly eliminates the progressive tax principle with respect to these capital profits; it taxes small capital profits and large capital profits at exactly the same rate.

In other words, if you or I sell stocks, which we have held for a few years, at a profit of, let us say, $5,000, we have to pay a tax of 15 percent on that profit; whereas, the man who has made a profit of $500,000 on stocks he has owned is required, under this new bill, to pay a tax of only 15 percent, just as you and I would. Nobody, by any stretch of the imagination, can say that this new provision maintains the principle of payment in proportion to ability to pay.

Some people who have favored this abandonment of principle have justified their position on the ground that one has to abandon principles once in a while when there is an emergency and that the abandonment of this particular principle will encourage many rich men to take a risk with their capital and invest it in new enterprises.

But this school of thought finds it difficult to answer the fact that almost all—about 80 percent of all capital gains reported—are profits made in the stock market—profits made, not by developing new companies, but by buying stocks of old companies low and selling them high, or by the still possible method of selling stocks short—selling stocks you do not own—and then buying them in at a lower price.

The abandonment of the principle of progressive tax payments in accordance with capacity to pay may encourage a small amount of capital to go into new productive enterprises but, chiefly, it will help those who make large profits in buying and selling existing stocks.

New productive enterprise is not created by the buying of stocks of established companies when they are low and selling them when they are high. I should like to see a revision of our tax laws which would really encourage new enterprise and new investment and the undertaking by private capital of projects like this that the Government has undertaken here at Arthurdale. But there is no assurance that untaxed savings will go into such new investment or new enterprise. They may be hoarded or lost in the inflation or deflation that occurs in the shuffling about of existing investments.

We should adopt tax policies which will encourage men to venture and to build new productive wealth. Unless something is added to the combined wealth of the Nation, one man's capital gain may be nothing more than another man's capital loss.

It will be noted that in this analysis of this abandonment of principle, I have attacked no person. I have merely called the attention of the country to certain clear-cut inescapable facts—and especially to the fact that this tax bill which in many respects is a good one, actually abandons the accepted principle of progressive taxation at a point which is very important in our economic life.

Here again is an example of a provision of law which actually, and in plain English, gives an infinitely greater tax concession to the man who makes a very great profit than to the man who makes a comparatively small profit. It helps the very few, therefore, at the expense of the many. To carry on government a total sum has to be raised. If the many who make small capital gains have to pay the same rate as the few who make large capital gains, it means that the tax rate for the little fellow must be higher than if we had stuck to the accepted principle of a graduated tax.

In accordance with recommendations made during several past years, I hope that the Congress will undertake a broader program of improving the Federal tax system as a whole in the light of accepted principles of fairness in American taxation and of the necessary incentives in our economic life.

You will see the difficulty in which your President has been placed. This tax bill contains features that ought to become law, but it contains several undesirable features, especially the ones I have just been talking about.

If I sign the bill—and I have until midnight tonight to sign it—many people will think I approve the abandonment of an important principle of American taxation. If I veto the bill it will prevent many of the desirable features of it from going into effect.

Therefore, for the first time since I have been President, I am going to take the third course which is open to me.

I am going to let the act go into effect at midnight tonight without my approval.

By so doing, I call the definite attention of the American people to those unwise parts of the bill I have talked to you about today—one of them which may restore in the future certain forms of tax avoidance, and of concentrated investment power, which we had begun to end, and the other a definite abandonment of a principle of tax policy long ago accepted as part of our American system.

Two things we can well remember.

The first is that our whole tax system—State, local, and Federal—can and must be greatly improved in the coming year.

The second is that we in this country are getting more practical results in the way of bettering the social conditions of the Nation out of our taxes than ever before in our history. That is why it is a pretty good idea to talk taxes not only to parents but to the younger generation of America.

I am proud of what I have seen here today and I am proud of all of you who are helping so greatly to make this community an American success.

SPECIAL BENEFITS TO THE WEALTHY

Mr. McFARLANE. I was very much surprised to hear that the President has been criticized for his attitude and statement with respect to the new tax bill. Personally I was very glad to hear the President express himself so vigorously against the special privileges written into the tax law for the benefit of the wealthy. I am proud to live in a country which has as its President a man who will not sign his name to a tax bill which grants such special privileges. Never in the history of the Federal income tax has any income-tax law contained such a number of special provisions for the benefit of Washington tax lobbyists and their clients as were written into the new tax bill while it was in the Senate.

Beginning with the income-tax law of 1913, 14 income-tax laws have been enacted since the adoption of the income-tax amendment to the Constitution. Nine of these laws have been passed during Democratic administrations. Five of them have been enacted during Republican administrations. Of these the new tax bill presents the most lamentable picture of special provisions for the special benefit of Washington tax lobbyists and their clients.

If we really want to know how the new tax bill was written we should make an investigation for the purpose of finding out what Washington tax lobbyists were especially interested in some of the special provisions written into the new tax law. We should find out the names of their clients who were benefited; we should also make them show the amount of these benefits. Just to give this inquiry a proper start, I suggest that the people should know the names of the Washington tax lobbyists and their clients who were especially interested in the following amendments made in the Senate:

Amendment No. 10, allowing a special method for taking inventories, as follows:

The cost of goods sold during any taxable year beginning after December 31, 1938, may be computed upon the last-in first-out basis if such basis conforms as nearly as may be to the best accounting practice in the trade or business and is regularly employed in keeping the books or records of the taxpayer; and the change to such basis shall be made for any year in accordance with such regulations as the Commissioner, with the approval of the Secretary, may prescribe as necessary to prevent the avoidance of tax. Any taxpayer who, for any taxable year, is permitted under the preceding sentence to change to such basis shall be considered to have made an irrevocable election with respect to such year and future taxable years and shall not be permitted to change from such basis in any subsequent taxable year.

Amendment No. 47, allowing a special basis for depreciation and for computing gain or loss upon a sale of property, which is as follows:

(18) Property received by a stockholder on complete liquidation of a corporation: If property is distributed to a stockholder in complete liquidation of a corporation and recognition of gain to such stockholder under section 115 (c) of this act is limited to the extent of the money distributed or his ratable share of the accumulated earnings or profits, whichever is greater, the basis shall be the same as the basis of his stock canceled or redeemed under the liquidation, increased in the amount of gain recognized to the stockholder.

Amendment No. 52, allowing a special exemption in the case of liquidations of certain corporations, which is as follows:

At the election of the shareholder, in the case of a complete liquidation of a corporation within the meaning of the preceding sentence which is completed prior to the end of the first taxable

year of the corporation beginning after December 31, 1937, in accordance with a plan of liquidation adopted within such taxable year, there shall be taxed as a dividend to each distributee the entire amount of the gain as is not in excess of his ratable share of the undivided earnings or profits of the corporation accumulated after February 28, 1913; the remainder, if any, of the gain shall be taxed as a capital gain, but only to the extent that the money distributed exceeds the amount of the gain which is taxed as a dividend. For the purpose of determining accumulated earnings or profits under this subsection, increase in value of property accrued shall not be treated as earnings or profits.

Amendment No. 79, allowing a special method of taxing amounts received on certain claims against the United States: The story behind this is really good. It is the talk of the Washington tax lobbyists. It shows what can be done if a taxpayer employs a Washington tax lobbyist to lobby for him. The special benefit which this amendment grants to one taxpayer is enough to shock the conscience of the entire American people.

(h) For the purposes of this title, any amount received by a taxpayer from the United States in respect of a claim against the United States involving the acquisition of property and remaining unpaid for more than 15 years shall be treated as received upon the sale of a capital asset consummated on the date of such receipt.

Amendment No. 182, allowing an exemption to certain manufacturers of toilet preparations, which is as follows:

And shall not apply to articles sold by the manufacturer, producer, or importer, after June 30, 1938, for 9 cents or less.

Amendment No. 183, exempting brewer's wort, malt sirup, and so forth, as follows:

(i) Brewer's wort, malt sirup, etc.: The tax imposed by section 601 (c) (2), as amended, of the Revenue Act of 1932 shall not apply to articles sold or imported after June 30, 1938.

Amendment No. 184, exempting transactions on the board of trade, as follows:

(j) Sales of produce for future delivery: The tax imposed by subdivision 4 of schedule A of title VIII of the Revenue Act of 1926, as amended, shall not apply to sales, agreements of sale, or agreements to sell made after June 30, 1938. Effective July 1, 1938, section 726 (c) of the Revenue Act of 1932, as amended, is repealed.

Amendment No. 190, exempting imported rapeseed oil used in the manufacture of rubber substitutes or lubricating oil:

(F) The tax imposed under subparagraph (B) shall not apply to rapeseed oil imported to be used in the manufacture of rubber substitutes or lubricating oil, and the Commissioner of Customs shall, with the approval of the Secretary, prescribe methods and regulations to carry out this subparagraph.

Amendment No. 191, exempting coconut oil produced in Guam or American Samoa:

(G) The taxes imposed by this section shall not apply to any article, merchandise, or combination, by reason of the presence therein of any coconut oil produced in Guam or American Samoa, or any direct or indirect derivative of such oil.

Amendment No. 203, a reduction in the rate of tax on certain matches, strikes out:

There is hereby imposed on fancy wooden matches and wooden matches having a stained, dyed, or colored stick or stem, packed in boxes or in bulk, sold by the manufacturer, producer, or importer, a tax of 5 cents per 1,000 matches.

And inserts:

(a) There is hereby imposed upon matches, sold by the manufacturer, producer, or importer, a tax of 2 cents per 1,000 matches, except that in the case of fancy wooden matches and wooden matches having a stained, dyed, or colored stick or stem, packed in boxes or in bulk, the tax shall be 5 cents per 1,000 matches.

For some unknown reason, many of the amendments were permitted to stay in the tax bill. No wonder that the President refused to sign the bill. He had no other course, unless he wanted to put his stamp of approval upon the schemes and devices of the Washington tax lobbyists.

I am also glad to note the position of the President with respect to capital gains. Throughout the consideration of the tax bill I have maintained that the wealthy should not be given a special benefit with respect to their income which is received from capital gains. Previously in speaking on the new tax bill—see page 2893 of the CONGRESSIONAL RECORD of March 4, 1938—I stated:

While the scheme proposed in the case of large taxpayers results in reduction in the capital-gains tax, this action stands out in contrast to the effect which the scheme will have on small taxpayers. Many of these under the plan will be forced to pay substantially more tax by reason of the brackets substituted for the present law. Furthermore, it appears that large taxpayers are always able to hold investments until the maximum tax advantage can be obtained, whereas the small taxpayers, either through necessity or expediency, find it convenient to take their gains within a shorter period.

CAPITAL-GAINS TAX, DEMOCRATIC OR REPUBLICAN?

In upholding the new tax law it is insisted by some that this law follows long-established principles of giving preferred treatment to capital gains. Now, I ask you who established these principles, the Democratic Party or the Republican Party? Let us look at the record and see.

The first income-tax law passed during the Civil War granted a special exemption with respect to capital gains. That law was enacted during a Republican administration. But look at the other side of the battlefield and see what the Democratic South was doing at that time. The Confederacy also had an income-tax law. That law contained no such grant of special privilege for those receiving capital gains. In the act of April 24, 1863, enacted by the Confederate States of America, one section imposed a tax on income and profits derived by each person, joint-stock company, and corporation, from every occupation, employment, or business, and from every investment or labor, skill, property or money, and the income and profits derived from any source whatever, except salaries; a separate section allows a provision that salaries be taxed. It should be noted that no discrimination is made with respect to capital gains, and that for this reason no special privilege was allowed with respect to such gains. Thus the Democratic South refused to follow the example set by the Republican Party in the North.

GROVER CLEVELAND REFUSED TO SIGN

The next income-tax law was passed in 1894 during the administration of Grover Cleveland, and was later declared unconstitutional. It followed the prior example of the Republican Party and provided for a special privilege to those receiving capital gains. However, it should be remembered to the glory of Grover Cleveland that he refused to sign the tax bill of 1894 and he let it become a law without his signature on August 28, 1894. It may also be remarked that President Roosevelt followed the same procedure with respect to the special-privilege tax law of 1938.

WOODROW WILSON FAVORED NO CAPITAL-GAINS SPECIAL PRIVILEGE

After the law of 1894 was declared unconstitutional, no further income-tax laws were enacted until after the adoption of the income-tax amendment to the Constitution in 1913. At that time Woodrow Wilson was President. During his administration, four income-tax laws were passed: The Revenue Act of 1913, the Revenue Act of 1916, the Revenue Act of 1917, and the Revenue Act of 1918. None of these acts contained any provision for special privilege with respect to capital gains, such as that later written into the act. However, President Wilson's term of office expired March 4, 1921, and on November 23, 1921, the Harding administration enacted the income-tax law of 1921. Into this law the Republican Party wrote special-privilege provisions with respect to capital gains. Those provisions were kept in the law throughout the 12 long years of Republican privilege dealing. Year after year the wealthy capitalists paid little tax on capital gains.

WILL SPECIAL PRIVILEGE ALWAYS BE ENTHRONED?

Then in 1934, during the present administration an attempt was made to take away this privilege. We succeeded only in part, for the privilege was allowed to remain with reduced benefits to be derived from it. Some of us have had hope that the time would come when the remainder of this special privilege would be swept away. That is to say, we had hope until the revenue bill of 1938 became a law. Today the picture is a dark one. The Republican special privileges

have been rewritten into the law with respect to capital gains, and the President is criticized because he objects to such special privileges. The wealthy taxpayers would have the President follow the path taken by Harding, Coolidge, and Hoover. This path, so they say, is the long-established path. Yes, but they fail to tell you who established that path. The illustrious Grover Cleveland refused to put his name on such path. Our own Woodrow Wilson never trod such a path. In short, we should explain to the people that the new tax law upholds the special privilege long held dear to the hearts of Wall Street and the Republican Party. And we should ask ourselves whether we are going to follow the Democrats, Cleveland, Wilson, and Roosevelt, or follow the Republicans, Harding, Coolidge, and Hoover. I, for one, do not believe that we should go Republican when taxing capital gains.

TAX LOOPHOLES GO ON FOREVER

The new tax bill is also disappointing in that it does not in any way fulfill the previous promise to stop improper tax evasion. Instead the new tax bill opens wider the opportunity for evasion by the wealthy and for special tax benefits to them.

Like the President, many Members of Congress have been interested in preventing tax evasion. Periodically during this administration committees have been appointed by Congress to study the tax laws and recommend necessary legislation in regard to evasion. In addition to this, certain Members of Congress have taken the floor to call attention to methods of evasion and have sought to secure legislation to prevent such unjust results.

On several occasions I have pointed out and itemized a large number of tax loopholes through which more than $1,000,000,000 in revenue is being lost annually.

Despite all this talk about tax loopholes, little action has been taken. In 1934 a committee of Congress made its report recommending many changes, but only a few of the recommended changes were ever made and the ones made were only minor ones. Again in 1937 after several weeks of investigation, which daily made the headlines of our newspapers, the investigating committee made a number of recommendations of major importance in preventing evasion, but the action secured was only a drop in the bucket, and a promise that in 1938 the Treasury would submit drafts for a bill which would do the complete job. The 1938 tax bill does not contain a single trace of the 1937 promise to give us a comprehensive bill to prevent evasion.

MORE AND BIGGER LOOPHOLES

In this respect the new tax bill is not unlike its predecessors. It is not a bill to plug the loopholes. On the contrary, it contains new loopholes. No attempts are made in this bill to put a stop to tax-evasion schemes and devices contrived by those whose incomes are so large that they can employ tax lawyers to devise means of escape. Instead, if the reports as to the tax lobbyists in Washington are correct, it would appear that every tax lobbyist has succeeded in getting something into the new tax bill.

The spirit of the new tax bill is twofold. The first purpose is an important one. It is to remove the mistake which was made in 1936 in subjecting the little corporations to the undistributed-profits tax. All, including the President, agree that the little corporations should never have been subjected to the undistributed-profits tax.

The second purpose of the new tax bill is to reduce the income tax upon big corporations and wealthy individuals.

OUT-HOOVERS MR. HOOVER

In its report on the bill, the Senate Finance Committee maintains that this will bring about greater business activity and a freer flow of capital into productive enterprises. In other words, the Senate committee maintained that a reduction of the taxes on the rich will pull us out of the present recession. This, you may recall, is an old doctrine subscribed to in the Hoover days. In fact, one of Mr. Hoover's first moves after the crash in 1929 was to put through a reduction in taxes. This was supposed to prevent any serious depression. You all know how this failed to work and what happened after the tax reduction. We finally sank to the low of March 1933. In view of this, it would seem impossible for any person to believe that cutting the tax bill of the rich will save us from a recession. Yet, this is exactly what those favoring the new tax bill wish to try. In other words, it proposes to out-Hoover Mr. Hoover.

One of the major tax reductions allowed in the new tax bill is that designed to cut the taxes of the large owners and speculators in stocks and bonds. It makes this tax reduction by lowering the tax rates on capital gains, for under the tax bill capital gains include the profits made in selling stocks and bonds. This tax cut has been the spear head of the Wall Street crowd in their propaganda for reducing the taxes of the wealthy.

ANOTHER WALL STREETERS' DOLE

The reason why the Wall Streeters are so anxious to reduce this tax is not difficult to understand. In 1933 when the stock market hit its low point, those with large means bought all the stocks they could get at the low prices. Since that time, due to the efforts of this administration, conditions have greatly improved and stocks have gone up enormously in value over the 1933 prices. But at the present time conditions do not look so good. The persons who purchased stocks in 1933 have huge profits, and they now want to sell their stock and take their profits. More than that, they want to pay as little tax as they can on their profits.

In other words, the people who had large resources in 1933 with which to buy stocks, the people who profited most from the recovery program under this administration, these people are the ones who want to be first to live to receive large reductions in taxes. They are the ones who want a reduction in the tax on capital gains.

At this point, I may say that I do not favor giving such preferred treatment to the profits derived from speculation or investments in the stock market. Our income-tax law has long given preferred treatment to such profits, but I do not think it is right. The person makes such profits, enjoys all the benefits of living in the United States, and he should pay the same tax which our citizens pay. If a man has a grocery store in Texas and makes $5,000 selling to his customers, he has to pay a tax on $5,000. But under the new income-tax law if a man in New York buys some stock and sells it on the stock market at a profit of $50,000 he gets a special tax rate. This is the Republican method of taxation.

Under the new tax bill one who sells stocks and bonds at a profit is given preferred treatment, and the big speculator will receive such preferred treatment while the little fellow who has capital gains will not receive preferred treatment. This result was secured by changing the rate on capital gains so that it cannot exceed 15 percent. Thus, a small taxpayer who sells his business or some stocks which he holds for a profit of $5,000, will not get preferred treatment, but a big speculator who buys stocks, holds them 2 years and sells them at a profit of $100,000, will receive a $19,000 tax reduction which is given him solely because he made this money in the stock market.

At this point I may add that this is typical of the new tax bill. The big tax reductions which you read about in the newspapers are designed for the benefit of the big taxpayer, and not for the little fellow.

THE UNDISTRIBUTED-PROFITS TAX IS SOUND

The second major proposal sought for the benefit of big business is out-and-out repeal of the corporation tax on undistributed profits. On this point, let me call to your attention the reason why this tax was adopted in 1936. Preceding the adoption of this tax, the President sent a message to Congress on March 3, 1936, in which he said:

> I invite your attention, however, to a form of tax which would accomplish an important tax reform, remove two major inequalities in our tax system, and stop "leaks" in present surtaxes.
>
> Extended study of methods of improving present taxes on income from business warrants the consideration of changes to pro-

vide a fairer distribution of the tax load among all the beneficial owners of business profits, whether derived from unincorporated enterprises or from incorporated businesses and whether distributed to the real owners as earned or withheld from them. The existing difference between corporate taxes and those imposed on owners of unincorporated businesses renders incorporation of small business difficult or impossible.

The accumulation of surplus in corporations controlled by taxpayers with large incomes is encouraged by the present freedom of undistributed corporate income from surtaxes. Since stockholders are the beneficial owners of both distributed and undistributed corporate income, the aim, as a matter of fundamental equity, should be to seek equality of tax burden on all corporate income, whether distributed or withheld from the beneficial owners. As the law now stands, our corporate taxes dip too deeply into the shares of corporate earnings going to stockholders who need the disbursement of dividends, while the shares of stockholders who can afford to leave earnings undistributed escape current surtaxes altogether.

DEMOCRATIC PARTY HAS LONG FAVORED THE UNDISTRIBUTED-PROFITS TAX

In response to this message of the President, the corporation tax on undistributed profits was adopted. Such tax was very similar to that passed by the Senate on May 7, 1924—see RECORD, pages 8032–8033—except that the rates in the 1936 act ranged from 7 percent to 27 percent, whereas the prior Democratic efforts to impose such a tax would have made the rates range from one-half of 1 percent to 59 percent. Now, it appears that less than 2 years later, without taking any exception to this statement of the President, without any figures to show his statement to be untrue, without any published figures by the Treasury to contradict the President, the new tax bill has returned us to the old order of tax evasion by reducing the undistributed-profits tax to a mere shadow to permit big business to use corporations as devices to escape tax.

The use of a corporation to escape tax is one of the oldest and easiest methods of tax evasion known to our income-tax law. For example, if a person has a business in which he makes $100,000 a year, if he is unincorporated, he would pay an income tax of approximately $39,000; but if he incorporates his business, under the new tax bill, the corporation will pay a tax of only $19,000. In other words, the corporation tax is less than one-half the tax on an individual.

Here again it is proposed that the wealthiest shall receive the largest benefits. For example, an individual with a business income of $100,000 will save 51 percent of the tax by incorporating, but an individual with a business of $500,000 will save approximately 70 percent of the tax by incorporating.

There are different ways by which this absurd result can be eliminated. The Revenue Act of 1936, which has been abandoned, followed one of the different methods which possibly might be used. That method was adopted in 1936, after the President called attention to this unusual way of escape.

HOOVER'S TAX REDUCTION IN 1929 DID NOT BRING PROSPERITY

The new tax law reduces the undistributed-profits tax to a shadow. As in the old days, the stalwarts of reaction would have us believe that the big corporations will promptly begin building bigger factories and hiring more men just as soon as the tax bill is passed. However, millions of people in this country know that this is not so. The big corporations did not build bigger factories and increase employment in 1929, when the Hoover administration reduced the taxes on these corporations. They will not do it now, and I shall tell you why.

THE REVENUE ACT OF 1938 WILL NOT BRING PROSPERITY, EXCEPT FOR THE WEALTHY

Every business index shows that, beginning in September of 1937, business activity in this country went into a tail spin and has decreased to the 1934 level. The steel mills are running at about 35 percent of capacity, whereas a year ago they were up to 90 percent of capacity. The prices of wheat and cotton are less than 55 percent of their prices a year ago. Unemployment has rapidly increased, 4,000,000 losing their jobs in 6 months. These facts we all know. We also know that the big corporations do not build new plants and increase employment in the face of these conditions. They will employ more men when, and only when, they receive sufficient orders to require such employment.

The mere passage of a new tax bill is not going to give them more orders. They will not, out of the bounty of their hearts, employ more men just because 12,000,000 men are unemployed.

WE CANNOT FEED THE UNEMPLOYED BY REDUCING REVENUES

If these 12,000,000 unemployed are given jobs, the Government will have to provide the jobs. The Government will have to do this, even though we are in a recession and Government revenues will soon begin to fall off. Perhaps I should not mention the coming drop in Government revenues, for that is one of the secrets which apparently is not to be told in connection with this tax bill. But I happen to be one of those persons who do not believe in Government officials keeping such secrets from the people.

I believe that the people should know that it is now dead certain that within a short time the Government revenues will be going into a tail spin, and that there is nothing in the present tax bill to prevent it. Apparently this is the reason why during the consideration of the tax bill the Treasury has never submitted to the Members of Congress any figures which definitely show how much revenue the tax bill will produce. The Treasury has not submitted any such figures, even though requested by Members of Congress. This year is, so I understand, the first time in many years when a major tax bill has been considered without the Treasury supplying careful estimates of the revenue to be produced under the bill. Why did not the Treasury do so this time?

The answer to this is clear. Big business wants the new tax bill to be called a $5,300,000,000 tax bill. No one can believe that it will begin to raise that much money. But big business knows that if 120,000,000 people were told how little revenue the tax bill will produce, there would not be any such tax bill. Within my experience in Congress I have never witnessed a more deliberate attempt to deceive the American people.

TAX EXEMPTIONS, LOOPHOLES, AND CUSHIONS DO NOT RAISE REVENUE

The common sense of the American people should rebel against such trickery. Everyone should know that a business recession is always followed by a drop in Government revenues, unless taxes are increased. This bill does not increase taxes. It repeals taxes and lowers the ones retained. In addition to the special privileges referred to above, it lowers the capital-gains tax. It reduces the undistributed-profits tax to a mere shadow. It repeals the excise tax on speculators in commodities who buy and sell on the Board of Trade. It reduces the tax on tires and inner tubes. It removes the tax on oil imported for use in manufacturing rubber substitutes. It provides a new device for lowering the capital-stock tax and excess-profits tax. Those who formed personal holding companies to evade tax are permitted special treatment in liquidating such corporations. With these changes and others like them, no one can honestly say that the bill itself will not reduce the revenues.

In addition to this, it is imminent that there will be a drop in revenues due to the recession. However, all of this was ignored in drafting the new bill. Moreover, the drafters of this bill also ignored the fact that more money must be spent to care for the unemployment during the present recession. This tax bill ignores existing conditions and, in instance after instance, cuts the taxes on those most able to pay. How little revenue the bill will produce is, according to my information, to be kept a secret as long as possible and, if possible, until after the elections.

WHAT NEXT—A SALES TAX ON THE POOR?

In view of the present conditions and the certain loss in revenues, it is my prediction that the new tax bill is the first step toward a general sales tax. It is also my prediction that after the November elections we shall hear more about sales taxes. In other words, the new tax law has provided the first step in the drive to shift from the wealthy to the poor a greater share of the tax burden.

HOW THEY PUT IT OVER FOR THE WEALTHY

For the purpose of illustrating the tax reductions and exemptions allowed by the new tax bill in the face of a recession and a certain drop in revenues, I submit the following:

First. Under section 14, of the Revenue Act of 1936, the corporation surtax on undistributed profits was fixed at graduated rates of 7 percent, 12 percent, 17 percent, 22 percent, and 27 percent. Under section 13 of the new tax law, the tax on undistributed profits is only 2½ percent (and, as noted below, further cushions are allowed).

Second. A new cushion is provided with respect to deficits. See section 27 (a) (3).

Third. Another cushion is given with respect to corporation debts. (Query: What tax lobbyist obtained this?) See section 27 (a) (4).

Fourth. A new cushion is also given to allow corporations to carry forward losses, which is an adaptation of a Republican provision. See sections 26 (c) (2) and 27 (b) (2).

Fifth. Personal holding companies, which are companies especially designed to evade tax, are given a cushion which is called a dividend carry-over. See section 405 (a).

Sixth. These same corporations are also allowed a cushion which gives them the benefit of dividend payments made after the close of the year. See section 405 (c).

Seventh. Certain finance companies are exempted from the tax on personal holding companies. This accommodates a Washington tax lobbyist. See section 402 (b).

Eighth. Public utility companies are exempted on certain transactions ordered by the Securities and Exchange Commission. See section 371.

Ninth. The tax on capital gains is reduced as pointed out by the President. See section 117.

Tenth. Special methods of taking inventories are permitted certain industries. This will permit the clients of certain Washington tax lobbyists to receive special privilege. See section 22 (d).

Eleventh. A higher basis for depreciation and the computation of gain or loss is allowed with respect to property received in certain tax-free corporate reorganizations. See sections 113 (a) (7) and 807.

Twelfth. A similar benefit is given with respect to property received on certain tax-free liquidations of corporations. It satisfies the clients of certain tax lobbyists. See sections 113 (a) (15) and 808.

Thirteenth. Amounts received on certain claims against the United States are exempted from tax (another victory for Washington tax lobbyists). See section 106.

Fourteenth. A new way for reducing the capital-stock tax is allowed under a special 3-year valuation scheme (another clever scheme). See section 601.

Fifteenth. Tax on tooth and mouth washes, dentifrices, tooth pastes, and toilet soaps is repealed (you name the companies receiving the benefits of this). See section 701.

Sixteenth. The tax on furs is repealed (this is not for the benefit of the poor, in case you are in doubt). See section 701.

Seventeenth. The tax on phonograph records is repealed (it is not difficult to count the companies benefited by this). See section 701.

Eighteenth. The tax on sporting goods is repealed (this is tax relief for the poor golfers, but more directly it is for the benefit of one or two companies who manufacture these goods). See section 701.

Nineteenth. The tax on cameras and camera lenses is repealed. (The Kodak company steps into line to receive its handout.) See section 701.

Twentieth. The tax on chewing gum is repealed (and will Mr. Wrigley be pleased). See section 701.

Twenty-first. The tax on producers and refiners of crude petroleum is repealed. See section 701 (note that the tax was on the producers).

Twenty-second. The tax on brewer's wort, liquid malt, malt sirup, and malt extract is repealed. See section 701. The brewing industry will no doubt recover with this privilege.

Twenty-third. The stamp tax on sales of produce for future delivery is repealed. See section 701. That helps those speculating on the board of trade.

Twenty-fourth. The tax on paper and plain wood matches is repealed. See section 707. This will bear a little investigation.

Twenty-fifth. The tax on imported hempseed, imported perilla seed, and imported sesame seed is reduced from 2 cents per pound to 1.24, 1.38, and 1.18 cents, respectively. See section 702.

Twenty-sixth. The tax on imported rapeseed oil is repealed as to such oil used in making rubber substitutes or lubricating oil. See section 702. What companies do you suppose receive this benefit?

Twenty-seventh. The import tax on coconut oil produced in Guam or American Samoa is repealed. This is for the benefit of those importers who are financially interested. See section 702 (a), (b).

Twenty-eighth. The tax on palm oil used in the manufacture of terneplate is repealed, for the benefit of those qualifying. See section 703. If there is anyone who does not qualify, it is his own fault. He should have employed a tax lobbyist.

Twenty-ninth. Certain compounds are exempted from the tax on filled cheese, for the purpose of helping the cheese companies. See section 706. Is there anyone who does not know the answer to this? If not, then we should investigate.

In conclusion let me say that it seems to be generally admitted that a new tax bill will be badly needed early next session. The question is what kind of a tax bill and who will write it? Will the chosen representatives of the people be permitted to write a tax bill in keeping with the long-established Democratic principles of Thomas Jefferson, "Equal rights to all and special privileges to none," or will the tax lobbyists of Washington be able to continue to write the tax laws, through which their wealthy clients escape a large portion of the taxes they should pay?

EXTENSION OF REMARKS

Mr. FLETCHER. Mr. Speaker, I ask unanimous consent to revise and extend my own remarks in the RECORD with reference to amendments I have introduced to the Social Security Act and the Old Age Pension Act.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein a short but very powerful editorial on tolerance and understanding which recently appeared in the Boston Herald.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

PERMISSION TO ADDRESS THE HOUSE

Mr. COLMER. Mr. Speaker, I ask unanimous consent to proceed for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

Mr. COLMER. Mr. Speaker, most of the Members of the House are familiar with one of the products that the Mississippi coast excels in, having partaken of that delicacy, the sea food, that comes from that area.

I rise this morning to call the attention of the Members of the House to another product which that delightful section of this country excels in, and that is its young manhood. Today at this very hour there is graduating from the Naval Academy at Annapolis, Md., as the honor man of his class, John E. Dacey, Jr., who hails from Biloxi, Miss. [Applause.]

In view of the fact that this young man happens to be my first appointee to the Naval Academy I feel I am justified in taking pride in announcing to my colleagues this fact.

Moreover, Mr. Speaker, this young man is remarkable in several ways. In addition to have led his class throughout the 4 years of his stay at that academy he has received

several outstanding awards there. I might also add that he was an outstanding student at the Biloxi High School from which he graduated. At high school he gathered in practically all of the honors offered, even as he has done at the Naval Academy. Unlike most young men who receive appointments to the Naval and Military Academies he did not attend a preparatory school to prepare for entrance to the academy. On the contrary, he went directly from high school to the Naval Academy. His record in high school was replete with honors and there, too, he was the valedictorian of his class.

On today he is handed his diploma by the President of the United States. Tomorrow he enters the service of his country which has spent so much for his education and training. That he will not fail his country as he has not failed his parents and his instructors is quite evident. Surely the chances that he will be an admiral of the future are better than even.

EXTENSION OF REMARKS

Mr. TREADWAY. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include certain correspondence with the Secretary of State.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

CHIPPEWA INDIANS OF MINNESOTA

Mr. BUCKLER of Minnesota. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H. R. 4544) to divide the funds of the Chippewa Indians of Minnesota between the Red Lake Band and the remainder of the Chippewa Indians of Minnesota, organized as the Minnesota Chippewa Tribe, and ask for its repassage.

The SPEAKER. Has the gentleman from Minnesota consulted with the chairman of the Committee on Indian Affairs in reference to this resolution?

Mr. BUCKLER of Minnesota. No; but this bill was on the Consent Calendar and was passed by the House 2 or 3 weeks ago. It has come back from the Senate with a few amendments that do not amount to very much. It is a bill to divide the funds of the Chippewa Indians of Minnesota between two bands of Indians. There are no objections that I know of.

Mr. RAYBURN. Mr. Speaker, the gentleman has not consulted members of the Committee on Indian Affairs, and I will therefore have to object.

The SPEAKER. Objection is heard.

PROPOSED REMEDIAL WORKS AT NIAGARA FALLS AND THE NEWLY SUGGESTED ST. LAWRENCE TREATY

Mr. ANDREWS. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. ANDREWS. Mr. Speaker, with the announcement by the Secretary of State on yesterday of the President's new proposal for a St. Lawrence waterway project, it is apparent that the President refuses to consider as a separate project that for remedial works at Niagara Falls to preserve the crests of the two falls. Much sentiment on both sides of the international boundary has favored an immediate international agreement so that this project might be carried out, but the President insists in coupling it up with his ideas for the waterway, which is still bitterly opposed in New York State, and I fail to see any new reasons for the waterway treaty being adopted either by Canada or the United States Senate.

Mr. Speaker, I ask unanimous consent to revise and extend my remarks and include therein a letter from the President, dated March 25, 1938, which since then has been regarded as confidential, together with a letter from the Prime Minister of Ontario, Mr. Hepburn, on the general waterway subject, and a portion of which refers to Niagara Falls.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. ANDREWS. Mr. Speaker, the letters referred to are as follows:

[Confidential]

THE WHITE HOUSE,
Washington, March 25, 1938.

MY DEAR CONGRESSMAN ANDREWS: This will acknowledge your letter of February 14, 1938, enclosing a copy of the booklet entitled "Weir Construction at Niagara," and expressing an interest in the question of further developments in the matter of the proposed remedial works at Niagara.

The receipt is also acknowledged of your letter of February 17, 1938, enclosing an excerpt from the CONGRESSIONAL RECORD embodying the text of a communication, dated February 12, 1938, addressed to you by Premier Hepburn, of Ontario, together with a brief statement made by you.

With regard to your first communication, I appreciate your interest and assure you that I am doing everything possible to further the undertaking of these works in connection with a general program for the utilization of the Great Lakes-St. Lawrence Basin in the interests of both Canada and the United States. You have in mind, of course, that in the 1929 Convention and Protocol for the Preservation of Niagara Falls the proposed works were definitely associated with provision for additional diversion at Niagara for power purposes.

Changes in the conditions upon which the 1909 boundary waters treaty allocated water for power purposes, especially the obsolescence, in terms of efficient utilization of Niagara water, of the then existing power projects, render a reconsideration of the entire question urgent in the interest of both New York State and the Province of Ontario.

Furthermore, the problems of Niagara cannot be dissociated from the broader problems of the entire basin. Thus, certain provisions of the St. Lawrence treaty of 1932 would alter materially the outflow of Lake Erie through the Niagara River, in turn affecting the water available for scenic effects and for power diversion.

The policy of the United States Government in dealing with such matters must be governed by the widest interest of the country as a whole, and not by the specific interest of any one section. In international matters it must also take account of the needs and desires of a neighboring people.

For instance, the citizens of your State and the Province of Ontario are entitled to the use, as their needs require, of the large additional supplies of cheap power which can be made available under a general agreement between the United States and Canada such as I contemplate. This agreement can be made a simple embodiment of a plan for the ultimate utilization to the full of the available power in both the Niagara and St. Lawrence Rivers. If such a treaty were completed this year, the new supplies of power would not be available for from 5 to 7 years at the earliest.

In the use of unusual hydroelectric resources of this order plans must be initiated far in advance if supplies are to fit into the assured growth of demand. Only as such plans are initiated today can the United States be protected against the real danger of continued and increasing dependence on foreign sources for the future supply of cheap hydroelectric power which is so essential to modern industrial development in the Northeast.

You are no doubt aware of the fact that failure to secure a treaty making possible the St. Lawrence power development some years ago compelled the Province of Ontario to contract for large supplies of power from private companies in the Province of Quebec. Similarly, arrangements are under way which, if completed, would make New York dependent for a portion of its power supply upon the Province of Quebec at a price considerably above the cost of similar power supplies from the proposed joint development of the international section of the St. Lawrence River.

The result would be that new industrial development would find cheaper power available in Quebec than in the Northeastern section of the United States. I need hardly call your attention to the effect of this in terms of peacetime prosperity. But I must emphasize the grave danger to the United States implicit in such a situation in case of war, for such industries are in many instances readily transferable to the production of munitions and other war supplies. Reference to the situation in 1918 will, I believe, convince you that the development of a nation's own hydroelectric power resources in advance is an important factor in national defense.

I am sure that a review of all the factors involved will convince you that a piecemeal approach to settlement of the questions involved in joint use of the Great Lakes-St. Lawrence Basin would not serve the ultimate interests of either the United States or Canada. Full cooperation of all interested in specific aspects of the matter should assure the early consummation of a general treaty containing ample provision for the separate but not separable objectives.

With regard to your communication of February 17, and the enclosures thereto, I am not in a position to comment on the observations communicated to you directly by Premier Hepburn, of Ontario. International usage prescribes the proper channels through which the views of one government shall be made known to another and it has been found in practice that deviations from the accepted course are more apt to cause confusion and delay than to facilitate the reaching of an agreement.

I am returning to you Mr. Hepburn's letter.

Very truly yours,

FRANKLIN D. ROOSEVELT.

ONTARIO,
OFFICE OF THE PRIME MINISTER
AND PRESIDENT OF THE COUNCIL,
Toronto, February 12, 1938.

DEAR MR. ANDREWS: I have followed with great interest the debate now being carried on with respect to the Chicago Drainage Canal. I was particularly impressed with the statement of Governor Lehman, of New York, in which he said, "The present diversion is causing millions of dollars of damage to the commerce and industries of New York State." This brings to my mind the discussion we had with regard to Ontario's proposal to divert certain waters into the Great Lakes system. In order to refresh your mind may I briefly outline our proposals. The first mentioned involves the diversion of what is known as Long Lac into Lake Superior, with the hope that an additional 1,200 cubic feet per second can be added to the Great Lakes system.

The Ogoki River diversion is a somewhat larger project. This river is one of the two principal tributaries to the Albany. By constructing certain dams our engineers advise that we can raise the water some 35 feet, which would divert the entire flow southward through Lake Nipigon and into Lake Superior. Approximately 4,000 cubic feet per second would thus be added to the Great Lakes system, which undoubtedly would be of substantial benefit to navigation. While I do not wish to be drawn into the controversy regarding the Chicago Drainage Canal, I am satisfied that the proposal to divert the waters will not result in the waters having to find their way into Lake Michigan and pouring down the Chicago Drainage Canal. The latter channel is situated on Lake Michigan and the flow of water is not from the Great Lakes System into Lake Michigan, but from Lake Michigan into the Great Lakes. There are no outlets from Lake Michigan except the Strait of Mackinac and through it into Lake Huron, except for the Chicago Drainage Canal's withdrawal, which at present amounts to 5,000 cubic feet per second. Lake Michigan adds to the general system the entire capacity of its drainage area.

The immediate advantage to Ontario would be to open up the great timber areas now inaccessible and to provide water power at points where the increasing demand is putting us in a position where we will not be able to supply the natural needs by, it is estimated, 1940. The main obstacle at the moment appears to be that we cannot separate the problem of diverting Ontario's waters into the Great Lakes system from the general scheme known as the St. Lawrence waterways.

In view of the tremendous economic advantage the Province would receive, for the reasons referred to, the Government is willing to forego any discussion regarding further diversion at Niagara, or the St. Lawrence scheme, should some exchange of notes between Washington and Ottawa permit Ontario to carry out the schemes referred to. The cost of the Long Lac diversion is estimated at $1,340,000, and the preliminary estimates for the Ogoki indicate the cost will be in the neighborhood of $3,250,000. At the present time work is already under way with respect to the Long Lac diversion, but due to international complications it is not our intention to have a continuous flow of water, only diverting sufficient to transport pulpwood for the open-season months, during which time river operations are carried on. During the remainder of the year no water will be carried through the Canal.

In view of your tremendous interest in the Great Lakes problems, as indicated by the conversation we had some while ago, I am sure you will render any support possible in order to bring about a settlement of this complicated problem. I have had further reports from our departments of game and fisheries and health, and it appears that if we can increase the flow of water through the Detroit and Niagara Rivers to the extent of 5,200 cubic feet per second, it will assist materially the problem of river pollution. Another added advantage would be to increase the flow over the falls at Niagara, which in the opinion of some engineers, would prevent a repetition of the terrible disaster which occurred there a few weeks ago, resulting in the loss of the international bridge, and damages to our Ontario power plant, the extent of which cannot be estimated at the present time. It is quite obvious that by diverting so much water above the Falls we are not leaving sufficient flow to take care of certain ice conditions. I wish, however, to reaffirm our position regarding the ultimate effect of the waters proposed to be diverted under the schemes referred to. At the present time, having settled with the Quebec power companies, we have now available sufficient power reserves to take care of our ordinary requirements for another 10 years and there is little or no likelihood that the question of further diversion at Niagara will be considered. However, on checking the files in our departments I find that the St. Lawrence Deep Waterway Treaty signed at Washington on July 18, 1932, but not ratified, contained a provision for the retention for the benefit of Canada of any water diverted into the Great Lakes system, for I quote paragraph (d) of article VIII in the treaty, which reads as follows:

"The high contracting parties, recognizing their common interest in the preservation of the levels of the Great Lakes system, agree: That, in the event of diversions being made into the Great Lakes system from watershed lying wholly within the borders of either country, the exclusive rights to the use of waters equivalent in quantity to any waters so diverted shall, notwithstanding the provisions of article IV (a), be vested in the country diverting such waters, and the quantity of water so diverted shall be at all times available to that country for use for power below the point of diversion, so long as it constitutes a part of boundary waters."

I am pleased to note by your letter that the President was sufficiently interested to discuss the Niagara problem with you personally. In our country we have untold millions invested in our railway systems which today are operating at a loss of approximately $1,000,000 per week. Being thus involved it does not seem economically sound to create another avenue of transportation when we are losing in the manner referred to, nor is there any need for further power development, inasmuch as we have a tremendous surplus and are seeking at this moment the right to export to the United States. I do hope, however, that the President can see his way clear to separate the proposed St. Lawrence waterway scheme from other problems which have to do wholly with the waters above Niagara.

Yours sincerely,

M. F. HEPBURN.

EXTENSION OF REMARKS

Mr. CULKIN asked and was given permission to extend his own remarks in the RECORD.

Mr. CITRON. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include therein a speech delivered by the Secretary of War.

The SPEAKER. Is there objection to the request of the gentleman from Connecticut?

There was no objection.

Mr. BOREN. Mr. Speaker, I ask unanimous consent to include in an extension of my remarks extracts from certain letters about my record in Congress.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

Mr. VOORHIS. Mr. Speaker, I ask unanimous consent to include in an extension of my remarks a short resolution by the board of supervisors of Los Angeles County.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. DALY. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include therein an address delivered by my colleague the gentleman from New Jersey [Mr. WOLVERTON] in Camden last week.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. CULKIN. Mr. Speaker, in view of the request of the gentleman from New York [Mr. ANDREWS], I ask unanimous consent to revise and extend my remarks in the RECORD and include therein correspondence between the Secretary of State and the Minister from Canada, and the proposed treaty, on the subject of the St. Lewrence waterway.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

PERMISSION TO ADDRESS THE HOUSE

Mr. HOFFMAN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. HOFFMAN. Mr. Speaker, permission to address you has been asked so that the attention of the House might be called to the manner in which the police in Detroit are misusing the U. A. W. A. strikers.

Heretofore, for some reason best known to photographers, reporters, and publishers, columns have been filled with the brutality of the police when conflicts have occurred between strikers and police.

When pictures have accompanied these articles those pictures have shown in almost every instance two or three police engaged in pulling, hauling, carrying, or beating a striker. This notwithstanding the fact that in almost as many instances the news reports showed that the strikers outnumbered the police as many as a hundred to one. Frequently, the proportion of strikers to police was far greater.

This, too, notwithstanding the fact that the lists of those injured frequently showed that far more innocent bystanders and police suffered from violence than did strikers.

If there was a woman around about the vicinity of the strike, even though the workers in the factory struck were all men, almost invariably a picture of her being manhandled by police occupied a prominent place.

It may be that this partiality toward exhibiting strikers as victims, rather than as aggressors, was due to the well-known fact that police the country over, and especially those engaged in strike activities, have been especially forbearing; have, like Job, shown unlimited patience; have not once but many times turned the other cheek; have suffered every conceivable indignity and humiliation in an attempt to avoid violence.

After every strike U. A. W. A. and C. I. O. spokesmen get to the front with claims of brutality on the part of law-enforcing officers; this notwithstanding the fact policemen have never been known to appear on the scene where there was peaceful, lawful picketing.

As a rule, it is only where strikers, armed, form lines which prevent peaceful workers from going to their places of employment that police make any attempt to interfere.

Were the tables turned and members of U. A. W. A. or C. I. O. intent on reaching their working places in factory or mill and were they prevented from so doing by citizens generally or by other workers who were seeking their jobs, the C. I. O. and U. A. W. A. boys would gladly welcome the assistance of the police.

The particular incident which I wish to call to your attention is that depicted by this picture which I hold before you—and you will find it in a recent issue of the Detroit News—which shows the staffs which the strikers used to hold their placards aloft.

These placards were pieces of pasteboard 6 by 8 or 8 by 10 inches in dimension. Of course, they were somewhat weighty. So that they might be held aloft, each striker provided himself with a standard or staff on which to hold one. These standards or staffs were 2 inches square—2 by 2's—each 3 feet long.

It can readily be seen that a standard but an inch square or, for example, a half inch thick and an inch wide would not be strong enough to sustain the weight of a piece of cardboard 8 by 10. If you doubt it, try it yourself and notice how the weight of the cardboard makes the staff bend and sway, even though there be no breeze.

So that these cards might be held aloft and plain to the view of the multitude, the strikers, as stated, fastened them to a 2-inch square, 3-foot shaft. How were they fastened? By tacks or by twentypenny spikes?

The picture in the paper does not disclose, although it does show plainly the head of the tacks or spikes. True, a tack would hold, but a twentypenny spike would hold much better.

And not only that, but a twentypenny spike would go through the 2 by 2 and leave ample length of spike protruding on the opposite side so that if a striker had any doubt about which way a policeman wanted him to go it could readily be used—although doubtless no striker would so use it—either to prod Mr. Policeman in the rear or to gently fasten it in his trousers and pull him this way or push him that way.

When these strikers, outnumbering as they often do, a hundred to one the policemen sent to guard those men who want to go to their places of employment, march upon the factory gate, there gather in mass formation and present a solid wall of men, not armed, but carrying 3-foot sticks 2 inches square, with, shall we say, tacks or spikes driven through the end, it is not strange that honest workmen, seeking to earn in these days of unemployment the few dollars which may be obtained by honest toil, confronted by this body of strikers so prepared with placards and staffs, the unarmed workers hesitate and call upon those who are supposed to administer the law of the land to open the way so that they may go to their places of toil, earn their daily bread, and, perchance, a little surplus to sustain life in the women and children at home.

But no, the heads of the industry where these honest workers are employed have not yet signed on the dotted line; or perhaps some of these men have not paid tribute to the C. I. O., to the U. A. W. A., so they must be denied the right to work.

This being the case, the police being summoned and possessing, as some of them do, the old-fashioned idea that in this land of ours, this land of freedom, which the Communists have not yet completely taken over, men have the right to work, attempt to open a way for the men who want to work, to go to their places of employment, these staffs—I cannot call them clubs because they are wielded by U. A. W. and C. I. O. strikers, some of whom may be—many of whom in some instances in the past have not been—employed in the factory where the strike is called—are brought down gently, shall we say, upon the heads, the shoulders, the arms of the police.

Or, perchance, some of these tacks, or if they be twenty-penny spikes, shall we again say inadvertently, find their way into various parts of the anatomy of the police.

Oh, it is all a mistake. It is brutality on the part of the police. And, as the U. A. W. A. and C. I. O. gangsters say, it is unfair and it is cowardly and it is not sporting for the police to use their night sticks, a foot or a foot and a half long, in retaliation.

No, oh, no; the mayor of Detroit should see to it hereafter that when the U. A. W. A. strikers, even though they do not come from Detroit; even though, prior to the recent labor troubles, they never lived in Detroit; even though they are all on Detroit's welfare list; even though they never worked in any Detroit factory, the mayor and his chief of police should see to it that the policemen take off their underwear, if they are so fortunate as to have any, so that the tacks or the twentypenny spikes may do full execution; that they discard their helmets and their coats so that the staffs, 3 feet long and 2 inches square, without rounded edge, but with sharpened corners, may take full effect, and the policemen learn once for all that C. I. O. and U. A. W. A. and its gangsters have the right in Detroit to say who shall and who shall not work.

[Here the gavel fell.]

MILITARY ESTABLISHMENT APPROPRIATION BILL, 1939

Mr. SNYDER of Pennsylvania. Mr. Speaker, I call up the conference report on the bill (H. R. 9995) making appropriations for the Military Establishment for the fiscal year ending June 30, 1939, and for other purposes.

The Clerk read the title of the bill.

Mr. SNYDER of Pennsylvania. Mr. Speaker, I ask unanimous consent that the statement may be read in lieu of the report.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

The Clerk read the statement.

The conference report and statement are as follows:

CONFERENCE REPORT

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 9995) making appropriations for the Military Establishment for the fiscal year ending June 30, 1939, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 2, 6, 8, 11, 15, 16, 17, 18, 22, 23, 25, 26, 27, 32, 38, 39, 40, 41, 42, and 44.

That the House recede from its disagreement to the amendments of the Senate numbered 1, 28, 29, 34, 35, 37, 43, and 46, and agree to the same.

Amendment numbered 3: That the House recede from its disagreement to the amendment of the Senate numbered 3, and agree to the same with an amendment, as follows: In lieu of the sum proposed insert "$74,318"; and the Senate agree to the same.

Amendment numbered 4: That the House recede from its disagreement to the amendment of the Senate numbered 4, and agree to the same with an amendment, as follows: In lieu of the matter inserted by said amendment insert the following: "twelve thousand five hundred and seventy-five"; and the Senate agree to the same.

Amendment numbered 5: That the House recede from its disagreement to the amendment of the Senate numbered 5, and agree to the same with an amendment, as follows: In lieu of the sum proposed insert "$35,162,068"; and the Senate agree to the same.

Amendment numbered 7: That the House recede from its disagreement to the amendment of the Senate numbered 7, and agree to the same with an amendment, as follows: In lieu of the sum proposed insert "$2,531,537"; and the Senate agree to the same.

Amendment numbered 9: That the House recede from its disagreement to the amendment of the Senate numbered 9, and agree to the same with an amendment, as follows: In lieu of the sum proposed insert "$68,764,504"; and the Senate agree to the same.

Amendment numbered 10: That the House recede from its disagreement to the amendment of the Senate numbered 10, and agree to the same with an amendment, as follows: In lieu of the sum named in said amendment insert "$400,000"; and the Senate agree to the same.

Amendment numbered 12: That the House recede from its disagreement to the amendment of the Senate numbered 12, and agree to the same with an amendment, as follows: In lieu of the sum proposed insert "$6,765,280"; and the Senate agree to the same.

Amendment numbered 13: That the House recede from its disagreement to the amendment of the Senate numbered 13, and agree to the same with an amendment, as follows: In lieu of the sum proposed insert "$6,659,228"; and the Senate agree to the same.

Amendment numbered 14: That the House recede from its disagreement to the amendment of the Senate numbered 14, and agree to the same with an amendment, as follows: In lieu of the sum proposed insert "$167,043,837"; and the Senate agree to the same.

Amendment numbered 19: That the House recede from its disagreement to the amendment of the Senate numbered 19, and agree to the same with an amendment, as follows: In lieu of the sum proposed insert "$2,720,850"; and the Senate agree to the same.

Amendment numbered 21: That the House recede from its disagreement to the amendment of the Senate numbered 21, and agree to the same with an amendment, as follows: In lieu of the sum proposed insert "$30,022,750"; and the Senate agree to the same.

Amendment numbered 24: That the House recede from its disagreement to the amendment of the Senate numbered 24, and agree to the same with an amendment, as follows: In lieu of the sum proposed insert "$12,922,590"; and the Senate agree to the same.

Amendment numbered 31: That the House recede from its disagreement to the amendment of the Senate numbered 31, and agree to the same with an amendment, as follows: In lieu of the matter inserted by said amendment insert the following:

"Fort Sill, Oklahoma, $331,000;"

And the Senate agree to the same.

Amendment numbered 33: That the House recede from its disagreement to the amendment of the Senate numbered 33, and agree to the same with an amendment, as follows: In lieu of the sum proposed insert "$10,269,880"; and the Senate agree to the same.

Amendment numbered 36: That the House recede from its disagreement to the amendment of the Senate numbered 36, and agree to the same with an amendment, as follows: In lieu of the sum proposed insert "$38,232,034"; and the Senate agree to the same.

Amendment numbered 45: That the House recede from its disagreement to the amendment of the Senate numbered 45, and agree to the same with an amendment, as follows: In lieu of the matter inserted by said amendment insert the following: "and, in addition, $502,354 of the appropriation 'Reserve Officers' Training Corps, 1938,' such amount of such appropriation being hereby reappropriated for the purpose of increasing the number of advanced course students at existing institutions"; and the Senate agree to the same.

The committee of conference report in disagreement amendments numbered 20 and 30.

J. BUELL SNYDER,
JOHN F. DOCKWEILER,
DAVID D. TERRY,
JOE STARNES,
ROSS A. COLLINS,
D. LANE POWERS,
ALBERT J. ENGEL,
Managers on the part of the House.

ROYAL S. COPELAND,
CARL HAYDEN,
ELMER THOMAS,
MORRIS SHEPPARD,
JOHN G. TOWNSEND, Jr.,
Managers on the part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 9995) making appropriations for the Military Establishment for the fiscal year ending June 30, 1939, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon in the accompanying conference report as to each of such amendments, namely:

On amendment No. 1: Increases the limitation upon expenditures from military appropriations for pay of employees in the office of the Chief of Ordnance from $54,860, as proposed by the House, to $70,000, as proposed by the Senate.

On amendment No. 2: Restores House provision designed ultimately to bring about civil clerical staffs in all offices of the War Department at Washington.

On amendment No. 3: Appropriates $74,318 for expenses of the Army War College, instead of $73,238, as proposed by the House and $75,518 as proposed by the Senate.

On amendments Nos. 4 to 14, both inclusive, relating to pay of the Army: Provides for pay of 12,575 commissioned officers, instead of 12,300, as proposed by the House, and 12,853, as proposed by the Senate, the increase of 275 dividing 200 for the Air Corps, 50 for the Medical Corps, and 25 for the Dental Corps, and occasioning an addition to this appropriation for pay and allowances of $571,137; limits the number of medical officers in a flight-pay status to 5, as proposed by the House, instead of 36, as proposed by the Senate; provides for an average of 165,000 enlisted men, instead of 168,436, as proposed by the Senate, occasioning an addition to this appropriation of $756,000, instead of $1,975,819 under the Senate's proposition. The House bill textually permitted the maintenance of an average strength of 165,000, but did not carry funds sufficient to pay more than an average of 162,000 men. It was the thought and purpose of the conference committee that the Department would assign the 3,000 additional men to Air Corps duties. Also provides an intial appropriation of $400,000 for pay of enlisted men, Regular Army Reserve, pursuant to the act of April 25, 1938, as proposed by the Senate, except that the amount is $50,000 less than the Senate proposed.

On amendment No. 15: Strikes out legislative proposition proposed by the Senate, which has been cared for in Public, No. 490, approved April 25, 1938.

On amendment No. 16: Strikes out provision proposed by Senate, amending the National Defense Act with respect to the basic allotment of enlisted men to the Air Corps.

On amendment No. 17: Strikes out proposal of Senate to amend National Defense Act by establishing a Regular Army Reserve, the matter being cared for in Public, No. 491, approved April 25, 1938.

On amendment No. 18: Restores proposal of the House directed against Regular Army personnel engaging with unofficial military publications and which carry paid advertising of firms doing business with the War Department.

On amendment No. 19: Appropriates $2,720,850 for travel of the Army, instead of $2,713,350, as proposed by the House and $2,823,650 as proposed by the Senate.

On amendments Nos. 21 and 22, relating to subsistence of the Army: Appropriates $30,022,750, instead of $29,530,000 as proposed by the House and $30,463,925 as proposed by the Senate, and strikes out the clause inserted by the Senate in the limitation respecting the purchase of butter substitutes requiring that such substitutes shall be made wholly from products grown in the United States.

On amendment No. 23: Appropriates $13,420,900 for clothing and equipage, as proposed by the House, instead of $13,730,890, as proposed by the Senate.

On amendment No. 24: Appropriates $12,922,590 for Army transportation, instead of $12,908,265, as proposed by the House and $12,975,688 as proposed by the Senate.

On amendments Nos. 25 and 26: Appropriates $81,750 for horse-breeding activities, as proposed by the House, instead of $100,000, as proposed by the Senate.

On amendments Nos. 27, 28, 29, 31, 32, and 33, relating to military posts: Strikes out appropriations proposed by the Senate as follows: Concurrent and National Guard camp, Fort Sill, Okla., $400,000; Fort Missoula, Mont., $79,880; Fort Francis E. Warren, Wyo., $277,500; Fort Wayne, Mich., $68,000, and Carlisle Barracks, Pa., $175,500; appropriates $331,000 for Fort Sill, Okla., as proposed by the Senate, and makes two textual corrections, as proposed by the Senate.

On amendment No. 34: Appropriates $13,551,280 for barracks and quarters, as proposed by the Senate, instead of $13,376,280, as proposed by the House.

On amendment No. 35: Fixes the amount of the appropriation for the Army Air Corps to be applied to the procurement of new combat airplanes and their equipment and accessories, and to the procurement of spare engines and spare parts for new airplanes provided for in the current appropriation, at $33,150,646, as proposed by the Senate, instead of $34,841,690, as proposed by the House.

On amendments Nos. 36 and 37, relating to the Ordnance Department: Appropriates $38,232,034, instead of $32,232,034, as proposed by the House and $48,038,259 as proposed by the Senate, and increases the amount by which the Secretary of War may enter into contracts to be satisfied by subsequent appropriations from $2,900,000, as proposed by the House, to $12,900,000, as proposed by the Senate. It was the sense of the conferees on the part of both Houses that not to exceed $1,200,000 of the additional amount thus made available would be employed on account of tooling and machinery for the production of semiautomatic rifles, and that all of the remainder would be devoted to antiaircraft material for use with seacoast defenses or otherwise.

On amendments Nos. 38, 39, 40, and 41, relating to seacoast defenses: Appropriates a total of $6,748,558, as proposed by the House, instead of $23,539,305, as proposed by the Senate, and

adheres to the geographical distribution proposed by the House of the amount agreed upon.

On amendment No. 42: Appropriates for expenses, camps of instruction, and so forth, National Guard, $9,126,100, as proposed by the House, instead of $9,626,100, as proposed by the Senate.

On amendment No. 43: Appropriates $11,722,340 for the Officers' Reserve Corps, as proposed by the Senate, instead of $10,933,162, as proposed by the House, the additional amount being intended to provide 14-day active duty training for 30,000 officers, instead of 25,530, as proposed by the House.

On amendments Nos. 44 and 45, relating to the Reserve Officers' Training Corps: Makes a direct appropriation of $4,323,488, as proposed by the House, instead of $4,597,248, as proposed by the Senate, and makes a reappropriation of $502,354, instead of $517,850, as proposed by the Senate, and strikes out the Senate language providing that no part of the appropriation shall be reserved by administrative direction. The amount reappropriated is to permit of the purchase of additional horses, and to provide for 15,000 advanced-course students in schools and 7,850 in camps, the House having provided for 14,000 and 7,265, respectively, and the Senate for 18,000 and upward of 8,000, respectively.

On amendment No. 46: Makes $200,000 of the appropriation proposed by the House for citizens' military training camps available immediately, as proposed by the Senate.

Amendments in disagreement

The committee of conference report in disagreement the following amendments of the Senate:

On amendment No. 20: Making a reappropriation of $77,644 under "Travel of the Army."

On amendment No. 30: Making an appropriation of $2,495,300 for construction at Kelly Field, Tex.

J. BUELL SNYDER,
JOHN F. DOCKWEILER,
DAVID D. TERRY,
JOE STARNES,
ROSS A. COLLINS,
D. LANE POWERS,
ALBERT J. ENGEL,
Managers on the part of the House.

Mr. SNYDER of Pennsylvania. Mr. Speaker, as it passed the House this bill carried in direct appropriations $448,116,284. That amount was $5,172,551 below the Budget estimates.

As it passed the Senate the bill carried $491,225,313.

Since the bill passed the Senate, supplemental estimates have been presented in the amount of $6,400,000.

Considering such supplemental submissions, the Senate bill carried $31,536,478 in excess of Budget estimates.

As we bring the measure from conference, if our conference report be adopted, instead of that increase of $31,536,478, the bill will carry $287,581 less than the Budget estimates. The total will be $459,401,254.

In accomplishing that result, Mr. Speaker, I wish now to acknowledge the splendid cooperation and support I received from my fellow members of the conference committee of both the majority and minority parties.

The total of the bill I have given, I should say, excludes reappropriations, which, of course, occasion a draft upon the Treasury as much so as direct appropriations. The House bill carried reappropriations of $3,670,476. The Senate increased that amount to $4,265,970. We have agreed upon $4,250,474, which, added to the direct appropriations the conference committee has agreed to, will make a total available for expenditure during 1939 of $463,651,728.

That sum is $11,864,968 more than the House had proposed, and it is $31,839,555 less than the Senate proposed.

The Senate additions to our bill, by way of direct appropriations, fall almost entirely under five major headings, namely: "Personnel," "Military posts," "Ordnance," "Seacoast defenses," and "Civil components."

I shall discuss briefly the effect of the action agreed upon as to those five propositions.

First, personnel. The Senate added $4,926,409 for increasing the officer and enlisted strength of the Regular Army and initiating the new enlisted Reserve force. We have agreed to $2,241,712 of that amount for the following purposes:

An increase of the number of Air Corps officers by 200, or to 1,638.

An increase in the number of Medical Corps officers by 50, or to 1,133.

An increase in the number of Dental Corps officers by 25, or to 233.

To assure pay for an average enlisted strength of 165,000. I might say as to this item that we had in mind the need of the Air Corps for additional men. Under the House bill the average enlisted strength possibly would have been limited to 162,000.

Lastly, for initiating the new enlisted Reserve force, the approximate number 16,777. The ultimate objective is 75,000.

The second major heading is military posts. Here the Senate added $3,827,180. We have agreed to $2,826,300 of that amount, although $748,300 is in the form of contractual authority instead of a direct appropriation. The entire amount agreed upon applies to two posts, namely, Fort Sill, Okla., and Kelly Field, Tex.

The third and fourth major propositions relate to ordnance and seacoast defenses, and I shall discuss them jointly.

The Senate added $15,806,225 to ordnance service and supplies and $16,790,747 to seacoast defenses, a total of $32,596,972. In addition, the Senate proposed $10,000,000 contractual authority under ordnance. The House had allowed $32,232,034 under ordnance and $6,748,555 under seacoast defenses, a total of $38,980,589, and in addition contractual authority under ordnance of $2,900,000. The House bill, bear in mind, provided for an increase over the current year under the two heads in question of $11,840,269. The Senate proposed a further increase of $32,596,969 without a formal recommendation of any kind from the executive branch of the Government.

The Senate increase as to direct appropriations divided in this way:

Antiaircraft material for seacoast defenses and otherwise	$18,451,249
Seacoast-defense projects other than antiaircraft	10,108,268
Tooling and machinery for semiautomatic rifles	1,200,000
Antitank guns	912,000
Ammunition	1,925,000

The whole of the $10,000,000 contractual authority proposed by the Senate was intended for antiaircraft material.

In lieu of that forty-two-million-and-odd dollars proposed by the Senate by way of direct appropriations and contractual authority we propose $6,000,000 by way of direct appropriation, which has Budget support, and $10,000,000 by way of contractual authority, the entire amount, with the exception of $1,200,000 for tooling and machinery for semiautomatic rifles, being intended for antiaircraft material for use either on the seaboard or elsewhere. This is somewhat more than half of the additional amount that would be applied to antiaircraft material under the proposal of the Senate. And as to that, let me say this, Mr. Speaker: The House bill carried $9,945,291 for antiaircraft material. Of that amount, $2,320,804 was in connection with seacoast defenses. Considering the two amounts—that is, the amount originally provided by the House and the amount proposed in this conference report—there will be available for expenditure or obligation next year, roundly, $24,700,000 for antiaircraft material of one form or another, and that, it seems to me, provides for a measure of advancement that should make everyone interested in this phase of national defense quite well satisfied.

Turning to the civil components, where the Senate added $1,562,938 by way of direct appropriations and $517,850 by way of a reappropriation, we have omitted provision for construction at National Guard camps; we have provided for 14-day training for 30,000 Reserve officers, which many of you will be interested to know, and we have provided for an increase in the number of advanced-course students in R. O. T. C. schools, both at schools and at camps.

That about tells the story, Mr. Speaker.

Mr. RICH. Mr. Speaker, will the gentleman yield?

Mr. SNYDER of Pennsylvania. I will gladly yield to the gentleman.

Mr. RICH. Do I understand the bill as coming now from the conference carries a total of $463,000,000?

Mr. SNYDER of Pennsylvania. Yes; including reappropriations.

Mr. RICH. Last year the bill carried $416,000,000, this being an increase of $47,000,000 for the Army?

Mr. SNYDER of Pennsylvania. Yes.

Mr. RICH. The entire sum for preparation for war, then, is going to be over $2,250,000,000. A year ago someone thought that we might spend $1,000,000,000 in preparation for war. Now, what is this administration going to say to the American people when we talk peace and yet are spending 125 percent more than we ever dreamed of spending for war, or a total of over $2,250,000,000?

What in the world are we doing here, talking peace and then making these great preparations for war? It does not seem as if we are using our heads, does it? I cannot for the life of me see why, if we want to defend the shores of America against the aggression of any foreign country, we have to spend $2,250,000,000 for purposes of war. Why build these six great war vessels at a cost of $70,000,000 each for purposes of peace?

Mr. MAVERICK. Mr. Speaker, will the gentleman yield?

Mr. SNYDER of Pennsylvania. I yield.

Mr. MAVERICK. I shall ask the gentleman a question, but first I want the gentleman to listen to what I say. This is not for battleships, this is for national defense. It has nothing to do with preparations for war. This is for the preparation of peace. This committee has brought in a report here which is very moderate and conservative, an amount considerably under the amount the Senate reported.

Mr. RICH. Does the gentleman say that it is under the Senate, when we spent $47,000,000 for this war appropriation bill over what we spent last year?

Mr. MAVERICK. I am not criticizing them. I think they have come to a very good conclusion. I do not think they are spending enough on coast defenses and antiaircraft guns. I am not criticizing them.

Mr. RICH. I am not going to criticize my colleague from Pennsylvania [Mr. SNYDER]. I am not here to criticize him, I am here to criticize the House and the Senate for increasing this by $47,000,000 over what we had a year ago. I do not want to criticize a man if he thinks he is doing the right thing, but are we, as Members of Congress, doing the right thing when we are spending $2,250,000,000 in preparation for war, are we taking the taxpayers' money and saying that we are going to make a military nation out of America? It does not seem possible that we should try to outdo Hitler in preparation for war.

Mr. SNYDER of Pennsylvania. Mr. Speaker, before moving the previous question, it would seem fitting for me to remind the House that the end of the Seventy-fifth Congress will mark the close of the distinguished service which has been rendered here by our esteemed friend and beloved colleague from California, JOHN F. DOCKWEILER.

Mr. DOCKWEILER and I entered the House together. Each of us was assigned to membership on the Committee on Appropriations, and each of us to membership on the same subcommittees, namely, Legislative and War Department. Mr. DOCKWEILER, 2 years ago, succeeded me as chairman of the former subcommittee, and for 2 years he has been the ranking majority member of the War Department subcommittee. These assignments have thrown us into close contact. We have spent much time together at the committee table and, in 1935, in company with other colleagues, we conducted an extensive inspection of military posts and activities, both in the States and in Hawaii. Upon that occasion I enjoyed his hospitality in his charming home in Los Angeles, and there met his distinguished father, Hon. Isadore B. Dockweiler, who has been a prominent and influential figure in the Democratic Party since our colleague's early boyhood.

These continuous and close contacts have brought about a close friendship which I always shall cherish. They have revealed to me those sterling qualities of his which have won for him such widespread admiration and respect. His wide learning, his industry, his devotion to duty, his loyalty, his unfailing fairness and courtesy are outstanding traits not excelled by any in this Chamber.

His familiarity with national defense problems has been of inestimable help to me in dealing with matters respecting the Military Establishment. I have leaned heavily upon his counsel.

Our friend aspires to be Governor of his great State. That is what is taking him from our midst. He leaves us with a record of achievement in behalf of the administration, the Nation, his home State, and his own constituency to which he may well point with pride. I know of no man in public office who has demonstrated a greater appreciation of or a greater measure of devotion to the trust placed in him by an electorate than JOHN DOCKWEILER.

I am sure I voice the sentiments of the membership on both sides of the aisle in wishing him Godspeed. [Applause.]

Mr. ENGEL. Mr. Speaker, will the gentleman yield to me?

Mr. SNYDER of Pennsylvania. Mr. Speaker, I yield 5 minutes to the gentleman from Michigan [Mr. ENGEL].

Mr. ENGEL. Mr. Speaker, first I wish to say a word with regard to the bill. We have here a beautiful illustration of what happens nearly every time when the Committee on Appropriations comes before the House. Either the Committee on Appropriations is condemned for making too large appropriations, or it is condemned for not making appropriations which have been authorized by the House. On May 10 last I placed in the RECORD a statement showing that three and a half billion dollars have been authorized during the past 6 years for which appropriations remain to be made. Members of this House have repeatedly criticized the Committee on Appropriations because it has thwarted the will of the House in not appropriating money which has been authorized. In the next breath they criticized the Committee on Appropriations for bringing in large appropriation bills. When we increased the Army to 165,000 men the additional men were added. They had to be fed, clothed, and equipped. This subcommittee worked hard on this bill, and has done a very good job.

I want to say just one word regarding our colleague, Mr. DOCKWEILER. We have worked together for 2 years without regard to politics. We have tried to bring out the best possible bill in each case. In that work Mr. DOCKWEILER has taken a splendid part. He is one of the most lovable characters I have ever met.

I have never served with a member of any committee, either here or in any other legislative experience I have had, for whom I have held a higher regard than for the gentleman from California [Mr. DOCKWEILER]. My Republican colleague on the subcommittee, the gentleman from New Jersey [Mr. POWERS], joins me in expressing our sincere regret that the gentleman from California is not to be with us next year. We shall miss his genial smile and the committee will miss his experience and helpfulness in writing up the next bill. [Applause.]

[Here the gavel fell.]

Mr. SNYDER of Pennsylvania. Mr. Speaker, I yield 1 minute to the gentleman from Texas [Mr. THOMASON].

Mr. THOMASON of Texas. Mr. Speaker, I am unable to detect in the conference report what was done about the amendment to the House bill providing for an increase in young Reserve officers, the so-called Thomason Act.

Mr. SNYDER of Pennsylvania. The number was left at 650, just as provided by the House.

Mr. THOMASON of Texas. I observe that in amendment No. 34 the conferees accept the Senate figures for barracks and quarters. May I ask at what place?

Mr. SNYDER of Pennsylvania. Fort Huachuca, Ariz.

Mr. THOMASON of Texas. Is that the only place?

Mr. SNYDER of Pennsylvania. Yes.

Mr. THOMASON of Texas. I thank the gentleman.

Mr. SNYDER of Pennsylvania. Mr. Speaker, I yield 1 minute to the gentleman from Maine [Mr. OLIVER].

Mr. OLIVER. Did I understand the gentleman to say that an amount of $24,000,000 has been appropriated for antiaircraft defense?

Mr. SNYDER of Pennsylvania. Yes; including $10,000,000 by way of contractual authority.

Mr. OLIVER. How is that money to be allocated as between the seacoast and the interior?

Mr. SNYDER of Pennsylvania. That is up to the Army entirely.

Mr. OLIVER. I notice in the report of the House conferees that it is said that this money will be distributed according to the geographical determinations proposed by the House. Just what does that mean?

Mr. SNYDER of Pennsylvania. That applies to the seacoast defense funds carried in the bill as it passed the House.

Mr. OLIVER. Then, do I understand that a fairly liberal amount of this $24,000,000 will go to antiaircraft defense along the coasts?

Mr. SNYDER of Pennsylvania. Undoubtedly so. That was the understanding of the conference committee.

Mr. OLIVER. I compliment the chairman of the subcommittee and the House conferees that they have been able to retain in the bill some increase in the allowance of money to be used for seacoast defenses. I am interested particularly in the seacoast defenses around Portland, Maine. I have been informed that in the entire State of Maine there are only two mobile antiaircraft guns and four fixed antiaircraft guns. It does seem, though, that this is a very small amount of coast-defense antiaircraft equipment.

Mr. SNYDER of Pennsylvania. The gentleman can assure the people of his State that antiaircraft defenses will be very much improved under this bill.

Mr. OLIVER. I thank the gentleman.

Mr. SNYDER of Pennsylvania. Mr. Speaker, I yield 2 minutes to the gentleman from Texas [Mr. MAVERICK].

Mr. MAVERICK. Mr. Speaker, I join in the praise of the gentleman from California [Mr. DOCKWEILER], who has the laudable ambition of being Governor of his State; he would make a good one, and we all wish him well. But I have an equally laudable ambition to be reelected to Congress—so listen to what I shall say about this appropriation for Kelly Field, which is in exactly the right place, my district [laughter], San Antonio, Tex. That is the place where I want to get an aeronautical academy established, and I hope everybody will interest themselves in it, because it is the one and only advanced flying school of the Army.

The gentleman from Pennsylvania criticized this bill a moment ago and talked about $2,000,000,000 being spent for war. He speaks of "authorizations," and authorizations are not carried in this bill. I believe this bill is a step on the roadway to having something that is competent in the matter of national defense.

As everybody in this Chamber knows it is my personal belief that we are spending too much money on battleships. This bill gets back to the proposition of spending more money on aviation and real defense. I think this is a well-considered bill.

KELLY FIELD, ADVANCED FLYING SCHOOL, $2,495,000

Of course, I am especially interested in the following amendment, which directly concerns my district:

Kelly Field, Tex., $1,747,000, and authority is hereby given to enter into contracts and otherwise to incur obligations in excess of such amount to the extent of $748,300.

Making a total for the immediate development of that field totaling $2,495,000. Eventually the sum will reach six to eight million if it is followed up.

I hope we will all support the bill, and the amendment I have mentioned, which has been agreed to by the conferees.

Mr. SNYDER of Pennsylvania. Mr. Speaker, I yield 2 minutes to the gentleman from Massachusetts [Mr. CLASON].

Mr. CLASON. Mr. Speaker, in speaking in support of the report of the conferees on the Military Establishment appropriation bill for 1939, I wish to express my appreciation of the careful consideration given to my remarks before the subcommittee of the House Appropriations Committee having in charge this bill. At the hearing before the subcommittee, I brought to the attention of the committee that the Garand semiautomatic rifle, developed at the Springfield Armory, has finally been perfected. Military experts assert that this rifle is the finest army rifle in the world today. By the conference report it is provided that an order for 5,000 of these rifles shall be placed with the armory. It is also provided that $600,000 shall be expended during the next fiscal year for tooling, dies, and other equipment for the making of these rifles at the Springfield Armory. It is further provided that either $1,200,000 in addition may be expended during the fiscal year 1939, or contracts in the amount of $1,200,000 are hereby authorized to be entered into by the War Department for additional tooling, dies, and equipment for the making of these rifles.

In urging the adoption of the report, especially as it pertains to the appropriation for the Springfield Armory, I believe I can best bring to the attention of the House the necessity for the expenditure of these funds by quoting the arguments which I made before the subcommittee. My statement was as follows:

The site for the Springfield Armory was selected by Gen. George Washington. For more than a century it has been in successful operation. The community is recognized as outstanding in the character and ability of its highly skilled and well-trained mechanics and artisans. As a result some of the nationally known manufacturers have located there to gain the benefits of this group of workmen. These include the Westinghouse Electric & Manufacturing Co., the American Bosch Magneto Corporation, the Chapman Valve Co., the Indian Motocycle Co., Smith and Wesson Co., makers of revolvers, and several plants engaged in the manufacture of tools, dies, machinery, and forgings.

It is interesting to note that in the pioneer days of the automobile industry, well-known expensive cars were made in Springfield, such as the Stevens-Duryea. Later, when it was decided to build the famous Rolls-Royce automobiles in America, Springfield was chosen as the location of the plant because it was believed more desirable to secure the best precision labor in America than to be nearer the sources of supply of materials.

Since aircraft has become of outstanding importance, we find many famous plants in New England. The Pratt & Whitney plant is located at East Hartford, Conn., less than 25 miles away, and employs many from Springfield. In fact, many of the fastest racing planes have been built in Springfield.

In normal times there is difficulty in any community to secure fine workmen, particularly for the very precise work required in the making of parts for rifles; which is even more true as to the parts for automatic and semiautomatic rifles.

For decades the American Army has had in the Springfield rifle the finest army rifle in the world. For several years painstaking effort has been devoted at the Springfield Armory to the development of a semiautomatic rifle. About 3 years ago the Garand semiautomatic rifle was perfected to a point at which the War Department was satisfied that provision should be made for its manufacture on a large scale. With the amount made available under recent appropriations, provision was made for the manufacture of Garand rifles which will bring the total to 7,540. Army officers have testified, I believe, that a regiment of infantry armed with the Garand rifle is twice as effective as a regiment armed with the present Springfield rifle, which in turn is rated as better than any other army rifle in the world. The present appropriation will be exhausted by October 1, 1938, when about 7,500 Garand rifles will have been delivered.

In an address by Louis Johnson, Assistant Secretary of War, at Hartford on January 20, last, Secretary Johnson declared: "Today, at the Springfield Armory, a new semiautomatic rifle is under production which is the acme of achievement in small arms. It is the invention of a civilian employee at the armory, John C. Garand, who has devoted 17 to 18 years of his life in perfecting this weapon for infantry use. Recent experiments have caused our infantry officers to remark that a man armed with a new semiautomatic Springfield rifle is equal to five men equipped with the older model."

Writing in the current issue of the Infantry Journal, Maj. Gen. George A. Lynch, Chief of Infantry, in an article in which he asserts that the "whole structure of military organization still rests on the Atlas shoulders of the doughboy," states that the "development of an effective semiautomatic rifle by our Ordnance Department is unquestionably the outstanding infantry development of the day."

The manufacture of this semiautomatic rifle has been developed slowly in order that defects that might appear could be corrected and improvements made. These rifles have been placed in the hands of the Army for practical use under varying conditions with very satisfactory results.

As I understand the proposed appropriation bill for 1939, there are items in it of $260,000 for 2,500 Garand rifles at $104 each, and of $600,000 for machinery, tools, dies, etc., at the Springfield Armory. It is certainly necessary for the second item to be appropriated in order to bring the plant up to date in equipment absolutely necessary to prepare the armory for proper production of these rifles. The present equipment quite apparently is not adopted to modern manufacturing processes and to large-scale production.

However, there is an equally important need in the successful operation of an armory or plant making rifles. That need is for men skilled in the making of this particular product which requires months of training even for men accustomed to equally precise work. With the trained men now at the armory using present equipment and proposed equipment, 10,000 Garand rifles could be manufactured annually.

Our Army needs and should have the best service rifles which can be furnished to them. To allow our Regular Army to have less than the best the Government can supply in the way of equipment, where the amount in dollars and cents is so small comparatively with appropriations for other items, is not only false economy but inexcusable.

I have heard the Chief of Staff in effect state that in the final analysis the infantry is the backbone of any army. The United States is noted for its comparatively small Regular Army. The Garand rifle makes this Army twice as effective and potentially powerful as it is now while armed with the present Springfield rifle. I believe, too, that military experts will tell you that for defending himself against "ground strafing" airplanes there is no better weapon for a foot soldier than a semiautomatic rifle, because of its great accuracy and greater volume of fire.

At this time, when Congress is appropriating more than a billion dollars for its Army and Navy, I believe that it is absolutely essential to provide an appropriation for at least 10,000 of these rifles in the 1939 Budget. Such provision would require an appropriation of $880,000, or about $88 per rifle. This would be an increase of $620,000 over the amount now provided in the bill, but $16 less per rifle. It would result in 7,500 more rifles being built in 1939. The saving in cost per rifle would result in the early amortization of the cost of the new machinery and equipment installed.

In December 1937, 354 rifles were delivered. Each month as the men become more proficient and efficient more rifles will be delivered, particularly as the more modern machinery becomes available. The services to which the rifles have already been shown are demanding them. The experts have worked out the difficulties which are necessarily encountered in the manufacture of such an intricate mechanism. Some parts have required several different and difficult operations to produce. Other parts can already be delivered in quantities which would permit assembling many more rifles monthly. Those parts which are the more difficult to make and which have been most difficult to perfect can now be produced more readily. As difficulties get ironed out, the rifles will be turned out more quickly.

If 10,000 rifles are made annually, it will take 8 to 10 years to arm the initial protective force. Then it will take many years to supply the demand for the Coast Guard, the Navy, and the Marine Corps. The men in foreign service should have these rifles as quickly as possible. This is a woefully small program as we realize that the Army had 600,000 Springfield rifles at the beginning of the World War. You cannot make them after the war is on fast enough. Only 300,000 Springfield rifles were made while the war was on.

As a business proposition, the Government should build 10,000 rifles a year in order to get the rifles at a reasonable price per rifle. The saving by such production will pay for the cost of machinery in 3 or 4 years.

Another, and to me, a particularly important reason why this item should be increased from $260,000 to $880,000 is the matter of labor. The United States Government has invested a large sum of money in training several hundred competent men for a period of 3 years to make these rifles. In 1939, for the first time, the Government has the opportunity to secure commensurate results from these expenditures. If only 2,500 Garand rifles are to be made, some 100 or more of these skilled workmen will be thrown out of employment. If the number of rifles to be made is not increased to 10,000, it will be necessary to curtail the activity at the armory with resultant breaking up of the organization for producing these rifles and a reduction in the force of men now employed there. Likewise, the Government will have lost the expense it has incurred already in the training of these men, amounting to hundreds of thousands of dollars.

An annual output of 10,000 rifles should be sought because it would be a reasonable supply. It would require the work of a reasonable force of men who would be a nucleus for any future emergency. In case of emergency or war, we will need these trained men badly and they will be missing unless this appropriation is at least $880,000. These men could be used as foremen and in executive positions as operations expanded. In time of war key men will be urgently needed for use at commercial plants as well as at Springfield Armory. Not to keep this force together is to leave the United States Army unprepared in a most important field, the placing of the best weapons in the hands of hastily mobilized and greatly expanded military and naval forces.

To reduce the number of employees at the Springfield Armory will likewise be a serious blow to the labor situation in the Springfield community. It is particularly unfair at a time when President Roosevelt and the administration are demanding stabilization of labor in industry. For the Government to take this short-sighted attitude at this time will cause grave doubt of its sincerity, as well as work a hardship on 100 Springfield families by throwing the men out of work in the middle of the present serious depression.

Many of these men left steady jobs to enter Government employ. They are entitled to a square deal. Such action will tend to keep men from entering the employ of the armory, where they should have every right to believe that their employment will be steady and not subject to changes in policy every 2 or 3 years. If the United States Government does not provide stability of employment in its permanent establishments, where there is a constant and urgent demand for its product every month of the year, surely private industry cannot be expected even to attempt to stabilize employment.

To me, however, the most serious part of the situation will be the failure to keep an adequate force of skilled men ready for the emergency, which, from present indications, may be upon us within a very few years.

To summarize: The new equipment, machinery, and tooling will quickly pay for themselves, as each 10,000 rifles will cut expenses about $160,000, as compared with an annual production of 2,500. At the rate of 10,000 per year, it will take 8 or more years to equip the initial protective force. There would seem, therefore, no reason to cause lack of stability of labor at Springfield by cutting the force at this time. The rifle is in demand and a success. It makes each regiment of infantry 100 percent more effective than at the present time. For troops stationed in out-of-the-way places, such as China, Hawaii, and the Philippines, it seems absolutely unfair not to have the men properly equipped with the most satisfactory and most valuable Army rifle known. As soon as the initial protective army has been equipped, it will still take years at a production of 10,000 rifles per year to supply the demand for the Coast Guard, the Navy, and the Marine Corps.

At an annual delivery of 10,000 rifles, it will just about keep the present force at the armory running steadily year in and year out. It costs a lot of money to train any workman in new intricate work of this type. It would be very short-sighted to allow men who have been trained at great expense during the past 3 years to go at this time. It will demoralize the sense of security now prevailing among the workmen at the armory and will tend to cause men to go to other concerns, such as into the aircraft industry at East Hartford, if they do not feel that their positions are more secure at the armory.

Furthermore, the trained working force at the armory is now worth thousands of dollars a year to the United States and should be kept intact. If another war does come within a generation, the failure to have these trained men at hand, and to have the number of rifles which could then be placed in the hands of our forces, would be nothing short of a national tragedy. And to return to present-day arguments, if the Government means anything when it calls for stabilization of employment in industry, the place to start is at the Springfield Armory.

At the time that the above statement was made, the bill provided for an item for only 2,500 rifles for the Regular Army. As a result of my argument, the committee added another item of 2,500 additional rifles to be supplied to the National Guard, thereby increasing the indicated appropriation from $260,000 to $510,000 for these rifles. At that time I was assured by the members of the committee and by Army officers that this additional order would provide steady employment for the present permanent employees of the Springfield Armory during the next fiscal year.

Subsequent to the passage of the bill through the House, including the two above items, I got in touch, not only with the two distinguished Senators from Massachusetts, but also with other Senators who are members of the committee in charge of the Senate bill, and later I also conferred with conferees, both from the Senate and the House. I brought home to them the advantages to be secured by the United States Army by the rapid equipping of the Regular Army, the National Guard, the Coast Guard, the Marines, and other branches of our military and naval services with the Garand rifle. I was much gratified with the favorable reception which they gave me. I am very happy to state that the conferees, not only retained in the bill the appropriations for the 5,000 rifles and the $600,000 for tools, dies, and equipment, but also added the item which will provide for the expenditure of $1,200,000 for additional tools, dies, and equipment. These expenditures will result in the Springfield Armory becoming a modern plant, equipped with the latest devices for the production of these rifles, at the least possible cost to the War Department. Within 4 years, upon the basis of a reasonable number of rifles being made annually, the expenditures for new tools and dies will be repaid by the reduction in cost per rifle. Furthermore, at this time when unemployment is the most vital issue throughout the Nation, it is most gratifying to me to know that through these appropriations the War Department is making it possible to provide steady employment for many hundreds of men in a city which is suffering particularly at this time from the depression. In order that the Members of the House may be assured that every dollar spent in the production of the Garand semiautomatic rifle will be of tremendous advantage to our armed forces, both in peace and in war, I conclude my

remarks by quoting in full a letter which I have received from Maj. Gen. W. H. Tschappat, Chief of Ordnance:

WAR DEPARTMENT,
OFFICE OF THE CHIEF OF ORDNANCE,
Washington, May 12, 1938.

Hon. CHARLES R. CLASON,
House of Representatives, Washington, D. C.

DEAR MR. CLASON: I am very much obliged indeed to you for calling my attention to the reference to semiautomatic rifles in the Springfield newspaper of May 10. An idea is expressed there which is entirely contrary to my position on this important weapon.

The experimental work referred to in my interview was not in connection with the development of the gun in a mechanical sense, but with its tactical use in the hands of troops so as to most effectively employ its great potentiality. The weapon itself has been fully developed and has passed successfully all War Department tests. It has been officially adopted as the standard issue rifle. It is now being produced and issued to troops as rapidly as is possible with the appropriations made available by Congress.

There is only one thing I can add to your most able presentation before the House committee as to the merits of this weapon and the high esteem in which it is held by the Chief of Infantry and the Army in general. The Chief of Infantry has recently received an informal report from an officer with a battalion equipped with the M1 rifle engaged in tactical maneuvers. The report was substantially as follows:

"The M1 rifles (Garand semiautomatic) with which the battalion was armed were a revelation to the troops. They were most reliable in their functioning even after some of the rifles fell into the water and sand when landing on the beach. The troops were highly enthusiastic about their performance as antiaircraft weapons against low-flying planes. Many times as many hits were made on a target towed by plane than have ever been possible with the Springfield rifle."

It is interesting to know that the battalion in question was issued the rifles only a few weeks before departing on maneuvers.

This week on a visit to Springfield Armory, I found that current production was proceeding most satisfactorily and shipments are being made weekly to the using troops. The armory personnel is engaged in an intensive study of the design and tooling of the machinery provided for in the Army bill. This study is being based on the sum of $1,800,000 contemplated by the Senate additions. Such progress is being made that we should be ready to advertise for the machinery as soon as the Army bill has passed.

In view of the great demand for this rifle from the combat troops, I sincerely hope that the larger amount provided for by the Senate addition will be made available. It would be a great pity if the next emergency should find us unprepared to equip our Army with such an outstanding weapon.

I have no objection to your using this letter in any way you desire.

Sincerely yours,

W. H. TSCHAPPAT,
Major General, Chief of Ordnance.

Mr. SNYDER of Pennsylvania. Mr. Speaker, I yield 2 minutes to the gentleman from New York [Mr. CULKIN].

Mr. CULKIN. Mr. Speaker, at this time I call the attention of the committee to the fact that the conditions under which the enlisted men and noncommissioned staff of the United States Army now live are to the last degree disgraceful. There are no slums in any capital in the world which compare with the slums in which the enlisted men of the American Army live today.

It is the function and duty of this committee and of the Congress to correct this national disgrace at the earliest opportunity.

Mr. SNYDER of Pennsylvania. Mr. Speaker, I yield 1 minute to the gentleman from Michigan [Mr. ENGEL].

Mr. ENGEL. Mr. Speaker, we have just witnessed another beautiful illustration of inconsistency. A minute ago the committee was condemned for appropriating too much money and now it is condemned for not appropriating enough money.

Mr. SNYDER of Pennsylvania. Mr. Speaker, I yield 2 minutes to the gentleman from Mississippi [Mr. COLLINS].

Mr. COLLINS. Mr. Speaker, there is little I feel called upon to say about this bill beyond again voicing the idea I always have entertained, that the one thing to be desired most in warfare is fire power. The larger the amount of fire power the better and more effective will be our Army.

There are those people who believe that the proper way to increase effectiveness is to add to the personnel of the Military Establishment. I have always taken the position that idea was wrong; that there should be a proper balance between matériel and personnel; in other words, properly equip the men that we have first, and then afterward, if we want to add more men to the size of the establishment, add them, but equip the men after they have been added.

Mr. Speaker, this is a bill that adds more matériel to our establishment than any bill that has ever been presented to the Congress in time of peace. A larger sum of money is appropriated in this measure for the implementation of our Army than has ever been provided in any appropriation bill enacted when we were not at war. This is a fact I consider worthy of calling to the attention not only of the Congress but the American people. I congratulate the gentleman from Pennsylvania [Mr. SNYDER] and the other members of the committee for their foresight in adding a substantial increase in matériel over that provided in other appropriation measures.

Mr. SHANNON. Will the gentleman yield?

Mr. COLLINS. I yield to the gentleman from Missouri.

Mr. SHANNON. I trust the gentleman from Mississippi heard the gentleman from Springfield, Mass., extol upon the great invention of a new rifle that will kill, oh, so many more human beings than the rifles of the past.

Mr. Speaker, in providing this great expenditure of money for the new invention, in the light of what has been going on in the world, with rifles killing men and women everywhere, I wonder if the committee has provided a stopper on this new rifle so that it will not kill men and women in future wars?

Mr. SNYDER of Pennsylvania. Mr. Speaker, I yield 1 minute to the gentlewoman from Massachusetts [Mrs. ROGERS].

Mrs. ROGERS of Massachusetts. Mr. Speaker, on Memorial Day I was informed that there were some guns drawn by carriage in the parade which were bought by this Government in France. Due to the great unemployment in this country at this time and work is so vitally important to the welfare of everyone, we ought to buy these guns in the United States, and certainly at all times Government orders ought to be filled by American-made goods. Can the gentleman tell me the number of guns that have been bought in France and other foreign countries?

Mr. SNYDER of Pennsylvania. I may say to the gentlewoman from Massachusetts that we have not bought guns from any foreign power since the World War. The guns to which the gentlewoman refers quite likely are the French 75 guns that we got as the result of the World War, but we have not bought any guns from foreign countries since then.

Mrs. ROGERS of Massachusetts. I was told these were 55's. Although I did not really think we had 55's, perhaps they were 155's.

Mr. SNYDER of Pennsylvania. They might have been 155's.

My statement would apply to both calibers.

Mr. SNYDER of Pennsylvania. Mr. Speaker, I move the previous question on the conference report.

The previous question was ordered.

The conference report was agreed to.

The SPEAKER. The Clerk will report the first amendment in disagreemnt.

The Clerk read as follows:

Amendment No. 20: Page 17, line 5, after the figures "$2,823,650", insert "and, in addition, $77,644 of the appropriation 'Travel of the Army, 1938', such amount of such appropriation being hereby reappropriated."

Mr. SNYDER of Pennsylvania. Mr. Speaker, I move to recede and concur in the Senate amendment with an amendment.

The Clerk read as follows:

Mr. SNYDER of Pennsylvania moves to recede and concur in the Senate amendment with the following amendment: In lieu of the matter inserted by said amendment, insert the following: "and, in addition, $77,644 of the appropriation 'Travel of the Army, 1938', such amount of such appropriation being hereby reappropriated", and in lieu of the matter in lines 24 and 25, page 14, of the engrossed bill, reading: "of which $286,702 shall be available immediately, and such former", insert the following: "and of the total of such amounts $286,702 shall be available immediately, and such total."

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Amendment No. 30: On page 29, in line 23, after "$350,000", insert "and at Kelly Field, Tex., $2,495,300."

Mr. SNYDER of Pennsylvania. Mr. Speaker, I move to recede and concur in the Senate amendment with an amendment.

The Clerk read as follows:

Mr. SNYDER of Pennsylvania moves to recede and concur in the Senate amendment with an amendment, as follows: In lieu of the matter inserted by said amendment, insert the following: "and at Kelly Field, Tex., $1,747,000, and authority is hereby given to enter into contracts and otherwise to incur obligations in excess of such amount to the extent of $748,300."

The motion was agreed to.

A motion to reconsider the votes by which the motions were agreed to was laid on the table.

CIVIL FUNCTIONS, WAR DEPARTMENT APPROPRIATION BILL, 1939

Mr. SNYDER of Pennsylvania. Mr. Speaker, I call up the conference report on the bill (H. R. 10291) making appropriations for the fiscal year ending June 30, 1939, for civil functions administered by the War Department, and for other purposes.

The Clerk read the title of the bill.

Mr. SNYDER of Pennsylvania. Mr. Speaker, I ask unanimous consent that the statement may be read in lieu of the report.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

The Clerk read the statement.

The conference report and statement are as follows:

CONFERENCE REPORT

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 10291) making appropriations for the fiscal year ending June 30, 1939, for civil functions administered by the War Department, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 1, 4, 6, 8, 13, 14, 16, 18, and 24.

That the House recede from its disagreement to the amendments of the Senate numbered 2, 3, and 9, and agree to the same.

Amendment numbered 5: That the House recede from its disagreement to the amendment of the Senate numbered 5, and agree to the same with an amendment, as follows: In lieu of the matter inserted by said amendment insert the following: ", and not in excess of $170,000 shall be available for the acquisition of land in the vicinity of San Francisco, California, at an average cost of not to exceed $1,000 per acre"; and the Senate agree to the same.

Amendment numbered 17: That the House recede from its disagreement to the amendment of the Senate numbered 17, and agree to the same with an amendment, as follows: In lieu of the matter inserted by said amendment insert the following: ": *Provided further*, That to the extent that the foregoing sum of $24,000,000 may be reduced by obligations for flood control made prior to April 21, 1938, the appropriation for general flood control contained in the next succeeding paragraph shall be reduced by a like amount and such amount shall then be transferred from the appropriation for general flood control to the appropriation made in this paragraph"; and the Senate agree to the same.

The committee of conference report in disagreement amendments numbered 7, 10, 11, 12, 15, 19, 20, 21, 22, and 23.

J. BUELL SNYDER,
JOHN F. DOCKWEILER,
DAVID D. TERRY,
JOE STARNES,
ROSS A. COLLINS,
D. LANE POWERS,
ALBERT J. ENGEL,
Managers on the part of the House.

ROYAL S. COPELAND,
CARL HAYDEN,
ELMER THOMAS,
MORRIS SHEPPARD,
JOHN G. TOWNSEND, Jr.,
Managers on the part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 10291), making appropriations for the fiscal year ending June 30, 1939, for civil functions administered by the War Department, and for other purposes, submit the following statement in explanation of the effect of the action recommended and agreed upon in the accompanying conference report as to each of such amendments, namely:

On amendments Nos. 1 to 6, both inclusive, relating to cemeterial expenses: Strikes out textual change proposed by the Senate with respect to approach roads to national cemeteries; appropriates $53,450 for the development of Fort Bliss National Cemetery, as proposed by the Senate, the House having provided no additional appropriation on account of such project, but omits expressed expenditure requirement proposed by Senate; appropriates $299,692 for the acquisition of land and toward the development of a new national cemetery in the vicinity of San Francisco, Calif., as proposed by the Senate, limiting the cost of land purchased to an average of not to exceed $1,000 per acre, instead of making purchase subject to the acquisition of at least 165 acres at a total cost not in excess of $170,000, as the Senate proposed; and strikes out the appropriation of $75,000 proposed by the Senate for the erection and maintenance of a historical museum within the Custer Battlefield National Cemetery, Mont.

On amendments Nos. 8 and 9, relating to the United States High Commissioner to the Philippine Islands: Strikes out the proposal of the Senate to exclude trade in allowances in the purchase of automobiles, and makes $2,500 of the appropriation available as of April 1, 1938, as proposed by the Senate.

On amendments Nos. 13, 14, 16, 17, and 18, relating to rivers and harbors: Restores the House provision barring expenditures upon or incident to the project to extend the channel of the Mississippi River above St. Anthony Falls; makes a direct appropriation of $70,020,000, as proposed by the House, instead of $95,020,000, as proposed by the Senate; eliminates the expressed expenditure required proposed by the Senate as to the reappropriation proposed by the House; assures the full amount of such reappropriation being available by providing for making up any deficit therein by a transfer from the appropriation proposed for general flood control, as proposed by the Senate, and strikes out the appropriation of $134,000 proposed by the Senate with respect to Wilson Harbor, Niagara County, N. Y.

On amendment No. 24: Strikes out the appropriation of $3,050,000 proposed by the Senate on account of the Fort Peck project,

Amendments in disagreement

The committee of conference report in disagreement the following amendments of the Senate:

On amendment No. 7: Providing for relinquishment of Government's interest in approach roads to national cemeteries to local interests desiring such an arrangement.

On amendment No. 10: Providing a representation allowance for the High Commissioner to the Philippine Islands.

On amendments Nos. 11 and 12: Making all appropriations under the Corps of Engineers immediately available and available until expended.

On amendment No. 15: Making a textual change in the appropriation for Rivers and Harbors.

On amendments Nos. 19, 20, 21, and 22: Making $4,000,000 of the appropriation for general flood control available for the prosecution by the Department of Agriculture of works of improvement for measures of run-off and waterflow retardation and soil-erosion prevention.

On amendment No. 23: Making a textual change in the appropriation for flood control, Mississippi River and tributaries.

J. BUELL SNYDER,
JOHN F. DOCKWEILER,
DAVID D. TERRY,
JOE STARNES,
ROSS A. COLLINS,
D. LANE POWERS,
ALBERT J. ENGEL,
Managers on the part of the House.

Mr. SNYDER of Pennsylvania. Mr. Speaker, as passed by the House this bill carried $196,609,725 of direct appropriations and $24,025,000 of reappropriations. As to direct appropriations, the bill called for $406,162 less than Budget recommendations.

The Senate did not disturb the reappropriations proposed by the House, but increased the direct appropriations by $28,612,142.

In lieu of that increase the conference committee has agreed upon this course: Provide an additional direct appropriation of $353,142, and make available $18,000,000 of the Emergency Relief Appropriation Act of 1938, now pending in the Senate, for river and harbor projects, including maintenance thereof, instead of the additional direct appropriation of $25,000,000 proposed by the Senate for rivers and harbors. This alternative to the Senate proposal is one which I shall offer later when we undertake the consideration of amendments brought back in disagreement.

If the conference report be adopted, Mr. Speaker, and the amendments in technical disagreement are disposed of as I

shall propose, the bill will carry in direct appropriations $196,962,867, which is $53,020 less than the Budget estimates and $28,259,000 less than the bill carried as it passed the Senate.

The increase in direct appropriations to which we have agreed, amounting to $353,142, pertain to the new national cemeteries recently authorized at Fort Bliss, Tex., and San Francisco, Calif.

Mr. BEITER. Mr. Speaker, will the gentleman yield?

Mr. SNYDER of Pennsylvania. I yield to the gentleman from New York.

Mr. BEITER. I notice the conferees have stricken from the bill the amendment that was offered in the Senate in the amount of $134,000 for the improvement of Wilson Harbor, Niagara County, N. Y. Can the gentleman advise me why that was stricken from the bill?

Mr. SNYDER of Pennsylvania. There was no Budget estimate for it and no authorization.

Mr. BEITER. Senator WAGNER offered the amendment in the Senate, and Senator COPELAND was in charge of the bill at that time. Both approved the item.

Mr. SNYDER of Pennsylvania. Yes.

Mr. BEITER. The people at Wilson are vitally interested in having some kind of an appropriation made at this time for that improvement. It is an item that should be approved.

Mr. SNYDER of Pennsylvania. The gentleman is aware, I am sure, that there are many projects of this type, and if we had included this one we would have had to include a lot of others that had no Budget support and many no authorization. Of course, the gentleman would not have us discriminate.

Mr. BEITER. I certainly would not want the gentleman to discriminate, but I wish to point out that in the Army engineers' report on this project it is clearly shown that on the Canadian shore of Lake Ontario there are 20 refuge harbors while on the American shore there are only 5. The two closest to Wilson, Niagara and Olcott, are inadequate from the standpoint of protection and capacity. In view of that fact, I believe something should be done to remedy the conditions that exist there and to take care of the many boats that are seeking some kind of a refuge harbor. The season is at hand for that kind of activity.

Mr. SNYDER of Pennsylvania. I feel sure the War Department will take care of the project in some way if an emergency condition exists.

Mr. BEITER. I know a study is being made of all the harbors on the Great Lakes, but it may take several years before that study is completed. We are eager to get a little something in this bill. The amount is so small that we had hoped the conferees would agree to include this item.

Mr. SNYDER of Pennsylvania. I quite sympathize with the gentleman from New York, but the gentleman would not want to have that improvement given priority over a lot of others ahead of it on the list. This one ought to take its turn.

Mr. JENKINS of Ohio. Mr. Speaker, will the gentleman yield?

Mr. SNYDER of Pennsylvania. I yield to the gentleman from Ohio.

Mr. JENKINS of Ohio. I should like to ask the gentleman about amendments Nos. 11 and 12 and see if I am right in my understanding of the situation. From the report and from the bill it would seem to me that what you are trying to do in amendments 11 and 12 is include the spending of money for flood defenses the same as for river and harbor projects.

Mr. SNYDER of Pennsylvania. The gentleman is correct.

Mr. JENKINS of Ohio. In other words, in amendment No. 11 you strike out the words "rivers and harbors" so that the language in lines 19 and 22 on page 6 would then apply to flood control.

Mr. SNYDER of Pennsylvania. That is correct.

Mr. JENKINS of Ohio. With reference to amendments Nos. 19, 20, 21, and 22, where you take $4,000,000 of the flood-relief money and give it to the Department of Agriculture, was there any opposition to this move? Were those who favored flood control given any consideration by the conferees in any way? What is the history of this action?

Mr. SNYDER of Pennsylvania. I am glad the gentleman has brought up this question because it is one in which I know every Member is interested. Your conferees were advised that the Department of Agriculture and the Army are in absolute agreement. They wanted it this way.

Mr. JENKINS of Ohio. Then there is no contest over this at all?

Mr. SNYDER of Pennsylvania. No contest whatever; no. I may say further that we had testimony to the effect that the two agencies go into a community and study a problem as one problem, and the Department of Agriculture does its work in the community and the Army does its work there. They are cooperating 100 percent.

Mr. JENKINS of Ohio. In other words, it developed that the bill as it stood had not given adequate consideration to the surveys they are going to make with this additional $3,000,000.

Mr. CITRON. Mr. Speaker, will the gentleman yield?

Mr. SNYDER of Pennsylvania. I yield.

Mr. CITRON. Is the total amount for rivers and harbors reduced?

Mr. SNYDER of Pennsylvania. No; it is increased by $18,000,000.

Mr. CITRON. Is the total amount with regard to flood control reduced?

Mr. SNYDER of Pennsylvania. No; and the amount provided for flood control is all that the Corps of Engineers feel they can spend within the fiscal year.

Mr. CITRON. So the item with regard to the Thames River in Connecticut remains as it was originally in the bill?

Mr. SNYDER of Pennsylvania. Yes.

Mr. BEITER. Mr. Speaker, will the gentleman yield?

Mr. SNYDER of Pennsylvania. I yield.

Mr. BEITER. The gentleman yielded to the gentleman from Michigan before I had completed by statement.

Mr. SNYDER of Pennsylvania. I beg the gentleman's pardon.

Mr. BEITER. The gentleman stated he was sure I would not want preference shown to other communities that had a similar condition existing. I would like to state to the gentleman that in this particular community the local interests are willing to comply with the request of the Federal Government in making a contribution for their proportionate share of the cost and the same condition does not exist in other communities, and for this reason I was hopeful the conferees would permit this amendment of $134,000 to remain in the bill.

Mr. SNYDER of Pennsylvania. I am sure the gentleman will agree with me that that matter should go before the legislative committee having jurisdiction for authorization, after which it would come before the House through the same channels as do all similar items handled in a regular way. I can, perhaps, look into the faces of half a dozen men here who have projects of a similar nature which they thought should be included in this bill, but we simply could not adopt such a course.

Mr. BEITER. I would agree with the gentleman if this were establishing a precedent, but this is not establishing a precedent. This has been done on many occasions, and for this reason I was hopeful the conferees would permit it to remain in the bill. I suppose this conference report will be adopted, but I am greatly disappointed that this item has been dropped. However, we will continue our efforts to secure Federal aid, and I hope the Congress will see fit to appropriate the necessary funds in the near future.

Mr. CITRON. Mr. Speaker, will the gentleman yield for one further question?

Mr. SNYDER of Pennsylvania. Yes; I yield to the gentleman.

Mr. CITRON. Does the item in regard to the Connecticut River remain as it was in the bill originally?

Mr. SNYDER of Pennsylvania. It remains just as it passed the House.

Mr. WILCOX. Mr. Speaker, will the gentleman yield for a question?

Mr. SNYDER of Pennsylvania. I yield.

Mr. WILCOX. Do I understand from the gentleman that, if the conference report is adopted as recommended by the conferees, all river and harbor projects will occupy the same status they did before the passage of the bill through the House?

Mr. SNYDER of Pennsylvania. With the exception of the $18,000,000 additional, as to which we have had the Army engineers set up a priority list, with which the committee had nothing to do.

Mr. WILCOX. The conferees have agreed to an addition of $18,000,000 above the $70,000,000 that was originally made available for river and harbor projects?

Mr. SNYDER of Pennsylvania. Above the $94,000,000, because our bill carried a reappropriation of $24,000,000, and as to the total the Army engineers have the say as to where it will be spent.

Mr. WILCOX. And except for these additional projects, all projects will remain in the same status that they had before the passage of the bill?

Mr. SNYDER of Pennsylvania. Yes.

Mr. HAINES. Mr. Speaker, will the gentleman yield?

Mr. SNYDER of Pennsylvania. I yield.

Mr. HAINES. As I understand, the surveys that have been undertaken and completed by the Army engineers can be carried out by reason of the enactment of this bill?

Mr. SNYDER of Pennsylvania. They are the only ones that can be carried out; yes.

Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER pro tempore (Mr. O'CONNOR of New York). The question is on the adoption of the conference report.

The conference report was agreed to.

The SPEAKER pro tempore. The Clerk will report the first amendment in disagreement.

The Clerk read as follows:

Amendment No. 7: Page 4, after line 6, insert:

"The Secretary of War is authorized to convey to any State, county, municipality, or proper agency thereof, in which the same is located, all the right, title, and interest of the United States in and to any Government owned or controlled approach road in any national cemetery: *Provided*, That prior to the delivery of any instrument of conveyance hereunder, the State, county, municipality, or agency to which the conveyance herein authorized is to be made, shall notify the Secretary of War in writing of its willingness to accept and maintain the road included in such conveyance: *Provided further*, That upon the execution and delivery of any conveyance herein authorized, the jurisdiction of the United States of America over the road conveyed shall cease and determine and shall thereafter vest in the State in which said road is located."

Mr. SNYDER of Pennsylvania. Mr. Speaker, I move to recede and concur in the Senate amendment.

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Amendment No. 10: Page 6, after the figures "1938", line 6, insert "and of which amount not exceeding $10,000 shall be available for expenditure in the discretion of the High Commissioner for maintenance of his household and such other purposes as he may deem proper."

Mr. SNYDER of Pennsylvania. Mr. Speaker, I move to recede and concur in the Senate amendment.

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Amendment No. 11: Page 6, line 18, strike out the caption "Rivers and Harbors."

Mr. SNYDER of Pennsylvania. Mr. Speaker, I move to recede and concur in the Senate amendment.

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Amendment No. 12: Page 6, line 23, insert the caption "Rivers and Harbors."

Mr. SNYDER of Pennsylvania. Mr. Speaker, I move to recede and concur in the Senate amendment.

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Amendment No. 15: Page 8, line 12, strike out the word "addition" and insert "augmentation of the foregoing appropriation of $95,020,000."

Mr. SNYDER of Pennsylvania. Mr. Speaker, I move to recede and concur in the Senate amendment with an amendment, which I send to the Clerk's desk.

The Clerk read as follows:

In lieu of the matter inserted by said amendment, insert the following: "augmentation of the foregoing appropriation of $70,020,000, $18,000,000 of the amount named for public projects in the second limitation under (d) in subsection 1 of section 1, title I, of the Emergency Relief Appropriation Act of 1938, shall be available exclusively for the objects embraced by this paragraph: *Provided*, That nothing herein shall be construed as amending or modifying the provisions of section 3 of title I of such act: *Provided further*, That the requirement in section 5 of title I of such act that no Federal construction project, with certain exceptions, shall be undertaken unless and until there have been allocated and irrevocably set aside sufficient funds for its completion is hereby waived as to this appropriation; and further in augmentation of the foregoing appropriation of $70,020,000."

The motion was agreed to.

Mr. SNYDER of Pennsylvania. Mr. Speaker, amendments Nos. 19, 20, 21, and 22 relate to a single proposition. We propose to do what the Senate has sought to do, and the amendments which I shall offer will be merely in the interest of clarification and definiteness. I ask unanimous consent that the four amendments may be considered together.

The SPEAKER pro tempore. Is there objection?

There was no objection.

The SPEAKER pro tempore. The Clerk will report the four amendments.

The Clerk read as follows:

Amendment No. 19: Page 10, line 20, strike out "$3,000,000" and insert "$7,000,000."

Mr. SNYDER of Pennsylvania. Mr. Speaker, I move that the House recede and concur in Senate amendment No. 19.

The motion was agreed to.

The Clerk read as follows:

Senate amendment No. 20: Page 10, line 22, after the word "agriculture", insert "of which sum not to exceed $3,000,000 shall be expended."

Senate amendment No. 21: Page 10, line 23, insert the following: "And not to exceed $4,000,000 shall be expended for the prosecution of works and measures."

Senate amendment No. 22: Page 11, line 2, after the word "projects", insert "heretofore or hereafter."

Mr. SNYDER of Pennsylvania. Mr. Speaker, I move that the House recede and concur in amendments Nos. 20, 21, and 22 with the following amendments, which I send to the desk and ask to have read.

The Clerk read as follows:

Amendment No. 20: In lieu of the matter inserted by said amendment, insert the following: ", and of such sum not to exceed $3,000,000 shall be available."

Amendment No. 21: In lieu of the matter inserted by said amendment, insert the following: ", as authorized by law."

Amendment No. 22: In lieu of the matter inserted by said amendment, insert the following: ", and not to exceed $4,000,000 shall be available for the prosecution, under plans to be approved by the Secretary of Agriculture, of works of improvement for measures of run-off and water-flow retardation and soil-erosion prevention upon the watersheds of waterways for which works of improvement for the benefit of navigation and the control of destructive floodwaters and other provisions have been or hereafter may be adopted or."

The SPEAKER pro tempore. The question is on agreeing to the motion of the gentleman from Pennsylvania.

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Amendment No. 23: Page 11, line 12, strike out "as amended by the Flood Control Act, approved June 15, 1936 (49 Stat. 1508)" and insert "as amended and supplemented."

Mr. SNYDER of Pennsylvania. Mr. Speaker, I move to recede and concur in the Senate amendment numbered 23 with an amendment which I send to the desk and ask to have read.

The Clerk read as follows:

In lieu of the matter inserted by the Senate in place of the matter proposed by the House, insert the following: "As at present or subsequently amended and supplemented."

The SPEAKER pro tempore. The question is on agreeing to the motion of the gentleman from Pennsylvania.

The motion was agreed to.

The SPEAKER pro tempore. Without objection, motions to reconsider the several motions which have been agreed to will be laid on the table.

There was no objection.

REGISTRATION OF CERTAIN PERSONS DISSEMINATING PROPAGANDA

Mr. CELLER. Mr. Speaker, I call up the conference report on the bill (H. R. 1591) to require the registration of certain persons employed by agencies to disseminate propaganda in the United States, and for other purposes, and ask unanimous consent that the statement be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York that the statement be read in lieu of the report.

There was no objection.

The conference report and statement are as follows:

CONFERENCE REPORT

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 1591) to require the registration of certain persons employed by agencies to disseminate propaganda in the United States, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 2, 3, and 4.

That the House recede from its disagreement to the amendment of the Senate numbered 1 and agree to the same.

HATTON W. SUMNERS,
EMANUEL CELLER,
U. S. GUYER,
Managers on the part of the House.

KEY PITTMAN,
PAT MCCARRAN,
WM. E. BORAH,
Managers on the part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the bill (H. R. 1591) to require the registration of certain persons employed by agencies to disseminate propaganda in the United States and for other purposes, submit the following statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report.

There were four Senate amendments to the bill, two of which were clerical.

The first amendment of the Senate reworded the definition of "foreign principal." The amendment is made apparent by printing the House provision in roman with matter stricken out by the Senate amendment enclosed in black brackets, and new matter added by the Senate amendment in italics, as follows:

"(c) The term 'foreign principal' means the government of a foreign country, a political party of a foreign country, a person [not a resident of the United States, or any foreign business or political organization] *domiciled abroad, or any foreign business, partnership, association, corporation, or political organization.*"

The House conferees agreed to this amendment.

The second amendment of the Senate added a new section to the bill authorizing an appropriation of $75,000 for the enforcement of the act. The Senate receded and this amendment has been omitted.

The third and fourth amendments of the Senate were merely changes of section numbers made necessary by the adoption of the second amendment. Inasmuch as the second amendment has been omitted, these amendments are unnecessary and have been omitted also.

HATTON W. SUMNERS,
EMANUEL CELLER,
U. S. GUYER,
Managers on the part of the House.

Mr. CELLER. Mr. Speaker, this bill was introduced as a result of recommendations of the special committee that was appointed in the Seventy-third Congress to investigate un-American activities in the United States. A very careful study was made of the organizations in this country which organizations aimed arbitrarily to group certain American citizens and persons in the United States and to inculcate such principles and teachings in these persons as to influence the internal and external political policies of our country.

Incontrovertible evidence has been submitted to prove that there are many persons in the United States representing foreign governments or foreign political groups who are supplied by such foreign agencies with funds and other materials to foster un-American activities and to influence the external and internal policies of this country, thereby violating both the letter and the spirit of international law, as well as the democratic basis of our own American institutions of government.

Evidence before the Special Committee on Un-American Activities disclosed that many of the payments for this propaganda service were made in cash by the consul of a foreign nation, clearly giving an unmistakable inference that the work done was of such a nature as not to stand careful scrutiny.

As a result of such evidence this bill was introduced, the purpose of which is to require all persons who are in the United States for political propaganda purposes—propaganda aimed toward establishing in the United States a foreign system of government, or group action of a nature foreign to our institutions of government, or for any other purpose of a political propaganda nature—to register with the State Department and to supply information about their political propaganda activities, their employers, and the terms of their contracts.

This required registration will publicize the nature of subversive or other similar activities of such foreign propagandists, so that the American people may know those who are engaged in this country by foreign agencies to spread doctrines alien to our democratic form of government or propaganda for the purpose of influencing American public opinion on a political question.

Under the terms of the bill no foreign corporation engaged in honorable trade relations with this country will find it necessary to register, but whenever representatives are sent here to spread by word of mouth, or by the written word, the ideology, the principle, and the practices of other forms of government and the things for which they stand, then registry must be made. All that is required is to label the sources of pernicious propaganda.

There is nothing in the bill to offend any nation, group, or individual. The bill requires no registration of duly accredited diplomatic or consular officials of a foreign government who are so recognized by the Department of State of the United States. Likewise will the provisions of this measure have no reference to nor include any person performing only private, nonpolitical, financial, mercantile, commercial, or other activity in furtherance of bona fide trade or commerce of a foreign principal.

This bill does not in any way impair the right of freedom of speech, or of a free press, or other constitutional rights. On the other hand, this measure does provide that an alien coming to or in the United States for propaganda purposes of a political nature, and American citizens who accept foreign political propaganda employment, shall register; and this was found necessary, in a number of cases, through the revelations of the Committee on Un-American Activities.

We believe that the spotlight of pitiless publicity will serve as a deterrent to the spread of pernicious propaganda. We feel that our people are entitled to know the sources of any such efforts, and the person or persons or agencies carrying on such work in the United States.

Such propaganda is not prohibited under the proposed bill. The purpose of this bill is to make available to the American public the sources that promote and pay for the spreading of such foreign propaganda. Our National Food and Drug Act requires the proper labeling of various articles and safeguards the American public in the field of health. This bill seeks only to do the same thing in a different field, that of political propaganda. Propaganda efforts of such a nature are usually conducted in secrecy, which is essential to the success of these activities. The passage of this bill will force propaganda agents representing foreign agencies to come out in the open in their activities, or to subject themselves to the penalties provided in said bill.

This bill does not amend or repeal existing law.

Mr. Speaker, I shall be pleased to yield for questions if there are any.

Mr. Speaker, I move the previous question on the adoption of the conference report.

The previous question was ordered.

The conference report was agreed to, and a motion to reconsider was laid on the table.

CAMPAIGN EXPENDITURES

Mr. O'CONNOR of New York. Mr. Speaker, I call up House Resolution 291.

The Clerk read as follows:

Resolved, That a special committee of seven be appointed by the Speaker of the House of Representatives to investigate and report to the House not later than January 3, 1939, the campaign expenditures of the various candidates for the House of Representatives in both parties, or candidates of parties other than or independent of the Democratic or Republican Parties, the names of persons, firms, associations, or corporations subscribing, the amount contributed, the methods of collection and expenditures of such sums, and all facts in relation thereto, not only as to subscriptions of money and expenditures thereof but as to the use of any other means or influences, including the promise or use of patronage, and all other facts in relation thereto that would not only be of public interest but would aid the Congress in necessary legislation or in deciding any contests which might be instituted involving the right to a seat in the House of Representatives.

The investigation hereby provided for in all the respects above enumerated shall apply to candidates and contests before primaries, conventions, and the contests and campaigns of the general election in 1938, or any special election held prior to January 3, 1939. Said committee is hereby authorized to act upon its own initiative and upon such information which in its judgment may be reasonable and reliable. Upon complaint being made before such committee, under oath, by any person, persons, candidates, or political committee setting forth allegations as to facts which, under this resolution, it would be the duty of said committee to investigate, said committee shall investigate such charges as fully as though it were acting upon its own motion, unless, after hearings on such complaints, the committee shall find that such allegations in said complaints are immaterial or untrue.

That special committee or any subcommittee thereof is authorized to sit and act during the adjournment of the Congress, and that said committee or any subcommittee thereof is hereby empowered to sit and act at such time and place as it may deem necessary; to require by subpena or otherwise the attendance of witnesses, the production of books, papers, and documents; to employ stenographers at a cost of not exceeding 25 cents per hundred words. The chairman of the committee or any member thereof may administer oaths to witnesses. Subpenas for witnesses shall be issued under the signature of the chairman of the committee or subcommittee thereof. Every person who, having been summoned as a witness by authority of said committee or any subcommittee thereof, willfully makes default, or who, having appeared, refuses to answer any question pertinent to the investigation heretofore authorized, shall be held to the penalties as prescribed by law.

Mr. O'CONNOR of New York. Mr. Speaker, this is the usual resolution introduced toward the end of each session, by whichever party is in the majority, to appoint a committee of the House to watch over elections for Representatives in Congress. It is in the usual form.

Mr. SNELL. Mr. Speaker, will the gentleman yield?

Mr. O'CONNOR of New York. I yield.

Mr. SNELL. As I glance through the resolution it seems to be in the usual form, but I notice it contains a provision that the committee shall make a report. Has that always been in these resolutions?

Mr. O'CONNOR of New York. I am quite sure it has. Whether they actually did report, I cannot say.

Mr. SNELL. It gives them the right to report.

Mr. O'CONNOR of New York. The committee should report, of course. All committees should report.

Mr. SNELL. As I remember, the average committee set up for this purpose investigates a situation when complaint is made to them. I wonder, in light of some of the developments that have taken place during the past few months, if this resolution should not be even broader than it is at the present time. As far as I know, the greatest influence that has been used to carry elections and influence the voters is propaganda and influence from various departments here in Washington, especially the W. P. A. Why should not the resolution be broadened to include the right to look into and investigate the activities of some of the governmental departments in connection with the primaries and also elections?

Mr. O'CONNOR of New York. Offhand, my opinion is that the resolution is broad enough to do that. Personally, I think it is broad enough to do it. I sincerely hope complaints made to the committee along this line will be investigated.

Mr. SNELL. It seems to me that is of special importance in the light of the developments that have taken place in the last 2 months here in Washington.

Mr. O'CONNOR of New York. I agree with the gentleman.

Mr. SNELL. I am glad the gentleman himself thinks the resolution is broad enough to include any of those cases that are especially called to the attention of the committee.

Mr. BOILEAU. Mr. Speaker, will the gentleman yield?

Mr. O'CONNOR of New York. I yield.

Mr. BOILEAU. The language of the resolution on page 1, line 5, reads:

The campaign expenditures of the various candidates for the House of Representatives in both parties.

I suppose "both parties" means the Farmer-Labor Party and the Progressive Party. Then follows language stating:

Or candidates of parties other than or independent of the Democratic or Republican Parties.

If the interpretation is placed on it that I think properly should be placed upon the phrase "both parties" that would exclude investigation of the Republican and Democratic Parties. Personally I believe there is a little more need to investigate these parties and more justification for investigation of these parties than any of the other parties. It seems to me the gentleman has gone a long way in using unnecessary language in this particular clause, because if the thought was to investigate candidates of all parties why does not the resolution read "of the various candidates for the House of Representatives"?

Mr. O'CONNOR of New York. I am not the author of this resolution.

Mr. BOILEAU. But it has been reported out by the gentleman's committee. I am not finding fault with the chairman of the Committee on Rules, I am just pointing out a custom that I think is prevalent here in the House to an unnecessary and undue degree of talking about "both parties." It is ridiculous. There are a lot of people out in the Middle West to whom "both parties" means only Farmer Labor Party and Progressive Party.

Does not the gentleman think the resolution ought to be amended to read "to investigate, and so forth, the campaign expenditures of the various candidates of the House of Representatives"?

Mr. O'CONNOR of New York. It says "both parties or." I did not think the Farmer-Labor Party ever used any money to elect its representatives.

Mr. BOILEAU. I want to bring out the interpretation I place upon it. The only ones who would be investigated would be the Farmer-Laborites and the Progressives. It is stated "or candidates of parties other than or independent of the Democratic or Republican Parties." That clause excludes the Republicans and Democrats.

Mr. O'CONNOR of New York. This inquiry is particularly directed to the Democratic Party because there is no need of investigating the Republican Party. That party is defunct anyway. This resolution is to take care of our own Democratic primaries.

Mr. BOILEAU. You will find that the Democratic and Republican Parties are excluded from the investigation. It does not make so much difference what they do, because we are accustomed to having them use considerable money received from sources which we sometimes question. We do not worry much about that. The fact of the matter remains the language is not clear. Unnecessary language has been used. If it had been stated "various candidates for the House of Representatives," leaving all the rest of the language out, there would be no question.

Mr. TABER. Will the gentleman yield?

Mr. O'CONNOR of New York. I yield to the gentleman from New York.

Mr. TABER. Does the gentleman from Wisconsin feel badly because there is not a proposal to investigate the Progressive Party and its operations?

Mr. BOILEAU. The gentleman is in error. This resolution investigates only the Progressives and Farmer-Laborites, according to the interpretation I put on the language. The next clause excludes the Democratic and Republican Parties.

Mr. O'CONNOR of New York. I do not think there is anything to that at all. It says "in both parties, or candidates of parties."

Mr. BOILEAU. "Other than or independent of the Democratic or Republican Parties."

Mr. O'CONNOR of New York. But both parties, probably meaning the Democratic and Republican Parties, are included in the first clause.

Mr. BOILEAU. That is the whole point. If you mean by "both parties" the Democratic and Republican Parties, we are justified in that assumption.

Mr. SNELL. This is the first time I have ever known of anyone finding fault because he was not going to be investigated. If you want to leave out the Republican Party you may feel at liberty to do so.

Mr. BOILEAU. Our parties are specifically included in here and are to be investigated.

Mr. KNUTSON. Will the gentleman yield?

Mr. O'CONNOR of New York. For a question.

Mr. KNUTSON. For an observation.

Mr. O'CONNOR of New York. I gladly yield to the distinguished gentleman to observe.

Mr. KNUTSON. Following the suggestion of the distinguished minority leader, the Republicans would be perfectly willing to have the words "New Deal Party" substituted for the word "Republican." I wonder if this resolution is broad enough to cover the New Deal Party. I realize that party has its tentacles reaching out all over the country and I wonder if the resolution is broad enough to embrace the New Deal Party.

Mr. O'CONNOR of New York. It says "candidates of all parties." They are not further described or identified by birth, race, custom, or habit.

Mr. KNUTSON. Is the New Deal aggregation a party or is it a conglomeration of the malcontents from all the other parties?

Mr. O'CONNOR of New York. The gentleman has his own ideas about that, of course.

Mr. KNUTSON. Decidedly.

Mr. TABER. Will the gentleman yield?

Mr. O'CONNOR of New York. I yield to the distinguished gentleman from New York.

Mr. TABER. I note that the minority leader indicated he was interested in having governmental propaganda and activities of, perhaps, an irregular character covered by this resolution. I call the gentleman's attention to the last part of the first page, beginning with the word "and", in line 13, where it is stated, "and all other facts in relation thereto that would not only be of public interest but would aid the Congress in necessary legislation." Does not the gentleman think that would permit the committee to go out and investigate that sort of a situation?

Mr. O'CONNOR of New York. Oh, yes; including the previous clause where it is stated "including the promise or use of patronage." That makes it more precise.

Mr. BOILEAU. Does not the gentleman believe the language would be much clearer if we stopped after the words "for the House of Representatives", in line 5, and strike out the phrase "in both parties or candidates of parties other than or independent of the Democratic or Republican Parties"? Does not the gentleman believe that that would be more clear and more concise and would cover the field?

Mr. O'CONNOR of New York. Of course, you could spend the rest of your life editing bills and resolutions. This is a form that has served its purpose for many years.

Mr. BOILEAU. You have used the old form and injected something new when we had third parties. In the interest of clarity and the use of good language that clause should be stricken out. It would cover the whole purpose I am sure. I am willing to admit my remarks are somewhat facetious, but I think in the interest of clarity and the use of good language that clause should be stricken out.

Mr. O'CONNOR of New York. Mr. Speaker, I move the previous question on agreeing to the resolution.

The previous question was ordered.

The resolution was agreed to, and a motion to reconsider was laid on the table.

AMENDMENT OF UNITED STATES HOUSING ACT OF 1937

Mr. O'CONNOR of New York. Mr. Speaker, I call up House Resolution 514 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

House Resolution 514

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of H. R. 10663, a bill to amend the United States Housing Act of 1937. That after general debate, which shall be confined to the bill and continue not to exceed 4 hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Banking and Currency, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the reading of the bill for amendment the Committee shall rise and report the same to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit with or without instructions.

Mr. TABER. Mr. Speaker, I make the point of order a quorum is not present.

The SPEAKER. Obviously there is not a quorum present.

CALL OF THE HOUSE

Mr. O'CONNOR of New York. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 94]

Allen, Del.	Duncan	McGroarty	Schulte
Atkinson	Eicher	McLean	Shafer, Mich.
Bacon	Faddis	McMillan	Smith, Okla.
Barden	Flannagan	McReynolds	Somers, N. Y.
Biermann	Fulmer	Maas	Steagall
Buckley, N. Y.	Gasque	Mahon, S. C.	Sullivan
Bulwinkle	Gifford	Martin, Colo.	Sumners, Tex.
Byrne	Gingery	Mason	Sweeney
Cannon, Wis.	Gray, Pa.	Mitchell, Ill.	Taylor, Colo.
Carter	Green	Mitchell, Tenn.	Taylor, Tenn.
Champion	Greenwood	Mosier, Ohio	Thom
Chapman	Griswold	Mouton	Thurston
Clark, Idaho	Guyer	Norton	Tobey
Clark, N. C.	Hancock, N. C	O'Connor, Mont.	Vincent, Ky.
Cluett	Harlan	O'Day	Vinson, Ga.
Cochran	Harrington	Palmisano	Wadsworth
Cole, Md.	Johnson, Minn.	Parsons	Wearin
Crosby	Kelly, Ill.	Patman	Weaver
Curley	Kelly, N. Y.	Peterson, Fla.	Wene
Dingell	Kerr	Pettengill	West
Dirksen	Kniffin	Phillips	Whelchel
Disney	Kopplemann	Pierce	White, Idaho
Ditter	Lewis, Md.	Polk	White, Ohio
Dockweiler	Lord	Randolph	Whittington
Doughton	Luecke, Mich.	Richards	Wood
Douglas	McClellan	Robertson	
Drewry, Va.	McGrath	Sabath	

The SPEAKER. Three hundred and twenty-two Members have answerd to their names, a quorum.

On motion of Mr. O'CONNOR of New York, further proceedings under the call were dispensed with.

AMENDMENT OF UNITED STATES HOUSING ACT OF 1937

Mr. O'CONNOR of New York. Mr. Speaker, I yield 30 minutes to the gentleman from Massachusetts [Mr. MARTIN].

Mr. Speaker, this is a rule for the consideration of the Housing bill, a bill to amend the bill we passed last year for low-cost housing and slum clearance. In the bill we passed last year we authorized $500,000,000 for low-cost housing and slum clearance. The main purpose of this bill is to increase that amount by $300,000,000.

There are some other features of the bill in controversy. The provision as to increasing the amount by $300,000,000 was not controverted in the committee to any substantial extent.

Mr. FISH. Mr. Speaker, will the gentleman yield?

Mr. O'CONNOR of New York. I yield to the gentleman from New York.

Mr. FISH. Does this bill increase the amount by $300,000,000? Is that what the gentleman stated?

Mr. O'CONNOR of New York. That is the prime purpose of the bill.

Mr. FISH. I thought it increased the amount by $500,000,000.

Mr. O'CONNOR of New York. No. The President sent a message on April 14 recommending an increase of $300,000,000. There was talk about a $500,000,000 increase, but the bill carries out the President's recommendation.

Mr. LUCE. If the gentleman will yield, Mr. Straus all through the hearings talked of it as a billion dollars, as if he would have at his command a billion dollars.

Mr. O'CONNOR of New York. It is $500,000,000 plus $300,000,000, which to me makes $800,000,000, just a little short of a billion.

Mr. FISH. Of course, the gentleman knows that to us in the House there is not much difference between a million and a billion, anyway.

Mr. O'CONNOR of New York. The Committee on Rules considered this matter very thoroughly. On the proposition to increase the authorized amount by $300,000,000 there was little dissension.

I am interested in this matter in part from this particular standpoint. As I said on the recovery program, probably the class of people who have been in distress during these 9 years of depression to a greater extent than others, have been our skilled mechanics, our carpenters, our plumbers, our bricklayers, our steamfitters, and so forth. All the building that has been going on has been Government building. There has not been enough to keep our skilled mechanics working. As a matter of fact, much of the building program, unfortunately, has been carried out by W. P. A. workers, the laboring class. Public buildings and schoolhouses have been built by W. P. A. labor, so our skilled mechanics have not had their fair share of work in our recovery program. There is a serious situation in that, because if we came out of the depression shortly, we would not have enough skilled mechanics. Few apprentices have been trained in many years during this depression. To put those people to work, a housing program is the best vehicle. The construction of buildings and homes uses more labor than any other program we have advocated. So for that reason, if it were not for other reasons, I am interested in this program to put our skilled mechanics to work. Our housing in this Nation has gone way behind the normal progress. It is way behind in comparison with any comparable nation. We need more housing. We need better homes for our people. There is a demand for them. This program will furnish employment and help our people generally to live under better conditions.

The difficulty in the Committee on Rules arose from the division in the Committee on Banking and Currency as to the proposition which occurs as an amendment on page 3 of the bill. Under existing law the local community must contribute 10 percent toward the cost of any one of these projects. In this bill there is an amendment which would waive that 10-percent contribution so that the Federal Government would have to contribute 100 percent of the cost of the low-cost housing or slum-clearance project. That is the main controversy in the consideration of this bill. The Committee on Rules brought this bill before the House so the House might thoroughly consider that feature of the bill, as to whether or not the Federal Government should contribute the entire cost or put the responsibility on the local community to contribute 10 percent toward the cost of the project.

Mr. WOODRUM. Mr. Speaker, will the gentleman yield?

Mr. O'CONNOR of New York. I yield to the gentleman from Virginia.

Mr. WOODRUM. The gentleman will point out, of course, that originally the law required a 20-percent contribution from the locality. That provision was amended to make the contribution only 10 percent. If this bill is passed as amended, as the gentleman has pointed out, it would not require any contribution but would provide for a 100-percent grant from the Federal Government.

Mr. O'CONNOR of New York. I believe that in between there was a 15-percent contribution provided for.

Mr. McKEOUGH. Mr. Speaker, will the gentleman yield?

Mr. O'CONNOR of New York. I yield to the distinguished gentleman from Illinois.

Mr. McKEOUGH. I must take issue with the gentleman from Virginia. The original bill provided for only a 10-percent contribution. There was never any 20-percent provision. When the bill was before the committee consideration was given to the 20-percent contribution.

Mr. WOODRUM. No; I mean existing law. Originally the Housing Authority Act required a 20-percent contribution.

Mr. McKEOUGH. This is the first amendment to the National Housing Act.

Mr. WOODRUM. My recollection differs from that of the gentleman.

Mr. O'CONNOR of New York. The gentleman may be confusing this with the Federal Housing Administration.

Mr. SPENCE. I believe the gentleman is confused about this because the act provides 20-percent contribution to the annual contributions, by the local authorities, not 20 percent to the original cost.

Mr. O'CONNOR of New York. Of course, under the Federal Housing Authority the individual who desired to build a home and to get a mortgage guaranteed by the Federal Housing Authority, originally was required to contribute 20 percent.

That requirement is now 10 percent. So the individual when he wants to build his own home must furnish at least 10 percent of the cost of construction. The question is whether or not the local community, city, town, or village, desiring to take advantage of this Federal assistance shall contribute at least 10 percent or nothing at all. It was a sharply defined issue in the Banking and Currency Committee. That committee was about evenly divided. It was a sharply defined issue in the Rules Committee, and I may say that the Rules Committee hesitated for some time about reporting a rule for the consideration of this bill because of the division of opinion in the Banking and Currency Committee.

We want to see more housing. The President recommended this additional $300,000,000, and, as far as that goes, we are all for that. The other issue of the 10-percent contribution involved in this amendment is before the House and the House will determine whether or not the local communities shall contribute nothing or must continue to contribute 10 percent as under existing law.

Mr. TRANSUE. Mr. Speaker, will the gentleman yield?

Mr. O'CONNOR of New York. I yield.

Mr. TRANSUE. In stating that the local communities contribute nothing at all, has the gentleman taken into consideration the tax exemptions and the waiving of assessments and other services which the communities must give in order to obtain one of these slum-clearance projects?

Mr. O'CONNOR of New York. Of course, all that will be developed in the course of the debate.

The principle of slum-clearance and low-cost housing is sound. The Federal Government's entrance into it has been a much-discussed program for several years. There is little question about the soundness of the fundamental principle involved. As to details of this bill, that is for the House to determine.

Mr. ZIMMERMAN. Mr. Speaker, will the gentleman yield?

Mr. O'CONNOR of New York. I yield.

Mr. ZIMMERMAN. From the gentleman's statement I got the impression the bill provides that the Government will furnish 100 percent for the construction of these buildings; is that correct?

Mr. O'CONNOR of New York. The bill does not do that, but the amendment adopted in the committee, the committee being about evenly divided on the amendment, provides that the 10-percent contribution be waived and the Government furnish 100 percent.

Mr. ZIMMERMAN. Will the municipality be required to furnish the land on which the building will be constructed or will the Government purchase the land and construct the building outright?

Mr. O'CONNOR of New York. The entire cost of acquisition and construction would be financed by the Federal Government under the amendment as reported by the committee.

Mr. ZIMMERMAN. And the slum-clearance project which the city gets would be a complete donation from the hands of the Federal Government?

Mr. O'CONNOR of New York. That statement is not exactly correct, because, theoretically, the Government loan is all going to be paid back.

Mr. ZIMMERMAN. I mean so far as construction is concerned.

Mr. O'CONNOR of New York. The original construction would not cost the local community anything under the proposed amendment.

Mr. WOODRUM. Mr. Speaker, will the gentleman yield?

Mr. O'CONNOR of New York. I yield to the gentleman.

Mr. WOODRUM. The President's original proposal, of course, did not contain any such proposition as we have in this 10-percent provision.

Mr. O'CONNOR of New York. That is correct.

Mr. DONDERO. Mr. Speaker, will the gentleman yield?

Mr. O'CONNOR of New York. I yield.

Mr. DONDERO. Will this apply to small cities or just to the large cities?

Mr. O'CONNOR of New York. Oh, it applies to small communities as well as the larger ones. No one State can get over 10 percent, and any city that has a housing project, whether it is a slum-clearance project or individual-housing project, can come under this bill.

Mr. BARTON. Mr. Speaker, will the gentleman yield?

Mr. O'CONNOR of New York. I yield.

Mr. BARTON. In New York City have any of these slum-clearance projects been taken down town or have they all been on the outskirts of the city, or does the gentleman know about that?

Mr. O'CONNOR of New York. Under this particular bill, or the existing law there are no slum-clearance projects in New York that have been built up to now. The existing projects were built under P. W. A. when they had housing or under other authorities, but let me tell the gentleman from New York that New York has always taken the position that they would raise the 10 percent. So New York City is not asking for the waiving of this 10 percent, so far as I know. Other cities are asking for it.

Mr. BARTON. Under this bill could these walk-up tenements such as the gentleman has in his district and I have in mine, which are boarded up, be converted and modernized? Would the funds here be applicable to such conversions, or must it be entirely new construction?

Mr. O'CONNOR of New York. Alterations and "walk-ups" are more specifically taken care of in the Federal Housing Act. We provided many times, and I have had something to say about it, for the alteration of existing houses in Manhattan under the Federal Housing Act. That is my idea of solving the housing problem in Manhattan—not 20-story apartments. We authorized all that at the last session, alterations up to $50,000 and "walk-ups" up to $200,000, but practically nothing has ever been done about it. In the years the authorities in charge have appeared to have no sympathy with alterations on tenements. Their only concern has been with the individual home and the large slub-clearance projects.

Mr. LANZETTA. Mr. Speaker, will the gentleman yield?

Mr. O'CONNOR of New York. I yield.

Mr. LANZETTA. Under this bill there could be some slum clearance in New York City?

Mr. O'CONNOR of New York. Surely.

Mr. LANZETTA. And these buildings that are boarded up could be torn down and rebuilt?

Mr. O'CONNOR of New York. Oh, surely; there is no question about that.

Mr. LANZETTA. That is, provided the city authorities would be willing to do that?

Mr. O'CONNOR of New York. Of course, the city authorities or the local housing authorities would have to concur.

Mr. EBERHARTER. Mr. Speaker, will the gentleman yield?

Mr. O'CONNOR of New York. I gladly yield to the distinguished gentleman from Pennsylvania.

Mr. EBERHARTER. The gentleman has stated that the city of New York has not taken advantage of the provisions of the United States Housing Act; does the gentleman feel that the proviso in this bill which requires that the slums be eliminated before any new housing can be constructed is one of the restrictions which prevents the city of New York from taking advantage of the legislation?

Mr. O'CONNOR of New York. I did not say that. The city of New York has taken advantage of the National Housing Act and shall continue to do so. I meant to say that no projects had actually been started under it. That all takes time, but we can use our allotment of 10 percent of the total of eight hundred millions and would like much more to be available to us.

Mr. EBERHARTER. In other words, you must eliminate a number of slum dwellings for every new housing unit?

Mr. O'CONNOR of New York. I am not so sure about that. As I have said, the city of New York is taking advantage of this act. They already have an allocation of some $30,000,000. Of course it takes time to acquire the land and develop the project.

Mr. EBERHARTER. In other words, the city of New York will demolish so many housing units for every new housing unit constructed under this program?

Mr. O'CONNOR of New York. I believe that is the plan.

Mr. CRAWFORD. Does the gentleman feel that he is correct when he says that such money as the Federal Treasury advances for these projects will be paid back?

Mr. O'CONNOR of New York. I said "theoretically" it would be paid back.

Mr. CRAWFORD. Has the gentleman looked into this proposition sufficiently to see whether or not for each billion dollars we put into these buildings it will cost the Federal Treasury approximately $2,100,000,000? Could the gentleman confirm that statement?

Mr. O'CONNOR of New York. I do not know about those figures. All I know is that the principle of our Government meeting the housing problem is sound, but I do want to see the Federal Government safeguard itself as far as possible,

and not be imposed upon. I do not want to see the Federal Government further break down the morale of our people, whether it be the individual or a city or a town or a village or any other community. You can break down the morale of a people by giving them too much charity, taking care of them to too great an extent, so that they have no initiative or ambition on their own part. While it has already been done to some extent with the individual, I just have the thought in mind that it should not be done with our cities or other local units. I can remember the time when our States were proud, when they said, "We can take care of ourselves, we don't need to go to the Federal Government." The State of New York used to say, "We have 13,000,000 people in our State, and we have 7,000,000 people in our city of New York. We are self-sustaining. We don't have to take the pauper's oath for anybody." I should like to see that spirit, that morale still pervade this country. [Applause.]

I reserve the remainder of my time.

Mr. MARTIN of Massachusetts. Mr. Speaker, no one can quarrel with the splendid motive back of this bill. No one wants more than I to clear the slums and give the poor people of this country a better chance. I must, however, point out the rather peculiar circumstances which confront its consideration in its present form. Apparently the bill as it stands lacked a majority of the membership of the Banking and Currency Committee. Certainly it is here without the approval of the membership of the Rules Committee, which voted for a rule only because the committee felt it was a subject worthy of the consideration and not because of approval of the text. The chief point in dispute, of course, is the requirement of a local contribution of 10 percent. We all want to bring a little sunshine and happiness to those in the great cities, and give employment to people, but at the same time we do owe a duty to protect the finances of the country. It would do the poor people no good if as a result of financial debauchery we destroy the opportunity for work by bringing hard times. It is not difficult to imagine the deluge of applications which would come from every city and town in this country if no local contribution was required. It would be a riot to see who would get first to the trough, and I am afraid merit would be entirely disregarded.

Under the present law the management is with the local people. With the Federal Government putting up all the money it could not consistently turn the administration over to outsiders.

Mr. TRANSUE. Is not that what the gentleman's party proposes to do with all relief?

Mr. MARTIN of Massachusetts. Not in maintaining large holdings of buildings.

Mr. TRANSUE. Turning the administration of relief over to State authorities?

Mr. MARTIN of Massachusetts. Oh, the gentleman is confusing the issue. What does the gentleman stand for?

Mr. TRANSUE. I am for this bill.

Mr. MARTIN of Massachusetts. How is the gentleman on the other bill?

Mr. TRANSUE. I am for that, too.

Mr. MARTIN of Massachusetts. And which is that?

Mr. TRANSUE. The other bill.

Mr. MARTIN of Massachusetts. Is the gentleman in favor of turning relief back to the States?

Mr. TRANSUE. No; I am not.

Mr. MARTIN of Massachusetts. That is all, then. I do not yield any more. Furthermore, the evidence which came out before the Committee on Rules was the administrator is evading the real intent of the law. When Congress passed the last bill it positively expected a 10-percent contribution on the part of the applicant. All the debate will positively confirm this contention.

Mr. TRANSUE. Mr. Speaker, will the gentleman yield?

Mr. MARTIN of Massachusetts. No; I am sorry. I repeat, it is declared the administrator functions to the end the 10-percent contribution will not be made. I would like to inquire, Is Mr. Strauss bigger than the Congress of the United States? Who is he that he can interpret the law as he wants it interpreted rather than in accordance with those who framed the legislation? This is typical of the danger we are rapidly getting into in this country by constantly holding up bureaucracy. These bureaus actually are coming to believe they are greater than the Congress that creates them. We must combat this threat if we are going to save our representative form of government.

Mr. HOUSTON. We had a chance to check it through the reorganization bill, but we could not get the gentleman's support.

Mr. MARTIN of Massachusetts. What does the gentleman mean by "checking it"?

Mr. HOUSTON. Checking bureaucracy in the Government. That is what we wanted to do.

Mr. MARTIN of Massachusetts. Oh, no; the advocates of reorganization had no such thought in mind in bringing forward the reorganization bill. That bill would strengthen bureaucracy and make Congress a mere rubber stamp of the bureaucrats. Place all the power of spending in the bureaus, control the civil service, and abolish the Comptroller, and you give more power to bureaucracy.

Mr. HOUSTON. But under that bill Congress in 60 days could vacate any reorganization that might be made.

Mr. MARTIN of Massachusetts. That would not happen, and in the meantime bureaucracy would be in complete control. I have no opposition to the rule, because I believe this subject is worthy of consideration. I hope we shall have a sane moment when we come to consider this amendment. Let us for once protect the Treasury of the United States. Let us not make a great humane proposal a football of politics where every city and town will be striving to get its share of the pork, regardless of merit or need, where every city and town will seek something for nothing, with the result it will cost this Government many billions of dollars before we get through. I can see, unless we have some check, a raid which would shake the fiancial structure of the country.

Mr. KNUTSON. Mr. Speaker, will the gentleman yield?

Mr. MARTIN of Massachusetts. I yield.

Mr. KNUTSON. How does the gentleman figure we can cut down expenses when they have increased the Government personnel here in Washington by 400,000?

Mr. MARTIN of Massachusetts. No one in authority hereabouts of late has claimed reduction of expenditures.

Mr. KNUTSON. The gentleman has been urging it. How can they do it when they have so many deserving Democrats to be taken care of?

Mr. MARTIN of Massachusetts. Long ago I gave up all expectation of reducing Government expenditures. In this administration it is like the weather—we talk about it but we do not do anything about it.

Mr. CRAWFORD. Mr. Speaker, will the gentleman yield?

Mr. MARTIN of Massachusetts. I yield.

Mr. CRAWFORD. I wish to ask the gentleman a very serious question with reference to this bill to get the benefit of his judgment.

The original bill started out on the theory that we would spend $500,000,000 for this purpose, spread over 3 years, $100,000,000 to be spent the first year and $200,000,000 in each of the 2 succeeding years. It took into consideration the fact that the States would have to pass enabling acts so that the cities and towns could come in under the Federal law. Some of the States have acted, some have not. It also took into consideration the fact that slums would have to be demolished as new places were built for people to occupy. It went ahead on the philosophy that we should spend time and consideration in arranging a program that may run into a cost of billions and billions of dollars before these people are housed. Now we come along and hit a financial depression, a depression.

Mr. MARTIN of Massachusetts. Depression or recession?

Mr. CRAWFORD. Depression, spelled with a capital "D." And the philosophy then springs forth that what we should do is to desert our original plan of sane, serious consideration,

taking steps carefully, and convert this into a straight relief problem of speedy spending, so that we can spend, as the Administrator asked the other day before the committee, not $100,000,000 in the first year, but that over the 3-year period we spend $1,000,000,000 instead of the original $500,000,000. The committee has seen fit to give him $300,000,000, or has jumped it up $300,000,000.

I want the benefit of the gentleman's judgment with reference to jumping from a sane, sensible, planned housing and slum-clearance program into a speedy spending program. What does the gentleman think about shifting in the middle of the stream?

Mr. MARTIN of Massachusetts. The facts are that right now everybody is trying to grab all they can get while the grabbing is good.

Mr. SIROVICH. Mr. Speaker, will the gentleman yield?

Mr. MARTIN of Massachusetts. I yield.

Mr. SIROVICH. The gentleman is one of the most lovable characters on the Republican side of the House. [Applause.] For him we all have a personal affection and admiration. Surely he would not want to have us go away from this session feeling that he is not interested in tearing down the worst slums in America, slums that are breeding disease, criminality, corruption, and thus help the type of humanity that are ill-fed, ill-clothed, and ill-housed, the type that ought to be lifted up. He is too honorable a man, too greatly esteemed as the assistant minority leader to make me feel that he is not in sympathy with the legislation proposed in this bill.

Mr. MARTIN of Massachusetts. I am afraid my good friend the doctor, for whom I have a high regard, did not listen very carefully to my statement. I stated I was 100 percent in favor of the humane motives back of this legislation; but I am trying to protect the Government, I am trying to protect the original purpose of the bill, because I want to see it succeed. I do not want to see this matter made the football of politics to the end it will be terminated or else became a national scandal. In other words, the lifting of the submerged masses is very much in my mind. I want to help them but I want to do it effectively and at the same time provide the necessary safeguards.

Mr. SIROVICH. If the gentleman will yield further, I may say that I have seen human beings living in homes over a hundred years old, buildings unfit even to house cattle.

Mr. MARTIN of Massachusetts. That is true, and those places ought to be removed. We all want to help in the right way.

Mr. FITZPATRICK. Will the gentleman yield?

Mr. MARTIN of Massachusetts. I yield to the gentleman from New York.

Mr. FITZPATRICK. Under existing law there are many slums in localities that cannot meet the 10 percent. What would the gentleman do with them?

Mr. MARTIN of Massachusetts. I cannot believe that here in the United States there is any locality that cannot raise the 10 percent, if it is a worthy project.

Mr. FITZPATRICK. Assuming they cannot.

Mr. MARTIN of Massachusetts. I do not assume that for a moment, because I cannot believe that here in the United States any locality is so lacking in public spirit and community spirit that it cannot give 10 cents when the Government gives 90 cents. Particularly when it is to be a contribution for the betterment of that community.

Mr. FITZPATRICK. Fall River has a great many slums.

Mr. MARTIN of Massachusetts. And Fall River does not seek to financially ruin the country. It is willing to contribute a small part for an improvement. It wants above all a chance for prosperity and to see conditions where work at real wages will prevail.

Mr. FITZPATRICK. I have not heard anything from New York, but I have heard from one of my cities which claims it cannot meet the 10-percent provision.

Mr. WHITE of Ohio. Will the gentleman yield?

Mr. MARTIN of Massachusetts. I yield to the gentleman from Ohio.

Mr. WHITE of Ohio. If the contention is true that they cannot produce 10 percent for this operation, how does it happen they are able to produce a 45-percent contribution for P. W. A.?

Mr. MARTIN of Massachusetts. They can contribute the 10 percent, and it is better for honest administration that they do; but if they give 10 percent for a meritorious project, there will not be as much left for the politicians to waste.

Mr. Speaker, I reserve the balance of my time.

Mr. DIES. Mr. Speaker, I yield 7 minutes to the gentleman from Ohio [Mr. BIGELOW].

Mr. BIGELOW. I am speaking now for an amendment that will be presented later, against which I believe a point of order will lie, but I hope the point of order will not be made. This amendment has nothing to do with the merit of the discussion on the amendments that may be proposed by the committee. However, there is another section that I would like to amend in a very slight particular.

The act provides that cities under 500,000 population must be limited to $1,000 a room, while cities over 500,000 may spend $1,250 a room.

Mr. HOUSTON. Why?

Mr. BIGELOW. Evidently it is supposed that in the larger cities there are elements of cost that increase the building cost above the cost of smaller cities. But we find surprising results when we compare these costs.

Cincinnati is a city of 472,000, yet the building costs in Cincinnati are higher than in Baltimore, Detroit, Los Angeles, and Philadelphia, all cities very much larger in population.

Kansas City has a population of 399,000, yet the building costs in Kansas City are greater than in Boston, Cleveland, Detroit, Los Angeles, Philadelphia, and Pittsburgh.

Instead of taking the city as a political unit to be used as the factor, we are asking that the metropolitan area be used. As I stated, Cincinnati is a city of 472,000 population, but Cincinnati has cities within itself.

Mr. DEMUTH. Will the gentleman yield?

Mr. BIGELOW. I yield to the gentleman from Pennsylvania.

Mr. DEMUTH. The gentleman referred to Cincinnati as having a higher index than Pittsburgh. The Cincinnati index is 95 percent as compared to Cleveland. The Pittsburgh index is 102.

Mr. BIGELOW. I have not the Pittsburgh index here. I did not bring with me the figures covering Pittsburgh.

Mr. DONDERO. Will the gentleman yield?

Mr. BIGELOW. I yield to the gentleman from Michigan.

Mr. DONDERO. I may say I am in sympathy with what the gentleman is attempting to do. To whom would he leave it to determine what the metropolitan area may be?

Mr. BIGELOW. The metropolitan area is reported by the Census Bureau, which reports on the population of the metropolitan area the same as it does on the city's population.

Mr. DONDERO. It would determine what municipalities would be affected within that area?

Mr. BIGELOW. Yes. In section 5 of this act, when they come to determine the cost of materials they use the following language: "The locality or metropolitan area"; but in the same section they use the words "of the city," whereas I think it should be the metropolitan area. Evidently the location of the political boundaries of a city have nothing to do with costs. It is the mass of population, the number of people that are gathered in a locality, that is an important factor in determining cost.

Cincinnati is just a little under the 500,000 mark, but we have a metropolitan area of nearly 800,000.

Mr. Speaker, I have a letter from Mr. Bleecker Marquette, secretary of the Cincinnati Metropolitan Housing Authority, from which I quote the following:

> It was the intention of the Cincinnati Metropolitan Housing Authority to proceed with a new slum-clearance development in the West End which had been worked out and was ready for submission in tentative form to the United States Housing Authority. Every possible economy had been considered in the unit plans upon which we took tentative estimates. They showed a room cost of $1,140 and no possibility of cutting down to under $1,000 as required by the law. As a result we have had to abandon any

more slum clearance for the present in favor of vacant-land projects. The housing authority considers this unfortunate because these deteriorated areas should be eliminated and replaced, as part of our broad program.

I know the area they have in mind. It is the most blighted area in Cincinnati. It is so rotten, as a matter of fact, that when the city of Cleveland put on a Great Lakes exhibition they took as their worst example of slum conditions in the State of Ohio that particular section of Cincinnati; yet our Housing Authority says that unless this is changed so that they can go above the $1,000 per room they cannot clear this area.

This is an area in which colored people live. We have had one slum clearance through which they removed a population 60 percent colored in order to build for white people, I suppose; but this leaves the colored people with nothing in Cincinnati.

I am pleading with you now, and when the time comes to offer the amendment, I hope the chairman of the committee will not raise a point of order against it.

[Here the gavel fell.]

RESIGNATION FROM CONFERENCE COMMITTEE ON WAGE AND HOUR BILL

The Chair laid before the House the following letter of resignation:

JUNE 2, 1938.

Hon. WILLIAM B. BANKHEAD,
Speaker, United States House of Representatives,
Washington, D. C.

MY DEAR MR. SPEAKER: I understand that it is the intent of the conferees on the wage and hour bill to begin meeting this afternoon.

I feel that it is to the best interests of the House that it be fully represented in these conferences, and as I am confined in the hospital and shall be unable to leave the same before sometime next week at the earliest, I respectfully request that you accept my resignation as a conferee.

Respectfully yours,

GLENN GRISWOLD.

The SPEAKER. Without objection, the resignation will be accepted.

There was no objection.

The SPEAKER. The Chair appoints to the conference committee the gentleman from West Virginia [Mr. RANDOLPH]. The Clerk will notify the Senate of the appointment of the Speaker.

AMENDMENT OF THE UNITED STATES HOUSING ACT OF 1937

Mr. MARTIN of Massachusetts. Mr. Speaker, I yield 5 minutes to the gentleman from New York [Mr. TABER].

Mr. TABER. Mr. Speaker, under section 2 of this bill as amended it is provided that this Housing Authority may have the right to enter into contracts to make contributions to the local authorities which enter into these housing operations to the extent of $40,000,000 in each year, and this authority extends under the provisions of the law for 60 years. The amount of bonds the Government must guarantee that the Housing Authority can issue is $800,000,000. Under the amendment the committee has brought in here the Housing Authority can advance to the local authority 100 percent of the total cost of the operation. With the Housing Authority having authority to make contributions of $40,000,000 per year, that $40,000,000 per year is enough to pay 3½ percent on the whole $1,000,000,000, and to retire the entire group of obligations in approximately 50 years, perhaps a little less. What does this mean? It means that the Housing Authority can pay to these local authorities a bonus of a tremendous sum of money for entering into these contracts, not only providing them out of the Federal Treasury with the funds to repay all the loans that the Federal Housing Authority shall make to them, together with the interest on them, but giving them a good, big, gorgeous bonus besides.

There is no sense in this kind of an operation. It is not fair and it is not honest to the taxpayers whom we represent. We all know that only a small portion of our people can be taken care of under such an operation as this. We all know it will result in riotous spending of money with poor results, because it can be no other way with this kind of a set-up. It will simply destroy the entire private building industry in this country.

I cannot see my way clear to support either the rule or this bill. I believe it is one of the most demoralizing measures that has ever been brought in here. It is another step toward the absolute ruination of the credit of the United States. There is absolutely no disposition whatever on the part of this Congress today to meet its obligations and to try to give something of social security and opportunity to the workingman. Everything is being done to prevent the private employment of our people and the private investment of capital and to discourage local energy and activity. [Applause.]

[Here the gavel fell.]

Mr. MARTIN of Massachusetts. Mr. Speaker, I yield the balance of my time to the gentleman from New York [Mr. FISH.]

Mr. FISH. Mr. Speaker, I agree with the gentleman from New York [Mr. O'CONNOR] in his opposition to that provision in the bill which requires the Government to pay 100 percent of the loans for these housing projects. It seems to me if we do that, the Government will be holding the entire bag. It will just be another raid upon the Treasury, with the result that the local housing authority will have little or no interest in seeing that the Government is paid back any of the loans. You might just as well change the whole bill and make it a direct grant instead of a loan, because if the bill passes in its present form and the local housing authorities are not required to put up even a 10-percent contribution, I do not believe we will get a dollar back. Nobody will be working for us, and the net result will be that we will lose the entire billion dollars. If that is to be the situation, let us stop talking about loans and call it a direct grant and add another billion dollars to our existing national debt of $47,500,000,000.

The gentleman from New York [Mr. O'CONNOR] spoke of these housing projects requiring $800,000,000, and that is what this bill authorizes, but the Authority evidently has already spent $200,000,000, because last August we authorized the appropriation of $500,000,000, and in this bill we are authorizing another $500,000,000. This is probably the reason the bill refers to only $800,000,000. Of course, we in Congress get so accustomed to talking about millions and billions that we get the terms a little bit confused. Whether it is a million dollars or a billion dollars hardly makes any difference these days. As far as this particular bill is concerned, it will make no difference whatever when it comes to getting any of these loans paid back into the Treasury.

If this bill goes through in its present form, providing for 100-percent loans to the local housing authorities, you may as well write off the whole billion dollars and add it right on to the huge deficit for 1939. It is sheer political humbug and a fraud to talk of repayment of any of this money except by other appropriations out of the Treasury of the United States if the bill passes with the 100-percent loan provision in it.

Mr. FORD of California. Mr. Speaker, will the gentleman yield?

Mr. FISH. No; let me finish, and I may yield later on.

I was opposed in the committee to this 100-percent loan provision. A majority of the members of the Committee on Banking and Currency were opposed to it in the committee. I left my proxy in writing against a 100-percent loan contribution by the Government, and so did another minority member of the committee. It is the time-honored practice of that committee, going back 20 years or more, to have proxies counted, but in this particular instance, in spite of my written proxy, it was not counted, and the bill was reported by a 9-to-8 vote.

I feel at liberty to state here exactly what happened, although it was an executive session, because everything that did happen in that committee meeting was published in the New York Times, even to the names, the vote, and everything else, including my own name and showing that my proxy had been objected to and was not voted. I am not saying it is a wise procedure to vote proxies. I am not raising the question

of the merits or demerits of that practice. I can see much for and against it. I am saying that in the Committee on Banking and Currency and in other committees of the House it has been a time-honored tradition and privilege to permit members of the committee to leave proxies and have them voted. In this case that privilege was refused, and the bill was reported out by a minority vote of the committee and is now before the House as a result of a minority vote.

I have voted for all these housing projects. I want to do away with slums and congested areas. I want to do away particularly with slums in the city of New York and provide for low-cost housing projects. I would prefer to follow the British example of erecting individual houses for $3,500 or $4,000 in order to provide home ownership for our American wage earners. Instead of doing this, we propose to build these huge apartment houses and the people who go into them pay $4 for $10 rooms and the Government pays the balance, with the net result a privileged few are living upon the Government under this arrangement and are tenants and not home owners.

I am not opposing this bill, except that provision in it which has to do with the 100-percent loans. The original bill—the $500,000,000 measure—was passed by the Congress back in August, some 8 or 9 months ago. Very little has been done in the way of actual construction since that time. Now, the Federal Housing Authority rushes in here, when only a small part of the money we appropriated at that time has been spent, and asks for another $500,000,000. I am only stating this as part of the record, not in opposition to the bill. I am only stating it to show that some people in high places in this country have only just found out that there is an emergency and increasing unemployment.

Last August there were some Members of Congress on the minority side who realized that there was an emergency in the country then, and we said so, and the President of the United States denied that there was an emergency, or that there was even a recession. He said then that unemployment was a myth, that it was a mere assumption, and it continued, from the President's viewpoint, to be an assumption for many months, right until the early part of this year.

Then, about the first of February, it became a recession and, gradually, the people began to understand it was not only a recession, it was a depression, and it was a Government-made depression, a Roosevelt depression. Now at last, the President of the United States himself recognizes the fact that we have increasing unemployment in the United States and seeks control of the relief funds as he says to expedite relief.

It was stated 6 weeks ago that we had 13,000,000 unemployed in our country. The President has said within 24 hours that for the last 6 weeks unemployment has been increasing very rapidly. If this is so there may be now 15,000,000 unemployed, but, at least, it is a good thing that the President has found out that the people are unemployed and that there is increasing unemployment.

There are two obstacles today to recovery and employment of our wage earners. One of them is the destruction of confidence or a lack of confidence and the other one is Franklin "Deficit" Roosevelt. Remove the latter and you will remove the former very quickly.

Nevertheless, the situation with which we are confronted is that we are told now an emergency exists, and in order to overcome that emergency we must authorize $500,000,000 more for housing projects and the Government must contribute the entire 100 percent in loans.

This is the main issue. This is the issue that must be decided by the Congress regardless of partisanship. There is not an iota of partisanship in such an issue requiring the Government to make a 100-percent loan.

If you want the Government to be raided and robbed and to carry the whole load, then vote for this 100-percent-loan contribution, and we will not get 1 cent back, not 1 penny back, in repayment of the $1,000,000,000. I defy anybody, in his own time, not in my limited time, to explain how we will ever get any money back. The only hope is that there is some local contribution because if there is a local loan, then the local housing authority will have a mutual interest to protect it and will not simply rob the Government. They will have to look after their own loan and then they will have some interest in the expenditure and repayment of this money. They would have none otherwise. That is the real issue that is raised by the committee in this bill under the 100-percent-loan provision.

Mr. FITZPATRICK. Mr. Speaker, will the gentleman yield?

Mr. FISH. I cannot yield in the limited time I have.

If I get the opportunity, as a member of the committee, I propose to offer several amendments.

Our Chief Executive, and my constituent, has recently seen the light and has stated there should not be any more tax-exempt securities issued. Some of us have been sounding off and urging that for many years. I propose to offer an amendment to this $800,000,000 authorization that the money shall not be raised by issuing tax-exempt securities. The way to stop issuing tax-exempt securities is to stop. We have already created a dangerous situation by borrowing $20,000,000,000 and piling debt upon debt and deficit upon deficit by selling tax-exempt bonds. It is a vicious circle and harmful to legitimate business borrowing and the expansion of industry and the employment of labor.

Also, if there is a proper place for it, I propose to offer an amendment to provide for the prevailing wage scale in the locality where the housing project is located so that the construction will be done under the prevailing wage scale. If that is in order the House can decide whether they want to amend the bill accordingly.

These local housing projects, although we put up the money, will not be owned by the Government. They will be owned by the local housing authority. They are not like post offices which are owned entirely by the Government and are automatically tax exempt. The Government will practically own nothing at all, and the money will be turned over to the local housing authority, and we will have no way of getting that money back except through them. It is even doubtful in some of the States whether these housing projects will be tax exempt, because they are not Government-owned.

In addition, and in conclusion, I am hopeful that some way will be found in solving this serious problem of housing, that we can do something for the home owner and not merely build huge apartments and beehives in city districts but that we will build homes for the American people in the vicinity of large cities as that is the best way to combat radicalism, socialism, and communism in America. [Applause.]

Mr. DIES. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The SPEAKER. The question is on agreeing to the resolution.

The resolution was agreed to.

Mr. GOLDSBOROUGH. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the bill (H. R. 10663), to amend the United States Housing Act of 1937.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the consideration of H. R. 10663, with Mr. PARSONS in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

Mr. GOLDSBOROUGH. Mr. Chairman, the membership of the committee is divided on the committee amendment almost equally. An effort will be made on this side to divide the time equally between those who are proponents of the amendment and those who oppose it. I yield 15 minutes to the gentleman from Kentucky [Mr. SPENCE].

Mr. SPENCE. Mr. Chairman, something has been said about the approval of this bill by the committee. We were in executive session when the vote was taken. I have always felt obligated to keep the confidences that come to me by reason of an executive session. It has been said that the majority of the committee did not vote for the bill. I have always understood that the quorum is the committee when sitting and a majority of that quorum did vote to report this bill.

As far as proxies are concerned, they have never been recognized by the House. I have never heard of them being recognized by any committee and I have been on the Committee on Banking and Currency for 6 years and I have never seen a proxy attempted to be used up to this time.

As far as the philosophy of this bill is concerned, we passed on that last year when the bill was passed. The philosophy of the bill is declared and the public policy is stated in section 1. That section provides:

SECTION 1. It is hereby declared to be the policy of the United States to promote the general welfare of the Nation by employing its funds and credit, as provided in this act, to assist the several States and their political subdivisions to alleviate present and recurring unemployment and to remedy the unsafe and insanitary housing conditions and the acute shortage of decent, safe, and sanitary dwellings for families of low income, in rural or urban communities, that are injurious to the health, safety, and morals of the citizens of the Nation.

It was adopted as the national policy, and I believe it is a sound national policy. An epidemic which starts in the slums of a city, by reason of the improved roads and the improvements in transportation, may travel an immense distance and may jeopardize the very life and well-being of people in far, remote sections. Criminal tendencies, which may originate in the slums of the city, may in the same way jeopardize the lives and property of people in far-distant sections of the country, and by reason of good roads and improved means of transportation crimes may be committed outside the cities and the criminals return to the slums as a haven of safety. It is a national problem. I believe the President is deeply interested in the successful operation of this great undertaking of slum clearance and sanitary housing. The President, in his message on relief on April 14, 1938, used the following language:

We suffer from a failure of consumer demand. The hoped-for reemployment of this spring is not proceeding fast enough to create an economic upturn. Therefore, the problem calls for action, both by the Government and by the people.

I propose to the Congress three groups of measures.

* * * * * * *

This is the third proposal:

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This third proposal relates solely to definite additions to the purchasing power of the Nation by providing new work.

I ask for certain amendments to the United States Housing Authority Act to permit the undertaking of immediate construction of about $300,000,000 of additional projects. The Federal Housing Administration is prepared to increase the already mounting volume of home and apartment construction.

The existing law made available $100,000,000 on the passage of the bill, $200,000,000 additional on July 1, 1938, and $200,000,000 on July 1, 1939. The pending bill makes immediately available $800,000,000. It increases the amount heretofore appropriated by $300,000,000. Upon the passage of the original bill $5,000,000 was made available for contracts for contributions; $7,500,000 was made available for contributions on July 1, 1938; and $7,500,000 was made available for contributions on July 1, 1939. The pending bill makes $40,000,000 available annually for contracts for annual contributions to the local housing agencies.

The bill also would do away with the 10-percent payment required of local subdivisions. The language of the statute in regard to the 10-percent clause is very indefinite. It is as follows:

In the case of annual contributions in assistance of low rentals as provided in section 10, the total of such loans outstanding in any one project and in which the Authority participates shall not exceed 90 percent of the development or acquisition cost of such project. Such loans shall bear interest at such rate as is the going Federal rate at the time the loan is made plus one-half of 1 percent and shall be secured in such manner and shall be repaid within such period, not exceeding 60 years, as may be deemed advisable by the authority.

Mr. BEITER. Mr. Speaker, will the gentleman yield?

Mr. SPENCE. I yield.

Mr. BEITER. Listening to the statement made by the gentleman from New York, I was left with the impression that the total amount, last year's appropriation and this year's appropriation, was $1,000,000,000. Is that correct?

Mr. SPENCE. No. The total amount, as I understand it, is $800,000,000.

Mr. BEITER. I received an inquiry from one of the members of the Building Trades Council of the city of Buffalo in the course of which he asked that support be given to an amendment to increase the amount from $500,000,000 to $1,000,000,000, and I was wondering whether the gentleman from New York had reference to that.

Mr. SPENCE. I think the original proposition was to make an increase of $500,000,000, but the committee increased it $300,000,000, instead of making a total of $800,000,000.

Mr. BEITER. I have a further inquiry with reference to the 10-percent contribution. It is my understanding that the 10-percent contribution will be applicable up to 100 percent of the acquisition cost but not in excess. What does that phraseology mean? It is not clear in my mind.

Mr. SPENCE. The 100 percent of the project cost?

Mr. BEITER. One hundred percent of the acquisition cost, but not in excess.

Mr. SPENCE. That, as I understand it, means the cost of the project completed.

Mr. BEITER. Including the cost of the land?

Mr. SPENCE. Including the cost of the land and the cost of the buildings and improvements.

The President has said he wants this character of legislation. He said that in his message to the Congress which I have just quoted. I think we may assume that Mr. Straus, the Administrator, speaks for the President. He was the personal choice of the President to administer this great undertaking. I am today in receipt of a letter from Mr. Straus. The same letter, I understand, was sent to each member of the Committee on Banking and Currency. I judge that he has conferred with the President as to his wishes in this matter, and this is what he writes in regard to the United States Housing Authority being authorized to lend 100 percent to the local housing agencies:

DEPARTMENT OF THE INTERIOR,
UNITED STATES HOUSING AUTHORITY,
Washington, June 2, 1938.

Under the act as now written, the U. S. H. A. loan is limited to 90 percent of the development cost of a local housing project. The other 10 percent, in practically all cases, is raised by the locality as a local loan from private sources. The 90-percent loan advanced by the U. S. H. A. and the 10-percent loan advanced by some local investor are both secured on a coordinate basis by the rental revenues of the project. In addition, both are secured by the annual contributions paid by the U. S. H. A., but under the act these annual contributions must be applied first toward the payment of interest and principal on the U. S. H. A. loan when due. Under our present arrangements, which provide that the bonds evidencing the 10-percent local loan have the earlier maturities and that the bonds evidencing the 90-percent Federal loans have the later maturities, the U. S. H. A. annual contributions are in effect applied during the first 15 years toward the payment of interest on the 90-percent U. S. H. A. loan and the payment of interest and principal on the 10-percent local loan; and then during the next 45 years toward the payment of interest and principal on the 90-percent U. S. H. A. loan.

This system of split loans, 90 percent being advanced by the U. S. H. A. and 10 percent being advanced by local investors, has many disadvantages:

First. It is common knowledge that split loans are always less economical and more cumbersome. Months of time and much money are spent in working out the complicated details of a three-party agreement, with two lenders whose interests are not necessarily consistent and at times incompatible.

Second. The 10-percent loan made by the local investor generally bears a higher rate of interest than the 90-percent loan made by the U. S. H. A., therefore imposing a greater charge upon the project than if the entire project loan were made by the U. S. H. A. This means higher rents or more costly subsidies.

Third. The power which the present act gives to local bankers or other investors to have the final determining voice as to

whether or not a project shall be commenced enables them to exact conditions which are burdensome to the project and which may be prejudicial to the best interests of the U. S. H. A. as the 90-percent investor.

Fourth. The requirement of 10-percent local investment rules some localities out of the program entirely, either because they cannot raise the money on any terms or because the terms demanded by local investors are such that the U. S. H. A. cannot assent to them.

The amendment allowing the U. S. H. A. to lend 100 percent rather than 90 percent of the development cost of local housing projects would therefore promote economy, speed, and the wider distribution of the housing program, and would improve rather than impair the financial condition of the Federal Government. The adoption of this amendment would not cost the Government any more, because the maximum aggregate amounts of loans and annual contributions which the U. S. H. A. may make are in any event fixed by the act. Its adoption would not reduce but rather would augment the ultimate amount of private capital flowing into housing, because private investors may buy either the U. S. H. A. obligations which are sold to raise the money for the U. S. H. A. loans or the local housing authority obligations which may be resold from time to time by the U. S. H. A. Its adoption would bring the U. S. H. A. housing program more strictly into line as to methods with the program which has proved so successful in England, and which if allowed to proceed here without burdensome and unnecessary restrictions can do so much in this country toward the permanent elimination of slum conditions and the immediate recovery of business.

I also want to read you what the attorney for the United States Housing Administration, Mr. Keyserling, says with reference to this:

At the present time this 10 percent is not furnished as a donation by the local authority. It is raised through the sale of local housing authority bonds to private investors, the same investors who might be buying the U. S. H. A. obligations issued to raise the money with which to make the 90-percent Federal loans. Therefore, this 10-percent requirement does not mean an additional investment of private capital, or an additional donation by the local authority. The requirement of the local 10 percent has simply meant that the U. S. H. A. is held up on the commencement of each project for from 1 to 3 months, while negotiations are entered into with private bankers who believe they have control over U. S. H. A.'s program and can exact their own terms. In some cases the concessions which they have asked have made it impossible for U. S. H. A. to go ahead at all. In cases where it has been possible to proceed, it has taken a great deal of time to reduce these exactions to the point where they could be acceptable to the U. S. H. A.

These amendments would not entail any additional cost to the Government.

Since the amount of money available to the U. S. H. A. for loans is definitely fixed, the cost to the Government is no less if all the project's cost is loaned than if 90 percent of the project cost is loaned. Furthermore, since the interest rate on bonds sold to the Federal Government will, in most cases, be less than the interest rate which would have to be borne on bonds sold to purchasers other than the United States Housing Authority, the power to lend all of the project's development cost will ultimately be reflected in reduced debt service charges which must be met from the rents and the subsidies.

You will observe from these statements that some of the cities will be able to receive the benefits of this law, and others, by reason of being unable to contribute the 10 percent, will be prevented from doing so.

Its benefits should flow equally to all cities similarly situated, whether large or small, and to rural communities where the housing is insanitary and unsafe, and unless its application is universal it will give undue benefits to some and work unjust hardships to others.

Mr. WOLCOTT. Mr. Chairman, I yield 10 minutes to the gentleman from Wisconsin [Mr. AMLIE].

Mr. AMLIE. Mr. Chairman, I desire to discuss the general question of housing legislation. We have been dealing with the subject of housing now in numerous bills that have been brought up during the past 6 years.

It seems to me that there are two things which are fundamental that must be done if we are to have an adequate housing program as far as the private construction of houses is concerned. The bill today concerns itself only with the aspect of public housing for that part of the population that has passed the possibility of further exploitation, for the simple reason that they cannot pay the economic rent of any house that they might occupy.

The two things that must be done, as I see it, are first, to give the private house builder the advantage of the low interest rates that are possible today, and, next, for the Government to do those things that must be done if the ownership of a house is to be a matter of investment rather than a matter of speculation.

I introduced a bill, H. R. 8310, about a year ago patterned after what has been done in the Scandinavian countries for the past 30 years, but it is impossible to get a measure of that kind considered in this House. When the housing bill was discussed here last year the interchange of arguments back and forth between the aisles of this House indicated that the sole question to consider was whether the measure was satisfactory to a Mr. Morton Bodfish, executive vice-president of the United States Building & Loan League, and the American Savings & Loan Institute. If Mr. Bodfish is to write our legislation the rest of us might as well go home. There is no reason for paying 435 Members of Congress $10,000 a year if they are merely going to consult Mr. Bodfish and enact into law what he considers desirable; and that is all we have enacted into law up to the present time.

Mr. Chairman, there is no reason why we in this country should not provide credit to individuals who wish to build, at an interest rate of not more than one-half percent above the rate which the Government is paying. On approximately $38,000,000,000 which the Federal Government has borrowed the average interest rate 6 months ago was 2.34 percent. It seems to me we could readily provide credit to home builders at the same rate required in the Scandinavian countries, which, on an average, is 3¼ percent. If people found it possible to borrow money on that basis, a great many middle-class people who could afford to build would be very happy to do so, but if they have to pay twice as much as the going rate of interest paid by the Federal Government, of course, they are going to hesitate, and they are hesitating to spend any of their money for housing.

Another factor is that of speculation. In this country we proceed on the theory that the subdivider must be protected in his constitutional right to speculate with the homes of other people. He must have the opportunity to buy a piece of land, subdivide it and sell it for three or four times what he paid for the land. Then the home builder buys a lot and risks everything on whether the subdivision will be a success or not. Every community ought to control its own future development. That has been the reason for the success of housing in the Scandinavian countries.

Let us take Stockholm, Sweden, as an example. That city over a period of 30 years has been acquiring land on the outskirts of the city. At the present time Stockholm owns five times as much land around it as there is in the central portion of the city. When a subdivision is to be put through the city authorities make the decision. If it calls for a thousand houses at $3,000 a piece, the city authorities make a selection of the best available land in that price classification and lay out a subdivision. A prospective home owner who wishes to build a house can go into the subdivision and rest assured it will be completed. He knows that the city will not start another subdivision in the same class until this subdivision has been developed. He knows also that after he has built he will have utility service, he will have sewers, water, and electricity; transportation will be provided, and schools will be built for his children. The element of risk under these conditions is reduced to a minimum. But in this country, if a man wishes to build, he first has to deal with the agent of some subdivider. He is persuaded to buy a piece of land, and probably pay three or four times what the subdivider paid for it. Then the odds are against him. The chances are that the subdivision will never really be developed, and in a few years he will find that he cannot sell the house he spent $10,000 on for more than $5,000. That is the history of home building in the United States. The only way we can get around that is have the Federal Government lend money at actual cost to the various communities, to be lent by the community in turn to prospective home builders, whether they

wish to be part of a cooperative unit or wish to build as individuals. That is the only way we can get away from the risks that are being forced today upon the prospective home builder. Until we do that we cannot regard the building of a home as an investment.

The building of a home in the United States under present conditions is not an investment but a speculation in which the builder is sure to lose. Until we are willing to recognize that and make it possible for the home builder to regard his building as an investment, we are not going to have a revival in the field of private construction of residences. I do not know at the present time exactly what the figures are, but building in the field of private residences is virtually at a standstill. As long as our legislation is being dictated to us by Mr. Bodfish and the building and loan associations of the country, we will continue to enact the meaningless drivel we have been writing on the statute books for the last few years. There is, in my opinion, no good reason why we should not provide the prospective home builder with credit at say one-half of 1 percent more than the Government has to pay for the same credit.

When the housing bill was under consideration during the present session I remember some of the Members who spoke here apparently proceeded on the theory that a rate of 5 or 6 percent on money was ordained by God Almighty, that it is in the eternal scheme of things, and anyone who would do anything to undermine the institution of interest at the rate of 5 or 6 percent was trying to destroy the system. That does not follow.

Money has a price, just as everything else has a price. When money is scarce the price is high. When capital is plentiful, when we have $16,000,000,000 in the banks looking for investment, and there is no opportunity to reinvest, under a system of laissez faire, the price of interest should theoretically go down to zero.

Certainly the time has come in this country when we must recognize that there is no longer any economic justification for an interest rate in excess of 3 percent or 3¼ percent, or something of that kind, to the ultimate user. Until we are ready to recognize these two things, the right of the home builder to secure credit at roughly what it is worth and to be protected from speculation and given the opportunity to make of his building an investment, everything we are doing here is simply waste motion. [Applause.]

[Here the gavel fell.]

Mr. WOLCOTT. Mr. Chairman, I yield 10 minutes to the gentleman from Michigan [Mr. CRAWFORD].

Mr. CRAWFORD. Mr. Chairman, the philosophy of providing homes for people who have been unfortunate is a very far-reaching one to consider. Checking over some of the States, I find reports to the effect that over 50 percent of the total population in some States are on relief. I believe in this morning's Post one State is referred to. It is a western State which has two or three basic industries tied up in two or three companies. One of them is the Anaconda Copper Co. If this company would take 10,000 workers back on the pay roll and thus furnish shelter and food to 34,000 people, or 3.4 per worker, it would relieve 34,000 out of a total of 250,000 on relief. This happens to be a State into which we have poured millions of dollars and into which we will undoubtedly, under our present program, pour other millions of dollars.

This program starts out with the idea that it provide many homes for many people, a beautiful concept and a beautiful idea, but somewhere there must be a realist.

Mr. HOFFMAN. Mr. Chairman, will the gentleman yield?

Mr. CRAWFORD. I yield to the gentleman from Michigan.

Mr. HOFFMAN. I should like to make the point of order that a quorum is not present, if the gentleman yields for that purpose. I believe the gentleman's remarks should be heard by more Members of the House.

The CHAIRMAN. Does the gentleman yield for that purpose?

Mr. CRAWFORD. I yield to the gentleman, Mr. Chairman.

The CHAIRMAN. Evidently a quorum is not present. The Clerk will call the roll.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 95]

Atkinson	Faddis	McMillan	Sabath
Barden	Flannagan	McReynolds	Sadowski
Boren	Fulmer	Magnuson	Schneider, Wis.
Buckley, N. Y.	Gasque	Mahon, S. C.	Schulte
Bulwinkle	Gehrmann	Mahon, Tex.	Shafer, Mich.
Byrne	Gifford	Mansfield	Sheppard
Caldwell	Gingery	Martin, Colo.	Simpson
Cannon, Wis.	Gray, Pa.	Mason	Smith, Maine
Carlson	Green	Mitchell, Ill.	Smith, Okla.
Cartwright	Greenwood	Mitchell, Tenn.	Smith, Va.
Champion	Griswold	Mosier, Ohio	Smith, Wash.
Chapman	Guyer	Mouton	Somers, N. Y.
Citron	Hancock, N. C.	Murdock, Utah	Stack
Clark, Idaho	Harrington	Norton	Steagall
Clark, N. C.	Hartley	O'Connell, Mont.	Sumners, Tex.
Cluett	Hendricks	O'Connell, R. I.	Sutphin
Cochran	Hennings	O'Connor, Mont.	Sweeney
Cole, Md.	Hildebrandt	O'Day	Tarver
Colmer	Hook	Palmisano	Taylor, Tenn.
Crosby	Hope	Patman	Thurston
Crosser	Jenks, N. H.	Peterson, Fla.	Tobey
Crowther	Keller	Pettengill	Vinson, Ga.
Culkin	Kelly, Ill.	Pfeifer	Wadsworth
Cummings	Kelly, N. Y.	Pierce	Wearin
Curley	Kerr	Polk	Weaver
DeRouen	Kniffin	Quinn	Welch
Dirksen	Kopplemann	Ramspeck	Wene
Ditter	Kvale	Randolph	Whelchel
Dockweiler	Larrabee	Rich	White, Idaho
Doughton	Lewis, Md.	Richards	Whittington
Douglas	Lord	Robinson, Utah	Zimmerman
Drew, Pa.	Lucas	Rockefeller	
Drewry, Va.	Luecke, Mich.	Rogers, Okla.	
Driver	McClellan	Ryan	

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. PARSONS, Chairman of the Committee of the Whole House on the state of the Union, reported that that Committee, having had under consideration the bill H. R. 10663, and finding itself without a quorum, he had directed the roll to be called, when 294 Members responded to their names, a quorum, and he submitted herewith the names of the absentees to be spread upon the Journal.

The Committee resumed its sitting.

Mr. GOLDSBOROUGH. Mr. Chairman, I yield 15 minutes to the gentleman from Missouri [Mr. WILLIAMS].

Mr. WILLIAMS. Mr. Chairman, in the beginning I might say that I am opposed to this bill as written, and it will be my purpose sometime, when we read the bill under the 5-minute rule, to offer an amendment to it which will carry out, if enacted, what we thought we passed here at the last session of this Congress. We passed legislation providing for slum clearance, and low-rent housing, which provided for a local housing authority, and the appointment of an Administrator. The Administrator is Nathan Strauss. During the discussion of that legislation, with all the power that I had, I advocated its adoption with the firm belief that the city, the State, the district, the county, the local municipality or public unit would contribute to the initial cost of the project 10 percent. If there is a single individual in this committee that did not have that understanding, then I want him in his own time somewhere along the line to rise and say so. That was clearly the intention of the law, but perhaps it is not as clearly expressed as it should be. I come here this afternoon with humiliation, chagrin, and with disappointment, to find that the clear intention of Congress has been openly, flagrantly, and almost impudently disregarded and violated in the administration of the law.

Under the administration of the present law no local contribution is required on the cost of the project. The local housing authority borrows the full amount of the cost. No aid from the State, county, or city. Ninety percent of the cost is borrowed from the United States Housing Authority and the other 10 percent from private sources. The revenues of the project are pledged for the payment of bonds issued to raise the money with which to develop the project. The funds for this purpose are derived from

two sources. The rents received from tenants and the annual contributions from the United States. The indenture securing the bonds may be one instrument covering all the bonds or there may be a separate indenture for the bonds sold to private interests but all bonds, principal and interest, are paid from a common fund, the principal part of which is provided by the Federal contributions. The bonds of the local housing authority are all serviced and finally paid out of funds furnished by the United States without any help or assistance from the local government unit. Now it is proposed that the United States Housing Authority purchase all the bonds and remove all local interest in the project. If this is what Congress wants, of course it can act accordingly. This is almost the policy England entered upon in 1919 and had to abandon it almost immediately in order to save the credit of the nation.

No one has been a more loyal and consistent supporter of measures to bring not only economic relief to the distressed and suffering millions, but also to secure a higher degree of social justice to the unfortunates and underprivileged of our land, than I have. I voted for all the social-security legislation, including old-age benefits and assistance, unemployment insurance, public-health service, and aid to dependent and crippled children. I supported the farm-security program to rehabilitate and aid those in rural communities. I have given my aid to rural electrification in order that those far removed from the centers of population may enjoy some of the comforts and conveniences of modern times, and to lessen the toil, monotony, and drudgery of life. I have advocated Federal grants in aid of highway construction, not only that we may have adequate post roads but in the interest of interstate commerce and as necessary for national defense. I have plead for appropriations from the Government to assist the States in a plan of vocational education which would give the children not alone of the rural sections a chance to study agriculture, but boys of the cities an opportunity to study and learn some trade, and the girls to study home economics to better fit and qualify them for lives of greater usefulness in the years ahead.

What I say about this legislation is said as a friend to it, as one who has advocated it and still believes in it, and as one who has some concern for the future of this policy upon which we are entering, and also with some regard for the ultimate cost to the Government. It may be admitted in the beginning that slum clearance has a national aspect. The crowded areas in the congested centers of population in this country, with all of their implications of immorality, disease, and crime, have an appeal for Federal aid, and, so far as I am concerned, I am willing to go along with the proposition for the Government to help the cities of this country rid themselves of one of their greatest social and economic burdens.

Tear down the shacks and the hovels in our big cities and remove the firetraps, and when that is done the fire risk will be reduced, the insurance rates decreased, and the expense of maintaining fire-fighting equipment lowered. When those unsightly and filthy shacks and buildings are torn down the value of all of the surrounding property in that neighborhood is necessarily increased, and when the men, women, and children are removed from the places of disease and crime, from those dark, dingy, and musty corners of the hovels, and are placed out in the pure air and the clear sunshine under modern and healthful conditions of living, better citizens will necessarily be made of them. They learn the rules of hygiene, they establish higher standards of moral conduct, they are more orderly and law observing. When that is done the cost in the criminal courts is decreased, the expense of police protection is lowered, and the burden on public-health service is lifted. Also, there will be fewer in the insane asylums, in the jails, in the hospitals, and in the eleemosynary institutions of the city, and in clearing the slums the city is not only relieved of that vicious moral and social evil, but a great economic financial weight is lifted from the backs of the taxpayers of that city.

It is of great benefit to the big cities of the country to have the slums removed from them, not only from a social standpoint but from the standpoint of dollars and cents. That being true, why should not the cities, the ones upon whom is the primary responsibility, contribute the major portion of the funds necessary to rid themselves of their greatest local problems? The answer of the Administrator, rather flippantly, when that question was put to him in the committee, was to tell some kind of a rather strange, and I might say silly, story about a chipmunk climbing a tree.

Mr. COX. Mr. Chairman, will the gentleman yield?

Mr. WILLIAMS. Yes; I yield to the gentleman from Georgia.

Mr. COX. It was generally reported that when Mr. Strauss appeared before the gentleman's committee in support of the pending proposal he offered in support of the suggestion that he was then making what he represented to be the English law treating with this subject, when he knew, or should have known, that that law had been repealed several years ago. Is that correct?

Mr. WILLIAMS. That is my understanding of what he said, and I shall be glad to discuss that before I finish here if I have the time.

The answer that is given here by those who attempt to speak for the big cities of the country is that those cities are not able to raise the funds to help clear their slums. They say, "We are already burdened with debt." Yet it is a matter of common knowledge, and everybody knows, that there is centered in the great cities of this Nation all the commercial, industrial, and financial activities of the entire country. There is the very seat of the wealth and income of the Nation. On the one hand, we hear complaint made on the part of some of the great industrial cities that they are paying too much taxes.

If they have the wealth and the income there ought to be no complaint about paying the taxes. On the other hand, we hear the argument that these same people and these same places are not able to raise the money to rid themselves of their own great social and economic burdens. This is an inconsistent argument. We all know that the bonds of the big cities in this country are selling at almost par with the bonds of the Federal Government. This does not indicate that their credit is impaired. Bonds are being issued to build hospitals, bonds are being issued to build jails and eleemosynary institutions and schools, bonds are being issued to buy parks and beautify them as places of recreation. If they can do that, I ask in all fairness can they not raise sufficient money at least to donate and give to this great cause 10 percent in order to rid themselves of this great evil?

Mr. FLETCHER. Mr. Chairman, will the gentleman yield for a question for information?

Mr. WILLIAMS. I yield to the gentleman from Ohio.

Mr. FLETCHER. There is a general impression that by insisting upon the 10-percent contribution it involves a great deal of red tape, a great deal of delay. Will the gentleman please explain whether this is true or not?

Mr. WILLIAMS. I do not think there is anything to that. The Administrator himself said they were getting along all right as far as that is concerned.

Another argument made by the cities is that they have reached their debt limit. Let us see about that. They say they cannot issue any more bonds, that they are already burdened with debt and have reached the limit. We all know that the limit is fixed by constitutional or statutory provision based upon the assessed valuation of the property. The assessed valuation in the great cities of this country in most cases is very low, in some places as low as 25 percent. In very few cities, if any—I doubt if any—have they in any way approximated the 100 percent of actual valuation. If they want to increase their debt-creating capacity all they have to do is to raise their assessed valuation, and then they will be able to meet this situation.

The claim that is made by the big cities of this country that they are not able even to make this 10-percent contribution will not hold water. As long as they can make Santa

Claus out of the United States, of course, and ask the Government to contribute the 100 percent they will graciously and gladly accept the donation.

Mr. COX. Mr. Chairman, will the gentleman yield?

Mr. WILLIAMS. I yield to the gentleman from Georgia.

Mr. COX. If this bill becomes a law, slum clearance resolves itself into a resettlement proposition, does it not?

Mr. WILLIAMS. Largely so.

Mr. DALY. Mr. Chairman, will the gentleman yield?

Mr. WILLIAMS. I yield to the gentleman from Pennsylvania.

Mr. DALY. Does the gentleman know that in Philadelphia, my home city, you can buy 75 percent of the real estate today for less than the assessed value?

Mr. WILLIAMS. No; I do not.

Mr. DALY. In that instance would the gentleman want to increase the assessed valuation?

Mr. WILLIAMS. Yes; I would.

Mr. DALY. You cannot get 75 percent of the assessed valuation of the property on the market today.

Mr. WILLIAMS. I would question that statement for the very reason that according to the record the assessed valuation in the city of Philadelphia in 1937 was lower than it was in 1932. They collected less tax in the city of Philadelphia in 1937, when this country was at a high peak of prosperity, than they collected in 1932, simply because the assessed valuation had been lowered. That is what they have done; they have lowered their assessed valuation. In 1937 the assessed valuation of the property in the city of Philadelphia was $816,279,000 less than it was in 1932.

[Here the gavel fell.]

Mr. GOLDSBOROUGH. Mr. Chairman, I yield 10 additional minutes to the gentleman from Missouri.

Mr. BOILEAU. Mr. Chairman, will the gentleman yield?

Mr. WILLIAMS. I cannot yield. I would like to make my statement. I shall be glad to yield if I have time, because I think I can answer any question that can be asked about this legislation.

The cities claim they are making a great annual contribution in the remission of taxes, or tax-exemption on the property that is owned by the local housing authority. The Administrator put in the RECORD, and I want you to remember this, a statement that the local communities were making an annual contribution of 61.9 percent as much as the annual contribution made by the Federal Government. Let us look at this a minute. This was based upon the assumption that after all the money that is donated by the Government was spent in building modern homes upon property that theretofore was worthless, that it would be assessed at 100 cents on the dollar and taxes collected on it.

The record is that the cost of the land in the slum areas, or the value of the vacant lots on which these houses will be built with Government money is only 16.8 percent of the value of the finished project; in other words in a million-dollar project, on which the Government spends $1,000,000 in purchasing land and building these modern homes only 16.8 percent represents the present value of the land.

The $168,000 is the value of the land which the Government buys in that locality. That land, it is safe to say, is not assessed for taxation purposes at 50 cents on the dollar or, let us say, $80,000 assessed valuation. The average tax rate in the cities where projects have been approved is $21.66 a thousand. If they received taxes as the property now is, it would not exceed $1,700, yet the Government is building these houses and the Government is subsidizing the project to the extent of $35,000 annually, with an ultimate total cost of $2,100,000 to the Federal Treasury. Instead of the city suffering on account of the remission of taxes and on account of tax exemptions, as they claim they are, to the extent of 61.9 percent, or 20 percent, as the law requires, they are making an actual contribution of less than 5 percent.

Mr. FARLEY. Will the gentleman yield?

Mr. WILLIAMS. I yield to the gentleman from Indiana.

Mr. FARLEY. Is the gentleman presuming to tell us this afternoon that all this money is going into the larger cities and that the smaller towns of, say, 25,000 will not receive any of it?

Mr. WILLIAMS. It does not make any difference. They are slums no matter where they are located, whether in a large or a small city. The city is benefited, and it makes no difference to me whether it is large or small. Of course, the fact is this money will go into the larger cities. I never expect a dollar of it to come into my congressional district to clear out a single slum or provide a single house for the low-income group among my people. It makes no difference. Wherever it goes, the principle is the same.

Then it is insisted that the cities could not afford to exempt from taxation these public-housing properties. It is claimed it would unbalance their budget and place a heavy burden upon the rest of the taxpayers, notwithstanding they are losing practically nothing if property that was heretofore worthless, was exempted entirely. There are billions of other tax-exempt property in their midst for the benefit of public agencies which are performing functions similar to public housing projects. It must be remembered that any kind of a subsidy, either local or national, can be justified only on the ground that the housing authorities are public agencies and are performing a public service and are not operated for profit.

The Bureau of the Census has a report for 1936 on tax-exempt property in 52 cities of the 94 cities having a population of over 100,000. The assessed value of real property in those cities in round numbers was $39,000,000,000. The value of all real estate in those cities was $50,000,000,000, $11,000,000,000 of which, or 22 percent of all of it, was exempt from taxation. This embraces only a little over half of the big cities of the Nation. Most of the tax-exempt property is owned by the cities and is used for the purpose of promoting the peace, safety, health, morals, and general welfare of the community, just as the public-housing program proposes. It seems to be all right to exempt all this property because it is used in the public service, but it will not do to exempt buildings erected by the Government on property which has heretofore been practically worthless in an attempt to rid the city of one of its greatest curses.

In addition to that, under the constitution of many States, the housing projects, being public property, could not be taxed by the cities. This was held by the Superior Court of the State of Kentucky. It is a great sacrifice for these cities to exempt from taxation property which they cannot legally tax.

An appeal is made to throw open the doors as an emergency measure and help the unemployment situation. This is not emergency legislation. We are entering upon a program which by its very terms extends over a period of 60 years. This is just the beginning of the most far reaching and expensive activity of the Government that has yet been undertaken. If carried to its ultimate conclusion it will involve the expenditure of many, many billions of dollars. This particular bill calls for loans to the amount of $800,000,000. If projects in that amount are subsidized at 3½ percent annually over a period of 60 years, it will ultimately cost the Government $1,680,000,000. This will take care of about 160,000 families, which is a cost of $10,500 per family. You can readily see where we are going if we have 5,000,000 families in this class, and that is far below the one-third of our population which it is said are ill housed. This is not a work program but the beginning of a movement to furnish sanitary and decent homes to many millions of our citizens. We have a work-relief program and are appropriating some four or five billion dollars for that purpose. That should be enough for 1 year. Besides, this undertaking, if local help is forthcoming, will result in giving employment to many people.

The Federal Government has gone far afield in making grants and subsidies to help States and political subdivisions thereof, but it has never yet gone to the extent of subsidizing them 100 percent. It has never borne all the burden without some local help. Benefit payment to the farmers is often

referred to as justification for full contribution by the Federal Government for slum clearance. There is no analogy there. The justification for benefit payments under the soil-conservation program is to protect and conserve the soil, the essential and necessary natural resources, for the very existence of future generations. Again the farmer foregoes and surrenders his right to plant all his acreage for the benefit of himself and family and for that he is in part compensated by the Government. Then again, the fundamental philosophy back of the farm program is an effort to make the principle of a protective tariff effective as to farm products and place agriculture on a parity with industry. A discussion of that proposition would take us far afield from the housing problem.

Grants in aid of highway construction have been given as an instance of a Federal subsidy. That is true, but the State or locality must furnish the right-of-way and match the Government grant dollar for dollar. The State does not ask or receive a 100-percent grant. If the State can raise funds to meet the Government contribution on a 50–50 basis, why not the State or city raise at least 10 percent to help solve the housing problem?

Vocational education is also cited as an example of a Federal subsidy. That is true; but again the State must match the money advanced by the Government. If the State can do that in order to give boys and girls a chance to prepare themselves for greater usefulness, why cannot the State or city donate at least 10 percent toward the eradication of disease and crime in its midst?

[Here the gavel fell.]

Mr. WOLCOTT. Mr. Chairman, I yield the gentleman 10 additional minutes.

Mr. WILLIAMS. Mr. Chairman, air and water mail subsidies are mentioned. This is a grant not of 100 percent to a public agency but a small subsidy to private industry in order that everyone may have mail service at a rate which can be paid by the poor and humble as well as the rich. Otherwise, those who could afford it would have the benefit of air mail while those of more modest means would be denied this right. In addition to that, by a grant to the aircraft and sea vessels that carry mail, we are developing two strong arms of our national defense.

The House just passed a law involving the policy of the National Government with reference to flood control. The expenditure of Federal money for flood-control purposes has long been recognized as legitimate and proper, but local contributions have always been and still are required. In the case of levees, the Government builds the structure while the State pays all damages and maintains the project after it is constructed. In the case of flood-control reservoirs, the Government builds the dam while the local authority pays 30 percent of the damage done. In many of these cases the locality where the dam is built suffers all the damage and receives no benefits, while those farther down the stream receive all the protection and benefits and suffer no damage. Still the local authority must pay at least 30 percent of the damage. If the State must pay 30 percent of the damage caused by the construction of a flood-control dam, whether it receives any benefits or not, certainly a city could pay 10 percent on a slum-clearance project in order to solve a great social problem.

Slum clearance is certainly in the interest of public health. Aid is rendered by the Government to States and cities to maintain a public health service. Eight million dollars has been allocated for that purpose but it is given only to those States that appropriate a like amount for that service. If the States and localities are required to raise money for this purpose, why not put up something to eradicate the slums which are the greatest source of disease?

Under our social-security program we have given grants in aid to States to help the aged and infirm, the dependents and the unfortunates, but we require the States to contribute to this great work. The Government does not propose to do it all, or even the major part of it. This is a great social service and if these States must bear their part in this splendid movement, why should not the States and cities take the lead in blotting out the greatest social evil of all?

State-Federal soldiers' homes have been established. This is a home where those who have seen service in the defense of their country may go and live in peace and comfort during their declining years. The States must build and maintain these homes and the Government contributes $10 per month for the support of each inmate. There is one of these homes in my congressional district. The daily per capita cost of each inmate is $1.56 and the Government contributes only 21 percent of it. If the State must provide 80 percent of the cost to maintain a home for ex-service men, is it unreasonable to ask the State or city to provide 10 percent of the cost of a housing project to give its inhabitants a decent and a sanitary home?

Somebody has asked about the English system. When the Administrator appeared before our committee he pointed to the English system and tried to tell us that we were modeling our plan on the English plan. I am not so much concerned with what England is doing as I am with what the United States ought to do. What may apply there may not apply here. They have a different system of government. They have no dual system. They have no intervening state between the national and the local authority, as we have in this country. If we are going to take England as a model, let us profit by their experience and by the example they have set. In 1919 England entered upon a building program that is strangely parallel to the proposition contained in this proposed legislation. Before 2 years passed in that country they recognized their mistake, and they had the manhood and the bravery to stand up and change their system. While they committed themselves to a housing program which required the national government to finance it over a period of 60 years, they soon realized that it was necessary to change that plan in order to save the English Exchequer, and they did change the plan. Under their plan, which I say is strangely parallel with the plan proposed here, it cost in England $11,250, to build and finance a home over a period of 60 years, just as this plan is costing the Government of the United States $10,500 per home over the same period of time. Since that time England has changed her laws. They saw the mistake they had made, and today they are requiring a local contribution of from 50 to 65 percent in order to carry out the housing program. They are financing their present plan over a period of about 35 years at a cost of a little over $1,100 a building. That is the difference. That is what England has done and is doing now. If we want to follow England's example, then let us profit by the experience they have gone through and be careful what we do here.

When the Administrator was before our committee he presented a chart, and some of you will perhaps refer to that chart in an attempt to answer what I am saying. I want you to remember that the chart which he presents includes the English housing program of 1919, which has saddled upon the English people a burden of $11,250 a house. He puts that in because that is what they are having to pay now. That is the mistake they made. While the annual contribution by the English Government, according to a chart that was presented here, will appear to be large and to be expensive to the National Government—and it is—it is because of the mistake they made by requiring a complete annual national subsidy at the beginning of their program back in 1919 that they are now saddled with that burden.

Mr. McKEOUGH. Mr. Chairman, will the gentleman yield?

Mr. WILLIAMS. I yield to the gentleman from Illinois.

Mr. McKEOUGH. With reference to the chart that the Administrator submitted to the committee at the time he appeared before us, and which is shown on page 137 of the hearings, it is indicated that at the present time the amount of money spent by the English Government——

Mr. WILLIAMS. I do not want the gentleman to make a speech. What is the question?

Mr. McKEOUGH. I have to state an introduction in order to clear up what I believe is a misstatement the gentleman

made. At the present time England loans 100 percent of the cost of the project. Is not that correct?

Mr. WILLIAMS. No; I do not agree with that at all.

Mr. McKEOUGH. Does the gentleman question the correctness of the Administrator's testimony?

Mr. WILLIAMS. I do. I question the correctness of the statement that the English Government lends 100 percent.

It is my understanding that the local housing authority in England may sell its bonds to the Public Works Loan Commission to the amount of the full value of a project. But those bonds have back of them not only that property but all the property and revenues of the authority, and in addition to that the taxing power to make up any deficit or default.

Mr. McKEOUGH. Did the gentleman inquire of the Administrator with respect to the correctness of the statement?

Mr. WILLIAMS. No, I did not; but I question that. The English Government may do it; it may.

Mr. McKEOUGH. It may; then it is possible it will do it in some instances.

Mr. WILLIAMS. Is that all?

Mr. McKEOUGH. I just wanted to make sure the gentleman's information is correct, as I believe it is incorrect.

Mr. WILLIAMS. The English Government does not always lend 100 percent; not by any means. The local housing authority in England does not necessarily borrow from the federal government, and I will tell you why. I will tell you the plan. If I had the time here I would discuss that in detail, because there is nothing to be concealed about it; not a thing.

Mr. WOLCOTT. Mr. Chairman, will the gentleman yield?

Mr. WILLIAMS. I yield to the gentleman from Michigan.

Mr. WOLCOTT. If the gentleman will refer to the hearings on the extension of the Federal Housing Administration of last February, he will find that the contribution by the Government of Great Britain is, I believe, 73 or 75 percent only.

Mr. WILLIAMS. Yes.

Mr. LUCE. Mr. Chairman, if the gentleman will yield still further, Sir Harold Belknap, who knows more about this subject than any other living man, told me within a month to the same effect.

Mr. WILLIAMS. There is this absolute and essential difference between the plan we have here and the English plan with reference to the administration of the housing program and that is the local housing authority in England is a local political unit, like our county or our township or our city. They are the ones who administer the housing act in England. Here we have simply a corporation set up under the authority of a State legislature without a thing in the world back of it except the property it holds or acquires with the money it borrows from the Federal Government and the subsidy it gets from the Government and the rents that it receives from the property. There is no financial responsibility back of it. There is nothing of that sort there. In England when they borrow the money they have back of it the faith and credit of the entire municipal organization, and if there is a deficit in the housing-revenue fund, the taxing power of that local community may be brought into action in order to raise the amount of the deficit. This is the difference.

The movement to clear the cities of slums and to furnish safe and sanitary dwellings for the low-income group is a laudable and commendable one. This great social service is worthy of the most careful consideration and closest study. A blunder now will mean a set-back for this great cause. In the interest of the National Treasury, as well as the efficient and effective administration of the housing program, there should be real and substantial local contribution and responsibility. [Loud applause.]

[Here the gavel fell.]

Mr. WOLCOTT. Mr. Chairman, I yield 5 minutes to the gentleman from Michigan [Mr. HOFFMAN].

Mr. HOFFMAN. Mr. Chairman, did I understand the gentleman from Pennsylvania [Mr. DALY] to make the statement just a moment ago, when the gentleman who preceded me was speaking, that the real-estate assessment or the assessment of property in Philadelphia and in Pennsylvania had dropped 75 percent?

Mr. DALY. No; what I said, speaking of Philadelphia and not Pennsylvania, was that you could buy in Philadelphia today practically 75 percent of the real estate for 70 percent of its assessed value.

Mr. HOFFMAN. I thank the gentleman.

There is a testimonial that comes from a worthy Member of our own body showing just exactly what the New Deal has brought to Philadelphia. The New Deal took over Pennsylvania and Philadelphia lock, stock, and barrel. They have a New Deal wage law in Pennsylvania. They have had the full benefit up there of John L. Lewis, his United Mine Workers, the C. I. O., and the glorious effects that come from the N. L. R. B. They are basking in the warmth of the New Deal sun at noontide, and 75 percent of their property is worth 70 percent of its value. That fact is a typical and common result of New Deal application of its theories.

Mr. DALY. Mr. Chairman, will the gentleman yield?

Mr. HOFFMAN. They have had the benefit of the N. L. R. B. up in Philadelphia. If my memory serves me correctly, Philadelphia is the place where they sold a million-dollar factory for $100,000, after Saposo' boy got through with their operations, junking the machinery. They have had all of the benefits up in Philadelphia of having the services of the distinguished gentleman [Mr. DALY], who is now on his feet here representing them, who has entrance to the White House, who has the ear, if I might so illustrate it, of our wondrous President and who undoubtedly is the personal friend of the President's secretary, McIntyre, and yet 75 percent of the property of the city is for sale at 70 percent of its valuation. And men are out of work, men are seeking jobs, men are hungry—men, women, and children are enjoying—shall we say the New Deal's brand of the "more abundant life"?

Mr. DALY. Mr. Chairman, will the gentleman yield?

Mr. HOFFMAN. No; I got all the information I need—that will be enough for today. [Laughter.]

If this is not a record to be proud of, if this is not proof of what the C. I. O., the N. L. R. B., and the grand New Deal Jimmie and all, bring to a city, to a State, I do not know where you would get it. I am only sorry they have not confined their activities to Pennsylvania. They have slopped over into Michigan, Ohio, Illinois, and other States, and that is the thing that we worry about up there.

I have no doubt but that the purpose of this bill is worthy. I know that the new dealers, or so they say, have some worthy proposition, something that is going to help the oppressed, the downtrodden, the unemployed, in mind if they could only make something work in this workaday world of ours. Do not for a moment think I am now referring to any member of the Roosevelt family as being unemployed or out on a limb where they are not getting a pay check. I am not referring to their class. They all seem to be well provided for; even Jimmie has his uniform. I am referring to that class that the gentleman who preceded me, and who spoke so reasonably, so eloquently, and so persuasively, referred to; those people who make up the backbone of the country; those people who in the end will have to pay the bills—the farmers, the workers, the white-collar boys and girls, the small manufacturers and storekeepers, the common people.

I recall distinctly last year talking to a former Member of the House from New York, our very good friend, Marcantonio, who suggested that the people in the city of New York could not live unless we gave them so much per month, and, undoubtedly, he was correct about it; but my query to him was this: How long do you expect the people out in the country, who get up with the coming of the sun, who work in the field until it is going down—oh, yes; in dirty, nasty, dusty fields some say—but we say in that glorious outdoors where the sunshine is a tonic, where breezes blowing over the sun-kissed clover fields bring Na-

ture's sweet restorer, more precious than perfume from the farthest Orient, where the morning dew makes man glad and to rejoice in his strength, where evening's shadows call him home to his rest to the arms of a faithful wife, to the bosom of a God-fearing family, to a night's repose that knows no troubled sleep—how long do you expect us people to continue to toil day after day, week after week, year in and year out—how long do you expect us to work and support the people in the cities in idleness?

Mr. CRAWFORD. Mr. Chairman, will the gentleman yield?

Mr. HOFFMAN. Not long ago I noticed there was an item in the papers showing that down here in Washington there were homes being turned over to the colored people, and there is no reason why they should not live just as well as we do, in homes just as good and well furnished as we do, and if I had my way they would. Those homes were costing $6,800 each, and that is all right. That is fine. They were to be occupied at a rental that was not sufficient to pay upkeep and interest charges and reimburse the Government. Was that right—was it just?

[Here the gavel fell.]

Mr. WOLCOTT. Mr. Chairman, I yield 5 minutes more to the gentleman from Michigan.

Mr. HOFFMAN. Mr. Chairman, I remember the old home in which I lived when I was first married, and I still live in the same one. The cost above the foundation was just $1,000. Of course, it did not have a tinted porcelain bathtub in which flowed hot and cold scented water, but, after all, the old lady and I and the kids as they came along—and they came along, thank God—could get clean, first, in the old wooden washtub, which we hauled in from the woodshed, and later, as improvements came, in the nice, shining galvanized tub, by the use of the soft soap that we made ourselves. And gentlemen would be surprised how a good dose of soft soap in real hot water mixed together in an old wooden tub will make one feel not only physically clean but mentally and morally clean. I do not know whether there is any scientific question involved in that operation. My good friend from New York, Dr. SIROVICH, can, no doubt, with his vast scientific knowledge trace some connection between the hot water and soft soap applied vigorously with a stiff scrubbing brush and clean, clear thinking. I would suggest to some of my city friends that sometime, instead of getting into that beautiful bathtub of theirs that is sunk in the floor, feet first, all tinted and perfumed, with wondrous paintings on the wall, with scented powder waiting their pleasure, after a drying with a soft, caressing towel, they take a kettle of hot water and they place in it a couple of handfuls of good old soft soap, and with corncob vigorously applied, wash themselves all over—yes; up and down as far as possible, and even around and behind the ears and between the toes, even between the little one and the one just east or west of it—and get physically clean all over, and then read a chapter or two out of the Bible, and perhaps say, "Now, I lay me down to sleep," and see if, after that old-fashioned "horse and buggy" days, they do not feel a little bit better, a little more sanctified, a little more charitable, a little more able to take care of themselves, and not throw all of their burdens on the country people. Is there any reason why you need so much money in cities? What is a home, after all, that you would build? We are not just building barracks, a home is not just a place to put people in, as bees put honey in cells, as one files papers away; a temporary storeroom just to stuff people into little cubicles here and there. You want a home for people, a home for the family, a home for the kids, a home for mother, a home for father, a home where on the wall hangs the motto, "God bless this home." And what is a home, after all? It is not a place that the young fellow goes to—to meet companions who drink, swear, and tell lewd stories.

Mr. DALY. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. Does the gentleman from Michigan yield for a parliamentary inquiry?

Mr. HOFFMAN. I do not. Do you want to know what a home is and what it is for? It is not a big place that sets away back behind a stone or iron fence in some city or suburb or some place like that. I do not figure that is much of a home. That is just a place to stop; that is just a place where you meet your neighbor and your neighbor's wife; that is just a place to say "good morning" or "good evening" to a maid or footman. That is just a place where your sons and daughters come to meet other young people who drink or who dance, talk about their betters and use as a starting point for some livelier place of pleasure. My idea of a home is a little place that is set off by itself. A place that is sacred to the family, where mother reigns supreme, where each has his part of the toil, of the pleasure; where each is the other's counselor, helper, sympathizer; where each is a part of the whole, and the whole is one in happiness and sorrow, if sorrow comes. There may be no chimney in this home of mine and the smoke pipe perhaps may go up through a tile or a piece of tin on up through the top of the roof, and perhaps the bed I sleep on, instead of having a Simmons spring and inner-spring mattress is simply some old pieces of rope tied to the crosspiece at the foot and to the crosspiece at the head of the bed, and drawn tight with a stick twisted in, and it may be possible that there is nothing in the mattress but some straw, a luxury indeed compared to the old corn husks that some of us used to sleep on. But it is a place where when you have finished your day's work whether in the mill or in the field, in factory, or in mine, or just fishing in creek or pond, or just loafing round the corner store chewing tobacco and spitting on the stove or in ash box you can go to morning, noon, or night, you know it is your own. A place that is your own, where you are king, where wife is queen and the raggedest, dirtiest-faced kid when he crawls upon your knee is prince or princess, a gift from the gods. A place all your own where you can go and meet the wife, knowing that she is your wife—and your wife only—where when she greets you she knows that you are her man—and her man only. Where each child knows that no matter what the reproof—the punishment for wrongdoing, in the end all is forgiven—all is affection and love. A home where when you come in, perhaps toiling over the kitchen table preparing your supper, your wife is waiting with a welcoming smile and has for you in her work room, the kitchen, a place where you can sit down with her and maybe with your boys and girls and eat of the things that you have earned by honest toil.

That in part is what I call a home, and when the evening meal is over, perhaps you gather around the fireplace or the stove and you read a chapter or two from the Scripture, talk awhile with the family, share their joys and their sorrows, until it is time to go to sleep, and then you all get down on your knees and father or, perchance, mother lifts voice in prayer and all thank God for the things that he gave during the day, and ask him to keep you through the night and to give you the morning sun, when you may begin another day of toil in his vineyard. That in part, and a very small part, is a feeble description of a place that may be called a home—the place that is yours, and into which no man can come unless you say, "Yea." It is my regret that time is not permitted me to point out some of the contrasts that will exist between these structures—these things of wood and steel and stone—where on the door mat in place of the familiar "Welcome" we will find inscribed "Vote for Roosevelt." In place of the motto on the wall, "God bless this home," we will find, "Franklin, be kind to me."

Mr. DALY. Mr. Chairman, I call the attention of the Chairman to the fact that the gentleman from Michigan is not addressing himself to the bill.

The CHAIRMAN. The time of the gentleman from Michigan has expired.

Mr. GOLDSBOROUGH. Mr. Chairman, I yield 10 minutes to the gentleman from Michigan [Mr. TRANSUE].

Mr. TRANSUE. Mr. Chairman, I think it would be well for a man from Michigan now to talk about the bill for a while. This controversial amendment and the whole thing seems to me to sum itself up into a question of whether or not we will support the administration in relieving unemployment that is rampant in my district and most of the

other congressional districts of the country. I read now that portion of the President's message which deals with this subject. The President delivered a message on relief on April 14, 1938, and in that message he stated in regard to housing as follows:

> This third proposal relates solely to definite additions to the purchasing power of the Nation by providing new work.
>
> I ask for certain amendments to the United States Housing Authority Act to permit the undertaking of the immediate construction of about $300,000,000 of additional projects. The Federal Housing Administration is prepared to increase the already mounting volume of home and apartment construction.

Subsequent to that message our committee received from the Administrator, Mr. Strauss, two proposed amendments to carry out the program suggested to the Congress by the President.

That, as he states here, is the third part of his program. The Administrator, appearing before our committee, stated that he could carry the program along with the 10-percent contribution by the municipalities and local housing authorities retained, the municipalities and local authorities being required to obtain that money from some place other than the Federal Government. The Administrator's testimony, however, is to the effect that in case that is required it will slow the program up, that it will take some months to get it under way; in other words, the $500,000,000 that was allocated to this slum-clearance program last year would be sufficient to carry through the program if we are still going to demand the 10-percent contribution from the municipalities. I think that is the testimony of Mr. Strauss, the Administrator.

So it comes down to the question, Are we going to try and relieve unemployment in this country? Are we going to put men to work? As has been stated by Mr. O'CONNOR, are we going to give the skilled artisans of this country a place to go to work and thus comply with the President's program in regard to housing?

For just a minute I want to direct your attention to what the cities do give to this program. It has been stated that they do not give anything. At the time the gentleman from New York [Mr. O'CONNOR] stated that I asked him to yield and suggested that the tax exemptions and assessments that were given by the local municipalities to lower the rents for that portion of our population for whom this slum-clearance program is intended is an actual contribution on their part. Those who say it is not a contribution have not, it seems to me, looked into the facts, because the people who pay taxes on real estate, or whatever taxes are raised by the local government, pay a substantially higher tax than they would if these projects were not exempted. These other taxpayers in the community are making a very substantial contribution in the form of the exemptions granted these projects.

Mr. VOORHIS. Mr. Chairman, will the gentleman yield?

Mr. TRANSUE. I yield.

Mr. VOORHIS. Is it not true that this bill does not affect in any way whatsoever the provision for local contributions, that the local contribution of 20 percent, or the annual subsidy, is still retained? The local contribution and the grant plan are still retained. The only question involved is whether the local housing authority shall borrow 100 percent or 90 percent from the United States Housing Authority.

Mr. TRANSUE. That is exactly the question here involved.

Mr. WOLCOTT. Mr. Chairman, will the gentleman yield?

Mr. TRANSUE. I yield.

Mr. WOLCOTT. In this connection, will the gentleman explain how the proposed committee amendment changes existing law?

Mr. TRANSUE. It is my understanding that under the pending bill the Housing Authority may lend 100 percent where it previously could lend only 90 percent.

Mr. WOLCOTT. Will the gentleman cite where in existing law any restriction is placed upon the lending authority of the Administrator?

Mr. TRANSUE. Yes; there is such restriction. I have not the law in front of me, but there is in existing law a provision that only 90 percent can be lent by the Housing Authority under this type of construction. That provision is in existing law, I am sure, because I just read the paragraph. It gets down to just that.

Under the way the Housing Authority is proceeding at the present time it is necessary for the local communities to borrow 10 percent from the local banks or some other source. I ask the Members of this House what city in this country has, in cash, 10 percent of the amount of one of these projects? I know of no city in the State of Michigan which has any such surplus in its treasury, and I do not believe there are very many cities in the country which have surpluses in their treasuries. The present method is for them to pledge the rentals of these projects for the 10 percent. They get the 10 percent from the bankers. Under existing arrangements it is necessary for them to pay a higher interest rate to the banker for the 10 percent loan, although it is gilt-edge security. Consequently, the interest rate on the 10 percent being greater than it is on the 90 percent they get from the Government, it necessitates that much higher rental that the people occupying these projects must pay.

Mr. BOILEAU. Mr. Chairman, will the gentleman yield?

Mr. TRANSUE. I yield.

Mr. BOILEAU. Has the gentleman any information as to the comparative rates of interest that will have to be paid by these authorities on the money borrowed from the Government and the money they have been borrowing from the banks?

Mr. TRANSUE. My information in regard to that is that it is higher. I cannot speak with exactness, but my understanding is that it is from 4 percent up.

Mr. BOILEAU. From the banks.

Mr. TRANSUE. From the banks.

Mr. BOILEAU. And it is below 4 percent from the Federal Government. So the authorities in the final analysis are not borrowing more money one way or the other.

Mr. TRANSUE. Not at all.

Mr. BOILEAU. It is just a question of borrowing it all from the Federal Government rather than a part of it from the banks.

Mr. TRANSUE. That is right. So, as I said before, the question comes down to whether you are going to try to improve the unemployment situation in the country, are you going to give men jobs, are you going to give them the mass purchasing power that has been requested, the kind of purchasing power that brought us out of the doldrums of 1932 and 1933, or are we going to say that we cannot meet the situation?

[Here the gavel fell.]

Mr. GOLDSBOROUGH. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. DORSEY, Chairman of the Committee of the Whole House on the state of the Union, reported that that Committee, having had under consideration the bill (H. R. 10663) to amend the United States Housing Act of 1937, had come to no resolution thereon.

HOUR OF MEETING

Mr. RAYBURN. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet at 11 o'clock tomorrow morning.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to Mr. O'CONNOR of Montana (at the request of Mr. GREEVER), indefinitely, on account of official business.

EXTENSION OF REMARKS

Mr. DEMUTH. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein a memorial address.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. FLETCHER. Mr. Speaker, I ask unanimous consent to revise and extend my own remarks in the RECORD with reference to the address I made this morning and include therein a statement regarding old-age security.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

The SPEAKER. Under a special order of the House heretofore made, the gentleman from Indiana [Mr. LUDLOW] is recognized for 25 minutes.

PEACE BY CONFERENCE AND A NAVAL HOLIDAY

Mr. LUDLOW. Mr. Speaker, it seems to me that it would be a tragic development—tragic to America and tragic to humanity everywhere—if this Congress should adjourn without doing something to protect America and the world from the horrors of war. We have been in session since January 3, and with half of the world on fire and the other half resting on a tinder box, we have done absolutely nothing to promote peace. We are drifting, drifting, drifting, and in such circumstances drifting is dangerous.

My purpose in arising today is to do all I can in my feeble way to arouse the forces of peace to an instant realization of our obligations and responsibilities. I hope that Congress, before it adjourns, will adopt my resolution placing itself on record in favor of a naval holiday and a conference on limitation of arms.

The adoption of this resolution by the body that speaks for the people would dramatize to the vision of the entire world the American will for peace, and in every country on the globe it immediately would start a new trend of discussion away from war and in the direction of peace. Judging the sentiment of humanity as a whole, the forces that make for peace are much greater than the forces that make for war, and in this dark hour of history the leadership of America is all that is needed to start a world-wide peace movement of great portent and promise.

The news that America is taking the lead in a world-peace movement would fly on the wings of electricity to the farthest corners of the earth, and it would do more right now than anything else that could happen to lift up and strengthen the weary heart of humanity.

BLESSED ARE THE PEACEMAKERS

There is no doubt the people of the world are ready to acclaim such leadership. From the mouths of untold millions of human beings would come all homage and praise to America for leading in such a movement.

Viewing the world picture of today, America, strong, alert, and idealistic, needs to hark back 1,900 years to find its motivation in the words of the Man of Nazareth, "Blessed are the peacemakers."

If there ever was a time when the Christian influence needed to be exerted in world affairs, now is that time. My humble confession of faith is that if this sorrowing world is to be saved it will be through Christianity's saving force and power, and that no time should be lost in arousing Christians to united action against the atrocities and butcheries and griefs and burdens of war.

THE HOUR HAS STRUCK—THE OPPORTUNITY IS HERE

America has an opportunity to be of immeasurable service to humanity if it will assume the leadership now—not sometime in the future but now—of a peace movement to break the spell of militarism that is gripping the world.

The hour has struck. The opportunity is here. Will we embrace it or will we forfeit by negligence and inaction our chance to turn the world away from war into paths of peace—a chance that may never come to us again? What can we do?

America can do two things now to arrest the tide of butchery called war and to relieve humanity from the fears and the grueling financial burdens caused by the war psychosis which has taken possession of the world. Those two things are:

First. Propose to the powers that we have a naval holiday.

Second. Call a conference of the powers on limitation of armaments.

Never did a nation have such an opportunity for leadership as now confronts the United States. If it were divinely ordered, it could not seem more perfect. The people all around the world are weary of war. They are weary of its griefs and heartaches. They are weary of its crushing burdens and of the pain it puts in the hearts of mothers. Just now a leader who could compose the war clouds and start the trend away from war and in the direction of peace would be hailed as the savior of the world.

Never was a more stellar role cast for the exercise of American statesmanship. Of all the nations on earth America is best qualified to lead in this world-peace movement.

America's leadership, if brought into action at this time, now, can check the mad race for naval supremacy and can bring the powers together around a table to plan a reduction in armaments. In the concurrent resolution I have introduced in the House, known as House Concurrent Resolution No. 46, I propose that the United States shall sound out the other nations on a suspension of all naval construction until January 1, 1940, and shall issue a call for a conference of delegates of all the leading powers to be held in Washington next October to take up the question of limitation of armaments. As my resolution suggests a definite course of national action that cannot fail to interest every peace-loving citizen, I ask your indulgence while I read its text.

TEXT OF PEACE CONFERENCE RESOLUTION

It is as follows:

Whereas a competitive race of armaments is sapping the financial strength of nations, breeding international distrust and suspicion, and endangering the peace of the world; and

Whereas there are unmistakable indications that the world is weary of war and strife and the colossal burden of armaments and would welcome a sincere movement in the interest of peace: Therefore be it

Resolved by the House of Representatives (the Senate concurring), That it is the sense of the Congress of the United States of America that a proposal to suspend by joint action all naval construction until January 1, 1940, should be submitted by the United States to all of the leading powers.

It is also the sense of the Congress of the United States of America that a peace conference should be held in the city of Washington on or about October 1, 1938, to which all of the leading powers should be invited to send delegates to discuss limitations of armaments and other questions associated with and promotive of international concord.

This resolution may be cited as the peace-by-conference resolution.

A great national ground swell of sentiment back of this resolution would insure its adoption. It is so worded that it does not interfere with the prerogatives of the President, the Secretary of State, or any other officials who are concerned with foreign affairs. It does not instruct or direct them to do anything. Its adoption would not be a mandate but it would be informative as to the views of Congress and the country. The resolution does not contemplate any action outside the legitimate and proper jurisdiction of Congress. It does not infringe upon the province of any executive authority. It merely declares it to be the sense of Congress that America should now take the lead in declaring a naval holiday and in calling for a conference on limitation of armaments.

It is entirely proper that Congress, representing the people, should express itself. The time is ripe for it. The world is crying for action to break the war psychology.

It has often been truly said that the function of a concurrent resolution is to register the opinion of Congress, and that is what this resolution will do, if adopted. But it has even greater significance than that. The Congress of the United States, especially the House, is traditionally close to the people, and this resolution is proposed as the only

means applicable to the situation of registering the will of the people on war. It will mean, if adopted, that the people of America think the time has come to cease the insane rivalry of armaments and to put a stop to the unconscionable butchery called war. In a democracy it is right and proper that Congress, the body that stands closest to the people, should express itself from time to time by concurrent resolution on questions of great and vital national interest. There is a strong and insistent national demand that Congress shall live up to its obligations as a coordinate branch in the scheme of government. Congress will abdicate its functions and will be untrue to its responsibilities if it does not keep forever vibrant the voice of the people. Certainly these are questions on which the people who have to do the suffering and the dying and to bear the unspeakable burdens and griefs of war have a right to express themselves; and if they do express themselves through their chosen Representatives by the adoption of this resolution, there is no reason to doubt that officials of the Government who are charged with the responsibility of acting in foreign affairs will give proper attention and consideration to their wishes.

NAVAL EXPANSION BILL EQUALS VALUE OF FOUR STATES

A naval holiday coming at this time, just before the naval expansion bill is to go into effect, would be a great boon to American taxpayers. This single bill authorizes an expenditure of about $1,150,000,000 for instruments of destruction, a sum so stupendous that it staggers the imagination. This bill alone appropriates the equivalent of $2,742 for every day since the birth of Christ. The estimated value of all real property and improvements in four States is as follows: Vermont, $351,463,000; Delaware, $292,253,000; New Mexico, $392,287,000; Nevada, $227,453,000; total, $1,263,456,000. This one bill, if carried into effect, will be a charge against the taxpayers that will be equivalent to almost the total property values of four States. This fact is paralyzing to all who stop to think. Does not common prudence suggest that before we sacrifice such enormous values we should make some effort to secure an agreement among the powers for a naval holiday?

Fortunately, by the very terms of the naval expansion bill the way is left open for the creation of a naval holiday and an arms limitation conference, such as my resolution proposes. Section 9 of that bill says:

> In the event of an international treaty for the further limitations of naval armament to which the United States is signatory the President is hereby authorized and empowered to suspend so much of its naval construction as has been authorized as may be necessary to bring the naval armament of the United States within the limitations so agreed upon, except that such suspension shall not apply to vessels and aircraft then actually under construction.

Here we have a plain suggestion that is worthy of the most careful consideration. That suggestion holds implications of the most widespread interest to humanity all over the world but it will amount to nothing more than a useless gesture unless something is done to make it effective. Let us not permit an idea to die, still-born, that offers so much of hope for the future peace and security of humanity. Let us by adopting the resolution I have introduced give it real promise and vitality so that something worth while may come of it. As a Christian nation, dedicated to high ideals, we could do nothing better, nothing nobler.

The world is ready for an arms limitation conference and if America does not propose such a conference it will miss one of the greatest opportunities to promote world peace that was ever offered. Diplomats and roving ambassadors may split hairs and may strive by all the unfathomable methods which only a diplomat can understand to convey the impression that a peace movement is not practical at this time but the people are tired of diplomatic circumlocution and tergiversation and are sick of the devious ways of the diplomatic gentry. The people want peace and they want it by direct action. They see nothing improper in inviting Japan and England and France and Italy and Germany and the other powers to get together around a table in Washington to ascertain whether an agreement cannot be reached that will stop the armament folly and insure peace to a weary world. They ask this question, If it comes to the worst and the movement fails, what harm has been done? The world will then be in no worse fix than it is now.

JAPAN AND BRITAIN WOULD WELCOME CONFERENCE

But there is every reason to believe that the movement would not fail. There is every reason to believe that it would be a grand success, for the people of other countries are as sick and weary of war as the people of America are. On February 19 the Associated Press carried a dispatch from Tokyo stating that at a giant mass meeting in that capital 10,000 Japanese shouted approval of a resolution by Takeo Miki, member of the Japanese Parliament, suggesting an antiwar pact between Japan and the United States and calling for closer ties between the two countries. After listening to 17 speakers the great assemblage adopted the following resolution:

> We hereby declare we will endeavor to deepen the understanding and advance cordial relations between Japan and America and thereby contribute to the peace of the world and the welfare of mankind.

The assembly was called a Japanese-American friendship meeting. Copies of the resolution were ordered sent to President Roosevelt, Secretary of State Hull, Vice President Garner, and Speaker Bankhead.

On March 4, 1938, in Tokyo Japan's Foreign Minister, Koki Hirota, said:

> Japan would welcome an opportunity to discuss the question of naval reduction with the powers. If such an opportunity appears, the Japanese Government will propose the total abolition of capital ships.

The Prime Minister of Great Britain, the British Foreign Minister, and the head of the Japanese Navy all say they want to enter into a conference to limit naval armaments. When responsible spokesmen of other powers give voice to such sentiments, who can doubt that an arms limitation conference would be successful?

SECRETARY HULL'S WISE UTTERANCE

On September 1 last Secretary of State Hull said:

> This country is only awaiting the opportunity to enter upon any genuine effort that may be made toward disarmament.

And to this forthright declaration he added a graphic word picture of the folly of arms races.

> International armaments—
>
> He said—
>
> are bankrupting the world. We seem to be caught in a vicious circle where each increase begets more, and more men are taken from productive work and more and more capital is removed from constructive use.

The war psychology will be dissipated and hope will return to the hearts of men just as soon as representatives of the nations assemble around a table and solemnly resolve that they will have no more of this foolishness that is leading civilization to the brink of destruction. To what nobler task could America dedicate herself than the leadership of this great cause? The issue involved is tremendous. If America leads, other nations will follow in the path to peace. If America does not lead, the world will continue its mad course toward destruction. [Applause.]

Mr. FLETCHER. Will the gentleman yield for a question?

Mr. LUDLOW. I yield to the gentleman from Ohio.

Mr. FLETCHER. I think every Member of Congress and the people of the Nation owe a very deep debt of gratitude to the gentleman from Indiana for taking the leadership in behalf of this cause which he so ably represents here today. His intelligent and constructive work will be a wholesome influence for peace for many years—I was about to say generations—to come. The city of Indianapolis and the State of Indiana have a right to feel proud of their distinguished contribution to the peace leadership of America. He sees with a clear and far-sighted vision, and he is tireless in promoting the cause of peace, which is to him a sacred cause.

Does the gentleman believe that without legislation of this kind, authorizing a conference, a world war is inevitable?

Mr. LUDLOW. I say with great sadness I fear it is.

Mr. MURDOCK of Arizona. Will the gentleman yield?

Mr. LUDLOW. I yield to the gentleman from Arizona.

Mr. MURDOCK of Arizona. A thoughtful man of God said to me some weeks ago:

> The battleship *Texas* and the Library of Congress were built about the same time. Each cost $5,000,000. The battleship *Texas* has gone and the Library of Congress is still functioning with ever-increasing usefulness.

This is a striking contrast of public investments. I prefer libraries to battleships, but, of course, I do not want my country equipped solely with libraries while our aggressive neighbors are equipped with battleships. I would very much prefer that all nations be equipped with libraries.

I wish to second the complimentary statement of the gentleman from Ohio regarding the leadership in the cause of peace of the able gentleman from Indiana. Is it not the gentleman's judgment that the large vote cast in this body for the so-called super-Navy bill, the authorization bill which we passed some time ago, was due to the fact that it contained the provision which the gentleman quoted, holding out hope for such a limitation of naval armament?

Mr. LUDLOW. While that was perhaps not a decisive factor in the situation, I believe it certainly was impressive with many Members and certainly it helped many Members reach the conclusion they would vote for the bill. There are no stancher or abler friends of peace anywhere than the gentleman from Ohio [Mr. FLETCHER] and the gentleman from Arizona [Mr. MURDOCK], and I thank them kindly for their good opinion of the work which I have humbly sought to perform in the cause of peace. [Applause.]

The SPEAKER pro tempore (Mr. RABAUT). Under a special order of the House heretofore entered, the gentleman from Nebraska [Mr. BINDERUP] is recognized for 30 minutes.

PERMISSION TO ADDRESS THE HOUSE

Mr. BINDERUP. Mr. Speaker, I ask unanimous consent that on Monday next after the disposition of matters on the Speaker's table and at the conclusion of the legislative program in order for the day, I may address the House for 30 minutes.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Nebraska?

There was no objection.

GOVERNMENT MONETARY CONTROL

Mr. BINDERUP. Mr. Speaker, again today my mind goes back to the time we inserted the money plank in the Democratic National Platform following the "Crime of 1920."

Once more let me call the attention of the Democratic Party to this sacred covenant we made with the people. Ask yourselves if we have fulfilled this promise; ask yourselves if the Democratic Party, in power for 6 years, has made the slightest attempt to solve this vital question; and then ask yourself, Who is it that is hindering legislation on this most important question; what hidden power is this that is destroying the Nation's happiness and prosperity? If there were more Republicans in the Congress, or more Progressives or Farmer-Laborites, then we Democrats might blame them, but with our unusual majority there is no escape.

Let me repeat this one plank this afternoon, in which we actually told the people that we did know the trouble, and we were right then. Here is what we said in that platform:

> We denounce the recent cruel and unjust contraction of the legitimate and necessary credit and currency which was directly due to the so-called deflation policy started on May 18, 1920. * * * We demand that the Federal Reserve Banking System be so administered as to give stability to industry, commerce, and finance, as was intended by the Democratic Party which gave the Federal Reserve System to the Nation.

A similar plank has been carried in every Democratic platform since that time.

Before I go on with our discussions on my monetary control bill today I will pause for some time to answer questions and review somewhat the principles brought out in the discussions on preceding days. I will be pleased to answer questions.

Mr. HILL. Mr. Speaker, will the gentleman yield?

Mr. BINDERUP. I yield with pleasure to my friend from Washington, who I know is taking a great interest in this monetary question.

Mr. HILL. They call the money, under your plan, rubber money; my understanding is that you are simply reversing the present situation and system and creating stable dollars.

Mr. BINDERUP. The gentleman from Washington is perfectly right. For example, in 1920 the dollar measured the land values of the Nation as being worth $66,000,000,000, and 13 years later measured the same acres, producing the same amount of grain as being worth only $28,000,000,000. It measured farm products as being worth $13,000,000,000, and 13 years later, although there was the same quantity of farm products, as being worth only $5,000,000,000. Now some might think there might be some other reasons, but the fact is that out of the 784 commodities in our price level the dollar measured each and every one of the 784 commodities as having fallen in the same proportion.

And then when we noticed that the amount of money in the Nation had decreased in exactly the same degree that commodities had fallen in price we knew and understood the truth of the quantitative philosophy of money, as old Adam Smith has told us, in fact, as all economists tell us; that it measures the value of commodities by and according to its own supply and demand as compared with the supply and demand for commodities moving into consumption. The banks could have just kept on reducing our supply of money until a bushel of wheat would sell for a nickel, or they could increase our money supply until a bushel of wheat would be worth $10, and the amount of wheat raised would not in the least make any difference. All you have to do is to reduce the amount of money greater than wheat had decreased. That is what we call "rubber money." Money that would measure all the commodities in the Nation at a certain number of billion dollars and a year later would measure the same amount of commodities as worth only half as much or perhaps twice as much. Yes, that is truly a "rubber dollar" and the bankers do the stretching, by loaning their credit and then by calling loans and refusing to make new loans.

Mr. HILL. Does the Federal Government have more assets back of these bonds than the banks do?

Mr. BINDERUP. Certainly the Federal Government has all the property of the entire Nation back of its credit, over $300,000,000,000, while the banks have greater liabilities than assets. There is no question about it, the credit of the Federal Government not only includes all the credit, or assets, of all the banks but of all industry and all the people as well. Yet we exchange the Government's credit for the banks' credit and today we, the people, are paying them a billion dollars or more a year for the privilege and we let them try to make the people believe that it is their credit back of Uncle Sam's money that makes it safe and sound. Why, it is only 5 years since half the banks in the country went broke and the whole lot of them would have been broke if the Government had not stepped in with its credit to save them.

And strange as it may seem to one who would stop long enough to think, 6 months after we, the Government, had loaned them, the banks, $3,500,000,000, we borrowed from these same banks $4,800,000,000. There must be a lot of money made in the banking business. But the stranger part of it is we sold these banks $4,800,000,000 in bonds when they were broke and then loaned them the money we had just got from them for the bonds they bought while they were broke, and they finally wound up with both the money and the bonds. I must stop and explain this strange business; how these wizards of finance smear it all over Uncle Sam, whose only protection is a Congress that either does not understand or that seems afraid to take action. Of course, I could not go on without explaining just how this is done.

In support of our contention that private banks, insofar as they expand their own credit and thus create bank deposits, are virtually individual private mints, issuing money in contravention of the Constitution, I quote below from the testimony of Governor Eccles, of the Federal Reserve Board, before the Banking and Currency Committee of the House during the hearings on the Banking Act of 1935:

Governor ECCLES. * * * In purchasing offerings of Government bonds, the banking system as a whole creates new money, or bank deposits. When the banks buy a billion dollars of Government bonds as they are offered—and you have to consider the banking system as a whole, as a unit—the banks credit the deposit account of the Treasury with a billion dollars. They debit their Government-bond account a billion dollars, or they actually create, by a bookkeeping entry, a billion dollars.

Mr. GOLDSBOROUGH. By a sort of magic or necromancy.

In like manner, as the banks increase their deposits or create new money through the purchase of Government bonds, the banks also create new money—increase their deposits—by buying notes and other commercial paper from their customers.

Thus as our money supply is increased by the banking system creating new money—increasing their deposits—by purchasing Government bonds or notes or other obligations of their customers, so also is our money supply decreased by the banking system demanding payment of these notes or obligations and refusing to make new loans to take their place. In this connection I again quote Governor Eccles in the same testimony as quoted from above:

Governor ECCLES. When the community begins to pay its debt to the banks, it extinguishes money, deposits currency, and if that process of deflation gets under way it is more or less self-generating and it is very difficult to stop it * * *.

In commenting on the crash of 1929, Governor Eccles further said:

Banks * * * brought pressure upon all loans which came due during the period, and were forced to refuse new credit. They were bringing pressure to collect loans that became due, and to sell securities that they had, whenever they could do so without taking too large a loss * * *. Therefore, in an effort and under pressure to get liquidity, they froze themselves so completely that they finally closed the entire banking structure.

The above frank and true statements are from Mr. Marriner S. Eccles, Governor of the Federal Reserve Board of the Federal Reserve Banking System.

What an admission of the incompetency of our banking system.

What an indictment of our monetary policy, and what a crime that we should allow it to continue for even another day.

Mr. CRAWFORD. Mr. Speaker, will the gentleman yield?

Mr. BINDERUP. I yield.

Mr. CRAWFORD. I would like to ask the gentleman a question with reference to the remarks he made a few moments ago about the deflationary forces we put into operation in 1937. Does the gentleman understand that the assessment or collection of the social-security taxes was deflationary; in other words, did that represent three-quarters of a billion dollars of deflation?

Mr. BINDERUP. And next year it will be over a billion dollars that the social security will take from the laboring people of the country. However, that would be deflationary only to the extent of its reduction of the immediate purchasing power of these laboring people and to the extent that it is not immediately placed back into circulation.

I understand that the Government is investing this money in Government obligations, or bonds, and in that manner it is, of course, putting it back into circulation; however, unless the same portion of it gets back in a very short time to these in the lower income groups from which it was collected it does reduce their purchasing power, tends to centralize in the higher income groups, and is to that extent I think deflationary.

We always seem to have ways to draw money out of circulation, but we have no plan to put money into circulation.

Mr. CRAWFORD. And that was put into operation at the same time other deflationary measures were sprung on the people?

Mr. BINDERUP. Yes. We gave the Federal Reserve Board three plans whereby they could contract or take money out of circulation and give us panics, depressions, and recessions, but we did not give them any plan to go on and create expansion and prosperity. It is about the same as a general with a bugler who had learned only three calls and all of these were for a retreat, with no calls for an advance. That is the situation our Federal Reserve Board is in, absolutely hopelessly lost, a complete failure. It has caused three of the most disastrous depressions the Nation has ever seen and never the slightest power to stop a panic after it once started one.

Mr. Eccles in an article in Fortune Magazine said these very things. He stated that, of course, monetary control is most essential, but it always gets away from us. When it begins to go up toward inflation we cannot stop it. When it gets started down toward deflation we cannot stop it. And Mr. Eccles was right.

May I give you the key to that. It is because, as I told you yesterday, we have tried to control the volume and velocity of money in the United States by taking to our bosom Wall Street and the international bankers, poison and destruction to our plan. You cannot blame the bankers individually for opposing us because they know that we are trying to take away from them that wonderful privilege they have of creating the Nation's money. We cannot create prosperity by pumping money in at the top. I wonder when our people will understand you have to bring about prosperity by creating a consuming and purchasing power among the people at the bottom of the ladder. Whenever Mr. Eccles is given the authority and mandate from this Congress so that he can increase the consuming and purchasing power among the people, and eliminate the impossible, that of taking the enemies of our plan from the picture, this will be accomplished.

Go to the people and they will work with you. They are cold and hungry and they will put the money into circulation immediately; yes, begin to spend it in the store and lumberyard even before it is received. Strange, is it not, how we have grown into the rut of believing that we cannot create money without the banks.

In the bill which I present to you is that monetary control that is necessary for our Monetary Control Board, as an agent of the Congress, to control the volume and velocity of our money.

Mr. REES of Kansas. Will the gentleman yield?

Mr. BINDERUP. I yield to the gentleman from Kansas.

Mr. REES of Kansas. It was stated here that there was a reduction of some $2,000,000,000 in 1937.

Mr. BINDERUP. Yes; it is nearer three billion.

Mr. REES of Kansas. Do I understand the gentleman insists it was the fault of the individual bankers that that happened, and that they did it intentionally?

Mr. BINDERUP. Does the gentleman mean if they wanted to do less business?

No; absolutely not. They wanted to do more business with the same amount of money by reducing the price of commodities so their interest dollars could buy more labor and commodities.

Mr. REES of Kansas. But the gentleman stated it was their fault.

Mr. BINDERUP. The bankers had a meeting in May 1937 where they decided to cooperate with the Federal Reserve Board. It is always the bankers' fault and you must consider them as a whole—as a unit—rather it is our monetary system that is corrupt, and that system is controlled by the bankers. It was at this meeting that they decided to contract credit. This was in 1937, during the past year. Mr. Eccles also wanted to contract credit. Ask him and he will very frankly tell you that he and the Federal Reserve Board planned it that way. He will tell you that they were afraid we might have inflation, so he evidently thought we had better die of deflation than of inflation, and the only difference really is

that inflation will destroy the rich few who invest in dollars and the creditors, and deflation will destroy the multitude who invest in labor and services, and the debtor.

Since that subject has been opened up, I want to go into the matter of the contraction of our money supply in 1937.

It was on the 4th day of April 1937, that Mr. Morgenthau became very much interested in the stock market in New York. Why? Because United States bonds had been falling continuously and the banks of these United States owned almost $20,000,000,000 of these United States bonds. Everyone knew that if these bonds should fall 10 points or 15 points, it would bankrupt every bank in the Nation, as the banks could not stand the loss of $2,000,000,000. So Mr. Morgenthau hastened to New York to buy these bonds and boost the price of Government bonds. The Wall Street Journal carried an article 3 days later, on the front page, set in a very nice little black frame, stating that United States bonds were once more holding firm, thanks to the assistance of the United States Treasury.

But they knew—Mr. Morgenthau knew and Mr. Eccles knew—that we could not buy $20,000,000,000 worth of bonds, or even half that amount. They knew, as we all knew, that with $38,000,000,000 of bonds held by the banks and the public at low interest rates, these would be dumped on the market as soon as prosperity started back, in order that their owners could invest in industrial bonds and other more remunerative investments. So another thing was necessary. They knew they could do the opposite. Thus they could bring prices down. Just restrict and reduce the amount of money in circulation, which in our modern way of doing business means reducing demand bank deposits based on loans, debt; that the less debt we have the less money we have; and if the people paid their debts we would run out of money. They knew that they could depend on the Federal Reserve banks to cooperate when it comes to deflation, so they advised them to restrict new loans and to collect old loans, and in a few months we had reduced our money supply—demand bank deposits—over $2,000,000,000. If they brought the industrial securities down they could hold the Government bonds up.

They understood, make money scarce and prices will come down on commodities and wages. That would stop people from selling their bonds and investing in other channels of trade. So they did what has been done 26 times before. They brought the price of commodities down. Again the people were sacrificed and business destroyed to save the banks. How long will the people stand this racket of the Federal Reserve Board and the banks against the people? No, my friends, let me answer, not long, for we are now tottering and our Government is threatened, and for no other reason than a miserable, corrupt, rotten banking and monetary system.

Mr. VOORHIS. Will the gentleman yield?

Mr. BINDERUP. I yield to the gentleman from California.

Mr. VOORHIS. In connection with what the gentleman said about the Government being forced to protect the bond market by buying bonds, is it true that at that particular time there was supposed to be fear of inflation and, therefore, according to the orthodox system at present in effect we should have been doing the opposite?

Mr. BINDERUP. Yes. I thank the gentleman from California for stressing this point. The minds of the people must be awakened to this unreasonable and illogical action of the Federal Reserve Board and the Federal Reserve banks.

Mr. VOORHIS. We should have been selling bonds in order to prevent having too large reserves in the banks, but we could not protect the price of the bonds. We had to turn around and buy them.

Mr. BINDERUP. Yes; exactly. And so we ruined the people and the Nation because we had no Government monetary authority with plans and mechanics to meet this situation. And I wish to mention that in my bill all these mechanics are set out definitely.

Mr. VOORHIS. In other words, it was impossible to do the two things at once.

Mr. BINDERUP. Of course it was, but a monetary plan must be so written as to meet such conditions. The banks have ever trafficked in Government bonds and my bill puts a stop to this kind of a racket. The American Federation of Labor made a report on that same day that there were 10,000,000 people out of employment.

A short time before that the Brookings Institution had given out a report that there were 10,000,000 families, not individuals, but 10,000,000 families in the United States with an income of less than $2,000 and over $1,000; that there were 6,000,000 families in the United States with an income of less than $1,000 a year but over $600; that there were 5,000,000 families in the United States with an income of less than $500 a year and that there were 3,365,000 individuals in the United States without a single cent of income whatever. In the face of all that, in the face of the fact that farmers were still selling their products below the cost of production, with 10,000,000 laborers unemployed and the farmers living below the standard of an American citizen, the Federal Reserve Board used all of its efforts to bring about a deflation of credit—and, of course, did succeed in bringing about the 1937 depression. And if anyone should question this statement I will prove my words by the words of Governor Eccles and the President of the United States.

Mr. Eccles said in my presence, "We did it intentionally." They brought about a deflation of credit that took away from the people between $2,000,000,000 and $3,000,000,000. The bill I present to you presents means for controlling United States bonds so the banks cannot juggle the United States bonds. It eliminates that disastrous thing.

Mr. SIROVICH. Mr. Speaker, will the gentleman yield?

Mr. BINDERUP. I yield to the gentleman from New York.

Mr. SIROVICH. One of the greatest tragedies I have seen in the banking situation is the necessity of having each bank publish every 3 months a statement supervised by the Comptroller of the Currency. This statement testifies to the amount of money each bank has, the accounts receivable, the notes and the bonds, and God knows what other obligations it possesses. According to the law, every bank has to carry a certain amount of securities the Government tells it to buy. If you are the president of a bank, you have to place 20 percent of your bank's capitalization in Government bonds and put them in your portfolio. You never use them.

Along comes a fall in the bond market that causes a depreciation in the value of the bonds the bank holds, and this brings a run on the bank because people see that deposits have fallen and how the bank's investments have fallen in price. How would you overcome that?

Mr. BINDERUP. The most stupid, corrupt thing we have in our Nation is our present banking system.

Mr. SIROVICH. And through no fault of the banks themselves.

Mr. BINDERUP. No; not a bit. I never did blame the individual banker. I have always blamed the banking system; but, of course, the Federal Reserve Board and the American Bankers Association have their way about it and they do not care any more for the welfare of the little banker than they care for all the rest of the people. You certainly cannot blame the 16,000 little bankers who, with all their depositors, sacrificed everything they had and went to the wall together. It was not the fault of the bankers; it was the fault of a disastrous, corrupt, childish, and incompetent system. It was the system that ruined us.

Mr. REES of Kansas. Mr. Speaker, will the gentleman yield?

Mr. BINDERUP. I yield to the gentleman from Kansas.

Mr. REES of Kansas. The gentleman has indicated he is not opposed to the Federal Reserve Board as it now exists. As I understand, he wants to give the Federal Reserve Board more authority.

Mr. BINDERUP. Yes; mandatory authority as an agent directly responsible to Congress.

Mr. REES of Kansas. Let me ask this question, and the gentleman can answer or not, as he wishes. Does the gentleman believe the present Federal Reserve Board is in sympathy with the plan the gentleman has in mind and which he is submitting here today?

Mr. BINDERUP. I have not gone to see the Federal Reserve Board about it.

Mr. REES of Kansas. I took it for granted the gentleman indicated that the Board is in sympathy with his plan.

Mr. BINDERUP. Yes; I believe the Board is in sympathy with the plan, but regardless of whether it is or not, the Board must after all remain merely an agent of the Congress, to carry out the will of Congress.

[Here the gavel fell.]

Mr. MARTIN of Colorado. Mr. Speaker, I ask unanimous consent that the gentleman may proceed for 5 additional minutes.

The SPEAKER pro tempore (Mr. LEAVY). There is another special order under which the gentleman from New York [Mr. LORD] will be recognized to address the House.

Mr. LORD. That is agreeable to me, Mr. Speaker.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Colorado?

There was no objection.

Mr. MARTIN of Colorado. Mr. Speaker, I would like to remind the gentleman that at the inception of his remarks he started to discuss the ups and downs of certain European countries as a result of manipulations of their monetary system. He was led away from that subject by questions and he has never got back to it. I am extremely eager to have the gentleman continue that discussion and adhere to it until he gets through with it.

Mr. BINDERUP. Mr. Speaker, I believe I said I should like to discuss this matter in an entire afternoon program if this might be agreeable. I stated I had traveled 10,000 miles to get that information and it is interesting. However, this information will all be included in the sheets I am sending to Members of Congress in the booklet known as Uncle Sam's Hospital Chart. Continuing, we gave $11,000,000,000 to the banks by allowing them the unreasonable privilege of using their credit as money. When we sell bonds we do not get any money for them, we get credit on the books of the big banks, as I have formerly explained. So, after all, what do we do? We merely say to the banks, "Uncle Sam has voted bonds in his Congress—$4,800,000,000 a couple of years ago and $5,000,000,000 now, and Uncle Sam wants to swap with you." In voting bonds as we are doing now and have done in the past we merely extend an invitation to the banks. We say to the banks, "Uncle Sam wants to swap with you. We will trade Uncle Sam's credit for you bankers' credit." And so the swap is made. We give the banks beautiful green bonds with a lot of coupons attached, and the bankers swap just fountain-pen money that they give us credit on their books—fountain-pen money—and tell us to check on them. But we are paying the banks boot in this trade to the extent of $1,000,000,000 a year.

Swapping Uncle Sam's credit for "busted" bankers' credit—of course they are "busted;" not one of them can show resources in excess of liabilities at market value today. And so we give the bankers Uncle Sam's credit and say to the bankers, "We will not even ask you to pay taxes on the credit we extend to you." And we take this worthless bankers' credit, distribute it to our people, and tell them, "You pay taxes on this so we can save the bankers this expense." A crime! This Congress must not adjourn before this unreasonable steal from the people is corrected.

Mr. VOORHIS. Mr. Speaker, will the gentleman yield?

Mr. BINDERUP. I yield with much pleasure to my friend from California.

Mr. VOORHIS. Will the gentleman explain what the Federal Reserve bank now buys bonds with?

Mr. BINDERUP. I cannot give you a better statement on that than what Mr. Eccles himself said in testifying before the Banking and Currency Committee of the House in 1935, which I quoted earlier in this address. This has now become generally known, although it was startling information at the time to most people, who actually believed we got money, who if they had stopped to consider would know the banks could not pay cash for the bonds. For instance, our recent issue of bonds will amount to $5,000,000,000, and to pay for these in legal-tender money would take about all there is in existence. No; we never get a penny when we sell bonds. All we get is credit on the books of the bank, just what I got when I borrowed from the bank, giving my note secured by the brindle cows referred to in one of my former addresses.

[Here the gavel fell.]

ENROLLED BILLS SIGNED

Mr. PARSONS, from the Committee on Enrolled Bills, reported that that committee had examined and found truly enrolled a bill of the House of the following title, which was thereupon signed by the Speaker:

H. R. 10140. An act to amend the Federal Aid Act, approved July 11, 1916, as amended and supplemented, and for other purposes.

The SPEAKER announced his signature to an enrolled bill of the Senate of the following title:

S. 1585. An act for the relief of Sallie S. Twilley.

BILL PRESENTED TO THE PRESIDENT

Mr. PARSONS, from the Committee on Enrolled Bills, reported that that committee did on this day present to the President, for his approval, a bill of the House of the following title:

H. R. 10140. An act to amend the Federal Aid Act, approved July 11, 1916, as amended and supplemented, and for other purposes.

ADJOURNMENT

Mr. FLETCHER. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 59 minutes p. m.), under its previous order, the House adjourned until tomorrow, Friday, June 3, at 11 o'clock a. m.

COMMITTEE HEARINGS

COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE

There will be a meeting of the Committee on Interstate and Foreign Commerce at 10 a. m., Friday, June 3, 1938. Business to be considered: Hearings on H. R. 10127, railroad unemployment insurance.

There will be a meeting of a subcommittee of the Committee on Interstate and Foreign Commerce at 10 a. m., Saturday, June 4, 1938. Business to be considered: Continuation of hearing on H. R. 4358, train dispatchers.

There will be a subcommittee meeting of the Committee on Interstate and Foreign Commerce at 10 a. m., Monday, June 6, 1938. Business to be considered: Continuation of hearing of H. R. 10348, foreign radio-telegraph communication.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. ROGERS of Oklahoma: Committee on Indian Affairs. H. R. 7864. A bill to confer jurisdiction on the district courts of the United States in appeals from decisions of the Secretary of the Interior in Indian heirship and estate matters; with amendment (Rept. No. 2561). Referred to the Committee of the Whole House on the state of the Union.

Mr. ROGERS of Oklahoma: Committee on Indian Affairs. S. 1651. An act to amend the act entitled "An act authorizing the attorney general of the State of California to bring suit in the Court of Claims on behalf of the Indians of California," approved May 18, 1928 (45 Stat. 602); without amendment (Rept. No. 2562). Referred to the Committee of the Whole House on the state of the Union.

Mr. FADDIS: Committee on Military Affairs. H. R. 6925. A bill to provide for a national cemetery in every State;

without amendment (Rept. No. 2563). Referred to the Committee of the Whole House on the state of the Union.

Mr. ELLIOTT: Committee on the Public Lands. H. R. 10752. A bill to authorize Federal cooperation in the acquisition of the "Muir Wood Toll Road", located in Marin County, State of California, and for other purposes; without amendment (Rept. No. 2568). Referred to the Committee of the Whole House on the state of the Union.

Mr. ENGLEBRIGHT: Committee on Mines and Mining. H. R. 9881. A bill to amend section 23 of the act to create the California Debris Commission as amended; without amendment (Rept. No. 2569). Referred to the Committee of the Whole House on the state of the Union.

Mr. PATTON: Committee on Mines and Mining. H. R. 10764. A bill to amend section 73 of the Hawaiian Organic Act approved April 30, 1900, as amended; without amendment (Rept. No. 2570). Referred to the Committee of the Whole House on the state of the Union.

Mr. WALTER: Committee on the Judiciary. H. R. 8854. A bill to repeal section 2 of the act of June 16, 1936, authorizing the appointment of an additional district judge for the eastern district of Pennsylvania; without amendment (Rept. No. 2575). Referred to the Committee of the Whole on the state of the Union.

Mr. HILL: Committee on Indian Affairs. S. 1325. An act to provide funds for cooperation with Wapato School District No. 54, Yakima County, Wash., for extension of public-school buildings to be available for Indian children of the Yakima Reservation; without amendment (Rept. No. 2576). Referred to the Committee of the Whole House on the state of the Union.

Mr. HOBBS: Committee on the Judiciary. H. R. 9963. A bill to authorize the acquisition of the bridge across the Mississippi River at Cape Girardeau, Mo., and the approaches thereto, by a single condemnation proceeding in either the District Court for the Eastern Judicial District of Missouri or the District Court for the Eastern Judicial District of Illinois, and providing the procedure for such proceeding; without amendment (Rept. No. 2577). Referred to the House Calendar.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. HARTER: Committee on Military Affairs. S. 44. An act for the relief of Edward N. Jerry; without amendment (Rept. No. 2564). Referred to the Committee of the Whole House.

Mr. HARTER: Committee on Military Affairs. S. 1168. An act for the relief of Joseph W. Bollenbeck; without amendment (Rept. No. 2565). Referred to the Committee of the Whole House.

Mr. MAHON of South Carolina: Committee on Military Affairs. S. 2408. An act for the relief of John H. Balmat, Jr.; without amendment (Rept. No. 2566). Referred to the Committee of the Whole House.

Mr. SMITH of Connecticut: Committee on Military Affairs. H. R. 9448. A bill for the relief of Charles G. Bostwick; without amendment (Rept. No. 2567). Referred to the Committee of the Whole House.

Mr. FADDIS: Committee on Military Affairs. H. R. 8055. A bill for the relief of Helry P. McCaig; with amendment (Rept. No. 2571). Referred to the Committee of the Whole House.

Mr. LESINSKI: Committee on Immigration and Naturalization. H. R. 10730. A bill for the relief of Ziskind Sokolow; with amendment (Rept. No. 2572). Referred to the Committee of the Whole House.

Mr. SIMPSON: Committee on Immigration and Naturalization. H. R. 7294. A bill for the relief of Bartholemew Harrington; without amendment (Rept. No. 2573). Referred to the Committee of the Whole House.

Mr. LESINSKI: Committee on Immigration and Naturalization. S. 3063. An act for the relief of Maria Bartolo; without amendment (Rept. No. 2574). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. PATRICK: A bill (H. R. 10813) authorizing and providing for the dredging and lighting of the channel known as Perdido Bay Pass leading from Perdido Bay, Ala., to the Gulf of Mexico, and also the channel leading from Perdido Bay Pass through the Bay Orinoco to the junction with the intercoastal waterway near the end of Bear Point, Ala.; to the Committee on Rivers and Harbors.

By Mr. CLAYPOOL: A bill (H. R. 10814) to extend the provisions of the World War Adjusted Compensation Act to certain veterans; to the Committee on Ways and Means.

By Mr. LESINSKI: A bill (H. R. 10815) to extend further time for naturalization to alien veterans of the World War under the act approved May 25, 1932 (47 Stat. 165), to extend the same privileges to certain veterans of countries allied with the United States during the World War, and for other purposes; to the Committee on Immigration and Naturalization.

By Mr. COFFEE of Nebraska: A bill (H. R. 10816) to regulate interstate and foreign commerce in seeds; to require labeling, and to prevent misrepresentation of seeds in interstate commerce; to require certain standards with respect to certain imported seeds; and for other purposes; to the Committee on Agriculture.

By Mr. HEALEY: A bill (H. R. 10817) to provide for a medal to be known as the Marine Medal, and for other purposes; to the Committee on Naval Affairs.

By Mr. STEFAN: A bill (H. R. 10818) to amend the act authorizing the construction of a bridge at South Sioux City, Nebr.; to the Committee on Interstate and Foreign Commerce.

By Mr. WITHROW: Resolution (H. Res. 517) authorizing the District of Columbia Committee of the House of Representatives to investigate all organizations and individuals adjusting claims for property damage; to the Committee on Rules.

By Mr. TOLAN: Joint resolution (H. J. Res. 704) to provide for the coinage of a medal in commemoration of the achievements of Amelia Earhart Putnam; to authorize the President to present said metal to Amy Otis Earhart, mother of Amelia Earhart Putnam, and for other purposes; to the Committee on Coinage, Weights, and Measures.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. MICHENER: A bill (H. R. 10819) granting an increase of pension to Ellen Jondro; to the Committee on Invalid Pensions.

By Mrs. ROGERS of Massachusetts: A bill (H. R. 10820) for the relief of Albert Pina Afonso, a minor; to the Committee on claims.

By Mr. SMITH of West Virginia: A bill (H. R. 10821) for the relief of Kyle Blair; to the Committee on Claims.

By Mr. VOORHIS: A bill (H. R. 10822) for the relief of A. J. Samis; to the Committee on Immigration and Naturalization.

By Mr. WALTER: A bill (H. R. 10823) to confer jurisdiction upon the United States District Court for the Middle District of Pennsylvania, to determine the claim of Mrs. A. A. Beltz; to the Committee on Claims.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

5289. By Mr. BOEHNE: Petition of Louis C. Lasher and 1,116 others, of Perry County, Ind., favoring the restoration of the power to Congress of the right to coin money and regulate the value thereof; to the Committee on Banking and Currency.

5290. By Mr. KENNEDY of New York: Petition of the Rochester Diocesan Council of the National Council of

Catholic Women, numbering over 20,000 women, urging support of the Neely bill (S. 153); to the Committee on Interstate and Foreign Commerce.

5291. Also, petition of the City Council of the City of New York, petitioning consideration of their resolution G. O. 34 (Res. No. 49) with reference to Home Owners' Loan Corporation Act; to the Committee on Banking and Currency.

5292. Also, petition of the National Congress of Parents and Teachers, Washington, D. C., concerning the Neely bill (S. 153); to the Committee on Interstate and Foreign Commerce.

5293. Also, petition of the Allied States Association of Motion Picture Exhibitors, Washington, D. C., concerning Senate bill 153, to prevent the compulsory block-booking and blind selling of motion pictures; to the Committee on Interstate and Foreign Commerce.

5294. Also, petition of the Fifth Estate Club, New York City, concerning Senate bills 4042 and 4043, pertaining to World War provisional officers; to the Committee on Military Affairs.

5295. By Mr. MERRITT: Resolution of the Queens County Committee of the American Legion, requesting that all immigration to these United States be reduced by 90 percent of existing quotas; to the Committee on Immigration and Naturalization.

5296. Also, resolution of the Queens County Committee of the American Legion, requesting that immediate legislative steps be taken to terminate for all time all Government relief or other assistance now being granted to alien residents of the United States; to the Committee on the Judiciary.

5297. Also, resolution of the Queens County Committee of the American Legion, requesting that any honorably discharged veteran who served in the armed forces of the United States during a war shall be eligible for employment by the Works Progress Administration and Public Works Administration regardless of his home-relief status, provided that the Veterans' Service officer having jurisdiction shall after investigation certify to the proper authorities that the applicant is in need of such employment; to the Committee on World War Veterans' Legislation.

5298. By the SPEAKER: Petition of G. L. Brinkmann, Washington, D. C., and others petitioning consideration of their petition with reference to House bill 8431 entitled "The Federal Workweek Act"; to the Committee on the Civil Service.

SENATE

FRIDAY, JUNE 3, 1938

(Legislative day of Wednesday, April 20, 1938)

The Senate met at 11 o'clock a. m., on the expiration of the recess.

THE JOURNAL

On request of Mr. BARKLEY, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day Thursday, June 2, 1938, was dispensed with, and the Journal was approved.

CALL OF THE ROLL

Mr. LEWIS. Mr. President, as we are engaged in the consideration of a very important measure, I trust Senators will spend more of their time on the floor, and I therefore suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Adams	Borah	Caraway	Gerry
Andrews	Brown, Mich.	Chavez	Gibson
Ashurst	Brown, N. H.	Connally	Green
Austin	Bulkley	Copeland	Guffey
Bailey	Bulow	Davis	Hale
Bankhead	Burke	Dieterich	Harrison
Barkley	Byrd	Ellender	Hatch
Bilbo	Byrnes	Frazier	Hayden
Bone	Capper	George	Herring
Hill	Lonergan	Neely	Shipstead
Hitchcock	Lundeen	Norris	Smith
Holt	McAdoo	O'Mahoney	Thomas, Utah
Hughes	McCarran	Overton	Townsend
Johnson, Calif.	McGill	Pepper	Truman
Johnson, Colo.	McKellar	Pittman	Tydings
King	McNary	Pope	Vandenberg
La Follette	Maloney	Radcliffe	Van Nuys
Lee	Miller	Russell	Wagner
Lewis	Milton	Schwartz	Walsh
Lodge	Minton	Schwellenbach	Wheeler
Logan	Murray	Sheppard	White

Mr. LEWIS. I announce that the Senator from Oregon [Mr. REAMES] is detained from the Senate because of illness.

The Senator from Tennessee [Mr. BERRY], the Senator from Missouri [Mr. CLARK], the Senator from Ohio [Mr. DONAHEY], the Senator from Wisconsin [Mr. DUFFY], the Senator from Iowa [Mr. GILLETTE], the Senator from Virginia [Mr. GLASS], the Senator from New Jersey [Mr. SMATHERS], the Senator from North Carolina [Mr. REYNOLDS], and the Senator from Oklahoma [Mr. THOMAS] are detained on important public business.

I ask that this announcement be recorded for the day.

Mr. AUSTIN. I announce that the Senator from New Hampshire [Mr. BRIDGES] is absent because of the death of his wife.

The VICE PRESIDENT. Eighty-four Senators have answered to their names. A quorum is present.

DEATH OF FORMER SENATOR MARION BUTLER

Mr. BAILEY. Mr. President, it is my painful duty to inform the Senate of the death in this city this morning of the Honorable Marion Butler, a Senator from the State of North Carolina in the period from March 4, 1895, to March 3, 1901. His career here was distinguished. It was particularly distinguished by reason of the great contribution he made in the establishment of the rural free delivery, now enjoyed throughout the country.

REPORTS OF COMMITTEES

Mr. WALSH, from the Committee on Naval Affairs, to which was referred the bill (S. 3337) to amend section 2 of the act entitled "An act to temporarily increase the commissioned and warrant and enlisted strength of the Navy and Marine Corps, and for other purposes," approved May 22, 1917, as amended, to increase the authorized percentage of privates, first class, in the Marine Corps from 25 to 50 percent of the whole number of privates, reported it with amendments and submitted a report (No. 1963) thereon.

He also, from the same committee, to which were referred the following bills, reported them severally without amendment and submitted reports thereon:

S. 3339. A bill for the relief of Lt. (Jr. Gr.) Svend J. Skou, United States Navy, retired (Rept. No. 1964);

S. 4070. A bill to authorize the attendance of the Marine Band at the United Confederate Veterans' 1938 Reunion at Columbia, S. C., from August 30 to September 2, 1938, both dates inclusive (Rept. No. 1965); and

H. R. 9965. An bill to provide for civilian naval training, and for other purposes (Rept. No. 1966).

Mr. NEELY, from the Committee on the Judiciary, to which was referred the bill (S. 2811) to amend the Judicial Code by adding thereto a new section, to be numbered 659 (1), relating to the certification, authentication, and use in evidence of documents of record or on file in public offices in the State of Vatican City, reported it without amendment and submitted a report (No. 1967) thereon.

Mr. SHEPPARD, from the Committee on Commerce, to which was referred the bill (S. 4126) to amend the act authorizing the construction of a bridge at South Sioux City, Nebr., reported it without amendment and submitted a report (No. 1968) thereon.

JOINT COMMITTEE ON FORESTRY

Mr. SMITH, from the Committee on Agriculture and Forestry, to which was referred the concurrent resolution (S. Con. Res. 31) to establish a Joint Committee on Forestry,

reported it with amendments, and, under the rule, the resolution was referred to the Committee to Audit and Control the Contingent Expenses of the Senate.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. RADCLIFFE:

A bill (S. 4135) granting an increase of pension to Annie G. Norwood; to the Committee on Pensions.

By Mr. McCARRAN:

A bill (S. 4136) to facilitate the control of soil erosion and/or flood damage originating upon lands within the exterior boundaries of the Nevada and Toiyabe National Forests in Nevada and to promote efficiency and economy of administration of said national forests; to the Committee on Public Lands and Surveys.

By Mr. HAYDEN:

A bill (S. 4137) for the relief of Hubert H. Clark; to the Committee on Claims.

APPORTIONMENT OF FEDERAL-AID HIGHWAY FUNDS, 1940 AND 1941

Mr. HAYDEN. Mr. President, I ask unanimous consent to have printed at this point in the CONGRESSIONAL RECORD a tabulation showing the estimated apportionment of Federal-aid highway funds for the fiscal years 1940 and 1941.

The VICE PRESIDENT. Is there objection?

There being no objection, the tabulation was ordered to be printed in the RECORD, as follows:

Estimated apportionments of Federal-aid highways and grade-crossing funds for the fiscal year 1940 provided in H. R. 10140, as passed by Congress June 1, 1938

State	Federal aid	Secondary or feeder	Grade crossing	Total
Alabama	$2,070,000	$310,000	$394,000	$2,774,000
Arizona	1,423,000	214,000	126,000	1,763,000
Arkansas	1,698,000	254,000	346,000	2,298,000
California	3,768,000	565,000	730,000	5,063,000
Colorado	1,810,000	271,000	253,000	2,334,000
Connecticut	625,000	94,000	167,000	886,000
Delaware	487,000	73,000	98,000	658,000
Florida	1,329,000	199,000	277,000	1,805,000
Georgia	2,511,000	377,000	478,000	3,366,000
Idaho	1,226,000	184,000	162,000	1,572,000
Illinois	4,053,000	608,000	1,032,000	5,693,000
Indiana	2,437,000	365,000	508,000	3,310,000
Iowa	2,548,000	382,000	545,000	3,475,000
Kansas	2,614,000	392,000	508,000	3,514,000
Kentucky	1,830,000	274,000	358,000	2,462,000
Louisiana	1,426,000	214,000	311,000	1,951,000
Maine	867,000	130,000	136,000	1,133,000
Maryland	810,000	122,000	203,000	1,135,000
Massachusetts	1,371,000	206,000	409,000	1,986,000
Michigan	3,010,000	452,000	648,000	4,110,000
Minnesota	2,709,000	406,000	526,000	3,641,000
Mississippi	1,749,000	262,000	311,000	2,322,000
Missouri	3,005,000	451,000	598,000	4,054,000
Montana	2,034,000	305,000	261,000	2,600,000
Nebraska	2,054,000	308,000	348,000	2,710,000
Nevada	1,267,000	190,000	98,000	1,555,000
New Hampshire	487,000	73,000	98,000	658,000
New Jersey	1,321,000	198,000	389,000	1,908,000
New Mexico	1,588,000	238,000	168,000	1,994,000
New York	4,853,000	728,000	1,338,000	6,919,000
North Carolina	2,323,000	349,000	497,000	3,169,000
North Dakota	1,545,000	232,000	310,000	2,087,000
Ohio	3,594,000	539,000	835,000	4,968,000
Oklahoma	2,332,000	350,000	450,000	3,132,000
Oregon	1,631,000	245,000	226,000	2,102,000
Pennsylvania	4,207,000	631,000	1,131,000	5,969,000
Rhode Island	487,000	73,000	98,000	658,000
South Carolina	1,330,000	200,000	294,000	1,824,000
South Dakota	1,617,000	242,000	270,000	2,129,000
Tennessee	2,082,000	313,000	373,000	2,768,000
Texas	6,200,000	930,000	1,070,000	8,200,000
Utah	1,124,000	169,000	128,000	1,421,000
Vermont	487,000	73,000	98,000	658,000
Virginia	1,805,000	271,000	374,000	2,451,000
Washington	1,558,000	233,000	300,000	2,091,000
West Virginia	1,081,000	162,000	261,000	1,504,000
Wisconsin	2,412,000	362,000	488,000	3,262,000
Wyoming	1,243,000	187,000	133,000	1,563,000
District of Columbia	487,000	73,000	98,000	658,000
Hawaii	487,000	73,000	98,000	658,000
Puerto Rico	487,000	73,000	144,000	704,000
Administration and engineering	2,500,000	375,000	500,000	3,375,000
Total	100,000,000	15,000,000	20,000,000	135,000,000

Estimated apportionments of Federal-aid highways and grade-crossing funds for the fiscal year 1941 provided in H. R. 10140, as passed by Congress June 1, 1938

State	Federal aid	Secondary or feeder	Grade crossing	Total
Alabama	$2,380,000	$310,000	$592,000	$3,282,000
Arizona	1,637,000	214,000	190,000	2,041,000
Arkansas	1,952,000	254,000	519,000	2,725,000
California	4,333,000	565,000	1,096,000	5,994,000
Colorado	2,081,000	271,000	380,000	2,732,000
Connecticut	719,000	94,000	251,000	1,064,000
Delaware	560,000	73,000	146,000	779,000
Florida	1,528,000	199,000	416,000	2,143,000
Georgia	2,888,000	377,000	716,000	3,981,000
Idaho	1,409,000	184,000	243,000	1,836,000
Illinois	4,661,000	608,000	1,547,000	6,816,000
Indiana	2,803,000	365,000	762,000	3,930,000
Iowa	2,930,000	382,000	818,000	4,130,000
Kansas	3,007,000	392,000	763,000	4,162,000
Kentucky	2,104,000	274,000	537,000	2,915,000
Louisiana	1,639,000	214,000	467,000	2,320,000
Maine	997,000	130,000	203,000	1,330,000
Maryland	931,000	122,000	304,000	1,357,000
Massachusetts	1,577,000	206,000	613,000	2,396,000
Michigan	3,462,000	452,000	972,000	4,886,000
Minnesota	3,115,000	406,000	788,000	4,309,000
Mississippi	2,011,000	262,000	466,000	2,739,000
Missouri	3,456,000	451,000	898,000	4,805,000
Montana	2,340,000	305,000	392,000	3,037,000
Nebraska	2,362,000	308,000	523,000	3,193,000
Nevada	1,457,000	190,000	146,000	1,793,000
New Hampshire	560,000	73,000	146,000	779,000
New Jersey	1,519,000	198,000	584,000	2,301,000
New Mexico	1,826,000	238,000	251,000	2,315,000
New York	5,581,000	728,000	2,008,000	8,317,000
North Carolina	2,672,000	349,000	746,000	3,767,000
North Dakota	1,777,000	232,000	466,000	2,475,000
Ohio	4,133,000	539,000	1,252,000	5,924,000
Oklahoma	2,682,000	350,000	675,000	3,707,000
Oregon	1,876,000	245,000	340,000	2,461,000
Pennsylvania	4,838,000	631,000	1,696,000	7,165,000
Rhode Island	560,000	73,000	146,000	779,000
South Carolina	1,530,000	200,000	442,000	2,172,000
South Dakota	1,859,000	242,000	404,000	2,505,000
Tennessee	2,395,000	313,000	560,000	3,268,000
Texas	7,130,000	930,000	1,604,000	9,664,000
Utah	1,293,000	169,000	193,000	1,655,000
Vermont	560,000	73,000	146,000	779,000
Virginia	2,077,000	271,000	561,000	2,909,000
Washington	1,791,000	233,000	451,000	2,475,000
West Virginia	1,243,000	162,000	391,000	1,796,000
Wisconsin	2,774,000	362,000	733,000	3,869,000
Wyoming	1,430,000	187,000	199,000	1,816,000
District of Columbia	560,000	73,000	146,000	779,000
Hawaii	560,000	73,000	146,000	779,000
Puerto Rico	560,000	73,000	216,000	849,000
Administration and engineering	2,875,000	375,000	750,000	4,000,000
Total	115,000,000	15,000,000	30,000,000	160,000,000

FARM INCOME OF IDAHO

Mr. POPE. Mr. President, it appears that between 1932 and 1937 the farm cash income in Idaho rose from $41,906,000 to $105,872,000, an increase of 153 percent. We have no figures for 1938, but farm income certainly will be lower than in 1937 and much higher than in 1932. Realizing, therefore, that farm income will be lower than last year, I sought to provide $212,000,000 additional revenue for parity payments to farmers, and within the last few days the Senate has voted an appropriation of this amount. The cooperating wheat growers of Idaho will get their share, at the rate of not less than 10 cents per bushel in the fall of 1938 and the spring of 1939, if the Senate appropriation goes through.

This should be considered in connection with the rather remarkable benefits derived by Idaho farmers as shown by data which have been collected from records of the Department of Agriculture.

I ask that this data be printed in the RECORD as a part of my remarks.

There being no objection, the matter was ordered to be printed in the RECORD, as follows:

AGRICULTURAL SITUATION IN IDAHO, 1932–37

I. COMPARISON OF DATA

Farm cash income in Idaho rose from $41,906,000 in 1932 to $105,872,000 in 1937, an increase of 153 percent. Indications are for an income in 1938 considerably smaller than in 1937. Of the 1937 income $3,610,000 was in Government payments to farmers.

Farm cash income, prices, and purchasing power

For the United States as a whole, farm cash income during the years 1932–37 has been as follows:

Calendar year	Farm cash income[1]		
	Income from marketings	Government payments	Total
1932	$4,328,000,000		$4,328,000,000
1933	4,955,000,000	$162,000,000	5,117,000,000
1934	5,792,000,000	556,000,000	6,348,000,000
1935	6,507,000,000	583,000,000	7,090,000,000
1936	7,657,000,000	287,000,000	7,944,000,000
1937 [2]	8,233,000,000	367,000,000	8,600,000,000

[1] Because farm income statistics collected and maintained by the Department of Agriculture are being revised, figures for Idaho given in this pamphlet are not always strictly comparable. The 1936 and 1937 figures are on a calendar-year basis, as are all figures on livestock and livestock products, while crop figures for years before 1936 are for the most part on a crop year basis.

[2] Preliminary.

Cash farm income for the United States as a whole increased in 1937 for the fifth consecutive year and exceeded 1936 income by 8 percent. Pronounced gains in the early months of 1937 largely accounted for the increase. In the closing months of 1937, after the harvesting of the biggest crops in the history of the United States, cash income began to drop off more than seasonally and fell below the 1936 level.

Farm income was nearly twice as large in 1937 as in 1932, but it was considerably below the 1929 figure of $10,479,000,000, the largest income on record. From 1929 to 1932 both farm income and prices paid by farmers declined sharply, but farm income declined more. Consequently, in 1932 farmers were able to purchase only about 69 percent as many goods and services as in 1929. From 1932 to 1937 both farm income and prices paid by farmers increased, but farm income made the greater advance. As a result, in 1937 farmers were able to buy about as much of the things they needed as in 1929.

United States farm prices generally increased 86 percent in 1937 as compared with 1932, rising early in 1937 to double their 1932 level. At the low point in March 1933 they were 55 percent of pre-war. In January 1937 they reached their post-depression peak at 131 percent of pre-war.

Although the prices of things farmers buy rose considerably during the 1932–37 period the exchange value, per unit of farm products, increased from an average of 61 percent of the pre-war level in 1932 to 93 percent of that level for the year 1937. At the depression low in February 1933 the unit exchange value of farm products was just half of what it had been before the war. At the post-depression peak in January 1937, when farm prices were at their highest, the exchange value was 101 percent of pre-war.

For the country as a whole, the decline in farm real-estate values came to an end in the year ending March 1933 after continuing unbroken for more than a decade. In that year farm real estate was worth about 73 percent of its pre-war value. In the year ending March 1937—the fourth consecutive year of increase—it rose to 85 percent of pre-war. The improved farm real-estate situation in the country as a whole since 1933 is also reflected in the sharp decrease in forced farm sales and the noticeable upturn in voluntary sales. Forced sales through foreclosure and other causes declined from 54.1 per thousand farms in the year ending March 1933 to 22.4 per thousand for the year ending March 1937. Voluntary sales and trades of farms during the same period rose from 16.8 per thousand farms to 31.5 per thousand.

Idaho's part in the national gain

The extent of change in the economic situation of Idaho farmers during the 1932–37 period is indicated by the greatly increased income from the leading farm commodities produced in the State

Among dairymen cash income from milk registered a $5,277,000, or 68 percent, gain during this period, rising from $7,759,000 in 1932 to $13,036,000 in 1937.

Cash returns from wheat showed an encouraging increase, rising from $6,027,000 in 1932 to $16,800,000 in 1937. This was an increase of $10,773,000, or 179 percent.

Potato growers were another group of farm producers in this State who profited heavily from increased income during this period. Income from potatoes rose from $3,235,000 for 1932 to $14,800,000. This was a gain of $11,565,000, or 357 percent.

Idaho producers of meat and meat animals, including growers of cattle, calves, hogs, sheep, and lambs, received a cash income of $9,457,000 in 1932. Five years later, in 1937, income from these products aggregated $25,620,000, an increase of $16,163,000, or 171 percent. These figures do not include income from wool.

Cash income from other important Idaho farm products also showed upturns from 1932 to 1937. Income from oats and barley increased from $766,000 to $1,090,000, or 42 percent; that from clover seed (red and alsike) from $374,000 to $2,025,000, or 441 percent; that from dry edible beans by $3,362,000, or 256 percent. Income from apples rose $864,000, or 43 percent; while that of poultrymen from chickens and eggs increased $941,000, or 46 percent. Income from sugar beets was practically the same in 1932, a year of unusually large production, as in 1937 when production was considerably less. Income in 1937 was $3,675,000, exclusive of Government payments, as against $3,618,000 for 1932.

Price changes from 1932 to 1936 on the leading farm commodities in the State, which brought about much of the increased income indicated above, are shown below:

TABLE 1.—*Average prices received by Idaho farmers for commodities listed, in 1932 and in 1936*

Commodity	Unit	1932	1936
Wheat	Bushel	$0.30	$0.89
Corn	Bushel	.36	1.04
Oats	Bushel	.20	.41
Barley	Bushel	.24	.62
Hay (all)	Ton	[1] 4.15	[1] 7.05
Clover seed (red)	Bushel	4.50	13.90
Alfalfa seed	Bushel	6.10	13.10
Beans (dry, edible)	Hundredweight	1.50	4.75
Potatoes	Bushel	.22	.92
Apples	Bushel	.46	1.01
Peaches	Bushel	.45	1.00
Pears	Bushel	.60	1.00
Cherries	Ton	40.00	85.00
Prunes (fresh)	Ton	6.50	30.00
Hogs	Hundredweight	3.45	9.40
Beef cattle	Hundredweight	3.40	6.10
Veal calves	Hundredweight	4.55	6.10
Sheep	Hundredweight	2.35	3.85
Lambs	Hundredweight	3.70	7.30
Chickens	Pound	.09	.126
Eggs	Dozen	.128	.196
Butter	Pound	.21	.35
Wool	Pound	.088	.27

[1] Dec. 1 price.

Farm real-estate values up

Along with rising farm income, Idaho farm real-estate values have mounted and taxes have declined. The decline in value of farm real estate, which began more than a decade ago, reached its post-war low in the year ending March 1933 when it stood at 76 percent of pre-war. From this low the estimated value per acre rose for the fourth consecutive year to 86 percent of pre-war for the year ending March 1937. Idaho farmers as a whole, therefore, found their real estate worth about 13 percent more early in 1937 than in the first quarter of 1933.

Fewer Idaho farmers were forced into sales or transfers of their lands and more were able to make voluntary transactions. The number of forced farm sales per thousand declined from 41 for the year ending March 1933 to 30.8 for that ending in March 1937. Voluntary farm sales and trades during the same period increased from 17.5 to 41.6 per thousand.

In 1932 taxes on Idaho farm real estate reached what was probably their all-time peak in relation to value when they stood at $1.87 per $100 of value. By 1936 they had fallen to $1.32 per $100 of value. Later figures are not yet available. Taxes averaged 44 cents per acre in 1936 as compared with 65 cents in 1930 and 55 cents in 1932.

Farm wage rates higher

Wage earners on Idaho farms, as well as proprietors and tenants, found their income increasing after this period. On April 1, 1933, the average monthly farm wage rate per person with board was $22. Four years later it was $40.25, having advanced 83 percent.

II. AGRICULTURAL ADJUSTMENT PROGRAMS THE BASIS

The production-adjustment programs of the A. A. A., with other recovery measures, were the bases for the marked agricultural change from 1933 to 1937.

Under these programs 79,724 crop-adjustment contracts from Idaho farmers were accepted by the A. A. A. Of these contracts 15,773 were corn-hog, 14,308 sugar-beet, and 49,643 wheat.

Under the terms of these contracts Idaho farmers shifted many acres from the production of soil-depleting cash crops, in which price-depressing surpluses existed, to production of other crops which were soil-conserving or soil-improving in nature.

The agricultural-adjustment programs, from their beginning in 1933, were concerned with good use of the land as well as with adjusting production to effective demand. It was recognized from the start that relieving a portion of the farm land from the soil-exhausting burden of surplus crop production offered a chance to put this land to soil-conserving uses which farm specialists for many years had been advocating.

Adjustment contracts included provisions encouraging beneficial uses for acreage taken out of surplus crops. The first corn-hog contract (that for the 1934 crop year) authorized use of the rented acres "for planting additional permanent pasturage; for soil-improving and erosion-preventing crops not to be harvested; for resting or fallowing the land; for weed eradication; or for planting farm woodlots." The first wheat contract contained similar provisions regarding the rented acreage.

In the 1934 crop year, the first in which adjustment programs were in full operation, the Nation's farmers agreed to shift their production on nearly 36,000,000 acres, or one-ninth of all the cultivated land in the country. Farmers in Idaho shifted more than 148,000 acres from corn and wheat. Of the 36,000,000 shifted acres in the United States, about one-third was put in pasture or meadow crops and one-third into emergency forage crops and crops that supplied food and feed for home use. The remaining one-third was fallowed to conserve moisture and control weeds, planted to farm woodlots, or left idle. The acreage left idle was very small.

Adjustment measures were undertaken only after cotton, tobacco, wheat, and corn-hog producers had indicated their approval by means of democratic referenda.

Three referenda were held among Idaho producers during the early adjustment programs. In October 1934 corn-hog producers were asked whether they favored an adjustment program for 1935. Returns showed that 2,554 contract signers favored a 1935 program, while 1,210 opposed. In a Nation-wide wheat referendum in May 1935 producers were asked: "Are you in favor of a wheat production-adjustment program to follow the present one which expires with the 1935 crop year?" In Idaho 10,042 producers voted, of which 8,848, or 88 percent, favored a program. In October 1935 corn-hog producers were asked whether they favored a corn-hog program for 1936; returns showed 3,319 in favor and 425 opposed.

The result of these A. A. A. programs and of the droughts of 1934 and 1936 was to reduce price-depressing surpluses of most major farm commodities to approximately normal carry-over levels.

Carry-over of major farm commodities

Commodity	Date and unit	Average 1923–32	1932	1937
Cotton [1]	Aug. 1, 1,000 bales (478 pound bales).	6,090	13,263	6,235
Wheat	July 1, million bushels	190	375	103
Corn	Oct. 1, million bushels	170	270	66
Tobacco [2]	Million pounds	1,821	2,304	2,026
Rice [3]	Aug. 1, million pounds	110	217	234
Hogs on farms	Jan. 1 (of following year) 1,000 head	58,283	62,127	44,418

[1] World carry-over of American cotton.
[2] Crop year, flue cured tobacco, July–June; Maryland tobacco, beginning January 1 of year following production; all other types, October–September, farm sales weight.
[3] Cleaned rice.

Under the adjustment programs through December 31, 1937, rental-benefit payments to Idaho growers totaled $16,221,281.35. Rental-benefit payments to producers by commodities were: Corn-hogs, $1,773,283.43; wheat, $12,276,623.74, and sugar beets, $2,171,374.18.

III. THE SOIL-CONSERVATION PROGRAMS

Because the national economic emergency of 1932–33 was due largely to burdensome surpluses of farm commodities, the Agricultural Adjustment Act of 1933 had emphasized production control as a means of restoring farm purchasing power and thereby relieving the emergency. By 1936 farm purchasing power, based on cash income from marketings, was about 40 percent greater than for 1932. Because of the adjustment programs and two severe droughts, surpluses had been considerably reduced. This lessening of the emergency, and the Supreme Court's decision in the Hoosac Mills case on January 6, 1936, which invalidated the A. A. A. production-control programs, paved the way for a long-time soil-conservation program. This program was based on the Soil Conservation and Domestic Allotment Act, approved February 29, 1936, which emphasized soil conservation rather than production adjustment.

The 1936 agricultural-conservation program

About 4,000,000 farmers in all parts of the Nation, members of about 2,700 county conservation associations, participated in the 1936 agricultural conservation program. Under this program two types of payments were offered to farmers for positive performance in conserving and improving their farm land. Soil-conserving payments were made for shifting acreage from soil-depleting to soil-conserving crops in 1936. Soil-building payments were made for 1936 seedings of soil-building crops, and for approved soil-building practices.

Sixty-six percent, or about 266,179,000 acres, of the total cropland in the United States was covered by applications for payments under the 1936 program.

About 31,444,000 acres were diverted from soil-depleting crops either as a direct result of the program, or because drought had destroyed established acreages of soil-depleting crops. Of this diverted acreage, about 68.3 percent was diverted from general crops, 30 percent from cotton, 1.2 percent from tobacco, and 0.4 percent from peanuts.

Soil-building practices were carried out on about 53,000,000 acres. Legumes and legume mixtures, permanent pasture, green manure and cover crops were newly seeded on 43,963,000 acres. Fertilizer and lime applications were made to 3,247,000 acres. Terracing, contour furrowing, protected summer fallow, and other mechanical erosion controls and miscellaneous soil-building practices were put into effect on 5,604,000 acres.

Payments for soil-conserving and soil-improving practices under the 1936 program totaled $376,097,826, of which $23,171,053 went for county expenses.

In Idaho about 19,500 farmers, organized into 41 county associations, participated in the 1936 program. Of the total Idaho cropland, about 51 percent, or 2,031,301 acres, was covered by applications for payments. The acreage diverted from soil-depleting crops totaled 169,644 acres. Soil-building practices were put into effect on about 372,420 acres, as follows: New seedings of legumes and legume mixtures, perennial grasses for pasture, and green-manure crops, 302,513 acres; forest-tree plantings, 7 acres; and controlled summer fallowing, 69,900 acres.

For their positive soil-conserving and soil-building performances in this connection, Idaho farmers participating in the 1936 program received $2,747,942 in conservation payments, including county-association expenses.

IV. THE A. A. A. OF 1938

It became clearly evident in late 1937 that measures for evening out violent fluctuations in supplies and prices of farm products and in the incomes and buying power of farmers were necessary in addition to the soil-conserving measures of the 1936 and 1937 programs.

Production of most important farm crops in 1937 was the greatest in the history of the country. As these crops were harvested and marketed, prices declined.

In January 1937 farm prices were at their post-depression peak of 31 percent above the pre-war level. The per-unit exchange value of farm products generally was slightly above that of pre-war days, the ratio of prices received to prices paid standing at 101 percent of the August 1909–July 1914 average. Surpluses of most basic commodities had largely disappeared.

As crop reports in the spring and summer began to reveal the prospects for record-breaking crops, however, farm prices began to fall. In April they were 130 percent of pre-war. By June they had declined to 124 percent of that level, and by September to 118 percent. In December they stood at 104 percent.

The December crop report revealed the total 1937 farm output as the largest on record. Production of grains, meat animals, poultry products, and tobacco was less than it had been in some interim years, but production of fruits, vegetables, truck crops, cotton, and poultry products topped all former figures. As these large crops moved to market, prices dropped rapidly. By February 1938 they were only 97 percent of pre-war, having declined 26 percent from their January 1937 level. The unit exchange value of farm products had declined by nearly one-fourth in little over a year's time.

Trend of prices of Idaho's leading farm products under these circumstances is shown below.

TABLE 2.—*Average prices received by Idaho farmers for commodities listed on dates specified*

Commodity	Unit	Jan. 15, 1937	Feb. 15, 1938
Wheat	Bushel	$1.00	$0.70
Corn	Bushel	1.00	.68
Oats	Bushel	.46	.34
Barley	Bushel	.74	.51
Hay (all)	Ton	7.00	8.30
Clover seed (red)	Bushel	16.50	18.50
Alfalfa seed	Bushel	14.70	18.00
Beans (dry, edible)	Hundredweight	5.40	2.30
Potatoes	Bushel	1.10	.20
Apples	Bushel	1.05	.40
Hogs	Hundredweight	9.60	8.10
Beef cattle	Hundredweight	5.60	5.20
Veal calves	Hundredweight	6.40	6.50
Sheep	Hundredweight	3.55	3.50
Lambs	Hundredweight	7.10	6.50
Chickens	Pound	.116	.133
Eggs	Dozen	.23	.159
Butter	Pound	.35	.32
Wool	Pound	.32	.17

The Agricultural Adjustment Act of 1938, approved by the President on February 16, strengthens and continues the agricultural conservation programs, which are open to participation by all farmers in the United States.

In addition, it supplements these programs with measures for helping farmers to stabilize their production, marketing prices, and income. It provides assistance for producing farm commodities in quantities adequate to meet all requirements of domestic consumption and desirable exports and to establish and maintain larger reserve supplies than have ordinarily been maintained in past years. It includes loans to make it possible for farmers to carry over from good years the surplus supplies for use in bad years. Finally, it provides mechanisms which are designed to enable farmers to regulate the movement of farm crops to market and to prevent dumping excessive supplies on overloaded markets to cause price collapse and severe drops in farmers' income.

TRIBUTE TO NATHAN HALE

[Mr. LONERGAN asked and obtained leave to have printed in the RECORD a tribute to Nathan Hale commemorating the anniversary of his birth.]

FAILURE AND FALLACY OF PUMP PRIMING—ADDRESS BY SENATOR BAILEY

[Mr. BYRD asked and obtained leave to have printed in the RECORD a radio address on the subject The Failure and Fallacy of Pump Priming, delivered by Senator BAILEY on May 21, 1938, which appears in the Appendix.]

YOUTH AND PEACE—ADDRESS BY SENATOR POPE

[Mr. LEWIS asked and obtained leave to have printed in the Appendix a radio address on the subject of Youth and Peace, delivered by Senator POPE on May 30, 1938, which appears in the Appendix.]

ADDRESS BY A. FRANK LEVER BEFORE SOUTH CAROLINA DEMOCRATIC STATE CONVENTION

[Mr. BYRNES asked and obtained leave to have printed in the RECORD an address delivered by A. Frank Lever, temporary chairman of the Democratic State convention, at Columbia, S. C., on May 18, 1938, which appears in the Appendix.]

ACHIEVEMENTS OF FARM CREDIT ADMINISTRATION

[Mr. CHAVEZ asked and obtained leave to have printed in the RECORD a summary of the achievements of the Farm Credit Administration from 1933 to 1938, which appears in the Appendix.]

THE UNITED STATES HOUSING AUTHORITY

[Mr. GUFFEY asked and obtained leave to have printed in the RECORD a statement as to the activities and work of the United States Housing Authority, which appears in the Appendix.]

THE PRESS AND POLITICAL LEADERSHIP

[Mr. NORRIS asked and obtained leave to have printed in the RECORD an article entitled "The Press and Political Leadership," by Irving Brant, of St. Louis, which appears in the Appendix.]

AMERICAN AGRICULTURE—ADDRESS BY J. E. M'DONALD

[Mr. LEE asked and obtained leave to have printed in the RECORD an address on the subject of American Agriculture, delivered by J. E. McDonald, Texas commissioner of agriculture, before the Agricultural Conference in Washington, June 2, 1938, which appears in the Appendix.]

DECISION OF SUPREME COURT IN JOHNSON *v.* ZERBST

[Mr. HILL asked and obtained leave to have printed in the RECORD the decision of the Supreme Court of the United States in the case of John A. Johnson, petitioner, against Fred G. Zerbst, Warden, United States Penitentiary, Atlanta, Ga., which appears in the Appendix.]

RECORD OF CIVILIAN CONSERVATION CORPS IN FISCAL YEAR 1938

[Mr. THOMAS of Utah asked and obtained leave to have printed in the RECORD a statement covering the activities of the Civilian Conservation Corps during the fiscal year 1938, which appears in the Appendix.]

WORK OF DEPARTMENT OF THE INTERIOR

[Mr. LEWIS asked and obtained leave to have printed in the RECORD a statement regarding the work of the Department of the Interior, which appears in the Appendix.]

RELIEF AND WORK-RELIEF APPROPRIATIONS

The Senate resumed the consideration of the joint resolution (H. J. Res. 679) making appropriations for work relief, relief, and otherwise to increase employment by providing loans and grants for public-works projects.

The VICE PRESIDENT. Last evening before the Senate took a recess the Senator from Alabama [Mr. BANKHEAD] had the floor when the Senate went into executive session. He had the assurance of the majority leader that he would be able to proceed this morning. Therefore, the Chair feels that he should recognize the Senator from Alabama.

Mr. BANKHEAD. Mr. President, I call up for consideration an amendment which I have previously presented and had printed.

The VICE PRESIDENT. The amendment offered by the Senator from Alabama will be stated.

The LEGISLATIVE CLERK. At the end of the joint resolution it is proposed to add the following new section:

SEC. —. All acts and amendments to acts which authorize Federal Reserve banks to retain as assets profits beyond 6 percent on their capital are hereby repealed.

Hereafter, all profits made in conducting the business of the Federal Reserve banks in excess of 6 percent per annum on their capital belongs to the United States and the said excess shall be paid annually into the Treasury.

The Treasury shall sell to the Federal Reserve banks and said banks shall buy from the Treasury an amount of bonds of the United States sufficient to finance the entire appropriation made by this act.

The Federal Reserve banks shall retain the said bonds until the Treasury retires them.

Mr. BANKHEAD. Mr. President, it is evident from a reading of the amendment that it deals with the payment of interest on Government bonds. At this time the amendment deals only with financing the appropriations made under the pending joint resolution. Very frankly, however, the principle involved in the amendment will at some later date—not, however, at this session—be pressed for application to all Government bonds.

We all know that the people generally, financially speaking, are divided into two classes—the creditors and the debtors. We also know that the debtors are very greatly in the majority. It is variously estimated that the indebtedness of the country, public and private, is approximately $250,000,000,000. If we calculate the interest upon that indebtedness at only 4 percent, we find that the people of the country are paying out of their annual national income approximately $10,000,000,000 for interest. That amount, of course, fluctuates as a percentage of the annual national income, depending upon how high or how low the annual national income may go.

When we had a national income of $80,000,000,000 a few years ago, the interest—assuming that the calculation I have presented is approximately correct—amounted to about one-eighth of the entire national income. That amount was paid for the use of money. When the national income falls, as it has now fallen, to approximately $40,000,000,000, it will be noted that the amount paid by way of interest does not fall. The rate of interest is not reduced; the amount of indebtedness is not reduced, but, on the contrary, is increased.

Assuming, however, a national income of $40,000,000,000, we find that one-fourth, or 25 percent, of the entire national income of the country is dedicated to the payment of interest upon financial obligations, national and private.

So, Mr. President, it is evident to any student of conditions that the matter of interest payments is one of paramount concern to all the creditors of the country, and not only to the creditors but it is of special concern to the debtors; and setting aside such a high proportion of the national income for that purpose has a direct bearing upon the economics of the country. The money cannot be used for the conduct of general business and the payment of living expenses and personal obligations, except by the members of the smaller group who collect the interest.

This amendment does not go fully into the subject I am discussing. It would be impossible at this time to go fully into it, and I know of no way to go into it so far as private obligations are concerned. I am seeking to deal with the payment of interest by the taxpayers of the country upon the bonded obligations of the Federal Government. I am not seeking to do it by any process of repudiation. I am not seeking to do it through any method of reduction in the amount of bonds, except by retirement in due course of business. I am seeking to accomplish the result simply by changing in a slight way the law governing the financial operations of the Federal Reserve banks—agencies set up, established, regulated, and controlled by the Federal Government.

When the first bill was passed creating the Federal Reserve banks, the law required those banks to pay into the Treasury all profits in excess of 6 percent upon their capital. That was a reasonable profit to be made by banking institutions of that type. Later, it developed that the Federal Reserve banks had been defeating the operation of the law by increasing salaries, constructing buildings, and incurring other charges which they included in their cost accounts. At any rate, in 1933 the law was changed so that instead of the profits upon the capital of the Federal Reserve banks going into the Treasury for the benefit of the taxpayers of the country, the profits in excess of 6 percent upon the capital went to the surplus of the Federal Reserve banks, and will go into the Treasury only in the event of the liquidation of the Federal Reserve banks.

This amendment seeks to change the present law and to require payment into the Treasury of profits in excess of 6 percent upon their capital.

How would the amendment operate? What does it mean?

Last year the profits of the Federal Reserve banks were in excess of 8 percent upon their capital. Their joint capital is around $140,000,000. They made above 8 percent profit on it. The amendment is not a finished one. It merely seeks to outline the general principle involved. The amendment, after providing that the Treasury of our country shall receive the excess profits of the Federal Reserve banks over 4 percent, then provides that the bonds of the Government which must be issued sooner or later for the purpose of financing these appropriations, amounting to between three and four billion dollars, shall be taken by the Federal Reserve banks.

What does that mean? For the present the Treasury may issue short-term obligations. They cannot go on that way very much longer. In fact, at this time they have announced a plan to refinance $1,200,000,000 of short-term notes. So, assuming that in the regular way they will proceed to sell bonds to get the sum of between three and four billion dollars required under this joint resolution—we know that it cannot be obtained through taxes, certainly not at this time—what will be the result?

If the Federal Reserve System under this amendment were required to take the bonds, how would the transaction be handled? Just exactly as it would be handled if the bonds were sold to private individuals or private banks.

We know that on the purchase of bonds the whole transaction is a trade transaction. We know that gold, silver, or actual currency is not sent to the Treasury here by the purchasers of the bonds. If a New York banker or capitalist buys bonds, if a private citizen, a widow, for instance, anywhere in this country, buys bonds from the Government, how are they paid for? They are not paid for in currency; they are paid for by sending a check. The purchaser may go to the bank and give his note for $100,000 and send a check for that $100,000, which is nothing but a book entry of credit in the bank for that amount, with not a single penny of actual currency involved in the transaction.

When the Federal Reserve banks take bonds now they simply give credit to the Treasury for them.

Mr. BROWN of Michigan. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. NEELY in the chair). Does the Senator from Alabama yield to the Senator from Michigan?

Mr. BANKHEAD. I yield.

Mr. BROWN of Michigan. They would not have that credit unless they had the funds on deposit from the member banks in the Federal Reserve System. The only source from which the Federal Reserve bank itself can get credit is from deposits and its capital and surplus.

Mr. BANKHEAD. The Senator surely has not forgotten the power of the Federal Reserve banks to issue upon Government bonds an equal amount of currency to match the bonds.

Mr. BROWN of Michigan. If the Senator is thinking of that, then he is proposing a flat inflation of the currency, because that is all it means.

Mr. BANKHEAD. The Senator knows that power is provided in the law. I assume he knows it; if he does not, he ought to know it.

Mr. BROWN of Michigan. Generally speaking, does not the Senator think that on a proposition as revolutionary as this, the amendment ought to be referred to the Committee on Banking and Currency for rather extensive study before being presented to the Senate and to the Congress?

Mr. BANKHEAD. I say to the Senator with perfect frankness that I expect it will have to take that course before it goes on the statute books. I have no illusions about the attitude of Senators like the Senator from Michigan, and many others.

The PRESIDING OFFICER. The time of the Senator on the amendment has expired.

Mr. BANKHEAD. I will take some time on the joint resolution, but I hope not to speak long.

Mr. BROWN of Michigan. I desire to present one more inquiry. The Senator knows that nothing other than the 6-percent dividend, which goes to the various member banks which supply the capital of the Federal Reserve System, has ever gone to those banks. They have gotten nothing more than the 6 percent. Every other dollar that has ever been made by the Federal Reserve banks has either gone into the Treasury of the United States, into the capital of the Federal Deposit Insurance Corporation, or is now in the surplus account of the Federal Reserve System. Is not that a fact?

Mr. BANKHEAD. Yes; that is a fact. I recognize that the only profits they have earned are now in their surplus.

Mr. BROWN of Michigan. I agree with the Senator that no part of this money ought to go anywhere else than into the Treasury of the United States, or for the benefit of the people of the United States eventually. I agree that it should go there.

Mr. BANKHEAD. If the Federal Reserve banks should now, as they are authorized to do, buy Government bonds to finance this transaction, they would simply enter a book credit in favor of the Treasury for the amount of the bonds they bought, and as the Treasury sent out checks or orders to various communities in the country against this credit of the Federal Reserve banks, the credit would simply be changed from the books of the Federal Reserve banks, the amount to the credit of the Treasury there would be reduced by that check, and that check would go to a bank somewhere else and be entered there. So the whole program now is one of credit, and the passing of credit from bank to bank in this country.

Mr. WAGNER. Mr. President, will the Senator yield?

Mr. BANKHEAD. Let me finish the statement.

Mr. WAGNER. Very well.

Mr. BANKHEAD. The result of this transaction would be that the payment of the interest on these bonds in excess of 6 percent would go into the Treasury, and as the banks are making in excess of 6 percent, the entire interest upon the bonds would thereby go to the Treasury of the United States. The Federal Reserve banks would do nothing except enter some book interest, which would, of course, go into their expense account, and would be taken into consideration in determining whether or not they had made a profit of 6 percent on their investment. There could be no liability. The Federal Reserve banks have the bonds of the United States in its possession as security for the transaction, and if that operates correctly, the interest would in a reasonable time amortize the bonds, and, instead of the taxpayers paying interest upon the Government's own obligations which were duly secured by the bonds of the United States, this fund would by the same rate of payment settle and pay in full and retire in due course those bonds.

Now I yield to the Senator from New York.

Mr. WAGNER. Mr. President, I was going to suggest to the Senator from Alabama that he permit the proposed amendment to be referred to the Committee on Banking and Currency for study. I agree, as the junior Senator from Michigan [Mr. BROWN] has said, that this is a matter of tremendous importance, more or less revolutionary in its aspects, I think, and I do not suppose that any of us, unless we have made a special study of the subject, now know just what effect the proposal would have upon our whole monetary and financial structure. I am sure the Senate would want at least a standing committee to give so important a subject its study and recommendation before we were called upon to act. We should not be asked to pass upon this proposal in this summary way without adequate consideration and study.

I am sure I am not divulging any confidence when I say to the Senator that I have had a discussion with the junior Senator from Kentucky [Mr. LOGAN] about an important amendment he has proposed to the pending joint resolution, which proposed amendment ought to be studied by the Committee on Banking and Currency and by the Senate and by the country, I therefore suggested to the Senator from Kentucky that instead of pressing his amendment at this time he permit it also to be considered first by the Committee on Banking and Currency. I have assured him that

I will call a meeting of the committee before the session closes for the purpose of ascertaining the views of the committee upon the suggestion that a special committee be appointed to study this entire subject, and perhaps report back at the next session. Of course, I cannot speak for the committee; I cannot assure Senators what action the committee will take, but on a matter of this kind we certainly should not be called upon to vote one way or the other without such a study, and I rather think the Senator agrees with me, and I think the committee will take some action for such a study.

I do not wish to interrupt the Senator's presentation of his views to the Senate at this time, but I hope that at the end of his remarks he will accept my suggestion. I might say that there are some aspects of this proposal, such as the disposition of excess profits over the 6 percent earned by Federal Reserve banks, toward which I think he will find some members of the committee, including myself, sympathetic. The other suggestion, of course, is a matter of tremendous importance.

Mr. BANKHEAD. That is really the essence of the program.

Mr. WAGNER. I understand that.

Mr. BANKHEAD. Mr. President, as I stated a while ago, I know enough about the monetary situation and the indifference of nearly all people, not only in the Senate but everywhere else, to the science of money and the philosophy underlying money and its importance as a measure of value to understand how difficult it will be to get attention for such a proposal as I am making. We try every day to get dollars; we all think about getting them, but very few stop at all—and I do not claim to be one of the few, even, certainly not as much as I should like to be—really to go into the subject much, except with regard to trading, trafficking, profits, interest, and discounts. That is the extent of our knowledge of the money subject, generally speaking.

I have been very much interested in the discussion by my seat mate, the junior Senator from Kentucky [Mr. LOGAN], on the money question. I am possibly one of a small group among the older Members of the Senate who believe that the chief remedy for depressions lies in a proper solution of the money question. I am one of those who believe that the volume of business depends in large measure upon the volume of money in circulation, actual currency. I know that the circulation of money is as important as is the quantity, although both are involved. I dealt with that matter in connection with the stamp-money bill which I proposed some time ago, in which I proposed a plan for accelerating circulation; but I did not get very far with that program.

It is my view that we can regulate the value of the dollar. Most people have a money illusion, as I see it. They look upon everything else as having a value, and on the dollar as being stabilized. I look upon the value of wheat and oats and other commodities as the true test of the commodity index. I consider that the dollar fluctuates because it is a measure of value. People look on gold as having intrinsic value and on silver as having intrinsic value, on a bank note as having intrinsic value, when it is never intended for anything and does not operate for any purpose except as a measure of value, just as the bushel is a measure in the case of corn. So I am not going into that question further at this time.

Mr. President, I am in accord with the views expressed by the Senator from Kentucky [Mr. LOGAN]. I am glad he is interested in the subject, and that he is discussing it. I think we shall have to make a further study of the money question and take action with respect to it. We do not have time to go into the question now. When I offered my amendment I had no thought that it would be adopted at this time. I understand the present situation sufficiently well not to be deceived into thinking that the Senate, with its conservatism on the subject of money, will agree to my amendment. It may require years of study and agitation to bring about the sort of change which I propose with respect to the money program. However, I wanted to initiate the thought and suggestion contained in the statement which I previously made, and I hope as soon as possible to see the plan extended to the entire bonded indebtedness of our country.

I am now going to yield to the suggestion of the junior Senator from New York, the chairman of the Senate Committee on Banking and Currency. He has proposed that the committee meet and give consideration to the subject. I do not know what sort of investigation of the subject he has in mind. I know he will be fair about it. I know, however, that we are not going to get action at the present session of Congress. We all know that, and I am not trying to fool myself into the belief that we shall have immediate action. I shall attend the meeting of that committee, and I hope that some procedure may be agreed to and some method of investigation inaugurated for the consideration of this great money problem.

Mr. President, when I presented and urged the adoption of the program for attaching stamps to money in order to accelerate circulation of money, the President directed me to go to see the Secretary of the Treasury, the late Mr. Woodin. I went to see him, and the only objection in the world Mr. Woodin presented against the program was that it provided for new money. Therefore, he opposed it. I pointed out to him that gold was once new money. He said, "Oh, that was different." Mr. President, silver was once new money. Federal Reserve bank notes were at one time new money.

Many persons have a fear of touching the money question in any way. Senators, it has been touched throughout the centuries. We touched the money question when we revaluated gold, when we went off the gold standard. But when a proposal is made to touch money as a measure of value, promptly some one cries, "Fiat, fiat, fiat," or utters some similar expression of reproach.

I know the chairman of the Senate Committee on Banking and Currency will do what he has said he will do with reference to calling a meeting of his committee for the purpose of studying this question. I welcome his suggestion. I am pleased to know that there is some evidence of interest shown with respect to some phases of the subject.

With that statement, Mr. President, I withdraw my amendment.

Mr. LOGAN. Mr. President, I have made some statements on what I believe is a very important question. I should be very glad, after advising with many Senators and others, to know that there could be a reasonably fair, intelligent consideration of our monetary situation, and when the chairman of the Senate Banking and Currency Committee, the junior Senator from New York [Mr. WAGNER], tells me that he will give the same study to this question that he has to many social problems, that he will go into it and understand it, as I know he will, if he ever starts upon an investigation of the subject, and if I can be assured that we may have hearings, and that we will go into the question with care, through a special committee or a subcommittee of the Banking and Currency Committee, and that a resolution can be adopted at this time allowing a modest sum of money with which to make the investigation, I say unhesitatingly that I would prefer to have the matter considered by a committee. I say that because of the difficulty which confronts us under the present circumstances.

I think we have votes enough in the Senate now to adopt the amendment. But it would have to go to conference. It would have to be considered by many who have not given the question the thought which should be given to it. Many of the Senators present in the Chamber have said to me, "The approach to the question is rather new to us. We are interested. However, we have not had an opportunity to go to the bottom of it."

Mr. President, it has only been within the last few days that copies of hearings held by a House committee, have been submitted to Senators. The hearings contain over 10,000 pages of statements made in connection with this particular subject. The proposal embodies the idea that was embodied in the Goldsborough bill, which was over-

whelmingly passed by the House in 1932. If we can be assured that we shall have an early consideration of this question by a committee which will go into the question earnestly, I shall be satisfied.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. LOGAN. I yield to my colleague.

Mr. BARKLEY. I appreciate fully the earnestness with which my colleague has offered the amendment, and also the earnestness with which the Senator from Alabama has offered his amendment, the subjects of both of which are within the jurisdiction of the Committee on Banking and Currency. I share the views entertained with respect to the question involved, and, as a member of the Committee on Banking and Currency, of which the Senator from Alabama is also a member, I share the reaction expressed by the Senator from New York.

I am tremendously interested in the subject, and I think it is of sufficient importance to justify a careful study and consideration by the committee. So far as my own membership on that committee is concerned, I will add my assurance to that of the Senator from New York.

However, I do not see why it is necessary to appropriate any money to the committee for the purpose of making the investigation. The Committee on Banking and Currency, as are all other committees, is empowered to hold public hearings. It is not necessary to employ experts or attorneys in order to get the views of those who should be called to testify. Subcommittees are authorized to do the same thing. I do not see that it is necessary to appropriate any extra money to the committee, because the committee has full authority, anyway, to hold hearings, and it will be unnecessary for the committee to travel around over the country in order to hold hearings of the kind referred to. In my judgment, at least, it would be unnecessary to make such an appropriation now. If it should develop at the beginning of the next session that it was necessary to make an appropriation of money for the purpose, that could be done.

However, what I wanted to urge on my colleague was that at this session there is no reason why we should appropriate any money for the Committee on Banking and Currency, because the committee is authorized to hold hearings, and either the full committee, or any subcommittee, would naturally invite to its hearings any and all persons who are in position to give any information on the subject. Until it shall be determined that it is necessary to appropriate any money for the purpose, I hope my colleague will not urge that as a condition.

Mr. LOGAN. Very well. I have only one thing in mind.

The PRESIDING OFFICER. The Chair will ask the Senator to suspend for one moment. The amendment proposed by the Senator from Alabama has been withdrawn. There is no amendment pending.

Mr. LOGAN. At this time I offer the amendment which I had intended to propose to the joint resolution because I wish to discuss it.

The amendment offered by the Senator from Kentucky [Mr. LOGAN] is: At the proper place in the joint resolution to insert the following:

That (a) the Board of Governors of the Federal Reserve System is hereby declared to be the agency of the Congress to create money and regulate the value thereof, as authorized by the Constitution of the United States; and the individual members of such Board shall hold office subject to the will of the Congress of the United States; and the Congress by joint resolution may authorize and request the President of the United States to nominate a successor to a member of the Board from any Federal Reserve district regardless of the term for which he was appointed, whereupon the office of such member upon the passage of such resolution shall be vacated.

(b) It shall be the duty of the Board of Governors of the Federal Reserve System to raise the all-commodity index, or the so-called price level, until full employment of all persons able and willing to work shall have been achieved, and until the price level shall at least reach the all-commodity index of 100 as established by the Department of Labor for the year 1926, which is approximately the same as the average for the years 1914–30. Thenceforth such price level shall be standardized and maintained at a variation not to exceed 2 percent above or below the standard reached as aforesaid. It shall be the duty of the Board of Governors of the Federal Reserve System in accomplishing these ends to expand demand bank deposits by the purchase of United States bonds and notes, or bonds secured by the United States, or bonds of States and subdivisions thereof, or other sound bankable assets; and to contract demand bank deposits by the sale of the securities aforesaid.

(c) The Board of Governors of the Federal Reserve System shall have complete control over the Federal Reserve banks with the right to remove officers or employees and shall cause said banks to be operated as one institution in carrying out the purposes of this act.

(d) The Board of Governors of the Federal Reserve System shall exclusively control all open market operations.

(e) In order to keep the money supply equal to the expansion of physical production, the Board of Governors is hereby authorized and directed to expand demand bank deposits and currency in an amount not to exceed 4 percent per annum of the total demand bank deposits and currency estimated as outstanding during the last day of the preceding year.

(f) The Board of Governors is directed in the annual expansion of the money supply above provided to issue the credit through the payment of social payments to the Nation's dependent old people, the blind, the crippled, dependent children, and other beneficiaries provided for in the Social Security Act through the Social Security organization, and any additional expansion of the circulating medium of exchange, whether of money or currency, necessary to maintain the price level above referred to, and as contemplated in this act, shall be put into circulation through the financing of farms and homes for the lower-income groups, through such governmental agencies as are now or hereafter may be organized.

Mr. LOGAN. Mr. President, I am not going to use my efforts, as humble as they may be, to have action taken on the amendment until we reach some conclusion on this question, which I think is of vital importance to the very life of the Nation. I know that it is hard to get men to change their views when the views have been fixed throughout the years.

I recall that the University of Paris some hundreds of years ago regarded itself as the very supreme court of all knowledge, and when it solemnly determined any question, that was the end of it. It had to be right.

In those days certain Jesuits, I believe they were, who went to South America discovered quinine, and they found that it was good for chills and fever, that it would, in fact, cure chills and fever. But the matter came before the University of Paris, and it sat in solemn judgment and finally reached the conclusion that it was sacrilege to hold any such idea, because chills and fever were caused by some humor in the blood. So they forbade the use of quinine for chills and fever. Then some doctor, hiding around in the alleys of Paris, began to use it, and he had phenomenal success with it, but he had to bootleg the quinine. He had to use it in violation of law. At last, however, it was found that the University of Paris had been wrong.

So it was when Galileo discovered that the earth moved around the sun and proclaimed it to the world. At that time the church claimed to be the depository of all knowledge, and it said that what Galileo claimed could not be true. It said, "Why, the Bible speaks of the sun standing still and it speaks of the four corners of the earth. It cannot be possible that the earth moves around the sun." So they put old Galileo in jail and they made him get down on his knees and say that the earth did not move, and to write a tract recanting what he had said. But the church was wrong.

I could mention numbers of other similar illustrations. And so it is with our money question. Our bankers, as honest and as sincere as they may be—and they are men whom I respect—deal in something that is a false theory in regard to money, and it is hard to change their views.

Only a few years ago if one had said to my good old friend from Delaware [Mr. TOWNSEND] that this country could be run without the gold standard, the Senator would have been horrified, as people throughout the country would have been. We beat it into the heads of the American people thoroughout the years that we could not have a sound currency unless it was based upon gold. Everybody believed it. However, it was not so. It turned out to be not true. I will say to the Senator from Michigan [Mr. BROWN] who is afraid of inflation, that if we want to go back to the gold standard, if we want to go back to the old days of having everything backed by gold, then I suggest that we take our $12,000,000,000 of gold, with a 40-percent coverage in gold and 60 percent in something else, and issue $30,000,000,000 backed by gold, which we

could do at the present time, and have exactly the same kind of gold standard that we had before we went off the gold standard. Then we could set aside the $5,000,000,000 or $6,000,000,000 of actual currency or money, and could take the other $25,000,000,000 and pay off all the debts we have created during the present administration, and still be on the gold standard. That statement serves to illustrate what a fallacy and what an illusion the money question is, as understood by many people.

I wish to put some things in the RECORD, and then I shall accept the advice of my leader and the Senator from New York and others with whom I have talked.

I wish to read a quotation in which I believe all Senators will be interested, and I wish to read some extracts from the Democratic platforms from time to time. Listen to this:

> The great monopoly in this country is the money monopoly. So long as that exists our old variety and freedom and individual energy of development are out of the question. A great industrial nation is controlled by its system of credit. Our system of credit is concentrated. The growth of the nation, therefore, and all our activities are in the hands of a few men who, even if their actions be honest and intended for the public interest, are necessarily concentrated upon the great undertakings in which their own money is involved and who, necessarily, by every reason of their own limitations, chill and check and destroy economic freedom. This is the greatest question of all; and to this, statesmen must address themselves with an earnest determination to serve the long future and the true liberties of men.

That statement was not made by some wild-eyed Socialist. It was Woodrow Wilson who gave expression to those views. They are just as true today as they were when he gave expression to them. Through his efforts the Federal Reserve System was established. It went along very well for a while. The administration of the law depends upon the administrators. We thought that an even flow of credit could be maintained—and it can be maintained—through the proper operation of the Federal Reserve System. No amendments to the law are necessary. In 1920 the Federal Reserve System knew how to deflate prices and to deflate credit, as a result of which deflation the farmers in America were ruined. Last August, when the country was apparently coming out of the depression, and it appeared that we were going to see the sunlight again, the Federal Reserve System deflated prices and brought on a second depression on top of the first.

Anyone who goes into the question must know these things. If it be possible for the Federal Reserve System to deflate credit and make it more difficult to carry on the business of the country in the only way it can be carried on—and that is not by gold, silver, and currency—the Federal Reserve System can increase credit in the same way.

I am not in favor of inflation. I am not in favor of deflation. I believe that in the wisdom of the Senate a way can be found to establish such credit as is necessary to carry on uniform business at uniform prices. As was suggested a few moments ago by the Senator from Alabama [Mr. BANKHEAD], the interest does not change. Suppose a farmer has an income of $2,000 a year, and he figures he can build a little better home, or that he can buy some of the comforts of life for his family. He makes his arrangements on that basis. Perhaps he goes in debt. He can meet the interest, because he is getting 12 cents a pound for his cotton, from 8 to 10 cents a pound for his hogs, 75 cents a bushel for his corn, and $1.50 a bushel for his wheat. But because of the fluctuation in prices, because of the lack of stability, he wakes up one day to find that his income has been cut in two; but his interest has not been cut. Such a situation should not exist and could not exist in a nation whose money was properly managed.

I should like to call attention to one other thing. These things are not new with me. The 1936 Democratic platform spoke on this question. Let us see what it said.

Mr. BROWN of Michigan. Mr. President, will the Senator yield?

Mr. LOGAN. I yield.

Mr. BROWN of Michigan. The Senator does not mean to say that interest rates never change. He will recall that in the 1920's some of the very best class of banking paper, so-called brokers' paper, drew as much as 14 percent. The figure is now as low as a fraction of 1 percent.

Mr. LOGAN. Yes.

Mr. BROWN of Michigan. The earlier rate was existent because there was an insufficient supply of capital. When a farmer gives a mortgage for a certain definite length of time at 5, 6, or 7 percent interest, the only reason the interest remains for that length of time is because he has made a contract to that effect, just as the Senator and I might make a contract.

The PRESIDING OFFICER. The time of the Senator on the amendment has expired.

Mr. LOGAN. I will take time on the joint resolution.

Mr. BROWN of Michigan. In the same way a man might make a continuing contract for a definite length of time for the price of any other commodity. I do not want the Senator to say that interest rates never change without challenge. They do change.

Mr. LOGAN. As a matter of fact, the Senator from Michigan has mentioned one of our very great difficulties at the present moment. No one wants to enter into a long-time contract now because he does not know what his money or his commodities are going to be worth in the future. If a man had $100,000 to invest today, he would not know how to invest it. If a man represented some estate, as some of us do, he might say, "I desire to find a sound investment for the estate." He would not know how to invest the money, because of fluctuating prices. We must stop that condition, or we will never have any stable business in this country.

I wish to read from the Democratic Party platform of 1936:

> We approve the objective of a permanently sound currency so stabilized as to prevent the former wide fluctuations in value which injured in turn producers, debtors, and property owners on the one hand and wage earners and creditors on the other, a currency which will permit full utilization of the country's resources. We assert that today we have the soundest currency in the world.

That is what I am contending for. We should take such steps as may be necessary to prevent fluctuations in the value of our currency. I say "currency." I mean money. Our commodity prices fluctuate. That is really what we refer to when we talk about fluctuation. The prices of commodities go up and down. As a matter of fact, we could turn the statement around and say that the value of money fluctuates.

If I have time I desire to introduce one or two things into the record. I have prepared a few suggestions which I meant to deliver. I meant to deliver a speech covering the entire subject. I realized that it would take 2 or 3 hours briefly to cover the subject, and so I prepared some short installments. I could not deliver the entire speech at this time. However, I wish to deliver a few brief installments.

CORNERING THE MONEY SUPPLY

Mr. President, when a stock is cornered, those who are compelled to have the stock to meet their commitments and obligations are forced to pay any price which the masters of the corner impose. The cornering of a stock in recent years has been regarded as unethical, and has been put under the control of the stock exchange authorities. The masters of the corner are now compelled to treat with mercy those who are trapped by the corner.

The cornering of the money supply by mass movement of those who buy and sell stocks for profit has not been so clearly perceived. It seems worth while to call the attention of the Senate to what has been taking place during the last 10 years in the matter of cornering the money supply.

It is generally conceded that our money supply consists of demand bank deposits and currency.

It is generally conceded that about 5 percent of our business is transacted with currency. It is probable that the currency which is ordinarily employed in retail expenditures is almost entirely covered by checks on the banks. Checks are converted into currency by the people who wish to use currency in paying wages, buying commodities, and paying for services of all kinds.

Let me digress at this point to remark that the Congress never did function properly in fixing the value of money. The people made their own money. The system of paying by check is something that was devised by the people to meet their needs. During the recent depression, when we did not have money in the bank against which to draw checks, some of our great cities issued scrip to use as money. Congress has not provided the people with money.

When such currency is received in exchange for a check and the currency is expended in the stores, it flows back into the bank where again it is subject to check. So that probably the volume of checks covers nearly 100 percent of our monetary transactions. It, therefore, is well to consider what is the volume of the money employed through checks debited against demand bank deposits in our magnificent banking structure. Fortunately we have these figures available through the Division of Research and Statistics of the Board of Governors of the Federal Reserve Board.

Senators will find it interesting to observe these figures together with the average demand bank deposits for the corresponding years, excluding interbank deposits and public funds.

A demand bank deposit is not worth anything, I may say to the Senator, unless it is an active bank deposit. It must be actually moving and checks being drawn against it. Placing money in a bank in storage is of absolutely no benefit at all to commerce, and when it becomes "frozen" in that way Congress ought to be wise enough to devise some plan whereby it can be induced—not forced, but induced—to circulate.

In the year 1926 checks drawn against demand bank deposits amounted to $845,000,000,000. The demand bank deposits at that time were $21,300,000,000.

In 1920 notice that business was going up, the income of the citizens of the country was increasing very largely. The checks were $920,000,000,000 and the demand bank deposits, active bank deposits, were $21,300,000,000.

Now we come to 1928 when things were zooming. There were one thousand and seventy-four billion dollars in checks drawn and the active demand bank deposits at that time were $23,300,000,000.

In the all-time high year of 1929 the checks drawn against demand bank deposits were one thousand two hundred and twenty-seven billion dollars and the demand bank deposits still remained about the same, $22,200,000,000. The velocity of circulation, of course, had much to do with it.

Now watch the decline come. I said the other day that a law can be worked out that is absolutely incontrovertible showing the relationship between active demand bank deposits and the business done in the country.

Checks drawn dropped in 1930 from twelve hundred and twenty-seven billion dollars to $900,000,000,000. Demand bank deposits had gone down somewhat, to 22.2 billion dollars.

In 1931 notice the drop to $663,000,000,000 in checks drawn and in demand bank deposits to $19,500,000,000.

In 1933 notice the further drop to $458,000,000,000 in checks drawn and the decline in demand bank deposits to 14.9 billion dollars.

Then in 1933 the value of checks drawn fell to $424,000,000,000 and the demand bank deposits were $14,000,000,000.

Then notice the rise. In 1934 the checks drawn go up to $478,000,000,000. There is a little rise in the business, and there are $15,500,000,000 of demand bank deposits.

Then in 1935 the checks drawn got up to $534,000,000,000 and the demand bank deposits rose to eighteen and nine-tenths billions.

In 1936 checks drawn go up to $611,000,000,000, and the demand bank deposits to $22,500,000,000.

In 1937 the checks drawn amounted to $634,000,000,000. We were coming back, but we are not coming back now; we are slipping back nearly to where we were.

Mr. BAILEY. Mr. President, the Senator is talking about actual circulation of the people's money by the people themselves through checks?

Mr. LOGAN. That is correct.

Mr. BAILEY. The transfer of credits, that is, ultimately of funds, which is the real circulation?

Mr. LOGAN. That is correct; it is the real circulation.

Mr. BAILEY. But statistics indicate that that circulation if off this year by 20 percent. So far, we are running at the rate of about $460,000,000,000 a year.

Mr. LOGAN. Yes; and in 1932 it was $458,000,000,000.

Mr. BAILEY. The point of the question is this: The money in circulation—not the circulation of money but the money in circulation, which is the Treasury term—has gone up in 4 or 5 years from five and a half billion dollars to $6,380,000,000 yesterday. It rose on yesterday by $76,000,000. We find that in the morning newspapers. But how does the Senator relate the circulation of money by the people with their checks to the extent of $500,000,000,000, or even one thousand two hundred billion dollars, to the amount of money in circulation? Apparently money technically in circulation, according to the usage of the Treasury Department, is increasing, but the circulation of money is going down. I should like to have the Senator explain that.

Mr. LOGAN. I shall be glad to give the best explanation I can of that. Our currency which, we call money, is of no benefit whatever unless it is translated into credit in the banks, so that men may draw checks against it. If we take our $12,000,000,000 in gold and store it, that is of no benefit while it is in storage. We might issue $12,000,000,000 in currency and put it in the banks, but if nobody draws checks against it, of course, it would not be of any benefit to anybody.

Mr. BAILEY. Yes; but let me ask the Senator another question: Does the Senator propose a law which will require me to draw checks against my money in the bank?

Mr. LOGAN. I said awhile ago that I would not force anybody; I would induce them; and here is the way I would do it——

Mr. BAILEY. One moment. The Senator has explained that an amendment which was before us, but which was withdrawn, would require the Federal Reserve bank to retain the bonds they bought from the Treasury until the Treasury retired them.

Mr. LOGAN. Yes; that amendment was withdrawn.

Mr. BAILEY. The retention of those bonds, the inability to sell them and the absorption of that much credit of the banks, to that extent would prevent private customers from borrowing, would it not?

Mr. LOGAN. Yes; that is right.

Mr. BAILEY. What the Senator desires is to secure the circulation of money by checks through credits on bank deposits or bank credits, is it not?

Mr. LOGAN. That is correct.

Mr. BAILEY. How can that be done with the Government going in and absorbing the credits as fast as they can be placed in the banks? That is what we are doing.

Mr. LOGAN. The Government ought not to do that; but I am not speaking about a theory; I am speaking about a condition. What I realize is that we must get men to spend their money; they must draw checks against it.

Mr. BAILEY. That is what I have been saying. I have risen to ask, Is not the only way to do that to pursue a public policy that is so favorable to private enterprise that men will wish to buy stocks and bonds and wish to expend their money? Is not that the key to it?

Mr. LOGAN. Of course, that is true. While I say that, I do not overlook the fact that there may be certain industries on which some restraint must be placed to keep them from doing wrong to others; but with the great number of people the object of the Government ought to be to induce them to do business on a reasonable and sound basis, with a reasonable hope of securing a profit.

Mr. BAILEY. But the Senator will agree with me that I cannot possibly pay taxes to the Government and at the same time compete with it. Do we not come to the point that the real solution is to have the Government adopt a policy which will be so favorable to enterprise—not large,

but small; indeed, all sorts of enterprise—that all men will go to the banks and borrow money or save money and take it out of the banks and buy stocks and bonds and increase the capital invested in America? Would not that absorb all the unemployment and would it not balance the Budget?

Mr. LOGAN. That would balance the Budget and would absorb unemployment. As I have said, I have voted for all relief appropriations as they have come along, because of the emergency which existed, but I believe that it will be found by anyone who is interested that as far back as 6 or 7 years ago I expressed the view which the Senator from North Carolina has now expressed, that if we would adopt a sound policy under which prices could be stabilized, we would be able to put money to work. I will give this illustration: Here is a man who, we will say, has a hundred thousand dollars in the bank. He has been buying stocks and bonds, but they go down and he sells his stocks and bonds, and puts his money in the bank. Does anyone believe that he is ever going to use that money until there is a fair and reasonable chance for him to make a profit on it when he invests it?

Mr. BAILEY. I will not trouble the Senator further; but it is not a matter of financial Galileos discovering new things about the world. It is a matter of men who have been assuming that the world was a triangle, realizing once again that it is a round world, and proceeding on that encouraging assumption. There is nothing of Galileo about it.

Mr. LOGAN. Mr. President, I have wandered a little away from what I wanted to say; but I desire to make it clear that it is of the utmost importance that the farmer—I take the man who is worst off in the Nation today—shall have substantial reason to believe that when he goes out and makes a crop he will get more than the cost of production for it; that when he raises wheat he will get a fair price for it, or corn, or hogs, or anything else. So it affects not only the big man but the humblest man in this country to have a stabilized currency, a stabilized theory of money, under which a man may have reasonable assurance that if he works he will make a profit.

Now let me pass on to another subject. I do not want to use all my time.

The Federal Reserve monthly bulletin reports that the checks debited by the weekly reporting banks for February amounted to $24,500,000,000, as compared with $34,500,000,000 for February 1937, a loss of 20 percent in the volume of check money. The proportion of the assets and liabilities of the member banks to all banks is 70 percent; so for the 4 weeks of February a fair estimate of checks for all banks would be $35,000,000,000, and would be at this rate $455,000,000,000 for the year 1938, approximately the same as in the year 1932, when the amount was $458,000,000,000.

It will be remembered that the stock-market crash took place in October 1929, and a cancelation of brokers' loans and a contraction of credit previously employed in speculation on the security exchanges followed. But I call attention to the manner in which the total of bank checks varied in relation to the demand deposits subject to check. For example, in 1932, when the demand deposits had contracted from $22,400,000,000 (1929) to $15,000,000,000, or a contraction of one-third, the contraction of check money was approximately two-thirds, or twice as great as the contraction of demand deposits. The significance of this fact is that it means that a large part of the demand bank deposits went into hoarding, were inactive, dormant, and unemployed.

When the demand bank deposits are unemployed it is equivalent to a contraction of the money supply, a contraction of the reservoir of demand bank deposits which normally is employed to transact the monetary business of the country. The effect of this contraction of the money supply by hoarding is to exaggerate the purchasing power of money and increase its purchasing power, particularly in relation to stocks. For example, the value of common stocks on the New York Stock Exchange in June 1932 was contracted to one-fifth approximately of the market price in September 1929, so that when the money supply, consisting of the reservoir of demand bank deposits, was thus contracted by the hoarding of demand bank deposits, the purchasing power of the dollar in terms of stocks was five times as great at the depth of the depression in 1932 as compared with September 1929.

The effect on the purchasing power of the dollar in the wholesale commodity market, of course, was very much less, because the wholesale commodity market represents in large part food and clothing and the necessities of life.

But the point I am making is that hoarding a large part of the demand bank deposits is in effect cornering the money supply. An inquiry was made into this matter in 1935 by the examination of about a hundred of the larger banks and of the larger accounts, and showed that 37 percent of such deposits were hoarded and withdrawn from circulation. Such deposits become merely warehouse receipts. Such hoarded deposits cease to be a medium of exchange, cutting down the reservoir of the medium of exchange more than one-third, thereby greatly increasing the purchasing power of the demand bank deposits which remain in circulation. While this was true in 1935 and 1936, it laid the foundation for the depression of 1937–38, when upon the advice of trained monetary experts large groups of persons were persuaded to sell their stocks, beginning in March 1937 and continuing throughout the year. The result of the sale of stocks on a colossal scale by hundreds of thousands of persons who operated in stocks as a means of profit cut down the money supply through the hoarding of the proceeds of such stocks. They sold their stocks because they believed such stocks would go down in market price, and they believed the money received for such stocks would rise in purchasing power in terms of stocks, and therefore it would be profitable for them to part with stocks which were going to fall in market price and accumulate money which would increase in purchasing power in terms of stocks.

For example, a man who sold 10,000 shares of United States Steel for $126 in the early part of 1937 could later on buy back his 10,000 shares for $40 a share, and have a net cash profit of $860,000 available to be invested in steel or other stocks at a very low valuation. This is a highly profitable transaction. It is idle and futile to reproach persons who make money out of such transactions, even if the effect upon the public is extremely injurious.

The remedy is not to reproach these persons for wicked intent or conspiracy against the public. They are moved by the desire for profit and the desire to escape loss, a natural human instinct. The remedy is for the Congress of the United States to take out of the hands of private operators in stocks the power, or rather the temptation, to indulge in such operations, based upon the fear of loss and the desire for profit, by stabilizing our financial and economic system through the powers of the Government itself. This can be done by regulating the value of money through regulating the volume of money. When the Government exercises its power to regulate the volume of money, and thereby regulate the purchasing power of the dollar, there will be no temptation on the part of those who own stocks to sell their stocks. They will have no apprehension of the mass movement which produces violent depression through the contraction of the supply of money. It should be remembered that this mass movement is not the action of the banks, but is the action of private depositors, who are at liberty to sell their stocks when they fear loss or anticipate gains from such processes.

The bill which I have introduced, and which has now been offered as an amendment to the pending joint resolution—Senate bill 3800—provides a mechanism and an authoritative power to stabilize the volume of money in spite of such movements, and to prevent such movements by giving dependable assurance to the public that such mass movements cannot take place under the new system. The Constitution of the United States authorizes Congress exclusively to create money and regulate the value thereof. The plan which I have proposed is an adequate means of regulating the value of money, and provides a means of immediately correcting any contraction of the money supply, either by mass movements of depositors or operators in stocks, or by

the contraction of the money supply through the fears of the banks.

The plan I propose is a means of removing the fear of the banks and the fear of the owner of stocks of any violent change which heretofore has ruined the country through the processes referred to.

For the convenience of my colleagues, I submit a table showing the economic effects of this contraction of our demand bank deposits through hoarding. I have put in parallel columns the volume of check money, the average demand bank deposits, the index of physical production, the amount of our export trade, the dollar index, and the price level.

I ask unanimous consent that this table may be printed in the RECORD without my reading it.

The PRESIDING OFFICER. Without objection, it is so ordered.

The table is as follows:

Effects of the expansion and contraction of the money supply

Year	Checks [1]	Demand deposits [1]	Physical products	Exports [1]	Dollar index	Price level
1926	845	21.3	91.1	4.8	100	100.4
1927	920	23.4	93.4	4.9	106	94.1
1928	1,074	23.3	96.0	5.1	103	96.7
1929	1,227	22.4	100.0	5.2	105	95.2
1930	900	22.2	92.8	3.8	115	86.8
1931	663	19.5	78.5	2.4	138	72.1
1932	458	14.9	61.5	1.6	156	63.9
1933	424	14.0	57.2	1.7	153	65.0
1934	478	15.5	63.8	2.1	134	74.6
1935	534	18.9	91.0	2.3	125	79.8
1936	611	22.5	109.0	----------	124	80.6
1937 (December)	634	----------	79.0	----------	122	81.7

[1] Indicates billions and decimals thereof.

Mr. LOGAN. Mr. President, the index of industrial production has fallen from 122 last March, April, and May to 79 at present.

Unemployment has risen to a total of about 11,000,000 persons. Geneva reports that the total of unemployment in the great industrial nations is 16,000,000, of which the United States contributes 11,000,000.

A short time ago I sent to my colleagues an abstract of the report of Sir Reginald McKenna to the stockholders of the London City and Midland Bank, showing that under managed money in Great Britain employment has increased 2,100,000 since 1932, the index of physical production has risen 50 percent, and the interest rate to businessmen in Great Britain has for 5 years stood at the low rate of 2 percent. I remind my colleagues that for 50 years preceding the World War, Belgium had an unbroken rate of interest of 3 percent per annum for money used by her business people, and that France had the same record.

America is in a position to lead the world when it shall employ to the full its natural resources and its labor.

I trust, therefore, that my colleagues will take the time necessary to consider the suggestions and the facts which I lay before them; and I urge them to give me their support in having remedial legislation considered.

Mr. President, there are two or three other points which I desired to discuss. I shall not do it at this time. My time is too short.

I desired to go most fully into the question of what was the cause of the debacle in 1929. What brought on the great panic? What brought us to the condition in which we find ourselves today? I wanted to discuss that question; and, in addition to that, I desired to discuss what is money, and what is meant by money? I wanted to go into these things in my humble way, in an effort to arouse the interest of my colleagues sufficiently that they would delve into this question, because unless we do solve this question so that the men and women of America may have at least the bare necessaries of life, so that there may not be a money trust, if you prefer to call it that, which can increase our prices and reduce our prices at will, I see little hope for the future in this country.

I am voting for the joint resolution which we have been discussing because it is necessary. I am hoping it will invite private money to enter into production again. I do not know about that. I am just as firmly convinced as I ever was about anything—and I am not easily excited and I am not easily alarmed—that we, the Members of the Congress of the United States, are derelict in our duty unless we find some sane, sensible, and reasonable way to protect the people of the United States from what has happened to them during the last 9 years, and what I am afraid will continue to happen to them during the next several years.

The PRESIDING OFFICER. All of the Senator's time has expired.

FEREDRAL TAXATION OF INCOME OF EMPLOYEES OF STATES AND THEIR SUBDIVISIONS

Mr. GREEN. Mr. President, a few days ago I introduced in the Senate a bill the purpose of which was to undo an injustice resulting from the decision handed down by the Supreme Court in the New York Port Authority case. According to the best legal opinion, the result of that decision is that hundreds of thousands of State and municipal employees throughout this country are liable to the payment of a Federal income tax and other Federal taxes.

The law was changed as a result of that decision. I am not criticizing the Court for having changed the law, and rendering a decision contrary to the precedents of a hundred years; I am not attempting to express an opinion as to the wisdom or unwisdom of subjecting such employees to future Federal taxes; but it seems to me that it is unquestionably unjust to have these taxes relate back for 12 years, as they otherwise must, unless Congress legislates to undo this injustice.

Mr. President, according to the precedents of a hundred years of court decisions, according to all constitutional authorities, according to all competent legal advisers, these State employees were not liable to Federal taxes and were not liable to file income-tax returns on their compensation from the States, towns, and cities. Now it seems that they are liable.

Mr. BORAH. Mr. President, will the Senator yield?

Mr. GREEN. I yield.

Mr. BORAH. The Senator has stated that according to the judgment of all competent legal authorities the Supreme Court has changed the precedents of a hundred years, and I do not, therefore, offer my opinion from the standpoint of a competent authority; but I venture to say as a layman that the Supreme Court has not modified the law as laid down by Chief Justice Marshall or as announced in the Day case. The principle of the Marshall case and the principle of the Day case in my opinion have not been modified in the slightest. The Federal officials and State officials are subject to the same rules of taxation as announced in those cases.

Mr. GREEN. Even if there is a difference of opinion between authorities, there is a large body of opinion to the contrary of what the Senator has just stated, and we should relieve the hundreds of thousands of State employees of this anxiety because they are liable not only for past taxes, they are liable, if liable at all, to pay interest on those taxes. They are liable also to pay penalties for not having filed income-tax returns, and other things, in addition, sums which in the aggregate may amount to double the amount of the tax, and may exceed their present annual salaries.

Mr. CONNALLY. Mr. President, will the Senator from Rhode Island yield?

Mr. GREEN. I yield.

Mr. CONNALLY. The Senator indicated that the recent decision of the Supreme Court has overruled its earlier decisions. It did not overrule the decision originally announced in the case of McCulloch against Maryland, or the principle announced in that case. What it did was to overrule a decision made several years ago, which held that certain so-called State employees were exempt from a Federal tax on the ground that they were State officials. The recent decision narrowed that and held, just as the Court held a hundred years ago, that any State officer whose activities are essential to the exercise of the sovereignty

of the State is still exempt, that officers or employees such as those of the New York Port Authority, whose duties are essentially not governmental in their nature, are taxable.

Mr. GREEN. That is very true, but no one knows what functions the Court will decide are essential.

Mr. CONNALLY. Let me ask the Senator another question and then I will desist. Does the Senator believe in the Federal Government taxing the salaries of State employees?

Mr. GREEN. I shall be very glad to answer that question at some other time; I have very definite views on the subject. I do not wish to have the present subject confused with that.

Mr. CONNALLY. That is the present subject.

Mr. GREEN. It is not.

Mr. CONNALLY. If the Senator favors taxing State authorities, why does he wish now to exempt them?

Mr. GREEN. I do not wish to exempt them. All I am claiming is that these State employees, who had the moral right to refrain from paying taxes and filing income-tax returns because of the long line of judicial decisions and legal advice, should not now be penalized. I say particularly that my bill has nothing to do with future taxes; it merely relates to the possibly retroactive effect of the recent court decision.

Mr. LOGAN. Mr. President, will the Senator from Rhode Island yield?

Mr. GREEN. I yield.

Mr. LOGAN. I do not share the alarm of the Senator from Rhode Island on this question. There has been throughout the ages a clear distinction between what a State does as a sovereign and what a city does as a sovereign, and what either of them may do the same as a private individual or a corporation may do. When the State or city goes out into private business there is no harm in saying it must pay taxes, but so long as it is exercising its right of sovereignty it does not have to pay taxes. There is a long line of decisions in my State holding that under certain circumstances cities are responsible for torts when they are not engaged in the business of government but are engaged in private business. On the other hand, when they are engaged in governmental business no one can sue them for tort. So, as I understand the decision of the Supreme Court a few days ago, it merely decided that the port authority was not exercising any power of sovereignty, and therefore its employees are subject to pay a tax. So I do not think the decision was broad at all.

Mr. GREEN. That is very true, but, as I stated before, no one knows where the court will fix the line of demarcation between essential functions of Government and other functions. For instance, are teachers essential agents of the Government? Is education an essential function of government? Is the establishment of parks and recreational places an essential function of government? Is fire protection an essential function of government? Municipalities did not have any firemen in 1776. There are scores of different functions of government which have arisen since the first decisions were rendered, and we do not know whether or not they come within the scope of the decision rendered a few days ago by the Supreme Court.

The persons for whom I am appealing ought not to be held in uncertainty as to their obligation to pay taxes for past years. That is all I am claiming. As to the future other legislation may be required, but the bill I have introduced relates merely to the retroactive effect of the decision. Even if there is room for difference of opinion, there still exists uncertainty. The Treasury Department may say that as an act of grace they will not immediately press for payment. The Department of Justice may take the same position. But they cannot postpone their action indefinitely, under the law, and it is the duty of Congress to undo this injustice if, as I hope, Senators and Members of the House of Representatives believe it is an injustice.

Mr. President, I have received a good many commendatory letters in the last few days, and I have one in my hand which seems to me especially well expressed. I therefore ask unanimous consent that it be printed in the RECORD, and that it be referred to the Committee on Finance, to which the original bill was referred.

There being no objection, the letter was ordered to be referred to the Committee on Finance, and to be printed in the RECORD, as follows:

PORT OF OAKLAND,
BOARD OF PORT COMMISSIONERS,
Oakland, Calif., June 1, 1938

Hon. THEODORE F. GREEN,
United States Senator, Washington, D. C.

DEAR SIR: The press reports that you have taken the leadership in seeking remedial legislation to avoid the retroactive application of Federal income taxation to the numerous State, city, and other public officers and employees who are caught in the Supreme Court's sudden reversal of its past precedents and its former conception of the scope of our National Constitution in its relation to the relative position of the States and the Federal Government. I refer, of course, to the New York Port Authority case wherein the Court's decision is, as I understand it, quite revolutionary in character and potential with startling future consequences. It appears to give recognition to a theory upholding the paramount sovereignty of the Federal Government over the States and their activities to an extent which may gradually bring about an entirely different conception of the framework of our United States than has heretofore been contemplated. Any such change in constitutional philosophy by judicial decree of the highest Court at this late day of our history has the effect of a constitutional amendment.

In view of the situation thus created, I wish to commend you for your just stand in seeking legislation to avoid the retroactive application of the law in question—something which certainly would not follow from a direct constitutional amendment. Although constitutional lawyers may draw fine distinctions in the reasoning of the Court and assume that its decision is to be limited in its effect, nevertheless it must be recognized, as a practical matter, that the Government taxation authorities will naturally tend to give it the broadest construction possible, even to the extent of unduly extending some of the language used by the Court, and thus force the collection of taxes from thousands of public employees who are in no financial position to question the authority of the Government or to engage tax experts to aid them in protecting their rights. You probably know well of the customary procedure of the department in not acquiescing in decisions of the courts and Board of Tax Appeals when they are deemed undesirable—a procedure which results in the actual payment in many instances of taxes which are not otherwise lawfully collectible.

The New York Port Authority case aptly illustrates the situation. For a 100 years and more the promotion and operation of water channels, piers, wharves, terminals, and other facilities for the accommodation of ships and commerce of the people have been recognized as constituting one of the highest public functions, finding its application in the history of nations back to earliest times and receiving the widest application in the countries throughout the world. Again and again, by appropriate decisions, the courts have uniformly established precedent approving such principles, particularly more recently in the Ten Eyck decision and decisions of the United States Supreme Court. It has been unquestioned until recent days, when a few years ago the Treasury Department asserted the point that the operation of harbor departments by States, cities, and appropriate public agencies was at least not an essential governmental activity, and refused to acquiesce in pertinent and otherwise controlling judicial precedent.

All this was made a matter of record and argument in the New York decision, yet none of these important factors are given consideration, but on the contrary the Court, embarking upon uncharted seas, suddenly determines that, regardless of the essential character of the public duty performed, a Federal tax is collectible on State activities or employment, if the collection thereof, in the opinion of the Federal Government, does substantially interfere with the State governmental activity. But in the meanwhile, port employees of State, city, and other public agencies, not contemplating such a reversal of judicial precedent, and relying upon established principles, have in good faith neither paid taxes nor filed returns; indeed, in many instances not even knowing of the Government's belated position that taxes were deemed collectible. They have spent their funds for living expenses, taken care of their families and are now in no financial position to meet the heavy burden which may be suddenly thrust upon them.

With the recent decision of the Court in hand, it is conceivable that thousands of public employees will be forced to pay taxes, which is not so bad when it is made a matter of future consideration—for, aside from the desire to maintain the fundamental principles of our Government as originally conceived by our forefathers, and heretofore recognized in Court precedent, and which have so successfully maintained our people and their welfare for the past 160 years, we all should be quite willing to meet our share of the cost of government—but it is most serious and unfair when it is applied retroactively with all of its cumulative taxes, heavy penalties, and interest costs. I am sure this is what you have in mind.

Conceivably, the Court's decision may subject teachers, workers in recreation and park departments of cities, street employees, possibly firemen—there were no public firemen in 1776—highway men, public hospital workers, and a host of others, to demands for past taxes and heavy penalties, which under all of the previous existing court decisions and the advice of competent lawyers and constitutional authorities, were wholly justified in neither having paid nor filed income-tax returns therefor. This will

work a grave injustice and cause undue hardship. Such back taxes, penalties, and interest charges may well, in many cases, amount to the exacting of more than the current annual salary, a burden for which the employees in most instances have had no previous warning or notice whatsoever, and who conscientiously thought they were doing everything required of them as citizens and public employees.

I write feelingly on this point, not because it seriously affects me personally, as I filed tax returns for other reasons and will escape past penalties, even though my salary as a port employee may now be deemed taxable—although I reserve the point to still contend otherwise in proper procedure—but because I realize keenly the hardship and distress which will be brought upon many fellow employees in the local municipal government, the school district, water district, and other public bodies of this area. The Government, having won its victory, can at least show some mercy for its fallen victims and give them a fair chance to meet the situation which has developed.

Your position in seeking legislation to forestall retroactive collection of such taxes seems most fair and reasonable. As a member of the law and legislation committee of the American Association of Port Authorities, on whose behalf I filed a brief in the Supreme Court in the New York case, and as a public officer of the city of Oakland, and as a citizen, I thoroughly endorse your stand and wish you success.

The Government should in a spirit of justice let the past situation be taken care of by precedent and Federal regulations which govern it, then wipe its slate clean and apply its new principle only in collecting taxes under the current tax laws.

For their information and assistance, I am sending copies of this letter to Senators JOHNSON and MCADOO, of California, and Congressmen CARTER and TOLAN who represent the Oakland district.

Very truly yours,

MARKELL C. BAER,
Port Attorney.

RELIEF AND WORK-RELIEF APPROPRIATIONS

The Senate resumed the consideration of the joint resolution (H. J. Res. 679) making appropriations for work relief, relief, and otherwise to increase employment by providing loans and grants for public-works projects.

Mr. WAGNER. Mr. President, I wish to offer an amendment to the pending joint resolution.

The PRESIDING OFFICER. An amendment is now pending, the amendment offered by the junior Senator from Kentucky [Mr. LOGAN].

Mr. BARKLEY. Mr. President, my colleague intended to withdraw his amendment at the conclusion of his remarks, but he overlooked doing so, and on his behalf I ask that the amendment be withdrawn.

The PRESIDING OFFICER. Without objection, the amendment is withdrawn.

Mr. WAGNER. Mr. President, I offer the amendment which I send to the desk. It provides for the insertion at the end of the pending joint resolution of a new title, to be known as title VI. I wonder whether Senators would prefer to have me make a brief statement, or have the amendment read.

Mr. JOHNSON of California rose.

Mr. WAGNER. Would the Senator like to have the amendment read?

Mr. JOHNSON of California. I should like to have the amendment read.

Mr. WAGNER. Very well, Mr. President; I ask that it be read.

The PRESIDING OFFICER. The clerk will read.

The LEGISLATIVE CLERK. At the end of the joint resolution it is proposed to insert the following new title:

TITLE VI—UNITED STATES HOUSING AUTHORITY

SEC. 601. Section 2 (10) of the United States Housing Act of 1937 (in this title referred to as the "act") is amended to read as follows:

"(10) The term 'going Federal rate of interest' means, at any time, the annual rate of interest specified in the then most recently issued bonds of the Authority having a maturity of 10 years or more, or if no such bonds have been issued, in the then most recently issued bonds of the Federal Government having a maturity of 10 years or more."

SEC. 602. Section 3 of the act is amended by adding a new subsection "(d)" as follows:

"(d) The Administrator may delegate any of his functions and powers to any person in the employ of the Authority."

SEC. 603. Section 9 of the act is amended to read as follows:

"SEC. 9. The Authority may make loans to public-housing agencies to assist the development, acquisition, or administration of low-rent-housing or slum-clearance projects by such agencies. Where capital grants are made pursuant to section 11 the total amount of such loans outstanding on any one project and in which the Authority participates shall not exceed the development or acquisition cost of such project less all such capital grants, but in no event shall said loans exceed 90 percent of such cost. In the case of annual contributions in assistance of low rentals as provided in section 10 the total of such loans outstanding on any one project shall not exceed the development or acquisition cost of such project: *Provided*, That before any annual contributions for any such project are paid where said loans outstanding exceed 90 percent of such cost, the total amount of said loans of the Authority outstanding shall be reduced (through the sale, redemption, or payment of part of the obligations evidencing said loans) to not more than 90 percent of the development or acquisition cost of such project. Such loans shall bear interest at such rate not less than the going Federal rate at the time the loan is made, plus one-half of 1 percent, shall be secured in such manner, and shall be repaid within such period not exceeding 60 years, as may be deemed advisable by the Authority."

SEC. 604. Section 10 of the act is amended by amending subsection "(e)" and adding a new subsection "(f)" as follows:

"(e) The Authority is authorized, on and after the date of the enactment of this act, to enter into contracts which provide for annual contributions aggregating not more than $35,000,000 per annum. Without further authorization from Congress, no new contracts for annual contributions beyond those herein authorized shall be entered into by the Authority. The faith of the United States is solemnly pledged to the payment of all annual contributions contracted for pursuant to this section, and there is hereby authorized to be appropriated in each fiscal year, out of any money in the Treasury not otherwise appropriated, the amounts necessary to provide for such payments.

"(f) Payments under annual contributions contracts shall be pledged as security for any loans obtained by a public-housing agency to assist the development of the housing project to which the annual contributions relate: *Provided*, That annual contributions shall be used first to apply toward the payment of interest or principal as same mature on any loan due to the Authority from the public-housing agency. The term 'any loan due to the Authority' as used in this section shall mean any loan made by the Authority (including any bonds or other evidences of such loan which are resold by the Authority) to assist the development of the project to which the annual contributions relate."

SEC. 605. Section 20 (a) of the act is amended to read as follows:

"SEC. 20. (a) The Authority is authorized to issue obligations in the form of notes, bonds, or otherwise, which it may sell to obtain funds for the purposes of this act. The Authority may issue such obligations in an amount not to exceed $800,000,000. Such obligations shall be in such forms and denominations, mature within such periods not exceeeding 60 years from date of issue, bear such rates of interest not exceeding 4 percent per annum, be subject to such terms and conditions, and be issued in such manner and sold at such prices as may be prescribed by the Authority with the approval of the Secretary of the Treasury."

SEC. 606. The provisions of any other title of this joint resolution shall not be applicable to this title VI.

SEC. 607. This title may be cited as the "United States Housing Act Amendments of 1938."

Mr. WAGNER. Mr. President, the amendment would carry out the recommendations which the President made in his message to Congress and is part of the recovery program. The amendment was introduced by me as a separate bill to amend the Slum Clearance Act, which was enacted by the Congress last year and which is now in effect.

Mr. NORRIS. Mr. President, will the Senator yield?

Mr. WAGNER. I yield.

Mr. NORRIS. Does the Senator offer his bill as an amendment to the pending legislation?

Mr. WAGNER. Yes.

Mr. NORRIS. Does the Senator expect to withdraw it, as other Senators have withdrawn their amendments this morning, after we shall have discussed it for a while?

Mr. WAGNER. No.

Mr. NORRIS. I was wondering whether it was really proposed that it should become a part of the joint resolution or whether it was used as a sort of a strap to hold onto while the Senator made an explanation of some provisions of the joint resolution or his amendment or to give us the benefit of his ideas on some subject foreign to the legislation before us.

Mr. WAGNER. No, Mr. President. Of course, the matter I refer to is not new to the Senate of the United States. This matter of slum clearance has been discussed for about 3 years, and finally last year we enacted the United States Housing Authority Act. So far as this particular expenditure is concerned, while there are differences of opinion throughout the country as to the spending program, there

seems to be practical unanimity of opinion and universal support of the extension of Federal credit and the contribution of Federal funds to assist in clearing the slums of our country. I am sure that the whole program has the support of our people.

Mr. TOWNSEND. Mr. President——

The PRESIDING OFFICER (Mr. THOMAS of Utah in the chair). Does the Senator from New York yield to the Senator from Delaware?

Mr. WAGNER. I yield. I may say, Mr. President, before the Senator proceeds, that the proposal involves no appropriation. It is merely a provision for the making of loans.

Mr. TOWNSEND. That was the question I desired to ask the Senator.

Mr. WAGNER. There is no appropriation involved in this particular proposal. The amendment, by the way, was introduced by me as a bill and was referred to the Committee on Education and Labor, because that committee had previously considered the original bill dealing with this general subject. The bill has been reported favorably from the Committee on Education and Labor and is now upon the calendar. So my amendment has received committee consideration in the form of a bill.

Mr. TOWNSEND. The bill, however, has had no consideration by the Committee on Banking and Currency.

Mr. WAGNER. No. It was referred to the Committee on Education and Labor. All bills dealing with slum clearance from the very beginning have been considered by the Committee on Education and Labor, and so I followed the usual procedure, when offering a bill to amend the act, and asked that it be referred to the committee which had considered the original bill.

Mr. TOWNSEND. However, the amendment pledges the credit of the United States to carry out its provisions.

Mr. WAGNER. So did the original act, which was favorably reported by the Committee on Education and Labor, and passed by the Senate on two different occasions, last year and the year before.

Mr. TOWNSEND. If the amendment is agreed to, it will add to the debt of the United States, will it not?

Mr. WAGNER. No; it will not add to the debt, because it makes provision for loans to municipalities, which are to be repaid 100 percent.

Mr. TOWNSEND. By whom is the individual loan to be made?

Mr. WAGNER. The loan is to be made by the United States Housing Authority.

Mr. TOWNSEND. Then it will involve a debt.

Mr. WAGNER. No. It does not provide for an expenditure of money. It is a loan by the Federal Government to the local public housing authorities throughout the country. By the way, about 140 such local authorities have been established in the majority of States to undertake this work; and every dollar of the loans, with interest, will be repaid to the Federal Treasury by these housing authorities.

Mr. TOWNSEND. That may be true, but the Government must first borrow the money.

Mr. WAGNER. Yes; that is true.

Mr. ADAMS. Mr. President, will the Senator yield?

Mr. WAGNER. I yield.

Mr. ADAMS. The Senator has stated that the money loaned will all be repaid. I notice on page 3 the provision for annual contributions of $35,000,000 a year. Those contributions are not going to be repaid, are they?

Mr. WAGNER. No; but that is an entirely different subject. Congress has already passed upon that proposition. The other section provides for an authorization, which considering all the money we are spending for other worthy purposes, is a very insignificant sum. It provides for the annual subsidies which are to be paid to the municipalities after structures are completed and it is determined what rents can be charged in order that the project may be available at rentals within the means of the lowest-income groups. We had that matter under consideration in the Senate last year and the year before, and I thought that we had fully discussed it and agreed upon the policy of subsidizing, to this limited extent, these ventures which are to clear the slums of our country.

Mr. ADAMS. Does the Senator's amendment propose to increase the annual contribution?

Mr. WAGNER. No annual contributions have as yet been paid, because the structures have not been completed. Until the structures are completed, the Government contributions are not forthcoming. The annual contribution is limited to 3½ percent at present interest rates.

Mr. ADAMS. Does the Senator's proposal increase the authorization?

Mr. WAGNER. It increases the authorization, because we are increasing the authorization for loans. As the total number of projects which are to be constructed increase, of course the contributions will increase accordingly.

Mr. ADAMS. So it does involve an increased annual expenditure eventually?

Mr. WAGNER. Eventually; yes. As more homes are built, of course, more contributions are required, up to the maximum of $35,000,000 fixed in the amendment.

Mr. LODGE. Mr. President, will the Senator yield?

Mr. WAGNER. I yield.

Mr. LODGE. Am I correct in my understanding that the amendment will make possible a loan up to 100 percent of the cost?

Mr. WAGNER. Yes. I was about to explain that feature. About 75 municipalities in the country today are anxious to undertake slum clearance. Because of banking difficulties, and the lack of familiarity with the nature of these loan obligations, the communities are generally unable to secure at once the 10 percent which Congress has decided the local authority is to contribute. We are not relieving the local authority from making a contribution of 10 percent of the cost of the project. We are saying, "You may begin your project, and we will give you 100 percent; but before any subsidy is paid at the completion of the project 10 percent of the Federal loan will have to be repaid."

Mr. LODGE. May I ask the Senator a question?

Mr. WAGNER. Yes.

Mr. LODGE. Under the language on page 2, beginning with line 18, is it not perfectly possible for a 100-percent loan to be made without any local contribution at all?

Mr. WAGNER. Not at all. The amendment provides, in line 24, on page 2, that:

> The total amount of said loans of the Authority outstanding shall be reduced (through the sale, redemption, or payment of part of the obligations evidencing said loans) to not more than 90 percent of the development or acquisition cost of such project.

In other words, at the end of the construction of the project we require that the loan be reduced to an outstanding loan of 90 percent. Before any annual payments are made in the way of subsidies, the Federal Government's loan will have to be reduced by 10 percent, and the loan remaining will be 90 percent, as the amendment provides.

Mr. LODGE. Has the Senator concluded his statement?

Mr. WAGNER. Yes.

Mr. LODGE. Directing the Senator's attention to the language in parentheses beginning in line 25 on page 2, and extending to line 2 on page 3, "(through the sale, reduction, or payment of part of the obligations evidencing said loans)", does that procedure reduce the debt? If the obligation is sold, the obligation is still outstanding, is it not?

Mr. WAGNER. When we make the loan, the local authority will give us bonds representing the indebtedness. Before the Federal Government agrees to pay any subsidy, 10 percent of the bonds will have to be disposed of. Either the Federal Government may sell them to the public, or they may be redeemed by the local authority, or payment in some other way may be decided upon by the local authority. However, the 10 percent will have to be disposed of in one of three ways. If the Federal authority can sell the bonds to the public, then the Federal loan will be repaid to that extent, and the bonds will remain the outstanding obligation of the local housing authority to whomever

purchases the bonds. If the local authority has accumulated a fund in the meantime, and desires to redeem the bonds, it will pay the cash to the United States Housing Authority, and thus redeem the bonds. However, they must be redeemed or disposed of in one way or another, so as to reduce the loan to 90 percent. That provision is very specific.

Mr. LODGE. Would the Senator object to striking out the word "sale" in line 1 on page 3?

Mr. WAGNER. Why is it desirable to strike out the word "sale"? Let me tell the Senator what has actually happened in the case of loans by the P. W. A. to municipalities which gave their bonds. The Reconstruction Finance Corporation has actually sold those bonds at a premium. In other words, the Federal Government not only got back its money, but actually made a profit on the sale. Since, before any subsidies are paid, the loan must be reduced to not more than 90 percent of the cost of the project, the United States Housing Authority should certainly be authorized to accomplish that through sale of bonds. If the market for the bonds is favorable, the sale of the bonds may yield a profit which goes to the benefit of the Federal Government, just as in the case of the Reconstruction Finance Corporation. The Federal Government has made a profit of $12,328,000 by its transactions in making loans to the municipalities of the country—although it was predicted that the loans would not be paid—by selling the bonds to the public.

Mr. LODGE. I am not offering my suggestion in the form of an amendment to the amendment.

Mr. WAGNER. I think I know what is in the Senator's mind. I want to safeguard the activity in every possible way; but I think it would be a mistake to strike out the word "sale," because by doing so we might take away from the Federal Government the advantage it ought to have. The choice is with the United States Housing Authority. It may say to the local authority, "You must redeem these bonds." If the bonds were not redeemed, no annual subsidy would be paid. However, the local authority would still be obligated to pay the entire loan. I do not think there is the slightest danger in the provision.

Mr. LODGE. I can see the force of what the Senator from New York says, provided the law is administered in the way in which we all hope it will be administered. However, I still believe it is possible, under the proposed language, for the indebtedness not to be reduced. If the bond is sold, the bond is still outstanding, and is still an obligation. The indebtedness has not been reduced, even though we have gotten rid of the bond.

Mr. WAGNER. Under the provisions of the amendment, the debt must be reduced to 90 percent of the cost of the project. In other words, 10 percent of the cost must be liquidated. The Federal loan will be paid to that extent.

The PRESIDING OFFICER (Mr. THOMAS of Utah in the chair). The time of the Senator on the amendment has expired.

Mr. WAGNER. I will take time on the joint resolution.

I do not wish to continue the discussion, unless there is something else which I ought to explain.

Mr. LUNDEEN. Mr. President——

Mr. WAGNER. I yield to the Senator from Minnesota.

Mr. LUNDEEN. The Senator's amendment will create employment, will it not? It will make jobs, will it not?

Mr. WAGNER. Exactly.

Mr. LUNDEEN. And it will stimulate business in building materials, and create employment in all its ramifications in these days of much unemployment.

Mr. WAGNER. Exactly. It will increase employment in the building industry, whose workers have suffered more than in any other industry. The building industry has never recovered from the 1929 depression. I think the number employed today in the building industry represents only about 40 percent of the available workers.

I should like to accomplish more, but my amendment is an effort first to clear our slums. Everybody recognizes that step as an obligation, and as a great social and economic advantage. It is estimated that under these amendments, $300,000,000 worth of additional building will be done during the present year. The Senator can estimate just how much employment will result in the building industry and kindred industries.

Mr. LUNDEEN. I should like to say to the Senator that I think his amendment is a very worthy one. I hope it will prevail. It should be larger.

Mr. WAGNER. I thank the Senator. I agree with the Senator.

Mr. LEWIS. Mr. President, will the Senator yield?

Mr. WAGNER. I yield.

Mr. LEWIS. Mr. President, at this point I ask the Senator to yield for a moment while I present a copy of a speech delivered by Mr. Stewart McDonald, Federal Housing Administrator, before the Chicago Real Estate Board, at Chicago, Ill., on June 2. This address touches the subject under discussion, and I think comprehends many phases to which able Senators have alluded in the running debate with the able Senator from New York. I ask unanimous consent to have the address of Mr. McDonald printed in the RECORD at an appropriate point, because of its relation to housing and its complete explanation of the subject.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

SPEECH DELIVERED BY STEWART M'DONALD, FEDERAL HOUSING ADMINISTRATOR, BEFORE THE CHICAGO REAL ESTATE BOARD, JUNE 2, 1938

First of all, let me say that housing is a business, not a philanthropy. Furthermore, housing is a problem more frequently because of neighborhoods than because of the individual house for as is clearly shown right here in Chicago, neighborhoods generally go to pieces long before the houses. Real-estate taxes are high—yes, deplorably high—but no small part of this is due to the fact that our great cities contain block upon block of deteriorating properties, forming large blighted areas, sometimes almost completely abandoned, which nevertheless must be serviced for police, sewerage, water, and fire protection even though they return no revenue to the city.

Just why do these conditions exist; why were they allowed to develop and what is the cure? These are the questions that must be studied, a satisfactory answer found and put into effect if our cities are to be on a sound financial basis and if we are to make our housing projects in these cities safe investments.

Proper zoning laws, building codes, and other such measures must be adopted by the cities themselves in order to reclaim these blighted areas. And if they are, suitable safeguards for future stability are guaranteed by the Federal Housing Administration mortgage insurance system. This is not only true in our insurance of small individual homes, but even, and more particularly so, of our very large projects, because these, I think, offer the best solution for the permanent and satisfactory rebuilding of abandoned districts; for with the use of private capital insured against loss by the F. H. A., it should be entirely feasible right here in Chicago to house thousands upon thousands of independent workers of low incomes, whether employed in the office or the shop, who can and will pay reasonable rents to occupy modern apartments within almost walking distance of your Loop area.

One reason why the cost of running cities is so high is that they have been forced to sprawl out over tremendous areas as neighborhoods slipped and people moved away and out to found new suburbs. Of course, the development of transportation facilities, highways, and automobiles encouraged all of this, but, nevertheless, it has not meant any lessening of the expense to the city in servicing the abandoned areas.

Please do not misunderstand me. I am not speaking of slum clearance in its generally accepted sense, because the F. H. A. has no Government money to lend, and, therefore, working entirely through private capital, must confine its sphere of operations to projects which can and must pay suitable rents to attract private capital through their sound investment character and assurance of a steady dividend return. Of course, there are many bad spots in Chicago, as well as other large cities, which can only be suitably treated through the slum-clearance program initiated by the Government through the United States Housing Authority.

However, there are many more areas which are now amply serviced at great expense to the cities, well policed and under the best fire protection, thoroughly equipped with sewerage, water, and all other metropolitan services, and so close to business centers as to not only be desirable residential locations but unusually attractive to an army of lower-income families, whether employed at a desk or out in the factory. Private capital can profitably rebuild these districts with suitable dwellings through the facilities of the F. H. A. if the city government, through rezoning, will only do its share.

I am told that in Cleveland, for instance, within a 10-mile circle of the new depot, there are over 141,000 vacant or nonproductive building lots; and while I have not the corresponding figures available for Chicago, yet I know the amount of such taxpaying

but non-revenue-producing property within a short distance of your Loop is enormous and furnishes the greatest challenge to the courage and foresight of you members of the Chicago Real Estate Board.

Statistics based upon careful surveys show that over one-half of the entire urban population of the country is, and probably always will remain, renters. Most of these families, for various reasons, are unable to assume the obligations of home ownership; many must be prepared upon short notice to follow employment opportunities to other parts of the country; others must face the fact that they have never been able to accumulate a sufficient sum for a down payment to render home ownership anything but a gamble with the future.

There are many underlying causes for these conditions, largely resulting from a completely changed mode of living during the past two generations for the multitudes of Americans. Among these is the shift from a village to an urban existence, the shift from handcrafts to machine production and from a system of simple proprietorship to one of large enterprise, the declining size of the American family, and, related to it, a profound and apparently widespread change in the general attitude toward the institution of marriage. But whatever the cause may be, we must recognize that these conditions exist and must be met.

According to the best statistics, over one-half of these renters can and do pay an average of $32 per month for rent. To these people it is paramount that they live as close as possible to their places of employment, not only that they may save time but expense in going back and forth to their work. Doesn't it seem ridiculous and wasteful, therefore, that housing facilities for them have been constructed largely in the most remote suburbs of the larger cities where new sewers, lighting, and other utilities have to be installed, while at the same time hundreds of square blocks in the heart of the very same cities lie practically idle yet almost within walking distance of their daily employment.

However, the lack of zoning laws alone is not responsible for these conditions for, as a matter of fact, they are the aftermath of the great age of real-estate speculation which is gone forever. Never to sell city real estate is the caution which has been passed on from father to son down to our present generation. But the United States is fast becoming an adult nation and with it the golden age of real-estate speculation has come to an end. So present owners of nonincome but tax-paying real estate in our cities would be wise to lose no time in considering ways and means of putting these vacant or semivacant properties, which are now white elephants, on an income-producing basis instead of holding them for a hopelessly speculative profit. And the F. H. A., through its large-scale rental housing division, to my mind, holds out the most feasible and safest method of making such projects sound, long-term investments.

The theory is not a new one. Such large-scale rental projects as Chatham in Pittsburgh, the Washington Sanitary Improvement Co., the Washington Sanitary Housing Co., and in New York, City and Suburban Homes Corporation, offer excellent examples of the type of operation advocated. Some of these were started as far back as the gay nineties and have always been almost completely occupied because they offered properly maintained and equipped apartments at reasonable rentals. And mark you, none of them has yet passed a dividend. For instance, the Washington Sanitary Improvement Co. from 1897 until 1923 paid an annual dividend of 5 percent and since 1923 has continuously paid 6 percent; while the Washington Sanitary Housing Co. has paid 5 percent per annum without interruption since 1927, and at the same time during 37 years, City and Suburban Homes has paid an annual average dividend of nearly 4¾ percent. The explanation is simple—careful initial planning, with competent and able management throughout the history of each enterprise and a type of construction designed to appeal to a very broad market.

Now let me tell you something of how our rental program operates. Section 207 of the National Housing Act authorizes the insurance of mortgage loans on large rental projects up to $5,000,000 each. But these projects must be so regulated as to conserve the property, as well as the rate of return and methods of operation at least while our insurance is in force.

The title of the act sets as its fundamental purpose "to encourage improvement in housing standards and conditions", while in the body of the law, it is required in each particular case "that the project with respect to which the mortgage is executed must be economically sound." Within this legal framework our program offers a medium through which the Government, private financial interests, the construction industry, and owners of large tracts of land may cooperate to offer those who must rent their homes the best possible substitute for home ownership at a monthly sum which they can afford to pay comfortably.

But while I have apparently placed great emphasis on the rental phase of our operations, please do not misunderstand me. For from every point of view, it is not only wise, but exceedingly desirable for all people to own their own homes wherever they possibly can and the F. H. A. has made every effort to encourage them in ownership. In fact, through the Federal Housing Administration, it is now possible for families to buy their own homes with lower payments than have ever been known before. It may surprise you to know that more than half of the families who are now buying their homes under the F. H. A. system are paying less than $30 per month and more than one-third pay less than $25 per month. These sums include interest, amortization, taxes, fire and tornado insurance, and all other ordinary charges. Thus they are actually owners of a new and up-to-date home and becoming free of debt with no more monthly burden than if they were still paying rent.

Through the F. H. A. we have been enabled to completely revise the old back-breaking mortgage, which forced the individual home owner against his will to gamble his money in the forlorn hope of an ownership which rarely materialized. We have placed home ownership on a safe and sound basis, at a lower cost and on more attractive terms to the buyer than ever before known in this country, while at the same time, we have made mortgages safer for the investor. Everyone here recalls that when we started 3 years ago, mortgage money had gone to the cyclone cellar, but today it is available in unlimited amounts at the lowest rates ever offered if backed by F. H. A. insurance.

So well have F. H. A. insured mortgages, through our scrutiny and care and selection, been established that about 10 days ago, when the Federal National Mortgage Association offered their first issue of $25,000,000 in debentures, they were oversubscribed 52 times by the conservative investors in America and for an amount of approximately $1,300,000,000.

Thus it is today easy to see the complete change in our conception of home-mortgage financing, when we compare it with the terrible days of 8 years ago, when over a million people almost lost their homes through foreclosures.

Happily, I believe those days are gone, and gone forever, for with the coming of the F. H. A. no man need enter into a mortgage contract beyond his ability to pay and the payments are stretched out over such a term of years that, to all intents and purposes, he is merely paying the equivalent, or a less sum than he would otherwise have to pay as rent.

Through the facilities of national mortgage associations we are able to handle almost any residential building situation, and from its inception to the completion of the project irrespective of its size. However, we have no Christmas trees and make no gifts or grants of Government funds, for, again let me emphasize, the F. H. A. has no Government money to lend. We operate entirely through private capital under a system of mortgage insurance. So if you gentlemen have a development that is economically sound and can qualify for our insurance, you will have no trouble with financing.

Moreover, while we are glad to see the individual houses go up, at the same time we want to encourage the large operator who builds on a large scale so as to assure properly planned and zoned neighborhoods, providing space, light, and air, with parks where children can play free from traffic hazards, and with adequate, modern, and sanitary homes in healthy surroundings.

Now, just one word about the property-improvement program of the F. H. A. It is too valuable to your fraternity to be overlooked since your long experience tells you that properties in good repair are more easily rented and more easily sold than properties not in good repair. Rental agents might call the attention of landlords to the condition of their listed properties and tell them of the facilities for improvement offered by the F. H. A. plan. Under this plan owners who lack the necessary cash may borrow from private financial institutions on short-term notes, which the F. H. A. insures, sufficient funds to paint, repair, and modernize their properties so as to keep them up to date and maintain their values. Then the sums borrowed may be paid back in small monthly installments. Such a program should also provide a check against the deterioration of the individual property, and, as you know, one neglected house in an otherwise good neighborhood has an adverse influence on the value of all other properties in the neighborhood.

Thus you will see that we have the facilities to attack the problem on all sides—both in creating new neighborhoods and in improving old ones. Moreover, where the benefits of F. H. A. insurance are applied, we have an indirect but potent ability to aid city governments not only in the policing of local zoning ordinances, building codes, health and sanitary regulations, but in tax collections since there are no delinquent taxes under the F. H. A. system and can be none. This feature of the program alone makes it particularly welcome to those in charge of city governments.

It is now nearly 4 years since the F. H. A. insured the first loan made under its program, so let me give you a quick summary of the extent of our operations during that period.

Up to May 28 gross business transacted amounted to something over $2,250,000,000.

In the first place, more than 1,500,000 property owners have been enabled to repair and improve their properties through F. H. A. property-improvement loans insured, totaling over $600,000,000.

More than 300,000 families had been enabled to purchase their own homes, on which mortgages were accepted for insurance amounting to nearly $1,250,000,000.

Ninety-eight large rental projects, valued at $75,000,000 and planned to house about 15,000 families, were committed for insurance on mortgages amounting to over $60,000,000.

Moreover, and of very great significance at the moment, is the rate at which this business is going—particularly in the insurance of mortgages on small homes—for our mortgages selected for appraisal are running 65 percent over last year, although, naturally when the spring building season is over and weather conditions change, we may expect to see a decline in these figures.

But, nevertheless, let me remind you that residential building this year, mainly because of the F. H. A., has been sailing head-on against the tide of a general decline in most other lines of business. To claim, as have some, that it would turn the tide of a general business decline is an obvious exaggeration. But at the same time and notwithstanding the decreases along other lines, it has never-

theless proved to be a bulwark against forces which might otherwise have caused very grave concern.

But most important is the fact that all this has been accomplished at a minimum of expense to the Government. As a matter of fact, for the past year and by authorization of the Congress and with approval of the President, the F. H. A. has been paying the major part of its operating expenses out of its income earned from appraisal fees and insurance premiums. These now average over $800,000 a month. But still and notwithstanding this, the mutual mortgage-insurance fund originally established at $10,000,000 has now grown to a total of over $21,000,000 and this sum should be ample to protect the mortgages insured.

On the other hand, 155 properties have been turned over to the Administrator after foreclosure. Some of these are being held, others have been sold. In some cases, naturally, there has been a loss; but in others the sales were profitable and we have been happy to turn back a substantial sum to the original borrowers.

I think we are rightfully proud of our record. I am personally gratified to report that our home-mortgage insurance system has demonstrated that it can be self-supporting and self-sufficient. We have proved a theory and justified the faith reposed in the system.

Now, in closing may I again remind you members of the Chicago Real Estate Board that you bear a grave responsibility. Your city has long been known as the most progressive in the United States. By reason of that very progressiveness and its rapid growth, there are perhaps greater opportunities here at your very doorstep to recover your blighted and nonproductive areas through a prompt and intelligent rezoning and reclaiming program. It is a challenge, therefore, that you are equal to and I am sure that Chicago will set an example and a pace which other American cities will gladly follow.

Mr. VANDENBERG. Mr. President, will the Senator yield?

Mr. WAGNER. I yield.

Mr. VANDENBERG. May I ask the Senator a question regarding the language in line 4 on page 3, where the rate of interest on the loans is fixed at "not less than the going Federal rate at the time the loan is made."

I assume that language is limited by the definition of the "going Federal rate" of interest in section 601. Is that correct?

Mr. WAGNER. Yes.

Mr. VANDENBERG. There is no question about that?

Mr. WAGNER. No.

Mr. BORAH. Mr. President, the pending amendment is rather long, and I doubt whether very many Senators have had time to go into it. I am in sympathy with the efforts which are being made to solve the housing problem. However, in view of past legislation, I should like to ask the Senator what the necessity is at this time for this particular amendment.

Mr. WAGNER. It is desirable to put as many people as possible to work at this time. Under the original act the loans were limited to $500,000,000. We limited the sum to $100,000,000 this year, $200,000,000 next year, and $200,000,000 the following year. If we can accomplish a larger volume of building within the next calendar year or year and a half, it would be much more desirable than to postpone it to a later date. So the entire sum is made available, providing the local authorities are prepared to comply with the terms of the act. Because of applications which have already been made, over $350,000,000 has been earmarked, and the number of applications pending will more than exhaust the maximum of $500,000,000 now authorized. It has been estimated that $300,000,000 worth of additional building can be done this year. However, since the projects require about 18 months, and since we provide for the cost of the entire project when the contract is made, we will need a larger sum. For example, if we are to do $300,000,000 worth of building this year, we will need an authorization in excess of $500,000,000, because about a year and a half will be required to complete the entire project, and all of the money must be earmarked at the very beginning. I really think this is one of the best things we can do to help alleviate the present economic situation. Except for the annual contributions, which are not yet due to be made, this is purely a loan proposition, every cent of which will be returned to the Federal Government.

Mr. LUNDEEN. Mr. President, will the Senator yield?

Mr. WAGNER. I yield.

Mr. LUNDEEN. I noticed in some newspaper—I have not been otherwise informed—that this amendment has the endorsement of the American Federation of Labor.

Mr. WAGNER. Very much so, for, of course, the members of that organization are exceedingly interested. They are pleading for an opportunity to work. They do not want relief, but an opportunity to work in private industry at their regular trades and occupations. I do not think we could perform a greater service than to clear the slums of our country. We have, however, discussed that question so extensively in the past that I do not want to go into it at this time.

Mr. ADAMS. Mr. President, I should like to make a further inquiry of the Senator. I notice on page 2, section 602, of the Senator's amendment, a provision that—

> The Administrator may delegate any of his functions and powers to any person in the employ of the Authority.

In other words, while I assume he would not do it, it gives him authority to delegate to a clerk or a janitor or anyone else any of his functions and powers. It seems to me that the Administrator, into whose hands these tremendous powers are placed, ought not to delegate his powers to anyone else, simply abdicate and turn them over to someone whom he selects. The selection may not be wise.

Mr. WAGNER. I may say to the Senator we have done that in the case of virtually every administrator we have created, because there are times when the duties become so detailed and widespread that the administrator cannot possibly himself perform them all. We conferred such authority to the R. F. C., and we gave it to the Federal Housing Administrator. I have taken this language almost verbatim from other laws which we have heretofore passed and which contain the very same provision. Mr. Straus has asked for it because, as he has said, there are times when some of these functions must be delegated to somebody. I repeat, I have used the language that has uniformly been used in previous acts of Congress. I am sure we can trust the Administrator and can be sure that he is not going to delegate a very important function to an ordinary clerk. If the Senator wants to safeguard that in any way, I should have no objection.

Mr. ADAMS. I would safeguard it by striking the language out. The mere fact that it has been done in other instances does not justify it if it is a wrong policy. It seems to me that it goes too far, there being no limitation. The Administrator himself is selected by the President because of his capacity to administer the plan which has been provided. His capacity to delegate is a very different thing. He may exercise very poor judgment in such a matter.

Mr. WAGNER. Mr. President, of course to me the point raised is not very important; but the Administrator of this particular Government function has had the same experience that other administrators have had. They have all come to Congress and asked for this power to delegate in order that they may carry on their administrative work efficiently. Congress has repeatedly and properly acceded to such requests, and I do not know why an exception should be made in this instance. That is the only reason why the provision is embraced in the amendment.

The PRESIDING OFFICER (Mr. LA FOLLETTE in the chair). The question is on agreeing to the amendment offered by the Senator from New York [Mr. WAGNER].

Mr. BARKLEY. Mr. President, I do not wish to discuss the details of the amendment. I hope it will be adopted substantially as it has been offered. I may say that when this relief program was first contemplated, in preliminary conferences in an effort to determine what ought to be done in this particular situation, it was the understanding that there would be a bill introduced and passed, if possible, not only carrying the appropriation provided in this measure but carrying substantially the provisions amending the Housing Act that are set out in the amendment.

We realized the need for speedy action. It was the only part of the program that required an amendment to existing

law; that is, an amendment of existing law with respect to the Housing Authority. We have to keep in mind the difference between the Housing Authority and the Housing Administration. One is directed by Mr. Stewart McDonald, whose excellent speech the Senator from Illinois [Mr. LEWIS] has inserted in the RECORD, who is Administrator of the Federal Housing Administration. But the organization to which this amendment relates is the Federal Housing Authority of which Mr. Nathan Straus is the administrator.

As I have said, it was contemplated at the beginning that the whole subject could be covered in a single act, including the provisions of the amendment. For reasons which it is not necessary to discuss, it was decided later that in the other House the chairman of the Committee on Banking and Currency would introduce a separate measure and in the Senate the Senator from New York would introduce a companion bill. The bill was referred to the Committee on Banking and Currency in the House and to the Committee on Education and Labor in the Senate. Both committees have reported favorably the proposed legislation, and in the House the separate bill is now under consideration by the House.

I have been informed by the leaders of the House that it will facilitate the consideration of this matter very greatly if the amendment is added to the pending joint resolution instead of waiting until the separate bill is acted on by the House and then sent over here to be passed by the Senate. For that reason, it is important that we now carry out what was the original intention to include this amendment to the housing law authorizing another $300,000,000 for the purposes set forth in the amendment as part of this measure instead of waiting until the House acts separately and the bill is sent here and we are called on then separately to pass the bill as it may come from the House.

For that reason, it is in the interest of prompt consideration and action on the amendment to the law that it be added as a part of the joint resolution which is now under consideration. That is a parliamentary situation which, it seems to me, is worthy of consideration at this stage of the session.

On the merits of the proposition I hope that the amendment will be adopted. We all recognize that over the period which has been covered by the depression from 1929 until now, a period of practically 9 years, the portion of our industrial system which has been harder hit than almost any other has been the building industry, the building trades, and what we call the heavy industries which produce materials which go into the construction of buildings of all kinds. The object of the original housing act setting up the Federal Housing Administration providing for the guaranty of loans made by private lending institutions for the construction of houses was to give employment to hundreds of thousands of carpenters, brickmasons, plumbers, wallpaper hangers, and all other groups of the building trades, a large percentage of whom had been out of employment for years, and by the purchase of heavy materials, such as iron and steel and commodities of that kind, indirectly to increase employment in the industrial enterprises of the country. Of course, that is one branch——

Mr. BORAH. Mr. President——

The PRESIDING OFFICER. Does the Senator from Kentucky yield to the Senator from Idaho?

Mr. BARKLEY. I will yield in a moment. That is one branch of this effort, not only to afford better housing facilities for the people of the country but to afford greater employment, direct and indirect, in the building trades and in the heavy industries. The Housing Authority, to which this amendment applies, is a little different form of the same objective, and it is certainly a needed objective and one which if successful will result in the employment of thousands upon thousands of idle men and in increasing the standard of living in the United States for the people of our country. I now yield to the Senator from Idaho.

Mr. BORAH. Mr. President, I should like to ask the Senator what change has been made in this measure as to the limit which each State would have. As I understand, the existing law provides that no State shall have more than 10 percent of the funds.

Mr. WAGNER. May I say to the Senator, that is still the law.

Mr. BARKLEY. This amendment, as I understand, does not propose to make any change in that limitation.

Mr. BORAH. It does not change that at all?

Mr. WAGNER. Not at all.

Mr. BARKLEY. That limitation would apply to this added authority covering the $300,000,000. It would not amend that limitation at all. The main changes, as I understand, are two. One, it increases by $300,000,000 the amount which may be expended, and the other is, it authorizes a loan of 100 percent instead of 90 percent.

Mr. WAGNER. Mr. President, that was so originally, but before any subsidy is paid that 10 percent must be repaid by the local housing authority. So, when the project is completed, there can be only outstanding a 90-percent loan as the law now requires.

Mr. BARKLEY. I understand that this amendment, so far as it is an amendment or change in the law, not only applies to the additional amount made available but also to the whole amount available under the law as amended.

Mr. WAGNER. Yes. I have the names of some 80 cities of the United States which are prepared to go on, but which are having difficulty with this particular situation. By the way, only one of them is in the State of New York. It would be unfortunate to delay the work for 2 or 3 years, or even a year, while they are disposing of their bonds.

Mr. BARKLEY. Yes; I agree to that conclusion, and I am in sympathy with it. What I was trying to demonstrate is that the particular change as to this 10 percent, or the difference between 90 and 100, is retroactive so far as it may apply to loans already authorized by the original act; so it puts them all on the same basis.

Mr. ADAMS. Mr. President, I desire to make an inquiry of the Senator from New York.

The PRESIDING OFFICER. The Senator from Colorado is recognized.

Mr. ADAMS. On the first page of the amendment is section 10, which amends the original section 10 in the definition of the going Federal rate of interest. I wish to inquire what is the definition in the present law, and what change this amendment makes in it.

Mr. WAGNER. The present law provides for the going rate of interest which the Government is required to pay on its bonds generally. This amendment provides that the going rate shall be the rate which the United States Housing Authority has to pay to the public for securing money.

Mr. ADAMS. Was not that definition gone over rather carefully before? Was there not considerable discussion about it?

Mr. WAGNER. No; not about that phase of the matter. We just assumed that that was the general definition which had been adopted; but this definition is much fairer, because it will be remembered that the local authorities are required to pay a rate one-half of 1 percent more than the going Federal rate of interest. Assume that the United States Housing Authority has to pay one-half of 1 percent more for its money than, say, the Government has to pay for obligations not strictly comparable, and having a maturity of 10 years or more. Then the Government actually would lose some money, because the United States Housing Authority may have to pay 2½ or 3 percent interest for money, whereas on the securities issued by the Federal Government a lower rate may be paid. We want to be sure that the United States Housing Authority will not lose any money by the transaction; in other words, that the local authority will have to pay an interest rate which is one-half of 1 percent more than the United States Housing Authority has paid. I should think the Senator would be in favor of that.

Mr. ADAMS. I just want to know what the definition is, and the importance to the Treasury of the change.

Mr. WAGNER subsequently said. Mr. President, I ask unanimous consent that at the end of my remarks in rela-

tion to my amendment I may have printed in the RECORD an address which explains the whole amendment much more clearly than anything I said. It is an address which was delivered over the radio by the junior Senator from Utah [Mr. THOMAS].

The PRESIDING OFFICER. Without objection, it is so ordered.

The address is as follows:

BROADENING THE UNITED STATES HOUSING ACT

(An address delivered by Senator ELBERT D. THOMAS, of Utah, chairman of the Senate Committee on Education and Labor, over the Mutual Broadcasting System, Washington, D. C., May 29, 1938, under the auspices of the American Federation of Housing Authorities)

It is a rule of good government that when a new plan is introduced, especially a major plan, it requires development in subsequent legislation. Usually introductory legislation is foundational in character. When a firm foundation has been laid it is advisable to build from there on.

This is particularly true when an emergency arises to create a demand for expansion of a good program. I believe Congress will approach the present Wagner-Steagall bill with an appreciation of the efforts of the authors to round out the work of the United States Housing Authority, details of which plan I hope to explain briefly tonight. Senator WAGNER and Congressman STEAGALL are the authors of the original act and they together with the officials of the United States Housing Authority under the able leadership of Mr. Nathan Straus have made a comprehensive study of the future of this important work in furtherance of the President's plan for speeding up building activity at once.

Let me take occasion to thank the American Federation of Housing Authorities for this opportunity to appear tonight in explanation of the pending amendments.

The current legislation proposes that the United States Housing Authority immediately enter into an additional $500,000,000 worth of contracts for the construction of housing projects. The effect is to double the housing program and make of it a comprehensive $1,000,000,000 program. The goal is erection of 200,000 homes for as many families now living in dwellings known to be below standard. A tremendous incident is the employment of men at a critical period in our Nation's economic history. The proposal is wholly in sympathy with President Roosevelt's recommendations as announced in his messages.

The Wagner-Steagall amendments contemplate also the elimination from the existing housing act provisions which require cities to defray 10 percent of the capital development cost of housing projects.

This new provision is worthy of some discussion in the light of misunderstandings which are now current.

The present situation is as follows: Today the United States Housing Authority may lend 90 percent of the cost of a project and the remainder must be raised generally through loans offered to local investors and bankers. The Housing Authority is critical of this because of its experience with this provision. Now, each project requires two loans instead of one. The result is higher cost and lower efficiency and no gain in Federal economy. I accept the opinion of these experts as being sound. From experience I know that a double loan is a handicap. I favor and urge the economy of the simpler device now proposed. It has already been the experience of the United States Housing Authority that delays have been the result of forcing cities to go out on the market to sell their own bonds in many cases when the same investors have already purchased the United States Housing Authority bonds to raise the Government's 90-percent share. The new method will overcome the confusion incident to two agencies competing to raise the same amount of capital often from the same sources. It is complained further, with a great deal of merit, that the necessity of obtaining 10 percent locally has tended to raise interest rates and thus add to the cost of the projects and the rentals, thus defeating, in a measure, the low-rental idea behind the whole structure.

To speed up the program, therefore, it is proposed that the United States Housing Authority lend the whole 100 percent. The Federal appeal to the investor will be strengthened by the simpler process, and we are advised that there will be no greater money cost.

More than this simple accounting and financing improvement, is the effect the conversion will have upon getting the whole thing under way. This is a pressing argument in view of the numberless idle men waiting to be put upon construction pay rolls, and the large numbers of projects approvable for immediate construction under the modified arrangement. In short we hope by this legislation to accelerate work and begin to put up thousands of buildings.

It is false economy to refuse the added one-half billion dollars when it is known that this type of work will produce such a wide variety of labor and industrial activity. The amended United States Housing Act is conservatively estimated to mean more than 600,000 new jobs in private industry for an entire year. If this worthy goal may be attained, the largest byproduct or incident of a program chiefly designed to relieve slum tenants, will be to form a substantial part of the present recovery program and will have a far-reaching effect upon stemming present unemployment. British experience teaches us that housing as a pump primer is practically unmatched in effectiveness. No one can criticize a program which is in keeping with the people's actual needs. The people need homes. The people need the work necessary in building homes.

To develop this point let me say that the United States Housing Authority cannot today, because of the limitation on annual contributions, enter into contracts for more than $325,000,000 before July 1, 1939, and as things stand today, cannot expend more than $125,000,000 during the calendar year of 1938.

While I appreciate fully the significance of expending this sum, and engage in the contracts whose total was mentioned, the proposed amendments offer a comparison which is actually a sharp and happy contrast. If the amendments are enacted into law, the United States Housing Authority will be able to enter into $800,000,000 in contracts during the calendar year 1938, and let us recall the figure I just gave—that without the amendments the limit is only $325,000,000 by July 1, 1939. Similarly there will be expended $300,000,000 before next January 1 instead of $125,000,000.

We who are faced with the responsibility of human welfare in a year of need, when every day counts heavily, undoubtedly will be alive to the opportunity which lies ahead of us in a program of this type, offering, as it does, direct employment at the site of the projects for 200,000 workers in the building trades, and the indirect employment of an estimated 400,000 workers in the production of building materials, their transportation, and other technical incidents to the increased activity.

This is a shining incident in a program the primary purpose of which is to bring healthful and wholesome living conditions to 200,000 families. The boon is not to them alone, for the universal social aspects of having disease form in and spread from tenement life are appalling.

Sponsors of this undertaking have advised me that the American Federation of Labor estimates the expanded program will aid business to the extent of 1,500,000,000 board feet of lumber, 3,750,000,000 bricks, 7,000,000 barrels of cement, 6,500,000 gallons of paint, and 700,000 tons of steel. These figures take no account of the direct benefits to business generally through acceleration of economic activity, and the effect of the circulation of money.

Already an even 100 cities are participating in the program. There remains from the program already authorized only $142,126,000 for cities preparing to come into the housing program. It is seen that the lion's share of the appropriation already has been set aside for projects initiated or to be put under way soon. The United States Housing Authority up to the present has entered into contracts for 15 projects in 9 cities, totaling $53,493,000 while $304,285,000 has been earmarked. The widespread effect of an additional $500,000,000 cannot be overemphasized. It will give encouragement and hope to those States which have undergone necessary delays in obtaining proper laws from their legislatures to permit them to participate. Those States have been unable, not unwilling, to ask for loans from the United States Housing Authority. We may mention, too, cities which might have participated by now, so far as their parent States are concerned, but which for many reasons have been unable, not necessarily unwilling, to get into shape to participate. It must never be forgotten that in our country all action has its beginning in law.

It is begging the question to say that the United States Housing Authority has moved with more dispatch than they calculated. Let us not say the one organization is too fast, or the other too slow. It is but 7 months since the program was begun. In the face of economic conditions of the moment it is a matter of the greatest relief that Mr. Straus' organization has moved with speed, without loss of care, for whole communities are urging swift action to allay misery. It is better that we do not criticize for not anticipating a "wait for us" appeal, but rather provide a sufficient program and give the wide spread that is needed to this activity. Slow-moving legislatures and councils for whatever reasons have just as real problems as their more easy-moving neighbors, and their underhoused dwellers are just as relief worthy. Just a word, if I may be permitted, as to the significance of issuance through congressional authority of $500,000,000 in housing bonds. This does not mean Congress is authorizing the outright expenditure of one-half billion dollars. The actual cost to the Government is only $17,000,000 a year in subsidy. This is not a staggering figure by any means. Considering the benefits it is not only one of the noblest but one of the most economic investments that has been undertaken or that is in contemplation now.

I speak tonight with no authority to say what Congress may or may not do. I am chairman of the Senate Committee on Education and Labor. This committee has had referred to it the problems of the United States Housing Authority, and had before it the confirmation of Mr. Straus and his associates. As one of its members I have personally taken an active part in the development of low-rent housing as a proposition, and at close range I have watched the germ grow into a reality. It has been pleasing to me to watch the Administrator and his associates take hold of this challenging problem in an efficient, businesslike manner. I believe this group has earned its spurs and will not disappoint in the smallest way those desperate families who are waiting for a chance to better their present almost miserable state. Nor will they disappoint those who rely upon this Government to disburse with decent frugality every penny entrusted to it for this scientific attack on crime and squalor. I have tried to paint the labor,

employment, and pump-priming feature of low-rent housing construction as a magnificent incident. In view of our general economic condition the incident is crying as loudly for attention as the primary objects of the original act. Can government perform a more worthy function than to supply work when work is needed, to supply houses when houses are lacking, to raise the level of living standards where possibility for crime, sickness, and want are evident on all sides? If one of the objectives of our Government is that men might live in the pursuit of happiness, surely these housing amendments fit as definitely into our fundamental governmental aims as any that can be conceived.

Mr. McNARY. Mr. President, a point of order.

The PRESIDING OFFICER. The Senator will state the point of order.

Mr. McNARY. Is the Chair enforcing the unanimous-consent agreement in its proper and true interpretation?

The PRESIDING OFFICER. The Chair is endeavoring to do so. The Senator from Colorado [Mr. ADAMS] has the floor.

Mr. McNARY. Is he speaking on this amendment?

The PRESIDING OFFICER. He is speaking on the amendment offered by the Senator from New York.

Mr. McNARY. I thought the Senator from New York was speaking.

The PRESIDING OFFICER. If the Senator from Oregon insists upon the enforcement of the rule that no Senator shall yield except for a question, the Chair will enforce it; but under the customary practice of the Senate, that rule is "more honored in the breach than the observance."

Mr. McNARY. Mr. President, I think no one is objecting to this amendment. We have been trying for 2 or 3 days to get through with this joint resolution, but lately we have been discussing over and over and over again propositions which are well understood. I insist that today the rule shall be enforced.

The PRESIDING OFFICER. Very well. The Chair will admonish the Senator from Colorado that he may yield only for a question.

Mr. ADAMS. I was yielding to the Senator from Oregon for something more than a question.

Mr. KING. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Utah will state it.

Mr. KING. Under the rule which the Senator from Oregon apparently is trying to enforce, is a Senator who has the floor precluded from interrogating, in his own time, a Senator who has offered an amendment, as to the meaning of it?

The PRESIDING OFFICER. In the judgment of the present occupant of the chair, a strict enforcement of the rules governing debate in the Senate precludes a Senator from yielding for any other purpose than to answer a question.

Mr. WAGNER. Mr. President——

The PRESIDING OFFICER. Does the Senator from Colorado yield to the Senator from New York?

Mr. ADAMS. No, Mr. President; I simply want to make a statement to the Senate.

This is an amendment which involves $800,000,000. I happen to be the chairman of the subcommittee presenting on the floor the joint resolution to which the amendment is offered. I have been seeking to secure information from the author of the amendment for the benefit of the Senate; but if the Senator from Oregon is not interested in securing information from the author of the amendment as to what it means and as to its effect upon the Treasury of the United States, of course I shall submit to the ruling of the Chair made in accordance with the request of the Senator from Oregon.

Mr. McNARY. Mr. President——

Mr. ADAMS. Mr. President, I do not yield to the Senator from Oregon.

The PRESIDING OFFICER. The Senator from Colorado declines to yield.

Mr. ADAMS. The interest which I have is in furthering the purpose of the pending joint resolution, which is to meet the need in the country to provide relief. I was interested in ascertaining to what extent this particular amendment would help to that end, how far it is germane, how far it is something looking into the future, how far it would meet the desire of the administration to provide immediate employment. I wanted to find out whether it would be wiser for the Senate to treat this measure as an amendment to the major joint resolution and add it to the joint resolution, or allow it to go on its course as an independent measure. I understand that it is pending upon the calendar. It is a matter of great importance; and it seemed to me that in order to ascertain the facts for the use of the Senate and to assist the Senate in forming its judgment it was perfectly proper that questions be asked of the Senator who is the author of the amendment, and who is the author of the act to which it is really an amendment, so that we may act intelligently.

We spent the past week in discussion. No suggestion was made during the past week, and no suggestion has been made during this week, that there was any desire to hold Senators to a strict limitation. No one was as anxious as I to have the joint resolution proceed on its way, in order that good may come to our country; but now we have a sudden burst of enthusiasm to limit debate upon perhaps the most important amendment which has been offered to the joint resolution.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from New York [Mr. WAGNER].

The amendment was agreed to.

Mr. HAYDEN. Mr. President, I desire to offer three perfecting amendments to the joint resolution. I tender the first one and ask to have it stated.

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. On page 21, line 8, after the word "projects", it is proposed to insert:

Including projects for making surveys and maps.

Mr. HAYDEN. Mr. President, a question has been raised as to whether making a map would be a construction project. To clarify that point, I offer this amendment.

It is highly desirable, in connection with a great many Federal activities, that map making be undertaken. The War Department greatly desires topographic maps which are made by the United States Geological Survey. The General Land Office is engaged in surveying the public domain. The Coast and Geodetic Survey does very important mapping work. In order that work of that kind may be expedited, and to make it perfectly certain that it may be done, I have offered the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Arizona.

The amendment was agreed to.

Mr. HAYDEN. Mr. President, I offer a further amendment of which I gave notice some days ago.

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. On page 28, after line 6, it is proposed to insert:

For an additional amount for salaries and expenses of the Rural Electrification Administration, fiscal years 1938 and 1939, including the same objects and under the same conditions specified under this head in the Independent Offices Appropriation Act, 1939, there is appropriated, out of any money in the Treasury not otherwise appropriated, the sum of $1,000,000.

On page 28, line 7, it is proposed to strike out "402" and in lieu thereof to insert "403."

Mr. HAYDEN. Mr. President, it will be remembered that the Senate has adopted the House provision for $100,000,000 for the Rural Electrification Administration. The authority granted in that provision is to borrow money from the Reconstruction Finance Corporation; so, in order to obtain money, the Rural Electrification Administration must submit its securities and make the borrowing. The Rural Electrification Administration could not submit a pay roll for administrative expenses and borrow any money on it.

This provision, in the way it is written, will put the additional amount of money, which is 1 percent of the total sum to be expended, into the same identical fund out of which administrative expenses for the Rural Electrification Administration are now paid, and therefore avoid any additional bookkeeping in the Treasury Department. It is absolutely necessary to grant this increase in order to carry on the program.

Mr. ADAMS. Mr. President, did not the Senator have an amendment adopted a day or two ago appropriating $1,000,000 for this purpose?

Mr. HAYDEN. No; I submitted the amendment and had it printed, but it was not in order at that time.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. HAYDEN. I offer a further amendment, which I ask to have stated.

The PRESIDING OFFICER. The amendment will be reported for the information of the Senate.

The LEGISLATIVE CLERK. On page 19, between lines 22 and 23, it is proposed to insert the following new section:

SEC. 24. Notwithstanding any other provision of law, the services of persons who are qualified for employment under this title may be utilized in connection with any Federal construction project undertaken with Federal funds if the completion of such project will be expedited thereby.

Mr. KING. Mr. President, I should like to have the Senator explain the amendment.

Mr. HAYDEN. Mr. President, the purpose of the amendment is to make it perfectly clear that W. P. A. employees may be utilized in connection with Federal projects undertaken under other provisions of this joint resolution, or undertaken generally. W. P. A. aid of that kind has been extended in many instances but some question was raised during the course of the debate as to whether that would be a procedure which might be approved by the Comptroller General under the terms of this joint resolution. Perhaps I can best illustrate how this provision will work out by citing an appropriation contained in the bill making appropriations for the civil functions of the War Department, which was finally approved by the Senate last night.

The President sent in a Budget estimate for $37,000,000 for flood control as a part of this program to give employment to labor. The $37,000,000 was included under flood control in the bill making appropriations for the civil functions of the War Department. When the bill came to the Senate, representatives of the Army engineers and the Department of Agriculture appeared before the Committee on Appropriations and suggested that $4,000,000 of the $37,000,000 be set aside for work upon watersheds above dams which the Army is authorized to construct.

There are a dozen different places in the United States where the two departments are anxious to undertake such work at this very time—one in Pennsylvania, one in North Carolina, and there is one above the Sardis Dam in Mississippi. To build a dam, and stop there, does not meet the problem, because the watershed above may have been denuded, the floods grow bigger and bigger each year, and the menace to property is greater. It is necessary to go upon the watersheds and engage in reforestation and soil-erosion control.

It was stated that with the $4,000,000 which Congress has appropriated for this joint use by the Army and the Department of Agriculture, they could buy the materials necessary to engage in the required reforestation and erosion-control work, but that if the departments could use W. P. A. labor to supplement regular labor much additional work could be accomplished. That is but one instance where such cooperation would be highly beneficial.

It is true, as the Senator from Montana pointed out the other day, that money has been appropriated for the construction of dams in the Dust Bowl area on the Great Plains and in other drought-stricken regions, which can be used to buy materials. If W. P. A. labor is available there, why not join forces to accomplish that much more?

Mr. LUNDEEN. Mr. President, will the Senator yield?

Mr. HAYDEN. I yield.

Mr. LUNDEEN. This will create further jobs, will it not, because it will take some W. P. A. men and put them on extra work, and there will be room for some others?

Mr. HAYDEN. If there are men in the vicinity of a project who are qualified to go on W. P. A., if the Government is engaged in work in that locality, like building a levee, is it not wiser and better for the Government to spend its own money on its own projects, rather than go out and take up smaller projects which are sponsored by some local community, which do not have the same intrinsic merit? This has been done in many instances, and I believe the way the measure before us is now drawn, it can continue to be done, but a question was raised about it, and I desire to make it perfectly clear that it can be done. It does not necessarily mean providing more jobs, but it assures that the W. P. A. worker who gets a job will be on a kind of work which has more permanent value, because it has been adopted regularly as a Government project.

Mr. LUNDEEN. I was hoping it would create more jobs. At any rate, it will cut away some of the red tape, will it not?

Mr. HAYDEN. Yes; that would be one desirable effect.

Mr. WHEELER. Mr. President, will the Senator yield?

Mr. HAYDEN. I yield.

Mr. WHEELER. I have not read the amendment, but does the amendment make it possible for the authorities to use some of the W. P. A. workers in connection with Government projects, reclamation projects, for instance?

Mr. HAYDEN. Yes.

Mr. O'MAHONEY. Mr. President, I wish to address a question to the Senator from Arizona. If I have correctly understood the amendment, it begins with the phrase "notwithstanding any other provision of law."

Mr. HAYDEN. That is correct.

Mr. O'MAHONEY. It continues:

The services of persons who are qualified for employment under this title may be utilized—

And so forth. Let me ask the Senator just what laws he proposes to have set aside by the opening phrase?

Mr. HAYDEN. If the question is raised before the Comptroller General that Congress has made a specific appropriation for a certain purpose, and that no other money can be used for that purpose, and, therefore, that W. P. A. labor cannot be used to supplement the work, this amendment will meet the objection. That was the question raised on the floor of the Senate. It was pointed out that in the Dust Bowl, and at other places in connection with water-conservation projects, this very thing had been done, and that it was a wise thing to do. I therefore asked the Legislative Drafting Service of the Senate to prepare this amendment to thoroughly cover the situation, and this is the language I offer.

Mr. KING. Mr. President, will the Senator yield?

Mr. HAYDEN. I yield.

Mr. KING. Does this mean that it will augment the amount appropriated for reclamation projects or other projects? In other words, is the attempt to augment indirectly appropriations which have been made for some specific projects?

Mr. HAYDEN. There are many different situations to which this proposal is applicable. Let us assume that the Government is building a levee on the Ohio River. There are in the vicinity unemployed men who are eligible to be employed with W. P. A. funds. Is it not wise to use relief labor on the levee and speed up its construction instead of appropriating more money the next fiscal year and the succeeding year in order to finish the job? It seems obvious that Congress should appropriate money out of the Federal Treasury preferably to Federal projects, rather than to let some local community work up a project which is not of as

great importance and spend the money there. The use of W. P. A. labor will augument and expedite the work, and that is exactly what I seek to accomplish. I think it is a wise thing to do. It is just common sense to me.

Mr. KING. Does it not mean this—and I do not want to be critical—that if Congress should appropriate $1,000,000 for a given project, which will cost more, that those who are in charge will seek unemployed labor in the neighborhood, or from an adjoining State, in order to supplement the $1,000,000 appropriation, and thus build a project which will cost a million and a quarter, though Congress intended it to cost but $1,000,000?

Mr. HAYDEN. The Senator forgets that the quarter of a million dollars is to be spent anyway. The men on relief have to be given jobs, and they will be given jobs in the same locality. Is it better then to spend money on something that is worked up locally, which has not the basic merit of a regular Federal project, or call in the labor to finish some Federal project much sooner than it would be completed otherwise, and reduce further drains upon the Treasury?

Mr. KING. Undoubtedly there is support for the position taken by the Senator; yet I can see that there may be projects which Congress has carefully considered, and to which it has allocated to a project, say, $1,000,000, but it is discovered that it will cost a million and a quarter, and those in charge will obtain labor from various other sections for the purpose of increasing the amount.

Mr. HAYDEN. There is no intention of moving labor any great distance.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. GUFFEY. Mr. President, I send to the desk an amendment which is offered by the junior Senator from Montana [Mr. MURRAY] and myself, and which I ask to have stated.

The PRESIDING OFFICER. The amendment will be reported for the information of the Senate.

The LEGISLATIVE CLERK. On page 28, line 6, after the period, it is proposed to insert the following:

In making loans pursuant to this title and pursuant to the Rural Electrification Act of 1936, the Administrator of the Rural Electrification Administration shall require that materials acquired for rural electrification uses shall be of domestic origin if obtainable.

Mr. GUFFEY. Mr. President, the joint resolution now under consideration by the Senate is primarily for work relief, relief, and to increase employment. The amendment proposed by me to title 5 will increase employment and thereby furnish relief to a considerable number of persons now unemployed.

The transformer lines constructed under the Rural Electrification Act are composed of two materials—copper and aluminum. I am reliably informed that 100 percent of the raw copper used in the manufacture of copper transformer lines is produced from copper mines in this country through the use of American labor.

Mr. CONNALLY. Mr. President, will the Senator yield for a question?

Mr. GUFFEY. I yield for a question.

Mr. CONNALLY. Is there any provision in the Senator's amendment as to the materials being obtainable at a reasonable price? If we should not make some such provision, we would turn the matter over to the Electrical Trust.

Mr. GUFFEY. Let me finish my statement, and then I will answer the Senator's question.

Mr. GUFFEY. Aluminum, the other product used for transformer lines, is made from bauxite. Bauxite is produced both in this country and in foreign countries by the Aluminum Co. or its subsidiaries. The Aluminum Co. imports more bauxite from its foreign mines than it produces from its American mines. The company does this because bauxite is produced from their foreign mines with cheap foreign labor, at a wage far less than that which would have to be paid to labor in this country.

The Aluminum Co. could, if it so desired, furnish bauxite in sufficient quantities to cover all aluminum needs for electrification purposes from its mines in this country.

This being a relief measure, none of the money provided therein should be permitted to be used for the purchase of aluminum manufactured from bauxite produced in foreign countries while American labor for work in its mines in this country is available. The same principle should apply to every other material used for electrification purposes.

Mr. President, the amendment has the approval of Mr. Carmody, head of the Rural Electrification Administration, and if the senior Senator from Nebraska [Mr. NORRIS] were present at the moment he would lend it his endorsement.

Mr. WHEELER. Mr. President, I hope the amendment will be adopted. As a matter of fact, what has happened, as the Senator from Pennsylvania has pointed out, is that the Aluminum Trust of America has imported a great deal of its bauxite, which is used in making aluminum, a commodity which is used in transformer and carrying lines. When we are appropriating the money of the Government for the purpose of giving relief to the workers of the United States we should see to it that those who furnish materials in connection with rural electrification projects, use materials produced in the United States.

The adoption of the amendment would also force copper manufacturers in the United States to use copper which is produced in the United States, and not use copper imported from other countries. In view of the condition of the copper mines of the United States today we ought not to permit the importation of copper for use on projects of the kind we are discussing; neither should the Aluminum Trust be permitted to use imported bauxite to be used in making aluminum which will be used on the projects.

I hope the amendment will be adopted.

Mr. BARKLEY. Mr. President, the Senator's amendment uses the language "if obtainable." Would that be broad enough so as to be interpreted to mean "if obtainable in sufficient quantities"? For instance, if manufacturers of steel required large quantities of manganese, while there are manganese deposits in this country, there are not sufficient manganese deposits, we are told, to supply the demand. The steel manufacturers must import some manganese. Would the Senator's amendment permit the importation of any such commodities when the domestic supply is not sufficient?

Mr. GUFFEY. It would.

Mr. MURRAY. Mr. President, I happen to be familiar with the subject of the production of manganese in this country. The United States can produce all the manganese that is necessary for American use. In Montana alone we have manganese mines now in operation which can be very readily expanded, and manganese ore, which is subject to development, is to be found in 30 States of the United States.

The reason we are using foreign manganese is that the United States Steel Corporation owns manganese mines in Brazil and insists on operating its mines in Brazil in preference to the development of American manganese production.

Mr. BARKLEY. Mr. President, if the Senator will yield further——

Mr. GUFFEY. I yield.

Mr. BARKLEY. The whole subject of manganese was gone into in great detail by the Finance Committee when the last tariff bill, the act of 1930, was under consideration. A tariff was placed on manganese on the theory that a sufficient quantity of high-grade manganese could be developed in the United States almost to justify the prohibition of the importation of manganese. But in spite of that tariff on manganese, in my judgment, there has not been developed a sufficient quantity of manganese of the high quality desired to supply the demand domestically.

Mr. MURRAY and Mr. HAYDEN rose.

The PRESIDING OFFICER. Does the Senator from Pennsylvania yield, and if so, to whom?

Mr. GUFFEY. I yield to the Senator from Montana.

Mr. MURRAY. As a matter of fact, the manganese produced in this country is of the very highest quality. Even though the ore is of low grade it is subject to concentration, and manganese, like gold, as I have said before on another occasion, is manganese. It does not make any difference whether it comes from a low-grade ore or a high-grade ore, when it is concentrated it becomes high-grade manganese. While it is true that there was such an investigation of the subject of manganese at the time the Senator from Kentucky mentioned, since that time there have been other investigations made of the subject. The reason why manganese production has not been developed to a greater extent in this country is that the Steel Corporation has insisted on obtaining its manganese from Brazil, notwithstanding the fact that there was a duty on it.

Mr. HAYDEN. Mr. President, will the Senator yield?

Mr. GUFFEY. I yield.

Mr. HAYDEN. I cannot quite see how the subject of manganese is at all relevant. I have not heard of manganese as a conductor of electricity. Copper is used as a conductor of electricity.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. GUFFEY. I yield.

Mr. BARKLEY. So far as copper wire is concerned that may be true. In the construction of rural electrification projects there will also probably be used some iron and steel. It will not be used in making wires, however.

The PRESIDING OFFICER. The Chair admonishes the Senator from Pennsylvania that strict enforcement of the rule of debate has been called for. The Senator will endanger his right to the floor if he yields otherwise than for a question.

Mr. BORAH rose.

Mr. GUFFEY. I yield to the Senator from Idaho for a question.

Mr. BORAH. I do not wish to ask a question. I desire to obtain the floor.

Mr. HILL. Mr. President, will the Senator yield?

Mr. GUFFEY. I yield for a question.

Mr. HILL. I should like to know how much more cost the amendment will add to the farmer. We must remember that these rural electrification lines are going to be paid for by the farmers of the country. How much will the Senator's amendment add to the cost? How much more of a burden will it place on the farmer?

Mr. GUFFEY. In the last 4 years the percentage of the various materials used in transformer lines and the lines used for carrying electricity has been very close. One year the aluminum has been 55 percent and copper 45 percent, and the next year the percentage has been reversed. My proposal will add nothing to the cost to the farmers, in my opinion, because the price will altogether depend on the price of copper as a raw material.

Mr. HILL. One further question. If the amendment is sound in principle, and should apply to rural electrification, why would it not be sound and why should it not be applied to the whole joint resolution? A great deal of construction is going to be done under the joint resolution and a great deal of material is to be purchased in connection with projects to be built for the benefit of people living in the cities as well as for those in the rural sections, the farmers. If the principle is a sound one to apply to rural electrification, why is it not sound to apply it to all materials purchased under the provisions of the joint resolution?

Mr. GUFFEY. I think it should so apply.

Mr. HILL. I am not so sure that the Senator is correct in saying that his proposal will not add an additional burden to the farmer in the way of cost.

Mr. WHEELER. Mr. President, will the Senator yield?

Mr. GUFFEY. I yield.

Mr. WHEELER. I ask the Senator from Pennsylvania if it is not a fact that tests have been made which show that copper is more durable than other material over a long period of time, and therefore results in a saving to the farmer rather than in an increase in cost?

Mr. GUFFEY. That is absolutely correct.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. GUFFEY. I yield.

Mr. BARKLEY. If that be so, why do the manufacturers not buy the domestic product without having to be forced to do so by law?

Mr. GUFFEY. That entirely depends on the engineers who write the specifications. Some engineers prefer copper and others in the local community prefer aluminum.

Mr. WHEELER. Mr. President, will the Senator yield to me for another question?

Mr. GUFFEY. I yield.

Mr. WHEELER. Is it not a fact that the truth about it is that most of the farmers and most of the farm organizations involved, have preferred copper to aluminum, even in the Senator's own State, where the farmers had a choice? In that instance the aluminum was a little cheaper, but the farmers' organizations in Pennsylvania asked that copper be used, because they preferred copper.

Mr. GUFFEY. That is correct.

Mr. BORAH. Mr. President, the materials which would be covered by the pending amendment are both controlled absolutely by monopoly or, technically speaking, one a monopoly and the other a trust. One is now, as I understand, under prosecution by the Government for the violation of the antitrust laws. What we are proposing to do, without limiting the power of these monopolies to fix prices, is to limit the territory; in other words, to compel the purchase to be made of materials produced in this country. I cannot understand why it is necessary for us to be particularly concerned about those particular industries, because they will fix their prices anyway unless we interfere in the meantime and do somethng that we have hesitated heretofore to do.

Why should we undertake at this time to make it possible for the manufacturers to increase the cost, which would result to the farmers in this electrification program? We are simply adding to the strength of those who are now living in violation of the laws of the United States.

It is one of the tragic things in this era of depression, Mr. President, that while some people are starving, or are near starvation, and while millions of people are hungry or near hunger, that a small number of people are making vast profits and a vast gain out of the business in which they are engaged. During the last 2 or 3 years certain industries in this country have made more money than they made prior to the depression. Under section 2 of this bill we are spending the money of the taxpayers of the United States to pay the prices which those monopolies fix. Practically all the material which we shall have to buy in order to feed the people and to carry out the program is under the control of those who are fixing prices.

Who must ultimately pay the bill? The taxpayers. We are using the money of the taxpayers to pay the prices which monopoly sees fit to charge in order to feed the hungry in the United States. I am opposed to giving monopoly any more power.

Mr. HAYDEN. Mr. President, I think it might readily be conceded, so far as one item of metal production is concerned, that it is controlled by a monopoly. I refer to aluminum. Everybody knows that there is an aluminum trust which fixes its price. I am greatly surprised to hear the Senator from Idaho say that there is a copper trust.

Mr. BORAH. I have no doubt about it.

Mr. HAYDEN. I have. There is no basis in any statistics accumulated during the entire depression for the statement that the price of copper in the United States has been regulated by a monopoly.

Mr. BORAH. Mr. President, I quite disagree with the Senator. I undertake to say that, although the market may have fallen by reason of the depression, whatever price is charged for copper is agreed to and fixed by a very few men.

Mr. HAYDEN. If the Senator will investigate the facts——

Mr. BORAH. I have investigated them.

Mr. HAYDEN. I have made a very careful study of this subject. The price of copper in the United States is regulated by the price of copper abroad. The greatest producers of copper are in Africa, South America, and other foreign countries, where labor is exceedingly cheap. Copper is mined more cheaply in foreign countries than it can possibly be mined in the United States. Foreign producers, being able to obtain copper more cheaply than we can in the United States, fix the price of copper; as the world price goes down, automatically the price in the United States goes down. If the world price goes up, the American copper price rises along with it. That is all there is to it.

No indication can be found on the face of the figures relating to the price of copper to justify the statement made by the Senator that during the depression too great a price has been paid for copper. During the depression the price of copper declined to 5 or 6 cents a pound. It is now less than 10 cents a pound, which does not meet the cost of production in a vast number of copper mines in the United States.

Mr. BORAH. As I said, although the market for copper may have fallen by reason of the depression, nevertheless, the control of the copper industry is in the hands of a very few men.

Mr. HAYDEN. To my own personal knowledge, there is the keenest kind of competition among the various copper-mining companies. The great length of time consumed in the effort to establish a N. R. A. copper code was because it was impossible for those interested to agree upon its terms, and a code had to be imposed on the industry—is very convincing proof to me that the producers of copper did not have a closely operating and well-knit trust; because if they had, they would have been able to promptly agree upon a code.

Mr. BORAH. Mr. President, wherever copper is sold in the United States it is sold at one price.

Mr. HAYDEN. Wherever copper is sold in the United States it is sold at the market price for that day.

Mr. BORAH. It is sold at one price, no matter where it is sold. There is only one price, and that is the price fixed by those who control the industry. There is no reason in the world for this amendment, except to favor the aluminum monopoly and the Copper Trust. And this is on a bill where we are professing to help the needy. When will the patience of the people have an end and how will it end?

Mr. HAYDEN. The same thing is true of wheat. Wheat is sold at the same price everywhere today, which is the price of wheat in the world market. The copper market fluctuates just as does the wheat market. Certainly no one would contend that there is a wheat trust. I am sure that if the Senator from Idaho investigates further he will find that there is no such thing as a copper trust in the United States which has in any manner affected the price of copper. The price of copper is regulated by competitive selling throughout the world, just as the price of wheat is regulated by the quantities of wheat offered for sale in all wheat-producing countries.

The PRESIDING OFFICER. The question is on the amendment by the Senator from Pennsylvania [Mr. GUFFEY].

Mr. DAVIS. As I understand the amendment offered by my colleague, it provides that all the materials to be used shall be produced in the United States. In other words, they shall be domestic materials. That means that the men who produce the materials, from the raw state to the finished state, will be workmen in the United States. That is the purpose of the amendment, as I understand it. Therefore, I heartily endorse it and shall vote for it.

Mr. KING. In view of the discussion, I take this occasion to ask permission to have the clerk read an admirable editorial appearing in the Labor Record, the local organ of the American Federation of Labor in New Orleans.

Many persons in the United States believe that we should not have any trade with foreign nations. I am one of those who believe that reciprocal-tariff agreements are promotive of foreign trade and commerce, and particularly promotive of our domestic trade. If we do not find markets for our surplus commodities the depression will continue. I commend Secretary Hull for the position which he has taken, and the Secretary of Agriculture for the active position he has taken in trying to stimulate foreign trade and commerce.

The PRESIDING OFFICER (Mr. HILL in the chair). Without objection the clerk will read the editorial.

The Chief Clerk read as follows:

FOOD FOR THOUGHT FOR THE SEVENTY-SIXTH CONGRESS—LABOR'S STAKE IN FOREIGN TRADE

Advocates of a self-containment policy for the United States tell us that, at best, only 10 percent of our trade is foreign trade and that we could very well get along without that.

Never was there a greater fallacy, nor a proposal of greater potential harm to the workingman.

Aside from the direct profits resulting from foreign trade, there are other and even more valuable aspects to this phase of our trade.

An available export market for our surplus products clears the way for sustained and active expansion of enterprise, whereas, should the market for the output of our industries be confined to the United States, expansion will necessarily be slow, and in striking contrast to the 150-year period of expansion which resulted in the highest wage scale and the highest standard of living in the world.

The United States is a surplus producer. It can produce more cotton, wheat, corn, fats, lumber, oils, machinery, automobiles, sewing machines, electrical equipment, engines, cream separators, tractors, and plows and other useful commodities than can be used at home. Wealth is created by production and selling such products. And in the process, jobs are created, new homes are built, freight is generated for the railroads, boat lines, trucks, and ships, from which many kinds of labor profit.

But before the factory wheels can turn at large capacity a market for the product must be available. Hence the need for an export market.

In the development of the United States, enterprise, through skill, good management, free initiative, and mass production, was able to pay relatively high wages, and at the same time meet the competition of less skillful foreign enterprise which paid lower wages.

As a result, the workingman in the United States could own an automobile, a radio, enjoy the comforts of modern plumbing, electric lights, and a good food supply.

Foreign workers do not enjoy such benefits.

Before the World War the American system of business economy was greatly aided by enormous sums of investment money which poured in from all the world.

These sums and their earnings were paid through the simple process of exporting surplus products at a profit. The United States was then a debtor nation.

As a result of the World War the United States became a world creditor. No longer could it export in payment of debt. Henceforth to function efficiently it must buy for import in order to sell for export.

For this reason the Roosevelt administration is entering into reciprocal-trade agreements with the foreign countries—agreements which will permit imports of those commodities which will most benefit United States enterprise, in order to permit exports or surplus commodities which will most benefit the people of the United States.

Organized labor will consult its own best interests by approving and encouraging the application of the principle underlying the reciprocal-trade treaties which the State Department has effected and is endeavoring to effect.

Organized labor will also consult its own best interests by continuing to advocate national policies which aid and encourage labor and capital employing enterprise to again strive for maximum production. To that end, it should advocate moderate taxation, less bureaucratic interference with business, and easier access to the markets of the world for the surplus products of the United States.

Mr. KING. Mr. President, I regret that the writer of the excellent editorial just read is not a Member of the United States Senate or of the House of Representatives. In this period of confusion and loose thinking in regard to political, economic, and public problems, men of character and statesmanship are needed to lead the way and defend democratic principles and constitutional government. There are too many persons who, under the pretense of liberalism, are seeking to change our form of Government and to establish a socialistic state. In periods of depression, too often caused by unsound and dangerous economic policies, agitators find fertile fields for their poisonous and destructive views. If unsound economic conditions exist as a result of their teachings, they insist upon more radical measures and policies.

In many parts of the world today, "left wing" policies are being adopted, and in other countries ambitious men rise to power and superimpose upon the people an oppressive system of regimentation. This Republic offers to the American people the form of government under which the greatest liberty may be enjoyed and the highest form of civilization attained. I fear that some Americans do not appreciate the rich inheritance which has been bequeathed to them, and they exhibit an unfortunate unconcern as to its preservation. The preservation of liberty is no easy task, and the maintenance of democratic institutions demands constant and eternal vigilance.

The writer of the editorial referred to indicates the dangers resulting from bureaucratic government and from the failure of the employer and employee, capital and labor, to cooperate, not only for their respective interests but for the welfare of society. The editorial points out the importance of world trade and of friendly commercial relations between the United States and other countries. There is a school of thought which contends for a policy of isolation and opposes contacts with the rest of the world. The United States possesses great resources, and because of its scientific and technological development, it is in a position to furnish to millions of people in other lands manufactured and agricultural products, and, indeed, commodities to be found in every category of human effort. We may not erect barriers to prevent exports and commercial relations with other nations; if we do, there will be unfavorable reactions. We are in a position to export commodities of the value of billions of dollars annually. Only a few years ago our annual exports totaled between five and eight billions of dollars. Under the depression which, like a pall, has rested upon our country for several years our foreign trade and commerce has been materially reduced, and this has been a contributing cause to the depression in which we now find ourselves. We have placed too much reliance upon the teachings of some in important positions, who have insisted upon restriction in production and an oppressive system of regimentation.

Our country must not be kept in "apron strings," nor must it follow false philosophies and dangerous isms. We desire increased production, expanding trade and commerce, greater activity in every branch of industry.

But I did not take the floor for the purpose of elaborating the points discussed by the able writer of the article which has been read. I desire to add a few words to what was said by the Senator from Arizona [Mr. HAYDEN] concerning copper.

The price of copper, like the price of many commodities, fluctuates. There have been periods when perhaps it was too high, and undoubtedly there have been periods when the price was so low as to make it unprofitable to produce it. We recall when, during the World War, a number of commodities reached heights far above normal conditions. For instance, wheat and other farm products, as well as many manufactured articles, reached levels far above those attained under normal conditions. The law of supply and demand operates in the field of production. Whenever the demand is great for commodities prices will rise; and if, for any reason, there has been a restriction upon output, prices will reach higher levels. The fact is that the demand for copper has been so restricted of late that some mines and smelters have been shut down. The prices of lead and zinc are very low and, generally speaking, the prices of most metals have reached such low levels as to discourage production and indeed to compel a cessation of mining operations in many sections.

The Senator from Arizona was correct, I think, in stating that the price of copper is fixed by the world price, and he pointed to the fact that the price of wheat was determined, not by the United States but by the world. There are other commodities—agricultural, mineral, and manufactured—which are affected by world conditions and the prices of which are largely determined by world demands.

Mr. President, I think that the amendment offered by the Senator from Pennsylvania [Mr. GUFFEY] is subject to criticism, and one of the evil results which may follow its adoption was pointed out by the Senator from Idaho [Mr. BORAH].

Mr. LEE. Mr. President, I wish to offer an amendment.

The PRESIDING OFFICER. There is an amendment now pending. Does the Senator desire to offer an amendment to the amendment?

Mr. LEE. No; I desire the floor to offer an amendment.

The PRESIDING OFFICER. The question is on the amendment offered by the Senator from Pennsylvania [Mr. GUFFEY].

Mr. MURRAY. Mr. President, I think there is much force in what has just been said by the Senator from Utah [Mr. KING], but I wish to point out that this amendment does not in any manner conflict with the idea of developing our foreign trade and that it is not in any manner opposed to the policy of the Government with reference to reciprocal-trade treaties. It is a temporary emergency proposal.

I wish to call attention to the very serious unemployment situation in American copper mines. I have here a clipping from a newspaper which has just been handed to me in which it is pointed out that the shut-down of the copper mines in Utah is almost complete. The clipping is a United Press dispatch, which reads as follows:

SALT LAKE CITY, UTAH, June 2.—E. T. Stannard, of New York, Kennecott Copper Corporation president, said yesterday that closing orders had been issued for all copper mines controlled by the corporation.

I quote from another newspaper item:

In Montana practically all the mines in Butte are now shut down. There are thousands of unemployed miners tramping the streets of Butte, and the city and the county are unable to furnish the sponsoring funds to put them to work.

That situation is very serious, and the same condition exists, I assume, in all the copper-mining States of the Union.

This is a temporary measure; it is an emergency proposal, and is not in any manner in conflict with the policy of the Government in reference to extension of reciprocal-trade treaties. I think it is a wise provision. It merely provides that materials which are to enter into the projects under the pending measure, which projects are to be constructed because of the emergency, shall be produced by American labor in America. It will continue for a short period, and, it seems to me, that the amendment should be adopted.

The PRESIDING OFFICER. The question is on agreeing to the measure offered by the Senator from Pennsylvania [Mr. GUFFEY].

The amendment was agreed to.

Mr. LEE. Mr. President, I offer an amendment.

The PRESIDING OFFICER. The Senator from Oklahoma offers an amendment, which will be stated.

The CHIEF CLERK. On page 4, at the end of line 9, it is proposed to insert the following——

Mr. LEE. Mr. President, the amendment is rather long, and I ask unanimous consent that it be printed in the RECORD without reading. I will explain the amendment.

The PRESIDING OFFICER. Is there objection?

Mr. KING. Mr. President, I reserve the right to have the amendment read for the information of the Senate. I do not think we ought to vote for an amendment which may commit the Government to hundreds of millions of dollars without hearing it read.

The PRESIDING OFFICER. The Senator from Utah objects.

Mr. KING. No; I reserve the right to object.

Mr. WHEELER. I ask that the amendment be read.

The PRESIDING OFFICER. The Senator from Montana asks that the amendment be read, and the clerk will read.

The Chief Clerk proceeded to read the amendment.

Mr. WHEELER. Mr. President, I was the Senator who asked that the amendment be read. I am not interested in having it read further.

The PRESIDING OFFICER. Without objection, the reading of the amendment will be discontinued and the amendment will be printed in full in the RECORD.

The amendment offered by Mr. LEE is, on page 4, line 9, to insert the following:

That the Bankhead-Jones Farm Tenant Act is amended by inserting therein a new title to follow immediately after title I thereof and to read as follows:

"TITLE IA—FARM-TENANT MORTGAGE INSURANCE PROVISIONS

"DEFINITIONS

"SEC. 11. As used in this title—

"(a) The term 'mortgage' means a first mortgage on real estate, in fee simple; and the term 'first mortgage' means such classes of first liens as are commonly given to secure advances on, or the unpaid purchase price of, real estate, under the laws of the State, District, or Territory in which the real estate is located, together with the credit instruments, if any, secured thereby.

"(b) The term 'mortgagee' includes the original lender under a mortgage, and his successors and assigns approved by the Secretary; and the term 'mortgagor' includes the original borrower under a mortgage and his successors and assigns, approved by the Secretary.

"(c) The term 'maturity date' means the date on which the mortgage indebtedness would be extinguished if paid in accordance with periodic payments provided for in the mortgage.

"(d) The term 'farmer' means a farm tenant, a farm laborer, a sharecropper, or any other individual who obtains, or who recently obtained, the major portion of his income from farming operations.

"FARM-TENANT MORTGAGE INSURANCE FUND

"SEC. 12. (a) There is hereby created a farm-tenant mortgage insurance fund (hereinafter referred to as the 'fund'), which shall be used by the Secretary of Agriculture (hereinafter referred to as the 'Secretary') as a revolving fund for carrying out the provisions of this title with respect to mortgages insured under section 3 as hereinafter provided. There shall be covered into such fund (1) such amount of the sums, appropriated pursuant to the authorizations for appropriations made by section 6, or allotted to the Secretary under section 23 (b) of this act as the Secretary may deem it advisable to cover into such fund, and (2) all receipts from the administration of this title.

"(b) Moneys in the fund not needed for current operations shall be deposited with the Treasurer of the United States to the credit of the fund or invested in bonds or other obligations guaranteed as to principal and interest by the United States. The Secretary may, with the approval of the Secretary of the Treasury, purchase in the open market debentures issued under the provisions of section 14. Such purchases shall be made at a purchase price which will provide an investment yield of not less than the yield obtainable from other investments authorized by this section. Debentures so purchased shall be canceled and not reissued.

"(c) All amounts credited to the fund shall be available for making payments required under this title.

"(d) The Secretary shall include in his annual report a complete statement with respect to the status of the fund.

"(e) There are hereby authorized to be appropriated to the fund for each fiscal year, beginning with the fiscal year ending June 30, 1939, such sums as when added to the sums covered into the fund under subsection (a) of this section will be adequate to carry out the provisions of this title.

"INSURANCE OF MORTGAGES

"SEC. 13. (a) The Secretary is authorized, upon application by the mortgagee, to insure as hereinafter provided any mortgage offered to him which is eligible for insurance as hereinafter provided and, upon such terms as the Secretary may prescribe, to make commitments for the insuring of such mortgages prior to the date of their execution or disbursement thereon: *Provided*, That the aggregate amount of principal obligations of all mortgages insured under this title and outstanding at any one time shall not exceed $.

"(b) To be eligible for insurance under this section a mortgage shall—

"(1) have been made by a farmer who owns no interest in any real property (other than that covered by such mortgage or occupied by him as a residence and from which he does not derive any substantial part of his livelihood) as security for the purchase price, or part of the purchase price, of a farm upon which he is conducting, or proposes to conduct, farming operations;

"(2) have been made to, and be held by, a mortgagee approved by the Secretary;

"(3) involve a principal obligation not in excess of the reasonable value of the farm, and necessary repairs and improvements thereon, as certified by the county committee pursuant to section 16, together with such initial service charges, appraisal, inspection, and other fees as the Secretary shall approve;

"(4) have a maturity satisfactory to the Secretary, but not to exceed 40 years from the date of the execution of the mortgage;

"(5) contain complete amortization provisions satisfactory to the Secretary requiring periodic payments by the mortgagor not in excess of his reasonable ability to pay as determined by the Secretary, such periodic payments to be made to the Secretary as collection agent for the mortgagee;

"(6) bear interest at not to exceed 3 percent per annum on the amount of the principal obligation outstanding at any time;

"(7) provide, in a manner satisfactory to the Secretary, for the application of the mortgagor's periodic payments (exclusive of the amount allocated to interest) to amortization of the principal of the mortgage;

"(8) contain such terms and provisions with respect to insurance, repairs, alterations, payment of taxes, default reserves, delinquency charges, foreclosure proceedings, anticipation of maturity, additional and secondary liens, and other matters as the Secretary may in his discretion prescribe;

"(9) be accompanied by an agreement by the mortgagee (not binding upon the Secretary as an assignee) that he will accept the benefits provided by section 14 in lieu of any right of foreclosure which he may have against the mortgaged property;

"(10) contains such covenants as the Secretary shall prescribe to assure that the farm will be maintained in repair, and waste and exhaustion of the farm prevented;

"(11) contain a covenant to give the Secretary a lien on any crops, and an assignment of proceeds from the sale of any agricultural products, produced on the mortgaged property, and such other security as the Secretary may deem adequate, to assure the payment by the mortgagor of 10 percent of the principal of the mortgage: *Provided*, That such covenant shall not be required where a down payment of at least 10 percent has been made upon the purchase price of the property; and

"(12) contain a covenant by the mortgagor not to mortgage, lease, or otherwise dispose of his interest in the mortgaged property to any person until the Secretary has approved the acquisition of such interest by such person.

"(c) The Secretary shall make no premium charge for the insurance of mortgages under this title. If the Secretary finds upon the presentation of a mortgage for insurance that the mortgage complies with the provisions of this section, such mortgage may be accepted for insurance by endorsement or otherwise as the Secretary may prescribe.

"(d) The Secretary shall promptly remit to the mortgagee under any mortgage insured under this title any sums collected by him as agent for the mortgagee. The Secretary shall promptly advise any such mortgagee of any default by the mortgagor.

"PAYMENT OF INSURANCE

"SEC. 14. (a) In any case in which the mortgagor under a mortgage insured under section 13 shall be in default for not less than 60 days, the mortgagee shall be entitled to receive the benefit of the insurance as hereinafter provided, upon assignment to the Secretary of (1) all rights and interests arising under the mortgage so in default; (2) all claims of the mortgagee against the mortgagor or others, arising out of the mortgage transaction; (3) all policies of title or other insurance or surety bonds or other guarantee and any and all claims thereunder; (4) any balance of the mortgage loan not advanced to the mortgagor; (5) any cash or property held by the mortgagee, or to which it is entitled, as deposit made for the account of the mortgagor and which have not been applied in reduction of the principal of the mortgage indebtedness; and (6) all records, documents, books, papers, and accounts relating to the mortgage transaction. Upon such assignment the Secretary shall issue to the mortgagee debentures having a total face value equal to the value of the mortgage. For the purposes of this subsection, the value of the mortgage shall be determined, in accordance with rules and regulations prescribed by the Secretary, by adding to the amount of the original principal obligation of the mortgage which was unpaid on the date of default, the amount of all unpaid interest and the amount of all payments which have been made by the mortgagee for taxes, special assessments, water rates, which are liens prior to the mortgage, and insurance on the property mortgaged, and by deducting from such total amount any amount received on account of the mortgage after such default.

"(b) The Secretary may at any time, under such terms and conditions as he may prescribe, consent to the release of the mortgagor from his liability under the mortgage or the credit instruments secured thereby, or consent to the release of parts of the mortgaged property from the lien of the mortgage.

"(c) Debentures issued under this section shall be in such form and denominations in multiples of $50, shall be subject to such terms and conditions, and shall include such provisions for redemption, if any, as may be prescribed by the Secretary with the approval of the Secretary of the Treasury, and may be in coupon or registered form. Any difference between the value of the mortgage determined as herein provided and the aggregate face value of the debentures issued, not to exceed $50, shall be adjusted by the payment of cash by the Secretary to the mortgagee.

"(d) The debentures issued under this section to any mortgagee with respect to mortgages insured under section 13 shall be executed in the name of the farm-tenant mortgage insurance fund as obligor, shall be signed by the Secretary by either his written or engraved signature, and shall be negotiable. All such debentures shall be dated as of the date the mortgage was acquired by the Secretary and shall bear interest from such date at a rate determined by the Secretary, with the approval of the Secretary of the Treasury, at the time the mortgage was offered for insurance, but not to exceed 3 percent per annum, payable semiannually on the 1st day of January and the 1st day of July of each year, and shall mature 3 years after the 1st day of July following the maturity date of the mortgage in exchange for which the debentures were issued. Such debentures shall be fully and unconditionally guaranteed as to principal and interest by the United States. In the event that the Secretary fails to pay upon demand, when due, the principal of or interest on any debentures issued under this sec-

tion, the Secretary of the Treasury shall pay to the holders the amount thereof, which is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, and thereupon to the extent of the amount so paid the Secretary of the Treasury shall succeed to all the rights of the holders of such debentures.

(e) In any case in which the mortgagor shall violate any covenant or condition of his mortgage, the Secretary may require an assignment of such mortgage, together with the incidents thereto as enumerated in subsection (a) of this section, in exchange for debentures to be issued in accordance with this section.

"PROCEDURE WITH RESPECT TO MORTGAGES ASSIGNED TO SECRETARY

"SEC. 15. (a) Upon accepting the assignment of any mortgage the Secretary shall ascertain whether or not the mortgagor desires to remain in possession of the mortgaged property. If the mortgagor does not desire to retain possession of the mortgaged property or if the Secretary is unable to make the findings prescribed by the sentence immediately following, the Secretary shall proceed to foreclose the mortgage: *Provided*, That foreclosure proceedings shall not be instituted if the mortgagor conveys to the Secretary all his right, title, and interest in the mortgaged property. If the mortgagor desires to remain in possession of the mortgaged property and if the Secretary finds that the mortgagor (1) has made reasonable efforts to meet all defaulted payments and to comply with the other covenants and conditions of his mortgage and (2) will probably be able to meet such defaulted payments before, or within 5 years after, the maturity date, the Secretary shall enter into an agreement with the mortgagor providing for the payment of such defaulted payments together with interest thereon at such times not later than 5 years after the maturity date as the Secretary may deem to be within the probable future means of the mortgagor. Should any mortgagor with whom the Secretary has entered into any such agreement thereafter fail to meet any payments the Secretary shall proceed to foreclose the mortgage: *Provided further*, That foreclosure proceedings shall not be instituted if the mortgagor conveys to the Secretary all his right, title, and interest in the mortgaged property.

"(b) Any property acquired by the Secretary pursuant to the provisions of subsection (a) shall be sold to farmers under such terms as the Secretary may deem advisable. If the net amount realized from the sale of any such property and in collecting such claims, after deducting all expenses incurred by the Secretary in handling, dealing with, and disposing of such property and in collecting such claims, exceeds the face value of the debentures issued and the cash paid for the assignment of the mortgage upon such property plus all interest paid on such debentures, then so much of such excess as does not exceed the total amount of the payments made by the mortgagor upon the purchase price of such property shall be paid to the mortgagor of such property, less any amounts owing to the Secretary under section 3 (e) of title I or section 21 of title II of this act.

"COUNTY COMMITTEES

"SEC. 16. (a) The county committee established under section 42 shall—

"(1) receive listings of farms in the county from any persons desiring to sell such farms to farm tenants;

"(2) receive applications from farm tenants desiring to finance the acquisition of farms by means of mortgages insured oy the Secretary under this title and advise such farm tenants of the available listed farms; and

"(3) examine and appraise farms which farm tenants desire to acquire by means of mortgages insured under this title.

"(b) If the committee finds that an applicant is eligible to receive the benefits of this title, that by reason of his character, ability, and experience he is likely to carry out successfully undertakings required of him under a mortgage which may be insured under this title, and that the farm with respect to which the application is made is of such character that there is a reasonable likelihood that the insuring of a mortgage with respect thereto will carry out the purposes of this title, it shall so certify to the Secretary. The committee shall also certify to the Secretary the amount which the committee finds is the reasonable value of the farm, and where advances are to be made by the mortgagee for the construction of repairs and improvements, the amount of such advances which the committee finds is economically justified on the basis of the income which can be realized from the operation of the farm.

"(c) No certification under this section shall be made with respect to any farm in which any member of the committee or any person related to such member within the third degree of consanguinity or affinity has any property interest, direct or indirect, or in which they or either of them have had such interest within 1 year prior to the date of certification.

"(d) No mortgage made by any person or with respect to any farm shall be insured under this title unless certification as required under this section has been made with respect to such person and such farm by the committee."

SEC. 2. (a) Subsection (b) of section 40 of the Bankhead-Jones Farm Tenant Act is amended by striking out "or title II, or both," and inserting in lieu thereof a comma and the following: "title IA, or title II,".

(b) Subsection (a) of section 42 of such act is amended by inserting after "title I" the following: "or title IA."

(c) Subsection (a) of section 50 of such act is amended by inserting after "title I" a comma and the following: "title IA,".

SEC. 3. Section 3 of such act is amended by inserting therein a new subsection to follow immediately after subsection (d) thereof and to read as follows:

"(e) Loans under this title for the construction of necessary repairs and improvements may be made to mortgagors under title IA of this act. Such loans shall comply with all of the requirements of this title, except that the mortgage or deed of trust securing such loans may be junior to the mortgage insured under title IA."

SEC. 4. (a) Upon application made by the mortgagor of any real property with respect to which there is an outstanding mortgage insured under title IA of such act, the Secretary of Agriculture is authorized and empowered, within the limits of appropriations or allocated sums made available therefor, to make improvements in the interest of soil conservation and soil building upon such property. If the cost of such improvements, or any part thereof, is required to be reimbursed, reimbursement shall be in accordance with such agreement with respect thereto as may be entered into between the Secretary and the mortgagor, and the Secretary may require such security for such reimbursement as he may deem adequate.

(b) With the consent of the State agency engaged in cooperative agricultural extension work as defined in section 2 of the act of May 8, 1914, or of such agency of the Department of Agriculture as the Secretary shall designate, any agency of the United States expending funds appropriated for the purpose of providing work relief on useful public projects may, upon application made to it by any such mortgagor, make improvements in the interest of soil conservation and soil building upon the real property of such mortgagor.

SEC. 5. The last sentence of paragraph "Seventh" of section 5136 of the Revised Statutes, as amended, is further amended by inserting, after the words "National Housing Act" the following: "or which are insured by the Secretary of Agriculture pursuant to title IA of the Bankhead-Jones Farm Tenant Act."

SEC. 6. Section 35 of chapter III of the act entitled "An act to regulate the business of life insurance in the District of Columbia", approved June 19, 1934 (48 Stat. 1152), is amended by inserting in paragraph 3 (a), after the words "Federal Housing Administrator" the following: "or which are insured by the Secretary of Agriculture pursuant to title IA of the Bankhead-Jones Farm Tenant Act."

Mr. TYDINGS. Mr. President——

The PRESIDING OFFICER. For what purpose does the Senator from Maryland rise?

Mr. TYDINGS. Has the Senator from Oklahoma the floor, and is there an amendment pending?

The PRESIDING OFFICER. The Senator from Oklahoma has offered an amendment, which is pending.

Mr. TYDINGS. I wanted to offer a small amendment, but, of course, I will defer doing so.

Mr. LEE. Mr. President, the purpose of this amendment is to extend the farm-tenant program. We have just adopted an amendment which proposes to extend the loans and bonds of the Federal Housing Authority and to insure such bonds for from 50 to 60 years. My amendment provides for an extension of the farm-tenant program by the Government insuring mortgages on farms.

The amendment, if adopted, would work in this fashion: If a man has a farm he wants to sell, the county committees, which have already been set up under the Bankhead-Jones Farm Tenant Act, will appraise the value of the farm, and, if the price of the farm is found to be fair, then they select a tenant to purchase the farm from among those who may apply. After they select the tenant they make the sale and the Government insures the mortgage as to principal and as to interest.

The Government would appropriate no money for this purpose. The organization is already set up. The only difficulty with the present Bankhead-Jones farm-tenant program is that there is not sufficient money to be a drop in the bucket in relieving the farm-tenant situation throughout the country. Farm tenancy is increasing. In my State 61.2 percent of all the farms of the State are operated by tenants. That means that those farms are owned by absentee owners, who in most cases want to sell their farms. The man who wants to sell a farm already has his money invested in the farm and would be willing to sell it under the provisions of that plan. Here is a good farmer. If he cannot make the farm pay, no one can make it pay. He is willing to buy it. The Government hand-picks the farmer who is willing to buy the farm. The committee looks into his record, approves it, approves the price fixed for the farm. It then O. K.'s the

deal, insures the mortgage, and takes a lien on the crop until a 10-percent equity has been built up in the farm.

The plan has been carefully worked out. I have labored on this proposal for a number of months, going over it with the legislative counsel. I have taken it up with the farm-security organization that will have charge of its administration, and they approve it. It does not involve a new principle. It would enable the purchasing farmer to obtain a loan at 3 percent, the same rate which the Bankhead-Jones farm-tenant program already in operation provides, except that that organization does not have sufficient money to go anywhere. If we had $100,000,000 available under the present Bankhead-Jones program, what farms would they buy? They would buy the farms that are for sale. What farms are for sale? Why the same ones that would be for sale under this amendment, and in which money is already invested. The Government would merely insure the mortgages and thus utilize that money which is already invested in these farms for enlarging the farm-tenant program.

Mr. MILLER. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Oklahoma yield to the Senator from Arkansas?

Mr. LEE. I yield.

Mr. MILLER. In other words, the amendment simply carries forward and makes applicable to these tenant loans the same theory that we have adopted in reference to housing?

Mr. LEE. Exactly so.

Mr. MILLER. And the Government merely guarantees a certain proportion of the mortgages?

Mr. LEE. It guarantees 100 percent of the mortgage, and has a lien on the crops until a 10 percent equity is built up.

Mr. MILLER. Which, in effect, is a certain percentage.

Mr. LEE. The same principle is involved as in the Federal Housing Act, with two exceptions.

In the case of Federal Housing the investment is in improvements, which depreciate faster and involve greater hazard than in the case of land. The second difference is that in the case of Federal Housing it is necessary to interest idle cash somewhere, and bring it in. In this case the cash is already invested in the farm, and the owner wants to sell. When he is confronted with a proposal to sell and get 3-percent interest and payments spread over a period of years, as against losing every year on the farm and paying the taxes on it and seeing the farm depreciate, it is going to look to him like a good investment. Instead of investing his money, for instance, in a life-insurance annuity to be paid to him over a period of years on which he would draw less than 3 percent, this will look good because of better security and higher income. Here is triple security, first by the name of the purchaser who buys the farm, second by the farm itself, and third by the Government. That cannot be beaten for security. The Government cannot lose on it, because the Government approves the value of the farm. The Government cannot lose on it, again, because the Government has a lien on the crop until a 10 percent equity has been built up. It simply means a possibility of breathing life into a farm-tenant program.

In my part of the country the most appalling thing today is the loss of farm ownership by the farmers. Sixty percent, almost two-thirds, of the farms in our part of the country are today operated by farm tenants; and that is the thing which is making inroads upon our national security. If we want to establish national security, let us establish a program here that will set up home ownership in the country. It is the best answer we can give to communism. When a man leans up against the forks of his own apple tree, no one can talk communism to him. He has an interest, he has a stake in his farm; and that is what the amendment provides. It is appropriate here, because it is attached to the joint resolution at a point where we provide for loans made under the same organization that would be charged with the administration of this program.

Mr. President, I hope the Senate can and will accept this amendment, because I think it is an opportunity to establish now something which will make a gain. We may spend the rest of this money in W. P. A., we may feed a man for a year, and at the end of the year he is still hungry, and we have not made any gain. But if we establish a chance for home ownership, we are really making progress. This is an opportunity, this is a program by which we can do it without adding to the cost of our Government at this time.

The people who will have the administration of this plan tell me they believe they can administer it for the first year with practically the same set-up that they now have. They are already in the field. We have had 1 year of experience with the farm-tenant program. It is just a drop in the bucket at present, of course; but enough that those who administer it have the feel of it, and they are already accustomed to it. They say that if they can only expand it as this amendment provides, they can make a program which will amount to something.

Forty-two percent of the farms in the whole United States are operated by tenant farmers. In the South, as a whole, the proportion is 53 and a fraction percent. In Georgia, 65.5 percent of the farms are operated by farm tenants. What does that mean? It means that those people are fit subjects for radicalism and communism. They are the ones who may be stampeded. They are the ones to whom someone may say, "We want to abolish the system of capitalism." They are the ones to whom it may be said, "If you would change governments, in the stampede you might gain something." But if they are given an opportunity to own the land on which they live, it is a different thing.

Our whole soil-conservation program is bogging down. Why? Because of tenant-operated farms. Here is a tenant on a farm. He does not know whether or not he will be there next year; but give him hope of owning that farm, and he takes a new interest in it, and he acquires a new interest in the fertility of the soil. He will terrace it, he will strip-farm it, he will contour plow and list it, and take an interest in rebuilding its fertility. He will also straighten up the fences and repair them, because that farm becomes home to him, and his Government becomes more vital to him, and he is more interested in it.

Here is an opportunity to do this without additional cash, simply by extending a program to which we have already committed ourselves. The money is already invested in the farm. The man who has the farm wants to sell it. The tenant wants to buy it. If the farm tenant who is selected cannot make the farm pay, certainly the absentee owner cannot make it pay.

I have a farm. I have owned an equity in it for quite a while. I know that it has not paid me 3 percent clear since I have had it, except one year, and I have had it 11 years. Most of that time it has operated at an actual loss. Therefore, the man who owns the farm in that case is interested in selling. He would be glad to sell. Most of these farms are owned by unintentional owners. They did not intend to own the farms. Twenty percent of these farms are owned by life-insurance companies, most of which had to take the farms in order to protect their investment in them. Fourteen percent of them are owned by business and professional people. A fractional percentage of them are owned by retired farmers, and the remainder are owned by active farmers.

If we had enough money to put into the original Bankhead-Jones plan, to make it effective, what farms would we buy? We would buy these very same farms. So, since the money is already there, and this is a provision for guaranteeing the mortgage and making it effective by utilizing the capital that is already invested in the farm, why not extend it?

Now is the time to act. This is the year. We have had 1 year's experience; and this is the place, and this is the program. It is already drawn up and carefully prepared. I have gone over and over it with the drafting counsel, and then I went over and over it with the Farm Security Administration and their lawyers; and this is an appropriate place in this relief bill for it. I ask that the amendment be adopted.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Oklahoma.

Mr. ADAMS. Mr. President, I have the greatest sympathy with this program, but in my judgment it has no place on this joint resolution. I have made that statement before about other amendments, but this is a very complicated measure. It was introduced by the Senator from Oklahoma on April 20 as an independent bill, referred to the Committee on Agriculture and Forestry, and is now under consideration by that committee, not having been reported from it. It is a bill which I have looked at. It is complicated. I do not think it meets at this time any of the requirements which are sought to be met by this particular joint resolution—to bring about the immediate relief of the unemployed.

The amendment does have a purpose of helping the farm-tenant situation.

Mr. LEE. Would not that help the unemployment situation?

Mr. ADAMS. In addition to that, it has the purpose of helping the situation of the unintentional owners of farms. Of course, in a sense, I will say to the Senator from Oklahoma anything which will improve farm conditions, ownership conditions, tenancy conditions, has an ultimate bearing upon and will produce an improvement in unemployment; but it seems to me the proposal ought not to be put on this particular joint resolution, with its very definite purposes. It is taking us out into a new field. It is a matter which ought to be considered by the committees of the Senate and by the Senate itself, and be gone over carefully and the details worked out, rather than to put it through in what we hope are the closing days of the consideration of this joint resolution.

Mr. LEE. Mr. President, will the Senator yield?

Mr. ADAMS. Certainly.

Mr. LEE. If this were a brand-new proposal, if it had never been considered, the Senator's conclusion would be justified, but the Bankhead farm tenancy program was fought and discussed here for 2 or 3 years. This amendment follows a similar principle. It does not change any principle as to the loan. It is not complicated. It is simply an insurance of mortgage—the same principle we adopted about 30 minutes ago in the amendment dealing with the housing program. There is nothing complicated about insuring the mortgage. We have already done it. We are doing it. We are committed to the program. We have studied it for 2 or 3 years, and the persons who have the administration of it have gone over it carefully.

So I insist that this is a program which will get rid of unemployment in this country.

With this plan we will be making progress. To me it is the most important and the most direct method we could adopt of actually getting out of the depression, and stopping the necessity for relief. I think it is the best form of relief.

Mr. ADAMS. Mr. President, this measure, extensive in its scope and important as it is, and doubtless beneficial, was not submitted to the Committee on Appropriations in the House or the Committee on Appropriations in the Senate; and I do not think we ought to attempt to attach it to the pending joint resolution upon this slight consideration. The Housing Act, which has been mentioned, has a much more direct relationship to unemployment—and even that is not as direct as some of us think it might be—because the construction of houses, buildings, and apartments immediately reacts in the employment of the unemployed. The guaranteeing of farm mortgages has its ultimate purpose; but the machinery which is involved cannot to any appreciable extent meet the problems which confront the country at this instance. It seems to me we ought to leave the joint resolution, so far as possible, in a form which will meet the immediate problems, and not reach out into farm problems which ought to be met by separate legislation.

I hope, therefore, that the amendment will be rejected.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Oklahoma [Mr. LEE].

The amendment was rejected.

Mr. COPELAND. Mr. President, a moment ago I spoke to the senior Senator from Michigan [Mr. VANDENBERG]. I will yield to him if he wishes. I desire to present an amendment which will take some time.

Mr. VANDENBERG. Mr. President, I did not hear what the Senator said.

Mr. COPELAND. I stated that if the Senator from Michigan desired to offer his amendment for a vote I shall be glad to yield.

Mr. NORRIS. A parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. NORRIS. How does the Senator from New York have the authority to have the Senator from Michigan recognized? Let me ask, Is the name of the Senator from Michigan on the list at the desk and is it next?

The PRESIDING OFFICER. The Senator's name is on the list, but it is not next.

Mr. VANDENBERG. Mr. President, I appreciate the courtesy of the Senator from New York. I had expected that my substitute would be immediately submitted to a vote and roll call, and I am very anxious that that should be done, but I find that there is at least one address which is unavoidable in connection with the substitute, not an address by me, however. Therefore, I will let the matter go over.

Mr. BARKLEY. Would there be some way to amend the rules to allow the address to be printed in the RECORD? I do not know who is to deliver it.

The PRESIDING OFFICER. If the Senator from Kentucky addresses his parliamentary inquiry to the Chair, the Chair advises the Senator that it might be done by unanimous consent.

Mr. NEELY. Mr. President——

The PRESIDING OFFICER. Does the Senator from New York yield to the Senator from West Virginia?

Mr. COPELAND. I yield.

Mr. NEELY. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Adams	Copeland	King	Overton
Andrews	Davis	La Follette	Pepper
Ashurst	Dieterich	Lee	Pittman
Austin	Ellender	Lewis	Pope
Bailey	Frazier	Lodge	Radcliffe
Bankhead	George	Logan	Russell
Barkley	Gerry	Lonergan	Schwartz
Bilbo	Gibson	Lundeen	Schwellenbach
Bone	Green	McAdoo	Sheppard
Borah	Guffey	McCarran	Shipstead
Brown, Mich.	Hale	McGill	Smith
Brown, N. H.	Harrison	McKellar	Thomas, Utah
Bulkley	Hatch	McNary	Townsend
Bulow	Hayden	Maloney	Truman
Burke	Herring	Miller	Tydings
Byrd	Hill	Milton	Vandenberg
Byrnes	Hitchcock	Minton	Van Nuys
Capper	Holt	Murray	Wagner
Caraway	Hughes	Neely	Walsh
Chavez	Johnson, Calif.	Norris	Wheeler
Connally	Johnson, Colo.	O'Mahoney	White

The PRESIDING OFFICER (Mr. MCKELLAR in the chair). Eighty-four Senators having answered to their names, a quorum is present.

Mr. COPELAND. Mr. President, I ask that the clerk state the amendment which I have offered on behalf of the Committee on Commerce. It is a very long amendment, and, since I am to explain it in detail, it may not be necessary to read it all.

Mr. NORRIS. Mr. President, since we are not to have the amendment read, let me ask the Senator, is the amendment printed?

Mr. COPELAND. It is printed.

Mr. NORRIS. Is it printed as an amendment or printed as a bill?

Mr. COPELAND. It is printed as an amendment and is lying on the table.

Mr. NORRIS. How long is it?

Mr. COPELAND. It contains 25 pages.

Mr. NORRIS. It might be well to adopt it without reading it.

Mr. COPELAND. I hope the Senator from Nebraska may have a copy of the amendment. I think that before I get through with my remarks I will have explained everything to the Senator.

The PRESIDING OFFICER. Without objection, the amendment will be printed in the RECORD without reading.

The amendment of Mr. COPELAND is as follows:

On page 20, line 21, after the word "agencies", insert the following:

"That, irrespective of any other provisions herein, the Administrator shall allot to the Secretary of War, out of the funds provided in this title (title II), the sum of $324,235,900, which shall be available and remain available until expended by the Secretary of War under the supervision of the Chief of Engineers of the United States Army in the construction of the river and harbor and flood-control projects hereinafter designated: *Provided*, That subsection (b) of section 201 shall not apply to the allocations and expenditures on said projects, to wit:

"MAINE

"FLOOD CONTROL

"Androscoggin River, $500,000.
"Saco River, $400,000.
"Kennebec River, $200,000.

"NEW HAMPSHIRE

"FLOOD CONTROL

"Franklin Falls (R), $2,000,000.
"Surry Mountain (R), $1,522,500.

"VERMONT

"FLOOD CONTROL

"Union Village (R), $1,878,600.

"MASSACHUSETTS

"RIVER AND HARBOR

"Boston Harbor, $500,000.
"Cape Cod Canal, $1,000,000.
"Lynn Harbor, $336,000.
"Fall River, $41,500.
"Taunton River, $540,000.
"Mystic River, $50,000.
"Scituate Harbor, $81,000.
"Plymouth Harbor, $190,000.
"Westport River, $56,000.

"FLOOD CONTROL

"Knightsville (R), $1,767,000.
"Tully (R), $529,000.
"West Springfield (L), $298,000.
"Springfield (L), $1,594,000.
"Holyoke (L), $1,388,000.
"Chicopee (L), $1,275,000.
"Northampton (L), $456,000.

"RHODE ISLAND

"RIVER AND HARBOR

"Providence River and Harbor, $500,000.

"CONNECTICUT

"RIVER AND HARBOR

"Thames River, $400,000.
"Connecticut River below Hartford, $50,000.
"Bridgeport Harbor, $41,000.

"FLOOD CONTROL

"Hartford (L), $2,350,000.
"East Hartford (L), $1,163,000.

"NEW YORK

"RIVER AND HARBOR

"Port Chester Harbor, $98,000.
"Fire Island Inlet, $659,000.
"New York Harbor, $500,000.
"Bay Ridge and Red Hook Channels, $460,000.
"Buttermilk Channel, $583,000.
"Newtown Creek, $135,000.
"Hudson River, $1,102,000.
"Great Kills Harbor, Staten Island, $114,500.
"Huntington Harbor, $51,000.
"Flushing Bay, $194,000.
"Hudson River Channel, $800,000.
"Great Lakes to Hudson River waterway, $2,000,000.

"FLOOD CONTROL

"Susquehanna headwaters (R), $521,000.
"Waterford (L), $315,000.

"PENNSYLVANIA

"RIVER AND HARBOR

"Allegheny River, $500,000.
"Erie Harbor, $210,000.
"Ohio River locks and dams, $50,000.
"Ohio River open channel work, $50,000.
"Delaware River, Philadelphia to the sea, $500,000.

"FLOOD CONTROL

"Kingston-Edwardsville (L), $806,000.
"Wilkes-Barre (L), $1,445,000.
"Johnstown (C), $2,700,000.
"Tionesta, Crooked Creek, Red Bank, French Creek, and Mahoning (R), $5,500,000.
"Pittsburgh (L), $3,500,000.
"Kittanning (L), $120,000.
"McKees Rock (L), $902,000.
"West Bridgewater (L), $828,000.
"New Kensington and Parnassus (L), $1,104,000.
"Freeport (L), $1,163,000.
"Tarentum, Breckenridge, and Natrona (L), $1,368,000.
"Punxsutawney (L), $1,471,000.
"Coraopolis (L), $1,090,000.

"DELAWARE

"RIVER AND HARBOR

"Delaware River, Philadelphia to the sea, $750,000.
"Chesapeake and Delaware Canal, $1,500,000.

"NEW JERSEY

"RIVER AND HARBOR

"Mantua Creek, $54,000.
"Delaware River, Philadelphia to the sea, $1,000,000.

"DISTRICT OF COLUMBIA

"RIVER AND HARBOR

"Washington Harbor, $65,000.

"MARYLAND

"RIVER AND HARBOR

"Baltimore Harbor and channels, $50,000.
"Channel, Plain Dealing Creek to Oak Creek, $74,000.
"Twitch Cove and Big Thoroughfare River, $131,000.
"Herring Bay and Rockhold Creek, $43,000.
"Chesapeake and Delaware Canal, $500,000.

"FLOOD CONTROL

"Cumberland (L), $590,000.

"VIRGINIA

"RIVER AND HARBOR

"Mattaponi River, $19,250.
"James River, $337,000.
"Cape Charles City Harbor, $27,000.

"FLOOD CONTROL

"Hays (R), $1,000,000.

"NORTH CAROLINA

"RIVER AND HARBOR

"Drum Inlet, $50,000.
"Intracoastal Waterway, Cape Fear River, N. C., to Winyah Bay, S. C. (Southport, N. C.), $23,500.
"Belhaven Harbor, $53,000.
"Roanoke River, $323,000.
"New River Inlet, $35,000.
"Inland Waterway, Cape Fear River, N. C., to Winyah Bay, S. C., $350,000.

"SOUTH CAROLINA

"RIVER AND HARBOR

"Inland Waterway, Cape Fear River, N. C., to Winyah Bay, S. C., $350,000.

"GEORGIA

"RIVER AND HARBOR

"Terrys Creek and Back River, $35,000.
"Intracoastal Waterway, Cape Fear River, N. C., to St. Johns River, Fla., $510,000.

"FLORIDA

"RIVER AND HARBOR

"Anclote River, $10,000.
"Lake Okeechobee, $1,000,000.
"Fernandina Harbor, $138,000.
"St. Augustine Harbor, $137,500.
"Courtenay Channel, $31,000.
"Eau Gallie Harbor, $11,100.
"Port Everglades, $459,000.
"Channel, Naples to Big Marco Pass, $50,000.
"Tampa Harbor, $221,500.
"Apalachicola River, $3,750.
"Palm Beach, $268,000.
"Intracoastal Waterway, Cape Fear River, N. C., to St. Johns River, Fla., $200,000.

"ALABAMA

"FLOOD CONTROL

"Brewton levees, $235,000.

"MISSISSIPPI

"RIVER AND HARBOR

"Pearl River, Miss. and La. (Mississippi), $500,000.
"Biloxi Harbor, $20,000.

"FLOOD CONTROL

"Homochitto River (C), $100,000.
"Big Black River (C), $436,000.
"Yazoo River (R), (C), (L), $2,000,000.
"Levee Roads, $1,500,000.
"Mississippi River levees (L), $2,000,000.

"LOUISIANA

"RIVER AND HARBOR

"Pearl River, Miss. and La. (Louisiana), $500,000.
"Southwest Pass and South Pass, Mississippi River, $570,000.
"Calcasieu River and Pass, $1,000,000.
"Southwest Pass and South Pass, Mississippi River, $500,000.
"Mississippi River between Baton Rouge and New Orleans, $200,000.
"Grand Bayou Pass, $25,000.

"FLOOD CONTROL

"Colfax, Grant Parish (L), $50,000.
"Grant Parish below Colfax (L), $71,000.
"Wallace Lake (R), $512,000.
"Atchafalaya floodways (L), $5,000,000.
"Wax Lake outlet (L), $1,000,000.
"Levee Roads, $1,500,000.
"Mississippi River levees (L), $1,000,000.

"TEXAS

"RIVER AND HARBOR

"Louisiana-Texas Intracoastal waterway, $1,000,000.
"Houston Ship Channel, $550,000.
"Sabine-Neches waterway, $1,000,000.
"Houston Ship Channel, $1,000,000.
"Dickinson Bayou, $35,000.
"Channel, Palacios to Intracoastal waterway, $74,000.
"Port Aransas to Corpus Christi waterway, $552,000.
"San Bernard River, $25,000.
"Rockport Channel, $13,500.
"Aransas Pass to Intracoastal waterway, $37,000.
"Colorado River, $540,000.

"FLOOD CONTROL

"Denison Reservoir, Tex. and Okla., $2,000,000.

"ARKANSAS

"FLOOD CONTROL

"Water Valley Reservoir, Bell Foley Reservoir, Norfolk Reservoir, Lone Rock Reservoir, Greers' Ferry Reservoir, Nimrod Reservoir, Blue Mountain Reservoir, $11,000,000.
"Main Mississippi River levees, $2,000,000.
"Hempstead County levees, $200,000.
"Ouachita River levees, $1,300,000.

"OKLAHOMA

"FLOOD CONTROL

"Fort Supply Reservoir, Great Salt Plains Reservoir, Canton Reservoir, Oologah Reservoir, Wister Reservoir, Mannford Reservoir, Ten Killers Ferry Reservoir, Fort Gibson Reservoir, Markham Ferry Reservoir, $11,000,000.

"MISSOURI

"RIVER AND HARBOR

"Mississippi River between Missouri River and Minneapolis, $600,000.
"Missouri River, mouth to Kansas City, $1,000,000.
"Missouri River, Kansas City to Sioux City, $1,000,000.

"FLOOD CONTROL

"Arlington Reservoir, Richland Reservoir, Chillicothe Reservoir, South Grande Reservoir, Pomme De Terre Reservoir, Osceola Reservoir, Mo. and Kans., $8,000,000.
"Meramec Reservoir, Big River Reservoir, Joanna Reservoir, Clearwater Reservoir, $4,000,000.
"Wappapello Reservoir, $1,000,000.
"Saint Genevieve levee district, $40,000.
"Saint Louis County drainage and levee district, $260,000.

"ILLINOIS

"RIVER AND HARBOR

"Illinois waterway, $500,000.
"Mississippi River between Ohio and Missouri Rivers, $1,000,000.
"Mississippi River between Missouri River and Minneapolis, $700,000.
"Ohio River locks and dams, $200,000.
"Ohio River open channel work, $200,000.
"Calumet Harbor and River, Ill. and Ind., $220,000.

"FLOOD CONTROL

"Wolf Creek (R), $1,000,000.
"Russell and Allison levee unit (L), $1,000,000.
"Belknap (L), $90,000.
"Karnak (L), $190,000.
"Ullin (L), $45,000.
"Wabash River levee unit No. 6 (L), $323,000.
"Rocky Ford district (L), $48,000.
"East Cape Girardeau district (L), $200,000.
"Clear Creek district (L), $333,000.
"Mouth of Sangamon River (L), $122,000.
"Salt Creek near Middletown (L), $48,000.
"East of Hubley Bridge (L), $20,300.
"Donavon levee (L), $28,000.
"Clear Lake levee (L), $69,000.
"Panther Creek levee (L), $96,000.
"Preston district (L), $244,000.
"Big Lake drainage and levee district (L), $52,000.
"Fort Chartres and Ivy Landing (L), $120,000.
"Sangamon River and Salt Creek (L), $13,000.
"Choteau, Nameoki, Venice district (L), $132,000.
"Kelly Lake district (L), $100,000.
"Meredosia and Willow Creek (L), $285,000.
"Stringtown-Fort Chartres and Ivy Landing (L), $185,500.
"Miller Pond levee (L), $28,000.
"Coal Creek levee (L), $200,000.
"Big Lake levee (L), $61,000.
"South Beardstown and Valley levee (L), $260,000.
"Crane Creek levee (L), $52,000.
"Grand Tower levee (L), $320,000.
"Kashaskia Island levee (L), $320,000.
"Union Township levee (L), $42,000.
"Wood River levee (L), $750,000.
"Kaskaskia River levee (L), $1,000,000.
"Sangamon River levee (L), $128,000.
"Cairo levees (L), $1,000,000.

"WISCONSIN

"RIVER AND HARBOR

"Sturgeon Bay and Lake Michigan ship canal, $750,000.
"Milwaukee Harbor, $25,000.
"Mississippi River between Missouri River and Minneapolis, $1,000,000.

"FLOOD CONTROL

"Black Reservoir, $1,300,000.

"IOWA

"RIVER AND HARBOR

"Mississippi River between Missouri River and Minneapolis, $1,200,000.
"Missouri River, Kansas City to Sioux City, $2,000,000.

"FLOOD CONTROL

"Dry Run Reservoir, Central City Reservoir, Caralville Reservoir, Rochester Reservoir, Hawell Reservoir, $6,000,000.

"MINNESOTA

"RIVER AND HARBOR

"Mississippi River between Missouri River and Minneapolis, $1,000,000.

"FLOOD CONTROL

"Lake Traverse (see South Dakota) (R).

"NORTH DAKOTA

"FLOOD CONTROL

"Yellowstone River, $1,000,000.
"Marmath levees, $800,000.

"SOUTH DAKOTA

"FLOOD CONTROL

"Lake Traverse (S. Dak. and Minn.) (R), $866,000.

"NEBRASKA

"RIVER AND HARBOR

"Missouri River, Kansas City to Sioux City, $2,000,000.

"KANSAS

"RIVER AND HARBOR

"Missouri River, Kansas City to Sioux City, $1,000,000.

"FLOOD CONTROL

"Milford Reservoir, Tuttle Creek Reservoir, Kanopolis Reservoir, Osceola Reservoir, Kansas and Missouri, $6,000,000.

"MONTANA

"RIVER AND HARBOR

"Fort Peck, $1,000,000.

"FLOOD CONTROL

"Livingstone, Mont., Yellowstone River (R), $5,000,000.

"WYOMING

"FLOOD CONTROL

"Belle Fourche River, $400,000.
"North Platte River, $700,000.
"Powder River, $300,000.
"Big Horn River, $200,000.

"COLORADO

"FLOOD CONTROL

"Arkansas River (Caddoa) (R), $1,000,000.
"Rio Grande River above Del Norte (R), $1,500,000.
"Conejos River (R), $1,000,000.

"IDAHO

"FLOOD CONTROL

"Coeur d'Alene Lake (L), $132,000.
"St. Joe and St. Maries Rivers (L), $145,000.

"NEVADA

"FLOOD CONTROL

"Humboldt River and tributaries (surveys), $200,000.
"Owyhee River and tributaries (surveys), $50,000.
"Truckee River and tributaries (surveys), $150,000.

"UTAH

"FLOOD CONTROL

"Virgin River and tributaries (surveys), $100,000.
"Streams draining into Great Salt Lake (surveys), $150,000.

"NEW MEXICO

"FLOOD CONTROL

"Gila River, $400,000.

"ARIZONA

"FLOOD CONTROL

"Gila River, $1,500,000.

"TENNESSEE

"FLOOD CONTROL

"Mississippi River levees (L), $1,000,000.
"Dale Hollow (R), $1,500,000.
"Ross View (R), $1,000,000.
"Three Islands (R), $900,000.
"Memphis levees (L), $1,000,000.

"KENTUCKY

"RIVER AND HARBOR

"Ohio River locks and dams, $350,000.
"Ohio River open channel work, $350,000.

"FLOOD CONTROL

"Buckhorn (R), $1,200,000.
"Booneville (R), $1,500,000.
"Mining City (R), $2,500,000.
"Nolin (R), $1,500,000.
"No. 2 Green (R), $1,000,000.
"Wolf Creek (R), $2,500,000.
"Dewey (R), $1,200,000.
"Fishtrap (R), $1,000,000.
"Louisville (L), $1,100,000.
"Covington (L), $500,000.
"Ashland (L), $500,000.
"Frankford (L), $506,000.
"Wilder (L), $747,000.
"Augusta (L), $458,000.
"Ludlow (L), $954,000.
"Russell (L), $456,000.
"Maysville (L), $800,000.
"Vanceburg (L), $632,000.
"Lewisport (L), $137,000.
"Dayton (L), $748,000.
"Owensboro (L), $250,000.
"Bellevue (L), $589,000.
"Cloverport (L), $358,000.
"Carrollton (L), $889,000.
"Uniontown (L), $260,000.
"Sturgis (L), $180,000.

"INDIANA

"RIVER AND HARBOR

"Indiana Harbor, $100,000.
"Calumet Harbor, Ill. and Ind., $220,000.
"Ohio River locks and dams, $250,000.
"Ohio River open-channel work, $200,000.

"FLOOD CONTROL

"Cagles Mill (R), $500,000.
"Mansfield (R), $800,000.
"Sholls (R), $1,000,000.
"Spencer (R), $1,000,000.
"Brookville (R), $1,500,000.
"Metamora (R), $2,000,000.
"Lawrenceburg (L), $1,000,000.
"New Albany (L), $1,000,000.
"Clinton (L), $29,000.
"West Terre Haute (L), $137,000.
"Adams levee units (L), $63,000.
"Honey Creek (L), $62,000.
"Deer Creek Prairie (L), $46,000.
"Sugar Creek levee unit (L), $125,000.
"Aurora (L), $800,000.
"Grandview (L), $203,000.
"Vevay (L), $440,000.
"Patriot (L), $283,000.
"Mauckport (L), $165,000.
"Rockport (L), $145,000.
"Indianapolis (Warfleigh Section), $311,000.
"Anderson (L), $127,000.
"Levee unit No. 10 (L), $39,000.
"Levee unit No. 8 (L), $334,000.

"OHIO

"RIVER AND HARBOR

"Huron Harbor, $122,000.
"Ohio River locks and dams, $100,000.
"Ohio River open channel work, $100,000.

"FLOOD CONTROL

"East Fork (R), $1,200,000.
"Frazeysburg (R), $500,000.
"Dillon (R), $800,000.
"Millersburg (R), $800,000.
"Delaware (R), $800,000.
"Paint Creek (R), $1,000,000.
"Deer Creek (R), $1,000,000.
"Shenango (R), $1,100,000.
"Mosquito Creek (R), $500,000.
"Eagle Creek (R), $1,000,000.
"Logan (R), $1,000,000.
"Portsmouth (L), $1,000,000.
"New Boston (L), $800,000.
"Logan (L), $1,000,000.
"Cincinnati (six units) (L), $1,000,000.
"Martins Ferry (L), $800,000.
"Bellaire (L), $800,000.
"Middleport (L), $800,000.
"Massillon (L), $600,000.
"Zanesville (L), $900,000.
"Roseville (L), $131,000.
"Newark (L), $263,000.
"Syracuse (L), $450,000.
"Coalgrove (L), $284,000.
"Proctorville (L), $926,000.
"Moscow (L), $440,000.
"Belpre (L), $800,000.
"Cleves (L), $190,000.
"Racine (L), $365,000.
"Follansbee (L), $943,000.
"Manchester (L), $505,000.
"New Richmond (L), $800,000.
"Brilliant (L), $800,000.
"Pomeroy (L), $800,000.
"Mingo Junction (L), $678,000.

"WEST VIRGINIA

"RIVER AND HARBOR

"Ohio River locks and dams, $50,000.
"Ohio River open channel work, $100,000.

"FLOOD CONTROL

"Bluestone (R), $4,000,000.
"Burnsville (R), $1,200,000.
"West Fork (R), $1,500,000.
"Poca (R), $1,000,000.
"Birch (R), $1,000,000.
"Mud River (R), $700,000.
"Wheeling (all sections) (L), $1,200,000.
"Huntington (L), $800,000.
"Parkersburg (L), $1,000,000.
"Warwood (L), $614,000.
"Buckhannon (L), $951,000.
"Wellsburg (L), $1,158,000.
"New Martinsville (L), $807,000.
"Elkins (L), $973,000.
"Benwood (L), $1,261,000.
"Point Pleasant (L), $934,000.
"St. Marys (L), $560,000.
"Riverview (L), $327,000.
"New Cumberland (L), $976,000.
"Mason (L), $383,000.
"Moundsville (L), $886,000.

"MICHIGAN

"RIVER AND HARBOR

"Keweenaw Waterway, $500,000.
"St. Joseph Harbor, $75,000.
"Detroit River, $375,000.
"Charlevoix Harbor, $15,000.
"Saginaw River, $1,030,000.

"OREGON

"RIVER AND HARBOR

"Willamette River above Portland, Oreg., $15,000.
"Coos Bay, $650,000.
"Umpqua River, $273,000.
"Columbia River between Vancouver, Wash., and Bonneville, Oreg., $500,000.
"Columbia River at the mouth, jetties, $250,000.

"FLOOD CONTROL

"Sandy drainage district (L), $92,000.
"Westport District (L), $28,000.
"John Day River dikes (L), $28,000.
"Walluski River dikes (L), $68,000.
"Peninsular drainage district No. 1, Multnomah County (L), $134,000.
"Deer Island areas (L), $282,000.
"Prescott area (L), $27,000.

"Cottage Grove (R), $949,000.
"Dorena (R), $837,000.
"Lookout Point (R), $3,031,000.
"Quartz Creek (R), $4,073,000.
"Fern Ridge (R), $986,000.
"Sweet Home (R), $5,336,000.
"Detroit (R), $2,665,000.
"Willamette River (C), $8,000,000.

"CALIFORNIA

"RIVER AND HARBOR

"San Diego Harbor, $1,000,000.
"San Francisco Harbor, $115,000.
"Richmond Harbor, $24,800.
"San Joaquin River, $435,000.
"Sacramento River, debris dams, $1,000,000.
"Richmond Harbor, $192,000.
"Pinole Shoal and Mare Island Strait, $162,000.
"Bodega Harbor, $565,000.

"FLOOD CONTROL

"Los Angeles County (L) (C) (R), $8,800,000.
"Santa Ana River (L) (C) (R), $3,000,000.

"WASHINGTON

"RIVER AND HARBOR

"Columbia River and tributaries, Celilo Falls to mouth of Snake River, $250,000.
"Columbia River, $25,000.
"Neah Bay, $500,000.
"Everett Harbor, $28,000.
"Columbia River between Vancouver, Wash., and Bonneville, Oreg., $500,000.
"Columbia River at the mouth, jetties, $250,000.

"FLOOD CONTROL

"Mud Mountain (R), $3,400,000.
"Skamokawa Creek Area (L), $100,000.
"Deep River area (L), $47,000.
"Upper Grays area (L), $79,000.
"Pacific County diking district No. 1 (L), $23,000.
"Yakima River (L), $163,000.
"Mill Creek (Walla Walla) (R), $608,000.
"Spokane (L), $31,000.

"ALASKA

"RIVER AND HARBOR

"Unalaska Harbor, $60,000.
"Skagway Harbor, $105,000.
"Valdez Harbor, $68,500.

"FLOOD CONTROL

"Tanana River and Chena Slough (L), $565,000.

"PUERTO RICO

"RIVER AND HARBOR

"San Juan Harbor, $400,000.
"Arecibo Harbor, $468,000.
"Guayanes Harbor, $68,600.

"VIRGIN ISLANDS

"RIVER AND HARBOR

"St. Thomas Harbor, $630,000.

Mr. BARKLEY. Mr. President, this is the flood-control bill, I understand, reported from the Committee on Commerce, and now offered in the form of an amendment to the pending joint resolution.

Mr. COPELAND. It is offered as an amendment to the joint resolution. It was given consideration by the Committee on Commerce, and under instructions from the committee I presented it.

Mr. BARKLEY. What I am trying to ascertain is whether it is identical with the flood-control bill which has been reported from the Committee on Commerce and which is on the calendar, or whether it is a combination of that bill and the river and harbor bill, which has also been reported.

Mr. COPELAND. It is a combination of river and harbor projects and flood-control projects which have been approved by the Army engineers, not all of them in this year's bill, some of them in last year's bill. So far as I can see, this is the only time when we will have an opportunity—and I hope we may be successful—to get some money to carry on these projects.

Mr. TYDINGS. Mr. President, will the Senator yield?

Mr. COPELAND. I yield.

Mr. TYDINGS. I should like to call the attention of Senators to the colloquy between Secretary of Interior Ickes and members of the Committee on Appropriations. I read from the report of the hearings:

Senator TYDINGS. What I am trying to get—perhaps I was not clear—as to what other line of endeavor than those set forth in the bill might be undertaken by the Federal Government now which might be completed now or in the early future and which could be finished in the next year or two.

The Secretary then named a few of the things. Then I continued:

I for one, without any study of it, would like to see that program revitalized, carried out, so that the War Department and various other agencies of the Government could get accurate and up-to-date maps, as it seems to me that you would reach a class of white-collar men who might be out of employment, and where you would be utilizing their services in getting maps, benefiting people out of employment—

And so forth. Then Mr. Ickes, referring specifically to the work which might be done, stated:

Certain types of projects other than construction might to advantage be included in a Federal Public Works program: For example, soil-erosion control, surveys and mapping, stream gaging, mineral inventories, flood, drought, and pollution studies, and other surveys of value in connection with the conservation of natural resources.

Mr. Ickes was asked if he would get a list from the Chief of Engineers, and from other departments, of the work which he would recommend, which could be started immediately to carry out the program, and which would be done anyway by the Federal Government in the next year or two or three, on which they could actually start now; and the list which the Senator has is, judging from an examination of it, made up in large part from the supplemental list sent to us by Mr. Ickes, as obtained from the Chief of Engineers of the Army.

I merely wanted the RECORD to show that the Secretary of the Interior had inferentially in part, and specifically in another part, suggested the program contained in the Senator's amendment.

Mr. HAYDEN. Mr. President, will the Senator yield to me, merely to make an inquiry?

Mr. COPELAND. I yield to the Senator from Arizona.

Mr. HAYDEN. What is the total amount of money involved in the Senator's amendment?

Mr. COPELAND. Three hundred and twenty-four million, two hundred and thirty-five thousand, nine hundred dollars.

Mr. HAYDEN. The list of projects that could be immediately undertaken, mentioned by the Secretary of the Interior, amounted to $15,849,000, and the total list recommended by the Secretary of the Interior, which he obtained from the Army engineers, amounted to $64,212,000, so it represents an amount which is much less than that in the amendment offered by the Senator.

Mr. COPELAND. Mr. President, I want to tell this story, and take some time to do it. I think the matter is of interest to every Senator. I know it is. In preparing the amendment, we sought to select projects which are so widely distributed that they will bring employment in every State in the Union. I would not be so selfish as to ask that New York be given a tremendous part of this sum. As a matter of fact, the first list which was prepared had for New York $15,000,000 or $20,000,000 more than New York has in the present amendment. So I say that every Senator is interested, and before I complete my remarks I shall show where this money is to go, and how much each State would receive if the amendment were adopted.

In order that I may not be charged or that my committee may not be charged with playing any politics with a view to the possible passage of the joint resolution, I want the Senate to know that there was a very careful study made at our request by the Army engineers in order that they might present to us projects which could be started tomorrow morning if the money were provided.

In connection with that statement, I wish to refer to the letter of the President. I do not know whether the letter to the Senator from Colorado was included in the RECORD,

but I find that the New York newspapers of June 2 carried the letter of the President, in which he said:

> Since my relief message to the Congress 6 weeks ago the unemployment situation has grown worse, and, therefore, if the Government undertakes to relieve unemployment by the measure now before Congress, the time element is an essential to success.

The President's letter goes on:

> It is obvious that undertaking projects next winter or spring will not contribute to the serious necessities of this summer or autumn.

That is exactly the view which the Committee on Commerce has taken in the preparation of the amendment. The President's letter continues:

> It is the gap existing now that we want to fill. Therefore I greatly hope that the emergency appropriation bill in its final form will put no restrictions on the immediate starting of works projects and that it will make possible the selection of those projects which can be got under way most speedily.
>
> To this end, flexibility of actual administration is essential. I cannot too strongly point out that there is unanimous agreement in the executive branch of the Government that the appropriation, flexible in administration, should have as its principal objective putting the greatest number of unemployed to work in the shortest time.

Mr. President, not only will the projects set forth in the amendment put people to work in every State of the Union but if the amendment is adopted it will put people to work tomorrow or next week. Every one of the projects has been studied, approved, planned, and one which the Board of Army Engineers is prepared to execute at once.

The execution of flood control and river and harbor projects throughout the United States represents one of the soundest and most remunerative uses for which Federal funds can be expended. Flood-control works, including dams, levees, flood walls, and channel improvements, are permanent improvements which have been carefully studied and planned. Their benefits in reduced flood damages will over a period of years more than repay the costs of the work. In addition, less tangible, but perhaps even more important values, will be created by removing the flood hazard that hangs over many important parts of the country, providing for orderly development and a new sense of security to large segments of our population.

The usefulness of improving our rivers and harbors needs no detailed analysis. The ample harbors and unequaled inland waterways of the United States afford the best testimony to the value of this type of work.

From the standpoint of providing employment, flood-control projects are of the greatest utility.

I have figures to show that a very large percentage of the dollar expended in these projects will be spent for labor, running as high as 78 percent for labor. So the adoption of the amendment would mean the relief of unemployment.

Mr. CHAVEZ. Mr. President, will the Senator yield?

Mr. COPELAND. I yield.

Mr. CHAVEZ. Inasmuch as it has become necessary that I leave Washington at 4:35 o'clock this afternoon, I ask the Senator from New York if he will not be so kind as to permit me to ask unanimous consent for consideration of two amendments which I believe are not controversial. I am sure the chairman of the subcommittee in charge of the joint resolution will not object to them.

Mr. COPELAND. I shall be glad to hear them, Mr. President. Are they proposed as amendments to the pending measure?

Mr. CHAVEZ. Yes; they are amendments to the pending measure. I ask unanimous consent that I may be allowed to submit two amendments to the pending joint resolution.

The PRESIDING OFFICER. Is there objection? The Chair hears none.

Mr. NEELY. A point of order.

The PRESIDING OFFICER. The Senator will state it.

Mr. NEELY. The pending amendment would first have to be laid aside, would it not?

The PRESIDING OFFICER. It will automatically be laid aside.

Mr. CHAVEZ. If it is going to take some of the time of the Senator from New York, or sidetrack the discussion which is now going on, I would not ask the Senator to yield.

Mr. COPELAND. Mr. President, at least let us have the amendments stated.

The PRESIDING OFFICER. The clerk will state the first amendment offered by the Senator from New Mexico [Mr. CHAVEZ].

The LEGISLATIVE CLERK. On page 20, line 21, after the word "agencies", it is proposed to insert a colon and the following:

> *Provided*, That no funds appropriated under this title shall be available for the acquisition of land to enlarge Indian reservations.

Mr. COPELAND. And may we have the other one read?

The LEGISLATIVE CLERK. On page 25, between lines 2 and 3, it is proposed to insert the following new subsection:

> (j) All contracts for the construction of any Federal project with funds appropriated under this Title or Title III shall contain provisions appropriate to insure that, insofar as practical and feasible, preference in employment of workers (exclusive of executive, supervisory, administrative, and other nonmanual) on such project shall be given to bona fide residents of the State, Territory, or possession in which the project is located, who have resided therein for at least 90 days immediately preceding the date of their employment, where such persons are available and qualified to perform the work to which the employment relates: *Provided*, That where the project is located in more than one State, such preference shall be equally applicable to all such States.

The PRESIDING OFFICER. The question is on agreeing to the first amendment offered by the Senator from New Mexico.

Mr. NORRIS. Mr. President, I suppose the question is debatable.

The PRESIDING OFFICER. It is.

Mr. COPELAND. Mr. President, if the Senator from Nebraska will pardon me, as I understood, the amendments were to be stated, and that final action was to be taken at some later time. I do not care to have the discussion broken into.

The PRESIDING OFFICER. Does the Senator demand the regular order?

Mr. COPELAND. I should prefer that.

The PRESIDING OFFICER. The Senator from New York has the floor.

Mr. NORRIS. A proposal has been made to lay aside temporarily the unfinished business. Now it seems that an endeavor is being made to pass a bill, or have an amendment agreed to with respect to something which no one seems to know anything about.

Mr. COPELAND. The Senator from New Mexico says he is obliged to go out of the city in a short time, and has asked to have the amendments considered.

Mr. NORRIS. Do they apply to the pending measure?

Mr. COPELAND. Yes.

Mr. CHAVEZ. I may say to the Senator from Nebraska that it is necessary that I leave the city at 4:35 this afternoon.

Mr. NORRIS. That presents a different picture. Are the amendments which the Senator from New Mexico has offered amendments to the amendment offered by the Senator from New York to the joint resolution?

The PRESIDING OFFICER. No; they are amendments to the pending joint resolution.

Mr. NORRIS. Then temporarily the unfinished business is back before the Senate.

The PRESIDING OFFICER. It has been before the Senate all the time.

Mr. NORRIS. No; it was temporarily laid aside, was it not?

The PRESIDING OFFICER. No.

Mr. NORRIS. What was temporarily laid aside?

The PRESIDING OFFICER. The Senator from New York yielded in order that the Senator from New Mexico might immediately offer two amendments.

Mr. NORRIS. Very well.

Mr. JOHNSON of California. Mr. President, I demand the regular order.

The PRESIDING OFFICER. The regular order is demanded. The Senator from New York [Mr. COPELAND] has the floor.

Mr. CAPPER. Mr. President, will the Senator yield to me for the purpose of submitting a brief amendment to the joint resolution?

Mr. COPELAND. I yield.

The PRESIDING OFFICER. Without objection, the amendment will be stated.

The LEGISLATIVE CLERK. It is proposed to add, at the appropriate place, the following:

SEC. 12. That from appropriations hereafter made for river and harbor improvements, the Secretary of War is hereby authorized to reimburse the city of Leavenworth, Kans., in the amount of $36,000 for damages to the city water works caused by navigation improvements in the Missouri River.

Mr. CAPPER. Mr. President, until a few years ago the city of Leavenworth furnished the fort at Leavenworth with its water. The fort now has its own water and sewage system.

The Government, in deepening the channel opposite the city intake, built dikes which created sand bars which had a tendency to cover up the intake. During the past winter the Government frequently dredged the river in order to keep the intake open. The city has decided that the solution is unsatisfactory and has decided to build a new intake farther down the stream, even below the fort sewage disposal. It will also be necessary to have the sewage come into the river below the new intake, so that extra expense will be involved in placing the sewer outlet of the fort farther south.

Pursuant to a resolution from the Rivers and Harbors Committee, the Army engineers, local and district, made reports to the Board. It is admitted that it was practically necessary for the city to change its intake. The amount recommended by the local Leavenworth engineer is $14,000, that amount being all that the city would really be out, making allowances for the new and improved intake. However, the divisional engineer at Kansas City recommended nearly $36,000. The city is actually out about $60,000. Technically the engineers say the Government is not liable, but actually it is.

I think $36,000, which is the figure recommended by the division engineer, would be a good compromise. I think the city of Leavenworth has a just claim against the Government.

Mr. ADAMS. Mr. President, does the Senator from Kansas wish to have his amendment considered at this time, or is he merely presenting it?

The PRESIDING OFFICER. The Senator from Kansas has not yet disclosed what he wishes in that connection.

Mr. CAPPER. I am merely presenting the amendment.

The PRESIDING OFFICER. The amendment will be received and lie on the table.

Mr. NORRIS. Mr. President, what has been done with the amendment relating to the water works at Leavenworth, Kans?

The PRESIDING OFFICER. The regular order was demanded. The Senator from New York has the floor on his own amendment.

Mr. NORRIS. Then nothing has been done?

The PRESIDING OFFICER. Nothing has been done.

Mr. COPELAND. Mr. President, in all good nature, let me say in advance that I do not care to yield until I shall have concluded.

When I was interrupted I was saying that from the standpoint of providing employment, flood-control projects are of the greatest utility. Dams and levees require an enormous amount of unskilled labor for their construction, and the necessary materials, such as concrete, steel, timber, and construction equipment, create an important demand upon industry.

More than 10 years ago the Congress, foreseeing the growing public demand for improvements for flood control and allied purposes, authorized comprehensive surveys for the purpose of initiating actual improvements, with tangible results. Great numbers of surveys were completed by the Corps of Engineers of the War Department, and the Congress was supplied with the information necessary for definite flood-control legislation.

Since the great flood of 1927 the Federal Government has been prosecuting flood-control improvements in the alluvial valley of the Mississippi River under the project adopted by Congress in the act of May 15, 1928. The usefulness of this work was amply demonstrated in 1937, when the great flood which devastated the unprotected Ohio Valley was carried to the Gulf of Mexico without mishap.

After the floods of 1935 and 1936 Congress passed the act of June 22, 1936, which established a national flood-control policy and authorized the expenditure of $300,000,000 for the initiation of this policy. Congress authorized the expenditure. As a matter of fact, very little money has actually been appropriated.

The act of June 15, 1936, authorized $272,000,000 for modification and extension of the project for flood control on the Mississippi River. The record flow of 1937—last year's flood in the Ohio River Basin—caused damages estimated at more than $400,000,000. The flood of last year in the Ohio River Valley produced losses and damages, to say nothing of loss of life, in a sum far beyond the amount proposed by my amendment, the amendment providing for $325,000,000, while the loss was estimated at $400,000,000.

In August 1937 Congress authorized flood-protection works for cities and towns along the Ohio River at a cost of about $25,000,000. The pending flood-control bill—H. R. 10618—approves carefully considered flood-control plans for many of the larger river basins and authorizes the expenditure of $375,000,000. Regular appropriations by the Congress have permitted this important work to be initiated, but a vast number of needed authorized projects remain which could be constructed without delay.

The flood-control projects in New England which need funds include reservoirs in the Merrimack and Connecticut River Basins in New Hampshire, Vermont, and Massachusetts, as well as local flood-protection works at Hartford and East Hartford in Connecticut, and Springfield, Chicopee, Northampton, and Holyoke in Massachusetts.

Providence River and harbor in Rhode Island need money for an authorized navigation project. Navigation improvements on the Thames and Connecticut Rivers in Connecticut are waiting for funds. In Massachusetts, Boston Harbor, the Cape Cod Canal, Lynn Harbor, and numerous other projects require funds for their completion.

The PRESIDING OFFICER. The time of the Senator from New York on the amendment has expired.

Mr. COPELAND. I wil take time on the joint resolution.

In the middle Atlantic area a large number of necessary flood-control and river and harbor projects which have been authorized by Congress require funds for initiation and completion. The completion of the navigation project on the Delaware River, from Philadelphia to the sea, in Pennsylvania and Delaware is another project which requires funds.

Washington Harbor, in the District of Columbia, requires money.

In Maryland, Virginia, North Carolina, and South Carolina funds are needed for improvements in the Chesapeake and Delaware Canal, for Baltimore Harbor, for flood protection at Cumberland, for navigation on the James River in Virginia, and for the inland waterway in North Carolina and South Carolina.

The funds needed for navigation and flood-control improvements in Georgia, Alabama, and Florida would be used on the intercoastal waterway in Georgia, on levees at Brewton, Ala., on Lake Okeechobee, Fla., Tampa Harbor, Fla., and other such improvements in these States.

In the States bordering the lower Mississippi River and comprising the alluvial valley of the Mississippi River, there are very many important and urgent flood-control and navigation projects. In Missouri, Tennessee, Arkansas, Mississippi, and Louisiana is located the greatest flood-control project ever undertaken by man, the control of the Mississippi and its tributaries. Congress has authorized its prosecution. A virtual army of workers can be given employment on this useful work if ample funds are provided. At the same time, every cent expended adds permanent improvements of lasting value.

Mr. BULKLEY. Mr. President, will the Senator yield?

Mr. COPELAND. I yield.

Mr. BULKLEY. Does the Senator state that the projects proposed in his amendment are all ready to go forward at once?

Mr. COPELAND. They are.

Mr. BULKLEY. Are they subject to local participation and contribution, with respect to acquiring sites for reservoirs?

Mr. COPELAND. Under the existing law, or the law as it may be changed by the pending amendment, they will have to be. However, there is a proviso at the end of the amendment. I ask that the clerk read the proviso.

The PRESIDING OFFICER. The clerk will read the proviso.

The legislative clerk read as follows:

Provided, That if the requirements of local cooperation as set forth in the Flood Control Act approved June 22, 1936, as heretofore or hereafter amended, or river and harbor acts, are not met in sufficient time to enable prompt initiation of any project, the Secretary of War may, upon recommendation of the Chief of Engineers, reallocate the funds therefor to other localities for flood or navigation projects.

Mr. COPELAND. Categorically answering the Senator from Ohio, there are certain requirements for local contribution. It is not contemplated by the amendment which I am now discussing that there should be any change in existing law with regard to such contributions. The existing law requires a 50-percent contribution. The pending amendment requires 30 percent, but I understand an effort will be made on the floor of the Senate to require a 50-percent contribution, or a contribution in accordance with whatever the law may be.

Mr. BULKLEY. The effect of the amendment, then, would be to leave the projects subject to such local contribution as may otherwise be required by law.

Mr. COPELAND. That is correct.

Mr. ADAMS. Mr. President, will the Senator yield?

Mr. COPELAND. I yield.

Mr. ADAMS. If I understand correctly, the Senator stated that the present law requires a 50-percent contribution. My understanding is that the present law requires a contribution of 100 percent to the extent that the local community would have to provide the site and meet all damages which might be involved in the construction of reservoirs and flood-control projects.

Mr. COPELAND. That is correct.

Mr. WALSH. Mr. President, I offer an amendment to the amendment offered by the Senator from New York [Mr. COPELAND]. If his amendment is to be submitted to the Senate, I should like to have him modify it by inserting on page 3, after line 8, the following:

Merrimack River at Lowell (L) and (C), $1,500,000.

If the Senator will modify his amendment in accordance with my suggestion, it will take care of the whole situation.

Mr. COPELAND. Under the provisions of my amendment $10,101,000 has been allocated to Massachusetts. If for any reason one of the projects could not go forward, under the proviso at the end of the amendment the money could be allocated for the specific purpose the Senator has in mind. However, I shall be glad to give consideration to the request of the Senator.

Mr. WALSH. I understand, then, that when the Senator finally submits his amendment to the Senate, he will modify it by including the provision to which I have referred?

Mr. COPELAND. I have not quite said that. I may reach that frame of mind.

The very fact that amendments are offered here is an indication, first, of the knowledge and then of the anxiety of Senators to see that their respective States shall be given protection against floods and against river-frontage damages. To my mind, this is a further reason why the amendment should be adopted.

Besides the improvements I have mentioned, there are many other worthy projects authorized for these States by the general Flood Control Act of June 22, 1936, which await until the funds necessary to put them under way are provided.

On the Gulf coast of the alluvial valley in Louisiana there are urgently needed navigation improvements on Pearl River, the Mississippi River Passes, Calcasieu River, and Grand Bayou Pass. In the flood-control bill pending before Congress there are other projects for very desirable works for which funds will be needed. The fact that this work returns vast dividends to the whole Nation should be realized.

The Homochitto River in Mississippi, Big Black in Mississippi, and the Yazoo River in Mississippi need funds.

In Louisiana funds are needed for levees at Colfax, Grant Parish levees, and the Wallace Lake Reservoir.

In Texas funds are needed for the Intercoastal Canal, the Houston Ship Channel, the Sabine Neches Waterway, and for other navigation projects. The Denison Dam in Oklahoma and Texas authorized in the pending flood-control bill will need money.

The pending flood-control bill authorizes reservoirs in Arkansas which are very necessary to protect a section of the country which recently suffered terribly from floods, involving the loss of life as well as millions of dollars' worth of property.

In Oklahoma, Arkansas, and Missouri reservoirs authorized in the pending flood-control bill cannot be started without money.

Last year, as I have said, the greatest Ohio River flood of history occurred and damages of more than $400,000,000 were inflicted, not to mention the loss of life and human suffering that resulted. The Army engineers have developed plans to prevent a recurrence of these damages, and funds are all that is needed to place much of this worthy work under way.

I wonder if Senators are bearing in mind what happened in the terrible flood in the Ohio River from Pittsburgh down to the Mississippi. Except for the dams that were built in the Tennessee Valley, I have no doubt that the losses along the lower Mississippi would have been greater; and the losses that have occurred in the past will occur again.

Mr. NORRIS. The fact that there were no such dams on the Ohio as those on the Tennessee had much to do with the floods on the Ohio, did it not?

Mr. COPELAND. I have no doubt at all, I will say to the Senator, that had an effect.

Mr. NORRIS. Mr. President, if the Senator will yield further, that flood was a year ago last January, was it not?

Mr. COPELAND. That is correct.

Mr. NORRIS. It was one of the greatest floods in the history of the country, as the Senator has said. The Ohio River rising in the Alleghany Mountains and the Tennessee River rising in the Alleghany Mountains are, comparatively speaking, side by side. The heavy rain took place in the mountains. That is where the flood came from, and the waters went down the Ohio. The rivulets in the mountains that flow into the Tennessee sent their waters into the Tennessee River. In the Ohio River, as the Senator says, one of the greatest floods in history, causing $400,000,000 worth of damage, according to the Senator, occurred. I have no doubt that his estimate is too low as to the property damage, besides the lives which were lost. On the other hand, in the Tennessee River, having the same floodwaters in its tributaries and at its source, there was not a life lost, there was not $100,000 worth of damage done in the Tennessee River Valley. One was taken care of by the commencement of the T. V. A. work in the sources of the Tennessee River. The Ohio River

had no such protection. Although it had dams from Pittsburgh clear to its mouth that made it navigable, it had no flood-control works.

Hence great damage took place on one of these rivers, while on the parallel stream, with its source in the same place, and with practically the same amount of water coming down, there was no damage done; it was almost entirely saved by one flood-control dam in the Tennessee River, the Norris Dam.

Mr. COPELAND. The Senator is entirely correct about that.

Mr. NORRIS. The Senator says—and I wish to emphasize the statement—that if it had not been for the flood-control protection on the Tennessee River that came about through the operations of the T. V. A., then from the mouth of the Tennessee River on the Ohio River and on down the Mississippi River there would have been many millions of dollars more of damage than there was. That is true, is it not?

Mr. COPELAND. I think the Senator is correct.

Mr. NORRIS. Referring to one city in Illinois——

Mr. COPELAND. Cairo.

Mr. NORRIS. Cairo—would it not have been practically wiped out if it had not been for the Norris Dam on the Tennessee River, more than 600 miles away?

Mr. COPELAND. The water was within an inch or two of the top of the levee.

Mr. NORRIS. The life of the community was hanging by a thread, but enough water was held back there to save a catastrophe. If the Ohio River had been dammed in the same way that the Tennessee River has been, there would not have been any damage at all, would there?

Mr. COPELAND. The Senator is correct; and there is no doubt that any comprehensive plan of flood control is imperfect unless we take the tributaries of these great rivers and hold the water back.

Mr. NORRIS. That is correct.

Mr. COPELAND. At the same time, if we cooperate with the other departments of the Government in the preservation of the smaller streams away up near the sources of the rivers, we will have soil conservation and protection.

Mr. NORRIS. That is correct.

Now, let me ask the Senator a further question. If it had not been for the improvements made by the T. V. A. on the Tennessee River, the probabilities are, are they not, that the damage on the Ohio River from the mouth of the Tennessee River to the mouth of the Ohio River would have been increased by many hundreds of millions of dollars?

Mr. COPELAND. In my judgment, the Senator is correct.

Mr. NORRIS. Then why is it, let me ask the Senator, that so many great statesmen oppose doing on the Ohio and other rivers what has only been partially done, which has been only fairly commenced, on the Tennessee River?

Mr. COPELAND. The reason is that most Senators, busy with other things, have never given thought to the matter. The Senator from Nebraska from the time I entered the Senate 16 years ago—and I presume before then—was talking about the importance of corraling these waters not only for the development of hydroelectric power but for the protection of life and property.

Mr. NORRIS. For flood control.

Mr. COPELAND. Yes; for flood-control purposes and for navigation.

Mr. NORRIS. Let me ask the Senator another question. I asked him why it was that great men did not favor doing the same on other rivers which are similar to the Tennessee that had been done on the Tennessee, and he said he thought it was because the statesmen of the country had not given thought to the problem. The Senator has not asked me, but I wish to suggest to him that, in my judgment, there is just one reason why the same work has not been done on the Ohio, on the Mississippi, and the rivers in Arkansas and Missouri that has been done on the Tennessee River, and that is the Power Trust. That is the one reason; because these high dams that control floods also produce power.

Mr. COPELAND. The Senator will recall that 2 years ago in the omnibus flood-control bill which was before the Senate that where the dams were provided for reservoir purposes to catch the floods, if there was hope of electric power development, we included it. It is included in the pending bill on the subject, because, just so surely as the sun rises and sets, the time will come when, instead of having great floods as a menace to the lives and property of our people, they will be harnessed and protection given against the destruction of life and property, and, at the same time, useful service will be provided from the waters so impounded.

Mr. NORRIS. May I interrupt the Senator further?

Mr. COPELAND. Yes.

Mr. NORRIS. I have stated that the improvements on the Tennessee River are only partly completed. At the time of the flood of which the Senator speaks, the benefit that was derived came mostly—not entirely, but mostly—from one dam. If the Gilbertsville Dam, which we have authorized at this session of Congress, had been completed, that would very nearly have shut off the waters from the Tennessee River getting into the Ohio at all.

Mr. COPELAND. Yes. That is exactly what we must do with all our rivers, and the Army engineers have surveyed the rivers with reference to doing the very thing suggested by the Senator from Nebraska.

Mr. President, in the case of every one of the projects in this amendment where water is impounded that might be used for power purposes, provision is made for reports by the Army engineers; so, if the amendment could be adopted, we should be doing throughout the country $300,000,000 worth of improvements to accomplish elsewhere what the Senator from Nebraska [Mr. NORRIS], through his foresight, has made it possible to accomplish in the Tennessee Valley.

I should like to enlarge upon that theme, but time passes.

Urgently needed projects include 6 reservoirs and 15 local protection projects in West Virginia; 5 reservoirs and over a dozen local protection projects in Pennsylvania; 6 reservoirs and 18 levee projects in Indiana; 11 reservoirs and 24 local protection projects in Ohio, and local protection works and reservoirs in Illinois and Kentucky.

In Iowa, Wisconsin, Minnesota, and in all the States bordering the Great Lakes, are great numbers of navigation and flood-control projects for which the people are crying, and for which funds are urgently needed.

The same thing is true with respect to flood-control projects for Kansas, the Dakotas, Montana, Nebraska, Wyoming, Colorado, and Idaho. Some money is needed in New Mexico, Utah, and Arizona.

On the Pacific coast there is an unprecedented public demand for aid from the United States in prosecuting both flood-control and navigation projects.

One of the most startling statements I ever heard in the Commerce Committee was made by General Pillsbury. I was so impressed by it that I asked him to repeat it. His statement was that in Los Angeles County there were the makings of one of the greatest floods in history, and, as a matter of fact, that flood occurred within only a few weeks past. In Washington, Oregon, and California there are many unusually worthy improvements that need to be initiated or continued; and the desired works are far behind the demands, which can be satisfied only with more money.

Mr. President, the Committee on Commerce and those who worked on this amendment have taken into consideration the purposes of the joint resolution before us to give relief, to give useful work. Is it not far better for us to use the millions of the Treasury, the money of the taxpayers, for improvements and for benefits which will add to the national wealth and aid posterity in the protection of their homes and of their welfare? Personally, I am satisfied that that is abundant reason for our action.

Mr. BARKLEY. Mr. President, will the Senator yield to me to propose a unanimous-consent agreement?

The PRESIDING OFFICER. Does the Senator from New York yield to the Senator from Kentucky?

Mr. COPELAND. I yield.

Mr. BARKLEY. I ask unanimous consent that following the address of the Senator from New York, and during the remainder of the consideration of this measure, no Senator shall speak more than once or longer than 15 minutes on the joint resolution, nor more than once or longer than 10 minutes on any amendment to it.

I will say that I have consulted the minority leader, the Senator from Oregon [Mr. McNARY], about the matter, and this arrangement is agreeable to him.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Kentucky?

Mr. McNARY. Mr. President, what is the proposal?

Mr. BARKLEY. I have made a unanimous-consent request for a further limitation of debate following the speech of the Senator from New York so as to make the limitation 15 minutes on the joint resolution, and 10 minutes on any amendment to it.

Mr. AUSTIN. Mr. President, I intend to offer an amendment which will require all the time that is permissible under the present unanimous-consent agreement for limitation of debate. I have not exhausted my time on the joint resolution; and I understand that I shall be entitled to 15 minutes on the amendment, and 30 minutes on the joint resolution, if we proceed under the present arrangement.

I ask the leader of the majority how it would strike him to permit his proposal to be amended so as to have it go into effect after the consideration of my amendment, and let me follow with my amendment next in order.

Mr. BARKLEY. I have no objection to that. I will amend my request by proposing that, following the address of the Senator from New York, the Senator from Vermont [Mr. AUSTIN] shall be recognized to offer an amendment, and that following his address on that amendment, during the remainder of the consideration of this measure, no Senator shall speak more than once or longer than 15 minutes on the joint resolution, nor more than once or longer than 10 minutes on any amendment to it.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Kentucky?

Mr. McNARY. Mr. President, I am not sure that I clearly understand the proposal made by the Senator from Kentucky. He stated, as I understood him, that the modification of the present agreement was to go into effect after the address of the Senator from New York. It ought to be after the disposition of the amendment offered by the Senator from New York.

Mr. BARKLEY. That is what I intended to propose—that after the disposition of the amendment offered by the Senator from New York [Mr. COPELAND], the Senator from Vermont [Mr. AUSTIN] shall be recognized, and then, following his address, that the order which I request shall be put into effect.

The PRESIDING OFFICER. Is there objection?

Mr. JOHNSON of California. Objection to what, if you please?

The PRESIDING OFFICER. Objection to the request of the Senator from Kentucky with regard to limiting debate.

Mr. JOHNSON of California. Limiting it how?

Mr. BARKLEY. I propose that following the disposition of the amendment now pending, offered by the Senator from New York [Mr. COPELAND], the Senator from Vermont [Mr. AUSTIN] shall be recognized to offer an amendment on which he desires the full time under the present arrangement; and that following that, during the remainder of the consideration of the joint resolution, no Senator shall speak more than once or longer than 15 minutes on the joint resolution, nor more than once or longer than 10 minutes on any amendment to it.

Mr. JOHNSON of California. I object.

The PRESIDING OFFICER. Objection is heard. The Senator from New York has the floor.

Mr. COPELAND. Mr. President, I assume that this discussion of legislative procedure does not come out of my time.

The PRESIDING OFFICER. No; the Chair thinks not.

Mr. COPELAND. How much time have I left?

The PRESIDING OFFICER. Seven minutes.

Mr. BULKLEY. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. Does the Senator from New York yield for that purpose?

Mr. COPELAND. The calling of the roll would not come out of my time, I assume.

The PRESIDING OFFICER. The Chair is advised by the Parliamentarian that in this case it would, if the Senator should yield for that purpose.

Mr. COPELAND. Then, Mr. President, I shall not yield for that purpose. I am sorry. I should like to have a larger attendance of Senators.

Mr. President, in the 7 minutes left to me, let me say that I have brought together alphabetically the benefits which would accrue to each State.

Alabama, for flood-control, would have $235,000.

Arizona would have $1,500,000.

Arkansas would have $14,500,000. The reason for that is the great reservoirs which are needed to give protection to the people of that section.

California would have $15,293,800; Colorado, $3,500,000; Connecticut, $4,004,000; Florida, $2,529,850; Georgia, $545,000; Idaho, $277,000; Illinois, $11,724,800; Indiana, $12,879,000; Iowa, $9,200,000; Kansas, $7,000,000.

Kentucky, the home of our leader, $23,164,000. With two or three exceptions, there is no State in the Union where greater need exists than in Kentucky.

Louisiana, $11,928,000; Maine, $1,100,000; Maryland, $1,388,000; Massachusetts, $10,101,500; Michigan, $2,495,000; Minnesota, $1,000,000; Mississippi, $6,556,000; Missouri, $15,900,000; Montana, $6,000,000; Nebraska, $2,000,000; Nevada, $400,000; New Hampshire, $3,522,500, which would bring about great employment in New Hampshire, even though the projects are largely for the benefit of States down the river.

New Jersey, $1,054,000; New Mexico, $400,000; New York, $7,532,500; North Carolina, $834,500; North Dakota, $1,800,000; Ohio, $26,097,000; Oklahoma, $11,000,000; Oregon, $28,274,000. The great river projects being carried on in Oregon call for large expenditures.

Mr. DAVIS rose.

Mr. COPELAND. Now we come to the State of Pennsylvania, and the senior Senator from that State is on his feet, trying to add more. The amount for Pennsylvania is $23,307,000.

Mr. DAVIS. As I understand, Mr. President, there will be allocated for the Allegheny River $500,000; for the Erie Harbor, $210,000; for the Ohio River locks and dams, $50,000; for the Ohio River, open-channel work, $50,000; and for the Delaware River, Philadelphia to the sea, $500,000.

Under flood control are the following allocations:

Kingston-Edwardsville (L), $806,000.

Wilkes-Barre (L), $1,445,000.

Johnstown (C), $2,700,000.

Tionesta, Crooked Creek, Red Bank, French Creek, and Mahoning (R), $5,500,000.

Pittsburgh (L), $3,500,000.

Kittanning (L), $120,000.

McKees Rocks (L), $902,000.

West Bridgewater (L), $828,000.

New Kensington and Parnassus (L), $1,104,000.

Freeport (L), $1,163,000.

Tarentum, Breckenridge, and Natrona (L), $1,368,000.

Punxsutawney (L), $1,471,000.

Coraopolis (L), $1,090,000.

Mr. COPELAND. The Senator is correct.

Then we come to Puerto Rico, Rhode Island, South Carolina, South Dakota, and to Tennessee, where the allocations will be $5,400,000; Texas, $6,826,500; Utah, $250,000; Vermont, $1,878,600; Virginia, $1,383,250; Virgin Islands, $630,000; Washington, $6,004,000; West Virginia, $22,380,000; Wisconsin, $3,075,000; and Wyoming, $1,600,000.

I ask leave to have the entire list printed in the RECORD at this point.

There being no objection, the list was ordered to be printed in the RECORD, as follows:

River and harbor and flood-control projects which can be placed under way within 6 months

	River and harbor	Flood control	Total
Alabama		$235,000	$235,000
Alaska	$233,500	565,000	798,500
Arizona		1,500,000	1,500,000
Arkansas		14,500,000	14,500,000
California	3,493,800	11,800,000	15,293,800
Colorado		3,500,000	3,500,000
Connecticut	491,000	3,513,000	4,004,000
Delaware	2,250,000		2,250,000
District of Columbia	65,000		65,000
Florida	2,529,850		2,529,850
Georgia	545,000		545,000
Idaho		277,000	277,000
Illinois	2,820,000	8,904,800	11,724,800
Indiana	770,000	12,109,000	12,879,000
Iowa	3,200,000	6,000,000	9,200,000
Kansas	1,000,000	6,000,000	7,000,000
Kentucky	700,000	22,464,000	23,164,000
Louisiana	2,795,000	9,133,000	11,928,000
Maine		1,100,000	1,100,000
Maryland	798,000	590,000	1,388,000
Massachusetts	2,794,500	7,307,000	10,101,500
Michigan	2,495,000		2,495,000
Minnesota	1,000,000		1,000,000
Mississippi	520,000	6,036,000	6,556,000
Missouri	2,600,000	13,300,000	15,900,000
Montana	1,000,000	5,000,000	6,000,000
Nebraska	2,000,000		2,000,000
Nevada		400,000	400,000
New Hampshire		3,522,500	3,522,500
New Jersey	1,054,000		1,054,000
New Mexico		400,000	400,000
New York	6,696,500	836,000	7,532,500
North Carolina	834,500		834,500
North Dakota		1,800,000	1,800,000
Ohio	322,000	25,775,000	26,097,000
Oklahoma		11,000,000	11,000,000
Oregon	1,688,000	26,586,000	28,274,000
Pennsylvania	1,310,000	21,997,000	23,307,000
Puerto Rico	936,600		936,600
Rhode Island	500,000		500,000
South Carolina	350,000		350,000
South Dakota		866,000	866,000
Tennessee		5,400,000	5,400,000
Texas	4,826,500	2,000,000	6,826,500
Utah		250,000	250,000
Vermont		1,878,600	1,878,600
Virginia	383,250	1,000,000	1,383,250
Virgin Islands	630,000		630,000
Washington	1,553,000	4,451,000	6,004,000
West Virginia	150,000	22,230,000	22,380,000
Wisconsin	1,775,000	1,300,000	3,075,000
Wyoming		1,600,000	1,600,000
Total	57,110,000	267,125,900	324,235,900

Mr. COPELAND. Mr. President, it will be seen that these projects reach into every State of the Union to bring safety against flood, against the destruction of property, against the destruction of life, and at the same time to add to the national wealth and to give employment everywhere.

Mr. HILL. Mr. President, I was called from the Chamber. Did the Senator give the figures as to Alabama during my absence?

Mr. COPELAND. I did. The allotment for Alabama is $235,000.

Mr. HILL. That was for one project, and, according to my latest information, that project is not considered desirable, so that would mean nothing for Alabama.

Mr. COPELAND. No; the provision at the end of the amendment means that if any project is not available the Army engineers may assign the allocation to some other purpose.

Mr. HILL. But not unless some other project has been approved and authorized by the Congress.

Mr. COPELAND. It will have to be authorized and approved.

Mr. ADAMS. Mr. President, in connection with the pending amendment I send to the desk and ask to have read a letter from the President of the United States, sent to me following a conference on this and similar amendments.

The PRESIDING OFFICER. Without objection, the letter will be read.

The legislative clerk read as follows:

THE WHITE HOUSE,
Washington, May 31, 1938.

MY DEAR SENATOR ADAMS: On my return this morning I have held a conference with representatives of the Public Works Administration, the Works Progress Administration, and the Treasury.

Since I sent my relief message to the Congress 6 weeks ago, the unemployment situation has grown worse, and, therefore, if the Government undertakes to relieve unemployment by the measure now before Congress, the time element is an essential to success.

It is obvious that undertaking projects next winter or spring will not contribute to the serious necessities of this summer or autumn. Furthermore, it is hoped that private industry and finance, because of deferred needs and lessening inventories, will be in a position a little later on to increase private employment. Emergency employment, therefore, should come right away instead of being deferred to a time when it may synchronize with an increase in private employment.

It is the gap existing now that we want to fill. Therefore, I greatly hope that the emergency appropriation bill in its final form will put no restrictions on the immediate starting of works projects, and that it will make possible the selection of those projects which can be got under way most speedily.

To this end flexibility of actual administration is essential. I cannot too strongly point out that there is unanimous agreement in the executive branch of the Government that the appropriation, flexible in administration, should have as its principal objective putting the greatest number of unemployed to work in the shortest time.

Sincerely yours,

FRANKLIN D. ROOSEVELT.

Hon. ALVA B. ADAMS,
United States Senate.

Mr. COPELAND. Mr. President, at the very beginning of my remarks I read this letter, and I hope I made clear that we are seeking to do by the pending amendment exactly what the President wants done, provide for projects which can be started tomorrow, where the dirt can begin to fly, and there is not a project provided for in the amendment which could not be begun tomorrow.

Mr. ADAMS. Mr. President, as I have heard the letter of the President read, and as I have studied the amendment, I cannot agree with the Senator from New York that his amendment provides the flexibility and the time elements and the immediate employment of labor in the places where needed, which the President desires, as indicated in his letter. The amendment of the Senator from New York, highly commendable in its purpose, covers 300 projects, which just happen to be distributed over 48 States; but it leaves no flexibility in the program, no regard to the availability of labor where particular projects are located.

In addition, Mr. President, the amendment takes out of title II, so far as these projects are concerned, the limitations which the Committee on Appropriations thought were very essential, that no money should be allocated to projects which could not be commenced before the 1st of January, and that was then extended by amendment on the floor to the 1st of March; nor could money be allocated to projects which could not be completed within a fixed time.

The pending amendment would wipe out those limitations, so that we would appropriate $324,000,000 to these particular projects. They are to be constructed regardless of the time when work may be commenced on them, regardless of the time when they may be completed. It eliminates the element of flexibility. There are projects in the amendment for my own State of great merit, in which I am tremendously interested. It is not easy to oppose an amendment which in its terms provides benefits greatly desired in my own State, but I am convinced that the amendment would have an effect upon the relief program which would impair its value and efficacy at this immediate time.

There is available in toto the sum of $965,000,000. Out of that, $200,000,000 has been set aside for Federal projects. If we take $324,000,000 out of that sum we are going to narrow the amounts available for grants and loans, so as to render the grant-and-loan program greatly limited.

The Senator from New York has an additional amendment which would allocate some $80,000,000 of this fund for other fixed expenditures. My point is merely that the view of the President and the view of the House and the view of the Senate Committee on Appropriations is not

going to be carried out by this amendment, no matter how worthy its purposes may be.

There is another thing which I think the Senate should consider, namely, that the $324,000,000 covered by the amendment offered by the Senator from New York would be taken away from the Public Works Administration, where it would otherwise be allocated, and set over to the charge of the Secretary of War. The Secretary of War, unless I am mistaken, has a fund of some eighty-odd million dollars already available for projects of this type. I have wondered whether or not the Secretary of War had available the machinery and the force and the planning establishment to do the thing that is desired, to start work upon these projects at once and to carry them through. We do know that the Public Works Administration has projects available for immediate construction, has its engineers available and has its staff.

I am not interested in who does the work; I am interested in seeing work done which will be of advantage to my country, which will give people employment, which will the sooner start the course of our country upward rather than downward. It is a choice which the Senate must make as to the manner in which it is to be done.

There is no objection, in essence, to the plan suggested by the Senator from New York. The only question is whether his plan is a plan preferable to that which is already provided for in the joint resolution; whether his plan is preferable to that of the President and the Public Works Administration. The question is whether or not we shall leave to the President and his advisers the selection of the projects which will unquestionably be distributed equitably throughout the United States, or whether we will let the Senator from New York do the earmarking in his amendment.

Mr. HILL. Mr. President, will the Senator yield?

Mr. ADAMS. I yield.

Mr. HILL. Unemployment does not follow geographical lines. It is general throughout the country. In my State, with a population of 3,000,000, many unemployed will not receive one cent out of what is proposed in the Senator's amendment, which provides for taking some $300,000,000 out of the public-works fund. So the amendment is absolutely unscientific so far as the purposes of the pending legislation are concerned. It does not meet those purposes.

Mr. ADAMS. I am afraid the other program is preferable. That is my view. I know of admirable projects located in certain localities in my State. Three-fourths of the State is not included in any project. I think the result of the acceptance of the amendment would be, in my State, to deny 15 or 20 projects in order to provide for taking care of those which would be taken care of under any plan.

Mr. MINTON. Mr. President, there seems to be some misunderstanding about what is to be done with this money in case it is earmarked. As I understood the Senator from New York in appealing for the adoption of his amendment, it was on the basis that the money would be spent in order to provide employment right away for workers on the projects that he has in mind. That well known institution, the National Committee to Uphold Constitutional Government, of which Mr. Frank Gannett is chairman, seems to have a different view of what the Senator proposes to do and the effect of his amendment. A constituent wrote me a letter which I received in this morning's mail, containing a letter which he received from the National Committee to Uphold Constitutional Government, which is propagandizing the country today in behalf of the amendment offered by the Senator from New York. The letter is dated New York, May 28, 1938, addressed to Mr. Walter Carter, Tipton, Ind., and is as follows:

DEAR MR. CARTER: The value of your bank's assets as well as the prosperity of your depositors is involved in the Bailey-Copeland amendments to the administration's spending bill.

These amendments, if adopted, will definitely earmark for useful purposes $1,100,000,000 of taxpayers' money which otherwise will go into Mr. Roosevelt's political blank-checking account.

Of this amount, $600,000,000 is needed for flood-control and river and harbor improvements. Unless this money is specifically earmarked for that purpose, the chances are it will be diverted to projects that fit into this year's election emergency. Then, after November, the $600,000,000 will have to be appropriated again. Senators BAILEY and COPELAND say nail this money down; it means saving it.

The rest of the $1,100,000,000 will be definitely allocated, by these amendments, to public-works projects already approved—so there can be no last-minute political juggling to support rubber-stamp candidates.

If the Executive can give and withhold relief funds and allocate them for political considerations he can dominate primaries and elections, destroy the independence of Congress, and completely establish one-man rule.

The last week's news from Kentucky and Iowa primary campaigns shows how imminent these dangers are. The brave fight being made by a group of courageous Senators to ward off these dangers may be lost unless they have your immediate help—and the immediate support of every other good citizen interested in preserving democracy and the solvency of the United States Government.

An outright saving of $600,000,000 represents the labor of a half million men for a year. Despite the free-spending attitude that has grown up in Washington, it is very important that we save this amount to the United States Treasury and to the tax-burdened citizens if we can possibly do so.

You have a good chance of winning the fight to have these amendments passed if you and the others reached by this appeal will get busy at once. Make your citizen's influence felt as follows:

1. Wire or air mail your two Senators urging them to do their utmost to have the Bailey and Copeland amendments added before the spending bill is passed.
2. After you have telegraphed your own Senators, read the enclosures. Get 20 other good citizens in your community to act.
3. Enlist support for this committee's work in preserving free enterprise and constitutional government.

The part that follows is very important:

Contribute yourself and get at least nine others to give according to their means.

If this is not a people's fight it is lost. Wake up America! Act today!

Sincerely yours,

FRANK E. GANNETT, *Chairman.*

P. S.—The editors of your local newspapers will receive this information, together with a list of the projects in your State to which preference must be given provided the Bailey-Copeland amendments are adopted.

Mr. Carter, in a very brief letter, which I will read, responded as follows:

JUNE 1, 1938.

NATIONAL COMMITTEE TO UPHOLD CONSTITUTIONAL GOVERNMENT,
205 East Forty-second Street, New York, N. Y.

GENTLEMEN: I have yours of the 28th.

No wonder you are desperate for funds. The people of the country have been exploited by liberty leaguers and folks of your ilk until your cry "the wolf is coming" is falling more and more on deaf ears. You are enemies of constitutional government and not its friends.

It will be a great victory for constitutional government when your sucker list plays out.

Yours very truly,

WALTER CARTER.

Mr. President, I think, as I said, there was some confusion about how this money was to be handled, but I would rather follow the outline presented by the Senator from Colorado, under which he believes that the money will be used to give employment to people who are now out of work, than to follow the leadership of the National Committee to Uphold Constitutional Government, which wants to "nail it down."

Mr. MILLER. Mr. President, I am not concerned about whose plan we shall follow so long as we follow a plan which has some common sense to it. I, for one, am not interested in what propaganda may be floating around, but I am interested in the integrity of our Government, and I am interested in the Congress fulfilling its pledges.

The amendment seeks to earmark $324,000,000 of the $965,000,000 in title II. According to the testimony of the Secretary, he will require about $400,000,000 of the $965,000,000 to commence work on projects which are already approved.

Today we have authorized $300,000,000 additional for housing appropriations in title II of the joint resolution. Yet it is said that because the work is scattered over 48 States we ought not to undertake to direct the way the

work should be done but ought to let someone in Washington direct it and select the projects.

Mr. President, Congress has during a period of years authorized appropriations for river and harbor and flood-control projects in this Nation in the total sum of $1,310,514,133. That includes the provision for the appropriation of $37,000,000 in the bill which is pending and certain provisions carried in the flood-control bill. We are safe in saying that $1,000,000,000 has been authorized by Congress to apply to river and harbor and flood-control projects, and yet we are doing nothing to meet the present situation except to provide the paltry sum of $82,000,000 in the flood-control appropriation this year, and some miscellaneous items, amounting to $30,000,000.

If the Senate wants to do it, we have a chance to take $325,000,000 out of title II and apply it upon the authorization that we have heretofore made. Some of these days we are going to have to meet that billion-dollar authorization. The question is simply whether or not we are going to take part of this money or are we going to be dominated by the plea that somebody else ought to select the projects and that Congress should not have anything at all to do with it? That is all there is to it.

Talk about wanting to go to work immediately. Secretary Ickes said it would require about $400,000,000 to complete the 2,700 projects which are ready to go under the P. W. A. About 80 percent of them are ready. When the calculation is made, it would require about $400,000,000 of the $965,000,000 to complete all those projects. Yet the Senator from Alabama says that his State would not be benefited.

Mr. HAYDEN. Mr. President, will the Senator yield?

Mr. MILLER. I yield.

Mr. HAYDEN. I wish to inquire of the Senator from Arkansas, with respect to certain discrepancies in the figures. The Senator has just said that the pending amendment seeks to earmark $324,000,000 for certain flood-control projects. When the joint resolution was under consideration before the Committee on Appropriations of the Senate, the Senator from Maryland [Mr. TYDINGS], suggested that inquiry be made of the Chief of Engineers as to what flood-control work could be immediately undertaken.

Mr. MILLER. I am familiar with that.

Mr. HAYDEN. And the record shows that the Corps of Engineers submitted three lists of projects. First, authorized projects which can be initiated or expedited with additional funds, amounting to $15,849,000.

Second, authorized flood-control projects next in priority to list 1, which can be initiated or further expedited with additional funds, $38,865,000.

The third list suggests that $40,000,000 could be expended on projects authorized by the Lower Mississippi Flood Control Act. Then there is a list of projects not yet authorized by law. I understand the Senator to say that what he is concerned about is the construction of projects already authorized by law.

Mr. MILLER. I think we owe the country those projects.

Mr. HAYDEN. If that be the case, I cannot understand why the amendment provides for $324,000,000, when the Corps of Engineers, in response to the inquiry of the Committee on Appropriations as to what flood-control projects are ready to begin construction, stated that only $94,000,000 would be required for immediate work on projects now authorized by law.

Mr. MILLER. I can explain that very easily. The $94,000,000 is included in the $325,000,000. I will say to the Senator that the list which is in the RECORD is not an exclusive list.

Mr. HAYDEN. No; but the inquiry of the committee addressed to the Corps of Engineers.

Mr. MILLER. I am familiar with the inquiry. I hope the Senator will not take all my time.

Mr. HAYDEN. The Senator understands that the inquiry was as to projects on which work could be commenced immediately.

Mr. MILLER. Yes.

Mr. HAYDEN. And the War Department stated that such projects amounted to $94,000,000.

Mr. MILLER. That is what the Department stated. Also, as the Senator from New York [Mr. COPELAND] and others have said, the list in the Copeland amendment was prepared by the Army engineers.

The Department is prepared to proceed on those projects immediately or within a very short time. It is true that among the $325,000,000 worth of projects there are probably many on which work could not be started tomorrow. I doubt whether work could be started tomorrow on any project. However, a system of public works could be put under way which would provide employment for many months. At the same time we would be discharging the obligation which we owe to the people of the country.

Mr. HAYDEN. The Army engineers might do $100,000 worth of work on a $10,000,000 project. Once having started the project, the Government is committed to $10,000,000 worth of work.

Mr. MILLER. There are some projects in the list with respect to which the amount in the Copeland amendment is not sufficient to complete them. But that does not mean that Congress does not intend to complete them. We said we would complete them. It is merely a question of good faith. I should like to have the Congress say very frankly whether or not it is interested in flood control.

We have appropriated $505,000,000 for the Tennessee Valley activities. I am in favor of that project.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. MILLER. I yield.

Mr. BARKLEY. I do not want to take the time of the Senator if he does not wish me to do so.

Mr. MILLER. I yield.

Mr. BARKLEY. On the calendar of the Senate there is a river and harbor bill, which we will take up next week.

Mr. MILLER. That is correct.

Mr. BARKLEY. We have also on the calendar a flood-control bill, which will be taken up next week.

Mr. MILLER. That is correct.

Mr. BARKLEY. I am wondering why we should not pass those measures in their regular order, rather than to consolidate them and put them in the joint resolution.

Mr. MILLER. Mr. President, the question propounded by the able Senator, our leader, is the result of a misunderstanding. The pending amendment is not a river and harbor bill. It is not a flood-control bill. It is merely an amendment to earmark certain funds. Its purpose is to reach into the fund and say that $324,000,000 of the money shall be applied to authorized projects. That is all.

Mr. BARKLEY. We have already passed——

Mr. MILLER. Let me pursue the matter a little further. The river and harbor bill, which is pending on the calendar, is a $37,000,000 bill. The flood-control bill is a $375,000,000 bill. Those two bills authorize projects all over the country.

Mr. BARKLEY. I understand. We have already passed the nonmilitary War Department appropriation bill, which is supposed to take care of river and harbor work.

Mr. MILLER. That is true.

Mr. BARKLEY. I believe the conference report has already been agreed to.

Mr. MILLER. It was agreed to last night.

Mr. BARKLEY. That bill is on the way to the White House. Before we adjourn we expect to pass another deficiency bill. I am wondering whether it is not wiser to put in the deficiency bill, or any appropriation bill, a sufficient sum of money to carry on the authorized work, whether it be river and harbor or flood-control work, in the regular order, and let it take its turn, than to take the money out of the appropriation for relief in the joint resolution to do that which we can do next week if it is needed.

Mr. MILLER. That is a fair question. The joint resolution is a relief measure, and a work-relief measure. However, the figures show that in connection with the river and harbor projects, 75 percent of the $324,000,000 proposed to

be appropriated will go to labor. In connection with flood-control projects, 76 percent will go to labor, and the rest will go for materials.

We talk about work relief. The idle are not altogether in the big cities of the country. We provide Federal housing, and we provide other projects in the urban areas. However, there is need for relief in the rural areas as well. We are merely asking for the authorization of the work which we have said we would do at sometime or other. I wish to say very frankly that when the spending era ends—and it must end sometime—there will be very few public works or flood-control programs of any kind carried on.

A letter from the President has been read calling for as much flexibility as possible in the authorizations. I know the President is sincere in wishing to apply the money where it will do the most good. There may be room for differences of opinion as to where the money will do the most good. There is a flexibility in the pending amendment which reaches into every State in the Union. If work must be started tomorrow, Secretary Ickes says he can start it, with $400,000,000 available. The joint resolution provides for a housing program, a road-work program, and other Federal projects. Why confine the expenditure of relief money to the cities and towns, as is being done under the P. W. A.?

The PRESIDING OFFICER. The time of the Senator has expired.

The question is on agreeing to the amendment offered by the Senator from New York [Mr. COPELAND].

Mr. COPELAND. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll and the following Senators answered to their names:

Adams	Davis	La Follette	Pepper
Andrews	Dieterich	Lee	Pittman
Ashurst	Ellender	Lewis	Pope
Austin	Frazier	Lodge	Radcliffe
Bailey	George	Logan	Russell
Bankhead	Gerry	Lonergan	Schwartz
Barkley	Gibson	Lundeen	Schwellenbach
Bilbo	Green	McAdoo	Sheppard
Bone	Guffey	McCarran	Shipstead
Borah	Hale	McGill	Smith
Brown, Mich.	Harrison	McKellar	Thomas, Utah
Brown, N. H.	Hatch	McNary	Townsend
Bulkley	Hayden	Maloney	Truman
Bulow	Herring	Miller	Tydings
Burke	Hill	Milton	Vandenberg
Byrd	Hitchcock	Minton	Van Nuys
Byrnes	Holt	Murray	Wagner
Capper	Hughes	Neely	Walsh
Caraway	Johnson, Calif.	Norris	Wheeler
Connally	Johnson, Colo.	O'Mahoney	White
Copeland	King	Overton	

The PRESIDING OFFICER. Eighty-three Senators have answered to their names. A quorum is present.

Mr. BILBO. Mr. President, I am a member of the Senate Committee on Commerce, from which the suggested amendment seems to have emanated, under the leadership of the distinguished Senator from New York [Mr. COPELAND]. I did not, and cannot, give my consent to support the amendment, even in the face of the fact that the amendment includes about seven flood-control and river and harbor improvements in my State, amounting to several million dollars.

I have received more telegrams and letters in opposition to the Copeland amendment than I have received in connection with any other proposal which has been before the Congress during the present session. I have received 40 or 50 telegrams and letters urging me to oppose the Copeland amendment, and possibly one or two advocating its adoption.

My understanding is that the appropriation provided by the pending joint resolution is for the purpose of providing uniform relief throughout the Nation. There is, of course, an element of relief in prosecuting flood-control and river and harbor projects, but it is not the type and character of relief that the measure before us undertakes to furnish to the American people. The prosecution of such projects would not bring about a general dissemination of the expenditure of money and relief to the people. The few projects in my State that come under this amendment are all in one section of the State. The people of my State are looking forward to having many projects prosecuted under the pending joint resolution, such as the building of courthouses and schoolhouses not only in the towns but in the rural districts and various and sundry local developments.

So if we really mean to bring relief to the American people, and start the wheels of industry, then, we should engage in the type and character of projects which will be prosecuted by Secretary Ickes under this allocation of funds, because the type and character of projects that he will prosecute will set to work the manufacturing industries throughout the country.

Wherever one man is put to work in Mississippi there will be put to work somewhere else in the United States two or three who need the work in manufacturing and furnishing materials to carry on the type and character of projects that Mr. Ickes under this appropriation will undertake.

So I want it distinctly understood that notwithstanding many projects in my State would get several million dollars under the amendment and the further fact that I am a member of the Commerce Committee, I am opposed to the amendment offered by the Senator from New York.

The PRESIDING OFFICER. The question is on the amendment of the Senator from New York [Mr. COPELAND].

Mr. DAVIS. Mr. President, I have long believed that the neglect of flood protection is an indelible blemish on the Federal Government. We have in the plans provided by the United States Army engineers definite projects which are parts of a well-integrated whole. These plans have been thoroughly matured over a long period of time. Funds directed for use in this field are, in my judgment, more likely to meet national needs and to meet them efficiently. One of the unchallenged and justified criticisms of the vast spending program of the Government in recent years is that it has lacked coordination. It has been carried on in a hop-skip-and-jump fashion. It has been a haphazard program and has continued to bear the name of emergency activities although billions of dollars have been expended on it over a considerable period of time. I favor a continuous public-works program which will make flood control under the supervision of the Army engineers the central object of its long-term development.

I ask unanimous consent to have printed in the RECORD as a part of my remarks, a telegram from Mr. W. B. Rodgers, president of the Tri-State Flood Commission of Pennsylvania, who is also a State senator; and also a telegram from Mr. H. B. Kirkpatrick, chairman of the Citizens' Flood Committee, of Pittsburgh, Pa.

The PRESIDING OFFICER. Without objection, it is so ordered.

The telegrams are as follows:

PITTSBURGH, PA., *May 31, 1938.*

Senator JAMES J. DAVIS,
Senate Office Building:

Tri-State Authority earnestly requests your support of amendment to relief bill earmarking part of appropriation for flood-control purposes. Full speed ahead on flood-control construction is necessary not only to provide protection urgently needed in this area, but also to give work to thousands of unemployed. Red Bank, French Creek, and Mahoning Dams could be started at once as well as a number of strategic flood-wall projects.

W. B. RODGERS, *State Senator,*
President, Tri-State Flood Commission.

PITTSBURGH, PA., *May 31, 1938.*

Senator JAMES J. DAVIS,
Senate Office Building:

Citizens' Flood Committee of Pittsburgh endorses amendment to public works relief appropriation bill proposed by Senator COPELAND which would earmark $325,000,000 for flood control and river and harbor projects. We respectfully urge your support of this bill. Since 75 percent of money spent for such purposes goes directly for labor, passage of amendment would aid greatly in relieving unemployment as well as assuring completion of our desperately needed flood-protection program.

H. B. KIRKPATRICK,
Chairman, Citizens Flood Committee.

Mr. DAVIS. Mr. President, I left the Senate at a late hour last evening in order to keep an engagement of long standing to address a splendid graduating class at Mount Joy, Lancaster County, Pa. In that great agricultural county there are many visible evidences of the fruits of thrift and

enterprise. There were 45 members of the fine graduating class of 1938. It was a genuine privilege to listen to the three student addresses delivered by young women on the theme, "The Constitution of the United States."

I regret that I was not present in the Senate last evening, although I was paired. If I had been here I should have voted in favor of the so-called Hatch amendment, designed to remove politics from relief administration. In my judgment, the lowest estate to which any individual can descend is to use the Public Treasury as a club to force citizens in distress to change their party registration in order that they may qualify to receive the assistance of the Government. This is a wicked thing. This abuse has been prevalent in the State of Pennsylvania from the very beginning of W. P. A. I have continuously protested against it. I now fear that, with the failure to pass the Hatch amendment, the partisan abuses of work-relief funds will increase. What has been done slyly and secretly may be done openly and freely, and, if anyone shall protest, it will be said that the Senate of the United States has justified the practice.

Mr. President, I have listened with great interest to the points of view advanced by the able and distinguished Senator from Michigan [Mr. VANDENBERG], and I have found myself in accord with much that he has said. Perhaps the Senator is not willing to go so far as I would go in the decentralization of relief; but I believe a Federal board should be established which would allocate funds to the States and that the States, in turn, should allocate the funds to the local divisions of government on the basis of population and need. In my judgment, nonpartisan boards should be set up in local communities which should have the right to determine the relief load, work-relief projects, and to ascertain whether applicants for aid should be classified for relief or work relief. Would it not be more socially useful and efficient for work relief to be given solely to those who are thoroughly competent to work so that the standards of work and wages in W. P. A. may be improved? Would it not then be possible to extend the necessary aid to those who are unemployable through direct relief? In my opinion, these questions can best be answered through local administration of both relief and work relief under local nonpartisan boards.

Mr. President, I believe the principle of home rule in the administration of relief and work relief holds the greatest measure of hope for the country as a whole. I ask unanimous consent to have printed in the RECORD a resolution adopted by the Home Rule Association of Pennsylvania, and presented to me by its very able and efficient president, Mr. Thomas S. Stephenson.

The PRESIDING OFFICER. Without objection, it is so ordered.

The resolution is as follows:

Whereas the President of the United States has made a request for an appropriation of $1,250,000,000 for continuation of W. P. A.; and

Whereas the President's estimates indicated that it will take at least 6 months to get such a program in effective operation after the enabling legislation is passed; and

Whereas because of cooperation with past W. P. A. programs, many local political subdivisions have borrowed to the limit and will be unable to participate in a new W. P. A. program because of lack of funds; and

Whereas under the present cumbersome procedure of W. P. A. too much money is spent for administrative expenses and much time is wasted while the projects await approval of local, State, and Federal administrators; and

Whereas the allocation of W. P. A. funds on a per capita basis to local communities would allow each community to provide jobs for its own unemployed at necessary public works;

Eliminate the necessity of workers traveling long distances on W. P. A. projects;

Ease the burden of the local taxpayer, because local communities would not be required to increase taxes or borrow funds to match Federal funds;

Eliminate all unnecessary overhead costs, making more money available for citizens actually in need of work;

Promote speedy employment, because men could be at work within 2 weeks after the enactment of the enabling legislation, not 6 months as estimated under the present system: Therefore be it

Resolved, That we urge the adoption of the home rule plan of allocation of all W. P. A. funds to cities, boroughs, towns, townships, and school districts on a per capita basis, so that each community may have funds to begin a public-works program to provide jobs for their unemployed without resorting to increased taxes or increased borrowing; be it further

Resolved, That copies of this resolution be forwarded to our Representatives in Congress with the request that they support legislation to provide that W. P. A. funds be allocated on a per capita basis to local communities so that jobs may be provided immediately for all our unemployed citizens on necessary public works, and that copies of the resolution be forwarded to our local newspapers.

Mr. DAVIS. Mr. President, I believe there is no need to wait 6 months to get this money directly to the people. I believe that the people need it now, and that they should receive it within 2 weeks of the passage of this legislation. I believe that if this measure is carried through in a nonpolitical way, the money can be made directly available to the people who are now in distress without needless delay and red tape against which they are now justly protesting. I believe nonpartisan boards should be set up in local divisions and subdivisions of government, operating on a voluntary basis and constituted of those who have no political offices whatsoever, but are willing to operate under strict civil-service standards so as absolutely to divest partisanship from the granting and administration of relief and work relief. Such voluntary nonpartisan boards should be responsible for setting up the principles under which locally elected officials shall administer relief and work relief in their respective communities. This would greatly diminish the cost of administrative overhead, which is excessive in the State of Pennsylvania. It would introduce a larger measure of local responsibility so as to guard against political abuses which tend to arise wherever public funds are distributed. These local nonpartisan boards would give the taxpayers quick and sure recourse against political abuses at the ballot box. Moreover and significantly important is the further fact that relief and work relief administered by nonpartisan boards would make it more available to those in need, irrespective of their race or creed. American citizenship would thus be protected at points in which it is now subject to the most outrageous abuses.

Mr. President, I know that there is opposition to the local administration of work relief. I know that Mr. Harry Hopkins has referred to it as simply "one more Republican scheme." I know that Mr. Hopkins believes the present policy of centralized control of work-relief funds has greater advantages than the administration of work relief by locally elected officials and local nonpartisan boards. But the question arises, Who gets the advantages? I am willing to admit the present system of centralized control is an advantage for Mr. Hopkins. No one can deny that. With these vast funds at his command, he can speak a financial language which sounds the siren call of partisan politics from one end of the country to the other. At the very moment he makes a public profession of his disinterested point of view in a Nation-wide radio address, the newspapers carry reports of his interference in primary elections in various States. My experience with the political maneuvers of Mr. Hopkins extends back for many years. He is one who pays but little respect to the voice of anyone except the one by whom he was appointed to office. Many times he has come before Senate committees to make his will known. He has pursued his plan of large-scale spending without restraint. It is not unreasonable to expect that the time may come some day when, with some other President in the White House, Mr. Hopkins, armed with the financial power at his command, will attempt not only to tell the Senate what is expected of it but to tell the President himself what he must do. The placing of such unrestricted financial authority in the hands of one person is without precedent in the history of the Republic.

Mr. President, I believe an end should be made of this unlimited power at once, before it becomes more arbitrary. I believe W. P. A. funds should be carefully earmarked by Congress, so that the legislative control of the purse shall be retained in harmony with all of the traditions and precedents of representative government. Lump-sum appropriations, with no restrictions as to their partisan political use, have undermined the integrity of countless persons in this country in the past 5 years. Earmarking these funds may

require considerable time; but we cannot continue on under the arbitrary exercise of financial-political power without the loss of the liberties of the American people, and a complete violation of constitutional safeguards.

Many Democrats in this body have shown their great devotion to the charter of liberties of the American people. They have endeared themselves to the people by the strong stand they have taken. Seldom in the annals of history has any group of men served a more heroic purpose than the Senators who have upheld the rights of the people in the bitter storms of controversy during the past 2 years. Although I dare say all Members of this body have sought to uphold the constitutional vow they have taken as Senators, it is true that the people have given their unqualified approval to those who have done battle in behalf of the Constitution in recent years.

As one who belongs to a different party, I want to pay tribute to the many Senators whom the people have come to know as constitutional Democrats. On all issues which bear with direct influence on the maintenance of constitutional government, such as the arbitrary use of vast sums appropriated by the Government, I believe Republicans and Democrats alike should make common cause for the protection of the Constitution, and the preservation of the local liberties of the American people.

Mr. Hopkins may think of the local representatives of the people in terms of the slurring remark he has used, "dumb politicians"; but it must not be forgotten that even the most humble of these locally elected officials hold office by virtue of the will of the people expressed at the ballot box. To sneer at locally elected officials, whether they hold State, municipal, county, or township offices, is not becoming in anyone, no matter how many billions he holds in his hands, who has never been elected to public office.

The PRESIDING OFFICER. The time of the Senator from Pennsylvania has expired.

Mr. DAVIS. I will take time on the joint resolution.

The plan which I advocate for the gradual release of relief and work relief from partisan politics through the local administration of elected officials working in conjunction with nonpartisan boards of voluntary workers may not come this year, but I am persuaded that finally it will come, and, when it comes, those who have used their high places of authority to make carping remarks about the local representatives of the people will have learned something more about the will of the people expressed in regular and uncontrolled elections.

The cost of administrative overhead has been excessive. In Pennsylvania it has ranged all the way from 7 percent to 3.8 percent. In the State of Massachusetts, where local sponsors bear a large share of administrative cost, the overhead expense for W. P. A. is only four-tenths of 1 percent. Just as good men and women are available to serve without expense to the Government on a voluntary basis as those who are now filling high-salaried jobs on W. P. A. When it comes to counting those who constitute the administrative overhead of W. P. A., there is no clear basis for the calculation, because there is no reasonable classification of rank or service. The percentage figured for administrative expense of W. P. A. depends on those who are counted. The foreman and the subforeman and the timekeeper exercise direct political influence, and to this extent should be listed as a part of the administrative overhead. If all these persons were counted in administrative cost, as they should be, it would be discovered that W. P. A. administrative costs are far above those that are now listed. As Gen. Hugh Johnson has so well said, there has been a lot of artful juggling with bookkeeping in W. P. A.

Mr. President, the answer to these difficulties cannot be found overnight; but it is now time that we earnestly begin to seek for a way to improve the present tangled mess of politics and relief. To find a way, we should look in the direction of nonpartisan local and voluntary relief boards, placing local responsibility, with Federal aid, on locally elected officials, so that the people may be restored to the governmental authority which rightly belongs to them.

Mr. BAILEY. Mr. President, the amendment of the Senator from New York [Mr. COPELAND] is before the Senate upon a vote of the Committee on Commerce of the Senate. It proposes the substitution of economical and useful Federal work, of universal benefit, for unknown local projects yet to be determined. It would save to the Government the sum of $325,000,000, and at the same time would employ just as many persons as $325,000,000 applied to unknown and useless and uneconomic works.

Moreover, if the amendment should be adopted, the $325,000,000 would be spent under the supervision of the Army engineers, who have approved each of the projects, who have declared that they are useful and that they are economical.

Mr. President, I am one of the Senators who have not a particle of faith in the so-called pump priming. I had very little faith in pump priming when it was started; but after seeing the officials of the Government prime the pump and pump the priming from 1934 to the present time, and seeing all the time the water go down instead of coming up, I am sure that every man who is capable of learning anything from experience—there are not a great many—especially experience with other people's money, should have learned, after we had spent somewhere between fifteen and twenty billion dollars, that pump priming is a fallacy and a fraud, a delusion and a snare.

That is pretty strong language, Mr. President; but the pump-priming theory is disproved by the Federal Reserve Bulletin, which is printed under the supervision of Mr. Eccles, one of the greatest of New Dealers. Nobody can say that that is a conservative publication, or a Republican publication, or a Gannett publication. Here is propaganda on the subject of pump priming right out of the fountain of the New Deal, from the same gentleman who, I believe, was charged this morning by one of the Senators from Kentucky who I think I may say is a New Dealer—I refer to the junior Senator from Kentucky [Mr. LOGAN]—with bringing on the depression, and who 2 weeks ago was accused by the junior Senator from Montana [Mr. MURRAY] of bringing on the depression.

Here is his testimony. It is found on page 349 of the Federal Reserve Bulletin for the month of May 1938. Here is his chart of industrial production since we started the pump priming. Just one glance at the figures will show that the industrial pump, after having been primed by the Government year after year from 1934 to now, is not pumping any more water than it was at the beginning of 1934. That ought to end the controversy about pump priming.

I am very serious in my contention that at least by adopting the amendment offered by the Senator from New York we can divert $325,000,000, which otherwise would be uselessly spent, in river and harbor improvements and flood-control improvements, and every dollar will be usefully spent. I like it all the better because it will be expended by the Army engineers, and no one will suspect them of improving rivers and harbors or providing for the control of floods by way of trying to get anyone's vote or exercising any political influence.

Mr. President, the amendment is a very serious one, it is a very valuable one, and I commend it to the consideration of every Senator.

Mr. POPE. Mr. President, will the Senator yield?

Mr. BAILEY. I am very glad to yield.

Mr. POPE. On what basis was the division of this money on these projects made as among the various States?

Mr. BAILEY. We did not try to divide it by States. I think every State would get some of it, but I do not know what North Carolina would get. But I say to the Senator that I would rather build rivers and harbors over the country for the general welfare, I would rather arrest floods in Pennsylvania and in Connecticut or down the Ohio, and North Carolina not get a dollar, than that North Carolina should get five or ten million dollars of wasted money. That is what I am driving at.

Mr. POPE. Did the distribution have any relation to the needy or unemployed in the various States?

Mr. BAILEY. Yes. It is well known that there is very little unemployment in the South. I can prove that by the appropriations which have been made to relieve unemploy-

ment. There is not as much unemployment in all the Southern States as there is in Pennsylvania, according to the money spent. I am not saying that is a fact, but that is the testimony of the Government.

We are spending a great deal of relief money in Pennsylvania. I do not know about the State of Idaho, but I am saying that the proposed projects are useful works; they are economic works; they are recommended by the Engineers; they are approved by the House of Representatives; they are approved by the Committee on Commerce; they have stood every test, and, finally, every one of them is certified as a project on which work can begin within 6 months.

Mr. POPE. Let me call the attention of the Senator to one fact, and then I wish to ask him a further question. In the Copeland amendment I notice that the total of all the allocations in the State of Arkansas is $14,500,000, and according to the best information I can get, there are about 92,149 unemployed in that State.

In Idaho a total of $257,000 is allotted to these projects, and there are 18,641 unemployed in that State. In other words, there are about one-fifth as many unemployed in Idaho as in Arkansas, yet Idaho gets less than one twenty-fifth of the amount given to Arkansas.

Mr. BAILEY. I should not think the Senator from Idaho would come here and consider the subject merely in terms of what his State is getting. I have heard Senators rebuked for that. We are supposed to have a national outlook. But let me say to the Senator that from the beginning of this public-works business until this hour the projects have never been distributed on the basis of the need for employment. It is a grab game, and they all come here and make demands regardless of unemployment.

Mr. POPE. Does not the Senator think that, since this is a relief measure, distribution should be made on the basis of the number in need of relief?

Mr. BAILEY. I believe the Senator has forgotten that the part of the bill we are now considering is not a relief measure. This is the pump-priming end of the bill.

Mr. POPE. It is all for relief.

Mr. BAILEY. We have passed by the relief portion. The relief portion of the bill is the one involving the $1,425,000,000. This is the pump; these are the primings.

When we come to priming the pump, a dollar spent on useful work, not political, spent on a river or a harbor, which is a profit-making thing, or on flood control, which is a waste-saving thing, will be worth any $10 we ever spent on a local project, mostly to please the locality.

Mr. WHEELER. Mr. President, will the Senator yield?

Mr. BAILEY. I yield.

Mr. WHEELER. While we are talking about the amount of money that is allotted, I call attention to the fact that when the Fort Peck Dam was built it was one of the first projects started, and it called for the expenditure of $75,000,000, to be spent in eastern Montana. The President did not stop to ask, "How much unemployment is there in eastern Montana?" At that time he said, "That is a worthy project which we ought to start, and it will give work to people." They took workers from Minneapolis and from all over the country, to labor upon that particular project. We cannot allocate money enough for some project in this particular locality or that, if we are to do a constructive job for the whole United States.

When the Bonneville Dam was erected, those in charge did not say they were going to build the Bonneville Dam; those in charge of the Coulee Dam did not say that they were about to start that project, just to give work to relief people in those particular communities. One may look at it from that standpoint; but it has not been viewed from that standpoint. It ought to be looked at from the national standpoint, and from the standpoint of giving work on worth-while projects which are going to add to our national assets.

I do not know whether this amendment proposes the best way to handle the matter or not, but certainly when we are spending these billions of dollars we ought to be spending them on things which are going to add to the national assets.

Mr. BAILEY. Every dollar of this money will have to be spent. All of these flood-control projects will come before us, all of this river and harbor work will come before us, and every Senator who is now about to vote against the amendment will go on record happily voting for those projects, and say then that they are fine national useful projects. They will be just as useful tomorrow as they will be when they are brought up in the future. The difference is that we would take the money now which we would spend on useless projects and apply it to projects which Senators will, in a very short time, say are useful and national in character.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from New York [Mr. COPELAND].

Mr. COPELAND. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Adams	Davis	La Follette	Pittman
Andrews	Dieterich	Lee	Pope
Austin	Ellender	Lewis	Radcliffe
Bailey	Frazier	Lodge	Russell
Bankhead	Gerry	Logan	Schwartz
Barkley	Gibson	Lonergan	Schwellenbach
Bilbo	Green	McAdoo	Sheppard
Bone	Guffey	McCarran	Shipstead
Brown, Mich.	Hale	McGill	Thomas, Utah
Brown, N. H.	Hatch	McKellar	Townsend
Bulkley	Hayden	McNary	Truman
Bulow	Herring	Maloney	Vandenberg
Burke	Hill	Miller	Van Nuys
Byrd	Hitchcock	Minton	Wagner
Byrnes	Holt	Murray	Walsh
Capper	Hughes	Neely	Wheeler
Caraway	Johnson, Calif.	Norris	
Connally	Johnson, Colo.	O'Mahoney	
Copeland	King	Overton	

The PRESIDING OFFICER. Seventy-three Senators having answered to their names, a quorum is present.

The question is on agreeing to the amendment offered by the Senator from New York [Mr. COPELAND].

Mr. COPELAND. Mr. President, I modify my amendment by accepting the amendment offered by the Senator from Massachusetts [Mr. WALSH] on page 3, after line 8 to insert, "the Merrimack River, at Lowell (L) and (C) $1,500,000"; and also the amendment offered by the Senator from Kansas [Mr. CAPPER] on page 14, after line 20 to insert the following language:

SEC. 12. That from appropriations hereafter made for river and harbor improvements, the Secretary of War is hereby authorized to reimburse the city of Leavenworth, Kans., in the amount of $36,000 for damages to the city waterworks caused by navigation improvements in the Missouri River.

The PRESIDING OFFICER. The Senator from New York modifies his amendment.

Mr. COPELAND. I ask for the yeas and nays on my amendment, as modified.

The yeas and nays were ordered, and the legislative clerk proceeded to call the roll.

Mr. McNARY (when his name was called). On this vote I have a pair with the senior Senator from Mississippi [Mr. HARRISON], who is unavoidably detained from the Senate. I transfer my pair to the junior Senator from New Hampshire [Mr. BRIDGES], and will vote. I vote "yea."

Mr. SHIPSTEAD (when his name was called). Mr. President, I have a general pair with the senior Senator from Virginia [Mr. GLASS]. I am not informed as to how he would vote on this question. Therefore I withhold my vote. If at liberty to vote, I should vote "yea."

The roll call was concluded.

Mr. AUSTIN. I announce the general pair of the junior Senator from North Dakota [Mr. NYE] and the junior Senator from North Carolina [Mr. REYNOLDS].

Mr. LEWIS. The Senator from Maryland [Mr. TYDINGS] is paired on this vote with the Senator from New Mexico [Mr. CHAVEZ]. If present and voting, the Senator from

Maryland would vote "yea," and the Senator from New Mexico would vote "nay."

I further announce that if the Senator from Mississippi [Mr. HARRISON] were present and voting he would vote "nay."

The Senator from Missouri [Mr. CLARK] is paired with the Senator from New Jersey [Mr. SMATHERS]. If present and voting, the Senator from Missouri would vote "yea," and the Senator from New Jersey would vote "nay."

I announce that the Senator from Arizona [Mr. ASHURST] and the Senator from Oregon [Mr. REAMES] are detained from the Senate because of illness.

The Senator from Tennessee [Mr. BERRY], the Senator from New Mexico [Mr. CHAVEZ], the Senator from Missouri [Mr. CLARK], the Senator from Ohio [Mr. DONAHEY], the Senator from Wisconsin [Mr. DUFFY], the Senator from Georgia [Mr. GEORGE], the Senator from Iowa [Mr. GILLETTE], the Senator from Virginia [Mr. GLASS], the Senator from Mississippi [Mr. HARRISON], the Senator from Minnesota [Mr. LUNDEEN], the Senators from New Jersey [Mr. MILTON and Mr. SMATHERS], the Senator from Florida [Mr. PEPPER], the Senator from North Carolina [Mr. REYNOLDS], the Senator from South Carolina [Mr. SMITH], the Senator from Oklahoma [Mr. THOMAS], and the Senator from Maryland [Mr. TYDINGS] are detained on important public business.

The result was announced—yeas 29, nays 43, as follows:

YEAS—29

Austin	Gerry	Lonergan	Townsend
Bailey	Gibson	McCarran	Vandenberg
Burke	Hale	McNary	Van Nuys
Byrd	Holt	Maloney	Walsh
Capper	Johnson, Calif.	Miller	Wheeler
Caraway	Johnson, Colo.	Neely	
Copeland	King	Overton	
Davis	Lodge	Radcliffe	

NAYS—43

Adams	Connally	Hughes	O'Mahoney
Andrews	Dieterich	La Follette	Pittman
Bankhead	Ellender	Lee	Pope
Barkley	Frazier	Lewis	Russell
Bilbo	Green	Logan	Schwartz
Bone	Guffey	McAdoo	Schwellenbach
Brown, Mich.	Hatch	McGill	Sheppard
Brown, N. H.	Hayden	McKellar	Thomas, Utah
Bulkley	Herring	Minton	Truman
Bulow	Hill	Murray	Wagner
Byrnes	Hitchcock	Norris	

NOT VOTING—24

Ashurst	Donahey	Lundeen	Shipstead
Berry	Duffy	Milton	Smathers
Borah	George	Nye	Smith
Bridges	Gillette	Pepper	Thomas, Okla.
Chavez	Glass	Reames	Tydings
Clark	Harrison	Reynolds	White

So Mr. COPELAND'S amendment, as modified, was rejected.

MESSAGE FROM THE HOUSE

A message from the House of Representatives by Mr. Calloway, one of its reading clerks, announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 1591) to require the registration of certain persons employed by agencies to disseminate propaganda in the United States, and for other purposes.

The message also announced that the House had agreed to the amendments of the Senate to the bill (H. R. 4544) to divide the funds of the Chippewa Indians of Minnesota between the Red Lake Band and the remainder of the Chippewa Indians of Minnesota, organized as the Minnesota Chippewa Tribe.

The message further announced that the House had agreed to the amendment of the Senate to the bill (H. R. 9996) to authorize the registration of certain collective trade-marks.

The message also announced that the House had disagreed to the amendment of the Senate to the bill (H. R. 9721) authorizing the disbursement of funds appropriated for compensation of help for care of material, animals, armament, and equipment in the hands of the National Guard of the several States, Territories, and the District of Columbia, and for other purposes; asked a conference with the Senate on the disagreeing votes of the two Houses thereon, and that Mr. MAY, Mr. THOMASON of Texas, Mr. HARTER, Mr. ANDREWS, and Mr. ARENDS were appointed managers on the part of the House at the conference.

The message further announced that the House insisted upon its amendments to the bill (S. 5) to prevent the adulteration, misbranding, and false advertisement of food, drugs, devices, and cosmetics in interstate, foreign, and other commerce subject to the jurisdiction of the United States, for the purposes of safeguarding the public health, preventing deceit upon the purchasing public, and for other purposes, disagreed to by the Senate; agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. LEA, Mr. CHAPMAN, Mr. COLE of Maryland, Mr. PETTENGILL, Mr. PEARSON, Mr. MAPES, Mr. REECE of Tennessee, and Mr. HALLECK were appointed managers on the part of the House at the conference.

ENROLLED BILL SIGNED

The message also announced that the Speaker had affixed his signature to the enrolled bill (H. R. 1591) to require the registration of certain persons employed by agencies to disseminate propaganda in the United States, and for other purposes, and it was signed by the Vice President.

DISBURSEMENT OF FUNDS FOR CARE OF EQUIPMENT, ETC., OF THE NATIONAL GUARD

The PRESIDING OFFICER (Mr. MCKELLAR in the chair) laid before the Senate the action of the House of Representatives disagreeing to the amendment of the Senate to the bill (H. R. 9721) authorizing the disbursement of funds appropriated for compensation of help for care of material, animals, armament, and equipment in the hands of the National Guard of the several States, Territories, and the District of Columbia, and for other purposes, and requesting a conference with the Senate on the disagreeing votes of the two Houses thereon.

Mr. SHEPPARD. I move that the Senate insist upon its amendment, agree to the request of the House for a conference, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. JOHNSON of Colorado, Mr. LUNDEEN, and Mr. LODGE conferees on the part of the Senate.

RELIEF AND WORK-RELIEF APPROPRIATIONS

The Senate resumed the consideration of the joint resolution (H. J. Res. 679) making appropriations for work relief, relief, and otherwise to increase employment by providing loans and grants for public-works projects.

Mr. LODGE. Mr. President, I send to the desk an amendment which I ask to have stated.

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. On page 7, line 6, before the period, it is proposed to insert a colon and the following:

Provided, That the Administrator of the Works Progress Administration shall expend the funds herein appropriated and made available in this title to the Works Progress Administration in such a manner that the amount expended in each State and in the District of Columbia over the period ending February 28, 1939, shall bear the same relation to the total funds so appropriated and made available as the total number of persons registered as employable in the offices of the United States Employment Service in that State, or in the District of Columbia, respectively, bears to the total number of persons registered as employable in the offices of the United States Employment Service in the United States, during the first 6 months of the calendar year 1938, to the end that favoritism and discrimination be made impossible and that such funds may be allocated solely on the basis of human need.

Mr. LODGE. Mr. President, this amendment merely provides that the sums appropriated for human need shall be distributed where the need is the greatest. At the end of each period the distribution of funds under my amendment must be such that it bears a definite and true relationship to the amount of unemployment.

In the early days of Federal relief, when none of the facts relating to unemployment were known, there may have been some justification for allowing the money to be distributed at the whim of one man, or of a few men. Today,

however, we have a United States Employment Service, which has up-to-date information showing the degree of unemployment in the various States. And yet, in the words of Mr. Hopkins, the allocation of relief money is still—and I quote—"a matter of opinion."

In a question of this kind, involving the life and very subsistence of our fellow citizens, the determination should be made on the basis of facts. The present system of allocation is not the most humane, nor is it democratic. Under our system of government no man should have the power to withhold or to grant relief funds in accordance with his political preference. No man should want such power. No man should have it. We have the power in Congress—nay, we have the solemn duty—to preserve the power of Congress. We have not the right to commit legislative suicide, even if we want to do so. My amendment will effectively take all possibility of politics out of the relief system, insofar as the allocation of funds among regions is concerned. This is our opportunity to do the humane thing for our fellow citizens who are unemployed, and to do the patriotic thing for America and for posterity.

Mr. SCHWELLENBACH. Mr. President, will the Senator yield?

Mr. LODGE. I yield.

Mr. SCHWELLENBACH. I should like to submit a question to the Senator from Massachusetts. In view of the fact that it has been demonstrated in all depressions that unemployment starts in the East and extends to the western part of the country, and that we in the West are from 6 months to a year behind, both in the matter of feeling the effects of the depression and getting out of the depression, and in view of the fact that the Senator's amendment would freeze the allocations upon the basis of the first 6 months of 1938, does not the Senator recognize that it would be unfair to us in the Western States to have the allocation frozen upon the basis of the first 6 months of 1938?

Mr. LODGE. I will say to the Senator, in the first place, that I am not conscious that any statistics have ever proved that conditions are always better in the West than they are in the East.

Mr. SCHWELLENBACH. I do not say that.

Mr. LODGE. It seems to me that conditions go more by industries and occupations than geographically.

Mr. SCHWELLENBACH. I do not say that conditions are always better in the West than they are in the East; but it has been perfectly demonstrated that a depression hits the East first, and then extends outward toward the West. Then there is a period of come-back, when conditions in the East are better than in the West.

Mr. LODGE. I should be very much interested to see such figures. I have never seen them.

Mr. ADAMS. Mr. President, will the Senator yield for an inquiry?

Mr. LODGE. I yield.

Mr. ADAMS. I merely wish to inquire whether or not the United States Employment Service restricts its registration to those in need. Does not the registration include all persons in search of employment? It might be that in some States the registration would not be restricted to those in need, and in one State there might be an overloading of the registration which was not in proportion to the needs of the State.

Mr. LODGE. I appreciate the importance of the Senator's question. I will say in reply that the head of the Employment Service appeared before the special committee of which the Senator from South Carolina [Mr. BYRNES] is chairman, and of which I am a member. He told us that due to the extension of social-security legislation, the Employment Service was in a position to give a complete picture of the relative degree of unemployment on very short notice. Of course, the social-security legislation does not cover certain classes of workers, but I gained the impression from the testimony of Mr. Persons that the Employment Service could give a true picture of the proportions. While I agree that such a picture is not 100-percent inclusive, it certainly is a much more scientific system of allocating funds than the system which prevails today.

Mr. President, I shall not ask for the yeas and nays on my amendment, because the question involved was very thoroughly debated in the case of the Hatch amendment. However, I do ask for a vote, and I should like to retain the floor so that I may offer one more amendment, which will be the last one I shall offer. I understand that under the rules I may retain the floor if the vote is not a yea-and-nay vote.

The PRESIDING OFFICER. The Chair is advised that the Senator may not do so. He would have to be again recognized.

The question is on the amendment offered by the Senator from Massachusetts [Mr. LODGE].

The amendment was rejected.

Mr. LODGE. Mr. President, I send to the desk another amendment, which I ask to have stated.

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. On page 30, after line 2, it is proposed to insert the following:

TITLE VII. OLD-AGE BENEFIT PAYMENTS

SEC. 601. In order to increase old-age benefit payments by 33⅓ percent, section 202 of the Social Security Act (Public, No. 271, 74th Cong.) is amended by—

(a) Striking out the word "one-half" wherever it appears in such section and inserting in lieu thereof "two-thirds"; and

(b) Striking out the word "one-twelfth" and inserting in lieu thereof "one-ninth"; and

(c) Striking out the words "one twenty-fourth" and inserting in lieu thereof "one-eighteenth"; and

(d) Striking out "$85" and inserting in lieu thereof "$113.33."

SEC. 602. Title II of the Social Security Act is amended by striking out the numeral "3½" wherever it appears in such title of the act and inserting in lieu thereof "4½."

SEC. 603. The amendments made by this title shall be effective immediately: *Provided*, That all payments made or owing and due prior to the enactment of this act shall be subject to the provisions of title II of the Social Security Act prior to the enactment of this act.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Massachusetts [Mr. LODGE].

Mr. LODGE. Mr. President, this amendment merely increases the old-age benefits under the Social Security Act by one-third. I know that this proposal will appeal to every needy old person throughout the country as a much-needed reform, and as a most effective method of pump priming. I hope it will appeal to the humanitarian instincts of Senators.

A few weeks ago the Senate refused to reduce the payroll tax which has been put on the backs of the poor people of this country in the sacred name of old-age pensions. At that time I quoted Government figures to show that far more was being taken out of the people than was necessary to pay the existing benefits, and that the rest was used for the general cost of government. I thought that it was only fair to return this money to the people, to be spent in their own way, inasmuch as they were not going to get the benefit of it in their old age. Congress having failed to adopt this constructive amendment, I now submit that the people should receive their own tax money in the form of old-age pensions. No new tax burden is involved. No new issues are raised. For example, my amendment would increase the $39 monthly rate to $52, and the $85 monthly rate to $113.13.

Clearly this cannot be called real security for the aged, who are entitled to much more. Nor will it do what a real old-age pension ought to do; that is, cause old people to retire and provide opportunity for the young people who so badly need it. It is, however, a step in the right direction, and it is a real pump primer. It is supported by the figures put out by the Government itself.

I hope my amendment will be promptly adopted, and I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. NORRIS. Mr. President, it seems to me that an attempt is being made to offer all sorts of amendments to the joint resolution, amendments which, as I see it, have no reference whatever to the joint resolution or to its aims. We are offering amendments, such as the one just offered,

providing for various things which I should be glad to see enacted. If provision were made by which I thought the money could be fairly raised, without undue burden, I should feel friendly toward the amendment. However, if we are to try to load the joint resolution down with everything we would like to see enacted, even good things—in the first place, we shall have it filled with things which have not been considered, which have no relationship to the subject matters contained in the joint resolution, and which are entirely foreign to it—the result would be legislation which no Congress, if it wanted to be efficient, could afford to enact. It would have the effect, perhaps, of putting on record Senators who would be compelled to vote against amendments which, if properly brought forward and considered, they would favor. It seems to me we cannot afford to put everything on earth in the bill. We might take the calendar, which contains several hundred bills reported by committees, and offer the whole thing as an amendment to the joint resolution. We might truthfully say that every item has been considered by the committee having jurisdiction, and therefore it is entitled to be considered as an amendment to the joint resolution.

Mr. BYRNES. Mr. President, will the Senator yield?

Mr. NORRIS. I yield to the Senator from South Carolina.

Mr. BYRNES. The Senator from Nebraska is certainly correct. Can the Senator from Nebraska tell us exactly what is in the amendment? The amendment has not even been printed. It was read from the desk. Can the Senator undertake to tell exactly what is in the amendment?

Mr. NORRIS. No; I cannot do that, any more than I could in the case of the preceding amendment.

Mr. BYRNES. I certainly cannot; yet the Senate is going to vote upon a proposal when it is impossible for us to know exactly what is in it or how much it would cost, when it has been given no consideration by the Appropriations Committee, and when the Finance Committee, which has charge of legislation on this subject, has a subcommittee which has been considering the Social Security Act to determine what amendments should be made to it.

I think it would be unfortunate for the Senate to go on record as voting on an amendment when I doubt whether anyone except the Senator who offered it could rise on the floor and tell us what is in the amendment.

Mr. NORRIS. The Senator from Massachusetts, in presenting the amendment, said, as I heard him, that it would involve no increase of taxation, but that it would involve—and that is the object of it, as I understand—an increase of the old-age pensions by 33⅓ percent.

Before I vote on an amendment of that kind I should like to have some information as to how it is possible for us to increase the pension by 33½ percent and yet impose no additional burden of taxation.

Mr. BARKLEY. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Nebraska yield to the Senator from Kentucky?

Mr. NORRIS. I yield.

Mr. BARKLEY. When we passed the Social Security Act 2 or 3 years ago, we provided $15 a month as a contribution on the part of the Federal Government toward old-age pensions to be matched by the States, which would have made a total of $30 a month. I have not a list of the States and the amounts by which they have matched the $15; but if the States had complied with what Congress expected and intended, by matching the Government's money to the extent of $15 a month, the pension would be $30 a month. Most of the States, however, have not done that. Many of them have not provided above one-half of that amount, so that in some of them the maximum pension now is $15; but it could be $30 if the States would comply with their own duty by matching the money which the Federal Government has put up.

In view of the fact that many of the States have not come forward and matched the money which the Federal Government is putting up, so as to make the pension $30, does not the Senator think we ought at least to give them an opportunity to measure up to their obligation before on the floor of the Senate, as an amendment to this joint resolution, we undertake to apply a different method of paying the pension?

Mr. LODGE. Mr. President, will the Senator yield?

Mr. NORRIS. I will yield in just a moment.

As I heard the amendment read, there is nothing in it which provides for any contribution in this case being made by the States. I do not know whether or not the amendment provides for that.

Mr. BARKLEY. The whole pension system is based on equal contributions on the part of the States and the Federal Government.

Mr. NORRIS. Yes; the whole pension system, as we now have it enacted into law, is based on equal contributions. That is true. I do not know whether or not this amendment would require a State, in order to get the benefit of it, to increase its contribution by 33⅓ percent.

Mr. BARKLEY. I do not know, either.

Mr. LODGE. Mr. President——

Mr. NORRIS. I now yield to the Senator from Massachusetts.

Mr. LODGE. The Senator from Kentucky is referring to the payments under title I. My amendment applies to the regular old-age benefits under title II. I think there is not much question that more money is collected to pay those benefits than is paid out.

I do not want to burden the Senate, because I know the Senator from Kentucky is in a hurry to have the consideration of this joint resolution concluded.

Mr. BARKLEY. I do not think I am in any greater hurry than the other Senators are, except those who are offering amendments.

Mr. LODGE. I think we are all in a hurry, so far as that is concerned.

Mr. NORRIS. I should like to suggest to both Senators that I should not like to have them, by their combined efforts, take up all the time allotted to me. I am in a hurry, too; but I want to have something to say in the 15 minutes which, under the unanimous-consent agreement, is allotted to me.

Mr. LODGE. Whatever the Senator from Nebraska says is a thousand times as valuable as anything I say, and I have no desire to take the time of the Senate; but certain questions have been raised here, and I thought I would answer them.

This amendment refers to the old-age-pension payments under title II.

Mr. NORRIS. Let me ask the Senator from Massachusetts a question. As I understood the Senator, when he presented the amendment he said that it would increase the pensions by 33⅓ percent——

Mr. LODGE. The old-age benefits.

Mr. NORRIS. And that it would not necessitate raising any additional money.

Mr. LODGE. That is correct.

Mr. NORRIS. I do not quite understand how that can be accomplished. If it can be accomplished, the Senator is very much in error in not increasing the pension 200 percent. If we can increase pensions and not provide any method of raising the money, we ought to do it, I am sure.

Mr. LODGE. Absolutely.

Mr. NORRIS. Anybody who has invented that plan is entitled to a chromo.

Mr. LODGE. I did not invent it, because I was not here when the Social Security Act was passed.

Mr. NORRIS. The Senator still has time to invent it. If he can do that, he can get a reward for it, and a patent on it.

Mr. LODGE. Mr. President, I am no match for other Senators here in the matter of ridicule.

Mr. NORRIS. No, no; I do not want the Senator to understand that I am ridiculing his proposal, for I am not trying to do so; but I still do not understand how pensions can be increased by 33⅓ percent without any cost to the Government. Somebody has to pay the money. It must come from somewhere, out of some legislation passed by Congress.

Mr. NEELY. Mr. President, will the Senator yield?

Mr. NORRIS. I yield to the Senator from West Virginia.

Mr. NEELY. If pensions can be increased 33⅓ percent without costing the Government anything, why not increase them 100 percent?

Mr. LODGE. Exactly.

Mr. NORRIS. I thought so. If we can do that, and can pull ourselves over the fence by pulling on our bootstraps, I am in favor of getting a pair of boots and going at it right away.

Mr. LODGE. Mr. President, my authority for the statement that more money is being collected in pay-roll taxes than is being expended for the old people is the President of the United States; it is the Social Security Board. The money to pay this increase of one-third will come from the pay-roll taxes which are being imposed on the working people of America today in the name of old-age pensions, and which are being diverted to all kinds of other purposes. That is where the money will come from. If we want to increase the tax, we can still further increase the pension.

I am one of those who believe that we could increase the pension 50 percent on the basis of the money which is being collected, and on the basis of the schedules which are furnished by the Government; but I wanted to be conservative about the thing, so I say that when we take money from people for their old age we ought to set it aside for their old age and pay it out for their old age.

Mr. NORRIS. Mr. President, has the Senator from Massachusetts the floor, or have I?

The PRESIDING OFFICER. The Senator from Massachusetts has the floor.

Mr. BARKLEY. Mr. President, a parliamentary inquiry. Is the Senator speaking on his amendment, or on the joint resolution?

Mr. LODGE. I do not care. I have not taken any time at all since the joint resolution has been discussed.

Mr. BARKLEY. The Senator has a right to consume an aggregate of 15 minutes on the amendment.

Mr. LODGE. I was about to advert to the remark which has been made here that this amendment has not been before the Senate. It seems to me this whole subject has been before the Senate. When I offered the amendment some time ago to decrease the pay-roll tax, I indicated my belief that it was wrong to put these taxes on people for their old age and then not give the money to them for their old age.

Mr. VANDENBERG. Mr. President, will the Senator yield?

Mr. LODGE. Yes.

Mr. VANDENBERG. The Senator need not apologize for proposing to pay increased benefits without increasing taxation. The truth of the matter is that his whole amendment rests upon the fundamental controversy as to whether social security shall run on a pay-as-you-go basis, or whether it shall run on a full reserve basis. The Senator's amendment has for its justification, I may say to him, the testimony of the 70 leading life-insurance presidents of the United States who assert that it is unnecessary to set aside portions of the current taxes to create a full reserve.

The PRESIDING OFFICER. The time of the Senator from Massachusetts has expired.

Mr. LODGE. I ask unanimous consent to have printed in the RECORD, as part of my remarks, two tables.

The PRESIDING OFFICER. Without objection, it is so ordered.

The tables are as follows:

Appropriations, benefit payments, and reserves

UNDER TITLE II, SOCIAL SECURITY ACT [1]

[All figures in millions of dollars]

Calendar year	Appropriation to reserve	Benefit payments					Net balance [4]	Interest on reserve	Balance in reserve [5]
		Annuity	Death under 65	Death after 65 [3]	Lump sum [2]	Total			
1937	511.0	0	3.7	0	2.3	6.0	505.0	0	505.0
1938	515.9	0	10.7	0	7.9	18.6	497.3	15.2	1,017.5
1939	521.0	0	18.2	0	14.5	32.7	488.3	30.5	1,536.3
1940	803.3	0	25.7	0	22.8	48.5	754.8	46.1	2,337.2
1941	811.0	0	33.7	0	11.9	45.6	765.4	70.1	3,172.7
1942	818.6	35.0	35.9	1.0	9.8	81.7	736.9	95.2	4,004.8
1943	1,121.4	70.7	43.7	2.1	7.9	124.4	997.0	120.1	5,121.9
1944	1,131.8	113.8	51.9	3.5	6.2	175.4	956.4	153.7	6,232.0
1945	1,142.2	148.5	60.1	4.6	4.7	217.9	924.3	187.0	7,343.3
1946	1,440.6	209.2	69.4	6.6	3.4	288.6	1,152.0	220.3	8,715.6
1947	1,453.6	257.8	77.7	8.2	2.3	346.0	1,107.6	261.5	10,084.7
1948	1,466.6	315.0	85.8	10.3	1.4	412.5	1,054.1	302.5	11,441.3
1949	1,775.5	365.5	95.4	12.1	.7	473.7	1,301.8	343.2	13,086.3
1950	1,791.1	420.0	103.8	14.1	.1	538.0	1,253.1	392.6	14,732.0
1951	1,806.7	490.8	114.4	17.1	.1	622.4	1,184.3	442.0	16,358.3
1952	1,822.2	548.4	122.6	19.6	.1	690.7	1,131.5	490.7	17,980.5
1953	1,837.8	610.6	129.9	22.4	.1	763.0	1,074.8	539.4	19,594.7
1954	1,853.4	688.3	140.5	25.9	.1	854.8	998.6	587.8	21,181.1
1955	1,869.0	744.5	147.7	28.6	.1	920.9	948.1	635.4	22,764.6
1956	1,884.5	840.2	159.3	32.9	.1	1,032.5	852.0	682.9	24,299.5
1957	1,900.1	913.8	167.3	36.5	.1	1,117.7	782.4	729.0	25,810.9
1958	1,915.7	1,012.3	178.2	40.9	.1	1,231.5	684.2	774.3	27,269.4
1959	1,931.3	1,099.6	184.9	45.1	.1	1,329.7	601.6	818.1	28,689.1
1960	1,946.8	1,188.9	192.0	49.3	.1	1,430.3	516.5	860.7	30,066.3
1961	1,962.5	1,293.9	203.0	54.3	.1	1,551.3	411.2	902.0	31,379.5
1962	1,978.0	1,379.6	214.1	58.5	.1	1,652.3	325.7	941.4	32,646.6
1963	1,993.5	1,446.1	219.9	62.3	.1	1,728.4	265.1	979.4	33,891.1
1964	2,009.1	1,520.7	226.0	66.5	.1	1,813.3	195.8	1,016.7	35,103.6
1965	2,024.7	1,565.2	239.8	69.7	.1	1,874.8	149.9	1,053.1	36,306.6
1966	2,040.3	1,660.2	246.9	74.9	.1	1,982.1	58.2	1,089.2	37,454.0
1967	2,055.8	1,733.1	252.8	79.4	.1	2,065.4	−9.6	1,123.6	38,568.0
1968	2,071.5	1,820.8	257.3	84.2	.1	2,162.4	−90.9	1,157.0	39,634.1
1969	2,087.0	1,901.5	261.8	88.7	.1	2,252.1	−165.1	1,189.0	40,658.0
1970	2,102.6	1,985.5	275.9	93.6	.1	2,355.1	−252.5	1,219.7	41,625.2
1971	2,118.1	2,082.2	280.9	98.9	.1	2,462.1	−344.0	1,248.8	42,530.0
1972	2,133.8	2,180.4	285.7	104.5	.1	2,570.7	−436.9	1,275.9	43,369.0
1973	2,149.3	2,281.2	295.0	110.3	.1	2,686.6	−537.3	1,301.1	44,132.8
1974	2,164.9	2,394.2	299.3	116.5	.1	2,810.1	−645.2	1,324.0	44,811.6
1975	2,180.5	2,502.6	308.7	122.8	.1	2,934.2	−753.7	1,344.3	45,402.2
1976	2,180.5	2,618.0	311.3	129.0	.1	3,058.4	−877.9	1,362.1	45,886.4
1977	2,180.5	2,729.4	319.4	135.5	.1	3,184.4	−1,003.9	1,376.6	46,259.1
1978	2,180.5	2,853.6	322.5	142.7	.1	3,318.9	−1,138.4	1,387.8	46,508.5
1979	2,180.5	2,971.8	325.2	149.8	.1	3,446.9	−1,266.4	1,395.3	46,637.4
1980	2,180.5	3,086.1	332.8	156.9	.1	3,575.9	−1,395.4	1,399.1	46,641.1
Total	76,045.2	52,079.0	7,730.8	2,379.8	98.9	62,288.5	13,756.7	32,884.4	

[1] Estimates of the Committee on Economic Security, slightly modified to include payments to nonqualified individuals reaching age 65.

[2] For those who die after age 65 and before receiving monthly benefits equal to 3½ percent of total wages after 1936 and prior to age 65.

[3] For those who attain age 65 and do not qualify for monthly benefits, either because of not earning at least $2,000 of total wages after 1936 and prior to age 65 or because of not having employment in each of 5 calendar years after 1936 and prior to age 65.

[4] Excess of appropriation over total benefit payments.

[5] At the end of the year.

Appropriations, benefit payments, and reserves

UNDER TITLE II, SOCIAL SECURITY ACT, UNDER LODGE AMENDMENT

[All figures in millions of dollars]

Calendar year	Appropriation to reserve	Benefit payments					Net balance	Interest on reserve	Balance in reserve
		Annuity	Death under 65	Death after 65	Lump sum	Total			
1937	511.0	0	3.7	0	2.3	6.0	505.0	0	505.0
1938	515.9	0	10.7	0	7.9	18.6	497.3	15.2	1,017.5
1939	521.0	0	24.3	0	19.3	43.6	477.4	30.5	1,525.4
1940	803.3	0	34.3	0	30.4	64.7	738.6	45.8	2,309.8
1941	811.0	0	44.9	0	15.9	60.8	750.2	69.3	3,129.3
1942	818.6	46.7	47.9	1.3	13.1	108.9	709.7	93.9	3,932.9
1943	1,121.4	94.3	58.3	2.8	10.5	165.9	955.5	118.0	5,006.4
1944	1,131.8	151.7	69.2	4.7	8.3	233.9	897.9	150.2	6,054.5
1945	1,142.2	198.0	80.1	6.1	6.3	290.5	851.7	181.6	7,087.8
1946	1,440.6	268.9	92.5	8.8	4.5	384.8	1,055.8	212.6	8,356.2
1947	1,453.6	343.7	103.6	10.9	3.1	461.3	992.3	250.7	9,599.2
1948	1,496.6	420.0	114.4	13.7	1.9	550.0	916.6	288.0	10,803.8
1949	1,775.5	487.3	127.2	16.1	.9	631.6	1,143.9	324.1	12,271.8
1950	1,791.1	580.0	138.4	18.8	.1	717.3	1,073.8	368.2	13,713.8
1951	1,806.7	654.4	152.5	22.8	.1	829.9	976.8	411.4	15,102.0
1952	1,822.2	731.2	163.5	26.1	.1	920.9	901.3	453.1	16,456.4
1953	1,837.8	814.1	173.2	29.9	.1	1,017.3	820.5	493.7	17,770.6
1954	1,853.4	917.7	187.3	34.5	.1	1,139.7	713.7	533.1	19,017.4
1955	1,869.0	992.7	196.9	38.1	.1	1,227.9	641.1	570.5	20,229.0
1956	1,884.5	1,120.2	159.3	43.9	.1	1,376.7	507.8	606.9	21,343.7
1957	1,900.1	1,218.4	223.1	48.7	.1	1,490.3	409.8	640.3	22,393.8
1958	1,915.7	1,349.7	237.6	54.5	.1	1,642.0	273.7	671.8	23,339.3
1959	1,931.3	1,466.1	246.5	60.1	.1	1,772.9	158.4	700.2	24,197.9
1960	1,946.8	1,585.2	256.0	65.7	.1	1,907.1	39.7	725.9	24,963.5
1961	1,962.5	1,725.2	270.7	72.4	.1	2,068.4	−105.9	748.9	25,606.5
1962	1,978.0	1,839.5	285.5	78.0	.1	2,203.1	−225.1	768.2	26,149.6
1963	1,993.5	1,928.1	293.2	83.1	.1	2,304.5	−311.0	784.5	26,623.1
1964	2,009.1	2,027.6	301.3	88.7	.1	2,417.7	−408.6	798.7	27,013.2
1965	2,024.7	2,086.9	319.7	92.9	.1	2,499.7	−475.0	810.4	27,348.6
1966	2,040.3	2,213.6	329.2	99.9	.1	2,642.8	−602.5	820.5	27,566.6
1967	2,055.8	2,310.8	337.1	105.9	.1	2,753.9	−698.1	827.0	27,695.5
1968	2,071.5	2,427.7	343.1	112.2	.1	2,883.2	−811.7	830.9	27,714.7
1969	2,087.0	2,535.3	349.1	118.3	.1	3,002.8	−915.8	831.4	27,714.7
1970	2,102.6	2,647.3	367.9	124.8	.1	3,140.1	−1,037.5	831.4	27,714.7
1971	2,118.1	2,776.3	374.5	131.9	.1	3,282.8	−1,164.7	831.4	27,714.7
1972	2,133.8	2,907.2	380.9	139.3	.1	3,427.6	−1,293.8	831.4	27,714.7
1973	2,149.3	3,041.6	393.3	147.1	.1	3,582.1	−1,432.8	831.4	27,714.7
1974	2,164.9	3,192.3	399.1	155.3	.1	3,746.8	−1,581.9	831.4	27,714.7
1975	2,180.5	3,336.8	411.6	163.7	.1	3,912.3	−1,731.8	831.4	27,714.7
1976	2,180.5	3,490.7	414.1	172.0	.1	4,077.9	−1,897.4	831.4	27,714.7
1977	2,180.5	3,639.2	425.9	180.7	.1	4,245.9	−2,065.4	831.4	27,714.7
1978	2,180.5	3,804.8	430.0	190.3	.1	4,425.2	−2,244.7	831.4	27,714.7
1979	2,180.5	3,962.4	433.6	199.7	.1	4,595.9	−2,415.4	831.4	27,714.7
1980	2,180.5	4,114.8	443.7	209.2	.1	4,767.9	−2,587.4	831.4	27,714.7
Total	76,045.2	69,428.4	10,248.9	3,172.9	127.5	83,043.2	7,078.0	24,320.9	

Mr. NORRIS. Mr. President, how much time have I left?

The PRESIDING OFFICER. Seven minutes.

Mr. NORRIS. Mr. President, the suggestion of the Senator from Michigan interests me. If that is the excuse for this amendment, we are undertaking to change the theory upon which old-age pensions were brought about. The question is whether we shall pay as we go every year, or whether we shall set aside something as a fund, the income from which will go to pay the old-age pensions.

Mr. VANDENBERG. Mr. President, will the Senator yield?

Mr. NORRIS. I cannot very well yield until I get through. Then, if I have any time left, I shall be glad to yield; but I want to get this idea across.

Although I listened to the able Senator from Michigan for a long time as he tried to explain why, in his judgment, nothing should be set aside, as I understood him, for future payments, I have never been convinced that that was the proper plan. The law does not provide for that plan, either. We have a law which provides for setting aside a fund, the income from which will in the future contribute something toward the payment of the old-age pensions, thus making necessary that much less taxation. That is the plan which we now have. If this is a proposal to change it all, it ought to contain a provision that the present law shall be repealed and another law enacted.

I still do not understand how it is possible to pay out more money without additional taxation or some other method of raising the money.

Mr. VANDENBERG. Mr. President, will the Senator yield?

Mr. NORRIS. I now yield to the Senator.

Mr. VANDENBERG. The Senator is completely correct in his statement that this amendment raises the fundamental question whether the old-age benefits shall proceed on a full reserve basis or on a pay-as-you-go basis. From my point of view, the amendment raises that issue.

Mr. NORRIS. Then, from my point of view, we ought not to change something in the case of which we spent a long time in deciding, which plan we would adopt.

I say frankly that I should not like to have the old-age pension rest entirely upon the collection of enough taxes to keep it going year after year. While I do not question the views of those who have a different idea, I believe it is a good thing to have a fund the income of which will go to pay, or partially pay, these taxes, which will become a much greater burden in the future than they are at the present time.

Mr. DAVIS. Mr. President, will the Senator yield?

Mr. NORRIS. I yield to the Senator from Pennsylvania.

Mr. DAVIS. The reserve which is now piling up——

Mr. NORRIS. I will ask the Senator to make the question short, or I shall not have time to answer it. Perhaps that will be good for me, anyway, because perhaps I cannot answer it. I do not know.

Mr. DAVIS. The reserve which is now piling up will, in 1980, amount to $47,000,000,000, I am reliably informed.

Mr. NORRIS. All right; suppose it does. At any time between now and 1980, if the reserve is going to be too large, Congress may change the law. I should not dislike to see the reserve be that large. I should like to have that kind of a reserve; and I confess I have never yet been convinced that the investment of the reserve in Federal bonds is not a wise idea. I should like to see all the indebtedness of the Federal Government invested in these bonds, and let this fund consist of Federal bonds. We could always then, as a Federal Government, legislate what the interest rate should be, and would always have control of the Federal bond issue,

even though the fund contained every dollar of Federal bonds we had issued.

Mr. DAVIS. The pay-as-you-go basis experts say that $10,000,000,000 is a sufficient reserve.

Mr. LODGE. Mr. President, I think I have some time on the joint resolution, and I will be glad to have this interruption taken out of my time. I did desire to call the attention of the Senator to the figures I have received from the Social Security Board, to show him that even with my amendment there will still be a balance in the reserve fund.

Mr. NORRIS. But the Senator is proposing to take this money, which he says we will not have to tax anyone to get, out of the reserve fund. That reserve fund has been collected from those who are going to draw pensions. Now the Senator proposes to take the money out of that fund, and to pay it now.

Mr. LODGE. No, in the normal course of events, as the time comes.

Mr. NORRIS. But the Senator is proposing to start now and increase the pensions so they would be one-third greater than they are now. I do not believe that would be fair. After all, if this fund is taken away, I believe we will take away the cornerstone; I think the whole act is founded upon it as a basis.

Mr. LODGE. Mr. President, I think I still have some time on the joint resolution.

Mr. BYRNES. Mr. President, I think the discussion shows that the amendment offered by the Senator from Massachusetts is not understood by the Senate at this time. The committee having charge of the proposed legislation have not had an opportunity to consider the amendment, and under the circumstances it would be impossible for us to pass upon its merits. I therefore move to lay the amendment on the table.

The PRESIDING OFFICER. The question is on the motion of the Senator from South Carolina to lay on the table the amendment offered by the Senator from Massachusetts.

Mr. McNARY. Mr. President——

The PRESIDENT pro tempore. The motion is not debatable.

Mr. McNARY. Mr. President, a roll call has been ordered on the amendment now pending.

Mr. BYRNES. Under rule XXII my motion has preference.

Mr. McNARY. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Adams	Copeland	King	Pepper
Andrews	Davis	La Follette	Pittman
Austin	Ellender	Lee	Pope
Bailey	Frazier	Lodge	Radcliffe
Bankhead	George	Logan	Russell
Barkley	Gerry	Lonergan	Schwartz
Bilbo	Gibson	Lundeen	Schwellenbach
Bone	Green	McAdoo	Sheppard
Borah	Guffey	McCarran	Thomas, Utah
Brown, Mich.	Hale	McGill	Townsend
Brown, N. H.	Harrison	McKellar	Truman
Bulkley	Hatch	McNary	Vandenberg
Bulow	Hayden	Miller	Van Nuys
Burke	Herring	Minton	Wagner
Byrd	Hill	Murray	Walsh
Byrnes	Hitchcock	Neely	Wheeler
Capper	Holt	Norris	White
Caraway	Johnson, Calif.	O'Mahoney	
Connally	Johnson, Colo.	Overton	

The PRESIDENT pro tempore. Seventy-four Senators having answered to their names, a quorum is present.

The question is on the motion of the Senator from South Carolina [Mr. BYRNES] to lay on the table the amendment offered by the Senator from Massachusetts [Mr. LODGE].

Mr. LODGE. I ask for the yeas and nays.

The yeas and nays were not ordered.

Mr. McNARY. A parliamentary inquiry.

The PRESIDENT pro tempore. The Senator will state it.

Mr. McNARY. The Senator from Massachusetts offered an amendment upon which a roll call was ordered. Subsequently, following some debate, the Senator from South Carolina moved to lay the amendment on the table. Does it require another order to vote upon the pending proposition?

The PRESIDENT pro tempore. It does. In the opinion of the Chair, the yeas and nays were ordered on the amendment.

Mr. JOHNSON of California. Mr. President, I appeal to the Senator from South Carolina to withdraw his motion.

A motion to lay an amendment on the table is one which is foreign to this body, one which has never been taken advantage of within my recollection.

Mr. BYRNES. Mr. President, the Senator from South Carolina is not going to withdraw the motion. The Senator from South Carolina makes the point of order that the motion is not debatable.

The PRESIDENT pro tempore. The point of order is well taken. A motion to lay on the table is not debatable, and the demand for the yeas and nays has not been sufficiently seconded.

Mr. JOHNSON of California. Mr. President, is there not fairness enough in this body to give us the yeas and nays on the motion to lay on the table?

The yeas and nays were ordered, and the legislative clerk called the roll.

Mr. MINTON. I announce that the Senator from Arizona [Mr. ASHURST] and the Senator from Oregon [Mr. REAMES] are detained from the Senate because of illness.

The Senator from Florida [Mr. ANDREWS], the Senator from Tennessee [Mr. BERRY], the Senator from New Mexico [Mr. CHAVEZ], the Senator from Missouri [Mr. CLARK], the Senators from Illinois [Mr. DIETERICH and Mr. LEWIS], the Senator from Ohio [Mr. DONAHEY], the Senator from Wisconsin [Mr. DUFFY], the Senator from Georgia [Mr. GEORGE], the Senator from Iowa [Mr. GILLETTE], the Senator from Virginia [Mr. GLASS], the Senator from Delaware [Mr. HUGHES], the Senator from Connecticut [Mr. MALONEY], the Senators from New Jersey [Mr. MILTON and Mr. SMATHERS], the Senator from Louisiana [Mr. OVERTON], the Senator from Idaho [Mr. POPE], the Senator from North Carolina [Mr. REYNOLDS], the Senator from South Carolina [Mr. SMITH], the Senator from Oklahoma [Mr. THOMAS], the Senator from Maryland [Mr. TYDINGS], and the Senator from New York [Mr. WAGNER] are detained on important public business.

Mr. AUSTIN. I announce the following general pairs:

The Senator from Minnesota [Mr. SHIPSTEAD] with the Senator from Virginia [Mr. GLASS];

The Senator from New Hampshire [Mr. BRIDGES] with the Senator from North Carolina [Mr. REYNOLDS]; and

The Senator from North Dakota [Mr. NYE] with the Senator from South Carolina [Mr. SMITH].

The result was announced—yeas 39, nays 30, as follows:

YEAS—39

Adams	Caraway	La Follette	O'Mahoney
Bankhead	Ellender	Lee	Pittman
Barkley	Green	Logan	Radcliffe
Bilbo	Guffey	McAdoo	Russell
Bone	Harrison	McGill	Schwartz
Brown, Mich.	Hayden	McKellar	Schwellenbach
Brown, N. H.	Herring	Minton	Sheppard
Bulkley	Hill	Murray	Thomas, Utah
Bulow	Hitchcock	Neely	Truman
Byrnes	Johnson, Colo.	Norris	

NAYS—30

Austin	Davis	King	Townsend
Bailey	Frazier	Lodge	Vandenberg
Borah	Gerry	Lonergan	Van Nuys
Burke	Gibson	Lundeen	Walsh
Byrd	Hale	McCarran	Wheeler
Capper	Hatch	McNary	White
Connally	Holt	Miller	
Copeland	Johnson, Calif.	Pepper	

NOT VOTING—27

Andrews	Donahey	Maloney	Shipstead
Ashurst	Duffy	Milton	Smathers
Berry	George	Nye	Smith
Bridges	Gillette	Overton	Thomas, Okla.
Chavez	Glass	Pope	Tydings
Clark	Hughes	Reames	Wagner
Dieterich	Lewis	Reynolds	

So Mr. LODGE's amendment was laid on the table.

Mr. LODGE. Mr. President, at the outset of my remarks today I should like first to propound a parliamentary inquiry to the Chair.

The PRESIDENT pro tempore. The Senator will state it.

Mr. LODGE. On last Friday night I offered an amendment to the relief bill which would have increased old-age benefits under the Social Security Act one-third, and the amendment was laid on the table. Is that amendment still on the table and subject to a motion to be called up?

The PRESIDENT pro tempore. The relief bill to which the amendment was offered is not in the possession of the Senate at the present time; it is in conference. The effect of the motion to table the amendment was to defeat the amendment.

Mr. LODGE. Then, if I want to have it before the Senate, I had better offer it again?

The PRESIDENT pro tempore. That would be the proper procedure.

Mr. LODGE. I ask unanimous consent that I may introduce a bill increasing old-age pension payments one-third.

The PRESIDENT pro tempore. The Senator has a right to introduce the bill. The bill will be received.

Mr. LODGE. Mr. President, I should like to take a few minutes of the time of the Senate to complete some of the remarks which I had intended making last Friday night when the Senate, for reasons which appeared sufficient to the voting majority, voted to lay my amendment on the table, thereby cutting off all debate on this question.

In the first place, I should like to propound the inquiry, What do we want an old-age benefit plan to be? It seems to me we want it to be sufficiently adequate so that it will give a feeling of real security to the old person who is the beneficiary, such a feeling of security that he will be enabled to leave his employment, withdraw himself from the labor market, and thereby make room for the younger man or woman coming of age and desiring to find employment.

Mr. President, the other qualification which an old-age benefit plan should have is that it should be properly financed. The revenue from which the benefits are paid should be raised in such a manner that the rates would not have to be cut, and the inflow into the fund would always be steady and dependable, because the person for whom the old-age benefit payment is intended has reached a condition in life when his economic welfare must not hang on any kind of a speculative financial basis.

Mr. President, the present law, I think it goes without saying, has behind it admirable intentions, is a great step forward, and is certainly much better than what we had before—that is to say, nothing. We can all admit, I think, that the payments under the plan which exist today are too low. Figures furnished me by the Social Security Board indicate that the average contributory old-age pension will be $16.70 a month, or $4.17 a week, in 1942; $20.80 a month, or $5.20 a week in 1950; $28.10 a month, or $7.02 a week in 1960; $35.20 a month, or $8.80 a week in 1970; and in 1980, when the old-age pension scheme will be in full bloom, the average monthly old-age payment will be $43.50, or $10.90 a week.

Mr. POPE. Mr. President, does that refer to both the Federal Government and the States?

Mr. LODGE. I am speaking of title II. Let us suppose the case of an individual who today is 45 years of age and earns $25 a week. In 20 years, when he attains the age of 65, after steady tax contributions by both him and his employer, he will be qualified to receive a weekly pension payment of but $8 per week. I do not think it is necessary to belabor the point that that is not a living wage, that it is not a realization of the very noble and far-reaching objectives of the Social Security Act, and it certainly is not sufficient to induce anyone to retire from employment and relieve the unemployment situation.

The amendment which I have offered, and which I think—and I stand to be corrected on this statement—is the only proposal on which a record vote was had in the Seventy-fifth Congress on the question of old-age benefits, would increase the amount by one-third. That still would not mean a very substantial payment. I picked that amount, as I wanted to explain on Friday night but was not permitted to do so, because it was well within the existing receipts. Not only is it well within the existing receipts but it does not, as some Senators apprehended Friday night, destroy the principle of the reserve fund. Frankly, I incline to the view which has been expressed by the life-insurance experts, that the pay-as-you-go policy would be a better system, but, realizing the confidence there is in the reserve-fund idea in the Senate, I did not go as far in my amendment as I could have gone.

The way my amendment would operate, if it were put into practice, would be that instead of building up a reserve fund totaling about $47,000,000,000 in 1980, there would be built up a reserve fund totaling about $27,000,000,000 in 1980. We would still have the reserve fund, but we would not set aside so much money for this undetermined purpose as we do under the present law.

Therefore, I think it goes without saying that my plan is fiscally a sound plan. The pay-roll taxes which are now being levied regularly are more than sufficient to take care of it. I contend that, as a matter of simple justice, if taxes are imposed on people in the sacred name of old-age pensions, they should be given to the people in old-age pensions, and that if there is a disposition on the part of the Government not to give them those old-age benefits, then we should reduce the tax.

Mr. NORRIS. Mr. President, will the Senator yield?

Mr. LODGE. I yield.

Mr. NORRIS. In order that I may more clearly understand the Senator's proposal, I wish to ask him a question. The Senator's plan does not contemplate an increase in contributions to be made by the employees or their employers?

Mr. LODGE. No.

Mr. NORRIS. But it does contemplate a reduction of the reserve?

Mr. LODGE. That is correct.

Mr. NORRIS. Would it not follow that the accretions from the income on the reserve would necessarily be less than they would be if the Senator's plan were not put into effect?

Mr. LODGE. That would follow, but the income from the reserve is, of course, coming from Government bonds, and therefore it must come out of the people in some way or other.

Mr. NORRIS. I know that it must all come out of the people, but at the same time that would be true, whether the reserve were invested in Government bonds or railroad bonds, would it not?

Mr. LODGE. I do not think in that event it would rest on the same basis.

Mr. NORRIS. I cannot understand why there would be any difference, regardless of how the fund was invested. It seems to me that the reserve fund would necessarily be lower if the Senator's plan were put into effect. I am not trying to make an argument either for or against it. I want to get the facts. If the Senator's plan were in effect, the reserve fund would necessarily be lower than it otherwise would be, would it not?

Mr. LODGE. Has the Senator completed the question?

Mr. NORRIS. Yes.

Mr. LODGE. The Senator from Nebraska raises two questions. One is that my amendment would lower the reserve fund; and the second point is that it would therefore lower the interest which is paid on the reserve fund.

Mr. NORRIS. Yes; it would lessen the contribution that the reserve fund would make toward the pensions.

Mr. LODGE. In reply I should like to submit two considerations. In the first place, if the money which is in the reserve fund were to be invested in railroad securities or commercial or industrial securities generally, and the interest on such securities were to be used to pay the benefits, it seems to me that that would not be a Government subsidy, whereas if the reserve fund is invested in Government bonds, and the interest on those funds is used, then it is a Government subsidy.

The second point I should like to make in response to the question of the Senator from Nebraska is that, after all, what is the reserve fund there for? The reserve fund is there to take care of the old people, and we should use it for that purpose.

Under the present law, with the reserve fund in 1980 at $47,000,000,000, it is nevertheless contemplated by all the experts whose views I have read, that sooner or later the receipts will not be equal to the payments, and those administering the fund will have to dip into the reserve.

I do not know whether that is an answer which satisfies the Senator, but it is my opinion. Of course, there is a great variety of opinion on the whole question.

I should now like to give the evidence which I have for the contention which I made the other night, that there is more money being taken in, in the name of old-age pensions, than is being paid out. The best authority for that, I think, is President Roosevelt. In his Budget message to Congress in January he pointed out that the net deficit for the year ending June 30, 1939, would be over $949,000,000, and then he said:

> It should be pointed out, however, that the increase in the debt by reason of the deficit does not mean that the Treasury will borrow that additional sum on the market. There will be available during the fiscal year for investment in special issues of Government obligations the net sum of approximately $1,163,000,000, which represents investments of $600,000,000 from the old-age reserve account and the railroad and Government employees' retirement funds, and $573,000,000 from the unemployment trust fund, and a reduction of $10,000,000 in investments held for account of adjusted-service certificate fund. As a result of these investment operations the Treasury financing for the fiscal year 1939 would be confined to refunding maturing obligations.

That, I think, is a pretty clear statement of the fact that these moneys are being used for general purposes of Government, and are not being expended for the old people for whom they are intended.

I should also like to present some facts to show that the young workers are paying too much for the benefit which they presumptively will receive. Let us take the case of a young worker 20 years of age entering the contributory old-age set-up in 1949, who is earning $200 a month. He could, aided by similar tax contributions by his employer, secure a monthly annuity of $117.88 from a private insurance company. He would be entitled only to $76.25 a month from the pension-payment system of the Federal Government. Also compare the Federal monthly annuity of $85 that would be paid to a young worker earning $250 monthly with the private annuity that could be secured under similar conditions through private insurance companies.

It seems to me that the young worker has a legitimate right to complain that he is not getting as much for his money as he ought to get.

Those are the considerations which I wanted to submit to the Senate. To my mind—and I realize that there are many Senators who do not agree with me—this is one of the most important issues confronting the country. I believe that if we had a proper system of old-age benefits it would react not only favorably to the old people of the United States but that it would react favorably to the young people of the United States. I think the matter is of the utmost importance. I recognize that very little time is given to it nowadays in Congress, but I believe there is a tremendous amount of interest in this plan. Not only because of the benefits that it will confer upon the old people, and not only because of the advantages it will confer upon the young people, but, as a matter of simple justice, and as a matter of honest Federal finance, I believe that the taxes which have been imposed in the name of old-age pensions should either be returned to the people to spend in their own way, or they should be given to the people in old-age benefits, as was originally intended.

I know that there are those who say, "Let us study it some more; let us put it off"; but I think the condition of the country today is a very unfortunate one, and that the time to act is now, and that there never will be a time when these payments will mean more to the average American man and woman than they do today.

Mr. McNARY. Mr. President, I regret exceedingly that the continuity of the remarks made by the able Senator from Massachusetts [Mr. LODGE] was destroyed by the very unusual motion made by the Senator from South Carolina [Mr. BYRNES] to lay his amendment on the table as an amendment to the relief and work relief measure recently passed.

I believe that had the able Senator from Massachusetts had an opportunity, as he has had today, to discuss the amendment in detail, as applying to title II, the annuity section, there would have been less opposition to it. Unfortunately, some of the Members of the Senate, in their haste to get through the so-called relief bill, did not give proper consideration to the amendment. They thought the Senator was attempting to disturb the matching plan provided in title II, which calls for a contribution of 50 percent by the Federal Government and 50 percent by the States.

The Senator is to be congratulated on the gallant fight he has made for an increase in the pensions of those who have reached an advanced age. I do not recall in many years an attempt on the part of any other Senator, by vote or by voice, to add to the niggardly benefits which are now offered to those who have reached an advanced age.

The Senator's proposal would increase by only one-third the annuity provisions of title II, which, as he well says, are small enough, and do not actually meet the situation. However, they are the best that can be had under existing law and under the plan of the Social Security Act. I am very happy to note that the evening the Senator offered his amendment and discussed it, the amendment received 30 votes, as against 39 in opposition thereto. I hope the Senator will continue his fight in behalf of those who are so much in need of more attention and larger benefits from the Government and the States.

Mr. VANDENBERG. Mr. President, I wish to call up now my substitute for title I, which is on the desk. It has been debated for 2 days, and I have no desire or disposition to renew the debate if I may be given the yeas and nays on the substitute.

The PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the Senator from Michigan [Mr. VANDENBERG] in the nature of a substitute for title I.

The amendment of Mr. VANDENBERG proposes to strike out all of title I and in lieu thereof insert the following:

> SECTION 1. That to provide relief, and work relief, and to increase employment, there is hereby appropriated, out of any money in the Treasury not otherwise appropriated, the sum of $2,410,000,000, which shall be available for the period commencing July 1, 1938, and ending on June 30, 1939.
>
> SEC. 2. (a) Not more than $2,250,000,000 of the sum appropriated by section 1 shall be available for grants-in-aid to States to assist them in financing and administering such forms of relief and work relief and methods of increasing employment as may be determined upon and undertaken by them. Such amount shall be allocated by the Federal Relief Board (hereinafter established), with the approval of the President, among the several States upon the basis of the Board's findings and conclusions with respect to the facts concerning and weight to be given to unemployment and living costs in, and population and financial resources of, the several States. Not more than 15 percent of such amount shall be paid to any State.
>
> (b) The sum allocated to a State under subsection (a) shall be paid quarterly by order of the Federal Relief Board to the State if—
>
> (1) The Governor (or in the case of the District of Columbia, the District Commissioners) has certified to the Federal Relief Board that there has been established a board of relief trustees in such State, the membership of which is not composed solely of individuals who are members of the same political party, and that such board has the power and duty of receiving and disbursing sums which may be granted such State under this section;
>
> (2) The State board has certified to the Federal Relief Board that the State, or its subdivisions, or both, have provided or are prepared to provide an amount equal to not less than 25 percent of the amount allocated to it under this section, for relief, work relief, or methods of increasing employment; and
>
> (3) The State board has agreed to furnish to the Federal Relief Board such reports (respecting the administration of the relief, work relief, or methods of increasing employment with respect to which funds allocated to the State under this section are used) in such form and containing such information as the Federal Relief

Board may from time to time require, and to comply with such provisions as the Federal Relief Board may from time to time find necessary to assure the correctness and verification of such reports.

(c) If the Federal Relief Board finds that any part of an amount granted to a State under this section has been diverted to a purpose not reasonably within the purpose of furnishing relief, work relief, or increasing employment, or that more than 80 percent of the amount devoted to such purposes has been expended out of grants under this section, the amount of future grants to be made to the State shall be reduced by an amount equal to the amount the Board determines has been diverted or the amount the Board determines to be such excess.

(d) The Federal Relief Board shall allocate, out of the sum specified in subsection (a), such sums as it deems necessary on the basis of the needs of Puerto Rico, the Virgin Islands, and the Canal Zone for relief, work relief, and increasing employment. Such sums shall be expended as the Board prescribes as necessary for such purposes and subject to such requirement, if any, as the Board may prescribe for contribution by the possessions to such purposes.

SEC. 3. Not more than $160,000,000 of the sum appropriated by section 1 shall be available to enable the Federal Relief Board, with the approval of the President, in its discretion and on its order, to make such grants or loans to States as it deems necessary in order to meet extraordinary and unforeseen emergencies, and such grants or loans shall be made without regard to the provisions of section 2. The sum specified in this section shall also be available for all administrative expenses of the United States in carrying out the provisions of section 2 and this section.

SEC. 4. (a) There is hereby established the Federal Relief Board, which shall be composed of three members appointed by the President, by and with the advice and consent of the Senate. Not more than two of the members of the Board shall be members of the same political party, and the President shall designate one of the members as chairman. Each member shall receive a salary at the rate of $10,000 per annum.

(b) The Board shall have the power and duty of carrying out sections 2 and 3 of this act, and such powers and duties shall be exercised under the direction and subject to the approval of the President.

(c) The Board is authorized to make such expenditures, and, subject to the civil-service laws and rules and regulations made thereunder and the Classification Act of 1923, as amended, to appoint and fix the compensation of such officers and employees, as may be necessary to carry out its powers and duties.

SEC. 5. Any person who knowingly makes any false statement in connection with securing a grant or loan or making any report or furnishing any information under section 2 or 3, or who solicits or receives political contributions from any person who directly or indirectly receives any part of a grant or loan made under section 2 or 3, or any person who, in administering any such grant or loan, discriminates against any person on account of race, religion, or political affiliation shall, on conviction thereof, be deemed guilty of a misdemeanor and fined not more than $2,000 or imprisoned not more than 1 year, or both. For the purposes of this section, each payment made by a State to which a grant or loan has been made under section 2 or 3 for relief, work relief, or increasing employment shall be considered to consist one-fourth of funds of the State and three-fourths of funds of the United States.

SEC. 6. The funds herein appropriated shall be so apportioned and distributed over the period beginning July 1, 1938, and ending on June 30, 1939, and shall be so administered during such period as to constitute the total amount that will be furnished during such period for relief purposes.

SEC. 7. As used in this act, the term "State" means the several States, Alaska, Hawaii, and the District of Columbia.

SEC. 8. This act may be cited as the Relief Appropriation Act of 1938.

The PRESIDENT pro tempore. On the amendment of the Senator from Michigan [Mr. VANDENBERG] the yeas and nays have been requested.

The yeas and nays were ordered, and the legislative clerk called the roll.

Mr. AUSTIN. I announce the following general pairs:

The Senator from Minnesota [Mr. SHIPSTEAD] with the Senator from Virginia [Mr. GLASS];

The Senator from New Hampshire [Mr. BRIDGES] with the Senator from North Carolina [Mr. REYNOLDS]; and

The Senator from North Dakota [Mr. NYE] with the Senator from South Carolina [Mr. SMITH].

Mr. MINTON. I announce that the Senator from Arizona [Mr. ASHURST] and the Senator from Oregon [Mr. REAMES] are absent because of illness.

The Senator from Tennessee [Mr. BERRY], the Senator from New Mexico [Mr. CHAVEZ], the Senator from Missouri [Mr. CLARK], the Senators from Illinois [Mr. DIETERICH and Mr. LEWIS], the Senator from Ohio [Mr. DONAHEY], the Senator from Wisconsin [Mr. DUFFY], the Senator from Iowa [Mr. GILLETTE], the Senator from Virginia [Mr. GLASS], the Senator from Connecticut [Mr. MALONEY], the Senators from New Jersey [Mr. MILTON and Mr. SMATHERS], the Senator from Florida [Mr. PEPPER], the Senator from Idaho [Mr. POPE], the Senator from North Carolina [Mr. REYNOLDS], the Senator from South Carolina [Mr. SMITH], the Senator from Oklahoma [Mr. THOMAS], and the Senator from Maryland [Mr. TYDINGS] are detained from the Senate on important public business.

The result was announced—yeas 21, nays 51, as follows:

YEAS—21

Austin	Davis	Johnson, Calif.	Townsend
Bailey	Frazier	King	Vandenberg
Burke	Gerry	Lodge	White
Byrd	Gibson	Lundeen	
Capper	Hale	McCarran	
Copeland	Holt	McNary	

NAYS—51

Adams	Ellender	Lee	Pittman
Andrews	George	Logan	Radcliffe
Bankhead	Green	Lonergan	Russell
Barkley	Guffey	McAdoo	Schwartz
Bilbo	Harrison	McGill	Schwellenbach
Bone	Hatch	McKellar	Sheppard
Brown, Mich.	Hayden	Miller	Thomas, Utah
Brown, N. H.	Herring	Minton	Truman
Bulkley	Hill	Murray	Van Nuys
Bulow	Hitchcock	Neely	Wagner
Byrnes	Hughes	Norris	Walsh
Caraway	Johnson, Colo.	O'Mahoney	Wheeler
Connally	La Follette	Overton	

NOT VOTING—24

Ashurst	Dieterich	Maloney	Reynolds
Berry	Donahey	Milton	Shipstead
Borah	Duffy	Nye	Smathers
Bridges	Gillette	Pepper	Smith
Chavez	Glass	Pope	Thomas, Okla.
Clark	Lewis	Reames	Tydings

So Mr. VANDENBERG's amendment in the nature of a substitute for title I was rejected.

Mr. McADOO obtained the floor.

Mr. BARKLEY. Mr. President, will the Senator yield to me for a moment?

Mr. McADOO. I yield.

Mr. BARKLEY. Mr. President, there has been some confusion about the purpose of the session today, and how long it shall run. Therefore, I wish to state that in the hope that we may conclude finally the disposition of the pending joint resolution tonight, it is the purpose to go right on, and if we shall succeed in concluding the consideration of the joint resolution this evening, it is my purpose to move that the Senate adjourn until Tuesday next.

DEVELOPMENT AND REGULATION OF CIVIL AERONAUTICS

Mr. COPELAND. Mr. President, will the Senator yield?

Mr. McADOO. I yield.

Mr. COPELAND. Mr. President, the conferees on Senate bill 3845, the bill to establish an Aviation Commission, are in substantial agreement. I ask unanimous consent that if the report of the conferees shall be ready during the proposed recess of the Senate, the conference report may be filed with the Secretary of the Senate.

The PRESIDENT pro tempore. Is there objection? The Chair hears none, and it is so ordered.

RELIEF AND WORK-RELIEF APPROPRIATIONS

The Senate resumed the consideration of the joint resolution (H. J. Res. 679) making appropriations for work relief, relief, and otherwise to increase employment by providing loans and grants for public-works projects.

Mr. McADOO. Mr. President, I send to the desk an amendment which I ask to have stated.

The PRESIDENT pro tempore. The amendment will be stated.

The CHIEF CLERK. At the proper place in the bill, it is proposed to insert the following:

That notwithstanding any other provisions of this title, the Works Progress Administrator is authorized and directed to turn over to the Federal Surplus Commodities Corporation the sum of $50,000,000, out of funds herein appropriated, to be used by the Federal Surplus Commodities Corporation for the purchase of agricultural commodities and fish and sea-food products for relief distribution. This sum shall be in addition to all other funds

heretofore or hereafter appropriated to the Federal Surplus Commodities Corporation or to the Secretary of Agriculture or to the Agricultural Adjustment Administration for the purchase of surplus agricultural commodities.

Mr. McADOO. Mr. President, I will state briefly the purpose of the amendment: The Federal Surplus Commodities Corporation has available for relief distribution 30 percent of the sums collected as tariffs. This was appropriated by Congress in section 32 of the amendments to the Agricultural Adjustment Act adopted in August 1935. This usually runs around $125,000,000 per annum.

However, Congress in the fiscal year ending June 30, 1938, earmarked $65,000,000 of this sum for parity payments to cotton farmers. The balance of the fund available for the next fiscal year is regarded as entirely inadequate.

For that reason I propose to designate $50,000,000 of relief funds for the purchase of food for relief distribution which will aid in maintaining the price structure for commodities other than those covered in the farm bill and will at the same time be of substantial benefit to persons on relief. Such a program serves a dual purpose of both carrying out the principles embodied in the relief bill, and at the same time assist in maintaining the price structure for commodities which are not receiving special treatment under the Farm Act.

While no one questions the fact that the producers of the five commodities covered by the Farm Act for whom $212,000,000 was provided yesterday, are in a bad condition, they are in no worse condition than other farmers who are not receiving such special benefits.

There is no question that producers of commodities other than the ones covered by the Farm Act are in need of assistance.

Mr. LUNDEEN. Mr. President, does the Senator's proposal include dairy farmers?

Mr. McADOO. Yes, Mr. President, I am coming to that part in a moment.

Mr. LUNDEEN. I am glad to hear that it does.

Mr. McADOO. Mr. President, I am strong for the dairy farmers and all other farmers, I will say to my distinguished friend from Minnesota.

For example, the index of the purchasing power of four of the farm commodities covered by the Farm Act, as of April 15, is as follows:

Wheat	65
Corn	63
Cotton	52
Tobacco	99

The other commodity covered by the Farm Act is rice.

The parity prices for some of the commodities not covered by the Farm Act, and which it is intended that the pending joint resolution shall benefit, are as follows: Potatoes, 61; apples, 55; butterfats, 79; eggs, 57; oranges, 75; Arizona, Texas, and California grapefruit, 50.

From a study of these figures it is obvious that commodities other than those covered by the Farm Act are in real need of assistance.

I will say to my good friend, the Senator from Minnesota, that these items which I have read are merely indicative of the commodities that are not included in the Farm Act we passed a short time ago.

Mr. LODGE. Mr. President, will the Senator yield?

Mr. McADOO. I yield.

Mr. LODGE. I should like to ask the Senator whether his amendment takes care of fish.

Mr. McADOO. Yes; it takes care of sea foods.

Mr. LODGE. And shellfish as well as fish?

Mr. McADOO. I do not know about shellfish. I presume shellfish are fish.

Mr. BILBO. The Senator's amendment says "fish and sea-food products."

Mr. McADOO. Yes; "fish and sea-food products." That expression covers what the Senator from Massachusetts has in mind.

Mr. LODGE. That phraseology covers shellfish?

Mr. McADOO. That is a sea food, is it not? I suppose shellfish are covered under the general designation of "fish and sea-food products." We are hoping to benefit Massachusetts as well as Maine and Vermont.

From a study of these figures, it is obvious that commodities other than those covered by the Farm Act are in real need of assistance. This is particularly significant in view of the fact that the five commodities for which the $212,000,000 was appropriated yesterday represented in 1937 only 24.1 percent of the cash income and only 21 percent of the gross income of farmers. Thus between 75 and 80 percent of the agricultural income of this country will not be helped by the $212,000,000 appropriated yesterday.

During the past year we are advised that many programs covering these other commodities could not be carried out by the Federal Surplus Commodities Corporation because of lack of available funds.

The adoption of the proposed amendment would be beneficial to millions of farmers throughout the United States and would unquestionably have the support of farmers and farm organizations generally.

Mr. President, I wish to add only one word. We are frequently being faced, at least I am, with requests for assistance from this or that organization on behalf of some agricultural product or other which is in distress, and which for some very good reason needs assistance. The Federal Surplus Commodities Corporation was organized specifically for the purpose of aiding in those situations, not only for the purpose of improving the market, but for carrying farmers until a market could be found for their crops. I think that the small sum that we propose to designate for the benefit of this Corporation is appropriate and just. I sincerely hope that the Senate may adopt the amendment.

Mr. ADAMS. Mr. President, it seems to me to be my duty, notwithstanding the argument of my very persuasive friend the Senator from California, to suggest that the amendment should not be adopted. I have tried, as I know most of the members of the committee have tried, to keep in the minds of the Members of the Senate that this measure is for the relief of the needy people of the United States. It is not primarily a measure to help those who are producing fish, or sea food, or grapefruit, or other things. It is perfectly proper to do the thing suggested by the Senator, but now it is proposed to take $50,000,000 from the money appropriated for the relief of needy people and devote it to the purchase of agricultural products, sea-food products, and so forth, for distribution.

Mr. President, we have already provided the Surplus Commodities Corporation with roughly $125,000,000 a year by giving them under section 32 of the Agricultural Adjustment Act a certain percent of the amount that comes in from customs duties, so that they have that amount of money. We have also provided in the joint resolution $125,000,000 for relief of the farmers; that is, both direct and loans.

We have provided $212,000,000 for the benefit payments. We have already provided $125,000,000 in title I, which may be used for direct relief. Direct relief, if it is given, necessarily involves the purchase and distribution of food commodities. So that for the very purpose which the Senator from California [Mr. McADOO] has in mind, there is already available in the joint resolution, if needed, $125,000,000, and $125,000,000 is available under the Agricultural Adjustment Act. It seems to me that we ought not to reach into the relief fund and take out $50,000,000 more for a different purpose, however commendable it may be.

Mr. LA FOLLETTE. Mr. President, I should like to inquire if the Senator is not aware that when the relief crisis developed in Cleveland and Chicago the Federal Surplus Commodities Corporation had products which could be given to the needy people, which prevented a most disastrous situation in those two communities. The products, in fact, are used for the relief of needy persons. As the Senator has suggested, they are not utilized for any other purpose than to aid people who are in distress, and to provide food for those in need.

I understood the Senator from California [Mr. McADOO] to say that the earmarking of the funds procured under the tariff provisions would reduce the fund to $65,000,000 for the next fiscal year. However, there was so much confusion in the Chamber that I am not certain that I understood him correctly. That was the impression I gained from what I could hear of his remarks.

Mr. ADAMS. I will say to the Senator from Wisconsin that as I listened to the argument of the Senator from California, it had a double aspect. He read to us a list of commodities the prices of which had gone down. He is interested in using the relief fund to increase the selling price of the commodities referred to, independent of the relief situation. Of course, the products which are purchased, as the Senator from Wisconsin says, will be used for distribution in cases of need for direct relief.

Mr. LA FOLLETTE. In many communities which have exhausted or diminished their ability to raise money for direct relief purposes, the distribution of the commodities purchased by the Surplus Commodities Corporation has gone a long way in helping to provide more decent care for those who are on relief. As I previously pointed out, had it not been for such commodities in the relief crises which developed in Cleveland and Chicago, there would have been actual starvation of people in those communities while the States were endeavoring to raise more money for direct relief.

Mr. ADAMS. That is entirely correct. However, I am trying to point out that in title I of the joint resolution as it now stands, when supplemented by the funds which the Surplus Commodities Corporation already has, sums are provided which are entirely adequate for the purpose. The other day the Senate declined to increase the amount available for direct relief. The Senator from Kentucky sought to have unlimited power given to the Administrator to grant direct relief; and the Senate was unwilling to grant such power. The result was a compromise upon the provision of $125,000,000 available for direct relief. To that sum is to be added the money which the Surplus Commodities Corporation now has, and that which it will have next year. Each year it receives $125,000,000. To that sum is to be added a large part of the $175,000,000. So, again I say that I do not think we ought to reach into the relief pocket and take any more out.

Mr. McADOO and Mr. MILLER addressed the Chair.

Mr. ADAMS. I yield first to the Senator from California.

Mr. McADOO. I wish to say that I think the Senator from Colorado entirely misapprehends the situation. Perhaps I expressed it stupidly in my statement.

Mr. ADAMS. The Senator from California never expresses anything stupidly.

Mr. McADOO. I thank the Senator for his compliment. I wish I deserved it. Nevertheless, I feel that the Senator does not exactly understand the situation, which may be due to the fact that I did not make it as explicit as I should have done.

It is true that the Surplus Commodities Corporation has the appropriation which has been referred to, as I stated in the beginning, which is available to it for relief purposes; that is, to purchase relief supplies of the various commodities from time to time to aid the producers of those commodities, especially when there is such a large amount of overproduction that there is distress in a particular community because of the accumulation of commodities. The Surplus Commodities Corporation has exercised an extremely beneficial influence, not only for purposes of relief of those who actually require the supplies but in relieving those who produce the supplies. In other words, the operation is a double relief operation, and it is entirely appropriate that the provision referred to should be in the joint resolution. It is more appropriately in the joint resolution than the provision which we inserted for parity payments to farmers on the staple commodities covered in the recent Agricultural Adjustment Act. I think the fact that $65,000,000 of the fund was subtracted from the Surplus Commodities Corporation by congressional authority for this fiscal year——

Mr. ADAMS. For which fiscal year?

Mr. McADOO. For the fiscal year 1938.

Mr. ADAMS. But there is a new fiscal year beginning the first of July, when another $125,000,000 will be available.

Mr. McADOO. It will be available unless some of it should be taken away. I invite the Senator's attention to the fact that already there is evidence that in various parts of the country we shall have the largest crops which have been harvested in many years. I do not know how far the surplus will extend, but we may find a great surplus in many directions.

Mr. ADAMS. The Senator does not think the purpose of the joint resolution is to raise prices all through the country, including the prices of shellfish and fish; does he?

Mr. McADOO. I do not say that. What I mean is that there will perhaps be a greater surplus of many commodities than we have had for several years. A fund should be available for purchasing such commodities whenever it is shown that such purchases are needed for the relief of those who must have the commodities, those who consume them. At the same time the producers of the commodities in the various communities will be benefited by fairly stabilizing a situation which might otherwise result in great distress and justify the community in calling upon the general relief fund for assistance in another way. I say it is much better to make provision in the way I have suggested. Therefore, I can see no objection to the designation of $50,000,000 of the fund, for the purpose suggested, to take the place of the $65,000,000 which was withdrawn. If the $65,000,000 were still in the hands of the Surplus Commodities Corporation, the situation would be different.

Mr. MILLER. Mr. President, will the Senator yield?

Mr. ADAMS. I yield.

Mr. MILLER. From which title are the funds to be taken, or earmarked?

Mr. ADAMS. Title I, the strictly relief funds.

Mr. McADOO. The provision under discussion is also for relief.

Mr. MILLER. I think it would be much better if the funds were taken from title II. I should be very much in favor of the suggestion if the funds were taken from title II.

Mr. ADAMS. My opposition would be less strong if they were taken from title II.

Mr. McADOO. Let me say to my good friend from Colorado that I have offered the amendment to be placed in an appropriate place in the joint resolution. I do not care from what title the fund is taken, so long as the farmers get the benefit.

Mr. ADAMS. The Senator from California provides in his amendment that the Works Progress Administrator is directed to turn over to the Federal Surplus Commodities Corporation the sum of $50,000,000. He cannot turn over anything out of title II.

The PRESIDENT pro tempore. The time of the Senator has expired.

SEVERAL SENATORS. Vote!

Mr. AUSTIN. Mr. President, I wish to support the amendment offered by the Senator from California [Mr. McADOO]. I do so because it has the dual objectives referred to by the Senator from Colorado. Primarily, no doubt, the amendment is intended to benefit the producers of farm products; but incidentally it is intended to afford relief to the poor in the form of food to be distributed by the Surplus Commodities Corporation.

I do not intend to take the time of the Senate longer than to call attention to the fact that by our act of day before yesterday, authorizing the appropriation of $212,000,000 for the five commodities named in the Farm Act, we helped to raise to parity price only a small fraction of the commodities raised by farmers. I have had furnished to me a calculation of the proportion aided by the $212,000,000 authorization.

The five commodities for which the $212,000,000 was appropriated represented in 1937 only 24.1 percent of the

cash income, and only 21 percent of the gross income of farmers for that year. Thus, between 75 and 80 percent of the agricultural income of the country will not be helped by the $212,000,000 appropriation.

I call attention to this contrast: The commodities for which assistance was sought are wheat, corn, cotton, tobacco, and rice. Let us make a few comparisons. Using the standard which is customarily employed for parity; that is the period from 1909 to 1914—which, by the way, was a Republican period in our history—on that basis wheat, which is one of the commodities benefited by the large appropriation, has a standard or basis of 65 at the present time. That is, its value, its price in the market, is 65 percent of parity on the basis of the standard of the period from 1909 to 1914.

With respect to potatoes, a commodity raised in my section of the country, the figure is only 61.

Why should the Senate dislocate the relationship by lifting still higher the price of wheat, and leaving the price of potatoes at the ratio of 61 to 100? That is to say, the price of potatoes is only 61 percent of par at the present time, whereas the price of wheat, which was benefited the other day, is 65 percent of par.

Let us make a comparison between tobacco and butterfats. We are very much interested, in our part of the country, in butterfats. Tobacco is 99 percent of parity, whereas butterfats are only 79 percent of parity. Can anyone tell me any good reason why we should not earmark some of these funds to try to preserve an equilibrium among the different farm commodities, and in order to spread the benefits among the poor?

In the $212,000,000 amendment there was no provision for distribution of surplus to the poor; but the suggestion of the Senator from California provides for relief in the form of the commodities which receive this parity help. Although I am not in favor of our type of regimentation of agriculture, yet this is a proposition of realism. I am certain that we are about to make this huge appropriation of money. Therefore, I am in favor of earmarking just as much of it as I can. This is one definite, precise way of earmarking it, and knowing that it will have the twofold benefit of improving the condition of farmers and of aiding in relief of the poor.

Mr. McNARY. Mr. President, this is a most commendable amendment; and, as stated by the Senator from Vermont [Mr. AUSTIN], it will have the double effect of aiding the producer and of aiding the man on relief. I hope it may be adopted.

I present for the RECORD, and ask to have read from the desk, a telegram from some of the leading farm organizations of the country.

The PRESIDENT pro tempore. Without objection, the telegram will be read.

The legislative clerk read the telegram, as follows:

WASHINGTON, D. C., *June 2, 1938.*

Senator CHARLES L. MCNARY,
United States Senate, Washington, D. C.:

We respectfully urge you support Senator MCADOO's amendment to pending relief bill allocating $50,000,000 of relief money to Federal Surplus Commodities Corporation to be used in purchasing agricultural commodities for direct distribution to recipients of relief. Such action will aid both producers and persons on relief.

National Grange, Fred Brenckman; Washington Representative National Cooperative Council, Robin Hood; Secretary-Treasurer National Cooperative Milk Producers' Federation, Chas. W. Holman, Secretary.

Mr. ANDREWS. Mr. President, I hope the amendment offered by the Senator from California [Mr. MCADOO] will prevail.

The three essentials of life are food, shelter, and clothing. Of the three, food is the most essential. In fact, in my State not very much clothing is necessary, and very little shelter; but the people have to have food. This amendment goes to the very heart of the thing we are trying to do here, and that is to see that no one suffers for lack of food.

The PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the Senator from California [Mr. MCADOO].

Mr. LA FOLLETTE. I call for the yeas and nays.

The yeas and nays were not ordered.

Mr. LA FOLLETTE. I suggest the absence of a quorum.

The PRESIDENT pro tempore. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Ellender	King	Overton
Andrews	Frazier	La Follette	Pepper
Austin	George	Lee	Pittman
Bailey	Gerry	Lodge	Pope
Bankhead	Gibson	Logan	Radcliffe
Barkley	Green	Lundeen	Russell
Bilbo	Guffey	McAdoo	Schwartz
Bone	Hale	McCarran	Schwellenbach
Brown, Mich.	Harrison	McGill	Sheppard
Brown, N. H.	Hatch	McKellar	Shipstead
Bulkley	Hayden	McNary	Thomas, Utah
Bulow	Herring	Maloney	Townsend
Burke	Hill	Miller	Truman
Capper	Hitchcock	Minton	Vandenberg
Connally	Holt	Murray	Wagner
Copeland	Hughes	Neely	Wheeler
Davis	Johnson, Colo.	O'Mahoney	White

The PRESIDENT pro tempore. Sixty-eight Senators have answered to their names. A quorum is present. The question is an agreeing to the amendment offered by the Senator from California [Mr. MCADOO].

Mr. LA FOLLETTE. I ask for the yeas and nays on the adoption of the amendment.

The yeas and nays were ordered, and the legislative clerk proceeded to call the roll.

Mr. SHIPSTEAD (when his name was called). I have a general pair with the senior Senator from Virginia [Mr. GLASS]. Not knowing how he would vote on this question, I transfer my pair with him to the junior Senator from North Dakota [Mr. NYE], and will vote. I vote "yea."

The roll call was concluded.

Mr. MCNARY. The senior Senator from California [Mr. JOHNSON] is necessarily absent. If present, he would vote "yea."

Mr. MINTON. I announce that the Senator from Arizona [Mr. ASHURST] and the Senator from Oregon [Mr. REAMES] are detained from the Senate because of illness.

The Senator from Tennessee [Mr. BERRY], the Senators from Virginia [Mr. BYRD and Mr. GLASS], the Senators from South Carolina [Mr. BYRNES and Mr. SMITH], the Senator from Arkansas [Mrs. CARAWAY], the Senator from New Mexico [Mr. CHAVEZ], the Senator from Missouri [Mr. CLARK], the Senators from Illinois [Mr. DIETERICH and Mr. LEWIS], the Senator from Ohio [Mr. DONAHEY], the Senator from Wisconsin [Mr. DUFFY], the Senator from Iowa [Mr. GILLETTE], the Senator from Connecticut [Mr. LONERGAN], the Senators from New Jersey [Mr. MILTON and Mr. SMATHERS], the Senator from North Carolina [Mr. REYNOLDS], the Senator from Maryland [Mr. TYDINGS], the Senator from Indiana [Mr. VAN NUYS], and the Senator from Massachusetts [Mr. WALSH] are detained on important public business.

Mr. LEE. I announce that my colleague [Mr. THOMAS of Oklahoma] is detained on important public business. If present and voting, he would vote "yea."

Mr. AUSTIN. I announce the general pair of the Senator from New Hampshire [Mr. BRIDGES] with the Senator from North Carolina [Mr. REYNOLDS].

The result was announced—yeas 46, nays 21, as follows:

YEAS—46

Andrews	Copeland	La Follette	Pope
Austin	Davis	Lee	Schwellenbach
Bailey	Frazier	Lodge	Shipstead
Bankhead	Gibson	Lundeen	Thomas, Utah
Bilbo	Hale	McAdoo	Townsend
Bone	Harrison	McCarran	Truman
Brown, Mich.	Hatch	McGill	Vandenberg
Bulkley	Herring	McNary	Wagner
Bulow	Hill	Maloney	Wheeler
Burke	Hitchcock	Miller	White
Capper	Holt	Murray	
Connally	Johnson, Colo.	Pepper	

NAYS—21

Adams	Guffey	Minton	Russell
Barkley	Hayden	Neely	Schwartz
Brown, N. H.	Hughes	O'Mahoney	Sheppard
Ellender	King	Overton	
Gerry	Logan	Pittman	
Green	McKellar	Radcliffe	

NOT VOTING—29

Ashurst	Clark	Lewis	Smith
Berry	Dieterich	Lonergan	Thomas, Okla.
Borah	Donahey	Milton	Tydings
Bridges	Duffy	Norris	Van Nuys
Byrd	George	Nye	Walsh
Byrnes	Gillette	Reames	
Caraway	Glass	Reynolds	
Chavez	Johnson, Calif.	Smathers	

So Mr. McADOO's amendment was agreed to.

Mr. CAPPER. Mr. President, I send an amendment to the desk which I should like to have stated.

The LEGISLATIVE CLERK. On page 4, line 19, after the word "persons", it is proposed to insert "and of the sums made available by this paragraph $2,000,000 may be used for payments to farmers for cover crops, listing, and special practices in extreme drought areas;".

Mr. CAPPER. Mr. President, I can explain the amendment very briefly. It would add the following language at the end of line 19, page 4, after substituting a semicolon for the period:

And of the sums made available by this paragraph $2,000,000 may be used for payments to farmers for cover crops, listing, and special practices in extreme drought areas.

This amendment would not add to the total appropriated in the pending measure. It simply would set aside $2,000,000 of the $175,000,000 appropriated to the Secretary of Agriculture and the Farm Security Administration to take care of a tragic situation in a few counties in the heart of the Dust Bowl, including southwestern Kansas, Colorado, Oklahoma, Texas, and New Mexico.

These few counties, about 20 counties, I believe, altogether, are now the source of the dust storms in the southern Great Plains area. Dust-storm ravages have been particularly severe and disastrous in this area in the past few years. Also the storms that start here spread to other areas. It is believed that by the expenditure of this comparatively small amount, many of the dust storms can be stopped at their source.

Two years ago $2,000,000 was made available for this work. It was used to buy oil and gas for listing, planting cover crops, and special practices which tend to stop soil drifting. The good that amount did cannot be overstated. The farmers in this area, those who are left, are not financially able to make these expenditures. Land that has been abandoned is a menace, not only to the rest of the farm land in these particular areas but might be termed "the nucleus" of dust storms that will spread over large sections of several States unless proper practices are followed on the abandoned land as well as on the land being farmed.

The $2,000,000 asked is not sufficient to complete the job, but we are hoping some funds may be available from the various States or other sources. This $2,000,000 will be a good investment. It will stop the emigration from the Dust Bowl to the west coast, for one thing, and, as I said before, it will be a protection for thousands of square miles of surrounding and nearby farm land that is covered when wind erosion gets started in these few counties.

On behalf of the distressed farmers in this territory, for whom none of the other projects under farm security will exactly serve the purpose, as well as for the protection of other land menaced by dust blowing from this area, I sincerely hope the amendment may be accepted.

I am offering the amendment at the suggestion of Representative MARVIN JONES, the chairman of the Committee of Agriculture of the House of Representatives, who lives in the Dust Bowl section. He writes me as follows:

The amendment proposed by you is very important in the extreme drought areas. The funds available are not sufficient to care for the unfortunate situation which prevails in a small part of the southwestern area and in one or two other areas of the country. I hope this amendment may be offered in the Senate and adopted.

UNEMPLOYMENT AND RELIEF CONDITIONS IN AMERICA—TELEGRAMS AND STATEMENTS FROM MAYORS OF CITIES, LABOR UNIONS, AND OTHER OFFICIALS AND ORGANIZATIONS

Mr. LUNDEEN. Mr. President, every amendment and every bill designed to aid unemployment and relief conditions, in my opinion, is good legislation. I doubt very much whether Washington realizes fully the serious condition of the country. Unemployment is rising by leaps and bounds. The Biggers census gave us 10,870,000 unemployed last fall. Since then the administration estimates an increase of 3,000,000 to 4,000,000 unemployed. These figures, in all probability, have been changed since the announcement was recently made, placing our unemployment well above 15,000,000; and if we were to include the part-time employed we would reach or exceed the figure of 20,000,000.

CONDITIONS ARE SERIOUS

This is a major portion of the unemployed of the civilized world. This condition is serious. It cannot longer be ignored, and if there be those who say we have not ignored this condition, then I answer we have not dealt with the situation in a statesmanlike manner. Our legislation has been hasty and much of it half-baked, and the time has arrived when we must fully debate and thoroughly consider any new proposal in the form of legislation.

INTELLIGENT NATIONAL PLANNING NECESSARY

I realize fully that an attempt has been made with stopgap legislation here and there. But we cannot go on indefinitely in that manner. There must be written upon the statute books of America permanent fundamental legislation which will automatically meet any crisis and take care of that crisis. As we now proceed any serious disturbance in economic conditions throws the Congress into a sort of legislation hysteria and that is not good for the country.

WIRES AND STATEMENTS FROM MAYORS AND ORGANIZATIONS

In order to gain information direct and in order to be able to present to this Senate accurate and definite and positive facts and figures, I have asked for statistics and information and data on our unemployment and relief situation from the various mayors and heads of local governments in the various States.

And, Mr. President, I ask that these statements be included in the RECORD at this point.

HUNGER AND POVERTY STALK THROUGH THE LAND

I might comment at length upon these various wires, and there is material here for much thought and consideration, but I prefer to let the wires and statements speak for themselves. I have no desire to clutter up the RECORD with messages and statements from various individuals, and I am, therefore, reserving hundreds of statements and wires received which I am not placing in the RECORD. But I am sending to the desk those which seem to me most important and most typical of American relief and unemployment conditions today. They come from our mayors of our greatest cities and leaders speaking for large organizations. I hope Senators will read them and that we will give much thought to unemployment and relief legislation in the interval between the adjournment of this Seventy-fifth Congress and the convening of the Seventy-sixth Congress on January 3, 1939.

The following wire was addressed to various mayors, officials, and leaders:

JANUARY 10, 1938.

Please telegraph within 100 words following information: Numbers on relief month of September; increases, if any, for each month of October, November, and December. Please also include amounts expended for relief by State and city for September and also for October, November, and December. Kindly add your opinion on relief needs for the first 3 months of 1938 and your financial condition to handle additional load. Any remarks concerning unemployment and relief situation will be welcome.

ERNEST LUNDEEN.

CITY OF NEW YORK,
OFFICE OF THE MAYOR,
January 12, 1938.

Hon. ERNEST LUNDEEN,
United States Senate, Washington, D. C.

MY DEAR SENATOR: I have your telegram of January 11, 1938, relative to the relief situation.

The number of relief recipients for the months of September, October, November, and December, 1937, were as follows:

	Number of families	Persons in families
1937:		
September	188,362	545,886
October	185,244	538,782
November	186,161	539,639
December	196,550	569,995

Amounts expended for relief were as follows:

	Total	Cost to city	Cost to State
1937:			
September	$9,775,149	$6,188,378	$3,586,771
October	9,903,568	6,289,752	3,613,816
November	10,382,972	6,576,869	3,806,103
December	10,757,291	6,834,599	3,922,692

Relief needs for first 3 months of 1938 are estimated at some $11,000,000 per month. We cannot assume additional load. No city can.

From 35 to 40 percent of our present load belongs to W. P. A., and we are providing for these cases now.

Sincerely yours,

F. LAGUARDIA, *Mayor.*

NEW YORK, N. Y., *January 11, 1938.*

Hon. ERNEST LUNDEEN,
Senator, Washington, D. C.:

Thirty-six thousand members of the Upholsterers, Furniture, Carpet, Linoleum, and Awning Workers International Union of North America are covered by share-the-work agreements. Of this number 80 percent today are working 1 and 2 days per week under the agreement.

SAL B. HOFFMANN,
International President.

NEW YORK, N. Y., *January 13, 1938.*

Hon. ERNEST LUNDEEN:

Unemployment in women's clothing industry in September 1937 was 78,000, an increase over September 1936 of 23,000. Unemployment in October 1937 was 81,000, an increase of 27,000 over October 1936. Unemployment in November 1937 was 114,000, an increase of 49,000 over November 1936. November unemployment greater than during any corresponding month since 1933. Condition general throughout industry. Increased relief appropriations necessary to relieve suffering of unemployed.

DAVID DUBINSKY,
President, International Ladies' Garment Workers' Union.

NEW YORK, N. Y., *January 12, 1938.*

Mr. ERNEST LUNDEEN,
United States Senate, Washington, D. C.:

Total employment clothing and cotton garment industries, 275,000. Approximately half total unemployed at present. Eighty-five thousand employed less than half time. Only about 5 percent, or 15,000, fully employed. Recession affected clothing industry before September. Employment has been far below normal since May. In September, which is normally a good month, majority of workers were working at least part time. In an Indiana town of 7,000, a cotton garment firm employing 700 people closed in October for first time in more than 10 years and has not operated since. These unemployed workers are unable to secure other employment or relief. Hundreds are in dire need. Of 3,000 people employed by a firm in Tennessee, less than 20 percent have any work, and those who are working have less than half-time work. Wages of this firm are normally low and workers are in want. Similar condition exists in many communities in Pennsylvania and New York. Local authorities unable to provide relief in many localities. Local union officials called upon every day in many communities by workers who have been unable to secure relief and are without food and coal.

GLADYS DICKASON,
Director of Research, Amalgamated Clothing Workers of America, in Absence of Mr. Sidney Hillman.

NEW YORK, N. Y., *January 11, 1938.*

Senator ERNEST LUNDEEN:

Sixty percent of 40,000 workers employed in fur industry unemployed in September and those employed mostly part time. Practically no season this year in New York center of industry. During past 4 months industry at standstill due to economic recession. Worst spot New York and New Jersey where only 2,000 out of 20,000 workers are working 1 or 2 days a week. Union committees try obtain relief and unemployment insurance for unemployed. Essential increased relief and W. P. A. appropriations be voted by Congress. About one-quarter furriers have not worked for over a year.

BEN GOLD,
President, International Fur Workers Union.

TEXTILE WORKERS ORGANIZING COMMITTEE,
New York, N. Y., January 12, 1938.

Senator ERNEST LUNDEEN,
United States Senate, Washington, D. C.

MY DEAR SENATOR: In reply to your telegram, may I inform you that according to our best estimates, the textile industry was operating on a 79-percent base in September, and on a 53-percent base in December. These are very conservative figures.

Unemployment jumped from 125,000 to 360,000 between the 2 months.

Average weekly hours dropped from 35 hours to 27 hours.

Most of the southern textile industry dropped the third shift and have gone on a 3-day operative basis.

Enclosed you will find a statement concerning conditions in the Greenville area.

Such textile centers as New Bedford are operating about 30 percent capacity.

Lowell is practically all shut down.

Woolen centers, like Maine, are practically nonoperative.

The textile industry has been one of the hardest hit industries. It has been declining since July.

Sincerely yours,

SOLOMON BARKIN,
Director of Research.

Lay-offs and curtailment in Greenville cotton mills, Greenville, S. C.

Mill	Employees	
Dunean Mill, R. E. Henry, president.	2,700	Third shift laid off (1,000) since mid-October; 1,700 part time on extra stretch-out.
Judson Mill, Nos. 1 and 2.	2,100	Third shift laid off (700) in November; 1,400 on part time extra stretch-out.
American Spinning Co.	600	One-half of third shift laid off (100); 600 part time and extra stretch-out.
Poe Manufacturing Co.	900	Part time and extra stretch-out.
Brandon Mill	1,000	3 days and stretch-out.
Poinsett	300	4 days in November; 3 days in December.
Renfrew	100	3 days a week.
Woodside Mill	850	3 days a week in December with extra stretch-out.
Greenville		3 jobs (22) workers stopped off January 5.
Simpsonville	250	3 days a week.
Fountain Inn	192	Do.
Mills Mill	500	Do.
Camperdown	225	Third shift laid off (75) 1st of December (Government contract).
Conestee	350	Part time since 1st of October.
Victor Monaghan Mills:		
Mos-oghon	1,000	Part time 3 days, mid-November.
Greer (Greer)	300	Do.
Victor (Greer)	1,000	Third shift off end of November (300). 500 on 3 days with extra stretch-out and covered up 36-inch draper looms.
Spartanburg County: Apalache.	250	On 3 days with extra stretch-out.
Franklin Mill (Greer)	200	Part time.
Westboro Weaving Co.	100	On 3 days (25 percent) cut withdrawn after workers started signing with T. W. O. C.
Piedmont Plush Co.	100	On 3 days.
Southern Weaving Co.	150	Do.
Southern Pile Fabric Co.	150	On 3 days a week.
Brooks Bros.	50	Do.
Southern Worsted	450	On 3 days since September.
Piedmont Manufacturing Co.	650	On 3 days with worst stretch-out imaginable (132 looms per weaver).
Slater Manufacturing Co.	900	2d shift off Jan. 1 (300); 3d shift off several months.
Woodside		3 jobs stopped off Jan. 5 B. C. (80-60); 6 loom-fixers (3 each shift), 5 T. W. O. C. members; 10 weavers (5 each shift), 7 T. W. O. C. members; 6 battery hands (3 each shift).

NEW YORK, N. Y., *January 11, 1938.*

ERNEST LUNDEEN,
Senate, Washington, D. C.:

In September 20,000 unemployed but most factories still working full blast. In past 3 months 50,000 workers totally unemployed and over 100,000 part time in the electrical manufacturing industry including General Electric, Westinghouse, Allis-Chalmers, R. C. A., Electrical Division of General Motors. Radio manufacturing hit like cyclone; in Philco 8,000 out of 10,000 totally unemployed, remainder working part time; other radio plants throughout country hit in like proportion. Independent electrical manufacturers terrifically affected; in St. Louis area alone 5,000 out of 7,000 laid off with complete plant shut-downs in Iowa, washing-machine center. Relief situation bad St. Louis, Fort Wayne, Philadelphia, Dayton, North Canton, Bridgeport.

JULIUS EMSPAK,
General Secretary-Treasurer,
United Electrical, Radio, and Machine Workers of America.

NEW YORK, N. Y., *January 12, 1938.*

Hon. ERNEST LUNDEEN,
Senate, Washington, D. C.:

As business in our industry is at seasonal peak in September and at seasonal low in November and December unemployment figures of November 1937 may be compared with November 1936. Estimate number of unemployed 10,000 in millinery industry, 2,500 in

men's hat industry, 1,500 in cap industry, total of 14,000 in November 1937 as against 11,000 November 1936. Situation worst in New York, Connecticut, Massachusetts. Workers employed in our industries have not received any substantial assistance from Government agencies. Relief situation affecting our industries may improve in States where unemployment benefits start in January.

M. ZARITSKY,
President, United Hatters, Cap, and Millinery Workers International Union.

CHICAGO, ILL., *January 14, 1938.*

Hon. ERNEST LUNDEEN,
United States Senator:

On my return to the city I find your telegram regarding relief matters, which I have turned over to the relief commissioner, who is practically independent of the city.

EDWARD J. KELLY, *Mayor.*

CHICAGO, ILL.

Hon. ERNEST LUNDEEN,
United States Senator, Washington, D. C.:

Re tel. January 11, number of home and shelter relief cases Chicago relief administration: September, 84,934; October, 84,619; November, 84,495; December, 91,889. Total obligations incurred for home and shelter relief: September, $2,136,163.39; State funds, $2,108,460; local funds, $27,703.39. October total, $2,065,240.66; State funds, $2,062,725; local funds, $2,515.66. November total, $2,646,084.75; State funds, $2,015,170; local funds, $630,914.75. Preliminary December total, $2,771,289.41; State funds, $1,981,682; local funds, $789,607.41. Total estimated number home and shelter relief cases for January, 94,530; total estimated requirements for relief and administration, $3,418,907; no break-down by funds. Because of large assignment to W. P. A., unable to estimate relief load and requirements for February and March. Relief being issued in January on basis of approximately 82 percent of estimated requirements. No indication that financial condition will improve.

LEO M. LYONS,
Commissioner of Relief, Chicago Relief Administration.

CHICAGO, ILL., *January 11, 1938.*

Hon. ERNEST LUNDEEN,
United States Senate Office Building, Washington, D. C.:

I estimate that 20 percent of persons in our trade and industry were out of employment in September, which percentage has materially increased for the quarter ending December last from 60 to 65 percent. From very recent reports the laying-off process still continues. Within a radius of 100 miles of Cleveland, Ohio, is the worst place. Pacific coast area from Los Angeles to Seattle is second to Cleveland. The lay-off is so general in our trade and industry that it would be difficult to select the places and plants. I can furnish no information regarding the relief situation.

WILLIAM F. KRAMER.

CHICAGO, ILL., *January 12, 1938.*

ERNEST LUNDEEN:

Organization 30,000, 10,000 idle; September 10,000 part time. Twenty thousand idle now, 5,000 part time, 5,000 five days week. Relief fair Chicago; elsewhere bad; Ohio and South worse. Three thousand Chicago district all out of work; 2,000 for 8 years. Clay industry gradually worse since 1930, except sewer pipe and refractory plant for 1934 and 1935. Conditions never worse at any time because cheap materials are recommended both by Government and others for low-cost housing. Clay industry not convalescing or sick—it's dead. Details on request.

WM. TRACY,
Secretary, United Brick and Clay Workers of America.

PHILADELPHIA, PA., *January 11, 1938.*

ERNEST LUNDEEN,
Washington, D. C.:

Number on relief Philadelphia follows: September, 58,719; October, 58,632; November, 60,135; December, 61,276. Expended by the State, exclusive administrative cost: September, $1,735,000; October (5-week month), $2,210,900; November, $1,809,800; December, $1,894,800. Expended by the State 1937 approximately $24,500,000. City expended about $1,000,000 for projects giving employment to thousands during the year.

LOUIS W. WILGARDE,
Secretary to Mayor Wilson.

PHILADELPHIA, PA., *January 11, 1938.*

Hon. ERNEST LUNDEEN,
United States Senator:

Per telegram January 10, glass-bottle industry during September operated at capacity, all employees working. Industry now operating about 60 percent. Employers dividing work which is available in all localities. It is only fair, however, to state that it is the general rule during the holiday season to take advantage of this period for employers to make repairs on their tanks. There has been no suggestion from any of our employers concerning any proposed wage reductions of any character. Everyone seems to feel that this recession in business is but temporary, and looks to the future with hope and encouragement.

HARRY JENKINS.

BOSTON, MASS., *January 12, 1938.*

ERNEST LUNDEEN:

Answering your wire: Nearest estimate that we have at our office is approximately 100,000 shoe workers are unemployed at present time and the rest working only part time. Hundreds of factories have moved from union districts to nonunion districts in order to reduce wages. We have just lost two factories in Boston employing 1,500, which moved to Brockton at a 33⅓-percent reduction. Most of these removals are due to failure of the wage and hour bill.

POWERS HAPGOOD,
Director, United Shoe Workers of America.

BOSTON, MASS., *January 11, 1938.*

ERNEST LUNDEEN,
United States Senator:

Unable to estimate number of shoe workers unemployed during past 3 months, as shoe industry is practically at a standstill. Even under normal conditions, majority of shoe workers are idle at least 3 months each year. The New England shoe workers suffered most during the past few months.

BOOT AND SHOE WORKERS' UNION.

BOSTON, MASS., *January 14, 1938.*

Hon. ERNEST LUNDEEN, M. C.,
House of Representatives:

September relief-case load, 30,141. October reflected slight decrease. November up 945 cases over September. December up 2,148 cases over November. City expenditures in September, $889,731.10. October, $873,374.95. November, $1,022,961.39. December, $1,132,906.07. Expenditures for first 3 months of 1938 anticipated to average one and a quarter million dollars per month. City not financially able to carry additional load. New sources of revenue must be developed to assist city, since it is evident nonemployment and relief load will increase in this city during next 4 or 5 months.

MAURICE J. TOBIN, *Mayor of Boston.*

MAYOR'S OFFICE,
Baltimore, January 11, 1938.

Hon. THOMAS J. S. WAXTER,
Director of Public Welfare, Baltimore, Md.

DEAR JUDGE WAXTER: I enclose herewith telegram addressed to me by Mr. ERNEST LUNDEEN, Washington, D. C., requesting reply by Western Union within 100 words.

Would be glad to have you forward the information regarding unemployment and relief matters requested by Mr. LUNDEEN directly to him, sending me a copy of your reply.

Very truly yours,

———— ————, *Mayor.*

BALTIMORE, MD., *January 12, 1938.*

ERNEST LUNDEEN:

Thirteen thousand four hundred and sixty-four relief cases, all categories, September. Increase, October, 390; November, 457; December, 560. Relief expenditures, State and city, September, $372,566; October, $382,577; November, $395,750; December, $417,995. Relief needs for first 3 months of 1938 will show rapid increase.

THOMAS J. S. WAXTER,
Director, Department of Public Welfare.

MINNEAPOLIS, MINN., *January 13, 1938.*

Hon. ERNEST LUNDEEN,
United States Senator, Washington, D. C.:

September case load, 11,379, representing 34,137 persons. Increases, 537, 2,208, 2,080 cases each successive month; each case representing three individuals. City expenditures, $295,311, $366,756, $528,689, and $73,018; State expenditures for same period, $126,630, $127,936, and $474,627 for November and December combined. Number of case openings leveling off, but total load still increasing. Peak load will probably be reached January or February. Reduction in amount of State aid anticipated. All except about 2 percent of local funds from bonds due to charter limitations on millage for relief purposes.

LEACH.

ST. PAUL, MINN., *January 11, 1938.*

Hon. ERNEST LUNDEEN,
Senator from Minnesota, Washington, D. C.:

September case load 5,945; October load increased 588; November increased 720; December increased 1,083; for total December case load of 8,336. September State expenditures $84,172; State expended $102,877 each month during October, November, and December. City and county expenditures: September, $133,134; October, $152,429; November, $169,582; December, $231,483. Estimate relief needs for first 3 months of 1938 at $325,000 per month with State.

Contribution of $102,877 available each month. Less than $120,000 available in tax funds for direct relief during 1938 with remaining needs to be financed only by bond issues.

MARK H. GEHAN,
Mayor of St. Paul.

CITY OF PITTSBURGH, PA.,
DEPARTMENT OF PUBLIC WELFARE,
January 11, 1938.

Hon. SENATOR ERNEST LUNDEEN,
Senate Office Building, Washington, D. C.

MY DEAR SENATOR LUNDEEN: Mayor Scully is out of the city and your telegram relative to relief has been referred to me for reply.

I am forwarding herewith copy of telegram I sent you today, together with a copy of a letter I sent to Senator JAMES F. BYRNES, under date of October 16, 1937, concerning a permanent relief policy.

Very sincerely yours,

B. J. HOVDE, *Director.*

PITTSBURGH, PA., *January 11, 1938.*

ERNEST LUNDEEN,
United States Senate, Washington, D. C.:

Your telegram to Mayor Cornelius D. Scully referred to me for reply. Numbers on relief September, 91,000; October, 110,000; November, 85,000; December, 133,000. Increase, October, 20,000; decrease, November, 25,000; increase, December, 48,000. Expended for relief, Allegheny County, September, $660,000; October,, $792,000; November, $468,000; December, $845,000. Expended for relief by State, September, $4,438,000; October, $3,259,000; November, $4,270,000; December, minus last week ending December 31, $4,885,000. State of Pennsylvania furnishes funds and State faces deficit for biennium 1937–39. Letter follows.

B. J. HOVDE,
Director, Department of Public Welfare.

OCTOBER 15, 1937.

Hon. Senator JAMES F. BYRNES,
Senate Office Building, Washington, D. C.

MY DEAR SENATOR BYRNES: Mayor Cornelius D. Scully has referred to me for an answer your letter to him, dated September 16, 1937, in which you inquire our opinion concerning a permanent relief policy.

I have had several years' continuous experience with the relief problem, first as an interested citizen, then as an employee of the Pennsylvania State Emergency Relief Board, now as director of public welfare of the city of Pittsburgh.

It seems clear to me that our first line of defense against the armies of unemployment must be unemployment insurance. This is already provided for in the Social Security Act and has been specifically provided for in many State laws. In Pennsylvania we have an unemployment compensation commission. I shall not enlarge further upon this expedient, but merely call attention to the fact that necessarily it can only protect the unemployed for a short period and that it is applicable only to employees with constant work, relatively speaking.

The second line of defenses would certainly be public works. Here, too, however, it is necessary to recognize that within the framework of our capitalistic system public works can adequately meet but a relatively minor degree of unemployment. If it goes beyond the rather limited field of clearly recognized public function, it either becomes competitive with private industry or it falls into the error of boondoggling. There is powerful argument for expanding the scope of government in times of unemployment to include the production of consumers' goods in otherwise idle factories by the unemployed for the unemployed, but one rule that should never be violated is this, that projects must be socially useful. Having recognized the necessarily limited possibilities of public works as a relief measure, it then becomes possible and necessary to plan it conservatively and wisely. Such planning must be continuous; that is to say, it must be a permanent, normal function of a properly constituted authority and not something that is thrown together in 2 weeks' time. The plans should be fully completed and on hand for at least a 4-year period in advance in order to allow for quick expansion to meet unemployment. In our recent depression it was a common and, I think, an uncivilized practice to plan the work so as to take up as much human labor as possible and never to use machinery where hand labor will suffice. It is entirely demoralizing to workmen accustomed to the high standards of machine production to work with pick and shovel; to run out on modern technology in that manner is but to admit the failure of man to master his own creation. Projects should be as diverse as possible in order to afford the unemployed work in their own skill. In this respect W. P. A. has done very well; but any public-works system which is planned as a relief measure will suffer from the inefficiency which results from making need and not achievement the reason for employment. The wage scale ought not to be lower than the prevailing rate in open labor market for each kind of work. The chief object of a public-works system is to create as much purchasing power as possible. Furthermore, it is desirable to maintain the purchasing power of the labor employed in private industry, which might be difficult if the Government should pay lower than prevailing rates. The danger that public works under such conditions might be so attractive as to draw labor away from private employers can best be counteracted by contraction or discontinuance of public works as private industry offers opportunities for employment. Finally, it must be clear that the success or failure of any public-works plan will depend upon a well-considered plan of financing by every unit of government.

In larger crises it will always be necessary to fall back upon direct relief. In spite of many justified criticisms of detail, it is in this field, I think, that Pennsylvania has done best; but it was most adequate and most excellent when the Federal Government was still participating. I firmly believe that all the units of American Government should participate in any direct-relief program. By this I mean the Federal Government, the State government, and local government—all branches of government should contribute. It is important that the county or local government contribute. Since the State and National Governments took over the relief burden, there has been a deplorable decline in the public sense of responsibility for relief. Human beings are interested in that for which they pay their money directly, and it is urgently necessary to revive their interest in the relief problem. Therefore, the most feasible local unit of government, the county, should bear a fairly apportioned share of the cost.

Eligibility for direct relief must necessarily be demonstrable need. Recipients of unemployment-insurance benefits, workers employed on public projects, recipients of public pensions, and unemployables otherwise cared for should be excluded from direct relief. The standard relief payments, which should be in cash, must, of course, be fixed more or less arbitrarily. In general it should be high enough to maintain the health and the ordinary comforts of the household and should simply include a reasonable item for rent. Once computed on the basis of necessary commodities, the rate in cash should vary with an official index number on the cost of the items included in the grant. A concomitant of any direct-relief plan should be a system of occupational training, both for young people who have never had work and for the maintenance of occupational fitness in other unemployed workers and continuous placement of unemployed workers where possible.

On the basis of what has now been said with respect to the various methods of alleviation, it is possible to outline the skeleton of an integrated administrative system to implement this program.

The Federal Government should, and I believe it constitutionally could, make grants to the States in support of unemployment insurance, public works, and direct relief. Just what proportion of the whole it ought to contribute is not easy to say, but probably at least one-third. It would be reasonable and well for the Federal Government to prescribe fixed minimum conditions to the States as prerequisites for its contribution. Such prerequisites might properly be, first, that the States' programs be reasonably adequate; two, that no discrimination be practiced on account of race, color, or conviction; and three, that the State administrative corps be selected and promoted on a competitive basis without regard to politics. In order to give permanence and stability to Federal participation, there should be established by act of Congress a separate department of social affairs with a secretary of cabinet rank, and with appropriate bureaus for the administration of unemployment insurance, direct relief, old-age pensions, health insurance, child welfare, a statistical service, and such other forms of social legislation as may from time to time be adopted. Until the establishment of a Federal department of public works it may be well to leave that Government activity in this field in the Departments of the Interior and of War, except that Federal grants and loans to State and local public-works projects ought to be administered by a bureau for this purpose within the department of social affairs.

The State government should receive and allocate the Federal contribution, should determine the rate and cost of the various forms of unemployment alleviation, and of other social benefits and pensions, and should by legislative action fix the proportion of this cost to be borne by State and by local taxation, respectively. It should establish and maintain a State department of social affairs, with a secretary appointed by the Governor, and with appropriate bureaus for the administration of a statistical service, unemployment insurance, public works, direct relief, employment exchanges, old-age pensions, mothers' assistance fund, pensions for the blind, health insurance, and other social activities. The State secretary for social affairs should be advised by a nonsalaried board for social affairs, to be composed as provided by State law. It should be the duty of the secretary for social affairs and his board to select and advance their employees by the merit system. They should appoint the county and area administrator and maintain a list of qualified candidates for employment in each local administrative unit from which the local board and administrator might select their employees.

This, Mr. Senator, I believe, would provide the country with an integrated unemployment-relief policy.

Very sincerely yours,

B. J. HOVDE, *Director.*

CINCINNATI, OHIO, *January 11, 1938.*

Hon. ERNEST LUNDEEN:

Cases on relief: September, 5,048; October, 5,440; November, 6,309; December, 8,050. Total number of individuals supported by relief in December, 28,200. This includes all expenditures by State, city, and county for September, October, November, and December for direct relief. This does not include expenditures by W. P. A. Estimate of relief needs for January, $225,000; February, $275,000; March, $275,000. The city of Cincinnati has funds to finance direct relief for these 3 months.

C. O. SHERRILL, *City Manager.*

CINCINNATI, OHIO, *January 14, 1938.*

ERNEST LUNDEEN,
Senate Office Building:

Reports in our office for September 1937 show 23 percent out of work; for December, 47 percent. Relief situation entirely inadequate. Thousands of men walking the streets unable to get relief or jobs.

W. W. BRITTON.

CINCINNATI, OHIO, *January 11, 1938.*

ERNEST LUNDEEN:

Men out of work, members of International Molders' Union, on September 30, 1,017; members out of work December 31, 8,000. All stove and furnace foundries almost closed. Other parts of industry only working 2 and 3 days a week. This has applied for some time in foundries in all of the large cities. Business exceptionally bad in Holt, Ala., Birmingham, Ala., Chattanooga and Nashville, Tenn. In Bridgeport, Ala., we have had complaint about men not getting relief.

HARRY STEVENSON,
Acting President, International Molders Union of North America.

NEW ORLEANS, LA., *January 12, 1938.*

Senator ERNEST LUNDEEN,
United States Senate:

General relief cases September, 2,474; amount relief granted, $52,598. October, 2,686, $52,516; November, 2,707, $51,218; December, 2,748, $50,337. Accepted for relief, November, 91 new relief cases; December, 153; pending application, November 30, 341; December 31, 369; pending applications, W. P. A., December 31, 1,005; estimate 345 partially employable persons in relief load November and December. Unemployment increasing; no funds available. Above figures apply general relief cases only. Security categories not included.

RICHARD R. FOSTER,
Director, New Orleans Department of Public Welfare.

SEATTLE, WASH., *January 11, 1938.*

ERNEST LUNDEEN,
Senator, Washington, D. C.:

Following is approximate estimate: September unemployment, 10,000; present totally unemployed, 70,000; present employed, 30,000; 75 percent part time; 4,300 members in Portland; 90 percent unemployed since middle of August; 575 return to work middle of December. Last 6 weeks of 1937 accounts for 65 percent of unemployment. Grays Harbor, northern Washington, Willapa Harbor, lower Columbia River, average 85 percent or more unemployed. Relief totally inadequate under present circumstances. We as union are taking initiative in securing relief. However, thousand in dire need. Unable to secure W. P. A. work, or direct relief. Officials in Oregon attempting to qualify State Compensation Unemployment Act to not cover thousands now locked out as involved in labor dispute. Convinced mills are rejecting orders for 60- to 90-day deliveries. Operators claim 23 percent of normal production at present time.

O. M. ORTON,
International Vice President,
International Woodworkers of America.

SEATTLE, WASH., *January 12, 1938.*

ERNEST LUNDEEN,
Washington, D. C.:

Re your telegram January 11. Number on general assistance only, September, 11,202; October, 11,915; November, 13,005; December, 14,973. Amounts expended, State and county funds, for King County: September, $188,142; October, $208,579; November, $228,230; December, $307,498. Estimate for general assistance only, January, February, March, 1938, $788,547; appropriated, $245,663. General assistance, shelter, and camps, September, 2,193; October, 3,018; November, 4,524; December, 5,350. Expended for camps and shelter, September, $6,969; October, $11,462; November, $13,348; December, $24,988. Estimate for first quarter, 1938, $58,950. In order to absorb deficit it will be necessary to appeal to State office for additional funds. Employment situation critical due to lay-off by business houses, closing of mills, water-front strike, Chino-Japanese war.

JOHN F. DORE, *Mayor of Seattle.*

SAN FRANCISCO, CALIF., *January 11, 1938.*

ERNEST LUNDEEN,
Washington, D. C.:

Re your tel following data supplied State relief administration unemployment relief San Francisco case loads: 8,179 September; 7,846 October; 8,109 November; 9,700 December; expenditures, $243,000 September; $234,000 October; $240,000 November; and estimated, $266,000 December. S. R. A. needs first quarter 1938 in San Francisco unofficially estimated $1,003,000. San Francisco case loads unemployables 2,396 September; 2,654 October; 2,997 November; and estimated, 3,200 December. Expenditures $75,000 September; $85,000 October; $97,000 November; estimated, $112,000 December. San Francisco needs first quarter 1938, estimated $360,000. Recently increased case loads and costs resulting in overexpenditure both S. R. A. and San Francisco budget allocations. Continued Federal participation absolutely essential meet current conditions in which local complete picture nearly identical 1933.

ANGELO J. ROSSI, *Mayor.*

LOS ANGELES, CALIF., *January 18, 1938.*

Hon. ERNEST LUNDEEN,
United States Senate, Washington, D. C.:

Data wired to you last week re relief problem in Los Angeles city and county indicated present total of 51,300 employable cases here was divided approximately 57 percent in city and 43 in county territory outside of city. Since these cases are enumerated by State registration districts that do not follow municipal boundaries, it appears that many registered at offices outside of city limits are actually resident in Los Angeles city, so truer division of employables approximate 70 percent in city and 30 in county.

FRANK L. SHAW, *Mayor.*
By H. H. STORY, *Field Secretary.*

LOS ANGELES, CALIF., *January 14, 1938.*

Hon. ERNEST LUNDEEN,
United States Senate, Washington, D. C.:

In reply to your request for relief data, Los Angeles city and county had 113,000 on relief in September, of which 51,600 were classified as employable and 61,500 were unemployable. Employable cases decreased to 48,800 in October, then increased to 51,700 in November, and dropped to 51,300 in December. Unemployables steadily increased to 64,500 in October, 69,200 in November, and 71,200 in December. Approximately 57 percent of employables and 69 percent of unemployables are in city, remainder of each in county territory outside city limits. City and county expenditures for relief were $2,131,000 in September, $2,133,000 in October, $2,195,000 in November, $2,118,000 in December. State expenditures locally for same months were $869,000, $836,000, $833,000, and $1,017,000. Normal expectation is for some increase in all portions of relief load here in next 3 months. Utterly impossible for local resources to carry any additional load at present time. Call your attention to fact that figures given do not include any substantial relief for thousands of indigent transients who are not eligible for aid under State residential requirements. Their only help comes from a few private sources.

FRANK L. SHAW, *Mayor.*

WASHINGTON, D. C., *January 11, 1938.*

Hon. ERNEST LUNDEEN,
Congressman, Senate Office Building, Washington, D. C.

Reports from locals show unemployed: September, 870; October, 1,111; November, 1,380. Do not have December reports or figures for entire industry. Our membership approximately 15,000. Unemployment in cigar industry always increases December and January. Worst unemployment large cities. Have no special information on relief. President Van Horn out of city.

JEAN CLIFFORD.

GOVERNMENT OF THE DISTRICT OF COLUMBIA,
Washington, January 12, 1938.

Hon. ERNEST LUNDEEN,
United States Senate, Washington, D. C.

MY DEAR SENATOR LUNDEEN: In reply to your inquiry, I wish to advise, in accordance with report from the Director, Board of Public Welfare, as follows:

Four thousand two hundred and forty-five cases, including 12,163 people on relief during September. No increases for October, November, and December because of lack of funds, precluding all assistance for employables and for a considerable number of unemployables. Relief expenditures, including personnel and administrative costs but excluding old-age assistance and aid for the needy blind for September, $126,998.46; October, $125,171.90; November, $122,815.55; December, $124,140.55. If all employables and unemployables in need were to be adequately cared for during first 3 months of 1938, the cost would be about $800,000. Limited appropriation and limited funds mean that not more than $400,000 will be spent from District of Columbia funds. Unemployment census showed 37,000 unemployed people in the District of Columbia and District of Columbia Employment Center has 29,000 people registered seeking work.

Sincerely yours,

M. C. HAZEN,
Commissioner, District of Columbia.

INTERNATIONAL ASSOCIATION OF MACHINISTS,
Washington, D. C., January 12, 1938.

Hon. ERNEST LUNDEEN,
House of Representatives, Washington, D. C.

DEAR SIR: I have your telegram of January 10, and in reply to same this is to advise that in the month of September 1937 there were approximately 10,000 members of the International Association of Machinists unemployed out of a total membership of approximately 180,000. In December 1937 the members out of employment were approximately 15,000 out of a membership of approximately 200,000.

This estimate does not include those who were on reduced or part-time employment. Nor those who were temporarily laid off to be returned to work in a period designated under seniority rules which prevail in agreements covering our membership.

The percentage of union members unemployed is naturally considerably less than the percentage of nonunion men unemployed, due to the fact that agreements entered into by our association with employers carry a number of restrictions requiring reduction in time before men are laid off, and in other cases all men unemployed must be returned to work before new men are employed.

On this basis, those who have suffered as a result of the temporary closing down of plants, but who would not be estimated as unemployed because of these agreements, will total about 25 percent of our membership.

Those who are not members of unions in the machinist trade and who are the victims of lack of agreements to protect their

employment are in a position of being from 50 to 60 percent unemployed, due to lack of agreements, protection of seniority rules, and the ability of plants to close down without the reference to rights of employees.

Railroad shops, to a large extent, have been closed down from October until the present moment, working partial forces and on short time. Agreements covering these railroads protect employees as to jobs but cannot protect earnings.

In reference to the relief situation, so far as it is known to us, will say that outside of a radius of 100 miles of Washington, D. C., the relief situation is very bad.

I am sorry that I cannot at this time give you more details, but will make investigations and try to supply the information requested in detail as quickly as possible.

Yours very truly,

E. C. DAVISON,
General Secretary-Treasurer.

WASHINGTON, D. C., *January 11, 1938.*

Hon. ERNEST LUNDEEN,
United States Senate:

Unemployment situation according to most accurate reports from representatives in the field is general in nature. Sixty percent of our employees have been laid off in electrical-fixture industry since September. This has been a tapering layoff, reaching climax in January. General reduction of forces in all electric public utilities. Percentage large, relatively speaking, perhaps larger than in 1932, though it must be borne in mind that this industry is better stabilized than others. We estimate that the layoff in electrical manufacturing in all branches is from 30 to 40 percent of our members. In building construction the full force of the depression has not been reached for it usually reaches this industry tardily. However, seasonal unemployment has entered into situation and we place our estimate at 20 to 25 percent layoffs. You may count these figures largely recessional figures.

DAN W. TRACY,
President, International Brotherhood of Electrical Workers.

WASHINGTON, D. C., *January 11, 1938.*

Senator ERNEST LUNDEEN,
Senate Office Building:

Petroleum industry is presently experiencing its usual seasonal decline in employment load. This equals about 5 percent of total employment, or about 10,000 men. There has been no direct effect on the employment load in the petroleum industry as a result of present business recession. A 36-hour workweek is maintained in the industry, which has been of material benefit in maintaining, even with technological improvements, employment at its normal peak. Cannot give you information regarding necessity for relief in the oil industry who are normally employed therein. It is true we experienced influx of itinerants in oil industry and refining localities as result of loss of jobs elsewhere. Trust this is information you desire.

Regards,

HARVEY C. FREMMING,
President, Oil Workers International Union.

WASHINGTON, D. C., *January 12, 1938.*

HON. ERNEST LUNDEEN,
Senate Office Building:

Following is best estimate of number of members unemployed in September 1937 and number unemployed today. Information secured from our local unions by wire: Seattle, Wash., 29 unemployed September, 152 unemployed today; San Francisco, 82 in September, 130 today; Chicago, 1,600 in September, 2,500 today; Boston, 305 in September, 630 today; New York City, 962 in September, 1,383 today; St. Louis, 72 in September, 218 today; Buffalo, none in September, 87 today; Memphis, 5 in September, 48 today; Los Angeles, 100 in September, 200 today; Toledo, 9 in September, 84 today; Des Moines, 5 in September, 25 today; Minneapolis, 9 in September, 72 today; Omaha, none in September, 25 today.

THOS. E. BURKE,
Secretary-Treasurer, United Association of Journeymen Plumbers and Steam Fitters of the United States and Canada.

ST. LOUIS, MO., *January 13, 1938.*

ERNEST LUNDEEN,
Washington, D. C.:

September, 8,171 on relief; October, 14, less November; further decrease, 167; December, 8,738. Decreases October and November compelled account shortage city funds and assumption entire relief burden by State. Expended, September, $57,000 city, $123,000 State funds; October, $5,000 city, $138,000 State; November, city nothing, State, $138,000; December, city nothing, State $152,000. January estimate, 800 additional cases; State appropriation, $164,000. St. Louis has large deficit that does not justify city assuming further relief burden. Estimates February and March not now compiled. Suggest you contact Proctor Carter, State social security commission, 2221 Locust Street, St. Louis.

BERNARD F. DICKMANN, *Mayor.*

ST. LOUIS, MO., *January 10, 1938.*

Senator ERNEST LUNDEEN,
Washington, D. C.:

September, Midwestern and Central Ohio States affected by drastic abrupt lay-offs, 2,500 members affected. Western shops worked until December; southern shops work to November. First relief situation in Middle West and South acute—more so South, due to low wages paid per hour. Approximately 5,200 idle now; 600 employed part time at present. Very near all centers of industry where employees are unemployed 1 to 2 months is very serious.

EDWARD W. KAISER,
Stove Mounter, International Union.

ST. LOUIS, MO., *January 12, 1938.*

ERNEST LUNDEEN:

Answering your telegram January 10, will state that about 40 percent of our members have been out of employment since September, and I would say about 50 percent are now out of employment. We do not receive reports that would enable us to give you any definite information concerning the worst places. I have no information regarding relief situations.

W. J. MCCAIN.

ST. LOUIS, MO., *January 10, 1938.*

HON. ERNEST LUNDEEN,
House Office Building, Washington, D. C.:

Estimate 2,000 experienced persons our class idle September 1. Additional 2,000 positions closed since. Railroads in Dakotas, Wisconsin, Minnesota swamping State commissions with requests deprive small communities of railroad agency service and telegraph facilities by closing railroad stations. New York division Pennsylvania Railway on 1 day November closed 17 positions our department, that congested area in St. Louis; almost 20,000 workers laid off past 90 days; many families suffering, lacking food and shelter. City's relief funds exhausted, and State only appropriating meager sums for use here, restricted in allocation to food and fuel purposes. All being handled in generally haphazard manner.

E. J. MANION,
President, the Order of Railroad Telegraphers.

CITY OF PROVIDENCE, R. I.,
EXECUTIVE DEPARTMENT,
City Hall, January 14, 1938.

MR. ERNEST LUNDEEN,
Washington, D. C.

DEAR MR. LUNDEEN: Your telegram of recent date received. I have been compiling figures on relief, which has delayed my answer to you.

This report is for the city of Providence:

	Amount spent
Chronic cases on relief, September, 776	$11,851
Unemployment cases on relief, September, 2,824	92,528
Chronic cases on relief, October, 799	16,445
Unemployment cases on relief, October, 2,733	80,400
Chronic cases on relief, November, 828	15,510
Unemployment cases on relief, November, 3,296	102,529
Chronic cases on relief, December, 840	16,357
Unemployment cases on relief, December, 4,279	141,705

Estimate for chronic relief expenditures for January, February, and March, $16,500 each month; and for unemployment relief expenditures for same period, $140,000 each month.

We are borrowing against taxes and have been for the past 3 or 4 years. We will still have to continue to do so.

Very sincerely yours,

JAMES E. DUNNE, *Mayor.*

PORTLAND, OREG.

ERNEST LUNDEEN,
Senate Office Building:

Re tel. Individuals on relief for State: September, 15,037, cost, $117,981; October, 17,042, cost, $134,025; November, 25,540, cost, $220,755. Individuals on relief, Multnomah County: September, 6,329, cost, $51,825; October, 7,520, cost, $60,255; November, 11,916, cost, $82,169; December, 15,775, cost, $112,825. All relief in Oregon handled by county and State. City has only budget appropriations for materials and supplies re W. P. A. projects. Relief situation will probably increase considerably balance of winter and spring because of business conditions and additional strikes.

JOSEPH K. CARSON, JR., *Mayor.*

PHOENIX, ARIZ., *January 14, 1938.*

ERNEST LUNDEEN,
Senate Office Building, Washington, D. C.:

Re tel. Direct relief load has decreased slightly since September due increased activity Federal social security program. Next 3 months slight increase in relief load expected due business recession. Work-relief load decreased during fall cotton picking season, will increase slightly in next 3 months due business recession. City has Public Works Administration program under construction which will greatly reduce work relief demands until May. We urgently request consideration of additional allotments for Public Works Administration. If we could secure such allotments or reallotment of monies saved, work-relief program could be curtailed substantially entire year.

H. L. WALSH, *City Manager.*

PEORIA, ILL., *January 12, 1938.*

ERNEST LUNDEEN,
Washington, D. C.:

Reply to telegram sent E. N. Woodruff regarding direct home relief cases Peoria city, September, 1,541 cases, $29,379; October,

1,575, $31,367; November, 1,771, $34,292; December, 2,181, $45,417; the industrial situation in Peoria is far worse this winter than last. Approximately 20 industries are down or only working part time. We look for an increase of 600 cases for January. Our relief needs for January, February, March will be about $190,000 if work is not back to normal. We are forced to sell warrants on our 1937 tax levy as we receive about 55 percent of our monthly allocation request from the State.

CITY OF PEORIA,
Per S. J. COURI, *Assistant Overseer.*

OMAHA, NEBR., *January 11, 1938.*

Senator ERNEST LUNDEEN,
Washington, D. C.:

Number of families on direct relief and expenditures monthly: September 905, $9,671; October 895, $9,776; November 825, $10,445; December 824, $10,854. Probable increase in families and expenditures about 25 percent January, February, March. Direct relief sole responsibility of county. Funds come from 1 mill county levy, yielding $223,000 annually. Unless unusual demand, relief fund adequate. City contributes to W. P. A. projects which will give work to nearly all employables. Little improvement private employment. W. P. A. and direct relief must continue indefinitely.

DAN B. BUTLER,
Mayor, Omaha, Nebr.

NORFOLK, VA., *January 12, 1938.*

Hon. ERNEST LUNDEEN:

September relief cases, 386, $5,813.74 spent. October relief cases, 450, $7,538.96 spent. November relief cases 460, $7,801.53 spent. December relief cases, 457, $5,523.50 spent. December decrease due to increase in Works Progress Administration allotment and transfer from direct relief to Works Progress Administration work relief. Direct relief needs first 3 months of 1938 will exceed by about 20 percent the amount for last 3 months of 1937. Believe that work program, at least on present scale, imperative. City cannot assume any greater load than present one.

H. G. PARKER,
Director, Public Welfare, Norfolk, Va.

NEWARK, N. J., *January 13, 1938.*

ERNEST LUNDEEN:

Relative to your telegram January 11, I beg to supply following information: Total number of relief cases September 1937, 12,241, involving 35,582 persons; October increase over September, 204 cases, 957 persons; November increase over October, 383 cases, 789 persons; December increase over November, 854 cases, 3,021 persons. State of New Jersey expended the following: September 1937, $337,275.94; October, $362,660.22; November, $394,798.12; December, $441,333.81. The relief needs for the first 3 months of 1938 are estimated as follows: January, $422,095.10; February, $432,221.70; March, $446,030.70. City share approximately $50,000 per month. All indications point to increased demand for emergency relief.

MEYER C. ELLENSTEIN, *Mayor.*

NEWARK, N. J., *January 11, 1938.*

ERNEST LUNDEEN:

In September we estimated the number of professional musicians out of work to be in the neighborhood of thirty to thirty-five thousand out of a total membership of 128,000. Our employment opportunities have been so sparse that the number of musicians thrown out of work by the recent recession is not great. However, there is no question that some musicians have lost work as is witnessed by the closing of the French Casino and Hollywood cafes in New York. No doubt there are a number of such instances that have not been reported to the organization.

FRED W. BIRNBACH,
Secretary, American Federation of Musicians.

NASHVILLE, TENN., *January 12, 1938.*

ERNEST LUNDEEN:

Re your telegram, number cases receiving assistance Nashville and Davidson County: September, 278; October, 297; November, 349; December, 563. Obligations incurred: September $6,247.41; October, $5,083.85; November, $7,777.80; December, $5,762.15. Local commission is within its budget at the present time. Unable to estimate potential load for first quarter of 1938 because of uncertainty of employment condition; some encouragement of reemployment at early date.

H. C. LASSING, *Acting Mayor.*

MIAMI, FLA., *January 17, 1938.*

Hon. ERNEST LUNDEEN,
United States Senator:

Re tel. Absolutely impossible Miami absorb added relief cost this fiscal year or next due rigid demands pending bond-refunding program. Minimum estimate county residents unemployed 18,000 to 20,000. We greatly concerned re unemployment other sections country because transient unemployed flock here anticipating winter season and capture seasonal jobs for pay ranging from room and board to $1.25 day farm labor and $10 to $13 week store and service clerical. Construction industry employing minimum 12,500 past summer practically inoperative next 4 months; unskilled workers need relief work soon after building ceases. Regretable policy State welfare board as certifying agency for W. P. A. virtually prevented new certifications until director changed December 1, hence case load figures do not indicate actual need. W. P. A. worked 1,094, September; 1,181, October; 1,146, November; 1,195, December. Total load of record, 1,802, now increasing rapidly. If white collar projects available load would be increased 400 now. City donations W. P. A. projects $65,300 since July 1 besides direct relief; charity cost $23,000, and estimated cost free health clinic and hospitalization more than $100,000 same period. Leading private charities unable raise individual quotas last summer and fall now out of funds. State, Federal old-age benefits of $34,000 monthly going to 1,799 and 170 new applications filed last week alone. Bank debits Miami area October-November less than year ago. Please register Miami's strongest appeal adequate Federal works program available to actual needy and suited their skills and ages with wages commensurate higher living costs.

ROBERT R. WILLIAMS,
Mayor, City of Miami.

SAN DIEGO, CALIF., *January 14, 1938.*

Hon. ERNEST LUNDEEN,
House of Representatives, Washington, D. C.:

Replying telegram to San Diego Mayor Benbough, number cases on relief: September, 3,563; October, 3,504; November, 3,666; December, 3,659. Number individuals same months: September, 8,724; October, 8,669; November, 9,377; December, 10,041. These figures exclusive of W. P. A. and all social-security forms of relief. Total expense, county and State, for relief only, above cases: September, $101,049; October, $100,279; November, $117,673; December, $122,366. Estimate both numbers and expense will increase 50 percent during first 3 months 1938, with peak load early in March. County budget being overexpended now with no provision for extra load. State funds here and throughout State inadequate for percent load. Number here on W. P. A.: September, 5,317; October, 5,294; November, 5,462; December, 5,266; today, 5,253. Must have greater Federal participation.

J. H. RAINWATER,
Director, San Diego County Department of Public Welfare.

OFFICE OF THE MAYOR,
SOUTH BEND, IND., *January 11, 1938.*

Hon. ERNEST LUNDEEN,
Washington, D. C.

DEAR SIR: In reply to your telegram I am giving you the following information furnished me by the township trustee, whose duty it is to take care of furnishing direct relief. The figures are for the city of South Bend, Ind.

	Persons on relief	Amount expended
September	4,167	$20,222.12
October	4,256	20,102.51
November	4,842	21,186.09
December	6,759	32,199.96

The estimated requirements for the first 3 months of 1938 amount to $125,000. Financial condition is such that it will be extremely difficult to take care of any additional load.

Trusting this is the information you desire, I am,

Very truly yours,

GEORGE W. FREYERMUTH,
Mayor of South Bend.

SPOKANE, WASH., *January 12, 1938.*

Senator ERNEST LUNDEEN,
Washington, D. C.:

Relief, September cases, 1,561, cost, $29,597.37; October cases, 2,263, cost, $38,595.45; November cases, 3,821, cost, $50,144.57; December cases, 5,131, cost, $106,687.35. Relief agencies registering have average of 50 new cases daily. Estimate relief load next 3 months will be heaviest in history. Designated relief agencies are State social-security organization and W. P. A. City does not participate directly in financing. Our funds inadequate to sponsor necessary projects.

FRANK G. SUTHERLIN,
Mayor, City of Spokane.

SYRACUSE, N. Y., *January 14, 1938.*

ERNEST LUNDEEN:

Your wire 11th. Syracuse families on relief September, 3,748; October, 4,025; November, 4,778; December, 5,986. City expenditures September, $81,467; October, $83,236; November, $101,183; December, $133,849. State participation September, $50,726; October, $57,084; November, $67,455; December, $89,232. Relief load will be exceptionally high first quarter 1938, with increased difficulty to finance.

LEON H. ABBOTT, *Commissioner.*

COLUMBUS, OHIO, *January 11, 1938.*

Hon. ERNEST LUNDEEN,
United States Senator:

Glass industry in September normal operations. In last 3 months approximately 7,000 workers laid off indefinitely, remaining workers in industry working part time. Ottawa, Ill., plant of Libby-Owens-Ford Glass Co. operating full capacity September now completely shut down with no production.

Thirteen hundred people out of work Rolland Glass Co., Clarksburg, W. Va. Same situation 300 out of work factories of American Window Glass Co. at Arnold, Pa., and Jeannette, Pa., and Pittsburgh Plate Glass at Mount Vernon, Ohio, and Clarksburg, W. Va., closed down and making repairs. Unemployment insurance being paid in Pennsylvania and West Virginia. Difficult to obtain relief in Ohio. If you need additional information, let me know.

PAUL W. FULLER,
Provisional President, Federation of Flat Glass Workers of America.

COLUMBUS, OHIO, *January 12, 1938.*

ERNEST LUNDEEN,
Washington, D. C.:

Ten thousand seven hundred and fifty-two persons on relief in Columbus in September, 11,052 in October, 12,617 in November, 15,331 in December. Cost of relief, exclusive of administration for city of Columbus, in September $58,473.39, in October $66,798.31, in November $73,159.19, and in December $89,378.60. No expenditures by State of Ohio. Relief needs increasing for first 3 months of 1938. Columbus financially unable to handle additional load. Columbus ended 1937 with deficit of $326,369.03 solely because of financing relief.

MYRON B. GESSAMAN,
Mayor, City of Columbus, Ohio.

TULSA, OKLA., *January 17, 1938.*

Hon. ERNEST LUNDEEN,
United States Senator from Minnesota, Washington, D. C.:

Re telegram 11th. September 3,551, October 3,391, November 3,247, December 3,605, January (1938) 3,925, February 4,400, March 4,800. Spent by city September, $11,406; October, $27,760; November, $14,440; December $9,715; January (1938), approximately $6,000; February, approximately $2,000; March, none, from present indications. Our financial condition is such that we will have to close participation by February 15 or March 1. No funds on hand and none in sight for continuation of worth-while projects, such as storm and sanitary sewers, catch-basin revisions, corner revision, sidewalk, driveway, and street paving. Will be necessary for Government to furnish materials to continue work, from present prospects. Employment situation will be critical within next 30 days unless funds are made available.

Dr. T. A. PENNEY, *Mayor.*

DETROIT, MICH., *January 11, 1938.*

Hon. ERNEST LUNDEEN,
Senate Office Building, Washington, D. C.:

Re your message to Milliman, January 10. Have no detail covering Nation-wide situation in this connection for last 3 months. The following represents largely employment conditions last 3 months on railroads, so far as men represented by our organization are concerned: Boston & Albany, 100 section men laid off. Those retained in service working only 4 days per week. New York Central, 3,789 maintenance-of-way men laid off. Those retained in service working only 4 days per week. New York, New Haven & Hartford, 400 men laid off in November. We were advised later it would be necessary to lay off an additional 450. St. Louis Southwestern, 550 men laid off. Approximately 2,300 laid off on Erie Railroad; 150 laid off Maine Central. Those retained in service working 4 and 5 days a week. Have no data relative relief situation. It is my opinion that unemployment situation on railroads is as bad as at any time during the depression.

F. H. FLJOZDAL,
President, Brotherhood of Maintenance-of-Way Employees.

DETROIT, MICH., *January 11, 1938.*

Senator ERNEST LUNDEEN,
Washington, D. C.:

One hundred unemployed September due to model change, 275,000 unemployed at present auto industry. Detroit unemployment, 145,000; Pontiac, 8,000; Flint, 11,000; Lansing, 7,000; Cleveland, 25,000. Chrysler, 40,000 unemployed; General Motors, 60,000; Ford, 40,000. Relief offices understaffed, cases piling up, insufficient funds. Lag in W. P. A. projects. Employment levels expected to remain at present figure or decrease over period of several weeks.

HOMER MARTIN,
President, United Automobile Workers of America.

DETROIT, MICH., *January 11, 1938.*

Senator ERNEST LUNDEEN,
Washington, D. C.:

Your wire to mayor referred this department by his honor Richard Reading. Cases on relief September, 16,883; October, 17,071; November, 17,754; December, 26,429. Amount expended, relief only by State: September, $287,320; October, $297,926; November, $312,902; December, $333,725.

City relief only, September, $353,770; October, $323,928; November, $372,479; December, $449,123. In addition bills payable, $244,000. Next 3 months relief only $2,738,400. Finances exhausted for relief current budget to June 30. Necessary to borrow against next year budget appropriations to carry to June 30. Unemployment, automobile and allied industry, total, 105,000. Two major plants today recalling 61,000 men. Employment index, January 2, 74.5, lowest index since September 1, 1935.

G. R. HARRIS,
General Superintendent, Department of Public Welfare.

DAYTON, OHIO, *January 11, 1938.*

ERNEST LUNDEEN,
Washington, D. C.:

Number of cases September 1,878, October 2,018, November 2,205, December 3,259, each case representing 3.8 persons. Relief expenditures September $44,256, October $50,929, November $52,914.50, December $72,000. Estimated case load next 3 months January 3,400, February 3,900, March 4,200. Total costs first 3 months, January $81,600, February $93,600, March $100,000. All local funds exhausted. Program must be furnished by State administration. State has not contributed to program since April 1937. All costs since then borne by local political subdivisions. Estimated industrially unemployed present time 5,000. Lay-offs still being made. Greater need for public-works programs during first 6 months of year. Number applications being received at rate of 200 per day. Employment prospects not very encouraging for next 3 months.

CHARLES J. BRENNAN,
Mayor, City of Dayton.

DALLAS, TEX., *January 13, 1938.*

ERNEST LUNDEEN,
Washington, D. C.:

Re tel. January 11 major case load composed of unemployable cases carried by city-county relief bureau for following months at costs indicated: September, 476 cost $9,902; October, 512 cost $9,126; November, 625 cost $10,212; December, 841 cost $13,703. Minor case load consisting of cases issued surplus commodities only as follows: September 1,090, October 681, November 971, December 2,445. State old-age pension clients this county and monthly payments as follows: September, 6,106 cost $87,637; October, 6,161 cost $88,454; November, 6,230 cost $89,996; December, 6,198 cost $89,628. We anticipate probable increase next 3 months of approximately 1,000 cases marginal group which will require aid furnished at city-county expense in the form of supplemental grocery orders in addition to Federal surplus-commodity orders.

CITY-COUNTY RELIEF.

Budget set up care for major case load only but in absence other help will attempt to handle marginal group on emergency basis best our ability. City-county relief bureau taxed limit care for unemployables and emergency help marginal group. W. P. A. must continue program for employables.

JAMES W. ASTON,
Acting City Manager.

CLEVELAND, OHIO, *January 12, 1938.*

Hon. ERNEST LUNDEEN:

Replying your telegram January 11 there were in Greater Cleveland, Ohio, 22,058 cases on direct relief in September; 21,774, in October; 23,378, in November; 27,000, in December. Local direct relief expenditures in Greater Cleveland for September were $565,108; October, $586,347; November, $652,878; December, estimated $721,000. Relief applications and acceptances for 10 days January very heavy and according to capable observers will probably increase here during first 3 months 1938. State appropriation for relief purposes wholly inadequate.

City of Cleveland has no funds for relief and is substantially without funds for 1938 general operating purposes unless levy is approved by voters on March 1. Estimates indicate approximately $5,000,000 more needed to finance local direct relief during 1938. City considering placing before voters special levy for relief purposes. Requirement under Ohio law such levies must be approved by 65 percent of votes cast.

HAROLD H. BURTON,
Mayor of Cleveland.

CLEVELAND, OHIO, *January 11, 1938.*

ERNEST LUNDEEN,
Senate Office Building:

Members out of work during September 1937 of this United Slatetile and Composition Roofers Association amounted approximately 3,000 members and now about 4,500. Relief situation is acute in the East and Middle West of these United States.

J. M. GAVLAK.

CINCINNATI, OHIO, *January 11, 1938.*

ERNEST LUNDEEN,
Senate Office Building, Washington, D. C.:

We represent railway employees. Best figures available on number out of work are those of Interstate Commerce Commission. Relief situation in Cincinnati and other larger Ohio cities

serious, and municipalities practically broke and unable to do much because of tax limitations in Ohio.

PHIL E. ZIEGLER.

ALBUQUERQUE, N. MEX., *January 13, 1938.*

ERNEST LUNDEEN,
Senate Office Building:

Number and money expended for direct relief Bernalillo County for September, 384, $3,003.72; October, 378, $3,081.48; November, 383, $3,071.87; December, 372, $3,096.29. City without funds for relief. Construction at standstill; all crafts idle. With present employment situation in Bernalillo County it is anticipated that relief needs for employables will be greatly increased during January, February, and March 1938. It is estimated that there will be 750 persons in need of assistance in Bernalillo County during January, February, and will increase during March and April 1938 to 1,000.

CITY OF ALBUQUERQUE,
CHAS. E. WELLS, *City Manager.*

BARRE, VT., *January 11, 1938.*

Senator ERNEST LUNDEEN:

In localities where workers in stone quarrying industry are affiliated with quarry workers' union, approximately 1,000 workers were unemployed in September; in addition to these approximately 2,000 more were laid off during past 2 months. Few workers were recently given employment on Works Progress Administration projects. Relief depends largely on towns and cities and it is not adequate; allowances being kept down to meager necessities.

JOHN C. LAWSON.

BIRMINGHAM, ALA., *January 12, 1938.*

ERNEST LUNDEEN:

Replying your telegram, September case load unemployables, 3,937; employables, 88. Increase over previous month, October, unemployables, 72; employables, 21. November, unemployables, 121; employables, 97. December, unemployables, 166; employables, 299. No funds available for employables. Expenditures for unemployables, September, city, $11,556; State, $17,289. October, city, $11,556; State, $19,290. November, city, $7,688; State, $18,253. December, city, $10,576; State, $18,951. City of Birmingham's financial condition not sufficient to handle any additional load. Unemployment applications increasing. Sufficient W. P. A. quota to absorb them imperative. More acute situations arising needing financial assistance pending W. P. A. assignment.

J. M. JONES, JR.,
President of the commission.

BOISE, IDAHO, *January 13, 1938.*

HON. ERNEST LUNDEEN,
United States Senate, Washington, D. C.:

Number on Boise City municipal relief roll as follows: September, 129; October, 138; November, 187; December, 374. Amount expended by State and city as follows: September, $119,000; October, $119,600; November, $124,500; December, $110,000. Above does not include number on Federal relief rolls, nor amount of Federal and county funds expended. Boise City not in financial condition to handle additional load.

J. L. EDLEFSEN,
Mayor of Boise.

BRIDGEPORT, CONN., *January 11, 1938.*

ERNEST LUNDEEN,
Washington, D. C.:

The relief needs continue to mount. Added to this is the fact that the cost of relief for January, February, and March is markedly higher than that of any comparable quarter throughout the year. It is the general consensus of opinion that there is no evidence of employment pick-up; therefore, the ultimate increase in relief needs is unpredictable.

Case load, monthly increase, city cost, State, total:
September—895, $15,358.90, $15,349.11, $30,708.01.
October—958, 63, $25,442.71, $11,307.74, $36,750.45.
November—1,156, 198, $29,323.67, $9,454.34, $38,778.01.
December—1,583, 427 (December break-down not available), $50,-648.77.

JASPER MCLEAVY, *Mayor.*

BURLINGTON, VT., *January 12, 1938.*

ERNEST LUNDEEN,
United States Senate:

Numbers on Burlington relief September 690; October, 772; November, 1,031; December, 1,312. City expenditures for relief September, $1,327; October, $1,781; November, $2,586; December, $4,248. These amounts do not include unemployables or persons at poor farm, not salaries or running expenses of charity department. Burlington not financially able to take care of any additional load. Unemployment worse each day.

LOUIS F. DOW,
Mayor of Burlington.

CANTON, OHIO, *January 12, 1938.*

ERNEST LUNDEEN,
Washington, D. C.:

Number on relief for September in our city 635 families, October an increase of 101 families, November an increase of 365 families, December an increase of 787 families. Amount spent for September, $12,855.20; October, $13,160.70; November, $19,233.31; December, $24,983.91. The needs for first 3 months of 1938 would indicate an increase of 40 percent more on relief. Finances are low and as we have received no State aid since February 1937, we are alarmed for the future. City has no funds for our portion for Federal projects. We have taken on 104 new families the first week in January 1938.

Mayor JAMES SECCOMBE.

CHICAGO, ILL., *January 11, 1938.*

ERNEST LUNDEEN,
Washington, D. C.:

Requested unemployment statistics unavailable. However, Beich Candy Co., Bloomington, Ill., recently transferred production 300 employees to Chicago. Recently 10 percent pie factory employees in Chicago has been laid off. Lay-off has also occurred in past 2 months approximately 30 percent of unionized candy workers throughout country. Very small percentage workers in our entire jurisdiction are on relief. Increase of speed-up system resulting in further unemployment.

THE BAKERY AND CONFECTIONERY WORKERS
INTERNATIONAL UNION OF AMERICA,
JOSEPH SCHMIDT, *Secretary.*

CHEYENNE, WYO., *January 13, 1938.*

ERNEST LUNDEEN,
Washington, D. C.:

Population this county 30,000. Direct relief $2,000 and 385 persons on W. P. A. December direct relief 2,500 and 600 on W. P. A. Proportionate increase expected for February, which should be peak load for this winter. We can handle finances for direct relief but should have increased allowances for Works Progress Administration projects.

ARCHIE ALLISON,
Mayor, Cheyenne, Wyo.

DENVER, COLO., *January 13, 1938.*

Senator ERNEST LUNDEEN:

January 12 approximate unemployed in September in plants organized under this international, 4,500. Approximate number thrown out of work in recent recession in plants organized under this international, 21,400. Metal mines, smelters, and refineries approximately 10 percent organized under this international. Relief situation inadequate calling for determined and militant action for increase. Refer you to Michael J. Ryan, Box 1127, Butte, Mont., for detailed information of local conditions in Montana.

INTERNATIONAL UNION OF MINE, MILL,
AND SMELTER WORKERS,
JOHN M. SHERWOOD, *Secretary-Treasurer.*

DENVER, COLO., *January 13, 1938.*

Senator ERNEST LUNDEEN:

General relief only, September, 3,739 cases; October, 3,779; November, 3,756; December 3,874. From State funds, September, $68,000; October, $67,000; November, $68,000; December $76,000. From county funds for charity hospitalization, including poor farm, September, $54,000; October, $57,000; November, $58,000; December, $62,000. Transient and alien cases are increasing at alarming rate. They should be taken care of by Federal Government. This situation very serious.

B. F. STAPLETON,
Mayor, City and County of Denver.

DES MOINES, IOWA, *January 12, 1938.*

ERNEST LUNDEEN,
Washington, D. C.:

Telegram of today on relief for September 7,725, October 7,606, November 7,784, December 8,584. The State expended for September $31,800, October $30,000, November $33,600, December $42,600. City expended $30,000 each of 4 months on work projects. County expended exclusive institutional and social-security cases approximately $50,000 each of the 4 months. Estimate 5 percent increase for month bonded indebtedness exceeds legal limit. Cannot be increased.

JOE H. ALLEN,
Mayor of Des Moines, Iowa.

ERIE, PA., *January 13, 1938.*

Senator ERNEST LUNDEEN,
United States Senate:

Relief situation, Erie County, during September: 4,121 persons cost $40,941.70; October, 4,493 persons, cost $51,189.84; November, 5,254 persons, cost $50,045.64; December, 6,841 persons, cost $60,-721.67. Immediate picture is that relief load will continue to

mount for first quarter 1938. To date 6,561 persons have registered for unemployment compensation in Erie County.

CHARLIE R. BARBER,
Mayor, City of Erie.

FALL RIVER, MASS., *January 11, 1938.*

ERNEST LUNDEEN,
Washington, D. C.:

Statistics requested by you are as follows: Number of cases aided, September, 2,374; October, 161, increase to 2,535; November, 431, increase to 2,966; December, 784, increase to 3,750. Amount expended, September, $39,196.71; October, $47,626.69; November, $58,063.68; December, $78,042.05. Relief needs for first 3 months 1938, $160,000. Unemployment on the upgrade, may have to borrow money to meet the additional load.

BOARD OF PUBLIC WELFARE,
Fall River, Mass.

FARGO, N. DAK., *January 13, 1938.*

Hon. ERNEST LUNDEEN,
United States Congress, Washington, D. C.

MY DEAR SIR: This is in reply to your telegram of the 11th instant, asking for information about the relief situation in the city of Fargo. I am sorry that it has taken so much time to gather the information, and hope it will not be too late.

For the month of September the combined number of relief cases (both direct from county and on Works Progress Administration) was 743; October (combined) 791; November (combined) 1,136; and December (combined) 1,583.

The total combined cost was as follows: September, $22,586.94; October, $24,580.12; November, $37,250.32; December, $54,897.33.

It will be necessary to expend $60,000 (combined county and Works Progress Administration) for each month the next 3 months.

One-half of the year is gone and two-thirds of the available funds are gone.

An increase in the Works Progress Administration quota is badly needed.

The county handles all relief in North Dakota, but the information above applies to the city of Fargo. Only means to finance increased costs will be through borrowing.

Yours very truly,

F. O. OLSEN,
President, City Commission.

FLINT, MICH., *January 14, 1938.*

Senator ERNEST LUNDEEN:

Following confirms information already sent by Genessee County Relief Commission. Families on relief September 1,534, amount $39,173; for October 1,535, amount $47,533; for November 1,716, amount $59,866; for December 2,347, amount $78,436. Estimate approximately $400,000 needed for January, February, and March. These figures for Genesee County 75 to 80 percent applicable to Flint. Ten thousand unemployed and 500 applications for relief. Daily local relief unit will require material aid.

JAMES R. POLLOCK, *City Manager.*

FORT EDWARD, N. Y., *January 11, 1938.*

Hon. ERNEST LUNDEEN,
Senate Office Building, Washington, D. C.

There was very little unemployment in pulp and paper industry in September of this year. At present part-time employment is widespread. Many mills operate only 2 or 3 days a week, which makes it most difficult for workers to buy even bare necessities of life. Am not able to give accurate estimate as to number that have been laid off altogether. The Crossett Paper Mills, of Crossett, Ark., has just reduced wages 12½ percent. The Reconstruction Finance Corporation loaned company $4,000,000 to build this mill. Why does Government lend money to build additional paper mills in low-wage sections of the country when there is not business enough to keep the mills already built in operation?

JOHN P. BURKE.

FORT WAYNE, IND., *January 15, 1938.*

ERNEST LUNDEEN,
Washington, D. C.:

Reply telegram 11th pertaining to relief load Fort Wayne, following data obtained from township trustee: September increase, 449 cases; increased cost, $6,340. October, 529; increase, $8,860. November, 787; increase, $12,350. December, 1,221; increase, $20,000. Trustee and others handling relief hesitate to forecast needs for 3-month period next year. All relief handled by township trustee and charitable organizations. If additional data is required, suggest communicate with Wayne Township trustee, Fort Wayne, Ind.

HARRY W. BAALS, *Mayor.*

FORT WORTH, TEX., *January 11, 1938.*

ERNEST LUNDEEN,
Washington, D. C.:

Re your telegram, number on relief 1,211 families. Increase: October, 63; November, 141; December, 499. Expenditures: September, $9,282; October, $9,904; November, $11,158; December, $14,745 for city. State paid salaries skeleton crew for Works Progress Administration, Civilian Conservation Corps certification. Relief needs first 3 months about that of December. City financially unable to carry load. Twelve thousand unemployed in city at this time.

DUDLEY L. LEWIS, *City Manager.*

GRAND RAPIDS, MICH., *January 13, 1938.*

ERNEST LUNDEEN,
Washington, D. C.:

Kent County relief load has increased from 10,414 persons in September to 15,074 persons in December. For September, October, November, December, Kent County welfare relief commission reports expenditures for Kent County totaling $322,089 of which city of Grand Rapids contributed $52,500. Other local units in Kent County contributed $23,500. Other expenditures directly made by city of Grand Rapids for relief of indigents covering hospitalization, burials, infirmary, and other relief costs, $31,000. Above does not include direct expenditures by Kent County poor department which may be obtained from the commissioners of the poor. Kent County welfare relief commission estimates $390,000 needed for first 3 months of 1938, city of Grand Rapids has no additional funds available for further relief needs except small amount for nursing and medical facilities.

C. SOPHUS JOHNSON, *City Manager.*

HARRISBURG, PA., *January 11, 1938.*

Senator ERNEST LUNDEEN,
Washington, D. C.:

Replying your telegram Mayor Davis, Scranton, today. Average number persons receiving unemployment relief Lackawanna County, September, 28,847; October, 26,484; November, 23,095; December, 21,901. Expenditures September, $282,370; October, $257,387; November, $217,442; December, $226,356; all State, no city. Estimated average month first quarter approximately same as November. Seasonal increase anthracite employment explains decreases shown. Estimate unemployment compensation offsets tendency to increase February and March.

EMMETT H. WELCH,
Director, Division of Research and Statistics, Pennsylvania Department of Public Assistance.

HARTFORD, CONN., *January 12, 1938.*

ERNEST LUNDEEN,
Washington, D. C.:

Your wire January 12, 1938, to Mayor Spellacy. Case load, September, 1,431; October, 1,493; November, 1,635; December, 1,910; homeless men, 298; total city expenditure home relief, September, $59,224.93; State reimbursement, $16,794.59; town reimbursement, $5,626.38; city expenditure, $36,803.96; October total expenditure, $63,893; State reimbursement, $16,931.65; town reimbursement, $6,069.83; city expenditure, $40,891.52; November total expenditure, $69,124.12; State reimbursement, $18,323.90; town reimbursement, $6,566.78; city expenditure, $44,233.44; December total expenditure, $80,538.78; State reimbursement, $21,342.78; town reimbursement, $7,651.18; city expenditure, $51,544.82; plus $3,461.22 homeless men. Expenditure estimated need January to April 1938, $255,000. Budget already exhausted. Must ask for extra appropriation. Reductions in hours and lay-offs in industry have caused increases in relief rolls. Seasonal tobacco warehouse workers will be discharged soon in this city. The proposed welfare budget for the coming fiscal year calls for an increased tax rate. Proposed tax rate is subject to protest by taxpayers.

WILLIAM J. RYAN,
Superintendent, Department of Public Welfare.

HOUSTON TEX., *January 12, 1938.*

ERNEST LUNDEEN,
Washington, D. C.:

During 1937 relief limited to unemployables. All funds local. No State aid. September cases, 1,818; October, 1,869; November, 1,900; and December, 2,030. Expenditures, September, $27,500; October, representing 5 weeks, $31,800; November, $28,800; and December, $32,100. Effective January 1, relief extended to employables awaiting W. P. A. assignments. Increase of unemployables gradual, but demands of employables for work assignment and relief exceedingly heavy, averaging several hundred per day. Ability to handle this load dependent upon adequate and prompt assumption of responsibility by W. P. A.

R. H. FONVILLE,
Mayor, City of Houston.

INDIANAPOLIS, IND., *January 11, 1938.*

ERNEST LUNDEEN, *Washington, D. C.:*

Unemployed reported to this office in September, 868. In October, 1,017. In November, 1,106. In December, 1,119.

W. C. BIRTHRIGHT.

INDIANAPOLIS, IND., *January 11, 1938.*

ERNEST LUNDEEN,
Senate Office Building, Washington, D. C.:

Answering will state at present time we have 335,000 dues-paying members. On September 1 there were very few unemployed. At present time out of this membership there are about 20,000 entirely unemployed mostly in the large cities, New York and

Chicago having about 1,500 unemployed in each city. St. Louis next with about 1,000; Minneapolis and St. Paul about 500. In addition there are about 25,000 men that are partly unemployed averaging about 2 or 3 days' work per week. Many local unions are endeavoring to help those members with contributions from local treasuries each week and with small assessments placed on working members. Very few of our members, as far as we know, are on relief rolls, as they consider it somewhat like charity. What they desire is work.

DANIEL J. TOBIN,
General President.

INDIANAPOLIS, IND., *January 14, 1938.*

Senator ERNEST LUNDEEN,
Washington, D. C.:

Relief Marion County, September, October, November, December, respectively, family and single cases, 8,563, 8,710, 9,404, 10,895; 7-percent increase now over December period. Townships finance without city or State aid, and able to continue. Expenses in same order; $135,611, $146,630, $158,659, $202,417. Present figures about maximum for coming 3 months. W. P. A. reduction would increase relief. Unemployment shows slight increase; outlook encouraging.

WALTER C. BOETCHER, *Mayor.*

JACKSONVILLE, FLA., *January 15, 1938.*

Hon. ERNEST LUNDEEN,
Washington, D. C.:

Jacksonville Council Social Agencies' report follows: September, 2,388 relief cases; expenditure, $30,973.68. October, 2,755 cases; expenditure, $36,789.13. November, 3,039 cases; expenditure, $42,058.95. December, 3,332 cases; expenditure, $47,009.67. Figures quoted include Federal, State, and local government expenditures, also old-age pension. Increase in figures due largely to pension assistance. Figures do not include work relief. City of Jacksonville budget for 1938 carries relief appropriations as follows: Hospitalization, $56,800; unemployable relief, $60,000. Present indications are that relief needs for first 3 months 1938 will remain about same. City of Jacksonville is in no position to make further relief appropriations. Budget having been completed and adopted, no further appropriations could be made except by transfer of items set up for other purposes, and this I do not believe city council would consent to.

GEORGE C. BLUME, *Mayor.*

KANSAS CITY, MO., *January 11, 1938.*

ERNEST LUNDEEN,
Senate Office Building, Washington, D. C.:

Wire received. Unable give figures on number of car men unemployed in September. Reductions were heavy on some roads; fewer men in service than during worst of depression in 1932 and 1933. I believe Illinois Central is one of worst examples. Relief with respect to our people is sorely needed in some localities.

FELIX H. KNIGHT.

KANSAS CITY, MO., *January 11, 1938.*

ERNEST LUNDEEN,
Member of Congress, Washington, D. C.:

In September total membership 8,666; full-time employed, 60 percent; part time, 30 percent; unemployed, 5 percent; inactive and retired, 5 percent. One-third of unemployed were stereotypers, two-thirds electrotypers. Estimate situation remains unchanged.

International 40-hour law effective January 1937 more widely in effect as new contracts signed; also international law requires overtime given out to unemployed. Some locals pay unemployment benefit.

Greater number unemployed electrotypers are in New York, Chicago, Cincinnati, Cleveland, Philadelphia. Among stereotypers the wholly unemployed are scattered. New York, Boston, St. Louis, Detroit report greatest number depending wholly on regular situation holders for work. They are reported averaging over 3 days per week.

CHARLES A. SUMNER,
International Stereotypers and Electrotypers Union.

KANSAS CITY, MO., *January 12, 1938.*

ERNEST LUNDEEN,
Washington, D. C.:

Re telegram January 11 to Mayor Bryce B. Smith, Kansas City, Mo. Referred for answer relief data month of September, 5,649 cases; $57,940.58 expended; month of October, 5,899 cases; $66,050.97 expended; month of November, 6,439 cases; $72,717.48 expended; month of December, 7,300 cases; $76,822.10 expended.

WILLIAM HUTTIG,
Secretary, Administrator State Social Security Commission, Kansas City Division.

KNOXVILLE, TENN., *January 14, 1938.*

ERNEST LUNDEEN:

In re your wire 11th. City relief expenditures, September, $6,000; October, $5,300; November, $7,800; December, $8,000; State and city relief expenditures, September, $12,600; October, $11,200; November, $15,000; and December, $14,300. Estimate, $50,000 necessary for next 3 months for State and city relief. Financial condition of city at present makes impossible to handle as have during past 4 months.

W. W. MYNATT, *Mayor.*

LITTLE ROCK, ARK., *January 15, 1938.*

Senator ERNEST LUNDEEN,
Senate Office Building, Washington, D. C.:

Re tel January 11, Works Progress Administration employment in Pulaski County September 2, 2,879 who were paid $122,424, October 2,979 workers paid $122,300, November 3,107 workers paid $130,604, December 3,314 workers paid $135,000. State and city sponsorship contributions approximately $30,000 per month on above program. Quota limitations have precluded any material increase in Works Progress Administration employment during months mentioned. Employment for January on Works Progress Administration will probably be 3,600 workers due to slight increase in quota. Persons certified as eligible for Works Progress Administration employment, but awaiting assignment were 440, 318, 206, and 306 at end of respective months. In considering the number awaiting assignment please be advised that no intake was available through public welfare from June until December 15, 1937. In addition to Works Progress Administration employment approximately 500 unemployable persons received approximately $3,000 per month through Social Security benefits, namely old-age pensions, pensions for blind. There is no State general relief in Arkansas. It is estimated that 25,785 families in Arkansas are not represented in relief employment and are in need of aid. Of this number, 2,600 are resident of Pulaski County. Limitations of municipal government to properly match Federal funds by cash contributions for material are serious with us and indications are the city will be unable to carry its part of the financial burden through 1938 comparable with 1936 and 1937.

R. E. OVZERMAN,
Mayor, City of Little Rock.

LONG BEACH, CALIF., *January 14, 1938.*

ERNEST LUNDEEN,
Washington, D. C.:

Your wire 11th to former Mayor Fletcher not clear. Long Beach has no funds for relief load beyond present W. P. A. sponsorship. City sponsorship W. P. A. September, $48,000; October, $73,000; November, $38,000; December, $12,000, not including school district. Local office State relief reports September, 879 on rolls, not increased October, November, December; does not include child aid, old-age security, or county relief. Major relief load this area carried by Los Angeles County charities department, to which refer for complete statistics.

R. M. DORTON, *City Manager.*

MEMPHIS, TENN., *January 13, 1938.*

ERNEST LUNDEEN,
Senate Office Building, Washington, D. C.:

Re telegram Mayor Overton number on relief: September, 6,700; October, 7,010; November, 6,900; December, 6,800. Amount spent State-city, $50,000; $53,000, $55,000, $56,000. Figures do not include 5,000 now on W. P. A. rolls. Survey of industries today indicates 5,000 more will be laid off between now and February 1. It is impossible for city of Memphis to bear this additional burden and unless Federal relief work is continued anticipate great hardships and suffering. Continued operation of Works Progress Administration essential to provide jobs for present unemployed and for additional men to be laid off during the coming winter months. Hope you will urge continuation of unemployment relief program as figures show 12,000 are already dependent upon some form of relief and additional 5,000 expected. If additional information wanted, please advise.

RALPH PICARD, *Commissioner.*

LOUISVILLE, KY., *January 11, 1938*

ERNEST LUNDEEN,
Washington, D. C.:

Answering your wire former Mayor Miller. September 796 cases, $14,075; October 757 cases, $15,623; November 802 cases, $17,314; December 1,000 cases, $20,446. No State funds, all city. Relief needs next 3 months expected considerably higher than December. Financial situation not adequate for additional load. Unemployment and relief not expected to lighten.

SOLON F. RUSSELL,
Director of Welfare.

ALBANY, N. Y., *January 11, 1938.*

ERNEST LUNDEEN:

If your inquiry relative to relief advise case load September 1,984, cost $24,538.17; October 1,193, cost $25,203.01; November 1,304, cost $32,126.83; December 1,519, cost $38,230.87; additional increases during first 3 months, 1,938. Anticipated placed at 125 cases per month relief load naturally a big item in municipal expense and of much concern to all cities.

JOHN BOYD THATCHER, *Mayor.*

ALBANY, N. Y., *January 11, 1938.*

Hon. ERNEST LUNDEEN,
Senate Office Building:

We estimate there was approximately 8,000 unemployed in paper industry in September and approximately 22,000 now. Practically

every plant in States of Washington, Oregon, and Connecticut are on extremely short time and much unemployment exists in Monroe and Kalamazoo, Mich., and Holyoke, Mass. Most paper-mill towns; only this industry exists and where no unemployment previously existed no relief program was in effect and situation in such localities now acute. Other disturbing factors which threaten price, employment, and production schedules are places where R. F. C. loaned money, such as $4,000,000 at Crossett, Ark., for building paper mill, and against protests of unions in this industry. Crossett Paper Co. has just reduced wages nearly 13 percent and increased hours 33 percent.

ARTHUR HUGGINS.

AKRON, OHIO, *January 12, 1938.*

ERNEST LUNDEEN:

Re your wire Mayor Schroy relief cases: Akron, September, 1,370; October, 1,418; November, 1,714; December, 2,760; average four persons per case. Expenditures, September, $26,650; October, $28,500; November, $34,500; December, $52,000. Indications point toward continued and increasing unemployment, with further increases in relief load regardless W. P. A. hiring. City quarter million in red for last year's relief. Must look to legislature for funds for current needs. Believe even inadequate relief will require $75,000 monthly through March.

J. M. ZANG,
Director, Division Public Charities.

BUFFALO, N. Y., *January 11, 1938.*

Hon. ERNEST LUNDEEN,
Senate Office Building:

Re telegram requesting estimate of number of persons out of work in September in switching or yard service on the railroad. Those thrown out of work in last 3 months. We do not have an up-to-date national report, however, in steel industrial district. In September, 30 percent were unemployed. At present approximately 60 percent are out of work and 10 percent of the balance are on part-time work, 1 or 2 days per week. I am not familiar with the relief situation in any particular locality.

SWITCHMENS' UNION OF NORTH AMERICA,
J. M. PERRY.

BUFFALO, N. Y., *January 14, 1938.*

ERNEST LUNDEEN:

Re telegram cases assisted in September, 11,350; cost, $355,000. In October, 11,750; cost, $358,000. November, 12,400; cost, $453,000. December, 14,450; cost, $527,000. Cases average 3.2 persons and no administrative cost included. Financial requirements, January, $620,000; February, $625,000; March, $635,000, including administration of $70,000 monthly. City has exhausted its borrowing power necessitating transfer of all relief functions to Erie County by February 1.

THOMAS L. HOLLING,
Mayor of City of Buffalo.

CAMBRIDGE, MASS., *January 11, 1938.*

Senator ERNEST LUNDEEN:

Number of cases of relief September 1937, 1,471; amount expended for relief, $40,506. October 1937, number of cases, 1,420; amount expended, $40,849. November 1937, number of cases, 1,574; amount expended, $57,943. December 1937, number of cases, 2,070; amount expended, $60,581. According to present indication, relief needs for the first 3 months of 1938 will show a substantial increase over current demands due to usual seasonal slack during February and March plus need caused by industrial lay-offs. Financial conditions at present will not warrant carrying a heavy additional load.

JOHN W. LYONS,
Mayor of Cambridge, Mass.
J. E. FINNEGAN.

CAMDEN, N. J., *January 13, 1938.*

Hon. ERNEST LUNDEEN,
Senate Office Building, Washington, D. C.:

Your wire addressed to Commissioner Vonneida should be addressed Mayor George Brunner. Total number cases on relief for September, 2,820; October, 3,003; November, 3,239; December, 3,824. Total expenditures, direct relief only, September, $55,182.46; October, $61,800.04; November, $72,717.35; December, $90,593.29. Total cost to city of Camden only, which included all administrative expense, plus participation direct relief with New Jersey State Financial Assistance Commission for Direct Relief, September, $13,942.97; October, $13,610.70; November, $13,489.64; December, $14,209.81. Participated with New Jersey State last year; $6,275 each month of direct-relief cost as city's share. Positively unable to exceed this amount for 1938. This city pays all administrative costs; amount last year, $96,000. This municipality unable to exceed total relief cost of 1937, amounting to $171,300, total relief cost last year. Relief trend situation today similar to that in August 1934. We are definitely facing a major case load increase; 76 principal employers contacted of a total of 281. Over the last 30 days they expect to lay off from November 15 to March 15, approximately 7,500 family heads. Merchandisers report approximately 20 percent less business than corresponding period last year. We are certifying this week for work with the Works Progress Administration approximately 4,500 workable cases. Industrial employment situation very discouraging. Seriously request the Works Progress Administration, Camden district, quota for this city be immediately increased at least 4,000 persons. Further, Civilian Conservation camp be increased maximum hiring age to 30 years to absorb single persons. Our opinion present trend indicates January, February, March this year 50 percent increase over December last year.

GEORGE A. BRUNNER,
Mayor, City of Camden, N. J.

CHARLESTON, S. C., *January 11, 1938.*

ERNEST LUNDEEN,
Washington, D. C.:

Answering, no figures available city of Charleston, but county Charleston follows: Numbers, work relief, September, 3,352; October, 52 additional; November, 108 additional; December, 1,285 additional. No figures available, amounts expended, these records in the State capitol. Great deal of unemployment and applications increasing. City heavily obligated, sponsors contributions on projects through June 1938.

BURNET R. MAYBANK, *Mayor.*

CHATTANOOGA, TENN., *January 12, 1938.*

Hon. ERNEST LUNDEEN,
Senate Office Building, Washington, D. C.:

Re telegram: Yours of January 11.

Families certified relief, Chattanooga, September, 4,290; October, 4,100; November, 4,700; December, 5,300. Approximately one-sixth this number taken care of by local agencies. Another one-sixth taken care of by Social Security; three-sixths of total employed Works Progress. One-sixth of certified list not taken care of by any agency. City of Chattanooga contributed over 26 months' period, ending November 30, $1,700,000. This represented 26 percent our total revenue. Our financial condition would not justify continuation of this rate of spending. January's need very nearly same as December. Continuation of Federal assistance considered imperative if we are to prevent starvation and want.

E. D. BASS,
Mayor, City of Chattanooga.

NEW KENSINGTON, PA., *January 11, 1938.*

ERNEST LUNDEEN:

People laid off in the aluminum industry under our contract during the present recession total approximately 7,000. Plant worst hit is New Kensington, Pa., which has 1,500 to 2,000 laid off. Relief situation in all localities is wholly inadequate to take care of the unemployed. We have no definite record as to the unemployed in September.

GEORGE E. HOBAUGH,
Secretary-Treasurer, Aluminum Workers of America.

READING, PA., *January 14, 1938.*

ERNEST LUNDEEN:

Statistics refused by local board. Inquiries referred Emmit Welch, research director, public assistance board, Harrisburg. All figures for city and county direct-relief cases only from newspapers for weeks ending September 18, cases, 1,539; individuals, 3,909; December 25, cases, 2,744; individuals, 9,284; expenditure State funds, $21,900. January 7, cases 3,400, includes 400 cases from poor board under public-assistance set-up; individuals, 11,560. No relief expenditures by city except sponsorship contributions, W. P. A. projects. Total contributions last year approximately quarter million. Greater relief need this year; 11,000 applied unemployment insurance exclusive of W. P. A. workers.

J. HENRY STUMP, *Mayor.*

RENO, NEV., *January 14, 1938.*

ERNEST LUNDEEN,
Washington, D. C.:

Re your telegram 11th. Under the laws of Nevada relief is a direct responsibility of the several counties, and none is extended by the cities other than in making contributions of material and equipment for W. P. A. projects sponsored by them. We believe relief situation in Reno is being adequately handled by county of Washoe, State board, and through W. P. A. work. We have no definite figures on expenditures, but these can be obtained from Gilbert Ross, secretary, State Board of Relief Work, Planning, and Pension Control.

JOHN A. COOPER, *Mayor.*

ROCKPORT, MASS., *January 11, 1938.*

ERNEST LUNDEEN,
United States Senate:

Approximately 1,200 paving cutters were unemployed before September 1, and about 1,000 additional have lost their jobs since New York State, Pennsylvania, Southern States, and Middle West are hardest hit in our trade—stone paving-block cutting. Some members are employed on W. P. A. projects; others are waiting for their unemployment insurance. For those not covered by unemployment insurance their only aid is public charity. Financial situation among the paving cutters is very bad; only a

small percentage of the unemployed can be taken care of on W. P. A. projects at present.

ALBERT M. ANDERSON,
President, Paving Cutters Union of United States of America and Canada.

SALT LAKE CITY, UTAH, *January 13, 1938.*

ERNEST LUNDEEN,
Washington, D. C.:

Your wire January 11. Salt Lake City and county relief problems joint. County relief load September, 9,420 persons; October, 9,946; November, 10,731, and December, 11,965. Total relief expenditures: September, $129,532; October, $141,739; November, $156,229; December, $172,822. Relief needs acute for first quarter 1938. Peak relief load in February. Unable to handle additional load; unemployment increased because winter shut-down building and agriculture.

MAYOR E. B. ERWIN.

SIOUX FALLS, S. DAK., *January 17, 1938.*

ERNEST LUNDEEN:

Numbers on relief: September, 525; October, 547; November, 648, and December, 815. Amount expended for relief labor: September, $8,138.84; October, $4,780.09; November, $6,286.02, and December, $3,414.05. County Welfare Association estimates 20 percent increase for first quarter of 1938. City appropriation for relief projects for 1938, $60,000, most of which is for previously planned work.

A. N. GRAFF, *Mayor.*

TOLEDO, OHIO, *January 12, 1938.*

ERNEST LUNDEEN,
United States Department of Labor,
Senate Office Building:

In September we had 1,656 members unemployed. According to latest information in our possession on November 30 we had a total of 22,586 members, 50 percent of whom we believe are actually unemployed. According to statement just published in Toledo papers, Toledo's relief gain is greater than any of Nation's cities. Not familiar with relief situation in any other locality except do not believe any of our members are on relief.

C. J. SHIPMAN.

MAYOR'S OFFICE,
City of Springfield, Mass., January 12, 1938.

Mr. ERNEST LUNDEEN,
Washington, D. C.

DEAR SIR: Replying to your telegram of the 11th, I submit the following figures:

	September	October	November	December
CASES				
Outside relief	1,939	2,083	2,328	2,747
A. D. C.	165	177	190	196
O. A. A.	1,863	1,912	1,963	2,023
Soldiers' relief	330	316	332	389
Total	4,297	4,488	4,813	5,355
PERSONS				
Outside relief	8,701	8,802	8,731	9,587
A. D. C.	466	478	501	508
O. A. A.	1,863	1,912	1,963	2,023
Soldiers' relief	1,135	1,222	1,364	1,413
Total	12,165	12,414	12,559	13,531
EXPENDITURES				
Outside relief	64,451.05	66,660.78	87,096.85	84,907.85
A. D. C.	10,611.00	12,554.00	16,973.25	14,194.25
O. A. A.	52,021.55	57,874.54	57,494.19	60,061.52
Soldiers' relief	14,500.54	12,949.24	14,767.61	16,100.00
Surplus Committee	5,437.00	5,106.00	5,074.00	5,625.00
Total	147,021.14	155,144.56	181,405.90	180,888.62

I trust these are the figures you desired.

Yours very truly,

———— ————, *Mayor.*

CLEVELAND, OHIO, *January 11, 1938.*

ERNEST LUNDEEN,
Senator from Minnesota:

The information you request in your telegram relative to our unemployed members we do not have on file at this office as our local unions do not report to us on their unemployment. This information can only be obtained from our various local unions. I am not at all informed on the relief situation in this locality.

TERRY FORD.

AKRON, OHIO, *January 11, 1938.*

Senator ERNEST LUNDEEN,
United States Senate:

Employees in rubber industry practically normal in September. Large percentage working less than 24 hours per week. Approximately 30,000 have been laid off during recession. Eighty percent of those retained in the industry are working 24 hours or less per week. Some few plants are completely closed down indefinitely. Previous investigations reveal relief situation extremely bad. Approximately 9,000 rubber workers laid off in Akron who have previously been working only part time. Some few receive W. P. A., but over 5,000 still remain unemployed and without relief. Large lay-offs continue.

S. H. DALRYMPLE,
President, United Workers of America.

LA FAYETTE, IND., *January 11, 1938.*

ERNEST LUNDEEN,
Senate Office Building:

Unable to furnish definite data on unemployment among retail salespeople. There has been no marked unemployment increase yet shown more than that to be expected following holidays. Membership in R. C. I. P. A. continues to steadily increase.

C. C. COULTER.

WILMINGTON, DEL., *January 12, 1938.*

ERNEST LUNDEEN:

New Castle County relief situation: September, number employment relief, 663; October, 869; November, 1,414; December, 2,240. Unemployable relief, September, 1,561; October, 1,681; November, 1,781; December, 1,911. No assistance whatever from State. County income tax and regular county taxes used entirely. City furnishes 54 percent of county income tax and 62 percent of regular county taxes. Estimated cost next 3 months, $70,000. No funds in sight after February 1. Suggest State and Nation furnish direct relief and also materials for W. P. A. projects. This surely warranted by enormous United States tax collections in Wilmington and New Castle County.

WALTER W. BACON, *Mayor.*

WICHITA, KANS., *January 12, 1938.*

ERNEST LUNDEEN:

Answering your telegram 11th to Frank Nighswonger. September case load, 2,312; October, 2,993; November, 3,393; December, 3,573. Amount expended: September, $39,900; October, $41,500; November, $48,300; December, $61,800. Will be increased demand for relief during January, February, and March. Necessary that county issue bonds to handle present load. No labor difficulties this county. Large employers have been reducing personnel considerably past 2 months.

SEDGWICK COUNTY SOCIAL WELFARE BOARD.

TRENTON, N. J., *January 12, 1938.*

ERNEST LUNDEEN:

September, 1,804 cases; expenditures, $44,048. October, 1,785 cases; expenditures, $43,588. November, 1,891 cases; expenditures, $44,580. December, 2,335 cases; expenditures, $56,621. Case load continues to increase, which will add increased expenditures for first 3 months. City not in financial condition to handle additional load without State aid.

PAUL MORTON, *City Manager.*

TACOMA, WASH., *January 12, 1938.*

Hon. ERNEST LUNDEEN,
House of Representatives, Washington, D. C.:

Number of persons on relief and State expenditures, September, 19,500, $181,000; October, 18,000, $194,000; November, 21,000, $233,000; December, 23,000, $257,000. W. P. A., additional to above, by persons, September, 11,600; October, 12,000; November, 12,500; December, 13,000. Present rate of increase indicates relief cost will be $850,000 for next 3 months, even if W. P. A. continues to increase as in past quarter.

GEO. A. SMITLEY, *Mayor of Tacoma.*

TOLEDO, OHIO, *January 12, 1938.*

ERNEST LUNDEEN:

City cases, round figures, September 1, 2,700; October 1, same; November 1, 2,600; December 1, 3,000; January 1, 4,700; January 8, 7,300. Average case represents four persons. Expenditures, round figures, September, $60,000; October, $65,000; November, $73,000; December, $124,000. Total, April 23 to January 1, $573,000. Local revenues, $117,000, plus loan from State, $50,000, equals total of $167,000. Deficit end of year, $406,000. Estimated January expenditures, $180,000. Unless conditions improve, same for February and slightly less for March.

JOHN N. EDY, *City Manager.*

YOUNGSTOWN, OHIO,
January 12, 1938.

ERNEST LUNDEEN:

Information for county, including Youngstown. Cases: September, 2,122; October, 2,146; November, 2,308; December, 2,836—3 persons to case. Expenditures: September, $46,500; October, $45,-

400; November, $44,700; December, $57,000. Case load and expenditures do not reflect exact situation. Due to lack of funds for 1937 persons losing employment in September and October not accepted until November or December. Anticipate heavy increase first 3 months 1938. Estimate $65,000 to $70,000 monthly on restricted basis. Funds on hand for 8 months. Unemployment and relief situation worse than in last 3 years. First week in January showed more applications than single week since December 1935; peak has not been reached.

I. L. FUER,
Director, Mahoning County Relief Administration.

YONKERS, N. Y., *January 11, 1938.*

ERNEST LUNDEEN:

September case load, 2,287; October, 2,323; November, 2,655; December, 2,944. September relief grants, $63,034; October, $74,139; November, $85,605; December, $101,433. State reimburses 40 percent. Yonkers industries working reduced forces on part time. Expect large increases in case load and relief grants next 3 months. Until definite pick-up in industry with return of workers to jobs we must expect increase relief expenditures. City having difficulty financing present relief expenditures.

JOSEPH F. LOEHR, *Mayor.*

KANSAS CITY, KANS., *January 12, 1938.*

ERNEST LUNDEEN,
Washington, D. C.:

Answering wire to Mayor Don C. McCombs: Number on relief September, 2,956; amount, $36,833. October, 3,118; $41,561. November, 3,379; $53,367. December, 3,080; $67,597. Estimate January, 4,136, $73,096; February, 4,469, $78,496; March, 4,802, $83,996. Anticipated shortage of funds, $30,000.

JOHN F. MCNAMARA,
County Director, Wyandotte County Social Welfare Board.

CITY OF ROCHESTER, N. Y.,
January 14, 1938.

Mr. ERNEST LUNDEEN,
House Office Building, Washington, D. C.

DEAR MR. LUNDEEN: In reply to your wire of January 11, addressed to former Mayor Stanton, the number on relief is as follows:

September 1937	6,518
October 1937	6,691
November 1937	7,306
December 1937	8,145

These figures are relief cases. The case load has increased 24.9 percent in 4 months, and the expenditures have increased 65 percent or from $239,916 in September to $396,230 in December.

In December 1937, 9.03 percent of the population was on relief, as compared to 7.2 percent in September. The effect of unemployment insurance on the relief situation is unknown at the present time. I believe that Rochester can take care of its relief load provided it does not grow out of bounds, and provided the State reimbursement on home relief is continued at 40 percent, also that W. P. A. will take on more of the employables.

Very truly yours,

HAROLD W. BAKER, *City Manager.*

PORTLAND, MAINE, *January 18, 1938.*

ERNEST LUNDEEN, M. C.,
Washington, D. C.:

Answering telegram on relief for Portland, Maine, population 70,000. September 1,022 families, city's outside relief expenditure $24,800. October decrease 69 families, expenditure $24,700. November, decrease 8 families, expenditure $28,300. December, increase of 132 families, expenditure $32,500. Above figures do not include all city expenditures on W. P. A. projects. City expenditures on relief stations in various hospitals or city expenditures on 200 relief cases maintained on city poor farm.

Expenditures locally by State were September, $3,200; October, $3,700; November, $3,300; and December, $4,600.

On high-tax valuation city has tax rate of over $46 per thousand or nearly 5 percent, which undoubtedly is one important factor in depressing real-estate values. Total relief expenditures amount to about $8 per thousand in our real-estate tax rate. Such a basis of study though difficult may show those cities that are really carrying heavy load locally. Relief burden is increasing fast and prefer not to hazard guess on amount for this quarter which may be affected favorably by increase W. P. A. allotment, by initiation soon of unemployed-compensation payments, or by increased number receiving old-age assistance.

Need for relief, in congested areas such as cities develop more quickly with greater increases of load than in rural communities. If direct allotment is given to State for distribution among various communities a situation may develop in rurally controlled States where the distribution is not according to need but might possibly be influenced by other considerations.

J. E. BARLOW, *City Manager.*

PATERSON, N. J., *January 12, 1938.*

Senator ERNEST LUNDEEN,
Washington, D. C.:

Replying to telegram January 11, 1938. Numbers on relief: September, 6,161; October, 6,003; November, 6,475; December, 8,125. Cost, city and State: September, $50,752.96; October, $52,153.09; November, $53,273.23; December, $69,725.48. Estimated cost 1938: January, $73,000; February, $72,000; March, $71,000. Paterson's cost is rising due to private industries dropping employees. Seemingly, the only relief in sight would be absorption through W. P. A. projects. Paterson is not in a position to handle this increased burden of relief without adding to the taxpayers' obligations.

BERNARD L. STAFFORD,
Mayor of Paterson, N. J.

WASHINGTON, D. C., *January 12, 1938.*

Senator ERNEST LUNDEEN:
Capitol, Washington, D. C.:

Re tel January 10 during September last 123,432 members United Mine Workers were wholly unemployed or working less than 5 days per month. During 3 months September through November average 124,738 members equally afflicted. December brought slight relief due building coal reserves anticipating Commission price boost. Worst localities bituminous coal, western Kentucky, where about three-quarters members out of work or working less than 5 days monthly. Significant situation Sterling Coal Co., near Daniel Boone, Ky. Northern West Virginia, including Scotts Run, in October had over 11,000 miners out of work or on short part time. Also Illinois and Indiana from one-quarter to one-half miners in similar situation. Anthracite miners severely hit in Shamokin, Pa., area.

JOHN L. LEWIS.

PRESSMEN'S HOME, TENN., *January 12, 1938.*

ERNEST LUNDEEN,
Washington, D. C.:

Re your wire January 10, recession in our part of printing industry has resulted in curtailing number of days per week. Men are working particularly in the newspaper industry. Men being reduced from 5 to 4 days per week by voluntary action. In the commercial industry same condition, but to a greater extent. Unemployment has not increased materially except in paper goods industry. During depression local unions in New York City voluntarily paid benefits by local assessment of $3,000,000. Chicago, St. Louis, and San Francisco contributed $1,000,000, with contributions in all cities not accurately estimated.

JOSEPH C. ORR.

EVERY MAN HAS THE DIVINE RIGHT TO A JOB

Every man has the divine right to a job. If he cannot find that job in private industry, it is the duty of the Government to create that job.

American labor does not ask relief. Labor desires no dole. Labor has no desire or taste for charity, but labor demands work; and labor insists that if those in power are unable to furnish work and do not fully understand America and its economic conditions, then labor insists that it will form its own political party—that it will seize political power in America and put its own program of fundamental, enduring legislation upon the statute books of the United States.

A happy and contented people is our greatest defense against foreign and domestic foes; and when people are working, there is prosperity and happiness throughout the land.

Mr. LEE. Mr. President, I wish to ask the Senator from Kansas a question. Does his amendment call for the appropriation of one million dollars or two million?

Mr. CAPPER. Two million, a part of the $175,000,000 appropriation.

Mr. LEE. Mr. President, that is the same amendment as the one offered by my colleague the senior Senator from Oklahoma [Mr. THOMAS], and printed on May 27, providing $2,000,000, not additional, but that much to be used for cover crops in the Dust Bowl for the relief of the farmers there. That relief has been granted in the past. This merely carries on the same program.

I shall support the amendment, as I know my colleague would from the fact that he offered an identical amendment on May 27, and asked that it be printed and lie on the table.

I wish to add that my colleague also included areas damaged by hail or rust or grain pests, which I hope the Senator from Kansas will include in his amendment, if he does not already have them in the amendment.

Mr. CAPPER. Mr. President, if the Senator from Oklahoma will present such an amendment to the amendment, I will accept it.

Mr. LEE. I thank the Senator.

The PRESIDENT pro tempore. The Senator from Kansas modifies his amendment. The question is on agreeing to the amendment of the Senator from Kansas as modified.

Mr. McNARY. I ask for a division.

On a division, the amendment as modified was rejected.

Mr. NEELY. Mr. President, I request that the clerk state an amendment which I now propose.

The PRESIDENT pro tempore. The clerk will state the amendment.

The LEGISLATIVE CLERK. On page 22, line 9, it is proposed to insert the following as a subsection:

(e) In the event that, due to constitutional limitations, any State, Territory, possession, political subdivision, or other public body shall be unable to participate by way of loan and grant in the benefits of this title, subsection (d) shall be inapplicable, and the Administrator, with the approval of the President, may grant moneys to any such public agency for the entire cost of such project or for so much thereof as because of such limitations the said public agency is unable to provide; but the aggregate amount of money so provided all such public agencies of a particular State shall not exceed the total amount that otherwise would have been available had such State and its political subdivisions been legally able to participate as otherwise contemplated by this title.

Mr. NEELY. Mr. President, many counties, cities, and towns, many school, irrigation, and drainage districts, and at least three States in the Union—West Virginia, Florida, and Georgia—cannot, because of State constitutional limitations, raise, either by taxation or the sale of bonds, the 55-percent contribution, which the pending joint resolution requires them to provide as a condition precedent to their receiving any benefits from that part of the appropriation which is made by section 201 of the resolution.

The sum total of the various amounts embraced in the appropriation was presumably determined upon the basis of the apparent necessities of all the States and all their taxing subdivisions. Obviously every taxing body in the Union will be compelled to contribute according to its financial ability to the vast sum which the resolution will make available for general use. In the circumstances, the deprivation of any State or subdivision of its share of the appropriation because of a State constitutional inhibition, which could not possibly be amended or annulled in time to meet the requirements of the resolution, would be unfortunate, ungenerous, and unjust.

My amendment which you have heard read by the clerk will, if adopted, make it possible to avoid unwarranted discrimination against any State, county, city, or other taxing unit in the allocation of Federal funds in pursuance of the provisions of the resolution. The amendment in substance provides that in case a State or other taxing body needs Federal aid, but cannot match the Government's grant because of constitutional restraint upon its power to raise funds, the Federal advancement of 45 percent specified in section 201, title II, shall, nevertheless, be made.

The amendment adequately protects the interest of the Federal Government by providing that both the Administrator and the President must approve a Federal grant before it can be made. Surely these high and worthy officials can be safely trusted to guard the Treasury against any attempt that might be made to obtain its funds for an improper purpose.

Let me emphasize the fact that the amendment does not aim to take anything from any State or other taxing body; nor does it seek to obtain from the Federal Government the 55 percent which the constitutionally hampered State or taxing body would, in ordinary circumstances, be required to pay. It simply provides for the advancement of the Federal Government's 45 percent under the resolution and waives the 55-percent contribution which in the absence of constitutional limitations the taxing body would be required to pay.

For example, if it should be found that West Virginia and Georgia—the two States which are most rigidly restricted by their constitutions in the matter of raising funds—are each entitled to $4,500,000 of the Federal appropriation, each of these States would, in the absence of their constitutional inhibitions, contribute $5,500,000 and obtain the desired Federal grant; and each State would then be able to make improvements to the amount of $10,000,000. But because of the inability of these States to advance their 55 percent, the construction program in each of them will be limited to the expenditure of $4,500,000—the amount supplied by the Federal Government.

If the amendment is not adopted, the States mentioned and hundreds of taxing subdivisions throughout the country will, under section 201 of the resolution, receive absolutely nothing for construction purposes, in spite of the fact that everyone of these States and all of these taxing subdivisions will be obliged to help pay for the improvements that will be made under the resolution in all the other States and taxing subdivisions in the country.

The adoption of the amendment will hurt no one. Its defeat will irreparably injure West Virginia and Georgia and innumerable counties, cities, and towns, and school drainage and irrigation districts throughout the United States.

In view of all which justice demands that the amendment be adopted.

Mr. ADAMS. Mr. President, the proposed amendment has been discussed with me by both Senators from West Virginia. The junior Senator from West Virginia submitted to me a letter from the Governor of West Virginia in support of the amendment some days ago. I took occasion at that time to endeavor to analyze the amendment.

The amendment simply provides that if a State or a political subdivision of a State, by reason of constitutional or statutory provisions, is not able to borrow 55 percent so as to receive a 45-percent grant, that then the Federal Government shall give them the 100 percent.

Mr. NEELY. Mr. President, will the Senator yield?

Mr. ADAMS. I yield.

Mr. NEELY. The Senator is not correctly stating the case. My amendment does not seek to obtain a hundred percent of construction funds from the Federal Government. It simply provides, in effect, that no State or other taxing body shall lose the 45 percent which it would be entitled to receive from the Federal Government if it could provide the 55-percent contribution such State or body is by the resolution required to make.

Mr. ADAMS. Very well, Mr. President, we will let the amendment speak for itself. It provides:

In the event that, due to constitutional limitations, any State, Territory, possession, political subdivision, or other public body shall be unable to participate by way of loan and grant in the benefits of this title, subsection (d) shall be inapplicable.

Subsection (b) is the one which limits grants to 45 percent, so that if they cannot participate that limitation does not prevail.

The amendment continues:

And the Administrator, with the approval of the President, may grant moneys to any such public agency for the entire cost of such project or for so much thereof as because of such limitations the said public agency is unable to provide.

If the public agency is unable to provide any, why then 100 percent may be provided. It simply proposes to single out a few States and give them such preferential treatment over the other States of the Union.

In the joint resolution as it now stands there is a provision which will meet the situation—which had met the situation in the case of Georgia—and that is a provision which authorizes the Administrator to build a structure and to lease it to the State or to the public agency upon an agreement that they, through the medium of rentals, shall pay back the 55 percent and be in substance given the 45 percent.

There is no necessity for this provision in order that the State of West Virginia may have its schoolhouses or other institutions built by reason of that provision of the bill. It seems to me the amendment is an unfair one.

Mr. PEPPER. Mr. President, will the Senator yield for a question?

Mr. ADAMS. Yes, indeed.

Mr. PEPPER. Under the existing provision is it possible for a State which by constitutional prohibition is prevented from issuing its obligations so as to borrow the 55 percent, able to receive 45 percent as an outright grant? In other words, if a State like Florida, for instance, which has a constitutional prohibition against the issuance of State bonds,

should say it is eligible for a 45-percent grant, and be unable to submit obligations so as to make a loan of the 55 percent, may it still receive the 45-percent grant?

Mr. ADAMS. I am not aware of any constitutional limitation to prevent a State receiving grants.

Mr. PEPPER. Is the Senator aware of any statutory authority that would make it possible for a State to receive such a grant from the P. W. A.?

Mr. ADAMS. Ordinarily that would not be required, but I will give the Senator an illustration of an instance which occurred in the State of Georgia, which has been presented to the Committee on Appropriations repeatedly. The State of Georgia was under such a limitation. They were in need of a penitentiary. The Administration felt that it was a proper project. The Administration built the penitentiary, paid the cost, and leased it to the State of Georgia upon a leasehold arrangement which would repay the 55 percent in the course of time, with interest; that is, it amortized the principal and interest of the 55 percent which the State would have had under the grant and loan provision to pay, but leaving the 45 percent unpaid, so that the equivalent of the grant was received, though the actual legal transaction was a lease by the Federal Government to the State of Georgia of property which belonged to the Federal Government until paid for.

Mr. PEPPER. Mr. President, the fact is that the Supreme Court of the State of Florida has held just exactly that such an arrangement as that cannot be made by the State of Florida, due to the fact that we have in our constitution a prohibition against the State issuing any bonds, except to repel invasion, or to suppress insurrection. So that principle which the Senator just stated would not be applicable to the situation in Florida.

Mr. ADAMS. The same limitation I imagine applies only to the State of Florida. It does not apply to the counties and the political subdivisions.

Mr. PEPPER. That is correct.

Mr. ADAMS. As a matter of fact, the grants to the State are a relatively small part of the program. The amendment proposed by the Senator from West Virginia applies to every public agency.

Mr. NEELY. Mr. President, I still have 30 minutes on the bill. Let me utilize enough of my remaining time to read parts of a letter recently written by the Honorable Homer A. Holt, Governor of the State of West Virginia, to the Honorable Marvin H. McIntyre, secretary to the President, relative to the matter now before the Senate.

The Governor says:

Senator NEELY now has pending before the Senate an amendment to the Public Works Administration section of the relief bill which, in substance, provides that if, in the judgment of the Administrator, with the approval of the President, it is found that constitutional inhibitions prevent the State or its political subdivisions from matching the P. W. A. grants, a grant may be made nevertheless, but the aggregate of the grants to the State or its political subdivision shall not exceed the amount which the State might reasonably have had from the Federal Government had it been in a position to match in each instance.

The amendment is, of course, general in its terms and not limited to West Virginia.

I fully appreciate the desirability of the Public Works Administration grants being so conditioned as to encourage full participation by the States and their political subdivisions. I fully appreciate that there is sentiment, not entirely without merit, that some of the States may be in this difficult position by the inaction of their own people. On the other hand, we are dealing now not with a theory but with a reality. The constitution of West Virginia, since its inception, has contained provisions prohibiting the State from contracting debt. Likewise, the political subdivisions are prevented from contracting debt without popular vote and then only within the limits of a certain percentage of the property valuation. Added to these restrictions is the effect of our so-called property-classification and tax-limitation amendment which rigidly limits the aggregate of levy rates and sometimes makes it impossible for political subdivisions to issue bonds, even though the people were otherwise willing.

May I emphasize that we are not asking that Public Works Administration grants be made 100 percent by the Federal Government without limitations. We fully appreciate that if, in some instances, we cannot match that should not increase our participation in the general Federal fund. On the other hand, I feel that whether rightly or wrongly we are so prevented from matching we should not be denied our participation in the Federal fund to a reasonable extent, commensurate with the moneys available for expenditure and with the relief needs of West Virginia. Stated another way, a 100-percent public-works program in West Virginia would mean 45 percent Federal and 55 State or local. If we cannot have the 100-percent program, certainly a part thereof, the minimum being the 45 percent Federal, would be helpful and would go a long ways toward accomplishing the purposes intended by the Public Works Administration appropriation. We are not asking preferred treatment over other States, and are not asking more for West Virginia from the Federal Treasury than is expected to be had by other States. We are merely asking for what might be termed our reasonable share by suggesting that if, because of our constitutional inhibitions we cannot always match, we nevertheless be accorded our reasonable participation. Neither the Federal Government nor any other State will be a loser. West Virginia alone will be the loser in that it will not have as extensive a Public Works Administration program as it might have had were her fiscal limitations less rigid.

It may be suggested that West Virginia has done nothing to improve her own tax situation. This, likewise, is not correct. Though our property taxes have been greatly reduced, we have made up the deficit by resorting to other forms of taxation. Our business and industrial taxes, commonly described as our "gross-sales taxes," have been increased. We also have a general retail sales tax which we call the "consumers' sales tax" to make up for the deficiency in our property taxes.

Perhaps a more striking illustration of our desire to cooperate with the Federal relief program is that at our 1937 session of the legislature I, personally, insisted that our gasoline tax be increased 1 cent so that the proceeds of the increase might be used to make more permanent and effective the expenditure of Works Progress Administration moneys on roads in West Virginia. I was successful in having this increase made and our State gasoline tax is now 5 cents a gallon, to which the Federal tax of 1 cent is added, making a total of 6 cents per gallon.

These are not the only tax recourses that we have sought, but are, perhaps, the most significant ones.

Whether or not we are able to participate fully in the Public Works Administration program, if our revenues can in any reasonable way be found, when our legislature meets in 1939 I contemplate asking for appropriations for still further institutional buildings and improvements. In other words, we expect to do our very best under all circumstances.

The major items in which I am interested in this connection are public-school buildings, for which there may be a reasonable opportunity of matching in some instances, and building needs of State institutions. We need additional tuberculosis facilities and need remodeling and construction for our various hospitals; additions to our penitentiary facilities, for which we are even now in a position to match, at least to some extent; and many other humane undertakings.

One more observation: While our State constitution restricts severely the taxing powers of the State of West Virginia and its subdivisions, it does not, of course, impede the Federal taxing power in our State, and in raising money for the public-works program Federal taxation will be just as applicable to West Virginia as to other States, and our people will be paying such taxes whether or not they are participating in their fruits.

It may be suggested that West Virginia is pleading poverty and begging of the Federal Government. I will say that I am entirely willing to leave to the Federal Government the determination of the wisdom of making the public-works appropriation. If it is not made, I shall not complain, and I am not asking that it be made. On the other hand, if in the wisdom of the Federal Government it should be made, then I am most earnestly asking that West Virginia have a reasonable opportunity to participate, because West Virginia needs relief of this character no less than other States and her citizens will be contributing through taxation to the Federal taxes expended in the program.

I have frequently seen tables indicating the comparatively small amount of Federal revenues paid by West Virginia and the larger amounts expended by the Federal Government in West Virginia. These statistics are ordinarily taken only with reference to the points of the collection of Federal taxes. As you know, West Virginia is a State which has much absentee ownership. Quite a large percentage of our principal industries have their chief offices in other States and their taxes are paid through the internal revenue collectors' offices in such other States. If accurate statistics were available with reference to the origin of the earnings upon which these taxes are paid, I dare say that picture with respect to West Virginia would be much more favorable to us.

Mr. President, let me urge the Senate to consider sympathetically Governor Holt's statement of West Virginia's case and let me again urge in behalf of justice to West Virginia, Florida, and Georgia, and hundreds of other taxing bodies throughout the country that the amendment on which we are about to vote be adopted. All of these hampered taxing units are contributing their full share of the Federal grants that will pay for schoolhouses, and hospitals and other public buildings in all the States which are not prohibited by their constitutions from matching Federal funds. Will not the Senators from these States generously

help their constitutionally handicapped neighbors to obtain what they are justly entitled to receive by voting for the pending amendment?

Mr. ANDREWS. Mr. President, I have prepared an amendment very similar to that offered by the Senator from West Virginia [Mr. NEELY]. After reading his amendment, and seeing that it covered practically the same subject matter I desired to cover, I did not offer my amendment.

I was not in the Chamber when my colleague [Mr. PEPPER] was speaking. He probably explained the situation in Florida, but I should like to add a word to what he said.

It is true that in Florida a bond issue in any taxing unit, whether it be a municipality, a school district, a county, or drainage district, must be carried by 51 percent of the freeholders—not the freeholders voting, but the registered freeholders of the taxing unit—which makes it practically impossible to carry a bond issue. Those who have had experience along that line will readily agree with that statement.

And yet our taxing units are just as solvent and as deserving and trustworthy of taking advantage of the provisions of the joint resolution as though they had voted for a bond issue and carried it by 51 percent.

I have understood that clause (3) of subsection (a) of section 201 might meet our situation. That clause provides:

(3) The construction and leasing of projects, with or without the privilege of purchase, to any such public agencies.

I should like to inquire of the Senator from Colorado [Mr. ADAMS] if he feels that the language in clause 3 would meet the situation which we have been discussing.

Mr. ADAMS. Of course, it would not meet the situation of making a 100-percent grant, which the amendment under consideration would authorize. That would not be the manner of operation. The amendment would authorize the Administrator to erect a structure and to lease it in such a way that the State or local subdivision could repay the cost.

I will say frankly to the Senator that I have always doubted the propriety of that method of procedure. It did not seem to me to be in accordance with the plan. However, it has been done in the past, and, so far as I am concerned, I have accepted it. I did not like the idea of a long-time process of leasing, with the idea of getting back the cost in that way, when we were dealing with what we thought was an emergency which we hoped to pass very promptly. At the same time I think that method could be used to work out the problem.

Mr. ANDREWS. The Senator has reference to the language "with or without the privilege of purchase"?

Mr. ADAMS. Yes.

Mr. ANDREWS. Of course, that gives the privilege of purchase after the project is constructed.

Mr. NEELY. Mr. President, will the Senator yield?

Mr. ANDREWS. I yield.

Mr. NEELY. Mr. President, it is unfortunate that the able Senator from Colorado, like Falstaff, "sees so many men in buckram." Let me again assure him that my amendment does not demand or even suggest that the Federal Government grant to any State or subdivision more than the 45 percent specified under title II of the pending resolution.

Mr. ADAMS. The language says "the Administrator may grant moneys to any such public agency for the entire cost of such project." I cannot read 45 percent into that language.

Mr. ANDREWS. I hope the amendment will prevail. I think it covers an unfortunate situation in at least three States. Those States must pay taxes to meet their portion of the relief measure, and I should like to see them share in its benefits the same as the other States.

Mr. NEELY. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Adams	Barkley	Brown, N. H.	Byrnes
Andrews	Bilbo	Bulkley	Capper
Austin	Bone	Bulow	Caraway
Bailey	Borah	Burke	Chavez
Bankhead	Brown, Mich.	Byrd	Connally
Copeland	Hitchcock	McGill	Russell
Davis	Holt	McKellar	Schwartz
Ellender	Hughes	McNary	Schwellenbach
Frazier	Johnson, Calif.	Maloney	Sheppard
George	Johnson, Colo.	Miller	Shipstead
Gerry	King	Minton	Thomas, Utah
Gibson	La Follette	Murray	Townsend
Green	Lee	Neely	Truman
Guffey	Lewis	Norris	Tydings
Hale	Lodge	O'Mahoney	Vandenberg
Harrison	Logan	Overton	Van Nuys
Hatch	Lonergan	Pepper	Wagner
Hayden	Lundeen	Pittman	Walsh
Herring	McAdoo	Pope	Wheeler
Hill	McCarran	Radcliffe	White

The PRESIDENT pro tempore. Eighty Senators have answered to their names. A quorum is present.

Mr. ANDREWS. Mr. President, before a vote is taken on the amendment of the Senator from West Virginia [Mr. NEELY], I desire to offer an amendment to it which would strike out, in line 7, the words "for the entire cost of such project or", and insert, after the word "much" in the same line, the words "of the cost"; and then strike out "thereof as" in said line and insert at the beginning of line 8 the words "of any project as."

I will ask to have the clerk read the amendment as it would be changed by my proposal. This, I understand, will entirely eliminate the objection and the point made by the Senator from Colorado [Mr. ADAMS].

The PRESIDENT pro tempore. At the request of the Senator from Florida, the clerk will read the amendment as it would appear if his amendment should be adopted.

The CHIEF CLERK. On page 22, line 9, it is proposed to insert the following subsection:

(c) In the event that, due to constitutional limitations, any State, Territory, possession, political subdivision, or other public body shall be unable to participate by way of loan and grant in the benefits of this title, subsection (d) shall be inapplicable, and the Administrator, with the approval of the President, may grant moneys to any such public agency for so much of the cost of any project as because of such limitations the said public agency is unable to provide; but the aggregate amount of money so provided all such public agencies of a particular State shall not exceed the total amount that otherwise would have been available had such State, and its political subdivisions, been legally able to participate as otherwise contemplated by this title.

Mr. NEELY. Mr. President, because of my desire for the success of my own amendment, I accept the amendment proposed by the Senator from Florida.

The PRESIDENT pro tempore. The Senator from West Virginia modifies his amendment in accordance with the suggestion of the Senator from Florida.

Mr. ADAMS. Mr. President, I do not believe any substantial change is made in the substance of the amendment by the change in the words. While the words "the entire cost of the project" have been stricken out, the amendment still provides that the Federal Administrator may advance, by way of grant, all the money which the State cannot provide. If, under constitutional limitations, the State cannot provide any of the money, it still leaves the opportunity for the Federal Government to provide 100 percent; so it really has not made a change in the amendment. It still leaves a State which is in that situation in a preferential position compared with other States which must put up 55 percent of the cost in order to get a 45-percent grant. This proposal would permit a few States which have been so careful of their credit as to tie themselves down so that they cannot borrow to get a full 100-percent grant.

The PRESIDENT pro tempore. The question is on the amendment of the Senator from West Virginia [Mr. NEELY], as modified.

The amendment, as modified, was rejected.

Mr. LEE. Mr. President, I send to the desk an amendment which I ask to have stated.

The PRESIDENT pro tempore. The amendment offered by the Senator from Oklahoma will be stated.

The CHIEF CLERK. On page 24, line 24, after the word "relates", it is proposed to insert the following:

and that preference among such persons shall be extended in the following order: (1) Veterans of the World War and the Spanish-American War and veterans of any campaign, or expedition in

which the United States has been engaged (as determined on the basis of the laws administered by the Veterans' Administration) who are American citizens; (2) other American citizens, Indians, and other persons owing allegiance to the United States; (3) those aliens whose declarations of intention to become American citizens were filed prior to the date of enactment of this joint resolution and are valid and have not expired; and (4) other legally entered aliens.

Mr. LEE. Mr. President, I have another amendment to offer for my colleague [Mr. THOMAS of Oklahoma] which I promised to call up following this one. I hope to hold the floor until I can dispose of that amendment.

Mr. President, the amendment I have offered to title II of the pending resolution would extend the same preferences to war veterans and to American citizens as to all projects under the Public Works Administration as title I, section 11, would provide as to the Works Progress Administration. It is believed that the same kind of preferences for war veterans and for American citizens ought to apply as to all P. W. A. projects, just as much so as to W. P. A. projects.

If the Federal funds provided for under this joint resolution are insufficient to provide employment to all of those who may make application therefor, then preference for such employment as is made possible by the use of such Federal funds should first be extended for war veterans and for American citizens, then to those aliens who have heretofore been in possession of valid declarations of intention to become American citizens, and finally, if additional funds be available, to other legally entered aliens, but in no event to any aliens illegally in this country.

There are now about 455,000 veterans registered with the public employment offices throughout the country as being unemployed. There are perhaps another two or three hundred thousand who are not so registered, in spite of the recent campaign on the part of the three congressionally chartered veteran organizations throughout the country to bring about the registration of all unemployed veterans. Thousands of veterans still do not know anything about these public employment offices or find it inconvenient to personally make contact with them for registration purposes, while additional thousands who have previously been registered for many months without securing a job, have become disillusioned by such process and have refused any longer to go through what they have considered to be a futile process of registering for a job which is not made available through the public employment services. It is, therefore, altogether possible that there are at least three-quarters of a million unemployed veterans throughout the country.

To see to it that every veteran is extended the opportunity for gainful employment constitutes far-sighted patriotism. We must not, we will not permit veterans of previous wars to be relegated to the economic scrap pile. Self-sustaining, self-respecting gainfully employed veterans constitute an asset to the Nation in many ways, one of which is a sense of revived patriotism.

Furnishing gainful employment to veterans is also a far-sighted economy. Veterans would much prefer gainful employment to general pensions. The inevitable alternative is "jobs or pensions for all veterans." The Federal Government should set the example by providing effective preferences for qualified veterans for all employment made possible by Federal funds. Such a preference ought to be just as much applicable to P. W. A. projects as to W. P. A. projects. The proposed amendment would provide for such preference to war veterans, just as the P. W. A. Appropriation Act or the National Industrial Recovery Act of 1933 then provided. This is not something new. It was tried in 1933 and worked out satisfactorily. It ought to be a part of this P. W. A. program as well.

Furthermore, this amendment does not provide for the employment of aliens illegally in this country. I see no reason why we should appropriate money to give employment to those who are illegally within our boundaries, and that is as it should be.

This amendment is typically American. This would be giving preference to those who gave preference to their Government and then to other citizens and other would-be citizens in order of the same preference they have indicated for this Government.

In 1917 and 1918 the Government gave us preference. We not only were given preference; we got the job. All we are asking now is that this same Government that gave us preference during the war give us preference now.

This amendment is simply to give soldiers preference under the P. W. A. as they had it in 1933, and as they have in this joint resolution under the W. P. A. I use the same language. I have spoken to a number of the members of the committee about the amendment, and I do not believe there is any objection to it.

Mr. BYRNES. Mr. President, I do not know whether or not the Senator is correct in the information that was given to him to the effect that a similar amendment was contained in the bill of 1933 and 1934. I suggest to the Senator from Colorado that the committee accept the amendment, and in conference we will have an opportunity to determine why the House has not included it, if that provision has heretofore been included in the bills.

The PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the Senator from Oklahoma [Mr. LEE].

The amendment was agreed to.

Mr. LEE. Mr. President, on behalf of my colleague [Mr. THOMAS of Oklahoma], I offer the amendment which I send to the desk.

The PRESIDENT pro tempore. The amendment offered by the Senator from Oklahoma on behalf of his colleague [Mr. THOMAS of Oklahoma] will be stated.

The CHIEF CLERK. On page 9, line 22, after the word "Administration," it is proposed to insert the following:

Provided, That in no case shall the monthly compensation for persons engaged in projects under the foregoing appropriation be less than $40 and in no case shall the hourly compensation of such persons be less than 30 cents.

Mr. BYRNES. Mr. President, I should like to have some explanation of this amendment.

Mr. LEE. Mr. President, the purpose of this amendment, which my colleague [Mr. THOMAS] offered and asked to have printed and lie on the table, which I agreed to call up, and which I favor, is to put a floor under the wages paid for relief labor. This amendment provides a minimum of $40 a month and a minimum of 30 cents an hour for wages under the relief program.

The regional differentials have worked great injustices in the payment of W. P. A. labor. I wish to prove that statement by a comparison between Kansas and Oklahoma, not that I have any objection to the labor in Kansas receiving the wages they have been receiving, but because Kansas and Oklahoma are so similar it makes a good example of the injustice, inequality, and discrimination resulting from the differentials which have been followed by the W. P. A. These differentials have for the most part been made on a geographic basis.

Between Oklahoma and Kansas there is an imaginary line, but the two States are very similar in many respects. The United States Department of Commerce, in its Bureau of Census of 1935, volume 3, shows the following facts concerning the States of Oklahoma and Kansas:

Now let us compare two of the principal cities, Wichita, Kans., and Oklahoma City, Okla.

The W. P. A. Division of Social Research Bulletin No. 20, series I, has a cost-of-living survey for 59 cities in the United States for the year 1935. Using Washington, D. C., as the basis for figuring percentages, let us compare the cost of living of Oklahoma City with that of Wichita, Kans.

According to the 1930 census Oklahoma City has a population of 185,389, and Wichita, Kans., a population of 111,110.

While Oklahoma City has a greater population than Wichita, it is shown from this report that living expenses in Oklahoma City are considerably higher than that of Wichita, Kans., as shown by the following comparison:

Major items of family expenditure

	Total	Food	Clothing	Housing	Household operation	Miscellaneous
	Percent	*Percent*	*Percent*	*Percent*	*Percent*	*Percent*
Oklahoma City	85.9	93.1	102.2	60.0	95.8	89.9
Wichita	79.6	89.6	97.3	48.2	96.5	80.8

The service establishments in the State of Kansas number 9,290. The service establishments in the State of Oklahoma number 9,735.

Then again, the annual receipts of service establishments of Kansas amount to $19,784,000.

The annual receipts from the service establishments of Oklahoma amount to $21,821,000.

This shows very striking similarities between the two States.

Now, let us compare distribution trade as to employment and pay rolls. According to the Bureau of Commerce census of 1935, the wholesalers' average weekly wage scale of the two States is as follows:

	Office and clerical employees	Inside selling employees	Outside selling employees	Warehouse employees	Other employees
Kansas	$22.84	$23.49	$34.09	$20.09	$21.23
Oklahoma	25.58	25.75	36.19	18.20	18.88

Now then, having shown that living costs are higher in Oklahoma than in Kansas and that the wage scale of private business is higher in Oklahoma than in Kansas, let us compare the wage scales paid under the W. P. A.

At the present time, Kansas is in region 2 of the W. P. A. while Oklahoma is in region 3.

In cities under 5,000 population in Oklahoma the wage scale is $21, while in Kansas the wage scale is $32.

In cities from 5,000 to 25,000 the wage scale in Oklahoma is $24 whereas in Kansas it is $35.

In cities from 25,000 to 50,000 the wage scale in Oklahoma is $29 while in Kansas the rate is $40.

In cities from 50,000 to 100,000 in population the wage scale in Oklahoma is $33 while in Kansas it is $42.

In cities of over 100,000 the wage scale in Oklahoma is $35 while in Kansas it is $45.

Therefore, in order to prevent a continuation of such unfair and unjust discriminations in wage scales, I hope this amendment which will put a bottom under the wage scale will be agreed to.

I conferred with Mr. Aubrey Williams this morning on this question, and he indicated a very friendly and favorable attitude toward the amendment. I hope the amendment will be agreed to.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. LEE. I yield.

Mr. BARKLEY. The situation in Kansas and Oklahoma to which the Senator has called attention is similar to that which exists in other parts of the country; that is, there is a division according to whether the wage scale is based upon the industrial situation or the agricultural situation. This works to the disadvantage of a good many States which have industries, as well as agriculture. It has operated to the disadvantage of my own State, so that in the eastern section of Kentucky the wage scale in the mining district is $22 a month, whereas right across the river in West Virginia—and one can throw a rock across that river—because West Virginia is classed as an industrial State, the wage scale is $40 or more for the same kind of work.

I have been for months attempting to secure a readjustment of that wage scale. I have conferred personally with Mr. Aubrey Williams and Mr. Harry Hopkins with respect to it, and I think the prospects are exceedingly bright that in the very near future the wage scale will be adjusted. They have power to adjust it. In that connection, I have discussed with them the situation in Oklahoma to which the Senator has called attention. I am wondering whether the adoption of an amendment on a subject as to which they have already power to act and, to which they are giving consideration, would operate to interfere with what I think is going to happen anyway, and what I hope is going to happen.

Mr. LEE. I believe not, because Mr. Williams told me this morning he hoped the amendment would prevail. I think it would facilitate the matter.

Mr. BYRNES. Mr. President, I know that the senior Senator from Oklahoma [Mr. THOMAS] has been interested in this subject, and I suggest to the junior Senator from Oklahoma that the situation of which he complains will, I think, be taken care of in great measure by the amendment which we have heretofore adopted, which I offered, and which provides that any minimum wage established by the Labor Standards Act shall be the minimum wage paid hereafter to employees of the Works Progress Administration.

Mr. LEE. Mr. President, will the Senator yield?

Mr. BYRNES. I yield.

Mr. LEE. That is true as to the wage bottom; but if a man is put to work for only 10 days out of a month, his income has not been helped any.

Mr. BYRNES. No. The amendment of the senior Senator from Oklahoma [Mr. THOMAS] would provide, as I read it, for the payment of a stated sum. It does not indicate whether the man must even work the entire month in order to receive that amount.

Heretofore the rule has prevailed that compensation should be based upon the prevailing wage scale. I think the amendment we have adopted is all that should really be asked. If the prevailing wage scale is less than the minimum wage to be provided, then the minimum wage will be paid.

I suggest to the Senator that his colleague the senior Senator from Oklahoma had drawn his amendment before he knew that we would adopt this other amendment, and I believe he would be in sympathy with the joint resolution as it now stands, which provides this minimum wage. I know the Senator wants to help his colleague.

Mr. LEE. The Senator will notice that the figures I have quoted were based on a monthly pay rate and not on an hourly pay rate. Therefore, while I appreciate the value of the amendment which the Senator himself sponsored, still I do not believe it will solve the difficulty. I hope the amendment I have offered on behalf of my colleague will be agreed to.

Mr. BYRNES. I am sorry I cannot agree with the Senator. I believe that all we can reasonably hope finally to accomplish in increasing the wage of the employees of the W. P. A. will be accomplished by the other amendment, and I believe will assist in attaining the ultimate object, which is to increase the wage.

Mr. BILBO. Mr. President, the amendment offered by the Senator from South Carolina and adopted is a very wholesome amendment, and it may have a tendency to reach the trouble the Senator from Oklahoma is trying to meet; but we have yet no assurance that a wage and hour bill will be enacted at this session of the Congress. I understand the conferees are at present hopelessly tied up.

I suggest that the amendment offered by the Senator from Oklahoma be accepted by the Senator from South Carolina and allowed to go to conference, and by that time we will know what we can depend on.

The PRESIDING OFFICER (Mr. JOHNSON of Colorado in the chair). The question is on agreeing to the amendment offered by the junior Senator from Oklahoma [Mr. LEE] on behalf of his colleague the senior Senator from Oklahoma [Mr. THOMAS]. [Putting the question.] The Chair is in doubt.

Mr. LEE. I ask for a division.

The PRESIDING OFFICER. Those in favor of the amendment will rise and stand until counted. [After a pause.] Those opposed to the amendment will rise and stand until counted.

Mr. LEE. I suggest the absence of a quorum.

Mr. BYRNES. Mr. President, I should like to know what the vote was.

The PRESIDING OFFICER. The Chair has not as yet counted all those voting.

Mr. BYRNES. I ask that the vote be counted.

The PRESIDING OFFICER. The Senator from Oklahoma raised the point of no quorum before the vote was announced.

Mr. BYRNES. A division was demanded. What was the result of the division?

The PRESIDING OFFICER. The Senator from Oklahoma could call for a quorum at any time, and he did so before the result was announced. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Adams	Copeland	King	Overton
Andrews	Davis	La Follette	Pepper
Austin	Ellender	Lee	Pittman
Bailey	Frazier	Lewis	Pope
Bankhead	George	Lodge	Radcliffe
Barkley	Gerry	Logan	Russell
Bilbo	Gibson	Lonergan	Schwartz
Bone	Green	Lundeen	Schwellenbach
Borah	Guffey	McAdoo	Sheppard
Brown, Mich.	Hale	McCarran	Thomas, Utah
Brown, N. H.	Harrison	McGill	Townsend
Bulkley	Hatch	McKellar	Truman
Bulow	Hayden	McNary	Tydings
Burke	Herring	Maloney	Vandenberg
Byrd	Hill	Miller	Van Nuys
Byrnes	Hitchcock	Minton	Wagner
Capper	Holt	Murray	Walsh
Caraway	Hughes	Neely	Wheeler
Chavez	Johnson, Calif.	Norris	White
Connally	Johnson, Colo.	O'Mahoney	

The PRESIDING OFFICER. Seventy-nine Senators having answered to their names, a quorum is present.

Mr. ADAMS. Mr. President, I think a word ought to be added in view of the attendance of some Senators who were not present before the quorum was called.

The pending amendment, offered by the junior Senator from Oklahoma [Mr. LEE] on behalf of his colleague, provides that—

> In no case shall the monthly compensation for persons engaged in projects under the foregoing appropriation be less than $40 and in no case shall the hourly compensation of such persons be less than 30 cents.

It seems to me the amendment is defective on its face in one particular; it does not specify how long work shall be engaged in. Under a literal interpretation, if a man worked only 1 day he would be entitled to $40; that is, in no event shall he get less than $40 for a month. It does not say at the rate of $40, it provides the specific amount.

After a good deal of struggle, some years ago there was written into a relief bill, and it has been carried in the law for several years, a provision that—

> The rates of pay for persons engaged upon projects under the appropriation in this title shall not be less than the prevailing rates of pay for work of a similar nature in the same locality.

In other words, we have established as a policy the payment of the prevailing wages in the locality.

In view of the pendency of the wage and hour bill, the junior Senator from South Carolina was responsible for adding a committee amendment to the pending joint resolution with a view to meeting a change in conditions which might come about in the event of the enactment of the wage and hour bill, which amendment reads as follows:

> That in the event the Congress or any Federal agency so authorized by act of Congress shall establish minimum rates of pay for persons employed by private employers in any occupation, such minimum rates of pay shall be paid to persons in similar occupations in the same locality employed on projects under the foregoing appropriation.

As the joint resolution now stands it contains a requirement that the prevailing rate of wages shall be paid. We have a committee amendment which has already been agreed to which will adapt the situation to a wage and hour bill which has passed the Senate and which will doubtless become law. So it seems to me that if we add the proposed amendment we shall add confusion by endeavoring to establish a fixed scale throughout the country regardless of what the wage and hour bill may do. It would be in defiance of that, and it would be in defiance of the prevailing wage. So I believe it would be a mistake for the Senate to add this provision.

Mr. RUSSELL. Mr. President, on several occasions I have pointed out the great disparity in the monthly wages paid in the several different sections of the country as established by the officials of the Works Progress Administration. I think that something should be done to eliminate this great disparity in the monthly wage, which runs from $21 per month to $60 or $65 per month in the various sections of the country. However, I appreciate the point that has been raised by the Senator from Colorado, that attempting to fix an hourly wage in this amendment might cause some confusion in the consideration of the hour and wage legislation. I should be very happy to vote for the amendment if it merely sought to fix a minimum wage for persons on the Works Progress Administration projects at $40 per month, but I am somewhat apprehensive that the attempt to fix the hourly compensation might cause some confusion.

I wonder if the sponsor of the amendment would not be willing to accept an amendment which would fix the monthly wage for employees on Works Progress Administration projects at $40 per month and eliminate the hourly requirement, which seems to be causing some confusion.

Mr. LEE. Mr. President, I shall be glad to modify the amendment in accordance to the suggestion of the Senator from Georgia.

Mr. BORAH. Mr. President, before that is done, may I understand what the amendment is?

Mr. LEE. I withhold acceptance of the modification.

Mr. RUSSELL. Mr. President, I was suggesting that the amendment be amended by striking out the reference to the hourly wage so as not to cause any confusion or difficulty in consideration of the wage and hour legislation, and merely apply to the compensation of those who are employed on Works Progress Administration projects.

Mr. BORAH. Would the Senator consent to the addition of the words "at the rate"?

Mr. RUSSELL. Yes. I think that is a good suggestion. I suggest that the amendment be amended by inserting after the word "be" the words "at the rate of not less than $40 a month," and by striking out the last two lines.

Mr. LEE. I accept the modification.

Mr. BYRNES. Mr. President, if we are not going to follow the minimum-wage rate, then I do not think we ought to ask a man to work for $40 a month. I want to ask the Senator if he would not agree to accept an amendment making it $50 a month. If we are really going to avoid the minimum wage.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. BYRNES. I yield.

Mr. BARKLEY. There might be confusion in the minds of some as to what is meant by the words "at the rate of $40 a month." If that means that a man working every day would receive $40 a month, that is too low a wage. If it means that a man working 10 days would be paid at the rate of $40 a month, that might amount to not over $15. There ought to be some way provided by which there can be an adjustment of the differences between the wage scales in adjoining States.

Mr. President, I have had this matter up, as I said a while ago, for months with the Administrator and the Deputy Administrators. I believe I have it about worked out. But I am wondering—whether under the wording "at the rate of $40 a month," if the amount of work which is done could be reduced to say 10 days or 12 days, and thereby the monthly compensation reduced—I wonder whether or not we would be helping anyone in that event?

Mr. BYRNES. I made the statement I did for the reason that I wanted the Senate seriously to consider what it is doing. Heretofore in this country we have had an effort on the part of organized labor to have a recognition of the prevailing wage rate. So far as measures of this kind are concerned Congress has said that the wage paid should be the

prevailing wage rate. Labor has been satisfied with it. There has been no just complaint, because the rule is the prevailing wage in the community where the project is; and that is fixed by W. P. A. as a result of an investigation determined by a representative of labor, a representative of the civic bodies, and a representative of W. P. A.

They determine the prevailing wage rate. Why? So as not to interfere with individuals who are employing men and paying that wage rate; so that men will not be induced to leave private employment and go on relief in order to get a higher wage scale.

Now we introduce another element into the wage element by the consideraiton of the labor-standards act. If a minimum wage, a floor, is to be established, and we are to say that no wage scale shall be less, very well. Logically, we should say, "Congress will not demand of an individual in this country that he pay a wage higher than the Government itself is willing to pay." Therefore, I introduced the amendment which the Senate adopted 2 days ago—that if hereafter the Congress shall adopt a labor-standards act and shall fix a minimum for private employees, that minimum shall be paid to employees upon Works Progress projects. That can be justified.

Whenever we cause the individual to get away from the prevailing wage rate and say that a minimum wage must be established for private employment, then we ought to apply the same yardstick to public employment. But if we are going to change that and are going to abandon the prevailing wage rate, abandon the minimum wage scale of the Labor Standards Act, and put a scale for Works Progress projects higher than the minimum wage provided in the Labor Standards Act, then a man will have an inducement to leave his job, go on relief, or go on a Works Progress project. I think the Senate ought to stand by the prevailing wage rates until we adopt a labor-standards act. If we adopt it, then make it apply to Government projects.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. BYRNES. I yield.

Mr. BARKLEY. I am for the prevailing wage rate and I have voted for the prevailing wage rate. The trouble is not because of the prevailing wage provision. The difficulty is that men are not permitted to work enough days in a month at the prevailing wage to enable them to make a monthly salary which is sufficient to enable them to support their families. For instance, in my State, while the prevailing rate of wage in the community in which the work is done is paid, those who perform the work do not have sufficient days of work to enable them to make more than $22 a month. If we are not going to allow them to work sufficient time at the prevailing wage to enable them to support their families we ought to consider whether a prevailing wage is what they ought to get, or if they should not get enough money in a month to help them support their families.

Mr. BYRNES. I have stated the two situations. If we are wrong, and the Congress is going to fix the rate, as I have said, I should just as well have it $50 or $60. A security wage was advocated by the President of the United States, and under every bill that has been passed the President has fixed that wage. He has said for a certain region "this is the security wage," and as the result a man is required to work a very few hours in order to receive the security wage. There is a complaint on the part of individuals throughout this country that a man who works not more than 120 hours a month receives a monthly wage equal to that paid to employees out of the pockets of the private employers. The President and Works Progress Administration have been endeavoring to do the very difficult thing of paying an hourly wage and yet maintaining a security wage that would not take employees away from private employment.

I think they have handled it as well as it could possibly be handled. If we say we are no longer going to let them adjust that matter to the theory of the needs of the country, and that it must be $40, why should we say $40?

Mr. LEE. Mr. President, will the Senator yield?

Mr. BYRNES. I yield.

Mr. LEE. Forty dollars is about an average, because on one side of the line the payment is $23, and on the other side of the line it is $60, and an average is struck. Will the Senator help me explain to the people in my State why they must do the same work for $23, but across an imaginary line they do the same work for $32, and a little farther away for $56?

Mr. BYRNES. The Senator has heard me discuss the subject of the minimum wage and how this dividing line occurs between States. I would not attempt to do what the Senator says for the reason that the law provides that the payments shall be based upon the prevailing wage scale. I know nothing about the administration of the law. That is the law.

The President fixes the rate under the law. I do not know who fixes it for him, but he is the one who declares it, and if he declares in a given community that the prevailing wage rate shall be $22, as my friend the Senator from Oklahoma said, I assume that he has done so, as Mr. Hopkins testified before our committee, after an investigation had been had. I cannot offer personal testimony about it. That is the statement. But that is what is presumed to be done under the law. If the investigation is not going to be made by the President, and we are going to fix it in the law, I think we ought to give some consideration to the exact amount. I see the temper of the Senate today. If it is going to be a matter of bidding, I am willing to change my attitude and do a little bidding myself.

Mr. BARKLEY. I am not bidding.

Mr. BYRNES. I am willing to bid.

Mr. BARKLEY. We are all governed in our opinions by what we see and know in our communities. I live in a city of 40,000 people, on the south bank of the Ohio River. The W. P. A. workers in that city get $30 a month. They get the prevailing wage, but they do not get more than $30 a month. Across the Ohio River, in a town of 8,000 in Illinois, one-fifth the size of the city in which I live, the W. P. A. workers get $44 a month. It is absolutely impossible to explain to the workmen in the town in which I live why, in a city five times as big as the city across the river, they get only $30 a month while across the river the W. P. A. workers get $44. That is because of this regional arrangement. The town across the river is in region No. 2.

Mr. BYRNES. Mr. President, I understand it.

Mr. BARKLEY. I want to see justice done as among different communities. I do not want to vote without understanding what we are doing. It seems to me there should be some adjustment in the wage scales as between contiguous communities.

Mr. BYRNES. Under the law it is the duty of the administration to make such adjustments, and I assume it is being done.

However, the Senator from Kentucky should know the full story. The fact is that the employees under W. P. A., in order to receive a security wage, do not have to work the whole month. What do they do? They go out and get a job elsewhere. The investigation of my committee showed that in some cities a majority of them were working on other jobs and competing with organized labor. Carpenters, paperhangers, painters, and other craftsmen went out in the suburbs and took jobs, receiving less money than they received from the W. P. A., but keeping some other man, who was not on relief, from getting a job at all. I offered an amendment, which was adopted, in order to try to prevent that situation. The Senator very properly says he is thinking of doing justice to that fellow; but I am thinking of doing justice to the craftsman who has not gone on relief, who is not on any W. P. A. project, and who is helping to contribute the money to pay the people on W. P. A. projects. Those men are working, and they have to compete with the men on W. P. A., who, under the wage paid, work not more than 120 hours a month, and then go out and compete with the men who have never enjoyed W. P. A. jobs. The men who are not on relief are entitled to some consideration.

What shall we do? Shall we say, "Regardless of the prevailing wage, you, John Smith, can drive to your job today,

and as you stop to buy gasoline, you will pay a tax to the Government. We will take that money and give it to one of your competitors, put him on a W. P. A. job, and let him work only 120 or 100 hours a month, and we will pay him a minimum wage of $40. With that security wage, armed with $40, he can go forth for a few hours and compete with those of you who have been unwilling to go on relief, who are willing to stand on your feet and fight your battles in life. This man with $40 in his pocket, assured that he will not receive less, no matter how many hours he works, will go out and take a job from you."

I think the man who has not gone on relief, and who is standing up and fighting his battle in life, is entitled to some consideration from us.

Mr. PEPPER. Mr. President, will the Senator from South Carolina yield for a question?

The PRESIDING OFFICER. The time of the Senator from South Carolina has expired.

Mr. PEPPER. Then I shall ask the question in my own time if the Senator will be good enough to respond.

On page 9 of the joint resolution, I observed in italics what I understand to be the amendment which was offered by the Senator from South Carolina to the effect—

> That in the event the Congress or any Federal agency so authorized by act of Congress shall establish minimum rates of pay for persons employed by private employers in any occupation, such minimum rates of pay shall be paid to persons in similar occupations in the same locality employed on projects under the foregoing appropriation.

Is that correct?

Mr. BYRNES. I will say to the Senator that I offered a substitute for that amendment, which is substantially the same, but which merely perfected the amendment. I have been extremely interested in this subject, and have the same views as the Senator from Oklahoma. In an effort to adjust the matter we have been following one course.

The Senator is on the conference committee with respect to the Labor Standards Act. I merely wanted to provide that any minimum wage scale which shall be determined by the conference committee and adopted by Congress, if it is to be applied to the individual, shall also be applied to Works Progress projects.

Mr. SCHWARTZ. Mr. President, will the Senator yield?

Mr. PEPPER. I yield.

Mr. SCHWARTZ. I am wondering whether the Senator would request that the amendment, as finally adopted, be read. It is different from the amendment in the joint resolution. I think we would understand the situation more clearly if the amendment now in the joint resolution were read.

Mr. BYRNES. I can advise the Senator what it is. I think the Senator from Wyoming has reference to my amendment.

Mr. SCHWARTZ. Yes; I am talking about the Senator's amendment.

Mr. BYRNES. I can advise the Senator that I changed my amendment for two reasons. I wanted to make certain that it would apply only to the Labor Standards Act and not to the Walsh-Healey Act, because otherwise there would be two different standards. I also changed it so as to make certain that it did not affect those States which paid a higher wage than the W. P. A. I wanted to provide that the wage paid on W. P. A. should be not less than the wage fixed in the Labor Standards Act.

Mr. PEPPER. Did the amendment of the Senator provide that all W. P. A. workers should receive as a minimum wage whatever minimum wage might be fixed by the wage and hour bill?

Mr. BYRNES. That is substantially what it does.

Mr. PEPPER. The reason I ask that, Mr. President, is because in the committee amendment it was merely provided that persons engaged in the same kind of work should be paid the minimum wage.

Mr. BYRNES. That is the reason it was changed.

Mr. PEPPER. The wage and hour bill which may be passed would apply only to interstate commerce, whereas most of the W. P. A. workers, if not all of them, are engaged in intrastate commerce.

Mr. BYRNES. The substitute was offered having in mind the complication which the Senator suggests.

Mr. PEPPER. The spirit of the amendment to which the Senator from South Carolina referred is to fix a minimum wage for W. P. A. workers at the same figure as is fixed for persons engaged in interstate commerce under the provisions of the wage and hour bill which the Congress may approve. It seems to me that we all recognize that we cannot affect intrastate commerce by our wage and hour bill. There will possibly be certain exemptions in whatever bill we may pass even with respect to interstate commerce. Let us assume that the wage and hour bill should fix a minimum wage of 25 cents an hour which should prevail in interstate commerce as a minimum wage all over the United States. If the amendment of the Senator from Oklahoma were adopted, that would mean 25 cents an hour for a 40-hour week, or $40 a month, in the manner provided in the amendment.

So, in the two cases I have supposed there would be a consistency between the provisions of the amendment and the provisions of the wage and hour bill for a minimum wage, if a minimum wage should be provided. The thing in which I am interested, which leads me to favor the amendment of the Senator from Oklahoma, is that the two provisions—that is, the amendment of the Senator from Oklahoma and the wage and hour bill, which may have such a minimum wage—would have a wholesome and helpful influence upon intrastate commerce and upon wages everywhere, in all kinds of occupations, to raise them up to a fair minimum of 25 cents an hour.

Mr. BYRNES. Mr. President, will the Senator yield?

Mr. PEPPER. I yield.

Mr. BYRNES. If the Congress should adopt, not the 25 cents an hour, but 30 cents an hour or 40 cents an hour, under the 3-year program of the House, then there would be an entirely different situation, would there not?

Mr. PEPPER. There would be in such a case as the one suggested.

Mr. BYRNES. We would be fixing a lower wage for W. P. A. workers than was fixed by the Labor Standards Act. Under the provisions of the joint resolution as it now stands, whatever is fixed as to one will govern the other. The only object of the amendment was to avoid having two standards. If there were any assurance that the same rate would be fixed, there would not be two standards. If we provide that whatever is done in the one case shall govern the other, we make certain that there will not be two yardsticks.

Mr. PEPPER. Does the amendment provide that the rate of $40 a month shall be the maximum, or that the wage shall be not less than that amount? If it were the minimum, I think the suggestion of the Senator from South Carolina would not necessarily obtain.

I think all of us will agree that in any kind of business or any kind of work, 25 cents an hour is at least a fair minimum wage. The compensation received by the worker should not be lower than that. Personally I am very anxious to see influences emanate from the Congress which would tend to raise wages in the States, as they should have been raised long ago by the State legislatures, but for the fact that influences of one kind or another have retarded the increase in wages to a fair minimum.

I know that the Walsh-Healey Act, originally adopted to apply only to a particular class of governmental contracts, has had a very helpful effect in fixing minimum wages in occupations which were not directly affected by that law. A little while ago a State contractor in my State was telling me of his experience under the governmental regulation fixing reasonable wages and reasonable hours of work for his employees. He said that before the Government established such provisions under the Walsh-Healey Act, the contractors worked their labor from sunup to sundown—"from can to can't," as they say—and they paid their labor whatever they had to pay, depending upon the plentitude of the labor supply.

When the Government proposed the application of fair wages and hours standards to their work, they resisted it with all the effort they could command, because they honestly and earnestly thought they would be ruined by such regulation. They finally had to come to an observance of the governmental regulations. After a couple of years' experience under such regulation, this particular contractor was telling me that the experience with it was so satisfactory, the profits were so satisfactory, and so much better under a better standard of wages and hours that when contracts were carried out under the State road department, where the specifications were the same, and the requirements in the performance of the work were the same, and yet where no standard of wages prevailed by law or regulation, they voluntarily observed the same wages and hours standards which the Federal Government had imposed.

They did so—not out of altruism but out of a spirit of selfish interest—because they actually made more money by working their men a fewer number of hours and paying them a fair wage than they did under the old system which had theretofore prevailed. So, personally, I am glad to see all these trends in the direction of paying a fair wage, and, as the Master said long ago, recognizing that the laborer is worthy of his hire.

The PRESIDING OFFICER. The question is on the amendment, as modified, offered by the Senator from Oklahoma [Mr. LEE] on behalf of his colleague.

Mr. BORAH. Mr. President, I think this amendment is rather modest. The figures presented are those being discussed as minimum-wage figures in the bill which are now under consideration in conference. We are starting at 25 cents an hour. Perhaps next year the minimum will be increased to 30 cents an hour, and it may be still further increased until it reaches 40 cents an hour.

There may be something in what the Senator from South Carolina [Mr. BYRNES] says as to confusing the matter, although I do not see it. One of the things which the President expressed as his hope and his theory with regard to the entire program was that it would build up consuming power or purchasing power. We are not going to build up any purchasing power or any consuming power in this country, from the wage side of the controversy, by paying only 30 cents an hour, or $40 a month. I think the amendment should be adopted.

Mr. BYRNES. Mr. President, will the Senator yield?

Mr. BORAH. I yield.

Mr. BYRNES. The object of the Labor Standards Act as applied to the monthly wage was to provide 40 cents an hour for at least 40 hours a week, which would be $16 a week, or $64 a month. The amendment would provide a minimum of $40 a month.

Mr. BORAH. I said that I thought the amendment was rather modest.

Mr. BYRNES. I wondered if that was what the Senator had in mind?

Mr. BORAH. I believe, Mr. President, in fairly high wages being paid by the Government under this program, for the reason that every dollar that is paid to the wage earner will be paid out for food and for clothing and to the merchant, which will put money in circulation and build up purchasing power. We cannot accomplish anything along that line by what I regard as close to starvation wages.

Mr. BYRNES. What I was suggesting to the Senator was this: This Senator's view is that the minimum wage should be 40 cents an hour, and that is the object of the labor-standards bill as it passed the House.

Mr. BORAH. Ultimately, 40 cents an hour.

Mr. BYRNES. For 40 hours a week.

Mr. BORAH. For 40 hours a week.

Mr. BYRNES. That is $16 a week.

Mr. BORAH. That is the minimum wage.

Mr. BYRNES. Yes; the minimum wage, and for 4 weeks that makes $64 a month. If that should be the minimum wage under the provisions of the wage and hour bill, that would have to be paid. Under this amendment it is $40 a month instead of $64.

Mr. BORAH. I said I thought the amendment was rather modest.

Mr. BYRNES. It is already in the bill as passed by the Senate which is in conference and the Senator is one of the conferees. If the Senator shall support that provision and the bill shall be enacted in that form it will provide for $64 a month, and that would be the wage hereafter under the pending measure as it now stands.

Mr. BORAH. If my vote determines it, I will vote for that proposal.

Mr. BYRNES. That is what is in the bill now.

Mr. BORAH. We are beginning with 25 cents, and we are increasing it the next year to 30 cents. That is what the bill provides; that will be the situation for the next 2 years, and this amendment covers a period which will be covered by the minimum-wage bill.

Mr. BYRNES. I did not know that there had been an agreement upon that.

Mr. BORAH. We have already agreed upon the 25 cents, so far as that is concerned—I think it is proper to say that—and 30 cents for next year. This amendment, if it shall be adopted and become a part of the law, will be operating at a time when we are operating under a 25-cent and 30-cent wage under the minimum-wage law.

SEVERAL SENATORS. Vote.

The PRESIDING OFFICER. The question is on the amendment offered by the Senator from Oklahoma, as modified.

Mr. GEORGE and others asked for the yeas and nays.

Mr. RUSSELL. Mr. President, I merely wish to state that it is my opinion that the Senator from Kentucky put his finger on the weak point in the existing wage scale under the Works Progress Administration, and that is that the Works Progress Administration has arbitrarily arranged regions in which they have sought to fix the prevailing wage. I regret very much to disagree with my good friend from South Carolina, but the President of the United States has nothing whatever to do with fixing the prevailing wage. Under section 9 of the measure before us, which is the same language we have inserted in previous legislation, the Works Progress Administration fixes the prevailing wage. We all know, as a practical matter, that in communities and in cities and in sections of the country where labor is not organized the prevailing wage is much lower than it is in sections where labor is organized. I do not see how anyone can oppose a proposal that the prevailing wage on any Works Progress project shall not be less than $40 a month. I do not see how any man can support a family on less than $40 a month.

Reference has been made to the security wage. The security wage was abandoned in 1935 or 1936. Since that time we have been proceeding on the Works Progress Administration projects on the basis of the prevailing wage, and certainly the Congress cannot afford to say, whether or not any wage and hour legislation shall ever be passed, that any man in the United States who is willing to work for an entire month of 30 days shall not draw as much as $40 per month for his labor. That is all this amendment embraces. It does not attempt to fix an hourly rate; it leaves that to the hope that the conferees will be able to agree upon a wage and hour bill; but it merely says that no person who toils for an entire month on a Works Progress Administration project shall be compelled to take home to his family, in an effort to support his family, less than $40 a month.

I think it is a very modest amendment, as has been stated by the Senator from Idaho, and I hope the Senate will adopt it.

Mr. BYRNES. Mr. President, will the Senator from Georgia yield?

Mr. RUSSELL. I yield.

Mr. BYRNES. I merely wish to say the Senator's statement is correct in that under this bill the Works Progress Administration will fix the prevailing wage rate, for in this measure, for the first time, we have changed the form of previous bills and have given the power to the Works Progress Administration instead of the President. In every

bill up to this time the wages have been fixed by the President for the current year and all other years. Under this measure they are to be determined by the W. P. A., with the approval of the President. The President passes upon the question.

Mr. RUSSELL. I know my friend from South Carolina is much more familiar with this legislation than am I, and I would not quibble with him over the very small matter as to who is to fix the wages. I think that every Member of this body knows that the wages fixed where labor is organized have been much higher than in sections where there was no organized labor, and there is certainly no reason why the Senate should reject this very modest amendment that provides only $40 a month.

Mr. PEPPER. Mr. President, I have examined the amendment in the hands of its introducer, and I want it to be clear that the amendment provides that the rate of pay shall be at a rate not less than $40 a month. If I am incorrect in that, I wish the clerk would state it to the contrary, so that if the wage-hour bill should fix a higher minimum than is provided by this amendment the provision of the wage and hour bill would prevail, due to another amendment that is in the pending measure.

The PRESIDING OFFICER. The clerk will read the amendment as modified.

The CHIEF CLERK. On page 9, line 22, after the word "administration", it is proposed to insert a colon and the following:

Provided, That in no case shall the monthly compensation for persons engaged in projects under the foregoing appropriation be at the rate of less than $40.

Mr. COPELAND. Mr. President, I cannot see how any Member of the Senate can decline to vote for this amendment. If I had my way, I would increase the minimum beyond $40 a month. If we are to make this money useful in the hands of the recipients and enable them to keep the wolf from the door they have got to have more than $40 a month. So far as I am concerned, I want to say to the author of the bill and to others that, instead of that, I would vote for a higher minimum. I do not see why it was not fixed at $50 or $60 a month. Certainly I can hardly imagine that there could be a vote against this amendment providing a minimum of $40 a month.

Mr. LODGE. Mr. President, I should like to associate myself with the remarks of the Senator from New York. I ask that the amendment be stated, if it is ready to be stated.

The PRESIDING OFFICER. The clerk will again read the amendment offered by the Senator from Oklahoma [Mr. LEE], as modified.

The CHIEF CLERK. On page 9, line 22, after the word "administration", it is proposed to insert a colon and the following:

Provided, That in no case shall the monthly compensation for persons engaged in projects under the foregoing appropriation be at the rate of less than $40.

Mr. COPELAND. Mr. President, is an amendment in order to this amendment? I presume it would be in the third degree.

The PRESIDING OFFICER. It would be in order.

Mr. COPELAND. I wish I might prevail upon the author of the amendment to increase the amount to $50 a month.

Mr. LEE. I am sorry; I could not agree to that. That would be arbitrary. This is a minimum, a floor, a bottom and at about an average between the wage scales that are now prevailing.

Mr. COPELAND. Of course, I confess that I have not been a close student of the subject, but I know enough about human beings and human needs to realize that $40 a month is a very small amount of money to pay persons in distress.

Mr. LEE. If we should raise it higher than that, the labor on the farms would quit the farms and get on the pay rolls.

Mr. BYRNES. The labor on the farms in most of the States is paid about $21, and if we raised it from $40 to $50 the laborers would leave the farms.

Mr. NORRIS and Mr. ADAMS addressed the Chair.

The PRESIDING OFFICER. The Senator from Nebraska.

Mr. NORRIS. Mr. President, I am considerably worried about this amendment and about what is in the bill already. I do not quite understand, although it seems everybody else does, just the predicament we are in. The Senator from Colorado and the Senator from South Carolina also have quoted the provision which has already been put in the bill. We have provided that not less than the prevailing wage shall be paid, and then a proviso has been added to the effect that in case the Congress enacts any other law fixing the rate of wages, the wages and hours fixed by such act shall be the wages in force under this measure. I wonder if I am right in that?

Mr. BYRNES. That is a correct statement of the situation as the joint resolution now stands.

Mr. O'MAHONEY. Mr. President, will the Senator yield?

Mr. NORRIS. Yes.

Mr. O'MAHONEY. If I understand the question correctly, and if I have heard the statement of the Senator from South Carolina, that is not the case. The amendment has been altered, if I am correctly advised, in the joint resolution as reported, and it is not now provided that any minimum wage fixed in the Labor Standards Act shall be paid but that the rate shall not be less than that.

Mr. BYRNES. Mr. President, I understood the Senator from Nebraska to say what the Senator from Wyoming has now stated—that the measure originally provided, as every previous bill has provided, that not less than the prevailing wage scale should be paid, as a result of the fight that we had here a few years ago over the so-called McCarran amendment. So there is a proviso that if a minimum wage is established, not less than that minimum wage shall be paid to any employee.

Mr. NORRIS. That is my understanding of what is now in the joint resolution.

Mr. BYRNES. That is correct.

Mr. NORRIS. What I am wondering about is whether, if this amendment is agreed to, there will be a conflict between the rest of the joint resolution referring to labor and the amendment which we now propose to put in. Will there be a conflict between them?

Mr. BYRNES. That is my only fear about the matter. If 25 cents an hour should be fixed, as the Senator from Idaho indicated, I think it would amount to the same thing. If it should be higher, then a lesser amount would be paid. That has been cured, in a measure, by the amendment.

Mr. PEPPER. Mr. President——

Mr. NORRIS. I hope Senators will not take all of my time. I want to get information from them.

Mr. PEPPER. If the Senator will allow me, I am a member of the conference committee, and am a little bit advised about the tendency of that committee. I dare say there will not be any agreement on a figure less than 25 cents an hour.

Mr. NORRIS. All right.

Mr. PEPPER. But——

Mr. NORRIS. Regardless of what it may be, I am assuming that we are going to pass—I hope we shall do so—a wage and hour bill, and that we are going to pass this joint resolution. Suppose there is a conflict between the wage and hour bill and this joint resolution when it is finally enacted.

Mr. PEPPER. There would not be.

Mr. NORRIS. That is what I am afraid would happen if we should agree to this amendment.

Mr. PEPPER. I can answer the Senator's question.

Mr. NORRIS. I remember, Mr. President, when we provided by law for the payment of not less than the prevailing wage, that that was considered a great victory for labor.

There was a rather bitter debate, lasting a long time here in the Senate, on that very question—whether we should

provide by law that not less than the prevailing wage should be paid. I was one who favored fixing wages at the prevailing rate in the community where the project was located. That seemed to be satisfactory. That, in effect, as far as anything under this joint resolution is concerned, will be repealed, as I understand, if this amendment shall be agreed to, because this amendment will fix the wage higher than the prevailing wage in some places and lower in other places; and then will come the law which we probably shall enact in a few days, providing for a minimum wage and maximum hours of labor.

If that also conflicts, what are the officials of the Government going to do, and what kind of a dilemma will they be in? And, after all, is it not true that all Senators who believe in the wage and hour bill that we are going to pass on in a few days desire to be satisfied that whatever we fix in the way of wages and hours in that bill shall control in this joint resolution and every other measure all over the United States, whatever may be provided for, if we pass, as we think we shall, that kind of a bill?

Mr. PEPPER. Mr. President——

Mr. NORRIS. I yield to the Senator from Florida.

Mr. PEPPER. I think I can state the matter clearly by stating three things.

Under the old bill, the rate of pay was the prevailing wage. Under the amendment which has been put into the joint resolution as it now stands, leaving out of consideration the pending amendment, the wage will be the minimum fixed by any wage and hour bill which we may enact.

Mr. NORRIS. The bill provides that the prevailing wage shall be the wage; but if Congress, in a subsequent act, should fix a rate of minimum wages and maximum hours that should prevail, in that case what we have provided in all the other legislation we have passed about prevailing wages would give way to the new law that we passed, if we should pass it.

Mr. PEPPER. Mr. President, the present and pending amendment merely provides that the rate of pay for the W. P. A. worker shall not be less than at the rate of $40 per month. The only occasion on which there would be a conflict between what is now in the joint resolution and this amendment would be in the event that the wage and hour bill fixed a minimum wage lower than at the rate of $40 a month.

Mr. NORRIS. All right. Let us suppose that when we pass the bill on wages and hours which we all expect to pass—and when we pass it, of course, we want it enforced according to the spirit and letter of the law itself—let us suppose that the minimum wage is fixed at $39 a month, and that this amendment is agreed to, and the wage is fixed at $40 a month: What are we going to do about it?

Mr. PEPPER. This amendment would prevail.

Mr. NORRIS. Exactly. Over part of the country, where this joint resolution prevailed, the minimum wage would be $40 a month; and the law for which we have been working for years, fixing a minimum wage, would be null. It would not have any effect. If this amendment is going to prevail, and that law conflicts with it, then this will be the law, and not the law we are going to pass on hours and wages.

That is what I am afraid of. I am not satisfied in my own mind that we are going to get out in the clear on it.

Mr. BORAH. Mr. President, may I make a suggestion to the Senator?

Mr. NORRIS. Yes.

Mr. BORAH. There is no possibility, I think, under the wage and hour bill, of any wage in excess of 25 cents an hour for the next 2 years.

Mr. NORRIS. Now, let us take that statement. Does it not follow that there will be a conflict, if that bill is passed and this amendment is agreed to, between the two laws?

Mr. BORAH. No; because this wage will be in excess of the amount provided for in the wage and hour bill.

Mr. NORRIS. This amendment does not cover the whole country, as that measure would. This one does not cover everything, I take it.

Mr. BORAH. No; it simply covers W. P. A. work.

Mr. NORRIS. Yes. That one would cover all kinds of work, would it not?

Mr. BORAH. It would cover all kinds of work, but the wages fixed are different.

Mr. NORRIS. Yes.

I do not know whether or not I make myself plain. I do not know whether it is possible for me to do it; but I think right there, in the Senator's statement, there is something that will necessarily bring a conflict.

Suppose we adopt this amendment. It applies to the W. P. A. and the P. W. A. It does not have any application to private employment. Suppose we pass the wage and hour bill, and, as the Senator says, it starts out at 25 cents an hour. That will apply to private employment; will it not? It will apply to everything except W. P. A. and P. W. A., and that will be governed by this law, will it not?

Mr. BORAH. Yes.

Mr. NORRIS. And there will be a conflict because of the difference between the wage of 25 cents an hour for men employed on a private project by private parties, while just across the street men will be paid 40 cents an hour under this amendment on a P. W. A. project. Those things cannot work properly side by side, it seems to me.

Mr. BORAH. Perhaps not. There may be a conflict there. If there is, we want to work it out, because we certainly do not want the P. W. A. working upon a minimum-wage basis in this country. We are simply fixing a minimum wage in the wage and hour bill. We certainly do not desire to have the P. W. A. workers confined to a minimum wage.

Mr. BYRNES. Mr. President, will the Senator yield?

Mr. NORRIS. In just a moment. That, I think, is all right, except that if we do have P. W. A. laborers paid at one rate and the other laborers paid at another rate, I do not see how we can have the two systems working along side by side. That is what I am afraid we are going to get into if we adopt this amendment.

Mr. BYRNES. Mr. President, the Senator is correct. The amendment does not say that the minimum wages shall not prevail. It says that not less than the minimum wages established shall be paid.

Mr. O'MAHONEY. Mr. President, I ask for order.

The PRESIDING OFFICER. The point is well taken.

Mr. O'MAHONEY. Mr. President, will the Senator from Nebraska yield to me for a moment?

Mr. NORRIS. Yes; I will.

Mr. O'MAHONEY. I have been following with a great deal of interest the statement the Senator from Nebraska has been making in explanation of this measure. I think I have finally gotten it through my own head.

We begin with the first provision in section 9, which is to the effect that—

> The rates of pay for persons engaged upon projects under the appropriations in this title shall be not less than the prevailing rates of pay.

That is proposition No. 1. The rates of pay shall be not less than the prevailing rates of pay. That provision was written into a similar bill several years ago when it was first under consideration.

The amendment offered by the Senator from South Carolina [Mr. BYRNES] offers a floor. It provides that if the Labor Standards Act is passed, and minimum wages are there fixed, the compensation paid shall not be less than that rate of wages. First, we pay the prevailing rate of wages. If the prevailing rate of wages is higher than the rate established in the Labor Standards Act, the prevailing rate of wages shall be paid.

The amendment offered by the Senator from Oklahoma [Mr. LEE] adds another floor, and provides that the compensation shall in any and all events not be less than at the monthly rate of $40 a month.

So the inevitable effect of these three propositions being interpreted together is that whichever rate of wages is the highest will be paid—the prevailing rate of wages, the minimum rate in the Labor Standards Act, or at the rate of $40 a month. I ask the Senator from South Carolina whether I have not explained it as he understands it?

Mr. BYRNES. That is a correct statement.

Mr. NORRIS. Mr. President, that still does not explain the matter fully to me. I still think there is a confliction which will be bothersome, which will come home to trouble us. I can see how the amendment which was offered by the Senator from South Carolina, and which was agreed to, and the proviso added to it to which the Senator from Colorado called our attention, are not in conflict. One provides for the prevailing wage, the other is a proviso which provides that if Congress shall pass a different law, the new law shall govern, and the prevailing wage will be out of the picture entirely.

Mr. O'MAHONEY. Mr. President, will the Senator yield, because the statement is not accurate, is not correct.

The PRESIDING OFFICER. The time of the Senator from Nebraska has expired.

Mr. O'MAHONEY. Mr. President, in order that the Senator from Nebraska may conclude his statement, I desire in my own time to yield to him that he may at least conclude his sentence.

Mr. NORRIS. Mr. President, I recognize that as very kind of the Senator, and I appreciate it very greatly. I also recognize that under the spirit of the agreement which has been entered into that cannot be done. One Senator cannot yield his time to another. Although that has been done frequently in the consideration of the pending measure, it seems to me it has always been wrong, and I do not wish to be a party to a violation of the unanimous-consent agreement.

Mr. O'MAHONEY. Then let me say that if I understand the statement made by the Senator from Nebraska he misunderstands the purport of both of these amendments, because neither the amendment of the Senator from North Carolina nor the amendment now offered by the Senator from Oklahoma requires that the rate of wage mentioned in either amendment shall be paid. In each event it is not to be less than such and such a rate.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the junior Senator from Oklahoma [Mr. LEE] on behalf of the senior Senator from Oklahoma [Mr. THOMAS].

Mr. COPELAND. I ask for the yeas and nays.

The yeas and nays were ordered, and the Chief Clerk proceeded to call the roll.

Mr. SHIPSTEAD (when his name was called). Making the same announcement as before, I transfer my pair to the junior Senator from North Dakota [Mr. NYE] and vote "yea."

The roll call was concluded.

Mr. DAVIS (after having voted in the affirmative). I have a general pair with the junior Senator from Kentucky [Mr. LOGAN], and in his absence, not knowing how he would vote, I withdraw my vote.

Mr. BILBO. On this vote I have a pair with the Senator from Utah [Mr. KING]. If he were present, he would vote "nay," and if permitted to vote I should vote "yea."

Mr. COPELAND. Has the Senator from Indiana [Mr. VAN NUYS] voted?

The PRESIDING OFFICER. That Senator has not voted.

Mr. COPELAND. I understand that if present the Senator from Indiana would vote "yea."

Mr. AUSTIN. I wish to announce that the Senator from New Hampshire [Mr. BRIDGES] has a general pair with the Senator from North Carolina [Mr. REYNOLDS].

Mr. LEWIS. I announce that the Senator from Arizona [Mr. ASHURST] and the Senator from Oregon [Mr. REAMES] are detained from the Senate because of illness.

The Senator from Tennessee [Mr. BERRY], the Senator from New Mexico [Mr. CHAVEZ], the Senator from Missouri [Mr. CLARK], the Senator from Illinois [Mr. DIETERICH], the Senator from Ohio [Mr. DONAHEY], the Senator from Wisconsin [Mr. DUFFY], the Senator from Iowa [Mr. GILLETTE], the Senator from Virginia [Mr. GLASS], the Senator from Utah [Mr. KING], the Senator from Kentucky [Mr. LOGAN], the Senator from California [Mr. MCADOO], the Senator from Arkansas [Mr. MILLER], the Senators from New Jersey [Mr. MILTON and Mr. SMATHERS], the Senator from Nevada [Mr. PITTMAN], the Senator from North Carolina [Mr. REYNOLDS], the Senator from South Carolina [Mr. SMITH], and the Senator from Maryland [Mr. TYDINGS] are detained on important public business.

Mr. LEE. I announce that my colleague [Mr. THOMAS] is detained on public business. If present and voting, he would vote "yea."

The result was announced—yeas 41, nays 27, as follows:

YEAS—41

Andrews	Gibson	Lundeen	Schwartz
Austin	Harrison	McCarran	Shipstead
Barkley	Hitchcock	McGill	Townsend
Bone	Holt	McKellar	Vandenberg
Borah	Johnson, Calif.	McNary	Wagner
Capper	Johnson, Colo.	Maloney	Walsh
Caraway	La Follette	Neely	Wheeler
Connally	Lee	O'Mahoney	White
Copeland	Lewis	Overton	
Frazier	Lodge	Pepper	
George	Lonergan	Russell	

NAYS—27

Adams	Byrd	Hayden	Pope
Bailey	Byrnes	Herring	Radcliffe
Bankhead	Ellender	Hill	Schwellenbach
Brown, Mich.	Green	Hughes	Sheppard
Brown, N. H.	Guffey	Minton	Thomas, Utah
Bulow	Hale	Murray	Truman
Burke	Hatch	Norris	

NOT VOTING—28

Ashurst	Davis	King	Reames
Berry	Dieterich	Logan	Reynolds
Bilbo	Donahey	McAdoo	Smathers
Bridges	Duffy	Miller	Smith
Bulkley	Gerry	Milton	Thomas, Okla.
Chavez	Gillette	Nye	Tydings
Clark	Glass	Pittman	Van Nuys

So the amendment offered by Mr. LEE on behalf of Mr. THOMAS of Oklahoma was agreed to.

Mr. FRAZIER. Mr. President, I offer two amendments in behalf of my colleague [Mr. NYE], and inasmuch as their provisions interlock, I ask unanimous consent that they may be stated together and voted upon together.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will read the amendments.

The LEGISLATIVE CLERK. The first amendment is on page 3, line 8, after "$655,500,000", to insert a colon and the following:

Provided, That not to exceed $30,000,000 of this amount shall be expended for work-relief labor on water-conservation projects in the Great Plains, arid, and semi-arid areas of the United States.

The second amendment is on page 20, line 21, after "agencies" to insert a semicolon and the following:

and the sum of $30,000,000, to be expended by the Secretary of the Interior for construction of water conservation projects in the Great Plains, arid and semiarid areas of the United States; the Secretary of the Interior to select the projects, to supervise their construction, and, by cooperative agreement with the Works Progress Administrator, to allocate the costs of each project between public works expenditures to be met from funds made available in this subsection and work relief expenditures, the costs allocated to work relief expenditures to be met from the $30,000,000 made available, for work relief labor on such projects, in title I, section 1 (1), (d), (3) of this act; said Secretary to require repayment to the United States, without interest, over a period of not to exceed 40 years, of such percentage of the total cost of each project as he, in his discretion, determines, repayment to be made under a contract, or contracts, executed by said Secretary with a water users' organization, or organizations, satisfactory to him; said contract, or contracts, to contain such provisions respecting ownership and operation and maintenance of the project works as said Secretary may in his discretion require; receipts of the United States from such contracts to be covered into the Treasury as "Miscellaneous receipts": *Provided*, That said Secretary may in his discretion construct and lease said projects, or any of them, with or without the privilege of purchase, to any public agencies or water users' organizations.

Mr. FRAZIER. Mr. President, the first amendment provides that not to exceed $30,000,000 shall be set aside out of title I for work-relief labor on water-conservation projects in the Great Plains States. The Reclamation Bureau has approved a number of projects in the Great Plains States for

reclamation purposes, and it is very necessary that this work be done.

It seems that in some instances there is not going to be enough money to pay for both the project and the work. The amendment simply provides that not to exceed $30,000,000 of the work-relief money shall be made available for conservation projects in the Great Plains States.

The second amendment is an amendment to title II, and provides that the money shall be allocated for the use of the Secretary of the Interior to carry out the projects which have been approved by the Reclamation Bureau under the Interior Department for this purpose. It also provides that the project may be built and leased out to private companies if that is felt to be advisable.

Mr. President, the Great Plains States comprise the area where a severe drought condition has existed for several years. A great deal of money has been spent there for relief. If irrigation projects are initiated, many people will be taken off relief. At the present time there are many farmers on relief in those great States—in the so-called Dust Bowl. If irrigation projects can be established, it will take a great many of those farmers off relief. If there is any place where work of this kind is needed, it is in the Great Plains States.

I hope the amendment will be adopted.

Mr. COPELAND. Mr. President, will the Senator yield?

Mr. FRAZIER. I yield.

Mr. COPELAND. How much is the amount involved?

Mr. FRAZIER. Not to exceed $30,000,000, to be taken from the relief work to be used for work on these irrigation projects.

Mr. COPELAND. It seems to be a very meritorious project. I wish the Senator success.

Mr. HAYDEN. I do not quite understand the $30,000,000 provision. Is it proposed to take $30,000,000 from W. P. A. and another $30,000,000 from the Public Works Administration?

Mr. FRAZIER. No; the same $30,000,000 is referred to in both amendments, to be used by the Secretary of the Interior.

Mr. HAYDEN. It is proposed to rob Peter to pay Paul. The Senator is proposing to take money away that is needed to provide work for the unemployed generally throughout the United States, transferring it from the Works Progress Administration over to the Public Works Administration, and then earmarking it for a particular group of reclamation projects.

Mr. FRAZIER. It simply transfers work projects from W. P. A. to P. W. A. Money is provided for the work relief, and this is work relief just the same, because in the drought States we have plenty of men who want to work.

Mr. HAYDEN. But the joint resolution is based on an estimate submitted by the Bureau of the Budget to Congress upon the theory that a certain amount of money is needed by the Works Progress Administration to take care of the unemployed generally throughout the United States. The Senator now proposes to reduce that amount by $30,000,000.

Mr. FRAZIER. It is not a reduction, because it provides for that work relief just the same, only it applies this work relief to P. W. A. work.

Mr. HAYDEN. We tried that out, and it was not successful at all.

Mr. FRAZIER. We have had some cooperation in some places between the P. W. A. and W. P. A., and in my opinion there should be more cooperation.

Mr. HAYDEN. It is not cooperation by using W. P. A. labor or men eligible for relief. The Senator proposes to take $30,000,000 in cash away from Mr. Hopkins' organization, and give $30,000,000 in cash to Mr. Ickes' organization. That is the effect of the amendment.

Mr. FRAZIER. Not to exceed $30,000,000 is to be expended for work-relief labor, but on the service projects under the Interior Department.

Mr. HAYDEN. The Public Works Administration operates on a contract system, under which the prevailing rate of wages is paid by a contractor for a full month's work. Relief labor does not enter into that picture at all. Wherever we try to mix relief labor with regular labor it does not work. So that when the Senator says he is going to use relief labor, who is going to select it? Is Secretary Ickes going out to select relief laborers, when he has no organization to do it? It seems to me that the plan is very badly scrambled in that the Senator is trying to apply a W. P. A. idea to a public-works project.

Mr. FRAZIER. Mr. President, it would seem just too bad if we cannot have a little cooperation between two departments of the Government which are working along the same line for work relief and one happens to be the W. P. A. and the other the P. W. A.

Mr. HAYDEN. That is a good theory, but the Senator's experience with the different departments of the Government is that we must give one man a job and let him do it his way, and that when we try to turn a job over to another department and tell it to run the job under the regulations of somebody else the scheme just will not work.

I have another objection to the amendment, and that is the general objection I have to earmarking in the joint resolution. If there is anything in which I am keenly interested, it is the very proposal which the Senator is now presenting, and he knows that I have tried to be helpful in more ways than one in securing money for projects in the Dust Bowl and in the whole Great Plains area.

I do not believe that the Government could spend money in any better way than that suggested by the Senator. But the projects ought to stand on their own merits. The work ought not to be done by taking money away from some other agency which needs it very badly, and before the summer is over is likely to need it more than we anticipate today.

Mr. FRAZIER. Mr. President, it is the same work relief, even though it may be applied to W. P. A. projects. It is the same locality where the work would be done under the present provisions.

Mr. HAYDEN. The Senator is aware that in the very area in which he seeks to have these projects established, there has been, in a number of instances, close cooperation between the Public Works Administration and the Works Progress Administration in furnishing additional assistance on these projects.

Mr. FRAZIER. Yes.

Mr. HAYDEN. And the Senator is also aware that to make that perfectly clear, an amendment has been adopted to the pending joint resolution to allow that very thing to be done. We have increased the amount of money available for Federal projects in the pending joint resolution from $100,000,000 to $200,000,000, so that the chances are quite as good that work of the kind the Senator desires to see undertaken will be done by the enactment of this measure.

I am sorry that I cannot agree that the amendments should be adopted.

Mr. FRAZIER. Mr. President, the Reclamation Bureau has made estimates of projects amounting to practically this sum of money. This seems to be the only way we can be assured of getting the work done, so I hope the amendments may be adopted.

The PRESIDING OFFICER (Mr. TRUMAN in the chair). The question is on the amendments presented by the Senator from North Dakota [Mr. FRAZIER] on behalf of his colleague [Mr. NYE]. It has been agreed that the amendments are to be considered together and voted upon together.

The amendments were rejected.

Mr. BYRNES. I offer an amendment which I ask to have stated.

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. On page 21, line 11, it is proposed to strike out the word "heretofore."

Mr. BYRNES. Mr. President, the only purpose of the amendment is to make available all projects authorized by law. There is, at least, one measure pending in the House which may be adopted by the Congress, but if the pending joint resolution were signed before the other bill the projects authorized by the latter would not be available. I ask for a vote on the amendment.

Mr. McKELLAR. Mr. President, I am thoroughly in favor of the amendment. I think it should be adopted. However, I rise for the purpose of stating that the amendment shown on page 21 of the bill, beginning in line 2, is as follows:

nor for any income-producing project under clause (2) or (3) of subsection (a) of this section which will compete with any existing privately owned or operated public utility the rates of which are now subject to public regulation.

When the amendment was considered yesterday my throat and voice were in such condition that I could not take part in the debate. I fought the amendment in the subcommittee of the Appropriations Committee when it was first presented. I appealed to the full committee, and was overruled in both cases. I am very happy that the Senate struck it out. I think such a course makes for better legislation.

More than two-thirds of the job of harnessing the Tennessee River, backbone of the Tennessee Valley development, is well under way in this, the fifth year of T. V. A. Meanwhile, revenue from sale of incidental power is producing a mounting return on Federal investment in the unified navigation and flood-control phases of this development.

Besides operating Wilson Dam at Muscle Shoals, the Authority has built and tied in two dams, Norris and Wheeler; is completing another, Pickwick Landing Dam; is well under way on three more, Guntersville, Chickamauga, and Hiwassee, and is about to start its seventh dam, Gilbertsville.

These dams will extend a 9-foot navigation channel from the Ohio River an inland distance of nearly 500 miles, or only 150 miles short of the ultimate Knoxville navigation head ordered by Congress. Construction work to date has materially reduced flood discharge into the Ohio River. Complete unification will cut about 2 feet from the flood crest on the lower Mississippi River.

Material dividends on this multi-purpose project are paid through sale of power that otherwise would go to waste. Despite hamstringing litigation, T. V. A. electricity is now wholesaled to 19 municipalities and 16 rural power cooperatives in Alabama, Georgia, Mississippi, and Tennessee. These public bodies retail this power to 35,000 farm and town homes at rates fixed by the Authority, which are less than half the national average. T. V. A. expects power revenues of $3,700,000 for the present fiscal year. This is twice the income for 1937. Incidentally, since the inception of T. V. A., power rates throughout the Nation have decreased some $50,000,000 a year. This is more than the T. V. A. costs in the same period. In spite of its intensive construction program, T. V. A. has spent less than $200,000,000 to date. Number of T. V. A. employees fluctuates between 11,000 and 17,000. Most of this is labor employment, spread among localities in which construction work is going on.

The dams constitute artificial flood control, which must be supplemented by replacement of soil through natural means, such as trees and cover crops, to prevent up-stream erosion with resulting silting-up of the dams. In demonstrating planned forest management, the Authority has set out some 50,000,000 trees and, with the cooperation of the C. C. C., is actively combating nature's eczema with "matting" and check-dams. That the valley farmer in turn has become erosion-conscious is attested by many local terracing clubs which early treat threatened hillsides.

Recreation and wildlife conservation is provided for in parks in the reservoir-control areas which T. V. A. has established in conjunction with the National Park Service. The self-paying Norris and Big Ridge Reservations are outstanding examples. Reservoirs have been stocked with fish in collaboration with the Bureau of Fisheries. A waterfowl refuge has been created in the Wheeler Dam area. To date nearly 3,000,000 persons have visited scenes of T. V. A. activities.

In putting the long-idle Muscle Shoals "white elephant" to work, the Authority has produced more than 100,000 tons of a high-concentrate phosphatic fertilizer material which has been distributed to 38 States and Puerto Rico for demonstration use in stimulating cover—not food—crops under supervision of Federal, State, and local agricultural agencies.

At the same time, nitrate plant No. 2 is maintained in stand-by condition for national-defense purposes. At this plant incidental experiments are being conducted with military phosphates. Here research also involves manganese and other mineral deposits of the valley which, besides being potentially useful to industry, fit into the national-defense program, in which a linking up of power facilities is an important item.

To secure a balance between agriculture and industry T. V. A. is initiating industries peculiar to the region. At Norris, for example, it is demonstrating that cheap power plus native kaolin can produce chinaware heretofore imported. Private initiative has become interested in the general development of minerals and other natural valley deposits. Communities have established cooperative canneries and refrigeration facilities to conserve foodstuffs, and the University of Tennessee is sponsoring a refrigerator barge for river transportation.

Besides serving as an example in modern housing, the all-electric town of Norris measures the cost of electricity as generously put to household use under favorable rates. Norris town itself earned a $12,000 surplus last year and is expected to nearly double that figure this year.

The T. V. A. power program with respect to Wilson Dam (Ashwander case) was upheld by the United States Supreme Court February 17, 1936, and the program as a whole was unanimously affirmed by a special three-judge Federal court at Chattanooga January 21, 1938.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from South Carolina [Mr. BYRNES].

The amendment was agreed to.

Mr. BYRNES. Mr. President, I wish to offer another amendment. I have spoken to the chairman of the subcommittee with reference to the amendment. I move to strike out section 2, beginning on page 6, line 15, and in lieu thereof to insert the amendment I send to the desk.

The PRESIDING OFFICER. The amendment offered by the Senator from South Carolina [Mr. BYRNES] will be stated.

The LEGISLATIVE CLERK. On page 6, after line 14, it is proposed to strike out section 2 and to insert in lieu thereof a new section 2, as follows:

SEC. 2. The funds appropriated in this title to the Works Progress Administration shall be apportioned and distributed over the period ending February 28, 1939, and the funds appropriated in this title to the Secretary of Agriculture, to the Works Progress Administration for the National Youth Administration, and to the other agencies, shall be apportioned and distributed over the 12 months of the fiscal year ending June 30, 1939.

Mr. BYRNES. Mr. President, I should like to state the reason for offering this amendment. The antideficiency law reads as follows:

All appropriations made for contingent expenses or other general purposes, except appropriations made in fulfillment of contract obligations expressly authorized by law, or for objects required or authorized by law without reference to the amounts annually appropriated therefor, shall, on or before the beginning of each fiscal year, be so apportioned by monthly or other allotments as to prevent expenditures in one portion of the year which may necessitate deficiency or additional appropriations to complete the service of the fiscal year for which said appropriations are made; and all such apportionments shall be adhered to and shall not be waived or modified except upon the happening of some extraordinary emergency or unusual circumstance which could not be anticipated at the time of making such apportionment, but this provision shall not apply to the contingent appropriations of the Senate or House of Representatives; and in case said apportionments are waived or modified as herein provided, the same shall be waived or modified in writing by the head of such executive department or other Government establishment having control of the expenditure, and the reasons therefor shall be fully set forth in each particular case and communicated to Congress in connection with estimates for any additional appropriations required on account thereof.

That is the law as it now stands. A criminal penalty is provided for violation of the law. The law is much stronger than the language of the joint resolution. I therefore believe that section 2 should not be insisted upon.

Mr. COPELAND. Mr. President, will the Senator yield?

Mr. BYRNES. I yield.

Mr. COPELAND. Does section 2 relate to the Woodrum amendment?

Mr. BYRNES. Yes.

Mr. COPELAND. What is the exact effect of the change which the Senator suggests?

Mr. BYRNES. The same law which applies to the War Department, the Navy Department, the Department of Agriculture, and the Department of Commerce would apply to the activity covered by the joint resolution. The funds must be apportioned. There can be no variation from the apportionment unless, in the language of the law, there is an unanticipated emergency; and if so, that fact must be communicated in writing, in this case by the President of the United States, to the Congress. The antideficiency law provides a criminal penalty, and the law is much stronger than the language in the joint resolution.

Mr. COPELAND. I hope the Senator's plea will be heeded.

Mr. SCHWELLENBACH. Mr. President, will the Senator yield?

Mr. BYRNES. I yield.

Mr. SCHWELLENBACH. I should like to ask the Senator when the joint resolution becomes effective.

Mr. BYRNES. Upon approval.

Mr. SCHWELLENBACH. Is it not a fact that as a result of the joint resolution and the appropriation a few months ago of $250,000,000, twice since the Woodrum amendment has been put into the law the Congress has found it necessary to abandon the principle of the Woodrum amendment?

Mr. BYRNES. Mr. President, let me explain my purpose in offering the amendment.

The appropriation in the joint resolution runs only until March 1, 1939. The present statute provides that the appropriation must be apportioned, and that it may not be varied from unless there is an emergency. If there is an emergency the President must submit a statement in writing to the Congress. If an emergency should arise between now and next January the President would be forced to call an extraordinary session of the Congress, or to say that the Congress had so tied the hands of the Executive that hungry people could not be fed. The President would be unable to vary the apportionment from month to month and would therefore have to call the Congress in special session.

Mr. WHEELER. Mr. President, will the Senator yield?

Mr. BYRNES. I yield.

Mr. WHEELER. The effect of the amendment is to knock out the so-called Woodrum amendment.

Mr. BYRNES. That is correct.

Mr. WHEELER. There is not much doubt in the Senator's mind that an emergency will arise during the summer; is there?

Mr. BYRNES. I hope not. In the case of W. P. A., the funds allotted cover only 8 months. If, in December, there should be the statement that an emergency has arisen, and that $50,000,000 or $60,000,000 should be appropriated, we know that after the meeting of Congress it would be at least 30 days before a deficiency bill could be passed. I think the safe thing and the wise thing for us to do is to take the action covered by my amendment.

Mr. WHEELER. Under ordinary circumstances, I should say it would be unwise to adopt the Senator's amendment. However, I am convinced that the chances are that an emergency will arise during the summer. In fact, every indication points to the fact that unemployment will increase this summer. I agree with the Senator from South Carolina in that I should not want it to be said that the Congress of the United States had so tied the hands of the President that he could not use some money to take care of an emergency. I am very fearful that an emergency will arise, and I am very fearful that more money per month than we have already allocated in the joint resolution will be required.

For that reason I shall support the amendment offered by the Senator from South Carolina.

Mr. BYRNES. Mr. President, the adoption of my amendment would leave the W. P. A. subject to the antideficiency law, the same as every other department.

Mr. HALE. Mr. President, will the Senator yield?

Mr. BYRNES. I yield.

Mr. HALE. Was not the purpose of providing a certain amount of money for direct relief to take care of any emergency that might arise? Does not the Senator think the emergency could be taken care of in that way?

Mr. BYRNES. I am frank to say that I was not very enthusiastic about the adoption of that amendment, because I share the views expressed upon the floor as to the different systems of granting relief. I am frank to say that I think the original action of the committee was wise.

I hope any emergency can be taken care of by the amount of money provided for direct relief. However, I am unable to look into the future. I know that at this time last year there were 1,200,000 persons upon the relief rolls, and today there are 2,600,000, and there are 500,000 more who cannot be certified. If I could look into the future as I can look over the past, I should be perfectly satisfied.

In adopting the amendment, we shall merely be saying that Congress is going to adjourn, and does not wish to put itself in the position of having adopted for this one appropriation a provision which does not apply to any other department of the Government, when it is the one thing as to which we can make no prediction. I am convinced that the safe thing for the Congress to do is not to take action as to this one department of the Government which is not taken as to other departments, when we shall not be in session until next January.

Mr. HALE. Mr. President, under the provisions of the joint resolution we provide an appropriation of $175,000 for the month of January. We have added another $175,000 for the month of February.

Mr. BYRNES. Yes.

Mr. HALE. That would mean that the $350,000,000 could be spent at any time during the coming summer.

Mr. BYRNES. Under the provisions of the antideficiency law, that could be done only if the President of the United States sent to the Congress a statement in writing that an extraordinary situation had arisen requiring a deficiency estimate, and submitted the estimate to the Congress when the Congress met.

Mr. HALE. He could obtain the money before he submitted the statement to the Congress.

Mr. BYRNES. He could not. I have called to the attention of the Senate the provision of the law.

This is what the law provides:

> And in case said apportionments are waived or modified as herein provided, the same shall be waived or modified in writing by the head of such executive Department or other Government establishment having control of the expenditure, and the reasons therefor shall be fully set forth in each particular case and communicated to Congress in connection with estimates for any additional appropriations required on account thereof.

An estimate could not be submitted until January, so the President could not spend all the money before that time if he wanted to; and we know that we could not pass a deficiency bill in less than 30 days. I do not believe it would be wise to include in the joint resolution a provision which eliminates from consideration the unusual circumstances of an extraordinary emergency.

Mr. HALE. Is the Senator sure the President could not spend the $350,000,000 before the 1st of January.

Mr. BYRNES. I am reading the provision to the Senate, and I am doing it deliberately for the RECORD, so that the executive Departments of the Government may know of this statute. It has been the law since 1906, and the penalty is that any person violating any provision of any section shall be summarily removed from office and also punished by a fine of not less than $100 or imprisoned for not less than 1 month.

There is no penalty in the pending joint resolution, but this is a statement of which I believe the head of any executive Department would take cognizance.

Mr. BONE. Mr. President, I take it, if the Senator's motion is adopted, that the word "so", in line 16, should also be stricken out, because it refers to what subsequently follows beginning in line 18. It says "shall be so apportioned",

and then it goes on with the provision proposed to be stricken out. If the word were not stricken out the language would be confused.

Mr. BYRNES. The Senator is correct. The word "so" should be stricken out.

Mr. McKELLAR. Mr. President——

Mr. BYRNES. I yield to the Senator from Tennessee.

Mr. McKELLAR. I merely wish to call the Senator's attention to the fact that I see no reason why the amendment should not be taken to conference, but the Senator knows as well as I do that when it gets to conference, if we are to have the joint resolution finally enacted, the Senate will have to recede, because I am quite sure that Mr. WOODRUM and the other conferees on the part of the House will stand very solidly by the House provision, as they have always done.

Mr. BYRNES. I am hoping, because of the unusual situation here, it being not an annual appropriation but one only for 8 months, that the amendment may finally prevail.

Mr. McKELLAR. I think we are doing a futile thing.

The PRESIDENT pro tempore. The question is on the amendment, as modified, offered by the Senator from South Carolina [Mr. BYRNES].

The amendment, as modified, was agreed to.

Mr. HOLT obtained the floor.

Mr. FRAZIER. Mr. President, will the Senator yield to me for just a moment?

Mr. HOLT. I yield, if I will not thereby lose the floor.

Mr. FRAZIER. Mr. President, at the top of page 3, where various kinds of work-relief projects are listed, I see nothing about irrigation. So I wish to offer an amendment by including the word "irrigation" in line 3. I have talked to the chairman of the committee, and he says he has no objection to it. I ask that the amendment be stated.

The PRESIDENT pro tempore. The amendment will be stated.

The LEGISLATIVE CLERK. On page 3, in line 3, after the word "drainage", it is proposed to insert the words "and irrigation."

The PRESIDENT pro tempore. Without objection, the amendment is agreed to.

Mr. HOLT. Mr. President, I ask the clerk to read an amendment which I offer at this time.

The PRESIDENT pro tempore. The amendment will be stated.

The CHIEF CLERK. On page 14, line 4, after the word "candidate", it is proposed to insert a colon and the following:

Provided, however, That any persons receiving salaries for administrative work under the provisions of this resolution, and who have completed 12 months of service as Executive-order employees prior to the date of passage of this resolution, shall acquire a civil-service status on June 30, 1939, with the following provisions: That the President is hereby authorized and directed to order noncompetitive examinations be held by the Civil Service Commission, before June 30, 1939, to determine the fitness of such administrative personnel.

Mr. HOLT. Mr. President, the reading of the amendment clearly indicates its purpose. The purpose of the amendment is to extend to the emergency agencies civil-service regulations.

We have heard much about the need of civil service and the extension of the civil service. Now, here is the opportunity to put it into effect.

Of course, it might not be advisable, but I should like to read from the Democratic platform of 1936. I hope that platform is not to go the way of the Democratic platform of 1932. The Democratic platform of 1936 makes this statement:

THE MERIT SYSTEM IN GOVERNMENT

For the protection of Government itself and promotion of its efficiency, we pledge the immediate extension of the merit system through the classified civil service—which was first established and fostered under Democratic auspices—to all non-policy-making positions in the Federal service.

We shall subject to the civil-service law all continuing positions which, because of the emergency, have been exempt from its operation.

The Democratic platform of 1936 declared that all emergency positions that have been exempted in the past should be put under civil service. I know of no better time to put the Democratic platform into effect than now, when we have an opportunity to do so.

Of course, I realize that a number of the Members of the Senate also talk about supporting the President. They like to support the President when they feel it is politically advisable to do so. I should like to read from the President's own letter of June 2, 1937, to the Vice President. This is what he said:

[From the CONGRESSIONAL RECORD, June 3, 1937]

THE WHITE HOUSE,
Washington, June 2, 1937.

The honorable the VICE PRESIDENT,
Washington, D. C.

MY DEAR MR. VICE PRESIDENT: I have received a communication from the Civil Service Commission which states that in addition to numerous other bills exempting from the merit system all but minor positions there have been more than 70 bills introduced in this session of Congress which propose complete exemption for all positions affected thereby. A copy of the Commission's letter is herewith.

Aside from the undoubted fact that the merit system affords the best method of administration of Government business, the particular feature of the system which has the greatest appeal is the open competition it provides to the taxpayers to seek the public employment for which they pay. Please let me urge upon the Congress the desirability of placing all but policy-forming positions under the merit system.

Very sincerely yours,

FRANKLIN D. ROOSEVELT.

Will the Democrats here stand by the President's statement when he says he desires to put these positions under the civil service?

Discussing the question of whether there has been any exemption from the civil service, let me say that in 1932, when the Democratic administration came into power, 80 percent of the positions of the Federal Government were under civil service. This year only 63 percent are under the civil service, representing a decline of 17 percent; yet we are talking about extending the civil service upward, downward, and outward. We are talking about it and doing nothing.

Now, let me read from the Fifty-fourth Annual Report of the United States Civil Service Commission, in which it says, referring to these exemptions:

These exemptions no doubt reflect in a measure the tendency to permit wholesale exemptions in emergency agencies created during the early stages of recovery from the financial depression. At that time, however, the Government faced the necessity of placing large groups of employees at work in an extremely limited period; moreover, those agencies then seemed to be temporary.

These positions soon formed a convenient field for political exploitation. The extent to which the positions were treated as political spoils has become the subject of public condemnation, but the practice of filling large numbers of positions by political patronage becomes increasingly difficult to abolish. During the past year friends of the merit system in Congress have had to maintain a constant struggle to prevent a complete triumph of the spoils system. All too frequently their efforts against its encroachments have been ineffective.

We have been seeing the civil service destroyed in order that political spoilsmen might put their favorites on the public pay roll.

All my amendment proposes is to place a provision in the pending joint resolution to the effect that anyone who receives compensation under this act shall acquire a civil-service status, not immediately but by the first of July 1939.

Originally it was said we could not do that because of the emergency. I think we are living in a permanent state of emergency now, because every time something comes up it is "an emergency"; we cannot do anything about that. We talk about it in the platform and we speak about it in campaign times, and then say nothing shall be done.

During the reorganization fight there was a statement relative to the civil service. It was said the reorganization bill should be passed in order that employees in the emergency agencies might acquire a civil-service status. I want to quote from a speech of one of the proponents of that measure in which he speaks very clearly of a so-called aim of the reorganization bill. He said:

The bill also recognizes that the time has now come to extend the classified civil service to the great majority of positions now

outside it. The new and emergency agencies created since 1932 were necessarily exempted from the classified civil service. It was not possible at the time of their creation to determine how long their activities would be continued and it would have been unwise to place them within the classified civil service at the outset. The situation has now changed. Positions and activities which are to be continued should be brought within the classified civil service without further delay. The bill will thus provide the machinery for a real career service in the Government. It will offer an opportunity to the rank and file of Government employees to advance, through promotion, to high positions of honor and distinction. This step is essential in the building up of a great civil service.

Mr. President, that is what they said during the reorganization fight—that they wanted to extend the civil service to these agencies, to these bureaus, to these commissions, and to these departments. This amendment of mine does that. It affects only the administrative group, does not affect the relief worker, and does not change the policy board of the relief agency.

Last night, when we were discussing the Hatch amendment, it was stated that under that amendment an individual could not express his opinion because he would be trying to influence someone. Let us look at the civil-service law and see what it provides about the use of politics in civil service.

I read from rule I, which was adopted in 1883, a long time ago, and has stood the test of time. This is what rule I of the Civil Service Commission provides:

No interference with elections: No person in the classified civil service shall use his official authority or influence for the purpose of interfering with an election or affecting the results thereof. Persons who by the provisions of these rules are in the competitive classified service, while retaining the right to vote as they please and to express privately their opinions on all political subjects, shall take no active part in political management or in political campaigns.

Mr. HATCH. Mr. President, will the Senator yield?

Mr. HOLT. I am glad to yield to the Senator from New Mexico.

Mr. HATCH. The Senator has just read rule 1. I suppose he is familiar with the amendment he mentioned awhile ago, which is an exact copy of rule 1, which the Senator has just read.

Mr. HOLT. That is correct, and the Senator's amendment should have been adopted last night. I voted for it.

Mr. ADAMS. Mr. President, I have just been seeking for a definition. The Senator uses a term which perhaps has a technical meaning. The amendment applies to "Executive-order" employees. I was just wondering what was comprehended within that term.

Mr. HOLT. That includes all Executive-order organizations, emergency agencies, such as the W. P. A., the P. W. A., and some of those under the General Accounting Office, those people who are accounting the Treasury funds, where the President issues an Executive order to carry out the emergency acts—all those under those organizations would have to be under civil service; that is, the stenographers and the clerks and that group who would acquire civil-service status.

Mr. ADAMS. Where does the Senator draw the line? Does he not think the term "employees" goes clear down to those who are employed on projects?

Mr. HOLT. I do not, and I would not want it to be so. It would only include those in the offices, such as would be under civil service and could acquire a civil-service status, because I do not think the others could under the law.

Mr. ADAMS. I was wondering whether the term "employees" really expresses accurately the Senator's meaning.

Mr. HOLT. There is talk about the desire for employment. This would not interfere with the W. P. A. All it does is to say that we are trying to extend the civil service upward, downward, and outward, and are trying to heed the opportunity we now have to carry out our campaign pledge of 1936, to carry out what the President asked us to do, and to extend civil service so that the best qualified individual can acquire a place and retain it. That is the quickest way to drive politics out of the W. P. A. When these individual employees are under civil service, they can vote as they please and they can express their opinions to any other individual in any way they may desire. They have all the rights any other individual has, except those limitations in the civil-service law.

If one desires that there should be politics in these emergency organizations, he ought to vote against this provision for civil service, because this prevents the use of political spoils in the departments and bureaus and commissions where some desire to use it.

Mr. President, this is an opportunity really to do something to expedite the honest administration of relief money, because when these individuals are under civil service, they do not have a club held over their heads by a political boss who would fire them immediately upon some pretext but actually because he does not want them in the department for political reasons. That is all it does. It extends to the employees in the different emergency agencies again the right to go into the civil service if they acquire a civil-service status by the first day of July.

Mr. President, I ask to have inserted in the RECORD as a part of my remarks a table which shows that in 1937 there were 309,000 employees in the executive branch of the Government who were exempt from civil service; many of them employed under the emergency acts.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

The percentage of Federal employees under United States civil service, 1920–37

Fiscal year	Number of civil employees in executive branch of U. S. Government,[1] total [2]	Number of competitive classified employees,[2] total [3]	Percentage
1920	691, 116	497, 603	72.0
1921	562, 252	448, 112	81.1
1922	527, 517	420, 688	79.7
1923	515, 772	411, 398	79.7
1924	521, 641	415, 593	79.6
1925	532, 798	423, 538	79.5
1926	528, 542	422, 300	79.9
1927	527, 228	422, 998	80.2
1928	540, 867	431, 763	79.8
1929	559, 579	445, 957	79.7
1930	580, 494	462, 083	79.6
1931	588, 206	448, 050	76.2
1932	583, 196	467, 161	80.1
1933	572, 091	456, 096	79.7
1934	673, 095	450, 592	66.9
1935	719, 440	455, 229	63.3
1936	824, 259	498, 725	60.0
1937	841, 664	532, 073	63.4

[1] Fifty-fourth Annual Report of the U. S. Civil Service Commission [1937], p. 83, Chart No. 5. U. S. Government Printing Office, Washington, 1937. The figures given in the 1937 report represent a corrected estimate, modifying in several instances the current estimate carried in the several annual reports.

[2] Same, p. 88, Chart No. 13.

[3] Approximate, prior to 1933.

The PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the Senator from West Virginia [Mr. HOLT].

Mr. AUSTIN rose.

Mr. HOLT. Mr. President, does the Senator from Vermont intend to speak on the amendment?

Mr. AUSTIN. I desire to get the floor after the pending amendment shall have been disposed of.

Mr. HOLT. I suggest the absence of a quorum, because I desire to ask for a roll call on my amendment.

The PRESIDENT pro tempore. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Adams	Connally	Johnson, Calif.	Overton
Andrews	Copeland	Johnson, Colo.	Pepper
Austin	Davis	La Follette	Pittman
Bailey	Ellender	Lee	Pope
Brown, Mich.	Frazier	Lewis	Radcliffe
Barkley	George	Lodge	Russell
Bilbo	Gerry	Lonergan	Schwartz
Bone	Gibson	Lundeen	Schwellenbach
Borah	Green	McAdoo	Sheppard
Bankhead	Guffey	McCarran	Shipstead
Brown, N. H.	Hale	McGill	Townsend
Bulkley	Harrison	McKellar	Truman
Bulow	Hatch	McNary	Vandenberg
Burke	Hayden	Maloney	Van Nuys
Byrd	Hill	Minton	Wagner
Byrnes	Hitchcock	Murray	Walsh
Capper	Holt	Neely	Wheeler
Caraway	Hughes	O'Mahoney	White

The PRESIDENT pro tempore. Seventy-two Senators having answered to their names, a quorum is present.

The question is on agreeing to the amendment offered by the Senator from West Virginia [Mr. HOLT].

Mr. HOLT. I ask for the yeas and nays.

The yeas and nays were ordered, and the Chief Clerk proceeded to call the roll.

Mr. SHIPSTEAD (when his name was called). Making the same announcement as before, I transfer my pair to the junior Senator from North Dakota [Mr. NYE] and vote "yea."

The roll call was concluded.

Mr. MINTON. I announce that the Senator from Arizona [Mr. ASHURST] and the Senator from Oregon [Mr. REAMES] are detained from the Senate because of illness.

The Senator from Tennessee [Mr. BERRY], the Senator from Washington [Mr. BONE], the Senator from New Mexico [Mr. CHAVEZ], the Senator from Missouri [Mr. CLARK], the Senators from Illinois [Mr. LEWIS and Mr. DIETERICH], the Senator from Ohio [Mr. DONAHEY], the Senator from Wisconsin [Mr. DUFFY], the Senators from Iowa [Mr. GILLETTE and Mr. HERRING], the Senator from Virginia [Mr. GLASS], the Senator from Utah [Mr. KING], the Senators from Oklahoma [Mr. LEE and Mr. THOMAS], the Senator from Kentucky [Mr. LOGAN], the Senator from Arkansas [Mr. MILLER], the Senators from New Jersey [Mr. MILTON and Mr. SMATHERS], the Senator from North Carolina [Mr. REYNOLDS], the Senator from South Carolina [Mr. SMITH], the Senator from Utah [Mr. THOMAS], and the Senator from Maryland [Mr. TYDINGS] are detained on important public business.

Mr. AUSTIN. I announce that the Senator from New Hampshire [Mr. BRIDGES] has a general pair with the Senator from North Carolina [Mr. REYNOLDS].

Mr. DAVIS (after having voted in the affirmative). I have a general pair with the junior Senator from Kentucky [Mr. LOGAN]. In his absence, not knowing how he would vote, I withdraw my vote.

The result was announced—yeas 24, nays 43, as follows:

YEAS—24

Austin	Gibson	Lodge	Townsend
Burke	Hale	Lundeen	Vandenberg
Byrd	Hatch	McNary	Van Nuys
Capper	Holt	Maloney	Walsh
Frazier	Johnson, Calif.	O'Mahoney	Wheeler
Gerry	La Follette	Shipstead	White

NAYS—43

Adams	Caraway	Hughes	Pepper
Andrews	Connally	Johnson, Colo.	Pittman
Bailey	Copeland	Lonergan	Pope
Bankhead	Ellender	McAdoo	Radcliffe
Barkley	George	McCarran	Russell
Bilbo	Green	McGill	Schwartz
Brown, Mich.	Guffey	McKellar	Schwellenbach
Brown, N. H.	Harrison	Minton	Sheppard
Bulkley	Hayden	Murray	Truman
Bulow	Hill	Neely	Wagner
Byrnes	Hitchcock	Overton	

NOT VOTING—29

Ashurst	Dieterich	Lewis	Smathers
Berry	Donahey	Logan	Smith
Bone	Duffy	Miller	Thomas, Okla.
Borah	Gillette	Milton	Thomas, Utah
Bridges	Glass	Norris	Tydings
Chavez	Herring	Nye	
Clark	King	Reames	
Davis	Lee	Reynolds	

So Mr. HOLT's amendment was rejected.

Mr. AUSTIN. Mr. President, I offer an amendment, which I ask to have stated.

The PRESIDING OFFICER. The clerk will state the amendment.

The LEGISLATIVE CLERK. On page 29, after line 24, it is proposed to insert the following:

SEC. . (a) No part of any appropriation in this act shall be used for any political purpose, and no authority conferred by this act upon any person shall be exercised or administered for any such purpose.

(b) It shall be unlawful for any person whose compensation, or any part thereof, is paid from funds appropriated by this act to use or threaten to use his official authority, or influence for any of the following purposes:

(1) To interfere with, restrain, or coerce any individual in the exercise of his right to vote at any primary or other election;

(2) To encourage or discourage membership in, or contribution to, any political party by discrimination, threatened or executed, in regard to the granting or withholding of benefits, or the execution of any of the powers, functions, or purposes, included in this act;

(3) To discriminate against any person in regard to benefits from the United States because such person has filed charges or given testimony with respect to any matter arising under this act;

(4) To discriminate against any individual in regard to benefits from the United States because such individual has voted at any election according to his free choice, or because such person is a member of, or has made contributions to, the political party of his own choosing; or

(5) To discriminate against any corporation in regard to benefits from the United States because any officer or director thereof is a member of, or has made contributions to, the political party of his own choosing.

(c) It shall be unlawful for any person whose compensation, or any part thereof, is paid from funds appropriated by this act, to act as election official, ballot clerk, or watcher, or in any other similar capacity, at any polling place in any primary or other election.

(d) It shall be unlawful for any person whose compensation, or any part thereof, is paid from funds appropriated by this act, to solicit, persuade, or induce, by the exercise of his power to administer, supervise, regulate, or otherwise put into effect this act or any part thereof, contributions to a political party, or any agency thereof, for any purpose whatsoever.

(e) It shall be unlawful for any person whose compensation, or any part thereof, is paid from funds appropriated by this act, to be detailed to service, or to serve as a political campaign worker for any political party.

(f) Any person who violates any provision of this section shall be punished, if such person is an individual, by a fine of not more than $5,000, or by imprisonment for not more than 3 years, or both, and in all other cases, by a fine of not more than $25,000.

Mr. AUSTIN. Mr. President—

We hold these truths to be self-evident: That all men are created equal, that they are endowed by their Creator with certain inalienable rights, that among these are life, liberty, and the pursuit of happiness. That to secure these rights, governments are instituted among men, deriving their just powers from the consent of the governed.

Mr. President, this is a political document. This is a declaration of political principles. This is a part of a beacon light that has led civilization to the highest level of political welfare in the history of civilization. By its continued observance there are endless possibilities for the great Nation that made this declaration. By a failure to carry out and adhere to these principles there is absolute certainty of a reduction of the standard of political welfare of the Nation that made this declaration.

The Senate provided for the appointment of a special committee whose particular business it was to investigate the conduct of the elections of 1936, so far as they affected the President and Vice President of the United States. The Senate resolution also included in its scope an investigation into the general question of whether or not the laws designed for the preservation of these fundamental rights that are declared in that which I have read, have been observed. Your committee recognized at the outset that that part of this declaration which gives to all men equal rights, was an essential part of the declaration. Your committee recognized that the colored man as well as the white man was entitled to the protection of that fundamental thing which enables him to give his consent to government—his consent to be governed.

In what I have read will be found the cornerstone of free institutions; in it will be found the very essence of free government.

By that declaration we announced a new doctrine to the world. By that declaration we made an affirmation which was an encouragement to all the people of Europe and Asia. An immediate reaction was felt in France. We followed that declaration by creating a fundamental law which would undertake to assure these rights with which all men were endowed. Senators understand that I am dealing with political rights. I am dealing with the fundamental law. That is our business here tonight. We are dealing with law, and we are dealing with all men, and the proposition which I make, and which no man can successfully deny, is that the poor man in the ditch on a W. P. A. job is just as much entitled to the protection of the Congress of the United States in the freedom of his will, in the freedom of the

selection of the political party with which he shall ally himself, in the freedom of the exercise of his own individual convictions, as the richest man in the world, or as the most cultured person in the world.

Mr. President, I am not asking for discrimination against the administrators of the funds in W. P. A. or P. W. A. I am not asking that the law be made for them that is not made for other citizens of this country to obey. Within 24 hours we as Senators have been accredited with liberties of which it was said we were depriving these administrators. I deny that. I say that that argument made in the Senate last night was a fallacious argument, and that candidates for the Senate are bound by law to observe the rights of the poorest individual in the land, particularly his right to exercise his own choice in the selection of the party with which he shall vote and in the decision upon what side of a political issue he shall stand.

By our previous statutes we have made it necessary for candidates for the Senate of the United States to keep hands off that freedom which is absolutely necessary for the preservation of our type of government, in order that we may be able to carry on and rise to a still higher plane of political welfare than we have yet enjoyed. I remind Senators of section 246 of title II of the United States Code, subsection 3:

A statement of every promise or pledge made by him—

This is the candidate for Senator, it will be understood—

Or by any person for him with his consent, prior to the closing of the polls on the day of the election, relative to the appointment or recommendation for appointment of any person to any public or private position or employment for the purpose of procuring support in his candidacy, and the name, address, and occupation of every person to whom any such promise or pledge has been made, together with the description of any such position. If no such promise or pledge has been made, that fact shall be specifically stated.

Mr. President, there are numerous other provisions of the Code, which cast no reflection upon United States Senators or candidates for that high office. They are designed to protect one of the most cherished and precious rights of a free man, and that is the right of exercising that function which is involved in the great declaration which I read at the outset. He has the right to determine by what government he shall be governed, and no other than that to which he consents shall be his governor.

You can ruin that, you can undermine the Republic, that is founded upon that principle, by turning loose billions of dollars to corrupt the thought of America. I am not talking about dreams. I am saying to you, Mr. President, that the Senator from New Mexico [Mr. HATCH] was not seeing things yesterday when he was pointing out the reasons why he offered his amendment to the joint resolution.

I shall undertake to show to the Senate that there came to this committee evidence upon which the committee found that intimidation and coercion existed in that election which was examined by them.

Let me read the opening paragraph of the committee's report to the Senate.

The existing Federal Corrupt Practices Act is a sound law. Its impartial enforcement should insure honest elections. In view of cases brought to the attention of this committee in the late campaign, however, it might be well to add an act with respect to influencing voters through fear, intimidation, or coercion.

I am not going to read all this statement by the committee.

Mr. HATCH. Mr. President, will the Senator yield?

Mr. AUSTIN. I yield.

Mr. HATCH. I merely wanted to inquire if the Senator knows whether that recommendation was ever followed by the introduction of a bill.

Mr. AUSTIN. It was not until this late hour, 9:45 of this third day of June 1938, when I am offering an amendment to the pending joint resolution which will meet just exactly the findings there made and the following finding which I wish to read.

I am about to read the recommendation that follows up and that lays its finger upon the subject matter of the joint resolution.

I am reading from page 137 of the report, and I am going to garble my reading in order to get the connection, because there are many things included in this one paragraph:

It should be made unlawful.

Mr. President, this is your committee recommending this to you, and I say it was a recommendation in support of the amendment we have pending now.

It should be made unlawful for any person * * * holding a position, office, or employment, under or by the Government of the United States or any bureau, department, or agency thereof, to influence or attempt to influence through fear, intimidation, or coercion, the vote of any person employed by them or of any person who is dependent on public funds.

Mr. President, there is a definite recommendation based on a finding of facts.

Now, with the permission of the Senate, I am going to turn to only a few of the episodes upon which the findings and recommendations were made, by which I will undertake to point out just enough, and no more, to show what a mass of rottenness existed by virtue of the employment of the authority of the W. P. A. and P. W. A., and by virtue of the use of the desire of men to work, by virtue of their need for food and clothing and shelter; and I say to you, Mr. President, that no man in this great body can afford to vote against my amendment to the joint resolution.

In the first place, we will observe that the first section of the amendment relates to projects in this manner:

No part of any appropriation in this Act shall be used for any political purpose, and no authority conferred by this Act upon any person shall be exercised or administered for any such purpose.

The PRESIDENT pro tempore. The Senator's time on the amendment has expired.

Mr. AUSTIN. Mr. President, I regret that. I shall go on with my time on the bill.

I call attention to the fact that the first prohibition strikes a man who is not receiving his pay out of this appropriation. It strikes a Cabinet officer, forsooth, who receives his pay out of the Treasury of the United States, and receives no compensation whatever under the appropriation in the joint resolution, because this is a prohibition against using authority under the law.

So we reach title II of the joint resolution. The first section of the amendment which deals with the abuse of power is section (b), which provides:

It shall be unlawful for any person whose compensation, or any part thereof, is paid from funds appropriated by this act to use or threaten to us his official authority, or influence for any of the following purposes:

The "following purposes" are stated in a manner to constitute definitions. They are exact. They are inclusive and exclusive. All that it is necessary to do to obtain a conviction is to prove the facts in terms of the different subdivisions.

This paragraph deals with a man who is paid out of the funds appropriated by the joint resolution, and it reaches a Works Progress Administration administrator, or anybody else down the line, either under title I or title II, who receives his salary out of the funds appropriated by the joint resolution.

So we have at the beginning an attempt to protect the poor man, white man, black man, Republican, Independent, or Democrat, no matter what his beliefs may be, against the fear which arises out of the relationship between him who is hungry and suffering and this official, this supervisor, who can control his employment, and who can stop the receipt of his bread.

Speaking of projects and those who are up high in the scale of this great hierachy of rank in the administration of the law, I wish to read from an editorial which I think is very important, because we have all had news in the United States Senate of the interference in Oregon, in Iowa, and in Minnesota. I shall now read something which comes from Maryland. This is from the Baltimore Sun of Friday morning, June 3. That is this morning, Mr. President. The editorial is entitled "The Vendetta." We find in it these paragraphs:

DAVID J. LEWIS for many years has had the support of citizens who did not hold all or most of his political views. Laborites of

different approach have supported him. Businessmen, who could not share his faith in an ever-widening governmental control, have supported him. Financiers have supported him. The kind of lawyers who are damned out of hand as tools of corporations have supported him. He had much of such support in his two previous candidacies for the Senate. He has always had a great deal of such support, in and out of his district, in his candidacies for the House. The reason for it all was that many men who have not agreed with him have counted his character as an independent public servant more important than differences of opinion.

Today, by one of the ironies of politics, Mr. LEWIS has become the avenging angel of the Roosevelt administration in its purpose to drive out of office another independent public servant because he is an independent public servant. It is not necessary to argue that, in his candidacy against Senator MILLARD E. TYDINGS, Mr. LEWIS is the puppet of Mr. Roosevelt, of Mr. Farley, of Mr. Hopkins, of Mr. Ickes, and of all the other masters of patronage and public purse. Mr. LEWIS is not the puppet type of man. And he is a sincere devotee of the New Deal. Nonetheless, Mr. LEWIS' candidacy becomes part of the vendetta that is waged today by Mr. Roosevelt and his political satraps against Democratic Senators who have dared to obey their own minds and consciences—and their party platform—against the dictates of the White House. These Senators are marked men. They are marked with the double-cross of public patronage and public purse. Mr. LEWIS, exercising his undoubted right to become the New Deal candidate, is a serious figure in the fight simply and solely because he will be the beneficiary of the vendetta conducted by these power-laden, power-hungry men.

We shall see. There are immense resources of public office and public money at the command of Mr. Roosevelt. We have seen Mr. Ickes intervene in a Democratic primary in Oregon, where great public works are under construction. We have seen Mr. Hopkins, master of billions for relief, intervene in a Democratic primary in Iowa. We have seen a fight over W. P. A. control develop in Minnesota between Mr. Roosevelt's former allies of the Farmer-Labor Party, and Mr. Farley, who is not playing with the Farmer-Labor Party at present. We have seen the charges that have been exchanged between Mr. Roosevelt's supporters in Pennsylvania as to the use of public-works funds and relief funds in that State. Here in Maryland we hear rumors that Federal funds can be obtained for the long-debated Chesapeake Bay Bridge because a gentleman, not long a resident of Maryland, has the ear of the powers that be in Washington. No one who has cut his eye teeth in politics will underestimate the power of a national political machine that has been fashioned definitely on the model of Tammany Hall and that possesses such resources in offices, public funds and coercive power.

But we shall see. For the quality in the citizens of Maryland which has led them to treasure independence and character in public office still exists and still flowers. The gentlemen in Washington, with all their command of jobs, of money, and of power, will discover that Senator TYDINGS is not alone and friendless as they bear down on him in their vendetta. These gentlemen will discover that there are citizens of Maryland who are neither to be scared nor seduced by jobs or money or power or all combined. The gentlemen will discover that there are citizens of Maryland who think Mr. TYDINGS was right when he defied the most popular President of our time and stood against the scheme to pack the Supreme Court. There are citizens who think Mr. TYDINGS' open stand in that fight is in glorious contrast to the secrecy in which Mr. Roosevelt hid his Court-packing scheme when he appeared before the people for reelection in 1936. There are citizens who think Mr. TYDINGS was right, measured by party principle and by practical results, in other acts of independence. These citizens will be glad to face Mr. Roosevelt's agents at the polls.

Mr. President, how much time have I left?

The PRESIDENT pro tempore. The Senator has 24 minutes.

Mr. AUSTIN. I shall read from the report of detectives who were employed by this committee and who, it may be understood, are not biased or prejudiced against the New Deal. They are not biased or prejudiced against the administration in any way whatever. Some Senators know them personally from experience with them.

Mr. Louis R. Glavis was in charge of them. The things which I shall read are found in a memorandum addressed to him. This memorandum was submitted to the committee and accepted by the committee as factual, and was used as the basis of its findings.

Alfred F. Dawson, foreman, W. P. A., was interviewed. His statement is attached hereto and marked "Exhibit 4." Mr. Dawson was mentioned by Mr. Ball as another near victim of politics. Mr. Dawson in substance denied that he was a victim of politics, and that there was intimidation or coercion by any W. P. A. official or anyone else so far as his political affiliations were concerned, and at the time mentioned by Ball, he was a registered Republican. However, he did voluntarily change his registration in the middle of October 1936.

No comment is necessary. I am talking about facts.

William R. Garson, foreman, W. P. A., in his statement attached hereto and marked "Exhibit 5," states in substance that he was employed by W. P. A. in October 1936 as general foreman and has been continuously so employed up to the present time. That he at no time discussed politics with Harry Ball, nor has any W. P. A. official or any so-called political leader approached him concerning his party affiliations, but that he voluntarily changed his registration from Republican to Democratic in April 1936.

With reference to Mr. Ball's statement that Mr. Hudson—

Mr. Hudson was the acting State administrator of W. P. A.—

With reference to Mr. Ball's statement that Mr. Hudson was to act as liaison man between W. P. A. and the politicians, Mr. Hudson denied that he did this or that he had any instructions of the kind. That on the contrary, instructions were issued that politics were not to be considered in filling jobs. He added, however, that he did endeavor to fill the supervisory positions with people who were in sympathy with the program.

Senators will observe the manner of this report.

With reference to Wilbert Cornell, mentioned by Mr. Ball as the man who was to succeed him as project engineer, in order that Mr. Cornell would have control of the personnel for political purposes, Mr. Hudson stated that this was not true. However, he admitted that he did ask Judge Maris, who was familiar with the people in Delaware County, for advice as to particular persons' qualifications, and that he also asked Mr. Anthony Barrett and A. J. Crawford the same questions.

These three gentlemen were the political factors in that county. Anthony Barrett was Democratic county chairman of Delaware County. In order properly to characterize this man and his relation to W. P. A., and explain the reason why Mr. Hudson, who was at the head of the W. P. A. there, went to him, let me read only one letter of many. They are not all quite as bad as this, for this is incredible.

Mr. COPELAND. What State does this involve?

Mr. AUSTIN. This is Pennsylvania. It has the heading: "Democratic County Committee of Delaware County, December 16, 1935."

Mr. H. H. BALL,
Project Engineer, Works Progress Administration,
Drexel Hill, Pa.

DEAR MR. BALL: I have your letter of December 9, regarding Robert S. Dugdale, 271 Coverley Road, Lansdowne.

From your point of view, Mr. Dugdale is not qualified for sewer work. Of course, you look at it with the eyes of an engineer. I was just telling Mr. Green the other day how I came to select the general foreman on the road project which is so highly regarded by the Works Progress Administration officials.

Mr. Green was another Democratic official in that county.

I was just telling Mr. Green the other day how I came to select the general foreman on the road project which is so highly regarded by the Works Progress Administration officials.

Think of his selecting them!

All those men have made good in a big way but none of them could have qualified from an engineer's point of view. Not one had had previous experience as general foreman, nor practical experience as roadmen.

That is some confession.

The fundamental rule that guided me in their selection was "A good party worker makes an excellent public servant."

Understand, he is talking about many foremen.

If you analyze this you will see that the man who has the interest of his party at heart will do an excellent job for the party's sake.

Mr. Dugdale is a good party worker and I am sure that he will do a good job, and I trust that you will be able to designate him as a foreman on some project in the near future.

Very truly yours,

(Signed) A. P. BARRETT,
County Chairman.

This is the chief whom the head of the Works Progress Administration in the State of Pennsylvania is consulting about who shall be given employment on relief projects.

Mr. KING. Mr. President, will the Senator yield?

Mr. AUSTIN. Yes; I yield.

Mr. KING. I hope the Senator will not spend too much time in delineating the corruption revealed in the recent election in Pennsylvania.

Mr. AUSTIN. Mr. President, perhaps I am taking too much time anyway. I have a file here of many pages which are examples of the acts which are specified in my amendment—precise examples of interference and restraint and

coercion of individuals in the exercise of their right to make their own choice.

Here was a W. P. A. timekeeper, Bruner by name, going up and down these jobs, collecting from these men for the Democratic campaign fund sums of money which ranged from a dollar up—some of the foremen testified that they gave $50—and other amounts taken from the poor devils for whom we are now undertaking to provide in order that they may have food.

Can any man deny a request for contribution who is dependent upon the foreman or timekeeper or other official of W. P. A. on the job who comes around and says, "I want a contribution of so much money from you"? The foreman or other official does not have to say anything to the man more than to call for the contribution, or hand him a card. The significance of the relationship drives the poor man. In other words, it is the use of intimidation and fear and coercion to deprive the beneficiaries of the Government of the fundamental freedom and right which we should secure to them if we can.

Certainly we shall do no harm by adopting this amendment, and I believe it would have a salutary effect. At any rate, I should never rest easy until I had attempted in some way to carry out the recommendations made by the committee; and, understand, that recommendation was joined in by all the members of the committee. It is a unanimous recommendation.

Mr. HATCH. Mr. President——

Mr. AUSTIN. I yield to the Senator from New Mexico.

Mr. HATCH. I do not want to interrupt the Senator; I know he has but little time; but I have read his paragraph No. (2), on page 2, and the wording of the paragraph somewhat confuses me.

Mr. AUSTIN. Yes; it is an involved, long sentence, but I cannot take the time to remedy that now. The substance of it, or what is intended, is that it shall be unlawful for any person whose compensation is paid from these funds to induce, by the exercise of his office or his authority, any contributions to a political party.

Now let me call your attention to what is said by some of these men.

William F. Gunther, general foreman, with a salary of $180 per month, 219 Huntly Road, Upper Darby, Pa., was interviewed, and stated that he "voluntarily" contributed $50 to Ed Bruner during the lunch hour on the job for the Democratic county campaign committee.

These men evidently found it necessary to tell the detectives every time that what they did they did voluntarily. You will find the word "voluntarily" shoved into the statements and the report all the way through. The composite effect of all these different interviews is irresistible. Any fair committee could come to no other decision than that coercion, intimidation, had been used upon these poor people by those in charge of them, by those who had the power to fire them.

David Baines, general foreman, 202 Ashby Road, Upper Darby, Pa., advised that he knew of no intimidation or coercion of either himself or any W. P. A. worker under his supervision. You see, they got that statement out of him. However, he did make a "voluntary" political contribution, amounting to $5, to Ed Bruner, after working hours. He said he knew no one else who was solicited by Bruner.

This man Bruner solicited a number of men. Here is the statement of Wallace B. Wilson, skilled foreman, 37 East Logan Avenue, Glen Olden, Pa. He was another "voluntary" contributor of $10, which he paid in the W. P. A. office itself to Ed Bruner.

And so we may go through these statements. I shall be glad to submit this file to anybody who has the time and cares to look it over.

Mr. President, I hurry on.

Here was a colored man, Mr. William F. Rice. He gave his affidavit. I am not going to read it all. He first wrote to the Governor of Pennsylvania, Governor Earle, and complained of the discrimination against him on what he thought was the ground of color, but it turned out that it was on a political ground. He says:

On July 31, 1936, I received a letter from the main office of the W. P. A. in Philadelphia, signed by Mr. Wm. E. Collier, which I am also making part of this affidavit, and which reads as follows:

The letter is addressed to Mr. Rice, and it says, among other things:

We would like to advise you that discrimination of any kind is not permitted on the Works Progress Administration projects, and we are requesting you to visit our office at your convenience in order that we may secure the full details of this particular situation from you and thereby be in a position to correct this condition if it does exist—

And so forth. Then he tells the story, and he finally says:

I asked Mr. Walker why I was sent to the pick-and-shovel gang, and he answered me with the question, "Why don't you wear a Roosevelt button like the rest of the men on this job?"

Walker was his general foreman.

I answered, "Because I am not a member of that party." He then said to me, "Well, if you are not a member of that party you go where I sent you." I answered, "I will not go unless you can give me a better reason." He said to me, "Well, then, you are quitting." I said, "I am not quitting. If you do not want me on this project you will have to fire me." He said, "No, I will not fire you"; and I told him I would not quit. He then became angry and turned to the timekeeper, instructing him to give me a "403," which is a discharge slip.

Here is an affidavit from James Hewlett, stating much more than this. I read only one paragraph:

My boss on the W. P. A. project, Mr. Raglan, said to me 2 weeks ago, "I see you are a Republican. We are going to get rid of all the Republicans around here." He kept that up for several days afterward, telling me that I was going to get fired.

Yesterday, after I got through with my work about a quarter of four—

This is pretty fresh evidence, you see—

I got into the truck to go home. The timekeeper, a man from Montgomery County, whose name I do not know, said to me, "You are laid off." I asked him "Why?" and he said, "You will have to go to the office to find out."

And so forth. Well, he did not find out. There was no way of finding out. They would not even let him go up the stairs.

Here is the affidavit of George Hartzell, whose foreman said to him:

I know you are a registered Republican; to be frank with you, we cannot do anything for you unless you switch your politics and become Democratic. You certainly cannot expect a Democratic administration to take care of a Republican. There is no chance unless you do this.

Mr. President, I cannot take time to call attention to all these things. I want to make this remark:

I live in a Republican State, where the organization of the Republican Party is strong. I am just as much opposed to the use of the advantage and the authority and the control of this relief by the Republicans in my State as I am by Democrats in Pennsylvania. Remember that. I have talked with other Senators who found a similar situation in their State, where a Republican organization was guilty of a like kind of coercion and intimidation. I denounce the whole of it; and this amendment of mine is aimed as much at one party as at another.

It is aimed at the corrupting acts of men who have a trust to expend this money and to exercise this authority for the welfare of the very people whose votes they undertake to obtain by this dishonest means.

It is against that thing that my amendment is aimed. I want that stopped; and I want to have stopped any more of this exercise of authority from the platform or in the press or by telegram or in any way which comes from the master here in Washington. I say that it is a violation of a public trust for a Cabinet officer who has to do with the administration of these funds, and who has tremendous power under this joint resolution, to go out on the platform and talk party politics, or to exercise any influence at all in the primary of any party whatever. I should be offended, of course, to have such a thing done in my own State, in a Republican primary, by a Republican Cabinet officer. The offense is intolerable, and it destroys a right that belongs to all men equally.

Mr. President, we are dealing with a fundamental thing here. We are dealing with good government. We are dealing with preserving, if possible, one of the foundations of a

republican form of government, which depends and is absolutely dependent upon the exercise of the franchise and the decision of the people, their consent expressed at the polls without intimidation or coercion or fear.

Mr. MINTON. Mr. President, will the Senator yield for a question?

Mr. AUSTIN. Yes; I yield.

Mr. MINTON. I understood the Senator from Vermont to say that he would be very much offended if a Republican Cabinet officer went out and talked politics.

Mr. AUSTIN. No; the Senator from Indiana gave more scope to my statement than I expressed.

Mr. MINTON. Well, let us confine it a little closer, then.

Mr. AUSTIN. We will confine it to the trust over these funds which are designed for the relief of the poor. That is what we are dealing with.

Mr. MINTON. Under the administration of Mr. Hoover, what was known as the Farm Board was set up, was it not?

Mr. AUSTIN. Yes; I suppose that was done.

Mr. MINTON. The Senator knows it was done; does he not?

Mr. AUSTIN. I know of the existence of the Board. I was not in Congress at the time.

Mr. MINTON. The Senator knows, as a matter of history, that there was such a board?

Mr. AUSTIN. Yes.

Mr. MINTON. It had $500,000,000 at its disposal to spend among the farmers.

Mr. AUSTIN. I do not know whether it could be put in that way or not. I know it had $500,000,000 with which to buy surplus farm commodities, but, in all probability, the purchases were not made from the farmers.

Mr. MINTON. And the Secretary of Agriculture, Mr. Hyde, and all of his little Hydes, and all of his assistants, went out and talked politics in every State in the Union. Was the Senator offended then?

Mr. AUSTIN. I was not conscious of it at all, as a matter of fact; but let me say to the Senator from Indiana that that would not change the truth of what I have stated.

Mr. MINTON. The Senator's conscience is very elastic when the Republican Party is involved.

Mr. AUSTIN. Mr. President, this is not a matter of my conscience. I am talking about sound government and good law.

Mr. President, I ask to have inserted in the RECORD at this point two editorials from the Washington Daily News.

The PRESIDENT pro tempore. Without objection, it is so ordered.

The editorials are as follows:

[From the Washington Daily News of Thursday, June 2, 1938]

SAFEGUARD ON SPEED

If it were not for all the talk about priming the primaries—charges, for example, such as those made by the Chandler faction in Kentucky—we could feel more serene about the President's letter of yesterday, urging Congress not to earmark the vast sums in the spending-lending bill.

If the President has his way, the executive department will retain emergency power to spend as its sees fit, and Congress will continue to abdicate its natural constitutional function.

The President's plea stresses speed as essential in an economic emergency that is growing worse. Of the danger of undue delay, if the spending program is to do any good, there can be no doubt. But of the danger of these funds being employed for political purposes, in the primaries and the election that will be fought out while they are being spent, there also can be no doubt.

We think there might be one way to permit speed and at the same time prevent political misuse of relief money.

That would be for Congress, while voting the appropriation, to vote into law the proposals of Representative BARTON and Senator AUSTIN making it a penitentiary offense for any official in charge of the distribution of Government funds to influence the political beliefs or actions of those who receive the money.

[From the Washington Daily News of Friday, June 3, 1938]

BREAD AND CIRCUSES

The Senate last night gave the green light to politics in relief. It voted endorsement of the epigram that you can't beat $4,000,000,000.

The act was performed when by a close ballot an amendment, mild indeed, much too mild, was defeated. The amendment expressed disapproval of political activity by relief officials, in their official capacities. It then turned around and proclaimed their full right to engage in politics, personally.

Had it passed, it would have meant almost exactly nothing. For no penalty was prescribed, except being fired if caught—as an official—not as a person. No fine, no prison threat such as have been so carefully written into most of the "more abundant" legislation. Just a proposed flick on the wrist; an anemic statement of policy. But even that was turned down.

In face of a campaign year, and with November coming on apace, the Senators yielded. That is, 39 did. In fairness to the 37 who didn't, we urge you to check the list.

The result: To every political henchman down the line, to every straw boss on every "project," to all those who actually hire and fire, goes word that lawmakers back in Washington do not even give lip service against parceling out the billions where they will do most good—for those in power.

Bread and circuses. The spoils system streamlined. Nice work if you can get it, and while it lasts.

But we hope to live to see the day when such shameless cynicism will be punished at the polls by the long-suffering and tax-ridden people who pay the bill. The roll call:

AGAINST (39)

Democrats (39): Adams, Bankhead, Barkley, Bilbo, Bone, Brown of Michigan, Brown of New Hampshire, Bulow, Byrnes, Caraway, Chavez, Dieterich, Ellender, Green, Guffey, Harrison, Herring, Hill, Hitchcock, Hughes, Johnson of Colorado, Lee, Lewis, McAdoo, McGill, McKellar, Minton, Murray, Neely, Overton, Pepper, Pittman, Radcliffe, Schwartz, Schwellenbach, Sheppard, Smathers, Truman, and Tydings.

FOR (37)

Democrats (22): Bailey, Berry, Bulkley, Byrd, Connally, Copeland, George, Gerry, Hatch, Holt, King, Lonergan, Maloney, McCarran, Miller, O'Mahoney, Pope, Russell, Thomas (Utah), Van Nuys, Wagner, Wheeler.

Republicans (12): Austin, Borah, Capper, Frazier, Gibson, Hale, Johnson (Calif.), Lodge, McNary, Townsend, Vandenberg, White.

Farmer-Labor (1): Shipstead.

Progressive (1): La Follette.

Independent Republican (1): Norris.

Mr. HATCH. Mr. President, I realize that the hour is late, and that Senators desire to vote and to finish the consideration of the joint resolution. I shall not delay the Senate in voting on this amendment, but I feel compelled to say, as I said yesterday at the time the amendment was mentioned, I think by the Senator from Vermont, that I think this amendment is better than the amendment I sponsored yesterday. It more nearly does the thing which I should like to have done.

For that reason I shall support the amendment of the Senator from Vermont.

Mr. KING. Mr. President, I shall take but one moment.

I endorse the statements which have been made by the Senator from Vermont. I think the conduct of some of the officials to whom he refers was cowardly. They should be driven from public office and from public life. I may say that I have offered a resolution, Senate Resolution 284, upon which I shall demand a record vote before this session adjourns, calling for an investigation of the Works Progress Administration.

The PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the Senator from Vermont [Mr. AUSTIN].

Mr. VANDENBERG. I ask for the yeas and nays.

The yeas and nays were ordered, and the legislative clerk proceeded to call the roll.

Mr. SHIPSTEAD (when his name was called). I have a general pair with the Senator from Virginia [Mr. GLASS], but I am informed that I am free to vote. I vote "yea."

The roll call was concluded.

Mr. LEWIS. I announce that the Senator from Arizona [Mr. ASHURST] and the Senator from Oregon [Mr. REAMES] are absent because of illness.

The Senator from Tennessee [Mr. BERRY], the Senator from New Mexico [Mr. CHAVEZ], the Senator from Missouri [Mr. CLARK], the Senator from Illinois [Mr. DIETERICH], the Senator from Ohio [Mr. DONAHEY], the Senator from Wisconsin [Mr. DUFFY], the Senators from Iowa [Mr. GILLETTE and Mr. HERRING], the Senator from Virginia [Mr. GLASS], the Senators from Oklahoma [Mr. LEE and Mr. THOMAS], the Senator from Minnesota [Mr. LUNDEEN], the Senator from Kentucky [Mr. LOGAN], the Senator from California [Mr. MCADOO], the Senator from Arkansas [Mr. MILLER], the Senators from New Jersey [Mr. MILTON and Mr. SMATHERS], the Senator from North Carolina [Mr. REYNOLDS], the Senator from South Carolina [Mr. SMITH], the

Senator from Maryland [Mr. TYDINGS], and the Senator from New York [Mr. WAGNER], are detained on important public business.

Mr. DAVIS (after having voted in the affirmative). I have a general pair with the junior Senator from Kentucky [Mr. LOGAN]. Not knowing how he would vote, I transfer my pair to the junior Senator from North Dakota [Mr. NYE], and allow my vote to stand. I understand that if present the Senator from North Dakota [Mr. NYE] would vote "yea."

Mr. FRAZIER (after having voted in the affirmative). On this question I have a pair with the junior Senator from California [Mr. MCADOO], who is absent. I therefore withdraw my vote. I understand that if the Senator from California were present he would vote "nay."

Mr. LEWIS. The Senator from Maryland [Mr. TYDINGS] has a pair with the Senator from Wisconsin [Mr. DUFFY]. If present and voting the Senator from Maryland would vote "yea," and the Senator from Wisconsin would vote "nay."

Mr. AUSTIN. The Senator from New Hampshire [Mr. BRIDGES] has a general pair with the Senator from North Carolina [Mr. REYNOLDS]. If these Senators were present and voting the Senator from New Hampshire would vote "yea" and the Senator from North Carolina would vote "nay."

The result was announced—yeas 33, nays 35, as follows:

YEAS—33

Austin	Gerry	Lonergan	Townsend
Bailey	Gibson	McCarran	Vandenberg
Bulkley	Hale	McNary	Van Nuys
Burke	Hatch	Maloney	Walsh
Byrd	Holt	Norris	Wheeler
Capper	Johnson, Calif.	O'Mahoney	White
Copeland	King	Pittman	
Davis	La Follette	Pope	
George	Lodge	Shipstead	

NAYS—35

Adams	Caraway	Hughes	Pepper
Bankhead	Connally	Johnson, Colo.	Radcliffe
Barkley	Ellender	Lewis	Russell
Bilbo	Green	McGill	Schwartz
Bone	Guffey	McKellar	Schwellenbach
Brown, Mich.	Harrison	Minton	Sheppard
Brown, N. H.	Hayden	Murray	Thomas, Utah
Bulow	Hill	Neely	Truman
Byrnes	Hitchcock	Overton	

NOT VOTING—28

Andrews	Dieterich	Lee	Reames
Ashurst	Donahey	Logan	Reynolds
Berry	Duffy	Lundeen	Smathers
Borah	Frazier	McAdoo	Smith
Bridges	Gillette	Miller	Thomas, Okla.
Chavez	Glass	Milton	Tydings
Clark	Herring	Nye	Wagner

So Mr. AUSTIN's amendment was rejected.

Mr. BARKLEY. Mr. President, I ask unanimous consent that during the remainder of the consideration of the joint resolution no Senator shall speak more than once or longer than 15 minutes on the joint resolution or more than once or longer than 10 minutes on any amendment.

The PRESIDENT pro tempore. Is there objection?

Mr. JOHNSON of California. I object temporarily.

Mr. MURRAY. Mr. President, I send to the desk an amendment which I ask to have stated.

The PRESIDENT pro tempore. The clerk will state the amendment.

The LEGISLATIVE CLERK. On page 20, line 21, it is proposed to strike out the period after the word "agencies" and to insert a semicolon and the following:

or (4) the undertaking of water-conservation projects in the Great Plains, arid, and semiarid areas of the United States in cooperation with the Works Progress Administration, the allocation of costs between all relief expenditures and public-works expenditures to be made for each such project by cooperative agreement between the two Works Administrators.

Mr. MURRAY. Mr. President, the purpose of the proposed amendment is to make it possible for the Works Progress Administration, in cooperation with the other Federal agencies, to carry forward projects in the arid and semiarid areas of the United States which are absolutely necessary for the purpose of rehabilitating those sections of the country which have been affected by drought conditions.

Several times during the consideration of the pending measure efforts have been made to present amendments which would effectuate this purpose. The last amendment that was proposed was objected to because it carried earmarking provisions. The provision incorporated in the pending amendment makes it possible for the W. P. A. to carry on projects in connection with the P. W. A. and with the Bureau of Reclamation, and it will be possible by the adoption of the amendment to provide projects in those sections of the country which will make it possible for us to have performed work of that kind.

I do not believe it is necessary for me to discuss the proposed amendment to any extent, because it has been debated on the floor of the Senate during the last several days, and I think it is the consensus of opinion among the Senators present that it is necessary to have this provision incorporated in the pending measure.

Mr. COPELAND. How much is involved in the proposal?

Mr. MURRAY. Not one single dollar. Not a dollar will be necessary to carry this out. It merely makes it possible for the Works Progress Administration to cooperate with the P. W. A. and with the Bureau of Reclamation.

Mr. MALONEY. Does the amendment contemplate work on private land?

Mr. MURRAY. No.

The PRESIDENT pro tempore. The question is on agreeing to the amendment of the Senator from Montana [Mr. MURRAY].

The amendment was rejected.

Mr. MINTON. Mr. President, I offer an amendment, which I ask to have stated.

The LEGISLATIVE CLERK. On page 8, line 19, after the word "agencies", it is proposed to insert a comma and the following:

Provided, That no part of this appropriation herein provided shall be used for the construction by the Works Progress Administration of any building, unless the sponsor shows to the satisfaction of the Administrator that an emergency exists for the erection of such building and the sponsor is financially unable to finance the building.

Mr. MINTON. Mr. President, the W. P. A. has been erecting many buildings and doing a very satisfactory job in constructing them. But in building edifices sponsored by States and municipalities and subdivisions of States, necessarily the work is taken away from the building trades.

The men in the building trades have worked for years, as apprentices and as craftsmen, in building up their trades. They are skilled workmen. But if W. P. A. continues to construct buildings, men who have spent their lives in their trades and in their crafts will eventually be driven down to the level of W. P. A. labor. They will be forced to go upon W. P. A. themselves. These men have been striving for months, yes, for years, to keep off the W. P. A. rolls and to maintain and sustain themselves and their families by working in their own trades. This was possible because of the public works constructed by this administration under the Public Works Administration. If we continue to do, through the W. P. A., work which ought to be done by contract, these men will be driven from their crafts and their trades, and upon W. P. A. and upon relief.

No State, no municipality, no subdivision of a State should be given the assistance of W. P. A. to construct a building if it has the wherewithal to erect the building itself in the usual manner.

As an example, my own State had a substantial balance in the treasury, several million dollars, but was seeking the aid of W. P. A. to build a police barracks. The State of Indiana, able to construct its own police barracks in the usual manner, and thereby employ these men in the trades and in the crafts, has no right to ask W. P. A. to construct that building for them merely in order to save the taxpayers of the State of Indiana.

Neither has any municipality in the State of Indiana or any political subdivision, if it has the wherewithal to construct the buildings, the right to call upon the W. P. A. to erect the buildings and take the work away from the regular crafts in the labor field.

Mr. President, if, however, a community is poor, and is unable to finance a structure which it must have, the situation is different. By way of illustration, if a schoolhouse in a poor community should burn down, and the children should have no place to go to school, and the community could not rebuild the schoolhouse, then W. P. A., under this amendment, could step in and build it, otherwise the children could not go to school and no one would have any work in connection with such a needed building, because it could not be built locally.

So the amendment is merely designed and intended to protect men in the crafts and the trades in their livelihood, which they have spent their lives in building up for their own security and for the security of their families.

Mr. COPELAND. Mr. President, it is so seldom that I agree with the Senator from Indiana that I want to make it a matter of record. [Laughter.]

I think, as a matter of fact, that his amendment is a splendid one, and I hope it will be adopted.

Mr. President, I am disgusted, hurt, disgraced, and humiliated by the great gifts which have been made to the great city of New York and to other cities in my State, cities well able to finance all the projects which they need for their beautification and advancement. Of course, there should be no money given anywhere if the locality, the community, or the individual can find it elsewhere, through its or his own efforts, or through the taxation of the community, the State, or city involved.

I commend the Senator from Indiana. I suppose he will not be so pleased at that, but I think he is to be complimented.

Mr. MINTON. Notwithstanding the Senator's commendation, I am still for my amendment.

Mr. COPELAND. I thank the Senator. I hope his amendment will be adopted.

The PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the Senator from Indiana [Mr. MINTON].

The amendment was rejected.

Mr. WHEELER. Mr. President, I send to the desk an amendment. I want to state that the amendment is in the same language as House bill 10530, which has for its purpose the extension of the time for the reduction of interest rates on Federal land-bank loans, under the Farm Loan Act. I shall ask that the amendment be stated.

The PRESIDENT pro tempore. The amendment will be stated.

The CHIEF CLERK. At the proper place in the joint resolution it is proposed to insert the following new title:

TITLE VI—EXTENSION OF 3½-PERCENT INTEREST RATES ON FEDERAL LAND-BANK LOANS

SEC. 601. (a) Effective July 1, 1935, the first sentence of paragraph "Twelfth" of section 12 of the Federal Farm Loan Act, as amended (relating to reduction in interest rates on certain Federal land-bank loans), is amended by striking out the following: "occurring within a period of 3 years, commencing July 1, 1935, and shall not exceed 4 percent per annum for all interest payable on installment dates occurring within a period of 1 year commencing July 1, 1938" and inserting in lieu thereof the following: "occurring within a period of 5 years, commencing July 1, 1935."

(b) The fourth sentence of such paragraph "Twelfth" (relating to the time limit on payments made by the United States to land banks on account of such interest reduction) is amended to read as follows: "No payments shall be made to a bank with respect to any period after June 30, 1940."

SEC. 602. The last paragraph of section 32 of the Emergency Farm Mortgage Act, as amended (relating to reduction in the interest rate on loans by the Land Bank Commissioner), is amended to read as follows:

"Notwithstanding the foregoing provisions of this section, the rate of interest on loans made under this section shall not exceed 4 percent per annum for all interest payable on installment dates occurring on or after July 22, 1937, and prior to July 1, 1940."

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. WHEELER. I yield.

Mr. BARKLEY. The amendment proposed by the Senator from Montana is practically the House bill which has just passed the House, and has come to the Senate, and has been unanimously reported by the Committee on Banking and Currency, and is now on the calendar. I can state to the Senator from Montana, and to other Senators, that that measure on the calendar, the House bill, will be taken up early next week, and I have no doubt of its passage. In view of that circumstance I think it would be a mistake to put it in as an amendment to the joint resolution, because it is one of the bills, I will say to the Senator, that is on the program for consideration early next week.

Mr. WHEELER. Mr. President, with that assurance, I will withdraw the amendment. I was anxious to have the bill acted upon at this session of the Congress. However, with the assurance of our leader, I withdraw the amendment at this time.

I now send to the desk an amendment, on page 20, line 21, after the word "agencies", to insert a semicolon and the following language:

of which the sum of $100,000,000 is to be expended by the Secretary of the Interior, for constructing, continuing construction, and expediting construction of projects under the authority of the reclamation law: *Provided*, That not to exceed $1,500,000 of this amount shall be made immediately available and to remain available until expended, for the construction of small storage reservoirs, as authorized by the act of August 26, 1937 (50 Stat. 841): *Provided further*, That not to exceed $900,000 of this amount shall be made available to enable the Secretary of the Interior, through the Bureau of Reclamation, to carry on any engineering and economic investigations of proposed Federal reclamation projects, surveys for reconstruction, rehabilitation or extension of existing projects, and studies of water conservation and development plans, such investigations, surveys, and studies to be carried on by said Bureau either independently or, if deemed advisable by the Secretary of the Interior, in cooperation with State agencies and other Federal agencies including the Corps of Engineers, National Resources Committee, and the Federal Power Commission."

Mr. POPE. Mr. President, what act is referred to in the amendment? The Small Reservoir Act is referred to. There were two such acts passed last year.

Mr. WHEELER. The language is "as authorized by the act of August 26, 1937."

Mr. POPE. There was one act passed giving the Department of the Interior power to build small reservoirs, and another was passed giving to the Department of Agriculture the power to build small reservoirs.

Mr. WHEELER. The act referred to is that in connection with the Department of the Interior.

Let me say to the Senate that the amendment does not specify any definite projects or any specific projects, but it provides for setting aside $100,000,000, to be used by the Secretary of the Interior on projects which have already been started and on such other projects as can be started within the period prescribed by the law.

Mr. HATCH. Mr. President, will the Senator yield?

Mr. WHEELER. I yield.

Mr. HATCH. As I understand the Senator's amendment, it will not take away any part of the appropriation in title I.

Mr. WHEELER. That is correct. It would not take a cent away from title I, and it would only allocate money provided for in title II, to reclamation and irrigation and small reservoirs. It merely provides for the allocation of $100,000,000 to be spent on reclamation and on the projects referred to.

A great deal has been said about work relief, and that the joint resolution is for the purpose of providing work relief. As I said the other day when speaking on this general subject, we have talked about the Dust Bowl at different times, especially around election time, but now we have the opportunity to take some of the money provided and see to it that it is used for the purpose of improving conditions in the Dust Bowl area. It will not be wasted, and it will guarantee to the people in the Dust Bowl that money will be used for reclamation and irrigation.

In the drought area there are a great many farmers who are on relief at the present time. The provision referred to will give work to those who are on relief in the farming districts and, in addition to that, these projects when built will add to the capital assets of the Nation.

In the long run it will help to save the Government money, because it will take people out of the area where these droughts occur and will afford opportunity for farmers to go onto irrigated land where they can make a living.

I know of nothing more important that can be done for this western section of the country, particularly in the Rocky

Mountain area, and I know of no work on which money can be so well expended.

As I said the other day, I do not want to stand on the floor of the Senate and tell the people of New York how relief money should be spent in the city of New York; I do not want to tell the people of Pennsylvania how relief money shall be spent in that State; I do not want to tell the people in the South how relief money shall be spent there; but I say, Mr. President, that those of us who know something of the Rocky Mountain region, the arid country, should be able to say something as to how the money shall be spent in that particular locality.

If I were earmarking this money for particular projects, I could understand that objection could properly be raised to it on the ground that we were pointing out specific projects; but we are not doing that. We are leaving it entirely to the discretion of the Secretary of the Interior as to where he shall use the money. Of course, we know that when it is left up to him he is going to spend it in the drought area and in the area that will be most benefited by the work.

I sincerely hope that the amendment will be adopted, and I shall ask for the yeas and nays.

Mr. HAYDEN. Mr. President, when the Secretary of the Interior was before our committee he was questioned as to what sums of money could be well utilized by his Department in providing immediate employment. I asked the Secretary a question, and the following occurred:

> In connection with the Interior Department, I would like to ask you what the Department could do or has on hand that it could speed up within a very brief time.
>
> Secretary ICKES. I might add in amplification, Senator, that not only can we furnish employment on these Federal projects now under construction, but if we do not get money necessary to keep men going we will have to lay men off.
>
> Senator ADAMS. On what Federal projects?
>
> Secretary ICKES. Well, take Grand Coulee as an example, Mr. Chairman. On the basis of the present appropriation, there is very grave likelihood we will have to be laying 5,000 men off out there.
>
> Senator TYDINGS. What proportion of the amount asked for, Mr. Secretary, will be needed to keep the work now in progress going? Is it relatively small?
>
> Mr. FARBACH. I think about $25,000,000 or $30,000,000 would be the maximum amount to carry on those projects right now. On the non-Federal projects they all have their allotments already, so no additional funds will be necessary now to keep work going on those projects.
>
> Senator TYDINGS. About $50,000,000 in round numbers would be the outside figure, you would think?
>
> Mr. FARBACH. Yes; that would be more than enough.
>
> Secretary ICKES. That would be sufficient.

Then the Secretary furnished us with tables showing that if all the work on all the reclamation projects in the United States were speeded up, $23,800,000 could be expended within the year and one-half, and work could begin within 30 days. On projects where work could begin in 180 days he estimated another $21,000,000 could be spent, or a total of $44,000,000.

The trouble with the Senator's amendment is that he proposes to give to the Department of the Interior more than twice as much money as the Secretary advised the Appropriations Committee he could properly use within this period on projects for which he has the plans and on which he is ready to go ahead. It is entirely true, of course, that he could undertake entirely new projects. By the expenditure of a million dollars he could commit the Government to something new, which would mean an ultimate obligation on the Treasury of perhaps ten or fifteen million dollars.

But on the projects which are now adopted and ready to go, and on the projects already planned, which could be completed within the period of the joint resolution, the total asked of the committee was $44,000,000. That is one objection to the amendment. It is more than twice too large.

The other objection I have to the amendment is a general objection against earmarking. I think the advice we have received is sound, that discretion should be left in the Public Works Administrator to find the places in the United States where men can be put to work quickly, because that is the whole object and purpose of the joint resolution.

Mr. WHEELER. Mr. President, I will say in answer to what the Senator has pointed out that I have received some figures from the Bureau of Reclamation wherein they point out that they could use more than $100,000,000 within 60 days' time. I had the table before me. It showed some $23,000,000 which could be used on projects already under way. Another group of projects totaled over $100,000,000. I am not asking for as much as the Bureau of Reclamation figures show.

In addition, let me say that I am not asking it all for reclamation. I am asking that some of it be allocated for the purpose of building small reservoirs, which, as the Senator must know, are needed in the drought-stricken area.

Mr. HAYDEN. There is $1,500,000 out of the $100,000,000 for that purpose in the Senator's amendment.

Mr. WHEELER. If we are going to leave it to the Secretary of the Interior or somebody else to say whether or not we shall spend the money for building schools or for armories, it will be only a short time before we shall not need any armories or any schools or any jails or anything else, unless we can get water upon the land. The truth about the matter is that in the drought area there are thousands upon thousands of farmers on relief. Shall we turn over this money and say that it shall all be spent in the big cities, or shall we spend some of it for the purpose of rehabilitating the farmers for whom we are appropriating money for seed loans, and to whom we are lending money which we shall never get back? Or shall we use some of the money to rehabilitate them, put them on the farms, and give them an opportunity to make a living for themselves, rather than keep them as paupers on the Government pay roll?

That is the issue.

We talk about allocating money. We have allocated money to cities for building houses. I have no objection to that. I am in favor of it. However, those who are in favor of building houses in New York, Philadelphia, Chicago, Pittsburgh, and other cities, and those who are in favor of doing other things in the cities, ought to recognize the fact that some of us who live in the drought-stricken area, which has suffered for 6 or 7 years, ought to have something to say about where some of these millions upon millions of dollars are going for the purpose of helping our own people in that area.

I certainly hope the amendment will be adopted.

Mr. WHEELER subsequently said: Mr. President, in view of the statement which was made by the Senator from Arizona [Mr. HAYDEN] a moment ago, to the effect that the Department stated that it could use only about $45,000,000 on reclamation, I desire to call attention to a table which was prepared by the Department of the Interior, Bureau of Reclamation, with respect to the proposed allocation of emergency funds, on May 12, 1938. The table shows $23,000,000 of work which could be started immediately; $22,100,000 of work which could be started within 6 months; and $99,320,000 of work which could be started before January 1, 1939, and substantially completed by June 30, 1940.

Mr. President, in connection with the figures which I gave a moment ago, I wish to say that the Department could spend not only $100,000,000 but over $145,000,000 for reclamation. The work could be started and the money could be spent before 1940. However, instead of using the joint resolution for the purpose of helping the drought-stricken areas and doing constructive work upon the farm lands, apparently it is the intention to use the money on buildings and things of that kind which will not be of any substantial benefit to the people. It is apparent to me that it is not the desire to spend money on reclamation, where it would really do the farmers in the Dust Bowl some actual good.

I regret, Mr. President, that when we are spending so much money in the cities and other places for housing and other projects, and when some of us from the Northwest have been willing to spend money on such projects, there is an unwillingness to allocate any money for reclamation and projects of that character.

Mr. President, I ask unanimous consent to have printed in the RECORD the table to which I have referred, furnished me by the Department of the Interior.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Proposed allocation of emergency funds, Department of the Interior, Bureau of Reclamation, May 12, 1938

State	Project	Regular 1939 appropriation	Proposed emergency funds				Amount required to complete projects after June 30, 1940	Remarks
			Estimated additional funds which can be expended by June 30, 1939		Additional work which can be started before Jan. 1, 1939, and substantially completed by June 30, 1940	Total emergency funds		
			Work can be started immediately	Work can be started within 6 months				
	REGULAR PROJECTS NOW UNDER CONSTRUCTION							
Arizona	Gila	$900,000	$1,000,000		$1,000,000	$2,000,000	$13,850,000	Proposed emergency funds will be used for: Complete main canal and Gila River siphon; commence construction of transmission line, pumping plants lateral system.
	Salt River	200,000	400,000	$300,000	300,000	1,000,000	0	Complete construction Bartlett Dam and rehabilitation works.
Arizona-California	Yuma		250,000			250,000	0	Drainage on reservation division.
Arizona-Nevada	Boulder Dam and power plant	3,500,000			3,000,000	3,000,000	9,690,000	Installation of 2 additional units in power house.
California	All-American Canal	500,000	500,000	1,000,000	1,000,000	2,500,000	5,000,000	Construction Coachella branch of All-American Canal.
	Central Valley	9,000,000		16,000,000	25,000,000	41,000,000	96,400,000	Expedite construction railroad relocation and Shasta Dam and Reservoir and acquisition rights-of-way.
Colorado	Colorado-Big Thompson	1,250,000		1,000,000	3,000,000	4,000,000	37,850,000	Expedite construction Green Mountain Reservoir and Continental Divide Tunnel; commence Granby Reservoir and canal system.
Idaho	Boise-Payette	500,000	200,000	300,000	500,000	1,000,000	2,397,000	Expedite present construction on canal and lateral system.
	Upper Snake River	250,000	350,000		400,000	750,000	750,000	Complete Island Park and Grassy Lake Dams.
	Twin Springs	750,000			1,000,000	1,000,000	8,150,000	Construction 172,000 acre-foot reservoir on North Fork Boise River, transmission line and pumping plant on Snake River near Marsing.
	Minidoka	400,000					544,000	
Montana	Sun River	300,000		150,000	150,000	300,000	495,000	Complete enlargement Pishkun Reservoir and Willow Creek Canal enlargement.
Nevada-California	Truckee River storage		50,000			50,000	200,000	Complete construction Boca Dam and Reservoir on Little Truckee River in California.
New Mexico	Carlsbad	100,000	200,000		100,000	300,000	0	Continue concrete lining project canals.
	Elephant Butte power	500,000		500,000	500,000	1,000,000	886,000	Expedite construction Elephant Butte power plant and power transmission lines.
Oregon	Owyhee	310,000	150,000		100,000	250,000	111,000	For construction pumping plants and lateral and drainage systems.
	Klamath		300,000		300,000	600,000	105,000	Complete laterals Tule Lake division and start construction Modoc unit.
	Deschutes	300,000		750,000	750,000	1,500,000	5,750,000	Expedite construction Wikiup Reservoir and commence construction canal system.
Utah	Ogden River	100,000					0	
	Provo River	350,000		500,000	500,000	1,000,000	6,834,000	Expedite construction Deer Creek Dam, Duchesne tunnel, and Weber-Provo diversion canal and other canal work.
	Moon Lake		100,000			100,000	0	Complete construction Moon Lake Reservoir.
Washington	Grand Coulee Dam	13,000,000	15,000,000		28,000,000	43,000,000	61,800,000	Expedite construction Grand Coulee Dam.
	Yakima Roza	1,000,000		500,000	1,000,000	1,500,000	7,500,000	Expedite construction of the main canal.
Wyoming	Shoshone-Heart Mountain	700,000	200,000	300,000	500,000	1,000,000	2,100,000	Expedite construction of canal and distributing system.
	Riverton	100,000	100,000	100,000	100,000	300,000	3,323,000	Expedite construction of Wyoming Canal and distribution system.
	Kendrick	1,000,000			1,000,000	1,000,000	4,143,000	Complete Seminoe Dam and power plant and expedite construction canal system.
All projects	Advance purchase of materials		5,000,000			5,000,000	0	To make advance purchases of steel, gates, and machinery needed for the various projects.
	Subtotal	35,010,000	23,800,000	21,400,000	68,200,000	113,400,000	267,877,000	
	REGULAR PROJECTS ON WHICH CONSTRUCTION HAS NOT YET STARTED							
Colorado	Mancos				500,000	500,000	600,000	Start construction Jackson Gulch Reservoir on West Mancos River for supplemental water supply 13,000 acres near Mancos, Colo.
	San Luis Valley				500,000	500,000	9,000,000	Start construction Wagon Wheel Gap Reservoir on Rio Grande—furnish supplemental water supply 500,000 acres in San Luis Valley.
	West Divide				500,000	500,000	450,000	Start construction reservoirs at head West Divide and Owens Creeks for supplemental water supply lands near Silt and Rifle, Colo.
Idaho	Narrows				800,000	800,000	8,200,000	Commence construction Narrows Reservoir on South Fork Snake River.
	Payette storage				1,000,000	1,000,000	4,000,000	Commence construction Gardner Valley Reservoir on South Fork Payette River.
Montana	Gallatin Valley			500,000	1,000,000	1,500,000	4,500,000	Construction Spanish Creek Dam on West Gallatin River for supplemental water supply 97,000 acres in Gallatin Valley.
Oregon	Vale-Bully Creek Dam				860,000	860,000	0	Construction Bully Creek Reservoir to provide supplemental water supply for Vale project.
	Baker				500,000	500,000	3,200,000	Construction 90,000 acre-feet reservoir on Powder River, power development, pumping plant, and canal system for 47,000 acres.
	Subtotal			500,000	5,660,000	6,160,000	29,950,000	

Proposed allocation of emergency funds, Department of the Interior, Bureau of Reclamation, May 12, 1938—Continued

State	Project	Regular 1939 appropriation	Proposed emergency funds			Total emergency funds	Amount required to complete projects after June 30, 1940	Remarks
			Estimated additional funds which can be expended by June 30, 1939		Additional work which can be started before Jan. 1, 1939, and substantially completed by June 30, 1940			
			Work can be started immediately	Work can be started within 6 months				
	GREAT PLAINS PROJECTS SUGGESTED BY LOCAL AGENCIES							
Montana	Fort Peck Power				$5,000,000	$5,000,000	0	For purchase and installation generating equipment by Army and construction of transmission lines.
Montana-Dakotas	Milk River-Saco Divide			$200,000	300,000	500,000	$450,000	Construct pumping plant, canals, and laterals to irrigate lands near Saco, Mont.
	Missouri Pumping				2,000,000	2,000,000	0	Construction of pumping plants at various places along Missouri River in Montana and Dakotas.
Nebraska	Hay Springs				500,000	500,000	0	Start construction reservoir on Niobrara River for irrigation lands near Hay Springs, Nebr.
New Mexico	Tucumcari				1,000,000	1,000,000	7,200,000	Commence construction canals to carry water from Conchas Reservoir to lands near Tucumcari, N. Mex.
North Dakota	Buford-Trenton				870,000	870,000	0	Construct pumping plant and canal system for irrigation about 13,400 acres between Williston and Buford, N. Dak.
	Williston				1,330,000	1,330,000	0	Construct pumping plant and canal system for irrigation 15,500 acres near Williston, N. Dak.
	Nesson Valley				760,000	760,000	0	Construct pumping plant and canal system for irrigation 18,300 acres near Hoffland.
	Shell Creek				790,000	790,000	0	Construct pumping plant and canal system for irrigation 13,800 acres near Van Hook.
	Deep Water Creek				750,000	750,000	0	Construct pumping plant and canal system for irrigation 12,400 acres near Elbowoods.
	Old Agency				610,000	610,000	0	Construct pumping plant and canal system for irrigation 8,720 acres near Nishu.
	Fort Stevenson				820,000	820,000	0	Construct pumping plant and canal system for irrigation 13,900 acres near Expansion.
	Hancock				340,000	340,000	0	Construct pumping plant and canal system for irrigation 7,500 acres near Mannhaven.
	Washburn-Oliver				750,000	750,000	0	Construct pumping plant and canal system for irrigation 11,000 acres near Hensler.
	Painted Woods				420,000	420,000	0	Construct pumping plant and canal system for irrigation 5,600 acres near Painted Woods.
	Bismarck				650,000	650,000	0	Construct pumping plant and canal system for irrigation 8,500 acres near Bismarck.
	Livona Flats				370,000	370,000	0	Construct pumping plant and canal system for irrigation 6,000 acres near Livona.
	Winona Flats				310,000	310,000	0	Construct pumping plant and canal system for irrigation 7,600 acres near Winona.
	Heart Butte				1,200,000	1,200,000	0	Irrigation of about 13,000 acres near Mandon; construction of 35,000-acre-foot storage reservoir on Heart River.
	Heart Butte pumping				320,000	320,000	0	
	Bowman				1,010,000	1,010,000	0	Irrigation of about 4,500 acres near Haley; construction of 19,500-acre-foot storage on North Fork Grand River.
	Mouse River				860,000	860,000	0	Irrigation of 10,000 acres near Bantry; storage of 30,000 acre-feet in Buffalo Lake water diverted from Mouse River.
Oklahoma	Altus				500,000	500,000	4,900,000	
South Dakota	Rapid Valley				500,000	500,000	1,650,000	Construction Deerfield Reservoir on Castle Creek or Pactola Reservoir on Rapid Creek for irrigation 12,000 acres near Rapid City.
	Subtotal, Great Plains			200,000	21,960,000	22,160,000	14,200,000	
	MISCELLANEOUS							
Various	Small storage reservoirs				1,500,000	1,500,000		Prepare plans and designs and start construction on small reservoirs particularly in Dust Bowl area.
	Cooperative and general investigations	$200,000			1,500,000	1,500,000		For surveys, investigations, and preparation of reports on proposed water-conservation projects.
Hawaii	Molokai				500,000	500,000	4,500,000	To complete surveys and investigations and commence construction of feeder tunnels.
Subtotal, miscellaneous		200,000			3,500,000	3,500,000	4,500,000	
Grand total		35,210,000	23,800,000	22,100,000	99,320,000	145,220,000	316,527,000	

The PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the Senator from Montana [Mr. WHEELER].

The amendment was rejected.

Mr. HAYDEN. Mr. President, I desire to offer a perfecting amendment to the joint resolution, which I send to the desk and ask to have stated.

The PRESIDENT pro tempore. The amendment will be stated.

The LEGISLATIVE CLERK. On page 24, line 11, after the word "made", it is proposed to insert "or in the opinion of the Administrator is assured."

Mr. HAYDEN. Mr. President, the same provision was contained in the Emergency Relief Act of 1936. As the text reads now, it says:

Unless and until adequate provision has been made for financing such part of the entire cost thereof as is not to be applied from Federal funds.

Heretofore, in such statutes, provision has been made in the language "or assured." My amendment carries out that purpose.

Mr. BYRNES. On what page is the amendment?

Mr. HAYDEN. On page 24, line 11, after the word "made", I move to insert "or in the opinion of the Administrator is assured." That conforms to the text of previous acts of this character.

The PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the Senator from Arizona [Mr. HAYDEN].

The amendment was agreed to.

Mr. HATCH. Mr. President, on behalf of my colleague [Mr. CHAVEZ] I send to the desk two amendments, and ask that the first one be stated.

I think the Senator in charge of the joint resolution is familiar with both these amendments, and is willing to accept them.

The PRESIDENT pro tempore. The first amendment offered by the Senator from New Mexico will be stated.

The LEGISLATIVE CLERK. On page 20, line 21, after the word "agencies", it is proposed to insert a colon and the following:

Provided, That no funds appropriated under this title shall be available for the acquisition of land to enlarge Indian reservations.

Mr. ADAMS. Mr. President, the amendment which is offered at the instance of the junior Senator from New Mexico [Mr. CHAVEZ], and which I hope may be adopted and taken to conference, carries out a program which western Senators will understand.

The PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the Senator from New Mexico [Mr. HATCH] on behalf of his colleague [Mr. CHAVEZ].

The amendment was agreed to.

Mr. HATCH. Mr. President, may the second amendment which I have offered on behalf of my colleague be stated?

The PRESIDENT pro tempore. The second amendment offered by the Senator from New Mexico [Mr. HATCH] on behalf of his colleague [Mr. CHAVEZ] will be stated.

The LEGISLATIVE CLERK. On page 25, between lines 2 and 3, it is proposed to insert the following new subsection:

All contracts for the construction of any Federal project with funds appropriated under this title or title III shall contain provisions appropriate to insure that, insofar as practicable and feasible, preference in employment of workers (exclusive of executives, supervisory, administrative, and other nonmanual) on such projects shall be given to bona fide residents of the State, Territory, or possession in which the project is located, who have resided therein for at least 90 days immediately preceding the date of their employment, where such persons are available and qualified to perform the work to which the employment relates: *Provided*, That where the project is located in more than one State, such preference shall be equally applicable to all such States.

Mr. ADAMS. Mr. President, in the joint resolution as it now stands, after amendments on the floor, at the bottom of page 24 is an amendment which has been approved by the Senate which gives a preference to the local residents upon non-Federal projects. The amendment offered by the Senator from New Mexico [Mr. HATCH] on behalf of his colleague [Mr. CHAVEZ] seems to give the same preference upon Federal projects. If preference is given to workmen in the neighborhood upon non-Federal projects, I know of no reason why the same preference should not be given upon Federal projects.

The PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the Senator from New Mexico [Mr. HATCH] on behalf of his colleague [Mr. CHAVEZ].

The amendment was agreed to.

Mr. BILBO. Mr. President, I send to the desk an amendment, which I ask to have stated.

The PRESIDENT pro tempore. The amendment offered by the Senator from Mississippi will be stated.

The LEGISLATIVE CLERK. On page 3, line 15, after the word "classes", it is proposed to insert the following proviso:

Provided further, That the Works Progress Administration, in its discretion, may use such part of the funds herein and hereby appropriated as it deems fair and equitable to pay the salaries of public-school teachers in any school district in the United States in which the United States has or may purchase or own such a large part of the real estate in such school districts that the taxes or revenues from the realty in such school districts have been reduced to such a point as to render such districts unable to support their public schools.

Mr. BILBO. Mr. President, I appreciate the fact that we are anxious to get through. My amendment attempts to bring relief to a situation for which the Congress itself is responsible.

In recent years the Congress has been voting large sums of money to buy lands for reforestation in different parts of the country. In a great many school districts the Government has bought anywhere from one-fourth to one-half, and in some cases as much as 90 percent, of all the land in the school district, which has reduced the revenues upon which the school must depend for its existence to such a point that in some cases the schools have been forced to close. There was no money to pay the teachers.

In conference with Mr. Silcox, who is the Chief of the Forest Service of the United States, and with Mr. Hopkins, we have been trying to work out some scheme by which the Government will contribute its proportionate share of the expense of maintaining such schools. Under the Relief Act, a fund of $75,000,000 was set up to send boys and girls to college; but here are boys and girls in the lower grades in communities where the schools have been closed because of inability to pay the teachers. There is no property to tax, because the Government has taken the land and put it on the Government roll, and there is no authority to tax it.

My amendment merely gives Mr. Hopkins, in his discretion, the right to use a part of the funds appropriated in the joint resolution to relieve these schools during the present session, so that next January the Congress may work out a scheme to give relief in the years to come. The amendment merely provides an authorization in the discretion of the Works Progress Administrator.

The PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the Senator from Mississippi.

The amendment was rejected.

Mr. BARKLEY. Mr. President, earlier in the evening the Senator from Nebraska [Mr. NORRIS] left with me an amendment to offer in his name, because he was called from the Chamber. I now offer it in his name and ask that it be adopted.

The PRESIDENT pro tempore. The amendment offered by the Senator from Kentucky on behalf of the Senator from Nebraska [Mr. NORRIS] will be stated.

The LEGISLATIVE CLERK. On page 21, after line 1, it is proposed to insert the following:

Provided, That this limitation upon time shall not apply to any project enjoined in any Federal or State court.

Mr. BARKLEY. Mr. President, that provision has been in similar legislation heretofore. It merely takes care of cases in which an injunction may be brought against beginning a public project, and provides that in such cases the limitation of time shall not run against the projects.

Mr. BYRNES. Mr. President, I hope the chairman of the subcommittee will agree to the amendment.

The PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the Senator from Kentucky [Mr. BARKLEY] on behalf of the Senator from Nebraska [Mr. NORRIS].

The amendment was agreed to.

Mr. BURKE. Mr. President, at this time I desire to move to reconsider the vote by which on yesterday the Hatch amendment was rejected.

I am led to do this in part by the effect which must necessarily be produced on the country by the action taken yesterday by the Senate, and taken again a short time ago in voting, by a very close vote, not to adopt the amendment offered by the Senator from Vermont [Mr. AUSTIN]. What that effect is, I think, every Member of the Senate must realize and should have in mind before this joint resolution is permitted to become law. It has been nowhere better expressed than in today's issue of the Washington Daily News in these words:

The Senate last night—

Referring to the Hatch amendment—

gave the green light to politics in relief.

The editorial writer goes on to say:

The result: To every political henchman down the line, to every straw boss on every "project," to all those who actually hire and fire, goes word that lawmakers back in Washington do not even give lip service against parceling out the billions where they will do most good—for those in power.

I think we cannot afford to let that impression go out over the country.

Personally, I have never been very much impressed by charges that there is politics in relief. I think most of the accusations have been unfounded; but certain events in recent days, which need not now be mentioned again, have brought the matter very much to the front.

If the Hatch amendment had not been offered, discussed, and voted on, well and good; we could go ahead and let the matter rest. But now that the issue has been raised in the Senate, and in a very mild form—which, as this editorial writer says, is merely an expression of disapproval of political activity in relief—I think it is clearly the duty of the Senate to say, "Why, certainly we disapprove of political activity in relief."

That is the only way we have to correct this wrong impression or, if it is not a wrong impression, in any event it is a very vivid impression, which has gone out over the country that Congress gives some measure of approval to political activity in relief. The only way that I know of to check that, to "scotch" it, to stop it, is to reconsider the vote and adopt the Hatch amendment.

I therefore move to reconsider the vote by which the Hatch amendment was rejected.

(Mr. HATCH'S amendment, as modified, was to insert, at the proper place in the joint resolution, the following:)

No person employed in any administrative capacity by any agency of the Federal Government, whose compensation, or any part thereof, is paid from funds appropriated by title I of this act shall use his official authority or influence for the purpose of interfering with or influencing a convention, a primary, or other election, or affecting the results thereof. Any such person shall retain the right to vote as he pleases and to express his opinions on all political subjects, but shall take no active part in political management or in political campaigns. Any person violating the provisions of this section shall be immediately removed from the position or office held by him, and thereafter no part of the funds appropriated by this act shall be used to pay the compensation of such person.

The PRESIDENT pro tempore. The question is on the motion of the Senator from Nebraska [Mr. BURKE] to reconsider the vote by which the amendment offered on yesterday by the Senator from New Mexico [Mr. HATCH] was rejected.

Mr. BURKE. On that motion I ask for the yeas and nays.

The yeas and nays were ordered, and the legislative clerk proceeded to call the roll.

Mr. CONNALLY (when his name was called). On this question I have a pair with the senior Senator from Oklahoma [Mr. THOMAS], and therefore withhold my vote. If he were present, he would vote "nay." If I were at liberty to vote, I should vote "yea."

Mr. FRAZIER (when his name was called). On this question I have a pair with the junior Senator from California [Mr. MCADOO], and therefore withhold my vote. If I were at liberty to vote, I should vote "yea," and if the Senator from California were present he would vote "nay."

Mr. SHIPSTEAD (when his name was called). I have a general pair with the senior Senator from Virginia [Mr. GLASS]. I am informed that if he were present he would vote as I intend to vote. I therefore feel free to vote, and vote "yea."

Mr. SMITH (when his name was called). I have a pair with the junior Senator from Oklahoma [Mr. LEE], and therefore withhold my vote.

Mr. THOMAS of Utah (when his name was called). On this question I have a pair with the senior Senator from New Jersey [Mr. SMATHERS]. If he were present he would vote "nay," and if I were at liberty to vote I should vote "yea."

Mr. VAN NUYS (when his name was called). On this question I have a pair with the junior Senator from Illinois [Mr. DIETERICH]. I transfer that pair to the senior Senator from Idaho [Mr. BORAH], and will vote. I vote "yea."

Mr. WAGNER (when his name was called). On this question I am paired with the junior Senator from New Jersey [Mr. MILTON]. If the Senator from New Jersey were present he would vote "nay," and if I were at liberty to vote I should vote "yea."

Mr. WALSH (when his name was called). On this question I am paired with the junior Senator from New Mexico [Mr. CHAVEZ], who has been unexpectedly called from the city. I transfer my pair with him to the Senator from Tennessee [Mr. BERRY], and will vote. I vote "yea." If the Senator from New Mexico were present, he would vote "nay."

The roll call was concluded.

Mr. DAVIS (after having voted in the affirmative). I have a general pair with the junior Senator from Kentucky [Mr. LOGAN]. I do not know how he would vote on this question. Therefore I must withdraw my vote.

Mr. LEWIS. I announce that on this question the Senator from Maryland [Mr. TYDINGS] is paired with the Senator from Wisconsin [Mr. DUFFY]. If present, the Senator from Maryland would vote "yea" and the Senator from Wisconsin would vote "nay."

The Senator from Arizona [Mr. ASHURST] and the Senator from Oregon [Mr. REAMES] are detained from the Senate because of illness.

The Senator from Florida [Mr. ANDREWS], the Senator from Tennessee [Mr. BERRY], the Senator from New Mexico [Mr. CHAVEZ], the Senator from Missouri [Mr. CLARK], the Senator from Illinois [Mr. DIETERICH], the Senator from Ohio [Mr. DONAHEY], the Senator from Wisconsin [Mr. DUFFY], the Senators from Iowa [Mr. GILLETTE and Mr. HERRING], the Senator from Virginia [Mr. GLASS], the Senators from Oklahoma [Mr. LEE and Mr. THOMAS], the Senator from Kentucky [Mr. LOGAN], the Senator from California [Mr. MCADOO], the Senator from Arkansas [Mr. MILLER], the Senators from New Jersey [Mr. MILTON and Mr. SMATHERS], the Senator from Idaho [Mr. POPE], the Senator from North Carolina [Mr. REYNOLDS], and the Senator from Maryland [Mr. TYDINGS] are detained on important public business.

Mr. AUSTIN. I announce that the Senator from New Hampshire [Mr. BRIDGES] is paired with the Senator from North Carolina [Mr. REYNOLDS]. If present, the Senator from New Hampshire would vote "yea," and the Senator from North Carolina would vote "nay."

The Senator from North Dakota [Mr. NYE] is paired with the Senator from Iowa [Mr. HERRING]. If present, the Senator from North Dakota would vote "yea," and the Senator from Iowa would vote "nay."

The result was announced—yeas 32, nays 33, as follows:

YEAS—32

Austin	Gerry	La Follette	Russell
Bailey	Gibson	Lodge	Shipstead
Bulkley	Hale	Lonergan	Townsend
Burke	Harrison	McCarran	Vandenberg
Byrd	Hatch	McNary	Van Nuys
Capper	Holt	Maloney	Walsh
Copeland	Johnson, Calif.	Norris	Wheeler
George	King	O'Mahoney	White

NAYS—33

Adams	Caraway	Lewis	Pittman
Bankhead	Ellender	Lundeen	Radcliffe
Barkley	Green	McGill	Schwartz
Bilbo	Guffey	McKellar	Schwellenbach
Bone	Hayden	Minton	Sheppard
Brown, Mich.	Hill	Murray	Truman
Brown, N. H.	Hitchcock	Neely	
Bulow	Hughes	Overton	
Byrnes	Johnson, Colo.	Pepper	

NOT VOTING—31

Andrews	Davis	Lee	Reynolds
Ashurst	Dieterich	Logan	Smathers
Berry	Donahey	McAdoo	Smith
Borah	Duffy	Miller	Thomas, Okla.
Bridges	Frazier	Milton	Thomas, Utah
Chavez	Gillette	Nye	Tydings
Clark	Glass	Pope	Wagner
Connally	Herring	Reames	

So the Senate refused to reconsider the vote by which Mr. HATCH's amendment was rejected.

Mr. COPELAND. Mr. President, I have two amendments which I desire to offer. One of them relates to Army housing. It is a long amendment; and since I know that it is going to be voted down, I shall not bore the Senate by having the clerk read it, except by title.

(Mr. COPELAND's amendment was, on page 22, line 2, before the period, to insert the following:)

: *Provided*, That of the above sum $80,801,248 shall be allotted to the Secretary of War for construction at military posts and stations in priorities previously established by the Secretary of War, as follows:

"Fort Lewis, Wash., barracks, quarters for officers and noncommissioned officers, warehouse, garage, utilities, and addition to hospital, sufficient to house the Fifteenth Infantry, $2,689,240.

"Fort Bragg, N. C., barracks, $413,500.

"Fort Riley, Kans., academic building (this releases two barracks), $405,000.

"Fort Monroe, Va., barracks, $335,000.

"Fort Humphreys, near District of Columbia, reproduction plant and heating plant, $144,880.

"Fort Knox, Ky., barracks, quarters for officers and noncommissioned officers, $2,899,200.

"Fort Crook, Nebr., barracks, $193,000.

"Carlisle Barracks, Pa., noncommissioned officers' quarters, school building, warehouse, firehouse, and guardhouse, $894,800.

"Fort Monmouth, N. J., barracks and Signal Corps laboratory, $377,500.

"Madison Barracks, N. Y., barracks, noncommissioned officers' quarters, and water supply, $359,500.

"Fort Du Pont, Del., barracks, $413,500.

"Savanna Ordnance Depot, Ill., magazines and accessories, $1,023,413.

"Chanute Field, Ill., school building, hangars, and grading, $1,412,622.

"Fort Bliss, Tex., barracks, noncommissioned officers' quarters, and radio station, $463,000.

"Fort Washington, Md., officers' quarters, $30,000.

"Fort MacArthur, Calif., barracks, $138,500.

"Fort Myer, Va., barracks and addition to hospital, $284,500.

"Fort Ethan Allen, Vt., noncommissioned officers' quarters, $257,500.

"Fort Thomas, Ky., barracks, $415,000.

"Fort Sam Houston, Tex., barracks, addition to hospital, and basement in transmitter building, $1,533,700.

"Fort Douglas, Utah, medical detachment barracks, $42,000.

"Jefferson Barracks, Mo., barracks, addition to barracks, and nurses' quarters, $205,500.

"Fort Devens, Mass., barracks, officers', noncommissioned officers' quarters, water towers, and telephone construction (sufficient to house additional battalion and make available space at another post for antiaircraft battalion), $992,800.

"Fort Leavenworth, Kans., auditorium and reproduction plant, $600,000.

"Fitzsimons General Hospital, Colorado (to this should be added $1,250,000 as a veteran-building share for construction of this hospital, making a grand total of $3,020,000), $1,770,000.

"Chanute Field, Ill., barracks, hospital, and warehouses, $1,464,900.

"Air Corps Technical School, Denver, Colo., ground construction of runways, lighting and bombing facilities, gas storage, warehouse, $815,900.

"McChord Field, Wash., barracks, hangars, warehouses, and central heating plant, additional system, $2,494,850.

"Fort Sill, Okla., barracks and addition to, $1,238,700.

"Ogden Ordnance Depot, Utah, magazine building and appurtenances, $1,229,369.

"Delaware Ordnance Depot, N. J., magazines and rail facilities, $504,000.

"Fort Mason, Calif., warehouse, $1,360,000.

"Presidio of San Francisco, Calif., barracks, noncommissioned officers' quarters, $593,870.

"Fort McPherson, Ga., radio station and dental clinic, $108,000.

"Fort Huachuca, Ariz., barracks and hospital, $500,500.

"Carlisle Barracks, Pa., sterilizing plant and officers' quarters, $384,500.

"Fort Sheridan, Ill., barracks and noncommissioned officers' quarters, $656,900.

"Fort Bliss, Tex., stable, stable guard's quarters, and shops, $473,400.

"Fort Snelling, Minn., barracks and telephone exchange, $145,340.

"Fort Riley, Kans., noncommissioned officers' quarters, $275,520.

"Fort MacArthur, Calif., barracks, $276,000.

"Fort McDowell, Calif., barracks, $687,500.

"Fort Barrancas, Fla., barracks, $276,000.

"Fort Bragg, N. C., officers', bachelor officers', nurses' quarters, and telephone exchange, $689,250.

"Fort George G. Meade, Md., barracks and cooks' school, $963,000.

"Fort Douglas, Utah, barracks, $300,000.

"Fort Benjamin Harrison, Ind., barracks, noncommissioned officers', and nurses' quarters, $736,460.

"Jeffersonville Quartermaster Depot, Ind., barracks, $175,000.

"Jefferson Barracks, Mo., officers' and noncommissioned officers' quarters, $154,200.

"Holabird Quartermaster Depot, Md., barracks, $638,250.

"Presidio of San Francisco, Calif., barracks and cooks' school, commissary, warehouse, and noncommissioned officers' quarters, $582,470.

"Fort Slocum, N. Y., barracks, $521,600.

"Fort Benning, Ga., barracks and fire station, $191,300.

"Fort Crockett, Tex., barracks and noncommissioned officers' quarters, $772,320.

"Fort Ethan Allen, Vt., motorization housing, $165,700.

"Fort Hoyle, Md., barracks and noncommissioned officers' quarters, $839,600.

"Edgewood Arsenal, Md., officers' quarters, $309,600.

"McChord Field, Wash., barracks, officers' and noncommissioned officers' quarters, warehouse, and communications, $1,346,500.

"Chanute Field, Ill., officers' and noncommissioned officers' quarters, warehousing, and sewage system, $591,900.

"Air Corps Technical School, Denver, Colo., hangar and gas and oil storage, $388,780.

"Holabird Quartermaster Depot, Md., officers' and noncommissioned officers' quarters, $326,560.

"Fort Knox, Ky., motor shops, nurses' quarters, children's school, and ordnance shop addition, $445,700.

"Fort Lewis, Wash., noncommissioned officers' quarters, $314,880.

"Fort Logan, Colo., garage, repair shop, and noncommissioned officers' quarters, $189,250.

"Savanna Ordnance Depot, Ill., magazines and appurtenances, $780,000.

"Fort MacArthur, Calif., shops, gas storage, and noncommissioned officers' quarters, $344,650.

"Fort Sill, Okla., barracks, noncommissioned officers' quarters, and addition to nurses' quarters, $719,875.

"Aberdeen Proving Ground, Md., barracks, noncommissioned officers' quarters, and Ordnance School building, $846,940.

"Raritan Arsenal, N. J., barracks, $158,100.

"Fort Clark, Tex., sewage-disposal plant and garage, $82,300.

"Vancouver Barracks, Wash., noncommissioned officers' quarters, $147,680.

"Fort Bliss, Tex., bachelor officers' quarters, $128,800.

"West Point, N. Y. (Stewart Field), hangar, shop, and incidental buildings, $270,000.

"Camp Dix, N. J., water supply, $100,000.

"Fort Monmouth, N. J., school for officers and enlisted men, $296,700.

"Delaware Ordnance Depot, N. J., barracks and dispensary, officers' and noncommissioned officers' quarters, $265,500.

"Fort Devens, Mass., noncommissioned officers' quarters and garage, $186,060.

"Fort Hancock, N. J., addition to barracks, noncommissioned officers' and officers' quarters, $262,000.

"Fort Huachuca, Ariz., motorization housing, warrant officers' quarters, gas and oil storage, $83,071.

"Jefferson Barracks, Mo., incinerator, gun shed, and shops, $102,500.

"Fort Jay, N. Y., barracks and noncommissioned officers' quarters, $1,135,700.

"Fort Brady, Mich., barracks, $300,000.

"Madison Barracks, N. Y., hospital alteration, garage, and shops, $315,600.

"Fort Moultrie, S. C., warehouse and commissary, $40,300.

"Fort Myer, Va., warehouse, magazines, fire station, and receiving station (Battery Cove), $129,745.

"New Cumberland General Depot, Pa., officers' and noncommissioned officers' quarters, $54,360.

"Plattsburg Barracks, N. Y., shop and hospital modernization, $238,000.

"Schenectady General Depot, N. Y., officers' and noncommissioned officers' quarters, $68,650.

"Kelly Field, Tex., officers' and noncommissioned officers' quarters, warehouses, hospital, $682,800.

"McChord Field, Wash., headquarters, administration building, and gas storage, $160,200.

"Air Corps Technical School, Denver, Colo., officers' and noncommissioned officers' quarters, magazines, machine-gun range, and railroad, $423,600.

"Air Corps airways program, buildings and grounds at various minor stations, $522,900.

"Sacramento Air Depot, Calif., dock, $75,000.

"Randolph Field, Tex., cadet barracks, $350,000.

"Patterson Field, Ohio, hangar, barracks, hospital, and equipment repair building, $1,265,000.

"Duncan Field, Tex., equipment, repair, and engine-test building, $335,000.

"Mitchel Field, N. Y., completion of runways, $400,000.

"Maxwell Field, Ala., completion of runways, $300,000.

"March Field, Calif., completion of runways, $210,000.

"Fort Sheridan, Ill., noncommissioned officers' quarters, $157,440.

"Fort Slocum, N. Y., noncommissioned officers' quarters, freight shed and pier (Neptune dock), $197,350.

"Fort Huachuca, Ariz., water-supply reconstruction, $161,000.

"Fort Sill, Okla., addition to hospital and construction and improvement of concurrent camp, $628,000.

"Fort Monroe, Va., hospital modernization, $422,000.

"Fort Missoula, Mont., addition to barracks, fire station, and guardhouse, including $79,880 for purchase of materials for other construction, $308,880.

"Fort Benning, Ga., cooks' school and barracks, and warehouse depot, $1,019,100.

"Fort Reno, Okla., barracks, $175,000.

"Fort Leavenworth, Kans., apartment building and school for children, $1,368,000.

"Fort Des Moines, Iowa, hospital reconstruction, $111,000.

"Fort Hoyle, Md., barracks, $692,000.

"Edgewood Arsenal, Md., bachelor officers' quarters, $216,000.

"Letterman General Hospital, Calif., hospital wards, $345,800.

"Presidio of Monterey, Calif., hospital, $300,000.

"Fort Belvoir, Va., garage and shops, $347,100.

"Fort Story, Va., water tower, $20,600.

"Fort Totten, N. Y., motor park, $304,000.

"Fort D. A. Russell, Tex., motor shop, truck and gun shed, $77,818.

"Fort Niagara, N. Y., barracks, $324,000.

"Fort Belvoir, Va., barracks, noncommissioned officers' and officers' quarters, and shops, $1,159,200.

"Fort Sheridan, Ill., hospital, school for cooks, motor housing, $1,229,800.

"Camp Dix, N. J., barracks, officers' and noncommissioned officers' quarters, warehouses, and utilities, $1,100,000.

"Plattsburg Barracks, N. Y., officers', noncommissioned officers' quarters, and barracks, $862,000.

"Presidio of San Francisco, Calif., officers' quarters, $474,000.

"Fort Clark, Tex., rehabilitation, $500,000.

"Scott Field, Ill., barracks, quarters, utilities, runways, warehouses, hangars, and shops, $4,472,450.

"Hamilton Field, Calif., runways and night lighting, $380,000.

"Barksdale Field, La., runways, $660,000.

"Selfridge Field, Mich., runways and night lighting, $817,500.

"Navigation aids at various stations, $300,000.

"Wright Field, Ohio, runways, $660,000.

"Muroc Lake, Calif., barracks, storage, navigation facilities, $353,500.

"Bolling Field, near District of Columbia, barracks, heating plant, hangar, and miscellaneous buildings, $1,066,000.

"March Field, Calif., barracks, $330,000.

"Langley Field, Va., barracks, $440,000.

"Fort Wayne, Mich., noncommissioned officers' quarters, $68,000.

"Frankford Arsenal, Pa., office building and extension to building, $255,000.

"Fort Francis E. Warren, Wyo., barracks, medical detachment, and gymnasium, $277,500.

"Camp Joseph T. Robinson, Ark., barracks, quarters, and technical facilities to quarter one battalion, antiaircraft artillery, $3,240,100.

"Fort Ontario, N. Y., noncommissioned officers' quarters, barracks, and warehouse, $298,875.

"Philadelphia Quartermaster Depot, Pa., administration building and warehouse, $480,000.

"Army Medical Library and Museum, District of Columbia, building, with the utilities, accessories, and appurtenances thereto, $3,750,000.

"Total, $84,551,248.

"*Provided further*, That the military reservations of Bolling Field and Fort Humphreys, situated within the District of Columbia, are exempted from the general provisions of this subsection as to such location."

Mr. COPELAND. This amendment is to provide work by the construction of Army housing at different barracks and forts around the country. We have decided, in our wisdom, that this Army housing should go forward. We have before us an authorization measure.

I find here that at Fort Knox, Ky., barracks and quarters for officers and noncommissioned men are needed at an expense of $2,899,200; at Chanute Field, Ill., buildings at an expense of $1,412,622; at Fort Bliss, Tex., $463,000; at Fort Douglas, Utah, $42,000; at Fitzsimons General Hospital, Colorado, about $3,000,000; at Fort Sill, Okla., $1,238,700; at Presidio of San Francisco, $593,870; at Fort Sheridan, Ill., $656,900; at Fort Benjamin Harrison, Ind., named after a great President, $736,460; at Fort Knox, Ky., other buildings at a cost of $445,700; at Fort Logan, Colo., $189,250; at Fort Benning, Ga., $191,300 and $1,019,100; at Fort Francis E. Warren in Wyoming—named after a great Republican Senator, the late Senator Warren, one of our colleagues, $277,500; at Camp Joseph T. Robinson, in Arkansas, barracks and quarters, $3,240,100.

Mr. WALSH. Mr. President, will the Senator yield?

The PRESIDENT pro tempore. Does the Senator from New York yield to the Senator from Massachusetts?

Mr. COPELAND. I yield.

Mr. WALSH. What is the amount of money which the Senator desires to have appropriated for Army housing?

Mr. COPELAND. Eighty-four million five hundred and fifty-one thousand two hundred and forty-eight dollars.

Mr. WALSH. I should like to say to the Senator that the same situation which he is describing, in reference to the absence of proper housing for Army officers, applies to the Navy, particularly at Annapolis, where several hundred officers are unable to obtain proper and suitable housing quarters.

I will say to the Senator also, in advocacy of his position, that in the case of money spent for housing Army officers there is a reimbursement of 100 percent to the Government, because Army officers and Navy officers who live outside of Government-furnished quarters have to be paid out of the Public Treasury from $60 to $80 a month. So if these houses were built from this public fund—and there are plans and specifications available for doing it at once—inside of a year or two there would be a substantial saving to the Government on account of the nonpayment for housing quarters to the officers of the Army and Navy.

I did not know the situation the Senator has described existed as to the Army, but in the case of the Navy it is a very important problem, particularly at Annapolis, where not only a dozen or more officers, but hundreds of officers, are obliged to travel miles and live in unsuitable quarters and pay excessive rent, and that money is paid yearly out of the Public Treasury as an item of cost for housing these officers.

If this money were spent for housing our Army and Navy officers, in a few years the Government would be freed from that enormous obligation and debt incurred in paying for housing quarters.

Mr. COPELAND. I thank the Senator for what he has said. Furthermore, the appeal is being made all the time for projects which can be started at once. These projects can be started in 15 days. All the plans are prepared; the projects can go forward at once, which will furnish work in practically every State in the Union.

Mr. HILL. Mr. President, will the Senator yield?

Mr. COPELAND. I yield.

Mr. HILL. Did the Senator modify his amendment with reference to the item for Maxwell Field, Ala., appearing on line 14, page 9, in accordance with the conversation the Senator and I had yesterday?

Mr. COPELAND. I shall be glad to do so. Will not the Senator give the language?

Mr. HILL. It is on page 9, line 14, after the name "Alabama", to strike out the words "completion of runways" and insert in lieu thereof the words "officers' quarters, gymnasium, and enlisted men's recreation building."

Mr. COPELAND. I am very glad to accept the amendment, and I hope the amendment when it is printed in full will give all the items, including the one offered by the Senator from Alabama.

Here is a chance to decently house the Army, to provide quarters, which, as the Senator from Massachusetts has said, will bring a return to the Government, in that we will be housing these Army men in our own buildings instead of paying them money for quarters outside, and in 15 days from the time the money becomes available, these works can be in process.

Mr. WALSH. Mr. President, this is not an amendment which seeks to earmark some of these funds for special purposes which might not meet with the approval of the officials of our Government who are to distribute and disburse this money. It has real merit, and it has so much merit that within the last year I have sought to have a corporation set up in the Government to borrow a substantial sum of money from the R. F. C. for the purpose of building these houses. If that were done by diverting the money now given for housing quarters for these officers, in a few years the entire debt would be liquidated and the Government would have this property for all time and would be freed from the expense of paying for housing quarters. If the amendment which the Senator has offered shall prevail I will feel that I ought to offer a similar amendment to take care of the naval situation.

So much impressed have I been with this situation that I have even talked with the President about it, and I made the suggestion first about a Government corporation being set up to rid us of the necessity of spending tens of thousands of dollars to pay for outside quarters for officers, and to obtain a loan for ourselves from the R. F. C. so that we could liquidate ourselves from our own annual appropriations. In lieu of that, here is an opportunity to have a certain amount of this money earmarked to build these houses, end these appropriations for paying for quarters for officers, and have the property and have the quarters, and be freed from that extraordinary burden.

I hope the amendment of the Senator will prevail, and that if his amendment shall prevail I may be privileged to offer a similar amendment for the Navy.

Mr. President, I wish to emphasize that this is not asking any money for anything which will not come back into the Public Treasury. This is asking that some of this money be diverted to put people to work in erecting houses which will suspend and reduce in future years the payment of money necessarily appropriated for paying for housing quarters for the officers of the Army and the Navy.

The PRESIDING OFFICER (Mr. RUSSELL in the chair). The question is on agreeing to the amendment offered by the Senator from New York.

Mr. COPELAND. I ask for the yeas and nays.

The yeas and nays were not ordered.

The amendment was rejected.

Mr. COPELAND. Mr. President, I have one more amendment to offer. There is an amendment on the table with reference to aviation safety.

The PRESIDING OFFICER. The clerk will state the amendment.

The LEGISLATIVE CLERK. On page 20, line 21, after the word "agencies", it is proposed to insert the following:

Of the foregoing sum there is appropriated and there shall be allotted $10,000,000, to be expended by the Department of Commerce for the establishment, construction, alteration, and modernization of aids to air navigation and acquisition of necessary sites by lease or grant.

Mr. COPELAND. Mr. President, the W. P. A. has done a fine work in connection with safety devices, and the work has engaged a great many laborers and a great many persons on relief. I realize, of course, that this amendment will be voted down as the others have been; but every Senator who is interested in air safety and who wants the terrible accidents which take place in connection with aviation avoided, will at least in his heart vote for the amendment. I hope there will be some voices raised so that we may know that there are some who believe in safety in the air.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was rejected.

Mr. SCHWELLENBACH. Mr. President, I send to the desk two amendments, the first one of which I ask to have stated.

The PRESIDING OFFICER. The clerk will state the amendment.

The LEGISLATIVE CLERK. On page 21, lines 8 and 9, it is proposed to strike out the word "continental," and after the words "United States," in line 9, to insert "including the Territorial possessions of Alaska, Puerto Rico, and Hawaii."

Mr. SCHWELLENBACH. Mr. President, all this amendment does is to make applicable the provisions of title II—that is, the Public Works Administration provision—to the Territorial possessions of Alaska, Puerto Rico, and Hawaii.

The Comptroller General has ruled that the use of the term "continental United States" means the 48 States. Certainly there is no reason, when we have these possessions, why we should not consider relief problems there upon the same basis as in the United States proper.

Mr. BURKE. Mr. President, the Senator no doubt is aware of the fact that Secretary Ickes appeared before the Senate Committee on Appropriations and urged that the amendment which the Senator is now offering be included in the joint resolution. He strongly urged that the amendment be inserted, but for some reason the committee overlooked attaching it to the measure.

Mr. SCHWELLENBACH. I thank the Senator from Nebraska.

Mr. BYRNES. Mr. President, the Senator from Nebraska is a member of the committee. Can he tell us why it was not included?

Mr. BURKE. I was very much surprised, when I read the joint resolution thoroughly, to see that the word "continental" had not been stricken out, because the committee agreed to it.

Mr. BYRNES. The Senator is a member of the committee?

Mr. BURKE. I am a member of the committee, and I attended the sessions regularly and I heard no objection on the part of the Senator from South Carolina or anyone else to the suggestion of the Secretary of the Interior that the measure be made to extend outside continental United States.

Mr. BYRNES. I made no suggestion. I voted against the amendment. How did the Senator vote?

Mr. BURKE. I voted for it if I was present, but to my knowledge it was not voted on.

Mr. ADAMS. Mr. President, the matter was considered by the committee, and the amendment was voted down after consideration.

Mr. BURKE. Was that in the subcommittee?

Mr. ADAMS. Yes.

Mr. BURKE. I was not a member of the subcommittee.

Mr. SCHWELLENBACH. Mr. President, I do not know the thoughts the members of the committee had in rejecting the provision. It was strongly recommended by the Secretary of the Interior, and it certainly is an amendment which deserves favorable consideration.

The situation in Alaska, of which I know, is that there is a very great need for relief efforts. Because of the situation in the canning industry this year there is going to be an extreme amount of unemployment in Alaska, and I see no reason why with any degree of consistency we can provide work and work relief in the United States proper and refuse to provide it for people who live in Alaska or Puerto Rico or Hawaii.

Mr. COPELAND. Mr. President, will the Senator yield?

Mr. SCHWELLENBACH. I yield.

Mr. COPELAND. I wish to join the Senator in the distress he will have when this amendment is defeated. I am so experienced in the matter that I perhaps can give him some comfort.

Mr. SCHWELLENBACH. Does not the Senator realize that if I have the help of the Senator from New York and the Senator from Nebraska I certainly should get votes from almost every Senator here? [Laughter.]

Mr. COPELAND. That may be so, because with the aid of the able representatives of one philosophy, and a couple

of representatives of another, the Senator ought to get the entire Democratic vote.

I wish to say in all seriousness, Mr. President, that if there is one place where low-priced housing should be provided it is in Puerto Rico. I feel sorry for any colonial people or insular people who have any allegiance to the United States. We know absolutely nothing about how to take care of these outlying peoples. Of course we should do this. So long as we have Puerto Rico and Alaska under our domination, why should we not relieve distress there exactly as we do in continental United States? I may say to the Senator from Washington that I am glad to join him.

Mr. ADAMS. Mr. President, will the Senator yield for a suggestion?

Mr. COPELAND. I yield the floor.

Mr. ADAMS. I merely wanted to call the attention of the Senator to the fact that there is a specific provision in title I of the joint resolution providing an appropriation of $6,000,000 for Puerto Rico; so that Puerto Rico is not eliminated, but receives special consideration.

Mr. SCHWELLENBACH. In answer to that, I should like to inquire whether there is anything for Alaska in any of the titles of the joint resolution.

Mr. ADAMS. I think title I would include Alaska.

Mr. SCHWELLENBACH. As I understand, there is no provision by which Alaska can receive any funds.

Mr. ADAMS. Title I is not limited to continental United States.

Mr. COPELAND. May I make an inquiry of the Senator from Colorado?

Mr. ADAMS. If I may first answer the Senator from Washington, section 1 of title I begins with the words "That in order to continue to provide work relief on useful public projects, and relief in the United States and its Territories and possessions." The whole billion four hundred and twenty-five million dollar provision applies.

Mr. COPELAND. Mr. President, will the Senator yield?

Mr. ADAMS. I yield.

Mr. COPELAND. The Senator from Colorado boasts of the item of $6,000,000, found on page 4, line 21, for work in Puerto Rico. There is not a word in the joint resolution which provides for any low-cost housing in Puerto Rico. If the Senator from Colorado is so anxious to show his liberality, let him add $5,000,000 to the $6,000,000 and include low-cost housing, and then he will be adding something worth while for the people of Puerto Rico. May I ask the Senator if he would agree to such an amendment?

Mr. ADAMS. I would not.

Mr. BURKE. Mr. President, having mentioned the testimony before the Committee on Appropriations, I desire to read the short paragraph in which Secretary Ickes gave his testimony on this point. Secretary Ickes said:

> I notice that allotments for Federal projects under title II, section 201 (c), are limited to projects in the continental United States outside the District of Columbia. This is a discrimination against the Territories and insular possessions which do not share in the social and economic benefits of other legislation. I call attention particularly to Alaska, where the Treasury, War, Post Office, Navy, Agriculture, Commerce, and Interior Departments are faced, for example, with the necessity of aviation developments, which would not be possible under the present bill. I recommend that the word "continental" be omitted.

It seems to me, Mr. President, that so long as our country has the Territories under its control, the Hawaiian Islands, Alaska, and Puerto Rico, we should in fairness treat them as we do the continental United States. We ought to do either one of two things, get rid of them entirely, or else treat them in all respects as we do the continental United States.

Mr. HAYDEN. Mr. President, will the Senator yield?

Mr. BURKE. I yield.

Mr. HAYDEN. I listened with great attention to the representations made by the Secretary of the Interior, and I was one of those who voted to carry out his recommendations. I was present in the committee and voted that way.

Mr. BURKE. I am sure the Senator, with his usual wisdom, would follow the correct course in that respect.

Mr. HATCH. Mr. President, I should like to ask the Senator from Arizona a question. I know he has lived in a Territory, as I have lived in a Territory. Does the Senator from Arizona know of any reason why a Territory should be discriminated against?

Mr. HAYDEN. I do not.

Mr. WAGNER. Mr. President, a moment ago my colleague referred to low-cost housing; as to whether Puerto Rico and the other Territories were included in that program. So far as the slum-clearance law is concerned, it includes not only the United States but the Territories, dependencies, and possessions, and since we recognize them in that law, I do not see any reason why they should not be recognized in the pending joint resolution.

I hope the amendment will be adopted.

The PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the Senator from Washington [Mr. SCHWELLENBACH].

The amendment was agreed to.

Mr. SCHWELLENBACH. Mr. President, I send to the desk another amendment, which I ask to have stated.

The PRESIDENT pro tempore. The amendment will be stated.

The CHIEF CLERK. On page 21, line 23, after the word "therefor", it is proposed to insert a semicolon and the following:

> and (5) projects for airport and air navigation facilities, including the acquisition of land for sites therefor.

Mr. SCHWELLENBACH. In presenting this matter to the committee the Secretary said that the most advantageous way to spend money in Alaska was in air-field work. The amendment simply authorizes that sort of expenditure. It does not earmark any money at all.

The PRESIDENT pro tempore. The question is on agreeing to the amendment of the Senator from Washington on page 21, line 23.

The amendment was rejected.

Mr. BYRD. Mr. President, I offer an amendment, which I send to the desk and ask to have stated.

The PRESIDENT pro tempore. The amendment will be stated.

The CHIEF CLERK. On page 4, line 19, after the word "persons", it is proposed to insert a colon and the following:

> *Provided*, That not to exceed 5 percent of such sums shall be expended for administrative expenses.

On page 5, line 5, after the word "hereof", it is proposed to insert a colon and the following:

> *Provided*, That not to exceed 5 percent of such amounts shall be expended for administrative expenses.

Mr. BYRD. Mr. President, this amendment merely limits the administrative expenses in subsections (3) and (4) to 5 percent. The other sections of title I are already limited to 5 percent. I have consulted with the chairman of the subcommittee, and I understand he has no objection to the amendment.

The PRESIDENT pro tempore. The question is on agreeing to the amendment of the Senator from Virginia.

The amendment was agreed to.

Mr. BYRD. I offer another amendment, which I ask to have stated.

The PRESIDENT pro tempore. The amendment will be stated.

The CHIEF CLERK. On page 20, beginning with line 1, it is proposed to strike out all of title II down to and including line 14, on page 26.

Mr. BYRD. Mr. President, I discussed this amendment at length last evening. At this late hour I shall not detain the Senate in a further discussion of it. The amendment strikes out title II, providing for public works. I think it needs no discussion, as it can be easily understood.

Mr. President, on this question I ask for the yeas and nays.

The yeas and nays were ordered, and the Chief Clerk proceeded to call the roll.

Mr. DAVIS (when his name was called). I have a general pair with the junior Senator from Kentucky [Mr. LOGAN]. Not knowing how he would vote on this question, I withhold my vote.

Mr. SHIPSTEAD (when his name was called). I have a general pair with the senior Senator from Virginia [Mr. GLASS]. I am unable to get a transfer of that pair, so I withhold my vote. If I were at liberty to vote, I should vote nay.

Mr. SMITH (when his name was called). Making the same announcement that I made heretofore, I withhold my vote.

The roll call was concluded.

Mr. LEWIS. Mr. President, I announce the pair of the Senator from Maryland [Mr. TYDINGS] with the Senator from Wisconsin [Mr. DUFFY]. If the Senator from Maryland were present and at liberty to vote he would vote "yea," and if at liberty to vote the Senator from Wisconsin would vote "nay."

I announce that the Senator from Arizona [Mr. ASHURST] and the Senator from Oregon [Mr. REAMES] are detained from the Senate because of illness.

The Senator from Florida [Mr. ANDREWS], the Senators from North Carolina [Mr. BAILEY and Mr. REYNOLDS], the Senator from Tennessee [Mr. BERRY], the Senator from Nebraska [Mr. BURKE], the Senator from New Mexico [Mr. CHAVEZ], the Senator from Missouri [Mr. CLARK], the Senator from Illinois [Mr. DIETERICH], the Senator from Ohio [Mr. DONAHEY], the Senator from Wisconsin [Mr. DUFFY], the Senator from Iowa [Mr. GILLETTE], the Senator from Virginia [Mr. GLASS], the Senators from Oklahoma [Mr. LEE and Mr. THOMAS], the Senator from Kentucky [Mr. LOGAN], the Senator from California [Mr. MCADOO], the Senator from Nevada [Mr. MCCARRAN], the Senators from New Jersey [Mr. MILTON and Mr. SMATHERS], and the Senator from Maryland [Mr. TYDINGS] are detained on important public business.

Mr. AUSTIN. I announce the following general pairs: The Senator from New Hampshire [Mr. BRIDGES] with the Senator from North Carolina [Mr. REYNOLDS], and the Senator from North Dakota [Mr. FRAZIER] with the Senator from California [Mr. MCADOO].

The result was announced—yeas 15, nays 51, as follows:

YEAS—15

Austin	Copeland	Johnson, Calif.	Miller
Bankhead	Gerry	King	Vandenberg
Byrd	Gibson	Lodge	White
Capper	Hale	McNary	

NAYS—51

Adams	Green	Lonergan	Pope
Barkley	Guffey	Lundeen	Radcliffe
Bilbo	Harrison	McGill	Russell
Bone	Hatch	McKellar	Schwartz
Brown, Mich.	Hayden	Maloney	Schwellenbach
Brown, N. H.	Herring	Minton	Sheppard
Bulkley	Hill	Murray	Thomas, Utah
Bulow	Hitchcock	Neely	Truman
Byrnes	Holt	Norris	Van Nuys
Caraway	Hughes	O'Mahoney	Wagner
Connally	Johnson, Colo.	Overton	Walsh
Ellender	La Follette	Pepper	Wheeler
George	Lewis	Pittman	

NOT VOTING—30

Andrews	Clark	Lee	Shipstead
Ashurst	Davis	Logan	Smathers
Bailey	Dieterich	McAdoo	Smith
Berry	Donahey	McCarran	Thomas, Okla.
Borah	Duffy	Milton	Townsend
Bridges	Frazier	Nye	Tydings
Burke	Gillette	Reames	
Chavez	Glass	Reynolds	

So Mr. BYRD's amendment was rejected.

Mr. DAVIS. Mr. President, yesterday the senior Senator from South Carolina [Mr. SMITH] and my colleague [Mr. GUFFEY] presented an amendment, which was rejected. The amendment was, on page 20, line 19, after the comma, to insert the following:

or (3) the making of grants to nonprofit hospitals toward defraying the cost of self-liquidating projects heretofore undertaken and completed with the use of moneys loaned by the Federal Government, or derived from charitable bequests or contributions, but with respect to which no grants have heretofore been made.

I understand from my colleague that he is familiar with the applications that were filed, and the loans that were made, and he understands that a grant of 45 percent was to go along with those particular loans. Up to this time none of the hospitals—and I understand there are 11 of them in number, in 9 States—have received the grants. Therefore, I move the reconsideration of the vote by which the amendment was rejected yesterday.

Mr. HAYDEN. Mr. President, will the Senator yield?

Mr. DAVIS. I yield.

Mr. HAYDEN. Title II, which the Senator seeks to amend, begins with this declaration:

In order to increase employment by providing for useful public works.

Will the Senator please explain how the amendment will increase employment?

Mr. DAVIS. As I understand, the construction of the hospitals has given employment, and we are now proposing to give the hospitals permission to file applications for grants to reimburse them for the expenditure for employment that have already been given. I shall have to ask my colleague, who is sponsor of the amendment, to answer the question of the Senator from Arizona. My colleague in all probability can furnish the Senator the information he asks.

Mr. HAYDEN. I will ask the Senator if at the time the grants were made they were made generally on the basis of 70–30? In other words, we will assume that loans were made in the very beginning of the relief program. At that time, when the loans were made, I understand that the grant was 30 percent and not 45 percent. So if the proposed amendment were adopted, and we went back to the original situation, instead of a 45-percent gift if would be only 30 percent.

Mr. DAVIS. The information I received was that the grants were to go to these 11 hospitals in the 9 different States.

The PRESIDENT pro tempore. The question is on the motion of the Senator from Pennsylvania [Mr. DAVIS].

The motion of Mr. DAVIS to reconsider was not agreed to.

The PRESIDENT pro tempore. If there be no further amendments to the joint resolution, the question is on the engrossment of the amendments and the third reading of the joint resolution.

The amendments were ordered to be engrossed and the joint resolution to be read the third time.

The joint resolution was read the third time.

The PRESIDENT pro tempore. The question is, Shall the joint resolution pass?

Mr. MCNARY. I ask for the yeas and nays.

The yeas and nays were ordered, and the legislative clerk called the roll.

Mr. HAYDEN. I announce the unavoidable absence of my colleague the senior Senator from Arizona [Mr. ASHURST], who, if present, would vote "yea."

Mr. BYRD. My colleague the senior Senator from Virginia [Mr. GLASS] is unavoidably absent. If present, he would vote "nay."

Mr. BARKLEY. My colleague [Mr. LOGAN] is unavoidably absent. If present, he would vote "yea."

Mr. TRUMAN. My colleague the senior Senator from Missouri [Mr. CLARK] is unavoidably absent. If present, he would vote "yea."

Mr. DAVIS (after having voted in the affirmative). I have a general pair with the junior Senator from Kentucky [Mr. LOGAN]. I am informed that if he were present he would vote "yea." Therefore I will allow my vote to stand.

Mr. HERRING. My colleague [Mr. GILLETTE] is unavoidably absent. If he were present, he would vote "yea."

Mr. HATCH. My colleague [Mr. CHAVEZ] is unavoidably absent. If present, he would vote "yea."

Mr. LEWIS. My colleague [Mr. DIETERICH] is necessarily absent. If present and voting, he would vote "yea."

Mr. PEPPER. My colleague [Mr. ANDREWS] is necessarily absent. If he were present, he would vote "yea."

Mr. AUSTIN. I announce the following pairs:

The Senator from New Hampshire [Mr. BRIDGES] with the Senator from North Carolina [Mr. REYNOLDS];

The Senator from Tennessee [Mr. BERRY] with the Senator from North Dakota [Mr. NYE]; and

The Senator from Virginia [Mr. GLASS] with the Senator from Minnesota [Mr. SHIPSTEAD].

If present, the Senator from New Hampshire [Mr. BRIDGES], the Senator from Tennessee [Mr. BERRY], and the Senator from Virginia [Mr. GLASS], would each vote "nay," and the Senator from North Carolina [Mr. REYNOLDS], the Senator from North Dakota [Mr. NYE], and the Senator from Minnesota [Mr. SHIPSTEAD] would each vote "yea."

I am advised that if the Senator from North Dakota [Mr. FRAZIER were present he would vote "yea."

Mr. LEWIS. I announce that the Senator from Oregon [Mr. REAMES] is detained from the Senate because of illness.

The Senator from Wisconsin [Mr. DUFFY], the Senators from Oklahoma [Mr. LEE and Mr. THOMAS], the Senator from California [Mr. MCADOO], the Senators from New Jersey [Mr. MILTON and Mr. SMATHERS], and the Senator from North Carolina [Mr. REYNOLDS] are detained on important public business. I am advised that if present and voting these Senators would vote "yea."

The Senator from North Carolina [Mr. BAILEY] and the Senator from Tennessee [Mr. BERRY] are unavoidably detained. I am advised that if present and voting these Senators would vote "nay."

I wish also to announce that the Senator from Utah [Mr. King] and the Senator from Ohio [Mr. DONAHEY] are necessarily detained from the Senate.

Mr. RADCLIFFE. I announce that my colleague [Mr. TYDINGS] is detained on important public business, but if present and voting he would vote "yea."

The result was announced—yeas 60, nays 10, as follows:

YEAS—60

Adams	George	Lewis	Pepper
Bankhead	Gerry	Lodge	Pittman
Barkley	Gibson	Lonergan	Pope
Bilbo	Green	Lundeen	Radcliffe
Bone	Guffey	McCarran	Russell
Brown, Mich.	Harrison	McGill	Schwartz
Brown, N. H.	Hatch	McKellar	Schwellenbach
Bulkley	Hayden	Maloney	Sheppard
Bulow	Herring	Miller	Smith
Byrnes	Hill	Minton	Thomas, Utah
Capper	Hitchcock	Murray	Truman
Caraway	Holt	Neely	Van Nuys
Connally	Hughes	Norris	Wagner
Davis	Johnson, Colo.	O'Mahoney	Walsh
Ellender	La Follette	Overton	Wheeler

NAYS—10

Austin	Copeland	McNary	Vandenberg
Burke	Hale	Townsend	White
Byrd	Johnson, Calif.		

NOT VOTING—26

Andrews	Clark	King	Reynolds
Ashurst	Dieterich	Lee	Shipstead
Bailey	Donahey	Logan	Smathers
Berry	Duffy	McAdoo	Thomas, Okla.
Borah	Frazier	Milton	Tydings
Bridges	Gillette	Nye	
Chavez	Glass	Reames	

So the joint resolution was passed.

Mr. ADAMS. Mr. President, I move that the Senate insist on its amendments, ask for a conference with the House thereon, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the President pro tempore appointed Mr. ADAMS, Mr. MCKELLAR, Mr. HAYDEN, Mr. BYRNES, Mr. HALE, and Mr. TOWNSEND conferees on the part of the Senate.

AUTHORITY TO COMMITTEES TO SUBMIT REPORTS

Mr. BARKLEY. Mr. President, it is my purpose at the conclusion of the day's business to move an adjournment until 12 o'clock noon on next Tuesday. Therefore, I ask unanimous consent that all committees may have the privilege of making reports during the adjournment to which I have referred.

The PRESIDENT pro tempore. Is there objection to the request of the Senator from Kentucky? The Chair hears none, and it is so ordered.

ORDER FOR CONSIDERATION OF CALENDAR ON TUESDAY

Mr. BARKLEY. I ask unanimous consent that following the conclusion of the morning business on next Tuesday, the calendar shall be called for the consideration of bills not objected to.

The PRESIDENT pro tempore. Is there objection to the request of the Senator from Kentucky? The Chair hears none, and it is so ordered.

PROGRAM FOR THE SESSION

Mr. BARKLEY. Mr. President, I wish to make a very brief statement, in view of the situation which confronts the two Houses.

The wage and hour bill is in conference, and the joint resolution just passed will be in conference. These are the two important measures which will be in conference. Other measures are also in conference. I hope that the conferees will diligently seek an agreement on the measures which are now in conference, so that we may be able to conclude the business of the session next week and finally adjourn.

While waiting on the conference committees after the call of the calendar shall have been concluded on Tuesday, it is the purpose to consider a number of bills which are of an urgent nature, so that we may dispose of them while waiting for the conference reports. I still entertain the hope that if we can accomplish this purpose we shall be able to adjourn the Congress at the end of next week.

ADDITIONAL REPORTS OF COMMITTEES

Mr. McCARRAN, from the Committee on the District of Columbia, to which was referred the bill (H. R. 9227) to amend an act entitled "An act to authorize boxing in the District of Columbia, and for other purposes," reported it without amendment and submitted a report (No. 1969) thereon.

Mr. KING, from the Committee on Territories and Insular Affairs, to which were referred the following bills, reported them each without amendment and submitted reports thereon:

S. 3929. A bill to authorize the Legislature of Puerto Rico to create public corporate authorities to undertake slum clearance and projects, to provide dwelling accommodations for families of low income, and to issue bonds therefor; to authorize the legislature to provide for financial assistance to such authorities by the government of Puerto Rico and its municipalities, and for other purposes (Rept. No. 1970); and

S. 4038. A bill to provide for the ratification of all joint resolutions of the Legislature of Puerto Rico and of the former legislative assembly (Rept. No. 1971).

Mr. POPE, from the Committee on Mines and Mining, to which was referred the bill (S. 3493) providing for the suspension of annual assessment work on mining claims held by location in the United States, reported it without amendment and submitted a report (No. 1972) thereon.

Mr. THOMAS of Utah, from the Committee on Military Affairs, to which was referred the bill (S. 4057) to amend the act entitled "An Act authorizing an appropriation to effect a settlement of the remainder due on Pershing Hall, a memorial already erected in Paris, France, to the Commander in Chief, officers, and men of the Expeditionary Forces, and for other purposes," approved June 28, 1935, reported it without amendment and submitted a report (No. 1973) thereon.

ADDITIONAL BILL INTRODUCED

Mr. JOHNSON of Colorado introduced a bill (S. 4138) to amend section 37 of the act entitled "An act to promote the mining of coal, phosphate, oil, oil shale, gas, and sodium on the public domain," approved February 25, 1920, as amended, which was read twice by its title and referred to the Committee on Mines and Mining.

MR. JUSTICE BLACK'S FIRST YEAR—ARTICLE BY DR. WALTON HAMILTON

[Mr. LA FOLLETTE asked and obtained leave to have printed in the RECORD an article from the New Republic of June 8, 1938, by Dr. Walton Hamilton, entitled "Mr. Justice Black's First Year," which will appear hereafter in the Appendix.]

VICTOR CHRISTGAU, W. P. A. ADMINISTRATOR

[Mr. WHEELER asked and obtained leave to have printed in the RECORD an editorial recently published in the St. Paul Pioneer Press entitled "Keeping Minnesota Dizzy," which appears in the Appendix.]

EXECUTIVE SESSION

Mr. BARKLEY. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE REPORTS OF A COMMITTEE

Mr. McKELLAR, from the Committee on Post Offices and Post Roads, reported favorably the nominations of several postmasters.

The PRESIDENT pro tempore. The reports will be placed on the Executive Calendar.

If there be no further reports of committees, the clerk will state the nominations on the calendar.

UNITED STATES PUBLIC HEALTH SERVICE

The legislative clerk proceeded to read sundry nominations in the Public Health Service.

Mr. BARKLEY. I ask that the nominations in the Public Health Service be confirmed en bloc.

The PRESIDENT pro tempore. Without objection, the nominations in the Public Health Service are confirmed en bloc.

POSTMASTERS

The legislative clerk proceeded to read sundry nominations of postmasters.

Mr. BARKLEY. I ask that the nominations of postmasters be confirmed en bloc.

The PRESIDENT pro tempore. Without objection, the nominations of postmasters are confirmed en bloc.

IN THE ARMY

The legislative clerk proceeded to read sundry nominations in the Army.

Mr. SHEPPARD. I ask that the nominations in the Army be confirmed en bloc.

The PRESIDENT pro tempore. Without objection, the nominations in the Army are confirmed en bloc.

That completes the calendar.

ADJOURNMENT TO TUESDAY

The Senate resumed legislative session.

Mr. BARKLEY. I move that the Senate adjourn until 12 o'clock noon on Tuesday next.

The motion was agreed to; and (at 11 o'clock and 56 minutes p. m.) the Senate adjourned until Tuesday, June 7, 1938, at 12 o'clock meridian.

CONFIRMATIONS

Executive nominations confirmed by the Senate June 3 (legislative day of April 20), 1938

UNITED STATES PUBLIC HEALTH SERVICE

Charles L. Williams to be medical director.

TO BE ASSISTANT SURGEONS

Francis J. Weber
Thomas R. Dawber
Thomas H. Diseker
Theodore F. Hilbish
Robert D. Duncan
Michael L. Furcolow
James Watt
George E. Tooley, Jr.
Robert L. Zobel
Thomas F. Crahan
Raymond F. Kaiser
Glenn S. Usher
Charles C. Smith
William N. Donovan
Wendell A. Preston
Murda E. Street, Jr.
Edgar B. Johnwick
James V. Lowry
Louis F. Cleary
James E. Hemphill
Joseph S. Cope

APPOINTMENTS, BY TRANSFER, IN THE REGULAR ARMY

Second Lt. Carl Baehr, Jr., to Field Artillery.
Second Lt. Laurence John Ellert to Coast Artillery Corps.

POSTMASTERS

NEW YORK

John V. Kellogg, Interlaken.
Oliver C. Cone, Waterloo.

TENNESSEE

Guy W. Mobley, Bells.

HOUSE OF REPRESENTATIVES

FRIDAY, JUNE 3, 1938

The House met at 11 o'clock a. m.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Our Father, whose spirit pervades all space and the light of the world, may we draw near Thee in spirit and in truth. We are weak, Thou art mighty, our knowledge is limited; Thou knowest all things. We pray Thee to clothe us with Thy wisdom and direct our understanding aright. Reveal unto us the hidings of Thy power that we may be strong in will, of equal temper, and of courageous spirits. Do Thou quell the tumult that sometimes surges within us and threatens the citadel of the soul. May we with patience and calmness meet all problems under the sublime inspiration of the teaching of our Master. Breathe upon us, O breath of God. May we listen to the beating of our own hearts and hear Thee saying, "I will go with you all the way." We praise Thee that we have many comforts and experiences of joy; we would not ignore these blessings. Let Thy will be done in all hearts. In the name of our Lord and Savior. Amen.

THE JOURNAL

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Frazier, its legislative clerk, announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 10291) entitled "An act making appropriations for the fiscal year ending June 30, 1939, for civil functions administered by the War Department, and for other purposes."

The message also announced that the Senate agrees to the amendments of the House to the amendments of the Senate Nos. 15, 20, 21, 22, and 23 to the foregoing bill.

ADDITIONAL TAX ON WHISKY

Mr. THOMPSON of Illinois, from the Committee on Ways and Means, reported the joint resolution (H. J. Res. 683) to provide for an additional tax on whisky, which was read a first and second time, and, with the accompanying papers, referred to the Committee of the Whole House on the state of the Union and ordered printed.

NAVAL OIL RESERVES

Mr. PHILLIPS. Mr. Speaker, I ask unanimous consent to address the House on a very important matter for 3 minutes.

The SPEAKER. The Chair will recognize the gentleman to ask unanimous consent to address the House for 1 minute under the usual practice. Is there objection to the request of the gentleman from Connecticut to address the House for 1 minute?

There was no objection.

Mr. PHILLIPS. Mr. Speaker, I wish I had more time. I wish to call your attention to a Senate bill (S. 1131) to amend the part of the act entitled "An act making appropriations for the naval service for the fiscal year ending June 30, 1921, and for other purposes," approved June 4, 1920, relating to the

conservation, care, custody, protection, and operation of the naval petroleum and oil-shale reserves, and a companion bill (H. R. 3603), which, in plain English, would give validating title to private interests to that part of our naval oil reserves marked in pink shading on this map which refers to so-called Navy petroleum reserves No. 1 and No. 2, Kern County, Calif. I also call your attention to the blue-shaded sections on this map I hold. The leases in these blue shadings were made by Mr. Albert B. Fall and, as far as I can find out, with one so-called lessee exception, no attempt has been made legally to get them back for the United States Government despite Mr. Fall's record in oil-lease cases.

These bills would also take from the authority of the President certain control over oil royalties and leases.

I have introduced a resolution (H. Res. 516) giving the Speaker power to appoint a select committee to examine into these leases, worth millions, if not billions, of dollars, of oil lands which have been leased away to private interests against the interests of the people of the United States by the well-known Mr. Fall.

As far as I can find out, and I have been working on this from time to time for a year, no legal effort, I repeat, has been made to get these lands back for the United States Government, with one exception, as stated. Also I want to warn the Members of the House against Senate bill 1131 and against House bill 3603, which would give validating title to the lands represented in these pink sections which the Standard Oil Co. of California claims, despite the fact that when those lands left the United States it was specifically stated that they should not contain oil.

Also, I point out to you that these leases, so-called, drain oil away from our Navy ground reserves and make the name "reserve" a joke and a farce. The various bills affecting these matters have been referred to the Naval Affairs Committee.

In connection with this subject, the naval oil reserves, as mentioned, I now add a copy of a letter I wrote the President on this matter, this letter being sent to him Friday, June 3, 1938. The letter follows:

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, D. C., June 3, 1938.

Hon. FRANKLIN D. ROOSEVELT,
President of the United States,
The White House, Washington, D. C.

MY DEAR MR. PRESIDENT: I write you about a matter I consider to be a very grave one, and it directly affects you because your name has been used in connection therewith. The "matter" is as follows: I refer specifically to S. 1131. This bill somehow, and in such manner as I am endeavoring to determine, got into the Senate and was passed by the Senate—apparently without due consideration. This bill came to the Naval Affairs Committee of the House, of which I am a member, about a year ago and was presented to us as a very plausible proposition, the object of which was ostensibly to exchange certain Government-owned naval oil reserve sections laid out in checkerboardlike fashion on the map of United States naval oil reserve No. 1 in Kern County, Calif., for certain internal sections within the "checkerboard" alleged to be owned by private interests, thus keeping private interests from drilling away and draining off oil from the center of our naval reserves in this location.

The report accompanying this bill, this report dated January 19, 1937, and signed by the Honorable Claude A. Swanson, states, "The proposed legislation is in accord with the program of the President." Thus, as stated, your name has been drawn into this matter. If the information which I now have can be substantiated, I feel that you would not want your name used in an endorsement on this bill.

I feel that undoubtedly honest people in the Navy Department have been hoodwinked and have had the "wool pulled over their eyes," to use that old expression, in connection with this matter and this bill. Moreover, I feel that there may be other people in the Navy Department who are, for reasons best known to themselves, endeavoring to have this bill passed, with, I believe, questionable intent. As regards who these people are, if this particular shoe fits any of them, let them put it on.

When this bill was before the Naval Affairs Committee about a year ago I asked Admiral Rowcliff, then Judge Advocate General of the Navy, if the Navy Department had consulted the Attorney General or his office as to whether or not this bill was satisfactory and as to whether or not the United States was sacrificing any of its rights in passing this bill. Under questioning from me the answer came that neither the Attorney General nor his office had been consulted. I personally talked with the Attorney General on this matter, and I found that he had not been consulted. This despite the fact that millions of dollars are involved.

Briefly, this bill would not only accomplish the ostensible purpose which appears on its face but would also do the following: Give further legal approval to the possessions of oil lands which were obtained by the Southern Pacific Railroad, initially, from the United States Government in a way which was illegal, but also in a way which still leaves a loophole to the United States for the possibility of further legal action. Unfortunately, however, at this late date the probability of the United States repossessing these lands or obtaining damages, is not very great, despite the fact that when these lands were granted away by the United States Government, it was with the distinct proviso and understanding that these lands should not contain any minerals of any kind, including oil. However, this bill should not be passed further substantiating title away from the United States Government until this legal action is taken.

This bill raises another question, viz: Naval oil "reserve" No. 2 immediately adjoins naval oil "reserve" No. 1. Both of these are tragic misnomers because naval oil "reserve" No. 2 is apparently completely out of the possession of the United States today, as an oil "reserve." Referring, as stated, to oil reserve No. 2 in checkerboardlike fashion, the so-called Southern Pacific Railroad properties alternate with various other so-called "leased" properties of the United States Government. No disposition is being made to retain oil in the ground here. It is all going out under "lease" and away from the United States Government. I understand that certain people in the Navy Department are endeavoring to extenuate this somewhat by saying that if the United States Government were to enter new leases on some of these lands today, we would not get such good prices. However, we are not supposed to be selling oil at all from these properties. The oil is supposed to be a "reserve" in the ground. These properties are supposed to be "naval oil reserves." The second question which this bill raises is a question concerning the so-called leases on this second oil reserve, so-called, No. 2. These leases were made by or under the administration of the well-known Mr. Albert B. Fall. Under questioning from myself, various Navy Department people admitted before the Naval Affairs Committee that even though the activities of Mr. Fall were found to be nefarious no legal effort had been made to upset these particular leases. These leases stand in the name of the following companies: Honolulu (several leases), Murvale, Union, North American, United (oil companies). I might add that these various companies all have several so-called leases on oil land sections. Further, it seems that a serious question is raised by the failure of the Navy Department to pursue this matter which, admittedly, has had no pursuit at all in some legal respects, and see whether or not the United States can repossess in fact these naval oil reserves and upset the so-called leases thereon.

Referring again to the bill itself (S. 1131) which is supposed to be in accord with the "program of the President," on reading the bill it is discovered that after certain leases may have been made by the President, the Secretary of the Navy is allowed "to alter or modify from time to time in his discretion the rate of prospecting and development on, and the quantity and rate of production from, such land of the United States under said plan or lease, any law to the contrary notwithstanding." The bill, also, excludes the President from the approval of a lease containing "royalty oil and gas products."

Obviously in a letter as brief as this, one can only point out the salient features of this matter all of which to me have a most unfortunate oily odor, to say the least.

I would not feel that I was doing my duty to you, the President of the United States, or to the American people, if I did not point out to you in frankness this which I feel to be a most questionable business, not only to warn you as President and as an individual against what I feel to be at best, inefficiency and lack of action, or at worst, the evil machinations of some individual or group in the Navy Department, but also thus to protect the rights and interests of the people of the United States.

Very sincerely,

ALFRED N. PHILLIPS, JR.

COLLECTIVE TRADE-MARKS

Mr. LANHAM. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 9996) to authorize the registration of certain collective trade-marks, with a Senate amendment, and agree to the Senate amendment.

The Clerk read the title of the bill.

Mr. SNELL. Mr. Speaker, reserving the right to object, perhaps the gentleman had better tell us what this is.

Mr. LANHAM. This is a bill which was passed both by the House and the Senate with reference to which there has been no controversy. The amendment of the Senate simply takes the provisions of the House bill and places them at the proper places in the existing law. All it does, in addition to this, is to define the term "juristic person" as one, natural or artificial, who has legal responsibility.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

The Clerk read the Senate amendment, as follows:

Strike out all after the enacting clause and insert:

"That section 1 of the Trade-Mark Act of February 20, 1905, as amended, is amended by adding at the end thereof the following new paragraph:

"'By similar procedure, any natural or juristic person, including nations, States, municipalities, and the like, which exercises legitimate control over the use of a collective mark, may apply for and obtain registration of such mark.'

"SEC. 2. Section 1 (b) of the Trade-Mark Act of March 19, 1920, as amended, is amended to read as follows:

"'(b) All other marks not registrable under the act of February 20, 1905 as amended, except those specified in paragraphs (a) and (b) of section 5 of that act, including collective marks of natural or juristic persons, and nations, States, municipalities, and the like, exercising legitimate control over the use of the trade-mark sought to be registered even though not possessing an industrial or commercial establishment, which have been in bona fide use for not less than 1 year in interstate or foreign commerce, or commerce with the Indian tribes by the proprietor thereof, upon or in connection with any goods of such proprietor upon which a fee of $15 has been paid to the Commissioner of Patents and such formalities as required by the said Commissioner have been complied with: *Provided*, That trade-marks which are identical with a known trade-mark owned and used in interstate and foreign commerce, or commerce with the Indian tribes, by another and appropriated to merchandise of the same descriptive properties or which so nearly resemble a known trade-mark owned and used in interstate and foreign commerce or commerce with the Indian tribes by another and appropriated to merchandise of the same descriptive properties as to be likely to cause confusion or mistake in the mind of the public or to deceive purchasers, shall not be placed on this register.'

"SEC. 3. Section 4 of the Trade-Mark Act of February 20, 1905, as amended, is further amended by deleting therefrom the following: '*Provided further*, That subject to the provisions of section 5 of said Trade-Mark Act (U. S. C., title 15, sec. 85) registration of a collective mark may be issued to an association to which it belongs, which association is located in any such foreign country and whose existence is not contrary to the law of such country, even if it does not possess an industrial or commercial establishment:'.

"SEC. 4. Registrations heretofore granted under that portion of section 4 of the Trade-Mark Act of February 20, 1905, as amended, repealed by section 3 of this act, shall hereafter have the same force and effect as if granted under section 1 of this act and applications pending under such portion of such section 4 shall be considered in accordance with the provisions of section 1 of this act.

"SEC. 5. Section 29 of the Trade-Mark Act of February 20, 1905, is amended to read as follows:

"'SEC. 29. In construing this act the following rules must be observed, except where the contrary intent is plainly apparent from the context thereof: The United States includes and embraces all territory which is under the jurisdiction and control of the United States. The word "States" includes and embraces the District of Columbia, the Territories of the United States, and such other territory as shall be under the jurisdiction and control of the United States. The terms "person" and "owner," and any other word or term used to designate the applicant or other entitled to a benefit or privilege or rendered liable under the provisions of this act, include a firm, corporation, or association as well as a natural person. The term "juristic person" includes a firm, corporation, association, or similar organization capable of suing and being sued in a court of law. The terms "applicant" and "registrant" embrace the successors and assigns of such applicant or registrant. The term "trade-mark" includes any mark which is entitled to registration under the terms of this act, and whether registered or not, and a trade-mark shall be deemed to be "affixed" to an article when it is placed in any manner in or upon either the article itself or the receptacle or package or upon the envelope or other thing in, by, or with which the goods are packed or enclosed or otherwise prepared for sale or distribution.'"

The Senate amendment was agreed to.

A motion to reconsider was laid on the table.

COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE

Mr. PETTENGILL. Mr. Speaker, I ask unanimous consent that the Committee on Interstate and Foreign Commerce and its various subcommittees may be permitted to sit during sessions of the House today.

Mr. MAPES. Mr. Speaker, reserving the right to object, is the gentleman making his request in accordance with some action of the committee?

Mr. PETTENGILL. I am making my request at the request of the clerk of the committee who, I understood, was acting for the chairman of the committee. There are two subcommittees in session this morning considering different bills and the clerk of the committee, I assume, at the request of the chairman, asked me to come over and submit this unanimous-consent request.

Mr. MAPES. It is rather blanket authority the gentleman is asking.

Mr. PETTENGILL. I appreciate that, but I assume any member of the committee has the right to make the request.

Mr. MAPES. Of course, that is true. I do not think I shall object on account of the legislation being considered, but I think such action ought to be taken only at the request of the committee and not by any individual member of it unless he is authorized to do so by the committee. Yesterday, for example, one of the members of the committee objected to the committee meeting during the session of the House. I do not know what his attitude is today, or whether he knew that this request was going to be made or not. One member ought not to come in here and make such request upon his individual responsibility when a great majority of the committee may be opposed to it.

Mr. BOILEAU. Mr. Speaker, reserving the right to object, there is a bill before the gentleman's committee (H. R. 10127), a railroad employment insurance bill. This bill has been before the gentleman's committee for some time and there is great interest throughout the country in it. I wonder if the gentleman can give us any information as to whether or not this bill will be reported out by the committee this session.

Mr. PETTENGILL. I will say to the gentleman from Wisconsin a subcommittee of our committee was considering that bill this morning from 10 o'clock on, and with the convening of the House at 11 o'clock, without unanimous consent, of course, a point of order could be made, and I understand a point of order, corroborating what the gentleman from Michigan has said, and I want to be perfectly fair to the gentleman from Michigan, may be made.

I am here for the purpose of obtaining consent for these subcommittees to continue sitting during the day.

Mr. BOILEAU. Mr. Speaker, I hope that sometime during this session the committee will report out this bill. There is a great deal of interest in it.

Mr. MAPES. Mr. Speaker, further reserving the right to object, I was present during the hearing on that bill this morning in the committee, and another member and myself constituted the entire membership of the committee present during that hearing. It is a farce to hold hearings under such circumstances. It is a farce to call such hearings committee hearings. I am not going to object to this request because of my interest in this legislation, but I am opposed to this procedure.

The SPEAKER. Is there objection?

Mr. CARTER. Mr. Speaker, as this request is based solely upon the statement of the clerk of the committee, I think the gentleman does not come here clothed with proper authority and I object to the request.

Mr. PETTENGILL. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. PETTENGILL. It is true that I am here at the request of the clerk of the committee. I assumed that he had authority from the chairman. I do not know that definitely. My parliamentary inquiry is this: Has an individual member of a committee a right, on his own responsibility and without the authority of the chairman, if that be the fact, to make a request for unanimous consent that the committee may sit during the sessions of the House?

The SPEAKER. The Chair is clearly of the opinion that without any definite authorization any member of a committee may make such a request of the House.

Mr. CARTER. Mr. Speaker, I ask unanimous consent to withdraw my objection in order to ask the gentleman from Indiana a question. Was the gentleman present at the meeting of the committee this morning?

Mr. PETTENGILL. I got there about 10 minutes of 11 o'clock.

Mr. CARTER. Did the commitee take any action relative to this matter?

Mr. PETTENGILL. Not as a committee.

Mr. CARTER. Did the chairman?

Mr. PETTENGILL. Not to my definite knowledge.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

Mr. CARTER. Mr. Speaker, while I feel it my duty to object under the circumstances, I shall not do so; but I do feel that a Member coming in here and making such a request should come clothed with more authority than does our distinguished colleague from Indiana.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

Mr. RANKIN. Mr. Speaker, I reserve the right to object. In reply to a question that was asked a moment ago, let me say that the House of Representatives not only has the right to authorize a committee or a subcommittee to meet, but the House has a right by vote to require a committee to meet; and, of course, the same thing can be done by unanimous consent. We had this question up a few years ago when Mr. Speaker Longworth was in the chair, and he held that the House had a right to instruct a committee to meet. I withdraw my reservation.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

EXTENSION OF REMARKS

Mr. DONDERO. Mr. Speaker, I ask unanimous consent to extend my remarks and to include therein a short editorial on relief.

The SPEAKER. Is there objection?

There was no objection.

Mr. THOMAS of New Jersey. Mr. Speaker, I ask unanimous consent to extend my remarks and to include therein a statement made yesterday by the president of the New Jersey Public Utility Commission.

The SPEAKER. Is there objection?

There was no objection.

BACK TO THE PEOPLE, OR THE WISDOM OF THE MULTITUDE

Mr. GRAY of Indiana. Mr. Speaker, private bankers and manipulating financiers, the misers, shylocks, and money changers of today, have invaded the people's money temple, and in wanton disregard of public welfare are usurping, holding, and manipulating the powers of government controlling the public currency vested in Congress by the Constitution.

And Congress is naively abdicating its powers and standing by as palsied and paralyzed while international bankers and financiers are monopolizing and manipulating the people's money to bring on stock-market gambling booms and alternating panics and depressions, in the conduct of their speculating operations.

I have pleaded with Congress in vain to eject, evict, expel, and drive out these usurping bankers and financiers and to assume its constitutional powers to issue, regulate, and control the public currency and administer the same to serve the public welfare and in the interest of all the people.

And now, facing the emergencies of the depression, with Congress still abdicating its duty to regulate and control the public currency, with times and conditions growing more menacing, and Congress looking and planning for adjournment without providing other remedial measures, it is time to appeal to the higher power of the people.

With the majority in Congress failing to find and provide a remedy for the 1929 panic or depression, and suffering a relapse of the recovery program, and the minority Members in Congress posing only in the roll of objectors, without a single suggestion for relief, the time is realized as at hand for the people to act, to assert their power in the administration in public affairs.

There are some great reform movements which must begin with the people, which must come up from the people, the first or initial step which must be taken by the people. Under our form of self-government the people are the primary, the moving power; they are the masters directing public affairs.

Despairing of arousing this Congress to a realization of the crisis and emergency of the hour, to break the stranglehold on money and to throw off this money-mad octopus usurping the powers of public currency, to pillage and take from the people their earnings, income, and substance in tribute mounting into the billions. I am resorting to the means of the radio to call out the minutemen of today, to ring the bells, send out the couriers, to hang the beacon lights high up in the watchtowers of the towns and hamlets, to warn the people to convene in the old town meeting halls.

Beginning with the first week in June, I will deliver a series of six weekly addresses on the cause and remedy for the depression from over 100 radio stations located in or reaching to the different congressional districts and identified with day and time of delivery as follows:

City	Station	Time	Day (weekly)
Ada, Okla	KADA	2:45 p. m	Wednesday.
Akron, Ohio	WADC		
Atlantic City, N. J	WPG	11:15 a. m	Tuesday.
Asheville, N. C	WWNC	8:15 p. m	Monday.
Ashland, Ky	WCMI	5:45 p. m	Thursday.
Bridgeton, N. J	WSNJ	1 p. m	Wednesday.
Binghamton, N. Y	WNBF	8:15 p. m	Monday.
Bristol, Tenn	WOPI	5:15 p. m	Sunday.
Brownsville, Tex	KGFI	12:45 p. m	Monday.
Bloomington, Ill	WJBC	6 p. m	Tuesday.
Biloxi, Miss	WGCM	7:45 p. m	Thursday.
Brady, Tex	KNEL	10 a. m	Tuesday.
Charleston, S. C	WCSC	Night	
Charlottesville, Va	WCHV	8:30 p. m	Friday.
Casper, Wyo	KDFN	8:15 p. m	Wednesday.
Centralia, Wash	KELA	5:15 p. m	Saturday.
Clovis, N. Mex	KICA	8 p. m	Thursday.
Cedar City, Utah	KSUB	7:45 p. m	Monday.
Carthage, Ill	WCAZ	9 a. m	Do.
Columbia, S. C	WIS	2:45 p. m	Thursday.
Chicago, Ill	WHIP		
Corsicana, Tex	KAND	5:30 p. m	Friday.
Dodge City, Kans	KGNO		
Danville, Va	WBTM	11:45 a. m	Saturday.
Dayton, Ohio	WSMK	7:15 p. m	Tuesday.
Decatur, Ala	WMFO	1:15 p. m	Monday.
Devils Lake, N. Dak	KDLR	8:15 p. m	Thursday.
Duluth, Minn	WEBC		
Do	KDAL	9:15 p. m	Monday.
Durango, Colo	KIUP	6 p. m	Wednesday.
Dublin, Tex	KFPL	11:15 p. m	Do.
Elk City, Okla	KASA	8:15 a. m	Thursday.
Florence, S. C	WOLS		
Griffin, Ga	WKEU	2 p. m	Wednesday.
Greeley, Colo	KFKA	6 p. m	Sunday.
Green Bay, Wis	WTAQ		
Gallup, N. Mex	KAWM	7 p. m	Tuesday.
Hattiesburg, Miss	WFOR	7 p. m	Sunday.
Hagerstown, Md	WJEJ	8 p. m	Wednesday.
High Point, N. C	WMFR	8 p. m	Do.
Harrisburg, Ill	WEBQ	6 p. m	Sunday.
Huntsville, Ala	WBHP	6:30 p. m	Monday.
Indianapolis, Ind	WFBM	6 p. m	Do.
Janesville, Wis	WCLO	3:30 p. m	Thursday.
Jerome, Ariz	KCRJ	6 p. m	Monday.
Lawrence, Mass	WLAW	6:15 p. m	Sunday.
Lamar, Colo	KIDW	10:30 a. m	Wednesday.
Lubbock, Tex	KFYO	8 p. m	
Lima, Ohio	WBLY	2 p. m	Tuesday.
Laconia, N. H	WLNH	1:15 p. m	Friday.
Lakeland, Fla	WLAK		
Longview, Tex	KFRO	12:45 p. m	Monday.
Little Rock, Ark	KARK		
Do	KLRA		
Missoula, Mont	KGVO	9 p. m	Wednesday.
Muskegon, Mich	WKBZ	9:45 p. m	Monday.
Manitowoc, Wis	WOMT	8 p. m	Saturday.
Marshfield, Oreg	KOOS	6:45 p. m	Tuesday.
Moorhead, Minn	KVOX	6:15 p. m	Saturday.
Macon, Ga	WMAZ		
Nampa, Idaho	KFXD	8:30 p. m	
New Bedford, Mass	WNBH	2:45 p. m	
New Britain, Conn	WNBC	1:30 p. m	Sunday.
Omaha, Nebr	WOW		
Parkersburg, W. Va	WPAR	7–8 p. m	Tuesday.
Pocatello, Idaho	KSEI	8:30 p. m	Saturday.
Portsmouth, Ohio	WPAY	4 p. m	Wednesday.
Portland, Maine	WCSH	7:30 p. m	Friday.
Portsmouth, N. H	WHEB	7:45 p. m	Monday.
Pampa, Tex	KPDN	8:30 a. m	Saturday.
Rutland, Vt	WSYB	8:30 p. m	Wednesday.
Raleigh, N. C	WPTF	8 p. m	Monday.
Rochester, Minn	KROC	6:45 p. m	Do.
Rome, Ga	WRGA		
Richmond, Ind	WKVB		
Rapid City, S. Dak	KOBH	7 p. m	Friday.
Racine, Wis	WRJN		
Rochester, N. Y	WHEC		
Scottsbluff, Nebr	KGKY	8:30 p. m	Wednesday.
Shawnee, Okla	KGFF	4:30 p. m	
Scranton, Pa	WQBI	8:30 p. m	Monday.
Spartanburg, S. C	WSPA		
Sheffield, Ala	WMSD	5:30 p. m	Do.
Sacramento, Calif	KFBK	11 a. m	Tuesday.
Santa Rosa, Calif	KSRO	7:15 p. m	Monday.
Salisbury, Md	WSAL	7 p. m	Wednesday.
St. Petersburg, Fla	WSUN	7 p. m	Saturday.

City	Station	Time	Day (weekly)
Sheridan, Wyo.	KWYD	3:30 p. m.	Wednesday.
Sterling, Colo.	KGEK	1 p. m.	Do.
Syracuse, N. Y.	WSYR	8:15 p. m.	Monday.
Troy, N. Y.	WHAZ	7 p. m.	Do.
Twin Falls, Idaho	KTFI		
Toledo, Ohio	WSPD		
Tulsa, Okla.	KVOO		
Valley City, N. Dak.	KQVC	7:30 p. m.	Do.
Visalia, Calif.	KTKC	4 p. m.	Sunday.
Wausau, Wis.	WSAU	9:30 p. m.	Monday.
Watsonville, Calif.	KHUB		
Waterbury, Vt.	WDEV	6:30 p. m.	Wednesday.
Yuma, Ariz.	KUMA	12:30 p. m.	Do.
Zanesville, Ohio	WALR		

The following are additional stations:

City	Station	Time	Day (weekly)
Albuquerque, N. Mex.	KGGM	9:45	Thursday.
Butte, Mont.	KGIR	Evening	
New York City	WMCA		
Do.	WHN		
Phoenix, Ariz.	KOY	6:45	Friday.
Reno, Nev.	KOH		
Springfield, Mo.	KWTO		
Salt Lake City, Utah	KDYL	6 p. m.	Do.
Texarkana, Tex.	KCMC	8 p. m.	Thursday.
Tulsa, Okla.	KTUL		
Washington, D. C.	WOL	9 p. m.	Monday.

If the weekly day and hour of your home radio station is not given in the list below, ask your radio station to have the same published. And, if your station is not included in the list, have petition of listeners presented to station requesting that the program be carried for your section of the country.

Other stations are being added to this list.

Copies of these addresses or the series will be sent on request received from Members of Congress or from the general listening radio audience.

I am calling the people to organize under the leadership of courageous men inspired by the example of Andrew Jackson who defied the invading financiers and drove them from the money temple as Christ drove out the money changers who were making His house a den of thieves.

Every reason or rational precaution, every sense of justice and right, and every consideration of public welfare would require, demand, and dictate that such a vital public agency as money should be kept and held free from monopoly, free from private, selfish control and manipulations.

And if there is one public function which should be watched over and safeguarded with more jealous and exacting care than others, and administered by Government officials under bond, penalty, and oath of office, and held under the glare of the noonday sun and the searchlight of public operations, it is the regulation of the public currency.

And the founders of our Government, recognizing money as a vital public agency and a power for good or evil and its susceptibility of great abuse in the hands and control of private, selfish interests, and to safeguard it against monopoly and private control, made the public currency a special subject for the protecting hand and guardianship of the Government.

Our forefathers wisely provided under clause 5, section 8, article I, of the Federal Constitution or basic law for the issue, regulation, and control of money by Congress, the sworn and chosen representatives of the people, under open and public proceedings, as other governmental agencies are controlled.

And of all the powers exercised by government, and of all the functions of governmental departments, and of all the discretion over money and public funds of the Department of the Treasury, none should be more sacredly and jealously safeguarded than the management and control of public currency, the vital lifeblood of industry and civilization.

It was Meyer Anselm Rothschild, the world wizard of money and finance, who, speaking of the powers of money, said:

Give me the power to issue money, and I care not who makes the laws.

In making this statement he meant that the power to issue and control money was greater than the power to make the laws, greater than the power to enforce the laws, greater than the power to construe and apply the laws, greater than all other powers of the government exercised singly or all combined.

Yet in wanton indifference and in disregard of the Constitution, in disobedience of the Constitution, in violation of the Constitution, in defiance of the Constitution, this sacred trust over money is being abdicated by Congress, surrendered and given over by Congress to private bankers and financiers to be held, manipulated, and controlled for private profit, advantage, and gain.

But, taking advantage of the mysteries of money, the hidden, covered, concealed operations of money, Congress has been misled to yield up the control of this far greater power, the regulation of the public currency, to manipulating bankers and international financiers, for use in their speculating stock-market investments.

And under the control and manipulation of money by private bankers and manipulating financiers, the misers, shylocks, and money changers of today, every panic in this country has come. The 1920 and 1929 panics came and under the control and manipulation of the same private financiers under which this 1937 depression has come.

If the facts of this abdication and surrender of the constitutional powers to control money to the private bankers and international financiers were known and understood by the people, they would no more consent to or countenance the secret, private control of money than they would make like surrender of other departments of the Government.

If the facts were known and fully understood, the people would no more tolerate the private, secret control of the currency for a single day or hour of time, more than the Post Office Department, more than the Public Revenue or Accounting Department, more than the courts or judiciary departments.

They would revolt and make imperative demand that Congress promptly recover back these surrendered powers over the public currency and for their exercise in the open as other public duties, and made to serve the public welfare and the interests of all the people instead of the few private bankers and financiers.

And I propose to show to the people how their sacred, vital money system has been invaded and is being monopolized and used for private, selfish profit, advantage and gain, and how money, the life-blood of industry, is held and withdrawn from use and this is the causes of panics or depressions.

Until some further and positive remedy and more than a resort to retrial of the recovery measures tried out and failed, and proven fruitless and of no avail, is provided to remedy this depression, I will consider it my first and highest duty to insist that Congress remain in session.

With this depression growing more severe, and unemployment increasing from day to day, and threatening to equal the industrial paralysis of the 1929 panic, it will be criminal neglect of official duty for this Congress to adjourn or recess before providing some more adequate measure for relief and a remedy from this depression.

CALL OF THE HOUSE

Mr. GOLDSBOROUGH. Mr. Speaker, I make the point of order that there is no quorum present.

The SPEAKER. The gentleman from Maryland makes the point of order that there is no quorum present. Evidently there is not.

Mr. GOLDSBOROUGH. Mr. Speaker, I move a call of the House.

The motion was agreed to.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 96]

Allen, Del.	Biermann	Byrne	Clark, N. C.
Andrews	Binderup	Cannon, Wis.	Cochran
Arnold	Boylan, N. Y.	Cartwright	Cole, Md.
Atkinson	Buckley, N. Y.	Champion	Crawford
Bacon	Bulwinkle	Chapman	Creal
Barden	Burch	Clark, Idaho	Crosby

Culkin	Hancock, N. Y.	Magnuson	Shafer, Mich.
Curley	Hancock, N. C.	Mahon, S. C.	Short
Deen	Harrington	Martin, Colo.	Smith, Okla.
Dingell	Hennings	Mitchell, Ill.	Somers, N. Y.
Dirksen	Hildebrandt	Mitchell, Tenn.	Spence
Disney	Jacobsen	Mosier, Ohio	Stack
Ditter	Keller	Mouton	Steagall
Dockweiler	Kelly, Ill.	Norton	Sumners, Tex.
Doughton	Kelly, N. Y.	O'Connell, Mont.	Sweeney
Douglas	Kerr	O'Connor, Mont.	Taylor, Colo.
Drewry, Va.	Kniffin	O'Day	Thurston
Edmiston	Lambertson	O'Leary	Tinkham
Faddis	Lea	O'Toole	Tobey
Ferguson	Lemke	Patman	Vinson, Ga.
Flannagan	Lewis, Md.	Patterson	Wadsworth
Fulmer	Lord	Peterson, Fla.	Wearin
Gasque	Luckey, Nebr.	Polk	Weaver
Gifford	Luecke, Mich.	Randolph	Wene
Gilchrist	McClellan	Reed, N. Y.	West
Gray, Pa.	McGranery	Rich	Whelchel
Green	McGroarty	Richards	White, Idaho
Greenwood	McLean	Sabath	White, Ohio
Griswold	McMillan	Schulte	Whittington
Guyer	McReynolds	Scott	Wood
Hamilton	Maas	Secrest	

The SPEAKER. Three hundred and four Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

NATIONAL GUARD

Mr. MAY. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 9721) authorizing the disbursement of funds appropriated for compensation of help for care of material, animals, armaments, and equipment in the hands of the National Guard of the several States, Territories, and the District of Columbia, and for other purposes, with a Senate amendment, disagree to the Senate amendment, and ask for a conference.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky? [After a pause.] The Chair hears none, and appoints the following conferees: Messrs. MAY, THOMASON of Texas, HARTER, ANDREWS, and ARENDS.

COMMITTEE ON MILITARY AFFAIRS

Mr. MAY. Mr. Speaker, I ask unanimous consent that the Committee on Military Affairs may be permitted to sit during the sessions of the House today.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. ANDERSON of Missouri asked and was given permission to revise and extend his remarks.

CHIPPEWA INDIANS OF MINNESOTA

Mr. BUCKLER of Minnesota. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 4544) to divide the funds of the Chippewa Indians of Minnesota between the Red Lake Band and the remainder of the Chippewa Indians of Minnesota, organized as the Minnesota Chippewa Tribe, with Senate amendments, and agree to the Senate amendments.

The Clerk read the title of the bill.

Mr. SNELL. Mr. Speaker, reserving the right to object, will the gentleman explain the purpose of the bill briefly?

Mr. BUCKLER of Minnesota. Briefly stated, the purpose of the bill is to permit the division of tribal funds between two tribes of Chippewa Indians in Minnesota, the Red Lake Band and the White Earth Band. There is no opposition to it on the part of the Indians or from any other source.

Mr. SNELL. And it will result in no increase in cost?

Mr. BUCKLER of Minnesota. Not a cent.

The SPEAKER. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

The Clerk read the Senate amendments, as follows:

Page 2, lines 1 and 2, strike out "or from any other source" and insert: "from which total amount so determined, said Secretary shall deduct and retain in the existing fund now standing to the credit of 'all the Chippewa Indians in the State of Minnesota' the sum of $10,000, and so much thereof as may be necessary, may be expended as authorized in the act of May 14, 1926 (44 Stat. L. 555), and the amendatory act of April 11, 1928 (45 Stat. L. 423), and for no other purpose."

Page 2, line 6, strike out "Band of."

Page 2, line 11, strike out "bands of."

Page 2, line 17, strike out "Band" and insert "Chippewa Indians of Minnesota."

Page 2, line 19, strike out "Band" and insert "Chippewa Indians of Minnesota."

Page 2, line 23, strike out "or other applicable act."

Page 3, line 1, strike out "Band" and insert "Chippewa Indians of Minnesota."

Page 3, lines 2 and 3, strike out "the tribal organization of" and insert "all."

Page 3, line 3, strike out all after "Minnesota" down to and including "fund" in line 5.

Page 3, line 7, strike out "or other applicable act."

Page 3, line 9, strike out "said tribe" and insert "all other Chippewa Indians of Minnesota."

Page 3, line 10, strike out "All" and insert "Any unexpended balance remaining of the $10,000 set aside by the first section of this act and all."

Page 3, line 13, strike out "or from any other source."

Page 3, line 15, strike out "Band" and insert "Chippewa Indians of Minnesota."

Page 3, lines 15 and 16, strike out "the Minnesota Chippewa Tribe" and insert "all other Chippewa Indians of Minnesota."

The Senate amendments were agreed to, and a motion to reconsider was laid on the table.

EXTENSION OF REMARKS

Mr. RABAUT. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include therein a short editorial from the weekly review America entitled "Martin Versus Ford."

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. LAMBERTSON. Mr. Speaker, I ask unanimous consent to extend my own remarks.

The SPEAKER. The gentleman already has that privilege under a general order of the House.

AMENDMENT OF THE UNITED STATES HOUSING ACT OF 1937

Mr. GOLDSBOROUGH. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill (H. R. 10663) to amend the United States Housing Act of 1937.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill (H. R. 10663) to amend the United States Housing Act of 1937, with Mr. PARSONS in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. The gentleman from Maryland has 1 hour and 10 minutes remaining. The gentleman from Michigan has 1 hour and 17 minutes remaining.

Mr. WOLCOTT. Mr. Chairman, I yield 30 minutes to the gentleman from Massachusetts [Mr. LUCE].

Mr. LUCE. Mr. Chairman, the Washington Post this morning, printing a story about housing legislation, gave the impression that the Republicans in this House were opposing this bill. As a matter of fact, of those committee members who oppose the abolition of the 10-percent requirement the greater part are of the Democratic side. The mischance by which the section in question comes before the House, the regrettable mischance, as most of you know, was due to the objection to casting proxy votes for two members of the committee who were absent. Had even one of those members been present the chief question now before you would not have been presented to the House. This, however, is not the occasion to discuss that matter, but I may express my regret that the objection raised in our committee for the first time in all the years I have been here should have happened to be raised in respect of this particular bill. It may have been right, it may have been wrong, but it was contrary to the precedent of many years.

Anyhow it is not the case that a partisan controversy comes before you. In the years through which I have been a member of the Committee on Banking and Currency, it has been my pride to tell various audiences that ours was a nonpartisan committee. When we are in executive session, I have told them, I had never seen a vote cast nor heard an argument advanced from partisan motives. So this morning I would have you gentlemen on my right under-

stand that my argument does not address itself to a partisan consideration in the slightest particular.

We are facing here a very important problem. It was one of the distressing things yesterday that so few of the Members felt it necessary to learn about the nature of this problem. They did not realize that one thousand million dollars is concerned here and that by your vote upon the critical question involved you will determine the fate of $100,000,000. Although we have come to be accustomed to deal in huge sums, it is at least worth while for a few minutes to consider the wisdom of this particular vast expenditure. I mentioned a thousand million dollars. The bill itself shows only $800,000,000, but the Administrator, Mr. Nathan Straus, in the hearings again and again referred to it as a billion dollars.

It puzzles me to know how he could have told the committee that if his program worked out there will be not one dollar of cost to the United States Treasury. Said he:

> This is an important statement and I want to get it on the record. That will all be repaid with interest and amortized over a 60-year period.

He had with him his counsel, Mr. Keyserling, who testified somewhat in contradiction thereto. Mr. Keyserling said:

> It is true the bonds are all serviced from the gross revenues of the project, that the revenue comes from three sources, rentals, reduction of local charges and, third, from the Federal subsidy.

Further he said:

> The main security for the retirement of the loan is the pledge of the annual subsidy.

He could not have expected to get much, if any, net income from rentals, for these are to be so low that after paying maintenance costs there will be no material profit left. The "reduction of local charges" probably means tax remissions and these produce no cash. There remains only "the Federal subsidy." This is a gift from the Government, and it is called a contribution. Curiously enough, the Housing Act requires—

> All such annual contributions shall be used first to apply toward any payment of interest or principal on any loan due to the Authority from the Public Housing Authority.

This means that the first use of a gift from the Government shall be to pay on a loan made by the Government.

Mr. Chairman, if you were good enough to give me a hundred dollars and then to lend me a hundred dollars, and I took the hundred dollars that you gave me and paid back the loan, would you have lost any money? Ask Johnnie about that when you go home tonight and have him put it before his school teacher. Can the Federal Government say it has been repaid when the money has come from the funds it lends? It goes out and it comes back, and the Government debt contracted for the original loan is just as large as it was before. I will rebut the statement of Mr. Straus with my own allegation that not one dollar of this billion dollars will, in net result, ever come back. Therefore it becomes of some importance to consider the problem involved.

You will not understand it if I do not explain that we now have several agencies concerned with housing. The ones that today most interest us are the Federal Housing Administration and the United States Housing Authority. For simplicity and for no other reason I am going to speak of them by using the names of their Administrators, Mr. Stewart McDonald, of the Housing Administration, and Mr. Nathan Straus, of the Housing Authority. Mr. McDonald has in his charge the financing of building by private contractors. The Government guarantees the repayment of their borrowings, so he indirectly lends. If I mistake not, he is doing that job in a most admirable fashion. I commend the program and I commend him.

A few days ago he showed to a group of men in Washington interested in these matters a film recently prepared showing housing in Switzerland, Germany, Sweden, England, and the United States, a most enjoyable and instructive film. Its purpose is for display to leaders in community life, particularly men of finance, in various cities of the country in order to enlist and encourage private activity. The point I want to bring out is that Mr. McDonald is concerned with inviting people to meet our dangerous housing situation. Mr. Straus, on the other hand, is engaged in inviting and helping local communities to do the job in a single particular, that of slums. The one has already shown the possibility of success by leaving this to private interests. The program of the other is what I would lay before you.

Mr. Straus does not need more money at once. On the 1st of July he will have at his command $300,000,000. The power of the Authority goes back to the law enacted last August, 9 months ago, and it was only a few days ago that Mr. Straus put out his first dollar in the way of loan. Nine months, and then comes an actual start. I am not going to criticize him for that. It has been a difficult job to organize and get going. These big things cannot get into action instantly. I mention that fact in order to show you that if he gets $700,000,000 more he cannot get into action instantly. It takes time to buy or condemn land, to prepare plans and specifications, to make contracts, to do all the preliminary work. I mention that in order to show you that Mr. Straus is not to be criticized but to show you that if he gets $700,000,000 beyond the $300,000,000 he will have at command July 1 he cannot immediately use it for actual construction, for the employment of artisans now idle, for any effect on unemployment or the depression. My belief is that the labor unions in the building trades are deceived in this matter. My judgment is that if the $700,000,000 is given to him there will not by its use be a shovelful of earth moved before next year, not a brick laid nor a nail driven. Possibly I may be in error, but I am myself convinced from what we have already observed that it is unnecessary at the moment to grant this additional fund.

The country has been told, and the labor unions have taken action by reason of being told, that this will set hundreds of thousands of men at work. It will not do it now; it will not do it this fall; it may do it in the years that are to come. There is absolutely no likelihood of it at present.

But that is not the thing upon which I would dwell. It is chiefly what has already been done, as showing the program which Mr. Straus intends to follow.

In March there were approved by the President five projects. These five projects were for construction in the cities of Syracuse, N. Y., New Orleans, La., Youngstown, Ohio, Charleston, S. C., and Austin, Tex., and the average cost of these projects is to be $6,190 a unit. We limited the expenditure to $1,000 a room. A unit may have three, four, or five rooms, but the average is about four rooms.

The cost of $6,190 a unit is of itself a warning. I have read that the ordinary cost of a privately built one-family brick veneer house is in most cities about $600 to $750 a room. We allowed in our bill, for four rooms, a thousand dollars apiece, $1,250 in cities with more than 500,000 population.

Here is where the committee and the House made an oversight. I plead guilty myself. I had no idea that adding in the cost of the land and the other expenses would permit $6,190 of expense per unit.

Let this sink in. A $6,190 home is to be furnished under this program. Who are going to have these homes? Here comes a still more interesting feature. We thought we were doing something for slum dwellers. It was a slum-clearance bill. The emphasis was laid constantly on the fact that it should be for the clearing of slums. The Housing Act itself ordered that, for in the first section it is declared to be the policy of the United States to serve families of low income, and it defines that term. It says the term "families of low income" means families who are in "the lowest income group." What is the lowest income group in this country? It would be generally accepted that it is made up of the families with less than $1,000 a year income.

We also put into the bill the provision that these units should not be rented to anybody having an income more than five times as large as the rent. I am not going to go to any further extent into the figures on this, although I have them in my hand, except to tell you that under the law as it

stands very few people with less than $1,000 a year income can occupy a unit in the new apartment house or a corresponding individual dwelling, and very few people with more than $1,500 income as the law now stands, and nothing in the bill before you will change that. The great bulk of these units will be occupied by families with an income of from $1,000 to $1,500.

Our Labor Review said in October, in an article on the English experience:

> The expected process of filling up the area, once houses became available, failed to materialize, and the benefits of the program accrued primarily to the artisan and white collar classes.

As I have said, this is what happened in England, and this is what is going to happen here. Think of the hypocrisy of telling people of the lowest-income classes, whom we call the poor, that they are going to have something done for them, when the new housing can be occupied only by the moderately well to do.

Mr. TRANSUE. Mr. Chairman, will the gentleman yield?

Mr. LUCE. I yield to the gentleman from Michigan.

Mr. TRANSUE. Is it not true that under the bill the units may be rented to people having incomes as low as $400 to $500 a year?

Mr. LUCE. They can be rented to people with incomes as low as $400 to $500, but the families have not the money to pay the rents that must be charged. Nobody with an income of less than $1,000 a year can even pay what is called the social rent. That is the rent which is to be charged. It is two-fifths of that which you or I would pay if we occupied similar quarters in privately owned buildings.

There is to be a subsidy or abatement to the extent of three-fifths of what is called the economic rent, the rent a private investor would require to meet running expenses and give him reasonable return on his money. It is usually figured at 10 percent of value.

In the case of the housing projects we are considering, subsidy or abatement of three-fifths of the economic rent will result in occupancy by a selected group, few in proportion to the population of the city, who will get three rooms for $183 a year, four for $244 a year, five for $305 a year, in each case two-fifths of what their neighbors will pay for like accommodations.

Is it not clear that even with the three-fifths subsidy very few families with income of less than $1,000 a year can occupy the new suites or cottages?

Under those circumstances let me plant it in your mind that this cannot be a project to house slum dwellers. What is going to become of them? The law makes only this provision, that they shall be furnished with safe and sanitary quarters somewhere in the same city or in the metropolitan area. That is all it does for them. There is nothing in here to help the man who has an income of $600, $700, or $800 a year. There is nothing here to help the distressed widow with scanty means of support, who has only $600, $700, or $800 a year income. There is nothing here to help the people we meant to help and whom we ought to help, and whom I hope profoundly some day we will help. This is a bill to provide subsidized rent for part of the men of the white collar and artisan class.

This is precisely what happened in England. They started after the war, 15 years ago, with a law meant to clean out the slums. They worked under that law for ten or a dozen years before they found out how costly and ineffective it was. Then they changed their law, and again changed it only 3 years ago, at last distinctly separating the problem of slum clearance from that of new housing.

Mr. SNELL. Mr. Chairman, will the gentleman yield?

Mr. LUCE. I yield to the gentleman from New York.

Mr. SNELL. Was there any evidence before your committee to show what proportion of the people who lived in slum areas before these projects were started eventually lived in what they called the slum-clearance houses?

Mr. LUCE. No. The slum man is the forgotten man.

Mr. SNELL. Did any of them ever get into any of these new places?

Mr. LUCE. None of the new places had been started until within a few days. We do not know what is going to happen, but we can read what they are planning and know they are figuring to rent for two-fifths of normal rent units that average to cost $6,190, including building, land, and all. Under this program helping the slum dweller simply cannot be done. There will be no contribution to the welfare of the people we had in mind and for whom the law was written. If time permitted, I could show you my calculations on that point. It is, to my mind, indisputable. I have gone over my calculations again and again and again, and it has strengthened my belief that you will give no help to the slum dweller. More than one-tenth of the families in this country have an income of less than $1,000 a year, and to that element alone would your attention better be directed.

Dwelling now upon the vital proposal in the pending bill, let me read to you what Mr. Straus, the Administrator, himself said:

> The amendments are not necessary in order to enable the United States Housing Authority to do the job of rehousing a certain number of slum dwellers.

It is not going to rehouse a certain number of slum dwellers in the way we had hoped, by insuring them much better homes. All the law says is that they shall get other quarters. You may say that is rehousing even if they go into equally poor surroundings. All that is required is that the buildings they are to occupy be safe and sanitary. That is the only rehousing you are going to get.

Another thing to be brought to your attention is the fact that when we passed this bill we believed it would be necessary, useful, desirable, and practicable only in the large cities. There have already been earmarked—by earmarking we mean setting aside with a promise to give the money if the local housing authority meets the conditions—five places of from 11,600 to 16,300 populations, and the projects to be put in these little cities are to cost an average of $294,000. Think of the absurdity of carrying on a housing project in a place of 11,600 people where the cost on the basis of the average will be near $300,000. If you are going to start there and go through the hundreds of little places in the country and spend $300,000 apiece, where will your Treasury be? It is already in precarious enough condition, and if you are going to do this for these little places and not put upon them the responsibility of handling their own blighted areas, you will have a national burden almost beyond imagination.

This is unfair to the seven and one-half millions of urban dwellers who own their own homes; unfair, because they are going to see some of their neighbors put into quarters where they will pay only two-fifths of the rent that would otherwise have to be paid, as shown by the figures Mr. Straus laid before us in mimeographed form, where the social rent, as he calls it, or the subsistence rent, will be only two-fifths of the economic rent.

Worse yet, you are going to destory local responsibility and center it in Washington.

You are going to shift the slums from one part of a community to another part of a community.

What to me is the most serious thing of all, there is to be no provision made for acquisition and ownership. The safety of this country depends upon the ownership of homes by as great a part of its people as possible. Remember what took place in Vienna when the Communists built those huge structures to hold many of their faith. Remember that they became a threat to society, and that thoughtful people brought cannon and blew down the buildings rather than have them longer such a menace. Out here at Greenbelt, with 880 families to be accommodated, not a man is allowed to buy his own home. Under these new projects I find no opportunity for any man to buy his own home. Can it be thought that the welfare of society is to be advanced by a program under which home ownership is not only to be discouraged, but absolutely prevented, so far as these projects are occupied? The man who owns his own home has a pride in his citizen-

ship. He thoughtfully attends to the duties of a citizen at the polls. He takes a part in the public welfare. If he rents his apartment, he loses the attractions and benefits of a real home. Demolish the slums if you will and can, but give the slum dweller the chance to be a home owner and a home maker. [Applause.]

The CHAIRMAN. The time of the gentleman from Massachusetts has expired.

Mr. WILLIAMS. Mr. Chairman, I yield 15 minutes to the gentleman from Wisconsin [Mr. REILLY].

Mr. REILLY. Mr. Chairman, the pending bill does not increase in any way the financial obligations of the Treasury under the present United States Housing Act. I have always been opposed to the philosophy back of our slum-clearance program; that is, that the clearing of our slums was the job of the United States Treasury, but the country and the Congress have approved such a program. I believe that slum clearance is fundamentally a local problem and should be largely financed by the community benefited by such a project.

Let us go back a little in history. The first Wagner slum-clearance bill passed by the Senate in 1936 threw the doors of the United States Treasury wide open, and put upon the National Treasury the whole cost of clearing the slums of the country—without local contributions except what the cities or communities might see fit to offer. When the bill came to the House in the closing days of the session of 1936, the members of the Banking and Currency Committee refused to consider it and allowed it to die. There was a howl from a few newspapers—the press of the country—that the Banking and Currency Committee of the House had strangled a good piece of legislation.

In the next session of Congress, 1937, the Senate passed another slum-clearance bill. This second Senate slum-clearance bill provided for a small local contribution.

This second Senate bill, as reported by the House Banking and Currency Committee and as passed by the House, provided that the communities seeking a slum-clearance project should provide 20 percent of the total cost of the project, and also 25 percent of the annual subsidies required to make the particular housing project a low-rent project. When the 1937 slum-clearance bill came from conference it provided that the cities seeking a slum-clearance project should provide 10 percent of the total cost of the project, and also provide 20 percent of the subsidies required to operate the project as low-rent houses.

This bill also provided that the cities securing a project could furnish their share of the annual subsidy by granting to the project tax exemption either in whole or in part.

In carrying out the terms of the 1937 United States housing bill, the Director has secured the 10 percent of the total cost of the slum clearance, required by law to be furnished by the local community, to be provided through the sale of bonds of the local housing authority, and he has also through tax exemptions secured a total contribution to the annual subsidies requiring much in excess of the 20 percent local contributions required by the law.

In some instances the contribution for the annual subsidies provided by the cities, through tax exemptions, has gone as high as 70 percent of the amount contributed by the United States Treasury through the National Housing Authority.

There was a feeling on the part of many members of the Banking and Currency Committee of the House that these tax contributions did not as a usual proposition amount to very much of a contribution on the part of a city receiving a housing project, for the reason that as a general rule slums are very expensive to the cities in which they exist. The taxes received from slum property nowhere equals the expenditures on the part of the city occasioned by the existence of said slums.

Again, when slum-clearance projects are located outside of the slum area, the land value is very low, and consequently the city is out but little in the way of taxes by remitting taxes on a project built on such land.

The theory upon which it is held that a city's contribution to a slum-clearance project, by remitting taxes amounts to much, is based upon the fact that the taxes to be remitted are levied on the new building that costs the city nothing to build.

Now, I made the statement in the beginning of my talk that the pending bill, which provides for the Government loaning 100 percent on a slum-clearance project, instead of 90 percent as the law now is, will not cost the Treasury a cent; in fact, the Treasury will be money ahead.

The slum-clearance law as now written provides that after the rents the tenants are supposed to be able to pay has been fixed, the difference between what the rents bring in and what it costs to operate a slum project, in the way of interest on the money loaned by the Government, in the way of interest on the money provided by the local housing authority, and the upkeep of the project, is to be paid in monthly or annual subsidies by the Treasury of the United States. This subsidy amounts to about $4 a week for every room in a slum-clearance project.

Now, the Government gets the money that it puts in the project at a low rate of interest—about 3 percent—while the local housing authority that provides the 10 percent of the cost of a project has to pay a much higher rate for the money it furnishes; but the Treasury of the United States, by paying annual subsidies, has to pay the interest on the money furnished by the local housing authority as well as the money furnished by the National Housing Authority.

This contribution by the National Housing Authority is limited to 3½ percent a year on the total cost of the project.

Now, if the Government furnished all of the construction money 100 percent, instead of 90 per cent, the only difference would be that it would have to pay a lower rate of interest on the 10 percent furnished by the Housing Authority, because it furnished that money itself at a much lower rate of interest, and thereby the Treasury would be that much ahead.

Thus we see that all this talk about sticking the United States Treasury by eliminating the requirements that the local communities furnish 10 percent of the cost of a slum-clearance project is nothing but talk and has no basis in fact.

I am in favor of the amendment to the existing law contained in the pending bill that eliminates the requirement that the local housing authority shall furnish 10 percent of the cost of the project, because it will help to speed up the work of the Housing Authority in allotting the funds at his command.

The requirement that the local housing authority furnish 10 percent of the cost of a slum clearance construction slows down the process of allotting money, because it takes some time to sell the bonds of the Housing Authority in order to raise the required 10 percent.

The slum-clearance bill of 1937 was intended to be simply a slum-clearance bill, but conditions are vastly different today than they were a year ago from an economic standpoint, from an employment standpoint, with the result that this pending slum-clearance bill is not only a bill to help cities clean up their slums, but it is also a relief bill—a bill to provide jobs, some more jobs, at least, for our army of unemployed.

The pending bill will make it possible for the Housing Director to provide more jobs than if the present law should remain unamended.

I am firmly of the opinion that local communities seeking housing projects should be required to pay a substantial part of the cost of such projects. My thought has been that substantial contributions should be made to the original cost of slum-clearance projects by the local community, but it would appear from the views as expressed by those who are supposed to know something about slum-clearance work that if the local communities are required to make anything like a substantial contribution in cash to a slum-clearance project there will be no slum-clearance project, simply because the cities are unable to make such contributions.

However, it would appear that if cash contributions are not possible at the beginning of a slum-clearance project, then

some provision ought to be made where the cities benefited by a slum-clearance program would be required to make a larger contribution to the operating of these projects than they will make through a 100 percent tax remission.

All our great cities make annual appropriation for the operation of their park system, playgrounds, and so forth, and it does not seem that it is unreasonable to ask those cities to also make substantial cash contributions each year to carry out slum-clearance programs.

I am in favor of raising the amount of money to be available to the Housing Authority to $800,000,000 as provided in the pending bill. As I have said, this bill is primarily a relief bill, a bill to provide jobs and the speeding up of housing projects all over the country, cannot but have a good effect upon the employment situation.

Future Congresses will have to reconsider the national policy in regard to slum clearance. There is no doubt at all but the National Government should render substantial assistance to the cities of the country, particularly the larger cities, in the carrying out of any program initiated by the said cities for the purpose of cleaning up their slums, but that the National Government should, as provided by present legislation, assume practically the whole burden of slum clearance in this country is unthinkable.

Mr. WHITE of Ohio. Mr. Chairman, I yield myself 10 minutes.

Mr. Chairman, it seems to me, in connection with the consideration of this bill, that we should properly ask ourselves what it does to this fellow we sometimes forget about, known as John Q. Public. We shed crocodile tears for everybody under the sun except the fellow on the end of the deal who has to pay the taxes, known as John Q. Public. There is no one in this House who does not feel that the slums are a blight upon our form of civilization, and that we ought to use every possible method in order to eliminate them; but, of course, there are very few people who would not contend that the methods we use should conform to some test of practicability.

Let us just strip this proposition right down to bedrock; and if we do this, we will find that in substance the thing it does is say to the average citizen, or Mr. John Q. Public, in your community and mine, that he must live in a home which does not average in value more than $2,500 or $3,000; he must pay for it himself; and yet under this program he must turn around and build for the other fellow a home that has a value of seven, eight, or nine thousand dollars in many cases, and he must pay for the other fellow's home on that basis, while he himself lives in a two-, three-, or four-thousand-dollar home. I do not know what you would say is the average value of the homes in your community, but I know in my community the citizen who will have to pay for this project, all up and down the city streets and the farm communities, lives in a home that does not cost over three or four thousand dollars. I want to emphasize the point we must certainly recognize—that man has to dig down into his own pocket and from the sweat of his own toil he has to pay for his home out of his own earnings; yet he is the same man who must bear the burden of building, under this program, a home for somebody else. He has got to pay for this other fellow's home in addition to his own. For that man he builds a home that is probably one and a half or two times as high in value as the home he must live in himself.

Mr. Chairman, I do not believe that meets the test of practicability. As much as we want to clear out our slums, we cannot do it in that way. We have to find a humane, practical way of accomplishing this purpose. It is a pretty hard thing to go to the people of our individual communities and justify doing it on that kind of a basis when we tell them we are going to put this burden upon them. That is one angle to this proposition. I want to call special attention to another feature.

I agree with a great many things stated by the gentleman from Wisconsin [Mr. REILLY]. Under this plan, let us consider a million-dollar slum-clearance project. A local housing authority is formed. We will presume they are going to undertake a million-dollar slum-clearance project. From where do they get the money? Under present law, there is a limited local contribution, and we are discussing today whether or not we shall eliminate that. We say we will operate under a system of annual contributions extending over a period of 60 years. That is the formula. Having applied the formula, where do we come out?

Just apply that formula on a million-dollar project and figure it all out. You will find in the final analysis that the Federal Government has not only provided every penny of the million dollars, which is the original cost of the project itself—the capital outlay for the project itself—but, in addition to that, it has supplied $575,000 more. In other words, when it is all said and done, the Federal Government gives $1,000,000 to the local community through the form of annual contributions with which to pay back the million dollars to the Federal Government, and in addition, the Federal Government gives $575,000 more to the local housing authority to be used by the local housing authority to pay interest back to the Federal Government. I think that is being pretty open-hearted if not pretty open-fisted, without going a point further and saying, as is proposed at the present time, that the Federal Government shall eliminate now this small contribution of 10 percent which is to be made on the part of the local community.

Mr. FARLEY. Mr. Chairman, will the gentleman yield?

Mr. WHITE of Ohio. I yield to the gentleman from Indiana.

Mr. FARLEY. Will the distinguished gentleman make clear what he believes about a split load? If this 10 percent is eliminated, there is a contract between the Government and the Authority and not a third party. If you do not pass this bill as we would like to have it passed, we have three people to deal with. Why not eliminate the third man entirely and give the Government an opportunity to do its best? You know a higher rate of interest will be charged the third party than the first and second parties.

Mr. WHITE of Ohio. There is no question in my mind about that. I believe the gentleman is exactly right about it.

Mr. SIROVICH. Mr. Chairman, will the gentleman yield?

Mr. WHITE of Ohio. I yield to the gentleman from New York.

Mr. SIROVICH. The gentleman has made a very interesting contribution to the discussion. As I understand, this bill has nothing to do with the building of individual homes but has to do only with the clearance of slums and the construction of multiple dwellings.

Mr. WHITE of Ohio. The construction of multiple dwellings is correct. However, they can deal with individual homes if they wish to, if they see fit to approve the loans.

Mr. REILLY. Mr. Chairman, will the gentleman yield?

Mr. WHITE of Ohio. I yield to the gentleman from Wisconsin.

Mr. REILLY. The large majority of homes ordered under the present Authority are individual homes.

Mr. WHITE of Ohio. The gentleman is correct. That has been the experience so far, although the fundamental purpose of the project is slum clearance and the construction of multiple dwellings. My discussion has dealt with the problem in terms of the slum-clearance project as a whole. The comparison of costs I have made is between the house the local citizen lives in and pays for himself and the slum dwelling. It is a comparison of an individual home with a dwelling unit of a slum-clearance project.

The next point I believe is worthy of emphasis in this discussion is the fact that we voted $500,000,000 for this project about 8 months ago. I believe I am correct in saying that to date not a dollar of actual construction has been begun under that original allotment of $500,000,000, yet before they even start actual construction under the original appropriation of funds, after 8 months' existence, they are back here again for a $300,000,000 increase in the amount.

Mr. FARLEY. Mr. Chairman, will the gentleman yield?

Mr. WHITE of Ohio. I yield to the gentleman from Indiana.

Mr. FARLEY. I do not want to take the time of the distinguished gentleman, because I have a lot of respect for his ability, but why does he not tell us why this program has not been accomplished? It is simply because the opposition has at every turn blocked the program. That is why it has not started.

Mr. WHITE of Ohio. Does not the gentleman also believe that one reason for the delay has been that there has been a little game of political manipulation going on as far as some of the housing authorities of the local communities are concerned, with the idea that if they themselves could create a little delay they might come to the Congress and induce Congress to eliminate the local contribution?

[Here the gavel fell.]

Mr. WOLCOTT. Mr. Chairman, I yield 2 additional minutes to the gentleman from Ohio.

Mr. SIROVICH. Mr. Chairman, if the gentleman will yield, will the gentleman explain to the House why that delay in spending the money has been occasioned?

Mr. WHITE of Ohio. I am sorry, but I have yielded a good deal of my time. I want to make just one or two other points in conclusion.

Certainly, if we are going to have any foundation for justifying this program, it seems to me, we must establish some responsibility for the local communities to put up some of this money. How are you going to justify to your people what you have done, as illustrated by the comparison of the homes in which your people live and for which they pay themselves, with the homes they have to build for the other fellow and for which they will also have to pay, unless you at least have some local contribution involved in the bill? Two or three of us have just come from a meeting at the Federal Reserve Board where a Senator and financial expert of the Socialist Party from Sweden was the speaker. I understand the meeting was not "off the record" in any way, so I believe it is perfectly permissible for me to say this. That gentleman was discussing the housing problem in Sweden. It is the Socialist Party that is dealing with the problem there. Someone said to him, and I did not hear it directly, but I believe it has been repeated to me correctly, "Does the Government provide all the money for building your housing projects over there?" He said, "No; we would not think of doing that. We require from 35 to 85 percent local contribution from the individual communities."

Mr. TRANSUE. Mr. Chairman, will the gentleman yield?

Mr. WHITE of Ohio. I yield to the gentleman from Michigan.

Mr. TRANSUE. I was one of those at the meeting, and I asked the question. He said that the only contribution the local community makes is the land, that the land in the larger cities represents a larger contribution than it does in the smaller communities because of the higher land values, and that that is the only contribution the local communities do make. I asked him another question on whether they make a tax exemption or remission on the part of the local communities, and he said they did not.

[Here the gavel fell.]

Mr. WILLIAMS. Mr. Chairman, I yield 10 minutes to the gentleman from California [Mr. FORD].

Mr. FORD of California. Mr. Chairman, I am going to devote my 10 minutes largely to correcting what I think are impressions given by some of the speakers that are not, in my opinion, in conformity with all the facts.

There is one I want to call attention to particularly. Since the present housing plan is largely based on the British plan, it has been said here that under the British plan the government contributes only one-third. The government contributes all the money in the beginning, but the annual contribution under the British system is 33⅓ percent by the Government, the local unit contributes 16⅔ percent, and the tenants, in rent, pay the other 50 percent. Under the American plan the Federal Government will contribute 36 percent, the local authority 22 percent, and the tenant 41 percent. We are not talking now about the original United States Housing Authority advance for the building; we are talking about the yearly contributions, and I do not believe this was made very clear. I do not believe it was intentional that it was not made clear, but that is what has happened during the course of the discussion.

There is another phase that has been brought up, and I think the gentleman from Wisconsin hit the nail exactly on the head when he said that the amendment proposed will make the act more economical and workable and will get the program going more rapidly.

Now, what is the substance of this amendment? It merely asks that the Government supply all of the money for the building in the beginning, and when the building is constructed the Government will supply a yearly subsidy, the local unit will supply another subsidy in the form of tax remission—and I do not agree with the philosophy that this tax remission is not a substantial thing—and it—the local unit—will supply, in addition to this, the rentals that accrue from the property itself. Handled in this way the program will be expedited, more men will be put to work rapidly, the people who need this type of housing will be promptly housed. If the program has social value, and Congress seems to think it has because it passed a law last year on the subject, then we ought to go ahead and get our housing program going just as rapidly as possible, so that the greatest amount of benefit to the greatest number of people can be accomplished in the shortest possible time.

Mr. Chairman, there have been some things said which would indicate that some of the Members are of the opinion that the United States Housing Authority had not carried out in its entirety the intent and purpose and letter of the statute as it now exists. I do not agree with that view, and in questioning Mr. Straus in the committee I asked these specific questions:

"Was there a 10-percent local contribution being made?" and he said there was.

"Is the local community going to contribute its 20 percent of the annual contribution?" and he said it was.

"Is the amount that has been put up by the Government limited to 90 percent?" The answer was "Yes."

This is in conformity with the general statute as it is written and as it is now on the books, and I do not believe it is quite fair to say that the United States Housing Authority has in anywise violated or stepped aside from the cold letter of the statute.

Another thing I would like to call attention to is this: I would like to say to the gentleman from Ohio that one of the reasons this program has been so slow getting under way is the long and tedious and interminable negotiations that are essential to get it going by reason of that 10-percent barrier. If that 10-percent barrier had not been there, I suppose that half of the projects that have been earmarked would be now under construction.

The third and last word I want to say is this: If this amendment is not adopted there will probably be 10 or 15 or 20 percent of the cities and towns of the United States that will never be able, even though their slum conditions are appalling, to take advantage of this Federal program because of constitutional, statutory, or charter provisions or by reason of the peculiar set-up of their tax structure, which makes it impossible for them in any way, shape, or manner to get the original 10 percent to put up. If the Congress wants this program to be just a mere gesture—a housing bill that does not house—then leave it just as it is. If you want it to be an honest-to-God housing program that will really house the people in the slums of the United States, I plead with you to adopt the amendment removing the 10-percent barrier.

Mr. HAINES. Mr. Chairman, will the gentleman yield?

Mr. FORD of California. Yes.

Mr. HAINES. In the course of the gentleman's study, can he inform the House whether it is possible to erect homes in our large centers of population that may be self-liquidating?

Mr. FORD of California. That is being done under the F. H. A., where they require only 10-percent contribution. But that home becomes the home of the individual when he pays it out. I understand that the F. H. A. has made loans where the monthly payments are something less than $15, but that has nothing to do with this program.

Mr. HAINES. What I had in mind was whether the rentals received from the structure would be sufficient to amortize.

Mr. FORD of California. They would not be, and for this reason: We are building structures that must stand for 60 years. Therefore they have to be built solidly and of the best kind of material.

Mr. HAINES. That answers in part the statement of the gentleman from Ohio [Mr. WHITE] that homes that are being built for two or three thousand dollars are such that we cannot make that comparison in our large centers of population.

Mr. FORD of California. Oh, in California, I can go out in the country and build a lovely 4-room bungalow for $1,500, but how long will it last? Ten or fifteen years. These buildings are being constructed to last for 60 years. Mr. Straus assured the committee that insofar as he is concerned, and he is going to be managing that thing for 5 years, the buildings will be of good material, sanitary, well constructed, and they are going to rent them for from $5.50 per room in New York, down to as low as $2.25 in some regions where the building cost is less.

Mr. HAINES. And that is necessary because of the low income of the tenant?

Mr. FORD of California. Yes; $4.15 is the mean average, and that is $16.60 a month. That is the type of people that we are trying to reach—those of low income who cannot, under present conditions, live in decent quarters.

I have made a careful study of the bill before us and am convinced that it should be passed. I supported it in the committee and am sure that it is a bill in the public interest.

It merits the support of this House, for these reasons:

First, without this bill, which is simply a liberalizing amendment to the United States Housing Act, many cities and municipalities will be barred from participation in the great slum-clearance program.

Second, it makes possible a rapid development of the housing program and the immediate employment of thousands of mechanics and unskilled workers who now tramp the streets of our cities and towns asking only for a chance to work and earn an honest living.

The measure has, I am sure, the unqualified approval of the administration, of organized and unorganized labor, and of that great body of good American citizens who, knowing that slums are a blight on our civilization, applaud our efforts, small though they be as compared to the magnitude of the problem, to exterminate these blighting plague spots that disgrace our cities.

The issue is clear. It is this: Shall we pass this amendment and thus enable many cities and towns to begin slum clearance now, and thus put men to work, to the benefit of all? Or shall we oppose it and thus block many municipalities from taking immediate advantage of the slum-clearance program?

My own city of Los Angeles is desirous of beginning slum clearance. But it is unable to pay the 10 percent.

The reasons for this are that the city tax rate is limited by charter. The city's bonding capacity, based on assessed valuation, is exhausted. The city council has no authority under the charter to vote moneys for this type of activity.

In order to comply with the 10-percent requirement, a long, tedious process, involving a general election for the changing of the charter, would be necessary.

In the meantime the local housing authority would not be able to ask for funds. An election of this type would cost as much or more than the amount involved in the contribution, hence the city would be penalized to the extent of the cost of the election.

I believe I am safe in saying that similar barriers exist in many great cities who will, if the 10-percent requirement is retained, be barred from the benefits of this national program.

Mr. WOLCOTT. Mr. Chairman, I yield 5 minutes to the gentleman from Kansas [Mr. REES].

Mr. REES of Kansas. Mr. Chairman, I do not believe there is a Member of Congress who is not in sympathy with a program that will provide better homes, better surroundings, and accommodations for those of our people who are required to live in the slum dwellings in the crowded districts of our large cities. It is a disgrace that in this great country of ours, with its surplus food, surplus materials, and its surplus labor, that millions of our people live in unsanitary conditions and squalor.

But that situation by itself does not mean, as I see it, that this particular bill should pass Congress. I think this Congress has been extremely liberal in support of Federal aid in various fields of endeavor, and I am not opposed to the granting of Federal aid, so far as it can be and should be granted, to help clear the slums of our big cities. But, lets examine this proposed legislation for a moment. Just a few months ago, at the close of the special session of Congress, with little opposition, this House passed a bill providing for the expenditure of one-half billion dollars of Government money to be used for slum-clearance purposes in the cities of this country. This money, according to the legislation, was to be used in the form of loans, and local municipalities were, under the terms of that bill as I understand it, required to furnish grants or contributions of only 10 percent of the entire cost of the apartment houses which were to be built.

Now, almost before the ink was dry on that document, and before the program is actually started, our own Banking Committee, not unanimously but by a majority, has come back to Congress and asked this House to approve a measure increasing the expenditure already granted by $300,000,000, making a total of $800,000,000 or almost $1,000,000,000; and are further asking that the cities and municipalities not be required to make any contribution whatsoever. I do not think the proponents of this measure are fair in asking the House to pass such legislation. In my judgment, the measure we have passed is more than fair, and is extremely liberal.

Someone has suggested that I may criticize this bill because, after all, none of these funds will be used in my district. That is beside the question. Even though it is a fact that nearly all of the funds provided under this bill will go into four or five of our largest cities—that is not the reason why I should vote against it.

The proposition is unfair to our Government. We have been making grants and subsidies of all kinds, some of them pretty liberal. We have made grants for highways, but those funds were matched by State and local funds. We have made grants for old-age assistance, for public health, for vocational education; but in all cases there was a contribution to match the Federal funds. There is a contribution even in the grants made to farmers, because they are required to withhold part of their lands from certain crop uses, in order to obtain Federal money. If we pass this bill, every city in the United States will be making demands on the Federal Treasury for a part of it. And why not?

Let us go a little further. Under this bill, the Government proposes to hand over to an organization authorized by a municipality, sums of money to build these apartment houses at an expenditure of from $7,000 to $10,000 per family, and then to turn these buildings over to such corporation. The corporation will issue bonds for the entire amount of the expenditure and the Federal Government, in addition thereto, will appropriate a further sum of $40,000,000 per year, over a period of 50 to 60 years. This appropriation is to be used to help pay interest and maintenance on these buildings. Then another thing. I just stated we are advised that these homes are to cost between $8,000 and $10,000.

How many homes are there in your districts that are worth $10,000? I suppose that the average home is worth between $2,000 and $4,000, and yet these same people who own these homes, or use them, are asked not only to maintain the houses in which they live, but to contribute to the building of homes for other people that will cost $8,000 to $10,000. It seems to me that such a proposition is unfair and unsound.

Under this bill today, we not only agree to build these apartment houses, but we further agree to spend more than $2,000,000,000 for interest and expenses. Furthermore, if and when the buildings are paid for, they then become the property of the city or municipality under whose direction they were built. Members of the House, it just is not right. There should be some responsibility on the part of the municipality under a program of this kind, and that responsibility should be a financial one.

Mr. LUCKEY of Nebraska. Mr. Chairman, will the gentleman yield?

Mr. REES of Kansas. For a question?

Mr. LUCKEY of Nebraska. For an observation. I was in Sweden last fall and had an opportunity to study the housing situation there. The Swedish Government has made a great success of the housing program, greater than any other country in the world today. In Sweden their program is that the Federal Government shall supply 50 percent, the local authorities 25 percent, the contractor 15 percent and the builder 10 percent.

Mr. REES of Kansas. I thank the gentleman for his contribution. The situation in England has been terribly misunderstood, too. Even there, the local authority or municipality guarantees about 60 percent of the cost of erecting the buildings. The municipality itself, in England, helps guarantee the debt. That is not the case under our law.

Under the present law, we are not asking the city of New York, or Chicago, or Philadelphia to underwrite the debt or guarantee the deficit created by the erection of such buildings. There has been some complaint from Members here to the effect that the cities cannot even afford to put up the additional 10 percent. I cannot agree with the proposition. These large cities that are making the complaint this afternoon, right now have under construction projects of various kinds, such as the building of parks, auditoriums, municipal buildings, and improvements of streets, together with other improvements and buildings, all of which are well and good. They could easily, if they had the will and desire to do so, direct part of those funds toward the building of dwellings for the poor people of their cities. Instead of doing that, they deem it much easier to come to the Congress of the United States and ask that they be given permission to write a check on the United States Treasury for the entire 100 percent amount of the funds required for such purpose.

These municipalities should not be making these demands this afternoon, especially in view of the condition of our Treasury. It is manifestly unfair and unreasonable.

Mr. SIROVICH. Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN. The Chair will count.

Mr. SIROVICH. Mr. Chairman, I withdraw the point of order.

Mr. WOLCOTT. Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN (after counting). Sixty Members are present, not a quorum. The Clerk will call the roll.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 97]

Allen, Del.	Bulwinkle	Clark, Idaho	Disney
Andrews	Byrne	Clark, N. C.	Ditter
Arnold	Caldwell	Cochran	Dockweiler
Atkinson	Cannon, Wis.	Cole, Md.	Doughton
Barden	Carter	Crosby	Douglas
Bernard	Cartwright	Curley	Drewry, Va.
Boylan, N. Y.	Celler	Deen	Eaton
Brewster	Champion	Delaney	Edmiston
Buckley, N. Y.	Chapman	Dirksen	Engel
Faddis	Lord	O'Connor, Mont.	Stack
Frey, Pa.	Lucas	O'Day	Steagall
Gasque	Luecke, Mich.	O'Leary	Sullivan
Gifford	McClellan	O'Toole	Sumners, Tex.
Gray, Pa.	McGranery	Pace	Sweeney
Green	McGroarty	Patman	Taber
Greenwood	McLean	Peterson, Fla.	Taylor, Colo.
Griswold	McMillan	Pfeifer	Thurston
Hancock, N. Y.	McReynolds	Pierce	Tobey
Hancock, N. C.	Magnuson	Polk	Vinson, Ga.
Harrington	Mahon, S. C.	Randolph	Wadsworth
Hennings	Martin, Colo.	Reed, N. Y.	Wearin
Hildebrandt	Maverick	Rich	Weaver
Jarrett	Mitchell, Ill.	Richards	Wene
Kelly, Ill.	Mitchell, Tenn.	Sabath	Whelchel
Kelly, N. Y.	Mosier, Ohio	Sacks	White, Idaho
Kennedy, Md.	Mouton	Schulte	Whittington
Kerr	Murdock, Ariz.	Scott	Wood
Kniffin	Nelson	Smith, Maine	
Lamneck	Norton	Smith, Okla.	
Lemke	O'Connell, Mont.	Somers, N. Y.	

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. PARSONS, Chairman of the Committee of the Whole House on the state of the Union, reported that that Committee, having had under consideration the bill (H. R. 10663) to amend the United States Housing Act of 1937, and finding itself without a quorum, he had directed the roll to be called, when 308 Members answered to their names, a quorum; and he submitted herewith the names of the absentees to be spread upon the Journal.

The Committee resumed its session.

Mr. WOLCOTT. Mr. Chairman, I yield myself 15 minutes.

Mr. Chairman, I understand that within the hour the Senate, having under consideration the relief bill, has adopted as an amendment to that bill provisions amending the Housing Act of 1937.

I wish before we proceed further in the discussion of these amendments that we might have the benefit of the amendments which have been adopted in the Senate, because I dare say when the message comes to this House that the Senate has passed the Relief Act, and it becomes apparent that the Senate has included amendments to the Housing Act in the Relief Act, this bill, if it has not already been passed or defeated by the House, will be withdrawn by the leadership. This only adds to the complexity of an already complex situation. In the vernacular, the United States Housing Act of 1937 is a mess, and the Banking and Currency Committee of this House can take no particular pride in any contribution which it has made during this session of Congress in straightening it out.

When the conference report came back from the Senate in August of 1937 I took the floor here and commented upon the fact that all legislation was a matter of compromise; that we wanted to start this great reform; that it would take time to work out all of the details; that we should set up this Housing Authority and come back at this session of the Congress and, in the light of the experience of the Authority in the meantime, perfect that bill.

In studying that act, in anticipation of these debates, I am literally ashamed and humiliated that the House Banking and Currency Committee, the Senate committee, the House and Senate conferees, and this House should have been guilty of writing such an atrocity as the United States Housing Act of 1937 now appears to be. This whole matter should be recommitted to the Banking and Currency Committee of this House for full and intelligent consideration.

Now, what did we intend to do? For reference I call attention to sections 9, 10, and 11 of the United States Housing Act of 1937, Public, No. 412, of the Seventy-fifth Congress. You will recall that that act was approved on September 1, 1937.

These three sections intended to set up three different methods of relief. Under section 9, the Authority—and I refer to the Housing Authority—was authorized to make loans to public housing agencies. Under section 10 of the act the Authority was authorized to make annual contributions for construction of slum-clearance and low-cost dwelling projects. Under section 11 of the act the Authority was authorized to make grants to localities for the purpose of constructing these projects.

So we have three methods of relief contemplated under the act. The first is a loan, the second is an annual contribution coupled with a loan, and the third is a grant coupled with a loan.

You will recall the discussion at the time that bill was passed in which the Banking and Currency Committee of this House, not understanding what was in the bill, gave positive assurance to this House and to the country that the localities must put up 10 percent of the cost before the loan would be available.

Mr. SIROVICH. Will the gentleman explain to us what is the difference between a contribution and a grant? The gentleman has just stated there were three methods.

Mr. WOLCOTT. In the case of a loan, under the wording of the act as we now understand it, there is no restriction whatsoever upon the amount of the loan. The loan may be made for 100 percent of the acquisition and the development cost. I called attention to that when this bill was being considered last August, and I was overruled by the rest of the committee, who assured this House that I was wrong and that a loan could be made for only 90 percent. We now find that I was right. I do not take any particular pride in saying "I told you so" in that particular. But the Federal Housing Administrator has interpreted this act in the manner in which I understood it, so that he is making 100-percent loans.

Mr. TRANSUE. Mr. Chairman, will the gentleman yield?

Mr. WOLCOTT. Yes.

Mr. TRANSUE. With respect to the question asked me yesterday, with regard to the act, it does state that 90-percent loans are what the Federal Authority can make.

Mr. WOLCOTT. If the gentleman will recall, yesterday when he was addressing this Committee I asked him if he would cite from the act any limitation upon the amount which the Authority might loan, and I wish the gentleman in the few minutes remaining in this debate would go through the act carefully and cite to me any limitation in this act upon the amount that the Administrator can loan, except when the loan is in connection with a grant or an annual contribution, and then it is limited to 90 percent; but in the case of an outright loan there is absolutely no limitation upon the amount that the Administrator can loan except that it cannot be more than the development, acquisition, and administration cost.

Mr. TRANSUE. I cite the gentleman to section 9 of the act, which states that in no event shall said loans exceed 90 percent of such cost.

Mr. WOLCOTT. Will the gentleman read the whole of that sentence?

Mr. TRANSUE. "Where capital grants are made"——

Mr. WOLCOTT. There you are—where capital grants are made, the loan shall not be more than 90 percent. What is the next sentence?

Mr. TRANSUE. "But in no event shall said loans exceed 90 percent of such cost."

Mr. WOLCOTT. That is where capital grants are made. Now read sentence No. 3.

Mr. TRANSUE. It says:

> In the case of annual contributions in assistance of low rentals * * * the total of such loans on any one project, and in which the Authority participates, shall not exceed 90 percent of the development or acquisition cost of such project.

Mr. WOLCOTT. Yes; in case of annual contributions in which the Authority participates, the loan shall not exceed 90 percent.

Mr. TRANSUE. It is in the case of contribution.

Mr. WOLCOTT. Now read the first sentence.

Mr. TRANSUE. As I see it it is 90 percent and not 100 percent.

Mr. WOLCOTT. I shall read the first sentence. It reads as follows:

> The Authority may make loans to public-housing agencies to assist the development, acquisition, or administration of low-rent housing or slum-clearance projects by such agency.

If I understand the English language, there is no limitation in that sentence upon the amount of the loan that the Administrator may make, although it was the clear intent of Congress, and was called to the attention of Congress at that time, to restrict the loans to 90 percent. Yet the law did not do it.

Mr. REILLY. Mr. Chairman, will the gentleman yield?

Mr. WOLCOTT. Yes.

Mr. REILLY. Has the present Authority loaned in excess of 90 percent?

Mr. WOLCOTT. I believe the testimony is that the Authority has been loaning up to 100 percent, and that is the reason why the committee offered an amendment to make the system uniform, because in some instances the Administrator has been loaning 100 percent and in other instances he has been confining the amount of the loan to 90 percent. It was thought that he might have been discriminating between these projects, and I think we should remove all possibility of discrimination from this bill. I think we should make it uniform, but I think we should make it uniform under the clear intent of Congress and restrict these loans to 90 percent, because if we do not do that, what do you get? You get resettlement, and nothing more or less than resettlement. Personally I cannot see the logic of the Federal Government putting up 100 percent of the cost of the construction of these projects, and still allowing the State authorities to administer that money.

If the Federal Government is going to build these projects, then they should be built as they were built under Mr. Tugwell as resettlement projects, but the Federal Government has shown itself unqualified to build these low-cost housing projects, and in that particular let me call attention to the per unit cost of the resettlement projects, which were built by the Federal Government. The per unit cost in the Greenbelt project was $16,182. How many Members of Congress with a gross income of $10,000 live in a home costing $16,000? Let us take the case of Arthurdale. The per unit cost there was $12,121. Hightstown, per unit cost, $20,163. How many Members of Congress drawing a salary of $10,000 live in a house the assessed valuation of which is $20,163? Newport News, the per unit cost was $9,233.

Mr. FISH. Mr. Chairman, will the gentleman yield?

Mr. WOLCOTT. Yes.

Mr. FISH. Are these unit costs of $16,000 and $14,000 to take care of slum clearance also?

Mr. WOLCOTT. I understand that the resettlement was created for the purpose of providing low-cost dwellings for people who could not afford to rent at high rates.

Mr. FISH. I just wanted to know whether they were to take care of slum clearance or Federal Government employees.

Mr. WOLCOTT. They have been occupied by Federal employees in some cases.

Mr. SIROVICH. Are these individual homes or multiple dwellings?

Mr. WOLCOTT. They are multiple units.

Mr. PHILLIPS. Will the gentleman tell me how much that figures per room?

Mr. WOLCOTT. No; I cannot tell the gentleman offhand. I can give the gentleman some idea about how much it runs per room where P. W. A. housing projects have been leased to the United States Housing Authority.

Mr. SIROVICH. What is that?

Mr. WOLCOTT. They average, as I look through the list here of several of them, about $6.50 a room. I see one here at $7.33 in Atlanta, Ga. I see another at $6.75, one at $6.58, one at $5.18. I think they would average about $6.50 a room.

[Here the gavel fell.]

Mr. WOLCOTT. Mr. Chairman, I yield myself 10 additional minutes.

Mr. CRAWFORD. Mr. Chairman, will the gentleman yield?

Mr. WOLCOTT. I yield.

Mr. CRAWFORD. May I make the observation that this whole subject is so confusing to those who read the RECORD that the gentleman should state that when he refers to

unit cost he means the cost of building the rooms necessary to house a family.

Mr. WOLCOTT. That is right. Unit cost does not mean the cost of the apartment building; it means only the cost of the 2, 3, 4, or 5 rooms which is the unit in which a family lives.

I pass now to another subject. There is a great deal of confusion with respect to how this bill would operate. We have heard much talk about the contribution by the localities. When there are annual contributions the locality must put up 20 percent in cash or tax remissions, or tax exemptions, but in the case of grants, they must put up 20 percent in cash, lands, or the value, capitalized at the going Federal rate of interest of community facilities or services for which a charge is usually made. Why did we authorize them to put in community facilities or services for which a charge is usually made under the section with respect to grants, but did not authorize them to do so in the section with respect to annual contributions? Simply because this legislation has never been given the consideration which should have been given to it to iron out these incongruities and inconsistencies which appear in the act.

Mr. SIROVICH. Will the gentleman explain under what circumstances and contributions grants are given? We understand the philosophy of loans.

Mr. WOLCOTT. I will in just a minute. Let me follow through on this thought. I have said that we gave this House positive assurance that the localities would have to put up 10 percent. You will find the conference report on the original bill on page 9333 of the RECORD, I think, under date of August 21 of last year. We had this to say in our conference report, yet see how wrong we were, how misled this House was by reason of the language of that conference report:

> The conference agreement limits all loans to 90 percent of the cost of the projects and provides that loans be secured in such manner as the Authority deems advisable.

Relying upon that conference report the worthy, amiable, and efficient and able chairman of the Committee on Banking and Currency had this to say on page 9634 of the RECORD:

> The conference agreement limits all loans to 90 percent of the cost of the project.

This House, fully understanding that it was the clear intent of the Congress to limit loans to 90 percent, voted for that bill. If we had not given this House at that time the positive assurance that these loans were limited to 90 percent, you and I and all of us know this bill would not have become law.

Mr. SPENCE. Mr. Chairman, will the gentleman yield?

Mr. WOLCOTT. I yield.

Mr. SPENCE. The gentleman has placed his construction on section 9. I think it is very important that we construe this section properly. It reads:

> Where capital grants are made pursuant to section 11, the total amount of such loans outstanding on any one project and in which the Authority participates shall not exceed the development or acquisition costs * * * but in no event shall said loans exceed 90 percent of such cost.

That is where capital grants are made. The act continues:

> In the case of annual contributions in assistance of low rentals, as provided in section 10, the total of such loans outstanding on any one project and in which the Authority participates shall not exceed 90 percent of the development or acquisition cost of such project.

I cannot understand why that is not very plain.

Mr. WOLCOTT. If the gentleman in his own time will read sentence No. 1 of section 9, with respect to loans, he will find where the Authority can make 100-percent loans.

In respect to annual contributions, I call the gentleman's attention to subsection (b) of section 10:

> Annual contributions shall be strictly limited to the amounts and periods necessary, in the determination of the Authority, to assure the low-rent character of the housing projects involved. Toward this end the Authority may prescribe regulations fixing the maximum contributions available under different circumstances, giving consideration to cost, location, size, rent-paying ability of prospective tenants, or other factors bearing upon the amounts and periods of assistance needed to achieve and maintain low rentals.

If that is not an exception to the general provisions of the act, then I do not know how to read law. Of course, I will admit to the gentleman that he is a better lawyer than I am, but as I read that it gives additional authority to make 100-percent contributions.

Mr. SPENCE. May I suggest to the gentleman that annual contributions are not loans?

Mr. WOLCOTT. No.

Mr. SPENCE. The only thing referred to there is loans and they are limited to 90 percent. It is not a question of who is the good lawyer.

Mr. WOLCOTT. All right, if the annual contribution is not a loan, then I am more correct than I thought I was in stating that the loan in connection with the annual contribution should not be more than 90 percent.

Mr. SPENCE. I think the gentleman must be in error.

Mr. SIROVICH. We are all mixed up. Will the gentleman explain it?

Mr. WOLCOTT. The gentleman is no more mixed up than is every citizen of the United States mixed up with respect to this bill. The gentleman is no more mixed up than is every member of the Committee on Banking and Currency mixed up with respect to this bill. I beseech you to give us a chance in the Committee on Banking and Currency to draft a bill. Let us have this bill back and we will sit down, study it over, and try to present a bill that means something.

Mr. SIROVICH. Explain the contributions.

Mr. WOLCOTT. I am going to explain capital grants. The law provides the Administration can make a grant of 25 percent of the project; under another section of the bill the President may grant another 15 percent out of P. W. A. money, or there may be made an outright grant to locality aggregating 40 percent. My interpretation of the law as it is now is that the localities must put up 10 percent.

Mr. SIROVICH. After they get a loan?

Mr. WOLCOTT. Wait a minute. There is a 25-percent grant by the Authority, a 15-percent grant by the P. W. A. under Executive order of the President—maybe the W. P. A.—relief funds—10 percent under the prohibition in the act against any loan being made for a larger amount than 90 percent, and 90 percent of the balance would make $50,000,000.

Let us take a million-dollar project. A grant of 25 percent may be made by the Authority and another grant of 15 percent may be made by the President. That is $400,000. The locality must put up 10 percent, $100,000 more, which would make 50 percent of the whole, or $500,000. Then the Authority may lend to that project $500,000 including annual contributions. They work that out so a contribution is made yearly at not to exceed 3½ percent and each locality must put up 20 percent in addition to that.

I have deliberately avoided calling the gentleman's attention to the contribution which the locality must make for facilities, and so forth, for which a charge is made. I do not know what form this legislation is going to take and nobody else does. I am more perplexed than ever about it. I hope at the proper time you will send this bill back to the Committee on Banking and Currency in order that something intelligent may be brought out here for you to consider.

Mr. FISH. Will the gentleman yield?

Mr. WOLCOTT. I yield to the gentleman from New York.

Mr. FISH. The gentleman states that this ought to be referred back to the committee, and I am in thorough accord with him. Will the gentleman state to the House that this bill was reported out by a minority vote?

Mr. WOLCOTT. I understand the gentleman already has done that. There is no particular reason why the amount available should be increased. Taking the Administrator's own figures, all of the earmarkings that he could gather together, which appear on page 17 of the report, if every project for which he has earmarked funds is constructed within

this calendar year, he will have spent only $310,998,000 of the initial $500,000,000 he has to spend. How can he or anybody else justify coming in here and asking for this elbow room of $10,000,000 with respect to grants and $300,000,000 with respect to total authorization? He cannot use it anyway. It might as well be earmarked for housing as for any other purpose, so I have no particular objection to that, but there is no particular justification for increasing these amounts at this particular time.

Mr. VOORHIS. Will the gentleman yield?

Mr. WOLCOTT. I yield to the gentleman from California.

Mr. VOORHIS. I want to try to understand about these 100-percent loans. Does the gentleman mean if there is no annual contribution nor any capital grant, then the Authority may lend 100 percent?

Mr. WOLCOTT. I know it.

Mr. VOORHIS. That is on condition that no annual contribution or subsidy is made, and no capital grant is made?

Mr. WOLCOTT. Yes.

Mr. VOORHIS. And if it were to lend to the Housing Authority and they must pay it out of their own funds, they can lend 100 percent?

Mr. WOLCOTT. There can be no deficiency judgment against any local housing authority because it is a State instrumentality. If the Government makes a loan of 100 percent it has to take its chance on getting the money back out of rentals, and out of rentals only.

[Here the gavel fell.]

Mr. GOLDSBOROUGH. Mr. Chairman, I yield 10 minutes to the gentleman from Illinois [Mr. McKEOUGH].

Mr. KOPPLEMANN. Mr. Chairman, I make the point of order a quorum is not present.

The CHAIRMAN. The Chair will count.

Mr. KOPPLEMANN. I withdraw the point of order, Mr. Chairman.

The CHAIRMAN. One hundred and three Members are present, a quorum.

Mr. McKEOUGH. Mr. Chairman, we have listened for several hours to a discussion that I am confident has caused greater confusion as a result than the Members of the House suffered from before the discussion commenced. I merely want to point out to the House that there was a great division of opinion among the members of the Committee on Banking and Currency in relation to what action the committee should suggest to the House on the amendment suggested to the committee by the Administrator of the National Housing Authority. We listened with considerable interest to Mr. Straus for 3 or 4 days. I am confident that anybody who is unprejudiced and devoid of pronounced partisanship would be willing to agree with me when I say that based on his testimony and his intellect, as evidenced by what he had to offer, and by his familiarity with the great problem of slum clearance, Mr. Straus has the question of administering this great problem in our country well in hand.

Considerable confusion has come about in the last hour or two as to the amount of money the Federal Treasury has advanced in the way of loans for those nine projects, contracts for which have been entered into by the National Housing Authority. In testifying before the committee, Mr. Straus stated that they had advanced 90 percent of the loan. I am quite sure there is no one in the House, surely no one on the Committee on Banking and Currency, who has any reason to question the integrity of the distinguished gentleman who administers the affairs of the National Housing Authority. I am sure, further, that what he offered was based on his experience, and there is no Member of the House, and I am quite sure no Member of the Senate, who has had as wide an experience, or has devoted as long a time to the problem of slum clearance as the Administrator of that activity, selected by President Roosevelt, Mr. Nathan Straus.

You will recall that on yesterday when the distinguished gentleman from Missouri addressed this body he indicated that in England the loan advanced by the equivalent in England of our Federal Treasury was not 100 percent of the project cost. I rise to call his attention to the fact that when Mr. Straus addressed the committee, he repeatedly indicated that 100 percent of the loan was advanced in England. With a view to being fair to Mr. Straus, who, because of the rules of the House is unable to appear in his own defense, I inquired of him last night whether he had correctly advised the committee with reference to the procedure in England. He sent me a memorandum, and in the memorandum, which I will ask leave to insert in the RECORD, he states the following and refers to a chart that is reproduced on page 137 of the hearings before the Committee on Banking and Currency on the bill, H. R. 10663, superseding H. R. 10417, a bill to amend the United States Housing Act of 1937. If you have a copy of those hearings I would urge that you take a look at that chart as I read from the memorandum submitted by Mr. Straus:

> Finally, the chart shows that, even though the local governments pay a smaller share of the annual subsidy in England than in America, the English National Government today, under the most recent housing act, actually loans through the public works loan fund to local authorities up to 100 percent of the cost of a housing project for 60 years, instead of 90 percent, as under the terms of the United States Housing Act. This is no new, untried proposition. The public works loan fund has existed for almost 90 years, and it has been making 100-percent loans to local authorities on housing projects on a wide scale ever since the war.

I am quite sure that Mr. Straus was correctly informed at the time of his appearance before our committee, when he repeatedly stated that in England they advanced 100 percent of the loan. I apologize to the Members of the House for having devoted so much of the limited time allotted to me to speak on this measure in referring to the procedure in England. I am one who believes that the only benefit we might gain in America in meeting the problems that are uniquely American is that limited benefit that may come to us who may investigate the activities of other national governments with a view of applying the portion of that experience that may be applicable to the problems confronting this Government in the year of our Lord 1938.

I want it to appear in no way that I pay any particular compliment to England. I am quite sure those of you who may know me, realizing my ancestry is Irish, must acknowledge that I am not disposed to praise the English Government. Nevertheless, there is this large experience available, and we have gained much from England's experience, I take it, from the testimony of Mr. Straus with relation to the problem of slum clearance in our own country.

There seems to have been some confusion as to the system in Sweden, judging by what has been stated by previous speakers, but I am confident there has been some further misunderstanding by what may have been added by those who spoke on the floor, with reference to what the procedure in Sweden may be. Sweden, like the United States, has separate approaches to the slum-clearance problem and the housing problem. Sweden has low-dividend corporations in which the government participates in the way that was outlined by the gentleman from Michigan [Mr. TRANSUE], who advises me that he was the gentleman who at the meeting of the Federal Reserve Board this morning asked questions of the distinguished visitor to our Nation, Professor Myrdal, who spoke to those assembled in the Board room. We, too, have a Federal Housing Administration. Its work has been great in accomplishment and certainly unique, in the time allowed to it, in the accomplishments that have been achieved. However, I say to those of you who do not know the slum problem as do we who are representing large city districts of this Nation that the Federal Housing Administration through its guaranteed mortgages assisting private capital engaged in housing activities will be unable to meet the slum problem of the great cosmopolitan cities of this country.

We who live in those cities feel we have no need to offer any apology for coming to the Federal Treasury and asking that the Federal Treasury treat the slum-clearance problem as a national issue, and cooperate with the municipal gov-

ernments to the point of advancing the full 100-percent loan in order that the municipality may assist in driving out this disease- and crime-breeding condition from its territorial limits.

May I say in conclusion, Mr. Chairman, these are people who are involved here, the kind of people that when our country's call goes forth to defend the Nation respond in the same degree as the people living in other sections of the Nation, and I hope that this House will advance the 100-percent loan by adopting the amendments brought in by a majority report of the Banking and Currency Committee. [Applause.]

Mr. GOLDSBOROUGH. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. PARSONS, Chairman of the Committee of the Whole House on the state of the Union, reported that that Committee, having had under consideration the bill (H. R. 10663) to amend the United States Housing Act of 1937, had come to no resolution thereon.

Mr. SIROVICH. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. SIROVICH. What is to be the future of this bill in the House in view of the fact we have come to no resolution thereon?

The SPEAKER. The bill would be the unfinished business.

Mr. MICHENER. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. MICHENER. As I understand, this bill has been attached as a rider to the relief bill in the Senate within the last few minutes. If that is true, the bill will go to conference before another committee and the committee which has given attention to the bill will have no further jurisdiction and will be shunted off; is not that correct?

The SPEAKER. The Chair has no official knowledge of anything that his transpired in the Senate.

EXTENSION OF REMARKS

Mr. LUCE asked and was given permission to revise and extend his own remarks in the RECORD.

Mr. WOODRUFF. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include therein an editorial.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. JOHNSON of Oklahoma. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by including therein a speech recently delivered at Nashville, Tenn., by the Secretary of State, Hon. Cordell Hull.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

AMENDMENT OF MERCHANT MARINE ACT OF 1936

Mr. BLAND submitted a conference report and statement on the bill (H. R. 10315) to amend the Merchant Marine Act of 1936, to further promote the merchant marine policy therein declared, and for other purposes.

FOOD AND DRUGS BILL

Mr. PETTENGILL. Mr. Speaker, at the request of the gentleman from California [Mr. LEA], the chairman of the Committee on Interstate and Foreign Commerce, I ask unanimous consent to take from the Speaker's table the bill (S. 5) to prevent the adulteration, misbranding, and false advertisement of food, drugs, devices, and cosmetics in interstate, foreign, and other commerce subject to the jurisdiction of the United States, for the purposes of safeguarding the public health, preventing deceit upon the purchasing public, and for other purposes, with House amendments, insist upon the House amendments, and agree to the conference requested by the Senate.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Indiana? [After a pause.] The Chair hears none, and appoints the following conferees: Mr. LEA, Mr. CHAPMAN, Mr. COLE of Maryland, Mr. PETTENGILL, Mr. PEARSON, Mr. MAPES, Mr. REECE of Tennessee, and Mr. HALLECK.

DELIVERY OF OBSCENE MATTER BY MAIL

Mr. MEAD. Mr. Speaker, by unanimous consent of the Committee on the Post Office and Post Roads, I ask unanimous consent that the committee be discharged from further consideration of the bill (H. R. 9786) providing a penalty for anyone who shall knowingly cause obscene matter to be delivered by mail or to be delivered at the place at which it is directed to be delivered, and that the bill be laid on the table.

Mr. MARTIN of Massachusetts. Mr. Speaker, reserving the right to object, will the gentleman tell us what this bill is?

Mr. MEAD. A Post Office Department bill. We have two such bills before our committee with regard to obscene literature. We are amending one and laying the other on the table.

The SPEAKER. Is there objection?

Mr. MAPES. Mr. Speaker, I reserve the right to object. This is a rather unusual request. As I understand it, the gentleman from New York [Mr. MEAD], chairman of the Committee on the Post Office and Post Roads, asks to have his committee discharged from consideration of a bill and have it lie on the table. Why not keep it in the committee without taking any action upon it as is the usual practice.

Mr. MEAD. The committee desires to perfect a bill and to hold hearings. This pending bill involves a matter that will attract a lot of opposition, particularly from those who are in favor of and those who are opposed to birth control. We do not want to go into that subject. We want to take up the subject of obscene literature alone. If we have these two bills pending, we will get into endless controversy, as we did once before. We want to avoid that situation so that we may be able to agree on constructive legislation.

Mr. MAPES. Has the gentleman any precedent for the request that he is submitting?

Mr. MEAD. I discussed the matter with the Parliamentarian, and it was suggested that this procedure be followed. The committee, by unanimous consent, authorized the withdrawal of the bill. I was informed that the proper parliamentary procedure was to ask that the bill be laid on the table, which would take it out of circulation and controversy as well.

Mr. MAPES. The gentleman has not quite answered my question. Has the gentleman any precedent for the request that he has submitted?

Mr. MEAD. Only the reliable information as to proper parliamentary procedure.

Mr. MAPES. Is it just a question of avoiding controversy? It seems to me a very unusual request to submit that the committee be discharged from further consideration of a bill pending before it, and that that bill be returned to the House and be placed on the Speaker's table. Personally I do not recall any precedent for such action.

The SPEAKER. If the gentleman will permit, that is not quite the request. The gentleman does not ask that it lie on the Speaker's table. The gentleman asks that the bill be laid on the table.

Mr. MAPES. May I ask the Speaker what the distinction is between the two requests?

The SPEAKER. A bill lying on the Speaker's table is subject to subsequent action, while a bill that is laid on the table is finally disposed of.

Mr. MAPES. Does not that prevent the introducer of a bill getting consideration of it by the committee to which it is referred?

The SPEAKER. Under this unanimous-consent request submitted by the gentleman from New York, the committee would be entirely absolved from any further consideration of the bill.

Mr. MEAD. Furthermore, I say to the gentleman that this bill was more or less introduced by mistake. As chairman of the committee I originally introduced the two bills by request. Both bills pertain to the same subject, but one encourages controversy which we desire to avoid. It is a controversy foreign to the question we desire to consider at this time.

Mr. MAPES. Who is the introducer of the bill?

Mr. MEAD. As chairman of the committee I introduced the bills by request. They are departmental bills.

Mr. MAPES. I do not know that I shall object, but it seems to me a rather unique proceeding.

Mr. MEAD. I think it will be helpful in the consideration of the matter.

The SPEAKER. Is there objection?

Mr. DOWELL. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. DOWELL. Will this bill after it is laid on the table be subject to be called up?

Mr. MEAD. It will not. It will have to be reintroduced.

Mr. DOWELL. Then the gentleman intends to kill the bill by laying it on the table?

Mr. MEAD. Yes, that is correct and then to consider a somewhat similar bill which we want to take up by itself without having this other measure pending.

Mr. DOWELL. And which takes the place of this bill?

Mr. MEAD. That is correct.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. MEAD. Mr. Speaker, while these bills were originally prepared by the Department and were introduced by me as chairman of the committee for consideration by our Committee on the Post Office and Post Roads, I had in mind a demand for some such legislation resulting from a newspaper campaign against filthy literature.

This campaign was effectively waged in my home city of Buffalo, and I understand it has spread to many other cities throughout the United States.

In this legislation, which we are perfecting, we hope to direct our attack against that class of mail which is condemned on all sides—mail agreed by all to be unfit for distribution, obscene, lewd, lascivious, filthy letters, pamphlets, and packages not requiring a second-class mailing permit, but sent into the homes of the country to our young girls and boys.

The bill in its present form will effect no change in the law as it pertains to newspapers and periodicals which are entered by the Post Office Department for second-class mail privileges. Under existing law the Department exercises sufficient control over such publications by reason of the requirements governing the issuance of second-class mail permits. It is the sealed type of mailings requiring no permit which will be dealt with in this measure.

On that subject we expect the cooperation of mail users generally, as well as all agencies interested in purging the mails of lewd and lascivious literature.

PROCEDURE IN CONGRESSIONAL INVESTIGATIONS

Mr. TOWEY. Mr. Speaker, I ask unanimous consent for the present consideration of House Joint Resolution 699, to amend sections 101, 102, 103, and 104 of the Revised Statutes of the United States relating to congressional investigations, which I send to the desk.

The SPEAKER. The Clerk will report the joint resolution.

The Clerk read as follows:

Resolved, etc., That sections 101, 102, 103, and 104 of the Revised Statutes of the United States are hereby amended to read as follows:

"SEC. 101. The President of the Senate, the Speaker of the House of Representatives, or a chairman of any joint committee of the two Houses of Congress, or of a committee of the whole, or of any committee of either House of Congress, is empowered to administer oaths to witnesses in any case under their examination.

"SEC. 102. Every person who having been summoned as a witness by the authority of either House of Congress to give testimony or to produce papers upon any matter under inquiry before either House, or any joint committee of the two Houses of Congress, or any committee of either House of Congress, willfully makes default, or who, having appeared, refuses to answer any question pertinent to the question under inquiry, shall be deemed guilty of a misdemeanor, punishable by a fine of not more than $1,000 nor less than $100 and imprisonment in a common jail for not less than 1 month nor more than 12 months.

"SEC. 103. No witness is privileged to refuse to testify to any fact, or to produce any paper, respecting which he shall be examined by either House of Congress, or by any joint committee of the two Houses of Congress, or by any committee of either House, upon the ground that his testimony to such fact or his production of such paper may tend to disgrace him or otherwise render him infamous.

"SEC. 104. Whenever a witness summoned as mentioned in section 102 fails to appear to testify or fails to produce any books, papers, records, or documents as required, or whenever any witness so summoned refuses to answer any question pertinent to the subject under inquiry before either House, or any joint committee of the two Houses of Congress, or any committee or subcommittee of either House of Congress, and the fact of such failure or failures is reported to either House while Congress is in session, or when Congress is not in session, a statement of facts constituting such failure is reported to and filed with the President of the Senate or the Speaker of the House, it shall be the duty of the said President of the Senate or Speaker of the House, as the case may be, to certify, and he shall so certify, the statement of facts aforesaid under the seal of the Senate or House, as the case may be, to the appropriate United States attorney, whose duty it shall be to bring the matter before the grand jury for its action."

Mr. MARTIN of Massachusetts. Mr. Speaker, reserving the right to object, will the gentleman kindly state what changes are brought about?

Mr. TOWEY. Under existing statute law there is no right to examine witnesses under subpena and to punish for contempt. An examination of the law discloses that, while individual committees of the House or Senate have the power to examine witnesses and to punish for contempt, there is no provision for a joint committee of both Houses to do this. The resolution seeks to correct it.

Mr. MARTIN of Massachusetts. Does it grant any power to this joint committee that is not held by any standing committee at the present time?

Mr. TOWEY. None; and it is identical with the powers given to standing committees of the House now under existing law. It merely allows joint committees the same power.

Mr. MARTIN of Massachusetts. To get this power you have to have a resolution signed by the President.

Mr. TOWEY. That is not the purpose. The joint resolution will accomplish the purpose, as I understand. It requires the President's signature, but once the committee is constituted it has the power to examine witnesses under subpena, powers which are enjoyed by other committees of the respective Houses.

Mr. MICHENER. Mr. Speaker, will the gentleman yield?

Mr. TOWEY. I yield.

Mr. MICHENER. This resolution simply accords to joint committees the same right now enjoyed by other committees of both bodies.

Mr. TOWEY. That is a correct statement.

Mr. MICHENER. That is all there is to it.

Mr. TOWEY. That is all.

Mr. BOILEAU. Mr. Speaker, reserving the right to object, as I understood the reading of the resolution, it provides that the legislative committees of the House can subpena witnesses.

Mr. TOWEY. That is existing law.

Mr. BOILEAU. Does existing law provide that the regular legislative committee can do so without special authorization?

Mr. TOWEY. That is provided by sections 102, 103, and 104 of the present Revised Statutes.

Mr. BOILEAU. Does the gentleman know of any instance where that power has been exercised by legislative committees of the House?

Mr. TOWEY. No; I am sorry. My experience does not go back that far; but I yield to the gentleman from New

York [Mr. O'CONNOR], the author of the resolution, to state whether such be the case.

Mr. O'CONNOR of New York. This proposal does not apply to standing committees of the House. Over a year ago we amended this law to provide for circumstances arising when Congress was not in session where the special committee could go before the United States district attorney in a particular district to hold a witness in contempt.

Mr. BOILEAU. Is that generally applicable or is it limited to one particular committee?

Mr. TOWEY. Any committee.

Mr. O'CONNOR of New York. I introduced this resolution for the reason that we recently discovered that a joint committee did not have the powers of a special committee of the House or a special committee of the Senate. The only change in existing law is the insertion of the words "or any joint committee of both Houses of Congress." That is the only change whatsoever.

Mr. BOILEAU. If that be the only change why could not the resolution be simplified to say simply to add to these sections "or any joint committee of both Houses of Congress"?

Mr. TOWEY. That is the only change made.

Mr. BOILEAU. I am perfectly willing to accept the change, but it seems strange that it takes such a long resolution to make such a simple change.

Mr. O'CONNOR of New York. There were three or four sections that had to be clarified, and this is the simplest way of doing it.

The distinguished gentleman from New Jersey may have mistakenly made a statement here that might not be entirely in accord with the situation. You can, of course, legislate special powers to committees by passing a law. We want to avoid that. We want to have congressional investigations by concurrent resolutions passed by both Houses of Congress. That is the way it always should have been done; but to do that and to avoid passing a law, this House joint resolution would have to be passed. We amend the existing law so that all congressional investigating committees have similar powers. The joint committees will have the same power of subpena as the other special committees of either House.

Mr. BOILEAU. I agree with the gentleman that a joint committee should have the same power of subpena that the regular legislative committees have. I submit, however, that in the 8 years I have served in this House I have never known of a legislative committee subpenaing a witness. I would be glad to know if they have.

Mr. TOWEY. Every committee subpenas witnesses.

Mr. O'CONNOR of New York. I have been chairman of a special committee that subpenaed witnesses.

Mr. BOILEAU. Yes; special investigating committees have the subpena power, but not the standing committees.

Mr. O'CONNOR of New York. A standing committee has no power of subpena except under a special rule.

Mr. BOILEAU. That is exactly what I said except that I used the phrase "legislative committee." I understand, however, that legislative committee and standing committee are the same. I said legislative committee.

I asked whether or not a legislative committee now has the power of subpena and I was answered in the affirmative.

Mr. O'CONNOR of New York. Oh, no, it has not.

Mr. BOILEAU. That is the point I am trying to bring out.

Mr. O'CONNOR of New York. The standing committees often come to the Rules Committee and ask for this special power. For instance the Committee on the District of Columbia did that a few years ago in connection with the crime investigation, but the standing committees do not have that power, as a matter of right. This proposal only retards special committees of Congress which almost invariably have the subpena power given to them in the resolutions creating them.

Mr. BOILEAU. That is what I understood the law to be, but when I asked the question the answer was to the effect that at the present time under existing law the legislative committees of the House have the power of subpena. There is no change in respect to the legislative committees?

Mr. O'CONNOR of New York. Oh, no.

Mr. MARTIN of Massachusetts. I do not want to be suspicious, but is there any particular reason for this legislation at the present time? Is there something in the offing that you want this particular power for?

Mr. O'CONNOR of New York. No. I may say to the gentleman a number of concurrent resolutions have been introduced and resolutions for joint investigations. Looking at the statute we found this omission. I can assure the gentleman we have nothing particular in mind.

Mr. PETTENGILL. Mr. Speaker, reserving the right to object, may I ask the chairman of the Rules Committee is it within the power and jurisdiction of the House to amend the statutory law of the United States in the form of a joint resolution and not in the form of a bill?

Mr. O'CONNOR of New York. Oh, yes.

Mr. PETTENGILL. Is that clear?

Mr. O'CONNOR of New York. That is absolutely clear. We pass laws by joint resolution. I do not agree with the practice, but of course it has been held that a joint resolution has the effect of law. I do not know how the practice grew up. Strictly speaking, proposed laws should be introduced, and all changes in law made, through the introduction of bills. Personally I would like to see this joint resolution feature abandoned, except where it involves something which is not really fundamental law. However, this practice exists and laws are often passed under the heading of a "joint resolution."

Mr. PETTENGILL. Do I understand that this does not confer upon a standing committee of Congress powers which it does not already have?

Mr. TOWEY. That is my understanding.

Mr. O'CONNOR of New York. That is correct.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

The joint resolution was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

EXTENSION OF REMARKS

Mr. BIGELOW. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD at this point and to include therein two letters from the Administrator of the Housing Authority, one to a Member of the Senate and the other to myself.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. BIGELOW. Mr. Speaker, sudden termination of the consideration of this bill sidetracked, of course, all pending amendments.

Had there been an opportunity, I would have offered the following amendment:

SEC. 3. Section 15, subsection (5) is amended by inserting after the word "city" the words "or metropolitan area concerned."

With the addition of this amendment, cities with less than 500,000 population could spend in excess of $1,000 per room on slum-clearance projects, provided these cities were a part of a metropolitan area exceeding 500,000.

Cincinnati proper has a population of slightly under 500,000, but it is part of a compact metropolitan area of 760,000.

Obviously it is this total population massed in the one locality that influences building costs. It makes no difference to the economic situation where, through this metropolitan area, the political boundaries of Cincinnati proper may happen to run.

As stated in a letter by Mr. Bleecker Marquette, executive secretary of the Cincinnati Better Housing League, incorporated in the record for yesterday, Cincinnati has found that in that metropolitan area it is impossible for the local

housing authority to keep slum-clearance projects within the cost limitation.

I incorporate at this point, the following letters relating to this proposed amendment from Mr. Nathan Straus, Administrator, United States Housing Authority:

DEPARTMENT OF THE INTERIOR,
UNITED STATES HOUSING AUTHORITY,
Washington, June 3, 1938.

MY DEAR CONGRESSMAN BIGELOW: In connection with H. R. 10435, a bill to amend the United States Housing Act of 1937, which you introduced on April 27, I am enclosing a copy of a report on this bill which I made at the request of Senator BULKLEY.

Please be assured of our appreciation of your continued interest in our program.

Faithfully yours,

NATHAN STRAUS, *Administrator.*

DEPARTMENT OF THE INTERIOR,
UNITED STATES HOUSING AUTHORITY,
Washington, May 31, 1938.

MY DEAR SENATOR BULKLEY: In further reference to my letter to you of May 13, in which I informed you that I would furnish a report on H. R. 10435, a bill to amend the United States Housing Act of 1937, and for other purposes, permit me to inform you that I am in favor of the amendment proposed in that bill.

You will recall that this bill amends section 15 (5) of the United States Housing Act by adding after the word "city" the words "or metropolitan area." The effect of this amendment would be that with respect to the room cost and per family dwelling unit cost limitations set forth in section 15 (5) of the act, the higher figures would be used where the particular city or metropolitan area had a population in excess of 500,000 instead of where the city has a population in excess of 500,000 as the act now reads.

From information which we have been able to gather, it appears that where a city with a population of less than 500,000 is located within a metropolitan area which includes a city with a population in excess of 500,000, building costs of the smaller city tend to approximate those of the larger city. This is true for a number of reasons.

In the first place, union wages are fixed by the nearest local council of the trade-union as set by agreement between the union and the employers. It is an established fact that proximity to a large city tends to increase the wages in neighboring small cities. The fact is, therefore, that a small city within 25 miles of a large city, or within its metropolitan area, will more than likely have almost identical wage scales as those existing in the larger city.

In the second place, the larger city may have an advantage over the smaller cities with respect to costs due to the fact that better transportation and terminal facilities which obtain in the case of a larger city and to the fact that possible larger quantity purchases and other buying advantages of dealers in the larger city may ultimately be reflected in lower building costs in that large city.

In the third place, it is an established fact that modernization of building codes proceeds more rapidly in the larger cities. The result is that a smaller city adjoining a larger one will lag in the adoption of the more modern building code adopted by the larger city. Since the trend of code modernization is toward lower costs, it follows that the advantage of lower construction costs is with the larger city as against the smaller city in the metropolitan area.

As can be seen from the above, construction costs do not bear such a close relationship to population as would justify the assumption that costs in a city are greater or smaller depending upon whether the city has a population of more or less than 500,000. Such an arbitrary distinction can only operate to the disadvantage of cities just under the 500,000 mark. In fact, the combined result of the influences described above may actually produce costs in smaller municipalities in excess of those in an adjoining larger city in whose metropolitan area the smaller city is located. Let me give you specific examples. The cities of Yonkers, Newark, and Montclair are instances of smaller cities located in the metropolitan area of the larger city of New York. We know from our studies that the costs of construction in these smaller cities tend to reach or exceed those in New York.

For these reasons I am in favor of the adoption of H. R. 10435. I am advised by the Bureau of the Budget that this report on H. R. 10435 is not inconsistent with the President's program.

Faithfully yours,

NATHAN STRAUS, *Administrator.*

The only recourse Cincinnati will have now will be to request the conferees on the emergency spending legislation to incorporate this amendment in the rider to the Senate bill. Cincinnati, naturally being so much concerned in the matter, will look to Mr. Straus and to our Ohio Senators for their cooperation when the bill goes to conference.

BRIDGE ACROSS MISSISSIPPI RIVER AT CAPE GIRARDEAU, MO.

Mr. HOBBS. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H. R. 9963) to authorize the acquisition of the bridge across the Mississippi River at Cape Girardeau, Mo., and the approaches thereto, by a single condemnation proceeding in either the District Court for the Eastern Judicial District of Missouri or the District Court for the Eastern Judicial District of Illinois, and providing the procedure for such proceeding.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Alabama?

Mr. MAPES. Mr. Speaker, reserving the right to object, will the gentleman explain the bill? What committee reports this bill?

Mr. HOBBS. The Committee on the Judiciary. I may say to the gentleman from Michigan [Mr. MAPES] that I have approached and interviewed several of the minority members of the committee and there is no objection. There is nothing controversial about this.

Mr. MAPES. It does not have anything to do with the work of the Committee on Interstate and Foreign Commerce.

Mr. HOBBS. Not at all.

The SPEAKER. Is there objection to the request of the gentleman from Alabama?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That proceedings for the acquisition by condemnation of the bridge across the Mississippi River at Cape Girardeau, Mo., and the approaches thereto, as provided in section 4 of the act entitled "An act granting the consent of Congress to Cape Girardeau Chamber of Commerce, Inc., to construct, maintain, and operate a bridge across the Mississippi River at Cape Girardeau, Mo.," approved May 3, 1926, may be had in either the District Court for the Eastern Judicial District of Missouri or in the District Court for the Eastern Judicial District of Illinois; and said courts are hereby vested with jurisdiction of such condemnation proceedings. When the jurisdiction of one of said courts has been invoked by the instituting therein of a proceeding to acquire the said bridge by condemnation, no jurisdiction may thereafter be maintained or prosecuted in the other of such courts until the proceeding so instituted shall have been voluntarily dismissed or until after the final judgment or dismissal of it shall have been rendered.

SEC. 2. The proceedings for the acquisition of said bridge by condemnation shall be in accordance with the condemnation laws governing the acquisition of private property by railroad corporations for railroad purposes in whichever State such proceedings may be instituted.

The bill was ordered to be engrossed and read a third time, was read the third time and passed, and a motion to reconsider was laid on the table.

COMPILATION OF VETERANS' BENEFITS

Mr. LAMBETH. Mr. Speaker, by direction of the Committee on Printing, I report back (Rept. No. 2583) a privileged resolution, House Resolution 508, authorizing the printing of information concerning Federal benefits available to veterans and their dependents as a document, and ask for its immediate consideration.

The Clerk read the resolution as follows:

House Resolution 508

Resolved, That the compilation containing information concerning benefits available to veterans and their dependents under laws administered by the Veterans' Administration and other Government agencies, including the War Department and the Civil Service, prepared by Hon. WRIGHT PATMAN, Representative from Texas, be printed as a House document; and that 20,000 additional copies thereof be printed for the use of the House document room.

The resolution was agreed to.

EXTENSION OF REMARKS

Mr. BACON. Mr. Speaker, in connection with the privilege that I understand I have now of extending my own remarks in the RECORD, I ask unanimous consent to include an editorial.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

PERMISSION TO ADDRESS THE HOUSE

Mr. FISH. Mr. Speaker, I ask unanimous consent to proceed for 3 minutes.

The SPEAKER. The Chair may say to the gentleman that there are several previous orders pending.

Mr. FISH. Mr. Speaker, I ask unanimous consent to proceed for 1 minute.

The SPEAKER. The Chair will submit the request. Is there objection to the request of the gentleman from New York [Mr. FISH] to address the House for 1 minute?

There was no objection.

Mr. FISH. Mr. Speaker, I rise as a member of the Committee on Banking and Currency to protest the flagrant action of the other body in amending the relief bill by adding to it the housing-project bill which has just been under consideration here. It seems to me such extraordinary procedure reflects upon not only the House Committee on Banking and Currency but upon the entire House of Representatives. It destroys representative government and confidence in our legislative bodies. If we are a deliberative body, which we are, we have a right to consider legislation and to pass upon it without interference from the other body. If we are to continue under our free institutions and maintain our representative government, then we should insist that such an outrageous practice shall cease. Otherwise legislative bodies under our representative system will become merely a travesty and a farce.

Mr. Speaker, I protest the unparliamentary action which verges on sharp practices on the part of the Senate of the United States. [Applause.]

[Here the gavel fell.]

EXTENSION OF REMARKS

Mr. BATES. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include therein a tribute to our late beloved colleague, William Connery.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

PERMISSION TO ADDRESS THE HOUSE

Mr. MAVERICK. Mr. Speaker, I ask unanimous consent to address the House for 3 minutes. In justice to the gentleman who preceded me, I may say I have consulted those who have under special order been given permission to address the House, and they tell me they do not object.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

BANDYING NAMES IN IOWA; A TEXAS CONGRESSMAN IS INCLUDED

Mr. MAVERICK. Mr. Speaker, for the past several days I have received a lot of attention in the State of Iowa. I had no idea I was known in that State. Since Mr. GILLETTE, the present Senator, and his speakers are bandying my name about in Iowa, charging me with interfering with Iowa politics, I feel it proper for me to make a statement in connection with it.

I have done absolutely nothing of the kind. I know nothing of Iowa politics.

I had no idea I was well enough known to warrant my name even being mentioned there.

However, in the belief that my name apparently is anathema in Iowa, along with that of Phil La Follette and several others, I may say I have been mentioned as one of the main conspirators engaged in supporting the gentleman from Iowa [Mr. WEARIN]. Mr. GILLETTE has brought my name into Iowa politics without any foundation whatsoever.

Mr. BIERMANN. Mr. Speaker, I make the point of order that a Member of this body has no right to involve the name and actions of a Member of another body in a controversy here.

Mr. MAVERICK. Mr. Speaker, I should like to know whether, if a Member of another body goes out to the State of Iowa or the State of Texas or any other State and on the political stump makes what appears as odious reference to me, am I to be prevented, according to the ordinary and reasonable rules of fair play, from mentioning the fact that I had nothing to do with the situation he mentions? I can see no reason a Member of another body can go outside and attack a Member of this body while the Member of this body has no right to defend himself. That would be a preposterous situation.

The SPEAKER. The Chair may state upon the point of order raised by the gentleman from Iowa that it is contrary to the rules of the House for a Member of this body to refer in anyway to any action or statement made by a Member of the Senate of the United States.

Under the circumstances stated by the gentleman from Texas, if he does not refer to the statement as having been made by a Member of the Senate of the United States, the Chair is of the opinion the gentleman can present the statement without identifying its maker as a Member of the other body.

Mr. MAVERICK. Since a certain gentleman has brought my name into Iowa politics without any reason, all I can say is that a certain gentleman introduced in a certain body a farm bill, in which I joined, with a rigid curb on the Supreme Court far more drastic than the President's bill. Then this certain gentleman ran out on the farmers and also on the Supreme Court bill.

OTHA WEARIN IS ABLE, HARD-HITTING, INTELLIGENT

Since my name has been brought into the situation without any basis whatever, I give my impartial opinion and appraisal of a man in Washington. Here in Washington we know OTHA WEARIN as an able, hard-hitting, intelligent representative of the people.

I know another certain gentleman who is an agreeable gentleman with a fine smile, with no special knowledge of the law, but with all the prejudices of a New York corporation lawyer against the average man. On the other hand, I understand the Iowa people know WEARIN as a farmer, and although he is not a handsome fellow, he is regarded here as a hard and able worker.

Mr. BIERMANN. Mr. Speaker, a point of order.

The SPEAKER. The gentleman will state it.

Mr. BIERMANN. Mr. Speaker, I make the point of order that, while the name of a Member of the Senate of the United States is not mentioned here, he is described so accurately and so specifically by the gentleman from Texas in saying, "This gentleman and I introduced a certain bill," and referring to the bill, that nobody can doubt who is meant. I protest that it is entirely out of order for a Member of this body to refer as a corporation lawyer to a man whose heartbeat from the time he was born until now has been with the common people.

Mr. MAVERICK. Mr. Speaker, I want to reply to that speech made by the gentleman from Iowa.

The SPEAKER. The gentleman from Iowa has raised a point of order. Does the gentleman from Texas desire to be heard on the point of order?

Mr. MAVERICK. I should like to be heard on the point of order, Mr. Speaker, and I make the point of order that the gentleman was not making a point of order when he spoke about this fine gentleman's heart beating for the poor common people. His heart beating so strongly for the common people is no point of order but a speech injected under the guise of a point of order. I am making a talk here without mentioning that gentleman. If the gentleman states that this man has all the aspects and earmarks of a corporation lawyer, that the description fits his man, then he can wear that shoe if it fits him, and that is all right with me.

Mr. BIERMANN. Mr. Speaker, I did not make such a statement.

Mr. MAVERICK. You did.

Mr. BIERMANN. I deny the accuracy of that sort of representation.

The SPEAKER. In reply to the point of order made by the gentleman from Iowa, the Chair has already made a ruling with respect to the rules of the House. Of course, in matters of this sort there is a border line involved, but the Chair trusts the gentleman from Texas will observe the rules and

precedents of the House with respect to mentioning in any wise a Member of the Senate.

Mr. MAVERICK. Mr. Speaker, I live on the border line of Texas, and I know what a border line is, and I am staying in Texas politics, and am not involving myself in Iowa politics. What happened is a certain gentleman left Iowa, and without any cause whatever, dragged me over into the Iowa border.

I want to repeat that I never said anything about or took any part in Iowa politics.

I now want to complete my statement.

On the other hand, I know the people of Iowa know that WEARIN is a farmer, and although he is not a very handsome fellow, he is regarded here as a hard worker and a man who studies instead of smiles too much.

I have never known anything about Iowa politics, and do not know anything about them now. The "certain gentleman" had no business bringing my name in. I would never have said a word, but the gentleman called for it, and now he has got it. I am glad to give my idea of what people think in Washington——

The SPEAKER. The time of the gentleman from Texas has expired.

Mr. MAVERICK. Then, Mr. Speaker, I ask unanimous consent to proceed for 1 additional minute.

Mr. BIERMANN. Mr. Speaker, reserving the right to object, I think the gentleman from Texas violates the rules in principle, although he may be technically inside the Mexican border he refers to; therefore I object.

Mr. MAVERICK. I thought the gentleman "reserved" the right to object—but OTHA WEARIN is a first-class man, and I still say a certain gentleman had no business pulling me into an Iowa fight.

The SPEAKER. Objection is heard.

PERMISSION TO ADDRESS THE HOUSE

Mr. PHILLIPS. Mr. Speaker, I ask unanimous consent to address the House for 5 seconds.

The SPEAKER. The gentleman from Connecticut, despite the previous orders heretofore made, asks unanimous consent to address the House for 5 seconds. Is there objection?

There was no objection.

Mr. PHILLIPS. Mr. Speaker and Members of the House, I address these few remarks to you on the subject of housing. I address these remarks at this point because with the great demand to speak on the subject of housing there was not enough time available while the recently pending bill on this subject was under debate.

While that bill was being debated I heard various opponents of our United States Government housing program criticise it quite bitterly. I know that their criticism was sincere, but I am convinced that it was misguided, partially because of the fact that they have had no personal experience whatever with housing.

It was my good fortune, just before coming to Congress, to serve as the mayor of my home city, Stamford, Conn. In this capacity it was also my privilege to persuade the Public Works Administration to place in Stamford, Conn., one of the 38 so-called test housing projects in the whole United States, a 100-percent United States Government low-cost housing project costing about $980,000.

The Public Works Administration has generously stated that this has been the most successful project in the whole United States, judged from the standpoint of efficiency and lack of friction from the very beginning to this date in connection with this project.

This project was completed somewhat less than a year ago and houses 146 families. This project in Stamford, Conn., is called Fairfield Court.

In endeavoring to get this project for Stamford, we appointed a nonpartisan housing committee. As proof of its nonpartisan character, may I point out that one of the members of this committee was the publisher of the only local newspaper we have, a Republican newspaper, the Stamford (Conn.) Advocate. May I add, too, this is the gentleman who in 1936 placed in nomination my Republican predecessor in the office I now hold, and thus my major political opponent.

This housing committee, then called the mayor's housing committee, assembled facts and figures regarding ill health and crime in local slum areas, room costs, and so forth, which I brought to Washington and on which facts and figures the P. W. A. judged that a project of this kind was needed in Stamford and decided to place it in Stamford, despite the fact that this is one of the smaller cities in the country.

Until the United States Government sent a representative to organize and manage the construction of this project, it was my job, acting for the United States Government, as it were, to assemble the architects, building engineer, heating and plumbing engineer, landscape architect, draftsmen, and so forth, to plan Fairfield Court. This was all done under pressure, too, because the United States Government was moving fast at that time in an endeavor to help put people to work. Later the United States Government sent to Stamford, Conn., one Col. J. H. Brown, who ably, honestly, tactfully, and faithfully managed and coordinated the building activities of this important enterprise until it was completed for occupancy and the United States Government then appointed a rental manager who now is in charge of the project in Stamford. Thus it is quite evident that we have had some experience in housing.

While this project was in the course of being erected the city of Stamford, under our administration, engaged in a program of forcing people either to build up to decent living standards or tear down buildings unfit for human habitation. This resulted in a great amount of slum clearance, and by slum clearance we mean just that.

After Fairfield Court was about ready for occupancy and after consulting with me, United States Government officials appointed an outstanding local group of citizens, on a nonpartisan basis, to act as a local housing commission. Again I emphasize the nonpolitical character of this group by pointing out that here also the local Republican publisher of Stamford's one daily newspaper was appointed to this group. This group has functioned harmoniously and effectively to date.

Under this group Fairfield Court was tenanted, and in such a way that there was little or no criticism in the community concerning the kind of tenants taken into Fairfield Court or of their need of low-cost housing.

As stated, those housed in Fairfield Court have been living there almost a year now. In each case they were carefully chosen by the local commission on such a basis that people were taken from substandard housing and placed in Fairfield Court. As I have just stated, Fairfield Court houses 146 families. There were over 1,100 family applications. Fairfield Court was 100 percent rented before it opened its doors.

The prophets of evil stated that Fairfield Court was going to depress property values, upset the local real-estate market, and so forth. This has not been our experience. I believe that if any municipality adopts a real slum-clearance program, demolishing unsatisfactory habitation, at the same time that the new low housing accommodations are built, slum clearance will indeed be achieved and that there will be no disjointing of the local real-estate market. Those who have in the past been maintaining hovels unfit for human habitation may indeed suffer, but if they do it is just too bad!

Here are some of the statistics regarding Fairfield Court:

Total estimated project cost per room	$1,738.00
Land cost per room	136.00
Estimated project cost less land per room	1,602.00
Estimated building cost per room, including foundations, superstructures, refrigerators, ranges, shades, and equipment	1,477.00
Average rent	5.82
Utilities (this includes all lighting, heating and water charges)	2.95
	8.77

Here are the statistics covering room rent, versus income brackets of those in such rooms:

	Cost	Average	Maximum income per year
18 two-room units	$22.00–$23.50	$22.54	$1,320–$1,410
72 three-room units	27.00– 29.50	27.94	1,620– 1,770
33 four-room units	32.50– 34.70	33.22	1,950– 2,082
23 five-room units	36.40– 38.90	37.71	2,184– 2,334

Average gross rents, including heat, hot water, light, refrigerators, cooking (per month)	$30.00
Average cost of utilities	7.70
Balance	22.30
Average rents paid in substandard dwellings in Stamford, Conn	22.50

These figures are estimated as of August 13, 1937. I have not in my files actual costs from experience. I am obtaining these. However, actual costs, I am advised, are approximately the same as the figures just stated.

I now append figures obtained by me last year on the subject of low-cost housing development in various parts of the United States.

Low-cost housing developments in various parts of the United States

COMPLETED PROJECTS

City	Name	Rooms	Cost
Atlanta, Ga	Techwood Homes	2,124	$1,027
Do	University Homes	2,343	961
Atlantic City, N. J	Stanley S. Holmes Village	928	1,371
Buffalo, N. Y	Kenfield	2,756	1,581
Charleston, S. C	Meeting Street Manor (white)	700	1,793
Do	Cooper River Court (colored)		
Cleveland, Ohio	Cedar Central Apartments	2,296	1,221
Do	Outhwaite Homes	2,166	1,295
Columbia, S. C	University Terrace	416	1,508
Dallas, Tex	Cedar Springs Place	598	1,615
Indianapolis, Ind	Lockefield Garden Apartments	2,538	1,131
Jacksonville, Fla	Durkeeville	701	1,301
Miami, Fla	Liberty Square	860	1,066
Milwaukee, Wis	Parklawn	2,018	1,197
Montgomery, Ala	Riverside Heights	324	1,210
Do	Wm. B. Paterson Courts	524	872
New York City, N. Y	Harlem River Houses	1,940	1,577
Oklahoma City, Okla	Will Rogers Courts	1,232	1,563
Stamford, Conn	Fairfield Court	499	1,601

PROJECTS UNDER CONSTRUCTION

Birmingham, Ala	H 2902	1,588	$1,300
Boston, Mass	H 3302	3,860	1,534
Cambridge, Mass	H 8501	1,172	1,359
Camden, N. J	H 6002	1,852	1,666
Chicago, Ill	H 1401	2,501	1,715
Do	H 1405	1,070	1,534
Do	H 1406	3,254	1,621
Do	H 1408	1,733	1,659
Cincinnati, Ohio	H 1801	3,362	1,615
Cleveland, Ohio	H 1003	2,311	1,418
Detroit, Mich	H 1201	2,360	1,588
Do	H 1205	2,827	1,532
Enid, Okla	H 5401	311	1,696
Evansville, Ind	H 3801	563	1,334
Lackawanna, N. Y	H 6202	1,126	1,368
Lexington, Ky	H 5103	947	1,756
Louisville, Ky	H 2502	797	1,543
Do	H 2503	407	1,608
Memphis, Tenn	H 3401	2,004	1,466
Do	H 3403	1,574	1,727
Minneapolis, Minn	H 4201	1,708	1,810
Nashville, Tenn	H 2101	1,045	1,691
Do	H 2102	1,261	1,369
New York City, N. Y	H 1301	5,688	1,686
Omaha, Nebr	H 2001	1,114	1,480
Philadelphia, Pa	H 3001 C	999	1,951
Schenectady, N. Y	H 5801	717	1,781
Toledo, Ohio	H 2601	907	1,749
Washington, D. C	H 1708 A	903	1,948
Wayne, Pa	H 9001	168	1,774

Average cost per room, completed projects, $1,290.
Average cost per room, projects under construction (estimated), $1,587.
Cost does not include land.

Various Members of the House have been interested in cost per room of some completed projects. Here are some figures that may interest them (P. W. A. housing):

Room cost, cities 500,000 and over:

Buffalo	$1,581
Cleveland	1,221
Cleveland	1,295
New York City	1,577

It will be noted that the average cost is $1,419.
Here are some figures concerning smaller cities:

Room cost:

Atlantic City (population, 66,000)	$1,371
Dallas, Tex. (population, 260,000)	1,615
Oklahoma City (population, 185,000)	1,563
Stamford, Conn. (population, 56,000)	1,601

It will be noted that the average cost for these smaller cities is $1,537 per room.

Now regarding the proposition of 100 percent United States Government slum clearance help versus 10 percent local contribution, here is the way the proposition appears to some of us who have had experience in the matter: Theoretically, the idea of a local contribution may be sound. Practically, it is not right, now, due to the heavy relief load that local municipalities are carrying. For example, if our community, Stamford, Conn., were to endeavor to obtain a United States Government housing project today, and were asked to contribute 10 percent toward this, here is the condition facing us: We are now spending out of our own community's funds, town of Stamford, Conn., taxes, about $900,000 for relief. This is in addition to help we receive from the Federal Government. May I add that this contribution on the part of the citizens of one community is more than the entire contribution, on an annual basis, of some whole States! Take now, the case of Bridgeport, Conn., or Norwalk, Conn., in my district, both of these communities desiring housing projects. These industrial communities are very badly hit economically at this time. They are contributing thousands of dollars per year out of local taxes and funds for poor relief, just as in the case of Stamford, Conn., as I have just demonstrated. Doing their share as they thus are in meeting the relief situation, it would be very difficult indeed for them to make a local contribution toward housing. They need low-cost housing, slum clearance. However, they might not be able to get slum clearance, low-cost housing, if they had to make a local contribution. Thus, I am in favor of the present proposition to waive the necessity for local communities to make a contribution toward low-cost housing at this time because of these reasons.

The contention has been made that the low-cost housing already built does not meet the situation because apartment houses have been erected instead of individual houses. The argument had been made, too, by the opposition that these apartment houses are built not on the original slum areas, but elsewhere. Hence, where is the slum clearance? The answer of course, is that in many communities the apartment-house type of dwelling for various geographical and other reasons, meets the situation better than the individual dwelling, although in theory the latter would, of course, be better. Also slum clearance cannot indeed be effected by tearing slums down just as in the case of Stamford, Conn., as I have demonstrated, and building replacement dwellings for people, if I may use that term, in the same place. They must be built elsewhere in a better location.

Mr. Speaker, I hope that Members of the House will not be influenced by prejudice coming from those sincere, but misguided, people who do not possess a practical knowledge of this subject and who oppose letting the United States Government erect with 100 percent Federal funds low-cost housing projects in local communities. At the present time, as stated, I hope that the Federal Government will be allowed to use its funds to erect low-cost housing projects without calling upon local communities to make any contribution at all. I believe that this matter can be worked out feasibly, too, from a business standpoint so that in the long run the Federal Government will not lose anything. Also the benefits accruing to America because of destroying crime-breeding places and health menaces and placing people in decent surroundings is immeasurable.

EXTENSION OF REMARKS

Mr. MEAD. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD on the legislation that I introduced today.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

The SPEAKER. Under the special order of the House heretofore entered, the gentleman from West Virginia [Mr. RAMSAY] is recognized for 30 minutes.

TAX-EXEMPT SECURITIES

Mr. RAMSAY. Mr. Speaker, I desire to present to the House of Representatives the reasons the subcommittee of the House, of which I have the honor to be chairman, refused at this session to report upon the constitutional amendment presented to it to prevent tax exemptions.

We felt before any action should be taken by the committee to correct this abuse, Congress should make an honest attempt to correct these abuses by acts of legislation, as urged upon it by the President.

CONSTITUTIONALITY OF PROPOSED STATUTE TERMINATING TAX EXEMPTION

My attention was called on April 26, 1938, to an editorial which appeared in the New York Times on that date, entitled "Tax Exemption." The editorial was published the day after the President of the United States had transmitted a message to the Congress, urging it to end tax exemption of income derived from future issues of Federal, State, and municipal securities, and from Federal, State, and municipal offices. Under the legislation suggested by the President, the Federal Government would also consent to nondiscriminatory taxation by each State of the interest on Federal obligations and the compensation of Federal officials.

Such a proposal did not seem very startling. Nor did it appear calculated to undermine the fundamental precepts of of the Constitution, but—to the learned editorial writer of the New York Times, the President's proposal was fraught with perils to the democratic process of government.

It is important now to remember—

Stated the editorial—

that the (income tax) amendment was generally considered to have been ratified on the basis of * * * assurances—

By Senator BORAH and by Senator Root, that the sixteenth amendment did not permit the Federal Government to tax income from State and local securities. And for this reason, which I will later show to be unfounded, and for the more novel reason that it has been several years since this administration has submitted a constitutional amendment to the States, the editorial concluded:

The proper course of action now is for Congress to promptly submit such an amendment directly to the people of the States, through the medium of conventions especially chosen for that purpose, and by this method to put to a fresh test the flexibility of the Constitution.

The claim put forward by the editorial writer in the Times seems now to have been seriously undermined by the decision of the Supreme Court on May 23 in the case of Helvering against Gerhardt. In that case the Court held that the Federal income tax imposed on salaries received by employees of the Port of New York Authority did not place an unconstitutional burden on the States of New York and New Jersey. As Under Secretary Magill said, in commenting on the opinion of Mr. Justice Stone, "it cut through the underbrush" of a wilderness of confusing prior opinions. The Court apparently gave up the attempt to distinguish between "sovereign" and "proprietary" functions of States. The decision goes to the heart of the matter and determines whether or not the burden on the State is speculative and uncertain. If so, the income is not exempt from taxation.

In the course of his sweeping opinion, Mr. Justice Stone states that the principle exemplified by recent decisions of the Court—

Forbids recognition of the immunity when the burden on the State is so speculative and uncertain that, if allowed, it would restrict the Federal taxing power without affording any corresponding tangible protection to the State government; even though the function be thought important enough to demand immunity from a tax upon the State itself, it is not necessarily protected from a tax which well may be substantially or entirely absorbed by private persons.

As the chief counsel of the Bureau of Internal Revenue said in a recent address before the Federal Bar Association:

It may reasonably be assumed that the Court is prepared to reconsider and, if necessary, restrict immunity from Federal income tax. As a matter of fact, the opinion of Mr. Justice Stone, considered in its entirety, warrants the belief that the Court recognizes the pressing necessity for a reexamination of the whole doctrine of reciprocal immunity.

It seems to me, therefore, that this is an appropriate time to examine the claim put forward by the editor of the New York Times that a constitutional amendment is necessary in order to eliminate a reciprocal immunity from income tax. I propose to show that the doctrine of reciprocal immunity does not bar a nondiscriminatory Federal income tax as suggested by the President.

IMMUNITY FROM TAXATION

In earlier days, when conditions were much simpler and the tax load much lighter, and before the income tax was universally recognized as the most just means for distributing the costs of government, it was a common practice for government to issue its own obligations freed from the burden of taxation.

It was in the mental climate of these earlier days, that there grew up the rather uncritical assumption, translated into court decisions, that our Federal system of government impliedly required—though the Constitution did not say so—an immunity from taxation on the income of obligations issued by the Federal Government.

In a subsequent period, this doctrine of Federal immunity was held to be applicable, by the same token, to the States. The increasing amount of wealth that has been withdrawn from the taxing power of the Nation and the States, and the dislocation this has wrought to public finance, as well as the unfair consequences of these immunities when judged by present standards of social justice, have led our statesmen and economists with practical unanimity to insist on the necessity of calling a halt to a practice no longer justified either by economics or good morals.

The income-tax amendment authorized Congress to levy taxes "on income from whatever source derived." "That is plain language," as the President of the United States said in his message to Congress on April 25 of this year, when he recommended appropriate legislation to terminate tax exemptions, and "fairly construed, this language would seem to authorize taxation of income derived from State and municipal as well as Federal bonds, and also income derived from State and municipal as well as Federal offices."

Shortly after the income-tax amendment had been ratified by the requisite number of States, and had become a part of the Constitution of the United States, Congress repealed the Corporation Excise Tax Act of 1909, which levied in effect a tax upon all the income of certain corporations, from whatever source derived, including Federal, State, and municipal securities. That statute had been upheld by the Supreme Court in the case of *Flint* v. *Stone Tracey Co.* ((1910) 220 U. S. 107).

OBJECTION TO NEW PROPOSED TAX LAW

The objection is now made that a further constitutional amendment is necessary, in order to reach a goal that has been recommended as necessary and desirable for almost 20 years by successive Presidents and Secretaries of the Treasury.

The great evils of tax exemption of securities and officers of the Federal, State, and local governments have so often been pointed out that it seems stressing the obvious to reiterate the inconsistency of the existence in the same Nation of a progressive graduated income-tax system and contemporaneously a perpetual reservoir of tax-exempt securities and offices.

And yet editorial comment in the great metropolitan press would have us believe that the Congress is helpless to cure this intolerable condition; that a further constitutional amendment is necessary; and that the method chosen by the President of eliminating the evil by "a short and simple statute" is not consistent with the democratic process.

Legal opinions expressed in editorials adverse to the constitutionality of a statute levying a nondiscriminatory tax on the income from State and municipal securities and offices proceed on either of two assumptions.

They assume either that the doctrine of intergovernmental exemptions is basically sound and logically necessary or that, as developed by the judiciary, such doctrine is the result of some express or unavoidably implied limitation in the Constitution and is incapable of judicial modification under our constitutional system.

One would hardly gather from the tenor of remarks on the part of the press that the President's proposal did not suggest the taxation of the property or income of the Federal Government or of States or municipalities, and that the President's proposal did not even suggest a direct tax on the bonds of the Federal Government or of States and municipalities.

One would hardly gather from the drift of the discussion that the President's proposal was limited to the suggestion that the income received by a private individual or corporation should not be exempt from a general income tax simply because it was derived from a Federal, State, or municipal bond. One can scarcely believe, after reading the glib legal articles casting doubts on the constitutionality of the President's proposal, that no greater flexibility of our organic law is required.

Only last month the Supreme Court held in the case of *Helvering* v. *Mountain Producers Corporation* ((1938) 58 Sup. Ct. 623) that the income of a lessee of State-owned property was subject to tax on the income derived from the property leased, and in so doing specifically overrules two prior decisions, *Burnet* v. *Coronado Oil & Gas Co.* ((1932) 285 U. S. 393) and *Gillespie* v. *Oklahoma* ((1921) 257 U. S. 501).

The field of reciprocal tax immunity is vast. The proposal of the President to tax the income from future issues of Federal, State, and local securities and the income received as salaries from Federal, State, and local governments does not trespass on any inviolable part of this field.

In no other Federal system is immunity from reciprocal taxation of Federal and State obligations recognized, and its supposed presence in our system is an outgrowth of a misunderstanding or misapplication of the decision of the Supreme Court in the case of *McCulloch* v. *Maryland* ((1819) 4 Wheat. 316).

That great and much-abused case involved a substantial and direct tax imposed by the State of Maryland upon banknotes issued by banks not chartered by the State. It applied with obvious discrimination to notes issued by the Bank of the United States. In holding the tax invalid, Chief Justice Marshall spoke of sovereignty, that sovereignty of a State which "extends to everything which exists by its authority, or is introduced by its permission," but which does not extend to "means employed by Congress to carry into execution powers conferred on that body by the people of the United States." And then was uttered that famous dictum of Marshall's, which has so often been torn from its context to plague progressive tax reforms that "the power to tax involves the power to destroy."

The actual decision held that the Maryland tax was invalid. It was unanimous, and there has never been any doubt that the decision was right. It may be justified on either of two grounds: First, the Bank of the United States was created as an agency of the Federal Government to carry out certain of its fundamental powers; second, the tax was clearly aimed at the bank and was discriminatory in character. The opinion relies chiefly upon the first ground, but the second ground was very much in the mind of Marshall. This was shown 10 years later, when Marshall wrote an opinion for the majority of a divided Court, invalidating a local property tax on Federal obligations (*Weston* v. *Charleston* (1829), 2 Pet. 449). Here also the tax certainly was discriminatory. Income from State and municipal obligations was expressly excluded, and income from Federal obligations was expressly included in the scope of the tax.

Marshall was fearful that State taxation would be used to obstruct the exercise of Federal power. He had indicated he had such a fear in McCulloch against Maryland, and at the same time had shown he had no similar fear regarding the effect of Federal taxation upon the States, because, as he said, the "people of all the States, and the States themselves, are represented in Congress, and, by their Representatives, exercise the power."

After Marshall left the Court, however, it held that the captain of a United States revenue cutter was not subject to a general county tax measured by his salary (*Dobbins* v. *Commissioner* (1842), 16 Pect. 435). The decision was based upon the peculiar proposition that since the revenue cutter itself was not subject to a county property tax, its captain was similarly exempt. The decision was also put upon the alternate and no less illogical ground, that since the State had no power to cut the salary of the captain the county could not accomplish that result through a tax. However desirable the result, it is quite evident that the conclusion of the Court does not result from either premise.

Then in *Collector* v. *Day* ((1870) 11 Wall. 113) a divided Court ignored the distinction that Marshall himself had made and held that the principle announced by Marshall to protect the Central Government made it impossible for Congress to tax the salary of a State judicial official, and the nondiscriminatory Civil War Federal income tax was held constitutionally inapplicable to a Massachusetts judge. Thus, a doctrine that the fiscal powers of the United States must be defended against defeat by the States became transmuted into a doctrine that citizens of the United States who happen to earn their living as State officials must be exempted from an income levy to meet the fiscal necessities of the Federal Government.

Finally, in the case of *Pollock* v. *Farmers' Loan & Trust Co.* ((1895) 157 U. S. 429) the metamorphosis of *McCulloch* v. *Maryland* became complete. The Supreme Court held that Congress could not tax the interest on State or municipal bonds. Chief Justice Fuller in summarizing this conclusion said that—

> The tax in question is a tax on the power of the States and their instrumentalities to borrow money, and consequently repugnant to the Constitution.

He stated the proposition as though it was self-evident and did not require proof, and as if it were a necessary implication from the Constitution, though not expressed there. Being a constitutional revelation, judicial reasoning was scorned.

But not many years later the Court concluded without difficulty that interest on State and municipal bonds could be included in the income forming the measure of a corporate excise tax, and this was not the direct taxation of the State or municipality which the Pollock case condemned (*Flint* v. *Stone-Tracey Co.* (1910), 220 U. S. 107).

Thus, by the simple turn of a legislative phrase in the Stone-Tracey case, the Court permitted Congress to hurdle the barrier of the Pollock case by holding that an excise tax measured by income was not invalid, because there was included in the income which determined the amount of the tax, income from tax-exempt property.

It would hardly seem that the proposition in the Pollock case can be as fundamental as many special pleaders profess to believe, if it be possible, as it clearly is, for Congress to circumvent this decision by phrasing a law in terms of an excise or privilege tax measured by income from all sources, including State and municipal bonds. And certainly the fact that such a large constitutional exception can be made to turn upon such a small verbal difference, indicates some lack of fundamental reason and reality in the original doctrine.

THE SIXTEENTH AMENDMENT

It must be remembered that these decisions were rendered before the sixteenth amendment and before Congress had been given by the people the power to levy taxes on incomes "from whatever source derived." And, moreover, none of the cases involved graduated income taxes, but all were decided at a time when it was customary for the Federal Government to issue its own bonds exempt from all Federal taxes.

Under Secretary of the Treasury Roswell Magill, in a recent address in Baltimore, recalled the reasons it had been thought the sixteenth amendment put an end to any judicial legerdemain in connection with a tax on the income of State and municipal bonds. I quote from his address:

The congressional resolution, as at first introduced, did not contain the clause "from whatever source derived." It is well known that the amendment was intended to remove the obstacles to Federal income taxation raised by the Pollock case. Two holdings in that case were that taxes on real estate and on personal property being direct taxes, a tax on the income therefrom is likewise a direct tax; and since the 1894 tax was not apportioned among the States according to population, it was void. The amendment without the clause "from whatever source derived" would have been adequate to overcome these two holdings. The addition of the clause indicates an intention to cancel for the future the further holding in the Pollock case that the interest from State and municipal bonds were not subject to the Federal income tax, irrespective of the apportionment point. Similar language in the 1909 act had been held by the Court adequate to embrace this subject; and indeed it is not easy to devise another form of words more embracing or more suitable for the purpose. Hence it is not surprising that Governor Hughes, as well as other public men, warned that the amendment would extend the taxing power to income previously exempt. The contrary view was also strongly expressed, but certainly the language of the amendment and its history supports Governor Hughes' view.

Journals of public opinion have recently emphasized the views held by Senator BORAH and Senator Root, but they all fail to mention subsequent events. Notwithstanding the speech of Senator Borah in the Senate, that the proposed amendment would not enlarge the national taxing power, and the opinion expressed by Senator Root, the Governors of Florida, Missouri, North Dakota, and Oklahoma, all agreed with the interpretation of Governor Hughes that the sixteenth amendment extended the taxing power, but nevertheless they urged its ratification. In fact, Governor Dix, who succeeded Governor Hughes, sent a message to the speaker of the Assembly of the State of New York in which he said:

Indeed, it seems to me that if the words "from whatever source derived" would leave the amendment ambiguous as to its power to tax income from official salaries and from bonds of States and municipalities, the amendment ought to be opposed by whoever adheres to the democratic maxim of equality of laws, equality of privileges, and equality of burdens. * * * It is impossible to conceive of any proposition more unfair and more antagonistic to the American idea of equality and democratic principle of opposition to privilege than an income tax so levied that it would divide the people of the United States into two classes (Dix Papers, pp. 533–541).

And it is significant that the Legislature of New York thereupon ratified the amendment, and not upon the heels of the speech of Senator Borah or the letter of Senator Root but immediately after receiving the inspiring message of Governor Dix. The message of Governor Dix took the subject out of the realm of metaphysics, in which the Supreme Court had shunted it by the doctrinaire distinction between the subject and measure of the tax, and returned it to the domain of the practical administration of a fair and progressive system of taxation.

THE REAL ISSUE

That is where the subject belonged and where, because of the President's proposal, it is today. No amount of specious pleading can obscure the real issue, which, simply stated, is whether or not we will continue to accept the principle of progressive income tax, only to permit it to be violated in practice through the recognition of tax-exempt income. The existence of tax-exempt income presents a serious menace to the graduated income-tax system. Before the principle that one should be taxed according to his ability to pay became recognized there was no difficult problem. Today, surely, there are few who would seriously dispute the statement made by Secretary Mellon in 1925 that:

Looking at the proposition logically, there is no reason for the existence of tax-exempt securities. There ought to be no refuge to which wealthy men can go and avoid income taxes when the Federal Government needs money. (1925. Annual Report of the Secretary of the Treasury, p. 354.)

Not only looking at the proposition logically but looking at it constitutionally, there is no reason for the existence of securities the income of which should be exempt from the income tax in the hands of private individuals or corporations. One would think from the stigma of unconstitutionality that unsigned articles in publications such as the Bond Buyer seem to attach to the proposal of the President, that there was a plethora of cases holding that Congress could not include the income from State and municipal securities in the income of a private individual or corporation subject to the income tax. And yet the Supreme Court has never, since the sixteenth amendment, been called upon to pass directly upon the power of the Congress to tax the interest from State and municipal bonds. Every income-tax act from 1913 to 1938 has expressly exempted the interest upon the obligations of a State or any political subdivision of a State.

Since the graduated income tax became an accepted part of our taxing system the whole question has never been carefully reconsidered by the Supreme Court. Whence comes this fear of permitting that great bulwark of the Constitution a chance to decide an issue of such transcendent social significance? Is it a fear of the wealthy that the Congress has the power to tax according to ability to pay? Is it a fear of the special pleader that his loose and recklessly written opinions on the "inherent" scope of reciprocal immunity will proclaim his lack of perception?

The most meticulous examination and interpretation of the cases will convince anyone that the immediate question is undecided and that the time has arrived when the opportunity for a complete reexamination of intergovernmental tax immunity should be given the Supreme Court. When it is generally admitted that tax-exempt privileges are economically unsound and politically unnecessary, who can fail to agree with the learned author of the article Tax-exempt Salaries and Securities: A Reexamination, which appeared in a recent issue of that conservative legal periodical, the American Bar Association Journal, that "Congress might do worse than pass legislation which would present the doctrine of instrumentalities for fresh consideration"? (Lewinson, Tax-exempt Salaries and Securities: A Reexamination (September 1937), 23 A. B. A. Jour. 685, at p. 692; see also CONGRESSIONAL RECORD, vol. 83, p. 2570.)

TAX EXEMPTIONS MUST BE DESTROYED

The existence of a large mass of tax-exempt income presents a grave fiscal problem. Progressive surtaxes cannot be made to operate effectively so long as the Federal, State, and local governments continue to issue securities which provide such an easy mode of escape from the surtax.

Simultaneously, both the States and the Nation are deprived of revenues which could be raised by those best able to supply them. The tax-exempt security holders may cry unconstitutionality, but they cannot plead equity, except as to securities they now hold. And the proposed legislation will touch upon only future issues.

No taxpayer will be harmed if the Supreme Court should hold the proposed legislation to end tax exemption unconstitutional. If any taxpayer who purchases a municipal bond issued after such legislation becomes effective pays an income tax on the interest, he would be entitled to a refund of his tax, with interest at 6 percent, if the law be held unconstitutional. The gravity of the issue warrants its submission to the Court for determination.

THE COURT DOES OVERRULE ITS FORMER DECISIONS

The Supreme Court is constantly reconsidering its decisions in light of the basic principles of the Constitution upon which they are based, sometimes limiting and sometimes overruling its past decisions. The Court has recognized, to

paraphrase the words of one of the wisest men who ever sat upon it, Mr. Justice Holmes, that it is revolting to have no better reason for a rule of law than that it was laid down in some earlier decision of the Court, and that it is still more revolting if the grounds upon which it was laid down have vanished long since, and the rule persists from blind imitation of the past. (Holmes, Collected Legal Papers (1921), 187.)

In *Flint* v. *Stone-Tracey Co.* ((1910) 220 U. S. 107), before the ratification of the sixteenth amendment, the Supreme Court had upheld a Federal excise tax on corporations measured by net income from all sources, including income from tax-exempt bonds. The Supreme Court has also upheld State excise taxes on corporate income similarly measured (*Pacific Co.* v. *Johnson* (1932), 285 U. S. 480; *Educational Film Corp.* v. *Ward* (1931), 282 U. S. 379). These cases unquestionably constitute a distinct departure from and are fundamentally irreconcilable with the principles of reciprocal immunity announced in earlier decisions. The Court has further held that capital gains realized from the sale of tax-exempt securities are subject to tax (*Willcutt* v. *Bunn* (1931), 282 U. S. 216), and that tax-exempt securities should be included in the assets of an estate taxable under the estate tax law (*Greiner* v. *Lewellyn* (1922), 258 U. S. 384).

It is moreover important to note that nearly all the cases purporting to hold that income from tax-exempt securities is exempt from nondiscriminatory income tax proceeded on the theory that the tax in effect was upon the property or obligation from which the income was derived.

Only 2 years ago, in the case of *New York ex rel. Cohn* v. *Graves* ((1936) 300 U. S. 308), the Supreme Court accepted the contrary theory and held that a tax on income is not a tax on the property or obligation from which the income is derived, but upon the person receiving the income. Mr. Justice Butler who dissented with Mr. Justice McReynolds, pointed out that such conclusion was inconsistent with the reasoning of the Court in *Pollock* v. *Farmers' Loan & Trust Co.* ((1895), 157 U. S. 429, 158 U. S. 601). And during the present term of court, Mr. Justice Cardozo has had occasion to point out that "many, perhaps most courts hold that a net income tax is to be classified as an excise" and that the decisions of the Supreme Court now "forbid us to stigmatize as reasonable the classification of a tax upon net income as something different from a property tax, if not substantially an excise" ((1937) *Hale* v. *Iowa State Board*, 58 Sup. Ct. 102, 105).

Once it is conceded that an income tax is not a tax on the tax-exempt obligation, it seems quite clear that an individual, no more than a corporation, should be relieved from a nondiscriminatory tax measured by income, because the income is derived from a tax-exempt security. As Mr. Justice Roberts, dissenting with Mr. Justice Brandeis in *Brush* v. *Commissioner* ((1936), 300 U. S. 352, 375), stated:

> It seems to me that the reciprocal rights and immunities of the National and a State Government may be safeguarded by the observance of two limitations upon their respective powers of taxation. These are that the exactions of the one must not discriminate against the means and instrumentalities of the other and must not directly burden the operations of that other.

The same reasons which justify the removal by statute of the reciprocal immunity from income taxation of Federal and State bonds, also justify the removal by statute of the reciprocal immunity from income taxation of the salaries of Federal and State officers. As the President stated in his message to Congress on April 25:

> The number of persons on the pay rolls of both State and Federal Government has increased in recent years. Tax exemptions claimed by such officers and employees—once an inequity of relatively slight importance—has become a most serious defect in the fiscal systems of the States and the Nation, who rely increasingly upon graduated income taxes for their revenues. Justice in a great democracy should treat those who earn their livelihood from government in the same way as it treats those who earn their livelihood in private employ. (H. Doc. 603, 75th Cong., 3d sess., pp. 2–3.)

The Supreme Court has itself narrowed the exemption in two important respects. Employees in so-called proprietary activities of State and local governments are not entitled to the exemption, as distinguished from those employed in essential or usual governmental functions, and independent contractors of State and local governments are not entitled to the exemption, as distinguished from regular employees of such governments. These limitations, in their application, have reaped a whirlwind of controversies and microscopic distinctions.

Mr. Justice Roberts in the Brush case summarized the situation as follows (*Brush* v. *Commissioner* (1937), 300 U. S. 352):

> The frank admissions of counsel at the bar concerning the confusion and apparent inconsistency in administrative rulings, as to the taxability of compensation of municipal employees, seems to call for an equally candid statement, that our decisions in the same field have not furnished the executive a consistent rule of action. The need of equitable and uniform administration of tax laws, National and State, and the just demand of the citizen that the rules governing the enforcement of those laws shall be ascertainable require an attempt at rationalization and restatement.

His conclusions as applied to the particular case were:

> The petitioner is a citizen of New York. By virtue of that status, he is also a citizen of the United States. He owns allegiance to each government. He derives income from the exercise of his profession. His obligation as a citizen is to contribute to the support of the governments under whose joint protection he lives and pursues his calling. His liability to fulfill that obligation to the National Government by payment of income tax upon his salary would be unquestioned were it not for the character of his employer.
>
> * * * I think the imposition of a tax upon such gain where, as here, the tax falls equally upon all employed in like occupation, and where the supposed burden of the tax upon State government is indirect, remote, and imponderable, is not inconsistent with the principle of immunity inherent in the constitutional relation of State and Nation.

In dealing with the doctrine of reciprocal tax immunity at the present term of Court, Chief Justice Hughes declared that hereafter "regard must be had to substance and direct effects" and the test in this class of cases will now be whether or not there is in fact a "direct and substantial interference" with the functions of government (*Helvering* v. *Mountain Producers Corporation* (1938), 58 Sup. Ct. 623 at 627). That the Court would apply a pragmatic test rather than adhere to a metaphysical attitude in cases involving reciprocal tax immunity was foreshadowed earlier in the term by the Chief Justice, who said the effort of the Court would be "in this difficult field to apply the practical criterion" (*James* v. *Dravo Contracting Co.* (1937), 58 Sup. Ct. 208) and also by the apt figure of speech of Justice McReynolds in a recent case that the exemption "is cabined by the reason which underlies the inference" (*Helvering* v. *Therrell* (1938), 58 Sup. Ct. 539 at 542).

TAX EXEMPTIONS

The reason underlying the supposed inference of reciprocal tax immunity is the principle of necessity. From its very nature, this reason is incapable of consistent application, because necessity in a political sense must vary in particular periods and circumstances. Not only is the judiciary inappropriate to make such a determination, but the confusion of the cases and the backing and filling of the decisions, indicates the elusiveness of the doctrine of reciprocal tax immunity when viewed in any practical perspective.

Congress has never enacted a statute declaring itself specifically on the issue. The Court has never had the benefit of the presumption of constitutionality which an enactment by the Congress would afford. Reciprocal tax immunity constitutes a grave problem which Congress must eventually consider, and the longer the delay, the more difficult will be the solution which must be found.

Reciprocal tax-exempt privileges which were originally conceived to strengthen Government finance and to protect the Federal system are today a serious menace. Men with great means best able to assume business risks have locked up substantial portions of their funds in tax-exempt securities. Men with little means who should be encouraged to hold the relatively secure obligations of the Federal and State Governments are obliged to pay a relatively higher

price than the very rich, because the tax-exempt privilege is of much less value to them than to those whose incomes fall in higher brackets. The continuance of tax-exempt privileges has become such a serious threat to the maintenance of any system of progressive taxation that the reality of the problem can no longer be denied. In the words with which the President closed his message:

The ending of tax exemption, be it of Government securities or of Government salaries, is a matter, not of politics, but of principle.

[Applause.]

The SPEAKER pro tempore (Mr. GREEVER). Under the previous order of the House heretofore entered, the gentleman from Ohio [Mr. FLETCHER] is recognized for 20 minutes.

Mr. LEA. Mr. Speaker, will the gentleman yield?

Mr. FLETCHER. I will be pleased to yield to the gentleman.

CIVIL AERONAUTICS BILL

Mr. LEA. Mr. Speaker, I ask unanimous consent that the conferees may have until 12 o'clock tomorrow night to file a conference report on the civil aeronautics bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

EXTENSION OF REMARKS

Mr. CONNERY. Mr. Speaker, will the gentleman yield to me?

Mr. FLETCHER. I yield.

Mr. CONNERY. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include therein the statement made before the Rules Committee yesterday morning by Commissioner George Henry Payne, of the Federal Communications Commission.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. MAY. Mr. Speaker, will the gentleman yield?

Mr. FLETCHER. I yield.

Mr. MAY. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD on the bill (H. R. 10455), relating to the Army Medical Library and include therein a historical sketch written by the Surgeon General of the Army.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

Mr. FLETCHER. Mr. Speaker, I ask unanimous consent to extend my own remarks and include therein a statement by Mr. Charles P. Taft, of my State of Ohio.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Ohio?

There was no objection.

YOU ASKED FOR IT, MR. REED, AND HERE IT IS

Mr. FLETCHER. Mr. Speaker, the gentleman from New York [Mr. REED] has had printed in the CONGRESSIONAL RECORD a challenge to the Democratic Members of the House and puts that challenge in the form of a hope which he expresses in the following words:

"I hope," says Mr. REED, "that my Democratic colleagues will explain to the perplexed farmers just how the vast and ever-increasing flood of foreign farm products now entering our market is creating a more abundant life for American agriculturists."

Since what I have to say on the subject is in response to Mr. REED's challenge or request for someone to reply to him, therefore, "You asked for it, Mr. REED, and here it is," would seem to be an appropriate subject or title for this friendly discussion.

In spite of the fact that the report of the American Institute of Public Opinion, better known as the Gallup poll, shows that the majority of the rank and file of the Republicans do not agree with Mr. REED's attacks against trade agreements, nevertheless he keeps right on using such extravagant and flamboyant phrases as "vast and ever-increasing flood of foreign farm products now entering our markets," and so forth.

WHY MAKE THE SAME MISTAKE TWICE

With an adroitness that borders on genius he completely avoids admitting the facts as to the increase of American products that are being shipped out of this country into foreign markets to the enrichment of our farmers.

Does Mr. REED for one minute believe that the American farmers will be misled by his constant reiteration of old and cut-of-date figures?

Mr. Landon tried that in 1936, you will remember. We shall not blame Mr. Landon. He meant well. The figures were compiled for him, of course. He perhaps did not have a chance to make his own personal investigation because he was plunged into the vortex of a tempetuous campaign without having much oportunity to make a thorough preparation and therefore should not be too severely criticized.

NO EXCUSE FOR OMITTING LATEST FACTS

But there is no excuse for Mr. REED's failure to use the latest data available. He has been here in Washington since the beginning of this session of Congress. He has had an opportunity to know all the facts. Had he cared to give completely accurate information he should have stated that the latest data available, the data nearest to "now entering" as he expressed it, shows that imports of agricultural products the first 4 months of 1938 in comparison with a similar period of last year, decreased by $259,000,000. Think of it! Yet Mr. REED talks about a vast and ever-increasing flood.

The amount of goods coming into this country from foreign countries about which the gentleman talks so earnestly has been reduced by 44 percent. So why try to frighten the farmers? Is it any wonder so many of the farmers have quit believing the politicans of the gentleman's party as indicated by their landslide vote?

WHAT NONSENSE!

Certainly a 44-percent decrease in goods coming into this country from foreign producers cannot be a matter which would perplex American farmers. According to the gentleman's political mathematics that would indicate a 44-percent benefit to the American farmers. Yet the gentleman goes right on ignoring these facts and glibly talks about the "vast and ever-increasing flood of foreign farm products now entering our markets," and so forth, and so forth, using all kinds of scare words to make the farmers believe the deluge is coming. What nonsense!

Many facts regarding the foreign trade in agriculture products in the United States are exact opposite of the statement made by the gentleman from New York [Mr. REED]. American farmers have been increasing their share in foreign markets in recent months.

For example, in the first 4 months in 1938 the American farmers shipped 29 percent more agricultural products out of this country to foreign consumers than in the same period in 1937 and with increasing prosperity to our farmers. The trade agreements, which Mr. REED and a few of his diminishing faction deplore, are now regaining part of the lost market which was lost when his party was in power.

WHY DOES HE NOT EXPLAIN THIS?

Should Mr. REED care to bring out all the facts so the farmers might have the advantage of knowing all the truth, then why does he not explain how, when his party was in power, the farmers lost a foreign market for agricultural products of more than $1,000,000,000 from 1929 to 1932? Yes, under Mr. REED's party, the loss of foreign markets to the farmers of this country totaled more than $1,000,000,000. Why not give the farmers all the facts?

The average imports of agricultural products for the years 1927–29 brought into this country from abroad amounted to $2,180,000,000, while the average imports for 1935, 1936, and 1937, under the Roosevelt administration, amounted to only $1,298,000,000, or $882,000,000 less; in the terms of Mr. REED's reasoning, a gain, under this administration, of $882,000,000 to the advantage of the farmers of this country.

DO YOU REMEMBER THE HOOVER DAYS?

The gentleman from New York mentions the figures of imports way back in 1932, when the Republican depression was dragging everybody down to the bottom, possibly thinking that farmers might forget the dreary Hoover days when business was crashing and banks were closing and thousands were committing suicide as a result of bankruptcy.

In 1929, when the United States imported $2,218,000,000 of farm products over here to compete with the American farmers, did Mr. REED's party hand over the best cash market to foreign farmers? That figure, remember, is just $636,000,000 greater than the imports of agricultural products in 1937, the basis of the gentleman's complaint.

REPEAT, LEST YOU FORGET

Let me repeat it. On Mr. REED's theory the American farmers' cost in competition in goods imported from abroad in 1929 was a total of $636,000,000 more than from similar competition in 1937 under the New Deal.

Farm income of about $8,500,000,000 for 1937, the best year since 1930, shows plainly enough the conditions of the American farmer much better than a few scattered, isolated figures of increased agricultural imports compared with the imports for 1932 when the farm income was approximately half the figure for last year. This increase in income was shared by the cattle, cream, cheese, poultry, corn, apple, tomato, turnip, hay, and other producers of farm products.

DAIRYMEN GAIN $50,000,000

Mr. REED has much to say about the dairymen in New York State and would have you believe they have been greatly damaged by the trade-agreements program which he denounced.

If the gentleman had taken the trouble to examine carefully the records of the New York dairymen, he surely would have hesitated to dwell over long on that issue, because official figures show the cash income of New York dairymen and livestock producers in 1934, before the trade agreements of which he complains, amounted for the fiscal year to $159,000,000.

In 1937 under the Roosevelt administration this cash income had increased to $210,000,000, an increase or gain of more than $50,000,000 for the New York dairymen and livestock producers.

In addition to neglecting the inclusion of this gain of some $50,000,000 to enrich the dairymen of New York, the gentleman also failed to mention the fact that the duty reduction on cream to which he refers applies only to 1,500,000 gallons per year, an insignificant quantity of domestic consumption.

Further, had he taken time to examine the record, he would have found that the imports of cream after the duty was reduced amounted to only 136,622 gallons—Department of Commerce figures—in 1937, or only 9 percent of the above quota. Why did the gentleman not show these cream figures in his import table of 23 items? The answer must be obvious to you.

CHICKENS, DUCKS, GEESE

Then the gentleman talks about the suffering of the poultrymen as a result of the lowering of the tariff. He refers to live chickens, ducks, geese, turkeys, guineas, and so on down the line. The improved conditions of the poultry producers during 1937 were very similar to those depicted for Mr. REED's dairy farmers. Prices were good and there was a steady market for their products. It is true that imports of some poultry have increased over the depression levels of 1932, but they have been negligible in comparison with the domestic production. These imports, I estimate, would not be enough, if placed two in a pot, as advocated by Mr. Hoover, to supply the American market with poultry for a single 24 hours of the year.

THE RECORD SHOWS MR. REED 100 PERCENT WRONG

From Mr. REED's remarks it would seem he is quite proud of what he says is a fact—that every Republican in New York State voted as he voted on the tariff issue. He says that only one Republican in the entire Nation voted the other way or, as he says, "voted to bring down upon the farmers the ruinous competition of foreign peon and peasant labor."

If Mr. REED means by this statement that no Republican in New York voted for the Trade Agreements Act, we might ask if his colleague, Mr. BACON, a statesman who had the courage of his convictions to cast aside the old Republican tariff shibboleths and vote for the extension of the act, is not one of the outstanding Republican leaders. So when Mr. REED says that he is proud of the fact that every Republican in New York State voted against the act, he is just 100 percent wrong in his statement, as the voting record shows.

Also, the CONGRESSIONAL RECORD shows, in addition to Mr. BACON, Mr. WELCH, of California, and Mr. HARTLEY, of New Jersey, two other very prominent members of the Republican Party, who voted for the extension of the Trade Agreements Act.

HERE AGAIN RECORD SHOWS MR. REED 100 PRECENT WRONG

Furthermore, it would seem he owes some apology to these able Republicans when he suggested that they voted to "bring down upon the farmers the ruinous competition of foreign peons and peasant labor."

Mr. REED placed in the list of those Democrats voting against the original act in 1934 Mr. GRAY of Pennsylvania, who was not in the House at the time. Mr. GRAY of Pennsylvania is recorded as voting for the extension of the act in 1937. Again the record shows Mr. REED to be 100 percent wrong. Such carelessness in making inaccurate statements will hardly be considered excusable by the farmers who are interested in the truth.

In another speech I made at this session of Congress I listed many of the outstanding leaders of Mr. REED's own party who are absolutely opposed to his point of view; among these great Republican leaders are such men as Mr. Stimson, Secretary of State under ex-President Hoover; the late Ogden Mills, long a Member of Congress from New York, candidate for Governor of New York State, Secretary of the Treasury in the Hoover administration, and for some time mentioned as a candidate for President. Then only recently another man who is now being talked of as a possible Presidential candidate in 1940, Hon. Frank Knox, Vice-Presidential candidate on the Republican ticket with Mr. Landon, came out in direct opposition to the views expressed by Mr. REED of New York.

SIXTY-ONE PERCENT OF YOUR OWN PARTY ARE AGAINST YOU ON THIS ISSUE, MR. REED

The American Institute of Public Opinion in the Gallup poll printed Wednesday, March 16, 1938, showed that 61 percent of the members of your own Republican Party are opposed to you on this proposition.

When you find 61 percent of your own political party against you on this issue, is it not about time for you to stop, look, and listen, or is this another case of "everybody out of step but Jim"?

Well, Mr. REED, there you are. You stated in the CONGRESSIONAL RECORD that you hoped your Democratic colleagues would explain. So in our very humble way we have tried to comply with your request that somebody answer you. You asked for it, Mr. REED, and here it is, and in the friendliest spirit, too, please be assured.

GOVERNMENT MONETARY CONTROL

Mr. BINDERUP. Mr. Speaker and fellow Members of Congress, there is a law that is as definite as is the law of gravity; it is as certain as is light and the sunrise. It is the quantitative philosophy of money, that money is the lifeblood of trade and industry, that money measures things and things measure money, each measures the other according to its own abundance as compared with the abundance of the other. If you double the amount of money in circulation you double the price of everything, by doubling the price of everything you divide your debt as it now takes only half the amount of labor or commodities produced to pay the same debt. If you

divide the amount of money in circulation you divide the price of everything and you double your debt for now it takes twice the amount of commodities or of labor to pay the debt. Fellow Congressmen, you cannot raise the price of a few articles out of the general established price level without reducing the consumption of these articles in exactly the proportion as you raised their price above that of the general price level.

Mr. FLETCHER. Will the gentleman yield?

Mr. BINDERUP. I yield to the gentleman from Ohio.

Mr. FLETCHER. The gentleman states that the Chairman of the Federal Reserve Board knows no remedy at all, nor has he even an idea identified with a possible remedy?

Mr. BINDERUP. Exactly.

Mr. FLETCHER. He has no idea of a remedy for the recurring panics in this country?

Mr. BINDERUP. According to his own statement he has no remedy or no way of preventing booms and depressions. He did say recently, however, when asked, that he and his department were still studying but that he knew of no solution. And he was right as long as they insist on working through our present monetary policy and banking system of the United States, a system that is interested in our failure to solve the problem so that they may continue to create the Nation's money supply. It is indeed alarming and criminal to consider that since 1933 we have donated $11,000,000,000 to the banks of the Nation for the privilege of creating our own money, and we will be paying interest thereon forever unless Uncle Sam changes his policy and pays up, which he has never done.

However, my bill does provide for paying every bond when due, paying for them in just the same way that the banks paid for them when they bought them from the Government, paying for them by giving the banks credit on the books of our banks, the Federal Reserve banks, which become Government-owned banks, subtreasuries of the United States—a switching of credits. We should learn something from doing business with the banks for 150 years. We should learn enough to know that if the banks can buy Uncle Sam's bonds when issued for figures on their books, that we can buy them back for figures on our books when due.

Mr. FLETCHER. May I ask the gentleman if he knows of any man representing any financial, industrial, or business group in America who has been down here in the last 5 years before our committee who has offered any constructive, hopeful remedy for the situation that confronts us? If that statement is true, does the gentleman not think it is quite unfair for any of these gentlemen to presume to criticize the gentleman from Nebraska [Mr. BINDERUP] for attempting to offer the Congress of the United States a solution as he sees it?

Mr. BINDERUP. We are always glad to be criticized. It is criticism, you know, that crystallizes any thought, and I am glad to be criticized. I have asked many Members of Congress, "Have you a plan?" I ask the Members of Congress now, "Is there anyone who has a constructive plan?" Is there anyone who will claim that we have done anything constructive in the Congress during the last 6 years, anything fundamental, in finding the cause and cure of depressions and money panics, or anything before that time? Have we ever done anything constructive in the way of controlling our monetary supply? Is there anyone in this Congress who has a plan? If there is, I would like to give them my time so that he may rise and explain what plan he has to bring about prosperity and eliminate the disastrous way in which we are managing our financial affairs. We are going into debt more and more under our financial policy, with absolutely no hope for the future. I leave it to the Congress and merely ask, "Is there anyone here who has a plan?" What, no reply? Is there no one here who even has a suggestion? If there is not, then I am free to say I have a plan, definitely, positively, and absolutely. And I challenge the world. But my plan excludes any special group such as the bankers, from monetary control and includes only the people, with full protection to the small commercial banks, more than they have ever had during the history of banking.

My monetary control plan is not entirely original with me. I borrowed my plan from Thomas Jefferson. I borrowed it from John Adams. I borrowed it from Abraham Lincoln, from James G. Blaine, James A. Garfield, William Jennings Bryan, and from all thousands of other statesmen who have come before. It is not my idea alone. I am just borrowing the plan originated in the main by our greatest statesmen in the past history of our country, a plan for monetary control, that is all. My plan is just a fulfillment of article I, section 8, of the Constitution. A most important provision of the Constitution, one which has never been fulfilled because of the power of money controlled by great financial interests and international bankers, who have always been against us and who, consequently, have thwarted us in every one of our great efforts for progress and the fair and equitable distribution of the Nation's income and wealth.

I mentioned Blaine. There are no writings greater than Blaine's writings. I want to quote from the many things he said. He made this statement on the floor of this House on the 10th of February 1876:

> The money question should be approached in no spirit of partisan bitterness. Firmly attached to one political party myself, I still think there are questions to which the parties should agree never to disagree and that these are the essential nature and the value of money, the circulating medium of exchange.

I say that the plan I bring you is not entirely my own, but I am proud of the plan, for it has the approval, if you please, of the Nation's greatest economist, Prof. Irving Fisher, of Yale University, who says that no greater piece of legislation was ever introduced in the Congress of the United States. It has the approval of our own ex-Senator Robert L. Owen, who is 100 percent for it. And he is one of our greatest economists, one who also ranks among the Nation's greatest monetary students, who was for 12 years chairman of the Banking and Currency Committee of the United States Senate. It is approved by Robert H. Hemphill, who was for many years credit manager of one of our Federal Reserve banks.

I traveled all over Europe discussing this bill with the greatest students of monetary science of these countries. In Denmark, Sweden, England, France, and Germany. This to gain knowledge from the world's outstanding economists. Such men as Dr. Cassell, of Stockholm, Sweden, who approved the principles of my bill 100 percent. Professor Soddy, of Oxford, England, recipient of one of the Nobel prizes, who said, "Only your great America could pass so great a bill." It is to Professor Soddy we are indebted as being one of the leading pioneers in advocating the 100-percent reserve plan. It was he who said:

> If you can pass this bill in America you have done more for humanity than any nation in history, Mr. BINDERUP, for it will set a pattern for the entire world. You will not alone redeem your own Nation, but the example you will set will redeem the world.

Those are the words of Professor Soddy, of Oxford, England.

So when you ask me if I have a plan, I say, "most definitely and absolutely." And in governmental monetary control the first thing is the plan for preventing the 15,000 private banks of the country from minting and unminting our money supply; raising the price level of all commodities by an abundance of check-book money, printing-press money, as I explained yesterday in the example of my 12 brindle cows, and then knocking the price level down again by withdrawing or destroying this same check-book money.

Mr. CRAWFORD. Mr. Speaker, will the gentleman yield?

Mr. BINDERUP. I yield to the gentleman from Michigan.

Mr. CRAWFORD. Is the gentleman now going on to the question of 100-percent reserves?

Mr. BINDERUP. I was not going into that, in detail, right now, but I am pleased to answer a question on that subject.

Mr. CRAWFORD. If it is in accordance with the gentleman's plan, could he in this afternoon's session give us some idea of how he will transfer the present demand deposits and the whole reserve asset proposition into a 100-percent reserve?

Mr. BINDERUP. Yes; I will be pleased to. It is a little ahead of my program, but I will do it anyway. I will take an example because I believe a plan is always most easily understood and explained when we can show an example; so I have taken just at random a little statement out of the newspapers with respect to a little bank out in my territory. I want to put this bank on a 100-percent reserve basis. Today the bank does not lack anything in establishing 100-percent reserves back of demand deposits because we have contracted our money supply during the past 6 months, between two and three billion dollars. Meaning we have contracted our demand bank deposits, which, as I have stated, constitutes about 97 percent of our money supply, which is to say that the banks have canceled between two and three billion dollars of their fountain-pen money, that which the people were using for money. However, when this statement came out this bank was short $58,174 of having 100-percent reserves for its demand deposits [pointing to chart showing bank statement of Keystone Bank and plan for placing it on 100-percent reserve basis]. This is one example, but it pictures the situation or furnishes the explanation for all banks.

There are two ways for placing all banks on 100-percent reserve system, with Government assistance which will not cost either the banks or the Government one cent. First, you will notice that this particular bank would be short, at the time the statement was made, approximately $58,000. So Uncle Sam will say to this bank—and remember I am using this bank statement as a definite picture of all banks—"You are short $58,000 of being able to comply with our program of 100-percent reserves back of demand deposits, you must be solvent so that we will have no more bank failures in the United States. Therefore, we, the monetary authority, an agent of the Congress, will assist you, first, by taking charge of your Government bonds, which are eligible as reserve back of demand deposits. These are placed with the Federal Reserve bank of the district in which the bank is located, which Federal Reserve banks under this bill will be Government banks or subtreasuries of the United States. However, as you note these bonds, together with the cash the bank has, still leaves it short $57,000 of a sufficient amount for the 100-percent plan. We then say to the bank that we will take their slow paper, that they may deposit this paper, in the amount they are short, with the Federal Reserve bank and receive credit for it as a part of the reserves, thus putting the bank on a 100-percent demand deposit basis. This applies, of course, only to demand deposits as of the date on which the act goes into effect.

The bank of course will continue to draw interest on the Government bonds it has so deposited until they are due. When they are due the Government will redeem them by giving the bank credit on the books of the Federal Reserve bank in like manner as the banks gave the Government credit when it first turned the bonds over to them. This credit would be convertible into legal tender when if necessary and at the option of the Federal Reserve Board, the agent of Congress. All new credit that is created and placed into circulation and used as money will, after this plan is adopted, as I have previously explained, be created by and first placed into circulation by the Government.

As prices become stabilized in line with the 1926 price level, under this plan, and the slow paper which the bank had deposited becomes desirable paper, the bank may redeem it, unless, of course, in the meantime it has become due and paid. In order to make it possible for the banks to redeem this paper, our bill provides that the Reconstruction Finance Corporation will purchase preferred stock in the bank in question in an amount sufficient to meet the bank's requirements for this purpose.

Thus under this plan commercial banks will have either cash, Government bonds, or credit on the books of the Federal Reserve bank in the full amount of their demand deposits. These demand deposits will absolutely be safe to their owners, bank failures will be a thing of the past, the Government will have complete monetary control, we will be obeying for the first time the provisions of the Constitution and booms and depressions will be forever eliminated.

Mr. Speaker, as a part of my remarks I include at this point copy of a letter addressed to me by Mr. Edward E. Kennedy, secretary to the National Agricultural Conference, also copy of resolutions passed by this National Agricultural Conference at meeting of the conference held at the Raleigh Hotel, Washington, D. C., June 2, 1938:

NATIONAL AGRICULTURAL CONFERENCE,
Washington, D. C.

Hon. CHARLES G. BINDERUP,
House of Representatives:

The National Agricultural Conference, Monday, sent to you a letter describing our first meeting and enclosing the resolutions adopted, one of which calls for increasing the cash income to the farmer through mandatory monetary legislation by Congress, providing sufficient currency to raise the agricultural price level to at least that of 1926.

The ruinous low prices of farm commodities today indicate disaster to the farmer, which means disaster to all. Unless agricultural prices are raised immediately, we who are given to economic study know that business will soon collapse.

We now learn that a group of earnest, conscientious Members of the House of Representatives are circulating a petition to keep the House in session until the agricultural price problem is solved through mandatory monetary legislation. Because of the resolutions adopted by the National Agricultural Conference we necessarily urge your cooperation in affixing your signature to the petition and in inducing others to sign.

It may be that an alert electorate would prefer sincere efforts to remedy present conditions as the best evidence of service to a suffering constituency. Millions all over the Nation may ask if Congress should adjourn in the midst of this cruel recession.

In an account of one of the most bitterly contested primary campaigns for a seat in the United States Congress, the contending candidate is saying, "If ——— (the incumbent) will stay in Washington and attend to the business that you taxpayers are paying him for attending to, I'll cancel every political speaking date between now and the primary election."

Every intelligent person in America recognizes that uncontrolled deflation is the cause of the deplorable condition. By every rule of elemental logic, controlled expansion of the currency must be the cure.

We urge support of the petition and the concentration of congressional effort on recovery.

Sincerely yours,

EDW. E. KENNEDY,
Secretary to the Conference.

RESOLUTIONS UNANIMOUSLY ADOPTED BY THE NATIONAL AGRICULTURAL CONFERENCE HELD AT THE RALEIGH HOTEL, WASHINGTON, D. C., JUNE 2, 1938

Whereas no nation experiences a permanent prosperity unless agriculture is prosperous; and

Whereas increased cash income to the farmers of the country is followed in a varying but short period of time by increased total wages paid to labor, increased factory production, increased flow of goods through the channels of distribution, increased use of transportation facilities, and increased national income; and

Whereas the prices of agricultural commodities and other basic raw materials have fallen to new and ruinous low levels, and a vast army of unemployed accompanies the agricultural recession; and

Whereas if agricultural income be raised to at least $15,000,000,000, national income would then approximate $100,000,000,000, thereby providing adequate income to each of the various economic groups, including agriculture, labor, transportation, business, and industry, and all other elements of our national economy; and

Whereas the debt structure of the Nation is an ever-increasing burden; and

Whereas the incidence of taxation is being rapidly shifted from those that have the presumed ability to pay to the consumers, which means to the farmers and to the workers; and

Whereas the recognized objective of the Congress and the administration since 1933 has been to restore the 1926 price level; and

Whereas the free flow of capital is inhibited by a capital-gains tax which freezes capital into the channels of its investment for certain periods of time, with the effect of curtailing adventurous capital into new investment: Now, therefore, be it

Resolved, That in order to check the recession, increase employment, expand production, increase consumption, encourage free and sound investment, increase the national income, thereby automatically balancing the Budget, that it is the sense of the National Agricultural Conference that increased cash income be accomplished by constructive mandatory monetary legislation by the Congress of the United States providing sufficient currency to raise the agricultural price level to at least that of 1926; and be it further

Resolved, That it is the sense of this conference to shift the incident of taxation to those with the ability to pay and away from the consumers; and be it further

Resolved, That we favor the abolition of the capital gains tax in order to effect the free flow of capital; and be it further

Resolved, That we believe that a new and permanent prosperity for agriculture, labor, and business can be effected through the increase in agricultural cash income through such monetary legislation and the shifting of the burden of taxation and the elimination of the capital-gains tax.

Mr. Speaker, may I call your attention to the fact that at this conference agriculture was represented by six nationally known farm organizations, labor was represented by the American Federation of Labor and affiliates, and that small business was represented by the independent retailers through their own organizations. Sixty-five delegates from Massachusetts, New York, Pennsylvania, Ohio, Maryland, South Carolina, Alabama, Louisiana, Texas, Oklahoma, Tennessee, Kansas, South Dakota, North Dakota, Illinois, Indiana, Minnesota, Michigan, and the District of Columbia paid their own expenses to attend this conference. At the informal dinner in the evening over 40 Members of the House of Representatives attended, while due to a night session many Senators were obliged to remain on duty but sent their regrets. Five Senators attended during part of the evening.

The meeting was addressed by Louis J. Taber, master of the Grange; William Green, president of the American Federation of Labor; B. H. Inness-Brown, attorney and tax expert; Hon. William Lemke, Member of the House of Representatives; Senator Ellison D. Smith, chairman of the Committee on Agriculture and Forestry of the United States Senate.

You will note that this conference, which well represented agriculture, labor, and industry, which represented by far the greater part of the purchasing and consuming power of the United States, goes on record in this resolution by declaring that its objectives can be accomplished, first, by constructive mandatory monetary legislation by the Congress of the United States providing sufficient currency to raise the agricultural price level to at least that of 1926. I submit that this is a full endorsement of my monetary proposal.

The Federal Reserve banks have three ways to take money away from the people—deflation—but are absolutely destitute of a plan for putting money back into circulation. And every man acquainted with our economic system knows that Uncle Sam grows 4 percent a year in population and increased industry. In the year 1932, for example, we should have added to our money supply—forced into the arteries of trade and commerce—no less than $1,614,000,000, but we have no way of expanding our money supply unless we donate the privilege to the big banks as we have done in the past. Is it not alarming, ridiculous, and criminal that in the 4 years from 1933 to 1937 we donated to the banks the right to issue $11,000,000,000 with a fountain pen, with absolutely no cost to them whatsoever, and even this amount was entirely insufficient as, in addition to this, in order to keep up with the price level of 1926 we should have issued almost $14,000,000,000 more, and as this was not done our prices have fallen until today they are as low as in 1933. What a crime, and what a lack of monetary knowledge on the part of Congress.

Is it any wonder we are in misery and poverty in the midst of plenty? We should have expanded $1,614,000,000 and in place of this the banks contracted our money between two and three billions of dollars. We should have added to Uncle Sam's lifeblood—money—and in place of this our banking system bled Uncle Sam of almost $3,000,000,000 by collecting in old loans and refusing to make new loans. But let it always be remembered that the individual bank must not be blamed. It is the corrupt system that is destroying us.

We base all our money on loans, and when the loans are collected and no new loans are made, we are short this amount. What a crime to base our money on debt. If we pay our debts, the Nation runs out of money and we all go broke; and if we do not pay our debts, the sheriff takes our property. If we have prosperity, all the $37,000,000,000 worth of Government bonds will be flooded on the market and all the banks will fail, as this will reduce the par value of bonds, and even 10 points lower would amount to $2,000,000,000 loss to the banks that hold our bonds. And this would in turn break the entire banking structure of the Nation. And so, if we have prosperity, we will go down with the banks, and if we do not have prosperity, our debts will bankrupt us. So it is damned if you do, and damned if you do not. What a joke if it was not so serious.

Every dollar you have is based on debt. Either you borrowed it yourself or the person who paid you somewhere back in the line borrowed it from some bank. And as I said in the beginning of my talk, we have three ways of deflating our money supply—taking money away from the people—and no way of expanding our money supply. It is like an automobile with three sets of brakes to stop it and no engine to propel it. Three plans for taking money out of circulation—deflation. Three plans left to protect the creditor and no plan for expansion, the protection of the debtor. Well, something had to be done, so the economists of the Federal Reserve Board suggested, and the Board agreed, that they would take one of the mechanics remaining and remodel it and turn a deflation mechanic into an inflation mechanic. Trying to use the plan of selling bonds to accomplish what they had failed to do buying bonds. And so with this childish plan we are working in Congress selling billions of dollars in bonds, and in every case we are deflating in place of expanding.

Now, let me explain. We sell our bonds to the big banks and get credit on their books. We use this credit as money and check on the banks. Now, this would not be so bad, even though it does cost us the unreasonable sum of a billion dollars a year. But these big banks now sell these bonds to the 15,000 smaller commercial banks scattered over the Nation, and then these same bonds act as a sponge going out over the Nation and absorbing all the little butter-and-egg money in demand and time deposits, bank surpluses and dividends, sent to New York to buy Government bonds, thus robbing the great rural districts of their lifeblood of trade and industry, the wheels of industry and agriculture, and centralizing all our money in the big banks, where it remains idle until Uncle Sam runs out of money, when we again issue bonds, get some more credit, and once more rob the Nation and the people of money by centralizing it in our big banks. The eternal triangle, the everlasting merry-go-round.

There is another matter that I am asked a great deal about. It is the crime of 1920, when the 52 bankers assembled in the room of Mr. Harding, the Governor of the Federal Reserve Board. But I will not have time to go into this today, except perhaps for a few questions.

Mr. HILL. Mr. Speaker, will the gentleman yield?

Mr. BINDERUP. I yield to my friend, the gentleman from Washington.

Mr. HILL. Since the subject of 100-percent money is one of the primary principles, and since it is new to many and very important, would it be agreeable to the gentleman from Nebraska to go back over this again briefly and give a short explanation?

Mr. BINDERUP. I think this is a good suggestion, and will comply with the request of the gentleman from Washington [Mr. HILL].

According to the report of all banks—117 small banks estimated—at the close of business December 3, 1937, in response to the call made by the Comptroller of the Currency, a recapitulation of all banks showed the following: That demand deposits of individuals, partnerships, and corporations doing a banking business in the United States were $23,200,000,000, and all the banks held to offset this amount was $7,705,000,000 cash, $14,750,000,000 in Government bonds, and $745,000,000 in commercial paper. So, according to this report, on this date all the banks, in order to establish 100 percent back of demand deposits, were short in cash $15,495,000,000. Meaning that if there should be a lack of confidence, and a rush on the banks should be made, such as we had in 1933, the banks today would be short $15,495,000,000.

So the Government says to the banking system of the Nation, "This is dangerous. You must be liquid so that if all the depositors of the Nation call at their bank on the same minute, each one will get all his money. That is a safe banking system. That is the kind of system that lends the maximum velocity to our money supply. But," says Uncle Sam, "this is impossible unless the Government helps you do this. So we will take over all the Government bonds you hold, which is $14,750,000,000 worth, and hold them in our vaults in our 12 Federal Reserve banks, our subtreasuries, and if there is a run on any bank you can check on us for the amount of these bonds. And you also hold about $7,705,000,000 in cash that is now in the Federal Reserve banks. That we will continue to hold. But even then you are short $745,000,000, so we will take over second-class paper with your guarantee which we will hold and collect after renewals for 2 years." By raising the price level and creating a prosperous condition in our Nation once more this paper will become good, so there is no loss to anyone. But in case a bank wants to take this over when times are better, and within 2 years, and prefers to sell to the Government preferred stocks at 1½ percent interest and take their paper back, that is optional with the banks. Meanwhile we have helped the man who owes the note by not forcing collection, and we have helped the banks as well. And with no cost or inconvenience to the Government, and with a guarantee to the people that their demand deposits will be safe. And it did not cost a cent to do this—just a little good will.

But there is another important and comforting feature. In my bill we liquidate the entire Government debt likewise without the slightest inconvenience to the banks and without the slightest cost to the Government. In the first place it must be remembered that the cash all the banks have deposited in the Federal Reserve banks and cash deposited in other banks, as well as the Government bonds, represent the people's money deposited in the banks. So we hold the cash now on deposit exactly as at present and we also hold the people's bonds that the banks bought with the people's money. The banks continue drawing exactly the same interest as they are drawing now on Government bonds and notes deposited. They are not now getting interest for cash deposited in the Federal Reserve banks or other banks, but under this bill the banks are in the possession of the Government's 12 Federal Reserve banks, subtreasuries of the United States, for safekeeping, held there to safeguard the people and stop bank failures. But when the bonds become due we merely continue holding these; the only change is that when the bonds are due we quit paying interest. We continue holding our own bonds to back up the people's demand deposits, but the bonds now belong to the people in place of to the banks. When we took these bonds over for safekeeping we credited the banks for the full amount of these bonds on the books of the Government and assumed the entire responsibility for demand deposits. Thus we purchased back our Government bonds for figures on our books, just exactly as the big banks bought our bonds originally for figures on their books.

So now our people are checking on the Government's credit, in place of the banks' credit. And the people own their own bonds in place of the banks owning our Government bonds. And we played just exactly the same trick on the banks that the banks played on us. And we have now accomplished exactly what we should have done in the first place, based our checkbook money on Government credit in place of bank credit, the same credit that is back of our Government bonds, and the same credit that is back of all our money. And remember, 97 percent of our money (circulating medium) is checkbook money. We have now positively stopped the banks from minting and unminting the Nation's money supply. We now have complete monetary control, and can expand our money supply ourselves in a scientific manner, in exactly the right amount to maintain a price level that robs neither the creditors nor the debtors. And listen, please; let me repeat the words I have said so often. The plan is 100 percent righteous. Not a soul is hurt nor harmed in the least, and our people and our Nation are saved. And it did not cost the Government a cent to pay all its debts that have been worrying the people so terribly, and it did not cost the banks a cent. It is just doing business with a fountain pen, but Uncle Sam is holding the pen. That is all the difference.

This entire plan is explained in detail in our booklet, Uncle Sam's Hospital Chart.

Mr. CRAWFORD. Will the gentleman yield?

Mr. BINDERUP. I yield to the gentleman from Michigan.

Mr. CRAWFORD. Can the gentleman inform us whether or not it was from this meeting that instructions were given to Mr. Forgan, of Chicago, and also the banker from Kansas City, to go home and proceed to curtail agricultural loans?

Mr. BINDERUP. Exactly. And every member bank of the Federal Reserve System and even nonmembers of the Federal Reserve System were instructed to curtail loans and restrict new loans.

Mr. CRAWFORD. And begin foreclosure on agricultural loans?

Mr. BINDERUP. Yes. I thank the gentleman for his contribution. This was the beginning of the great tragedy that wrecked the Nation. It was the Federal Reserve crime of 1920.

Mr. CRAWFORD. Those men had specific instructions at that meeting to proceed accordingly?

Mr. BINDERUP. The gentleman is exactly right. And it was because of this action in this secret meeting of the 52 bankers that no less than $10,000,000,000 were taken from the people and the Nation bankrupted. "We all know if the bankers of any community, large or small, are to close the screws on too tight they can bring disaster to the community which will spread to other communities." Those were the words of Governor Harding in addressing the members.

So those men did know they were playing with fire. They said, "Be careful that you do not put the screws on too tight, because if you do you can destroy the Nation." They did put the screws on too tight, and they did destroy the Nation, in an effort to reduce the volume of money and increase the purchasing power of their interest dollars.

Mr. FERGUSON. Will the gentleman yield?

Mr. BINDERUP. I yield to the gentleman from Oklahoma.

Mr. FERGUSON. Where is the analogy between that situation in 1920 and the situation today when the Federal Reserve is urging the extension of credit to its member banks and is broadening the base of the security on which loans can be made; in other words, making every effort to expand credit.

Mr. BINDERUP. Yes; there is no question about that, but they have depleted the people absolutely of their equity. The people of our Nation are bankrupt. Farm values fell directly after this meeting, this unpardonable crime against the people, wiping out the farmers' equities, and in every other business the same slump, except in the case of the big bankers. The Nation is bankrupt. When President Roosevelt said "one-third of our people were bankrupt," he might better have said two-thirds of our people are made paupers by this action of the banks. Therefore the paramount issue before this Congress is monetary control by our Government, and taking this unreasonable privilege away from the big bankers.

Mr. VOORHIS. Will the gentleman yield?

Mr. BINDERUP. I yield to the gentleman from California.

Mr. VOORHIS. In the first place, does not the gentleman agree that the most serious feature in connection with what the gentleman from Michigan said about the bankers being instructed to go home and curtail loans to agriculture was a fact it not only affected the individual farmer who got the loan but in effect what he was being told to do was curtail the total monetary supply of the United States?

Mr. BINDERUP. And they deliberately and definitely instructed the member banks of the Federal Reserve System to take the people's money out of circulation so dollars could buy more according to their scarcity.

Mr. VOORHIS. With reference to what the gentleman from Oklahoma said, is it not true that whereas the Federal Reserve Board has ample power to curtail and restrict the amount of money in circulation, the only thing they can do if expansion is desired is to put the banks in the position where further loans can be made and then hope and pray piously that the banks will lend and somebody will borrow? If they do not, there is no expansion.

Mr. BINDERUP. Yes. Under our present system, there can be no expansion of our money supply unless the bankers loan and the people can borrow. Every dollar in circulation represents somebody's debt, except our greenbacks and our silver certificates; altogether about one and one-half billion dollars.

Mr. RICH. Will the gentleman yield?

Mr. BINDERUP. I yield to the gentleman from Pennsylvania.

Mr. RICH. Had the Federal Reserve in 1931 functioned as it was intended to function, by making loans to individual banks at a time when people needed money, even to the extent it might have wrecked the Federal Reserve, it no doubt would have saved the individual banks and the Federal Reserve would have accomplished a great good.

Mr. BINDERUP. The gentleman is exactly right.

Mr. RICH. And instead of that they tightened up and prevented the law from functioning as it was intended to function?

Mr. BINDERUP. Yes. They raised the price level high by extending credit liberally up to $48,000,000,000 and then refused credit and all values fell to the bottom—refusing assistance when it was necessary through the erroneous plan of the Federal Reserve. In boom times they would give people all they wanted and in depression times take it all away from them.

Mr. RICH. The individuals in the Federal Reserve were the bankers who were trying to save their own institutions rather than function as the law expected them to function?

Mr. BINDERUP. Yes; the gentleman from Pennsylvania is right.

Mr. FERGUSON. May I ask one thing more? From the gentleman's study of depression, is this not the only depression in which credit is available and not being curtailed? Has there ever been a depression the same as this one, when credit was available and there was no contraction of the currency?

Mr. BINDERUP. Apparently there is plenty of money—dormant bank deposits in the banks—but what good is that when the people cannot get it? It may look like available money or credit, but when the people have nothing to mortgage, no equities left to bring the money out of the banks, what good does it do to have the money pile up in the banks? I said it before on the floor of this House—dormant, dead money in the banks is not money any more than a dead horse is a horse. We sell bonds to the big bankers and they sell the bonds out in the rural districts of the Nation and absorb the money out of circulation. We have depleted the people of their purchasing power and their equity. The banks want to lend money and they are anxious to lend money, but 85 percent of the people have no equities any more. The situation is so precarious that the banks let the money lie idle.

Mr. MURDOCK of Utah. Mr. Speaker, will the gentleman yield?

Mr. BINDERUP. I yield to the gentleman from Utah.

Mr. MURDOCK of Utah. May I ask this, in connection with the gentleman's picture: The gentleman has left me rather up in the air. The gentleman has stated what Mr. Harding said at the meeting. I am very much interested, and I believe the other Members are also interested in what specific action was taken by the Board as a result of this meeting.

Mr. BINDERUP. The action that was taken by the Board was to notify all of the 12 Federal Reserve banks to restrict credit, to draw in the money supply, and to do it by raising the rediscount rate to the 30,000 banks that we had in the United States at that time. A very descriptive history of this meeting and the names of the bankers taking part will be found in the booklet I am sending you with extra sheets for insertion, Uncle Sam's Hospital Chart.

Every depression this Nation ever had was caused by the banker control over our money system, creating booms and selling and then creating depressions and buying. We had what is recorded in history as Black Friday, when the Nation stood perfectly still in a business way, because the gold which was half of our money had been cornered by the banks; this depression was only cured when President Grant released all the gold from the Treasury. The story of this depression is more startling than the story I have told you, but I took the depression of 1920 as an illustration because we lived through and experienced the 1920 depression and know just exactly what it was. We breathed the same air during these years and know of the catastrophe and havoc that were wrought over the Nation. But the other depressions were equally severe.

Mr. MASSINGALE. Mr. Speaker, will the gentleman yield?

Mr. BINDERUP. I yield to the gentleman from Oklahoma.

Mr. MASSINGALE. The gentleman made the statement a moment ago that the Federal Reserve bank might issue an order loosening credit and making it easier to get money, but in view of the impoverished condition of the people they probably could not avail themselves of that opportunity. What feature is there in the gentleman's bill, if any, that will force this money out if the people cannot make bankable payments?

Mr. BINDERUP. That is the important part of my bill. That is the interesting part, where we force our necessary money into circulation. No; not through the banks as we have been trying to do for years, but which has so utterly failed, but through the lower-income group, through old-age pensions, and absorbing Uncle Sam's debts, paying for bonds in Government credit exactly as the bonds were bought. We must do it with our friends, the people—$8,000,000 or more daily in additional new money based on the credit of the Nation, the richest Nation in the world. Place this new money—credit in our 12 Federal Reserve banks—and check on it.

More than that, we are releasing that credit at the top by creating equities at the bottom. We are bringing employment and money together in order to create prosperity. We are putting $8,000,000 a day into circulation through the laws we have passed in this Congress ourselves, such as the Social Security Act—not all of the Social Security Act but the old-age part of it. We are also putting money into circulation through the rehabilitation bill, known as the Bankhead-Jones bill.

[Here the gavel fell.]

Mr. FLETCHER. Mr. Speaker, the gentleman's address is so informative I ask unanimous consent that he may be permitted to proceed for 10 additional minutes.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. RICH. Mr. Speaker, will the gentleman yield?

Mr. BINDERUP. I yield to the gentleman from Pennsylvania.

Mr. RICH. As long as we have the human element to consider in the officials of the Federal Reserve, what has the gentleman in his bill that will cause them to function as the Congress desires they should function?

Mr. BINDERUP. That is very fine. There is just one thing, and that is what Mr. Goldenweiser said, that the Federal Reserve Board was given a lot of obligations and told a lot of things to do, but it never has had any mandatory law wherewith to do it. I am in favor of leaving the Federal Reserve Board just as it is. I do not want to discharge its members and put in a lot of new ones. They are perfectly all right. Give them a mandatory law telling just exactly what they have to do and leave them just where they are, and they will function perfectly. Give them

mandatory instructions that they must maintain the 1926 price level by keeping enough new money in circulation; and if they fail, make the law with teeth in it. Fire them and put in men that will.

Mr. CANNON of Missouri. Mr. Chairman, will the gentleman yield?

Mr. BINDERUP. Yes; I yield to the gentleman from Missouri [Mr. CANNON].

Mr. CANNON of Missouri. What is the relation between the amount of money and the rapidity of the turn-over?

Mr. BINDERUP. I can give the gentleman that information best by an example. In 1929 the clearing houses of the United States showed that $1,230,000,000,000 had circulated through the clearing houses for that year. Last year they showed a little better than $600,000,000,000, which is less than half of what it was in 1929. As soon as you make a safe monetary system you will bring security, and security brings speed or velocity to our money. The people generally are not afraid of commodities going up and down, but we are afraid of the dollar going up and down, and whenever you get a safe dollar, you will find that dollar will revolve, because it is not doing anybody any good when it is lying still. The natural tendency of money is to circulate, but when the dollars are lying still and thereby creating a scarcity and as a consequence of scarcity prices fall, it is a better investment to let your money lay still.

This Congress must not adjourn until we have fulfilled our pledge to the people and passed monetary legislation giving to the people their constitutional right to coin their own money. [Applause.]

The SPEAKER. The time of the gentleman from Nebraska has again expired.

ADJOURNMENT OVER

Mr. RAYBURN. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet on Monday next.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows:

To Mr. O'TOOLE, for the balance of the week, on account of illness.

To Mr. HOOK, for 10 days, on account of important business.

EXTENSION OF REMARKS

Mr. BOEHNE. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include therein a statement by Mr. F. W. Nichol, vice president of the International Business Machines Corporation.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Indiana?

There was no objection.

Mr. HILL. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include therein an article from Common Sense with reference to a bill I am introducing today.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

Mr. EATON. Mr. Speaker, I ask unanimous consent to extend my remarks by inserting therein a brief statement from a constituent.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

ESTABLISHMENT OF A JOINT COMMITTEE ON FORESTRY

Mr. O'CONNOR of New York, from the Committee on Rules, submitted the following resolution, which was referred to the House Calendar and ordered printed:

HOUSE RESOLUTION 518

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of H. Con. Res. 54, a resolution to establish a Joint Committee on Forestry, and all points of order against said resolution are hereby waived. That after general debate, which shall be confined to the resolution and continue not to exceed 10 minutes, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Rules, the resolution shall be read for amendment under the 5-minute rule. At the conclusion of the reading of the resolution for amendment the Committee shall rise and report the same to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the resolution and amendments thereto to final passage without intervening motion except one motion to recommit with or without instructions.

EXTENSION OF REMARKS

Mr. CRAWFORD. Mr. Speaker, I ask unanimous consent that the gentleman from Ohio [Mr. WHITE] may be permitted to extend his remarks by having inserted a newspaper article which is based on an extension he had in the RECORD concerning the public debt.

The SPEAKER pro tempore. Without objection it is so ordered.

There was no objection.

ENROLLED BILL SIGNED

Mr. PARSONS, from the Committee on Enrolled Bills, reported that that committee had examined and found truly enrolled a bill of the House of the following title, which was thereupon signed by the Speaker:

H. R. 1591. An act to require the registration of certain persons employed by agencies to disseminate propaganda in the United States and for other purposes.

ADJOURNMENT

Mr. COOPER. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 4 o'clock and 28 minutes p. m.) the House, pursuant to its previous order, adjourned until Monday, June 6, 1938, at 12 o'clock noon.

COMMITTEE HEARINGS

COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE

There will be a meeting of a subcommittee of the Committee on Interstate and Foreign Commerce at 10 a. m. Saturday, June 4, 1938. Business to be considered: Continuation of hearing on H. R. 4358, train dispatchers.

There will be a subcommittee meeting of the Committee on Interstate and Foreign Commerce at 10 a. m. Monday, June 6, 1938. Business to be considered: Continuation of hearing on H. R. 10348, foreign radio-telegraph communication.

COMMITTEE ON IMMIGRATION AND NATURALIZATION

There will be a meeting of the Committee on Immigration and Naturalization at 10:30 a. m. Wednesday, June 8, 1938, in room 445, House Office Building, for the consideration of unfinished business before the committee.

EXECUTIVE COMMUNICATIONS, ETC.

1417. Under clause 2 of rule XXIV a letter from the Assistant Secretary of Commerce, transmitting the draft of a proposed bill to give effect to the international agreement between the United States and certain other countries for the regulation of whaling, signed at London, June 8, 1937, was taken from the Speaker's table and referred to the Committee on Foreign Affairs.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. THOMPSON of Illinois: Committee on Ways and Means. House Joint Resolution 683. Joint Resolution to provide for an additional tax on whisky; with amendment (Rept. No. 2578). Referred to the Committee of the Whole House on the state of the Union.

Mr. RAMSAY: Committee on the Judiciary. S. 2403. An act to prohibit the transportation of certain persons in interstate or foreign commerce during labor controversies, and for other purposes; with amendment (Rept. No. 2579). Referred to the House Calendar.

Mr. CITRON: Committee on the Judiciary. H. R. 9981. A bill for the relief of the State of Connecticut; with amendment (Rept. No. 2580). Referred to the Committee of the Whole House on the state of the Union.

Mr. CHANDLER: Committee on the Judiciary. S. 3469. An act to amend section 128 of the Judicial Code, as amended; with amendment (Rept. No. 2581). Referred to the Committee of the Whole House on the state of the Union.

Mr. SWEENEY: Committee on the Post Office and Post Roads. H. R. 10051. A bill to provide travel allowance to railway-mail clerks assigned to road duty; with amendment (Rept. No. 2584). Referred to the Committee of the Whole House on the State of the Union.

Mr. O'CONNOR of New York: Committee on Rules. House Concurrent Resolution 54. A concurrent resolution to establish a Joint Committee on Forestry; with amendment (Rept. No. 2586). Referred to the Committee of the Whole House on the state of the Union.

Mr. O'CONNOR of New York: Committee on Rules. House Resolution 518. Resolution providing for the consideration of House Concurrent Resolution 54; without amendment (Rept. No. 2587). Referred to the House Calendar.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. O'MALLEY: Committee on War Claims. H. R. 2231. A bill for the relief of Charles E. Black; with amendment (Rept. No. 2585). Referred to the Committee of the Whole House.

Mr. KENNEDY of Maryland: Committee on Claims. S. 3561. An act for the relief of certain individuals in connection with the construction, operation, and maintenance of the Fort Hall Indian irrigation project, Idaho; without amendment (Rept. No. 2588). Referred to the Committee of the Whole House.

Mr. RAMSPECK: Committee on Claims. H. R. 3761. A bill for the relief of Dudley E. Essary; with amendment (Rept. No. 2589). Referred to the Committee of the Whole House.

Mr. ROCKEFELLER: Committee on Claims. H. R. 4996. A bill for the relief of Sue VanRyn; with amendment (Rept. No. 2590). Referred to the Committee of the Whole House.

Mr. RAMSPECK: Committee on Claims. H. R. 6458. A bill for the relief of Jack Nelson; with amendment (Rept. No. 2591). Referred to the Committee of the Whole House.

Mr. COFFEE of Washington: Committee on Claims. H. R. 9569. A bill for the relief of Charles P. McCarthy and the Paul Revere Fire Insurance Co.; with amendment (Rept. No. 2592). Referred to the Committee of the Whole House.

Mr. KENNEDY of Maryland: Committee on Claims. H. R. 10043. A bill for the relief of certain carpenters whose tools were destroyed by fire while stored in a Works Progress Administration warehouse in Jersey City, N. J.; with amendment (Rept. No. 2593). Referred to the Committee of the Whole House.

Mr. KENNEDY of Maryland: Committee on Claims. S. 3046. An act for the relief of Richard D. Krenik; without amendment (Rept. No. 2594). Referred to the Committee of the Whole House.

Mr. KENNEDY of Maryland: Committee on Claims. S. 3142. An act for the relief of Lt. Comdr. Robert R. Blaisdell and Lt. Edward W. Hawkes (retired), Supply Corps, United States Navy; without amendment (Rept. No. 2595). Referred to the Committee of the Whole House.

Mr. KENNEDY of Maryland: Committee on Claims. S. 3446. An act for the relief of Richard K. Gould; without amendment (Rept. No. 2596). Referred to the Committee of the Whole House.

Mr. KENNEDY of Maryland: Committee on Claims. S. 3534. An act for the relief of Christ Rieber; without amendment (Rept. No. 2597). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. McCORMACK: A bill (H. R. 10824) relating to the retroactive application of any Federal tax on the income of employees of the States and their subdivisions; to the Committee on Ways and Means.

By Mr. HAVENNER: A bill (H. R. 10825) providing for the refund of certain taxes paid by State and municipal officers and employees; to the Committee on Ways and Means.

By Mr. DIMOND: A bill (H. R. 10826) for the protection of the water supply of the city of Ketchikan, Alaska; to the Committee on the Territories.

By Mr. MEAD: A bill (H. R. 10827) providing for the place of prosecution for the offense of depositing or causing to be deposited in the mails certain matter declared by law to be unmailable; to the Committee on the Post Office and Post Roads.

By Mrs. NORTON: A bill (H. R. 10828) to require reports to the Department of Labor by contractors and subcontractors on public buildings and public works concerning employment, wages, and value of materials, and for other purposes; to the Committee on Labor.

By Mr. DORSEY: A bill (H. R. 10829) to make further provision for the abatement and refund of Federal taxes on insolvent banks, and for other purposes; to the Committee on Ways and Means.

By Mr. HILL: A bill (H. R. 10830) to prohibit further trading in commodities through the mails or by any means or instruments of interstate commerce; to the Committee on Interstate and Foreign Commerce.

By Mr. JONES: Joint resolution (H. J. Res. 705) to amend the Federal Crop Insurance Act; to the Committee on Agriculture.

By Mr. ROBSION of Kentucky: Joint resolution (H. J. Res. 706) proposing an amendment to the Constitution of the United States; to the Committee on the Judiciary.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. IZAC: A bill (H. R. 10831) to provide for the advancement on the retired list of the Navy of Clyde S. McDowell, a captain, United States Navy, retired; to the Committee on Naval Affairs.

By Mr. LUCAS: A bill (H. R. 10832) granting an increase of pension to Alice Rupert; to the Committee on Invalid Pensions.

By Mr. MOTT: A bill (H. R. 10833) for the relief of John H. Ballah; to the Committee on Military Affairs.

By Mr. MURDOCK of Arizona: A bill (H. R. 10834) for the relief of the San Francisco Mountain Scenic Boulevard Co.; to the Committee on Agriculture.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

5299. By Mr. IZAC: Petition of the Workers' Alliance of San Diego, Calif., concerning their unanimous support of President Roosevelt's recovery program of $3,000,000,000 and the creation of three and a half million jobs to prevent widespread misery, suffering, and destitution; to the Committee on Ways and Means.

5300. By Mr. MERRITT: Resolution of the East New York Vocational High School, Brooklyn, N. Y., opposing all changes in the existing laws affecting the grants of Federal aid to the States for vocational education; to the Committee on Appropriations.

HOUSE OF REPRESENTATIVES

MONDAY, JUNE 6, 1938

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

O Lord, our Lord and our Redeemer, Thou who art the strength of our life and the hope of our salvation, hear our prayer for Thy name's sake. Let Thy spirit inspire our words at the threshold of our lips. Heavenly Father, we pray for listening minds and hearts. May we know the truth and it shall make us free, rejoicing our hearts and quickening our footsteps on errands of patriotic service. We earnestly entreat Thee that we may be able to push through the strata of human differences until wise conclusions shall stand in the revealing lights of wisdom and justice. Grant that cooperation may prevail throughout our country, and may not ill will stain the calendar of our history. Lead men to the altar of devotion, where they may seek Thee and become true friends of man. As there are only two abiding realities in the universe, God and the human soul, let us hear Thy calling voice. Almighty God, mark these days with Thy merciful blessings upon our President, our Speaker, and the Congress, and Thine shall be the praise. Through Jesus Christ our Lord. Amen.

The Journal of the proceedings of Friday, June 3, 1938, was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Frazier, its legislative clerk, announced that the Senate had passed, with amendments, in which the concurrence of the House is requested, a joint resolution of the House of the following title:

H. J. Res. 679. Joint resolution making appropriations for work relief, relief, and otherwise to increase employment by providing loans and grants for public-works projects. The message also announced that the Senate insists upon its amendments to the foregoing joint resolution, requests a conference with the House thereon, and appoints Mr. ADAMS, Mr. MCKELLAR, Mr. HAYDEN, Mr. BYRNES, Mr. HALE, and Mr. TOWNSEND to be the conferees on the part of the Senate.

The message also announced that the Senate insists upon its amendments to the bill (H. R. 9721) entitled "An act authorizing the disbursement of funds appropriated for compensation of help for care of material, animals, armament, and equipment in the hands of the National Guard of the several States, Territories, and the District of Columbia, and for other purposes," disagreed to by the House; agrees to the conference asked by the House on the disagreeing votes of the two Houses thereon, and appoints Mr. JOHNSON of Colorado, Mr. LUNDEEN, and Mr. LODGE to be the conferees on the part of the Senate.

EMERGENCY RELIEF AND PUBLIC BUILDING BILL

Mr. TAYLOR of Colorado. Mr. Speaker, I ask unanimous consent to take from the Speaker's table House Joint Resolution 679, making appropriations for work relief, relief, and otherwise to increase employment by providing loans and grants for public-works projects, with Senate amendments thereto, disagree to the Senate amendments and agree to the conference requested by the Senate.

The SPEAKER. Is there objection to the request of the gentleman from Colorado?

Mr. FORD of Mississippi. Mr. Speaker, reserving the right to object, and I shall not object, may I call the attention of the membership of the House to the importance of the Senate amendment No. 74, which appropriates $212,000,000 for parity payments to farmers producing cotton, corn, wheat, tobacco, and rice. The price of agricultural products have declined so much in the last 30 days until all of the farmers of America will be on relief unless we appropriate sufficient money to pay them parity as provided by the 1938 Agricultural Act. The $212,000,000 appropriated by the Senate amendment is insufficient to provide full parity but it is a start in the right direction. It is the first time we have had a real opportunity to help the farmer offset the burdens imposed upon him by high tariffs. Mr. Speaker, I rise to ask the gentleman from Colorado if he and the other conferees will not insist on increasing the amount sufficient to insure full parity to all farmers and if he will give us an opportunity for a separate vote when the conference report is submitted.

Mr. TABER. Will the gentleman yield?

Mr. FORD of Mississippi. I yield to the gentleman.

Mr. TABER. Under the rules of the House, as I understand, we would have to bring that back for a separate vote unless the Senate receded.

Mr. WOODRUM. That is correct.

Mr. FORD of Mississippi. That is my impression of the provision of the rules of the House, but I hope the gentleman and the other conferees will not insist on the Senate receding, but that you will insist on increasing the amount to insure all farmers parity for their agricultural products.

Mr. Speaker, I withdraw my reservation of objections.

The SPEAKER. Is there objection to the request of the gentleman from Colorado?

There was no objection, and the Chair appointed the following conferees: Messrs. TAYLOR of Colorado, WOODRUM, BOYLAN of New York, CANNON of Missouri, LUDLOW, SNYDER of Pennsylvania, TABER, BACON, and WIGGLESWORTH.

EXTENSION OF REMARKS

Mr. SMITH of Washington. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD on two different subjects and to include therein a tabulated statement prepared by the Works Progress Administration.

The SPEAKER. Is there objection to the request of the gentleman from Washington?

There was no objection.

Mr. TREADWAY. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include a letter from the president of the National Association of Wool Manufacturers.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

PERMISSION TO ADDRESS THE HOUSE

Mr. REES of Kansas. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Kansas?

There was no objection.

Mr. REES of Kansas. Mr. Speaker, I have asked for unanimous consent to address the House at this time for the purpose of calling attention of the Members of Congress to the administration by the Department of Agriculture of the crop-insurance title of the Agricultural Adjustment Act of 1938.

I am advised that the Department of Agriculture has issued a regulation which provides that all wheat farmers who expect to take out crop insurance under the act after next fall—in order to have such insurance—will be compelled to comply with other features of the act.

In other words, after the 1939 crop is harvested, wheat farmers must agree to come under the soil-conservation requirements or crop-control provisions of the 1938 Agricultural Act if they expect to receive the benefits of Federal crop insurance for 1940.

I am not, for the moment, discussing the 1938 Agricultural Act as such, but do think it is unfair for the Department of Agriculture to provide and promulgate regulations and interpretations that will require wheat farmers to comply with other features of the 1938 Agricultural Act, in order to have Federal crop insurance. I do not believe such a thing was contemplated by this Congress. If the sponsors of this bill had expected that farmers were to be required to come under the compulsory features of the act in order to have Federal crop insurance, it should have been definitely stated in the bill.

The Senate passed a crop-insurance bill before the agricultural act was considered in the House or Senate. This same crop-insurance bill, with minor amendments, was recommended by the House Committee on Agriculture. After the agricultural bill passed the House and was sent to the Senate, the Senate attached the crop-insurance bill as a separate title to the Agricultural Act. It was afterward approved by the conference committee of both Houses.

The conference report was approved by both Houses. The crop-insurance title of the Agricultural Act was not debated on the floor of the House. I do not believe the Members of Congress, in voting upon the conference report, expected the crop-insurance title to be controlled or affected by any other provisions of the Agricultural Act.

The problem of crop insurance has been before Congress for some time. It has been advocated by a number of farm organizations, especially the National Grange. Even though it may be an experiment, it should be tried. I believe, as a matter of right, that every farmer who wants to take out Federal crop insurance should be permitted to do so, whether or not he participates in other features of the agricultural act.

Crop insurance does not affect the Nation's supply or demand, or surplus or shortage of crops. No farmer should be denied a right to take such Federal crop insurance if he is otherwise qualified—just because he does not choose to join a compulsory or reduction farm program.

EXTENSION OF REMARKS

Mr. TAYLOR of Colorado. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include a brief statement concerning conservation of our public domain.

The SPEAKER. Is there objection to the request of the gentleman from Colorado?

There was no objection.

PERMISSION TO ADDRESS THE HOUSE

Mr. VOORHIS. Mr. Speaker, I ask unanimous consent that on Wednesday next, after disposition of business on the Speaker's table and at the conclusion of the legislative business in order for the day, I may be permitted to address the House for 8 minutes.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

EXTENSION OF REMARKS

Mr. DIMOND. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include a letter written by myself.

The SPEAKER. Is there objection to the request of the Delegate from Alaska?

There was no objection.

PERMISSION TO ADDRESS THE HOUSE

Mr. BIGELOW. Mr. Speaker, I ask unanimous consent to proceed for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. BIGELOW. Mr. Speaker, there are weeks in dry summers when not a drop of water goes over the dams in the Ohio River. The river is a stagnant pool. The Ohio cities dump their excrement into these pools. The boats that ply back and forth stir this pollution up and the people drink it.

A bill to make a start to deal with this nauseating situation has been lying in a conference committee of our two Houses for 10 months.

I appeal for action before the adjournment of this Congress. I appeal to the Democratic floor leader of the other body, so many of whose people have to drink this water. I appeal to the Ohio Senators. I appeal to the leadership of this body. I appeal to a great New York physician who is one of the conferees from the other body.

Cincinnati needs stream purification more even than she needs flood control.

I appeal to the conferees to report out this week some bill to make a start with this legislation and leave to a later time the consideration of perfecting amendments.

Mr. FLETCHER. Mr. Speaker, I ask unanimous consent that on Wednesday next after the disposition of matters on the Speaker's table and at the conclusion of the legislative program in order for the day I may be permitted to address the House for 10 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. CRAWFORD. Mr. Speaker, I ask unanimous consent that at the conclusion of the legislative program of the day and following any special orders heretofore entered I may be permitted to address the House for not to exceed 5 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

EXTENSION OF REMARKS

Mr. TEIGAN. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include therein a brief article by W. O. Skeels, entitled "What Ails the World."

The SPEAKER. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. BURDICK. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. The gentleman already has that permission.

PERMISSION TO ADDRESS THE HOUSE

Mr. HILL. Mr. Speaker, I ask unanimous consent that on tomorrow, at the conclusion of the legislative program of the day and following any special orders previously entered, I may be permitted to address the House for 15 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Washington?

There was no objection.

EXTENSION OF REMARKS

Mr. CASE of South Dakota. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include therein an address delivered by L. J. Taber, master of the National Grange, at a conference here in Washington.

The SPEAKER. Is there objection to the request of the gentleman from South Dakota?

There was no objection.

PERMISSION TO ADDRESS THE HOUSE

Mr. LUDLOW. Mr. Speaker, I ask unanimous consent that this afternoon, following the special order just entered in behalf of the gentleman from Michigan [Mr. CRAWFORD], I may be permitted to address the House for 3 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

Mr. HOFFMAN. Mr. Speaker, I ask unanimous consent that at the conclusion of the remarks of the gentleman from Washington [Mr. HILL], on tomorrow, I may be permitted to address the House for 10 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

AN URGENT NEED OF AMERICA—AN INSTITUTE OF APPLIED BIOLOGY

Mr. FERNANDEZ. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD at this point.

The SPEAKER. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

Mr. FERNANDEZ. Mr. Speaker, Ray Tucker, national affairs columnist, correctly appraises the President's program when he states that it "begins and ends on the theme of proper use of American land and water." Much, however, hinges on the word "proper." Who is qualified to judge the propriety of this or that use?

We cannot increase the inanimate resources of the country. We can only develop new uses for them and less wasteful methods of utilization. The efficient transformation of water power into electricity has vastly extended the use of this great natural resource, and, therefore, no one can deny that it is a proper use of water unless, in order to utilize it, we destroy or deface other valuable resources.

The procreative power of living things presents a field through which vast new wealth can be created out of unused resources. It is the only medium through which many otherwise inaccessible materials can be converted into forms available to the human population.

We hear much learned discussion of the relative values of pure science and so-called practical science. Pure science needs no defense; it is fundamental. Yet pure science can be of no service to the vast majority of the human race until it is translated into applied science. In most fields of science practical applications set the pace for, or at least keep pace with, advances in theoretical research. Yet, in the biological sciences, except perhaps in the medical fields, the great bulk of the publications appearing daily present the results of theoretical work. Why do not the practical applications of biology keep pace with the rapid advances in theoretical biology?

It has become my privilege to discuss this question from time to time with two men of acquaintance, one of whom is a recognized leader in his chosen field of biological science, and, I am proud to say, one of my constituents. They are both practical-minded and have analyzed the situation very carefully and critically.

It would seem beyond question that the utilization of theoretical biological knowledge by the American people will be advanced incalculably by the creation of an institute of applied biology, and that great and irreparable loss will be inevitable during the next generation if such an organization is not brought into being. After going over their documents and plans carefully, I am convinced that nothing short of their complete proposal is commensurate with the needs and opportunities of America. Enormous sums of money which would otherwise be wasted in futile attempts to modify Nature will be saved or directed into useful and productive channels if such an institution is created.

In our discussions here of various national issues, such as crop control, rural resettlement, soil conservation, reforestation, and so forth, not one word has been said about the need for attacking these problems at the source by seeking the basic biological knowledge underlying the proper use of land and water. This, it seems to me, is a serious gap in the national program, which must be filled before permanent solution of these great yet subordinate problems can be hoped for. I feel, therefore, that I would be negligent in my duty to the American people did I not lay this matter before them in the hope that there are men in this country of broad enough vision to recognize its value and start the machinery to bring this institution into being.

At present the workers in the diverse fields of biology are scattered throughout the Nation, mostly at universities and in Government and State bureaus. Thus cooperation between these workers is difficult, and integration of their work all but impossible. The purpose of this proposal is to bring together, in a closely knit organization, scientists representing all branches of the great science of biology, both theoretical and applied; with research as the sole object instead of its being secondary to teaching as is, of necessity, the case in educational institutions, or subordinate to political expediency as is often the case in politically controlled organizations. Furthermore, the plan and organization of an educational institution precludes the possibility of its keeping under complete control and constant supervision the large areas of land and water required to be so managed in order to achieve the practical results so vital to our national welfare.

It is my firm conviction that if an organization such as the one planned had been in existence in time, what we know as the Dust Bowl would still be a great grazing area; man-caused soil erosion would have been largely prevented; and flood control would have been developed sooner and at less expense.

It is now my privilege to read a few pertinent passages from a statement of the need for and purposes of the proposed Institute of Applied Biology. The authors of this statement are Percy Viosca, Jr., and Osborn F-R. Bruce, consulting research biologists, who maintain an office at 517 Decatur Street, New Orleans, La.:

There is not a single institution in the entire world created for the purpose of organizing, conducting, and coordinating biological research over the entire field; and of integrating and synthesizing the facts and principles developed and applying them to the physiological and social betterment of the human race and to the problems of conservation and rehabilitation, stabilization of natural resource industries, and the development of new resources, new industries, and new uses for areas of land and water.

Such a program, to be successful, must be carried on by an institution in which specialists are united into an integral organization, the administration of which rests on the fundamental of coordinated cooperation.

The Institute of Applied Biology has been planned as a cooperative research institution whose governance and work will be in the hands of representatives of the major scientific disciplines, both theoretical and applied.

The purposes of the institute will be to investigate the manifold interrelationships of living organisms, including the human species, and their individual and group reactions to physiological and ecological influences; to study the laws governing these reactions; and to apply the knowledge gained for the benefit of mankind. In carrying out this program, man must be considered in his relation to all other species—to the entire complexity of ecological communities; not as a separate entity.

The institute will avoid duplication of basic research done elsewhere except when necessary for confirmation purposes. Both scattered research and that conducted by the institute will be coordinated, progressively synthesized, and translated into applied science.

In order to develop the husbandry of biotic resources to its fullest extent—make possible their effective conservation, adequate development, efficient management, and proper utilization—more must be learned about the habits, functions, and adaptations of animals and plants; a more thorough understanding must be acquired of their environmental relationships, their cycles of abundance and paucity, and the permissible "take" without danger of depletion. Such knowledge can be gained only through extensive research, which must include quantitative studies made in the field as well as under simulated natural conditions.

The husbandry of aquatic and amphibious forms of life in particular lags far behind that of land crops and domestic animals. Many species could be better utilized by mankind if their ecological predilections and community relationships were scientifically interpreted. Practical systems of management are lacking, and improved cultural varieties have been developed in relatively few species.

Nothing has been emphasized more pointedly by the depression than that guesswork must be taken out of farming. This statement applies with equal force to the husbandry of all living natural resources. Each acre must be devoted to the product for which it is best suited, whether that be an agricultural or horticultural crop, a forest, a fur-bearing animal, a species of bird, fish, or other organisms.

The wiping out of useful and beautiful natural products by deforestation, unnecessary drainage, and other detrimental procedures, their ruthless destruction in pursuit of gain and sport, and the depredations committed by self-styled Nature lovers have become Nation-wide. In many cases depletion has passed the danger point and still continues unchecked. The relatively recent attempts at conservation and restoration, on the other hand, have in most cases failed to make up the losses, the trouble being that we are groping in the dark. Even when the biological requirements of species have been given some consideration in formulating conservation laws, the results have not always been gratifying. History has shown that it is usually impossible to legislate vanishing species back to abundance.

Unless scientifically planned and adequate means for acquiring the knowledge necessary for perpetuating them is developed in the near future, many important species will disappear, as others have disappeared, or will become so scarce that they will no longer be available to science or commerce.

Conservation of the residue of a depleted species is not enough. We must create conditions favorable to each species or group of importance to man, preferably conditions which, under man's dominance, will be even more favorable than those that existed in the primitive state. Attempts to restock depleted areas without restoration or improvement of the habitat are wasted effort and money. Effective rehabilitation must be based upon just such knowledge as it will be the purpose of this institution to acquire.

For most species controlled management is the only answer to future economic utilization. It seems inevitable that in most instances wildlife will have to be raised on privately controlled areas. Each species being a law unto itself, the most practical method of culture can be determined only by large-scale experimentation with each separate species.

We know comparatively little about aquiculture and the food chains involved therein. American fish culture is cited as an example of a highly developed cultural procedure which has failed to produce economical results in terms of fish taken by anglers. With a few exceptions, our fish-culture stations are producing fry, not fishes; numbers, not pounds. Environmental factors are little understood and often less heeded in fish-stocking policies. We lack the fundamental knowledge necessary to produce fish crops that can be measured in pounds per acre per year, the only criterion of a successful step in rehabilitation. We must learn more of the proper usage of fertilizer elements in the control of food chains and of the other factors that constitute the key to successful fish husbandry. This whole field is calling for investigation and integration.

The Institute of Applied Biology will be the first organization with all the equipment of man and material needed for solving a vast number of significant problems connected with the application of the science of biology to the development of our economic and social welfare.

EXTENSION OF REMARKS

Mr. DREW of Pennsylvania. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include therein a radio address I delivered on Friday evening.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. MERRITT. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include therein a speech by the Postmaster General.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

PERMISSION TO ADDRESS THE HOUSE

Mr. MASON. Mr. Speaker, I ask unanimous consent that on Wednesday next, at the conclusion of legislative business of the day and following special orders heretofore entered, I may be permitted to address the House for 10 minutes on Uncle Sam's responsibility for education.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. SNELL. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. SNELL. Mr. Speaker, a great many times in debate during the last 2 or 3 years members of the majority have risen to ask if we wanted to return to the economic conditions of 1932 and 1933. I wish to call attention to a short article I took from the Wall Street Journal of June 4:

BARRON'S BUSINESS INDEX AT NEW LOW

Physical volume of business in week ended May 28 declined to 52.5 percent of normal from 52.9 percent in the preceding week, according to Barron's index. This compares with 87.6 percent a year ago, and the index is now back to the level of the spring of 1933.

Notwithstanding the fact you have spent $50,000,000,000 of the taxpayers' money and have increased the national debt nearly $20,000,000,000 in your merry-go-round expenditures, you are right back where you started in 1933. Notwithstanding the fact that you call 1933 the Black Friday of all times, as far as economic conditions are concerned; nevertheless, with all of your power, with all of the money you have spent in pump priming, you are back just where you started. It is a pretty sad record, and the people of the country are beginning to wake up to the situation.

Mr. FLETCHER. Mr. Speaker, I ask unanimous consent to address the House for 30 seconds.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

Mr. FLETCHER. Mr. Speaker, in reply to the rather gloomy predictions of the gentleman from New York, the distinguished minority leader [Mr. SNELL], and in reply to other gloomy apostles of hopelessness and despair, may I quote this statement of optimism from an article by Mr. Roger Babson appearing in this morning's paper. Mr. Babson is an ardent Republican of world-wide fame as one of the greatest living statisticians and financial experts, and here is what he says:

Basic conditions are now even better than in 1933. Credit reserves are today five times the 1933 level, and huge crops are in prospect. Just as "easy" money and shortage of homes are already forcing a building pick-up, so shortage of goods will sooner or later bring about another 1933 stampede in other lines.

And Henry says today that—

We are going to have the greatest era of prosperity and happiness we have ever known.

So Mr. Babson and Mr. Ford, both Republicans, do not agree with Mr. SNELL's gloomy statements.

Why not cheer up?

Mr. FORD of California. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. FORD of California. Mr. Speaker, we are informed that the wheat crop of the coming year will amount to 1,550,000,000 bushels. This is about 400,000,000 bushels larger than any crop we have ever had, even the 1915 crop, which reached 1,100,000,000 bushels. Since this announcement was made a study of the situation at the time shows that the stock market flopped.

I just want to ask this one question and have the Members of the House think about it. We were told that if we curtailed the production of farm crops we were going to ruin the country. Now we are having one of the largest crops of wheat we have ever had and the country is still going down. If, as the opposition maintains, the restriction of crops is a bad thing, how, may I ask, is the production of a surplus a good thing?

What is wrong with an economic system that makes the production of vast quantities of essential commodities detrimental to the producers of these commodities?

Certainly too much bread is not a crime. Certainly we should not have a system that makes the production of wheat, which makes bread, a catastrophe. But, my friends, that is what it amounts to.

The President has attempted to limit the production of things for the benefit of the farmer. The Republican Party has opposed this philosophy. In view of the actual facts, which philosophy do you advocate? Think that over.

[Here the gavel fell.]

EXTENSION OF REMARKS

Mr. POLK. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by including therein an open letter addressed to me under date of April 11, 1938, which was printed in the Greenfield Daily Times, of Greenfield, Ohio, of which Mr. Pat Shrock is editor.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

ORDER OF BUSINESS

Mr. RAYBURN. Mr. Speaker, I ask unanimous consent that upon the completion of the call of the Consent Calendar and such suspensions as the Speaker may recognize individual bills on the Private Calendar may be called today.

Mr. BOILEAU. Mr. Speaker, reserving the right to object, is it understood that all suspensions that will be had today will be before the calling of the Private Calendar, and there will not be any suspensions after that?

Mr. RAYBURN. I presume the Speaker is going to recognize Members to move to suspend the rules immediately after the call of the Consent Calendar; I presume that.

Mr. MAPES. Mr. Speaker, reserving the right to object, does the gentleman expect any conference reports to be brought up today?

Mr. RAYBURN. I have been notified of none.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

CONSENT CALENDAR

The SPEAKER. The Clerk will call the first bill on the Consent Calendar.

WESTERN BANDS OF THE SHOSHONE NATION OF INDIANS

The Clerk called the bill (S. 68) authorizing the Western Bands of the Shoshone Nation of Indians to sue in the Court of Claims.

Mr. TABER. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

CERTAIN INDIANS ON QUINAIELT RESERVATION, STATE OF WASHINGTON

The Clerk called the next bill, S. 1517, authorizing the payment of attorney fees contracted to be paid by certain Indians allotted on the Quinaielt Reservation, State of Washington, and for other purposes.

Mr. McLEAN. Mr. Speaker, the gentleman from Missouri [Mr. COCHRAN] is interested in this bill, as well as the two bills immediately following, and I therefore ask unanimous consent that the three bills be passed over without prejudice.

The Clerk read the title of the bill (H. R. 8502) to amend the Wisconsin Chippewa Jurisdictional Act of August 30, 1935 (49 Stat. L. 1049), and the joint resolution (H. J. Res. 438) restoring the right of appeal to the Supreme Court in certain cases involving claims of the Sioux Indians.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey that the bills be passed over without prejudice?

There was no objection.

PUBLIC SCHOOL BUILDING, MASON COUNTY, WASH.

The Clerk called the next bill, H. R. 6970, to provide funds for cooperation with school district No. 2, Mason County, State of Washington, in the construction of a public-school building to be available to both white and Indian children.

The SPEAKER. Is there objection to the present consideration of the bill?

There was no objection.

Mr. SMITH of Washington. Mr. Speaker, I ask unanimous consent that an identical Senate bill (S. 2368) may be considered in lieu of the House bill.

There being no objection, the Clerk read the Senate bill, as follows:

Be it enacted, etc., That there is hereby authorized to be appropriated, out of any funds in the Treasury not otherwise appropriated, the sum of $25,000 for the purpose of cooperating with school district No. 2, Mason County, State of Washington, for the construction and equipment of a public school building at Lower Skokomish, State of Washington: *Provided*, That said school shall be conducted for both white and Indian children without discrimination, and that the cost of education of white children shall be defrayed by the State and local public school authorities, in accordance with such agreement or agreements as may be made between the Secretary of the Interior and State or local officials, and any and all sums of money obtained by reason of such agreement or agreements shall be available for reexpenditure for support and maintenance of said school.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

A House bill (H. R. 6970) was laid on the table.

CLAIMS OF CERTAIN GRAIN ELEVATORS AND GRAIN FIRMS

The Clerk called the next joint resolution (H. J. Res. 421) authorizing and directing the Comptroller General of the United States to certify for payment certain claims of grain elevators and grain firms to cover insurance and interest on wheat during the years 1919 and 1920 as per a certain contract authorized by the President.

Mr. TABER. Mr. Speaker, I ask unanimous consent that the joint resolution be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

APPOINTMENT OF POSTMASTERS

The Clerk called the next bill, H. R. 8037, to amend the law relating to appointment of postmasters.

Mr. CHURCH. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

SEMINOLE NATION OR TRIBE OF INDIANS

The Clerk called the next bill, H. R. 7271, authorizing the District Court of the United States for the Eastern District of Oklahoma to hear and determine certain claims of the Seminole Nation or Tribe of Indians.

Mr. CHURCH. Mr. Speaker, I object.

DESTRUCTION OF CROPS BY HAIL STORMS

The Clerk called Senate Joint Resolution 201, for the relief of certain persons conducting farming operations whose crops were destroyed by hail storms.

Mr. CHURCH, Mr. TABER, and Mr. McLEAN objected, and the bill was stricken from the calendar.

COMPOSITION OF UNITED STATES NAVY

The Clerk called the bill (H. R. 7777) to further amend section 3 of the act entitled "An act to establish the composition of the United States Navy with respect to the categories of vessels limited by the treaties signed at Washington, February 6, 1922, and at London, April 22, 1930, at the limit prescribed by those treaties; to authorize the construction of certain naval vessels; and for other purposes," approved March 27, 1934 (48 Stat. 505), as amended by the act of June 25, 1936 (49 Stat. 1926; 34 U. S. C., sec. 496).

The SPEAKER. Is there objection?

Mr. McFARLANE, Mr. OLIVER, and Mr. GARRETT objected, and the bill was stricken from the calendar.

DELAWARE INDIANS

The Clerk called the bill (S. 2326) to amend the act, as amended, entitled "An act to refer the claims of the Delaware Indians to the Court of Claims, with the right of appeal to the Supreme Court of the United States," approved February 7, 1925.

Mr. CHURCH. Mr. Speaker, I ask unanimous consent that the bill go over without prejudice in the absence of the gentleman from Missouri [Mr. COCHRAN].

The SPEAKER. Is there objection?

There was no objection.

CHOCTAW INDIANS, MISSISSIPPI

The Clerk called the bill (S. 1478) conferring jurisdiction on the Court of Claims to hear and determine the claims of the Choctaw Indians of the State of Mississippi.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Court of Claims be, and it is hereby, authorized and directed to hear and determine all claims against the United States of the Choctaw Indians of the State of Mississippi based upon the provisions of any treaty or agreement with or statute of the United States, or upon the failure of the United States to recognize or fairly and adequately to provide for the settlement of any interest, vested or contingent, of the aforesaid Choctaw Indians in administering or liquidating the assets or property of the Choctaw Nation and allotting in severalty the lands of said nation and distributing its property to the individual citizens of said nation enrolled on its final approved citizenship rolls, or for indemnification to the extent of the aggregate average value of the interest in any lands lost by them, as to which they shall be entitled to recover if the said court shall find that, by treaty provisions or by acts of Congress, they would have been entitled to share therein upon identification and removal to and residence in the Choctaw Nation, and that the performance of any of these necessary conditions prior to the final closing of the citizenship rolls was prevented by the United States or by its officers or agents by their neglect, misrepresentation, failure to provide adequate or timely aid in removal after advising them against or obstructing private aid in their removal and the giving of assurances that the Government would so provide for their removal, disapproval of a general roll of identification embracing more than 500 of the present claimants without consideration of the merits of their application for identification, failure to exercise reasonable diligence to give actual notice to many of said Indians of the limitations placed by Congress upon the exercise of their treaty rights,

or by any other acts, conduct, or omissions not consistent with the rules of fair and honorable dealing with Indians under the circumstances and conditions then existing: *Provided, however,* That the jurisdiction conferred by this act shall not extend to or embrace any claim or claims of any nature against the Choctaw Nation of Indians in Oklahoma, but solely to claims against the United States asserted by those Indians hereby authorized to sue, and no sum or sums recovered in any action hereby authorized or sums appropriated in payment or settlement thereof shall ever be the subject of a charge against or claim for reimbursement out of any of the property or funds of the said Choctaw Nation of Indians in Oklahoma, directly or indirectly or as a set-off or counterclaim against any claim or demand of said nation against the United States now or hereafter asserted whether said claim or demand be of a legal or equitable nature, or for a gratuity.

SEC. 2. That for the purposes of the action to be brought in said Court of Claims under the provisions of this act, the said Indians are hereby recognized as having the status of a separate band with authority in their representatives to employ counsel and to execute and file a petition or petitions setting forth their claims, and to prosecute said suit or suits to a final determination: *Provided, however,* That any question which may arise, or objection which may be made, as to the representative character of the organization so acting on behalf of said Choctaw Indians of the State of Mississippi, shall be heard and adjudicated by the said Court of Claims in the suit or suits hereby authorized to be brought.

SEC. 3. That any petition or petitions filed in the said Court of Claims under the provisions of this act shall be submitted to said court within 2 years from the date of this act, and said cause or causes shall thereupon be proceeded with in accordance with the law and practice of said court, and any claims not so presented within the said period of 2 years shall be thereafter forever barred: *Provided, however,* That, should the Court of Claims find that a petition so presented within said time is not presented by persons fairly representative of the said Indians, said court shall have the authority to permit amendments thereafter bringing proper parties before the court.

SEC. 4. That the hearing and adjudication of said claims shall be governed by equitable principles and shall fairly and finally determine the merits of the claims of said Indians and the obligations of the United States to them in administering the affairs of Indians subject to the guardianship and authority of the United States, in accordance with the customary action and precedents in the conduct of the estates of incompetent Indians, if the court shall find that said Mississippi Choctaw Indians were in fact as a group incompetent to manage their own affairs.

SEC. 5. That the amount of any judgment rendered in said cause when appropriated shall be set aside as a special fund to be paid or disbursed only upon such terms and conditions as Congress may by its subsequent legislation direct: *Provided, however,* That in entering its final judgment in said cause the Court of Claims shall hear and determine the amount, not to exceed 10 percent of the amount of any final award, which on a quantum meruit basis it shall find to be a reasonable compensation for the respective services and expenses of James E. Arnold as the representative, and of William E. Richardson and Thomas E. Rhodes as attorneys for said Indians, heretofore rendered or which may hereafter be rendered in the suit authorized by the provisions of this act, and shall as a part of said judgment award so much thereof as may be necessary to pay said compensation and reimbursement upon the basis herein directed to such person or persons, respectively, as the said court may find entitled thereto.

SEC. 6. That said court shall have further jurisdiction to hear and determine any counterclaims or counterdemands on the part of the United States against the said Choctaw Indians of Mississippi upon the said basis of equity and justice as directed in respect to the adjudication of all matters under the authority of this act.

SEC. 7. That either party aggrieved by any final decision of the said Court of Claims in said cause shall have the right to appeal such final decision to the Supreme Court of the United States as provided by law in respect to appeals from the Court of Claims to said Supreme Court: *Provided* That the question of the validity of the claim or claims of said Choctaw Indians against the United States or any counterclaims or demands of the United States against said Indians the appellate jurisdiction of said Supreme Court of the United States is hereby expressly extended to the hearing and determination of an appeal by or on behalf of said Choctaw Indians or the United States.

SEC. 8. That for the purpose of this act the term "Choctaws of the State of Mississippi" shall include only those persons who on July 1, 1902, were residents in the States of Mississippi, Alabama, and Louisiana, having not less than one-eighth Choctaw Indian blood, and their descendants, and such persons as were thereafter identified on any approved roll of Mississippi Choctaws and their descendants, and shall not include any persons who were enrolled on the final citizenship rolls of the Choctaw Nation in Oklahoma.

With the following committee amendment:

Page 5, line 10, strike out "James E. Arnold" and insert "J. A. Riddell."

The committee amendment was agreed to; and the bill as amended was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

FURNISHING INFORMATION CONCERNING RAILROAD ACCIDENTS

The Clerk called the bill (H. R. 10296) to amend an act entitled "An act relating to the liability of common carriers by railroad to their employees in certain cases," approved April 22, 1908, as amended (U. S. C., title 45, ch. 2).

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the act entitled "An act relating to the liability of common carriers by railroad to their employees in certain cases," approved April 22, 1908, as amended (U. S. C., title 45, ch. 2), be, and it is hereby, amended by adding an additional section thereto as follows:

"SEC. 10. Any contract, rule, regulation, or device whatsoever, the purpose, intent, or effect of which shall be to prevent employees of any common carrier from furnishing voluntarily information to a person in interest as to the facts incident to the injury or death of any employee, shall be void, and whoever, by threat, intimidation, order, rule, contract, regulation, or device whatsoever, shall attempt to prevent any person from furnishing voluntarily such information to a person in interest, or whoever discharges or otherwise disciplines or attempts to discipline any employee for furnishing voluntarily such information to a person in interest, shall, upon conviction thereof, be punished by a fine of not more than $1,000 or imprisoned for not more than 1 year, or by both such fine and imprisonment, for each offense."

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

PURCHASE OF BLIND-MADE PRODUCTS

The Clerk called the bill (S. 2819) to create a committee on purchases on blind-made products, and for other purposes.

Mr. TABER. Mr. Speaker, I ask unanimous consent that the bill go over without prejudice.

The SPEAKER. Is there objection?

There was no objection.

LONGEVITY PAY OF WARRANT OFFICERS

The Clerk called the bill (H. R. 3618) to reestablish the longevity pay of warrant officers.

The SPEAKER. Is there objection?

Mr. TABER. Mr. Speaker, I reserve the right to object. Will someone please explain this bill. As I understand it this bill would cost about $900,000 a year.

Mr. EDMISTON. Mr. Speaker, it would cost $748,000.

Mr. TABER. That is, it increases the pay of the warrant officers $748,000 a year?

Mr. EDMISTON. Yes; and puts them on a par with warrant officers in the Navy and the Marine Corps.

Mr. TABER. Personally I think a bill of that importance ought to come out other than on the Unanimous Consent Calendar. I ask that the bill go over without prejudice.

Mr. EDMISTON. Mr. Speaker, the gentleman made the same request 2 weeks ago, and I did not object, because he asked for time to study the bill.

Mr. TABER. I have studied it, and with the explanation that the gentleman has given, in connection with the study, I feel that the bill ought not to be on the Consent Calendar.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. TABER. I object.

Mr. RICH. I object.

MEMORIAL TO MEMORY OF NEWTON D. BAKER

The Clerk called House Joint Resolution 656, to provide for the erection of a memorial to the memory of Newton D. Baker.

Mr. RICH, Mr. TREADWAY, and Mr. TABER objected and the bill was stricken from the Calendar.

CAPE FEAR RIVER

The Clerk called the bill (H. R. 10464) to amend the Inland Waterways Corporation Act, approved June 3, 1924, as amended, authorizing the Secretary of War to extend the services and operations of the Inland Waterways Corporation to the Cape Fear River and connecting waterways.

The SPEAKER. Is there objection?

Mr. CHURCH. Mr. Speaker, I object.

Mr. RICH. Mr. Speaker, I object.

FOREIGN COMMERCE SERVICE OF THE UNITED STATES

The Clerk called the next bill, S. 988, to amend an act entitled "An act to establish in the Bureau of Foreign and

Domestic Commerce of the Department of Commerce a Foreign Commerce Service of the United States, and for other purposes," approved March 3, 1927, as amended.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. McREYNOLDS. Mr. Speaker, I object.

AMENDMENT OF SECURITIES EXCHANGE ACT

The Clerk called the next bill, S. 3255, to provide for the establishment of a mechanism of regulation among over-the-counter brokers and dealers operating in interstate and foreign commerce or through the mails, to prevent acts and practices inconsistent with just and equitable principles of trade, and for other purposes.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. HOLMES, Mr. GIFFORD, and Mr. CHURCH objected.

EXTENSION OF FOREIGN AIR-MAIL CONTRACTS

The Clerk called House Joint Resolution 650, to authorize the extension of existing foreign air-mail contracts for a period not exceeding 1 year in each case.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. RICH. Mr. Speaker, I ask unanimous consent that the bill go over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

ABSAROKA AND GALLATIN NATIONAL FORESTS

The Clerk called the next bill, H. R. 4548, to repeal the proviso of, and amend, the act of May 18, 1928 (ch. 626, 45 Stat. 603), making additions to the Absaroka and Gallatin National Forests and improving and extending the winter-feed facilities of the elk, antelope, and other game animals of Yellowstone National Park and adjacent land, and for other purposes.

Mr. RICH. Mr. Speaker, reserving the right to object, I would like someone to explain how much land this is going to take in and what it is going to cost.

Mr. Speaker, there is nobody here to explain the bill; I ask unanimous consent that the bill may go over without prejudice.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

RECONCENTRATION OF COTTON

The Clerk called the next bill, S. 3836, relating to the manner of securing written consent for the reconcentration of cotton under section 383 (b) of the Agricultural Adjustment Act of 1938.

Mr. TABER. Mr. Speaker, reserving the right to object, will the gentleman from Texas [Mr. JONES] explain the bill briefly.

Mr. JONES. This bill has reference to cotton on which there is a loan by the Commodity Credit Corporation.

Mr. RICH. What does the bill do?

Mr. JONES. It forbids the reconcentration at terminal warehouses of the cotton that is in local warehouses without the consent of the owner of the cotton. I propose to offer an amendment which broadens that and safeguards the interests of the Government as well as the proper rights of all warehouses, both local and terminal.

Mr. TABER. What is the object of that?

Mr. JONES. That is to keep them from taking cotton that is in a local warehouse to a point several hundred miles from where the owner is and hold the cotton down there, where it may be sold without being anywhere in the neighborhood of the owner of the cotton and where in order for the local people to have a chance to bid on it the bale must be opened and a sample of the cotton sent back.

Mr. TABER. They have a lot of cotton that is 4 years old; they have cotton that is subject to these liens. It would seem as if the Government ought to have the right to handle that sometime. Is there any limit on the time?

Mr. JONES. This does not interfere with the Government's handling the cotton according to all of the rights which the Government has in the cotton. This does not have anything to do with disposition of the cotton the Government has.

Mr. FULMER. Mr. Speaker, will the gentleman yield?

Mr. JONES. I yield.

Mr. FULMER. This does not have anything to do with the cotton that is in the possession of the Government. This applies only to the small farmers' cotton located in the local warehouses.

Mr. JONES. That is right.

Mr. FULMER. And until it passes into the hands of the Government. Then they can do just what they please with it.

The SPEAKER. Is there objection to the present consideration of the bill?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That in the administration of section 383 (b) of the Agricultural Adjustment Act of 1938 the written consent of the producer or borrower to the reconcentration of any cotton held as security for any loan heretofore or hereafter made or arranged for by the Commodity Credit Corporation shall not be deemed to have been given unless such consent shall have been given in an instrument made solely for that purpose. Notwithstanding any provision of any loan agreement heretofore made, no cotton held under any such agreement as security for any such loan shall be moved from one warehouse to another unless the written consent of the producer or borrower shall have been obtained in a separate instrument given solely for that purpose, as required by this act. The giving of written consent for the reconcentration of cotton shall not be made a condition upon the making of any loan hereafter made or arranged for by the Commodity Credit Corporation.

With the following committee amendment:

Page 2, line 10, after the word "Corporation", add the following: "*Provided, however*, That in cases where there is congestion and lack of storage facilities, and the local warehouse certifies such fact and requests the Commodity Credit Corporation to move the cotton for reconcentration to some other point, such written consent as provided in this amendment need not be obtained."

Mr. JONES. Mr. Speaker, I offer an amendment to the committee amendment.

The Clerk read as follows:

Amendment offered by Mr. JONES: Page 2, line 10, after the word "Corporation", strike out the remainder of the paragraph and insert the following: "*Provided, however*, That in cases where there is congestion and lack of storage facilities, and the local warehouse certifies such fact and requests the Commodity Credit Corporation to move the cotton for reconcentration to some other point, or when the Commodity Credit Corporation determines such loan cotton is improperly warehoused and subject to damage, or if uninsured, or if any of the terms of the loan agreement are violated, or if carrying charges are substantially in excess of the average of carrying charges available elsewhere, and the local warehouse, having notice, declines to reduce such charges, such written consent as provided in this amendment need not be obtained; and consent to movement under any of the conditions of this proviso may be required in future loan agreements."

The amendment to the committee amendment was agreed to.

The committee amendment was agreed to.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

INCREASE OF ENLISTED STRENGTH OF AIR CORPS OF REGULAR ARMY

The Clerk called the next bill, H. R. 10189, to provide more effectively for the national defense by increasing the authorized enlisted strength of the Air Corps of the Regular Army.

Mr. MARTIN of Massachusetts. Mr. Speaker, reserving the right to object, I would like to have this bill explained. How much of an increase is authorized by it?

Mr. HARTER. This would authorize an increase from 18,000 to 21,500. The present authorized enlisted strength of the Air Corps was fixed at 18,000 men when there was an authorization of 1,800 planes for the Army Air Corps. This has been raised by 2,320 planes and if we are going to put the new planes which we are obtaining from month to month into commission we will have to have an additional enlisted personnel. I understand the Army appropriation bill for next year carries money for an additional 3,000 men and that the increase for the fiscal year of 1939 will mean a transfer of 3,000 additional enlisted men to the Army Air Corps. This is not an increase in the total authorized strength of the Army, which is fixed at 165,000 men, but

means that 3,000 additional enlisted personnel will be assigned to Air Corps duty.

Mr. MARTIN of Massachusetts. This is an authorization that has been agreed to by the War Department?

Mr. HARTER. Yes; it has been introduced at the request of the War Department.

The SPEAKER. Is there objection to the present consideration of the bill?

There was no objection.

Mr. HARTER. Mr. Speaker, I ask unanimous consent that the bill S. 3822, which accomplishes the same purpose, may be substituted for the House bill.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There being no objection, the Clerk read the Senate bill, as follows:

Be it enacted, etc., That section 13a of the act approved June 3, 1916, as amended by the act approved July 2, 1926 (44 Stat. 780), be, and the same is hereby, amended by striking out the words "sixteen thousand" in line 5 and inserting in lieu thereof the words "twenty-one thousand five hundred."

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

A House bill (H. R. 10189) was laid on the table.

EXEMPTION FROM CANCELATION OF CERTAIN DESERT-LAND ENTRIES IN RIVERSIDE COUNTY, CALIF.

The Clerk called the next bill, H. R. 6591, to exempt from cancelation certain desert-land entries in Riverside County, Calif.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. McLEAN. Mr. Speaker, reserving the right to object, this bill has been objected to by the Department of the Interior. There is an adverse report on it.

Mr. SHEPPARD. Mr. Speaker, there are about 800 involved in these desert-land entries who will come under the metropolitan water area if they can get an extension of time to prove this land up. They may then come under it and be protected. In other words, they have already spent something like $600,000. The Government has a chance to get an additional $600,000 and there is every reason in the world why this extension should be granted to them. It does not cost the Government a single cent of money. It is simply a matter of waiver of time, that is all.

Mr. McLEAN. Does the gentleman think this bill ought to be passed, notwithstanding the adverse report of the Department?

Mr. SHEPPARD. Yes; I do. This bill was considered by the Committee on the Public Lands and was favorably reported by that committee.

The SPEAKER. Is there objection to the present consideration of the bill?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That no desert-land entry made in good faith prior to June 7, 1912, under the public-land laws for lands and water in townships 4 and 5 south, range 15 east; townships 4 and 5 south, range 16 east; townships 4, 5, and 6 south, range 17 east; townships 5, 6, and 7 south, range 18 east; townships 6 and 7 south, range 19 east; townships 6 and 7 south, range 20 east; townships 4, 5, 6, 7, and 8 south, range 21 east; townships 5, 6, and sections 3, 4, 5, 6, 7, 8, 18, and 19, township 7 south, range 22 east; township 5 south, range 23 east, San Bernardino meridian, in Riverside County, State of California, shall be canceled prior to May 1, 1940, because of failure on the part of the entrymen to make any annual or final proof falling due upon any such entry prior to said date. The requirements of law as to annual assessments and final proof shall become operative from said date as though no suspension had been made. If the said entrymen are unable to procure water to irrigate the said lands above described through no fault of theirs, after using due diligence, or the legal questions as to their right to divert or impound water for the irrigation of said lands are still pending and undetermined by said May 1, 1940, the Secretary of the Interior is hereby authorized to grant a further extension for an additional period of not exceeding 5 years.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

EIGHTH AMERICAN SCIENTIFIC CONGRESS, 1940

The Clerk called the joint resolution (S. J. Res. 289) to provide that the United States extend an invitation to the governments of the American Republics, members of the Pan American Union, to hold the Eighth American Scientific Congress in the United States in 1940 on the occasion of the fiftieth anniversary of the founding of the Pan American Union; to invite these Governments to participate in the proposed Congress; and to authorize an appropriation for the expenses thereof.

There being no objection, the Clerk read the Senate joint resolution, as follows:

Resolved, etc., That the President be, and is hereby, authorized and requested to invite the governments of the American Republics, members of the Pan American Union, to hold the Eighth American Scientific Congress in the United States in 1940 on the occasion of the fiftieth anniversary of the founding of the Pan American Union, and to invite these Governments to participate in that Congress.

SEC. 2. That the sum of $90,000, or so much thereof as may be necessary, is hereby authorized to be appropriated for the expenses of organizing and holding the Eighth American Scientific Congress, including personal services in the District of Columbia and elsewhere, without regard to the Classification Act of 1923, as amended; communication services; stenographic reporting, translating, and other services by contract if deemed necessary, without regard to section 3709 of the Revised Statutes (U. S. C., title 41, sec. 5); travel expenses; local transportation; hire of motor-propelled passenger-carrying vehicles; transportation of things; rent in the District of Columbia and elsewhere; printing and binding; entertainment; official cards; purchase of newspapers, periodicals, books, and documents; stationery, membership badges; and such other expenses as may be actually and necessarily incurred by the Government of the United States by reason of observance of appropriate courtesies in connection therewith, and such other expenses as may be authorized by the Secretary of State, including the reimbursement of other appropriations from which payments have been made for any of the purposes herein specified.

The Senate joint resolution was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

OVERTIME AND NIGHT-WORK PAY FOR POSTAL EMPLOYEES

The Clerk called the next bill, H. R. 2691, to adjust the basis of compensation for overtime services of certain employees in the Postal Service, and for other purposes.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. TABER. Mr. Speaker, reserving the right to object, may we have someone explain this bill?

Mr. SWEENEY. Mr. Speaker, by direction of the Committee on the Post Office and Post Roads I may make this statement to the gentleman. The bill was considered by the committee and has the unanimous support of the entire committee. It seeks to correct a situation that was brought about by virtue of the 5-day, 40-hour-week law in the Postal Service. The computation of overtime and night work is based upon the 306 work-day year. When the 40-hour-a-week bill became effective, that was reduced to 254 work-days. To justify the difference the committee believes in all fairness that overtime should be computed on the basis of 254 working days in the year and not under the old, obsolete system of 305 working days.

Mr. TABER. Will this increase the amount of overtime which the Government has to pay?

Mr. SWEENEY. The estimate is about $1,321,000.

Mr. MEAD. Will the gentleman yield?

Mr. SWEENEY. I yield to the gentleman from New York.

Mr. MEAD. This should result in reducing the amount of overtime that is now being paid to regulars and delegating the work to the substitutes, whose pay is much smaller than that of the regulars. That is one of the objects the committee had in mind in recommending this bill. It will make it more attractive to give this work to the substitute workers and will result in a saving rather than an increase in the cost.

Mr. RICH. How are you going to bring about any saving when you will increase the salaries?

Mr. MEAD. The substitutes receive 65 cents an hour while the regulars receive 85 cents and 90 cents an hour. We feel that the passage of this bill will make it more attractive for the postmaster to employ the substitutes rather than work the regulars overtime. It is all a matter of administration and will not cost any more in the long run. If the postmaster gives all the work to the regulars, he is not treating the substitutes fairly. If he gives the work to the substitutes, he is actually saving money.

Mr. RICH. There may be some merit to that. There is only one thing I cannot understand. The Post Office Department is being operated today under a 3-cent postage with a deficit of $88,000,000 a year. How in the world is Mr. Farley, you, and a few more people who are operating this Department with a deficit of $100,000,000 going to save money for the Government? We will never get back to the 2-cent postage as long as this administration continues adding to the expenses of the Department the way you have been doing in connection with all this legislation you are agreeing to.

Mr. MEAD. Of course, I know the gentleman realizes that Mr. Farley is one of the best Postmasters General we have ever had, but the gentleman just does not want to say so on the floor of the House.

Mr. RICH. If you call the way Mr. Farley runs around the country looking after the Democratic administration being a good Postmaster General, then I would say he ranks No. 1, because all he is doing is going out over the country and making speeches, which some Member of the House then wants to place in the RECORD, and the first thing we know, we are filling up the RECORD with political speeches for the New Deal by Mr. Farley, who is supposed to be Postmaster General. If Mr. Farley were only a sound Jeffersonian Democrat it would not make so much difference, but when you have a new dealer out trying to wreck the country, it is almost more than we can stand, and you ought to stop it.

Mr. MEAD. But they are all good speeches, made by a good Postmaster General.

The SPEAKER. Is there objection to the present consideration of the bill?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the third and fourth provisos in the second paragraph of section 4 of the act of Congress approved February 28, 1925 (U. S. C., 1934 ed., title 39, sec. 117) (relating to overtime service of clerks and laborers in first- and second-class post offices and carriers in the City Delivery Service and compensation for such overtime), are hereby amended to read as follows:

"*Provided further*, That in cases of emergency or, if the needs of the service require, special clerks and clerks in first- and second-class post offices, laborers in the Postal Service, carriers in the City Delivery Service, special mechanics, general mechanics, mechanics' helpers, driver-mechanics, and garagemen-drivers in the Motor Veehicle Service, and railway postal clerks assigned to terminal railway post offices and transfer offices, can be required to work in excess of 8 hours per day, and for such overtime service they shall be paid on the basis of the annual pay received by such employees: *Provided further*, That in computing the compensation for such overtime and night-differential pay the annual salary or compensation for such employees shall be divided by 254, the number of working days in the year less all Sundays, Saturdays, and legal holidays enumerated in the acts of July 28, 1916, and August 14, 1935; the quotient thus obtained will be the daily compensation which, divided by eight, would give the hourly compensation for such overtime and night service: *Provided further*, That when a holiday and Saturday run concurrently such employees shall not be deprived of the benefit of either day."

With the following committee amendment:

Page 1, beginning in line 10, strike out the rèmainder of the bill, ending in line 19 on page 2, and insert the following:

"*Provided further*, That in cases of emergency, or if the needs of the service require, and it is not practicable to employ substitutes, (1) special clerks and clerks in first- and second-class post offices; (2) watchmen, messengers, and laborers in first- and second-class post offices, and at the Stamped Envelope Agency, Dayton, Ohio; (3) carriers in the City and in the Village Delivery Service; (4) special mechanics, general mechanics, mechanics' helpers, driver-mechanics, and garagemen-drivers in the Motor Vehicle Service; and (5) railway postal clerks assigned to terminal railway post offices, transfer offices, offices of chief clerks, or offices of superintendents, and watchmen, messengers, and laborers in the Railway Mail Service, can be required to work in excess of 8 hours per day, and for such overtime service they shall be paid on the basis of the annual pay received by such employees: *And provided further*, That in computing the compensation for such overtime and night-differential pay the annual salary or compensation for such employees shall be divided by 254, the number of working days in the year less all Sundays, Saturdays, and legal holidays enumerated in the acts of July 28, 1916, and August 14, 1935; the quotient thus obtained will be the daily compensation which divided by eight will give the hourly compensation for such overtime and night service: *And provided further*, That when a holiday and Saturday run concurrently such employees shall not be deprived of the benefit of either day."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

AMENDMENT OF THE MERCHANT MARINE ACT OF 1936

The Clerk called the next bill, H. R. 9811, to amend the Merchant Marine Act, 1936, and for other purposes.

Mr. MARTIN of Massachusetts. Reserving the right to object, Mr. Speaker, will the gentleman from Virginia kindly tell us the effect of this amendment to the Merchant Marine Act of 1936?

Mr. BLAND. Under the present Merchant Marine Act, in the event of war the President has the authority to take over ships documented under the United States, but the gentleman knows that at the present time declarations of war are not made, and this is to prepare for an emergency in the event one should arise. This is a measure the Navy Department has urged for some time. The bill under consideration would in effect amend the provisions of existing law, providing only for termination of charters and requisitioning of vessels during a national emergency. The extension of the period during which ships may be requisitioned is intended to cover a possible period of strained relations which may precede the actual proclamation of an emergency.

Mr. MARTIN of Massachusetts. How would we know when the emergency occurred?

Mr. BLAND. Under the bill as amended by the House committee the President proclaims the emergency.

Mr. CHURCH. Mr. Speaker, I ask unanimous consent that this bill may be passed over without prejudice.

Mr. BLAND. Mr. Speaker, I hope the gentleman will not urge his request, because the bill is considered a most important one from a national-defense viewpoint.

Mr. CHURCH. Mr. Speaker, I realize that, but the wording of the report seems a little confused. I believe this bill ought to receive more consideration than we can give it during the consideration of bills on the Consent Calendar, and that is the spirit in which I make this request.

Mr. BLAND. Mr. Speaker, I must object to the request that the bill be passed over.

Mr. CHURCH. Then I object to the consideration of the bill, Mr. Speaker.

SHOSHONE OR BANNOCK INDIANS, FORT HALL INDIAN RESERVATION, IDAHO

The Clerk called the next bill, S. 2253, conferring jurisdiction upon the Court of Claims to hear, examine, adjudicate, and render final judgment on any and all claims of whatsoever nature, which the Shoshone or Bannock Indians living on the Fort Hall Indian Reservation, in the State of Idaho, or any tribe or band thereof, may have against the United States, and for other purposes.

Mr. O'MALLEY. Mr. Speaker, I object.

Mr. PIERCE. Mr. Speaker, will the gentleman withhold his objection?

Mr. O'MALLEY. I withhold the objection, Mr. Speaker, but I may say to the gentleman that in the committee I served notice I would object to the consideration of this bill until the two conflicting groups of Indian lawyers got together upon it. However, I will withhold my objection while the gentleman explains the bill.

Mr. PIERCE. Mr. Speaker, neither of our colleagues from Idaho is on the floor. This is a bill pertaining to the jurisdiction of claims of certain Indian tribes in Idaho. I hope the gentleman will not object to the consideration of the bill.

Mr. O'MALLEY. I may say to the gentleman there are tribes which claim they should be included in this suit, but are not included. The committee acted upon this bill in one morning. If this bill passes these other Indians will be excluded or forced to file a separate suit. There are enough of these suits in the Court of Claims now.

Mr. PIERCE. The suit is already pending in the Court of Claims. This bill is simply to allow the other tribes to intervene.

Mr. O'MALLEY. There are other Indians who say they are not represented. The gentleman is one Member of the House I should like to accommodate, but I cannot do it upon this measure.

Mr. PIERCE. If the gentleman is set in his decision, that is all there is to say.

Mr. O'MALLEY. There is no one I would sooner accommodate than the gentleman from Oregon.

Mr. CHURCH. Mr. Speaker, I ask unanimous consent that this bill may be passed over without prejudice, in the absence of the author of the bill.

Mr. O'MALLEY. Reserving the right to object, Mr. Speaker, this is a committee bill, as I understand.

Mr. PIERCE. This is a Senate bill.

Mr. O'MALLEY. I see no record of authorship on the bill, so I cannot understand the gentleman's statement, "in the absence of the author of the bill."

Mr. CHURCH. The gentleman from Idaho [Mr. CLARK] is not here, and he is interested in this bill. Therefore I ask unanimous consent that the bill may be passed over without prejudice.

Mr. O'MALLEY. I object, Mr. Speaker.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. O'MALLEY. I object, Mr. Speaker.

CHIPPEWA INDIANS OF MINNESOTA

The Clerk called the next bill, H. R. 9442, authorizing the Secretary of the Treasury to transfer on the books of the Treasury Department to the credit of the Chippewa Indians of Minnesota the proceeds of a certain judgment erroneously deposited in the Treasury of the United States as public money.

The SPEAKER. Is there objection to the present consideration of the bill?

There was no objection.

Mr. COSTELLO. Mr. Speaker, I ask unanimous consent that a similar Senate bill (S. 3849) may be considered in lieu of the House bill.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to credit as of July 12, 1902, the permanent fund of the Chippewa Indians of Minnesota arising under the act of January 14, 1889 (25 Stat. L. 642), and the agreements made thereunder, with the sum of $59,401.04, being the value of the timber at the time of conversion as awarded in that certain judgment entered in the Circuit Court of the United States for the District of Minnesota pursuant to the mandate of the Supreme Court of the United States in the case entitled *"Pine River Logging & Improvement Co. and Others* v. *United States"* (186 U. S. 279), and which judgment was erroneously deposited July 12, 1902, in the Treasury of the United States as public money and to credit the interest fund of said Indians with interest thereon from July 12, 1902, at the rate provided in said act of January 14, 1889, and agreements made thereunder, to the date said credit is given, together with the sum of $39,284.76, being the amount of interest collected by the United States in said action.

SEC. 2. That the Secretary of the Interior be, and he is hereby, authorized to determine just and proper compensation to the respective attorneys representing the Chippewa Indians of Minnesota, under contracts approved pursuant to section 2103 of the Revised Statutes of the United States, in the prosecution of their claims against the United States for services rendered in the prosecution of said claim, said compensation to be based upon the nature, extent, character, and value of the services rendered and moneys expended, and to pay such amounts, if any, not exceeding 10 percent of the amount recovered, as he may find said attorneys to be entitled to receive, out of the trust funds standing to the credit of the Chippewa Indians of Minnesota.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

A House bill (H. R. 9442) was laid on the table.

CAIRO BRIDGE COMMISSION

The Clerk called the next bill, H. R. 9287, to authorize the Cairo Bridge Commission, or the successors of said commission, to acquire by purchase, and to improve, maintain, and operate a toll bridge across the Mississippi River at or near Cairo, Ill.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That in order to facilitate interstate commerce, improve the postal service, and more adequately provide for military and other purposes, and to secure to the public the use of the hereinafter described bridge free of tolls as promptly as possible, the Cairo Bridge Commission (hereinafter sometimes called the commission), a body corporate and politic created by an act of Congress approved April 13, 1934, and its successors and assigns, be, and are hereby, authorized to acquire by purchase and thereafter to repair, reconstruct, rebuild, enlarge, renew, or replace in accordance with the provisions of the act entitled "An act to regulate the construction of bridges over navigable waters," approved March 23, 1906, the existing bridge across the Mississippi River at or near Cairo, Ill., and the approaches thereto, which was duly constructed in accordance with the provisions of the act entitled "An act granting the consent of Congress to the Cairo Bridge & Terminal Co., to construct, maintain, and operate bridges across the Mississippi and Ohio Rivers at Cairo, Ill." approved April 2, 1926, and to maintain and operate said existing bridge subject to the conditions and limitations contained in this act.

SEC. 2. The commission and its successors and assigns are hereby authorized to fix and charge tolls for transit over said bridge in accordance with the provisions of this act.

SEC. 3. The commission is hereby authorized to provide for the payment of the cost of said bridge and its approaches and the necessary lands, easements, and appurtenances thereto by an issue or issues of negotiable bonds of the commission. The details of such bonds, their form and manner of execution, and the sale and issuance of such bonds shall be governed by the provisions of section 4 of said act approved April 13, 1934, and such bonds and any premium to be paid for retirement thereof before maturity shall be payable solely from the sinking fund provided in accordance with this act, and such bonds may be secured by a trust agreement as provided in said section 4 of said act of April 13, 1934. The cost of the bridge shall include the purchase price, the cost of repairs, reconstruction, or enlargement if such repairs, reconstruction, or enlargement are ordered prior to the sale of any bonds, for the acquisition of the bridge, financing charges, interest during any period of disuse before completion of repairs, reconstruction, or enlargement, cost of traffic estimates and of engineering and legal expenses, administrative expenses and such other expenses as may be incident to such acquisition and to the financing herein authorized.

SEC. 4. In fixing the rates of toll to be charged for the use of said bridge the same shall be so adjusted as to provide a fund sufficient to pay for the reasonable cost of maintaining, repairing, and operating the bridge and its approaches under economical management, and to provide a sinking fund sufficient to pay the principal and interest of such bonds as the same shall fall due and the redemption or repurchase price of all or any thereof redeemed or repurchased before maturity as herein provided. All tolls and other revenues from said bridge are hereby pledged to such uses and to the application thereof as in this act required.

SEC. 5. All of the provisions of sections 4 and 5 of said act of April 13, 1934, relating to the bridge to be constructed, to the bonds to be issued, and to the trust agreement to be entered into under the authority of said act, and relating to the collection of bridge tolls and to the application of such tolls, shall apply to the bridge to be acquired and to the bonds to be issued under the authority of this act.

SEC. 6. After payment of the bonds issued under this act and interest thereon, or after a sinking fund sufficient for such payment shall have been provided and shall be held for that purpose, the commission shall deliver deeds or other suitable instruments for the conveyance of the interests of the commission in and to the bridge, that part within the State of Missouri to the State of Missouri or any municipality or agency thereof as may be authorized by or pursuant to law to accept the same (hereinafter referred to as the Missouri interests) and that part within Illinois to the State of Illinois or any municipality or agency thereof as may be authorized by or pursuant to law to accept the same (hereinafter referred to as the Illinois interests), under the conditions that the bridge shall thereafter be free of tolls and be properly maintained, operated, and repaired by Missouri interests and the Illinois interests, as may be agreed upon; but if either the Missouri or the Illinois interests shall not be authorized to accept and shall not accept the same under such conditions,

then the bridge shall continue to be owned, maintained, operated, and repaired by the commission, and the rates of toll shall be so adjusted as to provide a fund not to exceed the amount necessary for the proper maintenance, repair, and operation of the bridge and its approaches under economical management until such time as both the Missouri interests and the Illinois interests should be authorized to accept and shall accept such conveyance under such conditions. The commission shall not be dissolved until it shall have conveyed all property owned by it in accordance with the provisions of this act and the act of April 13, 1934, and thereupon the commission shall be dissolved in the manner provided by said act of April 13, 1934.

SEC. 7. The right to alter, amend, or repeal this act is hereby expressly reserved.

With the following committee amendment:

Page 2, line 2, after the word "purchase", insert "at a price to be approved by the Chief of the Bureau of Public Roads of the Department of Agriculture."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

BRIDGE ACROSS WABASH RIVER, NEAR NEW HARMONY, IND.

The Clerk called the next bill, H. R. 10076, to create the White County Bridge Commission, defining the authority, power, and duties of said Commission, and authorizing said Commission and its successors and assigns to purchase, maintain, and operate a bridge across the Wabash River at or near New Harmony, Ind.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That in order to facilitate interstate commerce, improve the Postal Service, and provide for military and other purposes, the White County Bridge Commission (hereinafter created and hereinafter referred to as the "Commission") and its successors and assigns be, and is hereby, authorized to acquire, by purchase or otherwise, from its present owners, and to maintain and operate a bridge and approaches thereto across the Wabash River at or near the city of New Harmony, Ind., subject to the conditions and limitations contained in this act. For like purposes said Commission and its successors and assigns are hereby authorized to acquire, maintain, and operate all or any ferries across the Wabash River within 15 miles of said bridge, subject to the conditions and limitations contained in this act.

SEC. 2. There is hereby conferred upon the Commission and its successors and assigns the right and power to acquire, condemn, occupy, possess, and use said bridge and such real estate and other property in the State of Illinois and the State of Indiana as may be needed for the acquisition and maintenance of such bridge and its approaches, upon making just compensation therefor, to be ascertained and paid according to the laws of the State in which such real estate or other property is situated, and the proceedings therefor shall be the same as in the condemnation of private property for public purposes in said State, respectively.

SEC. 3. The Commission and its successors and assigns are hereby authorized to fix and charge tolls for transit over such bridge and such ferry or ferries in accordance with the provisions of this act.

SEC. 4. The Commission and its successors and assigns are hereby authorized to provide for the payment of the cost of the bridge and its approaches (including any approach highways which, in the judgment of the Commission, it is necessary or advisable to construct or cause to be constructed to provide suitable and adequate connection with existing improved highways) and the ferry or ferries and the necessary land, easements, and appurtenances thereto by an issue or issues of negotiable bonds of the Commission, bearing interest at not more than 6 percent per annum, the principal and interest of which bonds and any premium to be paid for retirement thereof before maturity shall be payable solely from the sinking fund provided in accordance with this act. Such bonds may be registrable as to principal alone or both principal and interest, shall be in such form not inconsistent with this act, shall mature at such time or times not exceeding 25 years from their respective dates, shall be in such denominations, shall be executed in such manner, and shall be payable in such medium and at such place or places as the Commission may determine. The Commission may repurchase and may reserve the right to redeem all or any of said bonds before maturity in such manner and at such price or prices, not exceeding 105 and accrued interest, as may be fixed by the Commission prior to the issuance of the bonds. The Commission, when it deems it to the best interest of the Commission, may issue refunding bonds to repurchase and redeem any outstanding bonds, before the maturity thereof, which it may issue: *Provided*, That the refunding bonds shall mature at such time or times, not exceeding 30 years from date of approval of this act, as the Commission may determine. The Commission may enter into an agreement with any bond or trust company in the United States as trustee having the power to make such agreement, setting forth the duties of the Commission in respect of the maintenance, operation, repair, and insurance of the bridge and/or the ferry or ferries, the conservation and application of all funds, the safeguarding of money on hand or on deposit, and the rights and remedies of said trustee and the holders of the bonds, restricting the individual right of action of the bondholders as is customary in trust agreements respecting bonds of corporations. Such trust agreement may contain such provisions for protecting and enforcing the rights and remedies of the trustee and the bondholders as may be reasonable and proper and not inconsistent with the law and also provisions for approval by the original purchasers of the bonds of the employment of consulting engineers and of the security for said bonds and by any bank or trust company in which the proceeds of bonds or of bridge or ferry tolls or other moneys of the Commission shall be deposited.

The bridge acquired under the authority of this act shall be deemed to be an instrumentality for interstate commerce, the Postal Service, and military and other purposes authorized by the Government of the United States, and said bridge and ferry or ferries and the bonds issued in connection therewith and the income derived therefrom shall be exempt from all Federal, State, municipal, and local taxation. Said bonds shall be sold in such manner and at such time or times and at such price as the commission may determine, but no such sale shall be made at a price so low as to require the payment of more than 6-percent interest on the money received therefor, computed with relation to the absolute maturity of the bonds in accordance with standard tables of bond values, and the face amount thereof shall be so calculated as to produce, at the price of their sale, the cost of the bridge and its approaches and the land, easements, and appurtenances used in connection therewith, and in the event the ferry or ferries are to be acquired, also the cost of such ferry or ferries and the lands, easements, and appurtenances used in connection therewith. The cost of the bridge and approaches and approach highways, and ferry or ferries, shall be deemed to include all engineering, legal, architectural, traffic surveying, and other expenses incident to the acquisition of the bridge or the acquisition of the ferry or ferries, and the acquisition of the necessary property, and incident to the financing thereof. If the proceeds of the bonds issued shall exceed the cost as finally determined, the excess shall be placed in the sinking fund hereinafter provided. Prior to the preparation of definitive bonds the commission may, under like restrictions, issue temporary bonds or interim certificates with or without coupons of any denomination whatsoever, exchangeable for definitive bonds when such bonds that have been executed are available for delivery.

SEC. 5. In fixing the rates of toll to be charged for the use of such bridge the same shall be so adjusted as to provide a fund sufficient to pay for the reasonable cost of maintaining, repairing, and operating the bridge and its approaches under economical management, and to provide a sinking fund sufficient to pay the principal and interest of such bonds as the same shall fall due and the redemption or repurchase price of all or any thereof redeemed or repurchased before maturity as herein provided. All tolls and other revenues from said bridge are hereby pledged to such uses and to the application thereof as hereinafter in this section required. After payment or provision for payment therefrom of all such cost of maintaining, repairing, and operating and the reservation of an amount of money estimated to be sufficient for the same purpose during an ensuing period of not more than 6 months, the remainder of tolls collected shall be placed in the sinking fund, at intervals to be determined by the Commission prior to the issuance of the bonds. An accurate record of the cost of the bridge and its approaches; the expenditures for maintaining, repairing, and operating the same; and of the daily tolls collected, shall be kept and shall be available for the information of all persons interested. The commission shall classify in a reasonable way all traffic over the bridge, so that the tolls shall be so fixed and adjusted by it as to be uniform in the application thereof to all traffic falling within any such reasonable class, regardless of the status or character of any person, firm, or corporation participating in such traffic, and shall prevent all use of such bridge for traffic except upon payment of the tolls so fixed and adjusted. No toll shall be charged officials or employees of the commission or the Government of the United States or any State, county, or municipality in the United States while in the discharge of their duties or municipal police or fire departments when engaged in the proper work of any such department.

SEC. 6. Nothing herein contained shall require the commission or its successors to maintain or operate any ferry or ferries purchased hereunder, but in the discretion of the commission or its successors any ferry or ferries so purchased, with the appurtenances and property thereto connected and belonging, may be sold or otherwise disposed of or may be abandoned and/or dismantled whenever in the judgment of the commission or its successors it may seem expedient so to do. The commission and its successors may fix such rates of toll for the use of such ferry or ferries as it may deem proper, subject to the same conditions as are hereinabove required as to tolls for traffic over the bridge. All tolls collected for the use of the ferry or ferries and the proceeds of any sale or disposition of any ferry or ferries shall be used, so far as may be necessary, to pay the cost of maintaining, repairing, and operating the same, and any residue thereof shall be paid into the sinking fund hereinabove provided for bonds. An accurate record of the cost of purchasing the ferry or ferries; the expenditures for maintaining, repairing, and operating the same; and of the daily tolls collected shall be kept and shall be available for the information of all persons interested.

SEC. 7. After payment of the bonds and interest, or after a sinking fund sufficient for such payment shall have been provided and shall be held for that purpose, the commission shall deliver deeds or other suitable instruments of conveyance of the interest of the commission in and to the bridge, that part within Illinois to the State of Illinois or any municipality or agency thereof as may be authorized by or pursuant to law to accept the same (hereinafter referred to as the Illinois interests) and that part within Indiana to the State of Indiana or any municipality or agency thereof as may be authorized by or pursuant to law to accept the same (hereinafter referred to as the Indiana interests), under the condition that the bridge shall thereafter be free of tolls and be properly maintained, operated, and repaired by the Illinois interests and the Indiana interests, as may be agreed upon; but if either the Illinois interests or the Indiana interests shall not be authorized to accept or shall not accept the same under such conditions, then the bridge shall continue to be owned, maintained, operated, and repaired by the commission, and the rates of tolls shall be so adjusted as to provide a fund of not to exceed the amount necessary for the proper maintenance, repair, and operation of the bridge and its approaches under economical management, until such time as both the Illinois interests and the Indiana interests shall be authorized to accept and shall accept such conveyance under such conditions. If at the time of such conveyance the commission or its successors shall have not disposed of such ferry or ferries, the same shall be disposed of by sale as soon as practicable at such price and upon such terms as the Commission or its successor may determine.

SEC. 8. For the purpose of carrying into effect the objects stated in this act, there is hereby created the White County Bridge Commission, and by that name, style, and title said body shall have perpetual succession; may contract and be contracted with, sue, and be sued, implead and be impleaded, complain and defend in all courts of law and equity; may make and have a common seal; may purchase or otherwise acquire and hold or dispose of real estate and other property; may accept and receive donations or gifts of money or other property and apply same to the purposes of this act; and shall have and possess all powers necessary, convenient, or proper for carrying into effect the objects stated in this act.

The commission shall consist of Julius C. Kern, Stewart A. Pearce, John G. Endicott, Franklin M. Ziegler, and Herbert G. Bayley. Such commission shall be a body corporate and politic. Each member of the Commission shall qualify within 30 days after the approval of this act by filing in the office of the Secretary of Agriculture an oath that he will faithfully perform the duties imposed upon him by this act, and each person appointed to fill a vacancy shall qualify in like manner within 30 days after his appointment. Any vacancy occurring in said commission by reason of failure to qualify as above provided, or by reason of death or resignation, shall be filled by the Secretary of Agriculture. Before the issuance of bonds as hereinabove provided, each member of the commission shall give such bonds as may be fixed by the Chief of the Bureau of Public Roads of the Department of Agriculture, conditioned upon the faithful performance of all duties required by this act. The commission shall elect a chairman and a vice Chairman from its members, and may establish rules and regulations for the government of its own business. A majority of the members shall constitute a quorum for the transaction of business.

SEC. 9. The commission shall have no capital stock or shares of interest or participation, and all revenues and receipts thereof shall be applied to the purposes specified in this act. The members of the commission shall be entitled to a per diem compensation for their services of $10 per day for each day actually spent in the business of the commission, but the maximum compensation in any year of each member shall not exceed $100. The members of the commission shall also be entitled to receive traveling expense allowance of 10 cents a mile for each mile actually traveled on the business of the commission. The commission may employ a secretary, treasurer, engineers, attorney, and other such experts, assistants, and employees as they may deem necessary, who shall be entitled to receive such compensation as the Commission may determine. All salaries and expenses shall be paid solely from the funds provided under the authority of this act. After all bonds and interest thereon shall have been paid and all other obligations of the commission paid or discharged, or provision for all such payment shall have been made as hereinbefore provided, and after the bridge shall have been conveyed to the Illinois interests and the Indiana interests as herein provided, and any ferry or ferries shall have been sold, the commission shall be dissolved and shall cease to have further existence by an order of the Chief of the Bureau of Public Roads made upon his own initiative or upon application of the commission or any member or members thereof, but only after a public hearing in the city of Carmi, Ill., notice of the time and place of which hearing and the purpose thereof shall have been published once, at least 30 days before the date thereof, in a newspaper published in the city of Carmi. At the time of such dissolution all moneys in the hands of or to the credit of the commission shall be divided into two equal parts, one of which shall be paid to said Illinois interests and the other to said Indiana interests.

SEC. 10. Notwithstanding any of the provisions of this act, the commission shall have full power and authority to negotiate and enter into a contract or contracts with the State Highway Department of Illinois and the State Highway Commission of Indiana, whereby said highway departments or either of them may operate, and maintain or participate with the commission in the operation, and maintenance of said bridge and approaches.

SEC. 11. Nothing herein contained shall be construed to authorize or permit the commission or any member thereof to create any obligation or incur any liability other than such obligations and liabilities as are dischargeable solely from funds provided by this act. No obligation created or liability incurred pursuant to this act shall be an obligation or liability of any member or members of the commission but shall be chargeable solely to the funds herein provided, nor shall any indebtedness created pursuant to this act be an indebtedness of the United States.

SEC. 12. All provisions of this act may be enforced or the violation thereof prevented by mandamus, injunction, or other appriate remedy brought by the attorney general for the State of Illinois, the attorney general for the State of Indiana, or the United States district attorney for any district in which the bridge may be located in part, in any court having competent jurisdiction of the subject matter and of the parties.

SEC. 13. The right to alter, amend, or repeal this act is hereby expressly reserved.

With the following committee amendment:

Page 2, line 3, after the word "Indiana", insert "in accordance with the provisions of the act entitled 'An act to regulate the construction of bridges over navigable waters,' approved March 23, 1906, and."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

CONSTRUCTION OF BRIDGE OVER ST. LOUIS RIVER BETWEEN WISCONSIN AND MINNESOTA

The Clerk called the next bill, H. R. 10225, to amend section 6 of chapter 64, approved April 24, 1894 (U. S. Stat. L., vol. XXVIII, 2d sess., 53d Cong.), being an act entitled "An act to authorize the construction of a steel bridge over the St. Louis River between the States of Wisconsin and Minnesota."

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That section 6 of chapter 64, approved April 24, 1894 (U. S. Stat. L., vol. XXVIII, 2d sess., 53d Cong.), being an act entitled "An act to authorize the construction of a steel bridge over the St. Louis River between the States of Wisconsin and Minnesota," is hereby amended by striking out from said section 6 the proviso at the end thereof, which proviso reads as follows: "*Provided*, That said bridge and its approaches thereafter shall be made free of tolls to wagons, teams, and foot passengers and street-railway cars," and inserting in the place thereof the following words: "*Provided*, That whenever the city of Duluth, or the port authority of said city of Duluth, or the city of Superior, or the port authority of said city of Superior, or the county of St. Louis in the State of Minnesota, or the county of Douglas in the State of Wisconsin, or either or any of them, shall make application for a hearing to the Secretary of War for the purpose of fixing the price to be paid for such bridge, the Secretary of War shall proceed to fix such price after notice given to all interested parties."

With the following committee amendments:

Page 2, line 5, after "following" strike out "words."

Page 2, line 13, after "interested", strike out balance of the line and insert the following: "parties: *Provided further*, That after the tolls collected for the use of such bridge shall have met annual maintenance, repair, and operating costs and shall have provided a sinking fund sufficient to amortize the cost to said cities or counties of acquiring the bridge it shall be maintained and operated free of tolls."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

BRIDGE ACROSS MISSOURI RIVER NEAR NIOBRARA, NEBR.

The Clerk called the next bill, H. R. 10346, to extend the times for commencing and completing the construction of a bridge across the Missouri River at or near Niobrara, Nebr.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the times for commencing and completing the construction of a bridge across the Missouri River at or near Niobrara, Nebr., authorized to be built by the county of Knox, State of Nebraska, by section 32 of the act of Congress approved August 30, 1935, amended by acts of Congress approved May 18, 1936, and July 5, 1937, are extended 1 and 3 years, respectively, from August 30, 1938.

With the following committee amendment:

Page 2, after line 2, insert:
"SEC. 2. The right to alter, amend, or repeal this act is hereby expressly reserved."

Mr. McCORMACK. Mr. Speaker, I move to strike out the last word and ask unanimous consent, Mr. Speaker, to proceed out of order.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. McCORMACK. Mr. Speaker, the Ancient and Honorable Artillery Company of Massachusetts, the oldest military organization in America, is now observing its three hundredth anniversary.

This famous company, with its 300 years of existence, and with its enviable record for patriotism and civic service, was chartered by the Governor and General Court of Massachusetts Bay Colony in 1638.

As has been well stated by others:

In every generation members of this company, acknowledged leaders in the civil and military life of the Commonwealth and of the Nation, have taken great pride in carrying on the traditions of the forefathers, who did so much to establish the Massachusetts Bay Colony and to make the Commonwealth of Massachusetts great in the history of our country.

This famous company, as history shows, was founded in 1637, after a period of unrest in the old town of Boston, during which time the right to carry arms in their houses were denied certain citizens. It was chartered, after some controversy, by the Governor and general court, March 13, 1638, the first military charter to be issued to a military company in North America.

The leading spirit in the organization of this company was Robert Keayne, a prominent citizen of those days and times. History shows that Robert Keayne had been a member of the Honourable Artillery Company of London, founded in 1537, and it was his idea that a company should be formed which would be a school for officers and a nursery for soldiers. It is also interesting to note that in connection with the present anniversary that is about to be concluded that the Honourable Artillery Company of London were the guests of the Ancient and Honorable Artillery Company of Massachusetts.

History also shows that upon his death he (Robert Keayne) left in his will various sums of money for public benefit, and to the town of Boston the land at the head of State Street for a town house together with money to build it, providing, however, that—

The military company of Massachusetts should have a room in the town house for an armory and for the soldiers to meet when they had occasion.

This is the land on which the old statehouse of Massachusetts, of fame and history, now stands. It is one of the historical spots and buildings of the Nation.

The Ancient and Honorable Artillery Company occupied the town house for nearly 100 years, and when it became overcrowded due to its use by the town officers and the general court, the company moved, on April 7, 1746, to Faneuil Hall, which had been erected by Peter Faneuil, one of the most powerful factors in the life and history of Massachusetts.

Quoting from an article entitled "A Brief Outline of the History of the Ancient and Honorable Artillery Company of Massachusetts," we find the following statement, namely:

There it (the company) has remained down to the present time except for brief periods during the rebuilding of Faneuil Hall after the fire in 1761 and at times when the building was remodeled—the oldest armory in continuous use by a military organization in the United States.

Robert Keayne was the first commander of the company. Following Keayne as commander, down to the present time, came the leading citizens of Massachusetts, as a colony and as a State, and pictured on the walls of the armory are the faces of men who helped make the history of Massachusetts.

A brief but comprehensive history of this famous and unusual company can best be given by a quotation from the article hereinbefore mentioned.

From its organization until the Revolution, the company was called the Artillery Company, although beginning in 1700 it was referred to on the title pages of the Anniversary Sermons as the Honourable Artillery Company, Honourable and Ancient, and Ancient and Honourable. It was not until the company had been called by that name for 80 years by the public that it became so called in the records. In 1782 at the first meeting called for the purpose of reorganization, the record of the meeting is headed: "At a meeting of the members of the Ancient and Honourable Artillery Company at Deacon Jones' May 30, 1782," and the words are again used in the records. Since that time it has been known as the Ancient and Honourable Artillery Company, and the legislature since 1789 has confirmed the name in the military laws.

The activities of the company during the colonial days were many—parades for instruction were regularly held, maneuvers and military problems worked out, showing that schools of instruction were actually held and the members benefited by them.

In 1645 the company joined forces with Myles Standish and his Pilgrim soldiers in an expedition against the Indians, and the company was frequently on duty under arms in the service of the Colony. During King Philip's War, the leading officers of the colonial troops had received their training in the Artillery Company, and its members fought with honor in England under Cromwell, at Quebec and Louisburg in the French and Indian War. In fact, every war that the colonists engaged in found members of the company acting as leaders because of their military training.

In the stirring days prior to the Revolution its members were most active in every patriotic endeavor. They were at the Boston Tea Party, were numbered among the Sons of Liberty, were active in obtaining supplies, and it was a member of this company who removed the two guns, later known as the Hancock and Adams, from the gun house under the noses of the British soldiers. These guns were used by our troops all through the Revolution, afterward being returned to the State, and being loaned to the company, were used by them until 1821, when the Adams burst during the training. These guns are now in the chamber at the top of Bunker Hill Monument. Dawes, the patriot, clerk of the company, in 1786, who rode from Boston to Lexington and Concord, on April 19, 1775, was one of the outstanding members of the company who gave his energy to the cause, and he it was who was responsible for the removal of the guns, the Hancock and Adams.

In 1738 the first uniforms were obtained, the company being the first uniformed military organization in the country, and for many years it was the only one. Prior to that time soldiers wore a breast plate and steel hat, or a coat and breeches of leather, but there was no attempt at a uniform color or style.

During the Revolutionary period and immediately after—from 1775 to 1786—there was little activity in the company. During a part of that time Boston being in the hands of the British, it was not possible to assemble, and later the majority of the members were in the Continental Army under Washington. The list of these men who served from Massachusetts is long and honorable, the outstanding figures being four commanders—Maj. Gen. William Heath, Major General Lincoln, who received the sword of Cornwallis at Yorktown; Major General Brooks, Governor, statesman, soldier, assistant inspector general under Von Steuben; and Major General Hull.

The Revolutionary War over, the members soon again met to take up the responsibilities, in the meantime the records having been preserved and property safeguarded.

The company was called for duty in Shay's rebellion and during the War of 1812 were held for service in their armory ready to move when needed, and in addition to this many of its members were serving actively with the colors. The Mexican and the Civil War found them on duty, 140 of its membership serving in the Civil War, most of them as officers, among them Maj. Gen. Nathaniel B. Banks, afterwards Governor; Col. Samuel C. Lawrence, afterward a brigadier general; Col. Henry Walker; Col. J. Payson Bradley; Maj. George H. Maynord, a Medal of Honor man; and many others who became prominent in the affairs of the company. A large proportion of its membership served in the Spanish and World War with honor and distinction, and today one finds that more than half of the company has had military service in the State and Nation.

The Ancient and Honorable Artillery Company is a part of the militia of the Commonwealth and as such has the right to bear arms. The organization of the federalized National Guard removes some of the possibilities for active service. Made up as it is of older men, most of them beyond the military age, they are an inspiration to the youth of Boston in patriotic citizenship.

On the anniversary, the first Monday in June, the company marches through the streets of Boston to the church, where the sermon is preached, and the comrades who have passed away during the year are remembered; then to the Common, where the parade and drumhead election of the officers are held, as has been done for 300 years. Surely one can glimpse the past as this ancient company, with its variegated uniforms, its old formation, leaves its armory and marches to the statehouse to receive the Governor and escort him to the church and Common, where later he will receive the resignations of the officers and commission the new, fastening around the neck of the commander-elect the old gorget, the ancient

badge of a commissioned officer, and placing in his hand the halberd, the badge of his authority.

What was written at the close of its two hundredth anniversary concerning its membership holds true as this company celebrates its three hundredth anniversary.

The position of the members of the company in the social, civil, and military life of the colony indicates the respect which people entertained for the company, as well as the ability and prominence of its members. They were first in organizing churches and supporting them; they were constant friends of the public schools. They were prominent in framing and also in administering the laws of the colony; they were foremost in the introduction of manufacturing and the extension of trade in Boston. They were the chief military minds of the colony and among the first in its defense. Many of them were public benefactors, devoting somewhat of their wealth to education, religion, and charity.

They trod the fields of every battlefield of New England in the first century of the company's existence; they fought for freedom on foreign soil; they judged the courts; they pleaded at the bar; they instituted town government and leveled forests; were active in settling the towns of the frontier. Nine-tenths of the company were loyal to the Colonies in the Revolution, and by their experience in the ancient and honorable artillery company they served on every battlefield where the banner of Massachusetts waved, from Bunker Hill and Bennington through Valley Forge to Yorktown.

It is fitting that on the occasion of its three hundredth anniversary the history of the Ancient and Honorable Artillery Company of Massachusetts should be called to the attention of my colleagues and to those who might have occasion to read these remarks. This company, with its long and glorious history of service in peace and in war, is a fine example to all. Its 300 years of existence has been one of defense of Massachusetts Bay, later the Commonwealth of Massachusetts, and of our Nation in time of war, and of constructive inspiration and contribution in time of peace.

The oldest military organization in America, one of the oldest, with a continuous history throughout the world, its members in times of war and of peace have always exemplified the highest type of citizenship. [Applause.]

The pro forma amendment was withdrawn.

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

TERM OF DISTRICT COURT AT NEWPORT NEWS, VA.

The Clerk called the bill (H. R. 8794) to provide for terms of the district court at Newport News, Va.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That terms of the District Court for the Eastern District of Virginia shall be held at Newport News, Va., on the first Monday in February and the second Monday in July. The clerk of the court for the eastern district of Virginia shall maintain an office in charge of a deputy at Newport News, which shall be kept open at all times for the transaction of the business of the court.

Mr. BLAND. Mr. Speaker, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. BLAND: Page 1, line 3, insert after the words "District Court" the words "of the United States."

In line 6, strike out all of lines 6, 7, 8, and 9, and amend the title to read as follows:

"To provide for holding terms of the District Court of the United States for the Eastern District of Virginia at Newport News, Va."

The amendment was agreed to; and the bill as amended was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

DERIVATIVE CITIZENSHIP

The Clerk called the bill (H. R. 10119) to amend section 15 of the act of June 29, 1906, as amended (U. S. C., title 8, sec. 405).

The SPEAKER. Is there objection?

Mr. JENKINS of Ohio. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER. Is there objection?

Mr. LANZETTA. Mr. Speaker, I reserve the right to object for the purpose of explaining to the gentleman that all this bill does is to protect the persons who derive their citizenship from their parents' or from their husbands' naturalization in the event that the original certificate is canceled. That point is not clear in the law. I understand that there are conflicting decisions in the various departments and that some have held that a cancelation of the original certificate of citizenship does affect the persons who derive their citizenship therefrom. All that this bill does is to clarify the law to the extent that a derivative citizen does not suffer the loss of citizenship in the event that the original certificate of naturalization is canceled under existing law. Under the present law, if a naturalized citizen takes up permanent residence in a foreign country within 5 years after becoming naturalized, the Government presumes that when he obtained his certificate of naturalization he did so fraudulently, in that he never intended to reside permanently in the United States. His taking up of a residence in a foreign country within the 5-year period is presumptive evidence that he never intended to fulfill the permanent-residence requirement under the law. This bill will not in any way change existing law. It will only protect the status of persons who derive their citizenship in the event that the original certificate of citizenship is canceled.

Mr. JENKINS of Ohio. Mr. Speaker, in view of the fact that this is a very comprehensive proposition, I think we ought to have more consideration than this. I insist upon my motion that the bill go over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

TEMPORARY OPERATION BY UNITED STATES OF CERTAIN STEAMSHIPS

The Clerk called the joint resolution (H. J. Res. 685) to provide for temporary operation by the United States of certain steamships, and for other purposes.

The SPEAKER. Is there objection?

Mr. RICH. Mr. Speaker, I object.

POSSESSION OF MIGRATORY BIRDS LAWFULLY TAKEN

The Clerk called the bill (H. R. 9661) to allow possession of migratory game birds, lawfully taken.

The SPEAKER. Is there objection?

Mr. FADDIS. Mr. Speaker, I reserve the right to object, to get some explanation from the author of the bill.

Mr. ANDRESEN of Minnesota. Mr. Speaker, the author of the bill is not here, but I am a member of the committee. We had a full discussion of the bill in the committee. The present rule and regulation of the Biological Survey provides for only 1 day's take of migratory game birds in possession. Many people who hunt migratory birds must travel some times long distances, and so this bill simply provides that a person may have in his possession at one time 3 days' kill of migratory birds, provided they are legally taken, each daily limit for each day that is allowed.

Mr. FADDIS. What provisions are there to keep a man from taking 3 days' kill in 1 day?

Mr. ANDRESEN of Minnesota. There is nothing to prevent him from doing that now.

Mr. FADDIS. But he can only transport 1 day's kill under the circumstances.

Mr. ANDRESEN of Minnesota. The burden of proof is upon him to show that he took the birds legally. This is merely to give those people who travel long distances the privilege of taking those birds which they killed legally.

Mr. FADDIS. I agree with the purpose of the bill because I believe a man is entitled to more birds in his possession than he is allowed at the present time.

Mr. ANDRESEN of Minnesota. It is our hope that the Biological Survey on the passage of this bill, if it is permitted to be passed, will issue a regulation to cover this and avoid the necessity of having the bill go through the other body. If this bill is adopted, I might suggest an amendment which limits 2 days' kill in possession instead of 3 days' kill. This would more nearly comply with the idea of the Biological Survey.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. CHURCH. Mr. Speaker, I ask unanimous consent that the bill go over without prejudice.

The SPEAKER. Is there objection?

There was no objection.

BLACK HILLS NATIONAL FOREST

The Clerk called the next bill, S. 3416, providing for the addition of certain lands to the Black Hills National Forest in the State of Wyoming.

Mr. RICH. Mr. Speaker, reserving the right to object, will the gentleman from Wyoming explain this bill?

Mr. GREEVER. This bill provides for the addition to the boundaries of the Black Hills National Forest in northeast Wyoming approximately 95,000 acres of land. About nine-tenths of this land is in private ownership. The remainder is Government-owned land. The boundaries are simply to be extended to take in this land. There is no cost whatever to the Government for this land. The sale of timber and grazing fees will more than offset the administrative costs. It is desired that this land be taken in simply in order that the Forest Service may have jurisdiction for the purpose of fire prevention. Fire did great damage there 2 or 3 years ago. It is also desired to increase the boundaries for the protection of the watershed of the Belle Fourche River.

Mr. RICH. How is this private land to be acquired?

Mr. GREEVER. The bill provides simply for extending the boundaries to include the land. It does not in any way interfere with the ownership of the land.

Mr. RICH. If private land is to be included in the forest area, how can the Government have any jurisdiction over it? Is not this just a preliminary step to coming in and asking the Government to buy this land?

Mr. GREEVER. There is no such objective in view at all.

Mr. RICH. Suppose the men who own this land will not cooperate with the Federal Government, how could the Government compel them to when the Government does not own title?

Mr. GREEVER. They are all very anxious to have the boundaries of this park extended and these lands protected from fire hazards.

Mr. RICH. How will it be possible for the Government to keep from eventually having to purchase these private lands?

Mr. GREEVER. I assure the gentleman there is not the slightest desire to have the Government purchase these lands.

Mr. RICH. Will the gentleman guarantee that the Federal Government will not have to buy these lands?

Mr. GREEVER. I will guarantee that it will not have to buy them because I do not know anybody who would sell them.

The SPEAKER. Is there objection to the present consideration of the bill?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That subject to all valid existing claims, entries, and leases, all of the lands of the United States within the following-described area are hereby added to and made a part of the Black Hills National Forest in the State of Wyoming, and such lands shall hereafter be administered under the laws and regulations relating to the national forests:

BEAR LODGE UNIT, SIXTH PRINCIPAL MERIDIAN

Township 55 north, range 63 west: Sections 5 to 9, inclusive, 16 to 21, inclusive, 28 to 34, inclusive, and west half section 4, west half section 27.

Township 54 north, range 63 west: Sections 4 to 9, inclusive, 17, 18, 19, 28 to 32, inclusive, west half section 3; north half northeast quarter and west half section 20; north half, southwest quarter and north half southeast quarter and north half southwest quarter southeast quarter section 33.

Township 53 north, range 65 west: Sections 1, 12, 13, 24, 25, 36.

Township 53 north, range 64 west: Sections 1 to 12, inclusive, 15 to 22, inclusive, 27 to 34, inclusive, northeast quarter and west half section 14.

Township 53 north, range 63 west: North half section 5, section 6, and northwest quarter section 7.

Township 52 north, range 65 west: Sections 1 to 36, inclusive.

Township 52 north, range 64 west: Sections 3 to 10, inclusive, 14 to 36, inclusive.

Township 52 north, range 63 west: Section 31 and east half section 36.

Township 51 north, range 63 west: Sections 1, 6, 8, 10, 11, 12, and west half southwest quarter section 5; east half northeast quarter, southeast quarter, south half southwest quarter section 9.

SEC. 2. Any of the lands described in the first section of this act which are privately owned may be accepted in exchange by the Secretary of the Interior under the provisions of the act entitled "An act to consolidate national forest lands", approved March 20, 1922, as amended. All of such lands so accepted in exchange shall be added to and made a part of the Black Hills National Forest in the State of Wyoming and shall thereafter be administered under the laws and regulations relating to the national forests.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

NATIONAL CEMETERY, COLUMBUS, OHIO

The Clerk called the next bill, H. R. 9735, to authorize an appropriation for the purpose of establishing a national cemetery at Columbus, Ohio.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That there is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, the sum of $150,000 to establish a national cemetery at Columbus, Ohio.

The bill was ordered to be engrossed and read a third time, was read the third time and passed, and a motion to reconsider was laid on the table.

SHIP SUBSIDY

The Clerk called the next bill, H. R. 10573, to authorize operating subsidy contracts for vessels engaged in the intercoastal commerce of the United States, and for other purposes.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. RICH, Mr. CHURCH, and Mr. STEFAN objected.

UNITED STATES NAVAL ACADEMY

The Clerk called the next bill, H. R. 7276, to increase the number of midshipmen allowed at the United States Naval Academy appointed at large.

Mr. TABER. Mr. Speaker, reserving the right to object, I understand this bill provides for 10 additional midshipmen at Annapolis; yet we are already in a situation where there is a surplus and cannot find places for them in the Navy without forcibly retiring a lot of officers.

Mr. Speaker, I ask unanimous consent that the bill may go over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

COTTON STATISTICS

The Clerk called the next bill, S. 3882, amending the act authorizing the collection and publication of cotton statistics by requiring a record to be kept of bales ginned by counties.

Mr. RICH. Mr. Speaker, reserving the right to object, will the gentleman from Texas explain the bill briefly?

Mr. POAGE. Mr. Speaker, this bill simply requires the ginners in making their reports of cotton ginned, as the law now requires to report in addition from what county the cotton originated. The reason for this is that under the Agricultural Adjustment Act acreage allotments depend upon the production of cotton within the county boundaries. Cotton is often hauled long distances, sometimes clear across the county and into another county for ginning. The county in which the cotton is ginned will get credit for producing the cotton, because at the present time they simply take the ginning figures of all the cotton ginned in a given county without its being shown whether the cotton was produced in that county or in some other county. This bill is simply for the purpose of showing where the cotton was produced.

Mr. RICH. This information is gathered by the Department of Agriculture at the present time, is it not?

Mr. POAGE. No; we do not have that data. We have the data on how much cotton is ginned in a county but we do not have data as to where the cotton was produced. The custom has grown up and it is still growing, that where

there is a larger town with a better cotton market cotton will be hauled in by trucks, in these days of good roads, for 20, 30, or 40 miles. Under the present set-up, therefore, we just have figures saying that the country ginned so much cotton.

That county is given credit for the production, whereas the county that produced the cotton does not get the credit and the farmers are penalized. There is no additional cost involved in this. It will not cost one additional penny, according to the Director of the Census.

Mr. RICH. It seems to me that with the authority given the Secretary of Agriculture under the A. A. A. it has the information, or it should have all the information, and we should not add any expense for this additional data.

Mr. POAGE. The Department of Agriculture does not get that information. It comes through the Census Bureau. That is the way the Secretary of Agriculture now gets the information. This simply authorizes the Census Bureau to acquire the additional information when it makes its report.

Mr. RICH. It looks to me like you are trying to fix something up to get additional census takers to stay in each county down there, thereby putting more people on the Government pay roll. If you would stop the 12,000 bales of cotton coming into Norfolk, which is being used down here in North Carolina, you would accomplish something. That is the second shipment of 12,000 bales, 24,000 bales altogether, of cotton coming in from India under these reciprocal-trade agreements. If you gentlemen are going to permit that kind of legislation and then want us to pass more bills putting more people to work taking a census of the cotton you are growing in this country, there is something wrong in Denmark, and Denmark is over on that side of the aisle. I do not think you should permit a bill of this kind to go through. More cotton in America than we know what to do with and importing millions of pounds of India cotton. What will American labor do? What will American cotton farmers do? What will you do about it? I ask.

Mr. Speaker, I ask unanimous consent that this bill may be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

Mr. LUTHER A. JOHNSON. Mr. Speaker, I object.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. RICH. Mr. Speaker, I object.

I am opposed, Mr. Speaker, to the way you cotton Congressmen do things. If you want to help America, stop trying to ruin the cotton markets and the American labor markets.

SECTIONS 7, 14, AND 20 OF THE ORGANIC ACT OF THE VIRGIN ISLANDS

The Clerk called the next bill, H. R. 10649, to amend sections 7, 14, and 20 of the organic act of the Virgin Islands of the United States (49 Stat. 1807).

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. MARTIN of Massachusetts. Mr. Speaker, will some one explain this bill?

Mr. LANZETTA. Mr. Speaker, the purpose of this bill is to permit the Governor of the Virgin Islands to introduce bills in the respective municipal councils and in the legislative assembly of the islands, and to attend or depute another person to represent him before such bodies.

Mr. MARTIN of Massachusetts. Who petitions for this bill?

Mr. LANZETTA. The Governor has petitioned for it. The reason for the Governor's action is that the legislative bodies of these islands have not only failed to consider, but also refused to introduce many important measures which he has recommended. The only way that the Governor may be able to get his legislation before them is to introduce it himself.

Mr. MARTIN of Massachusetts. Mr. Speaker, I ask unanimous consent that this bill may be passed over without prejudice. It involves quite a substantial change in the present law.

Mr. LANZETTA. The gentleman must realize that if this request was made by the Governor, that it was made with a definite purpose in mind, and that is that the various legislative bodies in the islands should at least have the legislation before them even though they might not wish to pass it.

Mr. SNELL. He certainly would not have any better prospect of having the legislation acted on if there is not a single member of the legislature willing to introduce it.

Mr. LANZETTA. If the bills are introduced and if the legislature refuses to take any action, then the Governor can go to the people and tell them the reason why the legislation has failed of passage.

Mr. SNELL. He has the opportunity to go to the people anyway. I do not think you ought to change the organic law down there by unanimous consent here.

Mr. LANZETTA. But if the legislation is introduced, it would have to be considered and acted upon one way or the other. There could be no excuse.

Mr. MARTIN of Massachusetts. Mr. Speaker, I ask unanimous consent that this bill may be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

RATIFICATION OF ALL JOINT RESOLUTIONS OF THE LEGISLATURE OF PUERTO RICO

The Clerk called the next bill, H. R. 10652, to provide for the ratification of all joint resolutions of the Legislature of Puerto Rico and of the former legislative assembly.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. MARTIN of Massachusetts. Mr. Speaker, reserving the right to object, may I ask the gentleman why we should ratify all the acts of a legislature?

Mr. LANZETTA. I may say to the gentleman that in the past years the Legislature of Puerto Rico has passed more than 1,000 laws by joint resolution under the impression that they had a right to do so under the organic act. The question as to whether they were empowered to do so did not come up until a short time ago when the constitutionality of a law passed by joint resolution was questioned. The Circuit Court of Appeals after consideration decided that the Legislature of Puerto Rico had no authority under the organic act to pass laws by joint resolution. This decision by the court invalidated not only the law in question but every other law which had been passed in a similar way. The purpose of the bill now before us is to ratify and validate all laws which the Puerto Rican Legislature passed by joint resolution.

Mr. O'MALLEY. Will the gentleman yield?

Mr. LANZETTA. I yield to the gentleman from Wisconsin.

Mr. O'MALLEY. They do have power to enact law by a specific act?

Mr. LANZETTA. By bills, yes.

Mr. O'MALLEY. This proposes to give them a power that they never had before; that is, to enact laws by joint resolution?

Mr. LANZETTA. No.

Mr. O'MALLEY. The gentleman just said that.

Mr. LANZETTA. All this bill proposes to do is ratify the laws which have already been passed by joint resolutions. In other words, it is a sort of nunc pro tunc order legalizing and validating the laws passed by joint resolution.

Mr. MARTIN of Massachusetts. Has the legislature requested this action?

Mr. LANZETTA. Yes; the legislature and the Governor have requested it.

The SPEAKER. Is there objection to the present consideration of the bill?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That all and each and every of the joint resolutions passed at any time by the Legislature of Puerto Rico or by the former legislative assembly, and approved by the Governor,

be, and the same are hereby, in all things ratified, approved, and confirmed; and all acts done, contracts and conveyances made or entered into or issued or delivered or accepted or received, including bonds, deeds, and transfers of real or personal property or easements or intangible or incohate rights, and documents and papers of every character made, taxes collected and the collection thereof, disbursements of moneys made and warrants therefor, and all other steps, acts, judgments, decrees, and proceedings of any and every kind or nature entered into, made, done, taken, had, executed, issued, delivered, or received or accepted under or by virtue of any such joint resolution, either of the Legislature of Puerto Rico or of the former legislative assembly, be, and the same are hereby, in all things legalized, ratified, and confirmed and validated as fully to all intents and purposes, and to have the same effect, validity, operation, and effectiveness as though all and each and every of such joint resolutions had originally been enacted, validly, and approved by the Governor, in the form of "acts" of the legislature and of the legislative assembly, respectively, instead of in the form of "joint resolution."

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

NAVY AND MARINE MEMORIAL

The Clerk called the joint resolution (H. J. Res. 403) to provide for the completion of the Navy and Marine Memorial.

Mr. TREADWAY. Reserving the right to object, Mr. Speaker, I believe an explanation of this measure should be given to the House.

Mr. KELLER. Mr. Speaker, I should like to have the gentleman who introduced the joint resolution make a presentation of the subject to the House.

Mr. JENKS of New Hampshire. Mr. Speaker, this measure relates to the Navy and Marine Memorial near the Potomac River, which is partially completed. An organization was formed a number of years ago to solicit voluntary subscriptions for this memorial, and approximately $340,000 was collected. This money was voluntarily contributed by the people throughout this entire country. More than 2,000,000 school children donated to the fund. Three Secretaries of the Navy approved the plan and headed the organization. The money contributed by our citizens was for a memorial to those who lost their lives at sea, and I believe it is fitting and proper that we should have such a tribute here in the National Capital.

About 3 years ago the Congress appropriated $13,000 to bring the memorial from Cleveland to Washington, and it is now in its place on the other side of the Potomac River. It is completed with the exception of the steps.

Mr. TABER. Mr. Speaker, will the gentleman yield for a question?

Mr. JENKS of New Hampshire. I yield to the gentleman from New York.

Mr. TABER. When this bill was under consideration on the Consent Calendar it was sponsored by the gentleman from New York [Mr. BLOOM] and called for the expenditure of $18,000. I allowed the bill to come up and be passed with the understanding that $13,000 would finish the job. Now I understand the desire is to have Congress appropriate something like $150,000 to finish the job. Frankly, that is entirely contrary to the understanding I had when the bill came up. I am inclined to feel obliged to object.

Mr. KELLER. If the gentleman will yield, may I say that this memorial, as the gentleman from New Hampshire has stated, is one that appealed especially to the people of the United States because it is the only naval memorial we have and was given for the purpose the gentleman has well stated. May I call the attention of the gentleman to the fact that this is one of two or three things the Committee on the Library has passed with a view of cleaning up these memorials that have been given to us and not completely paid for. Every one of the other gifts that are coming through at the present time has a provision in it that the entire amount shall be put in the bank and not spent for the purpose for which it is given except with the O. K. of the Department on every one of the vouchers. Therefore, we will not have this situation coming up again. I took the matter up with the Bureau of the Budget, with the administration generally, and with the leaders of both the House and the Senate, and the estimation made of the situation was that we ought to complete the memorials we now have on hand, this and the Mount Rushmore Memorial, especially, and stop at that point. I am at the present time in a position to assure the House that hereafter when gifts come through, no such situation as this will happen. It does seem to me a rational thing to do to clean up all these situations.

Mr. TABER. The original bill asked for only $18,000, and that amount was cut $5,000. Now we are being asked for $150,000 to complete the memorial. I have been over to see this memorial, and in my opinion it is one of the worst-looking things I have ever seen. I will be perfectly frank. It has no artistic beauty or any virtue of that kind. I do not believe we ought to advertise it any more than it is already advertised. Frankly, I believe we ought not to go on with its construction.

Mr. Speaker, I feel obliged to object.

Mr. KELLER. Mr. Speaker, will not the gentleman withhold his objection for a moment?

Mr. TABER. I withhold the objection for a moment, Mr. Speaker.

Mr. KELLER. The statement the gentleman makes, that the memorial is not very beautiful to behold at the present time, makes me suggest that if the gentleman had bought a suit of clothes and got only a coat and vest, leaving the suit standing at that, it would not look very well either, and that is exactly the situation of that monument at the present time. It is a beautiful piece of work and ought to be completed. This has been unanimously endorsed by the Commission of Fine Arts, and the memorial ought not to be left standing there in that condition.

Mr. TABER. That does not speak very well for the Commission of Fine Arts.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. TABER. I object, Mr. Speaker.

RETIRED OFFICERS OF THE MARINE CORPS AND COAST GUARD

The Clerk called the next bill, S. 1532, to exempt retired officers of the Marine Corps and Coast Guard from certain restrictions with respect to holding office under the United States.

Mr. O'MALLEY. Reserving the right to object, Mr. Speaker, I should like the author of the bill or the gentleman from Illinois to explain just what the bill covers. Is this intended to give an opportunity to more Army and Navy officers who are drawing a large retirement pay to hold Government jobs and draw more pay?

Will these officers on retirement be able to get Government jobs and have that money in addition to their retirement pay? If the bill does that, I shall object to its consideration. The Army officers ought to be satisfied with their large retirement pay and not take jobs away from citizens who need them.

Mr. CHURCH. As stated in the report, the purpose of the bill is to amend the second sentence of section 2 of the Legislative, Executive, and Judiciary Appropriation Act, approved July 31, 1894—Twenty-eighth Statutes, page 205; United States Code, title 5, section 62—by striking out the words "Army or Navy" and inserting in lieu thereof the words "Army, Navy, Marine Corps, or Coast Guard."

Existing laws—section 2 of the act approved July 31, 1894, as amended, United States Code, title 5, section 62—exempts certain retired officers of the Army and Navy whose annual compensation may amount to $2,500 from the inhibition against holding any other public office to which compensation is attached and to which they may be elected or appointed by the President by and with the advice and consent of the Senate.

The present bill extends this exemption to retired officers of the Marine Corps and Coast Guard.

This bill does not change the provisions of section 212 of the act of June 30, 1932. That act provides that where a retired officer has qualified for and accepted appointment to

a civilian office or position under the Federal Government or the municipal government of the District of Columbia, or under any corporation the majority of the stock of which is owned by the United States, the combined rate of his compensation in such civilian office or position and his retired pay for or on account of commissioned service is limited by law to $3,000 per annum; but if the retired rate of pay exceeds $3,000, then the retired officer can only receive one pay, and must, therefore, make a choice as to whether he will continue to receive his retired pay or the civil-position pay. Should he give up his retired pay while holding the civil office, he may again receive his retired pay when he relinquishes his civil office.

It was the opinion of the House Naval Affairs Committee that retired officers of the Marine Corps and Coast Guard should be granted the exemption already enjoyed by officers of the Army and Navy.

This bill has the approval of the Navy Department, as is indicated by the letter from the Secretary of the Navy to the House Committee on Naval Affairs, which is found in the report. I hope the gentleman from Wisconsin will not object.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. FADDIS. I object, Mr. Speaker.

RELIEF OF CERTAIN OFFICERS OF THE UNITED STATES NAVY AND MARINE CORPS

The Clerk called the next bill, S. 2409, for the relief of certain officers of the United States Navy and the United States Marine Corps.

Mr. O'MALLEY. Mr. Speaker, reserving the right to object, I would like to find out what an honorary retired officer is. Is that a Kentucky colonel?

Mr. DRIVER. If the gentleman will permit, one of these officers involved I am concerned with, and have discussed the matter very fully with Senator BYRD, the author of this bill.

This bill is for the purpose of removing a rank discrimination against naval and marine officers due to a change of the policy that existed up to the passage of the act of May 29, 1936, which authorized promotion, upon examination, under the old rule of seniority. When the time approached when these particular officers were concerned with an examination under the then existing law to secure their promotion, this number were on duty on the high seas.

Mr. O'MALLEY. How many does this affect?

Mr. DRIVER. The gentleman from Minnesota [Mr. MAAS] can give the gentleman that information definitely.

Mr. MAAS. There are around 27 officers altogether affected.

Mr. O'MALLEY. Why should not this come in as a private matter if there are just 22 officers involved?

Mr. MAAS. This is under a public act. Through no fault of these officers this situation occurred. Some of them were on C. C. C. duty, some were on the high seas, and the Navy for its own convenience failed to have them take the qualifying medical examination.

Mr. O'MALLEY. What is the relief feature in the bill? Is it back pay?

Mr. MAAS. No; they ought to get back pay, but the bill does not give it to them. It simply puts them with respect to seniority where they would be otherwise, but without the back pay to which they are really entitled.

Mr. O'MALLEY. There is no back pay involved?

Mr. MAAS. No back pay whatever.

Mr. DRIVER. Further, notwithstanding the passage of time, they are required to conform to the same yardstick in their examination as if they had been called upon before.

Mr. RICH. Mr. Speaker, reserving the right to object, I would like to ask this question: Does this give permission for employment of men in the Army or Navy who have been retired and who are going to take jobs away from other people?

Mr. DRIVER. Not at all. That is not involved, I can assure the gentleman.

Mr. RICH. It says "for employment of honorary retired officers."

Mr. DRIVER. That is not the pending bill. This bill is simply to remove a discrimination.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the President of the United States be, and he is hereby, authorized to appoint to the next higher grade or rank on the active list such officers of the line of the United States Navy and such officers of the United States Marine Corps as became eligible by seniority for promotion to a higher grade or rank prior to May 29, 1934, under the laws then in force, and became ineligible for such promotion through the passage of the acts approved May 29, 1934 (48 Stat. 811 and 814; U. S. C., title 34, secs. 286h and 626a), and such officers of the Staff Corps of the United States Navy as became eligible by seniority for promotion to a higher grade or rank prior to August 5, 1935, under the laws then in force, and became ineligible for such promotion through the passage of the act approved August 5, 1935 (49 Stat. 530), who have not been promoted to such higher grade or rank prior to the date of this act: *Provided*, That such officers shall, prior to promotion as herein authorized, be required to establish under existing law their mental, moral, professional, and physical qualifications to perform all the duties of the grade or rank to which authorized to be appointed by the provisions of this act, except that all such officers who are found physically or mentally not qualified for promotion due to causes originating in the line of duty shall be placed on the retired list in the grade or rank and with the retired pay to which their seniority would have entitled them under the laws in force at the time they became eligible by seniority for promotion: *Provided further*, That when promoted to the next higher grade or rank they shall be carried as extra numbers but only in the grade or rank to which promoted pursuant to this act, and shall take precedence with, but after, the officers of the line or the Staff Corps of the Navy, or of the Marine Corps, respectively, next after whom they would have taken precedence had they been promoted to the next higher grade or rank under the laws in force at the time they became eligible by seniority for such promotion: *Provided further*, That for purposes of pay and service in grade they shall be held to have been promoted as of the date on which they became eligible by seniority for promotion: *And provided further*, That no back pay or allowances shall be held to have accrued prior to the passage of this act.

SEC. 2. That such officers of the line of the United States Navy and of the United States Marine Corps as became eligible by seniority for promotion prior to May 29, 1934, under the laws then in force, and such officers of the Staff Corps of the United States Navy as became eligible by seniority for promotion prior to August 5, 1935, under the laws then in force, as have been retired on or before the date of this act on account of mental or physical disability due to causes originating in the line of duty or as an incident of the service, shall have the rank and retired pay to which they would have been entitled had these disabilities been discovered by naval boards convened to determine their mental, moral, professional, and physical fitness for promotion to the next higher grade or rank under the laws then in force relative to promotion based upon seniority.

The bill was ordered to be read a third time, was read the third time and passed, and a motion to reconsider was laid on the table.

EMPLOYMENT OF HONORARY RETIRED OFFICERS

The Clerk called the next bill, H. R. 6900, for the employment of honorary retired officers.

The Clerk read the title of the bill.

Mr. FADDIS and Mr. O'MALLEY rose.

Mr. FADDIS. Mr. Speaker, reserving the right to object, I would like to have the author of this bill explain to the House what an honorary retired officer is?

Mr. MAAS. Mr. Speaker, a Reserve officer who has reached the age of 64 or who becomes physically incapacitated to serve in the Reserve is placed on what is called an honorary retired list. There is no money involved. It is not a paid retired list at all. It roughly corresponds to the retired list, and the purpose of this is to permit the employment of these retired officers mainly in time of war. At the present time if a Reserve officer reaches the age of 64, the President cannot even use him in time of war. Some of them are very valuable. This permits the employment of three in times of peace, but never to exceed 1 year, with 1 year extension. This is to provide for unusual qualified specialists. We have a case now of a man doing administrative work in the merchant marine reserve and they want to keep him another year to carry out a program of creating a merchant marine enlisted reserve, but he has reached the age of 64. However, the main pur-

pose is, in time of war, to permit the President to call these valuable Reserve officers into the service.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That within current appropriations and within the number of Naval Reserve officers of the various grades currently authorized for such class of active duty the Secretary of the Navy is hereby authorized to employ on active duty with pay and allowances of their grades such officers of the honorary retired list of the Naval Reserve as he may deem necessary for the proper functioning of the Naval Reserve and the pay and allowances of such officers while employed shall be paid from the appropriation "Naval Reserve."

With the following committee amendments:

Line 7, after the word "officers", insert a comma and add "not to exceed three in number at any one time."

Line 8, after the word "Naval Reserve", insert "not above the grade of lieutenant commander."

Line 11, after the words "Naval Reserve", change the period to a comma, add a colon, and insert: "*Provided*, That such employment, unless extended by the Secretary of the Navy, shall not exceed 1 year in any case and extensions shall not exceed 1 additional year: *Provided further*, That nothing herein contained, and nothing contained in other laws or parts of laws, shall be construed to prevent the unrestricted employment by the Secretary of the Navy of officers on the honorary retired list on active duty in time of war or other national emergency."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

RELIEF OF DISCHARGED SAILORS, SPANISH-AMERICAN WAR

The Clerk called the bill (H. R. 7520) for the relief of sailors who were discharged from the Navy during the Spanish-American War, the Philippine Insurrection, and the Boxer Uprising because of minority or misrepresentation of age.

The SPEAKER. Is there objection?

Mr. ANDREWS. Mr. Speaker, I reserve the right to object. Would the gentleman from Massachusetts consider an amendment to the bill including the Army under like provision?

Mr. BATES. Mr. Speaker, this bill was called forth because in January 1929 a bill extended these benefits to World War veterans, and a year ago the Army was extended that benefit. Because of that this bill is being recommended this year.

The SPEAKER. Is there objection?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That in the administration of any laws conferring rights, privileges, or benefits upon honorably discharged sailors of the United States Navy, their widows and dependent children, a sailor who was enlisted between April 21, 1898, and July 4, 1902, both dates inclusive, and who was discharged for fraudulent enlistment because of minority or misrepresentation of age, shall hereafter be held and considered to have been honorably discharged from the naval service on the date of his actual separation therefrom, if his service otherwise was such as would have entitled him to an honorable discharge: *Provided*, That no back pay or allowance shall accrue by reason of the passage of this act: *Provided further*, That in all such cases the Navy Department shall, upon request, grant to such men, their widows, or other dependents a discharge certificate showing that the sailors are held and considered to have been honorably discharged under the provisions of this act.

With the following committee amendments:

Page 1, line 4, strike out "sailors of the United States Navy, their widows and dependent children, a sailor" and insert "members of the military or naval forces of the United States, their widows and dependent children, a member of the Navy or Marine Corps."

Page 2, line 4, strike out "naval service" and insert "Navy or Marine Corps."

Page 2, line 10, after the word "such", strike out the remainder of the line and all of line 11, and the word "are" in line 12, and insert "individual, his widow or next of kin a discharge certificate showing that such former member of the Navy or Marine Corps is."

The amendments were agreed to; and the bill as amended was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider the vote by which the bill was passed was laid on the table.

The title was amended to read: "A bill for the relief of members of the Navy or Marine Corps who were discharged from the Navy or Marine Corps during the Spanish-American War, the Philippine Insurrection, and the Boxer uprising because of minority or misrepresentation of age."

UNIFORM METHOD OF EXAMINATION, WARRANT OFFICERS

The Clerk called the bill (S. 2474) to provide a uniform method for examinations of promotion of warrant officers.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That no warrant officer shall be promoted to chief warrant officer until he shall have passed an examination before a board of commissioned officers as may be prescribed by the Secretary of the Navy.

SEC. 2. All laws or parts of laws inconsistent with this act are hereby repealed to the extent of such inconsistency.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

A similar House bill was laid on the table.

DISTRICT COURT, HUTCHINSON, KANS.

The Clerk called the bill (S. 3373) to provide for holding terms of the District Court of the United States at Hutchinson, Kans.

The SPEAKER. Is there objection?

Mr. O'MALLEY. Mr. Speaker, will this cost the Government any money now or in the future?

Mr. WALTER. Mr. Speaker, this does not cost the Government any money at all. It does not provide for any additional personnel and suitable accommodations already exist.

Mr. O'MALLEY. It will not cost the Government any more money now or in the future if they are allowed to hold this term of court in Hutchinson, Kans.?

Mr. WALTER. I do not think so.

The SPEAKER. Is there objection?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That so much of section 82 of the Judicial Code, as amended, as reads "terms of the district court for the second division shall be held at Wichita on the second Mondays in March and September" is amended to read as follows: "terms of the district court for the second division shall be held at Wichita on the second Mondays in March and September, and at Hutchinson on the second Monday in June and the first Monday in November, when suitable rooms and accommodations for holding terms of the court shall be provided at Hutchinson free of cost to the United States or a Federal building containing such suitable rooms and accommodations shall be erected at such place."

With the following committee amendment:

Strike out all after the enacting clause and insert:

"That section 82 of the Judicial Code, as amended (U. S. C., title 28, sec. 157) is amended to read as follows:

" 'The State of Kansas shall constitute one judicial district, to be known as the district of Kansas. It is divided into three divisions, to be known as the first, second, and third divisions of the district of Kansas. The first division shall include the territory embraced on the 1st day of July 1910 in the counties of Atchison, Brown, Chase, Cheyenne, Clay, Cloud, Decatur, Dickinson, Doniphan, Douglas, Ellis, Franklin, Geary, Gove, Graham, Jackson, Jefferson, Jewell, Johnson, Leavenworth, Lincoln, Logan, Lyon, Marion, Marshall, Mitchell, Morris, Nemaha, Norton, Osage, Osborne, Ottawa, Phillips, Pottawatomie, Rawlins, Republic, Riley, Rooks, Russell, Saline, Shawnee, Sheridan, Sherman, Smith, Thomas, Trego, Wabaunsee, Wallace, Washington, and Wyandotte. The second division shall include the territory embraced on the date last mentioned in the counties of Barber, Barton, Butler, Clark, Comanche, Cowley, Edwards, Ellsworth, Finney, Ford, Grant, Gray, Greeley, Hamilton, Harper, Harvey, Hodgeman, Haskell, Kingman, Kiowa, Kearny, Lane, McPherson, Morton, Meade, Ness, Pratt, Pawnee, Reno, Rice, Rush, Scott, Sedgwick, Stafford, Stevens, Seward, Sumner, Stanton, and Wichita. The third division shall include the territory embraced on the said date last mentioned in the counties of Allen, Anderson, Bourbon, Cherokee, Coffey, Chautauqua, Crawford, Elk, Greenwood, Labette, Linn, Miami, Montgomery, Neosho, Wilson, and Woodson. Terms of the district court for the first division shall be held at Leavenworth on the second Monday in October; at Topeka on the second Monday in April; at Kansas City on the first Monday in October and the first Monday in December; and at Salina on the second Monday in May; terms of the district court for the second division shall be held at Wichita on the second Mondays in March and September, and at Hutchinson on the second Monday in June and the first Monday in November, when suitable rooms and accommodations for holding terms of the court shall be provided at Hutchinson free of cost

to the United States or until, subject to the recommendation of the Attorney General of the United States with respect to providing such rooms and accommodations for holding court at Hutchinson, a public building containing such suitable rooms and accommodations shall be erected at such place; and for the third division at Fort Scott on the first Monday in May and the second Monday in November. The clerk of the district court shall appoint three deputies, one of whom shall reside and keep his office at Fort Scott, one at Wichita, and the other at Salina, and the marshal shall appoint a deputy who shall reside and keep his office at Fort Scott and the marshal shall also appoint a deputy, who shall reside and keep his office at Kansas City."

The amendment was agreed to; and the bill as amended was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

SLUM CLEARANCE IN PUERTO RICO

The Clerk called the bill (H. R. 10050) to authorize the Legislature of Puerto Rico to create public corporate authorities to undertake slum clearance and projects to provide dwelling accommodations for families of low income and to issue bonds therefor, to authorize the legislature to provide for financial assistance to such authorities by the government of Puerto Rico and its municipalities, and for other purposes.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. TABER. Mr. Speaker, I ask unanimous consent that the bill go over without prejudice.

The SPEAKER. Is there objection?

Mr. LANZETTA. Mr. Speaker, I reserve the right to object for the purpose of explaining to the gentleman from New York that all this bill does is to set up a housing authority so that Puerto Rico, like the other 48 States, may avail itself of the benefits provided for under the new housing law. What we are doing here had to be done in most States before they could function under the new Housing Act. The reason why this bill is in Congress is because the Legislature of Puerto Rico has no authority under the organic act to pass this enabling legislation. I am sure that the gentleman would not want to deprive the people of Puerto Rico from deriving their share of the benefits under the Housing Act. The law includes Puerto Rico and this bill will enable the insular government to obtain its allotment and to proceed with its slum-clearing program at once. I can see no reason why any objection should be made to this bill passing on the Consent Calendar, since it contains no controversial matter. Furthermore, it is important and necessary that this bill pass before we adjourn, for otherwise Puerto Rico will not be able to proceed with its slum-clearing program until the next session of Congress. I trust that the gentleman will withdraw his request.

The SPEAKER. Is there objection to the request of the gentleman from New York, that the bill go over without prejudice?

There was no objection.

PAYMENT TO SAN CARLOS APACHE INDIANS

The Clerk called the bill (S. 1231) authorizing payment to the San Carlos Apache Indians for the lands ceded by them in the agreement of February 25, 1896, ratified by the act of June 10, 1896, and reopening such lands to mineral entry.

The SPEAKER. Is there objection?

Mr. RICH. Mr. Speaker, I reserve the right to object, to ask somebody to explain the bill.

Mr. MURDOCK of Arizona. Mr. Speaker, I have just explained the bill to my colleague, the gentleman from Illinois [Mr. CHURCH] and one or two others who had questions. This provides for buying some land which was ceded to the Apache Indians of the San Carlos Reservation in 1896, I think it was. I wish the amount to be paid had been greater than that included in the bill. It has been reduced from about $278,000 to $33,000, but the amount included in the bill at present merely pays the Indians for some land now passed into private ownership. The amount stated in the bill is satisfaction in full for a much larger tract of land for which they should receive a much larger payment.

Mr. RICH. Has the Bureau of Indian Affairs approved this?

Mr. MURDOCK of Arizona. Yes; I have talked it over with several men in the Indian Bureau.

Mr. RICH. Did Mr. Collier approve this?

Mr. MURDOCK of Arizona. I have not talked with him, but I have talked with Mr. Zimmerman, the Assistant Commissioner, and others. The Bureau of the Budget approves this.

Mr. RICH. Mr. Speaker, I think we ought to have the Commissioner of Indian Affairs approve the bill. I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER. Is there objection?

There was no objection.

UNITED STATES BUREAU OF FISHERIES

The Clerk called the next bill, H. R. 10650, to provide for a modified 5-year building program for the United States Bureau of Fisheries.

Mr. MARTIN of Massachusetts. Mr. Speaker, reserving the right to object, will the gentleman from Virginia tell us what this modified program is?

Mr. BLAND. It is really a supplemental or new program covering a period of 5 years. It provides various fish-cultural stations, laboratories, and other facilities somewhat similar to the bill that was passed in 1930 for a 5-year program that has been about completed. This bill if passed will provide these important fish-cultural stations and laboratories in about 23 or 24 States and lay the groundwork so that some of the Public Works money may be used for this purpose.

Mr. MARTIN of Massachusetts. How much money is involved?

Mr. BLAND. It involves in all about $3,170,000 for the 5-year program.

The SPEAKER. Is there objection to the present consideration of the bill?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the act of May 21, 1930 (46 Stat. 371) is hereby amended to read as follows:

"There are hereby authorized to be appropriated during the fiscal year beginning July 1, 1939, such amounts as may be necessary for—

"(1) The further development of fish-cultural stations at the following places, at a cost not to exceed the amount specified: Flintville, Tenn., $25,000; Lamar, Pa., $40,000.

"(2) The establishment of fish-cultural substations in each of the following States, at a cost not to exceed the amount specified: Mississippi, $40,000; Maine, $50,000; Alabama, $75,000.

"(3) The construction of rearing ponds in each of the following areas, at a cost not to exceed the amount specified: Upper Mississippi River, Rock Island to Wabasha, $60,000; national park and forest areas, $40,000.

"(4) The purchase of 10 fish-distribution trucks, at a cost not to exceed $15,000.

"(5) The further development of fish-cultural stations in each of the following States, at a cost not to exceed the amount specified: Ohio, $25,000; Kansas, $25,000; Minnesota, $25,000; North Dakota, $25,000.

"(6) The establishment of fishery laboratories at the following places, at a cost not to exceed the amount specified: College Park, Md., $100,000; Milford, Conn., $50,000; Little Port Walter, Alaska, $25,000.

"(7) The further development of the fishery laboratory at Pensacola, Fla., at a cost not to exceed $10,000.

"(8) The construction of a fishery laboratory boat for use in southeastern Alaska, at a cost not to exceed $20,000.

"(9) The construction of 12 high-speed patrol boats for enforcement of Alaska fishery laws and regulations, at a cost not to exceed $60,000.

"(10) The construction of two seagoing patrol vessels for the enforcement of Alaska fishery laws and regulations, at a cost not to exceed $120,000.

"(11) The establishment of salmon-counting weirs in the important salmon streams in Alaska, at a cost not to exceed $20,000.

"SEC. 2. There are hereby authorized to be appropriated during the fiscal year beginning July 1, 1940, such amounts as may be necessary for—

"(1) The establishment of a fishery laboratory at Kariuk, Alaska, at a cost not to exceed $35,000, including the construction of a road.

"(2) The establishment of a fish-cultural station in Arizona, at a cost not to exceed $75,000.

"(3) The further development of fish-cultural stations at each of the following places, at a cost not to exceed the amount specified:

Leetown, W. Va., $35,000; Marion, Ala., $25,000; Natchitoches, La., $25,000; Cortland, N. Y., $25,000.

"(4) The construction of rearing ponds in each of the following areas, at a cost not to exceed the amount specified: Upper Mississippi River, Rock Island to Wabasha, $60,000; national park and forest areas, $40,000.

"(5) The purchase of 10 fish-distribution trucks, at a cost not to exceed $15,000.

"(6) The repair and improvement of the aquarium in the Commerce Building, at a cost not to exceed $10,000.

"(7) The establishment of a fish-cultural station in eastern Washington, at a cost not to exceed $75,000.

"(8) The construction of a seagoing patrol vessel for the enforcement of Alaska fishery laws and regulations, at a cost not to exceed $60,000.

"(9) The construction and equipment of a seagoing vessel for the conduct of scientific and oceanographic research in waters off the Pacific coast, at a cost not to exceed $400,000.

"(10) The establishment of salmon counting weirs in the important salmon streams in Alaska, at a cost not to exceed $20,000.

"SEC. 3. There are hereby authorized to be appropriated during the fiscal year beginning July 1, 1941, such amounts as may be necessary for—

"(1) The purchase and further development of the Fields fish hatchery in Comanche County, Okla., at a cost of not to exceed $40,000.

"(2) The establishment of fish-cultural stations in the following States at a cost not to exceed the amount specified: Illinois, $75,000; Arkansas, $60,000.

"(3) The establishment of shad-rearing stations in the following States, at a cost not to exceed the amount specified: South Carolina, $35,000; Virginia, $50,000; Maryland, $50,000.

"(4) The establishment of a fishery products laboratory in Puerto Rico, at a cost not to exceed $25,000.

"(5) The construction of rearing ponds in each of the following-named areas, at a cost not to exceed the amount specified: Upper Mississippi River, Rock Island to Wabasha, $60,000; national park and forest areas, $40,000.

"(6) The purchase of 10 fish-distribution trucks, at a cost not to exceed $15,000.

"(7) The construction of a seagoing patrol vessel for the enforcement of Alaska fishery laws and regulations, at a cost not to exceed $60,000.

"(8) The construction of dwellings and other buildings for natives on the Pribilof Islands, Alaska, at a cost not to exceed $20,000.

"(9) The establishment of a fishery-products laboratory in the Territory of Alaska, at a cost not to exceed $50,000.

"SEC. 4. There are hereby authorized to be appropriated during the fiscal year beginning July 1, 1942, such amounts as may be necessary for—

"(1) The establishment of a fish-cultural station in New Jersey, at a cost not to exceed $75,000.

"(2) The construction of rearing ponds in national park and forest areas, at a cost not to exceed $40,000.

"(3) The purchase of 10 fish-distribution trucks, at a cost not to exceed $15,000.

"(4) The construction of a seagoing patrol vessel for the enforcement of Alaska fishery laws and regulations, at a cost not to exceed $60,000.

"(5) The construction of dwellings and other buildings for natives on the Pribilof Islands, Alaska, at a cost not to exceed $20,000.

"(6) The construction of a vessel to serve as a tender for the Pribilof Islands, Alaska, at a cost not to exceed $300,000.

"SEC. 5. There are hereby authorized to be appropriated during the fiscal year beginning July 1, 1943, such amounts as may be necessary for—

"(1) The establishment of fish-cultural substations in the following States, at a cost not to exceed the amount specified: Northern Idaho, $50,000; Kentucky, $50,000.

"(2) The construction of rearing ponds in national park and forest areas, at a cost not to exceed $40,000.

"(3) The purchase of 10 fish-distribution trucks, at a cost not to exceed $15,000.

"(4) The construction of a sea-going patrol vessel for the enforcement of Alaska fishery laws and regulations, at a cost not to exceed $60,000.

"(5) The construction of dwellings and other buildings for natives on the Pribilof Islands, Alaska, at a cost not to exceed $20,000.

"SEC. 6. (a) The new stations, substations, and laboratories authorized by this act shall be located at such specific points as may be selected by the Secretary of Commerce.

"(b) Any appropriation made under authority of this act may be expended for the purchase of sites, equipment, the construction of buildings, and for such other items as may be incidental to the establishment, further development, or purchase, as the case may be, of the station, substation, or laboratory in question.

"(c) No part of an appropriation made under authority of this act shall be expended in the establishment, further development, or purchase of a station or substation unless the State in which such station or substation is to be located shall accord to the United States Commissioner of Fisheries and his duly authorized agents the right to conduct fish-cultural operations and all other necessary operations connected therewith, in such manner and at such times as is considered necessary and proper by the said Commissioner or his agents. The operation of any station or substation established, further developed, or purchased under authority of this act may be discontinued whenever the State ceases to accord such right, or whenever, in the judgment of the Secretary of Commerce, State laws or regulations affecting fishes propagated are allowed to remain so inadequate as to impair the efficiency of such station or substation.

"(d) The authorizations herein with reference to appropriations for certain specified years are for the purpose of indicating priority proposed to be given the various projects but shall not be held to require the appropriations to be made in the years specified, and the appropriations enumerated are likewise authorized in prior or subsequent years in annual or supplemental appropriation acts.

"SEC. 7. In carrying out the provisions of this act the Bureau of Fisheries may cooperate with States, counties, municipalities, individuals, and public and private agencies, organizations, and institutions, and may accept donations of lands, funds, and other aid to the development of this program. Title to sites for the establishment of stations, substations, or laboratories, whether acquired by donation or purchase, may be acquired subject to such easements, restrictions, or provisions for reversion as may in the judgment of the Secretary of Commerce be considered consistent with the public interest."

With the following committee amendments:

Page 2, line 8, strike out the period after the figures "$75,000" and insert in lieu thereof a semicolon and the words "the establishment of a lobster-rearing station in the State of Maine, $25,000."

Page 3, lines 15 and 16, before the comma following the word "Kariuk" insert the word "Lake."

Page 3, line 24, strike out the period following the figures "$25,000" and insert in lieu thereof a semicolon and the following: "Cape Vincent, N. Y., $25,000."

Page 4, line 9, after the word "station", insert the words "and oyster laboratory."

Page 4, line 10, strike out the word "eastern" and insert in lieu thereof the words "the State of."

Page 4, line 10, strike out the figures "$75,000" and insert in lieu thereof the figures "$100,000."

Page 8, between lines 13 and 14, insert a new subsection "(e)" to read as follows:

"(e) To enable the Bureau of Fisheries to carry out this program there are hereby authorized, in addition to all other amounts herein authorized, such appropriations as may be necessary from time to time to provide adequate, technical, administrative, and clerical personnel in the District of Columbia and elsewhere."

The committee amendments were agreed to.

Mr. BLAND. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. BLAND: Page 1, line 3, after the word "That", strike out the following language in lines 3 and 4: "the act of May 21, 1930 (46 Stat. 371) is hereby amended to read as follows."

Page 1, line 5, strike out in the word "There" the capital letter "T" and insert in lieu thereof the letter "t" in small letter.

In the first line of the title of the bill strike out the word "modified" so that as amended the title will read as follows: "A bill to provide for a 5-year building program for the United States Bureau of Fisheries."

Strike out all quotation marks in the bill.

The amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

COAST AND GEODETIC SURVEY

The Clerk called the next bill, H. R. 10690, to authorize the construction of certain vessels for the Coast and Geodetic Survey, Department of Commerce, and for other purposes.

Mr. RICH. Mr. Speaker, reserving the right to object, will the gentleman from Virginia tell us what kind of vessels the Coast and Geodetic Survey proposes to build?

Mr. BLAND. These vessels are needed for survey work that is being done in Alaska. One is a 1,500-ton vessel. They are of light tonnage. I think there are probably one or two smaller vessels.

It appears that there is about 1,000 miles of the coast line along the Aleutian Islands and many other very important sections in Alaska where the reefs have never been charted. It is important to the fishing and commercial interests that these reefs be shown.

The Coast and Geodetic Survey has not had a replacement program since 1929. If the work is to go ahead on this survey in Alaska, it is important that this legislation pass.

Mr. RICH. Realizing that we have spent over $1,250,000,000 for building new vessels for the Navy, that the Navy is getting every kind of vessel from a small boat to a $70,000,000 battleship; realizing further that we have hundreds of

old boats tied up in the rivers, boats that have not been scrapped or junked, I cannot understand why the Coast and Geodetic Survey cannot borrow a couple of vessels from the Navy to do this work. The Navy has thousands of vessels. I cannot see why we have to build additional vessels.

Mr. BLAND. That question was gone into by the committee, and it was asserted that for the particular purpose of the Coast and Geodetic Survey work they needed a particular class of vessel. They stated they had made investigation as to whether any such vessels were available.

This I may say also, is in the interest of national defense.

Mr. RICH. I am for national defense as much as anybody, but we have already authorized $2,250,000,000 for national defense. I think we have gone just about the limit.

Mr. BLAND. The gentleman realizes, I hope, the importance of Alaska as one of the defense points of the United States. It is also highly essential that the waters there shall be charted. Not very long ago I was talking with the Commandant of the Coast Guard. It seems that some boats were wrecked on one of these reefs because the reef was not shown on the chart.

Mr. FADDIS. Mr. Speaker, will the gentleman yield?

Mr. RICH. I yield.

Mr. FADDIS. It is a well-known fact that the Japanese have these waters better charted than we.

Mr. BLAND. We need to have them charted to be prepared to meet them.

Mr. RICH. How much are these vessels going to cost?

Mr. BLAND. The total expenditure is not to exceed $1,425,000.

Mr. RICH. One million four hundred and twenty-five thousand dollars?

Mr. BLAND. Yes.

Mr. RICH. Where are you going to get the money? Mr. Speaker, I object.

RELIEF OF CERTAIN DISBURSING OFFICERS OF THE UNITED STATES

The Clerk called the next bill, H. R. 9202, for the relief of certain disbursing officers of the United States and certain officers and employees of the Interior Department.

The SPEAKER pro tempore (Mr. O'CONNOR of New York). Is there objection to the present consideration of the bill?

Mr. RICH. Mr. Speaker, reserving the right to object, I would like to know who we are going to relieve. A bill was introduced here some time ago to relieve certain bonding companies, and I want to know whether that is in this bill. If there is no one here to explain, we are not going to relieve any bonding companies, and I object.

SITE AND ERECTION OF THE COLUMBIAN FOUNTAIN

The Clerk called the joint resolution (H. J. Res. 664) authorizing the selection of a site and the erection thereon of "The Columbian Fountain" in Washington, D. C.

The SPEAKER pro tempore. Is there objection to the present consideration of the joint resolution?

Mr. TREADWAY. Mr. Speaker, I object.

Mr. SABATH. Will the gentleman withhold this objection?

Mr. TREADWAY. I am going to object, but the gentleman may make any explanation he desires.

Mr. SABATH. Mr. Speaker, I wish to assure the gentleman and the House that this joint resolution does not call for any expense on the part of the Government. Chicago people who have been proud of their achievement in 1893, during the commemoration of the four hundredth anniversary of the discovery of America, then held an exposition. At that time the Congress voted a liberal contribution toward its success. It was an exposition unequaled since. Its court of honor was a wonder to behold; the Columbian fountain formed its most artistic aspect of beauty. It was then, and is still, recognized as the finest piece of work of the great American sculptor Frederick MacMonnies. And men like Daniel H. Durham, Augustus St. Gaudens, and other outstanding artists, were in accord in praising its grandeur.

Unfortunately that fine piece of statuary was not made of permanent material and became lost to posterity. Now large numbers of Chicago's outstanding citizens desire it sculptored out of time-resisting marble and place it in Washington, the Capital of the Nation. They desire to present it without cost to the Government or to the District of Columbia. All my resolution asks is that a site be allotted for its setting. That site to be selected by the Fine Arts and National Capital Park and Planning Commission. Therefore I hope, since no appropriation is asked, that the gentleman will not object to the passage of my joint resolution.

I hope that he and many others remember the Columbian Exposition, and if he does, surely he should feel that not only the people of the District of Columbia but also the hundreds of thousands of visitors from all over the Nation and the world who come here will gain by an opportunity to see this fine piece of sculpture to be donated by Chicago to the Nation's Capital City.

Mr. KELLER. What is the gentleman's objection?

Mr. TREADWAY. The gentleman offers the explanation that it will not result in expense to the Government.

Mr. SABATH. Not a cent.

Mr. TREADWAY. The provision that the chairman of the Library Committee referred to has been inserted in this bill. But that is not the main reason for objecting to its passage. If one will take this bill and read the whereases that go with it I think he will find ample reason for objecting.

Mr. SABATH. I do not care about the whereases.

Mr. TREADWAY. My recollection as a young man goes back to a visit to the Chicago World's Fair where this fountain was on exhibition or in use. It was a very ornate piece of work and proper for that place and time. As I understand it, the desire is to duplicate this fountain from the original sketches and place it permanently in the city of Washington, D. C. Such an ornamental piece of work as that, to my mind, does not correspond with the dignity of our Capital City and, in addition to that is the fact that a location must be given upon which to erect this fountain when constructed. I see no reason why the fountain should be erected in this city, nor do I know where such a design would be appropriate in the city. It seems to me, originally, it might be well to see if the citizens of Chicago themselves do not want to keep that wonderful fountain in their home city. I would not object at all if the gentleman brought in a request that we recommend to the city of Chicago that it erect its own fountain in its own city.

Mr. SABATH. We will.

Mr. TREADWAY. I do object to its erection here and the passage of the bill at this time.

Mr. KELLER. May I call the gentleman's attention to the fact that the matter of placement as well as the matter of reproduction is referred by the bill to the Commission on Fine Arts?

Mr. TREADWAY. I realize that.

Mr. KELLER. And unless a place can be found, then it will not be constructed?

Mr. TREADWAY. No one knows how much land will be required to be given by the Government in the city of Washington nor is any information at hand as to other conditions. All the details are left in the air for the city of Chicago committee to eventually work out.

Mr. Speaker, I object.

ACQUISITION OF THE CHARLES COTESWORTH PINCKNEY PAPERS

The Clerk called the next bill, S. 3699, authorizing the Library of Congress to acquire by purchase, or otherwise, the whole, or any part, of the papers of Charles Cotesworth Pinckney and Thomas Pinckney, including therewith a group of documents relating to the Constitutional Convention of 1787, now in the possession of Harry Stone of New York City.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. FADDIS. Mr. Speaker, reserving the right to object, will some one explain how much money is involved?

Mr. KELLER. Thirty-seven thousand five hundred dollars.

Mr. FADDIS. What are these papers?

Mr. KELLER. Charles Cotesworth Pinckney, as the gentleman will recollect, was one of the authors of the Constitution of the United States.

Mr. FADDIS. Yes.

Mr. KELLER. He kept a very thorough record all during the time it was being written of the discussions and everything. It also includes many letters from other men on the subject of the Constitution of the United States at the time it was being written and at the time it was being formed. At the present time there is no source for information on that subject equal to these papers.

Mr. FADDIS. How voluminous is this collection? Is it something that is really worth some money?

Mr. KELLER. Oh, yes.

Mr. FADDIS. Or are we throwing away $37,000 for a little bit of nothing?

Mr. KELLER. No. I ought to call the attention of the House to an additional fact. We have permitted the universities, some in foreign lands, to buy up these remarkable original documents. A man ought to be able to come to Washington and find this source of information on these historic subjects. For some of this material you have to go to Chicago, for other parts of the material to London, and we ought to have it right here. This is the last one I know of that is obtainable. It is worth the money, as shown by the investigation of the Senate committee.

Mr. O'NEAL of Kentucky. Mr. Speaker, will the gentleman yield?

Mr. FADDIS. I yield to the gentleman from Kentucky.

Mr. O'NEAL of Kentucky. I may say that by historians this is said to be the best extant collection in private hands in America today. Those things scatter all over the country and are lost. This collection has been priced at twice its present price. Unless this is acquired by some library for the benefit of posterity, the best private collection of material of this period now extant will be gone. I hope the bill will pass.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. TREADWAY. I object, Mr. Speaker.

ADDITIONAL MIDSHIPMAN AT THE UNITED STATES NAVAL ACADEMY

The Clerk called the next bill, S. 2276, to provide for an additional midshipman at the United States Naval Academy, and for other purposes.

Mr. FADDIS. I object, Mr. Speaker.

LANDS FOR HIGHWAY PURPOSES, COOS COUNTY, OREG.

The Clerk called the next bill, S. 3095, authorizing the Secretary of War to grant to the Coos County Court of Coquille, Oreg., and the State of Oregon an easement with respect to certain lands for highway purposes.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of War is authorized and directed to grant to the Coos County Court of Coquille, Oreg., and the State of Oregon, a permanent easement authorizing the grantees to construct and maintain a highway 60 feet in width across lands of the United States situated in Coos County, Oreg., on the north bank of the Millicoma River (North Fork of Coos River) in sec. 13, T. 25 S., R. 12 W., and sec. 18, T. 25 S., R. 11 W., Willamette meridian. The easement authorized to be granted by this act shall be in lieu of the license, revocable at the will of the Secretary of War, granted to such grantees on October 14, 1937, and shall be granted subject to such reasonable conditions as the Secretary of War may deem desirable to include in such grant for the purpose of enabling the United States to make full use of the lands bounding such highway.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

LAND FOR HIGHWAY PURPOSES, TILLAMOOK COUNTY, OREG.

The Clerk called the next bill, S. 3126, authorizing the Secretary of War to convey a certain parcel of land in Tillamook County, Oreg., to the State of Oregon to be used for highway purposes.

Mr. RICH. Reserving the right to object, Mr. Speaker, may I ask whether any cost to the Government will be involved in the transfer of this land?

Mr. MAY. The only thing involved in this transaction is a strip of land containing forty-two one-thousandths of 1 acre, where a State highway crosses a military reservation private road. Not a dollar is involved in this transaction, and it is not objected to by anybody.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of War is authorized and directed to convey by quitclaim deed to the State of Oregon a parcel of land located in the northwest quarter of the northwest quarter of section 30, township 1 south, range 9 west, Willamette meridian, Tillamook County, Oreg.; such parcel of land being a portion of the 12-foot roadway which was conveyed by a certain deed dated February 8, 1908, from Annie L. Johnson and Ed Johnson, her husband, to the United States; such parcel being more particularly described as follows: Beginning at a point which is the intersection of the westerly right-of-way line of the Oregon Coast Highway and the south line of said 12-foot roadway; said point being 221.1 feet north and 5.3 feet east of the United States meander corner on the west line of said section 30, and on the north bank of the Hoquarton Slough; said point also being 40 feet distant westerly from (when measured at right angles to) the reconstructed center line of the Oregon Coast Highway at Engineer's Station 7+64.1; thence east along the south line of said 12-foot roadway a distance of 154.4 feet to the center of the old county road; thence north 38° west along the center of the county road a distance of 15.2 feet to the north line of said 12-foot roadway; thence west along said north line a distance of 146.8 feet to a point which is 40 feet distant westerly from (when measured at right angles to) the center line of said Oregon Coast Highway; thence parallel to said highway center line on a 2,904.8-foot radius curve left (the long chord of which bears south 8°18′ east 5.87 feet) a distance of 5.9 feet; thence south 8°21′ east parallel to said center line a distance of 6.3 feet to the point of beginning, containing forty-two one-thousandths acres.

SEC. 2. The parcel of land authorized to be conveyed by the first section of this act shall be used for highway purposes, and the deed executed by the Secretary shall contain the express condition that if such parcel of land is used for any other purpose it shall revert to the United States.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

CAPE HENRY MEMORIAL SITE, FORT STORY, VA.

The Clerk called the joint resolution (S. J. Res. 243) to provide for the transfer of the Cape Henry Memorial site in Fort Story, Va., to the Department of the Interior.

Mr. RICH. Reserving the right to object, Mr. Speaker, I should like to have somebody explain this joint resolution.

Mr. MAY. This joint resolution involves a transfer by the War Department to the Department of the Interior of a plot of land either 40 or 60 feet square at Cape Henry for the purpose of allowing the erection by an historical society down there of a monument commemorating the first landing of the English settlers, and leaves it under the jurisdiction of the Department of the Interior for maintenance.

Mr. RICH. If the War Department transfers this land and the Department of the Interior accepts it, who is going to build the monument?

Mr. MAY. The society—the Daughters of the American Colonies.

Mr. RICH. Are they going to ask the Federal Government to contribute money for the construction of the monument?

Mr. MAY. No; they have not yet.

Mr. RICH. They have not yet? Is it intended to do that?

Mr. MAY. I do not know what they are going to do.

Mr. RICH. Almost every time land is transferred from one Department to another for such a purpose you can bet your bottom dollar they are going to come back here and ask

for money. They had better come in here and ask for the monument and the ground at the same time.

Mr. HAMILTON. Mr. Speaker, will the gentleman yield?

Mr. RICH. I yield to the gentleman from Virginia.

Mr. HAMILTON. The monument is already there. No money is to be spent. Nothing is to be asked for. This monument is simply a cross and is at Cape Henry now. It commemorates the landing of the first permanent English settlers in America. The cross is there, the plot is already there, and there is simply an area about it that they wish to make a part of the colonial historical monument. No money is to be asked for the construction of this monument.

Mr. RICH. When the plot is transferred to the Department of the Interior, does the gentleman expect that Department to go down there and take care of it?

Mr. HAMILTON. The plot is not one-quarter as large as this room.

Mr. RICH. Is it in the gentleman's district?

Mr. HAMILTON. Yes.

Mr. RICH. The gentleman does not intend, then, to come in and ask the Department of the Interior to do a lot of work down there?

Mr. HAMILTON. No. I absolutely guarantee it will not.

Mr. RICH. If the gentleman will guarantee it, all right.

The SPEAKER. Is there objection to the present consideration of the joint resolution?

There being no objection, the Clerk read the joint resolution, as follows:

Whereas the Colonial National Historical Park (formerly the Colonial National Monument) established under the act of Congress approved July 3, 1930, includes Jamestown, Yorktown, and Williamsburg; and

Whereas the Jamestown colonists who established the first permanent English settlement in America first landed and set up a cross on April 26, 1607, at the First Landing Dune in Fort Story, Cape Henry, Va., which is now a shrine marked by a cross memorial: Therefore be it

Resolved, etc., That the Secretary of War is authorized in his discretion, subject to such terms and conditions as he may deem essential for the protection of military interests to transfer to the Secretary of the Interior such part of the Fort Story Military Reservation, Cape Henry, Va., as the Secretary of War may select, but not to exceed an area of 100 feet square, as a proposed site for the Cape Henry Memorial (First Landing Dune), including the site on which the Daughters of the American Colonies have heretofore erected a monument under authority of the War Department. The Secretary of the Interior, through the National Park Service, shall exercise jurisdiction over and maintain such site and memorial as a part of the Colonial National Historical Park, under the provisions of the act establishing the National Park Service, approved August 25, 1916, as amended and supplemented: *Provided*, That the use of any property transferred under the provisions of this act shall be subject to the paramount needs of national defense.

The Senate joint resolution was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ADDITIONAL MIDSHIPMAN AT THE UNITED STATES NAVAL ACADEMY

Mr. VINSON of Georgia. Mr. Speaker, I ask unanimous consent to return to Calendar No. 779, the bill (S. 2276) to provide for an additional midshipman at the United States Naval Academy, and for other purposes.

Mr. O'MALLEY. Reserving the right to object, Mr. Speaker, the gentleman has assured me this bill provides for only one candidate from the Canal Zone.

Mr. VINSON of Georgia. The bill merely permits the Secretary of the Navy, upon recommendation of the Governor General of the Canal Zone, to name one midshipman from the civilian citizens of the Canal Zone.

Mr. O'MALLEY. Resident in the Canal Zone?

Mr. VINSON of Georgia. The gentleman is correct. A similar law is in effect with respect to the Army.

Mr. O'MALLEY. The candidates have to enter by competitive examination?

Mr. VINSON of Georgia. That is usually the way the Secretary makes his appointment.

Mr. RICH. Reserving the right to object, Mr. Speaker, is it not stated in the report that there shall be two candidates selected?

Mr. VINSON of Georgia. It requires that only one candidate be selected. This bill is similar to a law now in effect with respect to the Army, relating to appointments by the Secretary of War.

The SPEAKER pro tempore. The gentleman from Georgia asks unanimous consent to return to Calendar 779. Is there objection?

Mr. BROOKS. I object, Mr. Speaker.

The SPEAKER pro tempore. The Chair would suggest that requests to return to bills previously considered on the calendar wait upon the completion of the regular call of the calendar.

AUTHORIZATION OF THE SECRETARY OF THE NAVY TO ACCEPT CERTAIN LANDS IN THE CITY OF LOS ANGELES, CALIF., WITH IMPROVEMENTS THEREON

The Clerk called the next bill, H. R. 9258, to authorize the Secretary of the Navy to accept on behalf of the United States certain land in the city of Los Angeles, Calif., with improvements thereon.

Mr. RICH. Mr. Speaker, reserving the right to object, I would like to know what we are going to do with this land and improvements and also what is the purpose of the bill?

Mr. KRAMER. For the information of the gentleman from Pennsylvania, I may say that this is not only to acquire land, but also a building worth in excess of $1,000,000 which the city and county of Los Angeles is donating to the Federal Government. It is to be used as a naval and Marine Corps armory and the Secretary of the Navy has recommended the passage of this bill. It is only to cost the Government about $3,400 a year to maintain the building after they have acquired it.

Mr. RICH. If the armory is already constructed, why give it to the Government?

Mr. KRAMER. It is in course of construction.

Mr. RICH. Why do you want the Federal Government to maintain it? Let California do its duty.

Mr. KRAMER. Because that will be necessary.

Mr. MAAS. I am quite familiar with this matter.

This is a Naval Reserve armory which the city and county of Los Angeles is building. The Federal Government is now running an armory which is totally unsuitable. The city will give this to the Federal Government and it will maintain it in lieu of the rent it is now paying for the present building.

Mr. RICH. How much rent are they paying?

Mr. MAAS. I do not remember the figures, but they will have to double the size of the present rented space if they do not take over this building.

Mr. KRAMER. They are paying at the present time $2,300 and they are getting a million-dollar project. If the gentleman will come to the city of Los Angeles and if he is able to get a million-dollar property for $2,300, he should accept it very quickly.

Mr. RICH. Every time I am told the Government is getting something for nothing I usually find that the Government is getting it in the neck, or getting a pig in a poke.

Mr. KRAMER. This is a very fine project.

Mr. RICH. Then this is one of the very few cases where the Government is getting something for practically nothing—a rare thing for the Government to get from a sovereign State and especially California.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Navy is hereby authorized on behalf of the United States to accept from the city and county of Los Angeles, Calif., a site free from all encumbrances, the title in fee simple, together with the improvements, rights, privileges, and appurtenances belonging thereto, including an armory building constructed or to be constructed thereon, for use of the United States Naval and Marine Corps Reserve: *Provided*, That the acquisition of said land shall be without cost to the United States, and that the grading and landscaping of said land and the construction and completion of said armory building thereon shall not entail any obligation against appropriations of the Navy Department of relief funds apportioned to it: *Provided further*, That the acceptance by the Secretary of the Navy shall not be made until the grading and landscaping of said land and the construction of said armory building are satisfactorily completed.

With the following committee amendment:

Page 2, line 5, after the word "Department", strike out the word "of" and insert the word "or."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

CREATION, ORGANIZATION, ADMINISTRATION, AND MAINTENANCE OF A NAVAL RESERVE AND A MARINE CORPS RESERVE

The Clerk called the next bill, H. R. 10594, to provide for the creation, organization, administration, and maintenance of a Naval Reserve and a Marine Corps Reserve.

Mr. RICH. Mr. Speaker, reserving the right to object, I would like to ask somebody to explain this bill and state what it is going to cost the Federal Government and whether the War Department has approved it?

Mr. VINSON of Georgia. I will state to the gentleman from Pennsylvania that this bill is the result of an investigation of a year and a half or 2 years by a subcommittee of which our colleague the gentleman from Minnesota [Mr. MAAS] was chairman. This is an administration bill. It is recommended by the Navy Department and it is unanimously reported by the committee.

The bill creates a Naval Reserve and the gentleman from Minnesota can explain in detail any phase of the bill that the gentleman from Pennsylvania desires, and I may state that it is a bill that is very much desired and the proposed plan will be more economical than the present method, and I certainly hope the gentleman will not object because the bill represents nearly 2 years' work by our distinguished colleague, the gentleman from Minnesota [Mr. MAAS] who is the author of the bill.

Mr. RICH. I am not going to object to any bill that has merit.

Mr. VINSON of Georgia. This bill certainly has merit.

Mr. MAAS. I may say to the gentleman that we have taken the veritable patchwork of laws and codified and simplified and amended them wherever necessary and put them in one bill, and the bill has the approval of all the Reserve officers, the Navy Department, the Budget, and is unanimously reported by the committee.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That this act may be cited as the "Naval Reserve Act of 1938."

TITLE I—DISSOLUTION OF EXISTING RESERVE AND ORGANIZATION OF NEW RESERVE

SECTION 1. The Naval Reserve established under the act of February 28, 1925, is hereby abolished, and in lieu thereof there is hereby created and established, as a component part of the United States Navy, a Naval Reserve which shall consist of the Fleet Reserve, the Organized Reserve, the Merchant Marine Reserve, and the Volunteer Reserve: *Provided*, That all men who on the date of this act are members of the Fleet Naval Reserve as the result of 16 or more years of active naval service, are hereby transferred to the Fleet Reserve created by this act, and shall continue to receive the same pay, allowances, and benefits which they were legally entitled to receive at the time of approval of this act, and all other members of the Fleet Naval Reserve are hereby transferred to the Organized Reserve; and all officers and men who on the date of this act are members of the Merchant Marine Naval Reserve and Volunteer Naval Reserve (including aviation cadets), are hereby transferred to the Merchant Marine Reserve and Volunteer Reserve, respectively: *Provided further*, That such transfers of officers and men shall be for the unexpired period of their current appointments or enlistments in the Naval Reserve and in the same grades, ranks, or ratings, and with the same dates of precedence held by them on the date of such transfer: *And provided further*, That nothing contained in this act shall affect the status or pay of members of the Naval Reserve Force or the Naval Reserve heretofore retired with or without pay, except that members of the honorary retired list on the date of the approval hereof are hereby transferred to the honorary retired list for the Naval Reserve created by section 309, title III, of this act.

SEC. 2. The United States Marine Corps Reserve established under the act of February 28, 1925, is hereby abolished, and in lieu thereof there is hereby created and established as a component part of the United States Marine Corps, a Marine Corps Reserve under the same provisions in all respects (except as may be necessary to adapt said provisions to the Marine Corps) as those contained in this act or which may hereafter be enacted providing for the Naval Reserve: *Provided*, That the Marine Corps Reserve shall consist of the Fleet Marine Corps Reserve, the Organized Marine Corps Reserve, and the Volunteer Marine Corps Reserve, corresponding, as near as may be, to similar classes of the Naval Reserve.

SEC. 3. The act of February 28, 1925, entitled "An act for the creation, organization, administration, and maintenance of a Naval Reserve and a Marine Corps Reserve" (43 Stat. 1080), as amended by the acts of March 4, 1925, section 19 (43 Stat. 1276); March 2, 1929 (45 Stat. 1476); May 23, 1930, section 2 (46 Stat. 375); June 30, 1932, section 1 (47 Stat. 431, 439); February 14, 1933 (47 Stat. 801); and May 29, 1934, section 17 (48 Stat. 813), as contained in the United States Code, title 34, chapter 15, is hereby repealed.

SEC. 4. The Naval Reserve shall be composed of male citizens of the United States and of the insular possessions of the United States of 17 years of age or over who, by appointment or enlistment therein under regulations prescribed by the Secretary of the Navy or by transfer thereto as in this act provided, obligate themselves to serve in the Navy in time of war or when in the opinion of the President a national emergency exists: *Provided*, That no officer or man of the Naval Reserve shall be a member of any other naval or military organization except the Naval Militia: *Provided*, That no existing law shall be construed to prevent any member of the Naval Reserve from accepting employment in any civil branch of the public service nor from receiving the pay and allowances incident to such employment in addition to any pay and allowances to which he may be entitled under the provisions of this act, nor as prohibiting him from practicing his civilian profession or occupation before or in connection with any department of the Federal Government.

SEC. 5. Any member of the Naval Reserve, including those on the honorary retired list created by section 309, title III, of this act, or who may have been retired, may be ordered to active duty by the Secretary of the Navy in time of war or when in the opinion of the President a national emergency exists and may be required to perform active duty throughout the war or until the national emergency ceases to exist; but in time of peace, except as otherwise provided in this act, he shall be ordered to or continued on active duty with his own consent only: *Provided*, That aviation cadets may be required to serve on active duty for a continuous period of 4 years from date of appointment: *Provided further*, That the Secretary of the Navy may release any member from active duty either in time of war or in time of peace.

SEC. 6. In time of peace no officer or man of the Naval Reserve shall be discharged except upon expiration of his term of service or upon his own request or for full and sufficient cause, in the discretion of such administrative authority as the Secretary of the Navy may designate: *Provided*, That within a reasonable time prior to discharge for cause, officers shall be given an opportunity to be heard by the Secretary of the Navy, or such administrative authority or other agency as he may designate, which opportunity will be considered as having been given through the mailing of notice to their address on file in the Navy Department: *Provided further*, That officers and enlisted men of the Naval Reserve on active duty shall be subject to separation therefrom in the same manner as may be provided by or in pursuance of law for the separation of officers and enlisted men of the Regular Navy: *And provided further*, That members of the Fleet Reserve and officers and enlisted men who may have heretofore been transferred to the retired list of the Naval Reserve Force or the Naval Reserve or the honorary retired list with pay or may hereafter be so transferred, shall at all times be subject to the laws, regulations, and orders for the government of the Navy, and shall not be discharged therefrom prior to the expiration of their term of service, without their consent, except by sentence of a court martial, or, in the discretion of the Secretary of the Navy, when sentenced by civil authorities to confinement in a State or Federal penitentiary as a result of a conviction for a felony.

SEC. 7. Commissioned officers of the Naval Reserve, including those on the honorary retired list or who may have been retired, when employed on active duty or on training duty with pay or when employed in authorized travel to and from such duty shall be deemed to have been confirmed in grade and qualified for all general service and shall receive the pay and allowances, including longevity pay, as provided by law for the reserve forces of the United States, and shall when traveling under orders or under competent authority receive transportation in kind, mileage, or actual expenses as provided by law for travel performed by officers of the Regular Navy. Midshipmen, warrant officers, and enlisted men of the Naval Reserve, including those on the honorary retired list, or who may have been retired, when employed on active duty or on training duty with pay or when employed in authorized travel to and from such duty, shall receive the same pay and allowances as received by midshipmen, warrant officers, nurses, and enlisted men of the Regular Navy of the same rank, grade, or rating, and of the same length of service which shall include service in the Navy, Marine Corps, Coast Guard, Naval Reserve Force, Naval Militia, National Naval Volunteers, Naval Reserve, Marine Corps Reserve Force, or Marine Corps Reserve. Aviation cadets shall receive the pay and allowances and other emoluments provided for them by the act of April 15, 1935 (49 Stat. L. 157; U. S. C., Supp. III, title 34, ch. 15, sec. 861a: *Provided*, That for the purposes of computing increases in pay of commissioned officers on account of length of service,

active service in the grade of aviation cadet shall be considered as commissioned service: *Provided further*, That when officers or men of the Naval Reserve perform active duty or training duty with pay for a period of less than 30 days such duty performed on the 31st day of any month shall be paid for at the same rate as for other days: *And provided further*, That officers and enlisted men of the Naval Reserve, while employed on active duty or on training duty, with pay, which involves the actual flying in aircraft in accordance with regulations prescribed by the Secretary of the Navy shall receive the same increase of pay of their grades, ranks, or ratings as may be received by officers and enlisted men in similar grades, ranks, and ratings in the Regular Navy for the performance of similar duty.

SEC. 8. Appropriations made to the various bureaus and offices of the Navy Department for part-time or intermittent employment of scientists, technicists, and other personnel in connection with the work of such bureaus and offices shall be available for the active-duty pay and allowances of such members of the Naval Reserve as in the discretion of the Secretary of the Navy, may be placed on temporary active duty for the purpose of prosecuting such work.

SEC. 9. The Secretary of the Navy shall prescribe all necessary and proper regulations, not inconsistent with the provisions of this act, for the recruiting, organization, government, administration, training, inspection, and mobilization of the Naval Reserve, and shall detail such officers and enlisted men of the Regular Navy and the Naval Reserve, and shall make available such vessels, material, armament, equipment, and other facilities of the Regular Navy as he may deem necessary and advisable for the development of the Naval Reserve in accordance with the provisions of this act: *Provided*, That all officers and employees of the United States or of the District of Columbia who are members of the Naval Reserve shall be entitled to leave of absence from their respective duties without loss of pay, time, or efficiency rating, on all days during which they may be employed with or without pay under the orders or authorization of competent authority, on training duty for periods not to exceed 15 days in any one calendar year.

SEC. 10. Subject to appropriations made annually by the Congress, it is the purpose and intent of this act that the United States Naval Reserve and the United States Marine Corps Reserve shall be administered with the definite objective of reaching the maximum numerical strength of trained and qualified officers and enlisted men in the several classes, as may be determined by the Secretary of the Navy, within a period of not more than 10 years and, as nearly as may be possible, by equal annual increments.

SEC. 11. This act shall take effect on July 1, 1938, which date shall be construed as the date of the passage or approval thereof.

TITLE II—FLEET RESERVE

SEC. 201. The Fleet Reserve shall be composed of officers and enlisted men transferred or assigned thereto in accordance with the provisions of this act: *Provided*, That subject to their own consent, exofficers and exenlisted men of the Regular Navy who have been honorably discharged therefrom after not less than 4 years' service therein, may, in the discretion of the Secretary of the Navy, be appointed or enlisted in the Naval Reserve in the ranks or ratings last held by them in the Regular Navy, and assigned to the Fleet Reserve created by this act.

SEC. 202. For all purposes of this act a complete enlistment during minority shall be counted as 4 years' service and any enlistment terminated within 3 months prior to the expiration of the term of such enlistment shall be counted as the full term of service for which enlisted: *Provided*, That all transfers from the Regular Navy to the Fleet Naval Reserve or to the Fleet Reserve, and all transfers of members of the Fleet Naval Reserve or the Fleet Reserve to the retired list of the Regular Navy, heretofore or hereafter made by the Secretary of the Navy, shall be conclusive for all purposes, and all members so transferred shall from the date of transfer, be entitled to pay and allowances, in accordance with their ranks or ratings and length of service as determined by the Secretary of the Navy: *Provided further*, That the Secretary of the Navy, upon discovery of any error or omission in the service, rank, or rating for transfer or retirement, is authorized to correct the same and upon such correction the person so transferred or retired shall be entitled to pay and allowances, in accordance with his rank or rating and length of service as determined by the Secretary of the Navy, as of the date of such determination.

SEC. 203. Men serving in the Regular Navy, who, having enlisted therein on July 1, 1925, or prior thereto, or who having been discharged therefrom prior to July 1, 1925, and reenlisted in the Regular Navy within 3 months from the date of discharge, or who were serving in the Naval Reserve Force on July 1, 1925, in an enrollment entered into within 4 months from the date of their discharge from the Regular Navy and thereafter reenlisted in the Regular Navy within 3 months from the date of their discharge from the Naval Reserve created by the act of February 28, 1925, shall be entitled to be transferred to the Fleet Reserve on the completion of 16 or more years' naval service, and when so transferred shall, except when on active duty, be entitled to receive, if they have had 16 but less than 20 years' naval service, pay at the rate of one-third the base pay they were receiving at the time of tranafer, plus all permanent additions thereto, and if they have had 20 or more years' naval service, pay at the rate of one-half of the base pay they were receiving at the time of transfer, plus all permanent additions thereto: *Provided*, That the pay authorized in this section shall be increased 10 percent for all men who may be credited with extraordinary heroism in the line of duty or whose average marks in conduct for 20 or more years shall not be less than 95 percent of the maximum: *Provided further*, That the determination of the Secretary of the Navy as to the definition of extraordinary heroism shall be final and conclusive for all purposes.

SEC. 204. Men serving in the Regular Navy on the date of the passage of this act, who first enlisted in the Navy after July 1, 1925, or who reenlisted therein after July 1, 1925, having been out of the Regular Navy for more than 3 months, and men who first enlist in the Regular Navy after the passage of this act, may upon their own request be transferred to the Fleet Reserve upon the completion of at least 20 years' naval service: *Provided*, That they are physically and otherwise qualified to perform duty in time of war. After such transfer, except when on active duty, they shall be paid at the rate of one-half of the base pay they are receiving at the time of transfer: *Provided further*, That all enlisted men transferred to the Fleet Reserve in accordance with the provisions of sections 1 and 203 of this act shall, upon completion of 30 years' service, be transferred to the retired list of the Regular Navy, with the pay they were then legally entitled to receive and the allowances to which enlisted men of the Regular Navy are entitled on retirement after 30 years' service: *And provided further*, That all enlisted men transferred to the Fleet Reserve in accordance with the provisions of this section shall, upon completion of 30 years' service, be transferred to the retired list of the Regular Navy, with the pay they were then legally entitled to receive, plus all permanent additions thereto, and the allowances to which enlisted men of the Regular Navy are entitled on retirement after 30 years' service.

SEC. 205. The Secretary of the Navy, under such regulations as he may prescribe, may require any person hereafter when enlisting in the Regular Navy and may authorize any enlisted man in such service to obligate himself to serve 4 years in the Fleet Reserve upon termination of his enlistment in the Regular Navy: *Provided*, That upon termination of their enlistment in the Regular Navy, men who have so obligated themselves shall be transferred to the Fleet Reserve for the 4-year period, unless they apply for reenlistment or extension of their enlistment in the Regular Navy, in which event they may be reenlisted or may extend their enlistment in the Regular Navy: *Provided further*, That, except as otherwise provided for in this act, the men so transferred to the Fleet Reserve for the 4-year period, and officers and men assigned thereto under the provisions of section 201 of this title shall not, in time of peace, be ordered to active duty, except with their own consent, and shall be under no obligation to perform training duty or drill during that period, but shall be paid in advance $25 per annum.

SEC. 206. In time of peace all enlisted men transferred to the Fleet Reserve after 16 years' or more service in the Regular Navy may be required to perform not more than 2 months' active duty in each 4-year period and shall be examined physically at least once during each 4-year period: *Provided*, That any pay which may be due any member of the Fleet Reserve shall be forfeited when so ordered by the Secretary of the Navy, upon failure, under such conditions as may be prescribed by the Secretary of the Navy, of such member to report for inspection: *Provided further*, That enlisted men heretofore or hereafter transferred to the Fleet Reserve after 16 years' or more service in the Regular Navy, who are found not physically qualified upon such examination, shall be transferred to the retired list of the Regular Navy, with the pay they are then receiving, and in addition men coming under the cognizance of sections 1 and 203 of this act shall, upon the completion of 30 years' service, receive the allowances to which enlisted men of the Regular Navy are entitled on retirement after 30 years' service: *Provided further*, That all men coming under the cognizance of section 204 of this title shall receive all permanent additions to their base pay, and the allowances to which enlisted men of the Regular Navy are entitled on retirement after 30 years' service: *Provided further*, That in the computation of service requisite for transfer of enlisted men of the Fleet Reserve to the retired list of the Regular Navy, service in the Army, Navy, Marine Corps, Coast Guard, Naval Reserve Force, Fleet Naval Reserve, Fleet Reserve, Marine Corps Reserve Force, and the Marine Corps Reserve and on the retired list of the Regular Navy shall be included: *And provided further*, That such service as may heretofore have been authorized by law to be counted as double time shall be credited as double time in this computation.

TITLE III—PROVISIONS APPLICABLE ONLY TO THE ORGANIZED RESERVE, MERCHANT MARINE RESERVE, AND VOLUNTEER RESERVE

SEC. 301. All members of the Naval Reserve, when employed on active duty, authorized training duty, with or without pay, drill, or other equivalent instruction or duty, or when employed in authorized travel to or from such duty, or appropriate duty, drill, or instruction, or during such time as they may by law be required to perform active duty, or while wearing a uniform prescribed for the Naval Reserve, shall be subject to the laws, regulations, and orders for the government of the Navy: *Provided*, That disciplinary action for an offense committed while subject to the laws, regulations, and orders for the government of the Navy shall not be barred by reason of release from duty status of any person charged with the commission thereof: *Provided further*, That for the purpose of car-

rying the provisions of this section into effect, members of the Naval Reserve may be retained on or returned to a duty status without their consent, but not for a longer period of time than may be required for disciplinary action.

SEC. 302. In time of peace, upon first reporting for active or training duty with pay, after enactment hereof, at a location where uniforms are required to be worn, or after the authorized performance of 14 drills, a commissioned or warrant officer of the Naval Reserve shall be paid a sum not to exceed $100 as reimbursement for the purchase of the required uniforms, and thereafter he shall be paid an additional sum of $50 for the same purpose upon the completion of each period of not less than 4 years in the Naval Reserve: *Provided*, That this latter amount of $50 shall not become due any officer until he has completed not less than 150 drills or periods of other equivalent instruction or duty or appropriate duties and 56 days' active or training duty, or 75 drills and 84 days' active or training duty, or 112 days' active or training duty: *Provided further*, That any officer who has heretofore received a uniform gratuity shall not be entitled to either of the above-mentioned sums until the expiration of 4 years from the date of the receipt of the last such gratuity: *Provided further*, That uniforms for aviation cadets shall be provided as heretofore or hereafter authorized by law: *And provided further*, That in time of war or national emergency a further sum of $150 for the purchase of required uniforms shall be paid to officers of the Naval Reserve when they first report for active duty.

SEC. 303. In time of peace midshipmen, merchant-marine cadets, and enlisted men of the Naval Reserve may be issued articles of uniform, bedding, and equipment in accordance with regulations to be prescribed by the Secretary of the Navy: *Provided*, That upon first reporting for active duty in time of war or national emergency enlisted men of the Naval Reserve may be issued such additional articles as are required to give them the same outfit as is authorized for enlisted personnel of the Regular Navy upon first enlistment, and midshipmen, and merchant-marine cadets shall be issued such additional articles as the Secretary of the Navy may prescribe.

SEC. 304. If in time of peace any member of the Naval Reserve is physically injured in the line of duty while performing active military or naval service, or dies as the result of such physical injury, he or his beneficiaries shall be entitled to all the benefits prescribed by law for civil employees of the United States who are physically injured in the line of duty or who die as a result thereof, and the United States Employees' Compensation Commission shall have jurisdiction in such cases and shall perform the same duties with reference thereto as in the cases of civil employees of the United States so disabled: *Provided*, That where a person who is eligible for the benefits prescribed by this section is also eligible for pension under the provisions of the Act of June 23, 1937, entitled "An act to amend the provisions of the pension laws for peacetime service to include Reserve officers and members of the Enlisted Reserves" (Public, No. 159, 75th Cong., ch. 376, 1st sess., H. R. 2887), he shall elect which benefit he shall receive, and for the purposes of this section and of said act all members of the Naval Reserve shall be considered as performing active military or naval service while performing active duty with or without pay, training duty with or without pay, drills, equivalent instruction or duty, appropriate duty, or other prescribed duty, or while performing authorized travel to or from such duties: *Provided further*, That for the purpose of determining the benefits to which entitled under the provisions of this section Naval Reservists so physically injured while performing the foregoing duties in a nonpay status will be held and considered as receiving the pay and allowances they would have received if in a pay status: *Provided further*, That Naval Reservists who become ill or contract disease in line of duty during the performance of active duty or training duty with or without pay shall be entitled, at Government expense, to such medical, hospital, or other treatment as is necessary for the appropriate treatment of such illness or disease until the disability resulting from such illness or disease cannot be materially improved by hospitalization or treatment, and to the necessary transportation and subsistence incident to such medical and hospital treatment and return to their homes when discharged therefrom: *Provided further*, That no treatment or hospitalization for such illness or disease shall be continued for more than 10 weeks following discharge from active or training duty except on the approved recommendation of a board of medical survey, consisting of one or more medical officers of the Navy or on authorization of the Surgeon General of the Navy based on the certificate of a reputable physician that the illness or disease is a continuation of the illness or disease which was sustained or contracted during the period of active or training duty and that further benefit will result from continued treatment: *And provided further*, That in no case shall sickness or disease be regarded as an injury within the meaning of this section relating to the Naval Reserve.

SEC. 305. Subject to the provisions of section 306 hereof, in time of peace commissioned officers appointed to the Naval Reserve shall be commissioned to serve during the pleasure of the President, in grades or ranks not above that of lieutenant commander, except that a small percentage of officers in the higher grades or ranks may, if qualified, be commissioned in the grades or ranks of rear admiral, captain, and commander. Warrant officers, aviation and merchant-marine cadets, and midshipmen shall be appointed to serve during the pleasure of the Secretary of the Navy. Except as otherwise provided in this act, the total number of officers in such higher grades or ranks in the Organized Reserves shall not exceed one-half of 1 percent of the actual number of enlisted men regularly assigned to the divisions or other units of the Special Reserve and entitled to pay as provided in section 313 of this title. In the Merchant Marine and Volunteer Reserves and the Volunteer Marine Corps Reserve, the total number of officers in such higher grades or ranks shall not exceed 2 percent of the actual number of commissioned officers in each of these Reserves.

SEC. 306. In time of peace there shall be allowed in the Naval Reserve one officer of the grade or rank of rear admiral, and in the Marine Corps Reserve one officer in the grade or rank of brigadier or major general. The remaining officers shall be distributed in the various grades or ranks in such manner as the Secretary of the Navy may prescribe. Whenever a final fraction occurs in computing the authorized number of officers in the various grades or ranks, the nearest whole number shall be regarded as the authorized number: *Provided*, That to determine the authorized number of officers in the grades or ranks above lieutenant commander as provided in this title, computations shall, under such regulations as the Secretary of the Navy may prescribe, be made at least once during each calendar year and the resulting numbers as so computed shall be held and considered for all purposes as the authorized number of officers in such higher grades or ranks, and shall not be varied between the dates of such computations: *Provided further*, That no officer shall be initially appointed in the Naval Reserve in the grade or rank of rear admiral, captain, or commander, nor in the Marine Corps Reserve in the grade or rank of brigadier general, colonel, or lieutenant colonel, nor promoted to such grade or rank, except upon recommendation therefor by a selection board: *And provided further*, That no officer shall be reduced in rank as a result of any computation so made and that nothing contained in this act shall be construed as reducing the present grade, rank, or rating of any officer or man in the Naval Reserve, or as otherwise affecting the commissions now held by them or as restricting the promotion of officers in the Naval Reserve in time of war as provided for in section 312 of this title.

SEC. 307. Hereafter the Secretary of the Navy is authorized to appoint midshipmen to the Naval Academy from enlisted men of the Naval Reserve and Marine Corps Reserve under similar conditions so far as applicable as prescribed by law for appointments from enlisted men of the Navy: *Provided*, That not more than 50 midshipmen shall be appointed in any one year under the authority contained in this section, except that in the event the quota of midshipmen from the enlisted men of the Regular Navy is not filled in any one year the Secretary of the Navy shall have the authority to fill such vacancies with additional men from the Naval Reserve.

SEC. 308. All officers of the Naval Reserve shall be examined physically once every 4 years or oftener, as may be deemed necessary, and if upon such examination they are not found physically qualified for active service they shall be honorably discharged or, within the discretion of the Secretary of the Navy, placed on the honorary retired list provided for in section 309 of this title: *Provided*, That in determining an officer's qualifications for active service, due consideration shall be given to the character of the duty to be assigned him in the event of war or national emergency and, in the discretion of the Secretary of the Navy, to his age in grade. The Secretary of the Navy may, in his discretion, discharge or place an officer of the Naval Reserve on the honorary retired list on account of age in grade when such officer has attained the age of 40 years if in the grade of ensign or lieutenant (junior grade), 46 years if in the grade of lieutenant, 52 years if in the grade of lieutenant commander, or 58 years if in the grade of commander.

SEC. 309. An honorary retired list for the Naval Reserve is hereby established and officers and enlisted men of the Naval Reserve shall be placed on this retired list of the Naval Reserve without pay or allowances, upon reaching the age of 64 years, or upon their own request, after 30 years' service in the Naval Reserve, except as otherwise provided in this act: *Provided*, That service in the Army, Navy, Marine Corps, Coast Guard, Naval Auxiliary Service, Naval Reserve Force, Naval Militia, National Naval Volunteers, Naval Reserve, Marine Corps Reserve Force, and Marine Corps Reserve shall be counted as service in the Naval Reserve under the provisions of this section: *Provided further*, That Naval Reservists who have been specially commended for their performance of duty in actual combat with the enemy during the World War, by the head of the executive department under whose jurisdiction such duty was performed, shall, when placed upon the honorary retired list, be advanced to the next higher grade.

SEC. 310. Officers and men of the honorary retired list created by section 309 of this title, who have performed a total of not less than 30 years' active service in the Army, Navy, Marine Corps, Coast Guard, Naval Auxiliary Service, Naval Reserve Force, Naval Militia in Federal status, National Naval Volunteers, Naval Reserve, Marine Corps Reserve Force, and Marine Corps Reserve, or who have had not less than 20 years' such active service, the last 10 years of which shall have been performed during the 11 years immediately preceding their transfer to the honorary retired list of the Naval Reserve created by section 309 of this title or to the honorary retired list in existence on the date of approval of this act, shall, except while on active duty, be entitled to pay at the rate of 50 percent of their active-duty rate of pay as prescribed in section 7, title I, of this act: *Provided*, That

the pay of members of the honorary retired list prescribed by this section shall be paid from the appropriations made for the maintenance of the Naval Reserve.

SEC. 311. In time of peace, officers of the Naval Reserve shall take precedence according to such regulations as the Secretary of the Navy may prescribe: *Provided*, That when mobilized with the Regular Navy for war or a national emergency, each officer of the Naval Reserve shall take precedence next after that officer of the Regular Navy of the same rank or grade whose length of service in such rank or grade on the date of such mobilization is one-half or the nearest one-half of that of the Reserve officer.

SEC. 312. In time of war or national emergency, officers of the active list of the Naval Reserve or the Marine Corps Reserve employed on active duty shall be advanced in their respective corps in grade and rank in the same manner as is or may be prescribed for officers of the Regular Navy or the Marine Corps, respectively, in such numbers for each grade or rank, as may be prescribed from time to time by the Secretary of the Navy, and when so advanced they shall take precedence among themselves and with other officers of the Navy and Marine Corps, in accordance with date of such advancement or promotion: *Provided*, That no officer of the Naval Reserve or the Marine Corps Reserve shall be advanced to a higher rank until he has qualified therefor by such mental, moral, professional, and physical examinations as the Secretary of the Navy may prescribe: *Provided further*, That all officers of the Naval Reserve and the Marine Corps Reserve who may be advanced to a higher grade or rank under the provisions of this title shall be allowed the pay and allowances of the higher grade or rank from the dates of rank stated in their commissions: *And provided further*, That the provisions of this section shall not apply to officers who have been or may hereafter be retired from the Naval or Marine Corps Reserve Force or the Naval or Marine Corps Reserve.

SEC. 313. Officers and enlisted men of the Naval Reserve shall receive compensation at the rate of one-thirtieth of the monthly base pay of their grades, ranks, or ratings, not to exceed $10, for attending, under competent orders, each regular drill duly prescribed under the authority of the Secretary of the Navy for the organization to which attached, or for the performance of an equal amount of such other equivalent instruction or duty, or appropriate duties, as may be prescribed by the Secretary of the Navy: *Provided*, That no such officer or enlisted man shall receive pay for more than 60 drills or periods of other equivalent instruction or duty or appropriate duties in any one fiscal year: *Provided further*, That for those performing aerial flights duly prescribed as a part of their training, the pay and the pay limits prescribed by this section shall be increased by 50 percent for any quarter during which not less than 4 hours of such flying has been performed.

SEC. 314. In addition to the pay to which they may otherwise become entitled, such officers of the Naval Reserve as may be designated by the Secretary of the Navy, regularly assigned to and commanding organizations prescribed by the Secretary of the Navy, shall receive compensation at the rate of $240 per year for the faithful performance of the administrative duties connected therewith. Pay under the provisions of this section or the preceding section shall not accrue to any officer or enlisted man during a period when he shall be lawfully entitled to pay for active duty or training duty.

SEC. 315. In time of peace, except as herein otherwise provided, members of the Naval Reserve in receipt of pay for the performance of drills, equivalent instruction or duty, or appropriate duties may be required to perform such training duty, not to exceed 15 days annually, as may be prescribed by the Secretary of the Navy: *Provided*, That they may be given additional training or other duty, either with or without pay, as may be authorized, with their consent, by direction of the Secretary of the Navy: *Provided further*, That when authorized training or other duty without pay is performed by members of the Naval Reserve they may in the discretion of the Secretary of the Navy, be furnished with transportation to and from such duty, with subsistence and transfers en route, and, during the performance of such duty, be furnished subsistence in kind or communication thereof at a rate to be fixed from time to time by the Secretary of the Navy.

ORGANIZED RESERVE

SEC. 316. The Organized Reserve shall consist of officers and men required to perform annual training and other duties and available for immediate mobilization.

MERCHANT MARINE RESERVE

SEC. 317. The Merchant Marine Reserve shall be composed of those members of the Naval Reserve who follow, or who have within 3 years followed the sea as a profession, or who are employed in connection with the seafaring profession, or men who are desirable for training for service on board public vessels of the United States, or such other seagoing vessels documented under the laws of the United States as may be approved by the Secretary of the Navy.

SEC. 318. The Secretary of the Navy shall prescribe a suitable flag or pennant which may be flown as an emblem of the Merchant Marine Reserve on seagoing merchant vessels documented under the laws of the United States under such regulations as he may prescribe: *Provided*, That such vessel be first designated by the Secretary of the Navy as suitable for service as a naval auxiliary in time of war: *Provided further*, That the master or commanding officer and not less than 50 percent of the other licensed officers are members of the Navy or the Naval Reserve: *And provided further*, That such flag or pennant shall not be flown in lieu of the national ensign.

VOLUNTEER RESERVE

SEC. 319. The Volunteer Reserve shall be composed of those members of the Naval Reserve not assigned to the Special or Merchant Marine Reserve who are qualified or partially qualified for prescribed mobilization duties.

SEC. 320. That for the purpose of advising the Secretary of the Navy on the formulation of Naval Reserve policies there shall be convened annually at the Navy Department a Naval Reserve Policy Board, at least half the members of which shall be Naval Reserve officers called to this duty from an inactive-duty status.

TITLE IV—NAVAL MILITIA

SEC. 401. Of the Organized Militia, as provided by law, such part as may be duly prescribed in any State, Territory, or the District of Columbia shall constitute a Naval Militia. Any officer or enlisted man of such Naval Militia may, in the discretion of the Secretary of the Navy, be appointed or enlisted in the Naval Reserve and assigned to the Special Reserve in the grade, rank or rating not above the rank of lieutenant for which he may be qualified in accordance with such regulations as may be prescribed by the Secretary of the Navy: *Provided*, That each officer and enlisted man of the Naval Militia appointed or enlisted in the Naval Reserve and assigned to the Special Reserve shall be required within 1 year after the date of his appointment or enlistment in the Naval Reserve to qualify, in accordance with the regulations governing the Special Reserve, for the grade, rank, or rating which he holds therein: *Provided further*, That officers and men of the Naval Reserve who are members of the Naval Militia of any State, Territory, or the District of Columbia shall stand relieved from all service or duty in said Naval Militia when on active duty in time of war or national emergency, or when ordered to such duty: *And provided further*, That such vessels, material, armament, equipment, and other facilities of the Navy as are or may be made available for the Naval Reserve shall also be available in accordance with regulations prescribed by the Secretary of the Navy for issue or loan to the several States, Territories, or the District of Columbia, for the use of the Naval Militia, but no such facilities of the Navy shall be furnished for use by any portion or unit of the Naval Militia unless at least 95 percent of its personnel belongs to the Naval Reserve and is attached to or associated with an organization of the Special Reserve and unless its organization, administration, and training conform to the standards prescribed by the Secretary of the Navy for such units.

TITLE V—NAVAL TRAINING OF CIVILIANS

SEC. 501. The Secretary of the Navy is hereby authorized to provide at naval training stations or elsewhere, including naval vessels, for the naval instruction and training of such civilians as may be selected upon their own application for such training: *Provided*, That no expenditures of Government funds shall be involved beyond those necessary for transportation, food, clothing, shelter, medical care and hospitalization of the trainees, and for the required equipment incident thereto, including services of naval personnel: *Provided further*, That medical treatment and hospitalization shall be as prescribed and limited by the third provision of section 304, title III, hereof.

With the following committee amendments:

Page 4, line 3, strike out the words "of 17 years of age or over" and insert in lieu thereof "who have attained the age of 17 years and."

Page 4, line 8, after the comma after the word "*Provided*", insert: "That female registered nurses may be appointed in the Volunteer Reserve under regulations prescribed by the Secretary of the Navy: *Provided further*."

Page 4, line 11, after the colon add the word "And."

Page 6, line 23, after the comma after "warrant officers" insert "nurses."

Page 7, line 4, after the comma after "officers", insert "nurses."

Page 7, line 8, strike out "force" and insert in lieu thereof "Force."

Page 10, line 23, after the word "Navy", change the comma to a period and strike out "as of the date of such determination."

Page 15, after line 6, insert a new section as follows:

"SEC. 207. Members of the Fleet Reserve and retired enlisted men shall receive the ration allowance prescribed by law for enlisted men of the Regular Navy when such men are hospitalized in a Federal hospital in accordance with law."

Page 17, line 4, after the word "cadets", insert the word "nurses."

Page 17, line 12, after the word "midshipmen", add a comma and strike out the word "and."

Page 17, line 12, after the word "cadets", add the following: ", and nurses."

Page 18, lines 6 and 7, strike out "Public, No. 159, Seventy-fifth Congress, chapter 376, first session, H. R. 2387, and insert in lieu thereof the following: "(50 Stat. 305)."

Page 20, line 8, strike out the word "Special" and insert in lieu thereof the word "Organized."

Page 20, line 10, after the word "title", strike out the rest on this line and all on lines 11, 12, 13, and 14, and insert in lieu thereof the following:

"The number of officers appointed or promoted to grades or ranks above that of lieutenant commander in the Merchant Marine and Volunteer Reserves, or above that of major in the Volunteer Marine Corps Reserve, shall not exceed mobilization needs for such officers for duties appropriate to these grades or ranks."

Page 21, line 11, after the word "of" add "major general."

Page 22, line 11, strike out the word "not", before the word "found" and insert the word "not" after the word "found."

Page 23, line 15, after the word "enemy" strike out "during the World War."

Page 27, line 13, strike out the word "communication" and insert in lieu thereof the word "commutation."

Page 27, after line 14, insert a new section, as follows:

"SEC. 316. That for the purpose of advising the Secretary of the Navy on the formulation of Naval Reserve policies there shall be convened annually at the Navy Department a Naval Reserve Policy Board, at least half the members of which shall be Naval Reserve officers called to this duty from an inactive-duty status."

Page 27, line 16, strike out "316" and insert in lieu thereof "317."

Page 27, line 20, strike out "317" and insert in lieu thereof "318."

Page 28, line 3, strike out "318" and insert in lieu thereof "319."

Page 28, line 16, strike out "319" and insert in lieu thereof "320."

Page 28, line 18, strike out the word "Special" and insert in lieu thereof "Organized."

Page 28, strike out all of lines 20, 21, 22, 23, 24, and 25.

Page 29, line 7, strike out the word "Special" and insert in lieu thereof the word "Organized."

Page 29, line 13, strike out the word "Special" and insert in lieu thereof the word "Organized."

Page 29, line 16, strike out the word "Special" and insert in lieu thereof the word "Organized."

Page 30, line 9, strike out the word "Special" and insert in lieu thereof the word "Organized."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

CITY OF HIGHWOOD, ILL.

The Clerk called the bill (S. 3209) to authorize the Secretary of War to grant an easement to the city of Highwood, Lake County, Ill., in and over certain portions of the Fort Sheridan Military Reservation, for the purpose of constructing a waterworks system.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of War be, and he is hereby, authorized to grant to the city of Highwood, Lake County, Ill., an easement in and over portions of the Fort Sheridan Military Reservation, Ill., for the purpose of constructing, operating, and maintaining thereon a waterworks system for the use of said city, consisting of such structures and appurtenances as may be necessary for a complete water pumping filtration, and treatment plant, together with intake, water, sewer, and electric power lines and an unelevated wash water tank constructed on or below the surface of the ground: *Provided*, That the portions of said reservation to be used for said facilities shall be designated by the Secretary of War, and the easement shall be subject to such provisions and conditions as he may prescribe: *Provided further*, That as consideration for said easement, the city of Highwood shall make and maintain a connection satisfactory to the Secretary of War, or his duly authorized representative, between its water distribution system and the water distribution system of the post of Fort Sheridan, and shall furnish water for the use of said post without cost to the United States during the periods of any emergencies resulting from a break-down in the post water system, fire, or other unavoidable occurrence.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

BATTLESHIP "OREGON"

The Clerk called the bill (S. 3242) to aid in providing a permanent mooring for the battleship *Oregon*.

The SPEAKER pro tempore. Is there objection?

Mr. RICH. Mr. Speaker, I reserve the right to object, to have someone explain what they are going to do by mooring the battleship *Oregon*.

Mr. MAY. Mr. Speaker, the old battleship *Oregon* is at the mouth of the Columbia River somewhere, as I understand it. The only thing this provides for is for mooring the vessel, and the War Department has made a report, and it has been submitted to the Bureau of the Budget, and they express no objection.

Mr. RICH. What does the gentleman mean by mooring the battleship *Oregon?*

Mr. MAY. Tying it up to the shore to keep it from floating away somewhere.

Mr. RICH. Are they going to tie the front end or the tail end?

Mr. MAY. If it will satisfy the gentleman, I think they will tie both ends.

Mr. RICH. And if they tie the battleship up, what is the purpose of it? They are needing scrap iron now for this $1,250,000,000 naval program. Why not use it for that purpose?

Mr. MAY. It is really made of very valuable material, as the gentleman says, not only for scrap-iron purposes, but if it is left, as he says, it will deteriorate, and perhaps be not worth as much, and this is a preservation measure.

Mr. RICH. What are they going to use it for?

Mr. PIERCE. Mr. Speaker, will the gentleman yield?

Mr. RICH. I would like to find out what they are going to use it for.

Mr. PIERCE. I can tell the gentleman.

Mr. COSTELLO. The State of Oregon has had the use of the ship now since 1925, and has been using it as a museum.

Mr. RICH. Has the State of Oregon maintained it?

Mr. PIERCE. It has.

Mr. COSTELLO. At present the State of Oregon has the use of it.

Mr. RICH. And will the State come in after awhile and ask the Federal Government to pay for its upkeep?

Mr. PIERCE. Mr. Speaker, will the gentleman yield?

Mr. RICH. Yes.

Mr. PIERCE. The battleship *Oregon* is very highly prized. When the Spanish-American War came on the battleship was on the Pacific coast, and it went around the Horn and did a large part to defeat the Spanish fleet. It is in the harbor. While I was Governor of Oregon this vessel was brought there and this bill simply provides for giving it a permanent location. It is maintained by the State as a museum. Thousands of people visit it every year and we are proud of it, just as the people of the Atlantic are proud of Old Ironsides.

Mr. RICH. Will the gentleman's State maintain it as a museum?

Mr. PIERCE. It always has done it. I obtained an appropriation for it when I was Governor of the State.

Mr. DONDERO. This will be no expense to the Government of the United States?

Mr. PIERCE. No.

The SPEAKER pro tempore. Is there objection?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That there is hereby authorized to be appropriated the sum of $25,000, to be expended by the Secretary of War, or, in his discretion, by the State of Oregon under his supervision, for the purposes of (1) preparing and constructing a suitable and permanent mooring for the battleship *Oregon* at a site which has been dedicated for such purpose by the city of Portland, Oreg., and (2) removing such battleship from her present berth in the Willamette River at Portland, Oreg., to such mooring: *Provided*, That no money appropriated under authority of this act shall be expended until local interests have provided such additional funds as in the opinion of the Secretary of War are necessary to insure completion of the work.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

NATIONAL ENCAMPMENT, VETERANS OF FOREIGN WARS

The Clerk called the bill (H. R. 10154) to authorize the Secretary of War to lend War Department equipment for use at the 1938 National Encampment of Veterans of Foreign Wars of the United States to be held in Columbus, Ohio, from August 21 to August 26, 1938.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of War is authorized to lend, at his discretion, to the Veterans of Foreign Wars of the United States for use at their national encampment to be held in Columbus, Ohio, from August 21 to August 26, 1938, such tents, cots, cot mattresses, and blankets, and other available stock out of the

Army and National Guard supplies as such department may require to house properly veterans attending such encampment: *Provided*, That no expense shall be caused the United States Government by the delivery and return of such property, the same to be delivered at such time prior to the holding of such encampment as may be agreed upon by the Secretary of War and the Veterans of Foreign Wars of the United States: *Provided further*, That the Secretary of War, before delivering such property, shall take from such organization a good and sufficient bond for the safe return of such property in good order and condition, and the whole without expense to the United States.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

ROTARY-WINGED AIRCRAFT

The Clerk called the bill (H. R. 10605) to authorize the appropriation of funds for the development of rotary-winged aircraft.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. MARTIN of Massachusetts. Mr. Speaker, I reserve the right to object. This is an important piece of legislation calling for the expenditure of $2,000,000 for experiment. I think it is too important to be passed over on this calendar. I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER pro tempore. Is there objection?

Mr. NICHOLS. Mr. Speaker, I reserve the right to object. I think I can explain to the gentleman in just a few minutes what the bill does.

Mr. MARTIN of Massachusetts. We have this now before the Committee on Rules.

Mr. NICHOLS. But the Rules Committee is going to grant a rule for it. Why not save this time? It will pass tomorrow.

Mr. MARTIN of Massachusetts. Perhaps it will, and maybe I will be for it at that time. I insist upon my request.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Massachusetts that the bill be passed over without prejudice?

There was no objection.

INTERNATIONAL CRIMINAL POLICE COMMISSION

The Clerk called the next bill, S. 3820, to authorize membership on behalf of the United States in the International Criminal Police Commission.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Attorney General is hereby authorized to accept and maintain, on behalf of the United States, membership in the International Criminal Police Commission and to incur the necessary expenses therefor not to exceed $1,500 per annum.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

TERM OF UNITED STATES DISTRICT COURT AT FAIRMONT AND BECKLEY, W. VA.

The Clerk called the next bill, S. 3684, to provide for the holding of terms of the district courts of the United States for West Virginia at Fairmont and Beckley.

Mr. KEE. Mr. Speaker, I ask unanimous consent that this bill may be passed over without prejudice.

Mr. RAMSAY. I object.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. KEE. Mr. Speaker, I object.

Mr. RAMSAY. Mr. Speaker, will the gentleman withhold his objection a moment?

Mr. KEE. Mr. Speaker, I withhold my objection for a moment to permit the gentleman to make a statement.

Mr. RAMSAY. Will the gentleman tell us why he is opposed to the bill?

Mr. KEE. I am opposed to the bill for the reason that I have a communication from the Federal judge of that district saying that it is not necessary.

The SPEAKER pro tempore. Objection is heard.

CONVEYANCE OF CERTAIN LANDS IN BURLEIGH COUNTY, N. DAK., FOR PUBLIC USE

The Clerk called the next bill, H. R. 7868, to provide for conveying to the State of North Dakota certain lands within Burleigh County within that State for public use.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of Interior is hereby authorized and directed to grant and convey, for public use, to the State of North Dakota the fee simple title of certain parcels of lands, together with the buildings known as the Bismarck Indian School, in exchange for lands located near Indian reservations and suitable for use by the Indians of such reservations in the State of North Dakota.

The lands to be conveyed to the State by the Secretary of Interior are near the city of Bismarck, the State capital, and are described as follows:

Beginning for the same at a point drawn north 32°44′ west 92 feet from the southeast corner of a tract of land, heretofore sold by the Northern Pacific Railway Co. to James G. C. Lee, and running thence north 32°44′ west along said tract 925 feet to the northeast corner thereof; then south 57°16′ west 424.2 feet along the entire northern boundary of said tract sold to James G. C. Lee; thence south 32°44′ east 750 feet along the westerly boundary of said tract sold to said James G. C. Lee; thence north 83°9′ east 343.68 feet; thence north 69°32′ east 117.69 feet to the point of beginning; containing 360,027.5 square feet, or 8.265 acres, and being a part of the southeast quarter section 31, township 139 north of range 80 west, of the fifth principal meridian.

Those portions of lots 1, 2, and 3 and that portion of the east half northeast quarter section 31, township 139 north, range 80 west, of the fifth principal meridian, embraced within the following metes and bounds, viz: Beginning at the point of intersection of the east line of said section with a line drawn parallel with and distant 200 feet northerly from the center line of the main line track of the Northern Pacific Railway Co. as said tract, is now conveyed, laid out, and constructed upon, over, and across said lot 3, thence north along the east line of said section, 3,425 feet, more or less, to the north line of said section; thence west along the north line of said section 3,700 feet, more or less, to the Missouri River; thence southeasterly along the said river 1,750 feet, more or less, to the west line of the 17-acre tract of land heretofore and on September 17, 1902, sold by said railway company to the Bismarck Water Co.; thence north along said west line of said 17-acre tract to the northwest corner thereof; thence east along the north line of said 17-acre tract 1,362 feet, more or less, to the northeast corner thereof; thence south along the east line of said 17-acre tract 550 feet to the southeast corner thereof; thence west along the south line of said 17-acre tract 450 feet to a point; thence southeasterly in a straight line 2,125 feet, more or less, to an intersection with a line drawn parallel with and distant 200 feet northerly from the center line of the aforesaid main tract in said lot 3; thence southeasterly, northerly of, parallel with, and distant 200 feet from the center line of the aforesaid main line tract to a point in the east line of said section 31, said point being the place of beginning; said described premises containing an area of 132.41 acres, more or less.

Also those portions of lots 3 and 4 in the aforesaid section 31 embraced within the following metes and bounds, viz: Beginning at the point of intersection of the east line of said section with a line drawn parallel with and distant 200 feet southerly from the center line of the aforesaid main line tract as now surveyed, laid out, and constructed across said lot 3; thence south along said line of said section 1,275 feet, more or less, to the south line of said section; thence west along the south line of said section 40 feet; thence north parallel with and distant 40 feet west from the east line of said section and along the entire east boundary of the tracts of land heretofore sold by said railway company to Gerard Co., Kahlbery & Walter, and A. Mann, respectively, a distance of 728 feet; thence west 40 feet, along a portion of the northerly boundary of said tract sold to said A. Mann; thence north 32°44′ west 1,017 feet along the entire easterly boundary of the tract of land heretofore sold by said railway company to James G. C. Lee; thence southwesterly 425 feet along the entire northerly boundary of the said tract of land sold to said James G. C. Lee; thence south 32°44′ east 900 feet along the entire westerly boundary of the said tract of land sold to said James G. C. Lee; thence south 72°39′ west 33 feet, more or less, to a point 50 feet easterly from the center line of the main railway spur track, as now constructed along the shore of the Missouri River across said lots 3 and 4; thence northwesterly either parallel or concentric with and 50 feet easterly from said center line of said tract 1,130 feet, more or less, to a point opposite the switch of the smaller spur track, running from the aforesaid spur track and easterly thereof to and along the easterly side of the warehouse of the said railway company; thence northwesterly parallel or concentric with the center line of the said smaller spur track 1,270 feet, more or less, to the north line of said lot 3; thence east along said line of said lot 3 a distance of 195 feet, more or less, to the point of intersection of the north line of said lot 3 with a line concentric with and distant 200 feet southwesterly from the center line of the said main line main track as now surveyed, laid

out, and constructed across said lots 2 and 3; thence southeasterly along a line either concentric or parallel with said center line of said main line main track as now surveyed, laid out, and constructed across said lot 3 a distance of 2,100 feet, more or less, to the place of beginning; said last described premises containing an area of 16.67 acres, more or less.

Lot No. 27 of SW¼ sec. 32, T. 139, R. 80, described as follows: Commencing at a point on section line between secs. 31 and 32, T. 139 N., R. 80 W., 605 feet north of the corner of secs. 5, 6, 31, and 32; thence east 200 feet; thence north to the Northern Pacific Railway Co.'s right-of-way; thence northwesterly along said right-of-way to the section line between said secs. 31 and 32; thence south along said section line between sections 31 and 32 to the place of beginning, containing 3 acres, and being a part of the S½ SW¼ sec. 32, T. 139 N., R. 80 W.

Beginning at the southeast corner of the tract of land heretofore sold by the Northern Pacific Railway Co. to James G. C. Lee, thence running north 32°44' west 92 feet; thence south 69°32' west 117.69 feet; thence south 83°9' west 343.68 feet; thence south 32°44' east 236.4 feet; then south 44°12' east 67 feet; thence north 48°4' east 274 feet; thence north 61°7' east 140.8 feet to the place of beginning, except a strip of land 20 feet in width, 10 feet on either side of the center of the spur track, as now laid out and constructed across the southwest corner of the said tract, being part of the SE¼ sec. 31 in T. 139 N., R. 80 W. of the fifth principal meridian, containing 1.58 acres.

With the following committee amendment:

Strike out all after the enacting clause and insert in lieu thereof the following:

"That the Secretary of the Interior be, and he is hereby, authorized to grant and convey to the State of North Dakota, for public use, fee simple title to the lands and improvements thereon comprising the Bismarck Indian School buildings and grounds: *Provided*, That in consideration of this conveyance the State of North Dakota shall convey to the United States in trust for such Indian tribes as may be designated at the time of conveyance by the Secretary of the Interior, lands (and improvements thereon, if any) situated convenient to existing Indian reservations and suitable for agricultural and stockraising purposes: *Provided further*, That the land and improvements conveyed to the United States shall in value be equal to the value of the property conveyed by the United States to the State of North Dakota: *And provided further*, That the conveyance by the United States to the State of North Dakota shall protect existing easements or rights-of-way across the Indian school property.

"SEC. 2. Prior to the conveyance of any land or improvements, as herein authorized, the Secretary of the Interior shall cause an appraisal thereof to be made by an appraisal committee consisting of a representative of the Commissioner of Indian Affairs, a representative of the General Land Office, and a third person satisfactory to the Secretary of the Interior, to be appointed by the Governor of the State of North Dakota."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

VICKSBURG NATIONAL MILITARY PARK, MISS.

The Clerk called the next bill, H. R. 8628, to provide for the addition of certain lands to the Vicksburg National Military Park, in the State of Mississippi, and for other purposes.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Interior is hereby authorized, in his discretion and upon submission of evidence of title satisfactory to him, to acquire on behalf of the United States by donation or purchase when purchasable at prices deemed by him reasonable, otherwise by condemnation under the provisions of the act of August 1, 1888, an area of approximately 8 acres adjoining the Clay Street entrance on the west side of the Vicksburg National Military Park, Miss.

SEC. 2. Lands acquired pursuant to section 1 hereof shall be added to and become a part of the Vicksburg National Military Park upon acquisition thereof and shall be subject to all laws and regulations applicable thereto.

SEC. 3. There is authorized to be appropriated the sum of $25,000, or so much thereof as may be necessary, to carry out the provisions of this act.

With the following committee amendments:

Page 1, line 6, beginning with the word "when"; strike out up to and inclusive of the word "1888" and insert in lieu thereof the following "with donated funds."

Page 2, strike out all of section 3.

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

PRIVATE MANUFACTURE OF MUNITIONS

The Clerk called the next bill, H. R. 6246, to provide for placing educational orders to familiarize private manufacturing establishments with the production of munitions of war of special or technical design, noncommercial in character.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of War is hereby authorized to place educational orders for munitions of war of special or technical design, or both, noncommercial in character (hereinafter called "special munitions"), and essential accessories and parts thereof needed in the military service, with commercial concerns to familiarize commercial and manufacturing establishments with the manufacture of such munitions and such accessories and parts. In arranging for placing such educational orders, bids shall be solicited only from such establishments as, in the Secretary's judgment, will be competent in time of war to manufacture the particular class of special munitions with respect to which the bid is solicited. In the determination of which classes of special munitions are to be manufactured under this act, and in the determination of which of the solicited bidders is to be awarded any contract, the Secretary shall have regard solely to the selection of such classes of special munitions and of such bidders as will, in his judgment, under all the circumstances, best serve the interest of the United States and best promote the cause of national defense. The Secretary of War shall enter into no contract under this section without the approval of the President.

SEC. 2. That the first of any such educational orders placed with any person, firm, or corporation for supplying any such munitions, accessories, or parts, may include a complete set of such gages, dies, jigs, tools, fixtures, and other special aids and appliances, including drawings thereof, as may be required for the production of such munitions, accessories, and parts in quantity in the event of an emergency. The title to all such facilities shall remain in the Government of the United States.

SEC. 3. That not more than one such educational order for the manufacture of the same, or substantially the same, article of special munitions shall be given to the same person, firm, or corporation within any period of 3 successive years. This section shall not prohibit the awarding of any contract during any war in which the United States is engaged.

SEC. 4. That, to carry out the provisions of this act, there is authorized to be appropriated the sum of $2,000,000 during each of the 5 fiscal years beginning with the fiscal year during which this act is enacted.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ATTENDANCE OF MARINE BAND AT G. A. R. ENCAMPMENT

The Clerk called the next bill, H. R. 10722, to authorize the attendance of the Marine Band at the National Encampment of the Grand Army of the Republic to be held at Des Moines, Iowa, September 4 to 8, inclusive, 1938.

Mr. RICH. Mr. Speaker, reserving the right to object, I would like to ask the author of the bill how he got permission for the Marine Band to go out to Des Moines, Iowa. There have been a number of requests for the service bands to attend similar functions. I thought it was a declared policy not to send the service bands out.

Mr. HOLMES. Does the gentleman realize that it is a matter of precedent with the War Department and Navy Department to send the service bands only to a limited number of national organization functions, and that this policy has been strictly adhered to for 20 years?

Mr. RICH. Is this one of the particular organizations that has the use of the band?

Mr. DOWELL. This is the Grand Army of the Republic. Its national encampment will be held at Des Moines in September. This policy has been followed, as has been stated, for a great many years. This will possibly be the last national encampment. No objection has ever been made to sending the Marine Band to these national encampments. I hope there will be no objection to sending the Marine Band to what may be the last national encampment of the Grand Army of the Republic.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the President is authorized to permit the band of the United States Marine Corps to attend and give concerts

at the National Encampment of the Grand Army of the Republic to be held at Des Moines, Iowa, from September 4 to 8, inclusive, 1938.

SEC. 2. For the purpose of defraying the expenses of such band in attending and giving concerts at such encampment, there is authorized to be appropriated the sum of $7,500, or so much thereof as may be necessary to carry out the provisions of this act: *Provided*, That in addition to transportation and Pullman accommodations the leaders and members of the Marine Band be allowed not to exceed $5 per day each for additional living expenses while on the duty, and that the payment of such expenses shall be in addition to the pay and allowances to which they would be entitled while serving at their permanent station.

With the following committee amendment:

On page 1, line 11, strike out "$7,500" and insert in lieu thereof "$8,500."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

CONVEYING CERTAIN LAND TO MONTGOMERY, W. VA.

The Clerk called the next bill, S. 1694, authorizing the Secretary of War to convey to the town of Montgomery, W. Va., a certain tract of land.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of War is authorized and directed to convey by quitclaim deed to the town of Montgomery, W. Va., subject to the condition specified in section 2 of this act, the following-described tract of land situated on the left or south bank of the Kanawha River at lock and dam No. 2, town of Montgomery, Cabin Creek District, Kanawha County, State of West Virginia, and more specifically described as follows:

Beginning at a stone monument near the top of the bank of the Kanawha River, which monument is north 87°32′ east 303.86 feet from United States Engineer Department bench mark No. 114, said bench mark being a brass pin in the coping near the northwest corner of the abutment of said dam No. 2; thence south zero degrees and 30′ west 140 feet to a stone monument which is south 67°27′ each 329.57 feet from said bench mark No. 114; thence south 83°30′ west 151 feet to a stone monument which is south 47°4′ east 210.64 feet from said bench mark No. 114; thence south 6°30′ east 200 feet to a stone monument at the north boundary of the right-of-way of the Chesapeake & Ohio Railway, said stone monument being also north 33°34′ east 152.6 feet from the northeast corner of a concrete block garage; thence along the north boundary of the right-of-way of the Chesapeake & Ohio Railway, south 87°50′ west 371 feet to an iron pipe in the bed of Morris Creek, said iron pipe being north 42°51′ west 36.62 feet from the northwest corner of the bridge seat on the east abutment of the Chesapeake & Ohio Railway Bridge spanning Morris Creek; thence along the creek bed north 11°20′ east 205 feet to an iron pipe; thence north 87°10′ west 470 feet to an iron pipe; thence north 33° west 270 feet to the low-water line of the Kanawha River; thence, along the low-water line, south 79°15′ east 547.65 feet to a point opposite the mouth of Morris Creek; thence, further along said low-water line, north 14°8′ west 199.15 feet; thence, further along the low-water line, south, 89°55′ east 789.10 feet; thence south 2°10′ west 140 feet to an iron pipe near the top of the bank of the river; thence south 81°10′ west 200 feet to the place of beginning; containing 8.3 acres, more or less. All bearings given refer to magnetic meridian used in deeds referred to subsequently, which meridian was 0°47′ west of north of the true meridian. There is expressly excepted and reserved to the United States of America the perpetual right to flood such part of the hereinbefore-described tract of land as may be necessary from time to time in the interests of navigation.

The land hereinbefore described comprises that conveyed to the United States by three separate deeds as follows: One, dated July 5, 1882, for 4.8 acres from William Rigg and Emily G. Rigg, his wife, and recorded in deed book 39, page 335, of the records of Kanawha County; another, dated February 2, 1882, for 2 acres from the Keystone Coal Co., and recorded in deed book 39, page 337, of the records of Kanawha County; and another, dated August 20, 1888, for 1.508 acres from William Rigg and Emily G. Rigg, his wife, and recorded in deed book, 48, page 557, of the records of Kanawha County.

SEC. 2. The tract of land authorized to be conveyed by the first section of this act shall be used by the grantee for the purpose of a public park and recreational site and for similar and related municipal purposes. The conveyance of such tract of land shall contain the express condition that if the grantee shall cease to use such tract of land for such purposes, or shall alienate or attempt to alienate such tract of land, title thereto shall revert to the United States.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

THOMAS JEFFERSON MEMORIAL

The Clerk called the next bill, H. R. 10217, to provide for the competitive selection, subject to the approval of Congress, of the design for the Thomas Jefferson Memorial.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. O'MALLEY. Mr. Speaker, reserving the right to object, can anyone tell me whether or not we already have a design for a Jefferson Memorial and whether the gentleman from New York [Mr. BOYLAN] is in charge of some such committee?

Mr. KELLER. Will the gentleman ask unanimous consent that the bill go over without prejudice?

Mr. SMITH of Virginia. Mr. Speaker, I ask unanimous consent that this bill may be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Virginia?

There was no objection.

GOLDEN GATE INTERNATIONAL EXPOSITION

The Clerk called the next bill, H. R. 9933, to authorize the United States Golden Gate International Exposition Commission to produce and sell certain articles, and for other purposes.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. RICH. Mr. Speaker, reserving the right to object, we would like to know what articles are going to be sold?

Mr. BLOOM. Mr. Speaker, this merely gives permission to the Golden Gate Exposition to print and sell certain pictures that will be authorized by the Government to be sold and deposit that money with the Government, then take it out again. This involves no expense to the Government, but they have to have an authorization before they can get it. That is all there is to it.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the United States Golden Gate International Exposition Commission is hereby authorized to produce (whether through a governmental agency or otherwise) and sell engravings, etchings, or other reproductions not prohibited by law, to the extent authorized by the Secretary of the Treasury, and a souvenir book descriptive of the functions of the Federal Government. All proceeds from the sale of these articles shall be deposited to the credit of the appropriation made for carrying into effect the provisions of the act of July 9, 1937 (50 Stat. 488), providing for the participation of the United States in the world's fair to be held by the San Francisco Bay Exposition, Incorporated, in the city of San Francisco during the year 1939.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

TRANSFER TO THE GOVERNMENT OF PUERTO RICO CERTAIN REAL ESTATE OF THE WAR DEPARTMENT

The Clerk called the next bill, H. R. 7693, to authorize the Secretary of War to transfer to the Government of Puerto Rico certain real estate of the War Department

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of War be, and he is hereby, authorized and directed to transfer to the Government of Puerto Rico portions of lands indicated as "lots 75, 76, 38, 45, and 46" of map entitled "Military Reservation of San Juan, P. R." prepared by Col. George L. Byroade, May 5, 1934, as filed in the office of the Quartermaster General, War Department, Washington, D. C., more particularly described as follows:

Lot 75: All that parcel of land marked with "No. 75" on the official map of the Military Reservation of San Juan, P. R., dated May 5, 1934, compiled by order of Col. George L. Byroade, Sixty-fifth Infantry, lying south of the Salvador Brau Boulevard and north of the line of the military reservation comprised between corners numbered 62 and 61, more particularly described as follows:

Beginning at the point situated along course No. 62 to 61 of the military reservation at San Juan, P. R., and at a distance of 19.42 meters (63.7 feet), and north 76°37′ west from point No. 62 (point No. 1 of the map); thence along said course

No. 62 to 61 north 76°37' west, a distance of 99.60 meters (326.7 feet) to point No. 2; thence along the south side of Salvador Brau Boulevard north 76°22'30" east, distance 1.02 meters (3.3 feet) to corner No. 3; thence south 79°55'20" east, distance 65.77 meters (215.7 feet) to corner No. 4; thence south 76°17'10" east and distance 7.76 meters (25.5 feet) to corner No. 5; thence south 72°9'10" east and distance 5.55 meters (18.2 feet) to corner No. 6; thence south 66°39'30" east and distance 13.60 meters (44.6 feet) to corner No. 6; thence south 63°49'40" east and distance 6.51 meters (21.4 feet) to point No. 1 of departure. Contains an area of 250.40 square meters, equal to 2,695.30 square feet.

Lot 76: All that parcel of land marked with "No. 76" on the official map of the Military Reservation of San Juan, P. R., dated May 5, 1934, compiled by order of Col. George L. Byroade, Sixty-fifth Infantry, lying west of course No. 64 to 65, north of course No. 64 to 63, of the boundary line of the military reservation and south of the Salvador Brau Boulevard, more particularly described as follows:

Beginning at corner No. 64 of the military reservation, bordering on the north side road No. 1, now Ponce de Leon Avenue, and following course No. 64 to 63 south 88°6' west and a distance of 23.10 meters (75.8 feet) to point No. 7; thence north 15' west and a distance of 13.53 meters (44.4 feet) bordering with lands of the military reservation transferred to the people of Puerto Rico by proclamation of the President No. 1847 of August 9, 1928, to point No. 8; thence following along a curve of 37.41 meters (122.7 feet) to the right having a radius of 30 meters (98.4 feet) subtended by a chord north 35°28' east and distance of 35 meters (114.8 feet) to point No. 9 located on the course No. 64 to 65; thence along this course south 3°52' east and a distance of 41.52 meters (136.2 feet) to corner No. 64 or point of departure. Contains an area of 860.60 square meters equal to 9,263.5 square feet.

Lot 38: All that parcel of land of triangular shape marked with "No. 38" on the official map of the military reservation of San Juan, Puerto Rico, dated May 5, 1934, compiled by order of Col. George L. Byroade, Sixty-fifth Infantry, located south of Salvador Brau Boulevard and to the north of course No. 66 to 67 of the main military reservation; more particularly described as follows:

Beginning at point No. 11 in the course No. 66–67 of said main reservation, San Juan, Puerto Rico, distant 150.36 meters (493.2 feet) from corner No. 67; thence along said course No. 66–67 south 86°7' west 39.65 meters (130.1 feet) to point No. 11'; thence along the south side of Salvador Brau Boulevard north 72°53'10" east 40.79 meters (133.8 feet) to a point No. 12 in course No. 10–11 of the parcel of land transferred to the people of Puerto Rico by proclamation of the President dated November 17, 1911; thence along said course No. 10–11 south 3°53' east 9.59 meters (31.5 feet) to point No. 11 of departure. Contains an area of 190.12 square meters equal to 2,046.45 square feet.

Lot 45: All that parcel of land of triangular shape marked with "No. 45" on the official plan of the military reservation of San Juan, Puerto Rico, dated May 5, 1934, compiled by order of Col. George L. Byroade, Sixty-fifth Infantry, situated south of Salvador Brau Boulevard and to the north of courses Nos. 74–73, 73–72 of said military reservation, more particularly described as follows:

Beginning at corner No. 73 of said main military reservation and along course No. 73–72 north 55° west 102.95 meters (337.7 feet) to point No. 13; thence along the south side of Salvador Brau Boulevard south 63°3'30" east 147.72 meters (484.5 feet) to point No. 14, situated in course No. 73–74 of said main reservation and at a distance of 24.9 meters (81.7 feet) from corner No. 74; thence along said course No. 74–73 bordering an old masonry wall north 78°55' west 47.4 meters (155.5 feet) to corner No. 73 or point of departure. Contains an area of 956.61 square meters, equal to 10,296.95 square feet.

Lot 46: All that parcel of land of triangular shape marked with "No. 46" in the official plan of the military reservation of San Juan, Puerto Rico, compiled by order of Col. George L. Byroade, Sixty-fifth Infantry, situated to the south of Salvador Brau Boulevard and to the north of course No. 76–75 of said main military reservation more particularly described as follows:

Beginning at corner No. 76 of said main military reservation thence along course No. 76–75, north 88°50' west 15.6 meters (51.2 feet) to point No. 15; thence along south side of Salvador Brau Boulevard north 72°1'30" east 5.93 meters (19.5 feet) to point No. 16; thence north 57°55'30" east 4.43 meters (14.5 feet) to point No. 17; thence north 54°36'20" east 4.66 meters (15.3 feet) to point numbered 18; thence north 43°55'20" east 4.89 meters (16 feet) to point No. 19; in the prolongation toward the north of course No. 77–76 of said main military reservation; thence along said prolongation of course No. 77–76 bordering the parcel of land occupied by the United States Navy Radio Station south 5°16' west a distance of 10.77 meters (35.3 feet) to corner No. 76 or point of departure. Contains an area of 64.24 square meters equal to 691.48 square feet.

With the following committee amendments:

Page 1, line 5, strike out "76."

Page 3, strike out, beginning in line 16, the remainder of page 3 and all of page 4.

Page 8, after line 16, insert the following: "*Provided*, That the Secretary of War is authorized to make such deviations in the descriptions of the lands involved as may be necessary to carry out the purpose and intent of this act."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

CONSTRUCTION OF CERTAIN PUBLIC WORKS IN DISTRICT OF COLUMBIA

The Clerk called the next bill, H. R. 10455, to authorize the Secretary of War to proceed with the construction of certain public works in connection with the War Department in the District of Columbia.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. MARTIN of Massachusetts. Mr. Speaker, reserving the right to object, is this the airport bill?

Mr. MAY. No. This bill relates to the Army Medical Library.

Mr. RICH. Mr. Speaker, reserving the right to object, what about this library? Are you going to build a new one?

Mr. MAY. I may say to the gentleman from Pennsylvania that this bill was given very extensive hearings and the whole committee heard the testimony. It appears that this library was established in 1835, that it is in an old building wholly inadequate for the protection of its contents, danger of destruction by fire, that there are involved a million volumes of medical books and about a million manuscripts. It has cost the Government probably several million dollars to gather this information. In the list are perhaps 450 volumes published more than 500 years ago, of which there are no prints anywhere else in the world. It is the most valuable collection of medical books on the earth.

Mr. ANDREWS. I may say to the gentleman from Pennsylvania that in connection with this bill the most eminent physicians and surgeons in the country appeared in a body before the Military Affairs Committee of the House favoring its enactment. The Republican minority and the Democratic majority on the Military Committee voted unanimously in favor of this bill. Men such as the present Surgeon General of the Army, Reynolds, the retired Surgeon General, Ireland, of the Army, as well as Dr. John M. T. Finney, of Johns Hopkins, and other prominent physicians and surgeons appeared. It is probably the most priceless collection of medical data, history, facts, and information that there is in existence. The doctors in the gentleman's district as well as in his own State and elsewhere refer to this library continually.

Mr. RICH. Is it expected to build a new library?

Mr. MAY. This is merely an authorization. If it is built at all it will probably come out of the public-works funds.

Mr. RICH. Out of the P. W. A.?

Mr. MAY. Yes.

Mr. RICH. The gentleman is going to earmark this money?

Mr. MAY. We will try to. It has not been brought up for earmarking and this is the only chance to get it.

Mr. RICH. Will the gentleman earmark it out of the P. W. A. grants? If he does not do that, will he promise not to come back here and ask for the money?

Mr. MAY. I think the President will be glad to authorize this construction, out of the fund appropriated in the relief bill for public works.

Mr. RICH. If the gentleman guarantees that, I will not object to its going through. The President has had altogether too much money to spend in the past.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of War is hereby authorized to construct in the District of Columbia a building with the utilities, accessories, and appurtenances thereto to replace the present Army Medical Library and Museum Building now located in the District of Columbia: *Provided*, That the advice of the National Capital Park and Planning Commission as to the selection of the site be requested before construction herein authorized shall begin: *Provided further*, That construction herein authorized be subject to the approval of the National Park Service under the authority of section 6 of Public Buildings Act of May 25, 1926, as amended (U. S. C., title 40, sec. 346): *Provided further*, That the total cost of the construction hereby authorized shall not exceed the sum of $3,750,000.

With the following committee amendments:

Page 1, line 10, strike out the words "*Provided further*, That construction" and lines 1, 2, and 3, and "(Sec. 346)" in line 4, page 2.

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

LANE S. ANDERSON POST, NO. 297, VETERANS OF FOREIGN WARS

The Clerk called the next bill, H. R. 9014, to authorize the conveyance to the Lane S. Anderson Post, No. 297, Veterans of Foreign Wars of the United States, of the house and site at lock No. 6, Kanawha River, South Charleston, W. Va.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of War is authorized and directed to convey to the Lane S. Anderson Post, No. 297, Veterans of Foreign Wars of the United States, South Charleston, W. Va., all the right, title, and interest of the United States in and to the downstream house, together with its site, at lock No. 6, Kanawha River, South Charleston, W. Va., for use by such post for the purposes of the organization. Such conveyance shall contain the express condition that if such post shall at any time cease to use such property for such purposes, or shall alienate or attempt to alienate such property, title thereto shall revert to the United States. The post shall bear any expenses (other than the preparation of the instrument of conveyance) necessary to accomplish the conveyance, but shall not be required to pay any consideration for the right, title, and interest conveyed.

With the following committee amendment:

Strike out all after the enacting clause and insert the following:

"That the Secretary of War is authorized and directed to convey by quitclaim deed to the Lane S. Anderson Post, No. 297, Veterans of Foreign Wars of the United States, South Charleston, W. Va., for the sum of $2,250, a tract of land, together with the improvements thereon, situated on the left or south bank of the Kanawha River at lock No. 6, city of South Charleston, Kanawha County, W. Va., and more specifically described as follows:

"Beginning at a stone monument at the southwestern corner of the tract of land, said point of beginning also being the intersection of the northeastern boundary line of F Street and the northwestern boundary line of Eleventh Avenue of said city; thence from the said point of beginning along the said F Street boundary line north 22°45' west 312 feet to a point in the shore line of the Kanawha River; thence upstream along the shore line approximately 102 feet; thence south 23°30' east exactly 312 feet to a point in the aforesaid northwestern boundary line of Eleventh Avenue; thence along this boundary line south 66°30' west 104.8 feet to the point of beginning; containing 0.74 acre, more or less, subject to the perpetual right of the United States of America to flood such part of said land as may be necessary from time to time in the interest of navigation or flood control.

"The land hereinbefore described was acquired by the United States of America by condemnation, recorded in the Kanawha County circuit court record book No. 4, pages 300 and 509, of the records of said county.

"SEC. 2. The deed of conveyance of the property shall contain the following conditions:

" 'That in the event the grantee shall cease to use the property for the purposes of the organization, or shall alienate or attempt to alienate such property, title thereto shall revert to the United States.

" 'That the grantee shall at its own expense provide sewer connections with the municipal sewer system.

" 'That the grantee shall bear any expenses (other than the preparation of the deed of conveyance) necessary to accomplish the conveyance.' "

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

The title was amended so as to read: "A bill to authorize the conveyance to the Lane S. Anderson Post, No. 297, Veterans of Foreign Wars of the United States, of a parcel of land at lock No. 6, Kanawha River, South Charleston, W. Va."

CLAIMS UNDER THE GENERAL CLAIMS CONVENTION OF SEPTEMBER 8, 1923, UNITED STATES AND MEXICO

The Clerk called the next bill, S. 3104, for the payment of awards and appraisals heretofore made in favor of citizens of the United States on claims presented under the General Claims Convention of September 8, 1923, United States and Mexico.

Mr. DONDERO. Reserving the right to object, Mr. Speaker, I wish the gentleman from Texas, who reported the bill, would make a statement regarding the items included in it.

Mr. LUTHER A. JOHNSON. Mr. Speaker, I shall be pleased to make such an explanation. This is a Senate bill, sponsored by Senator MORRIS SHEPPARD, and it passed the Senate almost unanimously about 3 weeks ago.

This bill grows out of claims between citizens of the United States and the Mexican Government. In 1923 there was created what was known as the General Claims Commission to hear and adjudicate the claims of citizens of the United States had against the Mexican Government and the claims citizens of Mexico had against the United States. This Commission was composed of representatives of both the Mexican Government and our Government. It was created at a time when there was a great deal of discord and strife between the people of both countries and it looked as if there might be war. In order to prevent strife and reprisals between the citizens of the two countries and to bring about an era of good will and also to conciliate the various contesting claimants and promote peace this Commission was created by the convention of September 8, 1923, between the United States and Mexico. The Commission was to hear the claimants of both countries and pass upon the validity of their claims and under the terms of the convention payment was to be made within 3 years. Our Government would pay the claimants in this country and the Mexican Government would pay the claimants in that country, and then, striking the difference, the government that owed the most would pay the other country the difference, so there would be satisfaction and accord between the two countries and the citizens of the two countries.

This Commission worked for a number of years but no claims have ever been paid. The Commission is now out of existence. Many of these claims have been approved for more than 10 years. The claims represented by this bill constitute claims that have been approved by the representatives of both our Government and the Mexican Government. The bill authorizes an appropriation to pay citizens of our country claims in amounts as approved by the Commission, the United States being thereupon subrogated and entitled to full reimbursement therefor from Mexico as provided in the treaty or convention.

I believe, under the terms of the convention, our Government really assumed an obligation for the payment of these debts, and the Mexican Government assumed an obligation for the payment of the claims of their citizens.

A further reason I believe our Government is responsible for the payment of these claims is that some of our citizens had claims pending in the city of Mexico and were taking them up with the Mexican Government concerning the payment of the claims, with prospect of payment, but when this convention was created, all the claimants automatically had to retire and present their claims to the Commission.

The character of the claims of our people against Mexico was for property taken, confiscated, and destroyed by the Mexican Government, and for murder, imprisonment, and other crimes committed against our citizens by the Mexican Government and its nationals. The amount of the claims, as filed, was greatly reduced by the Commission, and the Commission, after hearing evidence, adjudicated the claims, and the adjudication is in the nature of a judgment for the amount of damages suffered by the claimants, and upon the signing of the convention between the two countries, Mexican officials told American citizens that they would no longer consider the claims but that all claims must be considered by the Commission set up under the convention or treaty between the two countries.

Many of these claims were approved more than 10 years ago, but all of them remain unpaid, not one having been paid any of the claimants, although the justness of their claims is recognized in the awards made in their favor by the Commission. As long as the Commission was still in existence the State Department reported adversely upon this bill, but now, since the Commission has gone out of existence, there remains nothing else to be done except to pay the claims under the terms of the convention between the two countries. I believe the bill is a meritorious one.

Mr. MARTIN of Massachusetts. Mr. Speaker, will the gentleman yield?

Mr. LUTHER A. JOHNSON. I yield to the gentleman from Massachusetts.

Mr. MARTIN of Massachusetts. Of course, the gentleman understands that if the United States Government pays these claims it will probably never get any of the money back.

Mr. LUTHER A. JOHNSON. After we have paid the claims we can go to the Mexican Government and say, "We have paid these claims which your representatives have awarded, and here is the bill."

Mr. MARTIN of Massachusetts. But the Mexican Government is near bankruptcy and would not be able to pay the claims.

Mr. LUTHER A. JOHNSON. I know nothing about the solvency of the Mexican Government, but from past experience I know that when the United States Government talks to Mexico in terms of firmness it usually gets results, because Mexico is more or less dependent upon us. We will never get the money unless we take this course.

Mr. MARTIN of Massachusetts. Does the gentleman believe the United States Government should bail out the Illinois Central Railroad or somebody else?

Mr. LUTHER A. JOHNSON. No; but I believe these hundred or more claimants have followed the instructions of our country. They have submitted their claims under this convention that was made between the two countries, and their claims have been awarded after a judicial hearing by the Commission, and I believe they are entitled to their money. I believe it would be an unjust repudiation if the United States did not pay the claimants and then collect it from the Government of Mexico, as provided in the treaty.

Mr. THOMASON of Texas. If the gentleman will yield, I may say I hope there will be no objection to the consideration of this bill, because I happen to have some personal knowledge of the situation, and I regard the bill as very meritorious.

I lived on the border at the time of these revolutions. I have been down in Mexico, and I know many of these people who suffered, and instead of going to the Mexican Government to present their claims, they did the only thing they could do under the terms of this treaty, and that was to go before the Joint Commission, have exhaustive hearings, and have the matters adjudicated upon their merits. The result was that more than 10 years ago the families of men who were killed in the revolution in Mexico, many men and women who suffered heavy losses of property had these claims adjusted, and now they have gone 10 or 15 years, with a number of them getting to be old people, and they have never collected one penny, although they did exactly what this Government told them to do.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. MARTIN of Masachusetts, Mr. KINZER, and Mr. DONDERO objected.

BRIDGE ACROSS NIAGARA RIVER NEAR NIAGARA FALLS, N. Y.

The Clerk called the next joint resolution, House Joint Resolution 688, creating the Niagara Falls Bridge Commission and authorizing said Commission and its successors to construct, maintain, and operate a bridge across the Niagara River at or near the city of Niagara Falls, N. Y.

Mr. COSTELLO. Mr. Speaker, I ask unanimous consent that this joint resolution be passed over without prejudice.

Mr. BLOOM. Mr. Speaker, will the gentleman reserve that?

Mr. COSTELLO. I will be pleased to reserve it for the moment.

Mr. BLOOM. I would like to have the gentleman state any objection he may have to this joint resolution. It does not cost any money and the bridge is necessary, I may say to the gentleman, although it is not in my district.

Mr. COSTELLO. It is my understanding there is some question about it and I find in the committee report no statement from the War Department or the Department of Agriculture regarding the advisability or desirability of this particular bridge. There is a statement from the Department of State. It has been our custom to have these bills taken up by other committees, but in view of the fact that this particular bill involves a question of an international character it has been referred to the Committee on Foreign Affairs, which is not the usual committee for handling bridge legislation, as most of such legislation originates in the Committee on Interstate and Foreign Commerce.

Mr. ANDREWS. The gentleman will find a report from the Chief of Engineers of the War Department concurring in the regular report.

Mr. COSTELLO. There is a letter from the Army engineers enclosing a report of the Attorney General, but not in any way indicating the attitude of the War Department.

Mr. BLOOM. And it is also a fact that this is to replace a bridge washed away by a storm about a year ago. It is not in my district, but I think this is quite necessary.

Mr. COSTELLO. I may say to the gentleman that I am not objecting to the joint resolution, but asking unanimous consent that it be passed over without prejudice.

Mr. BLOOM. However, we want to get it through at this session of Congress.

Mr. COSTELLO. I am going to submit the request at this time.

The SPEAKER pro tempore. The gentleman from California asks unanimous consent that this joint resolution be passed over without prejudice. Is there objection?

There was no objection.

TRANSFER OF ONE MINE-RESCUE CAR

The Clerk called the next bill, H. R. 9783, authorizing the Secretary of the Interior to transfer to the State of Colorado one mine-rescue car.

There being no objection, the Clerk read the bill as follows:

Be it enacted, etc., That the Secretary of the Interior is authorized and directed to transfer one surplus decommissioned mine-rescue car (with such equipment and apparatus as may be surplus to the needs of the Denver safety station of the Bureau of Mines) located in Denver, Colo., to the State of Colorado. Costs of delivery shall be borne by the State of Colorado, but no consideration shall be required from the State for the transfer.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

AMENDMENT OF ALASKA GAME COMMISSION ACT

The Clerk called the next bill, H. R. 7844, to amend the act of Congress entitled "An Act to establish an Alaska Game Commission, to protect game animals, land fur-bearing animals, and birds in Alaska, and for other purposes," approved January 13, 1925, as amended.

There being no objection, the Clerk read the bill as follows:

Be it enacted, etc., That section 2 of the act entitled "An act to establish an Alaska Game Commission, to protect game animals, land fur-bearing animals, and birds in Alaska, and for other purposes," approved January 13, 1925 (43 Stat. 739), as amended by the act of February 14, 1931 (46 Stat. 1111), under the title "Definitions" is amended to read as follows:

"SEC. 2. Definitions: That for the purposes of this act the following shall be construed, respectively, to mean:

"Commission: The Alaska Game Commission.

"Territory: Territory of Alaska.

"Person: The plural or the singular, as the case demands, including individuals, associations, partnerships, and corporations, unless the context otherwise requires.

"Take: Taking, pursuing, disturbing, hunting, capturing, trapping, or killing game animals, land fur-bearing animals, game or nongame birds; attempting to take, pursue, disturb, hunt, capture, trap, or kill such animals or birds; or setting or using a net, trap, or other device for taking them, or collecting the nests or eggs of such birds, unless the context otherwise requires. Whenever the taking of animals, birds, or nests or eggs of birds is permitted, reference is had to taking by lawful means and in lawful manner.

"Open season: The time during which birds or animals may lawfully be taken. Each period of time prescribed as an open season shall be construed to include the first and last days thereof.

"Closed season: The time during which birds and animals may not be taken.

"Transport: Shipping, transporting, carrying, importing, exporting, or receiving or delivering for shipment, transportation, carriage, or export, unless the context otherwise requires.

"Game animals: Deer, moose, caribou, elk, mountain sheep, mountain goat, bison, musk ox, and the large brown and grizzly bears, and such other animals as have been or may hereafter be transplanted, introduced, or reintroduced into the Territory or any part thereof and found and declared by the Secretary of Agriculture to be game animals, which shall be known as big game.

"Land fur-bearing animals: Beaver, muskrat, marmot, raccoon, pika, squirrel, fisher, fox, lynx, marten, or sable, mink, weasel or ermine, land otter, wolverine, polar bear, and black bear, including its brown and blue (or glacier bear) color variations, and such other animals as have been or may hereafter be transplanted, introduced, or reintroduced into the Territory or any part thereof and found and declared by the Secretary of Agriculture to be fur-bearing animals; but whenever the Secretary of Agriculture shall find that the aforesaid black bear, or its color variations, is predominantly hunted in any section of Alaska as a game animal rather than a fur-bearer, he shall so declare and then and thereafter, so long as such declaration remains in effect, such bear in the specified section of Alaska shall be considered to be a game animal to the same effect as if it had been expressly included in the foregoing definition of game animals.

"Game birds: Anatidae, commonly known as waterfowl, including ducks, geese, brant, and swans; Haematopodidae, Charadriidae, Scolopacidae, and Phalaropodidae, commonly known as shore birds, including oyster catchers, plover, sandpipers, snipe, curlew, and phalaropes; Gruidae, commonly known as cranes; and the several species of grouse and ptarmigan, and such other birds as have been or may hereafter be transplanted, introduced, or reintroduced into the Territory or any part thereof and found and declared by the Secretary of Agriculture to be game birds.

"Nongame birds: All wild birds except game birds."

SEC. 2. That section 3 of said act is amended to read as follows:

"SEC. 3. Citizenship defined: That for the purposes of this act a citizen of the United States who has been domiciled in the Territory, for the purpose of making his permanent home therein, for not less than 1 year immediately preceding his claim for resident privileges or a foreign-born person, which term shall be construed in this act to include a citizen of the Philippine Islands, not a citizen of the United States, who has declared his intention to become a citizen of the United States, and has been domiciled in the Territory for a like period and purpose, shall be considered a resident; but if such a foreign-born person shall not have been admitted to citizenship within 7 years from the date he declared his first intention to become a citizen, he shall thereafter be deemed to be an alien until admitted to citizenship. A foreign-born person not a citizen of the United States who has not declared his intention to become a citizen of the United States, or who has not resided in the Territory for at least 1 year after having declared such intention, shall be considered an alien: *Provided*, That whenever the Secretary of Agriculture shall determine that the economic welfare and interests of native Indians, Eskimos, and half-breeds, or the fur resources of Alaska are threatened by the influx of trappers from without the Territory, he may, in his discretion and for such periods as he shall determine, require that citizens of the United States who are nonresidents of the Territory, and foreign-born persons and aliens within the meaning of this act, shall have resided in Alaska for a continuous period of 3 years instead of 1 year before being eligible to obtain resident trapping licenses under the provisions of the Alaska game law, as amended, and regulations issued pursuant thereto."

SEC. 3. That the first paragraph of section 5 of said Act is amended to read as follows:

"SEC. 5. Duties and powers of the Commission, wardens, and officers: That the Commission shall have authority to employ and remove game wardens, deputies, clerks, and such other assistants as may be necessary; to fix their periods of service and compensation; to rent quarters; and to incur other necessary expenses payable from appropriations for carrying out the purposes of this act, including printing and purchase, operation, maintenance, and repair of aircraft; restocking depleted areas and emergency feeding of wildlife; investigation of wildlife conditions; and protection of wildlife resources within the Territory; but, subject to review by the Commission, the executive officer may suspend or remove any game warden or other employee for cause, including insubordination."

SEC. 4. That subdivision J of section 11 of said act is amended to read as follows:

"Subdivision J. False statement in application for and alteration and expiration of licenses: That any false statement in an application for license as to citizenship, place of residence, or other material facts shall render null and void the license issued upon it. Any person who shall make any false statements in an application for a license shall be guilty of a violation of this act and upon conviction of any such violation shall be punished as provided in section 15 hereof. No person shall alter, change, loan, or transfer to another any license issued to him in pursuance of this act, nor shall any person other than the one to whom it is issued use such license; and each of such licenses shall expire the 30th day of June next succeeding its issuance."

With the following committee amendments:

Page 5, line 20, after the word "thereto", strike out the period and insert a colon and the following: "*Provided further*, That if any clause, sentence, paragraph, or part of this act shall for any reason be adjudged by any court of competent jurisdiction to be invalid, such judgment shall not affect, impair, or invalidate the remainder thereof, but shall be confined in its operation to the clause, sentence, paragraph, or parts thereof directly involved in the controversy in which such judgment shall have been rendered."

On page 6, after line 10, insert:

"SEC. 4. That section 10 of said act is amended to read as follows:

"'SEC. 10. Regulations: That the Secretary of Agriculture, upon consultation with or recommendation from the Commission, is hereby authorized and directed from time to time to determine when, to what extent, if at all, and by what means game animals, land fur-bearing animals, game birds, nongame birds, and nests or eggs of birds may be taken, possessed, transported, bought, or sold, and to adopt suitable regulations permitting and governing the same in accordance with such determinations, which regulations shall become effective on the date specified therein; but no such regulations shall permit any person to take any female yearling or calf moose, any doe yearling or fawn deer, or any female or lamb mountain sheep except under permit for scientific, propagation, or educational purposes; or to use any dog in taking game animals; or to sell the heads, hides, or horns of any game animals, except the hides of moose, caribou, deer, and mountain goat, or black bears if and when declared to be game animals by the Secretary of Agriculture under authority of section 2 of this act, which the regulations may permit to be sold under such restrictions as said Secretary may deem to be appropriate; or to use any shotgun larger than a No. 10 gauge; or to use any airplane, or steam or power launch, or any boat other than one propelled by paddle, oars, or pole, in taking game animals or game birds; or to sell any game animals, game birds, or parts thereof, to the owner, master, or employee of any coastal or river steamer or commercial power or sail boat, or to procure for serving or to serve any such game animals, game birds, or parts thereof, in any cannery or to the employees on any such steamer or boat; nor, except as herein provided, shall prohibit any Indian or Eskimo, prospector, or traveler to take animals or birds during the close season when he is in absolute need of food and other food is not available, but the shipment or sale of any animals or birds or parts thereof so taken shall not be permitted, except that the hides of animals so taken may be sold within the Territory, but said Secretary by regulation may prohibit such native Indians or Eskimos, prospectors, or travelers from taking any species of animals or birds for food during the close season in any section of the Territory within which he shall determine that the supply of such species of animals or birds is in danger of extermination; nor shall any such regulation contravene any of the provisions of the Migratory Bird Treaty Act and regulations: *Provided*, That no person shall knowingly disturb, injure, or destroy any notice, signboard, seal, boat, vessel, sled, dog, or dog team, paraphernalia, or equipment, building, or other improvement or property of the United States used by the Commission in the administration and/or enforcement of the provisions of this act, or as a notice to the public concerning the provisions of this act or any regulation adopted pursuant thereto, or as a marker of the boundary of any area closed to hunting, trapping, or other special use under the provisions of this act, or to destroy, remove, tamper with, or imitate any metal seal or seals issued by the Commission and attached to any skin, portion, or specimen of a wild animal or bird or other article for purposes of identification under its authority, in accordance with the provisions of this act or any regulations thereunder.'"

3. Page 6, line 11, strike all of line 11 and insert in lieu thereof the following:

"SEC. 5. That subdivisions C and J of section 11 of said act are."

4. On page 6, between lines 12 and 13, insert:

"Subdivision C. Resident hunting and trapping licenses: That the Commission, whenever it shall deem expedient, may by regulation require residents of the Territory to procure resident hunting and trapping licenses authorizing them to take animals and birds protected by this act, and when such licenses shall have been required of residents the fee therefor shall be as follows: For each hunting license the sum of $1, and for each trapping license the sum of $2, but no such license shall be required of native-born Indians, Eskimos, or half-breeds who have not severed their tribal relations by adopting a civilized mode of living or by exercising the right of franchise, or of residents under the age of 16: *Provided*, That a licensed trapper shall be entitled to the privilege of hunting without a hunting license. After the effective date of such regulation, no resident shall take any animal or bird protected by this act without having first procured resident hunting and trapping licenses as herein provided."

The committee amendments were agreed to:

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

EDUCATION OF CERTAIN CITIZENS OF THE AMERICAN REPUBLICS

The Clerk called the next bill, H. R. 10687, to authorize the President to permit citizens of the American Republics to receive instruction at professional educational institutions and schools maintained and administered by the Gov-

ernment of the United States or by Departments or agencies thereof.

Mr. COSTELLO. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

AMENDMENT OF SECTION 2139 OF THE REVISED STATUTES

The Clerk called the next bill, S. 3166, to amend section 2139 of the Revised Statutes, as amended.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That section 2139 of the Revised Statutes, as amended by the act of July 23, 1892, entitled "An act to amend sections 2139, 2140, and 2141 of the Revised Statutes touching the sale of intoxicants in the Indian country, and for other purposes," and as amended by the act of January 30, 1897, entitled "An act to prohibit the sale of intoxicating drinks to Indians, providing penalties therefor, and for other purposes," is amended to read as follows:

"SEC. 2139. Any person who shall sell, give away, dispose of, exchange, or barter any malt, spirituous, or vinous liquor, including beer, ale, and wine, or any ardent or other intoxicating liquor of any kind whatsoever, or any essence, extract, bitters, preparation, compound, composition, or any article whatsoever, under any name, label, or brand, which produces intoxication to any Indian to whom an allotment of land has been made while the title to the same shall be held in trust by the Government, or to any Indian who is a ward of the Government under charge of any Indian superintendent or agent, or to any Indian, including mixed bloods, over whom the Government, through its Departments, exercises guardianship, and any person who shall introduce or attempt to introduce any malt, spirituous, or vinous liquor, including beer, ale, and wine, or any ardent or intoxicating liquor of any kind whatsoever into the Indian country, which term shall include any Indian allotment while the title to the same shall be held in trust by the Government, or while the same shall remain inalienable by the allottee without the consent of the United States, shall be punished for the first offense by imprisonment for not more than 1 year and by a fine of not more than $500, and for the second offense and each offense thereafter by imprisonment for not more than 5 years and by a fine of not more than $2,000: *Provided, however*, That the person convicted shall be committed until fine and costs are paid: *And provided further*, That first offenses under this section may be prosecuted by information, but no person convicted of a first offense under this section shall be sentenced to imprisonment in a penitentiary or required to perform hard labor. It shall be a sufficient defense to any charge of introducing or attempting to introduce ardent spirits, ale, beer, wine, or intoxicating liquors into the Indian country that the acts charged were done under authority, in writing, from the War Department or any officer duly authorized thereunto by the War Department. All complaints for the arrest of any person or persons made for violation of any of the provisions of this section shall be made in the county where the offense shall have been committed, or if committed upon or within any reservation not included in any county, then in any county adjoining such reservation; but in all cases such arrests shall be made before any United States court commissioner residing in such adjoining county, or before any magistrate or judicial officer authorized by the laws of the State in which such reservation is located to issue warrants for the arrest and examination of offenders by section 1014 of the Revised Statutes as amended. And all persons so arrested shall, unless discharged upon examination, be held to answer and stand trial before the court of the United States having jurisdiction of the offense."

SEC. 2. Section 2139 of the Revised Statutes, as amended by this act, shall be deemed to apply to offenses committed subsequent to the date of enactment of this act, and any reference in any other act of Congress to the act of January 30, 1897, insofar as it relates to offenses committed subsequent to the date of enactment of this act, shall be deemed to be a reference to section 2139 of the Revised Statutes as amended by this act.

SEC. 3. The act entitled "An act to prohibit the sale of intoxicating drinks to Indians, providing penalties therefor, and for other purposes," approved January 30, 1897, is hereby repealed.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

THE OWYHEE PROJECT

The Clerk called the next bill, H. R. 10488, to provide for allowing to the Gem Irrigation District and Ontario-Nyssa Irrigation District of the Owyhee project terms and payment dates for charges deferred under the reclamation moratorium acts similar to those applicable to the deferred construction charges of other projects under said acts, and for other purposes.

Mr. RICH. Mr. Speaker, I would like to have somebody explain this bill.

Mr. PIERCE. Mr. Speaker, this irrigation district is on the border line between Oregon and Idaho. In the fall of 1932, and in March 1933, a debt moratorium was given to irrigation districts. It was supposed that this included the electric charge for pumping for several years prior. These districts got their water by pumping. The Government put in a large reservoir and they are now getting gravity water. The Solicitor of the Interior Department recently said that those old charges were now due under the act, and it throws $100,000 on these districts, just at this time, when they simply cannot pay. This is one of the most prosperous sections of all of the West, the fastest growing section of Oregon. A large beet-sugar factory is being built there now. This bill construes the statute as we all thought it read when it was passed in March 1933 and the fall of 1932.

Mr. RICH. When they declared the moratorium on these reclamation projects, it included a great many of them.

Mr. PIERCE. Yes, and it was supposed to take in at that time the charges for power due the Government.

Mr. RICH. And the other reclamation projects are coming across and making their payments? Why do not you?

Mr. PIERCE. The special irrigation commission has found that of the 77 irrigation districts in the United States there are only 2 districts in this situation, and they recommend this bill.

Mr. RICH. Does this give these districts any advantage over the other irrigation projects?

Mr. PIERCE. No; it is putting them on a par with these others.

Mr. RICH. And is it expected that finally they will make these payments?

Mr. PIERCE. Eventually.

Mr. RICH. How long does this extend the time of payments?

Mr. PIERCE. The full payment is 40 years.

Mr. RICH. And the gentleman and I will never be here to see the debt paid off from this irrigation project or the debt of the Federal Government.

Mr. PIERCE. This will be one of the most prosperous sections in the United States.

Mr. RICH. If that is the case let them pay their bills and pay it now. The Government needs the money, and here is one place to get it.

The SPEAKER. Is there objection?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That that portion of the charges of the Gem Irrigation District and the Ontario-Nyssa Irrigation District, Owyhee project, which was postponed under the provisions of the Moratorium Acts of April 1, 1932 (47 Stat. 75), March 3, 1933 (47 Stat. 1427), March 27, 1934 (48 Stat. 500), June 13, 1935 (49 Stat. 337), and April 14, 1936 (49 Stat. 1206), shall come due and payable at the end of the construction payment period provided in the contracts between said districts and the United States in like manner and subject to the same terms as to interest and other conditions applicable to the construction charges postponed on other projects under the provisions of the said moratorium acts.

With the following committee amendment:

Strike out all after the enacting clause and insert:

"That the charges of the Gem Irrigation District and of the Ontario-Nyssa Irrigation District, that were postponed under the Moratorium Acts of April 1, 1932 (47 Stat. 75), March 3, 1933 (47 Stat. 1427), March 27, 1934 (48 Stat. 500), and June 13, 1935 (49 Stat. 337), shall be payable at the end of the districts' construction charge repayment period, subject to the same terms and conditions as applicable to the construction charges postponed under the said moratorium acts."

The committee amendment was agreed to; and the bill as amended was ordered to be engrossed and read a third time, was read a third time, and passed, and a motion to reconsider laid on the table.

COAST GUARD STATION, SHELTER COVE, CALIF.

The Clerk called the bill (H. R. 9916) to provide for the establishment of a coast guard station at or near Shelter Cove, Calif.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized to establish a Coast Guard station on the Pacific coast at or in the vicinity of Shelter Cove, Calif., in such locality as the Commandant of the Coast Guard may recommend.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

HOBOKEN PIER TERMINALS

The Clerk called the bill (H. R. 10536) authorizing the United States Maritime Commission to sell or lease the Hoboken Pier Terminals, or any part thereof, to the city of Hoboken, N. J.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the United States Maritime Commission is authorized for and on behalf of the United States (1) to sell to the city of Hoboken, N. J., the right, title, and interest of the United States in the whole or any part of such real property now under its jurisdiction or control, and described in schedule A appended to a proclamation of the President of the United States, dated December 3, 1918, which was taken over by the United States by a proclamation of the President of the United States dated June 28, 1918, pursuant to the authority vested in him by the act entitled "An act making appropriations to supply deficiencies in appropriations for the fiscal year ending June 30, 1918, and prior fiscal years, on account of war expenses, and for other purposes," approved March 28, 1918; or (2) to lease to the said city of Hoboken the whole or any part of such aforementioned real property for a term of 50 years, said sale or said lease to be on such terms and under such conditions as shall be mutually agreeable to the Maritime Commission and the said city of Hoboken: *Provided*, That any contract of lease executed between the Maritime Commission and the city of Hoboken under the provisions of this act shall expressly authorize the Maritime Commission and the said city, at or before the expiration of the original contract of lease, to enter into a new contract of lease of the same property and for a like term of years.

SEC. 2. In event that the Maritime Commission, in accordance with the provisions of this act, shall convey to said city all or any of the real property herein described, or in event that any such lease as is herein provided for, shall be executed between the Maritime Commission and the city of Hoboken, the Commission shall transfer any leases in existence upon the property so sold or leased at the time of said sale or lease, to the city of Hoboken and assign to it any future benefit to be received thereunder.

SEC. 3. In event the property herein described shall be sold to the city of Hoboken, the deed executed by the Commission shall contain express covenants that (1) in event of a national emergency the property so conveyed, with all improvements placed thereon, may be taken upon order of the President of the United States for the use of the War Department during the period of such emergency, but no longer; and (2) the said city shall not resell the property conveyed thereunder.

With the following committee amendments:

Page 2, line 8, strike out "a term of" and insert "any term up to."

Page 3, line 10, after the word "longer" insert "*Provided*, That just compensation shall be paid for any improvements placed thereon or made thereto."

The committee amendments were agreed to; and the bill as amended was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

CLEARANCES OF VESSELS

The Clerk called the bill (H. R. 10672) to amend section 4197 of the Revised Statutes, as amended (U. S. C., 1934 ed., title 46, sec. 91), and section 4200 of the Revised Statutes (U. S. C., 1934 ed., title 46, sec. 92), and for other purposes.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That section 4197 of the Revised Statutes of the United States (U. S. C., 1934 ed., title 46, sec. 91), be amended to read as follows:

"The master or person having the charge or command of any vessel bound to a foreign port shall deliver to the collector of the district from which such vessel is about to depart a manifest of all the cargo on board the same, and the value thereof, by him subscribed, and shall swear to the truth thereof; whereupon the collector shall grant a clearance for such vessel and her cargo, but without specifying the particulars thereof in the clearance, unless required by the master or other person having the charge or command of such vessel so to do. If any vessel bound to a foreign port (other than a licensed yacht not engaging in any trade nor in any way violating the revenue laws of the United States) departs from any port or place in the United States without a clearance, or if the master delivers a false manifest, or does not answer truly the questions demanded of him, or, having received a clearance adds to the cargo of such vessel without having mentioned in the report outwards the intention to do so, or if the departure of the vessel is delayed beyond the second day after obtaining clearance without reporting the delay to the collector, the master or other persons having the charge or command of such vessel shall be liable to a penalty of not more than $1,000 nor less than $500, or if the cargo consists in any part of narcotic drugs, or any spirits, wines, or other alcoholic liquors (sea stores excepted), a penalty of not more than $5,000 nor less than $1,000 for each offense, and the vessel shall be detained in any port of the United States until the said penalty is paid or secured: *Provided*, That in order that the commerce of the United States may move with expedition and without undue delay, the Secretary of Commerce is hereby authorized to make regulations permitting the master of any vessel taking on cargo for a foreign port or for a port in noncontiguous territory belonging to the United States to file a manifest as hereinbefore provided, and if the manifest be not a complete manifest and it so appears upon such manifest, the collector of customs may grant clearance to the vessel in the case of an incomplete manifest, taking from the owner of the vessel, who may act in the premises by a duly authorized attorney in fact, a bond with security approved by the collector of customs in the penal sum of $1,000, conditioned that the master or someone for him will file a completed outward manifest not later than the fourth business day after the clearance of the vessel. In the event that the said complete outward manifest be not filed as required by the provisions of this section and the regulations made by the Secretary of Commerce in pursuance hereof, then a penalty of $50 for each day's delinquency beyond the allowed period of 4 days for filing the completed manifest shall be exacted, and if the completed manifest be not filed within the 3 days following the 4-day period, then for each succeeding day of delinquency a penalty of $100 shall be exacted. Suit may be instituted in the name of the United States against the principal and surety on the bond for the recovery of any penalties that may accrue and be exacted in accordance with the terms of the bond."

SEC. 2. Section 4200 of the Revised Statutes of the United States (U. S. C., 1934 ed., title 46, sec. 92) is amended to read as follows:

"Before a clearance shall be granted for any vessel bound to a foreign port, the owners, shippers, or consignors of the cargo of such vessel shall deliver to the collector manifests of the cargo, or the parts thereof shipped by them, respectively, and shall verify the same by oath. Such manifests shall specify the kinds and quantities of the articles shipped, respectively, and the value of the total quantity of each kind of article; and the oath to each manifest shall state that it contains a full, just, and true account of all articles laden on board of such vessel by the owners, shippers, or consignors, respectively, and that the values of such articles are truly stated, according to their actual cost, or the values which they truly bear at the port and time of exportation; and before a clearance shall be granted for any such vessel, the master of that vessel, and the owners, shippers, and consignors of the cargo, shall state, upon oath, to the collector, the foreign port or country in which such cargo is truly intended to be landed. The oaths shall be taken and subscribed in writing: *Provided*, That in order that the commerce of the United States may move with expedition and without undue delay, the Secretary of Commerce is hereby authorized to make regulations permitting the clearance of a vessel having on board cargo destined to a foreign port or to a port in noncontiguous territory belonging to the United States, before delivery to the collector of customs of shippers' manifests or export declarations of the cargo laden on board. Upon receipt by the collector of a bond with security approved by him in the penal sum of $1,000, conditioned that the complete shippers' manifests or export declarations of all cargo laden aboard such vessel shall be filed with him not later than the fourth business day after the clearance of the vessel. In the event that all of the shippers' manifests or export declarations are not filed as required by the provisions of this section and the regulations made by the Secretary of Commerce in pursuance hereof, then a penalty of $50 for each day's delinquency beyond the allowed period of 4 days for filing all of the shippers' manifests or export declarations shall be exacted, and if all of the shippers' manifests or export declarations are not filed within the 3 days following the 4-day period, then for each succeeding day of delinquency a penalty of $100 shall be exacted. Suit may be instituted in the name of the United States against the principal and surety on the bond for the recovery of any penalties that may accrue and be exacted in accordance with the terms of the bond."

SEC. 3. Nothing contained in this act shall be taken to repeal, modify, alter, or amend any existing statute other than those specifically amended herein with respect to the necessary papers, documents, or licenses required to be produced by the master, owner, operator, or consignor, relating to the required prerequisites for the granting of clearance for a cargo destined to foreign ports or to a port in noncontiguous territory belonging to the United States.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

THIRD INTERNATIONAL CONGRESS FOR MICROBIOLOGY

The Clerk called the joint resolution (H. J. Res. 702) to provide that the United States extend to foreign governments invitations to participate in the Third International Congress for Microbiology to be held in the United States during the calendar year 1939, and to authorize an appropriation to assist in meeting the expenses of the session.

There being no objection, the Clerk read the joint resolution, as follows:

Resolved, etc., That the President is hereby authorized and requested to invite foreign governments to participate in the Third International Congress for Microbiology to be held in New York, N. Y., September 2 to 9, inclusive, 1939, under the auspices of the International Association of Microbiologists.

SEC. 2. The sum of $10,000, or so much thereof as may be necessary, is hereby authorized to be appropriated for the expenses of organizing, holding, and publishing the proceedings of, the Third International Congress for Microbiology, including expenditures for personal services in the District of Columbia and elsewhere without regard to the Classification Act of 1923, as amended, communication services, stenographic and other services by contract if deemed necessary without regard to section 3709 of the Revised Statutes (U. S. C., title 41, sec. 5); travel expenses, local transportation, hire of motor-propelled passenger-carrying vehicles, rent in the District of Columbia and elsewhere, printing and binding, entertainment, official cards, purchase of newspapers and periodicals, necessary books and documents, stationery, membership badges, such expenses as may be actually and necessarily incurred by the Government of the United States by reason of observance of appropriate courtesies in connection therewith, and such other expenses as may be authorized by the Secretary of State.

The joint resolution was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

MOUNT RUSHMORE MEMORIAL COMMISSION

The Clerk called the bill (H. R. 10462) to amend the act entitled "An act creating the Mount Rushmore Memorial Commission, and defining its purposes and powers," approved February 25, 1929, as amended.

The SPEAKER. Is there objection?

Mr. TREADWAY. Mr. Speaker, I think this is deserving of some explanation and I reserve the right to object and ask an explanation.

Mr. CASE of South Dakota. This is a bill to authorize the completion of the National Mount Rushmore Memorial, a memorial consisting of the figures of Washington, Jefferson, Lincoln, and Theodore Roosevelt carved on the side of a granite mountain in the Black Hills section of South Dakota. The work on the first two figures is approximately 70 percent completed. It is estimated that the passage of this bill will permit the completion of the figures. Some of you have seen them. Any person who has once seen them will realize the worth of this memorial. It will be the greatest national memorial in America.

Mr. TREADWAY. Mr. Speaker, further reserving the right to object, the gentleman states that it is estimated that this appropriation of $300,000 will complete the present figures. This is an extension from time to time of an effort to have certain sculpture work done on that mountain. Different figures have been added. I do not think there is any assurance or protection to the Federal Government that this $300,000 is to be the last it is expected will be asked for. I think there should be further explanation of the measure before it is passed.

Mr. CASE of South Dakota. I may say that no figures have been added. These four are the only ones authorized by law.

I may add that the State of South Dakota raised a great deal of the money to take care of the initial expense involved in this national memorial. The committee report points out they have spent something like $800,000 on roads to make the place available to the public.

The mountain on which these figures are being carved is of a kind of granite which erodes at the rate of only one-quarter of an inch in 100,000 years. This memorial will be there when every other man-made memorial in America has crumbled into dust.

The SPEAKER. Is there objection to the present consideration of the bill?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That this act may be cited as the "Mount Rushmore Memorial Act of 1938."

SEC. 2. The act entitled "An act creating the Mount Rushmore National Memorial Commission and defining its purposes and powers," approved February 25, 1929 (45 Stat. 1300), as amended, is amended to read as follows: "That there is hereby created a Commission to be known as the Mount Rushmore National Memorial Commission (hereinafter referred to as the 'Commission'), to be composed of 10 members (one of whom shall be a designer-sculptor) who shall be appointed by the President. The members shall serve at the pleasure of the President, who shall fill all vacancies that from time to time occur. Any six members of the Commission shall constitute a quorum. No member of the Commission shall receive compensation for his services, except the designer-sculptor, who may be paid such compensation for his services as may be determined by the Commission, but the actual expenses of any member in connection with the work of the Commission may be paid from any appropriations available for the purpose of carrying out the provisions of this act: *Provided*, That nothing in this section shall be deemed to prohibit the payment to any member of the Commission who may be elected secretary or treasurer of the Commission of such compensation for the performance of his duties as secretary or treasurer, as may be determined by the Commission.

"SEC. 2. The commission shall elect its chairman, vice chairman, secretary, and treasurer. The chairman and the vice chairman shall, and the secretary and the treasurer may, but need not, be elected from among the members of the commission. The treasurer may be a bank or trust company. The treasurer shall execute a bond so conditioned and in such amount as shall insure the protection of funds coming into his possession. The commission may create from its own membership an executive committee of five, which shall exercise such powers and functions within the purview of this act as may be authorized by the commission.

"SEC. 3. The commission shall, in accordance with designs and models prepared by the designer-sculptor, complete the Mount Rushmore National Memorial, including an entablature upon which shall be cut a suitable inscription, construction of a museum and a stairway to the museum hall, reconstruction of the studio for preservation of the models, landscaping of contiguous grounds, and construction of the entrance to the memorial. No charge shall ever be made for admission to the memorial grounds or for viewing the memorial.

"SEC. 4. The commission is authorized—

"(a) To designate and describe by metes and bounds an area of not more than 4,000, nor less than 2,000 acres of the public lands of the United States within the Harney National Forest, State of South Dakota, immediately surrounding the Mount Rushmore National Memorial. Upon such designation such area is hereby reserved for and declared to be a part of the Mount Rushmore National Memorial, and withdrawn from location or entry under the mining or other laws of the United States. The commission shall prepare a survey of such area and shall furnish a plat thereof to the Secretary of Agriculture, the Secretary of the Interior, and the United States land office at Pierre, S. Dak.: *Provided*, That this act shall not defeat or affect any vested right under the mining or other laws of the United States and which is hereafter maintained in accordance therewith.

"(b) To receive and take over all property, contracts, rights, and moneys heretofore possessed by the Mount Harney Memorial Association, or in the possession of the existing Mount Rushmore National Memorial Commission, on the date of enactment of the Mount Rushmore Memorial Act of 1938, including memoranda, records, sketches, models, and the incompleted figures on Mount Rushmore.

"(c) To administer funds appropriated, or obtained by gifts, the acceptance of which is hereby authorized, for the purpose of completing, developing, and maintaining the memorial, and to pay out the same upon properly receipted vouchers to persons entitled thereto.

"(d) To employ, without regard to the civil-service laws and the Classification Act of 1923, as amended, such artists, sculptors, landscape architects, and other employees as it shall determine to be necessary to carry out the purposes of this act.

"(e) To administer, protect, and develop the memorial.

"(f) To exercise such other powers and functions, including the promulgation of such rules and regulations, as may be necessary and proper to carry out the purposes of this act.

"SEC. 5. For the purpose of carrying out the provisions of this act, there is hereby authorized to be appropriated, in addition to any sums authorized to be appropriated prior to the date of enactment of the Mount Rushmore Memorial Act of 1938, the sum of $300,000, or so much thereof as may be necessary. Upon requisition of the commission, the Secretary of the Treasury shall advance to the treasurer of the commission out of any amounts appropriated for such purpose, such sums as may be needed by the commission to exercise its functions.

"SEC. 6. The commission shall, on or before the first day of each regular session of Congress, transmit to Congress a report of its activities and proceedings for the preceding fiscal year, including a full and complete statement of its receipts and expenditures."

With the following committee amendments:

Page 1, line 8, strike out the words "to read", and after the word "follows" add the following:

"Strike out all of such act after the first paragraph of section 1 and insert the following."

Page 2, strike out all of lines 2 to 7, inclusive, and the word "occur" on line 8.

Page 2, line 10, after the word "services", strike out the balance of line 10, all of line 11, and down to and including the word "Commission" in line 12.

Page 4, line 12, after the word "Association", strike out the balance of line 12 and all of lines 13 and 14 and down to and including the figures "1938" in line 15.

Page 5, lines 11 and 12, strike out "enactment of the Mount Rushmore Memorial Act of 1938", and insert in lieu thereof "approval of this act."

The committee amendments were agreed to.

Mr. CASE of South Dakota. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. CASE of South Dakota: Page 3, lines 20 and 21, after the words "not more than", strike out "four thousand, nor less than two thousand," and insert "fifteen hundred."

The amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

STATE OF WYOMING

The Clerk called the next bill, S. 3417, for the relief of the State of Wyoming.

Mr. RICH. Mr. Speaker, reserving the right to object, I would like to have an explanation of the bill.

Mr. GREEVER. Mr. Speaker, I shall be very pleased to explain the bill.

Mr. RICH. For what are we required to relieve the State of Wyoming?

Mr. GREEVER. The National Guard of the State of Wyoming has a bill against the Federal Government for $15,000 for overpayment of troops from July 25, 1917, to August 5, 1917, when they were mustered into the Federal service. The Federal Government had a charge against the State of Wyoming for $12,066 for materials they claimed were lost due to poor accounting methods upon the part of the National Guard and other officers apparently used at that time.

The committee dealt with the claim on the basis of deducting the $12,066 the State of Wyoming owed the Federal Government from the $15,000 the Federal Government owed the State of Wyoming. It is nothing but a bookkeeping entry.

Mr. RICH. With the advantage on the side of the State of Wyoming.

Mr. GREEVER. No; there is no advantage whatever. The bill was reported unanimously.

The SPEAKER. Is there objection to the present consideration of the bill?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of War is authorized to give to the account of the National Guard of the State of Wyoming credit in the amount of $12,046.07 for the money value of property listed on approved surveys of military property and equipment charged to an accountable State under section 47 of title 32, United States Code, said credit to be allowed as a set-off against the credit in favor of such accountable State, which amount shall be held and considered to have been expended by the State in the payment of troops between the mobilization of such troops on July 25, 1917, and the date of their Federal muster August 5, 1917. This credit shall be established by submission of vouchers or other evidence of payment of troops by the State which is acceptable to the Chief of Finance, United States Army, in the amount of $12,046.07: *Provided*, That the credit to the State of Wyoming above specified shall have no other effect than the cancelation of the indebtedness of the State of Wyoming in the amount of $12,046.07 for which it has been held chargeable by the War Department under section 47 of title 32, United States Code: *And provided further*, That the credit herein authorized to be given to the account of the National Guard of the State of Wyoming shall be held and considered to be given in full satisfaction of the claim of said State against the United States for the payment of troops between July 25, 1917, and August 5, 1917.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ACCEPTANCE OF TITLE TO FORMER RESIDENCE OF LATE JUSTICE OLIVER WENDELL HOLMES

The Clerk called the joint resolution (H. J. Res. 703), to authorize the acceptance of title to the dwelling house and property, the former residence of the late Justice Oliver Wendell Holmes, located at 1720 Eye Street NW., in the District of Columbia, and for other purposes.

Mr. CHANDLER. Mr. Speaker, I ask unanimous consent that this joint resolution may be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

Mr. McCORMACK. Mr. Speaker, reserving the right to object, may I say to the gentleman the purpose of this bill is to enable title to the land and home of the late Justice Holmes to be accepted by the Attorney General on behalf of the United States Government and to have a commission appointed to determine in what manner the bequest of that great jurist and great citizen may be used, and his home for all time used as a shrine or in such manner as the commission might recommend and which Congress may approve. Unless this bill passes, the situation is that in all probability the executor of the estate will have to dispose of Judge Holmes' home by public or private sale, in accordance with the law of the District of Columbia, as the executor might be directed by the Probate Court. It is absolutely essential that the legislation pass this year, as I understand it, in order to prevent the sale of the home of this famous man, whose name means so much in the life and, particularly, the judicial history of our country.

I hope the gentleman from Tennessee will not insist upon his unanimous consent request and that he will not object to the present consideration of this resolution. This does not involve any financial obligation at the present time, and is not definite action. It enables action to be taken in order to avert what in all probability will be the forced sale of this land and building and will permit this commission to report to the Congress its recommendations as to whether or not the home should be preserved as a shrine or for whatever purpose it and the bequest might in its judgment be utilized by the people of the United States.

Mr. KELLER. Will the gentleman yield?

Mr. CHANDLER. I yield to the gentleman from Illinois.

Mr. KELLER. The further facts are these: There has never been a law passed disposing of more than a quarter of a million dollars in cash left by Justice Holmes to the United States. The President 2 years ago, or a little more, suggested to the Congress the formation of a commission to pass on this subject. That has not been acted on because the Judiciary Committee had brought forward a bill that passed the House but was stopped in the Senate. The whole matter is up in the air.

This bill provides for the appointment of three Members of the House, three Members of the Senate, and three members of the Supreme Court, to be appointed by the Speaker, the Vice President, and the Chief Justice of the Supreme Court, respectively, to bring back a report to the Congress on what disposition shall be made of the house and the money as well. The necessity for present action is as has been stated here. The administrator, under the law, must close the matter and report back to the court.

The house in question is so situated that it will not deteriorate in value, but, on the contrary, will increase in value; therefore, we are actually taking no risk in the matter, and we are providing means for the disposition of the whole matter. There should not be any objection to such a bill as this.

The SPEAKER. Is there objection to the present consideration of the joint resolution?

There being no objection, the Clerk read the joint resolution, as follows:

Resolved, etc., That the Attorney General, on behalf of the United States of America named as residuary legatee in the will of Oliver Wendell Holmes, is hereby authorized and directed to accept a deed conveying to the United States of America title to the dwelling house and property, the former residence of the late Justice Holmes, situated at 1720 I Street NW., in the District of Columbia.

SEC. 2. John G. Palfrey, the executor of the estate of Oliver Wendell Holmes, is hereby authorized to convey title to the United States of America rather than to dispose of the dwelling house and property otherwise and deposit the proceeds with the Secretary of the Treasury.

SEC. 3. Pursuant to the suggestion made in a message of the President of the United States to the Congress dated April 25, 1935, a committee of nine members shall be constituted, three to be selected from the House of Representatives by the Speaker of the House, three to be selected from the Senate by the Vice President, and three to be selected from the Supreme Court of the United States by the Chief Justice, which committee shall make recommendations to the Congress concerning the use of the bequest and devise made to the United States by Mr. Justice Holmes.

The joint resolution was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

UNIFORM METHOD FOR EXAMINATION FOR PROMOTION OF WARRANT OFFICERS

Mr. COSTELLO. Mr. Speaker, I ask unanimous consent to return to Consent Calendar No. 770, the bill S. 2474, and vacate the proceedings whereby the bill was read a third time and passed, so that I may offer a clarifying amendment.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

The SPEAKER. Is there objection to the present consideration of the bill?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That no warrant officer shall be promoted to chief warrant officer until he shall have passed an examination before a board of commissioned officers as may be prescribed by the Secretary of the Navy.

SEC. 2. All laws or parts of laws inconsistent with this act are hereby repealed to the extent of such inconsistency.

Mr. COSTELLO. Mr. Speaker, I offer an amendment, which I send to the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. COSTELLO: Page 1, line 3, after the words "warrant officer", insert "of the Navy."

The amendment was agreed to.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

NIAGARA FALLS BRIDGE COMMISSION

Mr. COSTELLO. Mr. Speaker, I ask unanimous consent to return to Consent Calendar 803 and the joint resolution (H. J. Res. 688) creating the Niagara Falls Bridge Commission and authorizing said commission and its successors to construct, maintain, and operate a bridge across the Niagara River at or near the city of Niagara Falls, N. Y., and vacate the proceedings by which the bill was passed over without prejudice.

The Clerk read the title of the joint resolution.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

The SPEAKER. Is there objection to the present consideration of the joint resolution?

There being no objection, the Clerk read the joint resolution, as follows:

Resolved, etc., That in order to facilitate international commerce, the Niagara Falls Bridge Commission, hereinafter created, and hereinafter referred to as the Commission, and its successors and assigns, be, and are hereby, authorized to construct, maintain, and operate a bridge and approaches thereto across the Niagara River, at or near the city of Niagara Falls, N. Y., and the city of Niagara Falls, Canada, at a point suitable to the interests of vehicular traffic, in accordance with the provisions of an act entitled "An act to regulate the construction of bridges over navigable waters," approved March 23, 1906, subject to the conditions and limitations contained in this joint resolution and subject to the approval of the proper authorities in the Dominion of Canada. For like purposes said Commission and its successors are hereby authorized to purchase, maintain, and operate all or any existing bridges across the Niagara River, subject to the conditions and limitations contained in this joint resolution and subject to the approval of the proper authorities in the Dominion of Canada.

SEC. 2. There is hereby conferred upon the Commission and its successors and assigns all such rights and powers to enter upon lands and to acquire, condemn, occupy, possess, and use such real estate and other property in the State of New York as may be needed for the location, construction, operation, and maintenance of such bridge and its approaches as are possessed by railroad corporations for railroad purposes or by bridge corporations for bridge purposes in the State of New York, upon making just compensation therefor, to be ascertained and paid according to the laws of such State, and the proceedings therefor shall be the same as in the condemnation of private property for public purposes in such State, and the Commission and its successors or assigns may exercise in the Dominion of Canada all rights, powers, and authority which shall be granted or permitted to the Commission by the proper authorities of the Dominion of Canada or of the Province of Ontario, including the entering upon lands and acquiring, condemning, occupying, possessing, and using such real estate and other property in the Dominion of Canada as may be needed for such location, construction, operation, and maintenance of such bridge.

SEC. 3. The Commission and its successors and assigns are hereby authorized to fix and charge tolls for transit over such bridge in accordance with the provisions of this joint resolution.

SEC. 4. The Commission and its successors and assigns are hereby authorized to provide for the payment of the cost of the bridge and its approaches and the necessary lands, easements, and appurtenances thereto by an issue or issues of bonds of the Commission, bearing interest at not more than 6 percent per annum, payable annually or at shorter intervals, maturing not more than 40 years from their date of issuance, such bonds and the interest thereon, and any premium to be paid for retirement thereof before maturity, to be payable solely from the sinking fund provided in accordance with this joint resolution. Such bonds may be registrable as to principal alone or both principal and interest and shall be in such form not inconsistent with this joint resolution, and be payable at such place or places as the Commission may determine. The Commission may repurchase and may reserve the right to redeem all or any of said bonds before maturity at prices not exceeding 105 and accrued interest. The Commission may enter into an agreement with any bank or trust company in the United States as trustee having the power to make such agreement, setting forth the duties of the Commission in respect of the construction, maintenance, operation, repair, and insurance of the bridge; the conservation and application of all funds; the safeguarding of moneys on hand or on deposit; and the rights and remedies of said trustee and the holders of the bonds, restricting the individual right of action of the bondholders as is customary in trust agreements respecting bonds of corporations. Such trust agreement may contain such provision for protecting and enforcing the rights and remedies of the trustee and the bondholders as may be reasonable and proper and not inconsistent with the law and also a provision for approval by the original purchasers of the bonds of the employment of consulting engineers and of the security given by bridge contractors and by any bank or trust company in which the proceeds of bonds or of bridge tolls or other moneys of the Commission shall be deposited, and may provide that no contract for construction shall be made without the approval of the consulting engineers. The bridge constructed under the authority of this joint resolution shall be deemed to be an instrumentality for international commerce authorized by the Government of the United States, and said bridge and the income derived therefrom shall be exempt from all Federal, State, municipal, and local taxation. Said bonds shall be sold in such manner and at such price as the Commission may determine, such price to be not less than the price at which the interest-yield basis will equal 6 percent per annum as computed from standard tables of bond values, and the face amount thereof shall be so calculated as to produce, at the price of their sale, the estimated cost of the bridge and its approaches and the land, easements, and appurtenances used in connection therewith. The cost of the bridge shall be deemed to include interest during construction of the bridge and for 24 months thereafter, and all engineering, legal, architectural, traffic surveying, and other expenses incident to the construction of the bridge or property, and incident to the financing thereof, including the cost of acquiring existing franchises, rights, plans, and works of and relating to the bridge, now owned by any person, firm, or corporation, and the cost of purchasing all or any part of the shares of stock of any such corporate owner if in the judgment of the Commission such purchases should be found expedient. If the proceeds of the bonds issued shall exceed the cost as finally determined, the excess shall be placed in the sinking fund hereinafter provided.

Prior to the preparation of definitive bonds the Commission may under like restrictions issue temporary bonds with or without coupons, exchangeable for definitive bonds upon the issuance of the latter.

SEC. 5. In fixing the rates of toll to be charged for the use of such bridge the same shall be so adjusted as to provide a fund sufficient to pay for the reasonable cost of maintaining, repairing, and operating the bridge and its approaches under economical management and to provide a sinking fund sufficient to pay the principal and interest of such bonds as the same shall fall due and the redemption or repurchase price of all or any thereof redeemed or repurchased before maturity as herein provided. All tolls and other revenues from said bridge are hereby pledged to such uses and to the application thereof hereinafter in this section required. After payment or provision for payment therefrom of all such cost of maintaining, repairing, and operating and the reservation of an amount of money estimated to be sufficient for the same purpose during an ensuing period of not more than 6 months, the remainder of tolls collected shall be placed in the sinking fund, at intervals to be determined by the Commission prior to issuance of the bonds. An accurate record of the cost of the bridge and its approaches, the expenditures for maintaining, repairing, and operating the same, and of the daily tolls collected shall be kept and shall be available for the information of all persons interested. The Commission shall classify in a reasonable way all traffic over the bridge, so that the tolls shall be so fixed and adjusted by it as to be uniform in the application thereof to all traffic falling within any such reasonable class, regardless of the status or character of any person, firm, or corporation participating in such traffic, and shall prevent all use of such bridge for traffic except upon payment of the tolls so fixed and adjusted. No toll shall be charged officials or employees of the Commission or of the Governments of the United States or Canada or any State, Province, county, or municipality in the United States or Canada while in the discharge of their duties or municipal police or fire departments when engaged in the proper work of any such department.

SEC. 6. After payment of the bonds and interest, or after a sinking fund sufficient for such payment shall have been provided and shall be held for that purpose, the Commission shall deliver deeds or other suitable instruments of conveyance of the interest of the Commission in and to the bridge, that part within the United States to the State of New York or any municipality or agency thereof as may be authorized by or pursuant to law to accept the same (hereinafter referred to as the United States interests) and that part within Canada to the Dominion of Canada or to such Province, municipality, or agency thereof as may be authorized by or pursuant to law to accept the same (hereinafter referred to as the Canadian interests), under the condition that the bridge shall thereafter be free of tolls and be properly maintained, operated, and repaired by the United States interests and the Canadian interests, as may be agreed upon; but if either the United States interests or the Canadian interests shall not be authorized to accept or shall not accept the same under such conditions, then the bridge shall continue to be owned, maintained, operated, and repaired by the Commission, and the rates of tolls shall be so adjusted as to provide a fund of not to exceed the amount necessary for the proper maintenance, repair, and operation of the bridge and its approaches under economical management until such time as both the United States interests and the Canadian interests shall be authorized to accept and shall accept such conveyance under such conditions.

SEC. 7. For the purpose of carrying into effect the objects stated in this joint resolution there is hereby created the Niagara Falls Bridge Commission, and by that name, style, and title said body shall have perpetual succession; may contract and be contracted with; sue and be sued, implead and be impleaded, complain and defend in all courts of law and equity; may make and have a common seal; may purchase or otherwise acquire and hold, or dispose of real estate and other property; may accept and receive donations or gifts of money or other property and apply same to the purposes of this joint resolution; and shall have and possess all powers necessary, convenient, or proper for carrying into effect the objects stated in this joint resolution.

The Commission shall consist of four members to be appointed by the Governor of the State of New York and four members to be appointed by the proper authorities of the Dominion of Canada or of the Province of Ontario. Any vacancy occurring in said Commission shall be filled by a majority vote of the remaining members of the Commission, and notices of elections to fill vacancies and of acceptances thereof shall be filed with the county clerk of Niagara County, N. Y. Any officer of the United States Army, who may be appointed or elected a member of the Commission, may serve as such member notwithstanding the provisions of section 1222, Revised Statutes, or any other law. Each member of the Commission and their respective successors shall qualify by giving such bond as may be fixed by the comptroller of the State of New York, conditioned for the faithful performance of all duties required by this joint resolution. The Commission shall elect a chairman and a vice chairman from its members and may establish rules and regulations for the government of its own business. Five members shall constitute a quorum for the transaction of business.

SEC. 8. The Commission shall have no capital stock or shares of interest or participation, and all revenues and receipts thereof shall be applied to the purposes specified in this joint resolution. The members of the Commission shall not be entitled to any compensation for their services but may employ a secretary, treasurer, engineers, attorneys, and such other experts, assistants, and employees as they may deem necessary, who shall be entitled to receive such compensation as the Commission may determine. After all bonds and interest thereon shall have been paid and all other obligations of the Commission paid or discharged, or provision for all such payment shall have been made as hereinbefore provided, and after the bridge shall have been conveyed to the United States interests and the Canadian interests as herein provided, or in the event that the bridge herein authorized is not constructed within 5 years from the date of approval of this joint resolution, the Commission shall be dissolved and shall cease to have further existence, by an order of the comptroller of the State of New York made upon his own initiative or upon application of the Commission or any member or members thereof, but only after a public hearing in the city of Niagara Falls, notice of the time and place of which hearing and the purpose thereof shall have been published once, at least 30 days before the date thereof, in a newspaper published in the city of Niagara Falls, N. Y., and a newspaper published in the city of Niagara Falls, Ontario, Canada. At the time of such dissolution, all moneys in the hands of or to the credit of the Commission shall be divided into two equal parts, one of which shall be paid to said United States interests and the other to said Canadian interests.

SEC. 9. Nothing herein contained shall be construed to authorize or permit the Commission or any member thereof to create any obligation or incur any liability other than such obligations and liabilities as are dischargeable solely from funds provided by this joint resolution. No obligation created or liability incurred pursuant to this joint resolution shall be an obligation or liability of any member or members of the Commission but shall be chargeable solely to the funds herein provided, nor shall any indebtedness created pursuant to this joint resolution be an indebtedness of the United States.

SEC. 10. All provisions of this joint resolution may be enforced, or the violation thereof prevented by mandamus, injunction, or other appropriate remedy brought by the attorney general for the State of New York, the United States district attorney for the district in which the bridge may be located in part, or by the solicitor general of the Dominion of Canada in any court having competent jurisdiction of the subject matter and of the parties.

SEC. 11. The right to alter, amend, or repeal this joint resolution is hereby expressly reserved.

Mr. BLOOM. Mr. Speaker, I offer an amendment, which I send to the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. BLOOM: Page 5, line 7, after the word "taxation," change the period to a comma and insert the following: "and said bonds and the interest thereon shall be exempt from all Federal, State, municipal, and local taxation."

Page 9, line 9, after the word "shall," insert "at all times."

Page 9, line 14, after the word "by," strike out the balance of this sentence and insert in lieu thereof the following: "appointment by the Governor of the State of New York or by the proper authorities of the Dominion of Canada or of the Province of Ontario."

Mr. RICH. Mr. Speaker, may I ask the gentleman, in reference to the elimination of the taxes on the bonds for this bridge for all time, is that in accordance with the law as it is now?

Mr. ANDREWS. It is in accordance with existing custom and precedent covering indentures on present bridge bonds. If there is a change in law which would remove exemption on such bonds, it would apply to these as well as all other similar bonds.

These bonds are to be amortized, and when paid off the bridge will revert in title to the State of New York and the Province of Ontario, Canada.

The SPEAKER. The question is on the amendments offered by the gentleman from New York [Mr. BLOOM].

The amendments were agreed to.

The House joint resolution was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

COLLECTION AND PUBLICATION OF COTTON STATISTICS

Mr. FULMER. Mr. Speaker, the gentleman from Pennsylvania being willing to withdraw his objection, I ask unanimous consent to return to Calendar 762, the bill (S. 3882) amending the act authorizing the collection and publication of cotton statistics by requiring a record to be kept of bales ginned by counties.

The Clerk read the title of the bill.

Mr. RICH. Reserving the right to object, Mr. Speaker, a number of gentlemen on that side have guaranteed that the Department of Agriculture is not going to put on any more

Government employees to get this information, and that the people who gin this cotton are going to furnish the information to the Department of Agriculture free of cost.

Mr. FULMER. Without any expense, for the purpose of giving to each county every bale to which each county is entitled.

The SPEAKER. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

The SPEAKER. Is there objection to the present consideration of the bill?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc. That an act authorizing the Director of the Census to collect and publish statistics of cotton, approved April 2, 1924, be amended by adding at the end of section 4 thereof the following:

"It shall also be the duty of every cotton ginner to keep a record of the county or parish in which each bale of cotton ginned by him is grown and to report at the March canvass of each year a segregation of the total number of bales ginned by counties or parishes in which grown."

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MIGRATORY GAME BIRDS

Mr. LUCAS. Mr. Speaker, I ask unanimous consent to return to Calendar No. 757, the bill (H. R. 9661) to allow possession of migratory game birds lawfully taken.

The Clerk read the title of the bill.

Mr. O'MALLEY. Reserving the right to object, Mr. Speaker, I do so to say that many Members who have objected to the consideration of bills on this calendar may have left the Chamber. If we are to go back and consider every bill that has been objected to, there seems little advantage in calling up the bills in order.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

The Chair will recognize very few gentlemen to ask unanimous consent to return to the consideration of bills on the calendar because the Chair expects to recognize Members to move to suspend the rules.

Mr. MARTIN of Massachusetts. Reserving the right to object, Mr. Speaker, I am not going to object to this request but I will object to any further requests.

Mr. O'MALLEY. Some of us would like to take up other business.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

The SPEAKER. Is there objection to the present consideration of the bill?

There being no objection the Clerk read the bill as follows:

Be it enacted, etc., That no regulation of the Secretary of Agriculture issued under authority of the Migratory Bird Treaty Act, as amended and supplemented, shall prohibit the possession by a hunter of any number of migratory game birds taken by him if, of such birds, the number taken by him in any one day is not in excess of the number allowed to be taken in any one day.

With the following committee amendment:

Page 1, line 6, after the word "of", strike out the remainder of line 6 and all of lines 7, 8, and 9, and insert in lieu thereof the following: "a number of migratory game birds taken by him which is not in excess of 3 days' legal take or bag limit, if such hunter has not exceeded, in the case of the birds in his possession, the daily legal take or bag limit for any one of such 3 days, and submits to the Secretary a verified statement to that effect, in such form and detail, and witnessed in such manner, as the Secretary shall by regulations prescribe."

Mr. LUCAS. Mr. Speaker, I offer an amendment to the committee amendment.

The Clerk read as follows:

Amendment offered by Mr. LUCAS to the committee amendment: Page 1, line 10, strike out the word "three" and insert in lieu thereof the word "two"; also strike out the word "three" in line 2, on page 2, and insert in lieu thereof the word "two."

The amendment to the committee amendment was agreed to.

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

RETIREMENT OF OFFICERS IN THE FOREIGN COMMERCE SERVICE OF THE UNITED STATES

Mr. CROSSER. Mr. Speaker, I move to suspend the rules and pass as amended the bill (S. 988) to amend an act entitled "An act to establish in the Bureau of Foreign and Domestic Commerce of the Department of Commerce a Foreign Commerce Service of the United States, and for other purposes," approved March 3, 1927, as amended.

The Clerk read the bill, as follows:

Be it enacted, etc., That the act approved March 3, 1927 (44 Stat. 1394), entitled "An act to establish in the Bureau of Foreign and Domestic Commerce of the Department of Commerce a Foreign Commerce Service of the United States, and for other purposes," as amended by the act approved April 12, 1930 (46 Stat. 163), is hereby amended to read as follows:

"That there is hereby established in the Bureau of Foreign and Domestic Commerce of the Department of Commerce the Foreign Commerce Service of the United States (hereinafter referred to as the Foreign Commerce Service), consisting of officers to be graded in the following order and to be known as commercial attachés, assistant commercial attachés, trade commissioners, and assistant trade commissioners.

"This act may be cited as the 'Foreign Commerce Service Act.'

"SEC. 2. Under the direction of the Secretary of Commerce (hereinafter referred to as the Secretary), the officers of the Foreign Commerce Service shall—

"(a) Promote the foreign commerce of the United States;

"(b) Investigate and report upon economic, commercial, and industrial conditions and activities in foreign countries which may be of interest to the United States;

"(c) Perform such other duties as the Secretary may direct in connection with the promotion of the industries, trade, or commerce of the United States;

"(d) Make such inspections of the Foreign Commerce Service as the Secretary may direct.

"SEC. 3. (a) The Secretary is authorized to appoint officers of the Foreign Commerce Service, but only after eligibility shall have been determined by examinations held by the Civil Service Commission and the Department of Commerce in coordination, under regulations approved by the Civil Service Commission, except that the Secretary may, with the approval of the Civil Service Commission, appoint without such examination any person who, prior to the date on which this act takes effect, shall have served, or shall have passed an examination for appointment, as commercial attaché, assistant commercial attaché, trade commissioner, assistant trade commissioner, commercial agent, or special agent in the Bureau of Foreign and Domestic Commerce: *Provided*, That the Secretary is authorized to appoint officers of the Foreign Commerce Service, under such rules and regulations as he may prescribe, after 5 years of satisfactory service in an executive or quasi-executive position in the Bureau of Foreign and Domestic Commerce or one of its district offices by transfer therefrom: *Provided further*, That no candidate shall be eligible for examination for appointment to the Foreign Commerce Service who is not an American citizen and who shall not have been such at least 15 years.

"(b) The Secretary shall appoint each officer of the Foreign Commerce Service to a grade specified in section 1, and to one of the following classes, and shall fix his compensation within the salary range specified for such class: Class 1, $8,000 to $10,000; class 2, $6,000 to $8,000; class 3, $4,000 to $6,000; class 4, $3,000 to $4,000; class 5, below $3,000. In making appointments to a grade and class and in fixing compensation the Secretary shall take into consideration the examination and record of the officer and the post to which assigned, and the various commercial interests of the different sections of the country.

"(c) There shall be in the Department of Commerce a Board of Foreign Commerce Personnel for the Foreign Commerce Service, whose duty it shall be to submit recommendations to aid the Secretary of Commerce in making promotions and demotions and other changes in the Foreign Commerce Service. The Board shall be composed of the Assistant Directors of the Bureau of Foreign and Domestic Commerce. The efficiency ratings and recommendations for promotion made by the Board shall be subject to the approval of the Director of the Bureau of Foreign and Domestic Commerce.

"(d) The Foreign Commerce Service of the Bureau shall assemble, record, and be the custodian of all available information in regard to the character, ability, conduct, quality of work, industry, experience, dependability, and general availability of Foreign Commerce Service officers, including reports of inspecting officers and efficiency reports of supervising officers. All such information shall be appraised at least once in 2 years by the Board of Foreign Commerce Personnel, and the result of such appraisal expressed in

terms of "excellent," "very good," "good," "satisfactory," or "unsatisfactory," accompanied by a concise statement of the considerations upon which they are based, shall, when approved by the Director of the Bureau, be entered upon records to be known as the efficiency records of the officers, and shall constitute their efficiency ratings for the period. No charges against an officer that would adversely affect his efficiency rating or his value to the service shall be taken into consideration in determining his efficiency rating except after the officer shall have had an opportunity to reply thereto: *Provided*, That the official appraisal of the officer concerned by officials of the Department of Commerce who are responsible for the administration of the Foreign Commerce Service shall not be considered as such a charge. The rulings of the Secretary of Commerce on any charges and replies thereto shall be final. The Chief of the Foreign Commerce Service of the Bureau of Foreign and Domestic Commerce shall be responsible for the keeping of accurate and impartial efficiency records of Foreign Commerce Service officers and shall take all measures necessary to insure their accuracy and impartiality. Not later than November 1, at least every 2 years, the Board of Foreign Commerce Personnel shall prepare a list in which all Foreign Commerce Service officers shall be graded in accordance with their relative efficiency and value to the service. This list shall be submitted to the Director of the Bureau for his approval and when approved by him shall be transmitted to the Secretary of Commerce with recommendations to serve as an aid to the Secretary in making promotions to the next higher class or for salary increases provided for under subdivision (e) of this section. The aforesaid correspondence and records shall be confidential except to the President, the Secretary of Commerce, the Director of the Bureau of Foreign and Domestic Commerce, the members of the Board of Foreign Commerce Personnel, and such employees as may be assigned to work on such correspondence and records.

"(e) Subject to the approval of the Secretary of Commerce, all officers of the Foreign Commerce Service having a rating of satisfactory or better who shall have been in classes 4 or 5 for a continuous period of 9 months or more shall on the first day of each fiscal year be eligible for an increase of salary of $100 per annum, except that no officer shall receive under the provisions of this section a salary above the maximum of his class and all such officers in classes 1, 2, or 3 shall in the same circumstances be eligible for an increase of $200: *Provided*, That increases in salary under the terms of this section shall be paid to Foreign Commerce Service officers only as the right to such increases accrues after July 1, 1938.

"(f) The Secretary is authorized to promote or demote in grade or class, to increase or decrease within the salary range fixed for the class the compensation of, and to separate from the service, officers of the Foreign Commerce Service, but in so doing the Secretary shall take into consideration the records of efficiency, determined in accordance with provisions of paragraphs (c), (d), and (e) of this section and the recommendation, approved by the Director of the Bureau, of the Board of Foreign Commerce Personnel.

"(g) Any officer of the Foreign Commerce Service may be assigned for duty in the United States without change in grade, class, or salary, or with such changes as the Secretary may direct; such assignment to be for a period of not more than 3 years, unless the public interests demand further service, when such assignment may be extended for a period not to exceed 1 year.

"(h) The Secretary of Commerce is authorized, whenever he deems it would be in the public interest, but not oftener than once in 3 years in the case of each officer, to order to the United States on his statutory leave of absence any foreign commerce officer serving abroad: *Provided*, That the expenses of transportation and subsistence of such officers and their immediate families, in traveling from their posts to their homes in the United States and return, shall be paid under the same rules and regulations applicable in the case of officers going to and returning from their posts under orders of the Secretary of Commerce when not on leave: *Provided, further*, That while in the United States the services of such officers shall be available for trade conference work and for such other duties in the Department of Commerce and elsewhere in the United States as the Secretary of Commerce may prescribe.

"(i) Whenever any Foreign Commerce officer dies in the discharge of his duty, there shall be paid to his widow or, if no widow survive him, then to his heirs at law, a sum of money equal to the allowance made to such officer for the time necessarily occupied in making the transit from his post of duty to his residence in the United States.

"SEC. 4. (a) Subject to the requirements of the civil-service laws and rules, the Secretary is authorized to appoint, fix the compensation of, promote, demote, and separate from the service such clerks and other assistants for officers of the Foreign Commerce Service as he may deem necessary.

"(b) When authorized by the Secretary and in accordance with the regulations of the Civil Service Commission, officers of the Foreign Commerce Service may employ in a foreign country, from time to time, fix the compensation of, and separate from the service such clerical and subclerical assistants as may be necessary.

"SEC. 5. (a) Any officer of the Foreign Commerce Service designated by the Secretary of Commerce shall, through the Department of State, be regularly and officially attached to the diplomatic mission of the United States in the country in which he is to be stationed. If any such officer is to be stationed in a country in which there is no diplomatic mission of the United States, appropriate recognition and standing, with full facilities for discharging his official duties, shall be arranged by the Department of State. The Secretary of State may reject the name of any such officer if in his judgment the assignment of such officer to the post designated would be prejudicial to the public policy of the United States.

"(b) No officer of the Foreign Commerce Service shall be considered as having the character of a public minister.

"SEC. 6. (a) Any Foreign Commerce Service officer of whatever class detailed for duty in connection with trade conferences or international gatherings, congresses, or conferences, or for other special duty not at his post or in the Department of Commerce, except temporarily for purposes of consultation, shall be paid expenses for travel and subsistence at the rates prescribed by law.

"(b) The Secretary may authorize any officer of the Foreign Commerce Service to fix, in an amount not exceeding the allowance fixed for such officer, expenses for travel and subsistence, at the rate prescribed by law, for any clerical or subclerical assistant employed by such officer under subdivision (b) of section 4.

"(c) Any such officer, clerk, employee, or assistant, while on duty within the continental limits of the United States, shall be entitled to receive expenses for travel and subsistence, at the rate prescribed by law.

"(d) The Secretary is authorized, at posts where in his judgment it is required by the public interests for the purpose of meeting the unusual or excessive costs of living ascertained by him to exist, to grant compensation to Foreign Commerce Service officers stationed outside the continental limits of the United States, in addition to salaries and other allowances, within such appropriations as Congress may make for such purposes: *Provided*, That all such additional compensation and reasons therefor shall be reported to Congress with the annual budget.

"SEC. 7. Any appropriation available during the fiscal year ending June 30, 1938, and thereafter for the Department of Commerce for the Foreign Commerce Service, for commercial attachés, and other employees and expenses, shall be available for carrying out the provisions of this act, including the payment of salaries and compensation for personal services, in the District of Columbia or elsewhere, compensation of clerical assistants for Foreign Commerce officers at a rate not to exceed $3,000 per annum for each person employed, necessary janitor and messenger service, traveling and subsistence expenses and per diem allowances, the purchase of necessary furniture and equipment, stationery and supplies, typewriting, adding, and computing and duplicating machines, accessories and repairs, the purchase of law books, books of reference and periodicals, uniforms, foreign and domestic newspapers, reports, documents, maps, plans, specifications, manuscripts, and all other necessary publications, ice and drinking water for office use, the payment of rent outside the District of Columbia, and all other necessary incidental expenses; payment in advance of rent, telephone, subscriptions to publications, and other charges is authorized where custom or practice in a foreign country requires. With the approval of the Secretary, an officer of the Foreign Commerce Service may enter into leases for office quarters for periods not exceeding 10 years.

"SEC. 8. The purchase of supplies and equipment or the procurement of services for the Bureau of Foreign and Domestic Commerce, in foreign countries, may be made in open market without compliance with the provisions of section 3709 of the Revised Statutes (U. S. C., title 41, sec. 5), in the manner common among businessmen, when the aggregate amount of the purchase or the service does not exceed $100 in any instance.

"SEC. 9. The Secretary of Commerce shall prescribe rules and regulations for the establishment of a Foreign Commerce Service retirement and disability system to be administered under his direction and in accordance with the following:

"(a) The Secretary shall submit annually a comparative report showing all receipts and disbursements on account of refunds, allowances, and annuities, together with the total number of persons receiving annuities and the amounts paid them, and shall submit annually estimates of appropriations necessary to continue this section in full force and such appropriations are hereby authorized: *Provided*, That in no event shall the aggregate total appropriation exceed the aggregate total of the contributions of the Foreign Commerce Service theretofore made, and accumulated interest thereon.

"(b) There is created a special fund to be known as the Foreign Commerce Service retirement and disability fund.

"(c) Five percent of the basic salary of all Foreign Commerce officers eligible to retirement shall be contributed to the Foreign Commerce Service retirement and disability fund, and, beginning on July 1, 1938, the Secretary of Commerce is directed to cause such deductions to be made at the end of each month and deposited with the Treasury Department to the credit of the Foreign Commerce Service retirement and disability fund for the payment of annuities, refunds, bonuses, and allowances in accordance with the provisions of this act.

"(d) When any officer of the Foreign Commerce Service shall have reached the age of 65 years and rendered at least 15 years of service he shall be retired: *Provided*, That if any such officer shall have served 30 years he may be retired at his own request before reaching the age of 65 years.

"(e) Annuities shall be paid to retired Foreign Commerce Service officers under the following classification, based upon length of service and at the following percentages of the average annual basic

salary for the 10 years next preceding the date of retirement: Class A, 30 years or more, 60 percent; class B, from 27 to 30 years, 54 percent; class C, from 24 to 27 years, 48 percent; class D, from 21 to 24 years, 42 percent; class E, from 18 to 21 years, 36 percent; class F, from 15 to 18 years, 30 percent: *Provided, however,* That in computing the average annual basic salary for the 10 years next preceding the date of retirement, so much of an officer's service as was rendered prior to March 3, 1927, in accordance with the classification and salaries established by laws then in effect, as it is possible to credit to him by applying to all such periods of service rendered prior to March 3, 1927, the rules for corresponding classes in the classification provisions in section 3 of this act, shall be considered as having been performed in accordance with the classifications and salaries established for Foreign Commerce Service officers in section 3b of this act.

"(f) Those officers who retire before having contributed for each year of service shall have withheld from their annuities to the credit of the Foreign Commerce Service retirement and disability fund such proportion of 5 percent as the number of years in which they did not contribute bears to the total length of service: *Provided,* That no deductions shall be made from the annuities of those who shall have contributed 30 years, and no officer shall be required to contribute more than 30 years in any circumstances.

"(g) The Secretary of the Treasury is directed to invest from time to time in interest-bearing securities of the United States such portions of the Foreign Commerce Service retirement and disability fund as in his judgment may not be immediately required for the payment of annuities, refunds, and allowances, and the income derived from such investments shall constitute a part of said fund.

"(h) None of the moneys mentioned in this section shall be assignable either in law or equity, or be subject to execution, levy, or attachment, garnishment, or other legal process.

"(i) In case an annuitant dies without having received in annuities an amount equal to the total amount of his contributions from salary with interest thereon at 4 percent per annum compounded annually up to the time of his death, the excess of said accumulated contributions over the said annuity payments shall be paid to his or her legal representatives; and in case a foreign commerce officer shall die without having reached the retirement age the total amount of his contribution with accrued interest, after deducting any payments under the provisions of subdivision (j), shall be paid to his legal representatives.

"(j) Any officer of the Foreign Commerce Service who, before reaching the age of retirement, becomes totally disabled for useful and efficient service by reason of disease or injury not due to vicious habits, intemperance, or willful misconduct on his part, shall, upon his own application or upon order of the Secretary of Commerce, be retired on an annuity under subdivision (e) of this section: *Provided, however,* That in each case such disability shall be determined by the report of a duly qualified physician or surgeon designated by the Secretary to conduct the examination: *Provided further,* That unless the disability be permament or continue beyond the age of 65, a like examination shall be made annually in order to determine the degree of disability, and the payment of annuity shall cease from the date of the medical examination showing recovery.

"Fees for examinations under this provision, together with reasonable traveling and other expenses incurred in order to submit to examination, shall be paid out of the Foreign Commerce Service retirement and disability fund. When the annuity is discontinued under this provision before the annuitant has received a sum equal to the total amount of his contributions, with accrued interest, the difference shall be paid to him or to his legal representatives.

"(k) Whenever an officer becomes separated from the Foreign Commerce Service without being eligible for retirement on an annuity, the total amount of contribution from his salary, with interest thereon at 4 percent compounded annually up to the date of such separation, shall be returned to him.

"(l) The Secretary is authorized to expend from surplus money to the credit of the Foreign Commerce Service retirement and disability fund an amount not exceeding $1,000 per annum for the expenses necessary in carrying out the provisions of this section, including actuarial advice.

"(m) Any officer of the Foreign Commerce Service who may hereafter be reinstated, appointed, or transferred to a position in the Bureau of Foreign and Domestic Commerce shall, with the approval of the Director of such Bureau, be entitled to all the benefits of this section in the same manner and under the same conditions as officers of the Foreign Commerce Service.

"(n) For the purpose of this section the period of service shall be computed from the date of entry on duty as commercial attaché, assistant commercial attaché, trade commissioner, or assistant trade commissioner, and shall include periods of service at different times as an officer of the Foreign Commerce Service, or while on assignment to the Department of Commerce, or on special duty or service in another department or establishment of the Government, but all periods of separation from the service and so much of any period of leave of absence without pay as may exceed 6 months shall be excluded: *Provided,* That service in an executive or quasi-executive position or as a clerk in the Bureau of Foreign and Domestic Commerce or one of its domestic or foreign offices prior to appointment as an officer of the Foreign Commerce Service may be included in the period of service, in which cases the officer shall pay into the Foreign Commerce Service retirement and disability fund a special contribution equal to 5 percent of his annual salary for each year of such employment, with interest thereon to date of payment compounded annually at 4 percent: *Provided further,* That such special contribution shall be subject to the limitations established by subdivision (f) of this section.

"SEC. 10. Notwithstanding the provisions of section 3 of this act, the Secretary shall establish regulations providing for the separation of officers from the Foreign Commerce Service, in accordance with the conditions hereinafter prescribed. An officer so separated from the Service shall be retired, after a hearing by the Secretary, upon an annuity equal to 25 percent of his salary at the time of retirement, in the case of officers over 45 years of age or in the case of officers under 45 years of age with a bonus of 1 year's salary at the time of his retirement, either annuity or 1 year's salary to be payable out of the Foreign Commerce Service officers' retirement and disability fund and except as herein provided, subject to the same provisions and limitations as other annuities payable out of such funds; but no return of contributions shall be made under paragraphs (i) or (k) of section 9 of this title in the case of any Foreign Commerce Service officer retired under the provisions of this section. Whenever it is determined that the efficiency rating of an officer is unsatisfactory, thereby meaning below the standard required for the Service, and such determination has been confirmed by the Secretary, the officer shall be notified thereof, and if, after a reasonable period to be determined by the circumstances in each particular case, the rating of such officer continues to be found unsatisfactory and such finding is confirmed by the Secretary after a hearing accorded the officer, such officer shall be separated from the Service with the annuity or bonus provided in this section, but no officer so separated from the Service shall receive the said annuity or bonus unless at the time of separation he shall have served at least 15 years. He shall, however, if he has not served at least 15 years, have returned to him the full sum of his contribution to the annuity fund, with interest thereon at 4 percent compounded annually. The benefits of this section shall not be given to Foreign Commerce Service officers separated from the Foreign Commerce Service on account of malfeasance in office, except that at the option of the Secretary an officer's contribution to the annuity fund may be returned.

"SEC. 11. In the event of public emergency any retired Foreign Commerce Service officer may be recalled temporarily to active service by the Secretary of Commerce, and while so serving he shall be entitled in lieu of his retirement allowance to the full pay of the class in which he is temporarily serving, or his retirement allowance, whichever is greater.

"SEC. 12. This act shall take effect immediately."

The SPEAKER. Is a second demanded?

Mr. MAPES. Mr. Speaker, I am not opposed to the bill but I demand a second for the purpose of debate.

The SPEAKER. Without objection, a second will be considered as ordered.

There was no objection.

Mr. CROSSER. Mr. Speaker, this bill proposes to establish a retirement system for the officers of the Bureau of Foreign Commerce of the Department of Commerce who serve abroad. It proposes to establish a system exactly like that which now exists in the Department of State. There are about 100 men, very valuable men, indeed, and highly trained, who are in the Foreign Service of the Bureau of Foreign Commerce. These men are devoting the best part of their lives to the service of their Government. If at the time they reach old age they should not have some assurance of security, such as is now accorded like officers of the State Department, capable men such as we now have in the Bureau of Foreign Commerce Service will not be attracted to the service.

Mr. LUTHER A. JOHNSON. Mr. Speaker, will the gentleman yield?

Mr. CROSSER. I yield to the gentleman from Texas.

Mr. LUTHER A. JOHNSON. This bill merely gives to those representatives of the Bureau of Foreign and Domestic Commerce the same rights and privileges that are given to men in the State Department who do exactly the same work as these men.

Mr. CROSSER. It gives them exactly the same rights. The strange thing about it is that very frequently these men who perform practically the same functions as representatives of the State Department have offices in the same building and next to the State Department men in foreign countries.

Mr. LUTHER A. JOHNSON. Some of these men have been in the service of this Government for many years.

Mr. CROSSER. Some of these men have been in the service of this Government for many years and have given the best part of their lives to the service. In their younger days they might have become connected with private business

firms and would have made much larger incomes and provided for their old age, but now since they have given the best part of their lives to the service of the Government and are advanced in years it makes no difference how well qualified they may be, no private employer is willing to employ them.

Mr. MAY. Mr. Speaker, will the gentleman yield?

Mr. CROSSER. I yield to the gentleman from Kentucky.

Mr. MAY. Does the bill provide a system of retirement and fix the rates of pay to those who are retired?

Mr. CROSSER. Yes.

Mr. MAY. What are the rates as compared with the salaries they get during their active time?

Mr. CROSSER. I cannot give the gentleman the exact figures from recollection, but they are required to pay into the retirement fund 5 percent of their salary from the time the act becomes effective. The system will not cost the Government a single penny for the first 10 years.

Mr. MAY. It is the same system, then, that applies to other Government employees whose salaries carry deductions to take care of this?

Mr. CROSSER. Yes; the same as employees who receive comparable retirement pay.

Mr. BOILEAU. Mr. Speaker, will the gentleman yield?

Mr. CROSSER. I yield.

Mr. BOILEAU. The retirement pay is at the same rate and under the same system that applies in all the other departments?

Mr. CROSSER. So far as I know, there is no difference. The only system which is on exactly the same basis is that in the State Department.

Mr. BOILEAU. Are the rates of retirement pay in the State Department different from the rates in the other departments?

Mr. CROSSER. I think not.

Mr. BOREN. Mr. Speaker, will the gentleman yield to me?

Mr. CROSSER. Yes.

Mr. BOREN. The only difference is that they pay an additional allowance for going to or coming back from a foreign post; and if a man dies on a foreign post there is that much additional, or they get more pay to that extent.

Mr. SNELL. Mr. Speaker, will the gentleman yield?

Mr. CROSSER. I yield to the gentleman from New York.

Mr. SNELL. As I understood the gentleman, this puts the commercial attachés in the Bureau of Foreign Commerce on the same retirement basis as the State Department employees?

Mr. CROSSER. Exactly the same; yes.

Mr. SNELL. What are the conditions at the present time, in a few words?

Mr. CROSSER. Well, they must have passed a proper test as to their qualifications before they enter the service, and they must be 15 years in the service and 65 years of age before they are eligible to retire.

Mr. SNELL. Do they contribute the same as all other employees?

Mr. CROSSER. Yes; they contribute 5 percent of their salary, and the Government will not contribute a single cent for the first 10 years because there will not be a sufficient number of persons eligible for retirement pay during those years to make it necessary for the Government to contribute anything, and even after 10 years it will not amount to more than $52,000.

Mr. SNELL. I am surprised to learn we only have 89 of these attachés.

Mr. CROSSER. We have only a very small number.

Mr. SNELL. I think we ought to have twice that number.

Mr. CROSSER. It is a very small number and I think it should be greater. Considering the valuable service they perform, it would be well if we were to increase the personnel substantially.

Mr. FLETCHER. Mr. Speaker, will the gentleman yield to answer a question?

Mr. CROSSER. Yes.

Mr. FLETCHER. How much will the Government pay after the 10-year period?

Mr. CROSSER. About $52,000 a year.

Mr. BOREN. Is it not a fact that $52,000, even after 10 years, is an actuarial maximum which will probably not be reached?

Mr. CROSSER. Yes, but it might be that much.

Mr. BOREN. That is based on the possible differentiation of age and the new employees involved.

Mr. CROSSER. That is right.

Mr. DOWELL. Mr. Speaker, will the gentleman yield?

Mr. CROSSER. I yield.

Mr. DOWELL. Some years ago this Bureau had domestic commerce also.

Mr. CROSSER. Foreign and domestic, yes.

Mr. DOWELL. As I understand, this bill does not apply to domestic commerce?

Mr. CROSSER. This applies to the Bureau of Foreign Commerce.

Mr. DOWELL. And it does not apply to any domestic employees?

Mr. CROSSER. No; I think a great many of the persons in the service in the United States are taken care of under the regular civil-service retirement law.

Mr. DOWELL. But they are not included in this bill?

Mr. CROSSER. No; this is a separate bureau and they are cared for in this bill because they are on a comparable basis with the employees in the Foreign Service of the State Department.

Mr. DOWELL. Then this applies to the department that takes in the foreign commercial attachés?

Mr. CROSSER. We are simply proposing to have a retirement law for the officers of the Bureau of Foreign Commerce, who are in the Foreign Service.

Mr. DOWELL. And it applies to all those engaged in the Foreign Commerce Bureau?

Mr. CROSSER. All of the officers in the Bureau of Foreign Commerce who serve abroad. It does not apply to the clerks, and so on. The clerks would probably come under the civil-service law.

I can see no reason why this bill should not receive the unanimous support of this House. At a time when we are advocating retirement as a sound policy for all worthy employees, I can think of nothing that would be more in harmony with the spirit of the day than the passage of this law without any delay. I shall not discuss the matter further unless it becomes necessary to answer questions.

Mr. MAPES. Mr. Speaker, I yield 5 minutes to the gentleman from Tennessee [Mr. REECE].

Mr. REECE of Tennessee. Mr. Speaker, I concur in what the gentleman from Ohio [Mr. CROSSER] has said in reference to the desirability of the House taking favorable action on this bill. It comes to the House with a unanimous report from the Committee on Interstate and Foreign Commerce. In my judgment it should have been passed several years ago. It sets up a retirement provision for this group of Federal employees who are rendering a very great service to American commerce. No group of employees has done so much toward extending the scope of American commerce abroad as the Foreign Service employees of the Bureau of Foreign and Domestic Commerce. American business, as well as our Government, is indebted to this group for the effective work which they have done. This Service should be enlarged and extended, and I hope conditions may soon permit it to be done. It is very desirable not only from their standpoint but from the standpoint of the Service itself that an adequate provision for their retirement be made, and I am indeed glad to see the House ready to make such provision at this time.

Mr. MAPES. Mr. Speaker, this bill comes to the House with the unanimous report of the Committee on Interstate and Foreign Commerce. I know of no opposition to it, and I have no request for further time.

The SPEAKER. The question is on suspending the rules and passing the bill.

The question was taken; and two-thirds having voted in favor thereof, the rules were suspended, and the bill was passed.

THE PAINTING, THE SIGNING OF THE CONSTITUTION

Mr. KELLER. Mr. Speaker, I ask unanimous consent for the present consideration of House Joint Resolution 487, which I send to the desk.

The SPEAKER. The gentleman from Illinois asks unanimous consent for the present consideration of House Joint Resolution 487, which the Clerk will report by title.

The Clerk read as follows:

Joint resolution to authorize the painting of The Signing of the Constitution for placement in the Capitol Building.

The SPEAKER. Is there objection?

Mr. SNELL. I object to unanimous consent.

Mr. KELLER. Mr. Speaker, I move to suspend the rules and pass House Joint Resolution 487, to authorize the painting of The Signing of the Constitution for placement in the Capitol Building, which I send to the desk and ask to have read.

The Clerk read as follows:

Resolved, etc., That the Architect of the Capitol be, and he is hereby, authorized and directed to employ the artist, Howard Chandler Christy, to paint upon canvas (approximately 20 feet by 30 feet in size), at a price not exceeding $35,000, his painting known as "The Signing of the Constitution." The said painting shall be subject to the approval of the Joint Committee on the Library, and, when so approved, shall be mounted in a space in the Capitol Building to be selected by the Architect of the Capitol.

The SPEAKER. Is a second demanded?

Mr. TREADWAY. Mr. Speaker, I demand a second.

The SPEAKER. Without objection a second will be considered as ordered.

There was no objection.

The SPEAKER. The gentleman from Illinois [Mr. KELLER] is recognized for 20 minutes, and the gentleman from Massachusetts [Mr. TREADWAY] will be recognized for 20 minutes.

Mr. KELLER. Mr. Speaker, this is a resolution that in my judgment has received more nearly the unanimous sentiment and approval of the Members of the House of any bill that has come before the House during the present session. It is, as Members know, to authorize Howard Chandler Christy to paint the picture The Signing of the Constitution on a large scale, approximately 20 by 30 feet, for placement in the Capitol Building. Many of the Members of the House have written to Mr. Christy on this subject and have talked to him about it, and I had hoped that it might be passed by unanimous consent. It seems to me that the sentiment of the House is practically unanimous for it. I shall be glad to have any of the friends of this measure ask me to yield to them.

Mr. LUCE. Mr. Speaker, will the gentleman yield?

Mr. KELLER. Yes.

Mr. LUCE. Not in many years has any work of art been placed in the Capitol without the approval of the Commission on Fine Arts. Will the gentleman explain why that is omitted from its proposal?

Mr. KELLER. I did not know that to be the case.

Mr. LUCE. The custom has been to submit these things when finished.

Mr. BOILEAU. Mr. Speaker, will the gentleman yield?

Mr. KELLER. Yes, certainly.

Mr. BOILEAU. How can the Fine Arts Commission give their approval of a picture if it has not been completed? As I understand the gentleman from Massachusetts, he means that before pictures are placed in the Capitol they receive the approval of the Fine Arts Commission.

Mr. KELLER. This makes special provision for that by placing it in the hands of the Joint Committee on the Library of the House and Senate.

Mr. LUCE. It is true that it makes that provision, but that does not meet the point. The point is that for years it has been considered that Congress ought to have the benefit of the opinion of the Commission on Fine Arts. That is what it is for.

Mr. KELLER. The Commission on Fine Arts has not, so far as I know, been called into consultation directly for any placement in this Capitol Building. The Commission has never come onto the Hill, as far as that is concerned, as the gentleman should know from his experience as chairman of the Committee on the Library.

Mr. MAPES. Have any steps been taken to make a contract with Mr. Christy for the painting of this picture?

Mr. KELLER. No more than what the gentleman sees in this resolution.

Mr. MAPES. Has Mr. Christy done any work on the picture?

Mr. KELLER. Mr. Christy has gathered together, what has not been done before, namely, a collection of the portraits of the men who signed the Constitution. He has gone into the highways and byways of the country and has found the portraits of all but two of the signers. He has made a small painting of the signing of the Constitution, which was reproduced by the Commission on the Sesquicentennial.

Mr. MAPES. Is there any obligation on the part of the Government to make this contract with him?

Mr. KELLER. Not a bit, certainly not.

Mr. BLOOM. Mr. Speaker, will the gentleman yield?

Mr. KELLER. I yield.

Mr. BLOOM. In reference to approval of this painting by the Fine Arts Commission after the painting has been completed, the act specifically provides:

The said painting shall be subject to the approval of the Joint Committee on the Library, and when so approved shall be mounted in a space in the Capitol Building to be selected by the Architect.

Mr. KELLER. The gentleman is correct.

Mr. BLOOM. This is merely an authorization for Mr. Christy to paint the picture, The Signing of the Constitution, of which we have all seen copies. After it is painted the Joint Committee on the Library will approve it if it is satisfactory, and they can get the approval of the Fine Arts Commission or anyone else if the painting is satisfactory. If it is not satisfactory, then Mr. Christy will be out the amount of money and time he has put into the painting of the picture.

Mr. KELLER. Exactly so.

Mr. FLETCHER. Mr. Speaker, will the gentleman yield?

Mr. KELLER. I yield.

Mr. FLETCHER. Do we not already have several paintings of the Signing of the Constitution?

Mr. KELLER. There is no such painting on large scale that I know of any place in the world. The original painting is about 6 feet by 8 feet.

Mr. BLOOM. Mr. Speaker, will the gentleman yield?

Mr. KELLER. I yield.

Mr. BLOOM. Answering the question of the gentleman from Ohio, there is not a single authentic painting of the Signing of the Constitution that anyone can show to me, and I have made a study of this for years.

If the gentleman from Illinois will yield further, I may say that the painting in The Archives Building, Signing of the Constitution, portrays 26 figures, 6 being of persons who never had anything to do with the signing of the Constitution. There were 39 signers of the Constitution. What is correct in The Archives Building is only 20 figures out of 39.

Mr. FLETCHER. What was the cost of the picture in The Archives Building?

Mr. BLOOM. Sixty-five thousand dollars, they tell me.

Mr. FLETCHER. Who painted it?

Mr. BLOOM. I do not know; but I may say to the gentleman that in the painting, Signing of the Constitution, in The Archives Building, President Washington is dressed up with a sword. You would imagine they were going to war instead of going to sign the Constitution; furthermore, there were no uniforms of that kind at any time in the history of our country.

Mr. Christy spent 3 years—I know this as an absolute fact—that with the Constitution Commission Mr. Christy has spent 3 years. This picture as painted by Mr. Christy is

authentic. Of all the pictures there are in the Capitol, there is not a single one of the signing of the Constitution. The only other one I know of is in The Archives Building.

Mr. FLETCHER. And does the $35,000 to be paid include the cost of the hanging of the picture?

Mr. BLOOM. No.

Mr. FLETCHER. Will there be any further authorizations?

Mr. KELLER. This is all. When Mr. Christy completes the picture, if it is satisfactory to the joint committee, then he receives $35,000 for the painting. If it is not satisfactory, Mr. Christy has the painting.

The gentleman from Massachusetts [Mr. LUCE] former chairman of my committee for many years, rather startled me by asking whether this had been approved by the Fine Arts Commission. I have talked to a number of the members of the Fine Arts Commission, and everything was all right. I call the gentleman's attention to the fact that, as I said awhile ago, the Fine Arts Commission has never been called into consultation on Capitol Hill so far as I know. All the pictures in this building have been put here through the Committee on the Library of the House and a similar committee of the Senate.

Mr. BLOOM. Mr. Speaker, will the gentleman yield?

Mr. KELLER. I yield.

Mr. BLOOM. It is my impression that once or twice the gentleman spoke of the signing of the Declaration of Independence. The gentleman means, of course, the signing of the Constitution.

Mr. KELLER. I mean the signing of the Constitution, of course.

Mr. COLE of New York. Mr. Speaker, will the gentleman yield?

Mr. KELLER. I yield.

Mr. COLE of New York. Can the gentleman advise us how much Mr. Christy has received, if anything, for painting the original?

Mr. KELLER. That I do not know, because that is in Independence Hall in Philadelphia at the present time, and I understand it is to be kept there.

Mr. BLOOM. If the gentleman will yield, I wish to correct that.

Mr. KELLER. It is there in Independence Hall now.

Mr. BLOOM. No.

Mr. KELLER. It has been taken out lately, then?

Mr. BLOOM. Yes. It was there, but Mr. Christy took it to his studio, because he did not want anything done until the original we want to hang in the Capitol has been completed.

Mr. COLE of New York. Will the gentleman yield?

Mr. KELLER. I yield to the gentleman from New York.

Mr. COLE of New York. Can the gentleman from New York [Mr. BLOOM] advise us how much Christy has received for the original painting, of which this is to be a copy?

Mr. BLOOM. Not a cent. He has not received anything for the original because he needs the original to paint this. That is the original draft of the picture. The Government has not paid Mr. Christy one cent for the use of the pictures he has been sending around to Members of Congress showing the signing of the Constitution. He has not received a penny from anyone, and he is not asking for anything, either.

Mr. COLE of New York. Can the gentleman from New York advise us whether or not this picture has been used for commercial purposes?

Mr. BLOOM. No; it has not.

Mr. COLE of New York. Mr. Christy has received no money from the Government or from any commercial source?

Mr. BLOOM. No.

Mr. LUCE. Will the gentleman yield?

Mr. KELLER. I yield to the gentleman from Massachusetts.

Mr. LUCE. Perhaps I should confine my statement to the fact that while I was a member of the Committee on the Library it was my universal practice to consult the Commission on Fine Arts.

Mr. KELLER. That was not passed on to me. My understanding has been that the Fine Arts Commission has never been called on in reference to Capitol Hill.

Mr. Speaker, I yield 5 minutes to the gentleman from Kansas [Mr. GUYER].

Mr. GUYER. Mr. Speaker, I am not familiar with the matter of the Fine Arts Commission passing upon paintings in the public buildings of Washington, but may I say if they have passed upon those in the public buildings down here on the Triangle, then I do not want them to pass on any painting of mine.

We have a chance here to get a great picture by the greatest living portrait painter, a genius who paints these pictures and puts into the figures and the faces the soul and character of the great men he portrays. If you put this painting in the Capitol of the United States it will go down by the side of the painting of John Trumbull over there in the rotunda, which depicts the signing of the Declaration of Independence. There is no full painting in existence of the signing of the Constitution of the United States. A half dozen versions have been made. I have a reproduction of one of them over in my office, a very beautiful picture showing Washington, Hamilton, Madison, Gouverneur Morris, Edmund Randolph, and two or three others. But this Christy painting is an authentic picture of every one of those men as painted by men who lived at that time. Mr. Christy has made a study for years of the paintings of the great men who framed and signed the Constitution. Probably no one else will ever do this.

The Congress of the United States will never have the opportunity to have such a painting to put in the Capitol of the United States, which memorializes one of the greatest events that ever happened in the history of the world, the signing of the Constitution of the United States.

Mr. O'CONNOR of New York. Will the gentleman yield?

Mr. GUYER. I yield to the gentleman from New York.

Mr. O'CONNOR of New York. Of course, the picture has not been painted. It is going to be painted.

Mr. GUYER. Yes.

Mr. O'CONNOR of New York. There is some confusion about that. I understand that in order to do this huge work, Mr. Christy may have to hire or even build his own studio. He will have to employ all the models for this picture. Most people who have thought of the subject believe the sum of $35,000 for doing this work which may take a year or two is ridiculously low.

Mr. FLETCHER. Will the gentleman yield?

Mr. GUYER. I yield to the gentleman from Ohio.

Mr. FLETCHER. I agree with the gentleman from New York that it is a low price for a painting of this type by so great an artist. But we do not need the picture now. May I ask the gentleman from Massachusetts [Mr. LUCE] to answer a question? The gentleman from Massachusetts suggests that the Fine Arts Commission pass on the picture. May I ask the gentleman whether or not the Fine Arts Commission passed on the picture that has been referred to as more or less of a caricature and which now hangs in The Archives Building?

Mr. LUCE. I rather doubt that. I do not think they did.

[Here the gavel fell.]

Mr. KELLER. Mr. Speaker, I yield the gentleman 2 additional minutes.

Mr. MAY. Will the gentleman yield?

Mr. GUYER. I yield to the gentleman from Kentucky.

Mr. MAY. I passed by one of the parks downtown the other day and I saw W. P. A. pictures in small frames all over the campus down there being exhibited. We are spending thousands and hundreds of thousands of dollars

every month in that kind of work, yet the Congress of the United States is stingy when it comes to procuring one of the greatest pictures in the history of the country.

Mr. GUYER. We have in the Capitol of the United States some very great paintings, but I do not think there will be one which will excel this great painting, Mr. Christy's painting of the signing of the Constitution, memorializing the greatest event that ever occurred upon this continent. It depicts the signing of the greatest document for the preservation and the evolution of liberty that was ever written in the history of the earth.

[Here the gavel fell.]

Mr. TREADWAY. Mr. Speaker, I yield 5 minutes to the gentleman from Michigan [Mr. MICHENER.]

Mr. MICHENER. Mr. Speaker, I am not going to make a Fourth of July speech or a speech about art or a speech about oil paintings or the splendid things that we should have—the luxuries of life. I enjoy art. I hope the day may come when we may have this picture and enjoy and appreciate it. However, I am one of those people who believes that if you are going to have a happy home you must have a kitchen, and in that kitchen there must be a cupboard or its equivalent, and in that cupboard there must be food. These things are essentials. An oil painting in the parlor is a fine thing. We all enjoy it but there can be no such thing as a happy home with oil paintings in the parlor and nothing in the cupboard to eat. There are too many empty cupboards today to justify this expenditure.

This country is crying for bread. The people are crying for relief. The gentleman from Illinois [Mr. KELLAR], chairman of the committee which brought in the bill now before us, has insisted, and is insisting, that we are not giving enough relief to the people of the country. Our people are demanding things to eat, clothing to wear, shelter from the weather, and above all, work. Instead of Congress devoting its efforts to accomplishing these necessary things, here in the closing hours of the session we are spending our time in an effort to pass a bill authorizing the spending of $35,000 of the taxpayers' money. Mark you, this is not for relief, but is to go to one of the outstanding and wealthy artists of the country for the painting of a picture to hang on the walls of this Capitol Building. Undoubtedly the painter is an outstanding artist. Undoubtedly the picture will be attractive, ornamental, and instructive. Yet this is not the time or the place to waste the people's money on anything other than genuine necessities.

If we had the money to buy this painting, it would be another thing, but every dollar we spend we must borrow. Every dollar that goes for relief today is borrowed, and the Government pays interest on it, yet here we are seriously considering borrowing $35,000 to pay for painting a picture to hang on the wall.

I believe the real task before the American people today is to preserve the country, to preserve the Constitution, and make it possible for our people to live and enjoy that which the Constitution has brought to us, rather than go farther than we are now toward the destruction of our form of government by spending money for these unnecessary things.

In short, the kitchen larder must be provided for before the oil paintings are hung on the parlor wall. We have not reached that state where people with empty stomachs will get any comfort out of the knowledge that their Representatives in Congress have spent $35,000 of their money to increase the already splendid art collection in the Capitol, regardless of how suggestive or historic the picture may be.

This is possibly not a pleasant thing to say, but it is material. This is not an artistic speech, but it is a commonsense speech. You go out home and tell the people in your district—where the men and women want bread and want work—that you as a Member of Congres authorized the spending of $35,000 of the taxpayers' money, money that had to be borrowed, for a thing of this kind, and you will hear from the distressed, thinking people back home.

Mr. FLETCHER. Mr. Speaker, will the gentleman yield?

Mr. MICHENER. I yield to the gentleman from Ohio.

Mr. FLETCHER. What is the reason we cannot postpone this matter until next year?

Mr. MICHENER. There is not a reason in the world why it cannot be postponed. When we are in a position to afford the picture, I will be No. 1 for it. It seems impossible to put the brakes on this spending spree in which Congress has so lavishly indulged in recent years; and, believe me, the people are awakening to what this is all about. This may not be a large amount, but $35,000 will go a long way toward furnishing relief in many of the communities from which we come. Think of the anomaly of the situation: Thirteen million unemployed. At least four times that many on relief. The country in the worst economic and financial condition throughout its history. The national debt at the end of this session approximating $40,000,000,000. The Government spending almost $2 for every dollar it takes in in revenue. I marvel at the complacency of the House leadership in bringing up this useless spending measure at this time. Within 24 hours the House is expected to pass another deficiency bill, adding hundreds of millions of dollars to the national debt, thereby directing the Secretary of the Treasury to borrow that much more money. And I say it is almost unbelievable that we can at this good hour be spending our time haggling over whether or not to hang another $35,000 picture on the wall of the Capitol. [Applause.]

[Here the gavel fell.]

Mr. TREADWAY. Mr. Speaker, I yield 3 minutes to the gentleman from Wisconsin [Mr. AMLIE].

Mr. AMLIE. Mr. Speaker, I wish to say I agree entirely with the statement made by the gentleman from Massachusetts [Mr. LUCE], that this project ought to be submitted to the Commission of Fine Arts for approval.

I have the greatest admiration and respect for Mr. Christy's patriotism, and I feel that he has been diligent in the service of his country; but I do not feel that this is sufficient recommendation for authorizing a project of this kind.

I do not pretend to be an art critic. However, when I saw Mr. Christy's picture of the late Speaker of the House, Mr. Rainey, in the Speaker's lobby, I was inclined to agree with some of my friends, who said, "It is a fine picture. It looks like the picture of a movie star; not the man who used to serve here in Congress."

A reproduction of the painting, The Signing of the Constitution, carried on the cover of the booklet put out by the United States Constitution Sesquicentennial Commission, was sent to me, and I have examined it carefully. While I am convinced of the idealism and patriotism that Mr. Christy feels, it seems to me this picture is a garish nightmare. It is of a piece with the proposed reproduction of Hadrian's monument that we are asked to approve as a memorial to Thomas Jefferson, and I do not want it. Perhaps the Commission of Fine Arts would be able to keep our artists from inflicting more and more of this sort of thing on the American public, and I am in favor of giving them the opportunity to pass on it, as they were supposed to do when the Commission was created.

Mr. TREADWAY. Mr. Speaker, I yield 5 minutes to the gentleman from New York [Mr. SNELL].

Mr. SNELL. Mr. Speaker, the thought I intended to express to the House has been exceptionally well stated by our colleague, the gentleman from Michigan [Mr. MICHENER].

I am not going to say anything about the relative value of this picture. I would not feel qualified to express any special opinion along that line anyway, but it seems to me that this is a matter which this House should consider carefully. When you take into consideration the economic condition of this country at the present time, when you consider that, today, that the economic condition is equal to if not lower than it was in the year 1933 that we have heard

so much about, do you really believe, when we have to borrow the money, it is a business proposition to go out today and borrow this money in order to obtain this luxury?

There is no doubt it would be a fine addition to the Capitol paintings to have a picture of the signing of the Constitution. I think if finances were easy I should not put up any objection to it, but I was at home last week and I know how the people up in my country feel. They are pretty nearly ready to give up the ghost and just quit; general business is so bad. They do not care very much, and the reason is because the responsible parties in this Congress are not giving any attention to the expenditure of Government funds. You are the ones on that side of the House who are going to be called upon to account for the two or three billion dollar deficit that we probably will have this year, and the outlook at the present time is that you will have a deficit of double that amount next year. Is not this an expenditure that could very easily go over for a year or two with the hope that the economic conditions of the country may be better?

We have got along for 150 years without this. How many of you men, if it were your own private expenditure and you were exactly in the same condition the Government is at the present time, would even think a second time about spending this money under present conditions? There is not a man on either side of the aisle who would consider for a moment, if his personal exchequer was in the same condition as the Treasury of the Federal Government at the present time, of buying a picture of this character for his own house. I think we should use the same thought and judgment in making up our minds about Government expenditures as we do about our own personal expenditures. I have always tried to approach these propositions from the same viewpoint and do what I thought was absolutely right as far as the taxpayers are concerned in the expenditure of money.

We have made a great many expenditures that were not necessary, but they have been bolstered up by the argument that they were for the benefit of reemployment or to do away with unemployment or for relief or one of various similar excuses, but you cannot put this expenditure in the same category.

If you are absolutely honest with yourselves and absolutely honest with the people you represent back home who are laboring under the tax burden of the present time you will not vote to suspend the rules and pass this $35,000 authorization which is a luxury and is certainly not necessary at this time. [Applause.]

[Here the gavel fell.]

Mr. TREADWAY. Mr. Speaker, I yield 3 minutes to the gentleman from Massachusetts [Mr. LUCE].

Mr. LUCE. Mr. Speaker, my questions about Mr. Christy were partly due to the fact that his reputation has been made largely as a painter of magazine covers. He is known as an illustrator. His pictures are charming, but as was the case with the picture that, if I remember right, he painted of Mrs. Coolidge for the White House, they are in the flamboyant style, ornate, not simple and dignified. It may be he has the capacity for painting a dignified picture, but I am sure that adjective would not apply to those of his drawings and paintings that I have chanced to see, and for that reason it seems to me particularly desirable that any such painting as that which he might produce should have its merits passed upon by competent critics.

I remember while I was on the Committee on the Library, having had occasion in the performance of duty to join in judgment upon various works of art for the Capitol and for the city of Washington, and I felt hopeless in the matter. Without artistic training, with nothing but a superficial knowledge of art, I was obliged to contribute as best I could to these judgments, and I felt that I was of little service in the matter, and that these things ought to be left to men who have been trained in art, who have shown themselves competent to judge, and who have been officially designated as the representatives and advisers of Congress in passing judgment upon what shall adorn the Capitol, the other public buildings, and the city.

Mr. BLOOM. Mr. Speaker, will the gentleman yield?

Mr. LUCE. Certainly.

Mr. BLOOM. Does not this resolution do just what the gentleman says should be done? This is merely an authorization to paint a picture that must be accepted and must be approved by the Joint Committee on the Library of the Senate and the House. They can call in the Commission of Fine Arts and the chairman of the House Library Committee states they always do that. They can call in anyone they want and they can put it on exhibition before the Congress. Under this resolution they can do exactly what the gentleman has been talking about.

[Here the gavel fell.]

Mr. TREADWAY. Mr. Speaker, it is very awkward to be obliged to criticize an artist or an individual, but I am willing to stake my faith with respect to the ability of the artist to perform the task authorized by this measure, at a price of $35,000, by asking the Members of the House to look at the picture in the lobby of former Speaker Rainey. That portrait of Mr. Rainey does not look like him as we knew him when Speaker. Several portraits were submitted to the Committee on the Library, and I think if I had been asked to choose, I would have picked this particular one as about the last for which to pay $5,000 of the taxpayers' money to hang in this corridor.

Mr. Christy is an excellent salesman. There is no question about that. He has lobbied here indefinitely. He has painted pictures with the expectation of being paid for them and has gone the limit to get such a resolution as this through Congress. That is the actual fact. We all know it to be true that he is a magazine-cover painter. If that constitutes qualities to make him fit to paint a picture of The Signing of the Constitution, very well, but I do not think it does.

The other portrait which he has painted of which we know is the one of Mrs. Coolidge in the White House, and certainly it is no credit to Mrs. Coolidge as we knew her to have that as an illustration of her and her portrait, painted as it is in a red dress, hanging onto a white dog. That is about as far from my conception of Mrs. Coolidge as it could be. That is the kind of an artist that you are favoring in this measure here. There is no question about that.

Mr. BLOOM. Mr. Speaker, will the gentleman yield?

Mr. TREADWAY. I prefer not to yield, and, further than that, I might say to the gentleman from New York that the gentleman wants to sell this to the Congress. He has advertised that all over the country, and that is what he is trying to do, to sell it now to the Congress—a picture for $35,000 which is not yet painted. Besides, we have not the money to pay for it; still he would like to "sell it now" to the American people.

Mr. BLOOM. Mr. Speaker, will the gentleman yield?

Mr. TREADWAY. The Constitution will be on exhibition over in the Library of Congress long after Mr. Christy is dead, and I do not see the slightest reason why he should advertise himself and put himself down as the one man to paint this picture. I yield now to the gentleman from New York.

Mr. BLOOM. Mr. Speaker, the picture the gentleman refers to of Mrs. Coolidge was acceptable to both President and Mrs. Coolidge, and I think they are the best judges.

Mr. TREADWAY. I know a little something about that also, but I do not think this is the place to discuss it.

Mr. BLOOM. The gentleman started the discussion.

Mr. TREADWAY. I know I did, but this is not the place to discuss details.

The SPEAKER pro tempore. The time of the gentleman from Massachusetts has expired.

Mr. KELLER. Mr. Speaker, I yield myself 1 minute. These are the facts: The Rainey referred portrait was painted under competition. When the portraits were all done, as

chairman of that committee I called in four of the noted experts of the country, not telling any one of them what the other had said. They all four endorsed the painting that is hanging here. The Members here today who are criticizing that painting make no claim to know anything about art. Evidently they do not. Why give an opinion that is admittedly and evidently valueless? Of course the portrait does not look like Henry T. Rainey during the last few—especially the last 2 years—because he had broken badly during that period. Other things being equal, it is the universal decision in the world of art that, where possible, a man should be painted or sculpted as in the vigor of his manhood. All the portraits were painted from photographs, and the Rainey portrait by Christy is from a fine photograph taken in his prime and used by him in political work, and four of the leading art critics of America decided it to be the best out of 20 submitted. That is exactly what would be done under the present condition. Of course we would call in the best art critics in America to pass on this, and if it is not good we would not accept it.

It is wrong to put this matter off. When a man is in his prime in painting or in sculpture he has no time to waste. We all pass yonder, and Howard Chandler Christy is at the zenith of his power now, and he ought to do his painting at this time and not at some other time. Why gag at a gnat and swallow a camel? I ask gentlemen to be wary of this House when they have the opportunity of getting this great painting by this great master painter.

I yield 1 minute to the gentleman from New York [Mr. BLOOM].

Mr. BLOOM. Mr. Speaker, with reference to this painting of the signing of the Constitution, it should be remembered that it is impracticable to have an artist paint a picture of the signing of the Constitution in open competition with other artists. This is a historical painting. If we do not like the subject of the picture, please remember that it is exactly the way it was at the time of the signing of the Constitution in Philadelphia and that is the way the picture must be painted. There is no other alternative, and that is a thing into which competition cannot enter. As far as spending the money is concerned, please remember that this picture will not be finished for about a year, and the money would not be spent until next year anyway.

The SPEAKER pro tempore. The time of the gentleman from New York has expired.

Mr. KELLER. Mr. Speaker, I yield half a minute to the gentleman from Alabama [Mr. PATRICK].

Mr. PATRICK. Mr. Speaker, I do not know that gentlemen will care to hear from one so young in experience in Congress as I. Why so penny-wise and pound-foolish? Gentlemen have raised the question of need for other things here, and I notice that they are the very opposition on this floor to giving those material things to the needy. Now, when we have an opportunity to touch the esthetic a little bit we still find their further opposition. I have heard them say that the Constitution is dead. Do they not want us to have even the memory of the signing of it?

The SPEAKER pro tempore. The time of the gentleman from Alabama has expired. All time has expired. The question is on the motion of the gentleman from Illinois to suspend the rules and pass the joint resolution.

The question was taken; and on a division (demanded by Mr. TREADWAY) there were—ayes 56, noes 52.

So (two-thirds not having voted in favor thereof) the motion to suspend the rules and pass the bill was rejected.

ADDITIONAL TAX ON WHISKY

Mr. THOMPSON of Illinois. Mr. Speaker, I move to suspend the rules and pass House Joint Resolution 683, to provide for an additional tax on whisky.

The Clerk read the title of the joint resolution.

The Clerk read as follows:

Resolved, etc., That there shall be levied, assessed, collected, and paid a floor tax of 25 cents on each proof-gallon and a proportionate tax at a like rate on all fractional parts of such proof-gallon upon all distilled spirits, except brandy, produced in or imported into the United States upon which the internal-revenue tax imposed by law has been paid and which, on July 1, 1938, are held by a retailer in a quantity in excess of 50 gallons in the aggregate or by any other person, corporation, partnership, or association in any quantity and which are intended for sale for beverage purposes or for use in the manufacture or production of any article intended for sale for beverage purposes.

Each retailer and each person required hereunder to pay the floor tax shall within 30 days after July 1, 1938, make return under oath in such form and under such regulations as the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, shall prescribe. Payment of the tax shown to be due may be extended to a date not exceeding 7 months after July 1, 1938, upon the filing of a bond for payment in such form and amount and with such surety or sureties as the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, may prescribe.

All provisions of law, including penalties, applicable in respect of internal-revenue taxes on distilled spirits shall, insofar, as applicable and not inconsistent with this section, be applicable in respect of the floor tax imposed hereunder.

Amend the title so as to read: "Joint resolution to provide for a floor-stock tax on distilled spirits, except brandy."

With the following committee amendments:

Page 1, line 9, strike out the word "retailer" and insert "retail dealer in liquors."

Page 1, line 10, strike out "50 gallons" and insert in lieu thereof "250 wine-gallons."

Page 2, line 5, strike out "retailer" and insert in lieu thereof "retailer dealers in liquors."

The SPEAKER pro tempore (Mr. RAYBURN). Is a second demanded?

Mr. FULLER. Mr. Speaker, I demand a second.

Mr. THOMPSON of Illinois. Mr. Speaker, I ask unanimous consent that a second be considered as ordered.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. THOMPSON of Illinois. Mr. Speaker, I yield 5 minutes to the gentleman from Kentucky [Mr. O'NEAL].

Mr. O'NEAL of Kentucky. Mr. Speaker, when the tax bill was before the House an amendment was adopted which increased the tax on whisky by 25 cents a gallon. The amendment was not a committee amendment but was offered independently; and, of course, no hearings were held. It was merely the action of the Committee of the Whole at the time. It has, however, caused a peculiar condition in the industry and a peculiar action on the part of the industry in order to prevent chaos in it. It has caused this bill to be introduced which asks that the tax which was to be put on each gallon of whisky on July 1 be put on any whisky withdrawn before July 1. In other words, the industry itself is asking that a floor tax be imposed now instead of waiting until July 1.

The reason for this, and the only reason, is to prevent a chaotic condition that would result if the tax were imposed on July 1 instead of now. If we wait until the 1st of July, it means that individuals or groups with large financial backing can buy up a tremendous amount of whisky at a tax of $2 per gallon; but the small fellow, the man with little capital, cannot buy the quantity he could use within the next few months, so after July 1 he will then pay $2.25, and there will be this disarrangement of the entire industry, favoring the group that has a large amount of money.

Hearings were held by the Committee on Ways and Means. Almost unanimously the distillers, the wholesalers, the retailers, the rectifiers, even the cooperage people and labor testified that unless this is corrected it will cause chaos, it will cause supplies of liquor to be bought up for 6 and 8 months in advance, it will mean that labor will not be employed in many places, it will mean that the little fellow cannot continue in competition with the big chain stores. The testimony was voluminous and so much in favor of this floor-tax bill that only two small groups appeared against it, both from Boston representing package dealers, and one of those said that if a certain amendment was put in it would be in favor of it. This amendment was incorporated in the bill. Representatives of the Treasury Department appeared and stated that this extra tax would increase the Treasury receipts from $3,000,000 to $17,000,000.

I see no reason, except prejudice against the industry, why anyone should oppose this bill. All departments of the industry came here and asked us to place this additional tax in effect now so that there will not be chaos in the industry and so they can carry on successfully.

[Here the gavel fell.]

Mr. THOMPSON of Illinois. Mr. Speaker, I yield 2 additional minutes to the gentleman from Kentucky.

Mr. KELLER. Mr. Speaker, will the gentleman yield?

Mr. O'NEAL of Kentucky. I yield.

Mr. KELLER. Is it not a fact that every time a liquor tax has been increased it has always been accompanied by a floor tax?

Mr. O'NEAL of Kentucky. In 1898, when the tobacco tax was put in force, a floor tax accompanied it. In 1917, when the tax on distilled spirits was levied, they had a floor-tax provision. Also, in 1918, and in 1933, when the Agricultural Adjustment Act was passed, a floor-tax provision was incorporated in the act. This is customary, it is right and fair, and I hope the House will support the bill.

Mr. KENNEDY of New York. Mr. Speaker, will the gentleman yield?

Mr. O'NEAL of Kentucky. I yield.

Mr. KENNEDY of New York. Does the bill make some allowance for stock on hand?

Mr. O'NEAL of Kentucky. The bill as originally drafted permitted a 50-gallon exemption, but after testimony was had on the subject it was the opinion of certain members of the Ways and Means Committee that it should be increased, and it was increased to 250 gallons, which is adequate to take care of practically any normal dealer who is not really a large dealer.

This bill exempts medicinal alcohol and it excepts brandy. Although some have tried to find something wrong with this bill, it is merely an honest effort to conduct the business in an orderly way.

[Here the gavel fell.]

Mr. THOMPSON of Illinois. Mr. Speaker, I reserve the balance of my time.

Mr. FULLER. Mr. Speaker, I yield 5 minutes to the gentleman from Missouri [Mr. DUNCAN].

Mr. DUNCAN. Mr. Speaker, this is the first time in the 4 years I have been a member of the Ways and Means Committee I have disagreed with the majority of my colleagues. However, I cannot agree with the resolution which it is proposed to be put through here today.

When the House passed the bill proposing 25 cents additional on liquor there was a suggestion within a few days after that of a floor tax. At that time nearly all the retailers and the wholesalers in the country were opposed to it, and hundreds of letters came to our offices opposing a floor tax. Then the big distilleries of the country got busy, and when they appeared before the committee last week a gentleman in Washington, representing a great many of them, placed the names of 11 distilleries in the record. He testified that those 11 distilleries control 75 percent of the output of liquor in the United States.

They say that the small distiller will be put out of business if this resolution is not passed. I want to make the observation now that within the next year or two if the present liquor laws continue, all the small distillers in the United States will be put out of business anyhow. Four or five now control approximately 60 percent. They are putting dozens and dozens of brands of liquor on the shelves and it all comes out of the same barrel. They will not deny or dispute that fact.

Mr. Speaker, whenever someone comes in and wants to be taxed on something I am always suspicious and I start to look for the bug under the chip. I believe I know what the bug under the chip is in this case. If the distillers of this country can prevail upon the Congress to put a floor tax on the retailers, the distributors, and the wholesalers they will have accomplished something. This resolution, bear in mind, does not exclude the wholesalers and the distributors. If they can have this tax imposed, when the 1st of July comes along, the cost of liquor will rise to the consuming public to the amount of the floor tax. Then when the 25 cents imposed by the Revenue Act we passed goes on the distillers it will already have been taken up by the increase in price to the public. We all know that the price of liquor, particularly the better brands, is exorbitantly high. Before prohibition, with a tax of $1.10 a gallon, you could buy the best of liquor for $4 a gallon. Now, with a tax of $2 a gallon you pay from $12 to $20 a gallon for the better types of whisky. I saw an advertisement in one of the big magazines of the country the other day which took up two pages and covered four different brands of liquor made by four different distilleries, all in one advertisement and all paid for out of a common fund.

Mr. Speaker, this is an attempt on the part of the big distilleries of the country to get the price increased by the wholesaler and by the distributor, so that they can add it on. If this is not done they will not increase the price of liquor from the distiller to the retailer, to the consumer and to the wholesaler after the excise tax goes on. The largest supply of liquor since prohibition is now on hand. The general tendency will be to force the price down. If these people they are talking about go out into the market and buy thousands of gallons of liquor, they have to pay a Federal tax of $2, and in many States as much as $1 as a State tax, as well as some local taxes. When they get all through they will not have made a dime by laying in a supply of it. There has been exempted by this 250 gallons to the retailers, approximately 56,500,000 gallons of liquor. There are 226,000 retailers in the United States and 250 gallons apiece will amount to fifty-six and one-half million gallons. Ninety million gallons is a year's supply.

[Here the gavel fell.]

Mr. FULLER. Mr. Speaker, I yield myself 7 minutes.

Mr. Speaker, this is the first time I ever knew of people coming in and asking to be taxed. When this bill was drawn and brought to the Committee on Ways and Means it was brought in by the Distillers Institute. It was sent there by the big distilleries of the United States, seven of them, which manufacture and control 80 percent of all the liquor sold and consumed in the United States. Dr. Doran was for 30 years in the Treasury Department. He was so valuable to distillers that during prohibition he permitted them to manufacture and distill liquor, most of which was stored until prohibition was repealed. When prohibition ended, they put him on their payroll at $45,000 a year, and he occupies that position now.

Mr. KRAMER. It is $75,000 a year.

Mr. FULLER. I stated that time and again, but the claim is made to me now it is only $45,000 a year. They have had others on the payroll at $75,000 a year. They have a lot of them around $35,000, $40,000, and $50,000 a year. They have taken four or five men out of the Treasury Department. They are getting all the favors in the world, and now they come and ask you to put a tax upon them? No. On the whisky they have in stock? Oh, no. Upon the wholesaler? Oh, no. They do not want him to pay it. They want to put it on the little fellow who is in business around the corner selling liquor. They make the demand to tax their customers.

They want him to pay the tax, and they want to allow him an exemption of only 50 gallons. However, the committee with its magnaminous attitude is now saying, "If you will give us this bill we will exempt 250 gallons for every retailer," although the testimony before the committee showed that the average man in the retail business was carrying a stock of 600 gallons.

Mr. Speaker, there is a bug under the chip here. The big distillers say they want to stabilize the business. They say that some of the larger institutions that have chain stores will buy a whole lot of liquor from them and they will have to sell it. The distillers do not have to sell and do not sell to anybody but those to whom they want to sell.

What would it mean if they would get this bill through? A gallon of liquor that cost less than a dollar to distill, keep

in a barrel for 4 years, shrinkage, interest, and everything else allowed, they are selling on the market today for approximately $20 a gallon. As soon as they loaded up all the little fellows in the country they would raise the price of liquor, and they would have a chance to break him or hold him in bondage. They are not afraid to stabilize the liquor business. They dominate it. It is the crookedest monopoly that exists in the country today. If not controlled it will reflect upon the administration. It is a monopoly in violation of all antitrust laws. I have been clamoring before this House for an investigation, as many of you know, and I defy this House and the Committee on Rules to give me a rule and bring it before this House so that we may show what this monopoly is. They want to put the tax on now. How much would it yield? If they got all of it the revenue would amount to only $3,500,000, but they have exempted about $1,500,000 of it, so this would amount to practically nothing after deducting the cost of collection. When the tax bill was passed it was contemplated that the increase of 25 cents in the tax would not go into effect until the first day of July, but now these big distillers want their customers and the general public taxed this extra 25 cents per gallon as a floor tax before the law goes into effect. This is no revenue measure, nor will it yield the Treasury any money. I am not opposed to the extra 25 cents per gallon and would not care if it were more. I resent this Whisky Trust controlling Congress.

What is a floor tax? We once put a floor tax on merchandise. The Supreme Court declared the law unconstitutional. Then we passed a law to refund the collected processing tax. It was contemplated the money would be paid in a year. Two hundred thousand businessmen in the United States have filed claims before the Treasury Department asking for a refund, and yet not 10,000 cases are tried and passed upon in a year. It will be 20 years before all these claims are passed upon and the people get their money back. If the Department needs more help we should know it and grant the request. The Government must keep faith.

When you go back home explain to your little man and explain to your wholesale liquor dealer that only a little over 2 weeks between now and the 1st of July you placed a tax on him for the sole satisfaction, at the demand, and on behalf of the biggest trust of Jew liquor distillery men in the United States, to be passed on to the consuming public. Three of them, Schenley, National Distillers, and Seagram, manufacture 40 percent or more of the liquor made in this country. Add a few more manufacturers, and you will find they control 80 percent of that business. They are scaring the little liquor fellow to death. They say in substance, "If you do not get a floor tax, these fellows with money are going to come in and buy a whole lot of liquor to avoid the 25 cents a gallon tax, and we would have to sell it to them." Can you imagine their not being anxious to sell even many million dollars of liquor when possessed of such great quantities and at a time when spending millions annually for advertising? They will not even sell to the man in your town if he will not agree to take and sell in quantities. If the retailer's business gets poor, they take away the brands on which he has built his business. They collect a percent on all liquor for maintenance of the Distillers Institute. The amount runs into hundreds of thousands every year. What for? For morals? Oh, no; more probably for policing the liquor business and maintenance of a public lobby. This measure is not for stabilizing the liquor business nor for revenue for the Government—it is for the purpose of wiping up on the little fellow and the public. [Applause.]

[Here the gavel fell.]

Mr. THOMPSON of Illinois. Mr. Speaker, I yield 3 minutes to the gentleman from Illinois [Mr. DIRKSEN].

Mr. DIRKSEN. Mr. Speaker, the gentleman from Arkansas commands the lightning to come down, and invariably it comes down, but while he commands the lightning to come down, so often he does not know anything about the facts in the case. While he shouts at you about the Distilled Spirits Institute that wants this bill, may I say to you that of the 35 distilleries, or thereabouts, that compose the Distilled Spirits Institute the smallest distillery has an equal vote with the largest. The 500-gallon distillery has the same vote and the same power as the distillery in my district that can manufacture 100,000 gallons a day.

Mr. KRAMER. Mr. Speaker, will the gentleman yield?

Mr. DIRKSEN. I decline to yield, Mr. Speaker.

So pay no attention to this kind of talk that seeks to prejudice the distillers who belong to the Distillery Institute, because they are all on a par.

The gentleman states there must be a bug in this bill because they come and ask for it. I will tell you why they have asked for this bill. If the floor stocks tax were not to go on, the large department stores could buy a million dollars worth of liquor in a block shipment and they would have the advantage then of 25 cents a gallon. What about the little tavern owner? What about the little package-store dealer in your district? There are some 225,000 or 250,000 of them. They are the boys who are going to be penalized if you do not put on the floor stock tax, and when the gentleman talks about your going back home and making peace with the people in your district just remember that you are going to make peace with the little fellow who is going to get it in the neck if this bill does not pass.

Now, the reason the distilleries have asked for this is to stabilize the industry. If this tax does not go on, do you know what is going to happen? The distillers in Indiana, in Kentucky, in Illinois, and elsewhere are going to receive lots of orders and push out lots of goods, and in 60 days they are going to tell the girls on the bottling line and the people who work in the still houses, "You can go home; there are no more orders; we have filled up the trade." This is what will happen if this bill does not pass.

The President of the United States, in his monopoly message, pointed out to the Congress that in the automobile industry they speeded up production, everybody went on the lines in 1937, and when they got the market filled, what happened? They cut down and curtailed their personnel, and thousands and hundreds of thousands are idle in the automobile industry today simply because there has been that disturbing element that failed to stabilize the industry. Your President has pointed this out in the monopoly message, and the same thing is involved in this case. This bill ought to pass overwhelmingly.

Mr. FADDIS. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER pro tempore (Mr. RAYBURN). The gentleman from Pennsylvania makes the point of order that there is not a quorum present. The Chair will count.

Mr. FADDIS. I withdraw the point of order, Mr. Speaker.

Mr. THOMPSON of Illinois. Mr. Speaker, I yield 3 minutes to the gentleman from Michigan [Mr. DINGELL].

Mr. DINGELL. Mr. Speaker, it was not my intention to rise this afternoon and discuss the merits of the bill before the House. Though I am anxious to leave for Detroit within an hour yet I am constrained to answer my colleague from Arkansas on the point raised here with reference to the parade of the Israelites. I wish to say to the House that what was said in that connection has no bearing upon the consideration of this bill and is far removed from the subject matter. The remarks of the gentleman are to be regretted, they reek with venom and bigotry. More than that, there were far more of our Gentiles who appeared as witnesses in behalf of the bill than there were of those to whom reference was made disparagingly as the parade of the Israelites. However, it is an intolerant and bigoted reference born of desperation and blindness that should by all means be stricken from the RECORD. I am surprised, I am amazed, and I am hurt, and I am disappointed to hear a friend of mine, a member of this great committee, get up here and argue his case by injecting bigotry in support of his contention against the bill. If there is one reason in the world why this bill ought to go through now, it would be to rebuke the gentleman from Arkansas for his bigoted statement and the injection of a racial and a religious question which has no relation to the measure.

Mr. FULLER. Mr. Speaker, will the gentleman yield?

Mr. DINGELL. I yield to the gentleman.

Mr. FULLER. The gentleman knows that I have no bigotry about me. I had no intention of reflecting on any man because he is Jewish, because some of the best friends I have in the world are of that faith. Especially is that true of the House Members for whom I have the highest regards.

Mr. DINGELL. Why was the reference made?

Mr. FULLER. I only made the reference, which is the truth, that the whisky business in the United States is controlled by the Jews, who are shrewd businessmen, and you do not deny that and nobody else does. That is no reflection and under no circumstances would I say anything to injure the Jewish membership of this House. They need no defense at your hand and their feelings will not be hurt by my thoughtless reference.

Mr. DINGELL. I deny that. There is nothing to that statement, but even if there were, it would have no bearing on the consideration of the bill before us.

Mr. BUCK. Mr. Speaker, will the gentleman yield?

Mr. DINGELL. I yield to my friend from California.

Mr. BUCK. Will the gentleman also point out the fact that the question of what liquor sells for has nothing to do with this bill? The bill is reported by the Ways and Means Committee for the purpose of protecting the revenue of the United States, and over $4,000,000 will be lost in actual cash if we do not adopt it, and the estimate is that $14,700,000 will be lost by reason of these withdrawals at the present rate; is not that correct?

Mr. DINGELL. That is the reason for advancing the bill at this time, but I felt constrained to discuss the vicious and extraneous matter which was injected into our deliberations here today, and I ask that the House rebuke such a statement at this time. [Applause.]

[Here the gavel fell.]

Mr. THOMPSON of Illinois. Mr. Speaker, I yield 3 minutes to the acting chairman of the Ways and Means Committee, the gentleman from New York [Mr. CULLEN].

Mr. CULLEN. Mr. Speaker, I want to approach this problem in a judicial manner without excitement or heat and tell the story of the measure that is now pending before you.

The Ways and Means Committee held a complete and extended hearing on this proposal. The committee consumed an entire day in hearing both sides on the bill. A great majority of those who were heard were in favor of the measure.

I do not know anything about the distillers or about monopolies in the distillery business. It is my duty here, as acting chairman of the Committee on Ways and Means, owing to the illness of the distinguished chairman, ROBERT L. DOUGHTON, and who, I am happy to say, is making a splendid recovery, to present to you the facts in regard to this bill.

Mr. COOPER. Mr. Speaker, will the gentleman yield?

Mr. CULLEN. I yield to the gentleman.

Mr. COOPER. I am sure the gentleman will agree that this bill is strongly recommended by the Treasury Department?

Mr. CULLEN. I was coming to that.

Mr. COOPER. And I believe the gentleman will also agree that there has not been a public hearing held by the Ways and Means Committee on any bill where the witnesses were more overwhelmingly in favor of a measure, with less opposition expressed to it, than the bill presented here today.

Mr. CULLEN. The gentleman is absolutely right.

Mr. FULLER. Mr. Speaker, will the gentleman yield?

Mr. CULLEN. I cannot yield. Unless we pass this bill we will lose upward of $14,000,000 in revenue, and you ask the question how and why. Because there will be more withdrawals from the bonded warehouses by the package stores, the wholesalers, and the distributors to evade the tax which goes into effect on the 1st of July, and if we place this floor tax on the revenue yields of the Government will be $4,000,000 or more. Still more than that, the Treasury Department came down before the committee in favor of this bill. I do not know who the trusts are, or the distillers, but I have a duty to perform here as the acting chairman of the Committee on Ways and Means. This bill is honest in its intention, and without any clamor in regard to the Whisky Trust, and all that, this is an honest, judicious piece of legislation and should be approved by this House.

The SPEAKER pro tempore. The time of the gentleman from New York has expired.

Mr. FADDIS. Mr. Speaker, I make the point of order that there is no quorum present.

The SPEAKER pro tempore. The gentleman from Pennsylvania makes the point of order that there is no quorum present. Evidently there is not.

Mr. THOMPSON of Illinois. Mr. Speaker, I move a call of the House.

The motion was agreed to.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 98]

Allen, Del.	Ditter	Kvale	Schulte
Anderson, Mo.	Dockweiler	Lemke	Short
Andresen, Minn.	Doughton	Lesinski	Simpson
Atkinson	Douglas	Lewis, Md.	Smith, Okla.
Beam	Drewry, Va.	Lucas	Snyder, Pa.
Boylan, N. Y.	Driver	McClellan	Somers, N. Y.
Buckley, N. Y.	Fish	McGranery	Sparkman
Bulwinkle	Fitzgerald	McGroarty	Stack
Burch	Fitzpatrick	McKeough	Steagall
Byrne	Flannery	McMillan	Sumners, Tex.
Caldwell	Fleger	Mills	Sutphin
Cannon, Wis.	Ford, Calif.	Mitchell, Ill.	Swope
Carter	Frey, Pa.	Mitchell, Tenn.	Taylor, Colo.
Cartwright	Gasque	Mosier, Ohio	Thurston
Champion	Gingery	Mouton	Tobey
Chapman	Griswold	Norton	Wadsworth
Clark, Idaho	Hancock, N. C.	O'Connell, Mont.	Wearin
Clark, N. C.	Harrington	O'Connor, Mont.	Weaver
Cochran	Harter	O'Day	Wene
Coffee, Wash.	Hartley	Palmisano	Whelchel
Creal	Hendricks	Patrick	White, Idaho
Crosby	Hildebrandt	Quinn	Whittington
Culkin	Hook	Reed, N. Y.	Withrow
Curley	Kelly, Ill.	Sacks	Wolcott
Daly	Kelly, N. Y.	Sadowski	Wood
Deen	Kerr	Satterfield	
Disney	Kniffin	Schneider, Wis.	

The SPEAKER pro tempore. On this call 313 Members have answered to their names, a quorum.

Mr. THOMPSON of Illinois. Mr. Speaker, I move to dispense with further proceedings under the call.

The motion was agreed to.

Mr. FULLER. Mr. Speaker, I yield the remainder of my time to the gentleman from New York [Mr. O'CONNOR].

Mr. O'CONNOR of New York. Mr. Speaker, this is the old story familiar to many of us, of the Whisky Trust trying to get another undue advantage of our people.

Unfortunately the gentleman from Arkansas [Mr. FULLER], today made a remark which might influence the passage of the bill. The bill had no possibility of passage, when understood by the House, except for the unfortunate remark by the gentleman from Arkansas. Knowing him as I do, I know that it did not come from his heart. I know that he was trying to state some facts as he thought they existed. The facts are unimportant. If they are honest men, it is unimportant as to their racial strains. I would be the first to denounce any reference to such matters. It was most unfortunate. It is unimportant who is in the whisky busness.

I personally had something to do with the repeal of the eighteenth amendment, and at that time I fought for a high tax on whisky. Most thinking people, and many in high places, favored a high tax on whisky for the reason that they well knew that the supply of whisky was controlled by a trust, and no matter what tax was put on it, nothing, or $5, or $7 a gallon, the Whisky Trust would charge all the traffic would bear. Every word uttered at that time has come true. They have charged all the traffic will bear, and would charge the same if there were no tax. But through some manipulation the Whisky Trust was able to get a tax of only $2 a gallon, which actually raised the cost of whisky

15 cents a quart. Between the 90-cent whisky of pre-prohibition days and the cost of whisky today, there is only 15 cents a quart in tax put on it, but the price is three or four dollars a quart.

When we passed this amendment to put an additional 25-cent tax on whisky, and it should have been a dollar, and we could have passed it at a dollar as readily as at 25 cents, it was directed against the distillers, principally the Whisky Trust.

Of course, I do not subscribe to what the gentleman from Arkansas said; but the fact is that the gentlemen in control of the Whisky Trust since repeal were the leading bootleggers during prohibition. They are the same individuals who have since had to make their peace with the Government and pay millions of dollars in revenue to the Government because of their bootleg operations. They control the whisky of this country.

What has happened? We put a 25-cent tax on whisky, directed at the distiller, nobody else. Every word of the debate on that increase was directed at the distiller, not the retailer or the consumer. That does not mean 25 cents a real gallon—it is 25 cents a proof gallon. If it was actually on a real wine-gallon, it would be only 6 cents a quart. The distillers immediately announced they would have to raise the price 60 cents a quart to meet this 6 cents, or less, tax a quart. Now they come back here, unknown to anybody but this distinguished Ways and Means Committee, and they say, "Make the little storekeeper pay this tax, make the retailer pay this tax on whisky that he has on his shelves—the whisky for which he paid three and four dollars a quart a few years ago." Now that the whisky war is on and prices are somewhat lower, the distillers want to put another 25-cent tax on the little storekeeper, which, of course, would be passed on to the consumer. That relieves the distiller of the increase in tax. It has always been that way since repeal, so strong is the whisky lobby in our corridors.

If there is anybody here who does not believe there is a Whisky Trust, they just have not been around. It has been published at large. The company reports show it; investigations have been proposed; everybody knows who is in the Whisky Trust.

Now the trust comes here once again to try to pass the increased tax on to the little storekeeper—this 25 cents a gallon. Oh, they say we are giving the little retailer an exemption of 250 wine-gallons. That is about 1,000 bottles. Any retail store that has not got over 1,000 bottles of whisky on its shelves is not in business.

The issue here, in spite of what has been said, is not revenue but who is to pay the revenue. Something has been said about the Treasury Department. When this matter first came before this Congress, the Treasury Department said they had no interest in it whatsoever. Thereafter they said that it might mean a little more revenue; but where is that revenue coming from? We hear talk about $5,000,000 or $14,000,000 in additional revenue; but that $5,000,000 or $14,000,000 is going to be saved to the Whisky Trust, the distillers, and is going to be foisted upon the retailers and the consumers.

I was against prohibition. I introduced bills to repeal prohibition, but sometimes I have regretted that. If ever prohibition does come back—and it is not beyond possibility because of the way the trust has mulcted the American people—I will not say now that I would not vote for it to come back just because of what the Whisky Trust and the distillers have done to debase what we thought was a great issue of liberty in these United States.

Mr. KRAMER. Mr. Speaker, will the gentleman yield?

Mr. O'CONNOR of New York. I yield.

Mr. KRAMER. I hold in my hand a telegram which was sent to me by Mr. Joseph Granas, of the California Retail Liquor Dealers' Association.

Mr. O'CONNOR of New York. Please just state the substance of the telegram.

Mr. KRAMER. The telegram says:

Retail dealers of California—

Not of Los Angeles but of the entire State—

are opposed to this tax and ask the California delegation not to support this resolution.

Mr. O'CONNOR of New York. We did not repeal prohibition for these distillers even though they think so. They sat in their offices, they gobbled up all the supply of whisky in the country which they had themselves as bootleggers and all the rest they could get from other bootleggers, and they have been charging the American people what they saw fit and all the traffic would bear. As between the present condition and what we expected when we repealed the eighteenth amendment, I would be inclined to consider prohibition today.

Mr. Speaker, this is our chance to send word out to the Whisky Trust that they do not control the Congress of the United States, by not adopting this amendment which is against the businessmen of this country and against our own people who are concerned with the price of liquor. Let us give this one last death blow to the Whisky Trust so they will not be filling our Halls with their lobbyists. I believe this is a crucial test as to whether or not the Whisky Trust is going to tell the Congress of the United States what it shall do. No more pernicious lobby ever haunted our Halls.

Mr. Speaker, I yield back the balance of my time.

Mr. THOMPSON of Illinois. Mr. Speaker, I yield such time as he may desire to the gentleman from New York [Mr. CELLER].

Mr. CELLER. Mr. Speaker, I am in favor of House Joint Resolution 683, introduced by my esteemed colleague, EMMET O'NEAL, of Kentucky. I believe we should pass this bill as an emphatic protest and as a well-deserved rebuke to the gentleman from Arkansas, CLAUDE A. FULLER, because of his intemperate and ill-considered remarks this afternoon. His argument is an appeal to bigotry and racial prejudice. It is the old story—when argument fails, have recourse to prejudice. If there was any doubt as to the advisability of the bill, his remarks have resolved all of those doubts in favor of the bill. Watch the vote. That will be the telltale. I hope he will nevermore avail himself of religious prejudice. I am sure that, upon sober reflection, the gentleman from Arkansas will realize his blunder.

For example, there are some 3,000 package stores in New York City. Failure to pass this floor tax would give great comfort to large entities and wealthy licensees. They could demand great credit. They could borrow large sums of money. They could use of their own present store of wealth, all for the purpose of buying up presently large stocks of liquor. They could make 25 cents on each gallon. Their less favored competitors, unable to command such wealth, would only receive under this bill an exemption on their floor stock of but 250 gallons. I have in mind two particular establishments that could well afford to expend probably a million dollars each in purchasing present stocks, with a consequent saving of 25 cents on each gallon. This 25 cents per gallon is a saving of 12½ percent of the present tax of $2. It is a staggering amount.

The Treasury Department is in favor of this bill, and through Mr. Stewart Berkshire, Deputy Commissioner of the Bureau of Internal Revenue, states as follows:

If the industry withdraws a stock sufficient to supply a 6 months' demand and the present consumption for 1 month is 9,800,000, 6 times 9,800,000 is something in the neighborhood of fifty-nine or sixty million gallons. The Treasury has figured that as being a part of the income for the Government next year which will be withdrawn now and tax paid at the $2 rate instead of $2.25.

The loss of the Government is 25 cents on some fifty-nine or sixty million gallons, or something in the neighborhood of $15,000,000. Figured at the same ratio, there will be normally on the floor of distillers, dealers, and others, as of July 1, 1938, tax-paid spirits equivalent to a supply for about one-half month's consumption, or approximately 15,000,000 gallons. Figuring these 15,000,000 gallons at the rate of 25 cents per gallon would result in a revenue of approximately

$3,750,000. In other words, on July 1, 1938, there will be a normal supply of 1½ months' consumption on hand. The additional tax of 25 cents on this amount would give you $3,750,000. This sum must be added to the loss of a little less than $15,000,000 aforesaid.

The question therefore appears to be this: With this floor tax the Government will gain at least $15,000,000 more. Without the floor tax it will lose $15,000,000. That is the vital question that must be determined.

Secondly, without this floor tax industry will be demoralized. You will favor the rich man as against all others. Also, we have never passed an increase of a liquor tax without an accompanying floor tax. You must remember that the Robertson amendment increasing the liquor tax was effectuated on the floor. That amendment did not come out of the Ways and Means Committee. That is why the Robertson amendment was not accompanied by a floor tax. The instant bill supplies this lack.

We had a floor tax in 1917, when the tax was raised from $1.10 to $2.20. It was done again in 1918, when the tax was raised from $2.20 to $6.40, which was the prohibition rate for beverage liquor. It was done again in 1934, when it was raised from $1.10, having been reduced back in the Revenue Act of 1926, and increased again to $2 in order to promote a stabilization and a normal handling of the tax collections.

Mr. THOMPSON of Illinois. Mr. Speaker, a parliamentary inquiry.

The SPEAKER pro tempore. The gentleman will state it.

Mr. THOMPSON of Illinois. Mr. Speaker, has time under the control of the gentleman from Arkansas expired?

The SPEAKER pro tempore. The gentleman from Arkansas has 1 minute remaining.

Mr. FULLER. Mr. Speaker, I yield back the balance of my time.

Mr. THOMPSON of Illinois. Mr. Speaker, we have heard much discussion this afternoon about the Whisky Trust sponsoring this measure. I do not know anything about the Whisky Trust, and if there is one I am against it on general principle. I do know that a large number of groups appeared before the Ways and Means Committee and approved this bill. The American Federation of Labor approved it, the National Association of Cooperage Manufacturers approves it, the National Association of Retail Package Stores, representing some 25,000 or 26,000 small package stores in several States of the Union, favor this measure.

This is a measure that will stabilize the liquor industry of the country. This measure if enacted into law will be helpful to the "little fellow" because the "little fellow" is unable to command money or credit enough to buy sufficient liquor ahead to avoid the 25-cent increase in tax carried in the Revenue Act of 1938, and effective July 1.

Mr. KRAMER. Mr. Speaker, will the gentleman yield?

Mr. THOMPSON of Illinois. I decline to yield.

The large department stores and chain stores with their vast purchasing power and capital can buy huge stocks of liquor, possibly 3 to 6 months' supply, perhaps more, and thereby depress the market to the disadvantage of the so-called little fellow during at least the next 6 months.

Let me point out to the House that the Treasury Department is in favor of this measure, that its representatives appeared before our committee favoring the floor tax. It has been customary in all prior tax legislation where an excise tax has been assessed or increased on any commodity to include a floor stock tax. There is nothing new about this proposal. It should have been written into the amendment to the Revenue Act at the time it was passed.

Mr. BUCK. Mr. Speaker, will the gentleman yield?

Mr. THOMPSON of Illinois. I yield.

Mr. BUCK. In view of the fact we have an increased attendance in the House, will not the gentleman again call attention to the fact that this bill is proposed in the interest of the revenue of the United States Government, that it means at least $4,000,000 if adopted; and that failure to adopt it means possibly the loss of $14,700,000?

Mr. THOMPSON of Illinois. The Treasury Department has informed the committee there is $14,000,000 of revenue involved in this measure. As the gentleman from California has stated, the floor tax will amount to $4,000,000 and the anticipated withdrawals will amount to another $10,000,000.

[Here the gavel fell.]

The SPEAKER pro tempore. All time has expired. The question is, Will the House suspend the rules and pass the joint resolution?

So (two-thirds having voted in favor thereof) the rules were suspended, and the joint resolution was passed.

A motion to reconsider was laid on the table.

The title was amended so as to read: "Joint resolution to provide for a floor-stock tax on distilled spirits, except brandy."

PRIVATE CALENDAR

The SPEAKER pro tempore. Under a previous order of the House, the Clerk will call the first bill on the Private Calendar.

GLENN R. MARTIN

The Clerk called the first bill on the Private Calendar, H. R. 8380, for the relief of Glenn R. Martin.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Glenn R. Martin, Hagerstown, Md., the sum of $2,500. The payment of such sum shall be in full settlement of all claims against the United States on account of personal injuries sustained by the said Glenn R. Martin when the automobile which he was driving was struck, on November 18, 1936, in Hagerstown, Md., by an automobile owned by the Department of the Treasury and operated by an employee of such Department.

With the following committee amendments:

Page 1, line 6, strike out "$2,500. The payment of such sum shall be" and insert "$2,500."

Page 1, line 9, strike out "the said Glenn R. Martin" and insert "him."

Page 2, line 1, strike out "Department of the Treasury and operated by an employee of such Department" and insert the following: "Treasury Department and operated by an investigator of the Alcohol Tax Unit: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

FRANK W. LOHN

The Clerk called the next bill, H. R. 8423, for the relief of Frank W. Lohn.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Frank W. Lohn, the sum of $149.21 in full satisfaction of his claim against the United States for expenses incurred during February 1935, pursuant to official orders, investigating the death of a narcotic inspector of the Treasury Department, which was disallowed by the Comptroller General.

With the following committee amendments:

Page 1, after line 5, insert "special agent of the Intelligence Unit, Bureau of Internal Revenue."

Page 1, line 11, strike out "was" and insert "were."

Page 1, after line 11, insert a colon and the following: *"Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time and passed, and a motion to reconsider was laid on the table.

JOHN F. AND ETHEL M. DAILEY

The Clerk called the next bill, H. R. 8424, for the relief of John F. and Ethel M. Dailey.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to John F. and Ethel M. Dailey, of Everett, N. J., the sum of $250 in full satisfaction of their claim against the United States for damages to their automobile, and the sum of $1,250 in full satisfaction of their claim against the United States for personal injuries incurred as the result of a collision with a United States Army truck, license No. 420, War Department, at the intersection of Harmony Road, Kings Highway, and State Highway No. 35, about 7 miles north of Red Bank, N. J., on February 20, 1937: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendments:

Page 1, line 6, strike out "$250" and insert "$100."
Page 1, line 8, strike out "$1,250" and insert "$500."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

The title was amended so as to read "A bill for the relief of John F. Dailey and Ethel M. Dailey."

LT. COMDR. JAMES T. MATHEWS

The Clerk called the next bill, H. R. 8480, for the relief of Lt. Comdr. James T. Matthews.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he hereby is, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to James T. Mathews, lieutenant commander, United States Navy, the sum of $930. Such sum represents the amount of the damages sustained by the said James T. Mathews and his wife through the destruction, in whole or in part, of their clothing and other personal property in a fire of undetermined origin in the quarters of the said James T. Mathews at the Navy Yard, Charleston, S. C., on April 17, 1933. The payment of such sum shall be in full settlement of all claims by the said James T. Mathews and his wife against the United States for any loss sustained as a result of such fire.

With the following committee amendments:

Page 1, strike out lines 7 and 8 and the word "through", on line 9, and insert the following: "$750, in full satisfaction of his claim, and that of his wife against the United States because of."

Page 2, line 3, after the figures "17", strike out the balance of the line and all of lines 4, 5, and 6 and insert the following: "1933: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

The title was amended so as to read "A bill for the relief of Commander James T. Mathews."

HARRY BRYAN AND ALDA DUFFIELD MULLINS, ET AL.

The Clerk called the next bill, H. R. 8515, to amend the act entitled "An act for the relief of Harry Bryan and Alda Duffield Mullins and others.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the act entitled "An act for the relief of Harry Bryan and Alda Duffield Mullins, and others," approved August 28, 1937, is hereby amended by adding at the end thereof the following section:

"SEC. 3. That the Works Progress Administration is hereby authorized and directed to pay, out of any money allocated by the President for the maintenance and operation of the Works Progress Administration, all hospital, medical, and other expenses necessarily incurred by the claimants named in this act as the result of the explosion in Gassaway, W. Va., November 7, 1936."

With the following committee amendment:

Strike out all after the enacting clause and insert the following:

"That the act entitled 'An act for the relief of Harry Bryan and Alda Duffield Mullins, and others,' approved August 28, 1937 (Private Act No. 398, 75th Cong.), is hereby amended by adding at the end thereof the following section:

"'SEC. 3. That the Secretary of the Treasury is hereby authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, in accordance with certifications of the Works Progress Administrator, or his duly authorized representative, under this act, all hospital, medical, and other expenses necessarily incurred by the claimants named in this act as a result of the explosion in Gassaway, W. Va., November 7, 1936, and such payments, when made, shall be in full settlement of all claims against the United States for said expenses. No payment shall be made under the provisions of this act for any of said expenses incurred after August 28, 1937, and application for any of said expenses shall be filed with the Works Progress Administration by or on behalf of the person entitled to payment within 6 months from the date of approval of this amendatory act. The Works Progress Administrator, or his duly authorized representative, shall determine the amount due on any application, and the person entitled thereto under the provisions of this act, and shall certify such determination to the Secretary of the Treasury, which determination shall be final and conclusive upon the accounting officer of the Government.'"

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

The title was amended so as to read: "A bill to amend the act entitled 'An act for the relief of Harry Bryan and Alda Duffield Mullins,' approved August 28, 1937."

KATHERIN PATTERSON

The Clerk called the next bill, H. R. 9034, for the relief of Katherin Patterson.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Katherin Patterson, of Soperton, Ga., the sum of $1,000 in full settlement of all claims against the Government of the United States for personal injuries, including loss of an eye, suffered by the said Katherin Patterson on July 3, 1935, at Civilian Conservation Corps Camps P–61 at Soperton, Ga., when struck by a baseball thrown by an enrollee of said camp while the said Katherin Patterson was making an authorized business visit to the camp.

With the following committee amendments:

Page 1, line 5, strike out "Katherin" and insert "Katherine."
Page 1, line 8, after the word "injuries", strike out "including loss of an eye."
Page 1, line 9, strike out "the said Katherin Patterson" and insert "her."
Page 1, line 10, strike out "camps" and insert "camp."
Page 1, line 12, strike out "the said Katherin Patterson" and insert "she."
Page 2, line 1, after the word "camp" insert a colon and the following: "*Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

The title was amended so as to read: "A bill for the relief of Katherine Patterson."

MARSHALL CARVER

The Clerk called the next bill, H. R. 9130, for the relief of Marshall Carver.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Marshall Carver, the sum of $4,000, in full settlement of all claims against the Government of the United States for injuries suffered by the said Marshall Carver as a result of a Government-owned truck operated by an employee of the Government in the Civilian Conservation Corps striking a wagon driven by the said Marshall Carver near Simpson, La., November 6, 1935: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000

With the following committee amendments:

Page 1, after line 5, insert "of Simpson, La."

Page 5, line 6, strike out "$4,000" and insert "$3,500."

Page 1, line 8, after the word "by", strike out the balance of the line and all of lines 9, 10, and 11, and insert the following: "him when a wagon he was driving was struck by Civilian Conservation Corps truck on Louisiana State Highway numbered 504."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

EMILY HYER LA VERGNE, EXECUTRIX OF THE ESTATE OF W. K. HYER

The Clerk called the next bill, S. 593, for the relief of Emily Hyer LaVergne, executrix of the estate of W. K. Hyer.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury allocated by the President for the maintenance and operation of the Civilian Conservation Corps, to Emily Hyer LaVergne, executrix of the estate of W. K. Hyer, the sum of $2,500 in full settlement of all claims against the United States on account of personal injuries resulting in the death of the said W. K. Hyer, in a collision on October 21, 1935, between an automobile owned and operated by the said W. K. Hyer and a Government vehicle operated in connection with the Civilian Conservation Corps near Charleston, S. C.: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendments:

Page 1, lines 5 and 6, strike out the words "allocated by the President for the maintenance and operation of the Civilian Conservation Corps" and insert "not otherwise appropriated."

Page 1, line 8, after the name "Hyer" insert "deceased, formerly of Charleston, S. C."

The committee amendments were agreed to.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

The title was amended so as to read: "A bill for the relief of the estate of W. K. Hyer."

LT. T. L. BARTLETT

The Clerk called the next bill, S. 2655, for the relief of Lt. T. L. Bartlett.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Lt. T. L. Bartlett, Marine Corps Reserve, of Washington, D. C., the sum of $104.70 in full satisfaction of all his claims against the United States for damages for the loss of personal property by a fire which resulted when a Civilian Conservation Corps enrollee, of the camp at which he was an officer, placed a lighted candle in his tent contrary to instructions: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

VIRGIL D. ALDEN AND OTHERS

The Clerk called the next bill, S. 2739, for the relief of Virgil D. Alden and others.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Comptroller General of the United States be, and he is hereby, authorized and directed to receive and settle the claims of Virgil D. Alden, Kenneth B. Aldrich, John Richard Altieri, Nell Marie Berghout, Sarah M. Braden, Allen R. Bradley, Alfred Preston Brown, Earl H. Brown, Edmund M. Burke, C. R. Butcher, Roy C. Clark, Gwynn J. Cohan, Dorothy H. Cohen, Charles E. Darragh, A. B. Dunning, William G. Elliott, Catherine L. Finnegan, J. Wilfrid Fleming, Edward C. Gallagher, Robert P. Green, Jr., Cecil L. Howell, Leo J. Kriz, Virginia Dale Lambert, Edward Linders, Walter R. Lord, William F. Madden, Lester H. Moore, Edgar W. O'Harow, Joseph Place, Harry T. Poe, Edward L. Price, Martin D. Reilly, Thomas J. Reilly, Jr., Ruth H. Rose, Stephen Hubbell Smith, Wilbur W. Smith, David J. Speck, William H. Tolhurst, Robert J. Weeks, Christopher J. Weldon, Harold C. Williams, Raymond M. Wilson, Shirley Wright, Nelson D. Zimmerman, Clyde S. Adams, Joseph L. Cahill, John Clegg, Lawrence P. Cain, Thomas F. Conboy, William A. Conroyd, C. Gilbert Countiss, Robert D. DeLoney, William B. Edwards, Harry R. Ellenberger, Maxwell Hall Elliott, Jr., Harold Epstein, Grover D. Farnsworth, John Ellis Field, Benjamin H. Fish, Nathan H. Fox, Clem A. Harkey, Edgar W. Hawkins, Paul Kirby Hennessy, Frank A. Hourihan, Charles Louis Jacob, John H. Jenkins, Josiah W. Johnson, J. Gilbert Joyce, Louis D. Keisey, R. K. Knox, William B. Lamb, Chandler H. Lapsley, Antony Larweth, John S. Lynn, Theodore I. Lundquist, Fred J. Mack, James O. McConnell, Wendell S. Merick, Harry C. Miller, Gladys Moore, Clifton William Perry, Thomas C. Peace, James B. Redpath, Ira R. Robinson, Smith L. Rose, Stephen Samuel Sarrapede, Harrison L. Small, George P. Stowitts, Herman R. Strehl, Harry B. Turner, Jr., Harrison A. Underwood, Alfred John Walker, William G. Walker, George A. West, and Henry E. Wolff for transportation, travel, and subsistence expenses incurred upon their transfer to new headquarters pursuant to orders directing such transfers which were signed for the Federal Emergency Administrator of Public Works, in the temporary absence of said Administrator, with the approval of said Administrator, during the period from September 6, 1935, to May 23, 1936, and the claim of Harlow M. Stafford for transportation, travel, and subsistence expenses incurred upon his transfer to new headquarters pursuant to an order directing such transfer which was signed for the Chairman of the National Resources Committee, in the temporary absence of said Chairman, with the approval of said Chairman, on February 24, 1936. All such claims allowed shall be payable under the appropriation otherwise available for such expenditures for the fiscal year in which the obligation was incurred: *Provided*, That there shall be a sufficient sum available under such appropriation to settle such claims which may be found allowable; otherwise there is hereby appropriated, out of any money in the Treasury not otherwise appropriated, a sufficient sum of money to meet the difference.

SEC. 2. In case there has been heretofore withheld or deducted from any amounts otherwise payable out of Government funds to any person hereinabove named any amount on account of any item paid or allowed for transportation charges in connection with the transfer and assignment hereinabove referred to, the Comptroller General of the United States is authorized and directed to pay, in accordance with the same provisions as outlined in section 1, to such person a sum equal to the amount so withheld or deducted.

SEC. 3. Each person named in section 1 of this act is hereby released from any liability to refund or pay to the Government, or otherwise discharge, any item paid or allowed for transportation charges in connection with the transfer and assignment referred to in such section, and no deductions on account of any

such item shall be made from any amount due or payable out of Government funds to any such person.

With the following committee amendments:

Page 1, line 5, start with the word "of" and strike out all of the bill through the name "Wolff" in line 25, page 2.

Page 3, line 1, after the word "incurred", insert "by persons."

Page 3, line 7, strike out the words "claim of Harlow M. Stafford" and insert "claims of persons."

Page 3, line 8, strike out the word "his" and insert "their."

Page 4, line 5, strike out the words "named in" and insert "affected by."

The committee amendments were agreed to.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

The title was amended so as to read: "A bill for the relief of certain employees of the Federal Emergency Administration of Public Works and the National Resources Committee."

DOROTHY ANNE WALKER

The Clerk called the next bill, S. 3056, for the relief of Dorothy Anne Walker, a minor.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to the legal guardian of Dorothy Anne Walker, a minor, of Dodge County, near Chauncey, Ga., the sum of $10,000 in full satisfaction of her claim against the United States for damages for injuries sustained by her as a result of being struck on Highway No. 27, about 12 miles south of Eastman, Ga., by a United States Army truck after she had alighted from a school bus on May 19, 1937: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with such claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with such claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendments:

Page 1, line 7, strike out "$10,000" and insert "$7,500."

Page 1, line 8, strike out the words "damages for" and insert "personal."

The committee amendments were agreed to.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MR. AND MRS. S. A. FELSENTHAL ET. AL.

The Clerk called the next bill, S. 3147, for the relief of Mr. and Mrs. S. A. Felsenthal, Mr. and Mrs. Sam Friedlander, and Mrs. Gus Levy.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Mr. and Mrs. S. A. Felsenthal, of Memphis, Tenn., the sum of $1,382.75; to Mr. and Mrs. Sam Friedlander, of Memphis, Tenn., the sum of $3,389.50; and to Mrs. Gus Levy, of Jackson, Tenn., the sum of $107.33. The payment of such sums to the respective persons named shall be in full settlement of all claims against the United States for damages sustained by the said Mr. and Mrs. S. A. Felsenthal, Mr. and Mrs. Sam Friedlander, and Mrs. Gus Levy on account of personal injuries received by them when an automobile in which they were occupants was struck by a reconnaissance car owned by the United States and operated by an employee of the United States at the time of said accident, near the intersection of Union Avenue and Belvidere Boulevard in the city of Memphis, Tenn., on or about February 18, 1936: *Provided*, That no part of the amounts appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendments:

Page 1, line 6, strike out the figures "$1,382.75" and insert "$3,000."

Page 1, line 8, strike out the figures "$3,389.50" and insert "$5,000."

Page 1, lines 9 and 10, strike out the figures and words "$107.33 The payment of such sums to the respective persons named shall be" and insert "$250."

Page 1, line 11, and page 2, lines 1 and 2, strike out the words "damages sustained by the said Mr. and Mrs. S. A. Felsenthal, Mr. and Mrs. Sam Friedlander, and Mrs. Gus Levy on account of."

Page 2, line 4, after the word "by", insert "a United States Army", and after the word "car" insert a comma.

Page 2, lines 4, 5, and 6, strike out the words "owned by the United States and operated by an employee of the United States at the time of said accident."

Page 2, line 7, strike out the name "Belvidere" and insert "Belvedere."

Page 2, line 8, strike out the words "or about."

The committee amendments were agreed to.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ARTHUR LEE DASHER

The Clerk called the next bill, S. 1817, for the relief of Arthur Lee Dasher.

Mr. SNELL, Mr. HANCOCK of New York, and Mr. TABER objected, and, under the rule, the bill was recommitted to the Committee on Military Affairs.

JAMES PHILIP COYLE

The Clerk called the next bill, H. R. 10135, for the relief of James Philip Coyle.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Navy be, and he is hereby, authorized and directed to accept for enlistment in the Navy, without regard to physical or other qualifications, James Philip Coyle, formerly chief water tender, United States Navy, in the rating of chief water tender, and to transfer him immediately to the Fleet Naval Reserve in that rating and with all the benefits and emoluments thereof which he would have been entitled to receive had he been transferred to the Reserve under the provisions of the applicable laws in force at the date of his discharge from the naval service of the United States on September 21, 1922: *Provided*, That no back pay or allowances shall be held to have accrued prior to the date of approval of this act.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

WILLIAM BOWIE

The Clerk called the joint resolution (S. J. Res. 247) authorizing William Bowie, captain (retired), United States Coast and Geodetic Survey, Department of Commerce, to accept and wear decoration of the Order of Orange Nassau, bestowed by the Government of the Netherlands.

There being no objection, the Clerk read the joint resolution, as follows:

Resolved, etc., That William Bowie, captain (retired), United States Coast and Geodetic Survey, Department of Commerce, be, and he hereby is, authorized to accept and wear the decoration of the Order of Orange Nassau, bestowed by the Government of the Netherlands; the same having been conferred upon him by the Queen of the Netherlands in recognition of his outstanding achievements in the interests of international science and geodesy. The Department of State is hereby authorized to deliver the said decoration to the aforementioned William Bowie.

The joint resolution was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

PERRY WALKER

The Clerk called the next bill, H. R. 4367, for the relief of Perry Walker.

There being no objection, the Clerk read the bill, as follows:

Be it enacted etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Perry Walker, of Weathers, Okla., the sum of $1,000. Such sum shall be in full settlement of all claims against the United States on account of damage caused to his home during the recapture of two bank robbers, Dewey

Gilmore and Dan T. Heady, on December 6, 1935, who were apprehended by a posse led by a deputy United States marshal for the eastern district of Oklahoma.

With the following committee amendments:

Page 1, line 6, after the words "the sum of" strike out "$1,000. Such sum shall be" and insert "$300."

Line 8, after the word "damage", strike out "caused to his home" and insert "to his home and property by bullets fired."

Page 2, line 2, after the word "Oklahoma," insert the following: "*Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

HATTIE DOUDNA

The Clerk called the next bill, H. R. 6952, for the relief of Hattie Doudna.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That sections 17 and 20 of the act entitled "An act to provide compensation for employees of the United States suffering injuries while in the performance of their duties, and for other purposes," approved September 7, 1916, as amended (U. S. C., title 5, secs. 767, 770), are hereby waived in favor of Hattie Doudna, nee Hattie Pushaw, who contracted a disability while employed at the veterans' hospital at Oteen, N. C., and her case is authorized to be considered and acted upon under the remaining provisions of such act, as amended, if she files a notice of such disability and claim for compensation with the United States Employees' Compensation Commission not later than 60 days after the date of enactment of this act.

With the following committee amendments:

In line 3, strike out the words "sections 17 and 20" and insert "the limitations of time in sections 15 to 20, both inclusive."

In lines 8, 9, and 10, strike out the words "who contracted a disability while employed at the veterans' hospital" and insert "of Orlo Vista, Fla., on account of deafness alleged to have been the result of a disease contracted while an employee of the Veterans' Administration facility."

In lines 14 and 15, strike out the words "60 days" and insert "6 months."

At the end of the bill add: "*Provided*, That no benefits shall accrue prior to the approval of this act."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

JOHN B. DOLLISON

The Clerk called the next bill, H. R. 8417, for the relief of John B. Dollison.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to John B. Dollison, Columbus, Ohio, the sum of $5,000. The payment of such sum shall be in full settlement of all claims against the United States for eye injuries sustained by the said John B. Dollison in the course of his employment by the Home Owners' Loan Corporation at Columbus, Ohio, such injuries resulting in the loss of his position in June 1935.

With the following committee amendment:

Strike out all of the bill after the enacting clause and insert in lieu thereof the following:

"That the limitations of time in sections 15 to 20, both inclusive, of the act entitled 'An act to provide compensation for employees of the United States suffering injuries while in the performance of their duties, and for other purposes,' approved September 7, 1916, as amended, are hereby waived in favor of John B. Dollison, of Columbus, Ohio, and the Employees' Compensation Commission is hereby authorized and directed to receive and consider, under the remaining provisions of said act, his claim for compensation on account of impairment of his sight allegedly due to conditions of his employment by the Home Owners' Loan Corporation at its district office, Columbus, Ohio, between October 1, 1933, and July 21, 1935, if same is filed within 6 months after the approval of this act: *Provided*, That no benefits shall accrue prior to the approval of this act."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ALBA C. MITCHELL

The Clerk called the next bill, H. R. 8544, for the relief of Alba C. Mitchell.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury allocated by the President for the maintenance and operation of the Civilian Conservation Corps, to Alba C. Mitchell, of Parsons, Tucker County, W. Va., the sum of $786.80 in full satisfaction of his claim against the United States for damages for personal injuries suffered on May 22, 1937, when he was struck in the back by a Civilian Conservation Corps truck driven by Charles Green, an employee of the Civilian Conservation Corps, Camp No. 518, Parsons, W. Va.: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendments:

Page 1, lines 5 and 6, strike out the words "allocated by the President for the maintenance and operation of the Civilian Conservation Corps" and insert "not otherwise appropriated."

Page 1, line 9, strike out the words "for damages."

Page 1, line 10, strike out the figures "22" and insert "24."

Page 1, line 10, also strike out the words "in the back."

Page 1, lines 11 and 12, and page 2, line 1, strike out the words "driven by Charles Green, an employee of the Civilian Conservation Corps, Camp No. 518, Parsons, W. Va." and insert "while working on United States Highway No. 219, near the summit of Backbone Mountain, W. Va."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

RUBY Z. WINSLOW

The Clerk called the next bill, H. R. 8696, for the relief of Ruby Z. Winslow.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury allocated by the President for the maintenance of the Civilian Conservation Corps, to Ruby Z. Winslow the sum of $1,285.25 in full and final settlement of all claims against the Government for loss of personal property in a fire which occurred in Quarters No. 52–B, Hospital Steward's Quarters, Fort Sheridan, Ill., on November 4, 1936.

With the following committee amendments:

In lines 5 and 6, strike out the words "allocated by the President for the maintenance of the Civilian Conservation Corps" and insert "not otherwise appropriated."

In line 6, also, after the name "Winslow", insert "of Myricks, Mass."

In line 7, strike out the figures "$1,285.25" and insert "$1,070.50."

In line 8, strike out the word "Government" and insert "United States."

At the end of the bill add: ": *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

SPENCER D. ALBRIGHT, JR.

The Clerk called the next bill, H. R. 8723, for the relief of Spencer D. Albright.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money

in the Treasury not otherwise appropriated, to Spencer D. Albright, of Austin, Tex., the sum of $10,000. The payment of such sum shall be in full satisfaction of the claim of the said Spencer D. Albright against the United States for the death of his minor son, who was killed when a United States Army airplane crashed into his residence at Austin, Tex., on December 7, 1937: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendments:

Page 1, line 6, after the name "Albright", insert "Jr."
Page 1, lines 6, 7, and 8, strike out the figures and words "$10,000. The payment of such sum shall be in full satisfaction of the claim of said Spencer D. Albright" and insert "$3,500, in full settlement of all claims."
Page 1, line 9, after the word "son", insert the name "Leonard."
Page 1, line 10, strike out the words "Army airplane" and insert "airplane operated by a Mexican Army officer in training at the Army Air Corps Flying School, Kelly, Tex."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

The title was amended so as to read: "A bill for the relief of Spencer D. Albright, Jr."

J. J. B. HILLIARD & SON

The Clerk called the bill (H. R. 9142) for the relief of J. J. B. Hilliard & Son, of Louisville, Ky.

There being no objection the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to J. J. B. Hilliard & Son, of Louisville, Ky., the sum of $762.39. The payment of such sum is in full satisfaction of their claim against the United States for a refund of the value of 24.947 percent of 38 invalid postal money orders in the sum of $3,056 fraudulently issued from March 7, 1935, to August 3, 1935, to said J. J. B. Hilliard & Son, of Louisville, Ky., by Ray Hocker, former postmaster at McHenry, Ky., which sum ($762.39) has heretofore been paid to the United States: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

SEC. 2. Nothing in this act shall be construed to prevent the recovery by the United States of funds embezzled by the said Ray Hocker, or on money orders unlawfully issued by him, except those which are the subject of these claims.

With the following committee amendments:

Page 1, line 6, insert a comma after the figures "$762.39."
Page 1, line 7, strike out the words "The payment of such sum is."
Page 1, line 8, strike out the words "of the value."
Page 2, strike out all of section 2 of the bill.

The committee amendments were agreed to; and the bill as amended was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

The title was amended so as to read: "A bill for the relief of J. J. B. Hilliard & Son."

J. T. BURT AND ALICE BURT

The Clerk called the bill (H. R. 9196) for the relief of J. T. Burt and Alice Burt.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to J. T. Burt and to his wife, Alice Burt, of Weir, Miss., the sum of $240 in full satisfaction of their claim against the United States for the loss of that sum resulting from the error of the Farm Security Administration in filling in an option contract for the sale of 120 acres of land in Choctaw County, Miss., to the United States of America for Farm Security purposes, it being mutually understood and agreed by and between J. T. Burt and Alice Burt and the agents of the United States that the said land would be sold for the sum of $12.50 per acre, whereas through typographical error the option agreement fixed the sale price at $10.50 per acre:

With the following committee amendments:

Page 1, line 8, after the word "Of" where it appears the second time, insert: "an agent of the Resettlement Administration, now."
Page 2, line 5, strike out the word "typographical", and at the end of the bill strike out the period and insert a colon and the following: "*Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The committee amendments were agreed to; and the bill as amended was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

JAMES M. WRIGHT

The Clerk called the bill (H. R. 9277) for the relief of James M. Wright.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of $102 to James M. Wright in full compensation for services rendered as community supervisor for the Bureau of Labor Statistics, Department of Labor, for the period April 8 to 24, 1934, for which he was not paid.

With the following committee amendments:

Page 1, line 6, strike out "Wright in full compensation" and insert "Wright, of Decatur, Ga., in full satisfaction of his claim against the United States."
At the end of line 10, page 1, insert "his appointment to said position having expired April 7, 1934: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The committee amendments were agreed to; and the bill as amended was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

RAYMOND PLEDGER AND THOMAS P. GIACOMINI, JR.

The Clerk called the bill (H. R. 9825) for the relief of Raymond Pledger and Thomas P. Giacomini, Jr.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Comptroller General of the United States is hereby authorized and directed to credit the account of Raymond Pledger, Rural Rehabilitation supervisor for the Farm Security Administration at Yell County, Ark., with the sum of $150, representing public funds for which he is accountable and which were accidentally destroyed by fire on the 27th day of November 1936 in said county supervisor's office in Yell County, Ark.

SEC. 2. That the Secretary of the Treasury is hereby authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Thomas P. Giacomini, Jr., an employee of the Agricultural Adjustment Administration, the sum of $35.85 in full satisfaction of his claim against the United States for the value of certain drafting instruments used by him on official work and destroyed by fire in the building occupied by the project offices of the Resettlement Administration, now the Farm Security Administration, at Winslow, Ark., on April 9, 1935.

SEC. 3. No part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

ANNIE MARY WILMUTH

The Clerk called the bill (S. 546) for the relief of Annie Mary Wilmuth.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the United States Employees' Compensation Commission be, and is hereby, authorized and directed to consider and determine, in the same manner and to the same extent as if application for the benefits of the United States Employees' Compensation Act had been made within the 1-year period required by sections 17 and 20 thereof, the claim of Annie Mary

Wilmuth on account of disability alleged to have been contracted while employed as a nurse at the United States Veterans' Administration Hospital, Algiers, La.: *Provided*, That no benefits shall accrue prior to the approval of this act.

With the following committee amendments:

In line 9, after the name "Wilmuth" insert "of Phoenix, Arizona,".

In line 9, also, strike out the word "disability" and insert "tuberculosis."

In line 10, after the word "contracted", insert "between May 1926 and August 1927."

At the end of the bill add: "*Provided further*, That claim hereunder shall be fixed within 6 months after approval of this act."

The amendments were agreed to; and the bill as amended was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

LAWSON N. DICK

The Clerk called the bill (S. 821) for the relief of Lawson N. Dick.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Lawson N. Dick, an employee in the office of the Mississippi River Commission, at Vicksburg, Miss., a sum equal to $60 per annum from July 1, 1928, to July 2, 1930, plus $120 per annum from July 3, 1930, to August 28, 1934, less 3½-percent retirement deductions which shall be credited to his account in the civil-service retirement and disability fund, such sum representing additional compensation to which he is entitled under the provisions of the act of May 28, 1928, known as the "Welch Act," and the act of July 3, 1930, known as the "Brookhart Act": *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

ALCEO GOVONI

The Clerk called the bill (S. 865) for the relief Alceo Govoni.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of $766 to Alceo Govoni, in full settlement of all claims against the United States, for injuries sustained by him when the vehicle which he was driving collided with United States Army truck No. 214243 on January 4, 1927, at Boston, Mass.: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendments:

Page 1, line 6, after the word "Govoni", insert "of Wellesley Hills, Mass."

Line 8, strike out "collided with" and insert "was struck by a"; line 9, strike out "No. 214243."

The committee amendments were agreed to; and the bill as amended was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

JOHN H. OWENS

The Clerk called the bill (S. 1274) to confer jurisdiction upon the United States District Court for the District of Nebraska to determine the claim of John H. Owens.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That jurisdiction is hereby conferred upon the United States District Court for the District of Nebraska to hear, determine, and render judgment upon, notwithstanding the lapse of time or any provision of law to the contrary, the claim against the United States of John H. Owens, Omaha, Nebr., for damages on account of personal injuries sustained by the said John H. Owens when he was struck on September 23, 1931, in Omaha, Nebr., by an automobile operated by an employee of the Department of Agriculture while such employee was engaged in Government business: *Provided*, That the judgment, if any, shall not exceed the sum of $3,000. Such suit shall be brought within 4 months from the date of enactment of this act.

SEC. 2. The United States district attorney for the district of Nebraska is hereby charged with the duty of defending the United States in any suit instituted under the authority of section 1 of this act.

SEC. 3. There is authorized to be appropriated such sum as may be necessary to pay any judgment rendered by such court in such suit.

With the following committee amendment:

Strike out all after the enacting clause and insert:

"That the Secretary of the Treasury is hereby authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to John H. Owens, of Omaha, Nebr., the sum of $1,500, in full satisfaction of his claim against the United States for personal injuries sustained on September 23, 1931, when the automobile he was driving was struck at the intersection of Twentieth and Harney Streets, Omaha, Nebr., by an automobile owned by the Department of Agriculture and operated by an employee thereof: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The committee amendment was agreed to; and the bill as amended was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider the vote by which the bill was passed was laid on the table.

The title was amended so as to read: "An act for the relief of John H. Owens."

A. D. WEIKERT

The Clerk called the bill (S. 1340) for the relief of A. D. Weikert.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to A. D. Weikert, of Somers, Mont., the sum of $75 in full satisfaction of his claim against the United States arising out of the death of his horse on August 27, 1935, from accidental causes, while being used by the Civilian Conservation Corps in connection with emergency conservation work in Glacier National Park, Mont.: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

WILLIAM J. SCHWARZE

The Clerk called the next bill, S. 1788, for the relief of William J. Schwarze.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of $36.58 to William J. Schwarze, of Greenwood, Wis., in full settlement of all his claims against the United States (1) for damages sustained by him when the private property of his son, Harold E. Schwarze, was lost in a fire which destroyed the Civilian Conservation Corps barracks at Camp Smith Lake, Wis., where his son was an enrollee, and (2) for reimbursement of the amount paid by him in settlement of charges for two blankets stolen from his son's cot during the latter's absence on furlough: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendments:

Page 1, line 6, strike out the word "his."

Page 1, lines 7 and 8, strike out the words "(1) for damages sustained by him when the private" and insert "for loss of the personal."

Page 1, line 9, strike out the words "was lost" and insert "a minor,".

Page 1, lines 10 and 11, strike out the words "his son" and insert "he."

Page 1, line 11, also, strike out the figure "(2)."

Page 1, line 12, strike out the word "him" and insert "said William J. Schwarze."

The committee amendments were agreed to.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

CHARLES A. RIFE

The Clerk called the next bill, S. 2023, for the relief of Charles A. Rife.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Charles A. Rife, of Tupelo, Miss., the sum of $63 in full satisfaction of his claim against the United States for compensation for services rendered by him as night watchman on a Civil Works Administration project in March and April 1934, said Charles A. Rife having rendered such services after being duly employed but never having received any compensation therefor: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MR. AND MRS. GUY R. SYTH

The Clerk called the next bill, S. 2532, for the relief of Mrs. G. R. Syth.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury appropriated for or allocated to the Resettlement Administration, to Mrs. G. R. Syth, of Malta, Mont., the sum of $300 in full settlement of her claim against the United States for payment for a well located on land (tract No. 62, Milk River land project) which she and her husband sold to the Government, such well being included by the Resettlement Administration in its original appraisal report but not in the purchase price stated in the option taken on such land, and subsequently exercised: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendments:

Page 1, lines 5 and 6, strike out the words "appropriated for or allocated to the Resettlement Administration," and insert "not otherwise appropriated,".

Page 1, line 6, strike out "Mrs. G. R. Syth" and insert "Mr. and Mrs. Guy R. Syth,".

Page 1, line 7, strike out the words "her claim" and insert "all claims."

Page 1, line 9, after the words "Milk River", insert a comma and the word "Montana,".

Page 1, lines 9 and 10, strike out "she and her husband" and insert "they."

Page 1, line 10, strike out the word "Government" and insert "Federal Emergency Relief Administration, now represented by the Resettlement Administration,".

Page 1, line 11, strike out the words "by the Resettlement Administration in its" and insert "in the."

Page 2, line 1, strike out the words "taken on such land" and insert "on such land which was accepted by the Government December 31, 1934."

The committee amendments were agreed to.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

The title was amended so as to read: "An act for the relief of Mr. and Mrs. Guy R. Syth."

MR. AND MRS. JOSEPH KONDERISH

The Clerk called the next bill, S. 2709, for the relief of Mr. and Mrs. Joseph Konderish.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is hereby authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Mr. and Mrs. Joseph Konderish, of Nesquehoning, Pa., parents of Joan Konderish, 4 years of age, the sum of $1,000 in full satisfaction of their claim against the United States for the death of said minor, resulting from burns received on Wednesday, June 3, 1936, said burns being caused by a fire left burning by Works Progress Administration project workers on project No. 65-23-2957—community sanitation project—at 5019 Park Street, Nesquehoning, Carbon County, Pa., the project being adjacent to the home of Mr. and Mrs. Joseph Konderish: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ELIZABETH F. QUINN AND SARAH FERGUSON

The Clerk called the next bill, S. 2770, for the relief of Elizabeth F. Quinn and Sarah Ferguson.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Elizabeth F. Quinn, of Malden, Mass., the sum of $1,000, and to Sarah Ferguson, of Malden, Mass., the sum of $1,000, said sums to be in full settlement of all claims against the United States for injuries received by said Elizabeth F. Quinn and Sarah Ferguson on September 26, 1936, in Wakefield, Mass., when they were struck by a truck operated in the service of the United States Marine Corps: *Provided*, That payment shall not be made under this act until the above-named claimants have released all of their claims against George P. Russell, of Hingham, Mass., in a manner satisfactory to the Secretary of the Treasury: *Provided further*, That no part of the said amounts appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claims, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof, shall be fined in a sum not exceeding $1,000.

With the following committee amendments:

Page 1, line 6, strike out the figures "$1,000" and insert "$750."

Page 1, line 7, strike out the figures "$1,000" and insert "$1,250."

Page 1, line 11, strike out the words "they were" and insert "the automobile in which they were riding was."

The committee amendments were agreed to.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

EDITH JENNINGS

The Clerk called the next bill, S. 2798, for the relief of Edith Jennings and the legal guardian of Patsy Ruth Jennings.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Edith Jennings, of Arkansas City, Kans., widow of Joe Jennings, deceased, the sum of $2,500, and to the legal guardian of Patsy Ruth Jennings, of Arkansas City, Kans., daughter of Joe Jennings, deceased, the sum of $2,500, in full settlement of all claims against the United

States arising out of the death of the said Joe Jennings, who died as a result of injuries sustained when the truck he was driving was struck by a truck belonging to the Works Progress Administration, on March 10, 1937: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

The title was amended so as to read: "An act for the relief of Edith Jennings and Patsy Ruth Jennings, a minor."

CARL ORR

The Clerk called the next bill, S. 2802, for the relief of Carl Orr.

There being no objection, the Clerk read the bill as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to the legal guardian of Carl Orr, a minor, of Alma, Okla., the sum of $3,000 in full settlement of all claims against the United States for damages for injuries sustained by the said Carl Orr when he was severely burned, on the 19th day of January 1937, by a fire which had been started near the Fox Consolidated School, in Carter County, Okla., by National Youth Administration workers and left burning by them: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendment:

Page 1, line 8, strike out the words "for damages."

The committee amendment was agreed to.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

The title was amended so as to read: "An act for the relief of Carl Orr, a minor."

MARK H. DOTY

The Clerk called the next bill, S. 2876, for the relief of Mark H. Doty.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury appropriated or allocated for the maintenance and operation of the Civilian Conservation Corps, to Mark H. Doty, of Winnsboro, S. C., the sum of $979.90 in full settlement of all his claims against the United States for (1) reimbursement for medical and hospital expenses incurred and (2) for personal injuries received by him when the automobile he was driving was struck, on January 9, 1937, on United States Highway No. 21, at a point about 1 mile south of Winnsboro, S. C., by a Civilian Conservation Corps truck: *Provided*, That no part of the amount appropriated in this act in excess of 10 per centum thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with such claims. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this Act in excess of 10 per centum thereof on account of services rendered in connection with such claims, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendments:

Page 1, lines 4, 5, and 6, strike out the words "appropriated or allocated for the maintenance and operation of the Civilian Conservation Corps" and insert "not otherwise appropriated."

Page 1, lines 8 and 9, strike out the words "for (1) reimbursement for medical and hospital expenses incurred and (2)."

The committee amendments were agreed to.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

GLENN MORROW

The Clerk called the next bill, S. 2979, for the relief of Glenn Morrow.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Glenn Morrow, of Des Moines, Iowa, the sum of $2,500 in full settlement of all claims against the United States of America for the death of his wife resulting from injuries received when a car in which she was riding was struck by a vehicle operated by an employee of the Works Progress Administration in Oklahoma City, Okla., on September 12, 1936: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

GEORGE W. BRECKENRIDGE

The Clerk called the next bill, S. 3079, for the relief of George W. Breckenridge.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to George W. Breckenridge, of Grass Range, Mont., the sum of $390.44, representing the amount of his claim for mileage allowance while an employee of the Soil Conservation Service, Department of Agriculture, for travel authorized by means of his privately owned automobile from August to November 1936, inclusive, such claim for mileage having been disallowed by the General Accounting Office as a result of the travel having been performed in an automobile registered in the name of his wife, B. E. Breckenridge: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendments:

Page 1, line 6, strike out "representing the amount of his claim" and insert "in full satisfaction of his claim against the United States."

The committee amendment was agreed to.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

RAQUEL FRANCO

The Clerk called the next bill, S. 3102, for the relief of the estate of Raquel Franco.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to the estate of Raquel Franco, the sum of $533.74 in full and final settlement of all claims whatsoever against the United States for compensation for damages arising from personal injuries sustained by Raquel Franco in the collision between a United States Army truck and the Chevrolet touring car of Victor M. Ruiz C, on March 26, 1935, near Arraijan, Republic of Panama: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendments:

Page 1, line 5, after the word "the", insert "administrator of the."

Page 1, line 6, after "Franco", insert "deceased, formerly of Panama City, Panama."

Page 1, line 8, strike out "compensation for" and insert "expenses and."

Page 1, line 11, strike out "Chevrolet touring car of Victor M. Ruiz C" and insert "taxicab in which she was a passenger."

The committee amendments were agreed to.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

PEARL BUNDY

The Clerk called the next bill, S. 3300, for the relief of Pearl Bundy.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, and in full settlement of all claims against the United States Government, the sum of $3,000 to Pearl Bundy, of Mitchell, Ind., rural route No. 2, for injuries sustained by being struck by a United States Government truck driven or operated by a member of the Civilian Conservation Corps on January 22, 1937: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendments:

Page 1, line 6, strike out "Government."

Page 1, line 8, after the word "sustained", strike out the balance of line 8 and all of lines 9 and 10, and insert the following: "when the automobile in which she was riding was struck by a truck operated in connection with the Civilian Conservation Corps, on State Highway No. 60, near Mitchell, Ind."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ARTHUR T. MILLER

The Clerk called the next bill, S. 3379, for the relief of Arthur T. Miller.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Arthur T. Miller, of Fayetteville, Ark., the sum of $50 in full settlement of all claims against the United States for damages to him caused by the death of one purebred cow, known as abortion reactors, in connection with the Government's efforts to eradicate Bang's disease from the dairy herds of Washington County, Ark.: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendments:

Page 1, line 7, after the word "for", strike out the balance of line 7 and all of lines 8, 9, 10, and 11 and insert the following: "The Government indemnity on a purebred cow which was found to be a reactor, condemned, and shipped to the stockyards, where its identity was lost until after slaughter, thus preventing payment of said indemnity in accordance with the Bureau of Animal Industry's campaign to eradicate Bang's disease."

The committee amendment was agreed to.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MILES A. BARCLAY

The Clerk called the next bill, S. 3410, for the relief of Miles A. Barclay.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Miles A. Barclay, of Great Falls, Mont., the sum of $81.04, in full settlement of his claim against the United States for mileage allowance while an employee of the Soil Conservation Service, Department of Agriculture, for travel authorized by means of his privately owned automobile during the period October 2 to November 25, 1936, inclusive, such claim for mileage having been disallowed by the General Accounting Office as a result of the travel having been performed in an automobile registered in the name of his father, A. Barclay: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ELIZABETH CORY

The Clerk called the next bill, S. 3512, for the relief of Elizabeth Cory.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Elizabeth Cory, of College Park, Md., the sum of $2,000 in full settlement of her claim against the United States for medical expenses and personal injuries incurred as a result of a collision between the car which she was driving and a United States Army truck bearing Army No. 24101, on April 30, 1937: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendment:

Page 1, line 10, after the word "truck", strike out "bearing Army No. 24101" and insert: "at the intersection of College Avenue and United States Highway No. 1, College Park, Md."

The committee amendment was agreed to.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

EARLE LINDSEY

The Clerk called the next bill, S. 3543, authorizing the Comptroller General of the United States to settle and adjust the claim of Earle Lindsey.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Comptroller General of the United States be, and he is hereby, authorized and directed to settle and adjust the claim of Earle Lindsey for reimbursement for well-drilling pipe and couplings lost while loaned to, and being used by, the United States Forest Service during July 1935, and to allow in full and final settlement of the claim the sum of not to exceed $169.75. There is hereby appropriated, out of any money in the Treasury not otherwise appropriated, the sum of $169.75, or so much thereof as may be necessary, for the payment of the claim: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

JAMES J. COYNE

The Clerk called the next bill, H. R. 9731, for the relief of James J. Coyne.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That for the purposes of the immigration and naturalization laws the alien James J. Coyne, first sergeant, Eleventh Signal Company, United States Army, shall be considered to have been, at Detroit, Mich., on May 28, 1924, lawfully admitted to the United States for permanent residence.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

NEIL M'GILLOWAY

The Clerk called the next bill, H. R. 1754, for the relief of Neil McGilloway.

Mr. HANCOCK of New York and Mr. MOTT objected, and, under the rule, the bill was recommitted to the Committee on Military Affairs.

R. P. CLARKE, TRADING AS R. P. CLARKE CO.

The Clerk called the next joint resolution, House Joint Resolution 371, for the relief of R. P. Clarke, trading as R. P. Clarke Co.

Mr. COSTELLO and Mr. HALLECK objected, and, under the rule, the joint resolution was recommitted to the Committee on Claims.

ROMUALDO COSSANO

The Clerk called the next bill, H. R. 6610, for the relief of Romualdo Cossano.

Mr. COSTELLO and Mr. MOTT objected, and, under the rule, the bill was recommitted to the Committee on Immigration and Naturalization.

ISAAC FRIEDLANDER

The Clerk called the next bill, H. R. 10339, for the relief of Isaac Friedlander.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That in the administration of immigration laws Isaac Friedlander, husband of a citizen of the United States, shall not be denied an immigration visa, nor denied admission to the United States for permanent residence, because of the fact that he is alleged to have concealed certain material facts in his application for a visa to enter the United States.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

EDWARD E. BROWN ET AL.

The Clerk called the next bill, H. R. 6727, for the relief of Edward E. Brown, Charles Walker, Frank Parr, John Moyer, and Lynford P. Fowles.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Edward E. Brown, Somers Point, N. J., the sum of $90; Charles Walker, Atlantic City, N. J., the sum of $35.25; Frank Parr, Atlantic City, N. J., the sum of $76.86; John Moyer, Atlantic City, N. J., the sum of $86.77; and Lynford P. Fowles, Somers Point, N. J., the sum of $75, in all $363.88, in full settlement of their claims against the United States for loss of tools which were destroyed by fire while stored in a Works Progress Administration warehouse at Atlantic City, N. J., on May 2, 1936: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendment:

Page 2, line 4, strike out "2" and insert "8."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

JOSEPH GROSS

The Clerk called the next bill, H. R. 7854, for the relief of Joseph Gross.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Joseph Gross, of Philadelphia, Pa., the sum of $3,000, in full satisfaction of all claims against the United States for personal injuries sustained by the said Joseph Gross when he was struck by a United States Marine truck in Philadelphia, Pa., on July 9, 1936.

With the following committee amendments:

In line 6, strike out the figures "$3,000" and insert "$2,000."

In line 8, strike out the words "the said Joseph Gross" and insert "him."

In line 9, after the word "Marine," insert "Corps."

At the end of the bill, add: "*Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

CHARLES RECHT ET AL.

The Clerk called the next bill, H. R. 8271, for the relief of Charles Recht, Horace S. Whitman, H. Rozier Dulany, Jr., William Lee Rawls, William L. Marbury, Jr., Victor A. Gartz, Rose Weiss, and Osmond K. Fraenkel.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That jurisdiction is hereby conferred upon the Court of Claims of the United States to determine the amount of just compensation due to the Russian Volunteer Fleet for the two ship contracts taken from it in the year 1918 by the United States, and to render judgment in behalf of Charles Recht, Horace S. Whitman, H. Rozier Dulany, Jr., William Lee Rawls, William L. Marbury, Jr., Victor A. Gartz, Rose Weiss, and Osmond K. Fraenkel, the attorneys who represented the Russian Volunteer Fleet in the presentation of its claim therefor in the Court of Claims of the United States and the Supreme Court of the United States, for the amount of expenses incurred in connection therewith and for attorneys' fees in an amount equal to 10 percent of such just compensation, as the interests of the several attorneys may appear: *Provided*, That suit hereunder shall be instituted within 1 year after the approval of this act.

With the following committee amendment:

Strike out all after the enacting clause and insert in lieu thereof the following:

"That jurisdiction is hereby conferred upon the Court of Claims of the United States to hear, determine, and render judgment on the claims of the attorneys for the plaintiff in the case entitled 'Russian Volunteer Fleet *v.* United States (No. 69–A)', for the fair and reasonable value of legal services rendered by them and reasonable disbursements incurred by them, in the prosecution of said case prior to November 16, 1933: *Provided*, That no suit shall be instituted pursuant to this act after the expiration of 6 months from the date of its approval."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed; and a motion to reconsider was laid on the table.

The title was amended so as to read: "A bill to confer jurisdiction upon the Court of Claims of the United States to hear, determine, and render judgment upon the claims of the attorneys for the Russian Volunteer Fleet."

FERGUS COUNTY, MONT.

The Clerk called the next bill, H. R. 8672, for the relief of Fergus County, Mont.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any moneys in the Treasury not otherwise appropriated, to Fergus County, Mont., the sum of $1,664.86. Such sum represents the amount expended by Fergus County, Mont., in extinguishing a forest fire in said county, and on land owned by the United States, on or about the 1st day of September 1937.

With the following committee amendment:

Strike out all of the bill after the enacting clause and insert in lieu thereof the following:

"That the Secretary of the Treasury is hereby authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to the Board of County Commissioners of Fergus County, Mont., the sum of $1,166.86, in full settlement of all claims against the United States for the cost of labor and supplies furnished during September 1937 in extinguishing a forest fire on land owned by the United States, under jurisdiction of the Department of the Interior, in the Judith Mountains, Fergus County, Mont.: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

E. E. JOHNSON

The Clerk called the next bill, H. R. 8922, for the relief of E. E. Johnson.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay out of any money in the Treasury not otherwise appropriated, to E. E. Johnson, of Fort William, Ontario, the sum of $3,739.39 in full satisfaction of his claim against the United States for a refund arising out of the contract entered into between said E. E. Johnson and W. J. Corcoran and the Department of the Interior on May 5, 1922, and subsequently assigned on October 28, 1932, to E. E. Johnson, covering the sale of allotted timber on the Grand Portage Indian Reservation, Minn., such sum having been paid to the Indian allottees for timber which was not cut through a misunderstanding with the Indian Department and not through fault of the contractor, and the contract expired on June 1, 1936.

With the following committee amendments:

Page 2, line 4, after the word "cut", insert "in contemplation of an extension of the contract period which."

Page 2, lines 4 and 5, strike out the words "with the Indian Department and not through fault of the contractor, and the contract."

At the end of the bill, add: "*Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

EMONS WOLFER

The Clerk called the next bill, H. R. 9135, for the relief of Emmond Wolfer.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Emmond Wolfer, of Corson County, S. Dak., the sum of $10,000, in full settlement of all claims against the United States for permanent injuries sustained by him when he was struck, on August 17, 1935, by a Government truck which was driven by an employee of the Indian Bureau.

With the following committee amendments:

In line 5, strike out the name "Emmond" and insert "Emons."

In line 6, strike out the words "Corson County" and insert "McLaughlin."

In line 6, also, strike out the figures "$10,000" and insert "$4,500."

In line 8, strike out the words "permanent injuries" and insert "personal injury."

In line 8, also, strike out the word "he" and insert "the truck he was driving."

In lines 9 and 10, strike out the words "a Government truck which was driven by an employee of the Indian Bureau" and insert the following: "an Indian Service truck of the Interior Department, driven by an Emergency Conservation Work employee, on a highway in the Standing Rock Indian Reservation, between Selfridge and Fort Yates, Sioux County, N. Dak.: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

The title was amended so as to read: "A bill for the relief of Emons Wolfer."

JOHN BOROWSKI ET AL.

The Clerk called the next bill, H. R. 9674, for the relief of John Borowski, Benjamin H. Hammack, and Eber A. Wean.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to John Borowski, Portland, Oreg., the sum of $63.38; to Benjamin H. Hammack, Portland, Oreg., the sum of $73.62; and to Eber A. Wean, Gresham, Oreg., the sum of $76.75. Such sums represent the value of personal property separately owned by such persons and destroyed by fire at Camp Apiary, Houlton, Oreg., on August 30, 1936, while such persons were employees of the Works Progress Administration.

With the following committee amendments:

In line 8, strike out the period after the figures "$76.75" and insert a comma; strike out the words "Such sums represent the value of personal property separately owned by such persons and", appearing in lines 9 and 10, and insert in lieu thereof "in all, $213.75, in full settlement of their claims against the United States for the value of tools and personal property."

At the end of the bill add: "That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MICHAEL J. MULDOWNEY

The Clerk called the next bill, H. R. 9795, for the relief of Michael J. Muldowney.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Michael J. Muldowney, of Pittsburgh, Pa., the sum of $2,000 in full satisfaction of his claim against the United States for expenses incurred as contestant in connection with preparation and prosecution of the election-contest case of Anne E. Felix *v.* Michael J. Muldowney for the seat from the Thirty-second Congressional District of the State of Pennsylvania in the Seventy-third Congress, as authorized by the act of March 3, 1879 (U. S. C., title 2, sec. 226), a full and detailed account of such expenses having been properly filed with the clerk of the Committee on Elections Numbered 2, in accordance with the provisions of the act hereinbefore recited: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendments:

Page 1, line 8, strike out the word "contestant" and insert "contestee."

Page 1, lines 8 and 9, strike out the words "preparation and prosecution" and insert "the defense."

Page 2, line 1, start with the word "a" and strike out all of the bill through the word "recited" in line 5.

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

JOSEPHINE RUSSELL

The Clerk called the next bill, S. 1220, for the relief of Josephine Russell.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That notwithstanding the provisions and limitations of sections 15 and 20, both inclusive, of the act entitled "An act to provide compensation for employees of the United States suffering injuries while in the performance of their duties, and for other purposes," approved September 7, 1916, as amended, the United States Employees' Compensation Commission be, and the same is hereby, authorized and directed to receive

and consider, when filed, the claim of Josephine Russell for disability resulting from complications caused by continual irritation while driving over rough and unsurfaced roads on the Kiowa Reservation in Oklahoma, in 1930 and 1931, when on duty as a field nurse; and for physical overwork affecting her general health while employed as a staff nurse at Pine Ridge, S. Dak., by the Bureau of Indian Affairs, Department of the Interior, and to determine said claim upon its merits under the provisions of said act: *Provided*, That claim hereunder shall be filed within 6 months after the approval of this act: *Provided further*, That no benefits shall accrue prior to May 13, 1936.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MARY WAY

The Clerk called the next bill, S. 1878, for the relief of Mary Way.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated and in full settlement of all claims against the United States Government, the sum of $4,000, to Mary Way, of Escanaba, Mich., for injuries sustained in a collision at Gladstone, Mich., with a Civilian Conservation Corps truck, driven or operated by a member of the Civilian Conservation Corps, on November 14, 1935: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendments:

Page 1, lines 5, 6, and 7, strike out the words and figures "and in full settlement of all claims against the United States Government, the sum of $4,000" and insert a comma after the word "appropriated", in line 5, and the words and figures "the sum of $3,500, in full satisfaction of her claim against the United States for personal injury and property damage" in lieu of the words "for injuries" in line 7.

Page 1, lines 9 and 10, strike out the words "driven or operated by a member of the Civilian Conservation Corps."

The committee amendments were agreed to.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

PERRY'S VICTORY MEMORIAL COMMISSION

The Clerk called the next bill, S. 2009, to authorize the payment of certain obligations contracted by the Perry's Victory Memorial Commission.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to the Commercial Banking & Trust Co., of Sandusky, Ohio, $5,240.73; to the Ohio Public Service Co., of Port Clinton, Ohio, $120; to William Schnoor, of Put in Bay, Ohio, $1,248.99; to J. C. Feick, of Sandusky, Ohio, $129; to the Boston Lightning Rod Co., of Boston, Mass., $135; to Webster P. Huntington, of Mount Sterling, Ky., $214.61; to Hugh Rodman, of Washington, D. C., $76.79; to George M. Mason, of Erie, Pa., $35.15; to Harry E. Davis, of Woonsocket, R. I., $37.09; to W. J. Moore, of Richmond, Ky., $60.60; to Richard S. Folsom, of Chicago, Ill., $77.10; to Charles B. Perry, of Milwaukee, Wis., $82.81; to Jacob Schifferdecker, of Brooklyn, N. Y., $35.11; to Robert H. Winn, of Mount Sterling, Ky., $28.42; to Samuel M. Wilson, of Lexington, Ky., $35; and to John A. Johnston, of Washington, D. C., $49.06; a total of $7,605.46, in full settlement of any obligations of the Perry's Victory Memorial Commission to said parties: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendments:

Page 2, line 12, strike out the word "any" and insert "their claims against the United States or the Perry's Victory Memorial Commission, representing."

Page 2, line 13, after the word "parties", insert "necessarily incurred for maintenance of Perry's Victory Memorial Monument, Put in Bay Island, Lake Erie, Ohio, prior to July 6, 1936, at which time control and management of said monument was transferred to the National Park Service of the Interior Department, pursuant to Presidential proclamation."

The committee amendments were agreed to.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

BOSTON CITY HOSPITAL ET AL.

The Clerk called the next bill, S. 2413, for the relief of the Boston City Hospital, Dr. Donald Munro, and others.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of War be, and he is hereby, authorized and directed to pay, out of funds appropriated for medical care and treatment of officers, enlisted men, and civilian employees of the Army, to the Boston City Hospital, Boston, Mass., the sum of $585.67; to Dr. Donald Munro, the sum of $401; to Evelyn Burns, nurse, the sum of $460; to Catherine A. Brennan, nurse, the sum of $20; to Kathleen A. Conroy, nurse, the sum of $150; to Mary Gannon, nurse, the sum of $5; to Ethel Glennon, nurse, the sum of $245; to Margaret D. Gaven, nurse, the sum of $280; to Patricia V. Souser, nurse, the sum of $40; to Eleanor Sexton, nurse, the sum of $5; to Hazel Trott, nurse, the sum of $65; to Gladys Drake, nurse, the sum of $105; in all, $2,361.67, in full settlement of all claims against the Government of the United States for services and professional treatment rendered Lt. Paul A. Leahy, United States Army, during the period from August 2, 1935, to December 23, 1935: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendment:

Strike out all of the bill after the enacting clause through the date "1935" in line 9, page 2, and insert in lieu thereof the following:

"That the Secretary of the Treasury is hereby authorized and directed to pay, out of any money in the Treasury appropriated for medical care and treatment of officers, enlisted men, and civilian employees of the Army, to the Boston City Hospital of Boston, Mass., the sum of $585.67; to Dr. Donald Munro of Boston, Mass., the sum of $401; to Evelyn Burns, nurse, of Dorchester, Mass., the sum of $130; to Kathleen A. Conroy, nurse, of Boston, Mass., the sum of $120; to Ethel Glennon, nurse, of Atlantic, Mass., the sum of $215; to Margaret D. Gaven, nurse, of Cambridge, Mass., the sum of $245; to Patricia V. Souser, nurse, of South Boston, Mass., the sum of $25; to Hazel Trott, nurse, of Brookline, Mass., the sum of $45; to Gladys Drake, nurse, of Weymouth, Mass., the sum of $85; and to Paul A. Leahy, of Marblehead, Mass., the sum of $510; in all, $2,361.67, in full settlement of all claims against the United States for hospital, medical, and nursing services rendered Lt. Paul A. Leahy, United States Army, now retired, from August 2 to December 23, 1935, on account of personal injuries sustained by him while on authorized leave of absence from his post; and in full satisfaction of the claim of Paul A. Leahy against the United States for payments made by him in connection with said services."

The committee amendment was agreed to.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

The title was amended so as to read: "An act for the relief of the Boston City Hospital, and others."

E. E. TILLETT

The Clerk called the next bill, S. 2553, for the relief of E. E. Tillett.

There being no objection the Clerk read the bill as follows:

Be it enacted, etc., That E. E. Tillett, field supervisor, Emergency Conservation Work, National Park Service, stationed at Honolulu, Territory of Hawaii, is hereby released from any liability to refund or pay to the United States the sum of $781.64, representing that portion of the total amount authorized by travel order dated June 3, 1935, to be paid by the Department of the Interior to the said E. E. Tillett for the cost of transportation from the District of Columbia to Honolulu, for traveling expenses, and for per diem allowance in lieu of subsistence expenses for the period from June 6, 1935, to October 31, 1935, which was disallowed by the General Accounting Office after payment. No deduction on account of the payment of such sum of $781.64 shall hereafter be made from any amount due or payable out of Government funds to the said E. E.

Tillett; and the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to the said E. E. Tillett a sum equal to the amount heretofore deducted or withheld on account of such payment, plus the sum of $575.50, representing that portion of the total amount authorized by travel order dated June 3, 1935, to be paid by the Department of the Interior to the said E. E. Tillett for traveling expenses and for per diem allowance in lieu of subsistence expenses for the period from November 1, 1935, to March 15, 1936, payment of which was disallowed by the General Accounting Office: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendments:

Page 1, line 6, and page 2, line 4, strike out the figures "$781.64" and insert "$774.64".

Page 2, lines 16 and 17, strike out "payment of which was disallowed by the General Accounting Office."

The committee amendments were agreed to.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MR. AND MRS. JAMES CRAWFORD

The Clerk called the next bill (S. 2643) for the relief of Mr. and Mrs. James Crawford.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of $500 to James Crawford and the sum of $1,500 to Mrs. James Crawford in full satisfaction of all their claims against the United States for damages resulting from personal injuries received by them when the wagon in which they were riding was struck from the rear, at a point about 4 miles east of Pendleton, Oreg., on the Old Oregon Trail Highway, by a Government truck being operated by an employee of the Forest Service, Department of Agriculture: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendments:

Page 1, lines 5 and 6, strike out the figures and words "the sum of $500 to James Crawford and the sum of $1,500 to Mrs. James Crawford" and insert in lieu thereof "to Mr. and Mrs. James Crawford, of the Umatilla Indian Reservation, Oreg., the sums of $500 and $1,000, respectively."

Page 1, line 8, strike out the words "damages resulting from" and after the word "injuries" insert "and property damages."

Page 1, lines 11 and 12, strike out the word "Government."

Page 2,, after the word "Agriculture", insert "on August 31, 1936."

The committee amendments were agreed to.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

VERDE RIVER IRRIGATION AND POWER DISTRICT

The Clerk called the next bill, S. 3002, to authorize the Secretary of the Treasury to make settlement with the holders of certain unpaid notes and warrants of the Verde River Irrigation and Power District.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Federal Emergency Administrator of Public Works is hereby authorized to pay, out of any unexpended fund under his control, not to exceed $46,024.41 in making settlements with the holders of the unpaid notes and warrants of the Verde River Irrigation and Power District issued in payment for property, services, or supplies furnished, in furtherance of the Verde reclamation project, Arizona, to the district during the period from November 2, 1933, when an allotment of $4,000,000 for the construction of the Verde project was authorized by the said Administrator, to October 3, 1934, when said allotment was canceled: *Provided*, That any expenditures of the district not incurred as a result of the proposed construction of said Verde reclamation project with funds of the Federal Emergency Administration of Public Works shall not be approved for payment under this act: *Provided further*, That in making said settlements with the holders of said notes and warrants, the Administrator shall consider the reasonable value of the services performed or materials furnished, for which said notes or warrants were given, and where said notes or warrants have been transferred by the original holders, the Administrator shall also consider the price or prices paid by the transferees.

With the following committee amendment:

Page 1, line 4, after the word "pay", insert "in full settlement of all such claims against the United States,".

The committee amendment was agreed to.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

The title was amended so as to read: "An act for the relief of the holders of the unpaid notes and warrants of the Verde River Irrigation and Power District, Arizona."

OUACHITA NATIONAL BANK OF MONROE, LA., ET AL.

The Clerk called the next bill, S. 3188, for the relief of the Ouachita National Bank of Monroe, La.; the Milner-Fuller, Inc., Monroe, La.; estate of John C. Bass, of Lake Providence, La.; Richard Bell, of Lake Providence, La.; and Mrs. Cluren Surles, of Lake Providence, La.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to the Ouachita National Bank of Monroe, La., the sum of $500; to the Milner-Fuller, Inc., of Monroe, La., the sum of $100; to the estate of John C. Bass, of Lake Providence, La., the sum of $170; to Richard Bell, of Lake Providence, La., the sum of $110, in full satisfaction of their claims against the United States for a refund of the value of 14 invalid postal money orders fraudulently issued from December 6, 1932, to December 22, 1932, by Harry G. Peek, former postmaster at Sondheimer, La., which sums have heretofore been paid to the United States: *Provided*, That the judgment against Mrs. Cluren Surles, of Lake Providence, La., based upon two money orders issued on December 15, 1932, in the amount of $180 be, and it is hereby, canceled: *Provided further*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with these claims, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

SEC. 2. Nothing in this act shall be construed to prevent the recovery by the United States of funds embezzled by the said Harry G. Peek, or on money orders unlawfully issued by him, except those which are the subject of these claims.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MR. AND MRS. CHESTER A. SMITH

The Clerk called the next bill, S. 3227, for the relief of Mr. and Mrs. Chester A. Smith.

There being no objection the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of $5,000 to Mr. and Mrs. Chester A. Smith, of Englewood, Colo., parents and guardians of Melford Smith, in full settlement of all their claims against the United States on account of the death of their son, Melford Smith, who died as the result of injuries inflicted by a Federal prohibition officer, on November 7, 1931: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendments:

In line 5, page 1, strike out the figures "$5,000" and insert "$3,000."

In line 7, page 1, strike out the words "parents and guardians of Melford Smith,".

In line 9, page 1, strike out the words "who died."
In line 10, page 1, after the word "officer", insert "while effecting his arrest,".
In line 11, after the date "1931", insert a comma and the words "at Englewood, Colo."

The committee amendments were agreed to.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

JOSEPH D. SCHOOLFIELD

The Clerk called the bill (S. 3365) for the relief of Joseph D. Schoolfield.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, notwithstanding the provisions and limitations of sections 15 to 20, both inclusive, of the act entitled "An act to provide compensation for employees of the United States suffering injuries while in the performance of their duties, and for other purposes", approved September 7, 1916, as amended, the United States Employees' Compensation Commission be, and the same is hereby, authorized and directed to receive and consider, when filed, the claim of Joseph D. Schoolfield, of Greensboro, N. C., for disability alleged to have been incurred by him on March 5, 1930, while employed as chief, Income Tax Division, Bureau of Internal Revenue, Raleigh, N. C., and to determine said claim upon its merits under provisions of said act: *Provided*, That claim hereunder shall be filed within 6 months after the approval of this act: *Provided further*, That no benefits shall accrue prior to the enactment of this act.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MRS. C. DOORN

The Clerk called the bill (S. 2742) for the relief of Mrs. C. Doorn.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That in the administration of the immigration laws of the United States, relating to the issuance of immigration visas for admission to the United States and relating to admissions at ports of entry of aliens as immigrants for permanent residence in the United States, the provision of section 3 of the act of Congress of February 5, 1917 (39 Stat. 875), as amended (U. S. C. A., title 8, sec. 136 (n)), which excludes from admission into the United States persons who are natives of certain geographical zones described therein, and the provision of section 13 (c) of the Immigration Act of 1924 (43 Stat. 162), as amended (U. S. C. A., title 8, sec. 213 (c)), which excludes from admission to the United States persons who are ineligible to citizenship, shall not hereafter be held to apply to Mrs. C. Doorn, who is the wife of C. Doorn, a citizen of the United States; and said Mrs. C. Doorn, if otherwise admissible under the immigration laws, may be issued an immigration visa and may be granted admission to the United States upon application hereafter filed.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

GEORGE F. ANDERSON AND VERA D. ANDERSON

The Clerk called the bill (H. R. 5153) for the relief of George F. Anderson and Vera D. Anderson.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to George F. Anderson and Vera D. Anderson (husband and wife) of 6201 Middleton Avenue, Huntington Park, Calif., the sum of $8,857.29. Such sum shall be in full settlement of all claims against the United States for personal and property damages sustained by the said George F. Anderson and Vera D. Anderson as the result of George F. Anderson's automobile being struck by a Government-owned automobile operated by a former employee of the Prohibition Enforcement Unit by the name of Vern Lacy Woolman in the city of Los Angeles, Calif., on July 20, 1933.

With the following committee amendments:

In lines 6 and 7 strike out the words "(husband and wife), of 6201 Middleton Avenue," and insert "of."
In line 8 strike out the figures and words "$8,857.29. Such sum shall be" and insert "$3,315,".
In line 9, after the word "personal", insert "injuries sustained by said Vera D. Anderson."
In lines 10, 11, and 12 strike out the words "and Vera D. Anderson as the result of George F. Anderson's automobile being" and insert "when the automobile driven by Vera D. Anderson was."
In lines 13 and 14 strike out the words "former employee of the Prohibition Enforcement Unit, by the name of Vern Lacy Woolman," and insert "prohibition agent."
At the end of the bill add: "*Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The committee amendments were agreed to.

The bill, as amended, was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

HARRIS A. ALISTER

The Clerk called the bill (H. R. 6272) for the relief of Harris A. Alister.

There was no objection.

Mr. BOEHNE. Mr. Speaker, I ask unanimous consent to substitute the bill S. 2208, for the relief of Bruce G. Cox.

The SPEAKER pro tempore. Is there objection?

There was no objection.

The Clerk read the Senate bill, as follows:

Be it enacted, etc., That Bruce G. Cox is hereby released from any liability to refund or pay to the United States any sum allowed or paid pursuant to dental authorizations issued and vouchers approved in his favor between April 1, 1926, and January 12, 1933. No deductions on account of any such sum shall be made from any amount due or payable out of Government funds to the said Bruce G. Cox. In case there has been heretofore withheld or deducted from any amounts otherwise payable out of Government funds to the said Bruce G. Cox any amount on account of any such sum, the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to the said Bruce G. Cox a sum equal to the amount so withheld or deducted.

Mr. BOEHNE. Mr. Speaker, I offer the following amendment.

The Clerk read as follows:

Strike out all after the enacting clause and insert:
"That Dr. Bruce G. Cox, former dental examiner for the Veterans' Administration at Evansville, Ind., is hereby released from any liability to refund or pay to the United States any sum allowed or paid pursuant to dental authorizations issued and vouchers approved in his favor between April 1, 1926, and January 12, 1933. No deductions on account of any such sum shall be made from any amount due or payable out of Government funds to the said Bruce G. Cox. In case there has been heretofore withheld or deducted from any amounts otherwise payable out of Government funds to the said Bruce G. Cox any amount on account of any such sum, the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to the said Bruce G. Cox a sum equal to the amount so withheld or deducted.
"Harris A. Alister, chief dental officer, Veterans' Administration, is hereby released from any liability to refund or pay to the United States any sum allowed or paid pursuant to dental authorizations issued and vouchers approved in favor of Dr. Bruce G. Cox between April 1, 1926, and January 12, 1933. No deductions on account of any such sum shall hereafter be made from any amount due or payable out of Government funds to the said Harris A. Alister, and no part of the liability of said Harris A. Alister shall be transferred to any other person after approval of this act: *Provided*, That the Secretary of the Treasury is hereby authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to said Harris A. Alister a sum equal to the amount withheld by the Veterans' Administration from his pay prior to approval of this act."
Amend the title so as to read: "A bill for the relief of Bruce G. Cox and Harris A. Alister."

The SPEAKER pro tempore. The question is on the amendment offered by the gentleman from Indiana.

The amendment was agreed to.

The bill as amended was ordered to be read a third time, was read the third time, and passed.

JOHN LAWSON

The Clerk called the bill (H. R. 9084) for the relief of John Lawson.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury allocated by the President for the maintenance and operation of the Civilian Conservation Corps, to John Lawson,

the sum of $1,548.50, in full settlement of all claims against the United States, and in settlement of the judgments obtained against Frank Thurman in the Circuit Court for Sevier County, Tenn., as a result of personal injuries sustained by John Lawson when the car in which he was riding was struck by a Forest Service truck, driven by said Frank Thurman, an employee of the Civilian Conservation Corps, on State Highway No. 71, near Sevierville, Tenn., November 29, 1937.

With the following committee amendments:

In lines 5 and 6, strike out the words "allocated by the President for the maintenance and operation of the Civilian Conservation Corps," and insert "not otherwise appropriated."

In line 7, after the name "Lawson" insert a comma and the words "of Wears Valley, Sevier County, Tenn."

In line 7, after the figures "$1,548.50" insert "and to Roy Webb, of Wears Valley, Sevier County, Tenn., the sum of $412.67."

In lines 8, 9, and 10, strike out the words "and in settlement of the judgments obtained against Frank Thurman in the circuit court for Sevier County, Tenn.," and insert "or Frank Thurman."

In line 10, also, after the word "injuries" insert "and property damage."

In line 11, strike out the name "John Lawson" and insert "them."

In line 11, also, strike out the words "he was" and insert "they were."

In line 12, strike out the name "Forest" and insert "National Park."

In line 15, strike out the date "November 29, 1937," and add: "September 8, 1937: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The committee amendments were agreed to.

The bill as amended was ordered to be engrossed and read a third time, was read the third time, and passed.

The title was amended so as to read: "A bill for the relief of John Lawson and Roy Webb."

A motion to reconsider the vote by which the bill was passed was laid on the table.

READ MACHINERY CO., INC.

The Clerk called the bill (H. R. 9215) for the relief of the Read Machinery Co., Inc.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to the Read Machinery Co., Inc., York, Pa., the sum of $278.49. Such sum represents that portion of the amount of liquidated damages deducted from the contract price of a machine on account of delay in delivery thereof to the Bureau of Chemistry and Soils, Department of Agriculture.

With the following committee amendments:

In line 7, strike out the period after the figures, insert a comma, strike out the words "Such sum represents that portion" and insert "in full satisfaction of its claim against the United States for a refund."

In line 9, after the word "of", insert "29 days."

At the end of the bill, strike out the period, insert a comma, and add: "which delay was due to causes beyond the control of said company: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The committee amendments were agreed to; and the bill as amended was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

JOHN F. FITZGERALD

The Clerk called the bill (S. 2051) for the relief of John F. Fitzgerald.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to John F. Fitzgerald, of Brattleboro, Vt., the sum of $150, such sum representing the amount tendered by him for the purpose of compromising a claim for taxes under section 701 of the Revenue Act of 1926, such tender having been made by said John F. Fitzgerald before, but not having been accepted by the Department of Justice, until after, such section was held unconstitutional: *Provided*, That no part of the amount appropriated in this act in excess of 10 per centum thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendments:

Page 1, line 6, strike out the words "such sum representing" and insert in lieu thereof "in full satisfaction of his claim against the United States for a refund of".

Page 1, line 11, strike out the word "after," and insert "January 13, 1936, after".

Page 1, line 11, also, after the word "unconstitutional" insert "by the Supreme Court of the United States on December 9, 1935".

The committee amendments were agreed to; and the bill as amended was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

BLUE RAPIDS GRAVEL CO.

The Clerk called the next bill, S. 2566, for the relief of the Blue Rapids Gravel Co., of Blue Rapids, Kans.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money allocated by the President for the maintenance and operation of the Civilian Conservation Corps, to the Blue Rapids Gravel Co., of Blue Rapids, Kans., the sum of $350.40, in full settlement of all claims against the Government for the rental of and damage to certain pumps and related equipment loaned to the Civilian Conservation Corps camp at Seneca, Kans., on or about May 30, 1935, upon the solicitation of R. H. Pennartz, then in charge of the camp, said equipment having been kept and used until March 11, 1936, a period of 9 months and 11 days: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendments:

Page 1, lines 4, 5, and 6, strike out the words "allocated by the President for the maintenance and operation of the Civilian Conservation Corps" and insert "in the Treasury not otherwise appropriated."

Page 1, line 8, strike out the word "Government" and insert "United States."

The committee amendments were agreed to.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ORVILLE D. DAVIS

The Clerk called the next bill, S. 2956, for the relief of Orville D. Davis.

There being no objection, the Clerk read the bill as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Orville D. Davis, of Leavenworth, Kans., the sum of $1,500 in full and final settlement of any and all claims against the United States for permanent injuries received as a result of being shot in the foot during a gun battle between Federal agents and bandits in the post-office building at Topeka, Kans., on April 16, 1937: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

LILLIE LISTON, ET AL.

The Clerk called the next bill, S. 3111, for the relief of the estate of Lillie Liston and Mr. and Mrs. B. W. Trent.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Jeff G. Liston, of Roswell, N. Mex., as administrator of the estate of Lillie Liston, late of Roswell, N. Mex., the sum of $5,435, in full satisfaction of all claims of such estate against the United States for damages resulting from the death of the said Lillie Liston in a collision between the truck in which she was riding, owned and operated by B. W. Trent, of Roswell, N. Mex., and an Indian Service truck operated by Nathan Head, an employee of the Mescalero Apache Indian Agency, such collision having occurred at a point on the highway between Alamogordo, N. Mex., and El Paso, Tex., about 6½ miles north of Oro Grande, N. Mex., on August 11, 1937.

SEC. 2. That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Mr. and Mrs. B. W. Trent, of Roswell, N. Mex., the sum of $1,600, in full satisfaction of all their claims against the United States for damages resulting from property damage and personal injuries sustained by them when their truck, operated by the said B. W. Trent, was struck by an Indian Service truck operated by Nathan Head, an employee of the Mescalero Apache Indian Agency, at a point on the highway between Alamogordo, N. Mex., and El Paso, Tex., about 6½ miles north of Oro Grande, N. Mex., on August 11, 1937: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with such claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with such claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendment:

Page 1, line 7, strike out the figures "$5,435" and insert "$5,000."

The committee amendment was agreed to.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

GRIFFITH L. OWENS

The Clerk called the next bill, S. 3215, for the relief of Griffith L. Owens.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That notwithstanding the provisions and limitations of sections 15 to 20, both inclusive, of the act entitled "An act to provide compensation for employees of the United States suffering injuries while in the performance of their duties, and for other purposes," approved September 7, 1916, as amended, the United States Employees' Compensation Commission be, and the same is hereby, authorized and directed to receive and consider, when filed, the claim of Griffith L. Owens, of Poultney, Vt., for disability alleged to have been incurred by him on September 6, 1935, while enrolled in the Civilian Conservation Corps, Company 166, Camp 2136, Peru, Vt.: *Provided*, That claim hereunder shall be filed within 6 months after the approval of this act: *Provided further*, That no benefits shall accrue prior to the enactment of this act.

With the following committee amendment:

Page 1, line 8, after the word "amended" insert "and as limited by the act of February 15, 1934 (48 Stat. 351)."

The committee amendment was agreed to.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MARY HOVARTH

The Clerk called the next bill, H. R. 8049, to provide for the admission into the United States of Mary Hovarth, an alien.

Mr. MOTT and Mr. HANCOCK of New York objected, and, under the rule, the bill was recommitted to the Committee on Immigration and Naturalization.

JOHN PATRICK TOTH

The Clerk called the next bill, H. R. 10136, for the relief of John Patrick Toth.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That in the administration of the immigration and naturalization laws the Secretary of Labor is hereby authorized and directed to cancel the warrant of arrest and the order of deportation against John Patrick Toth heretofore issued on the grounds that admission to the United States had been fraudulently gained, and that he shall hereafter be deemed to have been lawfully admitted to the United States.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ANTHOULA S. MASKAS

The Clerk called the next bill, H. R. 10286, for the relief of Anthoula S. Maskas.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That in the administration of the immigration and naturalization laws the Secretary of Labor is hereby authorized and directed to cancel the warrant of arrest and the order of deportation against Anthoula S. Maskas heretofore issued on the grounds that admission to the United States had been fraudulently gained, and that she shall hereafter be deemed to have been lawfully admitted to the United States for permanent residence.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

LEWIS LEONARD WOOD

The Clerk called the next bill, S. 1673, for the relief of Lewis Leonard Wood and Winifred Wood.

Mr. MOTT and Mr. HANCOCK of New York objected; and, under the rule, the bill was recommitted to the Committee on Immigration and Naturalization.

DEPENDENTS OF ROBERT E. VAN METER

The Clerk called the next bill, S. 3223, for the relief of the dependents of the late Lt. Robert E. Van Meter, United States Navy.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the death of the late Lt. Robert E. Van Meter, United States Navy, which occurred on July 25, 1937, shall be held and considered to have occurred in line of duty.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

JOHN F. FAHEY

The Clerk called the next bill, S. 2985, for the relief of John F. Fahey, United States Marine Corps, retired.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, notwithstanding the provisions of section 2 of the act approved May 23, 1930 (46 Stat. 375; U. S. C., title 34, sec. 790), John F. Fahey, sergeant, United States Marine Corps, retired, shall be held and considered to have completed 30 years' service, including service in the United States Marine Corps, including double time for service in the Philippine Islands, Panama, and Cuba, and including time in the Fleet Marine Corps Reserve, for the purpose of transfer to the retired list of the United States Marine Corps, on April 5, 1927, and the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to the said John F. Fahey the sum of $693, which sum represents allowances at $15.75 per month, covering the period from April 5, 1927, to and including December 31, 1930, authorized by existing law (34 Stat. 1217; U. S. C., title 34, sec. 431) to be paid to enlisted men upon transfer to the retired list of the Marine Corps upon completion of 30 years' service.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

HERMAN F. KRAFFT

The Clerk called the next bill, S. 3040, for the relief of Herman F. Krafft.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay to Herman F. Krafft, formerly a professor at the United States Naval Academy for a period of 25 years, the sum of $100 per month for the remainder of his life, beginning with the month in which this act is approved, to be paid out of the Treasury from funds not otherwise appropriated.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

FRED G. LEITH

The Clerk called the next bill, H. R. 7167, to provide for the promotion on the retired list of the Navy of Fred G. Leith.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the President of the United States is authorized, by and with the advice and consent of the Senate, to appoint Fred G. Leith (chief pharmacist's mate, United States Navy, retired) as a lieutenant, junior grade, United States Navy. The President is authorized, immediately upon such appointment, to place the said Fred G. Leith on the retired list with the rank, retired pay, and emoluments of a lieutenant, junior grade, United States Navy.

With the following committee amendments:

Page 1, line 9, after the word "rank", strike out "retired pay and emoluments."

Page 2, line 1, after the word "Navy" insert a colon and the following: "*Provided*, That he shall not receive any increase in retired pay, allowances, or other benefits as the result of the passage of this act."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MRS. VALLIE M. CURRENT

The Clerk called the next bill, H. R. 8571, granting 6 months' pay to Mrs. Vallie M. Current.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Mrs. Vallie M. Current, dependent mother of John Robert Chandler, deceased, engineer, second class, U. S. S. *Vestal*, the sum of $480, an amount equal to 6 months' pay, as back pay.

With the following committee amendment:

Strike out all after the enacting clause and insert the following: "That the Secretary of the Navy be, and he is hereby, authorized and directed to pay, out of the current appropriation 'Pay, Subsistence, and Transportation of Naval Personnel', to Mrs. Vallie M. Current, mother of the late John R. Chandler, engineman, second class, United States Navy, an amount equal to 6 months' pay at the rate the late John R. Chandler was receiving at the date of his death: *Provided*, That Mrs. Vallie M. Current shall establish to the satisfaction of the Secretary of the Navy that she was actually dependent upon her late son at the time of his death, and the determination of the fact of such dependency by the Secretary of the Navy shall be final and conclusive upon the accounting officers of the Government."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

LILLY BUNDGARD AND GLORIA BUNDGARD

The Clerk called the next bill, H. R. 2779, for the relief of Lilly Bundgard and Gloria Bundgard.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Lilly Bundgard and her daughter, Gloria Bundgard, of San Francisco, Calif., the sum of $1,450 for damages sustained on February 15, 1931, when they were injured in a collision with United States Army truck No. U. S. A. 001554.

With the following committee amendments:

Page 1, line 5, after the word "Bundgard", strike out "and her daughter" and insert "of San Francisco, the sum of $750, and to."

Page 1, line 8, strike out "$1,450 for damages" and insert "$100, in full settlement of their claims against the United States for personal injuries."

Page 1, line 10, after the word "when", strike out the balance of the line and all of line 11 and the figures "001554", on page 2, and insert the following: "the automobile in which they were riding was struck by a United States Army truck at the intersection of Cabrillo Street with Twenty-fourth Avenue, San Francisco, Calif.: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

DERBY OIL CO.

The Clerk called the next bill, H. R. 6753, for the relief of the Derby Oil Co.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to the Derby Oil Co., Wichita, Kans., the sum of $2,467.80. Such sum represents the loss sustained by the Derby Oil Co., through typographical error in bid price of grade V–75 gasoline, on shipments of gasoline totaling 164,520 gallons to Civilian Conservation Corps Quartermaster, Fort Knox, Ky., and Quartermaster, Fort Knox, Ky., under contract Tps–10033, dated December 17, 1935.

With the following committee amendments:

Page 1, line 6, strike out "$2,467.80. Such sum represents" and insert "$2,467.80 in full settlement of all claims against the United States for."

Page 2, line 3, after "1935", insert a colon and the following: "*Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

CURTISS AEROPLANE & MOTOR CO., INC.

The Clerk called the next bill, H. R. 7143, for the relief of the Curtiss Aeroplane & Motor Co., Inc.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to the Curtiss Aeroplane & Motor Co., Inc., the sum of $21,660.97. Such sum represents additional costs incurred by such corporation in the performance of contracts with the Department of the Navy dated June 30, 1932 (contract No. NOs–27648), November 23, 1932 (contract No. NOs–29274), February 7, 1933 (contract No. NOs–30244), May 31, 1933 (contract No. NOs–31602), and June 19, 1933 (contract No. NOs–31827).

With the following committee amendments:

Page 1, line 6, after the word "Incorporated," insert "of Buffalo, N. Y."

Page 1, line 7, strike out "$21,660.97. Such sum represents" and insert "$21,660.93 in full satisfaction of its claims against the United States for."

Page 1, line 9, after the word "corporation", insert "as the result of the compliance with the President's reemployment agreement, promulgated pursuant to the National Industrial Recovery Act."

Page 2, line 8, after "NOs–31827)" insert a colon and the following: "*Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

FRED JOHNSON

The Clerk called the next bill, H. R. 7198, for the relief of Fred Johnson.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of $4,000 to Fred Johnson, to reimburse him for personal injuries and financial loss sustained by him as a result of an automobile accident in the city of Little Rock, Ark., on August 13, 1931, while he was a Federal prisoner in the custody of and riding in the car with officials of the Department of Justice of the United States.

With the following committee amendments:

Page 1, line 5, after the word "appropriated", strike out the balance of the line and all of lines 6 and 7 and insert the following: "To Fred Johnson, of Ben Hur, Ark., the sum of $2,000, in full satisfaction of his claim against the United States for personal injuries."

Page 2, line 1, strike out "with officials" and insert "driven by a prohibition agent."

Page 2, line 2, strike out "Justice of the United States" and insert "Justice: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

FRANK B. DECKER

The Clerk called the next bill, H. R. 7607, for the relief of Frank B. Decker.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Frank B. Decker, the sum of $250 in full compensation and settlement for all claims and demands of Frank B. Decker growing out of, or arising from, injuries suffered by him at the Corvallis, Oreg., post office on April 13, 1933.

With the following committee amendments:

Page 1, after line 5, insert "of Corvallis, Oreg."

Page 1, line 6, strike out "compensation" and all of lines 7, 8, and 9, and insert "satisfaction of his claim against the United States for personal injuries sustained when he fell as a result of the hazardous condition of the steps at the main entrance of the."

Page 2, line 1, after "1933" insert a colon and the following: "*Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ROBERT DOTY

The Clerk called the next bill, H. R. 8492, for the relief of Robert Doty.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Robert Doty, the sum of $500 in full settlement of all claims against the United States for personal injuries sustained through a collision with a Chevrolet automobile driven by a Works Progress Administration employee in pursuit of official duties, in Unionville, Conn., on September 9, 1936: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendments:

Page 1, line 5, after the word "to", insert "the legal guardian of."

Page 1, line 6, after "Doty", insert "a minor, of Unionville, Conn."

Page 1, line 8, strike out "through a collision with a Chevrolet" and insert "by him when struck by an."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

The title was amended so as to read: "A bill for the relief of Robert Doty, a minor."

SECURITY ADMINISTRATION

The Clerk called the next bill, H. R. 8673, for the relief of certain persons at certain projects of the Farm Security Administration, United States Department of Agriculture.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That in the case of any person who was employed prior to June 30, 1935, at one of the following projects of the Farm Security Administration of the United States Department of Agriculture, formerly under the jurisdiction of the Division of Subsistence Homesteads of the United States Department of the Interior: Cumberland Homesteads, Crossville, Tenn.; Tygart Valley Homesteads, Elkins, W. Va.; Westmoreland Homesteads, Greensburg, Pa., and from whose wages there have been withheld any sums in pursuance of the operation of a so-called credit-hour system at such projects, the Secretary of the Treasury is authorized and directed to pay to such person, out of any money in the Treasury not otherwise appropriated, upon the certification of the Secretary of Agriculture, a sum equal to the amounts so withheld: *Provided, however*, That there shall be deducted from such payments (for disposition as receipts derived from the operation of projects, as authorized by section 3 of the act of June 29, 1936 (49 Stat. 2035)), the amounts, as certified by the Secretary of Agriculture, of any current indebtedness to the United States in connection with such projects, and of any past indebtedness for which credit has been allowed to such person in the form of rent for occupancy or payments toward the purchase price of any homestead at such projects: *Provided further*, That in the case of any such person who has voluntarily withdrawn or has been dismissed from one of such projects, and who has received any cash settlement on account of accrued credit hours, there shall be deducted from such payments a sum equal to the amount of such cash settlement.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

Mr. COSTELLO. Mr. Speaker, I move to dispense with the further call of the bills on the Private Calendar.

The SPEAKER pro tempore (Mr. RAYBURN). Is there objection to the request of the gentleman from California?

There was no objection.

Mr. KENNEDY of Maryland. Mr. Speaker, I ask unanimous consent that the call of bills on the Private Calendar on tomorrow may be dispensed with.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Maryland?

There was no objection.

ELIZABETH VRESH ET AL.

Mr. GILDEA. Mr. Speaker, I ask unanimous consent for the present consideration of the bill (H. R. 6820) for the relief of Elizabeth Vresh (Yalga Vres), her son, Frederick Vresh, and her daughter, Sylvia Vresh Bronowitz. This bill was objected to through a misunderstanding of fact.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. MOTT. Mr. Speaker, I should like to hear the bill read. It sounds like one to which I objected.

The SPEAKER pro tempore. The Chair is not sure that he understands what has been requested. The Chair was under the impression, from talking with the gentleman from Pennsylvania [Mr. DEMUTH], that this bill was on the Consent Calendar, that its consideration at this time was perfectly agreeable to the Members who objected when it was considered before, and that the bill would not be objected

to at this time. The Chair now finds that the bill was on the Private Calendar, was objected to, and recommitted to the Committee on Immigration and Naturalization, and was reported by that committee in an omnibus bill which is now pending in the House. Frankly, the Chair is unable to understand the present request.

Mr. DEMUTH. Mr. Speaker, cannot the bill be brought up by unanimous consent?

The SPEAKER pro tempore. The bill can be considered by unanimous consent.

Mr. MARTIN of Massachusetts. Mr. Speaker, under the conditions, I believe I shall object.

Mr. DICKSTEIN. Mr. Speaker, will the gentleman withhold his objection a moment?

Mr. MARTIN of Massachusetts. I withhold the objection, Mr. Speaker.

Mr. DICKSTEIN. Mr. Speaker, I understand when this bill was objected to there was some misunderstanding of the facts. We all agree this is a bill that has nothing to do with any fraud, upon which to base any objections. This is a unanimous-consent request for the present consideration of the bill.

Mr. MARTIN of Massachusetts. I believe it would probably be better to call up the bill tomorrow or sometime when we have had a chance to look into it.

Mr. DEMUTH. The Members on both the Republican side and on the Democratic side have recognized that they made an error in objecting to the bill, and they agree to its passage.

Mr. MARTIN of Massachusetts. Apparently they do not agree to it.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Pennsylvania?

Mr. MARTIN of Massachusetts. I object, Mr. Speaker.

EXTENSION OF REMARKS

Mr. SCHNEIDER of Wisconsin. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include therein a statement by Mr. A. C. Weinfeld, author and contributor to leading law journals, on the child-labor provisions of the wage-hour bill. I also ask unanimous consent, Mr. Speaker, to have printed in the RECORD a letter written by myself to the President and to the Secretary of State with regard to reciprocal-trade agreements.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. ECKERT. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD, and include therein excerpts from an article on the causes of business depression, by Henry George.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

PERMISSION TO ADDRESS THE HOUSE

Mr. FLETCHER. Mr. Speaker, I ask unanimous consent that on Thursday next, at the conclusion of the legislative program of the day and following any special orders heretofore entered, I may be permitted to address the House for 10 minutes.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Ohio?

There was no objection.

The SPEAKER pro tempore. Under the previous order of the House the gentleman from Nebraska [Mr. BINDERUP] is recognized for 30 minutes.

GOVERNMENT MONETARY CONTROL

Mr. BINDERUP. Mr. Speaker and Members of Congress, I desire very much today to have permission to continue my remarks until I shall have finished, when I will be glad to answer any questions.

Congress for a number of years has had three men in Washington to whom they have gone for all their advice on monetary matters, but these three men have now given up, regardless of the words of President Roosevelt, who said:

> Let us refuse to leave the problems of our economic welfare to be solved by the winds of chance and the hurricanes of disaster. Let us not admit that we cannot find a way to master economic epidemics.

I refer to Mr. Marriner Eccles, Chairman of the Board of Governors of the Federal Reserve Board, when asked if he did not believe there was some possible way to solve these terrible epidemics of depressions, and he replied, "I do not know of any way."

And Mr. Henry Morgenthau, the Secretary of the Treasury, when asked by me what plan he had to bring this country out of this depression, hesitated for a time and then said, "Get labor to come down in their wages." He finally, however, confined this to just bricklayers. And asked if he had no other remedy replied, "Yes; balance the Budget." I do not like to criticize, so please be your own judge.

And Senator CARTER GLASS, of Virigina, who claims to be the father of the present Federal Reserve Banking System, lamenting his miserable, crippled offspring, that, according to his own words in the public press, has developed into a wayward overgrown wreck, regardless of the careful care he bestowed for years, said, "I had never thought the Federal Reserve Banking System would prove such a failure."

And when things grew really serious a few weeks ago, and the price level had fallen almost as low as 1933, he packed his knapsack and went home. And so Congress, like Senator CARTER GLASS, is getting ready to pack its knapsack and go home, discouraged, just like Mr. GLASS; and the remark of this Senator would not be untimely if uttered by every Senator and Representative, or even by our President Roosevelt.

What a criminal record has the Federal Reserve Board of this Senator would not be untimely if uttered by every earned a place in the front ranks of the rogues' gallery for three of the worst panics this Nation has ever had to endure, which were caused intentionally, deliberately, and premeditatedly by the Federal Reserve Board and the Federal Reserve banks. And I refer to the panics of 1920, 1929, and 1937. But all credit is due to Mr. Marriner Eccles, Chairman of the Board of Governors of the Federal Reserve banks, for he frankly admits, both in public and in private, that he and his Board created our present depression of 1937, which has been termed "recession"—that does not sound so bad. These three depressions have caused more misery and want, more starvation and deprivation, more bread lines and soup kitchens, than were caused by any war. How long, O Lord—and I say it religiously—how long will the people continue the destruction of our great Nation? How long before the people will awaken to the fact that they have been robbed of their constitutional right to own, manage, and control their own money—that measures the sweat of the brow of man?

But let us analyze this period of criminal management. Why did this happen, and why did the Federal Reserve Board of the Federal Reserve banks so utterly and miserably fail? There is but one reason. Because they have stubbornly and persistently insisted on going into partnership with Wall Street financiers and international bankers, and refused to consider a partnership with the people. This, however, is as great a reflection on Congress as it is on the Board, as we have utterly failed to give to the Board positive instructions as to the method we desired used. We merely expressed a wish and then said, "Here, you Federal Reserve Board, just fix it up for us." But I say again, whenever we want any reform in our monetary system we ask the Federal Reserve Board to come in and tell Congress just what they want and they invariably get it so they might have suggested a plan of trading partnerships, and substituted the people in place of Wall Street. Where the Federal Reserve Board has failed mostly is in expanding our money supply, as in doing this they had to hand 99 percent of their monetary authority to Wall Street, who are more interested in money scarcity than a sufficient amount.

I ask, Why not the people? Why not let them distribute their own money by spending it into circulation in place of

asking the people to pay a ransom for the release of their money kidnaped by Wall Street and international bankers? Evidently, from the many questions asked, I have not yet made plain the plan for 100-percent reserves back of demand deposits. So I will again explain in just a few words. Today the 15,000 banks in the United States have just about enough cash stored in the Federal Reserve bank vaults and Government bonds on hand to balance with 100-percent reserves back of demand deposits. Now, as this cash belongs to the demand bank depositors, it is the people's money, and the bonds have all been bought for the cash also belonging to the depositors, payable on demand, so these bonds also belong to the people. Our bill for Government monetary control virtually says to the banks, "You have failed 27 times and deprived the people of billions of their hard-earned money and bankrupted the Nation, but we know it was not your fault individually. It was caused by a rotten, corrupt banking system. Now, we do not want to work the slightest hardship on you banks. We recognize the importance of banks in every city, town, and hamlet to expedite the speedy exchange of money and credit, but we will just hold the people's deposits in our 12 regional banks. Now, by this bill, subtreasuries of the people can keep right on checking as always. We just hold the cash for you, as was the original intention, and as we take over this money and bonds we release you entirely from any personal liability to your demand depositors, and we now assume this responsibility.

You can make a service charge for handling checks as you ought to and as most banks do now. Your banks are not now getting any interest on this money stored in bank vaults belonging to the people, so you lose nothing by letting your Government store it for you; and you can continue drawing the interest on your depositors' bonds until they are due, but when due we will continue holding these bonds, as you received payment in full when we assumed your liability to your depositors. There has merely been a switching of credits. That is what we call a fountain-pen deal. These bonds were originally bought with fountain-pen money and they are now paid in the same way, with fountain-pen money. Just a switching of credits; and when the bonds are due, well, all the difference it will make is that we will just quit paying you interest on the bonds, and you could not expect any more. You are now holding about fifteen billions of these bonds that you bought for the people's money that we will take over, so automatically, as these bonds are due, they are paid or held by the people in their own Federal Reserve banks. So, we will just burn up these bonds and there will remain in the 12 Federal Reserve banks the people's credit that we, the people, will continue checking on and there is nothing new about this. Ninety-seven percent of our money has been checkbook money for years. The only difference is that now you check on Uncle Sam's credit where formerly you checked on the bank's credit, and there is another difference, too. Now you are paying the banks $1,000,000,000 a year for checking on their credit and checking on the Nation's credit through your banks as always, but based on Uncle Sam's credit, is not costing a cent. And thus the Nation assumes its own debt and the terrible indebtedness of the Nation that has been a nightmare to so many of us is wiped out with a fountain pen.

And not a soul in the Nation could say one word against it. Not a soul has been wronged and not a soul has lost a cent, and the people have gained almost forty billions of dollars, and saved a billion dollars a year in interest. But someone will ask, how about the bonds that the banks are not holding? How will we pay these? Well, all bonds held outside of the banks will gradually be syphoned in through the banks, for as we retire bonds when due the banks can buy bonds from Tom, Dick, and Harry, as under our monetary bill the banks may hold the same amount of bonds to their credit in our Federal Reserve banks as they have when this bill is passed, and as the banks would rather hold bonds drawing interest than cash drawing no interest, their quota will always be held full until the entire amount of United States bonds are due and paid. And the nightmare of our public debt shall have vanished like the dew before the summer sun. And there shall be no more booms and depressions. There shall be no more bank failures, no more worry about losing a little money laid aside for old age, and it shall be the morning of a decent, honest, and righteous monetary system, and the people shall be supreme and their banks shall enjoy a great and lasting prosperity, with agriculture and industry. Yes, truly, the pen is mightier than the sword.

Now, Members of Congress, I challenge anyone to dispute the philosophy of this righteous bill for monetary control by our Government. I challenge Wall Street and international bankers to dispute one single principle. Oh, I know what they will say. It will be the same old cry. "The Government cannot run its money business, but we, the banks, can." Even though they have bankrupted us 27 times in the short lifetime of our Uncle Sam, they still have the unprecedented nerve to say that they can run our money business.

But you ask me how we will distribute the amount of new money into the veins and arteries of trade and commerce that is necessary in order to keep up with the growth of Uncle Sam in increased population of about a million a year, and the creation of new industries, creating a demand for money to keep the reservoir full. First, we know that it will require a little more than one and a half billion dollars a year to do this, so we will pay directly to all needy people over 60 years of age—widows, orphans, blind, cripples, and invalids—$50 per month. This will today require exactly $1,602,000,000 a year, just about the right amount to keep up with the growth of Uncle Sam. So we will just send a wire to each of the 12 Government Federal Reserve banks and say to each one of them, "Put down figures on your book, credit to the social-security account for old-age pensions, $135,000,000," and we will say to the Social Security Administration, "Check on the Federal Reserve bank in your district for the amount necessary to pay out social-security payments for 1 year." Now, there is nothing new about this. About 2 months ago we decided to distribute $1,400,000,000 to be used by our Government.

So we wired each one of the private-banker-owned Federal Reserve banks a certain part of this amount and said to these 12 private banks, "Put these figures down on your books. Give Uncle Sam credit and we will give you a mortgage on some gold down in a hole in Kentucky, but you cannot have the gold. If you take it you will go to jail, for we have conscripted all gold, but you can take this mortgage and although all Uncle Sam got was a checking privilege for which he must pay thousands of dollars a year, you can take this $1,400,000,000 gold mortgage and we will allow you to issue Federal Reserve notes—paper money—to the amount of over $28,000,000,000 by laying beside this mortgage on gold commercial paper. So we donated to the banks this profit of $26,600,000,000. But we have done much more than that even in the last 4 years. We have given the banks about eleven billions in another privilege of creating the Nation's money. All this is explained in Uncle Sam's Hospital Chart I have sent you.

Suppose we had given this privilege to the farmers or to the laboring people. Can you imagine the stir and front-page news? And yet this gift to the banks was scarcely mentioned in the public press. Some one has a way of keeping these facts still. And now we just say the same thing, send the same kind of message to the same banks, only they are now Government banks or clearing houses. The only difference is we pay nothing for checking on them, as they are now just what they were intended to be when the Federal Reserve Act was originally contemplated. And these checks given to social-security recipients continue as at present to flow in and out of all of the 15,000 banks in the Nation, a mere debit-and-credit system, a bookkeeping system as at present, only they are controlled as to volume and velocity by our monetary authority interested in maintaining

our price level that robs neither the creditor nor the debtor and puts into circulation just enough money each day to do the job.

An example. You receive a check for $50, deposit it in your bank, and you start checking on this check. Give a check to John, he deposits his check and starts checking, and so forth, just as today. The same kind of circulating medium as now, that constitutes 97 percent of our money supply. And it is a splendid way, just so it is controlled by the Government.

Our bill for monetary control also provides for $1,000,000,000 a year for establishing farm homes. We will probably use several billion dollars a year for this purpose; as if we are to again achieve the 1926 price level we have a sum of over $14,000,000,000 that we have failed to get into circulation since 1926. This money must be put into circulation among the lower-income group also, and there is no better plan than establishing our people once more on their own farms. My bill provides that we will furnish not to exceed $8,000, with 1½ percent payment on principal and 1½ percent interest, for each worthy applicant who can show he actually knows farming and has had a number of years experience, either as a farm owner, renter, or hired man. The bill further provides that the title to this land shall remain in the name of Uncle Sam until it is half paid for, that Uncle Sam may be safe, when a deed shall be given and we take a mortgage back for the balance. This automatically means that the farm will be tax-free for the first 20 years, thus helping our young men and women get homes, and rehabilitating our former farm owners who lost their farms when our Government fumbled and failed in protecting its citizens in the three last banker-created depressions. And, further, it leaves the title in Uncle Sam's name so there will be no trafficking in these homes for 20 years and also so that those unfortunate ones who contracted debts they have been unable to pay, through no fault of their own will not be molested until they can pay.

The elastic part of the bill is taking over bonds from the banks, so in this case it is optional with our monetary authority whether they will reissue the bonds or take them over and let the banker go into the market and buy up other bonds, as whenever the banks do this they put more credit or money out into circulation.

Mr. FLETCHER. Mr. Speaker, will the gentleman yield?

Mr. BINDERUP. Yes.

Mr. FLETCHER. The gentleman said that Mr. Eccles did this in order to save the banks, instead of the people. If he had followed the action the gentleman suggests, he would have saved both the banks and the people? Will the gentleman explain that?

Mr. BINDERUP. Yes; I shall be glad to explain it. If prosperity had continued and industrial bonds had gone up in price, and the Government bonds issued at a cheap rate of interest had continued flooding the market, the price of the Government bonds would fall, as they did in that first part of 1937. The banks held about $20,000,000,000 of these bonds, and a fall of just 10 points—and we have had more than that at different times—would have caused the banks a loss of $2,000,000,000. That would have caused every bank in the United States to fail, and we would have had another panic. In other words, if we had continued prosperity, your banks would have failed, and brought you down, and if you did not have prosperity the people would have gone broke.

Mr. FLETCHER. I do not quite understand. It seems there is but one choice; either the banks or the people must go.

Mr. BINDERUP. Yes; and so, if you please, we saved the banks in 1937, and the banks are stable today. They are loaded with dormant bank deposits today, and we sacrificed the people to do that, with unemployment, more than we ever had before; and with a lower price level of commodities and labor and grain and everything. We "busted" the railroads, and are breaking the farmers and the factories. We saved the banks, but we destroyed the Nation.

Mr. FLETCHER. And if the banks had not been saved, could the people have been saved?

Mr. BINDERUP. No; we would have "busted" everyone. If all of the banks, 15,000, went broke, it would have brought havoc upon us just the same. It is the same financial system that we have been pursuing that has brought us into the nine hole, and there is only one way out of it, namely, the principles in the bill I am presenting. It takes care of the bonds of the United States and all of the things that brought us to destruction again in 1937.

Mr. FLETCHER. And unless something is done, this same tragedy must recur at certain periods?

Mr. BINDERUP. Yes. Be assured of that. The twenty-seventh will not be the last, and each panic becomes worse and worse.

Mr. FLETCHER. It is either save the banks and cause the people to lose, or save the people and cause the banks to lose; and in either event, everybody loses.

Mr. BINDERUP. That is true, and the bill that I am presenting to you contains a plan whereby you can save the banks and the people, too, when the people take charge of their economic system in place of leaving it to the banks.

Mr. OLIVER. Mr. Speaker, will the gentleman yield?

Mr. BINDERUP. Yes.

Mr. OLIVER. Do I understand from the gentleman's remarks that it follows inevitably when the industrial price level rises, Government bonds necessarily depreciate?

Mr. BINDERUP. They do, of course, more now than before, because we have sold our Government bonds at a cheaper rate of interest than ever before. That is true to that extent, and they always do fall more or less. You will always find when you have prosperity that there is no great demand for bonds, but when we have depressions as we do now, there is no other safe investment. The dollar is the best investment, so we buy bonds or put our money in bank vaults or a stock.

Mr. OLIVER. Is it not possible for the Government to call the purchase of these bonds, when there is danger of the price dropping below par?

Mr. BINDERUP. That is what they did in 1937, but when it comes to the Government calling $40,000,000,000 of bonds, or even a tenth of it, it becomes absolutely impossible for the Government to do it.

Mr. OLIVER. How does the gentleman's bill meet that situation?

Mr. BINDERUP. How do we meet the situation? In the first place, my bill provides that the banks cannot have any more bonds than they have at the time the bill is enacted into law, that they cannot juggle their bonds back and forth, that they cannot buy and sell because we hold their Government bonds in trust for their depositors, and retire all bonds or reissue them as they become due.

Mr. CRAWFORD. Mr. Speaker, will the gentleman yield at that point?

Mr. BINDERUP. I yield with pleasure to the gentleman from Michigan.

Mr. CRAWFORD. In other words, if in the bank's portfolio there are bonds of the Treasury Department to the extent of 100 percent of the reserves there would be no bonds to buy.

Mr. BINDERUP. The gentleman is correct in his statement.

Mr. CRAWFORD. Therefore there would be no inclination for the bond price to drop, because nothing is being offered.

Mr. BINDERUP. That is true.

Mr. CRAWFORD. So that trouble is definitely removed.

Mr. BINDERUP. I thank the gentleman from Michigan for his reference to the point I was trying to make more clear. I have stated we are short $20,000,000,000. But I fear putting $20,000,000,000 into circulation. I am afraid of establishing a price level so high that we cannot maintain it. Consequently in my bill I start mildly and in my program

I take a billion dollars in resettlement. If this consequently turns loose too fast, we have not overexpanded at this time and we can control it.

Mr. MURDOCK of Arizona. Will the gentleman yield?

Mr. BINDERUP. I yield to the gentleman from Arizona.

Mr. MURDOCK of Arizona. I understand the gentleman's desire to put this purchasing power down below, as he says, to meet the needs of the common people. Do I understand that your measure would put more than a billion dollars of new money into old-age pensions at the rate of $50 a month?

Mr. BINDERUP. Yes; $1,602,000,000. That is what it would take, according to the estimate of the Social Security Board, for the helpless.

Mr. MURDOCK of Arizona. That includes the children who are dependents?

Mr. BINDERUP. Orphans, cripples, the blind, and the invalid, besides the old people.

Mr. MURDOCK of Arizona. Would the gentleman go further than that or is that sufficient? I am interested in a proper treatment of both classes.

Mr. BINDERUP. No; that is sufficient. That is the normal increase in Uncle Sam, which is 4 percent, and that always takes care of the old-age pension. It is only the part which relates to farm resettlement [indicating on the chart] that we are going to regulate, whether we take a billion dollars a year or $2,000,000,000 a year. That will be governed, as I say, by the amount of velocity we create, but always according to our price level so that we rob neither debtor nor creditor.

Mr. CRAWFORD. Will the gentleman yield?

Mr. BINDERUP. I yield to the gentleman from Michigan.

Mr. CRAWFORD. When the gentleman states that is sufficient, he has in mind, I believe, that is sufficient provided hoarding does not move up as rapidly as you put that in?

Mr. BINDERUP. Yes. That is of course true, but a safe monetary system prevents hoarding and again, in case money is hoarded, that will reduce our price level and immediately our monetary authority will release more money.

Mr. CRAWFORD. As I understand the situation, if hoarding does take place as rapidly as you inject the new money we arrive nowhere?

Mr. BINDERUP. We arrive nowhere unless we inject more money into the veins and arteries of trade and industry by expanding in resettlement or by retiring more Government bonds. The thing that creates hoarding is fear, always fear. Not fear of commodities going up or down, but fear that some hidden power will take our money out of circulation or decrease its flow, and thereby affect all prices.

Mr. MURDOCK of Arizona. The gentleman does not feel that an elderly person or a dependent child who would get $50 a month could do very much hoarding on that, according to our present standard of living?

Mr. BINDERUP. The gentleman is right. Those who are cold, hungry, and in need are not to be feared. You do not have to be afraid of the needy. They will spend their money even before they get it. On a mere prospect they will spend it even before they get it.

Mr. CRAWFORD. Will the gentleman yield?

Mr. BINDERUP. I yield to the gentleman from Michigan.

Mr. CRAWFORD. In order to clear the record, I do not want the gentleman from Arizona to think I meant those particular people would hoard. I have reference to those who have five, ten, fifteen, twenty-five thousand dollars or more in the form of demand deposits. Let me ask this question along the same line: Is it not true that velocity also depends upon this thing we call confidence, and that unless you have confidence you do not draw checks, therefore, velocity is slowed down?

Mr. BINDERUP. Very true. The gentleman from Michigan has a very clear insight as to the functions of money.

Mr. CRAWFORD. As velocity slows down, spending diminishes, prices tend to break, and unemployment increases.

Mr. BINDERUP. The gentleman from Michigan is correct. Velocity is created by fear. But how could anyone have any confidence in a monetary system such as we have in the United States, where the bankers meet at any time, as they did on May 18, 1920, and as they always do in their secret meetings, and take $10,000,000,000 at a shot away from the people while we are sleeping and do not know anything about it? How can you have confidence in a monetary system that has destroyed you 27 times in the short history of 150 years in the United States? How can you have the slightest confidence in a lot of bankers whose interests are absolutely opposite to yours? You are interested in a definite price level of commodities. They are interested in a dollar that changes the price of those commodities so they can bring the prices down by deflating money and by refusing loans down to the bottom. Then they can buy, and then, with their own credit, selling their own credit as money, they can elevate that price level. So it is that continuous circle, round and round and round.

Mr. HILL. Will the gentleman yield?

Mr. BINDERUP. I yield to the gentleman from Washington.

Mr. HILL. As I understand, the gentleman has a three-point plan in his program. The gentleman has explained one of them, that is, to put the money down at the bottom where it will be spent, giving to the old people $1,602,000,000 and then $1,000,000,000 to regulate the level up and down.

Mr. BINDERUP. Yes.

Mr. HILL. What are the other two points? As I understand, one relates to the Federal Reserve.

Mr. BINDERUP. Yes.

Mr. HILL. Will the gentleman explain the other two plans? The gentleman's time is about up, but I wish he would explain the other two plans.

Mr. BINDERUP. Of course, expanding the money supply is the primary thing, expanding our currency supply at the bottom, creating a demand and a purchasing power at the same time, and thereby positively and absolutely preventing an inflation. Of course, that is the primary thing, and that is the thing in my bill that is absolutely new. The world has always tried to expand by giving money to the banks. I am going to the bottom and allowing the people to spend it into circulation. The question has often been asked, "How do you take over the 12 Federal Reserve banks?" About 2 or 3 years ago I found among my records a very interesting little article that was written by a former Member of Congress, in which he told about that wonderful plan—this was in 1912—creating the 12 Federal Reserve banks, stating that we would now have a system that was elastic, whereby we would prevent booms and depressions. Do you recall how you rejoiced when you read this news, how we all rejoiced in it? We thought we now were going to have a real banking system. This article speaks about the 12 regional banks. We thought that was wonderful. We were going to issue our own money, and what profit there was in issuing money would inure to the Treasury of the United States. This was the general understanding. I do not believe there are any of us, and since coming to Congress I have talked with Members of Congress about it, who did not believe the Federal Reserve banks were Government banks. We all believed that originally; and gradually, little by little, we had our eyes opened.

Mr. SCHNEIDER of Wisconsin. Mr. Speaker, will the gentleman yield?

Mr. BINDERUP. I yield to the gentleman from Wisconsin.

Mr. SCHNEIDER of Wisconsin. Is it not true that the original plan by President Wilson was that the Federal Reserve banks would be owned by the Government and all profits would go into the Treasury of the Government?

Mr. BINDERUP. Exactly. That was just the way the article about which I am telling you was written. That was exactly the understanding. That was the purpose of the bill. We appointed a committee to travel in Europe for 6 months, a committee of Senators and Congressmen, and told the Governors of the States to send representatives, that we were

going to have a real banking system in the United States. They came back to us with their plan, as the gentleman from Wisconsin says. We must have Government monetary control. The Government should own the 12 Federal Reserve banks as a part of the program for carrying this into effect. We must adhere to and apply the provision in the Constitution which places upon the Congress the duty of issuing—creating—all money and of regulating the value thereof. I repeat, we must do this if we are to solve our unemployment problem and give to our people that stable and lasting prosperity to which they are justly entitled.

Mr. Speaker and Members of Congress, continuing and in conclusion, there is much more to be said about the monetary question, and why not? It is said by great statesmen that this monetary reform is the second Declaration of Independence. And it is a declaration of independence from the economic tyranny that has destroyed us 27 times in the short life of our Uncle Sam, a tyrant a thousand times more cruel than was ever King George of England. Much has been said lately about buying the 12 Federal Reserve banks. Why buy them? We have bought them and paid for them many times, but if necessary let us buy them once more. All the stock in the banks amounts to only $135,000,000. Why not just take them home? They were according to the first plan the people's banks.

Congress sent a delegation of Senators and Representatives and Governors or their representatives to Europe in order that we might have a decent banking and monetary system. They came home with a great program, and like a thief at night that stabs a dagger into his victim's back, predatory, plundering, international bankers stole from the people this their banking system. They have had full swing of this banking and money system for 23 years, and during this time brought us the three worst panics the Nation ever suffered, these while we were on a gold standard that they have told us was so safe and sound. They have told us the gold standard was an honest dollar, but now we know that it is the most treacherous thief that ever was. It stole from us our homes and farms and jobs and brought us deprivation and starvation and misery and want. I want to give you a little history of this Federal Reserve Banking Act, copied from the records in Congress.

First, I want to repeat what William Jennings Bryan said after this banking system had been in force for 10 years:

> The Federal Reserve bank that should have been the farmer's greatest protection has become his greatest foe. The deflation of the farmer was a crime deliberately committed not out of enmity to the farmer but out of indifference to him. Inflation of prices had encouraged him to buy and then deflation delivered him into the hands of the money lender. The Federal bank can be a blessing or a curse according to its management. If the Wall Street speculators are in control of it, they can drain the agricultural districts and keep up a fictitious prosperity among the members of the plunderbund.
>
> While the Federal Reserve bank law is the greatest economic reform achieved in the last half century, if not in our national history, it would be better to repeal it, go back to old conditions, and take our chances with individual financiers than to turn the Federal Reserve bank over to Wall Street and allow its tremendous power to be used for the carrying out of the plans of the Money Trust.

Why not just take over our banks? No; not to go into the banking business, but to get out of it. Take over our 12 Federal Reserve banks as subtreasuries of the Government, to expedite the speedy exchange of money and credit, and to furnish to our 15,000 banks clearing houses or for Government bonds they hold which were bought with depositors' money, and the cash they hold as reserves. Twenty-seven times the banks have failed us and destroyed the people's money, but no more. There shall be no more epidemics of bank failures. No more booms and depressions. Take over our 12 banks and let the 15,000 banks check on us and deposit according to the action of their demand depositors. For the banks must go out of the money-creating business and the business of creating booms and depressions, and the Government will go out of the money-lending business.

Among my papers I find a newspaper article by a then Member of Congress from Nebraska, written in 1912, in which he writes on the proposed Federal Reserve Banking System, at this time being formulated in Washington. He writes about the 12 regional banks, and so forth, and adds, "After all necessary expenses of the Federal Reserve Banking System have been paid, all the profits will inure to the Treasurer of the United States." And do you remember how we all rejoiced?

There had been sent to Europe a large delegation of our ablest men, at Government expense, Senators and Representatives and Governors of States, and they had come home with a great program. And we said, "Glory, now we shall truly have a great banking system when our great Government shall at last give to the people their constitutional rights to own and control their own money that shall answer as the wheels of equitable distribution." But the international bankers, like a thief at night, stole from the people this wonderful plan and warped it into a plan that would suit their abominable greed. And with the assistance of Senator GLASS, of Virginia, as their champion, they succeeded in distorting our purpose, and now listen to that famous section that has been warped and twisted every few years to suit the international bankers. I copied this from the records.

> SEC. 7. After the necessary expenses of the Federal Reserve banks have been paid or provided for, the stockholders shall be entitled to receive an annual dividend of 6 percent on the paid-up capital stock, which dividend shall be accumulative and all over this shall be paid to the Government as a franchise tax.

Lo and behold the transition, or the beautiful dream turned into a nightmare. The Government bank had turned into a stock company of bankers. Our people's bank had become a bankers' central bank. A reflex of the Aldrich Bank Act for central banking. It was the general understanding in conversation that they were still Government banks, and to disguise this still more it was stipulated that the bankers should pay the Federal Reserve Board, that was supposed to be the people's guardian. It certainly did sound fine. Evidently these pirates of finance did attend Sunday school once in childhood days, for they had learned the meaning of the Biblical phrase, "For the ox knoweth his owner, and the ass his master's crib."

Now listen to that notorious section 7:

> After all the necessary expenses of the Federal Reserve banks have been paid or provided for, the stockholders shall be entitled to receive an annual dividend of 6 percent on paid-up capital stock which shall be accumulative. After the aforesaid dividend claims have been fully met, all net earnings shall be paid to the United States as a franchise tax, except that half of such net earnings shall be paid into a surplus fund until it shall amount to 40 percent of the paid-in capital stock of such banks.

Selfish greed knows no limits. It was not now enough that they had taken the banks. Not enough that they were allowed fancy salaries for running them. Not enough that they should have 6-percent interest on stock, but now they wanted and were allowed to hold 40 percent of our franchise tax money until 40 percent of their stock had been given back to them by the people, but still they should have 6 percent on all the stock.

But still they were not satisfied. So far they had paid taxes as all the rest of us do, but presumably hesitating this far on their tax objections, and fearing perhaps that it might dawn on the people that these banks were not Government banks, growing bolder as time passed, just two little lines were added to the Federal Reserve Act, as follows:

> Taxation (approved by Congress December 23, 1923): Federal Reserve banks including the capital stock and surplus therein and the income derived therefrom shall be exempt from Federal, State, and local taxation.

So now they had our banks. They drew fancy salaries, took out stock at 6 percent, took also 40 percent of our money. And with all this they now paid no taxes. But still

they were not satisfied. Listen to that poor warped section 7, amendment of March 3:

After all the expenses of the Federal Reserve Banks had been fully met and provided for, the stockholders shall be entitled to receive an annual dividend of 6 percent on the paid-in capital stock which dividend shall be accumulative. After the aforesaid claims have been fully met the net earnings shall be paid to the United States as a franchise tax, except that the whole of such net earnings, including those for the year ending December 31, 1918, shall be paid into a surplus fund until it shall amount to 100 percent of the subscribed stock of such banks, and thereafter 10 percent of such net earnings shall be paid into a surplus fund of the banks.

So now they got fancy salaries, got 6 percent accumulative interest on stock, took all the profit that belonged to the people until they had a return of all the money they had invested, and paid no taxes, and now wanted 10 percent more than the money they had invested retained in the surplus fund for their use. But they were not satisfied with this. Listen to that degenerate section 7:

(Amendment approved June 16, 1933, effective July 1, 1932). The first paragraph of section 7 is amended to read as follows:
"* * * After all necessary expenses of the Federal Reserve banks shall have been paid or provided for the stockholders shall be entitled to receive an annual dividend of 6 percent on the paid-up capital stock, which dividend shall be accumulative; after the aforesaid claims have been fully met, all the net earnings shall be paid into a surplus fund of the Federal Reserve banks.

And thus the last amendment took the last penny from the Government and gave it to the bank. But a few privileges of the original act still remain, giving the Government the necessary power to take over without further legislation the ownership of the Federal Reserve banks as originally intended. The act provides that the Government can own this stock and thereby, of course, we can own the system. There is another little comforting thing about this act and that is that if any of the Federal Reserve banks die we can have the corpse, that is, "Should a Federal Reserve bank be dissolved or go into liquidation, any surplus remaining after the payment of all debts shall become the property of the United States and shall be similarly applied."

Mr. MURDOCK of Arizona. Mr. Speaker, will the gentleman yield?

Mr. BINDERUP. Yes.

Mr. MURDOCK of Arizona. Having explained the part played by Senator GLASS and his attitude, will the gentleman go a step further and explain the part played and the present attitude of the act's coauthor, Senator Owen?

Mr. BINDERUP. He has said to me that one of the greatest disappointments in his life was when he found, regardless of his untiring efforts in behalf of the people, that the Federal Reserve banks were not Government institutions.

Mr. CRAWFORD. Mr. Speaker, will the gentleman yield?

Mr. BINDERUP. Yes.

Mr. CRAWFORD. Would I be correct in assuming from the gentleman's remarks that any losses which the Government has to pay on account of bank failures through the F. D. I. C., and which are over and above the accumulated premium surplus collected into a treasury by the F. D. I. C., will be an additional premium that the Government is paying through not making charges under its loans?

Mr. BINDERUP. That is exactly true, if I understand the gentleman correctly. At the present time the F. D. I. C. is a bubble, a deception absolutely, making the banks and the people believe that they are safe, that their banks are insured and cannot fail. They have in their treasury, funds amounting to about $375,000,000, but they have guaranteed no less than $26,000,000,000, so in case of another money panic or depression the F. D. I. C. would be short $25,675,000,000. Let no one be fooled into believing that there is any bank insurance to the public in case of another bank-failure epidemic. It is a crime to make the people believe there is any insurance of bank deposits—only in case of an individual bank failure would this avail anything.

Mr. VOORHIS. Mr. Speaker, will the gentleman yield?

Mr. BINDERUP. Yes.

Mr. VOORHIS. Those deposits are guaranteed, but they are guaranteed by the United States Government, just the same as the banking system is perfectly safe however wrong it may guess as to the amount of expansion it can afford to make on fractional reserves. They know that the Government will not dare to let them fail.

Mr. BINDERUP. There is a provision that in case of a bank-failure epidemic the Government may lend some more money to the F. D. I. C. There is nothing compulsory; it is approved by the Government.

Mr. FLETCHER. Mr. Speaker, will the gentleman yield?

Mr. BINDERUP. Yes.

Mr. FLETCHER. The gentleman's time is drawing to a close. Before his time expires I want to ask him if he would not include in the RECORD for those of us who are interested in pursuing a study of this intricate subject, a list of authorities' research study, and the names of authors of various books on the subject which he is discussing?

Mr. BINDERUP. I thank the gentleman for making the request and shall be pleased to.

I want to add one thing more. We are reediting into book form for distribution the little loose-leaf folder, Uncle Sam's Hospital Chart. This and other books will be distributed so you will find all this information in this book. The book will also contain all the speeches I have made on the floor of the House.

Mr. LEAVY. Mr. Speaker, will the gentleman yield?

Mr. BINDERUP. I yield.

Mr. LEAVY. The gentleman in this series of talks which he has made and in the addresses he has made heretofore in the Seventy-fifth Congress has shown himself to be a profound student of what appears to most of us to be a most difficult, and some of us think, a question that is almost beyond our comprehension and understanding.

May 28 in the Senate, Senator THOMAS of Oklahoma, delivered an address there on the same question, and I am wondering if the gentleman's views coincide with those of Senator THOMAS. I have made this statement for the purpose of asking the gentleman a question based upon a quotation that I would like to read from what he said in his address in the Senate May 28 and see whether the gentleman differs from him. This speech of Senator THOMAS is found in the RECORD at page 7695, where he says this:

"Every time the price level changes 1 point," using 1926 as his standard price level, "it makes a difference in value of the property of the Nation of approximately $4,000,000,000. As the dollar goes up, property throughout the country loses approximately $4,000,000,000 for every point the dollar goes up, because dollars measure value. Likewise, every time the dollar goes down 1 point, property values go down approximately $4,000,000,000. So, from 1926 to 1933, a great loss occurred in property values, the national income fell; the estimated value of all the property in the United States fell; farms fell in value; factories fell in value; railroad properties fell in value; everything that had value lost some of its value from 1926 until 1933."

In other words property values, according to the statement of Senator THOMAS, since last March, or March of 1937, have decreased in this country $64,000,000,000. I wonder if this statement is correct?

Mr. BINDERUP. That is statistically an absolute fact based on a ratio 4 to 1; that is, a 1-point decline in our price level means a loss of $4,000,000,000. That is a fact that has long since been established by statistics.

There is a further fact connected with that question which substantiates what I have said. Every time we lose one single point in our price level we lose $4,000,000,000 and this loss means a loss in the property values of the Nation and in the equity on which the banks must do business, and when we sacrifice the people's equities the banks are absolutely barred from doing any business. So the best thing in a monetary program is not alone that we increase the volume of money, but it is necessary that we create the velocity of money. There is only one way to create velocity of money and that is by security of a monetary system which is provided also in my bill.

Mr. LEAVY. Mr. Speaker, will the gentleman yield further?

Mr. BINDERUP. I yield with pleasure to the gentleman from Washington.

Mr. LEAVY. If we follow out this theory and continue to raise the dollar, or what we ordinarily call inflation, is there not danger that we will reach a point where we will have actual inflation; and if there is, how does the gentleman propose to control that?

Mr. BINDERUP. It is an easy matter to control inflation and deflation if you control it from the bottom up. It is an impossible thing to control inflation and deflation if you ask Wall Street to be your monetary authority.

The Federal Reserve Act, as it is at the present time, does not leave with the Federal Reserve Board any monetary control. It leaves with them the privilege only to turn it over to Wall Street, and may I tell you definitely how that has been done? We tried first to buy bonds. Then we bought the bonds, and naturally the banks held $20,000,000,000 of these bonds. When we bought the bonds of them we sent them the money, and we canceled the Government bonds, and so our monetary authority, supposed to be the Federal Reserve Board of Governors, sat with a canceled check in its lap. They sat with the bonds marked "paid." They could do nothing more. Their power here terminated. They had completely and definitely turned over to Wall Street bankers the monetary authority. They, Wall Street, had the money and it was up to Wall Street whether they wanted to put that money out in circulation, whether they wanted to deprive themselves of the great privilege they had enjoyed for years of issuing the Nation's money. So we were completely lost, and at the mercy of our enemies. Our monetary authority had in this case become dummies. They had no more power.

We tried the other example.

Mr. OLIVER. Mr. Speaker, will the gentleman yield?

Mr. BINDERUP. Yes.

Mr. OLIVER. One of the purposes of the gentleman's bill, as I understand it, is to bring the price level up to that obtaining in 1926.

Mr. BINDERUP. Yes. That is the plan.

Mr. OLIVER. Why was 1926 picked?

Mr. BINDERUP. Because we have long since decided that 1926 was an average condition, a balance that would not rob creditor nor debtor. It was now 6 years since the crime of 1920, and some thought to go back again to 1920 would make two wrongs. Also, setting a standard does not mean we must remain at 1926. Congress can at anytime decide to go as many points above or below this standard as they wish. Also, all our records, tables, and computations are based on that year, and to change that now would be a great confusion, and, as stated, it makes no difference what year we measure by, just so we have a definite measuring starting point. It is neither the boiling point nor the freezing point, but we measure from the zero mark.

Mr. OLIVER. Has the gentleman any statistics to indicate to the Members of the House what the economic conditions were in 1926 with reference to unemployment, or the foreclosure of properties or any other indications along those lines to show whether 1926 was a particularly prosperous year?

Mr. BINDERUP. Nineteen twenty-six was not particularly prosperous. There were many foreclosures in that year, but we had been running along on a reasonable level for awhile in the different price levels and although we were far below what we were in 1929, we had a great collapse down to 1920, and we believed that two wrongs would not make a right; that to inflate and get up to 1920 would be unjust to the other class of people, and we decided in fairness to both debtor and creditor to maintain 1926.

Mr. OLIVER. Is it true or not true that the years 1918 and 1919 were perhaps the most prosperous years for the farmers?

Mr. BINDERUP. That is true.

Mr. OLIVER. Why would it not be a fair price level instead of 1926?

Mr. BINDERUP. The gentleman is completely right, if we had maintained the price level when we were there. You cannot crush down a price level. No nation ever did crush down a price level, when once established, without disastrous results. When you have bought your home and your goods and placed them on the shelf and have arranged your future contracts and promised to pay, and based everything on the future, and you have a price level which has been established, you cannot crush it down without resulting in bankruptcy and want and soup kitchens and bread lines and destruction. You cannot do it anymore than you can put a chicken back into the egg a week after it has been hatched, no more than you could put a pair of shoes on that you wore when you were 16. You have grown to a larger size, a new size, and you have to consider that size. That is the danger of inflation and deflation. Do not inflate to a high standard where you cannot maintain it. Then there is no way to deflation and so a monetary plan must maintain the volume of money necessary and also have a velocity of money.

Mr. MURDOCK of Arizona. Mr. Speaker, will the gentleman yield?

Mr. BINDERUP. Yes. I yield to the gentleman from Arizona.

Mr. MURDOCK of Arizona. The result would be, therefore, no danger either of inflation or deflation.

Mr. BINDERUP. Inflation wrecks the creditor and deflation wrecks the debtor. If you have to have one of them, crucify the creditor, because there are fewer of them. But it is unjust.

A bill that is to last must be an honest bill. It must be one that protects the little deposits in the banks, the insurance companies and the insurance policies. It should be fair, always fair. If it is not fair it will not last.

Mr. MURDOCK of Arizona. Does the gentleman's bill undertake to stabilize the purchasing power of the dollar and give us an unvarying unit of measure?

Mr. BINDERUP. Absolutely it does. In place of tying 784 commodities to the fluctuations of the dollars we tie the dollar to 784 commodities. We are taking less chance on 784 commodities than we are on one.

Mr. MURDOCK of Arizona. Mr. Speaker, will the gentleman yield for a further question?

Mr. BINDERUP. I yield.

Mr. MURDOCK of Arizona. The gentleman thinks, then, that the regulation of the value of the dollar by the banking fraternity having failed we must ourselves start to control its value.

Mr. BINDERUP. The gentleman from Arizona is correct.

Mr. BIERMANN. Mr. Speaker, will the gentleman yield?

Mr. BINDERUP. I yield.

Mr. BIERMANN. As I understand the gentleman's plan, it is to base the commodity dollar on 784 commodities.

Mr. BINDERUP. Yes; that is the plan.

Mr. BIERMANN. Hogs are included in the list, I suppose.

Mr. BINDERUP. Yes; it includes 784 of the leading commodities, including hogs, of course.

Mr. BIERMANN. And wheat is included in the list?

Mr. BINDERUP. Yes.

Mr. BIERMANN. We in Iowa think that hogs ought to be $10. The people in Kansas think that wheat ought to be $1.50. The price of hogs might go down to $5 and the price of wheat might go up to $2.50, yet the price index of the 784 commodities would remain the same.

Mr. BINDERUP. I am not sure I understand the gentleman from Iowa exactly. In our price level we do not undertake to freeze prices of commodities. We let any and all commodities seek their own price level according to supply and demand, but we do guarantee that the dollar will not go up and down and will measure the same yesterday, today, and tomorrow.

Mr. BIERMANN. Then would you not do an injustice to the Iowa hog raiser, and would you not do a great benefit to the wheat raiser of Kansas?

Mr. BINDERUP. We hold to the general price level. The price level of each individual commodity would not be just exactly even. We must not consider the price of one article, but of all 784. The proposition is just like a rope. In the rope there may be 784 individual fibers. Not a single fiber is straight, yet combined in the rope the whole pulls straight without change or variation.

When you stretch that out you have an entire price level.

Mr. BIERMANN. I can see that the average over the country might be all right, but it is possible under this commodity-dollar arrangement that a great injustice might be done the raiser of hogs, for instance.

Mr. BINDERUP. No; not at all.

Mr. BIERMANN. If a farmer sells something for 10 pounds of hogs, which would equal $1, and when he pays off he has to pay off with 20 pounds of hogs, that is an injustice to him. Of course, I can imagine that the 784 commodities might run along very evenly.

Mr. BINDERUP. Yes. That is exactly what we are striving to correct. So if, as you say, he buys at a certain measure by the dollar he should know he can sell at the same dollar measurement. If he borrows money and promises to pay in 10 years, he must know the dollar measures the same when he pays as when he bought.

Mr. BIERMANN. But an individual injustice might be impinged on a hog farmer or a wheat farmer.

Mr. BINDERUP. May I explain it in this way. When you raise hogs you are gambling on two things. You are gambling on whether the price of hogs will go up or down and you are also gambling on whether money is going up or down. We are controlling your price level. That does not mean you are going to get the right price for your hogs. Maybe there will be so many people selling hogs it will not pay and they will have to start raising cattle or something else. We do not wish to control the price level of individual commodities. In fact commodities must find their own price level governed by supply and demand of individual commodities. We take all the commodities in order to make a straight line, the average price of all commodities as established by the Bureau of Labor Statistics of the Department of Labor that has been in operation for over 35 years.

Mr. BIERMANN. While this thing might work out well for the sum total of the purchasers of the 784 commodities, it may conceivably work out very unfavorable to the producer of one kind of product to the advantage of the other.

Mr. BINDERUP. It cannot do that. If the dollar is a correct measure, then there is only one other thing that can change the price of your hogs and that is supply and demand for hogs, which is as it should be. We are not trying to regiment the price of hogs or anything else.

Mr. BIERMANN. If the price of hogs under this arrangement drops from $10 to $5 out in my country, they would say that was an injustice to the hog farmers.

Mr. BINDERUP. Yes; but this does not do that. The farmer is in the hog business, raising hogs; we merely provide the plan that when he sells his hogs he will get a square deal in the dollar, the unit of value for which he sells.

Mr. BIERMANN. If the man raised some wheat out in Kansas and the price rose from $1.50 to $2.50, he would consider it a good thing.

Mr. BINDERUP. I can only repeat to the gentleman from Iowa that we will control only the measure of value, not the prices of hogs and wheat, in the same way as the scale you weigh your hogs on does not determine if hog raising is profitable or not. It only assures correct weight. So do we assure you the dollar will not vary.

[Here the gavel fell.]

Mr. PHILLIPS. Mr. Speaker, I ask unanimous consent that the gentleman may proceed for 3 additional minutes.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Connecticut?

There was no objection.

Mr. KELLER. Mr. Speaker, will the gentleman yield?

Mr. BINDERUP. I yield to the gentleman from Illinois.

Mr. KELLER. I want to call attention, in the remaining 3 minutes, of the gentleman from Iowa that what he has said is not true. Whenever you talk about price of any given product, whether hogs, wheat, or what not, if you keep your dollars at the same level it then becomes a question of how much wheat you are going to raise and how much hogs you are going to raise. The men who produce the hogs and wheat know enough not to go on raising until you get them too low.

Mr. BINDERUP. Yes; my people out in Nebraska used to ask me, "Do you think land will go up or down? Do you think land will go back to its original price?" I tell them, "Yes; I think land will go up to $500 an acre, if you inflate your money supply enough." They would say that is impossible because land cannot yield that much. But land yields do not govern the price of land. The price of land is not determined by what the land yields. Our lands yield now just as much as it did in 1920 and yet it sells for 75 percent less. The price of land is established by the amount of money in circulation. You would raise that land to a thousand dollars an acre by putting too much money in circulation. You could bring it down to a nickel by taking enough money out of circulation.

Mr. BIERMANN. Will the gentleman yield?

Mr. BINDERUP. I yield to the gentleman from Iowa.

Mr. BIERMANN. The farmer would still be confronted with the problem of conforming his production to the market in which he can sell his products at a fair price.

Mr. BINDERUP. Absolutely; the gentleman is right.

Mr. BIERMANN. If a farmer cannot dispose of his hogs, that will not cure his ills.

Mr. BINDERUP. But that is his business.

The only thing a commodity dollar does is to assure that the dollar stays at the same price level. A man does not have to gamble on dollars when he is raising hogs; he is just gambling on the hogs and that is all. [Applause.]

[Here the gavel fell.]

The SPEAKER pro tempore. The time of the gentleman from Nebraska has again expired.

Under the special rule of the House heretofore made, the gentleman from Michigan [Mr. CRAWFORD] is recognized for 5 minutes.

Mr. CRAWFORD. Mr. Speaker, I desire just a very few minutes to place in the RECORD a statement which has been made, as shown by the June 4 issue of the Saginaw News, of Saginaw, Mich., by about 2,000 farmers residing in my home county. This is a bill of particulars in the form of a protest which they have made against what they term to be unfairness in the administration of the 1938 soil-conservation program. This is a nonpartisan statement, which has been forwarded to me along with the signatures of 597 residents of my home county.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

The matter referred to follows:

SPONSORED BY BUENA VISTA FARMERS' UNION, LOCAL 249

To the Congress of the United States:

We, the undersigned, stand bitterly opposed to the 1938 soil-conservation program as being highly detrimental to the welfare of the entire United States in the principles hereto set forth:

1. It tends to curtail the production of salable agricultural commodities.

2. It entices the American farmer into the production of hay for which there is no market.

3. It increases production of salable commodities upon the lands of foreign shores and creates a ready market for same by the ever-increasing flow of importation of agricultural commodities from foreign lands.

4. It serves the purpose of creating great prosperity to the foreign countries at the expense of the American people.

5. We propose that this program is highly destructive from the standpoint that curtailing the production of goods in the United States likewise curtails the hours of labor involved in the production, transportation, and processing of such goods.

6. It must be acknowledged that all wealth is gained through the production of goods, and when such production is reduced to any degree, W. P. A., dole, and unemployment will be increased to the

same degree, for no man can dispute the very fact that it requires labor to produce.

7. Under the present system, foreign labor is greatly increased in the production and processing of a great portion of the food actually consumed upon American tables.

8. We do not believe in the principles of taxing the entire public for the administration of a program which is unprofitable to all concerned.

9. We do not believe in the principle of conceding to a meager benefit payment as a reward for the sacrifice of our home markets to foreign countries.

10. We believe to prolong, renew, or further sponsor such a program as is now being carried on would mean ruin, destruction, and complete chaos to the American progress of agriculture.

RESOLUTION

We hereby resolve that it is high time that we return to the sound American principles through which this country has prospered during its entire history.

We want adequate protective tariff, efficiently performed, to balance the difference in the cost of production and the value of the dollar between the United States and all foreign countries and save the American market for the American producer of goods.

We have a deep desire to have it thoroughly understood that this petition and resolution is wholly nonpartisan, and has been written purely from the standpoint of the highest American principles of good government, and for these reasons party affiliations will be designated by the letter before the signature.

The SPEAKER pro tempore. Under the previous order of the House, the gentleman from Indiana [Mr. LUDLOW] is recognized for 3 minutes.

PEACE BY CONFERENCE

Mr. LUDLOW. Mr. Speaker, potentialities of a world-wide peace movement of the greatest importance not only to America but to the entire world are read between the lines of the address delivered by Secretary of State Hull to the Bar Association of Tennessee last Friday night when he said:

With the world groaning under the burden of mounting armaments, we are preparing to join with other nations in moving resolutely toward bringing about an effective agreement on limitation and progressive reduction of armaments.

No wiser or more statesmanlike utterance has come out of Washington in these troubled times, when nations are rushing to beat each other in armaments and all of the alarming preliminaries of a gigantic world war appear in the offing.

Secretary Hull says that America is preparing to move resolutely to bring about an effective international agreement on early limitation and progressive reduction of armaments. What cheerful news that is to humanity everywhere on the globe!

In this undertaking, so full of meaning to America and to the world, the administrative branch of our Government should not have to bear the entire brunt of leadership alone. The legislative branch, which speaks for the people, should sustain and support the administrative branch in this direct move for world peace. Every Member of Congress, figuratively speaking, should stand up and say, "Mr. Secretary, we are back of you in this movement to bring about disarmament and peace."

CONGRESS SHOULD SUPPORT SECRETARY HULL

Such a declaration by the congressional branch would demonstrate to the world that the Secretary of State speaks with the prestige of a united Nation back of him.

Fortunately the legislative branch has the means immediately at hand of showing its approval of this utterance of the administrative branch. On March 30 I introduced House Concurrent Resolution 46, which reads as follows:

Whereas a competitive race of armaments is sapping the financial strength of nations, breeding international distrust and suspicion, and endangering the peace of the world; and

Whereas there are unmistakable indications that the world is weary of war and strife and the colossal burden of armaments and would welcome a sincere movement in the interest of peace; therefore be it

Resolved by the House of Representatives (the Senate concurring), That it is the sense of the Congress of the United States of America that a proposal to suspend by joint action all naval construction until January 1, 1940, should be submitted by the United States to all of the leading powers.

It is also the sense of the Congress of the United States of America that a peace conference should be held in the city of Washington on or about October 1, 1938, to which all of the leading powers should be invited to send delegates to discuss limitations of armaments and other questions associated with and promotive of international concord.

This resolution may be cited as the "Peace by Conference" resolution.

Adoption of this resolution now would give to the well-considered utterance of our Secretary of State the force and vitality and the moral support of an indorsement by the representatives of the people of America in Congress assembled.

This resolution is urged not in a spirit of antagonism but in a spirit of cooperation with the Executive department in carrying out a plan that is pregnant with hope for the human race all around the world; a plan that is greatly needed to insure the peace and security of America and to rescue us from the crushing burdens of an already authorized navy armament plan which, if it proceeds, will burn up the equivalent of the appraised value of four American States. There is nothing in the resolution that goes outside of the proper bounds and scope of congressional action. It does not direct the Executive establishment to do anything but it has the effect of giving congressional sanction to the principle of action so well expressed by Secretary Hull in his Tennessee address.

DISCHARGE PETITION FILED

In the hope that this House, composed of Representatives of the peace-loving people of America, may see fit to approve this resolution and thus give impetus to a world peace movement of great promise, I have filed a discharge petition at the Speaker's desk which, if it is signed by 218 Members, will order House Concurrent Resolution 46 out of committee and before the House for a vote. It may be that there is not sufficient time remaining of the present session to permit a vote to be taken on the resolution, but 218 Members would be a majority of the House, and the signing of the discharge petition by that number would have the desired effect of putting a majority of the House officially on record in favor of a world conference for limitation of arms in harmony with the principle of world disarmament so well stated in Secretary Hull's address. I hope, therefore, that all Members will sign Discharge Petition No. 42. [Applause.]

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows:

To Mr. LANHAM (at the request of Mr. THOMASON of Texas), for today, on account of important business.

To Mr. COFFEE of Nebraska, for 1 week, on account of important business.

SENATE ENROLLED BILL SIGNED

The SPEAKER announced his signature to an enrolled bill of the Senate of the following title:

S. 3113. An act for the relief of the Congress Construction Co.

BILL PRESENTED TO THE PRESIDENT

Mr. PARSONS, from the Committee on Enrolled Bills, reported that that committee did on this day present to the President, for his approval, a bill of the House of the following title:

H. R. 1591. An act to require the registration of certain persons employed by agencies to disseminate propaganda in the United States and for other purposes.

ADJOURNMENT

Mr. BOLAND of Pennsylvania. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 6 o'clock and 39 minutes p. m.) the House adjourned until tomorrow, Tuesday, June 7, 1938, at 12 o'clock noon.

COMMITTEE HEARINGS

COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE

There will be a meeting of the Committee on Interstate and Foreign Commerce subcommittee on Tuesday, June 7, 1938, at 1:30 p. m. Business to be considered: Continuation of hearing on H. R. 10343, foreign radio-telegraph communication.

COMMITTEE ON THE POST OFFICE AND POST ROADS

A hearing will be conducted by Subcommittee No. 10 on Tuesday, June 7, 1938, at 10 a. m., on House Joint Resolution 663, operation of the Peru and Indianapolis Railway Post Office by motor vehicle over the public highways.

COMMITTEE ON NAVAL AFFAIRS

There will be a full open hearing before the Committee on Naval Affairs at 10 a. m. Tuesday, June 7, 1938, on S. 1131—a bill affecting the oil-shale reserves.

COMMITTEE ON IMMIGRATION AND NATURALIZATION

There will be a meeting of the Committee on Immigration and Naturalization at 10:30 a. m. Wednesday, June 8, 1938, in room 445, House Office Building, for the consideration of unfinished business before the committee.

COMMITTEE ON PENSIONS

The Committee on Pensions will hold a hearing at 10 a. m. Wednesday, June 8, 1938, on H. R. 8948, a bill to liberalize the laws providing pensions for veterans and the dependents of veterans of the Regular Establishment for disabilities or deaths incurred or aggravated in line of duty other than in wartimes.

EXECUTIVE COMMUNICATIONS, ETC.

1418. Under clause 2 of rule XXIV a letter from the Chairman of the Federal Trade Commission, transmitting the report of an investigation of the Agricultural Implement and Machinery Industry (H. Doc. No. 702), was taken from the Speaker's table referred to the Committee on Interstate and Foreign Commerce, and ordered to be printed, with illustrations.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. McGEHEE: Committee on the District of Columbia. H. R. 9813. A bill to amend an act regulating the height of buildings in the District of Columbia, approved June 1, 1910; without amendment (Rept. No. 2605). Referred to the House Calendar.

Mr. KENNEDY of Maryland: Committee on the District of Columbia. H. R. 10380. A bill to amend the act entitled "An act to incorporate the Society of American Florists and Ornamental Horticulturists within the District of Columbia"; with amendment (Rept. No. 2606). Referred to the House Calendar.

Mr. GUYER: Committee on the Judiciary. S. 3263. A bill for the relief of the State of Georgia; without amendment (Rept. No. 2607). Referred to the Committee of the Whole House on the state of the Union.

Mr. CELLER: Committee on the Judiciary. H. R. 6449. A bill to amend the act entitled "An act to provide conditions for the purchase of supplies and the making of contracts by the United States, and for other purposes"; with amendment (Rept. No. 2608). Referred to the Committee of the Whole House on the state of the Union.

Mr. HEALEY: Committee on the Judiciary. H. R. 10306. A bill to confer jurisdiction on the Court of Claims to hear, determine, and enter judgment upon the claims of Government contractors whose costs of performance were increased as a result of the National Industrial Recovery Act, June 16, 1933; without amendment (Rept. No. 2609). Referred to the Committee of the Whole House on the state of the Union.

Mr. HOLMES: Committee on Public Buildings and Grounds. H. R. 10355. A bill to transfer, assign, and convey to the Commonwealth of Pennsylvania a certain tract of land, containing about six and one-half acres situate in Tinicum Township, Delaware County, Pa.; without amendment (Rept. No. 2610). Referred to the Committee of the Whole House on the state of the Union.

Mr. PALMISANO: Committee on the District of Columbia. H. R. 10423. A bill relating to the levying and collecting of taxes and assessments, and for other purposes; without amendment (Rept. No. 2611). Referred to the Committee of the Whole House on the state of the Union.

Mr. PALMISANO: Committee on the District of Columbia. H. R. 10688. A bill authorizing advancements from the Federal Emergency Administration of Public Works for the construction of certain municipal buildings in the District of Columbia, and for other purposes; without amendment (Rept. No. 2612). Referred to the Committee of the Whole House on the state of the Union.

Mr. KELLER: Committee on the Library. House Concurrent Resolution 53. Concurrent resolution providing for the appointment of a committee of Senators and Representatives to participate in the one hundredth anniversary of the birth of the late John Hay, and for other purposes; without amendment (Rept. No. 2613). Referred to the Committee of the Whole House on the state of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. KENNEDY of Maryland: Committee on Claims. S. 662. An act for the relief of Bertram Rich; with amendment (Rept. No. 2598). Referred to the Committee of the Whole House.

Mr. KENNEDY of Maryland: Committee on Claims. S. 667. An act for the relief of William E. Jones, Walter M. Marston, William Ellery, Richard P. Hallowell, 2d, and Malcolm Donald as executors under the will of Frank W. Hallowell; and Malcolm Donald as executor under the will of Gordon Donald; without amendment (Rept. No. 2599). Referred to the Committee of the Whole House.

Mr. KENNEDY of Maryland: Committee on Claims. S. 945. An act for the relief of the Community Investment Co., Inc.; without amendment (Rept. No. 2600). Referred to the Committee of the Whole House.

Mr. KENNEDY of Maryland: Committee on Claims. S. 3034. An act for the relief of Faye B. Millie; without amendment (Rept. No. 2601). Referred to the Committee of the Whole House.

Mr. KENNEDY of Maryland: Committee on Claims. S. 3739. An act for the relief of Alpha T. Johnson; without amendment (Rept. No. 2602). Referred to the Committee of the Whole House.

Mr. KENNEDY of Maryland: Committee on Claims. S. 3940. An act authorizing the Comptroller General of the United States to adjust and settle the claim of Oscar L. Mather; without amendment (Rept. No. 2603). Referred to the Committee of the Whole House.

Mr. MERRITT: Committee on Military Affairs. S. 1272. An act relative to the military record of James Meagher, deceased; without amendment (Rept. No. 2604). Referred to the Committee of the Whole House.

CHANGE OF REFERENCE

Under clause 2 of rule XXII, the Committee on Pensions was discharged from the consideration of the bill (H. R. 9243) for the relief of Harold G. Haines, and the same was referred to the Committee on Naval Affairs.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. KING: A bill (H. R. 10835) to authorize the county of Kauai to issue bonds of such county in the year 1938 under the authority of Act 186 of the Session Laws of Hawaii, 1937, in excess of 1 percent of the assessed value of the property in said county as shown by the last assessment for taxation; to the Committee on the Territories.

By Mr. BLAND: A bill (H. R. 10836) to provide for the continued operation of merchant vessels of the United States on essential trade routes; to the Committee on the Judiciary.

By Mr. CELLER: A bill (H. R. 10837) providing for the refund of certain taxes paid by State and municipal officers and employees; to the Committee on Ways and Means.

By Mr. ANDRESEN of Minnesota: A bill (H. R. 10838) to exempt nonbeverage distilled spirits from the increase in tax under the Revenue Act of 1938; to the Committee on Ways and Means.

By Mr. CASE of South Dakota (by request): A bill (H. R. 10839) granting pensions and other benefits to veterans and former service men, and for other purposes; to the Committee on Pensions.

By Mr. BLAND: A bill (H. R. 10840) to amend the act of March 2, 1929 (45 Stat. 1492), entitled "An act to establish load lines for American vessels, and for other purposes"; to the Committee on Merchant Marine and Fisheries.

By Mr. DINGELL: A bill (H. R. 10841) to exempt from income tax under prior revenue acts compensation received by certain officers and employees; to the Committee on Ways and Means.

By Mr. WITHROW: A bill (H. R. 10842) creating the Cassville-Guttenberg Bridge Commission and authorizing said commission and its successors to construct, maintain, and operate a bridge or bridges across the Mississippi River at or near Cassville, Wis., and Guttenberg, Iowa; to the committee on Interstate and Foreign Commerce.

By Mr. FERGUSON: A bill (H. R. 10843) to extend the benefits of the Social Security Act to employees of member banks of the Federal Reserve System; to the Committee on Ways and Means.

By Mr. ATKINSON: A bill (H. R. 10844) to provide for the establishment and operation of an experiment station for the study of pests and diseases affecting dark-fired tobacco; to the Committee on Agriculture.

By Mr. STEAGALL: A bill (H. R. 10845) to amend the Federal Reserve Act with respect to foreign branches and agencies of national banks and corporations engaged in foreign banking, and for other purposes; to the Committee on Banking and Currency.

By Mr. KELLER: A bill (H. R. 10846) to create the office of the Librarian emeritus of the Library of Congress; to the Committee on the Library.

By Mr. GRAY of Pennsylvania: Joint resolution (H. J. Res. 707) requesting the President of the United States to proclaim the week of May 31, 1939, National Flood Prevention Week; to the Committee on the Judiciary.

By Mr. COLLINS: Joint resolution (H. J. Res. 708) to equalize the application and enforcement of certain provisions of the revenue acts; to the Committee on Ways and Means.

By Mr. DICKSTEIN: Joint resolution (H. J. Res. 709) for the relief of certain aliens; to the Committee on Immigration and Naturalization.

By Mr. JONES: Joint resolution (H. J. Res. 710) to prescribe the acreage allotments for wheat for 1939; to the Committee on Agriculture.

By Mr. KELLER: Joint resolution (H. J. Res. 711) providing for the filling of a vacancy in the Board of Regents of the Smithsonian Institution of the class other than Members of Congress; to the Committee on the Library.

Also, joint resolution (H. J. Res. 712) providing for the filling of vacancy in the Board of Regents of the Smithsonian Institution of the class other than Members of Congress; to the Committee on the Library.

By Mr. BARTON: Concurrent resolution (H. Con. Res. 55) to create a special joint congressional commission to investigate the probable effects of the Agricultural Adjustment Act of 1938; to the Committee on Rules.

Also, concurrent resolution (H. Con. Res. 56) to create a special joint congressional commission to investigate the existing system of unemployment insurance and old-age benefits; to the Committee on Rules.

Also, concurrent resolution (H. Con. Res. 57) to create a special joint congressional commission to investigate the activities of the Federal Government in the field of public utilities; to the Committee on Rules.

Also, concurrent resolution (H. Con. Res. 58) to create a special joint congressional commission to investigate the revenue laws of the United States; to the Committee on Rules.

Also, concurrent resolution (H. Con. Res. 59) to create a special joint congressional commission to investigate the administration of relief funds; to the Committee on Rules.

Also, concurrent resolution (H. Con. Res. 60) to create a special joint congressional commission to investigate the trade agreements that have thus far been consummated; to the Committee on Rules.

Also, concurrent resolution (H. Con. Res. 61) to create a special joint congressional commission to investigate the conditions of the railroads of this country; to the Committee on Rules.

MEMORIALS

Under clause 3 of rule XXII, memorials were presented and referred as follows:

By the SPEAKER: Memorial of the Legislature of the State of Ohio, memorializing the President and the Congress of the United States to consider their resolution, House Resolution No. 165, dated May 25, 1938, requesting the United States to adopt legislation which would authorize the Federal Government to assume the assessments and bear the entire cost of the improvements made by the Muskingum conservancy district; to the Committee on Appropriations.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severaly referred as follows:

By Mr. CLAYPOOL: A bill (H. R. 10847) granting a pension to Anna B. Friel; to the Committee on Pensions.

By Mr. GAMBLE of New York: A bill (H. R. 10848) for the relief of Joseph Victor Perreault; to the Committee on Immigration and Naturalization.

By Mr. MAAS: A bill (H. R. 10849) to refund to the Railway Mail Mutual Benefit Association certain taxes erroneously collected; to the Committee on Claims.

By Mr. BIERMANN: A bill (H. R. 10850) for the relief of Carl Swanson, Geraldine Cecelia Swanson, a minor, and Almer Swanson; to the Committee on Claims.

By Mr. DISNEY: Joint resolution (H. J. Res. 713), conferring jurisdiction upon the Court of Claims concerning a claim of the Continental Petroleum Co. of Delaware; to the Committee on Claims.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

5301. By Mr. FLAHERTY: Petition of the Sheet Metal Workers' International Association, Local 377, urging favorable action on House Bill 10127, providing for the regulation of interstate commerce by establishing an insurance system for individuals employed by certain employers engaged in interstate commerce, and for other purposes; to the Committee on Interstate and Foreign Commerce.

5302. By Mr. SACKS: Petition of sundry citizens of Philadelphia, advocating the passage of House bill 8431, known as a Federal Workweek Act, and House bill 8428, known as a Federal Workers' Appeal Act; to the Committee on the Civil Service.

5303. By Mr. SMITH of West Virginia: Resolution of the Logan County Division of the West Virginia Petroleum Association, Logan, W. Va., urging the repeal of the duplicating gasoline tax; to the Committee on Ways and Means.

5304. Also, resolution of the New River and Winding Gulf Electrical and Mechanical Institute, of Beckley, W. Va., urging the National Bituminous Coal Commission to favorably consider West Virginia University in making plans for the establishment of a research bureau on bituminous coal; to the Committee on Ways and Means.

5305. By the SPEAKER: Petition of the Board of County Commissioners of Cowley County, State of Kansas, petitioning consideration of their resolution dated May 31, 1938, with reference to House bill 4199, known as the General Welfare Act; to the Committee on Ways and Means.

5306. Also, resolution of the Board of Supervisors of the County of Maui, Territory of Hawaii, urging passage of the bill before Congress appropriating $5,000,000 for the conservation of water on the island of Molokai; to the Committee on the Territories.

5307. By Mr. FLAHERTY: Petition of the Boston Lodge, No. 264, of the International Association of Machinists, urging favorable action on House bill 10127, providing for the regulation of interstate commerce by establishing an insurance system for individuals employed by certain employers engaged in interstate commerce, and for other purposes; to the Committee on Interstate and Foreign Commerce.

SENATE

TUESDAY, JUNE 7, 1938

The Senate met at 12 o'clock meridian.

The Chaplain, Rev. ZeBarney T. Phillips, D. D., offered the following prayer:

Almighty God, who alone spreadest out the heavens, and by whose divine artistry morning has dawned all golden on the hills, ushering in the winged hours when love waits at the doors of day and hope glows through the windows of the East: Grant, as we pause in loving gratitude for this beauteous revelation of Thyself, that we may find Thee in our duty, and discern Thee in the range and richness and mastery of our powers.

Let Thy manifold blessings be upon our President, our Vice President, the Congress, and all others who share in the responsibility of government, that they and all our people may come to that sublimest moment of true patriotism when the will defies fear, when the heart applauds the brain, when duty throws the gauntlet down to fate, and honor scorns to compromise with wrong. Grant that all mankind shall be imbued with the spirit of the Christ, whose wondrous acts of love must yet dispel all darkness and despair, and draw the world to victory and peace. We ask it in His name and for His sake. Amen.

THE JOURNAL

On request of Mr. BARKLEY, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day Friday, June 3, 1938, was dispensed with, and the Journal was approved.

CALL OF THE ROLL

Mr. LEWIS. Mr. President, as it is apparent that a quorum is not present, I suggest the absence of a quorum, and ask for a roll call.

The VICE PRESIDENT. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Adams	Borah	Connally	Glass
Andrews	Brown, Mich.	Copeland	Green
Ashurst	Brown, N. H.	Davis	Guffey
Austin	Bulkley	Donahey	Hale
Bailey	Bulow	Duffy	Harrison
Bankhead	Burke	Ellender	Hatch
Barkley	Byrd	Frazier	Hayden
Berry	Byrnes	George	Herring
Bilbo	Capper	Gerry	Hill
Bone	Caraway	Gibson	Hitchcock
Holt	McAdoo	Overton	Smathers
Hughes	McGill	Pepper	Smith
Johnson, Calif.	McKellar	Pittman	Thomas, Utah
Johnson, Colo.	McNary	Pope	Townsend
King	Maloney	Radcliffe	Truman
La Follette	Miller	Reames	Tydings
Lee	Milton	Reynolds	Vandenberg
Lewis	Minton	Russell	Van Nuys
Lodge	Murray	Schwartz	Wagner
Logan	Neely	Schwellenbach	Walsh
Lonergan	Norris	Sheppard	Wheeler
Lundeen	O'Mahoney	Shipstead	White

Mr. LEWIS. Mr. President, I announce that the Senator from New Mexico [Mr. CHAVEZ], the Senator from Missouri [Mr. CLARK], the Senator from Illinois [Mr. DIETERICH], the Senator from Iowa [Mr. GILLETTE], the Senator from Nevada [Mr. MCCARRAN], and the Senator from Oklahoma [Mr. THOMAS] are detained from the Senate on important public business.

I ask that this announcement stand of record for the day.

Mr. AUSTIN. The Senator from New Hampshire [Mr. BRIDGES] is absent because of the death of his wife.

The VICE PRESIDENT. Eighty-eight Senators have answered to their names. A quorum is present.

REPORTS OF COMMITTEES DURING ADJOURNMENT

Under authority of the order of the Senate of the 3d instant, Mr. BAILEY, from the Committee on Claims, to which were referred the following bills, reported them severally without amendment on June 6, 1938, and submitted reports thereon:

H. R. 4232. A bill for the relief of Barber-Hoppen Corporation (Rept. No. 1974);

H. R. 6508. A bill for the relief of Gladys Legrow (Rept. No. 1975);

H. R. 7761. A bill for the relief of Sibbald Smith (Rept. No. 1976);

H. R. 8193. A bill for the relief of the Long Bell Lumber Co. (Rept. No. 1977);

H. R. 8916. A bill for the relief of N. W. Ludowese (Rept. No. 1978);

H. R. 9200. A bill for the relief of Filomeno Jiminez and Felicitas Dominguez (Rept. No. 1979);

H. R. 9214. A bill for the relief of C. O. Hall (Rept. No. 1980); and

H. R. 9374. A bill for the relief of the Robert E. Lee Hotel (Rept. No. 1981).

Under authority of the order of the Senate of the 3d instant, Mr. BROWN of Michigan, from the Committee on Claims, to which was referred the bill (S. 2624) for the relief of Emmett Lee Payne, reported it on June 6, 1938, with an amendment and submitted a report (No. 1982) thereon.

Under authority of the order of the Senate of the 3d instant, Mr. BROWN of Michigan, also from the Committee on Claims, to which were referred the following bills, reported them severally without amendment on June 6, 1938, and submitted reports thereon:

S. 3062. A bill for the relief of Thomas H. Eckfeldt (Rept. No. 1983);

S. 3779. A bill for the relief of certain persons at certain projects of the Farm Security Administration, United States Department of Agriculture (Rept. No. 1984); and

H. R. 7998. A bill for the relief of the First National Bank & Trust Co. of Kalamazoo, Kalamazoo, Mich. (Rept. No. 1985).

Under authority of the order of the Senate of the 3d instant, Mr. CHAVEZ, from the Committee on Indian Affairs, to which was referred the bill (S. 3426) to authorize an appropriation for repayment to middle Rio Grande conservancy district, a subdivision of the State of New Mexico, of the share of the said district's construction and operation and maintenance costs applicable to certain properties owned by the United States, situated in Bernalillo County, N. Mex., within the exterior boundaries of the district; to authorize the Secretary of the Interior to contract with said district for future operation and maintenance charges against said lands; to authorize appropriation for extra construction work performed by said district for the special benefit of certain Pueblo Indian lands and to authorize ap-

propriation for construction expenditures benefiting certain acquired lands of Pueblo Indians of the State of New Mexico, reported it on June 6, 1938, with amendments, and submitted a report (No. 1986) thereon.

Under authority of the order of the Senate of the 3d instant, Mr. SCHWARTZ, from the Committee on Military Affairs, to which was referred the bill (S. 3503) to liberalize the laws providing pensions for veterans and the dependents of veterans of the Regular Establishment for disabilities or deaths incurred or aggravated in line of duty other than in wartime, reported it on June 6, 1938, without amendment, and submitted a report (No. 1987) thereon.

Under authority of the order of the Senate of the 3d instant, Mr. BURKE, from the Committee on the Judiciary, to which was referred the bill (H. R. 5690) to amend the Longshoremen's and Harbor Workers' Compensation Act, reported it on June 6, 1938, with an amendment, and submitted a report (No. 1988) thereon.

Under authority of the order of the Senate of the 3d instant, Mr. MCGILL, from the Committee on the Judiciary, to which was referred the bill (S. 4090) to provide for the care and treatment of juvenile delinquents, reported it on June 6, 1938, without amendment, and submitted a report (No. 1989) thereon.

Under authority of the order of the Senate of the 3d instant, Mr. COPELAND, from the Committee on Commerce, to which was referred the bill (S. 4132) limiting the hours of labor of certain officers and seamen on certain vessels navigating the Great Lakes and adjacent waters, reported it on June 6, 1938, with amendments, and submitted a report (No. 1990) thereon.

Under authority of the order of the Senate of the 3d instant, Mr. O'MAHONEY, from the Committee on the Judiciary, to which was referred the joint resolution (S. J. Res. 300) to create a temporary national economic committee, reported it on June 6, 1938, with amendments, and submitted a report (No. 1991) thereon.

SUPPLEMENTAL ESTIMATES, DEPARTMENT OF STATE (S. DOC. NO. 183)

The VICE PRESIDENT laid before the Senate supplemental estimates of appropriations for the fiscal years 1938 and 1939, for the Department of State, amounting to $20,000, which, with the accompanying papers, was referred to the Committee on Appropriations and ordered to be printed.

FOREIGN SERVICE BUILDING FUND, DEPARTMENT OF STATE (S. DOC. NO. 185)

The VICE PRESIDENT laid before the Senate a communication from the President of the United States transmitting a draft of a proposed provision pertaining to an existing appropriation under the Department of State for the foreign service building fund, which, with the accompanying paper, was referred to the Committee on Appropriations and ordered to be printed.

SUPPLEMENTAL ESTIMATE, TREASURY DEPARTMENT (S. DOC. NO. 187)

The VICE PRESIDENT laid before the Senate a communication from the President of the United States, transmitting a supplemental estimate of appropriation for the Treasury Department, Public Health Service, amounting to $3,000,000, which, with the accompanying paper, was referred to the Committee on Appropriations and ordered to be printed.

ESTIMATE OF APPROPRIATION, TREASURY DEPARTMENT (S. DOC. NO. 192)

The VICE PRESIDENT laid before the Senate a communication from the President of the United States, transmitting an estimate of appropriation for the Treasury Department to pay a claim for damages incident to the operation of a vessel of the United States Coast Guard, amounting to $570.57, which, with the accompanying papers, was referred to the Committee on Appropriations and ordered to be printed.

PUBLIC HEALTH SERVICE (S. DOC. NO. 196)

The VICE PRESIDENT laid before the Senate a communication from the President of the United States, transmitting a draft of a proposed provision pertaining to the Emergency Relief Appropriation Act of 1938, for the Public Health Service, which, with the accompanying paper, was referred to the Committee on Appropriations and ordered to be printed.

SUPPLEMENTAL ESTIMATE, DEPARTMENT OF JUSTICE (S. DOC. NO. 197)

The VICE PRESIDENT laid before the Senate a communication from the President of the United States, transmitting a supplemental estimate of appropriation for the fiscal year 1938, for salaries and expenses, Federal Bureau of Investigation, Department of Justice, amounting to $50,000, which, with the accompanying paper, was referred to the Committee on Appropriations and ordered to be printed.

MEMORIAL TO MAJ. GEN. GEORGE W. GOETHALS (S. DOC. NO. 188)

The VICE PRESIDENT laid before the Senate a communication from the President of the United States, transmitting a supplemental estimate of appropriation under the War Department for a memorial to Maj. Gen. George W. Goethals, amounting to $155,000, which, with the accompanying paper, was referred to the Committee on Appropriations and ordered to be printed.

CLAIM FOR DAMAGES INCIDENT TO THE OPERATION OF A NAVAL VESSEL (S. DOC. 194)

The VICE PRESIDENT laid before the Senate a communication from the President of the United States, transmitting an estimate of appropriation for the Navy Department to pay a claim for damages incident to the operation of a vessel of the Navy, amounting to $333.66, which, with the accompanying papers, was referred to the Committee on Appropriations and ordered to be printed.

SUPPLEMENTAL ESTIMATE, DEPARTMENT OF THE INTERIOR (S. DOC. NO. 184)

The VICE PRESIDENT laid before the Senate a communication from the President of the United States, transmitting a supplemental estimate of appropriation for the Department of the Interior for the fiscal year 1939, amounting to $49,410, which, with the accompanying paper, was referred to the Committee on Appropriations and ordered to be printed.

SUPPLEMENTAL ESTIMATES, DEPARTMENT OF AGRICULTURE (S. DOC. NO. 186)

The VICE PRESIDENT laid before the Senate a communication from the President of the United States, transmitting two supplemental estimates of appropriations for the fiscal year 1939, for the Department of Agriculture, amounting to $90,000, which, with the accompanying paper, was referred to the Committee on Appropriations and ordered to be printed.

SUPPLEMENTAL ESTIMATE, DEPARTMENT OF AGRICULTURE (S. DOC. NO. 189)

The VICE PRESIDENT laid before the Senate a communication from the President of the United States, transmitting a supplemental estimate of appropriation for the fiscal year 1939, for the Department of Agriculture (Bureau of Agricultural Economics), amounting to $250,000, which, with the accompanying paper, was referred to the Committee on Appropriations and ordered to be printed.

CLAIMS ALLOWED BY GENERAL ACCOUNTING OFFICE (S. DOC. NO. 190)

The VICE PRESIDENT laid before the Senate a communication from the President of the United States, transmitting, pursuant to law, an estimate of appropriation for payment of certain claims allowed by the General Accounting Office, amounting to $36,285.80, which, with the accompanying papers, was referred to the Committee on Appropriations and ordered to be printed.

JUDGMENTS RENDERED BY THE COURT OF CLAIMS (S. DOC. NO. 191)

The VICE PRESIDENT laid before the Senate a communication from the President of the United States, transmitting, pursuant to law, an estimate of appropriation for certain judgments rendered by the Court of Claims, amounting to $62,507.51, which, with the accompanying papers, was

referred to the Committee on Appropriations and ordered to be printed.

CLAIMS FOR DAMAGES TO PRIVATELY OWNED PROPERTY (S. DOC. NO. 193)

The VICE PRESIDENT laid before the Senate a communication from the President of the United States, transmitting, pursuant to law, estimates of appropriations submitted by the several executive departments and independent offices to pay claims for damages to privately owned property, amounting to $6,510.51, which, with the accompanying papers, was referred to the Committee on Appropriations and ordered to be printed.

SUPPLEMENTAL ESTIMATE, LEGISLATIVE ESTABLISHMENT (S. DOC. NO. 195)

The VICE PRESIDENT laid before the Senate a communication from the President of the United States, transmitting a supplemental estimate of appropriation for contingent expenses, United States Senate, for the fiscal year 1938, amounting to $3,000, which, with the accompanying papers, was referred to the Committee on Appropriations and ordered to be printed.

NORTHWEST TERRITORY CELEBRATION COMMISSION (S. DOC. NO. 182)

The VICE PRESIDENT laid before the Senate a communication from the President of the United States, transmitting a supplemental estimate of appropriation for the Northwest Territory Celebration Commission for the fiscal year 1938, amounting to $15,000, which, with the accompanying paper, was referred to the Committee on Appropriations and ordered to be printed.

SUPPLEMENTAL ESTIMATES, DISTRICT OF COLUMBIA (S. DOC. NO. 198)

The VICE PRESIDENT laid before the Senate a communication from the President of the United States, transmitting supplemental estimates of appropriations for the District of Columbia for the fiscal year 1939, amounting to $63,288.98, together with certain drafts of proposed provisions pertaining to existing appropriations, which, with the accompanying papers, was referred to the Committee on Appropriations and ordered to be printed.

USE OF FORMER FORT ARMISTEAD MILITARY RESERVATION FOR AIR NAVIGATION PURPOSES

The VICE PRESIDENT laid before the Senate a letter from the Secretary of Commerce, transmitting a draft of proposed legislation making inapplicable certain reversionary provisions in the act of March 4, 1923 (42 Stat. 1450), and a certain deed executed by the Secretary of War, in the matter of a lease to be entered into by the United States for the use of a part of the former Fort Armistead Military Reservation for air navigation purposes, which, with the accompanying paper, was referred to the Committee on Commerce.

REPORT ON AGRICULTURAL IMPLEMENT AND MACHINERY INDUSTRY

The VICE PRESIDENT laid before the Senate a letter from the Chairman of the Federal Trade Commission, transmitting, pursuant to law, volume I of the report of the Commission on the agricultural implement and machinery industry, relative to investigation of corporations engaged in the manufacture, sale, or distribution of agricultural implements and machinery, which, with the accompanying report, was referred to the Committee on Interstate Commerce.

PETITIONS AND MEMORIALS

The VICE PRESIDENT laid before the Senate resolutions adopted by the Boards of Supervisors of Cowley County, Kans., and Douglas County, Wis., favoring the enactment of House bill 4199, the so-called General Welfare Act, which were referred to the Committee on Finance.

He also laid before the Senate a resolution adopted by the Board of Supervisors of Maui County, Territory of Hawaii, favoring the enactment of proposed legislation for the development and conservation of water on the island of Molokai, which was referred to the Committee on Territories and Insular Affairs.

He also laid before the Senate the petition of the insular council of the construction workers unions, Free Federation of Workingmen, of Puerto Rico, praying for the enactment of legislation to raise the wages of certain workers in Puerto Rico, which was referred to the Committee on Territories and Insular Affairs.

He also laid before the Senate a resolution adopted by Local No. 1, Amalgamated Lithographers of America, of New York, N. Y., favoring the continuance of the policy of paying prevailing wages to workers on Works Progress Administration projects, which was ordered to lie on the table.

He also laid before the Senate the petition of Lodge No. 609, Brotherhood of Railroad Trainmen, of Spooner, Wis., praying for an appropriation of funds necessary to continue the work of the subcommittee of the Committee on Education and Labor investigating violations of free speech and assembly, and the right of labor to organize and bargain collectively, which was ordered to lie on the table.

Mr. DUFFY presented petitions of sundry citizens of the States of Wisconsin and South Dakota praying for the adoption of policies designed to keep the United States out of war and also the adoption of an adequate national-defense program, which were referred to the Committee on Foreign Relations.

Mr. O'MAHONEY presented a petition of sundry citizens of the State of Wyoming, praying for the adoption of policies designed to keep the United States out of war and also the adoption of an adequate national-defense program, which was referred to the Committee on Foreign Relations.

Mr. VANDENBERG presented petitions of sundry citizens of the State of Michigan, praying for the adoption of policies designed to keep the United States out of war and also the adoption of an adequate national-defense program, which were referred to the Committee on Foreign Relations.

Mr. VANDENBERG. I present a series of resolutions or memorials signed by thousands of Michigan farmers, remonstrating against the new crop-control act. I ask that their receipt be noted; that they be appropriately referred, and that the text of one of the memorials be printed in the RECORD.

The VICE PRESIDENT. Is there objection? The Chair hears none. The memorials will be referred to the Committee on Agriculture and Forestry.

One of the resolutions above referred to is as follows:

Whereas crop control is being gradually thrust upon the American farmers and we will soon be told just what crops we can raise and how much of such crops we can sell; and

Whereas the corn allotment law is especially obnoxious to Lenawee County farmers because we never raise as much corn as we consume; and

Whereas we, the farmers of Lenawee County, cannot comply with this type of regimentation and bitterly denounce any law that interferes with or takes from us the management of our farms: Now, therefore be it

Resolved, That the farmers of Lenawee County form a protective league to guard our rights as American citizens and to instruct our servants in the Federal employ that the farmers of this county know better what crops their farms should produce than any Government agent, committee, or other civil employee; be it further

Resolved, That a copy of this resolution and the sentiment of this meeting be presented to our two Senators, ARTHUR H. VANDENBERG and PRENTICE M. BROWN; to our Congressman, EARL C. MICHENER; our Governor, Frank Murphy; and our Michigan State commissioner of agriculture, John B. Strange.

REPORTS OF COMMITTEES

Mr. ADAMS, from the Committee on Public Lands and Surveys, to which was referred the bill (H. R. 152), to add certain lands to the Rio Grande National Forest, Colo., reported it without amendment and submitted a report (No. 1992) thereon.

Mr. HATCH, from the Committee on Indian Affairs, to which was referred the bill (H. R. 6461) for the relief of William F. Bourland, reported it without amendment and submitted a report (No. 1993) thereon.

Mr. WHEELER, from the Committee on Interstate Commerce, to which was referred the joint resolution (S. J. Res.

292) directing the Federal Trade Commisison to investigate the methods employed by the manufacturers of motor-vehicle tires, reported it without amendment and submitted a report (No. 1994) thereon.

Mr. BARKLEY, from the Committee on the Library, to which was referred the joint resolution (H. J. Res. 631) to provide for the erection of a monument to the memory of Gen. Peter Gabriel Muhlenberg, reported it without amendment.

REVISION OF BANKRUPTCY LAW—MINORITY VIEWS

Mr. KING, as a member of the Committee on the Judiciary, submitted minority views on the bill (H. R. 8046) to amend an act entitled "An act to establish a uniform system of bankruptcy throughout the United States", approved July 1, 1898, and acts amendatory thereof and supplementary thereto; and to repeal section 76 thereof and all acts and parts of acts inconsistent therewith, which were ordered to be printed as part 2 of Senate Report No. 1916.

ENROLLED BILL PRESENTED

Mrs. CARAWAY, from the Committee on Enrolled Bills, reported that on June 2, 1938, that committee presented to the President of the United States the enrolled bill (S. 1585) for the relief of Sallie S. Twilley.

BILLS AND JOINT RESOLUTIONS INTRODUCED

Bills and joint resolutions were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. CAPPER:

A bill (S. 4139) granting a pension to Alice Wright (with accompanying papers); to the Committee on Pensions.

By Mr. MALONEY:

A bill (S. 4140) for the relief of the State of Connecticut; to the Committee on Military Affairs.

By Mrs. CARAWAY:

A bill (S. 4141) creating the Arkansas-Mississippi Bridge Commission; defining the authority, power, and duties of said Commission; and authorizing said commission and its successors and assigns to construct, maintain, and operate a bridge across the Mississippi River at or near Friars Point, Miss., and Helena, Ark., and for other purposes; to the Committee on Commerce.

By Mr. GREEN:

A bill (S. 4142) to increase the insurance protection of depositors in certain federally insured banks and institutions from $5,000 to $10,000; to the Committee on Banking and Currency.

By Mr. POPE:

A bill (S. 4143) for the relief of certain settlers in the townsite of Ketchum, Idaho; to the Committee on Public Lands and Surveys.

By Mr. BONE:

A bill (S. 4144) to amend section 1 of an act entitled "An Act granting the consent of Congress to the county of Pierce, a legal subdivision of the State of Washington, to construct, maintain, and operate a toll bridge across Puget Sound, State of Washington, at or near a point commonly known as The Narrows," and to extend the times for commencing and completing the construction of such bridge; to the Committee on Commerce.

By Mr. COPELAND:

A bill (S. 4145) to authorize contingent expenditures, United States Coast Guard Academy; to the Committee on Commerce.

By Mr. SHEPPARD:

A bill (S. 4146) to provide a right-of-way; to the Committee on Military Affairs.

By Mr. SHIPSTEAD:

A bill (S. 4147) authorizing the village of Baudette, Minn., its successors and assigns, to construct, maintain, and operate a bridge across the Rainy River at or near Baudette, Minn.; to the Committee on Commerce.

A bill (S. 4148) relating to the payment of the remaining installments of the Government life insurance secured by Philip Hermann; to the Committee on Finance.

A bill (S. 4149) granting a pension to Mrs Henry F. Otis; and

A bill (S. 4150) granting an increase in pension to Albert Steinhauser; to the Committee on Pensions.

By Mr. MURRAY:

A bill (S. 4151) authorizing the Secretary of the Interior to issue a patent for certain land to Jordan N. Bean; to the Committee on Public Lands and Surveys.

By Mr. BULOW:

A bill (S. 4152) to extend to custodial-service employees employed by the Post Office Department certain benefits applicable to postal employees; to the Committee on Post Offices and Post Roads.

By Mr. COPELAND:

A joint resolution (S. J. Res. 305) requesting the President of the United States to proclaim the week of May 31, 1939, National Flood Prevention Week; to the Committee on the Judiciary.

A joint resolution (S. J. Res. 306) creating the Niagara Falls Bridge Commission and authorizing said Commission and its successors to construct, maintain, and operate a bridge across the Niagara River at or near the city of Niagara Falls, N. Y.; to the Committee on Commerce.

WORKS ON RIVERS AND HARBORS FOR FLOOD CONTROL—AMENDMENT

Mr. POPE submitted an amendment intended to be proposed by him to the bill (H. R. 10618) authorizing the construction of certain public works on rivers and harbors for flood control, and for other purposes, which was ordered to lie on the table and to be printed.

SUSPENSION OF ANNUAL ASSESSMENT ON MINING CLAIMS—AMENDMENT

Mr. McNARY submitted an amendment intended to be proposed by him to the bill (S. 3493) providing for the suspension of annual assessment work on mining claims held by location in the United States, which was referred to the Committee on Mines and Mining and ordered to be printed.

AMENDMENTS TO SECOND DEFICIENCY APPROPRIATION BILL

Mr. COPELAND, from the Committee on Commerce, reported an amendment intended to be proposed to House bill 10851, the second deficiency appropriation bill, 1938, which was referred to the Committee on Appropriations and ordered to be printed, as follows:

At the proper place, to insert the following:

"MARITIME LABOR BOARD

"For expenses and all necessary disbursements, including salaries, for carrying into effect the provisions of title X of the Merchant Marine Act, 1936, as amended, fiscal year 1939, $100,000: *Provided*, That such sum shall not become available unless and until the aforesaid title is enacted into law.

"UNITED STATES MARITIME COMMISSION

"Federal Ship Mortgage Insurance Fund: To establish a revolving fund authorized by and for the purpose of carrying out the provisions of title XI of the Merchant Marine Act, 1936, as amended, $1,000,000: *Provided*, That such sum shall not become available unless and until the aforesaid title is enacted into law."

Mr. TRUMAN submitted an amendment intended to be proposed by him to House bill 10851, the second deficiency appropriation bill, 1938, which was referred to the Committee on Appropriations and ordered to be printed, as follows:

At the end of the bill insert the following new title:

"TITLE —. LEGISLATIVE ESTABLISHMENT

"SEC. —. (a) Beginning with the third session of the Seventy-fifth Congress, two persons employed in the office of each Senator and one person employed in the office of each Member of the House of Representatives, to be designated by the Senator or Member in whose office they are employed, shall be entitled to receive a mileage and per-diem allowance for going to and returning from each session of the Congress. The allowance shall be equal to the first-class railroad and Pullman fare, at regular rates, by the route ordinarily traveled between Washington, D. C., and the place of residence of such Senator or Member in the State in which he is chosen, plus a per-diem allowance of $5 for each day or major fraction thereof ordinarily required for making the journey over such route by railroad. Such allowance shall be paid only if the travel between such points is actually performed, but shall be paid without regard to the method or route by which the travel is performed. Such allowance shall be paid by the Secretary of the Senate or the Clerk of the House of Representatives, as the case may be,

upon a sworn statement by the person entitled thereto that the travel has been performed; and the determination of such officers with respect to the making of such payments, and the amount thereof, shall be final and conclusive upon all other officers and employees of the Government. For carrying out the purposes of this section during the fiscal year ending June 30, 1938, there is hereby appropriated, out of any money in the Treasury not otherwise appropriated, the sum of $65,000, of which $25,000 shall be disbursed by the Secretary of the Senate and $40,000 shall be disbursed by the Clerk of the House of Representatives.

"(b) For the purposes of this section persons employed by a committee of the Senate or House of Representatives shall be deemed to be employed in the office of the Senator or Member of the House of Representatives who is chairman of such committee."

INVESTIGATION OF ALLEGED USE OF RELIEF AND WORK-RELIEF FUNDS FOR POLITICAL PURPOSES

Mr. TYDINGS (for himself, Mr. BURKE, Mr. KING, Mr. HATCH, Mr. ADAMS, Mr. MCADOO, Mr. BULKLEY, Mr. GEORGE, Mr. WAGNER, and Mr. GERRY) submitted the following resolution (S. Res. 290), which was referred to the Committee on Appropriations:

Senate Resolution 290

Resolved, That a special committee of three Senators, to be appointed by the President of the Senate, is authorized and directed to make a full and complete investigation of any complaints filed with such committee alleging that funds appropriated by the Congress for the purpose of providing relief and work relief are being or have been allotted or expended, or that any person whose compensation or any part thereof is paid from funds appropriated for the purpose of providing relief and work relief is using or has used his official position or influence to intimidate, coerce, or influence any recipient of relief or work relief or any applicant for relief or work relief, in a manner designed to affect the results of any primary, political convention, or election held during the calendar year 1938. The committee shall report to the Senate, as soon as practicable, the results of its investigations, together with its recommendations, if any, for necessary legislation.

For the purposes of this resolution the committee, or any duly authorized subcommittee thereof, is authorized to hold such hearings, to sit and act at such times and places, either in the District of Columbia or elsewhere, during the sessions, recesses, and adjourned periods of the Senate in the Seventy-fifth Congress; to employ such clerical and other assistants; to require by subpena or otherwise the attendance of such witnesses and the production of such books, papers, and documents; to administer such oaths; to take such testimony; and to make such expenditures, as it deems advisable. The cost of stenographic services to report such hearings shall not be in excess of 25 cents per hundred words. The expenses of the committee, which shall not exceed $10,000, shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman.

MESSAGE FROM THE HOUSE

A message from the House of Representatives by Mr. Chaffee, one of its reading clerks, announced that the House had passed without amendment the following bills and joint resolutions of the Senate:

S. 821. An act for the relief of Lawson N. Dick;

S. 1220. An act for the relief of Josephine Russell;

S. 1340. An act for the relief of A. D. Weikert;

S 1694. An act authorizing the Secretary of War to convey to the town of Montgomery, W. Va., a certain tract of land;

S. 2023. An act for the relief of Charles A. Rife;

S. 2368. An act to provide funds for cooperation with school district No. 2, Mason County, State of Washington, in the construction of a public-school building to be available to both white and Indian children;

S. 2409. An act for the relief of certain officers of the United States Navy and the United States Marine Corps;

S. 2655. An act for the relief of Lt. T. L. Bartlett;

S. 2709. An act for the relief of Mr. and Mrs. Joseph Konderish;

S. 2742. An act for the relief of Mrs. C. Doorn;

S. 2956. An act for the relief of Orville D. Davis;

S. 2979. An act for the relief of Glenn Morrow;

S. 2985. An act for the relief of John F. Fahey, United States Marine Corps, retired;

S. 3040. An act for the relief of Herman F. Krafft;

S. 3095. An act authorizing the Secretary of War to grant to the Coos County Court of Coquille, Oreg., and the State of Oregon an easement with respect to certain lands for highway purposes;

S. 3126. An act authorizing the Secretary of War to convey a certain parcel of land in Tillamook County, Oreg., to the State of Oregon to be used for highway purposes;

S. 3166. An act to amend section 2139 of the Revised Statutes, as amended;

S. 3188. An act for the relief of the Ouachita National Bank of Monroe, La.; the Milner-Fuller, Inc., Monroe, La.; estate of John C. Bass, of Lake Providence, La.; Richard Bell, of Lake Providence, La.; and Mrs. Cluren Surles, of Lake Providence, La.;

S. 3209. An act to authorize the Secretary of War to grant an easement to the city of Highwood, Lake County, Ill., in and over certain portions of the Fort Sheridan Military Reservation, for the purpose of constructing a waterworks system;

S. 3223. An act for the relief of the dependents of the late Lt. Robert E. Van Meter, United States Navy;

S. 3242. An act to aid in providing a permanent mooring for the battleship *Oregon;*

S. 3365. An act for the relief of Joseph D. Schoolfield;

S. 3410. An act for the relief of Miles A. Barclay;

S. 3416. An act providing for the addition of certain lands to the Black Hills National Forest in the State of Wyoming;

S. 3417. An act for the relief of the State of Wyoming;

S. 3543. An act authorizing the Comptroller General of the United States to settle and adjust the claim of Earle Lindsey;

S. 3820. An act to authorize membership on behalf of the United States in the International Criminal Police Commission;

S. 3822. An act to authorize an increase in the basic allotment of enlisted men to the Air Corps within the total enlisted strength provided in appropriations for the Regular Army;

S. 3849. An act authorizing the Secretary of the Treasury to transfer on the books of the Treasury Department to the credit of the Chippewa Indians of Minnesota the proceeds of a certain judgment erroneously deposited in the Treasury of the United States as public money;

S. 3882. An act amending the act authorizing the collection and publication of cotton statistics by requiring a record to be kept of bales ginned by counties;

S. J. Res. 243. Joint resolution to provide for the transfer of the Cape Henry Memorial site in Fort Story, Va., to the Department of the Interior;

S. J. Res. 247. Joint resolution authorizing William Bowie, captain (retired), United States Coast and Geodetic Survey, Department of Commerce, to accept and wear decoration of the Order of Orange Nassau, bestowed by the Government of the Netherlands; and

S. J. Res. 289. Joint resolution to provide that the United States extend an invitation to the Governments of the American Republics, members of the Pan American Union, to hold the Eighth American Scientific Congress in the United States in 1940 on the occasion of the fiftieth anniversary of the founding of the Pan American Union; to invite these Governments to participate in the proposed Congress; and to authorize an appropriation for the expenses thereof.

The message also announced that the House had passed the following bills of the Senate, severally with an amendment, in which it requested the concurrence of the Senate:

S. 1478. An act conferring jurisdiction on the Court of Claims to hear and determine the claims of the Choctaw Indians of the State of Mississippi;

S. 2474. An act to provide a uniform method for examinations for promotion of warrant officers;

S. 3079. An act for the relief of George W. Breckenridge;

S. 3111. An act for the relief of the estate of Lillie Liston, and Mr. and Mrs. B. W. Trent;

S. 3215. An act for the relief of Griffith L. Owens;

S. 3373. An act to provide for holding terms of the district court of the United States at Hutchinson, Kans.;

S. 3379. An act for the relief of Arthur T. Miller;

S. 3512. An act for the relief of Elizabeth Cory; and

S. 3836. An act relating to the manner of securing written consent for the reconcentration of cotton under section 383 (b) of the Agricultural Adjustment Act of 1938.

The message further announced that the House had passed the following bills of the Senate, severally with amendments, in which it requested the concurrence of the Senate:

S. 546. An act for the relief of Annie Mary Wilmuth;

S. 593. An act for the relief of Emily Hyer La Vergne, executrix of the estate of W. K. Hyer;

S. 865. An act for the relief of Alceo Govoni;

S. 988. An act to amend an act entitled "An act to establish in the Bureau of Foreign and Domestic Commerce of the Department of Commerce a Foreign Commerce Service of the United States, and for other purposes," approved March 3, 1927, as amended;

S. 1274. An act to confer jurisdiction upon the United States District Court for the District of Nebraska to determine the claim of John H. Owens;

S. 1788. An act for the relief of William J. Schwarze;

S. 1878. An act for the relief of Mary Way;

S. 2009. An act to authorize the payment of certain obligations contracted by the Perry's Victory Memorial Commission;

S. 2051. An act for the relief of John F. Fitzgerald;

S. 2208. An act for the relief of Bruce G. Cox;

S. 2413. An act for the relief of the Boston City Hospital, Dr. Donald Munro, and others;

S. 2532. An act for the relief of Mrs. G. R. Syth;

S. 2553. An act for the relief of E. E. Tillett;

S. 2566. An act for the relief of the Blue Rapids Gravel Co., of Blue Rapids, Kans.;

S. 2643. An act for the relief of Mr. and Mrs. James Crawford;

S. 2739. An act for the relief of Virgil D. Alden and others;

S. 2770. An act for the relief of Elizabeth F. Quinn and Sarah Ferguson;

S. 2798. An act for the relief of Edith Jennings and the legal guardian of Patsy Ruth Jennings;

S. 2802. An act for the relief of the legal guardian of Carl Orr, a minor;

S. 2876. An act for the relief of Mark H. Doty;

S. 3002. An act to authorize the Secretary of the Treasury to make settlement with the holders of certain unpaid notes and warrants of the Verde River Irrigation and Power District;

S. 3056. An act for the relief of Dorothy Anne Walker, a minor;

S. 3102. An act for the relief of the estate of Raquel Franco;

S. 3147. An act for the relief of Mr. and Mrs. S. A. Felsenthal, Mr. and Mrs. Sam Friedlander, and Mrs. Gus Levy;

S. 3227. An act for the relief of Mr. and Mrs. Chester A. Smith; and

S. 3300. An act for the relief of Pearl Bundy.

The message also announced that the House had disagreed to the amendments of the Senate to the joint resolution (H. J. Res. 679) making appropriations for work relief, relief, and otherwise to increase employment by providing loans and grants for public-works projects, agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. TAYLOR of Colorado, Mr. WOODRUM, Mr. BOYLAN of New York, Mr. CANNON of Missouri, Mr. LUDLOW, Mr. SNYDER of Pennsylvania, Mr. TABER, Mr. BACON, and Mr. WIGGLESWORTH were appointed managers on the part of the House at the conference.

The message further announced that the House had passed the following bills and joint resolutions, in which it requested the concurrence of the Senate:

H. R. 2691. An act to adjust the basis of compensation for overtime services of certain employees in the Postal Service, and for other purposes;

H. R. 2779. An act for the relief of Lilly Bundgard and Gloria Bundgard;

H. R. 4367. An act for the relief of Perry Walker;

H. R. 5153. An act for the relief of George F. Anderson and Vera D. Anderson;

H. R. 6246. An act to provide for placing educational orders to familiarize private manufacturing establishments with the production of munitions of war of special or technical design, noncommercial in character;

H. R. 6591. An act to exempt from cancelation certain desert-land entries in Riverside County, Calif.;

H. R. 6727. An act for the relief of Edward E. Brown, Charles Walker, Frank Parr, John Moyer, and Lynford P. Fowles;

H. R. 6753. An act for the relief of the Derby Oil Co.;

H. R. 6900. An act for employment of honorary retired officers;

H. R. 6952. An act for the relief of Hattie Doudna;

H. R. 7143. An act for the relief of the Curtiss Aeroplane & Motor Co., Inc.;

H. R. 7198. An act for the relief of Fred Johnson;

H. R. 7167. An act to provide for the promotion on the retired list of the Navy of Fred G. Leith;

H. R. 7520. An act for the relief of members of the Navy or Marine Corps who were discharged from the Navy or Marine Corps during the Spanish-American War, the Philippine Insurrection, and the Boxer Uprising, because of minority or misrepresentation of age;

H. R. 7607. An act for the relief of Frank B. Decker;

H. R. 7693. An act to authorize the Secretary of War to transfer to the Government of Puerto Rico certain real estate of the War Department;

H. R. 7844. An act to amend the act of Congress entitled "An act to establish an Alaska Game Commission, to protect game animals, land fur-bearing animals, and birds in Alaska, and for other purposes," approved January 13, 1925, as amended;

H. R. 7854. An act for the relief of Joseph Gross;

H. R. 7868. An act to provide for conveying to the State of North Dakota certain lands within Burleigh County within that State for public use;

H. R. 8271. An act to confer jurisdiction upon the Court of Claims of the United States to hear, determine, and render judgment upon the claims of the attorneys for the Russian Volunteer Fleet;

H. R. 8380. An act for the relief of Glenn R. Martin;

H. R. 8417. An act for the relief of John B. Dollison;

H. R. 8423. An act for the relief of Frank W. Lohn;

H. R. 8424. An act for the relief of John F. Dailey and Ethel M. Dailey;

H. R. 8480. An act for the relief of Commander James T. Mathews;

H. R. 8492. An act for the relief of Robert Doty, a minor;

H. R. 8515. An act to amend the act entitled "An act for the relief of Harry Bryan and Alda Duffield Mullins, and others," approved August 28, 1937;

H. R. 8544. An act for the relief of Alba C. Mitchell;

H. R. 8571. An act granting 6 months' pay to Mrs. Vallie M. Current;

H. R. 8628. An act to provide for the addition of certain lands to the Vicksburg National Military Park, in the State of Mississippi, and for other purposes;

H. R. 8672. An act for the relief of Fergus County, Mont.;

H. R. 8673. An act for the relief of certain persons at certain projects of the Farm Security Administration, United States Department of Agriculture;

H. R. 8696. An act for the relief of Ruby Z. Winslow;

H. R. 8723. An act for the relief of Spencer D. Albright, Jr.;

H. R. 8794. An act to provide for holding terms of the District Court of the United States for the Eastern District of Virginia at Newport News, Va.;

H. R. 8922. An act for the relief of E. E. Johnson;

H. R. 9014. An act to authorize the conveyance to the Lane S. Anderson Post, No. 297, Veterans of Foreign Wars of the

United States, of a parcel of land at lock No. 6, Kanawha River, South Charleston, W. Va.;

H. R. 9034. An act for the relief of Katherine Patterson;

H. R. 9084. An act for the relief of John Lawson and Roy Webb;

H. R. 9130. An act for the relief of Marshall Carver;

H. R. 9135. An act for the relief of Emons Wolfer;

H. R. 9142. An act for the relief of J. J. B. Hilliard & Son;

H. R. 9196. An act for the relief of J. T. Burt and Alice Burt;

H. R. 9215. An act for the relief of the Read Machinery Co., Inc.;

H. R. 9258. An act to authorize the Secretary of the Navy to accept on behalf of the United States certain land in the city of Los Angeles, Calif., with improvements thereon;

H. R. 9277. An act for the relief of James M. Wright;

H. R. 9287. An act to authorize the Cairo Bridge Commission, or the successors of said commission, to acquire by purchase, and to improve, maintain, and operate a toll bridge across the Mississippi River at or near Cairo, Ill.;

H. R. 9661. An act to allow possession of migratory game birds lawfully taken;

H. R. 9674. An act for the relief of John Borowski, Benjamin H. Hammack, and Eber A. Wean;

H. R. 9731. An act for the relief of James J. Coyne;

H. R. 9735. An act to authorize an appropriation for the purpose of establishing a national cemetery at Columbus, Ohio;

H. R. 9783. An act authorizing the Secretary of the Interior to transfer to the State of Colorado one mine-rescue car;

H. R. 9795. An act for the relief of Michael J. Muldowney;

H. R. 9825. An act for the relief of Raymond Pledger and Thomas P. Giacomini, Jr.;

H. R. 9916. An act to provide for the establishment of a Coast Guard station at or near Shelter Cove, Calif.;

H. R. 9933. An act to authorize the United States Golden Gate International Exposition Commission to produce and sell certain articles, and for other purposes;

H. R. 9963. An act to authorize the acquisition of the bridge across the Mississippi River at Cape Girardeau, Mo., and the approaches thereto, by a single condemnation proceeding in either the district court for the eastern judicial district of Missouri or the district court for the eastern judicial district of Illinois, and providing the procedure for such proceeding;

H. R. 10076. An act to create the White County Bridge Commission; defining the authority, power, and duties of said commission; and authorizing said commission and its successors and assigns to purchase, maintain, and operate a bridge across the Wabash River at or near New Harmony, Ind.;

H. R. 10135. An act for the relief of James Philip Coyle;

H. R. 10136. An act for the relief of John Patrick Toth;

H. R. 10154. An act to authorize the Secretary of War to lend War Department equipment for use at the 1938 national encampment of Veterans of Foreign Wars of the United States to be held in Columbus, Ohio, from August 21 to 26, 1938;

H. R. 10225. An act to amend section 6 of chapter 64, approved April 24, 1894 (U. S. Stat. L., vol. XXVIII, 2d sess., 53d Cong.), being an act entitled "An act to authorize the construction of a steel bridge over the St. Louis River, between the States of Wisconsin and Minnesota";

H. R. 10286. An act for the relief of Anthoula S. Maskas;

H. R. 10296. An act to amend an act entitled "An act relating to the liability of common carriers by railroad to their employees in certain cases," approved April 22, 1908, as amended (U. S. C., title 45, ch. 2);

H. R. 10339. An act for the relief of Isaac Friedlander;

H. R. 10346. An act to extend the times for commencing and completing the construction of a bridge across the Missouri River at or near Niobrara, Nebr.;

H. R. 10455. An act to authorize the Secretary of War to proceed with the construction of certain public works in connection with the War Department in the District of Columbia;

H. R. 10462. An act to amend the act entitled "An act creating the Mount Rushmore National Memorial Commission and defining its purposes and powers," approved February 25, 1929, as amended;

H. R. 10488. An act to provide for allowing to the Gem Irrigation District and Ontario-Nyssa Irrigation District of the Owyhee project terms and payment dates for charges deferred under the reclamation moratorium acts similar to those applicable to the deferred construction charges of other projects under said acts, and for other purposes;

H. R. 10536. An act authorizing the United States Maritime Commission to sell or lease the Hoboken Pier Terminals, or any part thereof, to the city of Hoboken, N. J.;

H. R. 10594. An act to provide for the creation, organization, administration, and maintenance of a Naval Reserve and a Marine Corps Reserve;

H. R. 10650. An act to provide for a 5-year building program for the United States Bureau of Fisheries;

H. R. 10652. An act to provide for the ratification of all joint resolutions of the legislature of Puerto Rico and of the former legislative assembly;

H. R. 10672. An act to amend section 4197 of the Revised Statutes, as amended (U. S. C., 1934 ed., title 46, sec. 91), and section 4200 of the Revised Statutes (U. S. C., 1934 ed., title 46, sec. 92), and for other purposes;

H. R. 10722. An act to authorize the attendance of the Marine Band at the national encampment of the Grand Army of the Republic to be held at Des Moines, Iowa, September 4 to 8, inclusive, 1938;

H. J. Res. 683. Joint resolution to provide for a floor-stock tax on distilled spirits, except brandy;

H. J. Res. 688. Joint resolution creating the Niagara Falls Bridge Commission and authorizing said Commission and its successors to construct, maintain, and operate a bridge across the Niagara River at or near the city of Niagara Falls, N. Y.;

H. J. Res. 699. Joint resolution to amend sections 101, 102, 103, and 104 of the Revised Statutes of the United States relating to congressional investigations;

H. J. Res. 702. Joint resolution to provide that the United States extend to foreign governments invitations to participate in the Third International Congress for Microbiology to be held in the United States during the calendar year 1939, and to authorize an appropriation to assist in meeting the expenses of the session; and

H. J. Res. 703. Joint resolution to authorize the acceptance of title to the dwelling house and property, the former residence of the late Justice Oliver Wendell Holmes, located at 1720 Eye Street NW., in the District of Columbia, and for other purposes.

ENROLLED BILL SIGNED

The message also announced that the Speaker had affixed his signature to the enrolled bill (S. 3113) for the relief of the Congress Construction Co., and it was signed by the President pro tempore.

HOUSE BILLS AND JOINT RESOLUTIONS

Bills and joint resolutions of the House of Representatives were severally read twice by their titles and referred, or ordered to be placed on the Calendar, as indicated below:

H. R. 2691. An act to adjust the basis of compensation for overtime services of certain employees in the Postal Service, and for other purposes; to the Committee on Post Offices and Post Roads.

H. R. 2779. An act for the relief of Lilly Bundgard and Gloria Bundgard;

H. R. 4367. An act for the relief of Perry Walker;

H. R. 5153. An act for the relief of George F. Anderson and Vera D. Anderson;

H. R. 6727. An act for the relief of Edward E. Brown, Charles Walker, Frank Parr, John Moyer, and Lynford P. Fowles;

H. R. 6753. An act for the relief of the Derby Oil Co.;

H. R. 6952. An act for the relief of Hattie Doudna;

H. R. 7143. An act for the relief of the Curtiss Aeroplane and Motor Co., Inc.;

H. R. 7198. An act for the relief of Fred Johnson;

H. R. 7607. An act for the relief of Frank B. Decker;

H. R. 7854. An act for the relief of Joseph Gross;

H. R. 8271. An act to confer jurisdiction upon the Court of Claims of the United States to hear, determine, and render judgment upon the claims of the attorneys for the Russian Volunteer Fleet;

H. R. 8380. An act for the relief of Glenn R. Martin;

H. R. 8417. An act for the relief of John B. Dollison;

H. R. 8423. An act for the relief of Frank W. Lohn;

H. R. 8424. An act for the relief of John F. Dailey and Ethel M. Dailey;

H. R. 8480. An act for the relief of Commander James T. Mathews;

H. R. 8492. An act for the relief of Robert Doty, a minor;

H. R. 8515. An act to amend the act entitled "An act for the relief of Harry Bryan and Alda Duffield Mullins, and others," approved August 28, 1937;

H. R. 8544. An act for the relief of Alba C. Mitchell;

H. R. 8672. An act for the relief of Fergus County, Mont.;

H. R. 8673. An act for the relief of certain persons at certain projects of the Farm Security Administration, United States Department of Agriculture;

H. R. 8696. An act for the relief of Ruby Z. Winslow;

H. R. 8723. An act for the relief of Spencer D. Albright, Jr.;

H. R. 8922. An act for the relief of E. E. Johnson;

H. R. 9034. An act for the relief of Katherine Patterson;

H. R. 9084. An act for the relief of John Lawson and Roy Webb;

H. R. 9130. An act for the relief of Marshall Carver;

H. R. 9135. An act for the relief of Emons Wolfer;

H. R. 9142. An act for the relief of J. J. B. Hilliard & Son;

H. R. 9196. An act for the relief of J. T. Burt and Alice Burt;

H. R. 9215. An act for the relief of the Read Machinery Co., Inc.;

H. R. 9277. An act for the relief of James M. Wright;

H. R. 9674. An act for the relief of John Borowski, Benjamin H. Hammack, and Eber A. Wean;

H. R. 9795. An act for the relief of Michael J. Muldowney; and

H. R. 9825. An act for the relief of Raymond Pledger and Thomas P. Giacomini, Jr.; to the Committee on Claims.

H. R. 6246. An act to provide for placing educational orders to familiarize private manufacturing establishments with the production of munitions of war of special or technical design, noncommercial in character;

H. R. 8794. An act to provide for holding terms of the District Court of the United States for the Eastern District of Virginia at Newport News, Va.;

H. R. 9963. An act to authorize the acquisition of the bridge across the Mississippi River at Cape Girardeau, Mo., and the approaches thereto, by a single condemnation proceeding in either the District Court for the Eastern Judicial District of Missouri or the District Court for the Eastern Judicial District of Illinois, and providing the procedure for such proceeding;

H. R. 10154. An act to authorize the Secretary of War to lend War Department equipment for use at the 1938 National Encampment of Veterans of Foreign Wars of the United States to be held in Columbus, Ohio, from August 21 to August 26, 1938;

H. R. 10455. An act to authorize the Secretary of War to proceed with the construction of certain public works in connection with the War Department in the District of Columbia;

H. R. 10462. An act to amend the act entitled "An act creating the Mount Rushmore National Memorial Commission and defining its purposes and powers", approved February 25, 1929, as amended; and

H. R. 10652. An act to provide for the ratification of all joint resolutions of the Legislature of Puerto Rico and of the former legislative assembly; to the Calendar.

H. R. 6591. An act to exempt from cancelation certain desert-land entries in Riverside County, Calif.;

H. R. 7868. An act to provide for conveying to the State of North Dakota certain lands within Burleigh County within that State for public use; and

H. R. 8628. An act to provide for the addition of certain lands to the Vicksburg National Military Park, in the State of Mississippi, and for other purposes; to the Committee on Public Lands and Surveys.

H. R. 6900. An act for employment of honorary retired officers;

H. R. 7167. An act to provide for the promotion on the retired list of the Navy of Fred G. Leith;

H. R. 7520. An act for the relief of members of the Navy or Marine Corps who were discharged from the Navy or Marine Corps during the Spanish-American War, the Philippine Insurrection, and the Boxer Uprising because of minority or misrepresentation of age;

H. R. 8571. An act granting 6 months' pay to Mrs. Vallie M. Current;

H. R. 9258. An act to authorize the Secretary of the Navy to accept on behalf of the United States certain land in the city of Los Angeles, Calif., with improvements thereon;

H. R. 10135. An act for the relief of James Philip Coyle;

H. R. 10594. An act to provide for the creation, organization, administration, and maintenance of a Naval Reserve and a Marine Corps Reserve; and

H. R. 10722. An act to authorize the attendance of the Marine Band at the National Encampment of the Grand Army of the Republic to be held at Des Moines, Iowa, September 4 to 8, inclusive, 1938; to the Committee on Naval Affairs.

H. R. 7693. An act to authorize the Secretary of War to transfer to the Government of Puerto Rico certain real estate of the War Department;

H. R. 9014. An act to authorize the conveyance to the Lane S. Anderson Post No. 297, Veterans of Foreign Wars of the United States, of a parcel of land at lock No. 6, Kanawha River, South Charleston, W. Va.; and

H. R. 9735. An act to authorize an appropriation for the purpose of establishing a national cemetery at Columbus, Ohio; to the Committee on Military Affairs.

H. R. 7844. An act to amend the act of Congress entitled "An act to establish an Alaska Game Commission, to protect game animals, land fur-bearing animals, and birds in Alaska, and for other purposes," approved January 13, 1925, as amended; to the Committee on Territories and Insular Affairs.

H. R. 9661. An act to allow possession of migratory game birds lawfully taken; to the Committee on Agriculture and Forestry.

H. R. 9731. An act for the relief of James J. Coyne;

H. R. 10136. An act for the relief of John Patrick Toth;

H. R. 10286. An act for the relief of Anthoula S. Maskas; and

H. R. 10339. An act for the relief of Isaac Friedlander; to the Committee on Immigration.

H. R. 9783. An act authorizing the Secretary of the Interior to transfer to the State of Colorado one mine-rescue car; to the Committee on Mines and Mining.

H. R. 9916. An act to provide for the establishment of a Coast Guard station at or near Shelter Cove, Calif.;

H. R. 9933. An act to authorize the United States Golden Gate International Exposition Commission to produce and sell certain articles, and for other purposes;

H. R. 10076. An act to create the White County Bridge Commission; defining the authority, power, and duties of said commission, and authorizing said commission and its successors and assigns to purchase, maintain, and operate a bridge across the Wabash River at or near New Harmony, Ind.;

H. R. 10225. An act to amend section 6 of chapter 64, approved April 24, 1894 (U. S. Stat. L., vol. XXVIII, 2d sess., 53d Cong.), being an act entitled "An act to authorize the construction of a steel bridge over the St. Louis River, between the States of Wisconsin and Minnesota";

H. R. 10346. An act to extend the times for commencing and completing the construction of a bridge across the Missouri River at or near Niobrara, Nebr.;

H. R. 10536. An act authorizing the United States Maritime Commission to sell or lease the Hoboken Pier Terminals, or any part thereof, to the city of Hoboken, N. J.;

H. R. 10672. An act to amend section 4197 of the Revised Statutes, as amended (U. S. C., 1934 ed., title 46, sec. 91), and section 4200 of the Revised Statutes (U. S. C., 1934 ed., title 46, sec. 92), and for other purposes; and

H. J. Res. 688. Joint resolution creating the Niagara Falls Bridge Commission and authorizing said Commission and its successors to construct, maintain, and operate a bridge across the Niagara River at or near the city of Niagara Falls, N. Y.; to the Committee on Commerce.

H. R. 10296. An act to amend an act entitled "An act relating to the liability of common carriers by railroad to their employees in certain cases," approved April 22, 1908, as amended (U. S. C., title 45, ch. 2); and

H. J. Res. 699. Joint resolution to amend sections 101, 102, 103, and 104 of the Revised Statutes of the United States relating to congressional investigations; to the Committee on the Judiciary.

H. R. 10488. An act to provide for allowing to the Gem Irrigation District and Ontario-Nyssa Irrigation District of the Owyhee project terms and payment dates for charges deferred under the Reclamation Moratorium Acts similar to those applicable to the deferred construction charges of other projects under said acts, and for other purposes; to the Committee on Irrigation and Reclamation.

H. J. Res. 683. Joint resolution to provide for a floor-stock tax on distilled spirits, except brandy; to the Committee on Finance.

H. J. Res. 702. Joint resolution to provide that the United States extend to foreign governments invitations to participate in the Third International Congress for Microbiology to be held in the United States during the calendar year 1939, and to authorize an appropriation to assist in meeting the expenses of the session; to the Committee on Foreign Relations.

H. J. Res. 703. Joint resolution to authorize the acceptance of title to the dwelling house and property, the former residence of the late Justice Oliver Wendell Holmes, located at 1720 Eye Street, NW., in the District of Columbia, and for other purposes; to the Committee on the Library.

ADDRESS BY SENATOR WAGNER AT MEMORIAL SERVICES OF JEWISH WAR VETERANS

[Mr. WAGNER asked and obtained leave to have printed in the RECORD an address delivered by himself at the memorial services of the Jewish War Veterans of the United States on Sunday, May 29, 1938, at Temple Emanu-El, New York City, which appears in the Appendix.]

THE WAGE AND HOUR PROBLEM—ADDRESS BY SENATOR ELLENDER

[Mr. OVERTON asked and obtained leave to have printed in the RECORD a radio address delivered by Senator ELLENDER on June 5, 1938, on the subject of the wage and hour problem, which will appear hereafter in the Appendix.]

PROGRAM FOR THE REHABILITATION OF THE MERCHANT MARINE

[Mr. GUFFEY asked and obtained leave to have printed in the RECORD a statement by him entitled "Program for Rehabilitation of the Merchant Marine," which appears in the Appendix.]

POLITICS IN RELIEF—STATEMENT BY SENATOR HOLT

[Mr. HOLT asked and obtained leave to have printed in the RECORD a statement made by him on the subject Is There Any Politics in Relief? which appears in the Appendix.]

A ROUNDED SYSTEM OF JUDICIAL RULE MAKING—ADDRESS BY ATTORNEY GENERAL CUMMINGS

[Mr. REYNOLDS asked and obtained leave to have printed in the RECORD an address on the subject of A Rounded System of Judicial Rule Making, delivered by Hon. Homer Cummings, Attorney General of the United States, at a meeting of the Federal Judicial Conference of the Fourth Circuit at Asheville, N. C., June 3, 1938, which will appear hereafter in the Appendix.]

THE ABDICATION OF DEMOCRACY—ADDRESS BY NICHOLAS MURRAY BUTLER

[Mr. O'MAHONEY asked and obtained leave to have printed in the RECORD a commencement address delivered by Nicholas Murray Butler, president of Columbia University, at the one hundred and eighty-fourth commencement of Columbia University, June 1, 1938, on the subject The Abdiction of Democracy, which will appear hereafter in the Appendix.]

ADDRESS BY HON. JESSE H. JONES AT JOHN BROWN UNIVERSITY

[Mrs. CARAWAY asked and obtained leave to have printed in the RECORD an address delivered by Hon. Jesse H. Jones, Chairman of the Reconstruction Finance Corporation, at the commencement exercises of John Brown University, Siloam Springs, Ark., on May 12, 1938, which will appear hereafter in the Appendix.]

FARMER AND LABOR PROBLEMS IN THE NATIONAL ECONOMY—ADDRESS BY WILLIAM GREEN

[Mr. LUNDEEN asked and obtained leave to have printed in the RECORD an address by William Green, president of the American Federation of Labor, at the National Agricultural Conference dinner, Washington, D. C., June 2, 1938, which will appear hereafter in the Appendix.]

THE FARM PROBLEM AS RELATED TO BANKING—ADDRESS BY EARL C. SMITH

[Mr. POPE asked and obtained leave to have printed in the RECORD an address on the subject of the Farm Problem as Related to Banking, delivered by Earl C. Smith, president of the Illinois Agricultural Association, at Springfield, Ill., May 24, 1938.]

ACCOMPLISHMENTS OF WORKS PROGRESS ADMINISTRATION

[Mr. SCHWELLENBACH asked and obtained leave to have printed in the RECORD a statement of the accomplishments of the Works Progress Administration, which will appear hereafter in the Appendix.]

NECESSITY FOR FEDERAL REGULATIONS OF THE NATURAL-GAS INDUSTRY

[Mr. WHEELER asked and obtained leave to have printed in the RECORD a statement relating to the necessity for Federal regulations of the natural-gas industry, which will appear hereafter in the Appendix.]

AGRICULTURAL SITUATION IN GEORGIA, 1932–37

[Mr. GEORGE asked and obtained leave to have printed in the RECORD a statement regarding the agricultural situation in Georgia from 1932 to 1937, which will appear hereafter in the Appendix.]

EDITORIAL INTEGRITY

[Mr. WHEELER asked and obtained leave to have printed in the RECORD an editorial entitled "Editorial Integrity," printed in the Traffic World of June 4, 1938, which appears in the Appendix.]

CONSTRUCTION OF SUPERHIGHWAYS

[Mr. REYNOLDS asked and obtained leave to have printed in the RECORD an editorial from the May 1938 issue of the Better Roads magazine entitled "Toll Superhighways Are Incom-

patible With Sound Road Policy," which will appear hereafter in the Appendix.]

MILITARY ESTABLISHMENT APPROPRIATIONS—CONFERENCE REPORT

Mr. COPELAND submitted the following report:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 9995) making appropriations for the Military Establishment for the fiscal year ending June 30, 1939, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 2, 6, 8, 11, 15, 16, 17, 18, 22, 23, 25, 26, 27, 32, 38, 39, 40, 41, 42, and 44.

That the House recede from its disagreement to the amendments of the Senate numbered 1, 28, 29, 34, 35, 37, 43, and 46, and agree to the same.

Amendment numbered 3: That the House recede from its disagreement to the amendment of the Senate numbered 3, and agree to the same with an amendment, as follows: In lieu of the sum proposed insert "$74,318"; and the Senate agree to the same.

Amendment numbered 4: That the House recede from its disagreement to the amendment of the Senate numbered 4, and agree to the same with an amendment, as follows: In lieu of the matter inserted by said amendment insert the following: "twelve thousand five hundred and seventy-five"; and the Senate agree to the same.

Amendment numbered 5: That the House recede from its disagreement to the amendment of the Senate numbered 5, and agree to the same with an amendment, as follows: In lieu of the sum proposed insert "$35,162,068"; and the Senate agree to the same.

Amendment numbered 7: That the House recede from its disagreement to the amendment of the Senate numbered 7, and agree to the same with an amendment, as follows: In lieu of the sum proposed insert "$2,531,537"; and the Senate agree to the same.

Amendment numbered 9: That the House recede from its disagreement to the amendment of the Senate numbered 9, and agree to the same with an amendment, as follows: In lieu of the sum proposed insert "$68,764,504"; and the Senate agree to the same.

Amendment numbered 10: That the House recede from its disagreement to the amendment of the Senate numbered 10, and agree to the same with an amendment, as follows: In lieu of the sum named in said amendment insert "$400,000"; and the Senate agree to the same.

Amendment numbered 12: That the House recede from its disagreement to the amendment of the Senate numbered 12, and agree to the same with an amendment, as follows: In lieu of the sum proposed insert "$6,765,280"; and the Senate agree to the same.

Amendment numbered 13: That the House recede from its disagreement to the amendment of the Senate numbered 13, and agree to the same with an amendment, as follows: In lieu of the sum proposed insert "$6,659,228"; and the Senate agree to the same.

Amendment numbered 14: That the House recede from its disagreement to the amendment of the Senate numbered 14, and agree to the same with an amendment, as follows: In lieu of the sum proposed insert "$167,043,837"; and the Senate agree to the same.

Amendment numbered 19: That the House recede from its disagreement to the amendment of the Senate numbered 19, and agree to the same with an amendment, as follows: In lieu of the sum proposed insert "$2,720,850"; and the Senate agree to the same.

Amendment numbered 21: That the House recede from its disagreement to the amendment of the Senate numbered 21, and agree to the same with an amendment, as follows: In lieu of the sum proposed insert "$30,022,750"; and the Senate agree to the same.

Amendment numbered 24: That the House recede from its disagreement to the amendment of the Senate numbered 24, and agree to the same with an amendment, as follows: In lieu of the sum proposed insert "$12,922,590"; and the Senate agree to the same.

Amendment numbered 31: That the House recede from its disagreement to the amendment of the Senate numbered 31, and agree to the same with an amendment, as follows: In lieu of the matter inserted by said amendment insert the following:

"Fort Sill, Oklahoma, $331,000;"

And the Senate agree to the same.

Amendment numbered 33: That the House recede from its disagreement to the amendment of the Senate numbered 33, and agree to the same with an amendment, as follows: In lieu of the sum proposed insert "$10,269,880"; and the Senate agree to the same.

Amendment numbered 36: That the House recede from its disagreement to the amendment of the Senate numbered 36, and agree to the same with an amendment, as follows: In lieu of the sum proposed insert "$38,232,034"; and the Senate agree to the same.

Amendment numbered 45: That the House recede from its disagreement to the amendment of the Senate numbered 45, and agree to the same with an amendment, as follows: In lieu of the matter inserted by said amendment insert the following: "and, in addition, $502,354 of the appropriation 'Reserve Officers' Training Corps, 1938,' such amount of such appropriation being hereby reappropriated for the purpose of increasing the number of advanced course students at existing institutions"; and the Senate agree to the same.

The committee of conference report in disagreement amendments numbered 20 and 30.

ROYAL S. COPELAND,
CARL HAYDEN,
ELMER THOMAS,
MORRIS SHEPPARD,
JOHN G. TOWNSEND, Jr.,
Managers on the part of the Senate.

J. BUELL SNYDER,
JOHN F. DOCKWEILER,
DAVID D. TERRY,
JOE STARNES,
ROSS A. COLLINS,
D. LANE POWERS,
ALBERT J. ENGEL,
Managers on the part of the House.

The report was agreed to.

The VICE PRESIDENT laid before the Senate a message announcing the action of the House of Representatives on certain amendments of the Senate to the bill (H. R. 9995) making appropriations for the Military Establishment for the fiscal year ending June 30, 1939, and for other purposes, which was read, as follows:

IN THE HOUSE OF REPRESENTATIVES,
June 2, 1938.

Resolved, That the House recede from its disagreement to the amendment of the Senate No. 20 to the bill (H. R. 9995) making appropriations for the Military Establishment for the fiscal year ending June 30, 1939, and for other purposes, and concur therein with an amendment, as follows:

In lieu of the matter inserted by said amendment, insert "and, in addition, $77,644 of the appropriation 'Travel of the Army, 1938', such amount of such appropriation being hereby reappropriated"; and on

Page 14, lines 24 and 25 of the engrossed bill, strike out "of which $286,702 shall be available immediately, and such former" and insert "and of the total of such amounts $286,702 shall be available immediately, and such total"; and

That the House recede from its disagreement to the amendment of the Senate No. 30 to said bill and concur therein with an amendment, as follows:

In lieu of the matter inserted by said amendment insert "and at Kelly Field, Tex., $1,747,000, and authority is hereby given to enter into contracts and otherwise to incur obligations in excess of such amount to the extent of $748,300."

Mr. COPELAND. I move that the Senate concur in the amendments of the House to the amendments of the Senate numbered 20 and 30.

The motion was agreed to.

EXEMPTION OF UNRIGGED VESSELS FROM CERTAIN PROVISIONS OF LAW—CONFERENCE REPORT

Mr. COPELAND submitted the following report:

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 7158) to except yachts, tugs, towboats, and unrigged vessels from certain provisions of the Act of June 25, 1936, as amended, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate and agree to the same with an amendment as follows: Omit the matter proposed to be inserted by the Senate amendment, and on page 3 of the House bill, line 1, before the figure "4", strike out "sections 2 and" and insert "section"; and the Senate agree to the same.

ROYAL S. COPELAND,
JOSIAH W. BAILEY,
HIRAM W. JOHNSON,
Managers on the part of the Senate.

S. O. BLAND,
WM. I. SIROVICH,
ROBERT RAMSPECK,
RICHARD J. WELCH,
FRANCIS D. CULKIN,
Managers on the part of the House.

The report was agreed to.

INVESTIGATION OF TENNESSEE VALLEY AUTHORITY

The VICE PRESIDENT. The Chair lays before the Senate the motion of the Senator from Nebraska [Mr. NORRIS] to discharge the Committee on Commerce from the further

consideration of Senate Resolution 246, proposing an investigation of the Tennessee Valley Authority.

Mr. NORRIS. Mr. President, I think that matter has passed beyond any possibility of action by the committee. I therefore ask that the resolution be indefinitely postponed.

The VICE PRESIDENT. Is there objection? The Chair hears none.

CUSTODY OF RECORDS OF TENNESSEE VALLEY AUTHORITY

The VICE PRESIDENT. The Chair lays before the Senate a resolution coming over from a previous day, which will be stated.

The legislative clerk read Senate Resolution 255, submitted by Mr. BRIDGES on March 24, 1938, which was read, as follows:

Resolved, That the Sergeant at Arms of the Senate is directed to take into his custody in the name of the United States Senate all books, records, papers, and documents of the Tennessee Valley Authority and to hold same in readiness for production before any duly constituted congressional investigating committee. Such books, records, papers, and documents shall, while in the custody of the Sergeant at Arms and under such rules and regulations as he may prescribe, be made available to the officers and employees of the Tennessee Valley Authority for its normal operations. The Sergeant at Arms is authorized to appoint such special deputies as may be necessary to carry out the provisions of this resolution. The expenses of the Sergeant at Arms under this resolution, which shall not exceed $10,000, shall be paid from the contingent fund of the Senate upon vouchers approved by him. All authority conferred by this resolution shall expire upon the final report to the Congress by any congressional investigating committee established to investigate the Tennessee Valley Authority or, if no such committee is established, on July 31, 1938.

Mr. NORRIS. Mr. President, that is another resolution on the same general subject; but since the Senator from New Hampshire [Mr. BRIDGES] is not present, perhaps we ought not to postpone the resolution indefinitely until he returns.

The VICE PRESIDENT. Does the Senator desire to make any disposition of the resolution?

Mr. NORRIS. I ask that it go over.

The VICE PRESIDENT. Without objection, the resolution will go over.

PURCHASE OF MEXICAN SILVER

The VICE PRESIDENT. The Chair lays before the Senate another resolution coming over from a previous day, which will be stated.

The legislative clerk read Senate Resolution 256, submitted by Mr. VANDENBERG on March 25, 1938, as follows:

Resolved, That the President be requested, if not incompatible with the public interest, to report to the Senate:

(1) The nature and extent of any existing arrangements, and future commitments, between this Government and the Government of Mexico for the purchase of Mexican silver; and

(2) The amount of silver heretofore purchased, and now being purchased, and the price therefor, in connection with all of the arrangements and commitments heretofore described.

Mr. VANDENBERG. Let the resolution go over without prejudice.

The VICE PRESIDENT. Without objection, the resolution will go over without prejudice.

That completes the morning business.

Under the order of the Senate, entered on Friday last, the calendar will now be called for the consideration of unobjected bills.

THE CALENDAR

The first business on the calendar was the bill (S. 1436) providing for the employment of skilled shorthand reporting in the executive branch of the Government.

Mr. KING and Mr. VANDENBERG. Let the bill go over.

The VICE PRESIDENT. The bill will be passed over.

The bill (S. 419) to promote the general welfare through the appropriation of funds to assist the States and Territories in providing more effective programs of public education was announced as next in order.

Mr. VANDENBERG. Let the bill go over.

The VICE PRESIDENT. The bill will be passed over.

The bill (S. 2106) for the allowances of certain claims not heretofore paid, for indemnity for spoliations by the French, prior to July 31, 1801, was announced as next in order.

SEVERAL SENATORS. Let the bill go over.

The VICE PRESIDENT. The bill will be passed over.

The bill (S. 1760) to promote the safety of scheduled air transportation was announced as next in order.

Mr. KING. Mr. President, that bill has been disposed of, and I think it is in conference.

The VICE PRESIDENT. The bill will be passed over.

The bill (S. 2) to amend the Interstate Commerce Act, as amended, by providing for the regulation of the transportation of passengers and property by aircraft in interstate commerce, and for other purposes, was announced as next in order.

Mr. McNARY. Let the bill go over.

Mr. KING. I make the same suggestion with respect to that bill.

The VICE PRESIDENT. The bill will be passed over.

REPEAL OF REQUIREMENT OF LISTS OF COMPENSATION OF OFFICERS AND EMPLOYEES OF CORPORATIONS

The bill (H. R. 6215) to repeal provisions of the income tax requiring lists of compensation paid to officers and employees of corporations, was considered, ordered to a third reading, read the third time, and passed.

Mr. HARRISON subsequently said: Mr. President, what happened to Order of Business 744, House bill 6215, to repeal provisions of the income-tax law requiring lists of compensation paid to officers and employees of corporations?

The PRESIDENT pro tempore. The bill was passed.

Mr. HARRISON. I move that the vote by which the bill was passed be reconsidered. The situation covered by the bill was taken care of in the recently enacted tax bill, and it seems to me this bill should have gone over.

The PRESIDENT pro tempore. Is there objection to the request of the Senator from Mississippi? The Chair hears none, and the vote is reconsidered.

Mr. HARRISON. I ask that the bill be passed over.

The PRESIDENT pro tempore. The bill will be passed over.

BILLS AND JOINT RESOLUTION PASSED OVER

The bill (S. 2410) to amend the Judicial Code, as amended, was announced as next in order.

Mr. WHITE. Let the bill go over.

The PRESIDENT pro tempore. The bill will be passed over.

The joint resolution (S. J. Res. 144) proposing an amendment to the Constitution of the United States prohibiting child labor was announced as next in order.

Mr. BARKLEY. Let the joint resolution go over.

The PRESIDENT pro tempore. The joint resolution will be passed over.

The bill (H. R. 1507) to assure to persons within the jurisdiction of every State the equal protection of the laws and to punish the crime of lynching was announced as next in order.

Mr. BILBO. Let the bill go over.

The PRESIDENT pro tempore. The bill will be passed over.

NONDELIVERY OF MAIL DURING STRIKES

The resolution (S. Res. 140) authorizing an investigation of the delivery or nondelivery of mail to establishments where industrial strife is in progress was announced as next in order.

The PRESIDENT pro tempore. This resolution is adversely reported. Without objection, it will be indefinitely postponed.

BILLS AND JOINT RESOLUTIONS PASSED OVER

The bill (S. 2024) to amend the civil-service law to permit certain employees of the legislative branch of the Government to qualify for positions under the competitive classified civil service was announced as next in order.

Mr. KING. Let the bill go over.

The PRESIDENT pro tempore. The bill will be passed over.

Mr. COPELAND. Mr. President, I hope Senate bill 2024 may be passed. It has been the subject of much study and consideration. It now meets the requirements of the Civil Service Commission. It provides that an employee in the legislative branch may be transferred to a competitive civil-service position upon such tests of fitness as the Civil Service Commission may desire to impose. Furthermore, he would have to pay back any funds which would have been contributed by him if he had come under the law in the first place.

Mr. KING. I object.

The PRESIDENT pro tempore. The bill will be passed over.

The joint resolution (S. J. Res. 178) consenting to an interstate compact relating to flood control in the Merrimack River Valley, was announced as next in order.

SEVERAL SENATORS. Over.

The PRESIDENT pro tempore. The joint resolution will be passed over.

The bill (S. 1351) to amend the Packers and Stockyards Act, 1931, as amended, and for other purposes, was announced as next in order.

Mr. KING. Let that bill go over.

The PRESIDENT pro tempore. The bill will be passed over.

The joint resolution (S. J. Res. 176) favoring employment by the Works Progress Administration of persons unable to find employment in private industry, was announced as next in order.

Mr. KING. Let the joint resolution go over.

The PRESIDENT pro tempore. The joint resolution will be passed over.

Mr. KING. Mr. President, I interpose objection to this measure only for the reason that I assume that a measure we passed a few days ago practically takes care of situations covered by the joint resolution.

TRANSPORTATION AND SALE OF NATURAL GAS

The bill (H. R. 6586) to regulate the transportation and sale of natural gas in interstate commerce, and for other purposes, was announced as next in order.

Mr. LOGAN. Let that bill go over.

Mr. BULKLEY. I hope the Senator will not object to the bill. We have had a number of conferences to remove objections which have been made. I have some amendments to offer which I think will meet reasonable objections to the bill.

Mr. LOGAN. Mr. President, this is a very long bill, containing many pages. All I know about it is that there are a number in my State who say that the measure, if enacted, would absolutely destroy their business. That being the case, and without having had an opportunity to go into this long and involved bill, I would have to object to it, because I could not consent to the passage of a bill which would have the effect indicated.

The PRESIDENT pro tempore. Objection is heard, and the bill will be passed over.

BILLS AND RESOLUTIONS PASSED OVER

The bill (S. 1424) to repeal that provision in the act of March 2, 1917 (39 Stat. L. 976), directing the making of allotments to Indians of the Mission Indian Reservation, Calif., was announced as next in order.

Mr. KING. Let that bill go over.

The PRESIDENT pro tempore. The bill will be passed over.

The resolution (S. Res. 177) requesting recommendations from the Tariff Commission concerning rates of duty on textile imports was announced as next in order.

Mr. McKELLAR. Let that go over.

The PRESIDENT pro tempore. The resolution will be passed over.

The bill (H. R. 5812) to amend section 243 of the Penal Code of the United States, as amended by the act of June 15, 1935 (49 Stat. 378), relating to the marking of packages containing wild animals and birds and parts thereof was announced as next in order.

The PRESIDENT pro tempore. The amendments to this bill were agreed to on the calendar day of May 5.

Mr. BILBO. Mr. President, I ask that the bill go over. I have an amendment I desire to prepare.

The PRESIDENT pro tempore. Objection is heard, and the bill will be passed over.

The bill (S. 1443) to designate the month of February in each year as the Month of American Music was announced as next in order.

Mr. McKELLAR. Let the bill go over.

The PRESIDENT pro tempore. The bill will be passed over.

The resolution (S. Res. 216) favoring governmental adjustment of the purchasing power of the dollar so as to attain 1926 wholesale commodity price levels was announced as next in order.

Mr. VANDENBERG. Let the resolution go over.

The PRESIDENT pro tempore. The resolution will be passed over.

The bill (S. 475) to establish a court of patent appeals, was announced as next in order.

Mr. VANDENBERG. Let the bill go over.

The PRESIDENT pro tempore. The bill will be passed over.

Mr. McADOO subsequently said: Mr. President, I was out of the Chamber for a moment and I see that we have passed order of business 1420, Senate bill 475. I wish to ask whether any objection was raised to the consideration of that bill, which is a measure to establish a court of patent appeals.

Mr. KING. I shall object.

Mr. McADOO. Was there objection?

The PRESIDENT pro tempore. Objection was made.

The resolution (S. Res. 207) providing for an investigation of the National Labor Relations Act by the National Labor Relations Board was announced as next in order.

SEVERAL SENATORS. Over.

The PRESIDENT pro tempore. Objection is heard, and the resolution will be passed over.

The bill (S. 2829) authorizing more complete development of that portion of Santa Rosa Island conveyed to the county of Escambia, State of Florida, by the Secretary of War was announced as next in order.

Mr. McKELLAR. Will not the Senator from Florida explain the bill? Let it go over for the present, in the absence of an explanation.

The PRESIDENT pro tempore. The bill will be passed over.

The bill (S. 2864) to correct the military record of Clayton R. Miller was announced as next in order.

Mr. KING. Mr. President, I should like to have an explanation of this measure, in view of the fact that the Executive has felt constrained to veto a number of bills which we passed correcting records. I think we ought to be more careful. Let the bill go over.

The PRESIDENT pro tempore. The bill will be passed over.

GEORGE RENDELL, ALICE RENDELL, AND MABEL RENDELL

The bill (H. R. 6689) for the relief of George Rendell, Alice Rendell, and Mabel Rendell was considered, ordered to a third reading, read the third time, and passed.

COMPENSATION OF IMMIGRATION AND NATURALIZATION SERVICE EMPLOYEES

The Senate proceeded to consider the bill (H. R. 1543) to amend section 24 of the Immigration Act of 1917, relating

to the compensation of certain Immigration and Naturalization Service employees, and for other purposes, which was read, as follows:

Be it enacted, etc., That section 24 of the Immigration Act of 1917 (39 Stat. 893), as amended (U. S. C., title 8, sec. 109), is amended by adding at the end thereof new paragraphs as follows:

"Immigration and Naturalization Service employees of the following classifications shall be divided into grades, as follows:

"Senior border patrol inspectors: Grade 1, salary $2,400; grade 2, salary $2,500; grade 3, salary $2,600.

"Border patrol inspectors: Grade 1, salary $2,100; grade 2, salary $2,200; grade 3, salary $2,300.

"Naturalization examiners: Grade 1, salary $2,600; grade 2, salary $2,800; grade 3, salary $3,000.

"Interpreters: Grade 1, salary $1,800; grade 2, salary $1,900; grade 3, salary $2,000; grade 4, salary $2,100; grade 5, salary $2,200.

"Clerks: Grade 1, salary $1,700; grade 2, salary $1,800; grade 3, salary $1,900; grade 4, salary $2,000; grade 5, salary $2,100.

"Guards and matrons: Grade 1, salary $1,800; grade 2, salary $1,900; grade 3, salary $2,000; grade 4, salary $2,100; grade 5, salary $2,200.

"Telephone operators: Grade 1, salary $1,440; grade 2, salary $1,500; grade 3, salary $1,560; grade 4, salary $1,620; grade 5, salary $1,680.

"Laborers in charge: Grade 1, salary $1,560; grade 2, salary $1,620; grade 3, salary $1,680; grade 4, salary $1,740.

"Laborers: Grade 1, salary $1,320; grade 2, salary $1,380; grade 3, salary $1,440; grade 4, salary $1,500.

"Charwomen in charge: Grade 1, salary $1,440; grade 2, salary $1,500; grade 3, salary $1,560.

"Charwomen: Grade 1, salary $1,260; grade 2, salary $1,320; grade 3, salary $1,380.

"Messenger-clerks: Grade 1, salary $1,260; grade 2, salary $1,320; grade 3, salary $1,380.

"Messengers and assistant messengers: Grade 1, salary $1,080; grade 2, salary $1,140; grade 3, salary $1,200.

"On the first of the month next following the date of the approval of this act all employees of the above classifications shall be promoted to appropriate salary grades as hereinabove authorized. Thereafter each such employee shall be promoted successively to the next higher salary grade at the beginning of the next quarter following 1 year's satisfactory service (determined by standards of efficiency to be defined by the Commissioner of Immigration and Naturalization with the approval of the Secretary of Labor) in the next lower grade, until the maximum salary grade of the particular classification shall have been reached.

"Promotions for meritorious service above the maximum rates specified herein may be made at the discretion of the Secretary of Labor upon the recommendation of the Commissioner of Immigration and Naturalization.

"Administrative promotions for clerks above grade 5 shall be at the discretion of the Secretary of Labor and upon the recommendation of the Commissioner of Immigration and Naturalization to the following salary grades: $2,200, $2,300, $2,400, $2,500, and $2,600: *Provided*, That not to exceed 50 percent of the clerks in each of these administrative grades shall be promoted after no less than 1 year of meritorious service to the next higher administrative grade, until the maximum administrative grade for clerks herein provided has been reached.

"New appointments shall be made only at grade 1 of the appropriate classification, but an employee may be transferred from one classification to another without reduction in compensation, in the interest of good administration, at the discretion of the Commissioner of Immigration and Naturalization with the approval of the Secretary of Labor.

"Nothing herein contained shall be construed to reduce the rate of salary of any person employed in the Immigration and Naturalization Service on the date of the approval of this act.

"The appropriation of such sums as may be necessary for the enforcement of this act is hereby authorized."

Mr. McKELLAR. Mr. President, may we have an explanation of the bill?

Mr. RUSSELL. Mr. President, an amendment offered to this bill by the senior Senator from New York [Mr. COPELAND] was agreed to after the bill was reported to the Senate.

The PRESIDENT pro tempore. The amendment offered by the Senator from New York has heretofore been agreed to.

Mr. COPELAND. Mr. President, the proposed amendments to the Immigration Act have been considered. The bill was studied. It has passed the House, and I think I am safe in saying would have passed the Senate, but the Senator from Georgia [Mr. RUSSELL] very properly asked that it go over until he could examine it. He has done so. It has met with the approval of the committee after thorough study, and I sincerely hope the bill will be passed.

The PRESIDENT pro tempore. The question is on the third reading of the bill.

The bill was ordered to a third reading, read the third time, and passed.

BILLS AND JOINT RESOLUTIONS PASSED OVER

The bill (S. 1634) to provide for the education of all types of physically handicapped children, to make an appropriation of money therefor, and to regulate its expenditures was announced as next in order.

Mr. McKELLAR. Let the bill go over.

The PRESIDENT pro tempore. The bill will be passed over.

The bill (S. 973) for the relief of the city of Baltimore was announced as next in order.

Mr. BARKLEY. Let that bill go over.

The PRESIDENT pro tempore. The bill will be passed over.

The bill (S. 684) for the relief of the city of New York was announced as next in order.

Mr. McKELLAR. Let the bill go over.

The PRESIDENT pro tempore. The bill will be passed over.

The bill (S. 1291) for the relief of the State of Connecticut was announced as next in order.

Mr. McKELLAR. Let the bill go over.

The PRESIDENT pro tempore. The bill will be passed over.

The joint resolution (S. J. Res. 21) directing the Comptroller General to readjust the account between the United States and the State of Vermont was announced as next in order.

Mr. McKELLAR. Let the joint resolution go over.

The PRESIDENT pro tempore. The joint resolution will be passed over.

The bill (H. R. 3389) for the relief of Benjamin Weisenberg was announced as next in order.

Mr. McKELLAR. May we have an explanation of the bill?

Mr. VANDENBERG. Let it go over for the time being.

The PRESIDENT pro tempore. Objection being heard, the bill will be passed over.

The bill (S. 2369) to amend the act entitled "An act for making further and more effectual provision for the national defense, and for other purposes," approved June 3, 1916, as amended, and for other purposes, was announced as next in order.

Mr. McKELLAR. I ask that this bill go over.

The PRESIDENT pro tempore. The bill will be passed over.

The bill (H. R. 8202) to provide for the reorganization of agencies of the Government was announced as next in order.

Mr. VANDENBERG. Let the bill go over.

The PRESIDENT pro tempore. The bill will be passed over.

AMENDMENT OF CIVIL SERVICE RETIREMENT ACT

The Senate proceeded to consider the bill (S. 3548) to amend section 9 of the Civil Service Retirement Act, approved May 29, 1930, as amended, which was read, as follows:

Be it enacted, etc., That section 9 of the Civil Service Retirement Act, approved May 29, 1930, is amended by striking out that portion of the section following the phrase "as provided in section 12 (a) hereof," and inserting in lieu thereof the following: "*Provided*, That failure to make such deposit shall not deprive the employee of credit for any past service rendered prior to August 1, 1920, to which he or she would otherwise be entitled: *And provided further*, That, notwithstanding the failure of an employee to make such deposit, credit shall be allowed for the service rendered, but the annuity of such employee shall be reduced by the amount such deposit would purchase if made, unless the employee shall elect to eliminate such service entirely from credit under this act."

Mr. McKELLAR. Mr. President, let us have an explanation of the bill.

Mr. SHEPPARD. Briefly stated, Mr. President, this measure permits employees to receive the basic Government retirement allowance if they so desire without the requirement that they pay an additional amount out of their own pockets for an additional allowance. Many of them are not financially able to pay for the additional allowance, which comes

out of their own means. Certainly they are entitled to the basic allowance provided by the Government for so many years of service, whether they pay for an additional allowance or not. That is all there is to this; it carries no additional appropriation. It is approved by the Bureau of the Budget and by the Civil Service Commission.

The PRESIDENT pro tempore. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

PAYMENTS TO AMERICAN WAR MOTHERS, INC.

The bill (S. 3318) to authorize certain payments to the American War Mothers, Inc., was announced as next in order.

Mr. SCHWELLENBACH. Mr. President, this bill has been put over two or three times as the result of a disagreement between veterans' organizations. The senior Senator from Texas [Mr. SHEPPARD] this morning received a letter signed by all of the organizations as to an agreement which has been reached. I have asked the clerk of the Committee on Military Affairs to prepare an amendment in accordance with that agreement, and I now ask that the bill go over, with the understanding that later I will ask that the Senate recur to it and consider the amendment which has been agreed to by the various organizations.

The PRESIDENT pro tempore. The bill will be passed over.

Mr. SCHWELLENBACH subsequently said:

Mr. President, earlier in the day I asked that Calendar 1619, Senate bill 3318, go over. This is a bill to which objection was made by the Senator from New York [Mr. COPELAND]. I now send to the desk an amendment, which I ask to have stated.

The PRESIDENT pro tempore. Is there objection to the request of the Senator from Washington to return to the consideration of Senate bill 3318?

Mr. KING. Mr. President, will not the Senator wait until we get through with the calendar?

Mr. SCHWELLENBACH. My reason for making the request at this time is that the Senator from New York [Mr. COPELAND] and the Senator from Texas [Mr. SHEPPARD] are both in the Chamber, and they are the ones who are interested in the matter.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Washington?

There being no objection, the Senate proceeded to consider the bill (S. 3318) to authorize certain payments to the American War Mothers, Inc., which was read, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to set aside as a special fund in the Treasury the sum of $98,284.33, representing approximately one-third of $294,852.97, the unexpended balance of the sum transferred, from the funds "Stars and Stripes" and "Other funds," by the act of March 4, 1933 (47 Stat. 1573), to the fund entitled "Recreation fund, Army," which latter fund was covered into the surplus fund of the Treasury by the Permanent Appropriation Repeal Act, 1934 (48 Stat. 1229).

SEC. 2. The special fund created pursuant to this act is hereby appropriated, and the Secretary of the Treasury is hereby authorized and directed to pay said special fund to the American War Mothers, Inc.

SEC. 3. Such corporation shall use the funds so received to aid and assist disabled veterans and needy mothers and fathers of World War veterans, and shall make a full and complete report to the Congress not later than the 1st day of January of each year of the amount so expended during the preceding fiscal year.

The PRESIDING OFFICER. The clerk will state the amendment offered by the Senator from Washington [Mr. SCHWELLENBACH].

The LEGISLATIVE CLERK. It is proposed to strike out all after the enacting clause and to insert in lieu thereof the following:

That the Secretary of the Treasury be, and he is hereby, authorized and directed to set aside as a special fund in the Treasury the sum of $88,000, representing a portion of the unexpended balance of $294,852.97, of the sum transferred, from the funds "Stars and Stripes" and "Other funds", by the act of March 4, 1933 (47 Stat. 1573), to the fund entitled "Recreation fund, Army," which latter fund was covered into the surplus fund of the Treasury by the Permanent Appropriation Repeal Act, 1934 (48 Stat. 1229).

SEC. 2. The special fund created pursuant to this act is hereby appropriated, and the Secretary of the Treasury is hereby authorized and directed to pay said special fund to the following organizations, equally divided among them:

American War Mothers, Inc.
American Gold Star Mothers of the World War, Inc.
Service Star Legion, Inc.
Jewish War Veterans of the United States, Inc.
Military Order of the Purple Heart, Inc.
Irish War Veterans, United States of America, Inc.
Catholic War Veterans, Inc.
American Women's Overseas League, Inc.

SEC. 3. Such corporations shall use the funds so received to aid and assist disabled or needy veterans and the dependents of war veterans, and shall make a full and complete report to the Congress not later than the 1st day of January of each year of the amount so expended during the preceding fiscal year.

Mr. SCHWELLENBACH. Mr. President, I ask unanimous consent to have printed in the RECORD at this point a letter to the Senator from Texas [Mr. SHEPPARD], chairman of the Committee on Military Affairs, describing the agreement which has been made among the various veterans' organizations with reference to the bill.

The PRESIDING OFFICER. Is there objection?

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

WASHINGTON, D. C., *June 3, 1938.*

Hon. MORRIS SHEPPARD,
Chairman, Senate Committee on Military Affairs,
The Capitol, Washington, D. C.

MY DEAR SENATOR SHEPPARD: After a 2-day conference among the representatives of the organizations whose signatures appear hereunder, we have unanimously come to the conclusion that we would all very much appreciate to have you and the members of your committee arrange for the amendment of S. 3318, previously favorably reported by your committee to read as follows:

"*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled*, That the Secretary of the Treasury be, and he is hereby, authorized and directed to set aside as a special fund in the Treasury the sum of $88,000, representing a portion of the unexpended balance of $294,852.97, of the sum transferred, from the funds Stars and Stripes, and other funds, by the act of March 4, 1933 (47 Stat. 1573), to the fund entitled "Recreation fund, Army," which latter fund was covered into the surplus fund of the Treasury by the Permanent Appropriation Repeal Act, 1934 (48 Stat. 1229).

"SEC. 2. The special fund created pursuant to this act is hereby appropriated, and the Secretary of the Treasury is hereby authorized and directed to pay said special fund to the following organizations, equally divided among them:

"American War Mothers, Inc.
"American Gold Star Mothers of the World War, Inc.
"Service Star Legion, Inc.
"Jewish War Veterans of the United States, Inc.
"Military Order of the Purple Heart, Inc.
"Irish War Veterans, United States of America, Inc.
"Catholic War Veterans, Inc.
"American Womens' Overseas League, Inc.

"SEC. 3. Such corporations shall use the funds so received to aid and assist disabled or needy veterans and the dependents of war veterans, and shall make a full and complete report to the Congress not later than the 1st day of January of each year of the amount so expended during the preceding fiscal year."

We would all very much appreciate if expeditious favorable action could be taken on S. 3318, as amended according to the suggestion above, by your committee and by the Senate, so that there might be opportunity for its favorable consideration and action by the House of Representatives before the adjournment of this session of Congress.

Thanking you very much for your anticipated favor in this regard, we are

Respectfully yours,

Jewish War Veterans of United States, Inc., Geo. G. Cohen, Washington representative; Military Order of the Purple Heart, Herbert A. Church, national legislative chairman; Disabled American Veterans of the World War, Thomas Kirby, national legislative chairman; Veterans of Foreign Wars, Millard W. Rice, national legislative representative; American War Mothers, Inc., Mrs. William H. Marshall, national chairman of legislation; Service Star Legion, Inc., Mrs. J. C. Mellichamp, national president; American Gold Star Mothers of the World War, Inc., Mathilda Burling, national president.

Mr. COPELAND. Mr. President, I wish to thank the Senator from Washington for his consideration of this matter. I am pleased at the way in which the bill is to be amended, and I think it will bring happiness everywhere.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Washington [Mr. SCHWELLENBACH].

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended so as to read: "An act to authorize certain payments to the American War Mothers, Inc., and others."

JOINT RESOLUTION AND BILL PASSED OVER

The joint resolution (H. J. Res. 613) to provide for the temporary operation by the United States of certain steamships, and for other purposes, was anounced as next in order.

SEVERAL SENATORS. Over.

The PRESIDENT pro tempore. The joint resolution will be passed over.

The bill (S. 3559) to amend the Civil Service Retirement Act of May 22, 1920, as amended, to extend retirement to certain employees of certain Indian schools was announced as next in order.

Mr. McKELLAR. May we have an explanation of the bill? In the absence of explanation, let the bill go over.

The PRESIDENT pro tempore. The bill will be passed over.

RETIREMENT OF EMPLOYEES OF THE ALASKA RAILROAD

The bill (S. 3203) to amend the act entitled "An act for the retirement of employees of the Alaska Railroad, Territory of Alaska, who are citizens of the United States, approved June 29, 1936, and for other purposes" was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That subsection (c) of section 11 of the act entitled "An act for the retirement of employees of the Alaska Railroad, Territory of Alaska, who are citizens of the United States," approved June 29, 1936, is amended to read as follows:

"(c) In case an annuitant shall die without having received in annuities purchased by the employee's contributions as provided in (2) of section 6 of this act an amount equal to the total amount to his credit at time of retirement the amount remaining to his credit and any accrued annuity shall be paid, upon the establishment of a valid claim therefor, in the following order of precedence:

"First, to the beneficiary or beneficiaries designated in writing by such annuitant and recorded on his individual account;

"Second, if there be no such beneficiary, to the duly appointed executor or administrator of the estate of such annuitant;

"Third, if there be no such beneficiary, or executor or administrator, payment may be made, after the expiration of 30 days from the date of the death of the annuitant, to such person or persons as may appear in the judgment of the Civil Service Commission to be legally entitled thereto, and such payment shall be a bar to recovery by any other person.

"In the case of an annuitant who has elected to receive an increased annuity as provided in section 6 of this act, the amount to be paid under the provisions of this subsection shall be only the accrued annuity."

SEC. 2. Subsection (d) of said section 11 is amended to read as follows:

"(d) In case an employee shall die without having attained eligibility for retirement or without having established a valid claim for annuity, the total amount of his deductions with interest thereon shall be paid, upon the establishment of a valid claim therefor, in the following order of precedence:

"First, to the beneficiary or beneficiaries designated in writing by such employee and recorded on his individual account;

"Second, if there be no such beneficiary, to the duly appointed executor or administrator of the estate of such employee;

"Third, if there be no such beneficiary or executor or administrator, payment may be made, after the expiration of 30 days from the date of the death of the employee, to such person or persons as may appear in the judgment of the Civil Service Commission to be legally entitled thereto, and such payment shall be a bar to recovery by any other person."

SEC. 3. Subsection (e) of said section 11 is amended to read as follows:

"(e) In case a former employee entitled to the return of the amount credited to his individual account shall become legally incompetent, the total amount due may be paid to a duly appointed guardian or committee of such former employee. If the amount of refund due such former employee does not exceed $1,000, and if there has been no demand upon the Civil Service Commission by a duly appointed guardian or committee, payment may be made, after the expiration of 30 days from date of separation from the service, to such person or persons, in the discretion of the Commission, who may have the care and custody of such former employee, and such payment shall be a bar to recovery by any other person."

SEC. 4. Subsection (f) of said section 11 is amended to read as follows:

"(f) Each employee or annuitant to whom this act applies may, under regulations prescribed by the Civil Service Commission, designate a beneficiary or beneficiaries to whom shall be paid, upon the death of the employee or annuitant any sum remaining to his credit (including any accrued annuity) under the provisions of this act."

SEC. 5. This act shall become effective as of the 30th day following the date of its enactment.

JOINT RESOLUTION PASSED OVER

The joint resolution (S. J. Res. 281) to postpone the effective date of the rules of civil procedure for the district courts of the United States was announced as next in order.

Mr. BURKE. Let the joint resolution go over.

The PRESIDENT pro tempore. The joint resolution will be passed over.

NAMING OF SUBCONTRACTORS ON PUBLIC-BUILDING PROJECTS

The Senate proceeded to consider the bill (H. R. 146) to require contractors on public-building projects to name their subcontractors, material men, and supply men, and for other purposes, which was read, as follows:

Be it enacted, etc., That contracts in excess of $5,000 in amount for the construction, alteration, or repair of any public building of the United States or of the District of Columbia within the geographical limits of the States of the Union or the District of Columbia shall be awarded only to bidders whose bids are submitted within 60 days after the date of the invitation for bids, and are accompanied by a statement containing the names and addresses of the subcontractors, material men, and supply men whose services the bidder intends to utilize in the performance of the work, but no subcontractor, or material man, or supply man shall be required to be named where the total amount involved of the individual subcontract or the amount required to be furnished by any material man or supply man does not exceed $500. Such contracts shall also contain provisions for withholding from, or payment by, the contractor of such penalties as may be fixed in the contract for failure to utilize such subcontractors, material men, and supply men in the performance of the work, as well as for failure to pay such subcontractors, material men, and supply men (in proportion to the amounts due them, respectively, in relation to the amount due the contractor on any payment date), as the contractor is paid by the United States. Sums assessed or paid as penalties for such failure may be remitted or refunded, in whole or in part, by the head of the department, bureau, agency, or independent establishment of the Government or the District of Columbia which has made the contract on behalf of the United States or the District of Columbia, but only in case it is shown to his satisfaction that substitution for a subcontractor, material man, or supply man, as the case may be, was justified by reason of the inability or unwillingness of such subcontractor, material man, or supply man to furnish the materials or supplies, or properly to perform the work, as the case may be, in accordance with previous agreements.

SEC. 2. No claim for the remission or refund of any penalty shall be granted under this act unless application therefor is filed within 1 year after the liability of the contractor accrues. If any such application for refund of any sum paid as a penalty is denied, or if no application for such refund is filed within the period provided for filing application under this section, such sum shall be covered into the Treasury as miscellaneous receipts.

SEC. 3. This act shall take effect 30 days after its passage but shall not affect any contract then existing or any contract that may hereafter be entered into pursuant to invitations for bids that are outstanding at the time of the passage of this act.

Mr. KING. Mr. President, I will ask that the bill go over temporarily.

The PRESIDENT pro tempore. The bill will be passed over temporarily.

Mr. CONNALLY. Mr. President, I did not hear what was said about House bill 146.

The PRESIDENT pro tempore. The bill was passed over temporarily.

Mr. CONNALLY. Going over temporarily is just the same as going over any other way.

The PRESIDENT pro tempore. It probably is.

Mr. CONNALLY. I very much hope this bill may be allowed to pass. It was considered by the committee after elaborate hearings, and it has been pending a long time. It is in the interest of subcontractors on public buildings. It would serve the Government a very useful purpose. I do not know who objected, but I very much hope the objection will be withdrawn.

Mr. KING. Mr. President, will not the Senator explain the purpose of the bill?

Mr. CONNALLY. Under the present practice when the Government lets contracts for public buildings the contractors, before they submit bids, get bids from subcontractors. Then they make their bids on the basis of the subcontractors' estimates, but they do not make contracts with the subcontractors, and frequently after they get an award they cut the compensation of the subcontractors to the bone. Futhermore, frequently the subcontractors are not paid at all; the contractor gets his money and the subcontractor does not. This bill is in the interest of the subcontractors.

Mr. McKELLAR. It would prevent any such manipulation of prices?

Mr. CONNALLY. Yes; in the future.

Mr. McKELLAR. I think the bill should be passed.

Mr. KING. Does the Procurement Division, headed by Admiral Peoples, approve this measure?

Mr. CONNALLY. I do not think so. To be perfectly frank, I do not believe the Department wants it, because the Department is very well satisfied with the way the matter is handled now. I do not think the Procurement Division wants it, but the committee unanimously reported the bill after hearings.

Mr. KING. Is the Senator referring to House bill 9683?

Mr. CONNALLY. I am referring to House bill 146.

Mr. McKELLAR. What does House bill 9683 provide? I see the Senator reported that, and that is the next bill on the calendar.

Mr. CONNALLY. The next bill is one which the Department wants passed. It is a bill which allows the Procurement Division to take over the construction of any public buildings at the request of the department affected. For instance, if the Congress should provide for a building for the Interior Department, that Department could, if it desired, ask the Procurement Division to take over the making of the contracts, getting the bids, and so forth. That is the next bill on the calendar.

Mr. KING. I am familiar with that. I think that is a good measure. I have no objection to it.

Mr. CONNALLY. I hope the Senator from Utah will not object to House bill 146.

Mr. KING. Very well, I may move to reconsider the vote after a reexamination.

The PRESIDENT pro tempore. The question is on the third reading of the bill.

The bill was ordered to a third reading, read the third time, and passed.

CONSTRUCTION OF PUBLIC BUILDINGS BY PROCUREMENT DIVISION

The bill (H. R. 9683) to amend the act of June 25, 1910, relating to the construction of public buildings, and for other purposes, was considered, ordered to a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That section 35 of the act entitled "An act to increase the limit of cost of certain public buildings, to authorize the enlargement, extension, remodeling, or improvement of certain public buildings, to authorize the erection and completion of public buildings, to authorize the purchase of sites for public buildings, and for other purposes," approved June 25, 1910 (36 Stat. 699; U. S. C., 1934 ed., title 40, sec. 265), is hereby amended to read as follows:

"SEC. 35. The Secretary of the Treasury may, in his discretion, upon the request of the head of any other executive department, independent establishment, or other Federal agency, cause the Procurement Division, Treasury Department, to carry out the construction of any building or buildings for governmental purposes which any such executive department, establishment, or agency may be authorized to have constructed, including the preparation of plans, drawings, designs, specifications, and estimates, the acquisition of land necessary for sites, the execution of contracts, and supervision of construction: *Provided*, That funds appropriated to other executive departments, independent establishments, or other Federal agencies for the foregoing purposes shall be available for transfer to and expenditure by the Procurement Division, Treasury Department, in whole or in part, either in reimbursement of the proper appropriations of the Procurement Division, for the cost of such work, or as advances to special accounts for the purpose of providing for the prosecution of said work."

BILL PASSED OVER

The bill (S. 3354) to amend the act entitled "An act to amend the act entitled 'An act for the control of floods on the Mississippi River and its tributaries, and for other purposes,' approved May 15, 1928," approved June 15, 1936, was announced as next in order.

Mr. VANDENBERG. Let the bill go over.

The PRESIDENT pro tempore. The bill will be passed over.

DEPORTATION OF CRIMINAL AND CERTAIN OTHER ALIENS

The Senate proceeded to consider the bill (H. R. 6391) to authorize the prompt deportation of criminals and certain other aliens, and for other purposes, which had been reported from the Committee on Immigration with amendments.

The first amendment was, in section 1, page 2, to strike out lines 1 to 4, as follows:

(1) Is hereafter convicted in the United States within 5 years of the institution of deportation proceedings against him of a crime involving moral turpitude for which the alien is committed to an institution as result of such conviction; or.

And to insert the following:

(1) Has been convicted in the United States within 5 years of the institution of deportation proceedings against him of a crime involving moral turpitude for which the alien has been committed to an institution for more than 6 months (without having been given the option of paying a fine in lieu of confinement), or is hereafter convicted in the United States on more than one occasion for crimes involving moral turpitude, provided committals to an institution for any period whatsoever have resulted from such convictions (without the alien having been given the option of paying fines in lieu of confinement), and provided deportation proceedings are instituted within 5 years of last conviction; or.

So as to make the section read:

That an alien who entered the United States either from a foreign territory or an insular possession, either before or after the passage of this act, shall be promptly deported in the manner provided in sections 19 and 20 of the Immigration Act of February 5, 1917 (39 Stat. 889, 890; title 8, secs. 155, 156), as amended, regardless of when he entered, if he—

(1) Has been convicted in the United States within 5 years of the institution of deportation proceedings against him of a crime involving moral turpitude for which the alien has been committed to an institution for more than 6 months (without having been given the option of paying a fine in lieu of confinement), or is hereafter convicted in the United States on more than one occasion for crimes involving moral turpitude, provided committals to an institution for any period whatsoever have resulted from such convictions (without the alien having been given the option of paying fines in lieu of confinement), and provided deportation proceedings are instituted within 5 years of last conviction; or

(2) Has been convicted in the United States within 5 years of the institution of deportation proceedings against him of the crime of possessing or carrying any firearm (even if the alien was not sentenced to imprisonment); or

(3) Has been convicted of violation of any narcotic law of any State, Territory, insular possession, or the District of Columbia; or

(4) Knowingly and for gain encouraged, induced, assisted, or aided anyone to enter the United States in violation of law, or on more than one occasion subsequent to the date of the enactment of this act knowingly encouraged, induced, assisted, or aided anyone to enter the United States in violation of law.

The amendment was agreed to.

Mr. BORAH. Mr. President, is this Order of Business 1687, House bill 6391?

The PRESIDENT pro tempore. It is.

Mr. BORAH. I should like to have it go over for a few moments. I do not ask that it go over for the day.

The PRESIDENT pro tempore. Objection being heard, the bill will be passed over.

VERDE RIVER IRRIGATION AND POWER DISTRICT

The PRESIDENT pro tempore laid before the Senate the amendments of the House of Representatives to the bill (S. 3002) to authorize the Secretary of the Treasury to make settlement with the holders of certain unpaid notes and warrants of the Verde River Irrigation and Power District, which were, on page 1, line 4, after "pay", to insert "in full settlement of all such claims against the United States"; and to amend the title so as to read: "An act for the relief of the holders of the unpaid notes and warrants of the Verde River Irrigation and Power District, Arizona."

Mr. ASHURST. I move that the Senate concur in the House amendments.

The motion was agreed to.

REGULATION OF SALE OF CERTAIN SECURITIES

The bill (S. 2344) to provide for the regulation of the sale of certain securities in interstate and foreign commerce, and the trust indentures under which the same are issued, and for other purposes, was announced as next in order.

Mr. BARKLEY. Mr. President, that bill is of such importance that it is hardly fair to ask that it be passed on the Unanimous Consent Calendar. It is a bill which I introduced, and which was reported from the Committee on Banking and Currency. It was formulated after long and detailed study by the Securities and Exchange Commission, in compliance with the mandatory requirement of Congress. I hope that we may be able to consider the bill on its merits before we adjourn, but I would not ask that it be passed on the Consent Calendar.

The PRESIDENT pro tempore. The bill will be passed over.

COMPENSATION OF DEPUTY CLERKS AND COMMISSIONERS OF UNITED STATES DISTRICT COURTS

The bill (H. R. 8565) defining the compensation of persons holding positions as deputy clerks and commissioners of United States district courts, and for other purposes, was considered, ordered to a third reading, read the third time, and passed, as follows:

Be it enacted, etc., No clerk or deputy clerk or assistant in the office of the clerk of a United States district court shall receive any compensation or emoluments through any office or position to which he may be appointed by the court, other than that received as such clerk, deputy clerk, or assistant, whether from the United States or from private litigants, and the acceptance of payment for personal services from private litigants shall be deemed a vacation of their appointments, but clerks of United States district courts, their deputies and assistants, who are or may be appointed United States commissioners, may receive compensation for both offices in an aggregate amount not exceeding the rate of $3,000 per annum.

BILLS PASSED OVER

The bill (S. 457) to amend sections 1 and 6 of the Civil Service Retirement Act approved May 29, 1930, as amended, was announced as next in order.

Mr. KING. I should like an explanation of that bill. If we cannot have an explanation at this time, I ask that the bill be passed over.

The PRESIDENT pro tempore. The bill will be passed over.

The bill (S. 3606) to amend the Interstate Commerce Act, as amended, by amending certain provisions of part II of said act, otherwise known as the Motor Carrier Act, 1935, was announced as next in order.

Mr. BARKLEY. Let that bill go over.

The PRESIDENT pro tempore. The bill will be passed over.

SALARIES OF VILLAGE LETTER CARRIERS

The Senate proceeded to consider the bill (H. R. 4285) to increase the salaries of letter carriers in the Village Delivery Service, which had been reported from the Committee on Post Offices and Post Roads with an amendment, on page 1, line 11, after the word "grade", to strike out "$1,300; second grade, $1,400; third grade, $1,500" and to insert in lieu thereof "$1,225; second grade, $1,325; third grade, $1,425", so as to make the bill read:

Be it enacted, etc., That section 10 of the act entitled "An act reclassifying the salaries of postmasters and employees of the Postal Service, readjusting their salaries and compensation on an equitable basis, increasing postal rates to provide for such readjustment, and for other purposes," approved February 28, 1925 (U. S. C., title 39, sec. 106), is amended to read as follows:

"SEC. 10. Carriers in the Village Delivery Service shall be graded with salaries for each grade, as follows: First grade, $1,225; second grade, $1,325; third grade, $1,425. That in the readjustment of salaries of letter carriers in the Village Delivery Service to conform to the grades herein provided, village carriers who have served as such for 2 years or more shall be placed in grade 3; village carriers who have served for 1 but less than 2 years shall be placed in grade 2; and village carriers when they receive their regular appointments shall be placed in grade 1. In determining the aggregate period of service upon which promotions are to be based, all time served as a letter carrier in the Village Delivery Service is to be included: *Provided*, That hereafter substitute carriers in the Village Delivery Service when appointed regular carriers in the Village Delivery Service shall have credit for actual time served on a basis of 1 year for each 254 days of 8 hours served as a substitute, and appointed to the grade to which such carrier would have progressed had his original appointment as substitute been to grade 1. Any fractional part of a year's service shall be included within his service as a regular employee in determining eligibility for promotion to the next higher grade following appointment to a regular position: *Provided further*, That letter carriers in the Village Service shall be promoted successively after 1 year's satisfactory service in each grade to the next higher grade until they reach the third grade. All promotions shall be made at the beginning of the quarter following 1 year's satisfactory service in the grade. The pay of substitute letter carriers in the Village Delivery Service shall be at the rate of 55 cents per hour."

SEC. 2. This act shall take effect on July 1, 1937.

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

ENCOURAGEMENT OF TRAVEL WITHIN THE UNITED STATES

The bill (S. 3635) to encourage travel to and within the United States, and for other purposes, was announced as next in order.

Mr. McKELLAR. I ask that the bill be passed over.

Mr. COPELAND. Mr. President, will the Senator or Senators who object withhold objection for a moment?

Mr. McKELLAR. I withhold the objection.

Mr. COPELAND. This bill is to aid the United States to do what every European nation is doing in the encouragement of travel. I have received in my mail from various Senators literature put out by their respective States. The governments of Europe are doing the same thing. It is thought by the Commerce Committee that this measure would encourage travel via our ships to the United States, and would promote the welfare of the United States.

Mr. President, I hope that the bill may be passed.

Mr. PITTMAN. Mr. President, I may say with regard to this bill that it is not approved by the State Department. I shall object to it; but since a statement has been made with respect to it, I wish to say a word.

I think that the President has come to the conclusion that all officers performing functions abroad should be responsible to one department of the Government, and that is the State Department. This bill is not approved by the State Department, and, while I cannot speak for the President, I am satisfied that the Secretary knows it does not meet with the approval of the President. I ask that the bill be passed over.

The PRESIDING OFFICER (Mr. THOMAS of Utah in the chair). The bill will be passed over.

BILLS PASSED OVER

The bill (S. 3010) to repeal and reenact section 83 of the Judicial Code as amended, relating to Federal court districts in the State of Kentucky, was announced as next in order.

Mr. KING. I ask that the bill be passed over.

The PRESIDENT pro tempore. The bill will be passed over.

The bill (S. 3502) to protect producers, manufacturers, and consumers from the unrevealed presence of substitutes and mixtures in spun, woven, or knitted or felted fabrics and in garments or articles of apparel or other articles made therefrom, and for other purposes, was announced as next in order.

Mr. LODGE. Mr. President, I find a message from my colleague, who is unavoidably detained this morning, stating that certain persons desire to suggest modifications of the bill. I ask that it be passed over.

The PRESIDENT pro tempore. The bill will be passed over.

The bill (S. 3510) amending section 202 of the Agricultural Adjustment Act of 1938, relating to new uses and new

markets for farm commodities was announced as next in order.

Mr. BILBO. Over.

The PRESIDENT pro tempore. The bill will be passed over.

RELIEF OF NEW BRUNSWICK, N. J.

The bill (S. 1294) for the relief of the city of New Brunswick, N. J., was announced as next in order.

Mr. BARKLEY. I ask that the bill be passed over.

The PRESIDENT pro tempore. The bill will be passed over.

Mr. BARKLEY subsequently said: Mr. President, I objected momentarily when Calendar 1771, being Senate bill 1294, for the relief of the city of New Brunswick, N. J., was reached. I did so on the theory that it was the same sort of claim that is pending with respect to a large number of cities and States. I withdraw my objection.

The PRESIDENT pro tempore. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill (S. 1294) for the relief of the city of New Brunswick, N. J., which had been reported from the Committee on Claims with an amendment to strike out all after the enacting clause and to insert the following:

That the act entitled "An act to authorize the President to provide housing for war needs," approved May 16, 1918, as amended, is hereby amended by adding at the end thereof the following new sections:

"SEC. 9. The United States Housing Corporation (hereinafter referred to as the 'Corporation') is authorized and directed to accept from any person holding an existing contract for the property in the Lincoln Gardens project, New Brunswick, N. J., a full release of any right or interest any such person may have acquired by reason of any such contract. Upon tender of release by any such person and acceptance by said Corporation, such contract shall become null and void and of no further force or effect, and shall be considered as a forfeiture of any right or interest any person may have acquired under or by reason of such contract.

"SEC. 10. Upon any such tender, acceptance, and forfeiture, the Corporation shall sell to such person the property covered by such forfeited contract for an amount equal to the sum of (a) 14 percent of the original contract price of such property, (b) any sum which was due the Corporation under such contract and unpaid on the date of such forfeiture, and (c) the value of any other valid liens (but not tax liens) against such property existing on the date of such sale. Such sale shall be made upon the terms and conditions set forth in section 11 hereof, and the purchaser shall have the option to elect whether to pay the purchase price in cash or partly in cash or to have the payment of the same in whole or in part secured by the mortgage referred to in section 11.

"SEC. 11. Upon the sale of such property as provided in section 10, the Corporation shall, notwithstanding any alleged tax liens against such property, execute and deliver to the purchaser a warranty deed for such property, free and clear of all encumbrances to the date of such sale. The United States, upon conveyance, shall retain a first lien for any unpaid portion of the purchase price. To secure such lien the purchaser shall execute and deliver a first mortgage to the Corporation for any unpaid portion (or all) of the purchase price, but such mortgage shall not exceed 50 percent of the original contract price at which the property was first sold by the United States. Such first mortgages shall be executed upon a form approved by the Federal Housing Administrator for use in the State of New Jersey, shall bear interest at a rate not to exceed 5 percent per annum, and shall contain such further terms and conditions as may be necessary to make them legally eligible for insurance under title 2 of the National Housing Act as amended: *Provided*, That at the option of the purchaser such mortgages may be made to mature in not to exceed 15 years.

"SEC. 12. (a) The Reconstruction Finance Corporation shall purchase such first mortgages from the United States Housing Corporation at their face value and may sell or otherwise dispose of the same as it may determine.

"(b) The proceeds received by the United States Housing Corporation from such sales to the Reconstruction Finance Corporation and from the sales provided for in sections 10 and 13 shall be used to clear any liens described in clause (c) of section 10, and the remainder shall be paid to the city of New Brunswick, N. J., for municipal and school services rendered to the Lincoln Gardens area and the residents thereof prior to the date of the sale of such properties as provided in section 10.

"SEC. 13. (a) Anyone who fails or refuses to execute a release to the Corporation as provided in section 9 hereof, for any reasons whatsoever, within 90 days after the date such section takes effect, shall be ineligible to receive the benefits of sections 9 to 11, inclusive, of this act, and the Corporation shall cause such proceedings to be instituted as may be appropriate to enforce the rights of the United States, and if necessary, to divest anyone of any interest which may have been acquired in any property in the Lincoln Gardens project, and sell the property so recovered at public or private sale. The Corporation may, however, in its discretion, extend such time for a further period of not to exceed 90 days.

"(b) The Corporation, with the approval of the Secretary of the Treasury and the Reconstruction Finance Corporation, shall have power to make such rules and regulations as may be necessary to carry out the provisions of sections 9 to 13, inclusive, of this act."

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended so as to read: "A bill to amend the act entitled 'An act to authorize the President to provide housing for war needs', approved May 16, 1918, as amended."

EXPORTATION OF TOBACCO SEED AND PLANTS

The bill (H. R. 6830) to prohibit the exportation of tobacco seed and plants, except for experimental purposes, was announced as next in order.

Mr. KING. Let us have an explanation of the bill.

Mr. BARKLEY. Mr. President, it is a bill on which the Secretary of State has sent to me a memorandum in which he expresses his opposition to the proposed legislation. In view of that, I think the bill should not be passed on the Consent Calendar.

Mr. BANKHEAD. How else are we going to have it considered, then?

Mr. BARKLEY. We may be able to have it considered later. I do not like to have a bill passed on the Consent Calendar when the State Department has objected, without the Senate having an opportunity for consideration of the matter.

Mr. BANKHEAD. It is not my bill.

Mr. BARKLEY. I understand.

Mr. BANKHEAD. It came from the House, and relates to tobacco, and the Committee on Agriculture and Forestry included cottonseed. Mr. President, we wish to have action on this measure.

Mr. BARKLEY. The objection goes largely to the cottonseed amendment rather than to the original bill. In view of that I do not think we ought to pass it on the Consent Calendar. I shall try to have the bill considered before Congress adjourns.

I ask that the bill be passed over.

The PRESIDENT pro tempore. The bill will be passed over.

ANGELES NATIONAL FOREST, CALIF.

The Senate proceeded to consider the bill (H. R. 5685) to facilitate the control of soil erosion and flood damage originating upon lands within the exterior boundaries of the Angeles National Forest, in the State of California, which had been reported from the Committee on Public Lands and Surveys, with amendments, on page 1, line 6, after the word "authorized", to insert "whenever appropriation for that purpose is made,"; on page 2, line 2, after the word "flood", to strike out "damage, and to pay for said lands from the entire receipts from the sale of natural resources other than mineral or occupancy of publicly owned lands within the said national forest, which receipts are", and to insert in lieu thereof "damage. For the purposes of this act there is"; and on the same page, line 7, after the word "appropriated", to strike out "for that purpose until said lands have been acquired" and to insert "the sum of $300,000 out of the entire receipts from the sale of natural resources other than mineral or occupancy of publicly owned lands within the said national forest: *Provided*, That any lands purchased under the provisions of this act shall be open to mineral locations, mineral development, and patent, in accordance with the mining laws of the United States", so as to make the bill read:

Be it enacted, etc., That the Secretary of Agriculture, with the approval of the National Forest Reservation Commission established by section 4 of the act of March 1, 1911 (U. S. C., title 16, sec. 513), is hereby authorized, whenever appropriation for that purpose is made, to acquire by purchase any lands within the boundaries of the Angeles National Forest in the State of California which, in his judgment, should become the property of the United States in order that they may be so managed with other lands of the United States as to minimize soil erosion and flood damage. For the purposes of

this act there is hereby authorized to be appropriated the sum of $300,000 out of the entire receipts from the sale of natural resources other than mineral or occupancy of publicly owned lands within the said national forest: *Provided*, That any lands purchased under the provisions of this act shall be open to mineral locations, mineral development, and patent, in accordance with the mining laws of the United States.

The amendments were agreed to.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

ACCEPTANCE OF DECORATIONS FROM FOREIGN GOVERNMENTS

The Senate proceeded to consider the bill (S. 3908) to authorize certain officers of the United States Army to accept such medals, orders, and decorations as have been tendered them by foreign governments in appreciation of services rendered, which had been reported from the Committee on Military Affairs with an amendment, on page 2, line 10, after the name "Weeks", to insert "Major Gustav B. Guenther", so as to make the bill read:

Be it enacted, etc., That the following-named officers of the United States Army are hereby authorized to accept such medals, orders, and decorations as have been tendered them by foreign governments in appreciation of services rendered: Maj. Gen. William D. Connor, Maj. Gen. Oscar Westover, Brig. Gen. Manus McCloskey, Col. Lester D. Baker, Col. Jerome G. Pillow, Col. Martin C. Shallenberger, Col. Edwin M. Watson, Col. F. Langley Witley, Lt. Col. John B. Coulter, Lt. Col. Howard C. Davidson, Lt. Col. John F. Davis, Lt. Col. Henry B. Lewis, Lt. Col. John E. McMahon, Jr., Lt. Col. William R. Schmidt, Lt. Col. Lawrence B. Weeks, Maj. Edward M. Almond, Maj. Norman E. Piske, Maj. Samuel A. Greenwell, Maj. Lawrence C. Mitchell, Maj. Lowell M. Riley, Maj. Horace B. Smith, Maj. John A. Weeks, Maj. Gustav B. Guenther, Capt. Mark M. Boatner, Jr., Capt. Malin Craig, Jr., Capt. George Honnen, Capt. George W. Read, Jr., Capt. Harry McK. Roper, Capt. Thomas D. White, and Second Lt. Lawrence A. Spilman.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

BILLS PASSED OVER

The bill (S. 3397) to amend title 45, chapter 2, section 51, of the Code of Laws of the United States was announced as next in order.

Mr. HUGHES. I ask that the bill be passed over.

The PRESIDENT pro tempore. The bill will be passed over.

The bill (S. 3873) to authorize the construction and operation of an auditorium in the District of Columbia was announced as next in order.

Mr. ELLENDER. I ask that the bill may be passed over.

The PRESIDENT pro tempore. The bill will be passed over.

EDUCATIONAL ORDERS IN PRODUCTION OF MUNITIONS

The bill (S. 3902) to provide for placing educational orders to familiarize private manufacturing establishments with the production of munitions of war of special or technical design, noncommercial in character, was announced as next in order.

Mr. KING. I ask that the bill be read. I do not have it in my calendar file.

The PRESIDENT pro tempore. The Chair will state that a House bill has been messaged over today of the same character, being House bill No. 1846.

Mr. McKELLAR. I think we should have an explanation of the bill.

Mr. SHEPPARD. A similar bill has passed the Senate on a former occasion. It was passed as an amendment to the naval authorization bill. It went to conference, and the conferees felt that it did not properly belong to that bill.

The purpose of the proposed placement of educational orders is to allow the War Department to familiarize commercial and manufacturing establishments with the manufacture of armament of special or technical design, noncommercial in character, accessories and parts, in order that such establishments may be able, in the event of war, to produce such specialties, accessories, and parts in quantity in the shortest possible time, and on whatever scale might be necessary.

Mr. KING. Mr. President, I shall object. We have given a large appropriation to the War Department—more than $500,000,000. Let them use a part of that.

The PRESIDENT pro tempore. The bill will be passed over.

RELIEF OF OFFICERS OF RUSSIAN RAILWAY SERVICE CORPS

The Senate proceeded to consider the bill (S. 3265) for the relief of the officers of the Russian Railway Service Corps organized by the War Department under authority of the President of the United States for service during the war with Germany, which was read, as follows:

Be it enacted, etc., That the officers appointed by the President, and who served honorably during the war with Germany on and after April 6, 1917, in the Russian Railway Service Corps organized by the War Department under authority of the President of the United States, shall be deemed to have the same legal status as if they had received a full and honorable discharge as emergency officers of the United States Army in the World War: *Provided*, That no back pay, compensation, benefit, or allowance shall be held to have accrued prior to the passage of this act: *And provided further*, That no adjusted-service compensation shall be payable to such officers by virtue of the passage of this act.

Mr. McKELLAR. I think we should have an explanation of this measure.

Mr. THOMAS of Utah. Mr. President, bills similar to Senate bill 3265, for the relief of the Russian Railway Service Corps officers, have heretofore passed the Senate two or three times.

Mr. SHEPPARD. I will say to the Senator that similar bills have five times passed the Senate.

Mr. THOMAS of Utah. There have been no objections to its passage. The matter has been reviewed year after year in the Senate Military Affairs Committee. I think the bill should pass.

Mr. McKELLAR. How many officers are involved, and how much money will it cost?

Mr. THOMAS of Utah. I have forgotten the number of officers. It has been about 4½ years since we reviewed the matter. I cannot now answer and give the details to the Senate. However, because of the justice of the measure, I believe it should pass.

Mr. McKELLAR. The Senator is convinced that it is a good bill?

Mr. THOMAS of Utah. If the objective of the Congress of the United States is to do equal justice to a group of soldiers whose service in the war was equal in usefulness to that of other soldiers, it is not only a good bill, but a bill that should be passed. These officers have waited a long time for recognition, and they should receive it.

Mr. KING. Are they the officers who went upon the Russian military expedition when there was a movement to have United States troops and Japanese troops enter Siberia for the purpose of protecting certain interests of the allied armies?

Mr. THOMAS of Utah. The real purpose was to have troops and officers in order to keep open the Trans-Siberian Railway, so that soldiers from the Eastern front could get through to the Pacific, get over the Pacific, across America and back on the Western front. It was a necessary military movement, and a necessary military maneuver. These men performed faithful and hard service.

Mr. McKELLAR. Were they actual officers of the Army, or simply employees?

Mr. THOMAS of Utah. They were sworn in as officers of the Army. They wore the insignia of officers.

Mr. McKELLAR. I have no objection.

Mr. CONNALLY. Does the bill relate merely to officers?

Mr. THOMAS of Utah. Yes.

Mr. CONNALLY. Were there no enlisted men in that service?

Mr. THOMAS of Utah. Enlisted men are taken care of naturally. Their enlistment takes care of them.

Mr. CONNALLY. I cannot understand why enlisted men should be handled "naturally" and the other men unnaturally.

Mr. THOMAS of Utah. I cannot hear the Senator.

Mr. CONNALLY. There were not any enlisted men in this service, then?

Mr. THOMAS of Utah. Yes; there were enlisted men, but they were soldiers of the United States.

Mr. CONNALLY. What prevented the officers from being soldiers of the United States?

Mr. THOMAS of Utah. They were soldiers of the United States. There is no doubt about their standing as soldiers of the United States.

Mr. CONNALLY. Why is it necessary to pass a bill to provide for the status of the officers, and not for the enlisted men?

Mr. THOMAS of Utah. Because their commissioned status had never been recognized by the Army. The bill will recognize their commissioned status.

Mr. CONNALLY. This measure relates, then, to longevity pay and promotion, and all that?

Mr. THOMAS of Utah. It might do that.

Mr. CONNALLY. I want to know if it does not do it. That is what I am talking about.

The bill says, "That no back pay, compensation," and so forth, "will be held to have accrued." Will not this measure, however, result in affecting other officers with respect to promotion? Will it not change the relative situation on the promotion list of various officers? Will it not insert these officers in line ahead of other officers, who will make complaints?

Mr. THOMAS of Utah. I think not, because those men are not now in the service.

Mr. CONNALLY. What good does it do them if they cannot get any pay or compensation? What is the advantage of the legislation?

Mr. SHEPPARD. At present they have no standing as officers.

Mr. CONNALLY. I shall not object; but I am curious to know what the bill does for the officers.

The PRESIDENT pro tempore. Is there objection to the present consideration of the bill?

There being no objection, the bill was considered, ordered to be engrossed for a third reading, read the third time, and passed.

STATE EMPLOYMENT OFFICES AFFILIATED WITH UNITED STATES EMPLOYMENT SERVICE

The bill (S. 3516) to alter the ratio of appropriations to be apportioned to the States for public employment offices affiliated with the United States Employment Service was announced as next in order.

Mr. McKELLAR. Mr. President, may we have an explanation of the bill?

Mr. WAGNER. Mr. President, the bill is very simple. All it does is to confer upon Congress and upon the Appropriations Committee each year the determination of the portion of the total appropriation made for the United States Employment Service which shall go for administration and the portion that shall go for matching with the States for the operation of the coordinated system of the State employment service.

As the law now stands, the matter is absolutely inflexible. The Appropriations Committee is required to give 25 percent of the total authorization of $4,000,000 for administration and 75 percent for matching purposes. Since the Service has been very much expanded it has been deemed wise that the Appropriations Committee and the Congress each year shall determine what portion of the fund shall be used for administration and what portion shall be used for matching purposes.

The bill merely confers discretion upon Congress, whereas now the situation is absolutely static.

Mr. McKELLAR. As I remember, when the matter came before the Appropriations Committee last year it was found that a very large proportion was being used for administration. It is true that the committee required more of it to be used for reemployment.

Mr. WAGNER. I will say to the Senator that the committee had no discretion in the matter. As the law now stands, the authorization requires 25 percent to be allocated for administration and 75 percent for matching purposes. All the bill seeks to do—and I should think the Senator, as an important member of the Committee on Appropriations, would favor it—is to provide a flexible plan, so that each year the committee and the Congress may determine the allocations for administration and for matching purposes. I should think the Senator would heartily favor that plan.

Mr. McKELLAR. If that were all there were to it, I should be in favor of it.

Mr. WAGNER. That is what the bill does.

Mr. McKELLAR. There is a great deal more in the bill.

Mr. WAGNER. There is nothing in the bill except what I have described. The Senator may be referring to the original act.

Mr. McKELLAR. Let the bill go over for the present. The Senator may call it up at another time.

The PRESIDENT pro tempore. The bill will be passed over.

Mr. WAGNER subsequently said: Mr. President, I have just conferred with the senior Senator from Tennessee [Mr. McKELLAR], who objected to the consideration of Senate bill 3516. I ask that I may be permitted to return to the bill for the purpose of having it considered.

The PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. McKELLAR. Mr. President, I will say that the bill leaves in the Appropriations Committee discretion to make the allotments and adjustments. So long as that is secured, I have no objection to the bill.

The Senate proceeded to consider the bill, which was ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That section 5 (a) of the so-called "Wagner-Peyser Act" (Act of June 6, 1933, ch. 49; 48 Stat. 113, 114), as amended by the act of May 10, 1935 (49 Stat. 216), be amended by striking out the words "Seventy-five percent of the amounts appropriated under this act shall" at the beginning of the second sentence thereof and inserting the following: "The annual appropriation under this act shall designate the amount to"; and by striking out from the proviso at the end of such sentence the words "said 75 percent of amounts appropriated after January 1, 1935, under this act" and inserting the following: "the said amount among the several States", so that as amended section 5 (a) shall read as follows:

"SEC. 5. (a) For the purpose of carrying out the provisions of this act there is hereby authorized to be appropriated (1) the sum of $1,500,000 for the fiscal year ending June 30, 1934, (2) $4,000,000 for each fiscal year thereafter up to and including the fiscal year ending June 30, 1938, (3) and thereafter such sums annually as the Congress may deem necessary. The annual appropriation under this act shall designate the amount to be apportioned by the Director among the several States in the proportion which their population bears to the total population of the States of the United States according to the next preceding United States census, to be available for the purpose of establishing and maintaining systems of public employment offices in the several States and the political subdivisions thereof in accordance with the provisions of this act: *Provided, however*, That in apportioning the said amount among the several States, the Director shall apportion not less than $10,000 to each State. No payment shall be made in any year out of the amount of such appropriations apportioned to any State until an equal sum has been appropriated or otherwise made available for that year by the State, or by any agency thereof, including appropriations made by local subdivisions, for the purpose of maintaining public employment offices as a part of a State-controlled system of public employment offices; except that the amounts so appropriated by the State shall not be less than 25 percent of the apportionment according to population made by the director for such State for the current year, and in no event less than $5,000. The balance of the amounts appropriated under this act shall be available for all the purposes of this act other than for apportionment among the several States as herein provided."

BILL PASSED OVER

The bill (H. R. 7515) to authorize the sale of certain lands of the Eastern Band of Cherokee Indians, North Carolina, was announced as next in order.

Mr. NORRIS. Let the bill go over.

The PRESIDENT pro tempore. The bill will be passed over.

LONG-AND-SHORT-HAUL CLAUSE OF INTERSTATE COMMERCE ACT

The bill (H. R. 1668) to amend paragraph (1) of section 4 of the Interstate Commerce Act as amended February 28,

1920 (U. S. C., title 49, sec. 4) was announced as next in order.

Mr. NORRIS. Mr. President, I should like to make an inquiry about the calendar. In connection with this bill as it appears on the calendar, I notice that the calendar carries no intimation that a minority report has been made. I understand there is quite an extensive minority report, and it seems to me the calendar should show it. A Senator looking at the calendar would not get any idea that there was any contention about the bill.

Mr. BORAH. Is the Senator speaking of Calendar No. 1847, being House bill 1668?

Mr. NORRIS. Calendar 1847, House bill 1668. The chairman of the committee has filed a minority report. It seems to me that fact ought to be noted on the calendar. Is not that the custom?

The PRESIDENT pro tempore. The Chair is advised that that is the custom.

Mr. NORRIS. No such notation appears in this case. I hope that fact will be shown in the reprint of the calendar, so as to give Senators notice.

Mr. TRUMAN. I ask that the bill go over.

The PRESIDENT pro tempore. The bill will be passed over.

RESOLUTIONS PASSED OVER

The resolution (S. Res. 149) authorizing an investigation and study of the broadcasting industry, of broadcasting in the United States, and of interstate and foreign communication by radio was announced as next in order.

Mr. BARKLEY. Let the resolution go over.

The PRESIDENT pro tempore. The resolution will be passed over.

The resolution (S. Res. 237) providing for an investigation of costs, prices, and profits of the principal commodities of commerce of the United States was announced as next in order.

Mr. BARKLEY. Let the resolution go over.

The PRESIDENT pro tempore. The resolution will be passed over.

PETRIFIED FOREST NATIONAL PARK

The resolution (S. Res. 240) to investigate the question of the creation of the Petrified Forest National Park was announced as next in order.

Mr. KING. Mr. President, I think this is a meritorious measure. I believe the able Senator from Arizona [Mr. ASHURST] is greatly interested in it. As I recall, I objected to it previously. I have no objection to it.

Mr. ASHURST. I thank the Senator.

The PRESIDENT pro tempore. Is there objection to the present consideration of the resolution?

There being no objection, the resolution was considered and agreed to, as follows:

Resolved, That the Committee on Public Lands and Surveys be, and it is hereby, authorized and directed to institute and conduct a thorough investigation of all questions relating to the necessity, suitability, and feasibility of creating said proposed Petrified Forest National Park.

SEC. 2. For the purposes of this resolution the said committee, or any subcommittee thereof, is authorized to hold hearings; to sit and act at such times and places during the sessions and recesses of the Congress until the final report is submitted; to require by subpena or otherwise the attendance of such witnesses and the production of such books, papers, and documents; to administer such oaths; to take such testimony; and to make such expenditures as it deems advisable. The cost of stenographic services to report such hearings shall not be in excess of 25 cents per hundred words. The expenses of the committee, which shall not exceed $3,000, shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman.

The preamble was agreed to, as follows:

Whereas the Board of Supervisors of the County of Navajo in the State of Arizona has, by unanimous vote, adopted a resolution petitioning that all the land within the exterior boundaries of and comprising the Petrified Forest National Monument in Navajo County, Ariz., be set apart and designated as a national park to be known as the Petrified Forest National Park. Therefore be it:

WATER RESOURCES OF ARID AND IRRIGABLE STATES

The resolution (S. Res. 241) extending the time for an investigation relative to utilization of water resources of arid and irrigable States was considered and agreed to, as follows:

Resolved, That the investigations into the development of irrigation and reclamation and the utilization of the water resources of the arid-land States, which the Committee on Irrigation and Reclamation, or any duly authorized subcommittee thereof, was authorized to make by Senate Resolution No. 65, Seventy-fifth Congress, first session, agreed to February 25, 1937, are authorized to be made at any time during the sessions, recesses, and adjourned periods of the Seventy-fifth and Seventy-sixth Congresses, and the report required to be made by such committee or subcommittee shall be made to the Seventy-sixth Congress. The unexpended balances of the amounts available for carrying out the purposes of such Senate Resolution No. 65 shall also be available for carrying out the purposes of this resolution.

EXPENSES OF KLAMATH TRIBE OF INDIANS

The bill (S. 3346) authorizing the Secretary of the Interior to pay salaries and expenses of the chairman, secretary, and interpreter of the Klamath General Council, members of the Klamath Business Committee and other committees appointed by said Klamath General Council, and official delegates of the Klamath Tribe was announced as next in order.

Mr. McKELLAR. Mr. President, may we have an explanation of the bill?

Mr. McNARY. Mr. President, the Klamath Tribe occupies the northern part of California and the southern part of Oregon. The bill, in the usual form, provides for the payment of the expenses of the delegates out of tribal funds. No cost to the Government is involved. The bill is in the usual form and is in accord with the practice which has long obtained.

Mr. McKELLAR. I have no objection.

The PRESIDENT pro tempore. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on Indian Affairs with amendments.

The amendments were, on page 1, line 4, after the word "authorized", to strike out "and directed" and insert "beginning as of July 1, 1937, and"; on page 2, line 8, after the word "Tribe", to strike out "when engaged" and insert "who may carry"; in line 15, after the word "tribe", to strike out "engaged" and insert "carrying"; in line 17, after the word "receive", to strike out "said salary and per diem while en route to and from the seat of government, as well as the usual railroad and sleeping-car transportation thereto and therefrom: *Provided further*, That for services rendered by any of the aforesaid officers or delegates during the fiscal year beginning July 1, 1937, they shall be paid by the Secretary of the Interior out of the aforesaid funds the difference between the rate of salary and per diem hereby authorized and the per diem already received by said officers or delegates" and insert "the usual railroad and sleeping-car transportation to and from the seat of government", so as to make the bill read:

Be it enacted, etc., That the Secretary of the Interior, or such official as may be designated by him, is hereby authorized, beginning as of July 1, 1937, and until otherwise directed by Congress, to pay out of any unobligated tribal funds of the Klamath Indians in the Treasury of the United States the following salaries and expenses:

To the chairman, secretary, and interpreter of the Klamath General Council and members of the Klamath Business Committee or other committees appointed by the general council (except the Klamath Reimbursable Loan Fund Board), when engaged on business of the tribe, a salary of not to exceed $5 per day and a per diem of not to exceed $3 in lieu of subsistence and all other expenses; to such official delegates of the Klamath Tribe who may carry on the business of the tribe at the seat of government a salary of not to exceed $5 per day and a per diem of $5 in lieu of subsistence and all other expenses: *Provided*, That the rate of salary and per diem paid shall be fixed in advance by the general council of said tribe or by the business committee of the said tribe if authorized by said general council: *Provided further*, That the official delegates of the tribe carrying on said business at the seat of government shall also receive the usual railroad and sleeping-car transportation to and from the seat of government: *Provided further*, That the aforesaid salaries and expenses shall not

exceed $10,000 per annum: *Provided further*, That the length of stay of the official delegates at the seat of government shall be determined by the Commissioner of Indian Affairs.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

CLAIMS OF CERTAIN UTE INDIAN TRIBES AGAINST THE UNITED STATES

The bill (H. R. 3162), conferring jurisdiction upon the United States Court of Claims to hear, examine, adjudicate, and render judgment on any and all claims which the Uncompahgre (Tabegauche), Uintah (Uinta), and White River (Yampa and Grand River) Bands of the Ute Indians may have against the United States, and for other purposes, was announced as next in order.

Mr. ADAMS. Let the bill go over.

Mr. THOMAS of Utah. Mr. President, I hope the Senator will withhold his objection.

The bill is a jurisdictional bill in behalf of the Ute Indians of Utah. Certain lands were taken from these Indians by executive orders in 1905, again in 1916, and again in 1923. They have already been compensated by the Government for some of the land by direct appropriation by Congress. The bill merely gives the Indians permission to sue in the Court of Claims to have that court determine the amount of compensation to which they are entitled for the remaining land.

The bill permits the United States to set off gratuities given to the Indians. It also contains all other provisions suggested by the Attorney General to safeguard the interests of the United States.

In reporting on the bill, the Secretary of the Interior first recommended that action be deferred pending a decision by Congress as to whether it would enact the Indian Claims Commission bill. Since that bill was defeated, the Secretary recommends the enactment of the present bill.

All amendments suggested by the Department of Justice were written into the bill before it passed the House. After having passed the House, it was favorably reported to the Senate by the unanimous vote of the Committee on Indian Affairs. There should be no objection of any kind to its passage.

The PRESIDENT pro tempore. Is the objection insisted upon?

Mr. ADAMS. The objection is insisted upon.

The PRESIDENT pro tempore. The bill will be passed over.

CONSTRUCTION AND REHABILITATION AT MILITARY POSTS

The bill (S. 4000) to authorize appropriations for construction and rehabilitation at military posts, and for other purposes, was announced as next in order.

Mr. SHEPPARD. Mr. President, there is on the calendar a similar bill which has passed the House.

The PRESIDENT pro tempore. Without objection, the House bill will be considered.

Mr. SHEPPARD. I ask that the bill go over for the present, until I can ascertain the number of the House bill.

The PRESIDENT pro tempore. The bill will be passed over.

BILL PASSED OVER

The bill (S. 3489) authorizing the appointment of John Sneed Adams as a second lieutenant in the Army was announced as next in order.

SEVERAL SENATORS. Over.

The PRESIDENT pro tempore. The bill will be passed over.

TIMES AND PLACES OF HOLDING COURT IN OKLAHOMA

The Senate proceeded to consider the bill (S. 2927) to regulate the times and places of holding court in Oklahoma, which had been reported from the Committee on the Judiciary with amendments, on page 4, line 9, after the word "at", to insert "Durant"; and in line 16, after the word "authorized", to insert "or a Federal building containing such suitable rooms and accommodations shall be erected at such place", so as to make the bill read:

Be it enacted, etc., That section 101 of the Judicial Code, as amended (U. S. C., title 28, sec. 182; U. S. C., Supp. III, title 28, sec. 182; and 46 U. S. Stat. 829, ch. 714) be, and it is hereby, amended to read as follows:

"SEC. 101. The State of Oklahoma is divided into three judicial districts, to be known as the northern, the eastern, and the western districts of Oklahoma. The territory embraced on January 1, 1925, in the counties of Craig, Creek, Delaware, Mayes, Nowata, Osage, Ottawa, Pawnee, Rogers, Tulsa, and Washington, as they existed on said date, shall constitute the northern district of Oklahoma. Terms of the United States District Court for the Northern District of Oklahoma shall be held at Tulsa on the first Monday in January, at Vinita on the first Monday in March, at Pawhuska on the first Monday in May, at Miami on the first Monday in November, and at Bartlesville on the first Monday in June in each year: *Provided*, That a district judge of said district or, in absence of such district judge, a circuit judge assigned to hold court in said district may postpone or adjourn to a day certain any of said terms by order made in chambers at any other place designated as aforesaid for holding court in said district.

"The eastern district of Oklahoma shall include the territory embraced on the 1st day of January 1925, in the counties of Adair, Atoka, Bryan, Cherokee, Choctaw, Coal, Carter, Garvin, Grady, Haskell, Hughes, Johnston, Jefferson, Latimer, Le Flore, Love, McClain, Muskogee, McIntosh, McCurtain, Murray, Marshall, Okfuskee, Okmulgee, Pittsburg, Pushmataha, Pontotoc, Seminole, Stephens, Sequoyah, and Wagoner. Terms of the district court of the eastern district shall be held at Muskogee on the first Monday in January, at Ada on the first Monday in March, at Okmulgee on the third Monday in April, at Hugo on the third Monday in May, at McAlester on the fourth Monday in March, at Ardmore on the first Monday in October, at Chickasha on the first Monday in November, at Poteau on the second Monday in December, at Pauls Valley on the third Monday in November, and at Durant on the second Monday in June: *Provided*, That a district judge of said district or, in absence of such district judge, a circuit judge assigned to hold court in said district may postpone or adjourn to a day certain any of said terms by order made in chambers at any other place designated as aforesaid for holding court in said district.

"The western district of Oklahoma shall include the territory embraced on the 1st day of January 1925, in the counties of Alfalfa, Beaver, Beckham, Blaine, Caddo, Canadian, Cimarron, Cleveland, Comanche, Cotton, Custer, Dewey, Ellis, Garfield, Grant, Greer, Harmon, Harper, Jackson, Kay, Kingfisher, Kiowa, Lincoln, Logan, Major, Noble, Oklahoma, Payne, Pottawatomie, Roger Mills, Texas, Tillman, Washita, Woods, and Woodward. The terms of the district court for the western district shall be held at Oklahoma City on the first Monday in January, at Enid on the first Monday in March, at Guthrie on the first Monday in May, at Mangum on the first Monday in September, at Lawton on the first Monday in October, at Woodward on the first Monday in November, at Ponca City on the first Monday in December or at such time as a district judge of such district may deem advisable, and at Shawnee on the first Monday in October: *Provided*, That a district judge of said district or, in absence of such district judge, a circuit judge assigned to hold court in said district may postpone or adjourn to a day certain any of said terms by order made in chambers at any other place designated as aforesaid for holding court in said district: *And provided further*, That suitable rooms and accommodations for holding court at Pawhuska, Miami, and Bartlesville in the northern district; and at Durant, Hugo, Poteau, and Pauls Valley in the eastern district; and at Ponca City, Mangum, and Shawnee in the western district, are furnished free of expense to the United States until such time as the United States shall provide such rooms and accommodations at public expense, which said expense at any mentioned point, upon the recommendation of the Interdepartmental Treasury-Post Office Committee, is hereby authorized, or a Federal building containing such suitable rooms and accommodations shall be erected at such place.

"The clerk of the district court for the northern district shall keep his office at Tulsa; the clerk of the district court for the eastern district shall keep his office at Muskogee and shall maintain an office in charge of a deputy at Ardmore; the clerk for the western district shall keep his office at Oklahoma City and shall maintain an office in charge of a deputy at Guthrie."

The amendments were agreed to.

Mr. KING. Mr. President, I did not happen to be present in the Judiciary Committee when this bill was under consideration. Was the bill approved by the committee?

Mr. ASHURST. I am advised that the bill was reported. However, let it go over for the present.

Mr. KING. I ask that the bill be passed over temporarily.

The PRESIDENT pro tempore. The bill will be passed over.

RETIREMENT, ETC., OF CERTAIN OFFICERS IN THE NAVY AND MARINE CORPS

The bill (H. R. 9801) to provide for the retirement, rank, and pay of Chiefs of Naval Operations, Chiefs of Bureau of the Navy Department, the Judge Advocates General of the Navy, and the Major Generals Commandant of the Marine Corps was announced as next in order.

Mr. BARKLEY. Mr. President, the Senator from Massachusetts [Mr. WALSH] is unavoidably absent today. He spoke to me about this measure. He is very anxious to have it passed. I am not in a position to explain the matter in detail.

Mr. LA FOLLETTE. I ask for the regular order.

The PRESIDENT pro tempore. The bill will be passed over.

Mr. BARKLEY subsequently said: Mr. President, I ask the Senate to recur to Order of Business 1897, being House bill 9801. It applies only to Chiefs of Naval Operations, Chiefs of Bureau of the Navy Department, Judge Advocates General of the Navy, and Major Generals Commandant of the Marine Corps. It provides that if they serve for at least 2½ years in their respective positions they may be retired with the highest rank they have attained while acting as Chief of Naval Operations and in the other positions referred to, including Commandant of the Marine Corps. It is a departmental bill, recommended by the Secretary of the Navy, and applies only to a few men who have served as chief of the particular divisions of the Navy and as Commandant of the Marine Corps.

Mr. CONNALLY. Mr. President, I shall object to the bill.

Mr. BARKLEY. I did not know that, or I should not have taken the time of the Senate. The bill went over because no one could explain it. I have looked into it since that time.

Mr. CONNALLY. I shall object. It is a bill for the benefit of a few officers of the Navy. It does not even require that they serve a 4-year term. If an officer has ever served as head of a bureau with higher rank, the President may retire him with the rank and pay of the highest grade which he attained.

Mr. BARKLEY. But such officers must have served 2 years and a half in the respective positions.

Mr. CONNALLY. I understand that; but the point is that many preferential bills for Army and Navy officers slip through here from time to time, and I do not think it is right. The Navy Department sends them here to the Committee on Naval Affairs, and that committee says, "It is a Navy bill; let us pass it"; and the War Department sends Army bills to the Committee on Military Affairs, and that committee says, "It is an Army bill; let us pass it." The result is that particular officers are given preference over others. I am opposed to the bill.

The PRESIDENT pro tempore. The Senator from Texas objects, and the bill will be passed over.

INCREASE OR DECREASE OF CAPITAL STOCK OF DISTRICT OF COLUMBIA TRUST COMPANIES

The bill (S. 3754) to amend sections 729 and 743 of the Code of Laws of the District of Columbia was announced as next in order.

Mr. LA FOLLETTE. Mr. President, may we have an explanation of the bill?

Mr. BULKLEY. Mr. President, the bill permits trust companies in the District of Columbia to reduce their capitalization by reduction of the par value of the shares, as well as by reduction in the number of shares of stock. It gives the trust companies the same right in this respect which is already enjoyed by national banks and by other banking institutions in the District of Columbia.

The PRESIDENT pro tempore. Is there objection to the present consideration of the bill?

There being no objection, the bill was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That sections 729 (31 Stat. 1306) and 743 (31 Stat. 1309) of chapter XVIII of the Code of Laws of the District of Columbia are amended as follows:

That the first sentence of the said section 729 be amended so as to read as follows: "The capital stock of every such company shall be divided into shares of $100 each, or into shares of such less amount as may be provided in the certificate of incorporation or amendment thereof."

That the title of the said section 743 be amended to read as follows: "Increase or Decrease of Capital Stock."

That the said section 743 be amended by adding at the end thereof the following new paragraph:

"Any company transacting the business of a trust company heretofore or hereafter organized or operating under the provisions of this subchapter may by the vote of shareholders owning two-thirds of its capital stock reduce its capital to any sum not below the amount required by this subchapter; but no such reduction shall be made until the amount of the proposed reduction has been reported to the Comptroller of the Currency and such reduction has been approved by said Comptroller of the Currency, and no shareholder shall be entitled to any distribution of cash or other assets by reason of any reduction of the common capital of any such corporation unless such distribution shall have been approved by the Comptroller of the Currency and by the affirmative vote of at least two-thirds of the share of stock outstanding."

SALES OF SURPLUS SCRAP MATERIALS OF THE NAVY

The bill (H. R. 9611) to permit sales of surplus scrap materials of the Navy to certain institutions of learning was announced as next in order.

Mr. KING. Mr. President, is there any provision in the bill as to who is to pay for the transportation, whether the transportation is to be paid by the Navy, or whether it is to be paid by the schools to which the scrap materials are sent?

Mr. JOHNSON of California. Mr. President, the last proviso in the bill is:

Provided further, That any costs incident to the transportation or delivery of such scrap metals shall be charged to the purchaser.

Mr. KING. I have no objection.

The PRESIDENT pro tempore. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill, which was ordered to a third reading, read the third time, and passed.

POSITION ON NAVY LIST OF CERTAIN OFFICERS OF NAVAL SUPPLY CORPS

The Senate proceeded to consider the bill (S. 3805) to adjust the lineal positions on the Navy list of certain officers of the Supply Corps of the United States Navy, which had been reported from the Committee on Naval Affairs with an amendment, on page 1, line 10, after the words "(junior grade)", to strike out "Edward Sumpter Rhea, Jr.", and insert "Francis L. Blakelock", so as to make the bill read:

Be it enacted, etc., That the President is hereby authorized to assign to Lt. (Jr. Gr.) Hugie Lee Foote, Junior Supply Corps, United States Navy; Lt. (Jr. Gr.) Alfred Thomas Magnell, Supply Corps, United States Navy; Lt. (Jr. Gr.) Donald Orr Lacey, Supply Corps, United States Navy; Lt. (Jr. Gr.) Howard Troutman Bierer, Supply Corps, United States Navy; and Lt. (Jr. Gr.) Francis L. Blakelock, Supply Corps, United States Navy, such running mates in the line of the Navy as the said officers would have on the date of approval of this act had they been originally commissioned in the Supply Corps of the United States Navy upon their graduation from the United States Naval Academy: *Provided*, That no back pay or allowances shall be held to have accrued prior to the date of approval of this act.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

JACK LECEL HAAS

The bill (S. 3708) for the relief of Jack Lecel Haas was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That in the administration of any laws conferring rights, privileges, or benefits upon persons honorably discharged from the United States Navy, their widows, children, and dependent relatives, Jack Lecel Haas shall be held and considered to have been discharged with a good discharge, under honorable conditions on April 27, 1928: *Provided*, That no pension, pay, bounty, or other benefit shall be held to have accrued prior to the enactment of this act by reason of its enactment.

REIMBURSEMENT OF CERTAIN ENLISTED MEN FOR LOSS OF PERSONAL EFFECTS

The bill (S. 3891) to provide for the reimbursement of certain enlisted men of the Navy for the value of personal effects lost in a fire at the Naval Air Station, Hampton Roads, Va.,

May 15, 1936, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, such sum or sums, amounting in the aggregate not to exceed $86.45, as may be required by the Secretary of the Navy to reimburse, under such regulations as he may prescribe, certain enlisted men of the United States Navy for the value of personal effects lost in a fire at the Naval Air Station, Hampton Roads, Va., on May 15, 1936: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claims. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claims, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

BILL PASSED OVER

The bill (S. 4009) to reimburse the Eastern and Western Cherokees for funds erroneously charged against them, and for other purposes, was announced as next in order.

Mr. McKELLAR. Mr. President, may we have an explanation of this bill?

The PRESIDENT pro tempore. An explanation is requested. The bill was reported by the Senator from Montana [Mr. WHEELER] for the Senator from Oklahoma [Mr. THOMAS].

Mr. McKELLAR. Let the bill go over.

The PRESIDENT pro tempore. The bill will go over.

RENEWAL OF COPYRIGHTS BY AUTHORS

The Senate proceeded to consider the bill (S. 3969) to amend section 23 of the act of March 4, 1909, relating to copyrights which had been reported from the Committee on Patents with amendments in line 4, after the letters "U. S. C.", to insert "1934 edition"; and in line 5, after the word "the", to strike out "first '*Provided further*' clause" and insert "second proviso", so as to make the bill read:

Be it enacted, etc., That section 23 of the act of March 4, 1909 (35 Stat. 1080; U. S. C., 1934 edition, title 17, sec. 23), is hereby amended by deleting from the second proviso thereof the words "when such contribution has been separately registered."

Mr. KING. Mr. President, I should like to have the Senator from Massachusetts explain the bill.

Mr. LODGE. Mr. President, under the present Copyright Act of 1909, if an author has allowed his publishers to attend to his copyright for him and then the publisher goes out of business, when the time comes to renew the copyright the author loses his possession of his own work. This bill is designed to take care of that situation, and to permit the separate, individual registration of copyrights by the author in the event the publisher or magazine owner or whoever may control the copyright has gone out of business. I may say that the bill is approved by the Register of Copyrights.

The PRESIDENT pro tempore. The question is on agreeing to the amendments reported by the committee.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

AMENDMENT TO WALSH-HEALEY PUBLIC CONTRACTS ACT

The Senate proceeded to consider the bill (S. 2165) to amend the act entitled "An act to provide conditions for the purchase of supplies and the making of contracts by the United States, and for other purposes," which had been reported from the Committee on Education and Labor with an amendment to strike out all after the enacting clause and insert:

That the act of June 30, 1936 (49 Stat. 2036), entitled "An act to provide conditions for the purchase of supplies and the making of contracts by the United States, and for other purposes," is hereby amended by striking out after the enacting clause sections 1, 2, and 3, and inserting in lieu thereof the following:

"SECTION 1. The words defined in this section, unless otherwise indicated, shall have the following meaning when used in this act, to wit:

"(a) 'Person' shall include one or more individuals, copartnerships, associations, corporations, trustees, legal representatives, trustees in bankruptcy, or receivers.

"(b) 'Supplies' shall be deemed to include materials, articles, vessels, equipment (including floating equipment), and services of any form, excepting professional, which are required to be furnished under the contract or subcontract.

"(c) 'Subcontractor' shall mean any person who manufactures for or furnishes to, the principal contractor, whether directly or through any middleman or broker, all or any part of the supplies of any kind whatsoever required by such principal contractor for the performance of the Government contract: *Provided, however*, That the provisions of this act shall apply only to such subcontractors whose contracts equal or exceed a total of $500.

"(d) 'Minimum wages' shall mean wages which the Secretary of Labor, upon notice and hearing, has determined to be the fair and reasonable prevailing minimum wages for persons employed on similar work or in the particular or similar industries or groups of industries currently operating in the locality in which the supplies are to be manufactured or furnished.

"SEC. 2. That in any contract made and entered into by any executive department, independent establishment, or other agency or instrumentality of the United States, or by the District of Columbia, or by any corporation all the stock of which is beneficially owned by the United States, for the manufacture or furnishing of supplies in an amount of $2,000 or more, there shall be included the following representations and stipulations:

"(a) That the contractor is the manufacturer of or a regular dealer in the supplies to be manufactured or used in the performance of the contract;

"(b) That all persons employed in the performance of the contract or subcontract will be paid, without subsequent deduction, except by collective bargaining agreement, or rebate on any account, not less than the minimum wages as shall have been determined by the Secretary of Labor, and all other wages, including wages in excess of the established minimum, which may become legally due the employee;

"(c) That no person employed by the contractor or subcontractor in the performance of the contract or subcontract for supplies will be permitted to work in excess of 8 hours in any one day, except in accordance with the terms of an agreement entered into through collective bargaining between such contractor or subcontractor and a majority of his employees working on the Government contract, or be permitted in any case, including the above exception, to work in excess of 40 hours in any one week;

"(d) That no person under 16 years of age and no convict labor will be employed by the contractor or subcontractor in the performance of the contract or subcontract for supplies, and that no person under 18 years of age will be employed in any occupation or industry which the Secretary of Labor has determined to be hazardous or injurious to the health of such persons.

"(e) That no part of the contract or subcontract for supplies will be performed in any plants, factories, buildings, or surroundings, or under working conditions which are insanitary or hazardous or dangerous to the health or safety of the employees engaged in the performance thereof. Compliance with the safety, sanitary, and factory-inspection laws of the State in which the work, or part thereof, is to be performed shall be prima facie evidence of compliance with this subsection;

"(f) That the contractor will comply with all the terms and conditions of this act, including any and all rules and regulations in force and effect; and

"(g) That the contractor will furnish at such time as may be required by the Secretary a certificate issued by each subcontractor containing the representations and stipulations provided for in subsections (b), (c), (d), and (e) of section 2 hereof, and stipulating further that he will comply with, and be bound by, all the terms and conditions of this act, including any and all rules and regulations in force and effect: *Provided*, That the principal contractor agrees to be also liable to the United States for any breach on the part of the subcontractor of the representations or stipulations provided for in the certificate: *Provided further*, That such principal contractor shall have a cause of action against the subcontractor for any amount collected or recovered upon such liability.

"SEC. 3. (a) For any violation of the terms or conditions of this act or any rule or regulation issued by the Secretary pursuant to this act, or for breach of any of the representations or stipulations set forth in section 2 hereof, or for breach of any of the representations and stipulations provided for in the certificate, the contractor, and also any subcontractor responsible therefor, shall be liable to the United States of America for liquidated damages in the sum of $10 per day for each minor or convict laborer employed in violation of this act; and, in the event employees have received less than the wages due them under the terms of this act or less than the overtime rate of pay as established by the Secretary, the United States of America shall have the right to recover for the benefit of the employees the sum such employees would have received had the contractor or subcontractor complied with the representations and stipulations, and for a second offense double such amount, and for any subsequent offense treble such amount: *Provided*, That such damages shall be in addition to any other damages due the United States for any other breach of the principal contract by the contractor; and in addition, the agency of the United States entering into the contract shall have the right

to cancel it and to make open-market purchases or enter into other contracts for the completion of the original contract, charging any additional cost to the original contractor. Any sums of money due the United States by reason of any breach of the representations or stipulations shall be withheld upon the recommendation of the administrative officer, hereinafter provided for, from any amounts due on any contract or subcontract or may be recovered in suits brought in the name of the United States of America by the Attorney General. All sums withheld, collected, or recovered under the provisions of this act shall be placed in a special deposit account, and the Secretary of the Treasury of the United States is hereby authorized and directed, upon order of the Secretary of Labor, to pay directly to the employees all amounts found due hereunder for breach of the wage and child-labor stipulations of the contract or subcontract, including such double or treble damages as may be found due, and to make refunds: *Provided*, That no claim by employees for such payments shall be entertained unless made within 1 year from the date of actual notice to the contractor of the withholding, or the collection or recovery of such sums by the United States of America.

"(b) The Procurement Division of the Treasury Department is authorized and directed to distribute a list to all agencies of the United States containing the names of persons found by the Secretary of Labor to have violated any of the terms or conditions of this act or breached any of the representations or stipulations: *Provided further*, That such list shall contain the names of all persons in disobedience of any order that has been or may be directed to them by the National Labor Relations Board pursuant to section 10 (c) of the National Labor Relations Act. Unless the Secretary of Labor otherwise recommends, no contracts shall be awarded to such persons or to any firm, corporation, partnership, or association in which such persons have a controlling interest until 3 years have elapsed from the date such persons were placed upon such list."

Section 5 is hereby amended to read as follows:

"(a) Upon his own motion or on application of any person affected by any ruling of any agency of the United States in relation to any proposal or contract involving any of the provisions of this act, and on complaint of a breach of any of the representations or stipulations, or violation of any of the provisions of this act, the Secretary of Labor or the administrative officer, or an impartial representative designated by either of them, shall have the power to hold hearings and to issue orders requiring the attendance and testimony of witnesses and the production of evidence under oath, including the taking of depositions. Witnesses shall be paid the same fees and mileage that are paid witnesses in the courts of the United States. In case of contumacy, failure, or refusal of any person to obey such an order, any district court of the United States or of any Territory or possession, or the United States District Court for the District of Columbia, within the jurisdiction of which the inquiry is carried on or within the jurisdiction of which said person who is guilty of contumacy, failure, or refusal is found, or resides, or transacts business, upon the application by the Secretary of Labor or the administrative officer, or the impartial representative designated by either of them, shall have jurisdiction to issue to such person an order requiring such person to appear before him to produce evidence if, as, and when so ordered, and to give testimony relating to the matter under investigation or in question; and any failure to obey such order of the court may be punished by said court as a contempt thereof; and the Secretary of Labor, or the administrative officer subject to review in his discretion by the Secretary of Labor, shall make findings of fact after notice and hearing, which findings shall be conclusive upon all agencies of the United States and if supported by the preponderance of the evidence shall be conclusive in any court of the United States, and shall make such decisions or orders based upon such findings of fact as are deemed to be necessary to enforce the provisions of this act.

"(b) It shall be unlawful for any person to falsify in any manner or destroy any books, records, documents, or other papers which are required by the Secretary to be set up, maintained, and preserved; or to induce any employee to refrain from giving information concerning the violation of this act or offering testimony relating to any breach or violation arising hereunder; or to discharge, discriminate against, or penalize any employee for so testifying or offering information, whether it be by force, intimidation, threat of procuring dismissal from employment, or by any other manner whatsoever."

Section 7 is hereby repealed.

Section 8 is hereby amended by striking out "Sec. 8" and substituting in lieu thereof "Sec. 7."

Section 9 is hereby amended by striking out the entire section and substituting in lieu thereof the following:

"SEC. 8. This act shall not apply to—

"(a) Contracts where the contracting officer is authorized by statute or otherwise to purchase in the open market without advertising for proposals;

"(b) Contracts for dairy, meat, nursery products, and perishables;

"(c) Contracts for agricultural or farm products, including such products of this character as are processed for first sale by the original producer or purchased by the Secretary of Agriculture;

"(d) Contracts with a common carrier for carriage of freight or personnel by vessel, airplane, bus, truck, express, or railway line, where published tariff rates are in effect; and contracts with any person for the carriage of the mail;

"(e) Contracts for the furnishing of services by radio, telephone, telegraph, or cable companies, subject to the Federal Communications Act of 1934;

"(f) Contracts for public-utility services, including electric light and power, water, steam, and gas."

Section 10 is hereby amended by striking out "Sec. 10" and substituting in lieu thereof "Sec. 9."

Section 11 is hereby amended by striking out "Sec. 11" and substituting in lieu thereof "Sec. 10."

The act is further amended by adding the following section:

"SEC. 11. This act as amended shall apply to contracts entered into pursuant to invitations for bids issued on or after 60 days from the effective date hereof."

The amendment was agreed to.

Mr. KING. Mr. President, I have had a number of letters, all of which I have not had time to examine, one of which came this morning, requesting explanations and some of them objecting to this bill. I do not know just how far reaching it is.

Mr. BARKLEY. Mr. President, the bill proposes an amendment to the Walsh-Healey Act which is very greatly desired, not only by the Government but by all branches of labor. The Senator from Utah [Mr. THOMAS] reported the bill from the Committee on Education and Labor, and I will be glad to yield to him so that he may explain it. It is very desirable that the bill be passed.

Mr. THOMAS of Utah. Mr. President, the existing Walsh-Healey law provides that the Government, in making purchases for supplies, must get from contractors an assertion that they are paying the standard wages and conforming to the standard of hours for their employees provided by the National Labor Relations Act. The law as it now stands applies to all contracts for supplies above $10,000.

The first amendment refers to the $10,000 provision and reduces the amount $2,000. The second amendment in general makes it necessary for those persons who are selling to the Government under contract to live up to all the provisions of the National Labor Relations Act in regard to fair labor practices. The way that is done is by the creation of a list of contractors who at the present time are not living up to the provisions of the National Labor Relations Act. They are penalized for a period of 3 years until they meet the requirements of the act. The statement I have made covers in general the purposes of the bill and covers in a brief way the amendments which are suggested.

Mr. KING. Mr. President, I should like to ask my colleague a question. For example, suppose that a person owns a mill which is engaged in grinding wheat into flour in some remote part of the United States. He bids upon a contract to furnish flour to the Government. Would he have to be interrogated and have to prove that he had observed certain restrictions and requirements?

Mr. THOMAS of Utah. If his name is on the list of those concerns which are not living up to the provisions of the National Labor Relations Act, he would not be allowed to bid. I think that is the way in which such matters are taken care of. The enforcement remains the same. The law is already being enforced by the Department of Labor, and the existing act has worked quite well since 1935.

Mr. KING. I should like to ask one other question. Is it the practice for some Department of the Government to list every manufacturer or employee in the United States and to establish whether he is on the blacklist or on the whitelist? Is such a system of espionage as that existing in the United States today?

Mr. THOMAS of Utah. There would not be need of a spy system at all. If a concern is out of harmony with the National Labor Relations Act provisions, the records of the National Labor Relations Board so show. That is as far as it is necessary to go. The judgments that may be made by the Board are the controlling factor. There is no spy system about it. The administration of the act is extremely simple, and there has been no difficulty yet about that matter. This bill merely extends the provision in the two groups I have mentioned.

The PRESIDENT pro tempore. The question is on agreeing to the amendment reported by the committee.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

Mr. DAVIS subsequently said: Mr. President, I should like to have the attention of the chairman of the Committee on Education and Labor, the junior Senator from Utah [Mr. THOMAS]. I ask unanimous consent to revert to Order of Business No. 1908, being Senate bill 2165, and ask to reconsider the votes by which it was ordered to be engrossed for a third reading and passed, in order that I may offer an amendment to it which reads as follows:

And contracts for steam furnished by a person subject to the jurisdiction of the Interstate Commerce Commission.

I may say that I discussed this matter with the author of the bill, the Senator from Massachusetts [Mr. WALSH], and with the Senator from Wisconsin [Mr. LA FOLLETTE]. I have also taken it up with the chairman of the Committee on Education and Labor. I should like to call his attention to it. Therefore, I ask unanimous consent to revert to and to reconsider the votes by which the bill to which I have referred was ordered to be engrossed for a third reading and passed, so that I may offer the amendment.

Mr. KING. Mr. President, we have at least a tacit understanding not to revert to bills that have been passed until we get through with the calendar, because Senators have been waiting here for hours for the calling of bills in which they are interested.

Mr. DAVIS. I withdraw my request.

Mr. KING subsequently said: Mr. President, the Senator from Pennsylvania [Mr. DAVIS] is compelled to go to a conference. He recently asked permission to recur to a bill which we passed some time ago. At that time I suggested that he defer the request until we concluded the calendar. I shall be glad, however, if unanimous consent may be given to enable the Senator from Pennsylvania to recur to the bill to which reference was made.

Mr. DAVIS. Mr. President, I ask unanimous consent to recur to the consideration of Senate bill 2165 for the purpose of presenting an amendment adding to section 8, paragraph (f), the following:

And contracts for steam furnished by a person subject to the jurisdiction of the Interstate Commerce Commission.

I may say that I have discussed this matter with the author of the bill, the Senator from Wisconsin [Mr. LA FOLLETTE], a member of the committee, and with the chairman of the committee, who is present.

The PRESIDING OFFICER (Mr. HILL in the chair). Without objection, the Senate will recur to the bill; and, without objection, the votes by which it was ordered to be engrossed for a third reading and passed will be reconsidered. The amendment offered by the Senator from Pennsylvania will be stated.

The LEGISLATIVE CLERK. At the end of section 8, paragraph (f), it is proposed to insert:

And contracts for steam furnished by a person subject to the jurisdiction of the Interstate Commerce Commission.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

SEVENTY-FIFTH ANNIVERSARY OF BATTLES OF CHICKAMAUGA, LOOKOUT MOUNTAIN, ETC.

The Senate proceeded to consider the joint resolution (H. J. Res. 667) to authorize an appropriation to aid in defraying the expenses of the observance of the seventy-fifth anniversary of the Battles of Chickamauga, Ga., Lookout Mountain, Tenn., and Missionary Ridge, Tenn.; and to commemorate the one hundredth anniversary of the removal from Tennessee of the Cherokee Indians, at Chattanooga, Tenn., and at Chickamauga, Ga., from September 18 to 24, 1938, inclusive; and for other purposes, which was read, as follows:

Whereas September 18 to 24, 1938, inclusive, marks the seventy-fifth anniversary of the crucial Battles of Chickamauga, Lookout Mountain, and Missionary Ridge, in the War between the States, and the one hundredth anniversary of peace between the Cherokee Indians and the pioneers of Tennessee, Georgia, and Alabama; and

Whereas 16,000 sons of 28 of the sovereign States of the Nation gave their lives upon the battlefields; and

Whereas the consequence of their supreme sacrifice was the preservation of a Union of States that has grown greater and stronger with the passing of the years; and

Whereas these sons of 28 States who gave their all that this Nation might remain forever one people lie buried in beautiful Chickamauga-Chattanooga National Cemetery; and

Whereas these heroes who gave their lives to the end that their sons and daughters might have the blessings of liberty and freedom that only a united Nation could preserve and sustain have descendants living today in every State of the Union; and

Whereas the Governors of the 28 States whose sons lie buried in Chickamauga-Chattanooga National Cemetery have expressed a desire to give to the people of these respective States an opportunity to make a pilgrimage to this national shrine under appropriate auspices; and

Whereas the peoples of Georgia, Alabama, and Tennessee by action of the Governors of those States have expressed a willingness and a desire to cooperate with the National Government in giving to the people of the several States an opportunity to make this pilgrimage on the seventy-fifth anniversary of the Battles of Chickamauga, Lookout Mountain, and Missionary Ridge; and

Whereas it is fitting that a Nation that has grown great in the strength of a unity preserved and bequeathed to it by those who sacrificed their all should pause to pay homage to its heroic dead; and

Whereas it is fitting that the Nation by appropriate ceremonies should commemorate the one hundredth anniversary of peace between its pioneers and the Indians of the Cherokee race: Therefore be it

Resolved, etc., That the President of the United States is hereby authorized to appoint a commission for the commemoration of the seventy-fifth anniversary of the Battles of Chickamauga, Lookout Mountain, Chattanooga, and Missionary Ridge (hereinafter called the commission).

SEC. 2. The commission shall be composed of three members, all of whom shall be residents of Chattanooga, Tenn., and who shall serve without compensation. It shall be the duty of the commission to arrange for, supervise, and carry out appropriate observance of the said anniversary. The commission shall elect a chairman and a treasurer from among its members, and is authorized to adopt such rules and regulations for the conduct of its business as it may deem proper.

SEC. 3. There is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, the sum of $35,000, or so much thereof as may be necessary, for use by the commission in defraying expenses necessary for and incident to said observance. Any sums appropriated pursuant to the provisions of this act shall be paid over to the treasurer of the commission by the Treasury of the United States for use by the commission as herein provided. All expenditures made by the commission shall be upon vouchers submitted by the treasurer of the commission and approved by its chairman. On or before the 1st day of January 1939 the commission shall make an accounting of all its expenditures, and a report of its activities to Congress.

Mr. ANDREWS. I ask that the joint resolution go over.

Mr. McKELLAR. Mr. President, may I ask the Senator to withhold his objection for a moment? I should like to inquire what reason the Senator has for opposing the joint resolution. It is recommended by the Department of War. A celebration is to be held at Chattanooga in honor of the one hundredth anniversary of the treaty with the Cherokee Indians——

Mr. ANDREWS. That part of it is all right.

Mr. McKELLAR. And also in commemoration of the three battles which were fought at or near Lookout Mountain. It is a very small appropriation. The joint resolution is recommended by the Department. A commission is to be appointed by the President. I hope very much the Senator will not object to the consideration and passage of the joint resolution.

Mr. ANDREWS. I have not had an opportunity of reading the measure.

Mr. McKELLAR. I am trying to explain to the Senator just what is proposed.

Mr. ANDREWS. If the Senator will permit me, the battles referred to marked the beginning of Sherman's march to the sea, and I do not know exactly why that event should be celebrated.

Mr. McKELLAR. It is to be a joint celebration of those battles, as well as the anniversary of the Cherokee treaty. The people of Chattanooga are celebrating those events, and I see no reason why they should not be celebrated, if they desire such a celebration.

Mr. ANDREWS. What is the amount of the appropriation?

Mr. McKELLAR. It is only $35,000.

Mr. KING. What for?

Mr. McKELLAR. For the expenses of the commission to be appointed by the President. My understanding is the President himself is to attend the celebration. I hope he will do so, and I trust the Senator will not object to the consideration of the joint resolution.

Mr. SHEPPARD. Mr. President, let me join in the request of the Senator from Tennessee. The Committee on Military Affairs of the Senate examined the matter very thoroughly. We are to have a celebration of the seventy-fifth anniversary of the Battle of Gettysburg in a few weeks. The battles to be commemorated under this bill were also of critical importance, and I trust the Senator from Florida will not object.

Mr. McKELLAR. Mr. President, the Senator from Florida knows that I have no more sympathy with a part of such celebration than he has, but, at the same time, it is to be in aid of healing the wounds of the civil conflict, and I hope the Senator will not object.

Mr. ANDREWS. I also have a little sentiment about it. I had two uncles who were shot down trying to defend Atlanta in front of Sherman's army, and my father had his horse shot from under him, and I do not know just why it should be desired to celebrate the beginning of that infamous march to the sea.

Mr. McKELLAR. My kinsmen were there, too, and I have sympathy with the Senator's viewpoint from that standpoint, but here is a celebration that is going to take place, anyway, and the joint resolution merely provides for the appointment of a commission and to pay its expenses. I certainly hope the Senator will not object.

Mr. ANDREWS. I will withdraw my objection, but I will not vote for the joint resolution if it comes to a vote.

Mr. McKELLAR. I thank the Senator from Florida.

The PRESIDENT pro tempore. Is there objection to the present consideration of the joint resolution?

There being no objection, the joint resolution was considered, ordered to a third reading, and read the third time.

The PRESIDENT pro tempore. The question is, Shall the joint resolution pass?

The joint resolution was passed.

The preamble was agreed to.

C. G. BRETTING MANUFACTURING CO.

The bill (S. 3797) for the relief of C. G. Bretting Manufacturing Co. was announced as next in order.

Mr. DUFFY. Mr. President, on the calendar there is an identical House bill, being House bill 7817, which I ask unanimous consent may be substituted for the Senate bill and be considered at this time.

The PRESIDENT pro tempore. Is there objection?

There being no objection, the Senate proceeded to consider the bill (H. R. 7817) for the relief of C. G. Bretting Manufacturing Co., which was read, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of $2,536.66 to the C. G. Bretting Manufacturing Co., of Ashland, Wis., in full satisfaction of its claim against the United States for building a hoist, and for labor, repairs, and materials furnished from April 14 to June 27, 1935, for use of the Bad River sawmill and house project under the jurisdiction of the Lac du Flambeau Indian Agency, Ashland, Wis., which were procured without compliance with sections 3709 and 3744 of the United States Revised Statutes requiring a written contract with the lowest bidder for performance of such work: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

Mr. DUFFY. Mr. President, this bill has the approval of the Interior Department. It has to do with work performed for the Indian Service. It seems to me there can be no objection to it. The House has already passed the bill.

The PRESIDENT pro tempore. The question is on the third reading of the bill.

The bill was ordered to a third reading, read the third time, and passed.

The PRESIDENT pro tempore. Without objection, Senate bill 3797, for the relief of C. G. Bretting Manufacturing Co., will be indefinitely postponed.

JAMES A. ELLSWORTH

The bill (S. 2702) for the relief of James A. Ellsworth was announced as next in order.

Mr. KING. Mr. President, as I understand, the purpose of this bill is to remove the bar of the statute of limitations a good many years after the statute has run. Let the bill go over.

Mr. COPELAND. Mr. President, will the Senator from Utah let me say just a word about the bill?

Mr. KING. Certainly.

Mr. COPELAND. This man was badly injured in the navy yard in New York.

Mr. KING. When?

Mr. COPELAND. In was in 1923, after the World War. Because of his condition, he had no knowledge as to when he should apply and why he should apply. The bill merely permits the Compensation Commission to review the claim. I hope the Senator will let the bill pass.

Mr. KING. I think it is a very bad precedent, but I will withdraw the objection.

The PRESIDENT pro tempore. Is there objection to the consideration of the bill?

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on Claims with an amendment at the end of the bill to insert a proviso, so as to make the bill read:

Be it enacted, etc., That the provisions and limitations of sections 15 to 20, both inclusive, of the act entitled "An act to provide compensation for employees of the United States suffering injuries while in the performance of their duties, and for other purposes," approved September 7, 1916, as amended, are hereby waived in the case of James A. Ellsworth, of Brooklyn, N. Y., and the United States Employees' Compensation Commission is authorized and directed to consider and act upon any claim for benefits filed under the provisions of such act, as amended, within 1 year after the date of enactment of this act, by the said James A. Ellsworth on account of injuries alleged to have been incurred by him on January 8, 1933, while he was employed at the United States naval magazine at Fort Lafayette, N. Y.: *Provided*, That no benefits shall accrue prior to the enactment of this act.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

A. L. ELDRIDGE

The Senate proceeded to consider the bill (H. R. 7734) conferring jurisdiction upon the United States District Court for the Southern District of Ohio to hear, determine, and render judgment upon the claim of A. L. Eldridge, which was read, as follows:

Be it enacted, etc., That jurisdiction is hereby conferred upon the United States District Court for the Southern District of Ohio to hear, determine, and render judgment, as if the United States were suable in tort, upon the claim of A. L. Eldridge, of Columbus, Ohio, for damages resulting from personal injuries and property damage received by him on February 12, 1937, at Columbus, Ohio, by reason of an automobile collision involving a Works Progress Administration truck: *Provided*, That the judgment, if any, shall not exceed $500: *Provided further*, That the United States shall be entitled in the same proceeding to a judgment against said A. L. Eldridge for damage to the truck of the Works Progress Administration, in the event the said court shall so determine.

SEC. 2. Suit upon such claim may be instituted at any time within 1 year after the enactment of this act, notwithstanding the lapse of time or any statute of limitations. Proceedings for the determination of such claims, appeals therefrom, and payment of any judgments thereon shall be in the same manner as in the

cases over which such court has jurisdiction under the provisions of paragraph 20 of section 24 of the Judicial Code, as amended.

Mr. KING. Mr. President, I should like an explanation of the bill.

Mr. BULKLEY. Mr. President, this bill relates to an accident in the city of Columbus. The conflicting claims made in connection with the matter, and the reports which have come to the Works Progress Administration, are such that the Committees on Claims of both the House of Representatives and this body thought it would be fair to have the whole issue tried out in court. This bill simply confers upon the court jurisdiction to determine the issue.

Mr. KING. I have no objection.

The bill was ordered to a third reading, read the third time, and passed.

JAMES D. LARRY, SR.

The bill (H. R. 8376) for the relief of James D. Larry, Sr., was announced as next in order.

Mr. KING. Mr. President, I should like an explanation of this bill. [A pause.] I notice, however, that the Post Office Department recommends the payment of the claim, so I have no objection to the consideration of the bill.

The Senate proceeded to consider the bill, which was ordered to a third reading, read the third time, and passed.

DRS. M. H. DEPASS AND JOHN E. MAINES, JR., AND ALACHUA COUNTY HOSPITAL

The bill (H. R. 2347) for the relief of Drs. M. H. DePass and John E. Maines, Jr., and the Alachua County Hospital was considered, ordered to a third reading, read the third time, and passed.

ANTONIO MASCI

The bill (H. R. 4033) for the relief of Antonio Masci was considered, ordered to a third reading, read the third time, and passed.

L. P. M'GOWN

The bill (H. R. 5904) for the relief of L. P. McGown was considered, ordered to a third reading, read the third time, and passed.

LE ROY W. HENRY

The bill (H. R. 5957) for the relief of LeRoy W. Henry was considered, ordered to a third reading, read the third time, and passed.

BERKELEY COUNTY HOSPITAL AND DR. J. N. WALSH

The bill (H. R. 6847) for the relief of the Berkeley County Hospital and Dr. J. N. Walsh was considered, ordered to a third reading, read the third time, and passed.

FOREST LYKINS

The bill (H. R. 7040) for the relief of Forest Lykins was considered, ordered to a third reading, read the third time, and passed.

EARL J. LIPSCOMB

The bill (H. R. 8543) for the relief of Earl J. Lipscomb was considered, ordered to a third reading, read the third time, and passed.

FRED H. KOCOR

The bill (H. R. 8835) for the relief of Fred H. Kocor was considered, ordered to a third reading, read the third time, and passed.

BILL PASSED OVER

The bill (H. R. 9199) for the relief of Helen M. Krekler and the estate of Kemp Plummer was announced as next in order.

Mr. KING. Let the bill go over.

The PRESIDENT pro tempore. The bill will be passed over.

FEDERAL LAND BANK OF BERKELEY, CALIF.

The bill (H. R. 9201) for the relief of the Federal Land Bank of Berkeley, Calif., and A. E. Colby was announced as next in order.

Mr. KING. Mr. President, I should like an explanation of this bill.

The PRESIDENT pro tempore. An explanation is requested. [After a pause.] No explanation having been made, the bill will be passed over.

Mr. McADOO subsequently said: Mr. President, a short time ago Calendar No. 1924, House bill 9201, was reached on the calendar, and the Senator from Utah [Mr. KING] asked for an explanation of it. I ask unanimous consent to return to the bill.

The PRESIDENT pro tempore. Without objection, the Senate will return to the bill.

Mr. McADOO. Mr. President, this is a claim by the Federal Land Bank of Berkeley and Mr. Colby, who owned the land referred to in the bill, for $1,000 for damages done to the land by the Civilian Conservation Corps. Mr. Elliott, the Acting Comptroller General of the United States, thinks it is a meritorious claim, according to the report, and has suggested the form of a bill which would effectuate the appropriation. I am not familiar with the matter. I did not introduce the bill, but the damage was done in my State, and apparently it is a thoroughly meritorious measure. It was passed by the House, and I think it ought to be passed by the Senate.

Mr. KING. I have no objection.

The PRESIDING OFFICER. Is there objection to the consideration of the bill?

There being no objection, the bill was considered, ordered to a third reading, read the third time, and passed.

RELIEF OF CERTAIN POSTMASTERS AND CONTRACT POSTAL EMPLOYEES

The bill (H. R. 9203) for the relief of certain postmasters and certain contract employees who conducted postal stations was considered, ordered to a third reading, read the third time, and passed.

JOHN HASLAM

The Senate proceeded to consider the bill (S. 3817) for the relief of John Haslam, which had been reported from the Committee on Claims with an amendment, at the end of the bill to insert a proviso, so as to make the bill read:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to John Haslam, Fort Totten, N. Dak., the sum of $403.89. The payment of such sum shall be in full settlement of all claims of the said John Haslam against the United States for reimbursement for caskets, furnished by him at the request of officers of the United States, for the burial of certain Indians: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

ELLEN KLINE

The bill (H. R. 1252) for the relief of Ellen Kline was considered, ordered to a third reading, read the third time, and passed.

ASA C. KETCHAM

The Senate proceeded to consider the bill (H. R. 738) for the relief of Asa C. Ketcham, which had been reported from the Committee on Claims with an amendment, on page 1, line 6, after the words "sum of", to strike out "$2,500" and insert "$1,000", so as to make the bill read:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Asa C. Ketcham, of Fairmount, Md., the sum of $1,000 in full satisfaction for his claim against the United States Government for loss of his vessel *J. J. Underhill*, which was negligently beached in August 1933, so as to render it unfit for further use, and the possession of which was refused said Asa C. Ketcham prior to such beaching, by employees of the Corps of Engineers, War Department: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered

in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The amendment was agreed to.

The amendment was ordered to be engrossed, and the bill to be read a third time.

The bill was read the third time and passed.

A. PRITZKER & SONS, INC.

The Senate proceeded to consider the bill (S. 2412) for the relief of A. Pritzker & Sons, Inc., which had been reported from the Committee on Claims with an amendment at the end of the bill to insert a proviso, so as to make the bill read:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to A. Pritzker & Sons, Inc., of Boston, Mass., the sum of $2,951.48 in full satisfaction of its claim against the United States for an adjustment in the price of 3,973 coats delivered by it to the United States under a contract No. I–1–ind–6702, dated June 30, 1933, the cost of manufacturing such coats having been increased after the contract was entered into because of changes in costs of materials, hours of labor, and rates of pay resulting from the provisions of the National Industrial Recovery Act: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The amendment was agreed to.

Mr. KING. Mr. President, may I ask the Senator from Michigan [Mr. BROWN] whether he regards this as a meritorious claim, involving as it does a breach of contract?

Mr. BROWN of Michigan. Yes, Mr. President, I do. The bill is approved by the War Department, the Department of the Government having it in charge, which went into the matter very carefully, and recommended the passage of the bill.

Mr. KING. I have no objection.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

FRIEDA WHITE

The bill (S. 3971) for the relief of Frieda White was announced as next in order.

Mr. MILLER. Mr. President, I ask that House bill 7855, Calendar No. 2026, which is identical with this bill, be substituted for it.

The PRESIDENT pro tempore. Is there objection?

There being no objection, the Senate proceeded to consider the bill (H. R. 7855) for the relief of Frieda White, which was ordered to a third reading, read the third time, and passed.

The PRESIDENT pro tempore. Without objection, Senate bill 3971 will be indefinitely postponed.

MARIE FRANTZEN M'DONALD

The bill (H. R. 1737) for the relief of Marie Frantzen McDonald was considered, ordered to a third reading, read the third time, and passed.

WILLIAM A. FLEEK

The bill (H. R. 3313) for the relief of William A. Fleek was considered, ordered to a third reading, read the third time, and passed.

JAMES SHIMKUNAS

The bill (H. R. 4668) for the relief of James Shimkunas was considered, ordered to a third reading, read the third time, and passed.

DR. A. J. COTTRELL

The bill (H. R. 6646) for the relief of Dr. A. J. Cottrell was considered, ordered to a third reading, read the third time, and passed.

BARBARA JEAN MATTHEWS, A MINOR

The Senate proceeded to consider the bill (H. R. 4258) for the relief of Barbara Jean Matthews, a minor, which had been reported from the Committee on Claims with an amendment, on page 1, line 6, after the words "sum of", to strike out "$2,500" and insert "$1,500", so as to make the bill read:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay to Ellen Matthews, guardian of Barbara Jean Matthews, out of any money in the Treasury not otherwise appropriated, the sum of $1,500 in full settlement against the Government for injuries received when her hands were crushed by a falling piano at Yosemite National Park, Camp No. 15, July 24, 1932: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

IDA F. BRAUN AND OTHERS

The resolution (S. Res. 270) referring to the Court of Claims the bill (S. 3869) for the relief of Ida F. Braun and others was considered and agreed to, as follows:

Resolved, That the bill (S. 3869) entitled "A bill for the relief of Ida F. Braun, Alice Braun Menges, and Carl J. Braun, individually and as executors of the estate of Hedwig W. Braun, deceased, and as legatees and beneficiaries of the will of Hedwig W. Braun, deceased, and as the sole parties in interest by succession under the last will and testament of Hedwig W. Braun, deceased, and under the last will and testament of Herman W. Braun, deceased," now pending in the Senate, together with all accompanying papers, be, and the same is hereby, referred to the Court of Claims, in pursuance of the provisions of an act entitled "An act to codify, revise, and amend the laws relating to the judiciary," approved March 3, 1911; and the said court shall proceed with the same in accordance with the provisions of such act and report to the Senate in accordance therewith.

OTTO C. ASPLUND

The bill (S. 3225) for the relief of Otto C. Asplund was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Otto C. Asplund, of Bismarck, N. Dak., the sum of $695.60 in full satisfaction of his claim against the United States for damages resulting from the confiscation of 296 bushels of wheat by the United States in August 1918: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with such claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with such claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

Mr. KING subsequently said: Mr. President, I ask to recur to Senate bill 3225 for an explanation.

The PRESIDENT pro tempore. Without objection, the Senate will recur to the bill.

Mr. KING. Will the Senator from North Dakota [Mr. FRAZIER] explain the bill?

Mr. FRAZIER. Mr. President, this is a case in which, during the World War, the deputy food administrator of North Dakota seized 296 bushels of wheat which had been reported as being held by the owner contrary to the regulations in force at that time. The wheat was sold and turned over to the Red Cross. It was afterward found out that the wheat did not belong to the farmer from whom it was taken; it belonged to his son, and had been sold to Burleigh County, in which the farmer lived, for future delivery for seed purposes, and the county authorities had not called for it. That was the reason why it had been held. The young man was

out this amount of money; and I think the claim should be paid, by all means. It is an old measure which should have been attended to before.

The PRESIDENT pro tempore. The bill has already been passed.

ALICE MINNICK

The Senate proceeded to consider the bill (S. 3251) for the relief of Alice Minnick, which had been reported from the Committee on Claims with an amendment, on page 1, line 6, after the words "sum of", to strike out "$360" and insert "$336.30", so as to make the bill read:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Alice Minnick, of Washington, D. C., the sum of $336.30 in full satisfaction of her claim against the United States for reimbursement of medical and hospital expenses paid by her as a result of injuries received when she slipped and fell on wet steps inside the old Interior Department Building, at Eighteenth and F Streets NW., Washington, D. C., on January 15, 1937: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with such claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with such claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

LOFTS & SON

The Senate proceeded to consider the bill (S. 3682) for the relief of Lofts & Son, which had been reported from the Committee on Claims with an amendment, on page 1, line 6, to strike out "$43,000" and to insert "$33,500", so as to make the bill read:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Lofts & Son, of Hood River, Oreg., the sum of $33,500 in full satisfaction of all its claims against the United States for damages resulting from the loss of its sand and gravel plant at the mouth of the Hood River and its inability to further carry on the operations of removing sand and gravel on land now leased from the Oregon Lumber Co., because such land will be flooded by the backwaters of the Bonneville Dam: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with such claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with such claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

Mr. McKELLAR. Mr. President, I note that the Department is opposed to the bill.

Mr. McNARY. Mr. President, this claim arises out of the construction of a huge dam in the Columbia River known as the Bonneville Dam, which, in my opinion, is the most magnificent structure of its kind that has been devised by the skill of man. The property in question has been submerged by reason of the impounding of the water in a reservoir. A leasehold estate in this property has been owned by Lofts & Son since 1904, the owners of the property being a Utah organization known as the Oregon Lumber Co. The Utah corporation has owned the property for a great many years, and Lofts & Son have operated it under a leasehold title. On this property they mined rock and sand and gravel.

When the impounded water reached the site, the water gradually rose by reason of the construction of the dam at Bonneville, until it submerged this property, on which operations had been proceeding since 1904, to a depth of about 20 feet.

The matter was presented to the engineers, and a report was made against the claim without their having a proper understanding of the situation. On thoroughly reliable authority it is estimated that the whole damage amounts to $55,000.

I introduced a bill, following my colleague, who introduced the original relief measure, and it was referred to the Committee on Claims of the Senate. A very painstaking and exhaustive hearing was had by that committee, first by a subcommittee of which the Senator from Kentucky [Mr. LOGAN] was the chairman. The findings are elaborately set forth. The claim has been reduced from $43,000, the original amount, to $33,500.

There has been a total destruction of a valuable leasehold estate by reason of the impounding of this water for public purposes. I know of no claim that is more just, or in which the equities are broader. I sincerely hope that no one will object to the consideration and final passage of the bill.

Mr. KING. Mr. President, will the Senator yield?

Mr. McNARY. I yield.

Mr. KING. What was the character of the property? Was it cultivated land?

Mr. McNARY. No; the property was at the convergence of the Hood River and the Columbia River, and was a large acreage, on which the claimants had a leasehold estate acquired from the Utah corporation which held the title. There they mined sand and gravel and rock. It was a large operation, which was profitable, and on which a great many men were employed; but when the water rose incident to the erection of the Bonneville Dam; there was no property left; the leasehold estate had been drowned out. Their equipment is under 20 feet of water.

This is similar to claims which have come before us from time to time, and I shall be very glad if the able junior Senator from Kentucky, who gave the matter special study, will supplement my remarks. He is more familiar with the case than I am.

Mr. LOGAN. Mr. President, I do not think an explanation is necessary, but I will say a word, in view of the statement of the Senator from Oregon.

This matter was referred to me as a member of the Committee on Claims, and we had hearings. The facts are very brief. The claimants had been taking gravel out of the Columbia River for 34 years. They held a lease from a lumber company which owned the flowage rights. But when the Bonneville Dam was erected, they still had their lease, a year-to-year lease, and they still have the lease, but the gravel was covered up about 20 or 25 feet deep. They can still operate, but their equipment has been completely destroyed.

We called upon the War Department to report as to what their estimate of the damage was, and they made the estimate through their own engineers. Mr. Lofts was here and testified, and he thought it would take $50,000 to supply equipment made necessary by this overflow, but the War Department said $33,000. As a result of that report, and having not the slightest doubt that the damage had been done—this is one of the difficult cases we sometimes have referred to us—I made the report to the committee that we allow the amount which the War Department admitted was the actual damage, although it denied that the Government was responsible. But they did that much damage.

Mr. McKELLAR. The Secretary of War reports as follows:

By virtue of the easements purchased on October 13, 1937, the United States acquired perpetual flowage rights over the land occupied by the claimant's plant, and since no damage by overflow was sustained to the leasehold of the claimant prior to December 31, 1937, no legal basis exists for making payment of the amount claimed. The Department, therefore, recommends that the proposed measure be not enacted into law.

As I understand the Senator, he says that while there may not be a technical legal right, as a matter of fact the engineers of the Department themselves state there has been actual damage done the petitioner to the extent of $33,500.

Mr. LOGAN. That is correct. There was a lease from year to year. The company had been operating 34 years. The lease had expired, and they had renewed it, but they could

not take the gravel out of the river without purchasing additional equipment or moving their plant to some other point. In order to move their plant, to purchase equipment to make good the loss, the War Department figured $33,500 would be required; stated that it was not liable for that sum, but that that was an adequate sum.

Mr. McKELLAR. The committee having held hearings, and the Senator having investigated the matter, with his vast experience as a member of the supreme court of his State, and we all knowing that he has a knowledge of what is right, I am entirely content to take his judgment, and I hope the bill will be passed.

Mr. LOGAN. I thank the Senator.

The PRESIDENT pro tempore. The question is on agreeing to the amendment.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

GRANT H. PEARSON AND OTHERS

The bill (S. 3958) for the relief of Grant H. Pearson, G. W. Pearson, John C. Rumohr, and Wallace Anderson was announced as next in order.

Mr. SCHWELLENBACH. Mr. President, Calendar No. 2024, House bill 1744, is identical with the bill just reached. I move that the House bill be substituted for the Senate bill and be considered at this time. If the House bill shall be passed, I will move that the Senate bill be indefinitely postponed.

The PRESIDENT pro tempore. The question is on the motion of the Senator from Washington [Mr. SCHWELLENBACH].

The motion was agreed to; and the Senate proceeded to consider the bill (H. R. 1744) for the relief of Grant H. Pearson, G. W. Pearson, John C. Rumohr, and Wallace Anderson, which was read, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Grant H. Pearson the sum of $461.80, to G. W. Pearson the sum of $404.88, to John C. Rumohr the sum of $664.55, and to Wallace Anderson the sum of $335.15, all of McKinley Park, Alaska, in full settlement of all claims against the Government of the United States for the loss of their personal effects when same were destroyed by the fire that burned the Government ranger cabin in which they lived in Mount McKinley National Park on May 11, 1934: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be fined in any sum not exceeding $1,000.

Mr. KING. Will not the Senator explain the bill?

Mr. SCHWELLENBACH. This is a bill to make an allowance of a very small amount—in one case $600, in another $300—to certain individuals whose clothing was destroyed in Mount McKinley National Park. The report of the Department shows that the fire which destroyed the property was the result of the negligence of an employee of the Park Service; and under the rule we have followed when property is destroyed as the result of the negligence of a Government servant, we have made an allowance for the destruction of clothing.

Mr. KING. I have no objection.

The PRESIDENT pro tempore. The question is on the third reading of the bill.

The bill was ordered to a third reading, read the third time, and passed.

The PRESIDENT pro tempore. Without objection, Senate bill 3958 is indefinitely postponed.

MRS. W. E. BOUCHEY

The bill (H. R. 1476) for the relief of Mrs. W. E. Bouchey was considered, ordered to a third reading, read the third time, and passed.

HUGH O'FARRELL AND ESTATE OF THOMAS GAFFNEY

The bill (H. R. 4304) for the relief of Hugh O'Farrell and the estate of Thomas Gaffney was considered, ordered to a third reading, read the third time, and passed.

ANDREW J. M'GARRAGHY

The bill (H. R. 6950) for the relief of Andrew J. McGarraghy was considered, ordered to a third reading, read the third time, and passed.

BILL PASSED OVER

The bill (S. 3692) to authorize and direct the Comptroller General of the United States to allow credit for all outstanding disallowances and suspensions in the accounts of the disbursing officers or agents of the Government for payments made to certain employees appointed by the United States Employees' Compensation Commission was announced as next in order.

Mr. KING. I should like to have an explanation of the bill. In the absence of an explanation, let it go over.

The PRESIDENT pro tempore. The bill will be passed over.

J. LAFE DAVIS AND ESTATE OF MRS. J. LAFE DAVIS

The bill (H. R. 7548) for the relief of J. Lafe Davis and the estate of Mrs. J. Lafe Davis was considered, ordered to a third reading, read the third time, and passed.

AL D. ROMINE AND ANN ROMINE

The bill (H. R. 7639) for the relief of Al D. Romine and Ann Romine was considered, ordered to a third reading, read the third time, and passed.

EXTENSION OF INTEREST RATE ON CERTAIN FEDERAL LAND-BANK LOANS

The bill (H. R. 10530) to extend for 2 additional years the 3½-percent-interest rate on certain Federal land-bank loans, and to provide for a 4-percent interest rate on Land Bank Commissioner's loans until July 1, 1940, was considered, ordered to a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That (a) effective July 1, 1935, the first sentence of paragraph "twelfth" of section 12 of the Federal Farm Loan Act, as amended (relating to reduction in interest rates on certain Federal land-bank loans), is amended by striking out the following: "occurring within a period of 3 years, commencing July 1, 1935, and shall not exceed 4 percent per annum for all interest payable on installment dates occurring within a period of 1 year commencing July 1, 1938" and inserting in lieu thereof the following: "occurring within a period of 5 years, commencing July 1, 1935."

(b) The fourth sentence of such paragraph "twelfth" (relating to the time limit on payments made by the United States to land banks on account of such interest reduction) is amended to read as follows: "No payments shall be made to a bank with respect to any period after June 30, 1940."

SEC. 2. The last paragraph of section 32 of the Emergency Farm Mortgage Act, as amended (relating to reduction in the interest rate on loans by the Land Bank Commissioner), is amended to read as follows:

"Notwithstanding the foregoing provisions of this section, the rate of interest on loans made under this section shall not exceed 4 percent per annum for all interest payable on installment dates occurring on or after July 22, 1937, and prior to July 1, 1940."

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States, submitting nominations, were communicated to the Senate by Mr. Latta, one of his secretaries.

STANDARD METHODS OF GRADING COTTONSEED

The bill (S. 3706) to establish and promote the use of standard methods of grading cottonseed, to provide for the collection and dissemination of information on prices and grades of cottonseed and cottonseed products, and for other purposes, was announced as next in order.

Mr. KING. Mr. President, is it the desire to have this enormous bill passed at this session without explanation? I do not think this bill should be passed without an explanation.

Mr. BILBO. Mr. President, the bill comes from the Committee on Agriculture and Forestry with a unanimous report, and with the endorsement of the Department of Agriculture, because it attempts to protect the producers of cottonseed

in that they have not had any classification. There is no objection to the bill from any source of which I know. It provides for the classification of seed, as cotton is classified, because there is a vast difference in the grade of seed. The committee recommends it unanimously.

Mr. KING. Mr. President, I ask the chairman of the committee, because I am not familiar with the grading of cottonseed, whether it is desired or whether it is advantageous.

Mr. SMITH. Mr. President, I think that a bill of this kind would be beneficial because it happens that the oil content and the meal content of seed vary in different communities, and also with seasons. There has already arisen privately the classification of seed. The mills classify them. That is they find out the content and pay accordingly, the farmer being advised of the value. I think that this is a proper step.

The PRESIDENT pro tempore. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill (S. 3706) to establish and promote the use of standard methods of grading cottonseed, to provide for the collection and dissemination of information on prices and grades of cottonseed and cottonseed products, and for other purposes, which had been reported from the Committee on Agriculture and Forestry with amendments, on page 6, line 14, after the word "collected", to insert "by the Department of Agriculture"; on page 8, line 24, after the word "employee", to insert "or licensee"; on page 10, after line 14, to strike out "(1) For any person to use the words 'United States', 'Government', or 'Federal', or any abbreviation thereof, in or in connection with any statement relating to any grade of cottonseed which is not, in fact, one of the grades of cottonseed established in the Official Cottonseed Standards of the United States"; and to insert in lieu thereof the following:

(1) For any person, in or in connection with any transaction or shipment in interstate commerce made on and after the effective date of the official cottonseed standards of the United States promulgated under this act, or in any grading for the purposes of or in connection with a transaction or shipment in interstate commerce, to indicate for any cottonseed a grade which is of or within the official cottonseed standards of the United States in effect under this act, by any name, description, or designation not used in said standards; or to issue any report or invoice, showing the grade of cottonseed except according to an official certificate issued by a grader of cottonseed employed or licensed as such under this act.

So as to make the bill read:

Be it enacted, etc., That this act may be cited as the Cottonseed Grading Act.

SEC. 2. (a) As used in this act—

(1) The term "Secretary" means the Secretary of Agriculture.

(2) The term "cottonseed" means the seed of the cotton plant, untreated by either chemical or mechanical process other than the ordinary processes of cleaning, drying, or ginning, or such sterilization as may be required by the Secretary for quarantine purposes.

(3) The term "cottonseed products" means the primary products processed from cottonseed, namely, crude cottonseed oil, cottonseed cake, cottonseed meal, linters, and hulls.

(4) The term "market" means any place or establishment at which cottonseed or cottonseed products are bought or sold.

(5) The term "person" includes partnerships, associations, and corporations as well as individuals.

(6) The term "interstate commerce" means commerce between any place in a State, Territory, or possession of the United States, or the District of Columbia, and any place outside thereof; or between points within the same State, Territory, or possession of the United States, or the District of Columbia, but through any place outside thereof; or within any Territory or possession of the United States or the District of Columbia.

(b) For the purposes of this act, but not in any wise limiting the foregoing definition of interstate commerce, a transaction in respect to cottonseed or cottonseed products shall be considered to be in interstate commerce if such cottonseed or cottonseed products are part of that current of commerce usual in the cottonseed industry whereby cottonseed or cottonseed products are sent from one State with the expectation that they will end their transit, after purchase, in another, including, in addition to cases within the above general description, all cases where purchase or sale is either for shipment to another State or for manufacture within the State and shipment outside the State of any of the products resulting from such manufacture. Cottonseed normally in such current of commerce shall not be considered out of such commerce through resort being had to any means or device intended to remove such transactions in respect thereto from the provisions of this act. For the purposes of this subsection, the term "State" includes a Territory or possession of the United States, the District of Columbia, or a foreign nation.

SEC. 3. It is hereby declared that transactions in cottonseed and cottonseed products involving the purchase and sale thereof as commonly conducted on markets are affected with a national public interest; that the analyzing, evaluating, and grading of cottonseed according to its physical condition, the amount of the products which can be manufactured therefrom, and other characteristics affect the prices received therefor by producers; that without uniform standards of classification and the widespread dissemination of market prices, market information, and grade information, the transactions in and prices of cottonseed and cottonseed products are susceptible to speculation, manipulation, and control, and unreasonable fluctuations and variations in prices and in quality determinations occur which are detrimental to producers and consumers, generally, and to persons engaged in the business of ginning, buying, selling, and processing cottonseed and cottonseed products in interstate commerce; and that such fluctuations and variations constitute a burden upon interstate commerce and make imperative the use of uniform standards of classification and the widespread dissemination of market prices, market information, and grade information for the protection of producers, consumers, and persons engaged in interstate commerce in cottonseed and cottonseed products and the public interest therein.

SEC. 4. The Secretary is hereby authorized and directed to investigate the handling, transportation, weighing, and grading of cottonseed; to establish standard specifications or methods for the sampling, weighing, and grading of cottonseed; and to alter or modify any such standard specifications or methods whenever in his opinion experience indicates the need for such action. The standard specifications or methods so established, and any such alterations and modifications thereof, shall be known as the Official Cottonseed Standards of the United States and shall become effective on a date specified in the order of the Secretary establishing, altering, or modifying the same, but the date so specified shall be not less than 90 days after the date of such order.

SEC. 5. (a) The Secretary is further authorized to issue to competent persons licenses to sample and certify samples of cottonseed, to weigh and certify the weights of cottonseed, to grade and certify the grades of cottonseed, or to perform two or more of such services, and he may designate officers and employees of the Department of Agriculture to perform any of such services.

(b) Any such license may be suspended or revoked by the Secretary whenever he is satisfied that the licensee is incompetent; that he has knowingly or carelessly sampled, weighed, or graded cottonseed improperly; that he has violated any provisions of this act or of any regulation prescribed thereunder; or that he has used his license or allowed it to be used for any improper purpose; but no such license shall be revoked until the licensee shall have been informed of the charges against him and afforded an opportunity to be heard.

(c) The Secretary may prescribe by regulation the conditions under which such licenses shall be issued and may require any licensee to give bond for the faithful performance of his duties and for the protection of persons affected thereby.

(d) The Secretary may prescribe by regulation the conditions, standards, and methods under which cottonseed shall be sampled, weighed, and graded by such licensees and by the officers and employees of the Department of Agriculture designated to perform such services.

(e) Any person who has custody of or a financial interest in any cottonseed may submit the same or samples thereof, in accordance with regulations prescribed by the Secretary, to any such licensee, or to any officer or employee of the Department of Agriculture designated for the purpose, for the determination of the true grades of such cottonseed or samples.

(f) The Secretary is further authorized to fix and collect such fees or charges in connection with the issuance of licenses and the sampling, weighing, and grading of cottonseed pursuant to this section as he may deem reasonable, and all moneys collected by the Department of Agriculture from such fees and charges shall be covered into the Treasury as miscellaneous receipts.

(g) Any owner of cottonseed may appeal from any certification made under this section in accordance with such regulations as the Secretary may prescribe.

(h) The Secretary shall provide by regulation for such resampling, reweighing, or regrading of cottonseed as he may deem necessary for the confirmation or invalidation of any certification made by a licensee or an officer or employee of the Department of Agriculture under this section. Any certification which supersedes any certification invalidated pursuant to this subsection shall be final.

(i) Each certification made pursuant to this section shall be binding on all officers and employees of the United States and shall be accepted in all courts of the United States as prima facie evidence of the truth of the statements contained therein.

SEC. 6. (a) The Secretary is authorized and directed to collect, authenticate, publish, and distribute, by telegraph, radio, mail, or otherwise, such timely information, including statistical information and summary reports, as he deems necessary with respect to the market prices of cottonseed and cottonseed products,

the volume of trading in cottonseed and cottonseed products, and the market supply and demand, location, movement, condition, and other factors affecting the prices of cottonseed and cottonseed products, and with respect to the qualities and grades of cottonseed: *Provided*, That in the collection and dissemination of such information, duplication of the activities of other agencies of the Government shall be avoided so far as possible.

(b) For those markets in which cottonseed is bought on qualities or grades, according to the Official Cottonseed Standards of the United States, the Secretary shall publish prices based upon such qualities or grades; and in those markets in which cottonseed is bought other than according to such Official Cottonseed Standards, the Secretary shall publish prices based upon the terms and conditions of the transactions.

(c) For the purpose of collecting and disseminating accurate information with respect to the qualities and grades of cottonseed, the Secretary is authorized to designate markets or cottonseed-producing areas according to the qualities or grades of cottonseed sold or produced therein and is authorized and directed to provide for collecting and grading samples of cottonseed sold or produced therein: *Provided*, That when grade information with respect to such cottonseed is available from licensed graders or other sources, the Secretary may utilize such grade information in lieu of, or in addition to, the grade information obtained from collecting and grading samples of cottonseed as required in this subsection.

(d) The Secretary is further authorized to collect and disseminate such quality of grade information as he may deem necessary with respect to individual lots of cottonseed showing point of origin.

SEC. 7. (a) Any information furnished to the Secretary by any person under the provisions of this act, except quality or grade information furnished under subsection (d) of section 6 with respect to individual lots of cottonseed showing point of origin, shall be considered as strictly confidential and shall be used only for the purpose for which it is supplied.

(b) Any office or employee or licensee of the Department of Agriculture, who without written authority of the Secretary shall publish or communicate any confidential information given into his possession by reason of his employment under the provisions of this act, shall be guilty of a misdemeanor and upon conviction thereof shall be fined not more than $1,000 or imprisoned for not more than 1 year, or both.

SEC. 8. (a) It shall be the duty of every individual and of every owner, operator, director, officer, or agent of any corporation, association, or partnership, operating any cottonseed-crushing mill, cotton gin, or other place or establishment where cottonseed or cottonseed products are bought or sold or held in storage, when requested by the Secretary or by any agent or employee of the Department of Agriculture acting under the instructions of the Secretary to furnish completely and correctly, to the best of his knowledge, information concerning the prices and the grades of cottonseed, and the prices of cottonseed products, owned, held, bought, or sold by such person in connection with transactions in interstate commerce or directly affecting interstate commerce, and, when so requested, to permit such agent or employee of the Department of Agriculture to examine the purchase and sales records of such transactions and to examine, sample, weigh, or grade any cottonseed involved in any such transactions.

(b) The request of the Secretary for any such information may be made in writing or by personal call by an agent of the Secretary designated by him and, if made in writing and forwarded by registered mail, the registry receipt of the Post Office Department shall be accepted as evidence of such demand.

(c) Any person who shall refuse or willfully neglect to furnish any information requested under this section, or who shall refuse to permit the examinations of purchase and sales records or the examination, sampling, weighing, or grading of cottonseed, requested under this section, shall be guilty of a misdemeanor and, upon conviction thereof, shall be fined not more than $1,000.

SEC. 9. (a) It shall be unlawful—

(1) For any person, in or in connection with any transaction or shipment in interstate commerce made on and after the effective date of the Official Cottonseed Standards of the United States promulgated under this act, or in any grading for the purposes of or in connection with a transaction or shipment in interstate commerce, to indicate for any cottonseed a grade which is of or within the Official Cottonseed Standards of the United States in effect under this act, by any name, description, or designation not used in said standards; or to issue and report or invoice, showing the grade of cottonseed except according to an official certificate issued by a grader of cottonseed employed or licensed as such under this act.

(2) For any person falsely to make, issue, alter, forge, or counterfeit, or aid, cause, procure, or assist in or be a party to the false making, issuing, altering, forging, or counterfeiting of any certificate, stamp, tag, seal, label, or other writing issued under the authority of this act.

(3) For any person employed, designated, or licensed by the Secretary as a sampler, weigher, or grader of cottonseed under this act knowingly to sample, weigh, or grade cottonseed improperly, or to make any false certification under this act, or to accept money or other consideration, directly or indirectly, for any neglect or improper performance of his duty as a sampler, weigher, or grader.

(4) For any person improperly to influence, or to attempt improperly to influence, or to forcibly assault, resist, impede, or interfere with, any person employed, designated, or licensed by the Secretary as a sampler, weigher, or grader in the execution of his duties under this act.

(5) For any person falsely to represent or otherwise indicate that he is authorized by the Secretary to sample, weigh, or grade cottonseed under this act.

(6) For any person to substitute or attempt to substitute other cottonseed for cottonseed actually sampled, weighed, or graded under this act.

(7) For any person falsely to represent that cottonseed has been sampled, weighed, or graded under this act, or knowingly to make or cause to be made any false representation concerning cottonseed sampled, weighed, or graded under this act, or knowing that cottonseed is to be offered for sampling, weighing, or grading under this act, to load, pack, or arrange such cottonseed in such manner as knowingly to conceal foreign matter, or cottonseed of inferior grade, quality, or condition, or, knowing that such cottonseed has been so loaded, packed, or arranged, to offer it for sampling, weighing, or grading without disclosing such knowledge to the sampler, weigher, or grader before the sampling, weighing, or grading takes place.

(b) Whoever violates any provision of this section shall be guilty of a misdemeanor and upon conviction thereof shall be fined not more than $1,000 or imprisoned not more than 1 year, or both.

SEC. 10. The Secretary is authorized to publish the facts regarding any violation of this act.

SEC. 11. In construing and enforcing the provisions of this act, the act, omission, or failure of any agent, officer, or other person acting for or employed by an association, partnership, or corporation, within the scope of his employment, shall be deemed to be the act, omission, or failure of the association, partnership, or corporation as well as that of such officer, agent, or other person.

SEC. 12. The Secretary shall have access to the records of the Bureau of the Census hereafter compiled to the extent necessary to obtain the means and addresses of cotton gins and cottonseed-crushing mills.

SEC. 13. (a) The Secretary is authorized to make such rules and regulations as he may deem necessary to effectuate the purposes of this act and for such purposes may cooperate with any other department or agency of the Government; with any State, Territory, or possession of the United States or any department, agency, or political subdivision thereof; with purchasing and consuming organizations, boards of trade, chambers of commerce, or other associations of businessmen or trade organizations; or with individuals.

(b) The Secretary is authorized to appoint and fix the compensation of such officers and employees as may be necessary to carry out this act, but samplers, weighers, graders, and supervisors employed under this act on a seasonal basis and working for periods of 6 months or less during any 12-month period may be appointed without regard to the provisions of the Classification Act of 1923, as amended.

(c) The Secretary is authorized to make such expenditures for rent, in the District of Columbia and elsewhere, and for printing, binding, telegrams, telephones, books of reference, publications, furniture, stationery, office and laboratory equipment, travel, passenger automobiles, cottonseed or cottonseed products for use in preparing methods and standards, and other supplies and expenses, including reporting services, as may be necessary for the administration of this act and as may be appropriated for by Congress.

SEC. 14. (a) In carrying out this act the Secretary, or any officer or employee designated by him for such purpose, is authorized to hold hearings, administer oaths, sign and issue subpenas, and examine witnesses. Upon the refusal by any person to appear and testify in response to a subpena so issued, the proper United States district court shall have power to compel obedience thereto.

(b) Any of the powers and duties of the Secretary under this act may be delegated to and executed by any officer, agent, or employee of the Department of Agriculture designated by the Secretary for the purpose.

SEC. 15. There is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, such sums as may be necessary for the administration of this act.

SEC. 16. If any provision of this act, or the application thereof to any person or circumstance, is held invalid, the remainder of the act, and the application of such provision to other persons and circumstances, shall not be affected thereby.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

BREWERS' BONDS

The bill (H. R. 8665) to amend section 3336 of the Revised Statutes, as amended, pertaining to brewers' bonds, and for other purposes, was considered, ordered to a third reading, read the third time, and passed.

CONVEYANCE OF LAND TO OREGON FOR USE AS PUBLIC PARK

The bill (S. 3048) authorizing the Secretary of Commerce to convey a certain tract of land to the State of Oregon for

use as a public park and recreational site, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Secretary of Commerce is authorized and directed to convey by quitclaim deed to the State of Oregon, subject to the condition and the easement specified in section 2 of this act, the following-described tract of land situated in the State of Oregon and now constituting a part of the Umpqua River Lighthouse Reservation, such tract of land being more specifically described as follows: All of the north half of the southwest quarter of section 13 and that portion of the southeast quarter of the northwest quarter of section 13, township 22 south, range 13 west, Willamette meridian, lying easterly of the meanders of the center line of the creek flowing northerly from Lake Marie, containing approximately 110 acres.

SEC. 2. The tract of land authorized to be conveyed by the first section of this act shall be used by the grantee for the purpose of a public park and recreational site and for similar and related purposes. The conveyance of such tract of land shall contain the express condition that if the grantee shall cease to use such tract of land for such purposes, or shall alienate or attempt to alienate such tract of land, title thereto shall revert to the United States. Such conveyance shall contain appropriate provisions for the purpose of reserving to the United States such rights of ingress and egress over the land conveyed as may be necessary for the maintenance of the light station and other aids to navigation established upon such reservation and as may be necessary for the performance of other governmental activities on such reservation.

AMENDMENT OF FEDERAL RESERVE ACT

The joint resolution (S. J. Res. 286) amending paragraph (4) of subsection (n) of section 12B of the Federal Reserve Act, as amended, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Resolved, etc., That paragraph (4) of subsection (n) of section 12B of the Federal Reserve Act, as amended, is amended by striking out "Until July 1, 1938, whenever" and inserting in lieu thereof "Whenever."

Mr. WAGNER. Mr. President, with respect to Senate Joint Resolution 286, I call the attention of the Senate to the fact that an identical House measure is on the calendar, being calendar No. 1956, House Joint Resolution 655.

Mr. LA FOLLETTE. While the Senator is on his feet, will he give a brief explanation of what the joint resolution proposes to accomplish?

Mr. WAGNER. The Federal Deposit Insurance Corporation now has the power to make loans in case there is in prospect a merger of a weak bank with a strong bank, in order to save the weak bank from absolute failure. The Federal Deposit Insurance Corporation has the power to make loans upon some of the bank's securities, which has resulted in a great saving to the Federal corporation, because it has obviated the necessity of paying depositors when there is a failure. It has worked so successfully that all who are interested in the law have suggested that that power be made permanent, and this measure simply makes that power permanent.

The PRESIDENT pro tempore. Without objection, the vote by which Senate Joint Resolution 286 was passed will be reconsidered.

Is there objection to the consideration of House Joint Resolution 655, which is identical to Senate Joint Resolution 286?

There being no objection, the joint resolution (H. J. Res. 655) amending paragraph (4) of subsection (n) of section 12B of the Federal Reserve Act, as amended, was considered, ordered to a third reading, read the third time, and passed, as follows:

Resolved, etc., That paragraph (4) of subsection (n) of section 12B of the Federal Reserve Act, as amended, is amended by striking out "Until July 1, 1938, whenever" and inserting in lieu thereof "Whenever."

The PRESIDENT pro tempore. Without objection, Senate Joint Resolution 286 will be indefinitely postponed.

PENSIONS AND INCREASES OF PENSIONS TO NEEDY WAR VETERANS

The bill (H. R. 8729) granting pensions and increases of pensions to needy war veterans, was considered, ordered to a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That Veterans' Regulation 1 (a) part III, paragraph I (e), as amended, be amended to read as follows:

"I. (e) Except as provided in subparagraphs (g) and (h) of paragraph I hereof, no pension shall be payable under part III for permanent disability less than total. A permanent total disability shall be taken to exist when there is present any impairment of mind or body which is sufficient to render it impossible for the individual to earn a support by the performance of manual labor where it is reasonably certain that such impairment will continue throughout the life of the disabled person. In addition to the cases covered by this definition the Administrator of Veterans' Affairs is hereby authorized to classify as permanent and total those disease and disorders, the nature and extent of which in his judgment is such as to justify such a determination."

SEC. 2. That Veterans' Regulation 1 (a), part III, paragraph I (f), be amended to read as follows:

"I. (f) The amount of pension payable under the terms of part III shall be $40 monthly: *Provided*, That".

E. D. FRYE

The bill (H. R. 7421) for the relief of E. D. Frye was considered, ordered to a third reading, read the third time, and passed.

HERBERT JOSEPH DAWSON

The bill (H. R. 8192) for the relief of Herbert Joseph Dawson was considered, ordered to a third reading, read the third time, and passed.

OTIS M. CULVER AND OTHERS

The bill (S. 3886) for the relief of Otis M. Culver, Samuel E. Abbey, and Joseph Reger was announced as next in order.

Mr. KING. Mr. President, I should like an explanation of that measure.

Mr. DUFFY. Mr. President, the Senate has already passed a similar bill covering two other soldiers of the Spanish-American War who were in this same little affair which the commanding officer called "a boyish escapade." The court martial was illegal, so the War Department had no right in any event to have declared them subject to dishonorable discharge. When the matter was brought before the Senate last year with reference to two others of this same group, the Senate was satisfied and approved the bill. I hope the Senate will give these men the same justice that the others received from the hands of the Congress in a bill which was approved by the President in the last session.

The PRESIDENT pro tempore. Is there objection to the present consideration of the bill.

There being no objection, the Senate proceeded to consider the bill (S. 3886) for the relief of Otis M. Culver, Samuel E. Abbey, and Joseph Reger, which had been reported from the Committee on Military Affairs, with amendments, on page 1, line 6, after the name "Abbey", to insert "Robert E. Patterson"; and on the same page, line 8, after the words "discharged on", to strike out "December 10, 1898" and insert "February 28, 1898", so as to make the bill read:

Be it enacted, etc., That in the administration of the pension laws or any laws conferring rights, privileges, or benefits upon persons honorably discharged from the United States Army Otis M. Culver, Samuel E. Abbey, Robert E. Patterson, and Joseph Reger shall be held and considered to have been honorably discharged on February 28, 1898, as privates, Company C, Third Battalion, Fourth Regiment Wisconsin Volunteer Infantry, United States Army; but no pension, pay, bounty, or other benefit shall be held to have accrued by reason of this act prior to its passage.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended so as to read: "A bill for the relief of Otis M. Culver, Samuel E. Abbey, Robert E. Patterson, and Joseph Reger."

USE OF WATER BY ARMY ENGINEERS FOR FIRE-FIGHTING PURPOSES

The Senate proceeded to consider the bill (S. 3513) to authorize the Chief of Engineers of the Army to enter into agreements with local governments adjacent to the District of Columbia for the use of water for purposes of fire fighting only, which had been reported from the Committee on Military Affairs with an amendment on page 1, line 6, after the words "use of" to strike out "water from unmetered mains or conduits" and insert "unfiltered water from the

supply conduits along Conduit Road between the Dalecarlia Reservoir and Great Falls", so as to make the bill read:

Be it enacted, etc., That the Chief of Engineers of the Army is hereby authorized to formulate regulations and enter into agreements with county or other local governments in communities adjacent to the District of Columbia for the use of unfiltered water from the supply conduits along Conduit Road between the Dalecarlia Reservoir and Great Falls for emergency purposes in fire fighting only.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

ESTATE OF REXFORD M. SMITH

The bill (S. 3405) conferring jurisdiction upon the Court of Claims of the United States to hear, examine, adjudicate, and render judgment on the claim of the legal representative of the estate of Rexford M. Smith, was announced as next in order.

Mr. KING. I note that the Navy Department makes recommendation adverse to this bill.

Mr. WHEELER. Let the bill go over.

The PRESIDENT pro tempore. The bill will be passed over.

Mr. HUGHES subsequently said: Mr. President, what occurred to Senate bill 3405?

The PRESIDENT pro tempore. Senate bill 3405 went over. Does the Senator from Delaware desire to ask that the bill be considered?

Mr. HUGHES. Yes. The bill relates to the estate of Rexford M. Smith. Mr. Smith had obtained a patent relating to a retractable chassis or other carriage for airplanes. The Navy Department infringed that patent, so he claims. Mr. Smith did not know it at the time of the infringement, and when he discovered it, the statute of limitations had run. The bill merely waives the statute of limitations, and permits the Court of Claims to hear the claim, notwithstanding that the statute of limitations has run. The Committee on Claims thought that he should have his chance in the Court of Claims.

Mr. KING. Mr. President, I call attention to the fact that Mr. Edison, Acting Secretary of the Navy, reported against the bill, and upon that fact becoming known, one of the Senators, exercising, of course, his prerogative, asked that the bill go over. A hasty reading of the statement made by the Navy Department would seem to indicate that there is no justice in the claim.

Mr. HUGHES. I did not so understand it, nor did the committee, but the Navy Department claimed that it would cause them additional expense and trouble in locating and producing the records, and so forth, and for that reason they asked that the bill be not passed.

Mr. KING. They call attention to the fact, too, that the statute of limitations has run.

Mr. HUGHES. We occasionally waive the statute of limitations on these claims when we feel that it ought to be waived. The Senator understands that the bill is not my bill. I am simply speaking as the chairman of the subcommittee. I do not care what becomes of the measure.

The PRESIDENT pro tempore. Is there objection to the present consideration of the bill?

There being no objection, the bill (S. 3405) conferring jurisdiction upon the Court of Claims of the United States to hear, examine, adjudicate, and render judgment on the claim of the legal representative of the estate of Rexford M. Smith, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That jurisdiction is hereby conferred upon the Court of Claims of the United States, notwithstanding the lapse of time or the statute of limitations, to hear, examine, adjudicate, and render judgment under the act of June 25, 1910 (36 Stat. L., ch. 423, p. 851), as amended July 1, 1918, or any other enabling statute of the United States, on the claim of Charles A. M. Wells, as executor cum testamento annexo, under the last will and testament of Rexford M. Smith, deceased, or his successor, as the legal representative of the estate of said decedent, for the use of or the manufacture by or for the United States, within the period of 6 years immediately preceding January 4, 1933, without license of the owner thereof or the lawful right to use or manufacture the same, of a certain invention of said Rexford M. Smith, deceased, described in or covered by Letters Patent No. 1166488, for aeroplane, issued by the Patent Office of the United States on January 4, 1916.

SEC. 2. That from any decision in any suit prosecuted under the authority of this act an appeal may be taken by either party as is provided for by law in other cases.

BILLS PASSED OVER

The bill (S. 3600) to amend section 503 of the Revenue Act of 1936 so as to authorize the use of accounting and registering devices for paying or collecting certain revenue taxes, was announced as next in order.

Mr. WAGNER. Over.

Mr. DUFFY. Mr. President, the Senator from Missouri [Mr. CLARK], who introduced the bill, is out of the city. However, I know about the measure, and can give an explanation of it.

Mr. WAGNER. I should like to have the measure laid aside temporarily. I have received a letter from one of my constituents complaining about one of the provisions of the bill. I simply wish to read the measure.

The PRESIDENT pro tempore. The bill will be passed over.

Mr. HUGHES. Mr. President, I ask unanimous consent to return to Calendar No. 1540, being House bill 3389, which was passed over just before I entered the Chamber.

The PRESIDENT pro tempore. The Senator from Delaware asks unanimous consent to return to Calendar No. 1540, being House bill 3389.

Mr. WHEELER. Mr. President, I object to going back at this time. There are many other bills on the calendar which ought to come up.

The PRESIDENT pro tempore. Objection is heard. The clerk will call the next bill on the calendar.

RIVER AND HARBOR IMPROVEMENTS

The bill (H. R. 10298) authorizing the construction, repair, and preservation of certain public works on rivers and harbors, and for other purposes, was announced as next in order.

Mr. COPELAND. Mr. President, this is the omnibus river and harbor bill. This bill, together with what might be called the companion bill, the flood-control bill, House bill 10618, should be given early consideration by the Senate, so that if a conference is necessary in either case it may be had.

I sincerely hope that the river and harbor bill may be passed today. I realize that some radical amendments will be proposed to the flood-control bill.

Mr. NORRIS. Mr. President, I should like to say to the Senator from New York that I have no objection, of course, to the passage of the river and harbor bill, and I hope it may be passed. However, I do not believe the Senator ought to think of such a thing as passing the bill during the consideration of bills by unanimous consent.

I have some serious objections to certain portions of the bill, which I should like to amend. I could not possibly present those objections and my amendments in 5 minutes. I have discussed the matter with the Senator from New York. It seems to me he must realize that some of the committee amendments, of which I am not aware, are of great importance. Although the Senator was very kind in agreeing to some of the amendments which I desired to propose, I am now informed that the committee has reported several amendments. I do not know that I shall have any objection to them, but I should like to have time to consider them.

The bill being of such great importance, I do not think the Senator should try to pass it while measures are being acted upon by unanimous consent.

Mr. COPELAND. Mr. President, may I ask our leader whether it is probable, under his program, that tomorrow afternoon we may take up the river and harbor and the flood-control bills?

Mr. BARKLEY. Mr. President, I think it is possible that we may take them up tomorrow. I am trying to make a

list of bills about which I have been spoken to by various Senators, so that after the call of the calendar we may see how many of them have not passed on the call. The river and harbor bill will be on the list. I hope we may take up the river and harbor bill tomorrow.

The flood-control bill is a little more controversial, because of matters about which I have spoken to the Senator. However, I assure the Senator that an effort will be made as soon as possible to take up both bills for separate consideration.

Mr. COPELAND. That plan is very satisfactory to me, Mr. President. We hope that tomorrow the two companion bills—the river and harbor bill and the flood-control bill—may be given consideration. Therefore, I ask that House bill 10298 be passed over at this time without prejudice.

Mr. NORRIS. That request applies to the flood-control bill as well?

Mr. COPELAND. Yes; I ask that the two may go over.

The PRESIDENT pro tempore. House bill 10298 will be passed over.

REMIJIO ORTIZ

The bill (S. 3921) for the relief of Remijio Ortiz was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby authorized to pay, out of any money in the Treasury not otherwise appropriated, the sum of $500, to Remijio Ortiz, in full settlement of his claim for compensation for the loss of private claim No. 82, parcel 1, Cochiti Pueblo grant, N. Mex.: *Provided*, That no payment shall be made until certification by the Secretary of the Interior that the claimant has entered into an agreement satisfactory to the Secretary of the Interior to vacate the lands within private claim No. 82, parcel 1, Cochiti Pueblo grant within a period to be specified in said agreement after payment shall have been made.

MARTIN BEVILACQUE

The bill (H. R. 6404) for the relief of Martin Bevilacque was considered, ordered to a third reading, read the third time, and passed.

JOSEPH M'DONNELL

The bill (H. R. 6936) for the relief of Joseph McDonnell was considered, ordered to a third reading, read the third time, and passed.

MOREHEAD CITY TARGET RANGE, N. C.

The bill (S. 3938) to authorize the transfer to the jurisdiction of the Secretary of the Treasury of portions of the property within the military reservation known as the Morehead City Target Range, N. C., for the construction of improvements thereon, and for other purposes, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Secretary of War be, and he is hereby, authorized to make transfers to the jurisdiction and control of the Secretary of the Treasury of such portions of the property at present included within the military reservation known as the Morehead City Target Range, N. C., and upon such conditions as may be mutually agreed upon by the Secretary of War and the Secretary of the Treasury. The Secretary of the Treasury is hereby authorized to construct within the limits of the property so transferred, from such funds as may be now or may hereafter become available, such improvements or buildings, appurtenances, and approaches thereto as he may deem adequate and suitable for the use of said property as a target range by the United States Coast Guard, and for use in carrying out any other functions or duties of the Treasury Department: *Provided*, That upon cessation of such use the premises or any part thereof so transferred shall revert to the jurisdiction of the War Department.

AMENDMENT OF PACKERS AND STOCKYARDS ACT

The bill (S. 2750) to amend the Packers and Stockyards Act, 1921, was announced as next in order.

Mr. NORRIS. Mr. President, I am not the author of the bill. One of the authors is the Senator from Iowa [Mr. GILLETTE], and the other is the Senator from Kansas [Mr. CAPPER]. I observe that the Senator from Kansas is in the Chamber. I think the bill is of such importance that it ought not to be passed on the call of the calendar. I should like to call the attention of the Senator from Kentucky [Mr. BARKLEY] to the bill. It seems to me he ought to put it on his list. It is quite an important bill. I have no objection to it, but I realize that it is an important bill.

The PRESIDENT pro tempore. Is there objection to the present consideration of the bill?

Mr. KING. Mr. President, I understand that the Senator from Kansas desires to have the bill taken up.

Mr. CAPPER. Mr. President, I hope there will be no objection to taking up the bill.

Mr. KING. I have no objection.

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on Agriculture and Forestry with an amendment, to strike out all after the enacting clause and to insert:

That subsections (a) and (b) of section 310 of the Packers and Stockyards Act, 1921, are hereby amended so as to read as follows:

"(a) May determine and prescribe what will be the just and reasonable rate or charge, or rates or charges, to be thereafter in such case observed as both the maximum and minimum to be charged, and what regulation or practice is or will be just, reasonable, and nondiscriminatory to be thereafter followed; and

"(b) May make an order that such owner or operator (1) shall cease and desist from such violation to the extent to which the Secretary finds that it does or will exist; (2) shall not thereafter publish, demand, or collect any rate or charge for the furnishing of stockyard services more or less than the rate or charge so prescribed; and (3) shall conform to and observe the regulation or practice so prescribed."

SEC. 2. The following new section is added to title III of said act:

"SEC. 317. No person not now conducting the business of a stockyard owner, market agency, or dealer shall conduct the business of a stockyard owner, market agency, or dealer at any stockyards at which he is not now conducting such a business unless and until he has obtained a certificate from the Secretary that public convenience and necessity require or will require the conduct of such business at the stockyard or stockyards at which it is proposed to conduct the same. The application for such certificate shall be in such form as the Secretary may prescribe from time to time and such certificates shall only be issued after a hearing had upon such notice as the Secretary may prescribe. Said certificate shall not be transferable."

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

BILL PASSED OVER

The bill (H. R. 10618) authorizing the construction of certain public works on rivers and harbors for flood control, and for other purposes, was announced as next in order.

Mr. COPELAND. Let the bill go over.

The PRESIDENT pro tempore. The bill will be passed over.

LAKE SABINE BRIDGE, PORT ARTHUR, TEX.

The bill (H. R. 9975) to extend the times for commencing and completing the construction of a bridge over Lake Sabine at or near Port Arthur, Tex., was considered, ordered to a third reading, read the third time, and passed.

MISSISSIPPI RIVER BRIDGE, GREENVILLE, MISS.

The bill (H. R. 9983) authorizing the city of Greenville, Miss., and Washington County, Miss., singly or jointly, to construct, maintain and operate a toll bridge across the Mississippi River from a point at or near the city of Greenville, Washington County, Miss., to a point at or near Lake Village, Chicot County, Ark., was considered, ordered to a third reading, read the third time, and passed.

MISSOURI RIVER BRIDGE, BROWNVILLE, NEBR.

The bill (H. R. 10075) to extend the times for commencing and completing the construction of a bridge across the Missouri River at or near Brownville, Nebr., was considered, ordered to a third reading, read the third time, and passed.

BILL PASSED OVER

The bill (H. R. 10261) authorizing the town of Friar Point, Miss., and Coahoma County, Miss., singly or jointly, to construct, maintain, and operate a toll bridge across the Mississippi River from a point at or near the town of Friar Point, Coahoma County, Miss, to a point at or near Helena, Phillips County, Ark., was announced as next in order.

Mr. BILBO. Let the bill go over.

The PRESIDENT pro tempore. The bill will be passed over.

MISSOURI RIVER BRIDGE, RULO, NEBR.

The bill (H. R. 10297) to extend the times for commencing and completing the construction of a bridge across the Missouri River at or near Rulo, Nebr., was considered, ordered to a third reading, read the third time, and passed.

COOSA RIVER BRIDGE, GILBERTS FERRY, ALA.

The bill (H. R. 10611) to extend the times for commencing and completing the construction of a bridge across the Coosa River at or near Gilberts Ferry in Etowah County, Ala., was considered, ordered to a third reading, read the third time, and passed.

SALARIES OF RURAL LETTER CARRIERS

The Senate proceeded to consider the bill (H. R. 3610) to adjust the salaries of rural letter carriers, which had been reported from the Committee on Post Offices and Post Roads with an amendment, on page 2, line 6, after the word "allowance", to insert a proviso, so as to make the bill read:

Be it enacted, etc., That the first paragraph of section 8 of the act entitled "An act reclassifying the salaries of postmasters and employees of the Postal Service, readjusting their salaries and compensation on an equitable basis, increasing postal rates to provide for such readjustment, and for other purposes," approved February 28, 1925, as amended, is hereby amended by inserting after the first sentence thereof the following new sentence: "The Postmaster General may, in his discretion, allow and pay such additional compensation as he may determine to be fair and reasonable in each individual case to rural letter carriers serving heavily patronized routes not exceeding 38 miles in length: *Provided*, That in no case shall the total compensation of a rural letter carrier serving a heavily patronized route of 38 miles or less in length exceed $2,100 per annum, exclusive of maintenance allowance: *Provided further*, That the Postmaster General shall report to the Committees on Post Offices and Post Roads of the two Houses the number and names of the routes, on which these increases shall be made, by January 1, 1939, after which date no further increases shall be made."

SEC. 2. This act shall take effect on the first day of the calendar month next following the month in which this act is enacted.

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

TIMES AND PLACES OF HOLDING COURT IN OKLAHOMA

Mr. LEE. Mr. President, I ask unanimous consent to recur to Calendar No. 1883, being Senate bill 2927, introduced by my colleague [Mr. THOMAS], concerning the times and places of holding court in Oklahoma. The Senator from Arizona [Mr. ASHURST], has looked through the bill, and, as chairman of the committee, he has no objection.

Mr. ASHURST. Mr. President, I objected to the consideration of the bill when it was first called. I have looked into the matter, and have ascertained that the bill was reported by the Judiciary Committee. No expense to the Government is involved. The courtroom and other apparatus necessary for the court are furnished at the expense of the State. I have no objection.

Mr. KING. Mr. President, let me say to my friend from Oklahoma [Mr. LEE], that Senators who have been in the Chamber awaiting consideration of their bills are rather reluctant to keep recurring to bills which have been passed over. If we continue to do so, we shall never get through.

I shall not object to the consideration of this bill at the present time; but it seems to me that hereafter we ought to go through the calendar, and then recur if it is desired. Senators wait for hours trying to have their bills considered, and Senators who were not previously in the Chamber come in and ask to go back to the beginning. We shall never get through if we continue that practice. It is not fair to Senators who have been present continuously.

The PRESIDENT pro tempore. The Senator does not object to the consideration of the bill at this time. The amendments have heretofore been agreed to.

Is there objection to the present consideration of the bill?

There being no objection, the bill, as amended, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That section 101 of the Judicial Code, as amended (U. S. C., title 28, sec. 182; U. S. C., Supp. III, title 28, sec. 182; and 46 U. S. Stat. 829, ch. 714) be, and it is hereby, amended to read as follows:

"SEC. 101. The State of Oklahoma is divided into three judicial districts, to be known as the northern, the eastern, and the western districts of Oklahoma. The territory embraced on January 1, 1925, in the counties of Craig, Creek, Delaware, Mayes, Nowata, Osage, Ottawa, Pawnee, Rogers, Tulsa, and Washington, as they existed on said date, shall constitute the northern district of Oklahoma. Terms of the United States District Court for the Northern District of Oklahoma shall be held at Tulsa on the first Monday in January, at Vinita on the first Monday in March, at Pawhuska on the first Monday in May, at Miami on the first Monday in November, and at Bartlesville on the first Monday in June in each year: *Provided*, That a district judge of said district or, in absence of such district judge, a circuit judge assigned to hold court in said district may postpone or adjourn to a day certain any of said terms by order made in chambers at any other place designated as aforesaid for holding court in said district.

"The eastern district of Oklahoma shall include the territory embraced on the 1st day of January 1925, in the counties of Adair, Atoka, Bryan, Cherokee, Choctaw, Coal, Carter, Garvin, Grady, Haskell, Hughes, Johnston, Jefferson, Latimer, Le Flore, Love, McClain, Muskogee, McIntosh, McCurtain, Murray, Marshall, Okfuskee, Okmulgee, Pittsburg, Pushmataha, Pontotoc, Seminole, Stephens, Sequoyah, and Wagoner. Terms of the district court of the eastern district shall be held at Muskogee on the first Monday in January, at Ada on the first Monday in March, at Okmulgee on the third Monday in April, at Hugo on the third Monday in May, at McAlester on the fourth Monday in March, at Ardmore on the first Monday in October, at Chickasha on the first Monday in November, at Poteau on the second Monday in December, at Pauls Valley on the third Monday in November, and at Durant on the second Monday in June: *Provided*, That a district judge of said district or, in absence of such district judge, a circuit judge assigned to hold court in said district may postpone or adjourn to a day certain any of said terms by order made in chambers at any other place designated as aforesaid for holding court in said district.

"The western district of Oklahoma shall include the territory embraced on the 1st day of January 1925, in the counties of Alfalfa, Beaver, Beckham, Blaine, Caddo, Canadian, Cimarron, Cleveland, Comanche, Cotton, Custer, Dewey, Ellis, Garfield, Grant, Greer, Harmon, Harper, Jackson, Kay, Kingfisher, Kiowa, Lincoln, Logan, Major, Noble, Oklahoma, Payne, Pottawatomie, Roger Mills, Texas, Tillman, Washita, Woods, and Woodward. The terms of the district court for the western district shall be held at Oklahoma City on the first Monday in January, at Enid on the first Monday in March, at Guthrie on the first Monday in May, at Mangum on the first Monday in September, at Lawton on the first Monday in October, at Woodward on the first Monday in November, at Ponca City on the first Monday in December or at such time as a district judge of such district may deem advisable, and at Shawnee on the first Monday in October: *Provided*, That a district judge of said district or, in absence of such district judge, a circuit judge assigned to hold court in said district may postpone or adjourn to a day certain any of said terms by order made in chambers at any other place designated as aforesaid for holding court in said district: *And provided further*, That suitable rooms and accommodations for holding court at Pawhuska, Miami, and Bartlesville in the northern district; and at Durant, Hugo, Poteau, and Pauls Valley in the eastern district; and at Ponca City, Mangum, and Shawnee in the western district, are furnished free of expense to the United States until such time as the United States shall provide such rooms and accommodations at public expense, which said expense at any mentioned point, upon the recommendation of the Interdepartmental Treasury-Post Office Committee, is hereby authorized, or a Federal building containing such suitable rooms and accommodations shall be erected at such place.

"The clerk of the district court for the northern district shall keep his office at Tulsa; the clerk of the district court for the eastern district shall keep his office at Muskogee and shall maintain an office in charge of a deputy at Ardmore; the clerk for the western district shall keep his office at Oklahoma City and shall maintain an office in charge of a deputy at Guthrie."

CONSTRUCTION OF MUNICIPAL BUILDINGS IN THE DISTRICT

The Senate proceeded to consider the bill (S. 4024) authorizing advancements from the Federal Emergency Administration of Public Works for the construction of certain municipal buildings in the District of Columbia, and for other purposes, which was read, as follows:

Be it enacted, etc., That the Commissioners of the District of Columbia are hereby authorized to accept advancements for the District of Columbia from the Federal Emergency Administration of Public Works, created by the National Industrial Recovery Act, and said Administration with the approval of the President is authorized to advance to said Commissioners the sum of $18,150,000, or any part thereof, in addition to any sums heretofore advanced to the District of Columbia by said Administration, out of funds authorized by law for said Administration, for the acquisition, pur-

chase, construction, establishment, and development of public works, including among others a building or buildings for the municipal court, the recorder of deeds, and the juvenile court, or any of them, said buildings to be located on such portions or parts of Judiciary Square, or the area bounded by Fourth and Fifth Streets, D and G Streets, NW., or upon such other area or areas as shall be approved by said Commissioners and the National Capital Park and Planning Commission.

SEC. 2. The sum authorized by section 1 hereof, or any part thereof shall, when advanced, be available to the Commissioners of the District of Columbia for the acquisition by dedication, purchase, or condemnation of the fee-simple title to land, or rights or easements in land, for the public uses authorized by this act, and for the preparation of plans, designs, estimates, models, and specifications; and for architectural and other necessary professional services without reference to the Classification Act of 1923, as amended, and section 3709 of the Revised Statutes; for the construction of buildings, including materials and labor, heating, lighting, elevators, plumbing, landscaping, and all other appurtenances, and the purchase and installation of machinery, furniture, equipment, apparatus, and any and all other expenditures necessary for or incident to the complete construction and equipment for use of the aforesaid buildings and plants. All contracts, agreements, and proceedings in court for condemnation or otherwise, pursuant to this act shall be had and made in accordance with existing provisions of law except as otherwise herein provided.

SEC. 3. That the Federal Emergency Administration of Public Works shall be repaid 55 percent of any moneys advanced under section 1 of this act in annual installments over a period of not to exceed 25 years with interest thereon for the period of amortization: *Provided*, That such sums as may be necessary for the reimbursement herein required of the District of Columbia, and for the payment of interest, shall be included in the annual estimates of the Commissioners of the District of Columbia, the first reimbursement to be made on June 30, 1941: *Provided further*, That whenever the District of Columbia is under obligation by virtue of the provisions of section 4 of Public Act No. 284, Seventy-first Congress, reimbursement under that act shall be not less than $300,000 in any one fiscal year.

SEC. 4. That the Commissioners of the District of Columbia shall submit with their annual estimates to the Congress a report of their activities and expenditures under section 1 of this act.

SEC. 5. That the Commissioners of the District of Columbia are not authorized to borrow any further sum or sums under the provisions of an act of Congress known as Public Law No. 465, Seventy-third Congress, approved June 25, 1934, as amended by Public Law No. 51, Seventy-fourth Congress, approved May 6, 1935.

Mr. KING. Mr. President, I offer an amendment, which I send to the desk and ask to have stated. The amendment has been recommended by the Interior Department.

The PRESIDENT pro tempore. The amendment offered by the Senator from Utah will be stated.

The CHIEF CLERK. On page 2, line 10, it is proposed to strike out the period and insert a comma and the following:

and the making of such advances is hereby included among the purposes for which the funds heretofore appropriated or authorized for said administration, including funds appropriated by the Public Works Administration Appropriation Act of 1938, may be used in addition to the other purposes specified in the respective acts appropriating or authorizing said funds.

The PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the Senator from Utah [Mr. KING].

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

Mr. KING. I ask that the report of the committee on the bill, which report is brief, be included in the RECORD at this point.

There being no objection, the report (No. 1876) was ordered to be printed in the RECORD, as follows:

The Committee on the District of Columbia, to whom was referred the bill (S. 4024) authorizing advancements from the Federal Emergency Administration of Public Works for the construction of certain municipal buildings in the District of Columbia, and for other purposes, having considered the same, report favorably thereon and recommend that the bill do pass.

Under and by virtue of the terms of an act of Congress known as Public, No. 465, Seventy-third Congress, the District of Columbia was authorized to obtain loans from the Federal Emergency Administration of Public Works for the purpose of constructing certain public buildings. Public, No. 465, the Seventy-third Congress, was later amended by Public, 51, Seventy-fourth Congress, to include public buildings not specifically provided for in said Public, 465. Under the terms of these acts the District of Columbia is required to make repayments on a 70 percent basis. Congress has since liberalized its policy toward municipalities with respect to the percentage of repayments of the amounts advanced, and the present bill, if enacted into law, would give the District of Columbia the right to make loans from the Federal Emergency Administration of Public Works on the same basis as other municipalities throughout the United States.

The committee is advised that the District of Columbia is in urgent need of many public buildings, and the passage of the present bill would permit the immediate construction of these buildings, included in which are such buildings as the municipal and juvenile courts; other buildings in the municipal center. The bill would also permit the repayment of the loans advanced on the same basis as other municipalities. There seems to be no sound reason why the District of Columbia should be treated differently than municipalities in the States.

The committee has been advised that the proposed bill was submitted to the Director of the Budget, who advises that there is no objection on the part of the Bureau of the Budget in connection with this matter.

ADDITION OF LANDS TO WENATCHEE NATIONAL FOREST

The bill (S. 3286) to authorize the addition of certain lands to the Wenatchee National Forest was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That any of the following-described lands which are found by the Secretary of Agriculture to be chiefly valuable for national-forest purposes may be exchanged under the provisions of the act entitled "An act to consolidate national forest lands," approved March 20, 1922, as amended, and upon acceptance of title therefor shall become parts of the Wenatchee National Forest: Sections 1 to 6, inclusive, township 26 north, range 21 east, Willamette meridian; and sections 19 to 36, inclusive, and the southeast quarter section 24, all in township 27 north, range 21 east, Willamette meridian.

SEC. 2. All public lands within the areas described in section 1 are hereby added to the Wenatchee National Forest and shall hereafter become subject to all laws and regulations applicable to national forests. The addition of such lands shall not affect any entry or vested right under the public land laws initiated prior to the passage of this act.

FUEL FOR NEEDY PERSONS FROM LANDS OF AGRICULTURAL EXPERIMENT STATION NEAR MILES CITY, MONT.

The Senate proceeded to consider the bill (S. 3132) granting to certain needy persons the right to obtain fuel from lands of the agricultural experiment station near Miles City, Mont., which was read, as follows:

Be it enacted, etc., That the right is hereby granted to any resident of Miles City, Mont., who establishes to the satisfaction of the superintendent of the agricultural experiment station maintained upon the lands transferred to the Department of Agriculture by the act entitled "An act to transfer jurisdiction over a portion of the Fort Keogh Military Reservation, Mont., from the Department of the Interior to the United States Department of Agriculture for experiments in stock raising and growing of forage crops in connection therewith," approved April 15, 1924, that he is unable by reason of lack of funds to purchase such fuel as may be required to satisfy his personal needs to enter upon such lands and to take therefrom such wood and coal for fuel as may be required to satisfy his personal needs. The rights conferred by this section shall be exercised subject to such regulations as the Secretary of Agriculture may prescribe for the purpose of preventing persons exercising such rights from (1) injuring the property located upon such lands, (2) interfering with the agricultural experiments and operations conducted upon such lands, (3) using wasteful methods in extracting coal from such lands.

Mr. WHEELER. Mr. President, I send to the desk an amendment, which I ask to have stated.

The PRESIDENT pro tempore. The amendment will be stated.

The CHIEF CLERK. On page 2, line 4, after the word "therefrom", it is proposed to strike out "such wood" and insert in lieu thereof "certain wood commonly described as dead or down timber"; and in line 11, after the word "coal", to insert "or taking certain wood."

The PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the Senator from Montana [Mr. WHEELER].

The amendement was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

NATIONAL FORESTS IN MONTANA

The bill (S. 3157) to empower the President of the United States to create new national-forest units and make additions to existing national forests in the State of Montana,

was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the President of the United States is authorized, in his discretion, to add to existing national forests, or to include within new national forests, by proclamation or Executive order, any unappropriated public lands of the United States situated in the State of Montana which, in his opinion, are chiefly valuable for the production of timber or the protection of watersheds: *Provided*, That the inclusion of such lands within a national forest shall be subject to any claim, entry, or appropriation under the public land laws then valid and subsisting and thereafter legally maintained.

SEC. 2. All previous acts and parts of acts in conflict herewith are hereby repealed insofar as they apply to the State of Montana.

GRAZING AND AGRICULTURAL LEASES ON PUBLIC LANDS

The Senate proceeded to consider the bill (S. 3763) to increase the period for which leases may be made for grazing and agricultural purposes of public lands donated to the States of North Dakota, South Dakota, Montana, and Washington by the act of February 22, 1889, as amended.

Mr. KING. Mr. President, I should like an explanation of that bill from my friend the Senator from Montana.

Mr. WHEELER. Mr. President, the bill simply permits the State of Montana and the other States mentioned, if they desire to do so, to extend the time of leases on public lands to stock raisers. It is not compulsory, but if the State wants to do it, then, the bill would permit the State to do it. Both the Departments interested have recommended the passage of the bill, and the stockmen in the State of Montana and a number of other States are in favor of it.

Mr. KING. I have had one objection only, based upon the fact that the fortunate stockmen, those who have permits and have large blocks of land, may receive extensions of their leases for 10 years, while the young man coming up and the poor man who is trying to get into the stock business are at a great disadvantage.

Mr. WHEELER. I may say to the Senator that this bill does not change the law. It only applies if the legislature of the State of Montana or the other States want to change it; then, they are permitted to do it. It is a matter for the State legislatures to pass upon. The contention of the stockmen is that at the present time it is not possible for them to stock up their land and to take care of it as they should take care of it and as they would take care of it if they had longer leases.

Mr. KING. I will not object to the bill, but I do not like it.

The PRESIDENT pro tempore. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That so much of the second paragraph of section 11 of the act relating to the admission into the Union of the States of North Dakota, South Dakota, Montana, and Washington, approved February 22, 1889, as amended, as reads "but leases for grazing and agricultural purposes shall not be for a term longer than 5 years", is amended to read as follows: "but leases for grazing and agricultural purposes shall not be for a term longer than 10 years".

IDA MAY SWARTZ

The bill (S. 4005) for the relief of Ida May Swartz, was considered, ordered to be engrossed for a third reading read the third time, and passed, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Ida May Swartz, of Elko, Nev., the sum of $40.45, in full satisfaction of her claim against the United States for services rendered as United States commissioner in the district of Nevada, for the quarter beginning September 1, 1937, and ending November 30, 1937, for which services she has received no compensation.

SEC. 2. For the purpose of determining the amount of compensation to which said Ida May Swartz is entitled for any services rendered by her as United States commissioner in the district of Nevada during the quarter beginning December 1, 1937, and ending February 28, 1938, said Ida May Swartz shall be deemed to have been reappointed as United States commissioner in the district of Nevada effective September 8, 1937.

SEC. 3. No part of any sum paid to said Ida May Swartz by reason of the enactment of this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with the claim of said Ida May Swartz for compensation for services rendered by her as United States commissioner in the district of Nevada. Any person violating any provision of this section shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

SUSAN LAWRENCE DAVIS

The Senate proceeded to consider the bill (H. R. 7759) for the relief of Susan Lawrence Davis, which had been reported from the Committee on Claims with an amendment, on page 1, line 10, after the words "sum of", to strike out "$3,600" and insert $500", so as to make the bill read:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay to Susan Lawrence Davis, of Washington, D. C., out of any money in the Treasury to the credit of the United States and the government of the District of Columbia not otherwise appropriated, in the same proportion that the annual fiscal expenses of the government of the District of Columbia were paid for the fiscal year ending June 30, 1932, the sum of $500, in full satisfaction and settlement of all claims against the United States and the government of the District of Columbia on account of damage to her business and reputation resulting from her illegal arrest on May 2, 1932, by a policewoman of the Metropolitan Police Department, and her subsequent confinement in Gallinger Municipal Hospital for mental examination: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

CONTROL OF SOIL EROSION, ETC., ANGELES NATIONAL FOREST, CALIF.

The bill (S. 1946) to facilitate the control of soil erosion and flood damage originating upon lands within the exterior boundaries of the Angeles National Forest in the State of California was announced as next in order.

Mr. KING. Mr. President, I wish to make an inquiry regarding this bill, as to whether it is wise to confer upon the Executive authority and discretion to acquire all public lands? It is true we have heretofore enacted laws to prevent the President of the United States by proclamation from attaching public lands to reserves. Now, apparently, we are proposing to confer authority upon the President to take lands from the public domain and attach them to reserves.

Mr. O'MAHONEY. Mr. President, will the Senator yield?

Mr. KING. I yield.

Mr. O'MAHONEY. Let me call the Senator's attention to Order of Business 1798, which is House bill 5685.

Mr. KING. I am referring to Order of Business 1983.

Mr. O'MAHONEY. I understand the Senator is, but I am inclined to believe there is a duplication and that the bill now before the Senate is the same as the one which has already been passed, although it is apparently under a different number. The titles of the two bills seem to be exactly the same.

Mr. KING. What is the number of the bill to which the Senator refers?

Mr. O'MAHONEY. It is Order of Business 1798, House bill 5685. If the Senator will look on page 8 of the calendar he will find it there.

Mr. KING. It seems to me that the Senator from Wyoming correctly represents the situation. I think we had better let this bill go over without prejudice.

The PRESIDENT pro tempore. On objection, the bill will be passed over.

BILL PASSED OVER

The bill (S. 2492) to amend the Packers and Stockyards Act, as amended, by the addition of certain sections was announced as next in order.

Mr. KING. I should like an explanation of this bill. Otherwise I ask that it go over.

The PRESIDENT pro tempore. The bill will be passed over.

PROTECTION OF WATERSHEDS FOR THE BENEFIT OF MUNICIPALITIES

The Senate proceeded to consider the bill (S. 2792) to authorize the withdrawal of national-forest lands for the protection of watersheds from which water is obtained for municipalities, and for other purposes, which had been reported from the Committee on Agriculture and Forestry with amendments, on page 2, line 1, after the word "any", to strike out "lands of the United States within the national forests" and insert "national forest lands"; in line 6, after the word "Congress", to insert "*Provided*, That nothing herein shall affect the power of the Secretary of the Interior to withdraw and utilize withdrawn lands under the Federal reclamation laws"; and on page 3, section 3, line 6, after the word "withdrawn", to strike out "said" and insert "and the Secretary of Agriculture agrees to withhold such resources from utilization. Said", so as to make the bill read:

Be it enacted, etc., That whenever a municipality obtains its water supply from a national forest and has entered into a cooperative agreement with the Secretary of Agriculture for the protection of the watershed within the national forest from which the water is secured, the President of the United States may, and he is hereby, authorized, upon application by said municipality, approved by the Secretary of Agriculture, to reserve and set aside from all forms of location, entry, or appropriation any national forest lands, which are covered by such cooperative agreement, subject, however, to valid, existing rights and claims, and such reservation shall remain in force until revoked by the President or by an act of Congress: *Provided*, That nothing herein shall affect the power of the Secretary of the Interior to withdraw and utilize withdrawn lands under the Federal reclamation laws: *And provided further*, That the President, upon recommendation of the Secretaries of the Interior and Agriculture, may, by Executive order, when in his judgment the public interest would best be served thereby and after reasonable notice has been given through the Department of the Interior, restore any of the lands so withdrawn to appropriation under an applicable public-land law.

SEC. 2. Lands withdrawn under the provisions of this act shall be administered by the Secretary of Agriculture under such agreements for the protection of the watershed as he may make with the municipality concerned, and the Secretary of Agriculture is hereby authorized, in addition to the rules and regulations adopted for the administration of the national forests, to adopt and prescribe such further rules and regulations as he considers necessary to effect the adequate protection of the watershed, including a rule or regulation forbidding persons other than forest officers and representatives of the municipality from going on the lands so reserved or making any use whatever thereof.

SEC. 3. Whenever national-forest lands are withdrawn under this act, and the municipality concerned objects to the utilization of the timber or other resources of lands withdrawn and the Secretary of Agriculture agrees to withhold such resources from utilization said municipality shall pay to the Forest Service annually an amount which the Secretary of Agriculture shall determine is necessary to reimburse the United States for the loss of net annual revenues which would be derived from the resources so withheld from disposition.

SEC. 4. Any violation of the regulations issued under this act shall be punished as is provided in section 50 of the act entitled "An act to codify, revise, and amend the penal laws of the United States" approved March 4, 1909 (35 Stat. L. 1098).

Mr. KING. Mr. President, will the Senator from Oregon make a brief explanation of the bill?

Mr. McNARY. Mr. President, I shall be glad to do so. This bill was placed in my hands by the Forest Service. It provides that whenever a municipality obtains its water supply from national forests the President may reserve and set aside such area from location or entry in order to protect the watersheds, thus preventing the sale of the land and giving it a permanent status so far as protecting the watershed and insuring the purity of the supply of water for the municipality are concerned. That is all the bill does. In a great many Western States it will be recalled, and also in many in the South, the water supply of cities is derived from the national forests. Sometimes the Secretary of Agriculture and the Forest Service have disposed of the lands in such forests, thereby leaving the city without proper protection of its water supply. This bill simply permits the President to set aside and dedicate forever the lands which embrace the watersheds affording the water supply to municipalities, and to prevent the sale of such land. That is the purpose of the measure.

Then, there is an amendment to permit the Secretary of the Interior to withdraw and utilize withdrawn lands of the public domain for reclamation purposes. It was thought that such a provision should be in the bill, so that it would not seem as if it were an attempt to tie the hands of the Interior Department in connection with reclamation work.

Mr. KING. Mr. President, may I inquire of the Senator whether the provision is that the Secretary of the Interior may withdraw any lands that he sees fit and may deem feasible and necessary for reclamation purposes?

Mr. McNARY. Oh, no. I was speaking generally, of course. The provision is found on page 2, line 6. May I read it to the Senator?

Mr. KING. I shall be glad to hear the Senator read it.

Mr. McNARY. It reads:

Provided, That nothing herein shall affect the power of the Secretary of the Interior to withdraw and utilize withdrawn lands under the Federal reclamation laws.

It is intended simply to leave the Secretary of the Interior free from any proclamation the President might issue under the provisions of the bill.

That amendment was not contained in the bill as I introduced it but it was suggested by Secretary Ickes, and the committee saw no reason why the bill should constitute a limitation on the jurisdiction of the Secretary of the Interior under the Federal reclamation laws.

Mr. KING. I may say to the Senator that heretofore a number of municipalities in my State, and I think in others, have come to Congress to have lands which were indisputably necessary for the protection of their water supply set aside, and they have been compelled to pay $1.25 an acre for the lands which were set aside, but here is the proposition to give all the lands free.

Mr. McNARY. No, it does not convey the title of the lands to the municipality. The Senator is quite right that some of the bills heretofore passed have contained such a provision as that to which he refers. The water supply for the city of Portland, Oreg., is taken from the Bull Run National Forest, and the city paid $1.25 an acre, but the title passed to the city. In this case title remains in the Government. The President may simply dedicate the property, I may say, to the perpetual use of the purpose set forth in the bill. If the city does not use the land for the protection of its water supply, it reverts to its original use.

If the Senator wants to look into the bill further I shall be glad to have it go over.

Mr. KING. I am so much in sympathy with the protection of the watersheds to assure pure water for municipalities, for municipalities have suffered greatly from the grazing in their watersheds, that I am in favor of any measure that will protect the municipalities. If that is all the bill does, I am in favor of it.

Mr. McNARY. I understand that this bill is more generous in the employment of Government resources than the previous measures under which $1.25 per acre was paid by the municipalities. Its general application affects many cities throughout the country. I repeat, if the Senator should like time to study the bill, I am in no hurry about it.

Mr. KING. I will consent that the bill be passed; and I will look into it, and later, if I should decide to do so, I may enter a motion to reconsider.

Mr. NORRIS. Mr. President, I think the bill proposes to carry out the ideas of the Senator from Utah, with which I am in full sympathy. I do not believe the Government ought to charge a municipality $1.25 an acre for this kind of land which is necessary to protect watersheds. It is not like we were giving it to a private person or selling it to him; it is giving it, in reality, to the public. I think that is all this bill proposes to do.

Mr. McNARY. That is all.

Mr. KING. I am in sympathy with that object, and if that is all it proposes, I will allow the bill to be passed. If on further study I should desire to take further action, I may enter a motion to reconsider.

Mr. McNARY. If upon examination the Senator finds that he objects to the bill, I myself will ask unanimous consent that it be reconsidered.

The PRESIDENT pro tempore. The question is on agreeing to the amendments reported by the committee.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

CONTROL OF SOIL EROSION, ETC., SAN BERNARDINO AND CLEVELAND NATIONAL FORESTS, CALIF.

The bill (H. R. 7933) to facilitate the control of soil erosion and/or flood damage originating upon lands within the exterior boundaries of the San Bernardino and Cleveland National Forests in Riverside County, Calif., was considered, ordered to a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Secretary of Agriculture, with the approval of the National Forest Reservation Commission established by section 4 of the act of March 1, 1911 (U. S. C., title 16, sec. 513), is hereby authorized to acquire by purchase any lands within the boundaries of the San Bernardino and Cleveland National Forests, in the county of Riverside, State of California, which, in his judgment, should become the property of the United States in order that they may be so managed with other lands of the United States as to minimize soil erosion and flood damage, and to pay for said lands from those proportions of the entire receipts from the sale of natural resources other than mineral or occupancy of public land within the San Bernardino and Cleveland National Forests which are equal to the proportion of the net areas of said forests which are within the county of Riverside, State of California, which receipts are hereby authorized to be appropriated for that purpose until said lands have been acquired: *Provided*, That so long as said receipts are used in the manner herein authorized, the provisions of the act approved May 23, 1908 (U. S. C., title 16, sec. 500), shall not be applicable to said county of Riverside.

APPEALS BY FARMERS IN BANKRUPTCY CASES

The Senate proceeded to consider the bill (S. 3230) to amend an act entitled "An act to establish a uniform system of bankruptcy throughout the United States," approved July 1, 1898, and acts amendatory thereof and supplementary thereto, which was read, as follows:

Be it enacted, etc., That paragraph (4) of subsection (s) of section 75 of the act of July 1, 1898, entitled "An act to establish a uniform system of bankruptcy throughout the United States," as amended, be further amended by adding at the end thereof the following sentence: "Any farmer whose petition for relief under the provisions of this section has been or shall be denied by the court may appeal from such decision, if it is otherwise appealable, without being required to pay any costs incident to prosecuting said appeal, upon filing in said court a statement under oath, that because of his poverty he is unable to pay the costs of said appeal, or to give security for the same, and that he believes he is entitled to the redress he seeks in such appeal. In such event, the transcript of the record and briefs need not be printed, but the appeal shall be heard and determined on the typewritten record and briefs."

Mr. BULKLEY. Mr. President, I introduced this bill feeling that it would give adequate relief to the farmer, but my attention has been called to certain circumstances in which the relief may not be quite adequate. I send to the desk an amendment to broaden the relief.

Mr. KING. Mr. President, may I ask the Senator from Ohio if he has examined the bankruptcy bill which is now pending? It seems to me that chapter 12 of the bankruptcy bill which is now on the calendar will adequately deal with this matter.

Mr. BULKLEY. I will say that I discussed that with the Senator from Wyoming, and we came to the conclusion that it did not cover the same point.

The PRESIDENT pro tempore. The amendment offered by the Senator from Ohio will be stated.

The LEGISLATIVE CLERK. On page 1, line 7, after the word "farmer", it is proposed to strike out down to and including the word "court" in line 9, and after "from" to insert "any", and after "decision" to insert "and ruling under the provisions of this section", so as to make the bill read:

Be it enacted, etc., That paragraph (4) of subsection (s) of section 75 of the act of July 1, 1898, entitled "An act to establish a uniform system of bankruptcy throughout the United States", as amended, be further amended by adding at the end thereof the following sentence: "Any farmer may appeal from any such decision and ruling under the provisions of this section if it is otherwise appealable, without being required to pay any costs incident to prosecuting said appeal, upon filing in said court a statement under oath, that because of his poverty he is unable to pay the costs of said appeal, or to give security for the same, and that he believes he is entitled to the redress he seeks in such appeal. In such event, the transcript of the record and briefs need not be printed, but the appeal shall be heard and determined on the typewritten record and briefs."

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

JOHN PHILIP SOUSA BRIDGE

The bill (S. 2651) to name the bridge to be erected over the Anacostia River in the District of Columbia after the late "March King", John Philip Sousa, composer of the "Stars and Stripes Forever", was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the bridge authorized to be erected over the Anacostia River, in the District of Columbia, in the line of Pennsylvania Avenue be hereafter known as the John Philip Sousa Bridge.

DR. SIGFRIED SPEYER

The Senate proceeded to consider the bill (S. 3694) to provide for the issuance of a license to practice the healing art in the District of Columbia to Dr. Sigfried Speyer, which had been reported from the Committee on the District of Columbia with amendments, on page 1, line 8, after the word "authorized", to strike out "and directed", and in line 10, after the words "District of Columbia", to insert "if found qualified", so as to make the bill read:

Be it enacted, etc., That notwithstanding any limitation relating to the time within which an application for a license must be filed or to the granting of licenses on a reciprocal basis in the jurisdiction from which the applicant came, the Commission on Licensure to Practice the Healing Art in the District of Columbia is authorized to issue a license to practice the healing art in the District of Columbia to Dr. Sigfried Speyer, of Washington, D. C., if found qualified in accordance with the provisions of section 25 of the Healing Arts Practice Act, District of Columbia, 1928.

Mr. BARKLEY. Mr. President, I should like to ask the Senator from New York [Mr. COPELAND] the reason for introducing a special bill giving to anybody the right to practice the healing art.

Mr. COPELAND. Mr. President, this man must conform to the regulations and laws of this city. He is a refugee, a man of great distinction. Whether or not he is actually to be admitted to practice will depend upon the action of the Commission on Licensure.

Mr. BARKLEY. The bill does not automatically admit him to practice?

Mr. COPELAND. Oh, no! He must meet the requirements of the Commission.

The PRESIDENT pro tempore. The question is on agreeing to the amendments reported by the committee.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

WASHINGTON COLLEGE OF LAW

The joint resolution (H. J. Res. 582) supplementing and amending the act for the incorporation of Washington College of Law, organized under and by virtue of a certificate of incorporation pursuant to class 1, chapter 18, of the Revised Statutes of the United States relating to the District of Columbia, was considered, ordered to a third reading, read the third time, and passed.

AMENDMENT OF AGRICULTURAL ADJUSTMENT ACT OF 1938

The Senate proceeded to consider the bill (S. 3986) to amend subsection (d) of section 202 of the Agricultural Adjustment Act of 1938, as amended, which was read, as follows:

Be it enacted, etc., That subsection (d) of section 202 of the Agricultural Adjustment Act of 1938, as amended, is amended to read as follows:

"(d) To carry out the purposes of subsection (a), the Secretary is authorized to utilize in each fiscal year, beginning with the fiscal year beginning July 1, 1938, a sum not to exceed $4,000,000 of the funds appropriated pursuant to section 391 of this act, or section 15 of the Soil Conservation and Domestic Allotment Act,

as amended, for such fiscal year: *Provided*, That for the fiscal year beginning July 1, 1938, one-fourth of such sum shall be available from the funds so appropriated for such fiscal year for the establishment, maintenance, and operation of a regional research laboratory in one of the States located in the cotton-producing area, and the Secretary of Agriculture is authorized and directed to proceed with the establishment of such laboratory at the earliest practicable date after the beginning of such fiscal year. The Secretary shall allocate one-fourth of such sum annually to each of the four laboratories established pursuant to this section: *Provided*, That until all of such laboratories are established such allocation shall not be made."

Mr. KING. Mr. President, I should like an explanation of this bill. It seems to appropriate $4,000,000 more.

Mr. BILBO. Mr. President, the bill does not increase the present appropriation. It merely authorizes the Secretary of Agriculture to proceed at once with the construction of a research laboratory for the cotton area. The investigation has been going on for a couple of years, and the Department now is ready to proceed with the construction of the laboratory.

Mr. HATCH. Mr. President, does the bill designate the particular place at which the laboratory is to be located?

Mr. BILBO. No. It is to be located in the cotton area. It may be in New Mexico.

The PRESIDING OFFICER (Mr. HILL in the chair). The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

MISSOURI RIVER BRIDGE, ARROW ROCK, MO.

The bill (S. 3989) to extend the times for commencing and completing the construction of a bridge across the Missouri River at or near Arrow Rock, Mo., was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the times for commencing and completing the construction of a bridge across the Missouri River at or near Arrow Rock, Mo., authorized to be built by the county court of Saline County, Mo., by an act of Congress approved August 12, 1937, are hereby extended 1 and 3 years, respectively, from August 12, 1938.

SEC. 2. The right to alter, amend, or repeal this act is hereby expressly reserved.

MISSOURI RIVER BRIDGE, MIAMI, MO.

The Senate proceed to consider the bill (S. 3990) to extend the times for commencing and completing the construction of a bridge across the Missouri River at or near Miami, Mo., which had been reported from the Committee on Commerce with amendments, on page 1, line 6, after "1936", to insert "and heretofore extended by an act of Congress approved June 19, 1936", and in line 8, after the word "hereby", to insert "further", so as to make the bill read:

Be it enacted, etc., That the times for commencing and completing the construction of a bridge across the Missouri River, at or near Miami, authorized to be built by Saline County, Mo., by an act of Congress approved January 16, 1936, and heretofore extended by an act of Congress approved June 19, 1936, are hereby further extended 1 and 3 years, respectively, from the date of approval hereof.

SEC. 2. The right to alter, amend, or repeal this act is hereby expressly reserved.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

YOUNG WOMEN'S CHRISTIAN ASSOCIATION OF THE DISTRICT

The bill (S. 4035) to exempt the property of the Young Women's Christian Association in the District of Columbia from national and municipal taxation was announced as next in order.

The PRESIDING OFFICER. This bill is the same as House bill 10673, Calendar No. 2008, which, without objection, will be substituted for it.

The Senate proceeded to consider the bill (H. R. 10673) to exempt the property of the Young Women's Christian Association in the District of Columbia from national and municipal taxation, which was ordered to a third reading, read the third time, and passed.

The PRESIDING OFFICER. Without objection, Senate bill 4035 will be indefinitely postponed.

AMENDMENT OF DISTRICT OF COLUMBIA EMPLOYEES' COMPENSATION ACT

The bill (H. R. 7834) to amend the act entitled "An act to provide compensation for disability or death resulting from injuries to employees in certain employments in the District of Columbia, and for other purposes," was considered, ordered to a third reading, read the third time, and passed.

OREGON AVENUE, DISTRICT OF COLUMBIA

The joint resolution (S. J. Res. 290) for the designation of a street to be known as "Oregon Avenue," and for other purposes, was announced as next in order.

The PRESIDING OFFICER. This joint resolution is the same as House Joint Resolution 672, Calendar No. 2009, which, without objection, will be substituted for the Senate measure.

The Senate proceeded to consider the joint resolution (H. J. Res. 672) for the designation of a street to be known as Oregon Avenue, and for other purposes, which was ordered to a third reading, read the third time, and passed.

The PRESIDING OFFICER. Without objection, Senate Joint Resolution 290 will be indefinitely postponed.

RECORDING OF LIENS ON AUTOMOBILES IN THE DISTRICT

The bill (S. 3261) to amend paragraphs (b), (c), and (d) of section 6 of the District of Columbia Traffic Act, 1925, as amended by acts of July 3, 1926, and February 27, 1931, and for other purposes, was announced as next in order.

Mr. TRUMAN. Let the bill go over.

Mr. OVERTON. Mr. President, will the Senator from Missouri withhold his objection while I make an explanation of the bill?

Mr. TRUMAN. Certainly.

Mr. OVERTON. The purpose of the bill is to place in the Department of Traffic of the District of Columbia the recordation of liens and mortgages against automobiles and motor vehicles generally. It is in that department that the certificate of title is issued; so, if the bill shall be passed, anyone purchasing an automobile will be able to obtain in that office all the information upon the certificate of title. It will be a matter of great convenience to the public and to those dealing in automobiles, and a matter of great security to them.

The passage of the bill has been recommended by the Commissioners of the District of Columbia, and also by the District of Columbia Bankers' Association, the Bar Association, the Federation of Citizens' Associations, the District of Columbia Division of the American Automobile Association, the Keystone Automobile Club, and the trade associations and finance companies in the District of Columbia. Hearings were held on the bill, and nobody at all objected to it, with the exception of the Recorder of Deeds. It will result in a saving of over $50,000 annually in the recordation of liens against automobiles; and I hope the Senator from Missouri will withdraw his objection.

Mr. TRUMAN. I ask that the bill go over.

The PRESIDING OFFICER. The bill will be passed over.

AMENDMENT OF DISTRICT OF COLUMBIA ALCOHOLIC BEVERAGE CONTROL ACT

The bill (H. R. 9417) to amend the District of Columbia Alcoholic Beverage Control Act was considered, ordered to a third reading, read the third time, and passed.

ESTABLISHMENT OF COMMISSARY IN WASHINGTON ASYLUM AND JAIL

The bill (H. R. 9404) to provide for the establishment of a commissary or vending stand in the Washington Asylum and Jail was considered, ordered to a third reading, read the third time, and passed.

AMENDMENT OF VIADUCT BRIDGE ACT OF THE DISTRICT

The bill (S. 4025) to amend the act of August 9, 1935 (Public, No. 259, 74th Cong., 1st sess.) was announced as next in order.

The PRESIDING OFFICER. This bill is the same as House bill 10643, Calendar No. 2007, which, without objection, will be substituted for the Senate bill.

The Senate proceeded to consider the bill (H. R. 10643) to amend the act of August 9, 1935 (Public, No. 259, 74th Cong., 1st sess.), which was ordered to a third reading, read the third time, and passed.

The PRESIDING OFFICER. Without objection, Senate bill 4025 will be indefinitely postponed.

DESIGN FOR FLAG FOR DISTRICT OF COLUMBIA

The bill (S. 3435) to create a commission to procure a design for a flag for the District of Columbia, and for other purposes, was announced as next in order.

The PRESIDING OFFICER. This bill is the same as House bill 9475, Calendar No. 2005, which, without objection, will be substituted for the Senate bill.

The Senate proceeded to consider the bill (H. R. 9475) to create a commission to procure a design for a flag for the District of Columbia, and for other purposes, which was ordered to a third reading, read the third time, and passed.

The PRESIDING OFFICER. Without objection, Senate bill 3435 will be indefinitely postponed.

LEVYING AND COLLECTING OF TAXES AND ASSESSMENTS IN THE DISTRICT

The bill (S. 3846) relating to the levying and collecting of taxes and assessments, and for other purposes, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That any property owner aggrieved by any special assessment levied by the District of Columbia for any public improvement, other than a special assessment levied by a jury in a condemnation proceeding, may, within 60 days after service of notice of such assessment as provided in section 3 hereof, file with the Commissioners of the District of Columbia a protest in writing against such assessment setting forth specifically the grounds of such protest and may request a hearing thereon. No ground of protest not specifically set forth need be considered by the Commissioners. If a hearing is requested the same shall be held, in the discretion of the Commissioners, either before them or before one or more agents designated by them. At such hearing, physical facts which may be ascertained by view may be considered whether proven or not. If the hearing is held before an agent or agents, such agent or agents shall report in writing to the Commissioners the substance of the evidence taken and the arguments made at the hearing, together with the findings (which may include a statement of any physical facts not proven at the hearing but which may be ascertained by view) and the recommendations of such agent or agents. A copy of such report, findings, and recommendations shall be mailed to the protestant 10 days before being presented to the Commissioners, and the protestant may, before such report, findings, and recommendations are presented to the Commissioners, file with such agent or agents exceptions to such report and findings, which exceptions shall be presented to the Commissioners with such report, findings, and recommendations. If the Commissioners find that the property of the owner so protesting is not benefited by the improvement for which said assessment is levied, or is benefited less than the amount of such assessment or is unequally or inequitably assessed with relation to other property abutting such improvement, said Commissioners shall abate, reduce, or adjust such assessment in accordance with such findings. In computing the time hereinafter provided in which a special assessment may be paid without interest there shall be excluded therefrom the time between the date of the filing of any such protest and the date of mailing notice of the action thereon by the Commissioners. This section shall be effective only as to assessments levied for work completed subsequent to the passage and approval of this act.

SEC. 2. The Commissioners of the District of Columbia are authorized, but not directed, whenever in their judgment and discretion any property upon which a special assessment has been levied by the District of Columbia is not benefited by the improvement for which such special assessment was levied, or is benefited less than the amount of such assessment, or is unequally or inequitably assessed with relation to other property abutting such improvement, to abate, reduce, or adjust such assessment in accordance with such finding. This section shall not apply to any assessment levied by a jury in a condemnation proceeding, or to any assessment levied for work completed subsequent to the passage and approval of this act, or to any assessment levied under the act of Congress entitled "An act to provide for special assessments for the paving of roadways and the laying of curbs and gutters," approved February 20, 1931: *Provided, however*, That nothing in this section shall be construed as affecting protests filed under the provisions of said act of February 20, 1931, within the time prescribed in said act.

SEC. 3. (a) When any special assessment for a public improvement, with the exception of assessments levied in condemnation proceedings, is levied by the District of Columbia upon any lot or parcel of land, notice of the levying of such assessment shall be served upon the record owner thereof in the manner herein provided, and if there be more than one record owner of such lot or parcel of land, notice served on one of the owners shall be sufficient. If the address of the owner be unknown or if the owner be a nonresident, such notice shall be served on his tenant or agent. The service of such notice shall be either personal or by leaving the same with some person of suitable age at the residence or place of business of such owner, agent, or tenant. If there be no tenant or agent known to the Commissioners, then they shall give notice of such assessment by advertisement once a week for two successive weeks in some daily newspaper of general circulation published in the District of Columbia. The cost of such publication shall be paid out of the general revenues of the District. The notice herein provided for shall be in lieu of any and all other notice now required by law.

This subsection shall apply to all assessments (other than assessments in condemnation proceedings) notice of which has not been served prior to the approval of this act.

(b) All special assessments authorized to be levied by the District of Columbia for public improvements, with the exception of assessments levied in condemnation proceedings, may be paid without interest within 60 days from the date of service of notice or of the last publication of notice, as the case may be. Interest of one-half of 1 percent for each month or part thereof shall be charged on all unpaid amounts from the expiration of 60 days from the date of service or last publication, as the case may be. Any such assessment may be paid in three equal installments with interest thereon. If any such assessment or any part thereof shall remain unpaid after the expiration of 2 years from date of service of notice or last publication of notice, as the case may be, the property against which said assessment was levied may be sold for such assessment or unpaid portion thereof with interest and penalties thereon at the next ensuing annual tax sale in the same manner and under the same conditions as property sold for delinquent general taxes, if said assessment with interest and penalties thereon shall not have been paid in full prior to said sale.

This subsection shall apply only to assessments for public improvements completed subsequent to the date of the approval of this act, and assessments for public improvements completed on or before the date of the approval of this act shall be levied and collected and bear interest as if this act had not been passed, except that where service sewers or water mains, or both, have been laid prior to the approval of this act, but assessments therefor have not been levied for the reason that the property abutting the street, avenue, road, or alley in which the service sewer or water main is laid has not been subdivided, assessments for such sewers or water mains, or both, levied after the approval of this act because of the subdivision of the property or its connection with the sewer or water main, or both, shall be levied, collected, and bear interest as provided in this subsection.

SEC. 4. Special assessments authorized to be levied in condemnation proceedings instituted by the District of Columbia may be paid without interest within 60 days after the ratification or confirmation of the verdict of the jury. Interest of one-third of 1 percent for each month or part thereof shall be charged on all unpaid amounts from the expiration of 60 days from the date of ratification or confirmation of the verdict of the jury. Any such assessment may be paid in five equal installments with interest thereon. If any such assessment or any part thereof shall remain unpaid after the expiration of 4 years from the date of the ratification or confirmation of the verdict of the jury, the property against which said assessment was levied may be sold for such assessment or unpaid portion thereof with interest and penalties thereon at the next ensuing annual tax sale in the same manner and under the same conditions as property sold for delinquent general taxes, if said assessment with interest and penalties thereon shall not have been paid in full prior to said sale. This section shall apply only to assessments ratified or confirmed by the court after the date of the approval of this act and assessments ratified or confirmed on or before the date of the approval of this act shall be levied and collected and bear interest as if this act had not been passed.

SEC. 5. All assessments authorized to be levied by the District of Columbia to reimburse it for money expended in the removal of nuisances shall bear interest at the rate of one-half of 1 percent per month or part thereof from the date such assessment was levied. If any such assessment shall remain unpaid after the expiration of 60 days from the date such assessment was levied the property against which such assessment was levied may be sold for such assessment with interest and penalties thereon at the next ensuing annual tax sale in the same manner and under the same conditions as property sold for delinquent general taxes, if such assessment with interest and penalties thereon shall not have been paid in full prior to said sale.

SEC. 6. The Commissioners of the District of Columbia are hereby authorized and directed, in any case where a special assessment for public improvements in the District of Columbia, other than an assessment levied by a jury in a condemnation proceeding, has been or hereafter may be quashed, set aside, or declared void by any court for any reason other than the right of the public authorities to levy an assessment for such improvement, to reassess the property in accordance with the benefits received from such improvement, after notice to the owner of the property and an opportunity afforded him to be heard, the hearing to be had before

such agent or agents as the Commissioners may designate. At such hearing physical facts which may be ascertained by view may be considered, whether proven or not. Such agent or agents shall report in writing to the Commissioners the substance of the evidence taken and the arguments made at the hearing, together with the findings (which may include a statement of any physical facts not proven at the hearing which may be ascertained by view) and the recommendations of such agent or agents. A copy of such report, findings, and recommendations shall be mailed to the protestant 10 days before being presented to the Commissioners, and the protestant may, before such report, findings, and recommendations are presented to the Commissioners, file with such agent or agents exceptions to such report and findings, which exceptions shall be presented to the Commissioners with such report, findings, and recommendations. The reassessment shall be made within 1 year from the date the judgment or decree quashing, setting aside, or declaring void the assessment becomes final and not subject to review. Notice of such reassessment shall be given the property owner in the same manner as if such reassessment was an original assessment, and such reassessment shall bear interest and be collected in the same manner as if such reassessment was an original assessment.

SEC. 7. The Commissioners of the District of Columbia are authorized, in their discretion, to waive, in whole or in part, interest or penalties, or both, on unpaid taxes and special assessments due the District of Columbia, when, in their judgment, such action would be equitable or just or in the public interest.

SEC. 8. That section 8 of the act entitled "An act in relation to taxes and tax sales in the District of Columbia," approved February 28, 1898 (30 Stats. 250), as amended by the act entitled "An act to amend an act entitled 'An act in relation to taxes and tax sales in the District of Columbia,' approved February 28, 1898," approved July 1, 1902 (32 Stats. 635), be further amended to read as follows:

"SEC. 8. That hereafter the assessor of the District of Columbia shall furnish information with respect to taxes, special assessments, and valuations to any person having any interest in the property with respect to which such information is requested."

SEC. 9. (a) So much of section 3 of the act entitled "An act in relation to taxes and tax sales in the District of Columbia," approved February 28, 1898, as amended by the act entitled "An act to amend an act entitled 'An act in relation to taxes and tax sales in the District of Columbia', approved February 28, 1898", approved July 1, 1902, as reads, "the amount for which it was sold at such sale, exclusive of surplus, and 12 percent per annum thereon," is hereby further amended to read as follows: "the amount for which it was sold at such sale, exclusive of surplus, and 1 percent thereon for each month or part thereof,".

(b) So much of said section 3 of said act of February 28, 1898, as amended by the act of July 1, 1902, as reads "by the payment of the taxes, penalties, and costs due at the time of the sale and that may have accrued after that date, and 8 percent per annum thereon," is hereby further amended to read as follows: "by the payment of the taxes, penalties, and costs due at the time of the sale and that may have accrued after that date, and 1 percent thereon for each month or part thereof,".

(c) So much of said section 3 of said act of February 28, 1898, as amended by the act of July 1, 1902, as reads "the amount exclusive of surplus paid by the person or persons to whom such certificate was issued and 12 percent per annum thereon," is further amended to read as follows: "the amount exclusive of surplus paid by the person or persons to whom such certificate was issued and 1 percent thereon for each month or part thereof."

(d) These amendments shall apply only to tax sales held after the passage and approval of this act, and said section 3 of the act of February 28, 1898, as amended by the act of July 1, 1902, shall remain in full force and effect as to all tax sales held prior to the passage and approval of this act.

SEC. 10. The Commissioners of the District of Columbia are authorized to direct the collector of taxes of the District of Columbia to omit from his records as assets of the District of Columbia any and all taxes, real and personal, and all special assessments which the Commissioners may determine are uncollectible, but such determination on the part of the Commissioners or the failure of the collector to carry such taxes on his records as assets shall not affect the liability of the taxpayer for the payment of said taxes.

SEC. 11. On and after the date of the approval of this act all records and accounts in any way relating or pertaining to the bookkeeping, accounting, and collection of taxes and assessments now prepared by the assessor of the District of Columbia and now kept in the office of the collector of taxes of the District of Columbia shall be transferred to and kept in the office of the said assessor. The said assessor shall hereafter be changed with the duties heretofore required of the collector of taxes in relation to the preparation and issuance of tax bills and bills for special taxes and assessments, the preparation for public inspection of lists of all real estate in the District of Columbia heretofore sold or which may hereafter be sold for the nonpayment of any general or special taxes or assessments, the furnishing of certified statements over his hand and official seal of all taxes and assessments general and special that may be due at the time of making the said certificate, and the preparation of the lists of taxes on real property in said District subject to taxation on which taxes are levied and in arrears on the 1st day of July in each year. Hereafter on or before September 1 of each year the assessor shall prepare and retain in his office tax accounts in such form as shall be prescribed by the Commissioners of the District showing the assessed owners, amount, description, and value of real property listed for taxation in the District of Columbia and on or before April 1 of each year the assessor shall prepare and retain in his office personal tax accounts in such form as may be prescribed by the Commissioners of the District showing the names and addresses of assessed owners, and the location and value of the property assessed.

MAINE AVENUE IN THE DISTRICT

The joint resolution (H. J. Res. 658) for the designation of a street or avenue to be known as "Maine Avenue" was considered, ordered to a third reading, read the third time, and passed.

DISTRICT OF COLUMBIA MINIMUM WAGE BOARD

The bill (H. R. 10312) to amend section 3 of the act entitled "An act to protect the lives and health and morals of women and minor workers in the District of Columbia, and to establish a Minimum Wage Board, and to define its powers and duties, and to provide for the fixing of minimum wages for such workers, and for other purposes," approved September 19, 1918 (40 Stat. 960, 65th Cong.), was considered, ordered to a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That section 3 of the act entitled "An act to protect the lives and health and morals of women and minor workers in the District of Columbia, and to establish a Minimum Wage Board, and to define its powers and duties, and to provide for the fixing of minimum wages for such workers, and for other purposes", approved September 19, 1918 (40 Stat. 960, 65th Cong.), be amended by striking out the words "and receive such salary, not in excess of $2,500 per annum, as may be fixed by the Board," and inserting in lieu thereof "The compensation of the secretary and all other employees of the Board shall be fixed in accordance with the provisions of the Classification Act of 1923, as amended."

DAVID B. MONROE

The bill (S. 3517) for the relief of David B. Monroe was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That, notwithstanding the provisions of section 1118 of the Revised Statutes, as amended, the Secretary of War is hereby authorized to reenlist in the United States Army David B. Monroe (Army serial No. 6799024), now a sergeant, Signal Corps, United States Army, upon the expiration of the present enlistment and upon the expiration of any future enlistment of said David B. Monroe.

RIGHTS-OF-WAY, ETC., ACROSS KELLY FIELD, TEX.

The bill (S. 4088) to authorize the Secretary of War to grant rights-of-way for highway purposes and necessary storm sewer and drainage ditches incident thereto upon and across Kelly Field, a military reservation in the State of Texas; to authorize an appropriation for construction of the road, storm sewer, drainage ditches, and necessary fence lines, was announced as next in order.

The PRESIDING OFFICER. This bill is the same as House bill 10737, Calendar No. 2050.

Mr. SHEPPARD. I ask that the identical House bill be substituted for the Senate bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senate proceeded to consider the bill (H. R. 10737) to authorize the Secretary of War to grant rights-of-way for highway purposes and necessary storm sewer and drainage ditches incident thereto upon and across Kelly Field, a military reservation in the State of Texas; to authorize an appropriation for construction of the road, storm sewer, drainage ditches, and necessary fence lines, which was ordered to a third reading, read the third time, and passed.

Mr. SHEPPARD. I ask that the Senate bill be indefinitely postponed.

The PRESIDING OFFICER. Without objection, Senate bill 4088 will be indefinitely postponed.

EXTENSION OF CIVIL SERVICE TO INCLUDE CERTAIN POSTMASTERS—CONFERENCE REPORT

Mr. O'MAHONEY. I submit a conference report on the bill (H. R. 1531) extending the classified civil service to include postmasters of the first, second, and third classes, and for other purposes. I ask that the report may lie on the table.

The report was ordered to lie on the table, as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 1531) extending the classified civil service to include postmasters of the first, second, and third classes, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate and agree to an amendment as follows:

In lieu of the matter proposed to be inserted by the Senate amendment insert:

"That postmasters of the first, second, and third classes shall hereafter be appointed in the classified service without term by the President by and with the advice and consent of the Senate: *Provided*, That postmasters now serving may continue to serve until the end of their terms, but they shall not acquire a classified civil service status at the expiration of such terms of office except as provided in Section 2 hereof."

"SEC. 2. Appointments to positions of postmaster at first-, second-, and third-class post offices shall be made by the reappointment and classification, noncompetitively, of the incumbent postmaster, or by promotion from within the Postal Service in accordance with the provisions of the Civil Service Act and Rules, or by competitive examination, in accordance with the provisions of the Civil Service Act and Rules. No person shall be eligible for appointment under this section unless such person has actually resided within the delivery of the office to which he is appointed, or within the city or town where the same is situated for one year next preceding the date of such appointment, if the appointment is made without competitive examination; or for one year preceding the date fixed for the close of receipt of applications for examination, if the appointment is made after competitive examination.

"SEC. 3. Appointments of acting postmasters in all classes of post offices shall be made by the Postmaster General: *Provided*, That acting postmasters shall serve not to exceed six months from the date of their designation, except that the Postmaster General may extend the period of service of any acting postmaster beyond such six months' period with the permission of the Civil Service Commission.

"SEC. 4. All acts or parts of acts inconsistent herewith are hereby repealed."

And the Senate agree to the same.

CARL HAYDEN,
M. M. LOGAN,
JOSEPH C. O'MAHONEY,
ROBERT M. LA FOLLETTE, JR.,
Managers on the part of the Senate.

ROBERT RAMSPECK,
WILLIAM I. SIROVICH,
JENNINGS RANDOLPH,
Managers on the part of the House.

LOAN OF PROPERTY TO THE REUNION COMMITTEE OF THE UNITED CONFEDERATE VETERANS

The bill (S. 4069) to authorize the Secretary of War to lend certain property to the reunion committee of the United Confederate Veterans to be used in their annual encampment to be held at Columbia, S. C., from August 30 to September 2, 1938, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Secretary of War is hereby authorized to lend, at his discretion, to the reunion committee of the United Confederate Veterans, for use at the United Confederate Veterans' Encampment, to be held at Columbia, S. C., from August 30 to September 2, 1938, both dates inclusive, such tents, cots, blankets, comforters, pillows, pillowcases, sheets, hospital and first-aid equipment, mess kits, and other property of a similar character as may be required by such committee for use in connection with such encampment: *Provided*, That no expense shall be caused the United States Government by the delivery and return of said property, the same to be delivered from the nearest quartermaster depot at such time prior to the holding of said encampment as may be agreed upon by the Secretary of War and the Confederate Reunion Committee: *Provided further*, That the Secretary of War, before delivery of such property, shall take from said reunion committee of the United Confederate Veterans a good and sufficient bond for the safe return of said property in good order and condition, and the whole without expense to the United States.

PAYMENT OF ADJUSTED COMPENSATION TO PROVISIONAL OFFICERS

The Senate proceeded to consider the bill (S. 4042) to amend the World War Adjusted Compensation Act, which had been reported from the Committee on Military Affairs with an amendment, on page 2, line 5, after the word "service" to insert "or to any person who entered the Navy from civil life and who was promoted to commissioned or warrant grades or ranks subsequent to April 6, 1917, and who was honorably separated from such service prior to December 31, 1921", so as to make the bill read:

Be it enacted, etc., That subsection (b), section 202, of the World War Adjusted Compensation Act is amended to read as follows:

"(b) Any individual holding a permanent or provisional commission or permanent or acting warrant in any branch of the military or naval forces, or (while holding such commission or warrant) serving under a temporary commission in a higher grade—in each case for the period of service under such commission or warrant or in such higher grade after the accrual of the right to pay thereunder. This subdivision shall not apply to any noncommissioned officer nor to any provisional, probationary, or temporary officer of the military or naval forces or Coast Guard, under the grade of major or lieutenant commander, who served subsequent to April 6, 1917, and who is now in a status of honorable separation from the military, naval, or Coast Guard service, or to any person who entered the Navy from civil life and who was promoted to commissioned or warrant grades or ranks subsequent to April 6, 1917, and who was honorably separated from such service prior to December 31, 1921: *Provided*, That applications under this act must be made within 1 year from the date of enactment."

Mr. KING. Mr. President, I should like to have an explanation of the bill.

Mr. SHEPPARD. Mr. President, this bill and the following bill relate to World War provisional, probationary, and temporary officers of the military, naval, and Coast Guard Services who served subsequent to April 6, 1917. This bill provides that these former officers may have adjustment compensation. The Senate is thoroughly committed to it, having passed it a number of times.

Mr. KING. What will it involve, how many persons will it cover, and what will be the cost to the Government?

Mr. SHEPPARD. The measure will affect about 3,468 former officers of the Army, about 300 former officers of the Navy, and about 105 former officers of the Marine Corps. The cost may roughly be estimated at five and a half million dollars.

Mr. KING. They are out of the service now?

Mr. SHEPPARD. They are out of the service, but have not received the adjusted compensation which others have been given.

Mr. KING. Which others?

Mr. SHEPPARD. The ex-service men who have been given the advantage of the adjusted-compensation law.

Mr. CONNALLY. Mr. President, let me suggest to the Senator from Utah what the situation is. There were a number of provisional officers during the World War. A good many young men went into training camps and were induced to go into the Regular Service with the rank of provisional officers. They served during the war, and when the war was over, like all the other Reserve officers, they wanted to return to civil life, and they did so. But under the so-called Bonus Act, no Regular Army officer was entitled to the bonus. The result was that all second and first lieutenants who were provisional officers were refused a bonus on the ground that they were Regular officers. Technically they were, but they were only provisional officers. They were only temporary, really, but they were ruled to be Regular Army officers.

The Vice President is not interested in the bill, but the son of the Vice President served in the same division in which I had the honor to serve for a time. He was a provisional first lieutenant in the Regular Army. As soon as the war was over, like most of the other officers, he went back to civil life, but because he and others were provisional officers they were denied any participation in the Adjusted Compensation Act. I do not think that is fair and just, because they were not professional soldiers. They did not intend to stay in the Army, but they did stay in as provisional second and first lieutenants.

Mr. KING. They received compensation commensurate with the positions held in the Army, whereas the man who went in as a doughboy, as an enlisted man, received $30 a month. These officers got anywhere from $125 to $200 a month or more, and now they want to have the advantages which the enlisted men received.

Mr. CONNALLY. Mr. President, I did not vote for the bonus bill, but it was passed, and the law provided that all

commissioned officers up to and including the grade of captain should get the bonus. All the emergency officers in the designated grades got the bonus, but the Regular Army officers did not get it. The men affected by the pending measure were really Reserve officers, they were temporary officers, but they were technically in the grade of provisional officer. Therefore the Veterans' Administration has held that they were Regular Army officers, though only for a short period, and they were not awarded adjusted compensation.

All the pending measure does is to give the provisional first and second lieutenants the same treatment the emergency lieutenants and captains received. I do not think there were any provisional captains, certainly not more than a few. If we do not pass this bill we will discriminate against these men, giving the ordinary emergency officers a bonus but refusing to give it to the provisional lieutenants.

Mr. GEORGE. Mr. President, this bill and the following bill on the calendar refer only to these provisional officers?

Mr. SHEPPARD. That is correct.

Mr. GEORGE. I do not intend to make any technical objection, but——

Mr. KING. I shall object.

Mr. GEORGE. I hope the Senator will withhold the objection. A subcommittee of the Finance Committee has to deal with all these questions of compensation and disability and emergency officer matters, retirement benefits, and so on, and it is very confusing for different committees of the Senate to be considering the same subject matter. Let me say that it is very important that all such matters be considered by one committee, because if we go too far we are going to have a revulsion of sentiment against the very ones we desire to assist. I agree that, so far as the pending bill is concerned, it should be passed, and the following bill should be passed, but I give notice now that at the next session of Congress, if I return, I shall press very strongly for the creation of a special committee to handle all World War veteran matters, so that they will not be split up among the Committee on Pensions, the Committee on Military Affairs, and the subcomittee of the Finance Committee which has to deal with these matters.

Mr. SHEPPARD. Mr. President, I may say to the Senator that I have had a resolution on that subject pending for several years.

Mr. GEORGE. I know the Senator from Texas has, and I am taking this opportunity to emphasize the necessity for agreeing to that particular resolution, so that these matters may be handled by one committee.

Mr. SHEPPARD. I agree thoroughly.

Mr. GEORGE. So far as the pending bill is concerned, I think it is thoroughly meritorious, and that it should be passed.

Mr. KING. Mr. President, I have examined the report, and find that the bill is not favorably reported, so I object to the consideration of this bill and the next bill.

The PRESIDING OFFICER. The Senator from Utah objects.

BILLS PASSED OVER

The bill (S. 4043) extending the benefits of the Emergency Officers' Retirement Act of May 24, 1928, to provisional, probationary, or temporary officers of the Army, Navy, Marine Corps, and Coast Guard who served during the World War, was announced as next in order.

Mr. KING. I object.

The PRESIDING OFFICER. The bill will be passed over.

The bill (S. 2911) to promote peace and the national defense through a more equal distribution of the burdens of war by drafting the use of money according to ability to lend to the Government was announced as next in order.

Mr. KING. Let the bill go over.

The PRESIDING OFFICER. The bill will be passed over.

PRESERVATION OF RECORDS OF INDIAN TRIBES

The Senate proceeded to consider the bill (S. 3283) to authorize the Secretary of the Interior to place certain records of Indian tribes with State historical societies under rules and regulations to be prescribed by him, which had been reported from the Committee on Indian Affairs with amendments, on page 1, line 6, after the words "confines of", to strike out "any State" and insert "the State of Nebraska"; on line 7, after the words "with the", to strike out "historical society thereof" and insert "Nebraska State Historical Society, at Lincoln, Nebr."; on page 2, line 3, after the word "with", to strike out "a State historical society" and insert "the said Nebraska State Historical Society"; in line 8, after the words "custody of", to strike out "a State historical society" and insert "the said Nebraska State Historical Society"; in line 14, after the word "clerk", to insert "or such person acting in such capacity", so as to make the bill read:

Be it enacted, etc., That the Secretary of the Interior is authorized, in his discretion and under such rules and regulations as he may prescribe, to place any records of Indian tribes which are within the confines of the State of Nebraska and which are not desired for tribal or official use with the Nebraska State Historical Society, at Lincoln, Nebr. The historical society shall receive the custody of such records and matters of historical interest as custodian for the United States of America and the Secretary of the Interior, and upon the request of said Secretary any of such records so placed with the said Nebraska State Historical Society shall be immediately returned to the Government official designated by him to receive the same.

Copies of any such records or papers in the possession and custody of the said Nebraska State Historical Society when certified to by the secretary or chief clerk thereof (or in case of a vacancy in such office or position, then by the person acting in such capacity), under its seal, shall be evidence equally with the original, and in making such certified copies such secretary or chief clerk or such person acting in such capacity shall be acting as a Federal agent, and such certified copies shall have the same force and effect as those made by the Secretary of the Interior under seal of his office to records in his immediate custody. Whenever certified copies of such Indian records are desired by the Government for use by it, they shall be furnished without cost.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended so as to read: "A bill to authorize the Secretary of the Interior to place certain records of Indian tribes of Nebraska with the Nebraska State Historical Society, at Lincoln, Nebr., under rules and regulations to be prescribed by him."

WISCONSIN BAND OF POTTAWATOMIE INDIANS

The Senate proceeded to consider the joint resolution (S. J. Res. 212) to investigate the claims against the United States of certain members of the Wisconsin Band of Pottawatomie Indians, which had been reported from the Committee on Indian Affairs with amendments, on page 2, line 1, after "Congress", to insert "including therein a statement of the amount of money, if any, expended by the United States gratuitously for the benefit of said Indians, as required by section 2 of title I of the act of August 12, 1935 (49 Stat. 571, 596): *Provided*, That on any claim heard under the provisions of this resolution, for the appropriation, taking, acquisition, or deprivation of land or any interest therein, the jurisdiction conferred by this resolution to hear any such claim and to make findings of fact and conclusions of law thereon, is limited to the ascertainment of the value of said land, or interest therein, at the time of the appropriation, expropriation, taking, acquisition, or deprivation, and no findings or conclusions shall be made by the Court of Claims which include any increment, interest or the equivalent thereof, from the date of the taking to the date of making of such findings and conclusions as an element of just compensation or otherwise"; on page 2, after line 17, to strike out the following:

Such claims may be filed and presented by Indians within 6 months from the enactment of this resolution and the proceedings be had as provided in the Judicial Code, and either party may appeal to the Supreme Court of the United States from any findings of facts, conclusions of law, or judgment rendered by the Court of Claims, from which an appeal now lies in other cases, at any time within 90 days after judgment has been rendered, anything in the Judicial Code to the contrary notwithstanding.

And to insert:

Such claims may be filed and presented by a representative group of said Indians within 2 years from the enactment of this resolution, and plaintiffs therein, at any time before the final

findings of fact and conclusions of law are rendered in said suit or suits shall have the right to amend their petition or petitions, and the proceedings shall be had as provided in the Judicial Code.

On page 4, at the end of the joint resolution, to strike out the following proviso: "*Provided*, That said fees and expenses shall be paid to the attorney for said Indians as provided in the contract between said Indians and said attorney, executed at Buffalo, N. Y., on the 13th day of May 1936"; so as to make the joint resolution read:

Resolved, etc., That jurisdiction be, and it is hereby, conferred upon the Court of Claims to make findings of fact and conclusions of law in respect of the claims against the United States, of whatever nature, legal or equitable, arising out of treaties between the Pottawatomie Nation of Indians and the United States, of members of the Wisconsin Band of Pottawatomie Indians who were not paid from appropriations made by the act of Congress of June 30, 1913 (38 Stat. L. 102), and subsequent acts, and the Court of Claims shall report its findings to Congress, including therein a statement of the amount of money, if any, expended by the United States gratuitously for the benefit of said Indians, as required by section 2 of title I of the act of August 12, 1935 (49 Stat. 571, 596): *Provided*, That on any claim heard under the provisions of this resolution, for the appropriation, taking, acquisition, or deprivation of land or any interest therein, the jurisdiction conferred by this resolution to hear any such claim and to make findings of fact and conclusions of law thereon, is limited to the ascertainment of the value of said land, or interest therein, at the time of the appropriation, expropriation, taking, acquisition, or deprivation, and no findings or conclusions shall be made by the Court of Claims which include any increment, interest or the equivalent thereof, from the date of the taking to the date of making of such findings and conclusions as an element of just compensation or otherwise.

Such claims may be filed and presented by a representative group of said Indians within 2 years from the enactment of this resolution, and plaintiffs therein, at any time before the final findings of fact and conclusions of law are rendered in said suit or suits shall have the right to amend their petition or petitions, and the proceedings shall be had as provided in the Judicial Code.

The rights of such Indians shall not be prejudiced by laches, lapse of time, or any statute of limitations, nor by the fact that some of them or some of their ancestors may have fled from the United States to territory now a part of the Dominion of Canada, and may have become Canadian nationals.

The attorney for such Indians shall have access to all records, documents, and correspondence in the possession of any branch or agency of the Government, or may use the same, or copies thereof, as evidence in the hearing of their claims.

The Court of Claims shall have jurisdiction to fix a reasonable attorney's fee for services rendered, and to be rendered, in the prosecution of said claims, not to exceed 10 percent of the amount, if any, found due to such Indians, and to fix the reasonable expenses incurred by such attorney, and the same shall be paid out of any funds Congress may appropriate to pay the claims of such Indians.

The amendments were agreed to.

The joint resolution was ordered to be engrossed for a third reading, read the third time, and passed.

SEVENTH WORLD'S POULTRY CONGRESS AND EXPOSITION, CLEVELAND, OHIO

The bill (H. R. 10155) to permit articles imported from foreign countries for the purpose of exhibition at the Seventh World's Poultry Congress and Exposition, Cleveland, Ohio, 1939, to be admitted without payment of tariff, and for other purposes, was considered, ordered to a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That all articles which shall be imported from foreign countries for the purpose of exhibition at the international exposition to be held at Cleveland, Ohio, beginning in July 1939 by the Seventh World's Poultry Congress and Exposition, or for use in constructing, installing, or maintaining foreign buildings or exhibits at the said exposition, upon which articles there shall be a tariff or customs duty shall be admitted without payment of such tariff, customs duty, fees, or charges under such regulations as the Secretary of the Treasury shall prescribe; but it shall be lawful at any time during and or within 3 months after the close of the said exposition, to sell within the area of the exposition any articles provided for herein, subject to such regulations for the security of the revenue and for the collection of import duties as the Secretary of the Treasury shall prescribe: *Provided*, That all such articles, when withdrawn for consumption or use in the United States, shall be subject to the duties, if any, imposed upon such articles by the revenue laws in force at the date of their withdrawal; and on such articles, which shall have suffered diminution or deterioration from incidental handling or exposure, the duties, if payable, shall be assessed according to the appraised value at the time of withdrawal from entry hereunder for consumption or entry under the general tariff law: *Provided further*, That imported articles provided for herein shall not be subject to any marking requirements of the general tariff laws, except when such articles are withdrawn for consumption or use in the United States, in which case they shall not be released from customs custody until properly marked, but no additional duty shall be assessed because such articles were not sufficiently marked when imported into the United States: *Provided further*, That at any time during or within 3 months after the close of the exposition, any article entered hereunder may be abandoned to the Government or destroyed under customs supervision, whereupon any duties on such article shall be remitted: *Provided further*, That articles, which have been admitted without payment of duty for exhibition under any tariff law and which have remained in continuous customs custody or under a customs exhibition bond, and imported articles in bonded warehouses under the general tariff law may be accorded the privilege of transfer to and entry for exhibition at the said exposition under such regulations as the Secretary of the Treasury shall prescribe: *And provided further*, That the Seventh World's Poultry Congress and Exposition shall be deemed, for customs purposes only to be the sole consignee of all merchandise imported under the provisions of this Act, and that the actual and necessary customs charges for labor, services, and other expenses in connection with the entry, examination, appraisement, release, or custody, together with the necessary charges for salaries of customs officers and employees in connection with the supervision, custody of, and accounting for articles imported under the provisions of this act, shall be reimbursed by the Seventh World's Poultry Congress and Exposition to the Government of the United States under regulations to be prescribed by the Secretary of the Treasury, and that receipts from such reimbursements shall be deposited as refunds to the appropriation from which paid, in the manner provided for in section 524, Tariff Act of 1930.

VETERANS' REGULATION RELATING TO LINE OF DUTY

The bill (H. R. 7880) to amend the Veterans' Regulation No. 10 pertaining to "line of duty" for peacetime veterans, their widows, and dependents, and for other purposes, was considered, ordered to a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That paragraphs VIII and IX of Executive Order No. 6098, dated March 31, 1933 (Veterans' Regulation No. 10 (39 U. S. C., ch. 12, appendix)), be amended to read as follows:

"PAR. VIII. An injury or disease will be deemed to have been incurred 'in line of duty' when the person on whose account benefits are claimed was, at the time the injury was suffered or disease contracted, in the active service in the military or naval forces, whether on active duty or on authorized leave, unless it appears that the injury or disease has been caused by misconduct on his part: *Provided, however*, That the requirement will not be met if it appears that at the time the injury was suffered or disease contracted, the person on whose account benefits are claimed (1) was avoiding duty by deserting the service or by absenting himself without leave; (2) was confined under sentence of court martial or civil court or was resisting lawful arrest; (3) was relieved from all active performance of duty by command of his superior officer as a result of the intemperate us of drugs or alcoholic liquor or because of injury or disease contracted or suffered as a result of his own misconduct; (4) was acting in disobedience of the lawful orders of his superior officer or in violation of the rules and regulations of his organization; or (5) whether at his post or lawfully absent, if the injury or disease was in fact, caused by something not involving misconduct but done in pursuing some private business or avocation.

"Where the injury or disease occurs while on leave, the burden of proof shall be on the claimant to show that it was incurred in the line of duty, but where the injury or disease occurs while at camp or post of duty, the burden shall be upon the Government to show that the disability was not in line of duty.

"PAR. IX. A disability will be held to have resulted from misconduct when it is due to venereal disease, unless it is affirmatively shown that the disease was, in fact, innocently acquired, or when caused by an act of commission or omission, wrong in itself; or by an act contrary to the principles of good morals; or as a result of gross negligence, gross carelessness, alcoholism, drug addiction, or self-infliction of wounds."

BILL PASSED OVER

The bill (H. R. 8046) to amend an act entitled "An act to establish a uniform system of bankruptcy throughout the United States," approved July 1, 1898, and acts amendatory thereof and supplementary thereto, and to repeal section 76 thereof and all acts and parts of acts inconsistent therewith, was announced as next in order.

Mr. GERRY. Over.

The PRESIDING OFFICER. The bill will be passed over.

ADDITION OF LANDS TO OCHOCO NATIONAL FOREST, OREG.

The bill (S. 3312) to add certain lands to the Ochoco National Forest, Oreg., was announced as next in order.

Mr. McNARY. Mr. President, an identical bill, being House bill 9523, has been passed by the House, and has been referred to the Senate Committee on Public Lands and Surveys. I move that the Committee on Public Lands and Surveys be discharged from the further consideration of the House bill, and that the Senate proceed to a consideration of the House bill.

The PRESIDING OFFICER. Without objection, the Committee on Public Lands and Surveys will be discharged from further consideration of House bill 9523. Is there objection to the present consideration of the House bill?

There being no objection, the bill (H. R. 9523) to add certain lands to the Ochoco National Forest, Oreg., was considered, ordered to a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That, subject to existing valid claims, the following-described lands be, and the same hereby are, added to the Ochoco National Forest, Oreg., and made subject to all laws appertaining to the national forests, to wit:

WILLAMETTE BASE AND MERIDIAN

Township 12 south, range 17 east, northwest quarter section 4, section 6, west half section 19, south half section 21, and sections 28 to 33, inclusive;

Township 12 south, range 16 east, sections 1 to 4, inclusive, sections 9 to 16, inclusive, sections 21 to 28, inclusive, and sections 33 to 36, inclusive;

Township 13 south, range 15 east, sections 1 and 2, and 11 to 14, inclusive;

Township 13 south, range 16 east, sections 1 to 18, inclusive, 23 to 26, inclusive, and sections 35 and 36;

Township 14 south, range 17 east, sections 1 to 12, inclusive;

Township 14 south, range 18 east, sections 1 to 16, inclusive, sections 21 to 28, inclusive, and sections 33 to 36, inclusive;

Township 14 south, range 19 east, sections 4 to 9, inclusive, sections 16 to 23, inclusive, and sections 26 to 36, inclusive;

Township 15 south, range 18 east, sections 1 to 4, inclusive, sections 9 to 16, inclusive, and sections 19 to 36, inclusive;

All of township 15 south, range 19 east;

Township 15 south, range 20 east, section 31;

Township 15 south, range 22 east, section 16;

Township 15 south, range 23 east, section 16;

Township 15 south, range 24 east, section 19;

Township 16 south, range 18 east, sections 1 to 4, inclusive;

Township 16 south, range 19 east, sections 5 and 6;

Township 16 south, range 20 east, south half section 3, south half section 4, and sections 9 to 12, inclusive.

The PRESIDENT pro tempore. Without objection, Senate bill 3312 will be indefinitely postponed.

MOUNT RUSHMORE NATIONAL MEMORIAL COMMISSION

The bill (S. 3920) to amend the act entitled "An act creating the Mount Rushmore National Memorial Commission and defining its purposes and powers," approved February 25, 1929, as amended, was announced as next in order.

Mr. BARKLEY. Mr. President, a similar bill has been acted upon by the House. I ask unanimous consent that the House bill be considered instead of the Senate bill.

There being no objection, the Senate proceeded to consider the bill (H. R. 10462) to amend the act entitled "An act creating the Mount Rushmore National Memorial Commission and defining its purposes and powers," approved February 25, 1929, as amended.

Mr. BARKLEY. Mr. President, on page 3 of the House bill as it has been handed to me, the words "four thousand" are changed to "fifteen hundred", in subsection (4), paragraph (a).

The PRESIDING OFFICER. In the House bill there are only six sections, and the House bill carries an authorization for an appropriation of $300,000.

Mr. BARKLEY. I am not talking about that. On page 3 of the House bill, unless it was amended, in paragraph (a) of subsection (4), the Commission is authorized, and so forth, to designate and prescribe by metes and bounds an area of not more than 4,000 or less than 2,000 acres. They want that changed to 1,500.

The PRESIDING OFFICER. The House bill provides 1,500 acres.

Mr. BARKLEY. That is all right.

The PRESIDING OFFICER. The question is on the third reading and passage of the bill.

The bill was ordered to a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That this act may be cited as the "Mount Rushmore Memorial Act of 1938."

SEC. 2. The act entitled "An act creating the Mount Rushmore National Memorial Commission and defining its purposes and powers," approved February 25, 1929 (45 Stat. 1300), as amended, is amended as follows: Strike out all of such act, after the first paragraph of section 1, and insert the following: "Any six members of the Commission shall constitute a quorum. No member of the Commission shall receive compensation for his services, but the actual expenses of any member in connection with the work of the Commission may be paid from any appropriations available for the purpose of carrying out the provisions of this act: *Provided*, That nothing in this section shall be deemed to prohibit the payment to any member of the Commission who may be elected secretary or treasurer of the Commission of such compensation for the performance of his duties as secretary or treasurer, as may be determined by the Commission.

"SEC. 2. The Commission shall elect its chairman, vice chairman, secretary, and treasurer. The chairman and the vice chairman shall, and the secretary and the treasurer may but need not, be elected from among the members of the Commission. The treasurer may be a bank or trust company. The treasurer shall execute a bond so conditioned and in such amount as shall insure the protection of funds coming into his possession. The Commission may create from its own membership an executive committee of five, which shall exercise such powers and functions within the purview of this act as may be authorized by the Commission.

"SEC. 3. The Commission shall, in accordance with designs and models prepared by the designer-sculptor, complete the Mount Rushmore National Memorial, including an entablature upon which shall be cut a suitable inscription, construction of a museum and a stairway to the museum hall, reconstruction of the studio for preservation of the models, landscaping of contiguous grounds, and construction of the entrance to the memorial. No charge shall ever be made for admission to the memorial grounds or for viewing the memorial.

"SEC. 4. The Commission is authorized—

"(a) To designate and describe by metes and bounds an area of not more than 1,500 acres of the public lands of the United States within the Harney National Forest, State of South Dakota, immediately surrounding the Mount Rushmore National Memorial. Upon such designation such area is hereby reserved for and declared to be a part of the Mount Rushmore National Memorial, and withdrawn from location or entry under the mining or other laws of the United States. The Commission shall prepare a survey of such area and shall furnish a plat thereof to the Secretary of Agriculture, the Secretary of the Interior, and the United States land office at Pierre, S. Dak.: *Provided*, That this act shall not defeat or affect any vested right under the mining or other laws of the United States and which is hereafter maintained in accordance therewith.

"(b) To receive and take over all property, contracts, rights, and moneys heretofore possessed by the Mount Harney Memorial Association, including memoranda, records, sketches, models, and the incompleted figures on Mount Rushmore.

"(c) To administer funds appropriated, or obtained by gifts, the acceptance of which is hereby authorized, for the purpose of completing, developing, and maintaining the memorial, and to pay out the same upon properly receipted vouchers to persons entitled thereto.

"(d) To employ, without regard to the civil-service laws and the Classification Act of 1923, as amended, such artists, sculptors, landscape architects, and other employees as it shall determine to be necessary to carry out the purposes of this act.

"(e) To administer, protect, and develop the memorial.

"(f) To exercise such other powers and functions, including the promulgation of such rules and regulations, as may be necessary and proper to carry out the purposes of this act.

"SEC. 5. For the purpose of carrying out the provisions, this act, there is hereby authorized to be appropriated, in addition to any sums authorized to be appropriated prior to the date of approval of this act, the sum of $300,000, or so much thereof as may be necessary. Upon requisition of the Commission, the Secretary of the Treasury shall advance to the treasurer of the Commission out of any amounts appropriated for such purpose, such sums as may be needed by the Commission to exercise its functions.

"SEC. 6. The Commission shall, on or before the first day of each regular session of Congress, transmit to Congress a report of its activities and proceedings for the preceding fiscal year, including a full and complete statement of its receipts and expenditures."

The PRESIDING OFFICER. Without objection, Senate bill 3920 will be indefinitely postponed.

ARMY MEDICAL LIBRARY AND MUSEUM BUILDING

The bill (S. 3919) to authorize the Secretary of War to proceed with the construction of certain public works in connection with the War Department in the District of Columbia was announced as next in order.

The PRESIDING OFFICER. An identical House bill, No. 10459, has been passed by the House.

Mr. KING. Is this Calendar 2028?

Mr. SHEPPARD. This is the Army Medical Library and Museum Building bill.

Mr. KING. I should like to have an explanation of the measure. Frankly, I should like to say that with the enormous number of hospitals, as well as other buildings we are constructing, there seems to me to be no necessity for constructing a huge Army Medical Library and Museum Building in Washington.

Mr. SHEPPARD. The present building for the Army Medical Library and Museum was constructed in 1885.

In addition to not being fireproof, the present structure is inadequate for the present needs of the Army Medical Library and Museum and their future growth. The collections in the library and museum have been made possible over a long period of years. Many of the manuscripts, books, instruments, appliances, and collections of human pathology in the Army Medical Library and Museum could under no circumstances be replaced. This legislation is uniformly endorsed by the medical profession, and it has the approval and recommendation of the War Department, and the Bureau of the Budget has no objection to its enactment. At the hearing held on May 19, the Surgeon General of the Army, the Surgeon General of the Navy, and the Surgeon General of the United States Public Health Service were joined by outstanding representatives of the medical profession in urging the enactment of this legislation. The Senate Military Affairs Committee is of the opinion that every effort should be made to provide the Army Medical Library and Museum with a fireproof structure and to afford adequate facilities for their further growth. This library and museum constitute two of the major contributions of this country to medicine, and they are regarded as invaluable and indispensable by the medical profession.

Mr. KING. What will be the cost?

Mr. SHEPPARD. About $3,750,000.

Mr. OVERTON. The bill is backed by the medical profession throughout the United States.

Mr. SHEPPARD. The entire medical profession is united in favor of it, and was represented by some of its most distinguished members at the hearings.

Mr. OVERTON. They said it was perhaps the most-needed structure at the present time.

Mr. SHEPPARD. Such a building is very much needed.

Mr. KING. It seems to me that we are getting rather profligate in our expenditures. We could build a beautiful marble mansion for less than the amount mentioned. In the State of Utah we have built a beautiful granite and marble capitol for $800,000. Here there is a call for $3,750,000 for a building for library purposes.

Mr. SHEPPARD. That matter was gone into very thoroughly by experts familiar with the space needed and the kind of structure essential to best results.

Mr. KING. I appreciate the fact that any effort toward economy will be resisted. The Democratic Party has always talked about economy, but when we get into power we are apparently just as profligate in our expenditures as are the Republicans.

Mr. COPELAND. I should like to say a word about the bill. It provides for the housing of one of the finest collections of medical works in the world. I have had occasion to go there myself for research purposes, and I have been ashamed of the ill-housing of this library. I hope that the bill may pass.

The PRESIDING OFFICER. Is there objection to the consideration of the House bill, which is identical with the Senate bill?

Mr. KING. I shall not object to its consideration, but I should like to be recorded as voting "No" on the passage of the bill.

There being no objection, the bill (H. R. 10455) to authorize the Secretary of War to proceed with the construction of certain public works in connection with the War Department in the District of Columbia was considered, ordered to a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Secretary of War is hereby authorized to construct in the District of Columbia a building with the utilities, accessories, and appurtenances thereto to replace the present Army Medical Library and Museum Building now located in the District of Columbia: *Provided*, That the advice of the National Capital Park and Planning Commission as to the selection of the site be requested before construction herein authorized shall begin: *Provided further*, That the total cost of the construction hereby authorized shall not exceed the sum of $3,750,000.

The PRESIDENT pro tempore. Without objection, Senate bill 3919 will be indefinitely postponed.

CLAIMS OF PRAIRIE BAND OF POTTAWATOMIE INDIANS

The Senate proceeded to consider the bill (S. 2854) conferring jurisdiction upon the Court of Claims to hear and determine the claims of certain Indians of the Prairie Band of Pottawatomie Indians against the United States, which had been reported from the Committee on Indian Affairs, with amendments, in section 1, page 1, line 5, after the word "Band", to insert "or Tribe"; on the same page, line 6, after the words "in the", to strike out "State of Kansas" and insert "States of Kansas and Wisconsin"; and on the same page, line 8, after the name "United States", to insert, "The jurisdiction conferred by this section shall include the claims of said Indians arising out of the agreement of March 16, 1909, for the commutation of the perpetual treaty annuities of said Indians, entered into pursuant to the act of April 30, 1908 (35 Stat. 70, 73), irrespective of any waiver, release, or settlement effected by the act of April 4, 1910 (36 Stat. 269, 289), ratifying and confirming said agreement", so as to make the section read:

Be it enacted, etc., That jurisdiction is conferred upon the Court of Claims to hear, determine, and render judgment upon the claims of the Prairie Band or Tribe of Pottawatomie Indians residing in the States of Kansas and Wisconsin, against the United States, arising out of treaties between the Pottawatomie Nation of Indians and the United States. The jurisdiction conferred by this section shall include the claims of said Indians arising out of the agreement of March 16, 1909, for the commutation of the perpetual treaty annuities of said Indians, entered into pursuant to the act of April 30, 1908 (35 Stat. 70, 73), irrespective of any waiver, release, or settlement effected by the act of April 4, 1910 (36 Stat. 269, 289), ratifying and confirming said agreement.

The amendment was agreed to.

The next amendment was, on page 2, after line 18, to insert a new section 3, as follows:

SEC. 3. Should the Court of Claims find from the evidence presented to it that the agreement of March 16, 1909, ratified and confirmed by the Act of April 4, 1910, for commutation of the perpetual treaty annuities of these Indians was not signed, either in person or by persons duly authorized to sign for them, by a majority of the adult members of the Prairie Band or Tribe of Pottawatomie Indians, then in that event the Court of Claims may treat any and all acts of Congress based upon the purported agreement as having been enacted under mistake of fact and the court shall render a judgment restoring the annuities perpetually: *Provided*, That gratuity expenditures made by the United States for the benefit of these Indians, as referred to in section 4 hereof, and any payment heretofore made to them by the United States in fulfillment of the agreement of March 16, 1909, shall be charged as an offset but shall not be treated as an estoppel.

The amendment was agreed to.

The next amendment was to insert a new section 4, as follows:

SEC. 4. There shall be set off against any recovery obtained hereunder such gratuity expenditures made by the United States for the benefit of these Indians as are directed to be set off by the act of August 12, 1935 (49 Stat. 571, 596).

The amendment was agreed to.

The next amendment was, on page 3, line 16, to change the section number from 3 to 5.

The amendment was agreed to; and the bill was ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That jurisdiction is conferred upon the Court of Claims to hear, determine, and render judgment upon the claims of the Prairie Band or Tribe of Pottawatomie Indians residing in the States of Kansas and Wisconsin, against the United

States, arising out of treaties between the Pottawatomie Nation of Indians and the United States. The jurisdiction conferred by this section shall include the claims of said Indians arising out of the agreement of March 16, 1909, for the commutation of the perpetual treaty annuities of said Indians, entered into pursuant to the act of April 30, 1908 (35 Stat. 70, 73), irrespective of any waiver, release, or settlement effected by the act of April 4, 1910 (36 Stat. 269, 289), ratifying and confirming said agreement.

SEC. 2. Such claims may be instituted in one suit at any time within 6 months after the enactment of this act, notwithstanding the lapse of time or any statute of limitations. Proceedings for the determination of such claims, and appeals from any judgment thereon, shall be had in the same manner as in the case of claims over which such court has jurisdiction under section 145 of the Judicial Code, as amended. The attorney or attorneys of such Indians shall have access to any documents, correspondence, or records, in the possession of any department, bureau, or agency of the Government, which may be needed in the preparation or prosecution of such claims.

SEC. 3. Should the Court of Claims find from the evidence presented to it that the agreement of March 16, 1909, ratified and confirmed by the act of April 4, 1910, for commutation of the perpetual treaty annuities of these Indians was not signed, either in person or by persons duly authorized to sign for them, by a majority of the adult members of the Prairie Band or Tribe of Pottawatomie Indians, then in that event the Court of Claims may treat any and all acts of Congress based upon the purported agreement as having been enacted under mistake of fact and the court shall render a judgment restoring the annuities perpetually: *Provided*, That gratuity expenditures made by the United States for the benefit of these Indians, as referred to in section 4 hereof, and any payment heretofore made to them by the United States in fulfillment of the agreement of March 16, 1909, shall be charged as an offset but shall not be treated as an estoppel.

SEC. 4. There shall be set off against any recovery obtained hereunder such gratuity expenditures made by the United States for the benefit of these Indians as are directed to be set off by the act of August 12, 1935 (49 Stat. 571, 596).

SEC. 5. Upon final determination of such claims, the Court of Claims shall have jurisdiction to fix and determine (1) a reasonable fee, not to exceed 10 percent of the amount recovered by such Indians, to be paid to the attorney or attorneys who prosecute such claims under contract with such Indians approved in accordance with existing law; and (2) the amount of all necessary and proper expenses incurred by such attorney or attorneys in the preparation and prosecution of such claim, and such sums shall be included in the decree and be paid out of any sums appropriated for the payment of such sums as may be adjudged by the court to be due such Indians.

The title was amended so as to read: "A bill conferring jurisdiction upon the court of claims to hear and determine the claims of the Prairie Band or Tribe of Pottawatomie Indians of Kansas and Wisconsin against the United States."

PREMIUMS ON INSURANCE CONTRACTS, FEDERAL CROP INSURANCE ACT

The bill (S. 4076) to amend the Federal Crop Insurance Act was announced as next in order.

Mr. KING. Mr. President, there is no report upon this bill. I should like to have an explanation of it. The text of the bill gives us no light or explanation of its provisions at all.

Mr. POPE. Mr. President, I introduced the bill at the request of the Federal Crop Insurance Board. On presenting the matter to farmers it was found that they desired to pay more than 1 year's premium in advance. The bill was framed so as to accommodate the farmers, and also to remove from the channels of trade a certain amount of wheat which would be paid in as premiums under the Crop Insurance Act. Since the farmers themselves desire it, and since it seems a very reasonable thing to do, I think the bill should be passed.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the bill (S. 4076) to amend the Federal Crop Insurance Act was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That section 508 (a) of the Federal Crop Insurance Act (title V of Public, No. 430, 75th Cong.), approved February 16, 1938, is hereby amended by striking out the period at the end of the first sentence thereof and inserting in lieu thereof a colon and the following: "*Provided further*, That the Corporation may, upon such terms and conditions as it shall determine, accept payments from producers in any year to be applied toward premiums on their insurance contracts for future years."

WARRANT OFFICERS OF THE COAST GUARD

The bill (S. 1787) to place warrant officers of the Coast Guard in the same status with warrant officers of the Navy as to being commissioned chief warrant officers upon length of service was announced as next in order.

Mr. KING. Let that bill go over.

Mr. COPELAND. Mr. President, will the Senator withhold his objection for a moment?

Mr. KING. Yes; but I have an amendment to the bill and some objections to it.

Mr. COPELAND. Perhaps I can relieve the Senator's mind concerning the objections, although I could not formulate the amendment.

Mr. KING. No.

Mr. COPELAND. Will the Senator withhold his objection for just a moment?

Mr. KING. I withhold my objection.

Mr. COPELAND. The Coast Guard in time of war is a very important part of the Navy. The warrant officers in the Navy are given certain benefits, which warrant officers in the Coast Guard do not have. One of those benefits, which to my mind is important, is that the Navy warrant officers have certain hospital privileges which are not accorded to warrant officers in the Coast Guard. I think the committee in formulating the measure was quite conservative. It is provided in the bill that no back pay or allowances shall be held to be accrued prior to the passage of the act, and also that nothing in the bill shall authorize an increase in the number of the warrant officers.

Mr. President, warrant officers of the Coast Guard are a splendid lot of men. They are loyal to their country, and I think they should be entitled to exactly the same privileges that their colleagues in the Navy have. Therefore, the Committee on Commerce, after considering all these matters, recommended the bill for passage.

Mr. KING. I object.

The PRESIDING OFFICER. The bill will be passed over.

SUPPLEMENTAL WATER SUPPLY FROM COLORADO-BIG THOMPSON PROJECT

The bill (S. 4027) providing that excess-land provisions of Federal reclamation laws shall not apply to certain lands that will receive a supplemental water supply from the Colorado-Big Thompson project was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the excess-land provisions of the Federal reclamation laws shall not be applicable to lands which now have an irrigation water supply from sources other than a Federal reclamation project and which will receive a supplemental supply from the Colorado-Big Thompson project.

BILL PASSED OVER

The bill (S. 4017) to redistrict South Carolina and to divide said districts into divisions; and to amend paragraph 4n, section 1, Judicial Code (U. S. C., title 28, Supp. III (1929)), and section 105, Judicial Code (U. S. C., title 28, par. 186 (1925)), as amended, and section 105, Judicial Code, as amended (U. S. C., title 28, par. 186 (1936)), and for other purposes, was announced as next in order.

Mr. GERRY. Over.

The PRESIDING OFFICER. The bill will be passed over.

ADDITIONAL DISTRICT JUDGE, EASTERN DISTRICT OF PENNSYLVANIA

The bill (S. 4050) to repeal section 2 of the act of June 16, 1936, authorizing the appointment of an additional district judge for the eastern district of Pennsylvania was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That section 2 of the act entitled "An act authorizing the appointment of an additional district judge for the eastern district of Pennsylvania," approved June 16, 1936 (49 Stat. 1523), be, and it is hereby, repealed.

TERMS OF UNITED STATES DISTRICT COURT, WILKES-BARRE, PA.

The bill (H. R. 9468) to amend the act of May 13, 1936, providing for terms of the United States district court at Wilkes-Barre, Pa., was considered, ordered to a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the act entitled "An act to provide for terms of the United States District Court for the Middle District of Pennsylvania to be held at Wilkes-Barre, Pa.," approved May 13, 1936, is amended to read as follows:

"That terms of the United States District Court for the Middle District of Pennsylvania shall be held at Wilkes-Barre, Pa., on the second Monday of April and second Monday of September of each year: *Provided, however*, That all writs, precepts, and processes shall be returnable to the terms at Scranton and all court papers shall be kept in the clerk's office at Scranton unless otherwise specially ordered by the court, and the terms at Scranton shall not be terminated or affected by the terms herein provided for at Wilkes-Barre."

Mr. KING. Mr. President, I should like to ask the Senator from New Mexico [Mr. HATCH] a question with regard to the last two bills which have been passed.

Mr. HATCH. Mr. President, I will say that the bills are very meritorious bills.

Mr. KING. We have recently had before us a very large omnibus court bill.

Mr. HATCH. Mr. President, I will say that what the Senator from Utah may fear, that is, that additional judges shall be provided in those measures, will not happen. The first bill removes a previous limitation existing against the judgeship created in 1936. The Senator was not present at the committee meeting when this matter was discussed. It was developed in the committee meeting that the law, as it was passed, may result in preventing the elevation of one of the district judges to the circuit court of appeals. It was the desire to remove the limitation, so as to encourage the promotion of district judges.

I am quite sure the Senator is in accord with that idea.

The bill which has just passed corrects a very unusual condition at Wilkes-Barre, Pa. Some time ago a bill was passed, authorizing the holding of Federal court, but it contained the provision that court should be held without expense to the United States in the way of buildings. Since that time I am informed—the Senator from Pennsylvania [Mr. GUFFEY] is present, and can corroborate what I say—that the Federal Government has constructed a building at Wilkes-Barre, and in that building is a Federal courtroom; but the Attorney General has held that courts may not be held in the Government building because it is necessary to turn on the electricity, or water, or to hire a janitor. It was to keep away from that foolish limitation under existing circumstances that the bill was passed.

WILLIAM C. WILLAHAN

The Senate proceeded to consider the bill (S. 3830) for the relief of William C. Willahan, which had been reported from the Committee on Indian Affairs with amendments.

The first amendment was, in section 1, page 1, line 4, after the words "directed to", to strike out "credit in the account" and insert "allow credit in the accounts"; and in line 7, after the name "South Dakota", to strike out: "the sum of $2,342.41 representing disallowances in settlement No. F–24532–IN, dated July 24, 1934, and also the sum of $1,629.61, representing disallowances in settlement No. G–68976–IN, dated February 25, 1935, such disallowances being due to embezzlement on the part of a subordinate employee and made without the knowledge or procurement of said William C. Willahan; and to refund to the said William C. Willahan the sum of $292.89, representing payment made by him on account of collections not accounted for by such subordinate employee."

And insert "in the amount of $3,384.28 representing disallowances in the accounts of William C. Willahan because of the embezzlement of funds by a subordinate employee", so as to make the section read:

That the Comptroller General of the United States be, and he is hereby, authorized and directed to allow credit in the accounts of William C. Willahan, as superintendent and special disbursing agent at the Sisseton Indian Agency, Sisseton, S. Dak., in the amount of $3,384.28 representing disallowances in the accounts of William C. Willahan because of the embezzlement of funds by a subordinate employee.

The amendment was agreed to.

The next amendment was, on page 2, after line 7, to insert:

SEC. 2. The Secretary of the Treasury is hereby authorized and directed to pay to William C. Willahan the sum of $421.65, representing amounts withheld from him in the settlement of charges made against his accounts by reason of disallowances in settlement No. F–24532–IN, dated July 14, 1934.

SEC. 3. The Secretary of the Treasury is hereby authorized and directed to pay to William C. Willahan not to exceed the sum of $292.89, which amount is alleged to have been deposited in the Treasury from personal funds by the said William C. Willahan to replace losses of Federal funds and the overpayment of an employee's salary: *Provided*, That before any payment is made under this section the said William C. Willahan shall furnish to the Secretary of the Interior authenticated records of the actual deposits alleged to have been made, and any other supporting information that may be required by the said Secretary of the Interior.

SEC. 4. The Secretary of the Treasury is hereby authorized and directed to credit the official trust fund account of William C. Smith, superintendent of the Sisseton Indian Agency, with the sum of $140.69, of which the sum of $120.69 will thereafter be deposited to the credit of the United States in lieu of repayments by sundry Indians on account of sales of reimbursable property, and the sum of $20 will be credited on the books of the Sisseton Indian Agency as individual Indian money for the use and benefit of the estate of Wlynkpawin, deceased Sisseton Indian.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Comptroller General of the United States be, and he is hereby, authorized and directed to allow credit in the accounts of William C. Willahan, as superintendent and special disbursing agent at the Sisseton Indian Agency, Sisseton, S. Dak., in the amount of $3,384.28 representing disallowances in the accounts of William C. Willahan because of the embezzlement of funds by a subordinate employee.

SEC. 2. The Secretary of the Treasury is hereby authorized and directed to pay to William C. Willahan the sum of $421.65, representing amounts withheld from him in the settlement of charges made against his accounts by reason of disallowances in settlement No. F–24532–IN, dated July 14, 1934.

SEC. 3. The Secretary of the Treasury is hereby authorized and directed to pay to William C. Willahan not to exceed the sum of $292.89, which amount is alleged to have been deposited in the Treasury from personal funds by the said William C. Willahan to replace losses of Federal funds and the overpayment of an employee's salary: *Provided*, That before any payment is made under this section the said William C. Willahan shall furnish to the Secretary of the Interior authenticated records of the actual deposits alleged to have been made, and any other supporting information that may be required by the said Secretary of the Interior.

SEC. 4. The Secretary of the Treasury is hereby authorized and directed to credit the official trust fund account of William C. Smith, superintendent of the Sisseton Indian Agency, with the sum of $140.69, of which the sum of $120.69 will thereafter be deposited to the credit of the United States in lieu of repayments by sundry Indians on account of sales of reimbursable property, and the sum of $20 will be credited on the books of the Sisseton Indian Agency as individual Indian money for the use and benefit of the estate of Wlynkpawin, deceased Sisseton Indian.

STANDING ROCK INDIAN RESERVATION, NORTH AND SOUTH DAKOTA

The Senate proceeded to consider the bill (S. 3745) to amend Public Law No. 383, Seventy-third Congress (48 Stat. L. 984), relating to Indians, by exempting from the provisions of such act any Indian tribe on the Standing Rock Reservation located in the States of North and South Dakota, which was read, as follows:

Be it enacted, etc., That section 13 of the act entitled "An act to conserve and develop Indian lands and resources; to extend to Indians the right to form business and other organizations; to establish a credit system for Indians; to grant certain rights of home rule to Indians; to provide for vocational education for Indians; and for other purposes," approved June 18, 1934 (48 Stat. L. 984), be, and is hereby, amended by inserting after the words "United States", in the second line of said section, the following: "or to any Indian tribe on the Standing Rock Reservation located in the States of North and South Dakota."

Mr. KING. Mr. President, may we have an explanation of the bill?

Mr. FRAZIER. Mr. President, the Standing Rock Reservation is located partly in North Dakota and partly in South

Dakota. Shortly after the reorganization bill, commonly known as the Wheeler-Howard Act, was passed the Indians in that reservation voted, by a small majority, or a small majority of those who voted, to come in under the act. The next step was to adopt a constitution and by-laws. When it came to a vote on the constitution and by-laws, the majority of the Indians voted them down. A second election was held on the constitution and by-laws, and they were again voted down. The Indians have petitioned, by a majority of the legal voters on the reservation, to have the law repealed so far as they are concerned. So far as I know, there is no provision in the act for repealing the law. After the Indians once come under it they cannot get out.

Mr. KING. Does the bill increase the expense to the Government, or result in the Government incurring any additional liability?

Mr. FRAZIER. There is no expense at all to the Government. The Indians on that reservation merely want to get out from under the act.

The PRESIDING OFFICER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

CONSTRUCTION OF BUILDINGS IN NATIONAL PARKS

The Senate proceeded to consider the bill (S. 2056) to increase the limitation of cost upon the construction of buildings in national parks, which had been reported from the Committee on Public Lands and Surveys with an amendment, on page 1, line 8, after the word "to", to strike out "$5,000" and insert "$2,500", so as to make the bill read:

Be it enacted, etc., That the limitation of cost upon the construction of any administration or other building in any national park without express authority of Congress, contained in the act approved August 24, 1912 (37 Stat. 460), as amended by the act of July 1, 1918 (40 Stat. 677), is hereby increased from $1,500 to $2,500.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

ABRAHAM LINCOLN NATIONAL PARK, KY., AND FORT M'HENRY NATIONAL PARK, MD.

The bill (S. 1542) to change the designations of the Abraham Lincoln National Park, in the State of Kentucky, and the Fort McHenry National Park, in the State of Maryland, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Abraham Lincoln National Park, in the State of Kentucky, authorized by the act of July 17, 1916 (39 Stat. 385), and the Fort McHenry National Park, in the State of Maryland, authorized by the act of March 3, 1925 (43 Stat. 1109), shall hereafter be called and known as the Abraham Lincoln National Monument, and the Fort McHenry National Monument, respectively, under which designations the aforesaid national monuments shall be entitled to receive and to use all moneys heretofore or hereafter appropriated for these areas under the previous designations.

BILL PASSED OVER

The bill (S. 2003) to provide for the residence of the United States Commissioners appointed for the national parks, and for other purposes, was announced as next in order.

Mr. KING. Let the bill go over.

The PRESIDING OFFICER. The bill will be passed over.

RELINQUISHMENT OF TITLE TO CERTAIN LANDS TO JESSE G. WHITFIELD

The bill (H. R. 5166) to relinquish the title or interest of the United States in certain lands in Houston (formerly Dale) County, Ala., in favor of Jesse G. Whitfield or other lawful owners thereof, was considered, ordered to a third reading, read the third time, and passed.

HOMESTEAD LAWS AND RIGHT-OF-WAY FOR RAILROADS IN ALASKA

The bill (H. R. 5592) to amend an act entitled "An act extending the homestead laws and providing for right-of-way for railroads in the District of Alaska, and for other purposes," approved May 14, 1898 (30 Stat. 409, 414), was considered, ordered to a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That section 11 of an act entitled "An act extending the homestead laws and providing for right-of-way for railroads in the District of Alaska, and for other purposes," be, and the same is hereby, amended by adding thereto the following: "and may permit such use by churches, hospitals, and charitable institutions in Alaska for firewood, fencing, buildings, and for domestic purposes."

OGLETHORPE NATIONAL TRAIL AND PARKWAY

The bill (H. R. 6243) to authorize a survey of the old Indian trail and the highway known as "Oglethorpt Trail" with a view of constructing a national roadway on this route to be known as "The Oglethorpe National Trail and Parkway" was considered, ordered to a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Secretary of the Interior is hereby authorized to use a sum not in excess of $10,000 of the regular roads and trails or parkway appropriations available to the National Park Service with which to make a survey of the old Indian and Oglethorpe Trail throughout its entire length, leading from the city of Savannah to the city of Augusta, Ga., the same to be known as The Oglethorpe National Trail and Parkway. The said survey shall locate the parkway as nearly as practicable in its original route. An estimate of cost of construction of an appropriate national parkway on this route, and such other data as would be valuable, shall be obtained by said survey, with the objective of determining matters concerning the construction of the parkway.

The preamble was agreed to, as follows:

Whereas the ancient Indian trail, extending from Savannah, the scene of the English colonization of Georgia, northwestwardly along the route of the Savannah River in the direction of the city of Augusta, and thence in a northwesterly direction, furnished a trail along which passed the great Indian migrations and also furnished a means of communication between the Indian tribes traveling from the Middle West and North to the Southeast; and

Whereas General Oglethorpe, in establishing a thoroughfare from Savannah to Augusta (upon returning, in September 1739, from his famous treaty conference with the Creek Nation, which was held at Coweta), followed this ancient Indian trail—this thoroughfare having been used thereafter by the colonists of Georgia in establishing their trading posts and outposts along the banks of the Savannah River into the great heart of the southeastern territory of the United States; and

Whereas this thoroughfare from Savannah to Augusta was designated in 1780 as a British military road; and

Whereas for nearly three-quarters of a century this thoroughfare was used as a stage road, President George Washington having traveled this road during his southern tour in 1791 in going from Savannah to Augusta; and

Whereas many important and historic sites are located on or near this road, including (ascending from Savannah) Old Yamacraw; the Hermitage Plantation; New Yamacraw; the Indian Mound Irene (site of John Wesley's Mission); Mrs. Musgroves Cowpen; Joseph's Town; Mulberry Grove (Nathanael Greene's plantation and site of invention of the cotton gin by Eli Whitney); the town of Abercorn; Dacre's Tavern; New Ebenezer; Old Ebenezer (site of the Salzburger settlement in 1734); the Palachocolas River crossing; Mount Pleasant (site of the trading post and fort); Hudson's Ferry; Uchee Town; Brier Creek Battlefield (site of important Revolutionary War battle); Burton's Ferry; Telfare's Saw Mill; Telfare's Plantation; Stony Bluff (site of prehistoric Indian stone implement factory); Gorham's Ferry; Shell Bluff (site of deposits of gigantic fossilized oysters 5 inches wide by 24 inches long); and

Whereas not only is the area traversed rich in historic and prehistoric sites but it contains tremendous scenic value, passing through deep, junglelike river swamps which abound in game; over small blackwater creeks well stocked with bass, perch, and bream; across flat pine barren lands and rolling hills, and along commanding bluffs on the banks of the Savannah River; and in the springtime when dogwood, laurel, and magnolias are in bloom the area becomes a veritable garden; and

Whereas the entire Indian trail and the original thoroughfare from Savannah to Augusta lends itself particularly well to treatment as a national historic parkway (aside from its own significance it appears entirely feasible and desirable to link this proposed parkway to other national parkways, now under construction, by developing the Cherokee Indian trail from Augusta over the mountains to Tennessee); and

Whereas the cities and counties located in the area through which this roadway passes are interested in the building of this national parkway—numerous organizations, associations, and private citizens having already sponsored many projects to mark various of the historic sites along the roadway; and

Whereas the Government has recently adopted a policy and set up a division in the Department of the Interior known as the

National Park Service to engage in a national way in laying out parks, reservations, and building parkways: Therefore

ISLANDS IN TENNESSEE RIVER IN COLBERT AND LAUDERDALE COUNTIES, ALA.

The bill (H. R. 7590) to quiet title and possession to certain islands in the Tennessee River in the counties of Colbert and Lauderdale, Ala., was considered, ordered to a third reading, read the third time, and passed.

LANDS IN TENNESSEE RIVER IN COLBERT AND LAUDERDALE COUNTIES, ALA.

The bill (H. R. 8134) to quiet title and possession to certain lands in the Tennessee River in the counties of Colbert and Lauderdale, Ala., was considered, ordered to a third reading, read the third time, and passed.

ISLAND IN TENNESSEE RIVER IN LAUDERDALE COUNTY, ALA.

The bill (H. R. 8252) to quiet title and possession to a certain island in the Tennessee River in the county of Lauderdale, Ala., was considered, ordered to a third reading, read the third time, and passed.

DISPOSITION OF SURPLUS BUFFALO AND ELK, WIND CAVE NATIONAL PARK

The bill (H. R. 8773) to authorize the Secretary of the Interior to dispose of surplus buffalo and elk of the Wind Cave National Park herd, and for other purposes was considered, ordered to a third reading, read the third time, and passed.

MITT TAYLOR

The bill (H. R. 9371) authorizing the grant of a patent for certain lands in New Mexico to Mitt Taylor was considered, ordered to a third reading, read the third time, and passed.

TERMS OF UNITED STATES DISTRICT COURT, EASTERN DISTRICT OF VIRGINIA

The bill (S. 4086) to provide for holding terms of the District Court of the United States for the Eastern District of Virginia at Newport News, Va., was announced as next in order.

The PRESIDING OFFICER. A similar House bill, House bill 8794, is on the table.

Mr. BYRD. Mr. President, I ask unanimous consent to substitute House bill 8794 for Senate bill 4086.

The PRESIDING OFFICER. Is there objection?

There being no objection, the Senate proceeded to consider the bill (H. R. 8794) to provide for holding terms of the District Court of the United States for the Eastern District of Virginia at Newport News, Va., which was read the first time by its title and the second time at length, as follows:

Be it enacted, etc., That terms of the District Court of the United States for the Eastern District of Virginia shall be held at Newport News, Va., on the first Monday in February and the second Monday in July.

Mr. KING. Mr. President, may I inquire of the Senator what provision has been made for an adequate building?

Mr. BYRD. There is no provision in the bill for an additional building. I understand the cost will be about $300 a year for janitor service.

Mr. KING. Is there an adequate building in Newport News where the court may be held?

Mr. BYRD. I understand a new post-office building is to be constructed there.

Mr. KING. May I inquire whether this bill would be the basis of a demand for a large appropriation for a new building?

Mr. BYRD. I do not think so, Mr. President.

Mr. KING. If so, I should oppose it.

Mr. BYRD. I do not understand so. The present facilities are adequate. Sooner or later they expect to build a new post office.

Mr. KING. The Senator knows that whenever we have authorized a change of court at the request of residents of States, provision has been made for the counties or the cities to care for the expense of holding court, and to furnish the building. I was wondering whether the camel's nose is now being placed under the tent as a basis for a large appropriation later for a courthouse. If so, I shall oppose it.

Mr. BYRD. Representative BLAND, who introduced the bill, said that the only cost would be $200 or $300 a year for janitor service and electric-light service. I hope the Senator will not oppose the bill.

Mr. KING. I shall not object. However, I give notice to the Senator that I may move to reconsider the action of the Senate upon it.

The bill was ordered to a third reading, read the third time, and passed.

The PRESIDING OFFICER. Without objection, Senate bill 4086 will be indefinitely postponed.

SELECTION AND PROMOTION OF CERTAIN OFFICERS OF NAVAL ACADEMY CLASS OF 1909

The bill (S. 3292) to afford an opportunity of selection and promotion to certain officers of the United States Naval Academy class of 1909 was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Secretary of the Navy is hereby authorized and directed to convene a special board of nine rear admirals on the active list of the line of the Navy, which board shall consist of such of the members of the selection board convened by the Secretary of the Navy's precept dated November 9, 1937, as can be brought together without detriment to the naval service, for the purpose of considering Commander Joseph M. Deem, United States Navy, retired; Commander Percy W. Northcroft, United States Navy, retired; Commander David H. Stuart, United States Navy, retired; Commander John M. Ashley, United States Navy, retired; Commander Lucius C. Dunn, United States Navy, retired; and Commander Robert P. Guiler, United States Navy, retired, and for the purpose of recommending such of these officers as the board deems best fitted for promotion to the rank of captain: *Provided*, That such of the officers named in this act as the board recommends for promotion shall be placed on the active list of the line of the Navy as additional numbers in grade, in the same relative positions they occupied prior to June 30, 1937, and shall be promoted in accordance with law together with other officers on the list for promotion to the rank of captain: *Provided further*, That in determining the fitness for promotion of the officers named in this act the board shall compare these officers with those commanders selected for promotion to the rank of captain during the calendar year 1937: *And provided further*, That the board herein provided for shall be convened within 30 days after the date of approval of this act.

HECTOR MERCADO

The bill (S. 3787) awarding a Navy Cross to Hector Mercado was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That Hector Mercado, captain, Peruvian Navy, Minister of Marine and Aviation of Peru, be awarded a Navy Cross, to be prepared under the direction of the Secretary of the Navy, for extraordinary heroism on the occasion of an explosion on board the U. S. S. *Kearsage* on April 13, 1906, while he was a foreign officer under instruction on that vessel.

ALTERATIONS AND REPAIRS TO CERTAIN NAVAL VESSELS

The bill (H. R. 7560) to authorize alterations and repairs to certain naval vessels, and for other purposes, was announced as next in order.

Mr. KING. Mr. President, may we have an explanation of the bill? A few days ago we passed a naval bill authorizing the appropriation of $555,000,000. Then we passed another naval bill authorizing the appropriation of practically $1,000,000,000. Now $15,000,000 more is wanted. Let the bill go over.

The PRESIDING OFFICER. The bill will be passed over.

AMENDMENT OF CIVILIAN CONSERVATION CORPS ACT

The bill (S. 3798) to amend the act entitled "An act to establish a Civilian Conservation Corps, and for other purposes," approved June 28, 1937, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That section 9 of the act entitled "An act to establish a Civilian Conservation Corps, and for other purposes," approved June 28, 1937 (50 Stat. 319), is amended by inserting in the first proviso thereof, after the word "Indians", the following: "and enrollees in the Territories and insular possessions of the United States."

APPEALS IN CERTAIN HABEAS CORPUS PROCEEDINGS

The bill (H. R. 6178) to abolish appeals in habeas corpus proceedings brought to test the validity of orders of removal was announced as next in order.

Mr. KING. Mr. President, I should like to have an explanation of the bill. It does not seem to me that the right of appeal ought to be denied. Let the bill go over.

The PRESIDING OFFICER. The bill will be passed over.

BILL PASSED OVER

The bill (S. 4023) to amend the United States Housing Act of 1937 was announced as next in order.

Mr. KING. Let the bill go over.

Mr. THOMAS of Utah. Mr. President, the provisions of this bill were added to the relief joint resolution. I think it should go over at present.

The PRESIDING OFFICER. The bill will be passed over.

VEHICULAR TUNNEL UNDER DELAWARE RIVER

The Senate proceeded to consider the bill (S. 4041) granting the consent of Congress to the State of New Jersey and the Commonwealth of Pennsylvania to enter into compacts or agreements with respect to constructing, maintaining, and operating a vehicular tunnel under the Delaware River, which had been reported from the Committee on Commerce with an amendment, on page 1, line 6, after the word "County", to insert "(Pennsylvania)", so as to make the bill read:

Be it enacted, etc., That the consent of Congress is hereby given to the State of New Jersey, through the Gloucester County Tunnel Commission, and the Commonwealth of Pennsylvania, through the Delaware County (Pennsylvania) Authority, to enter into compacts, agreements, or contracts providing for the construction, maintenance, and operation of a vehicular tunnel under the Delaware River between Gloucester County, in New Jersey, and Delaware County, in Pennsylvania, by either such commission or authority, or by both, acting jointly.

SEC. 2. The authority granted by this act shall be subject to all existing laws with respect to the issuance of permits for the construction of tunnels under navigable rivers.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

BILLS PASSED OVER

The bill (S. 1688) to provide for the acquisition of a site for and establishment of a fish hatchery for Glacier National Park, in the State of Montana, and for other purposes, was announced as next in order.

Mr. KING. At the request of an absent Senator, I ask that the bill go over.

The PRESIDING OFFICER. The bill will be passed over.

The bill (S. 4055) to authorize the construction of certain vessels for the Coast and Geodetic Survey, Department of Commerce, and for other purposes, was announced as next in order.

Mr. KING. Mr. President, there is now before the Senate a bill appropriating large amounts for this purpose. I think this bill had better go over.

The PRESIDING OFFICER. The bill will be passed over.

NINETEEN THIRTY-EIGHT ENCAMPMENT OF VETERANS OF FOREIGN WARS

The bill (S. 4119) to authorize the Secretary of War to lend War Department equipment for use at the 1938 National Encampment of Veterans of Foreign Wars of the United States to be held in Columbus, Ohio, from August 21 to August 26, 1938, was announced as next in order.

The PRESIDING OFFICER. House bill 10154 is a similar bill. Is there objection to the present consideration of the House bill?

There being no objection, the Senate proceeded to consider the bill (H. R. 10154) to authorize the Secretary of War to lend War Department equipment for use at the 1938 National Encampment of Veterans of Foreign Wars of the United States to be held in Columbus, Ohio, from August 21 to August 26, 1938, which was read the first time by its title, and the second time at length, as follows:

Be it enacted, etc., That the Secretary of War is authorized to lend, at his discretion, to the Veterans of Foreign Wars of the United States for use at their national encampment to be held in Columbus, Ohio, from August 21 to August 26, 1938, such tents, cots, cot mattresses, and blankets, and other available stock out of the Army and National Guard supplies as such Department may require to house properly veterans attending such encampment: *Provided*, That no expense shall be caused the United States Government by the delivery and return of such property, the same to be delivered at such time prior to the holding of such encampment as may be agreed upon by the Secretary of War and the Veterans of Foreign Wars of the United States: *Provided further*, That the Secretary of War, before delivering such property, shall take from such organization a good and sufficient bond for the safe return of such property in good good order and condition, and the whole without expense to the United States.

The bill was ordered to a third reading, read the third time, and passed.

The PRESIDING OFFICER. Without objection, Senate bill 4119 will be indefinitely postponed.

FUNDS HELD BY STATE OF MISSISSIPPI ON BEHALF OF SPANISH-AMERICAN WAR VETERANS

The Senate proceeded to consider the bill (S. 2844) relating to the disposition of certain funds held by the State of Mississippi on behalf of veterans of the Spanish-American War, which had been reported from the Committee on Military Affairs with an amendment, on page 1, line 3, after the word "balance", to insert "amounting to $1,635.82", so as to make the bill read:

Be it enacted, etc., That the balance, amounting to $1,635.82, of the moneys paid to the Governor of the State of Mississippi under the provisions of the act of July 8, 1898, as amended and supplemented by the act of March 3, 1899 (providing for reimbursement for compensation and expenses of veterans of the Spanish-American War), and now on deposit in such State, may be paid to the United Spanish War Veterans, Department of Mississippi, upon condition that the State of Mississippi shall first by law assume liability for the payment of any claims for compensation for which such moneys are now liable.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

DISPOSITION OF HORSES AND MULES BELONGING TO THE UNITED STATES

The bill (H. R. 9848) to require that horses and mules belonging to the United States which have become unfit for service be destroyed or put to pasture was considered, ordered to a third reading, read the third time, and passed.

AMENDMENT TO NATIONAL FIREARMS ACT

The Senate proceeded to consider the bill (H. R. 9610) to amend the National Firearms Act, which had been reported from the Committee on Finance, with an amendment to strike out all after the enacting clause and to insert:

That the first sentence of section 2 (a) of the National Firearms Act is amended by striking out the period at the end thereof and inserting a colon and the following: "*Provided*, That manufacturers and dealers in guns with two attached barrels from which only a single discharge can be made from either barrel without manual reloading shall pay the following taxes: Manufacturers, $25 per year; dealers, $1 per year."

SEC. 2. The first sentence of section 3 (a) of such act is amended by striking out the period at the end thereof and inserting a colon and the following: "*Provided*, That the transfer tax on any gun with two attached barrels, 12 inches or more in length, from which only a single discharge can be made from either barrel without manual reloading, shall be at the rate of $1."

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

PRODUCTION OF WINES, BRANDY, AND FRUIT SPIRITS

The bill (H. R. 10459) to amend certain provisions of law relative to the production of wines, brandy, and fruit spirits so as to remove therefrom certain unnecessary restrictions; to facilitate the collection of internal-revenue taxes thereupon; and to provide abatement of certain taxes upon wines, brandy, and fruit spirits where lost or evaporated while in the custody and under the control of the Government without any fault of the owner, was announced as next in order.

Mr. BULKLEY. I ask that the bill go over for the present.

Mr. JOHNSON of California. Mr. President, may I ask the Senator if he is asking that the bill to amend the law regarding wines go over?

Mr. BULKLEY. I ask that House bill 10459, Calendar No. 2064, go over.

Mr. JOHNSON of California. May I inquire, so that I may know how to proceed, whether the objection of the Senator is definite? Can it not be removed?

Mr. BULKLEY. I do not know that I have any objection, but I have a letter inquiring about the matter. I should like to look into it further.

Mr. JOHNSON of California. I think an explanation could be made of the bill by the committee and by myself which would satisfy the Senator, if he would permit it.

Mr. BULKLEY. The reference to wine is not definite, but I have an inquiry as to what the proviso means.

Mr. JOHNSON of California. May I state to the Senator from Ohio very briefly that the bill was unanimously reported by the Ways and Means Committee of the House, and unanimously passed by the House. It has been pending in the Finance Committee, and is now reported unanimously by the Finance Committee of the Senate.

Mr. BULKLEY. Yes, I voted for it in the Finance Committee; but since that time I have received a letter with regard to it. I ask that the bill go over for the present. We may work it out yet this afternoon.

The PRESIDING OFFICER. The bill will go over for the present.

DISPOSITION OF MATERIAL OF BUREAU OF LIGHTHOUSES

The bill (H. R. 9557), to authorize the Secretary of Commerce to dispose of material of the Bureau of Lighthouses to the sea scout department of the Boy Scouts of America was considered, ordered to a third reading, read the third time, and passed.

LIGHTHOUSE KEEPER'S RESIDENCE, MANITOWOC, WIS.

The bill (H. R. 9707) to authorize the conveyance of the old lighthouse keeper's residence in Manitowoc, Wis., to the Otto Oas Post, No. 659, Veterans of Foreign Wars of the United States, Manitowoc, Wis., was announced as next in order.

Mr. DUFFY. Mr. President, I had introduced a bill on this subject which was referred to the Committee on Commerce, and which was somewhat more liberal than the bill passed by the House. However, inasmuch as the House bill has passed the House, I am content that it pass the Senate in its present form.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the bill was considered, ordered to a third reading, read the third time, and passed.

BRIDGE AND CAUSEWAY NEAR CEDAR POINT, ALA.

The bill (H. R. 10275) to extend the times for commencing and completing the construction of a bridge and causeway across the water between the mainland, at or near Cedar Point and Dauphin Island, Ala., was considered, ordered to a third reading, read the third time, and passed.

MANIFESTO OF SHIP'S CARGO

The bill (S. 4048) to amend section 4197 of the Revised Statutes, as amended (46 U. S. C. 91), and section 4200 of the Revised Statutes (46 U. S. C. 92), and for other purposes, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That section 4197 of the Revised Statutes of the United States (46 U. S. C. 91) be amended to read as follows:

"The master or person having the charge or command of any vessel bound to a foreign port shall deliver to the collector of the district, from which such vessel is about to depart, a manifest of all the cargo on board the same, and the value thereof, by him subscribed, and shall swear to the truth thereof; whereupon the collector shall grant a clearance for such vessel and her cargo, but without specifying the particulars thereof in the clearance, unless required by the master or other person having the charge or command of such vessel so to do. If any vessel bound to a foreign port (other than a licensed yacht not engaging in any trade nor in any way violating the revenue laws of the United States) departs from any port or place in the United States without a clearance, or if the master delivers a false manifest, or does not answer truly the questions demanded of him, or, having received a clearance, adds to the cargo of such vessel without having mentioned in the report outwards the intention to do so, or if the departure of the vessel is delayed beyond the second day after obtaining clearance without reporting the delay to the collector, the master or other person having the charge or command of such vessel shall be liable to a penalty of not more than $1,000 nor less than $500, or if the cargo consists in any part of narcotic drugs, or any spirits, wines, or other alcoholic liquors (sea stores excepted), a penalty of not more than $5,000 nor less than $1,000 for each offense, and the vessel shall be detained in any port of the United States until the said penalty is paid or secured: *Provided*, That in order that the commerce of the United States may move with expedition and without undue delay, the Secretary of Commerce is hereby authorized to make regulations permitting the master of any vessel taking on cargo for a foreign port or for a port in noncontiguous territory belonging to the United States, to file a manifest as hereinbefore provided, and if the manifest be not a complete manifest and it so appears upon such manifest, the collector of customs may grant clearance to the vessel in the case of an incomplete manifest, taking from the owner of the vessel, who may act in the premises by a duly authorized attorney in fact, a bond with security approved by the collector of customs in the penal sum of $1,000 conditioned that the master or someone for him will file a completed outward manifest not later than the fourth business day after the clearance of the vessel. In the event that the said complete outward manifest be not filed as required by the provisions of this section and the regulations made by the Secretary of Commerce in pursuance hereof, then a penalty of $50 for each day's delinquency beyond the allowed period of 4 days for filing the completed manifest shall be exacted, and if the completed manifest be not filed within the 3 days following the 4-day period, then for each succeeding day of delinquency a penalty of $100 shall be exacted. Suit may be instituted in the name of the United States against the principal and surety on the bond for the recovery of any penalties that may accrue and be exacted in accordance with the terms of the bond."

SEC. 2. Section 4200 of the Revised Statutes of the United States (46 U. S. C. 92) is amended to read as follows:

"Before a clearance shall be granted for any vessel bound to a foreign port, the owners, shippers, or consignors of the cargo of such vessel shall deliver to the collector manifests of the cargo, or the parts thereof shipped by them respectively, and shall verify the same by oath. Such manifests shall specify the kinds and quantities of the articles shipped respectively, and the value of the total quantity of each kind of article; and the oath to each manifest shall state that it contains a full, just, and true account of all articles laden on board of such vessel by the owners, shippers, or consignors, respectively, and that the values of such articles are truly stated, according to their actual cost, or the values which they truly bear at the port and time of exportation. And before a clearance shall be granted for any such vessel, the master of that vessel, and the owners, shippers, and consignors of the cargo, shall state, upon oath, to the collector, the foreign port or country in which such cargo is truly intended to be landed. The oaths shall be taken and subscribed in writing: *Provided*, That in order that the commerce of the United States may move with expedition and without undue delay, the Secretary of Commerce is hereby authorized to make regulations permitting the clearance of a vessel having on board cargo destined to a foreign port or to a port in noncontiguous territory belonging to the United States before delivery to the collector of customs of shippers' manifests or export declarations of the cargo laden on board, upon receipt by the collector of a bond with security approved by him in the penal sum of $1,000 conditioned that the complete shippers' manifests or export declarations of all cargo laden aboard such vessel shall be filed with him not later than the fourth business day after the clearance of the vessel. In the event that all of the shippers' manifest or export declarations are not filed as required by the provisions of this section and the regulations made by the Secretary of Commerce in pursuance hereof, then a penalty of $50 for each day's delinquency beyond the allowed period of 4 days for filing all of the shippers' manifests or export declarations shall be exacted, and if all of the shippers' manifests or export declarations are not filed within the 3 days following the 4-day period, then for each succeeding day of delinquency a penalty of $100 shall be exacted. Suit may be instituted in the name of the United States against the principal and surety on the bond for the recovery of any penalties that may accrue and be exacted in accordance with the terms of the bond."

SEC. 3. Nothing contained in this act shall be taken to repeal, modify, alter, or amend any existing statute other than those specifically amended herein with respect to the necessary papers, documents, or licenses required to be produced by the master, owners, operator, or consignor, relating to the required prerequisites for the granting of clearance for a cargo destined to foreign ports or to a port in noncontiguous territory belonging to the United States.

MISSISSIPPI RIVER BRIDGE, CAPE GIRARDEAU, MO.

The bill (S. 3707) to authorize the acquisition of the bridge across the Mississippi River at Cape Girardeau, Mo., and the approaches thereto, by a single condemnation proceeding in either the district court for the eastern judicial district of Missouri or the district court for the eastern district of Illinois, and providing the procedure for such proceeding, was announced as next in order.

The PRESIDING OFFICER. House bill 9963 is a similar bill.

Mr. BARKLEY. Let the bill go over.

The PRESIDING OFFICER. Both bills will go over. House bill 9963 will be placed on the calendar.

MEMORIAL TO BUILDERS OF PANAMA CANAL

The bill (S. 4096) to authorize the erection within the Canal Zone of a suitable memorial to the builders of the Panama Canal and others whose distinguished services merit recognition by the Congress, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the President of the United States is authorized, through such person or persons as he may designate, to select an appropriate site within the Canal Zone and to cause to be erected thereon a suitable memorial auditorium in commemoration of the services rendered to the United States by all those who aided in the successful completion of the Panama Canal.

SEC. 2. The memorial auditorium shall be designated as the Panama Canal Memorial Auditorium. It shall contain a suitable Hall of Honor as a repository of portraits, tablets, busts, and similar individual memorials to those who rendered signally distinguished service in the construction of the Canal on the Canal Zone prior to July 12, 1920: *Provided*, That no person shall be honored by an individual memorial in such hall except pursuant to authorization by the Congress.

SEC. 3. The design and location of such memorial and the plan for the development of the site shall be submitted to the Commission of Fine Arts for advisory assistance.

SEC. 4. An individual memorial to Maj. Gen. William L. Sibert is hereby authorized to be installed in the Hall of Honor of the Panama Canal Memorial Auditorium in recognition by the Congress of his signally distinguished services rendered to the United States in the construction of the Panama Canal, and the President is authorized to provide a suitable memorial as a part of the completion of the auditorium.

SEC. 5. The sum of $800,000 is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, for the design and construction of the memorial auditorium herein authorized.

BIG SANDY RIVER BRIDGE, LOUISA, KY.

The bill (S. 4007) authorizing the county of Lawrence, Ky., to construct, maintain, and operate a free highway bridge across the Big Sandy River at or near Louisa, Ky., was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That in order to facilitate interstate commerce, improve the postal service, and provide for military and other purposes, the county of Lawrence, Ky., be, and is hereby, authorized to construct, maintain, and operate a free highway bridge and approaches thereto across the Big Sandy River at a point suitable to the interests of navigation, at or near Louisa, Ky., in accordance with the provisions of the act entitled "An act to regulate the construction of bridges over navigable waters," approved March 23, 1906, and subject to the conditions and limitations contained in this act.

SEC. 2. There is hereby conferred upon the county of Lawrence, Ky., all such rights and powers to enter upon lands and to acquire, condemn, occupy, possess, and use real estate and other property needed for the location, construction, operation, and maintenance of such bridge and its approaches as are possessed by railroad corporations for railroad purposes or by bridge corporations for bridge purposes in the State in which real estate or other property is situated, upon making just compensation therefor, to be ascertained and paid according to the laws of such State, and the proceedings therefor shall be the same as in the condemnation or expropriation of property for public purposes in such State.

SEC. 3. The right to alter, amend, or repeal this act is hereby expressly reserved.

MISSISSIPPI RIVER BRIDGE, ST. LOUIS, MO.

The bill (S. 4011) to extend the time for completing the construction of a bridge across the Mississippi River at or near a point between Cherokee and Osage Streets, St. Louis, Mo., was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the time for completing the construction of a bridge across the Mississippi River, at or near a point between Cherokee and Osage Streets, St. Louis, Mo., authorized to be built by H. C. Brenner Realty and Finance Corporation, its successors and assigns, by an act of Congress approved February 13, 1931, and revived and reenacted by an act of August 30, 1935, is hereby extended 3 years from August 30, 1938.

SEC. 2. The right to alter, amend, or repeal this act is hereby expressly reserved.

ZONING IN THE DISTRICT OF COLUMBIA

The Senate proceeded to consider the bill (H. R. 9844) providing for the zoning of the District of Columbia and the regulation of the location, height, bulk, and uses of buildings and other structures and of the uses of land in the District of Columbia, and for other purposes, which had been reported from the Committee on the District of Columbia with amendments.

The first amendment was, in section 1, page 1, line 4, after the word "prosperity", to strike out "and" and insert "or"; on page 2, line 5, after the word "density", to strike out "and distribution", so as to make the section read:

That to promote the health, safety, morals, convenience, order, prosperity, or general welfare of the District of Columbia and its planning and orderly development as the National Capital, the Zoning Commission created by the act of March 1, 1920 (41 Stat. 500), is hereby empowered, in accordance with the conditions and procedures specified in this act, to regulate the location, height, bulk, number of stories and size of buildings and other structures, the percentage of lot which may be occupied, the sizes of yards, courts, and other open spaces, the density of population, and the uses of buildings, structures, and land for trade, industry, residence, recreation, public activities, or other purposes; and for the purpose of such regulation said Commission may divide the District of Columbia into districts or zones of such number, shape, and area as said Zoning Commission may determine, and within such districts may regulate the erection, construction, reconstruction, alteration, conversion, maintenance, and uses of buildings and structures and the uses of land. All such regulations shall be uniform for each class or kind of building throughout each district, but the regulations in one district may differ from those in other districts.

The amendment was agreed to.

The next amendment was, in section 2, page 2, line 22, after the word "prevent", to insert "the undue concentration of population and"; and on page 3, line 1, after the word "prosperity", to insert "protection of property", so as to make the section read:

SEC. 2. Such regulations shall be made in accordance with a comprehensive plan and designed to lessen congestion in the street, to secure safety from fire, panic, and other dangers, to promote health and the general welfare, to provide adequate light and air, to prevent the undue concentration of population and the overcrowding of land, and to promote such distribution of population and of the uses of land as would tend to create conditions favorable to health, safety, transportation, prosperity, protection of property, civic activity, and recreational, educational, and cultural opportunities, and as would tend to further economy and efficiency in the supply of public services. Such regulations shall be made with reasonable consideration, among other things, of the character of the respective districts and their suitability for the uses provided in the regulations, and with a view to encouraging stability of districts and of land values therein.

The amendment was agreed to.

The next amendment was, in section 3, page 3, line 23, after the word "hearing", to strike out "thereon, at least 15" and insert "thereon. At least 30"; in line 24, after the words "place of", to strike out "which" and insert "such hearing"; in line 25, after the word "published", to insert "at least once"; and on page 4, after line 6, to insert: "The Zoning Commission shall give such additional notice of such hearing as it shall deem feasible and practicable. At such hearing it shall afford any person present a reasonable opportunity to be heard. Such public hearing may be adjourned from time to time and if the time and place of the adjourned meeting be publicly announced when the adjournment is had, no further notice of such adjourned meeting need be published.", so as to make the section read:

SEC. 3. The regulations heretofore adopted by the Zoning Commission under the authority of the above-mentioned act of March 1, 1920 (41 Stat. 500), and in force at the date of the taking effect of this act, including the maps which at said date accompany and are a part of such regulations, shall be deemed to have been made and adopted and in force under this present act and shall be and continue in force and effect until and as they may be amended by the Zoning Commission as authorized by this act. The Zoning Commission may from time to time amend the regulations or any of them or the maps or any of them. Before putting into effect any amendment or amendments of said regulations, or of said map or maps, the Zoning Commission shall hold a public hearing thereon. At least 30 days' notice of the time and place of such hearing shall be published at least once in a daily newspaper or newspapers of general circulation in the District of Columbia. Such published notice shall include a general summary of the proposed amendment or amendments of the regulation or

regulations and the boundaries of the territory or territories included in the amendment or amendments of the map or maps, and the time and place of the hearing. The Zoning Commission shall give such additional notice of such hearing as it shall deem feasible and practicable. At such hearing it shall afford any person present a reasonable opportunity to be heard. Such public hearing may be adjourned from time to time and if the time and place of the adjourned meeting be publicly announced when the adjournment is had, no further notice of such adjourned meeting need be published.

The amendment was agreed to.

The next amendment was, in section 5, page 4, line 24, after the name "Columbia", to insert "all of whom shall be persons of experience in zoning practice and shall serve without additional compensation", so as to make the section read:

SEC. 5. A Zoning Advisory Council is hereby created to be composed of a representative designated by the National Capital Park and Planning Commission, a representative designated by the Zoning Commission of the District of Columbia, and a representative designated by the Commissioners of the District of Columbia, all of whom shall be persons experienced in zoning practice and shall serve without additional compensation. No amendment of any zoning regulation or map shall be adopted by the Zoning Commission unless and until such amendment be first submitted to said Zoning Advisory Council and the opinion or report of such Council thereon shall have been received by the Commission: *Provided, however,* That if said Council shall fail to transmit its opinion and advice within 30 days from the date of submission to it, then in such event the Zoning Commission shall have the right to proceed to act upon the proposed amendment without further waiting for the receipt of the opinion and advice of said Council.

The amendment was agreed to.

The next amendment was, on page 5, after line 17, to strike out:

SEC. 7. The lawful use of a building or premises as existing and lawful at the time of the original adoption of any regulation heretofore adopted under the authority of the aforesaid act of March 1, 1920, or, in the case of any regulation hereafter adopted under this act, at the time of such adoption, may be continued although such use does not conform with the provisions of such regulation. The Zoning Commission may, in its regulations, provide for the termination of nonconforming uses, either by specifying the period or periods within which nonconforming uses shall be required to cease or by providing a formula or formulae whereby the compulsory termination of a nonconforming use shall be so fixed as to allow a reasonable period for the recovery or amortization of the investment in the nonconformance. The Zoning Commission may in its discretion provide in the zoning regulations for the restoration, reconstruction, extension, or substitution of nonconforming uses upon such terms and conditions as may be set forth in the regulations.

And insert:

SEC. 7. The lawful use of a building or premises as existing and lawful at the time of the original adoption of any regulation heretofore adopted under the authority of the aforesaid act of March 1, 1920, or, in the case of any regulation hereafter adopted under this act, at the time of such adoption, may be continued although such use does not conform with the provisions of such regulation, provided no structural alteration, except such as may be required by law or regulation, or no enlargement is made or no new building is erected. The Zoning Commission may in its discretion provide, upon such terms and conditions as may be set forth in the regulations, for the extension of any such nonconforming use throughout the building and for the substitution of nonconforming uses.

The amendment was agreed to.

The next amendment was, in section 8, on page 7, line 9, after the word "members", to strike out "who are bona fide residents of the District of Columbia, to be designated by the Commissioners of said District", and insert "each of whom shall have been a resident of the District of Columbia for at least 3 years immediately preceding his appointment and at least one of whom shall own his own home"; on page 8, line 15, after the word "Commission", to insert "after public hearing thereon as provided in section 3"; on page 9, line 14, after the word "aggrieved", to insert "or organization authorized to represent such person"; on page 10, line 1, after the word "appeal", to insert "*Provided*, That no citizens' association, or association created for civic purposes and not for profit shall be required to pay said fee. There shall be a public hearing on appeal"; on page 11, after line 8, to insert:

(4) In exercising the above-mentioned powers the Board of Adjustment may, in conformity with the provisions of this act, reverse or affirm, wholly or partly, or may modify the order, requirement, decision, determination, or refusal appealed from or may make such order as may be necessary to carry out its decision or authorization, and to that end shall have all the powers of the officer or body from whom the appeal is taken.

And on the same page, after line 19, to insert:

Nothing herein contained shall prohibit the Zoning Commission from providing by regulation for appeals to it from any action of the Board of Zoning Adjustment.

So as to make the section read:

SEC. 8. A Board of Zoning Adjustment is hereby created which shall be composed of five members appointed by the Commissioners of the District of Columbia, namely, one member of the National Capital Park and Planning Commission or a member of the staff thereof to be designated in either case by such Commission; one member of the Zoning Commission or a member of the staff thereof to be designated in either case by such Commission; and three other members, each of whom shall have been a resident of the District of Columbia for at least three years immediately preceding his appointment and at least one of whom shall own his own home.

The representative of the National Capital Park and Planning Commission may be changed from time to time by such Commission in its discretion and in case of a vacancy in the position by death, resignation, or other disability, a new representative shall be designated by the said Commission and appointed by the Commissioners of the District of Columbia to fill said vacancy. The representative of the Zoning Commission may be changed from time to time by such Commission in its discretion and in case of a vacancy in the position by death, resignation, or other disability, a new representative shall be designated by the said Commission and appointed by the Commissioners of the District of Columbia to fill said vacancy. The terms of the three members designated by the Commissioners of the District of Columbia shall be 3 years each, excepting that, in the case of the initial appointments, one shall be for a term of 1 year and one for a term of 2 years. In case of any vacancy in the position of any of the three members designated by the Commissioners of the District of Columbia, the same shall be filled for the remainder of the term.

The Zoning Commission may provide and specify in its zoning regulations general rules to govern the organization and procedure of the Board of Adjustment not inconsistent with the provisions of this act, and the Board of Adjustment may adopt supplemental rules of procedure which shall be subject to the approval of the Zoning Commission after public hearing thereon as provided in section 3. The Board of Adjustment shall choose its chairman and its other officers. All meetings of the Board shall be open to the public. The Board shall keep minutes of its proceedings showing the vote of each member upon each question, or if absent or failing to vote indicating such fact, and shall keep records of its examinations and other official actions, all of which shall be immediately filed in the office of the Board and shall be a public record.

The regulations adopted by the Zoning Commission may provide that the Board of Adjustment may, in appropriate cases and subject to appropriate principles, standards, rules, conditions, and safeguards set forth in the regulations, make special exceptions to the provisions of the zoning regulations in harmony with their general purpose and intent. The Commission may also authorize the Board of Adjustment to interpret the zoning maps and pass upon disputed questions of lot lines or district boundary lines or similar questions as they arise in the administration of the regulations.

The Board of Adjustment shall not have the power to amend any regulation or map.

Appeals to the Board of Adjustment may be taken by any person aggrieved, or organization authorized to represent such person, or by any officer or department of the government of the District of Columbia or the Federal Government affected, by any decision of the inspector of buildings granting or refusing a building permit or granting or withholding a certificate of occupancy, or any other administrative decision based in whole or part upon any zoning regulation or map adopted under this act. The Commissioners of the District of Columbia may require and fix the fee to be charged for an appeal, which fee shall be paid, as directed by said Commissioners, with the filing of the appeal: *Provided*, That no citizens' association, or association created for civic purposes and not for profit shall be required to pay said fee. There shall be a public hearing on appeal.

Upon appeals the Board of Adjustment shall have the following powers:

(1) To hear and decide appeals where it is alleged by the appellant that there is error in any order, requirement, decision, determination, or refusal made by the inspector of buildings or the Commissioners of the District of Columbia or any other administrative officer or body in the carrying out or enforcement of any regulation adopted pursuant to this act.

(2) To hear and decide, in accordance with the provisions of the regulations adopted by the Zoning Commission, requests for special exceptions or map interpretations or for decisions upon other special questions upon which such Board is required or authorized by the regulations to pass.

(3) Where, by reason of exceptional narrowness, shallowness, or shape of a specific piece of property at the time of the original

adoption of the regulations or by reason of exceptional topographical conditions or other extraordinary or exceptional situation or condition of a specific piece of property, the strict application of any regulation adopted under this act would result in peculiar and exceptional practical difficulties to or exceptional and undue hardship upon the owner of such property, to authorize, upon an appeal relating to such property, a variance from such strict application so as to relieve such difficulties or hardship, provided such relief can be granted without substantial detriment to the public good and without substantially impairing the intent, purpose, and integrity of the zone plan as embodied in the zoning regulations and map.

(4) In exercising the above-mentioned powers the Board of Adjustment may, in conformity with the provisions of this act, reverse or affirm, wholly or partly, or may modify the order, requirement, decision, determination, or refusal appealed from or may make such order as may be necessary to carry out its decision or authorization, and to that end shall have all the powers of the officer or body from whom the appeal is taken.

The concurring vote of not less than a full majority of the members of the Board shall be necessary for any decision or order.

Nothing herein contained shall prohibit the Zoning Commission from providing by regulation for appeals to it from any action of the Board of Zoning Adjustment.

The amendment was agreed to.

The next amendment was, in section 10, page 12, line 6, after the word "or", to strike out "substantially"; and on line 10, after the word "or", to strike out "substantial"; on line 13, after the word "or", to strike out "substantial"; at the beginning of line 20, to strike out "substantially"; and on page 13, after the word "reconstructs", to strike out "substantially"; so as to make the section read:

SEC. 10. It shall be unlawful to erect, construct, reconstruct, convert, or alter any building or structure or part thereof within the District of Columbia without obtaining a building permit from the inspector of buildings, and said inspector shall not issue any permit for the erection, construction, reconstruction, conversion, or alteration of any building or structure, or any part thereof, unless the plans of and for the proposed erection, construction, reconstruction, conversion, or alteration fully conform to the provisions of this act and of the regulations adopted under this act. In the event that said regulations provide for the issuance of certificates of occupancy or other form of permit to use, it shall be unlawful to use any building, structure, or land until such certificate or permit be first obtained. It shall be unlawful to erect, construct, reconstruct, alter, convert, or maintain or to use any building, structure, or part thereof or any land within the District of Columbia in violation of the provisions of this act or of any of the provisions of the regulations adopted under this act. The owner or person in charge of or maintaining any such building or land or any other person who erects, constructs, reconstructs, alters, converts, maintains, or uses any building or structure or part thereof or land in violation of this act or any regulation adopted under this act, shall, upon conviction for such violation on information filed in the police court of the District of Columbia by the corporation counsel or any of his assistants in the name of said District and which court is hereby authorized to hear and determine such cases, be punished by a fine of not more than $100 per day for each and every day such violation shall continue. The corporation counsel of the District of Columbia or any neighboring property owner or occupant who would be specially damaged by any such violation may, in addition to all other remedies provided by law, institute injunction, mandamus, or other appropriate action or proceeding to prevent such unlawful erection, construction, reconstruction, alteration, conversion, maintenance, or use, or to correct or abate such violation or to prevent the occupancy of such building, structure, or land.

The amendment was agreed to.

The next amendment was, in section 13, page 15, after line 5, to insert the words "administrative decision," "administrative officer," "administrative officer or body," when used in section 8 of this act shall not be deemed to include the Zoning Commission", so as to make the section read:

SEC. 13. The word "amend," "amendment," "amendments," or "amended," when used in this act in relation to the zoning regulations, shall be deemed to include any modification of the text or phraseology of the regulations or of any provision of the regulations or any regulation or any repeal or elimination of any regulation or regulations or part thereof or any addition to the regulations or any new regulation or any change of or in the wording or content of the regulations. The word "amend," "amendment," "amendments," or "amended," when used in this act in relation to the zoning maps or any map, shall be deemed to include any change in the number, shape, boundary, or area of any district or districts, any repeal or abolition of any such map or any part thereof, any addition to any such map, any new map or maps, or any other change in the maps or any map. The words "administrative decision," "administrative officer," "administrative officer or body", when used in section 8 of this act shall not be deemed to include the Zoning Commission.

The amendment was agreed to.

The next amendment was, in section 14, page 15, line 22, after the word "act", to insert "*Provided, however*, That the compensation of any member shall not exceed $1,000 per annum", so as to make the section read:

SEC. 14. Appropriations are hereby authorized to carry out the provisions of this act for the fiscal year ending June 30, 1938, and thereafter the Commissioners of the District of Columbia are authorized and directed to include in their annual estimates such amounts as may be required for salaries and expenses incident to such purposes. The Commissioners are authorized to employ such personal services as may be necessary to carry out the provisions of this act, and the salaries of such employees, other than members of the Board of Zoning Adjustment, are to be fixed in accordance with the provisions of the Classification Act of 1923, as amended. The Commissioners shall fix the compensation of the members of the Board of Zoning Adjustment, without reference to the provisions of the Classification Act: *Provided, however*, That the compensation of any member shall not exceed $1,000 per annum: *And provided further*, That no compensation for service as a member of said Board shall be provided for any member who holds a salaried public office or position in the District of Columbia or the Federal Governments.

The amendment was agreed to.

The next amendment was, on page 16, after line 11, to insert the following new sections:

SEC. 16. The provisions of this act shall not apply to Federal public buildings: *Provided, however*, That in order to insure the orderly development of the National Capital, the location, height, bulk, number of stories, and size of Federal public buildings in the District of Columbia and the provision for open space in and around the same will be subject to the approval of the National Capital Park and Planning Commission.

SEC. 17. If any provision contained in this act be declared invalid, such invalidity shall not be deemed to affect or impair the validity of the remainder or of any other part of this act.

The amendment was agreed to.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

BILLS PASSED OVER

The bill (S. 3916) for the relief of George Francis Burke, was announced as next in order.

Mr. KING. Let that bill go over.

The PRESIDING OFFICER. The bill will be passed over.

The bill (S. 3337) to amend section 2 of the act entitled "An act to temporarily increase the commissioned and warrant and enlisted strength of the Navy and Marine Corps, and for other purposes", approved May 22, 1917, as amended, to increase the authorized percentage of privates, first-class, in the Marine Corps from 25 to 50 percent of the whole number of privates was announced as next in order.

Mr. KING. Mr. President, I should like an explanation of that bill.

The PRESIDING OFFICER. Without objection, the bill will go over temporarily.

The bill (S. 3339) for the relief of Lt. (Jr. Gr.) Svend J. Skou, United States Navy, was announced as next in order.

Mr. KING. Let that bill go over.

The PRESIDING OFFICER. The bill will be passed over.

ATTENDANCE OF MARINE BAND AT CONFEDERATE VETERANS' REUNION

The bill (S. 4070) to authorize the attendance of the Marine Band at the United Confederate Veterans' 1938 reunion at Columbia, S. C., from August 30 to September 2, 1938, both dates inclusive, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the President is authorized to permit the band of the United States Marine Corps to attend and give concerts at the United Confederate Veterans' Reunion to be held at Columbia, S. C., from August 30 to September 2, 1938, both dates inclusive.

SEC. 2. For the purpose of defraying the expenses of such band in attending and giving concerts at such reunion there is authorized to be appropriated the sum of $4,000, or so much thereof as may be necessary, to carry out the provisions of this act: *Provided*, That in addition to transportation and Pullman accommodations the leaders and members of the Marine Band be allowed

not to exceed $5 per day each for actual living expenses while on this duty, and that the payment of such expenses shall be in addition to the pay and allowances to which they would be entitled while serving at their permanent station.

BILL PASSED OVER

The bill (H. R. 9965) to provide for civilian naval training, and for other purposes, was announced as next in order.

Mr. KING. Mr. President, I should like an explanation of that bill from some member of the committee.

The PRESIDING OFFICER. Without objection, the bill will be passed over.

CERTIFICATION, ETC., OF DOCUMENTS ON FILE IN VATICAN CITY

The bill (S. 2811) to amend the Judicial Code by adding thereto a new section, to be numbered 659 (1), relating to the certification, authentication, and use in evidence of documents of record on file in public offices in the State of Vatican City, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That a new section is hereby added to the Judicial Code to be numbered 695 (1) and to read as follows:

"SEC. 695. (1) Until the United States shall have a consular officer resident in the State of Vatican City, a copy of any document of record or on file in a public office of said State of Vatican City, certified by the lawful custodian of such document, may be authenticated, as provided in section 695 (e) of the Judicial Code by a consular officer of the United States resident in the city of Rome, Kingdom of Italy, and such document or record shall, when so certified and authenticated, be admissible in evidence in any court of the United States."

BRIDGE AT SOUTH SIOUX CITY, NEBR.

The Senate proceeded to consider the bill (S. 4126) to amend the act authorizing the construction of a bridge at South Sioux City, Nebr.

Mr. BURKE. Mr. President, I have two amendments I desire to offer to the bill.

The PRESIDING OFFICER. The first amendment offered by the Senator from Nebraska will be stated.

The CHIEF CLERK. On page 5, line 3, after the word "commission", it is proposed to strike out the period, insert a comma, and the following words:

"and may charge and collect tolls for transit over either or both such bridges to provide bonds to meet reasonable annual maintenance, repair, and operation costs, and to create a sinking fund sufficient to amortize the cost of acquiring such bridges, or either of them, including reasonable interest and financing costs, and after a sinking fund sufficient for such amortization shall have been so provided, such bridge, or bridges, thereafter shall be maintained and operated free of toll."

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Nebraska.

The amendment was agreed to.

Mr. BURKE. I ask that the other amendment offered by me be stated.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. On page 4, line 20, after the words "per centum" it is proposed to insert "such bridges, and the bonds issued in connection therewith, and the income derived therefrom, shall be exempt from any Federal, State, municipal, and local taxation."

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Nebraska.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

BOXING IN THE DISTRICT OF COLUMBIA

The bill (H. R. 9227) to amend an act entitled "An act to authorize boxing in the District of Columbia and for other purposes" was considered, ordered to a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the act entitled "An act to authorize boxing in the District of Columbia, and for other purposes", is hereby amended to read as follows:

"1. (a) In the event that the authorities in charge shall notify the Boxing Commission that they do not desire its supervision, then the provisions of this act shall not apply in any way to any amateur boxing match or exhibition conducted by or participated in exclusively by any school, college, or university, as defined in this act, or by any association or organization composed exclusively of such schools, colleges, or universities when each contestant in any such match or exhibition is a student regularly enrolled for not less than one-half time in a school, college, or university as herein defined.

"(b) As used in this act 'school, college, or university' includes every school, college, or university supported in whole or in part from public funds and every other school, college, or university supported in whole or in part by a religious, charitable, scientific, literary, educational, or fraternal organization which is not operated for profit and no part of the net earnings of which inures to the benefit of any private shareholder or individual."

SLUM-CLEARANCE PROJECTS IN PUERTO RICO, ETC.

The bill (S. 3929) to authorize the Legislature of Puerto Rico to create public corporate authorities to undertake slum clearance, and projects to provide dwelling accommodations for families of low income, and to issue bonds therefor; to authorize the legislature to provide for financial assistance to such authorities by the government of Puerto Rico and its municipalities, and for other purposes, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Legislature of Puerto Rico may create public corporate authorities to undertake slum clearance and projects to provide dwelling accommodations for families of low income.

SEC. 2. The Legislature of Puerto Rico may provide for the appointment and terms of the commissioners of such authorities, and for the powers of such authorities, except that such authorities shall be given no power of taxation, and may authorize the commissioners of such authorities to fix the salaries of employees.

SEC. 3. The legislature may appropriate funds for and may make and authorize any municipality of Puerto Rico to make loans, donations, and conveyances of money or property to such authorities; may make and authorize any municipality of Puerto Rico to make available its facilities and services to such authorities and take other action in aid of slum clearance or low-rent housing; and may, without regard to any Federal acts restricting the disposition of public property or lands in Puerto Rico, provide for the use by or disposal to such authorities of any public lands or other property held or controlled by the people of Puerto Rico, its municipalities, or other subdivisions.

SEC. 4. The legislature may authorize such authorities to issue bonds or other obligations with such security as the legislature may provide and may provide for the disposition of the proceeds of such bonds and all receipts and revenues of such authorities.

SEC. 5. Such bonds shall not be a debt of Puerto Rico or any municipality, and shall not constitute a public indebtedness within the meaning of section 3 of the act of Congress approved March 2, 1917, entitled "An act to provide a civil government for Porto Rico, and for other purposes," as amended.

SEC. 6. All legislation heretofore enacted by the Legislature of Puerto Rico dealing with the subject matter of this act and not inconsistent herewith is hereby ratified and confirmed.

RATIFICATION OF JOINT RESOLUTIONS OF PUERTO RICAN LEGISLATURE

The bill (S. 4038) to provide for the ratification of all joint resolutions of the Legislature of Puerto Rico and of the former legislative assembly was announced as next in order.

The PRESIDING OFFICER. There has come over from the House a similar bill which, without objection, will be substituted for the Senate bill and considered at this time.

There being no objection, the Senate proceeded to consider the bill (H. R. 10652) to provide for the ratification of all joint resolutions of the Legislature of Puerto Rico and of the former legislative assembly, which was ordered to a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That all and each and every of the joint resolutions passed at any time by the Legislature of Puerto Rico or by the former legislative assembly, and approved by the Governor, be, and the same are hereby, in all things ratified, approved, and confirmed; and all acts done, contracts and conveyances made or entered into or issued or delivered or accepted or received, including bonds, deeds, and transfers of real or personal property or easements or intangible or inchoate rights, and documents and papers of every character made, taxes collected and the collection thereof, disbursements of moneys made and warrants therefor, and all other steps, acts, judgments, decrees, and proceedings of any and every kind or nature entered into, made, done, taken, had, executed, issued, delivered, or received or accepted under or by virtue of any such joint resolution, either of the Legislature of Puerto Rico or of the former legislative assembly, be, and the same are hereby, in all things legalized, ratified and confirmed and validated as fully to all intents and purposes, and to have the same effect, validity, operation, and effectiveness as though all and each and every of such joint resolutions had originally been en-

acted, validly, and approved by the Governor, in the form of "acts" of the legislature and of the legislative assembly, respectively, instead of in the form of "joint resolution."

The PRESIDING OFFICER. Without objection, Senate bill 4038 will be indefinitely postponed.

PRODUCTION OF WINES, BRANDY, AND FRUIT SPIRITS

Mr. BULKLEY. Mr. President, I ask unanimous consent to return to the bill to which I objected a few moments ago. The Senator from California [Mr. McADOO] assures me that the part of the bill to which my correspondent objected is existing law, and that the bill does not change it in any respect.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Ohio?

There being no objection, the Senate proceeded to consider the bill (H. R. 10459) to amend certain provisions of law relative to the production of wines, brandy, and fruit spirits so as to remove therefrom certain unnecessary restrictions; to facilitate the collection of internal-revenue taxes thereupon; and to provide abatement of certain taxes upon wines, brandy, and fruit spirits where lost or evaporated while in the custody and under the control of the Government without any fault of the owner, which had been reported from the Committee on Finance with an amendment on page 8, after line 3, to insert the following new section:

SEC. 8. (a) The last paragraph of section 610 of the Revenue Act of 1918, as amended (U. S. C., 1934 ed., Supp. III, title 26, sec. 1310 (d)), is amended by inserting after the words "apricot wines" a comma and the following: "prune wines, plum wines, pear wines"; and by striking out "or (6)" and inserting in lieu thereof the following: "(6) prunes, (7) plums, (8) pears, (9)."

(b) Section 612 of the Revenue Act of 1918, as amended (U. S. C., 1934 ed., Supp. III, title 26, sec. 1301 (a), (b), (c), and (d)), is amended by inserting after the words "apricot wines", wherever they appear, a comma and the following: "prune wines, plum wines, pear wines"; and by inserting after the words "apricot brandy", wherever they appear, a comma and the following: "prune brandy, plum brandy, pear brandy."

(c) Section 613 of the Revenue Act of 1918, as amended (U. S. C., 1934 ed., Supp. III, title 26, sec. 1300 (a) (2)), is amended by inserting after the words "apricot wine", wherever they appear, a comma and the following: "prune wine, plum wine, pear wine"; and by inserting after the words "apricot brandy", wherever they appear, a comma and the following: "prune brandy, plum brandy, pear brandy."

(d) The last paragraph of section 42 of the act entitled "An act to reduce the revenue and equalize duties on imports, and for other purposes", approved October 1, 1890, as amended (U. S. C., 1934 ed., Supp. III, title 26, sec. 1301 (e)), is amended by inserting after the words "apricot brandy", where they first appear in such paragraph, a comma and the following: "prune brandy, plum brandy, pear brandy"; by inserting after the words "apricot wines" a comma and the following: "prune wines, plum wines, pear wines"; and by striking out "and (5)" and inserting in lieu thereof the following: "(5) no brandy other than prune brandy may be used in the fortification of prune wine and prune brandy may not be used for the fortification of any wine other than prune wine, (6) no brandy other than pear brandy may be used in the fortification of pear wine and pear brandy may not be used for the fortification of any wine other than pear wine, and (7) no brandy other than plum brandy may be used in the fortification of plum wine and plum brandy may not be used for the fortification of any wine other than plum wine and (8)."

(e) The first proviso of section 3255 of the Revised Statutes, as amended (U. S. C., 1934 ed., Supp. III, title 26, sec. 1176), is amended by inserting after the words "apricot wine", wherever they appear, a comma and the following: "prune wine, plum wine, pear wine"; and by inserting after the words "apricot brandy" a comma and the following: "prune brandy, plum brandy, pear brandy."

(f) Section 618 (b) of the Revenue Act of 1918, as amended (U. S. C., 1934 ed., Supp. III, sec. 1304), is amended by inserting after the words "apricot wines" a comma and the following: "prune wines, plum wines, pear wines."

Mr. McADOO. Mr. President, I merely wish to confirm the statement the Senator from Ohio says I made to him, that the part of the bill objected to is existing law, and that his correspondent was simply misinformed.

The PRESIDING OFFICER. The question is on agreeing to the amendment reported by the committee.

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time, and passed.

ANNUAL ASSESSMENT WORK ON MINING CLAIMS

The bill (S. 3493) providing for the suspension of the annual assessment work on mining claims held by location in the United States was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the provision of section 2324 of the Revised Statutes of the United States, which requires on each mining claim located, and until a patent has been issued therefor, not less than $100 worth of labor to be performed or improvements aggregating such amount to be made each year, be, and the same is hereby, suspended as to all mining claims in the United States during the year beginning at 12 o'clock meridian July 1, 1937, and ending at 12 o'clock meridian July 1, 1938: *Provided*, That the provisions of this act shall not apply in the case of any claimant not entitled to exemption from the payment of a Federal income tax for the taxable year 1937: *Provided further*, That every claimant of any such mining claim, in order to obtain the benefits of this act, shall file, or cause to be filed, in the office where the location notice or certificate is recorded, on or before 12 o'clock meridian July 1, 1938, a notice of his desire to hold said mining claim under this act, which notice shall state that the claimant, or claimants, were entitled to exemption from the payment of a Federal income tax for the taxable year 1937: *Provided further*, That such suspension of assessment work shall not apply to more than six lode-mining claims held by the same person, nor to more than 12 lode-mining claims held by the same partnership, association, or corporation: *And provided further*, That such suspension of assessment work shall not apply to more than 6 placer-mining claims not to exceed 120 acres (in all) held by the same person, nor to more than 12 placer-mining claims not to exceed 240 acres (in all) held by the same partnership, association, or corporation.

PERSHING HALL MEMORIAL, PARIS, FRANCE

The bill (S. 4057) to amend the act entitled "An act authorizing an appropriation to effect a settlement of the remainder due on Pershing Hall, a memorial already erected in Paris, France, to the commander in chief, officers, and men of the Expeditionary Forces, and for other purposes," approved June 28, 1935, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That section 1 of the act entitled "An act authorizing an appropriation to effect a settlement of the remainder due on Pershing Hall, a memorial already erected in Paris, France, to the commander in chief, officers, and men of the Expeditionary Forces, and for other purposes", approved June 28, 1935, is amended by adding at the end thereof the following new sentence: "For the purposes of this act, indebtedness connected with Pershing Hall shall include debts for legal and professional services rendered to the American Legion Building, Paris, Inc., and any such services rendered in effecting the transfer of the legal title to the said property to the United States and otherwise in carrying out the purposes of this act, as well as disbursements or advances made on behalf of and for the account of the said American Legion Building, Paris, Inc., and Pershing Hall."

BARBER-HOPPEN CORPORATION

The bill (H. R. 4232) for the relief of Barber-Hoppen Corporation was considered, ordered to a third reading, read the third time, and passed.

GLADYS LEGROW

The bill (H. R. 6508) for the relief of Gladys Legrow was considered, ordered to a third reading, read the third time, and passed.

SIBBALD SMITH

The bill (H. R. 7761) for the relief of Sibbald Smith was considered, ordered to a third reading, read the third time, and passed.

LONG BELL LUMBER CO.

The bill (H. R. 8193) for the relief of the Long Bell Lumber Co. was considered, ordered to a third reading, read the third time, and passed.

N. W. LUDOWESE

The bill (H. R. 8916) for the relief of N. W. Ludowese was considered, ordered to a third reading, read the third time, and passed.

FILOMENO JIMINEZ AND FELICITAS DOMINGUEZ

The bill (H. R. 9200) for the relief of Filomeno Jiminez and Felicitas Dominguez was considered, ordered to a third reading, read the third time, and passed.

C. O. HALL

The bill (H. R. 9214) for the relief of C. O. Hall, was considered, ordered to a third reading, read the third time, and passed.

ROBERT E. LEE HOTEL

The bill (H. R. 9374) for the relief of the Robert E. Lee Hotel was considered, ordered to a third reading, read the third time, and passed.

EMMETT LEE PAYNE

The Senate proceeded to consider the bill (S. 2624) for the relief of Emmett Lee Payne, which had been reported from the Committee on Claims with an amendment, beginning on page 1, line 3, to strike out:

That the Secretary of the Treasury be, and he is hereby, authorized to pay, out of any money in the Treasury not otherwise appropriated, to Emmett Lee Payne the sum of $10,000 in full settlement of all claims against the Government of the United States for personal and permanent damages and injuries sustained and suffered by the said Emmett Lee Payne while driving a truck, in good mechanical condition, with due care and caution and without any fault on his part, at a moderate rate of speed not exceeding 18 or 20 miles per hour, in a southerly direction, while it was yet dark in the early morning before daylight, during an exceedingly dense fog, on Friday, January 29, 1937, about 4 miles south of Lula, Coahoma County, Miss., on paved Highway No. 61, the said highway being straight and running north and south, being located on an embankment some 8 or 10 feet above the adjoining low and overflow area, with narrow dirt shoulders, as a result of a collision between the said truck driven by the said Emmett Lee Payne and Civilian Conservation Corps service truck No. 7, bearing United States license No. 31195–D. A., owned by the United States and negligently operated by an employee of the United States in the scope of his employment, by being stopped crosswise and almost directly across the said highway, by the said employee of the United States, thus completely blocking the said paved highway, with the front of the truck facing west and the rear of the truck facing east, negligently stopped as aforesaid, and without lights, there being no road intersection or crossing at the place where the said truck, in the nighttime, without lights, owned by the United States, was so negligently stopped, the said Emmett Lee Payne being unable to stop the truck driven by him or to see or to pass the said truck owned by the United States, negligently blocking the said highway, the said negligent blocking of the said highway causing the said collision and resulting in the said truck driven by the said Emmett Lee Payne, and the said Emmett Lee Payne, driving the said truck, being thrown from the said highway and from the said embankment, the said truck driven by the said Emmett Lee Payne being almost demolished and the said Emmett Lee Payne being pinned under the said truck, his chest being crushed, his body being mangled, and otherwise greatly bruised and permanently injured, with intense physical pain continuously since the said collision, six teeth having been broken, and his pelvis bone being fractured, all as the direct and proximate result of the negligent operation and handling of the said truck of the United States, as aforesaid

And insert:

That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Emmett Lee Payne, of Coahoma County, Miss., the sum of $5,000, in full settlement of all claims against the Government of the United States for personal injuries and property damage sustained on January 29, 1937, about 4 miles south of Lula, Coahoma County, Miss., on United States Highway No. 61, as a result of a collision between the truck driven by the said Emmett Lee Payne and Civilian Conservation Corps service truck No. 7, bearing United States license No. 31195–D. A.

So as to make the bill read:

That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Emmett Lee Payne, of Coahoma County, Miss., the sum of $5,000, in full settlement of all claims against the Government of the United States for personal injuries and property damage sustained on January 29, 1937, about 4 miles south of Lula, Coahoma County, Miss., on United States Highway No. 61, as a result of a collision between the truck driven by the said Emmett Lee Payne and Civilian Conservation Corps service truck No. 7, bearing United States license No. 31195–D. A.: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

THOMAS H. ECKFELDT

The bill (S. 3062) for the relief of Thomas H. Eckfeldt was considered, ordered to a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Thomas H. Eckfeldt, of Fitchburg, Mass., the sum of $3,684.85 in full satisfaction of his claim against the United States for damages resulting from injuries sustained by him when the automobile in which he was riding as a passenger collided with a National Park Service truck, operated by Philip W. Mathieu, an enrollee in the Civilian Conservation Corps, in Princeton Road, in Westminister, Mass., on February 21, 1936: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with such claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with such claims, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

RELIEF OF CERTAIN PERSONS ON FARM SECURITY ADMINISTRATION PROJECTS

The Senate proceeded to consider the bill (S. 3779) for the relief of certain persons at certain projects of the Farm Security Administration, United States Department of Agriculture, which was read, as follows:

Be it enacted, etc., That in the case of any person who was employed prior to June 30, 1935, at one of the following projects of the Farm Security Administration of the United States Department of Agriculture, formerly under the jurisdiction of the Division of Subsistence Homesteads of the United States Department of the Interior: Cumberland Homesteads, Crossville, Tenn.; Tygart Valley Homesteads, Elkins, W. Va.; Westmoreland Homesteads, Greensburg, Pa., and from whose wages there have been withheld any sums in pursuance of the operation of a so-called credit hour system at such projects, the Secretary of the Treasury is authorized and directed to pay to such person, out of the money in the Treasury not otherwise appropriated, upon the certification of the Secretary of Agriculture, a sum equal to the amounts so withheld: *Provided, however*, That there shall be deducted from such payments (for disposition as receipts derived from the operation of projects, as authorized by section 3 of the act of June 29, 1936 (49 Stat. 2035), the amounts, as certified by the Secretary of Agriculture, of any current indebtedness to the United States in connection with such projects, and of any past indebtedness for which credit has been allowed to such person in the form of rent for occupancy or payments toward the purchase price of any homestead at such projects: *Provided further*, That in the case of any such person who has voluntarily withdrawn or has been dismissed from one of such projects, and who has received any cash settlement on account of accrued credit hours, there shall be deducted from such payments a sum equal to the amount of such cash settlement.

Mr. KING. Mr. President, I should like to have the Senator who reported the bill make a brief explanation regarding it.

Mr. BROWN of Michigan. Mr. President, I reported the bill from the Committee on Claims. It provides for the payment in cash of a sum of money that was due the various claimants for work and labor performed. Originally it was arranged that payment was to be made in land on certain projects of the Farm Security Administration. It was found that payment could not be made in that manner, and so the amount is for wages and labor performed. The bill has the approval of the Department of Agriculture as well as of the other department involved.

Mr. KING. Is any additional expense incurred?

Mr. BROWN of Michigan. The money is owing; there can be no question about that.

The PRESIDING OFFICER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

FIRST NATIONAL BANK & TRUST CO., KALAMAZOO, MICH.

The bill (H. R. 7998) for the relief of the First National Bank & Trust Co. of Kalamazoo, Kalamazoo, Mich., was considered, ordered to a third reading, read the third time, and passed.

MIDDLE RIO GRANDE CONSERVANCY DISTRICT, NEW MEXICO

The Senate proceeded to consider the bill (S. 3426) to authorize an appropriation for repayment to Middle Rio Grande Conservancy District, a subdivision of the State of New Mexico, of the share of the said district's construction and operation and maintenance costs applicable to certain properties owned by the United States, situated in Bernalillo County, N. Mex., within the exterior boundaries of the district; to authorize the Secretary of the Interior to contract with said district for future operation and maintenance charges against said lands; to authorize appropriation for extra construction work performed by said district for the special benefit of certain Pueblo Indian lands; and to authorize appropriation for construction expenditures benefiting certain acquired lands of Pueblo Indians of the State of New Mexico, which had been reported from the Committee on Indian Affairs, with amendments.

Mr. KING. Mr. President, I should like to have an explanation of the bill from the Senator from New Mexico [Mr. HATCH].

Mr. HATCH. Mr. President, there are some amendments to the bill which I will explain to the Senator from Utah. The purpose of the bill is to enable the United States Government to pay its proportionate part of the cost of the drainage work done in the Middle Rio Grande Conservancy District when lands owned by the Federal Government have been benefited by the work.

Mr. KING. Mr. President, a number of years ago there was brought to my attention the matter of the very serious conflict between the Indians and the railroad and perhaps some of the white settlers. I did not know that the Federal Government was involved in the controversy, and I do not quite understand how it is now interested in the conservancy district.

Mr. HATCH. A great deal of Indian land was in the conservancy district.

Mr. KING. Yes; I am aware of that.

Mr. HATCH. And, as the Senator has said, there are white settlers on the land. Part of it is in the city of Albuquerque. The city of Albuquerque is in the conservancy district. A great deal of the railroad lands are in it. There is no conflict at all. The Department has approved the bill. The matter has all been gone over with the Department, and the amendments finally reported are those which have been suggested by the Department.

Mr. KING. What I am interested in ascertaining is whether or not the Federal Government has in the conservancy district lands of its own—not Indian lands—and whether the bill will involve an appropriation by the Federal Government for its own lands, if it has any, or an appropriation for the Indian lands.

Mr. HATCH. It is a mixed award. Part of it is for the Indian lands within the conservancy district.

Mr. KING. Why should not the Indians, then, out of their tribal funds, pay for the benefits which they derive from these operations?

Mr. HATCH. These particular Indians have no tribal funds out of which they could make the payments.

Mr. KING. What will be the cost to the Federal Government of this bill?

Mr. HATCH. Let me look at the report. I ask that the bill be passed over temporarily, until I can furnish the information requested by the Senator.

The PRESIDING OFFICER. Without objection, the bill will be temporarily passed over.

Mr. HATCH subsequently said: Mr. President, may we return to Senate bill 3426, regarding which the Senator from Utah desired information? The Senator now advises me that he has no objection to the bill.

The PRESIDING OFFICER. The amendments reported by the committee will be stated.

The first amendment of the Committee on Indian Affairs was, in section 1, page 2, at the beginning of line 1, to strike out "(1)"; in the same line, after the word "hereby", to insert "authorized to be"; in line 3, after the word "to", to insert "the"; in line 14, after the word "America", to strike out the period and insert a comma; and at the beginning of line 15, to strike out "The" and insert "the", so as to make the section read:

That there is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, the sum of $20,470.71 for repayment to the Middle Rio Grande Conservancy District, a corporate political subdivision of the State of New Mexico, of the unpaid share of the construction costs of said district for conservation, irrigation, drainage, and flood control applicable to the following-described lands in the county of Bernalillo, State of New Mexico, within the exterior boundaries of said district:

One hundred and forty-two and nine one-hundredths acres in Bernalillo County, N. Mex., known and described as the lands of the Albuquerque Indian School of the Department of the Interior, United States of America,

the lands so described being owned by the United States and having been materially benefited by the construction works of the said district, and the share of the costs of such construction having been determined by an appraisal of benefits made by the said district's board of appraisers at the same time and in the same manner and on the same basis as appraisals made against other lands in the said district, and the assessments made thereon by the board of commissioners of said district being the same as that made against like lands similarly situated.

The amendment was agreed to.

The next amendment was, on page 3, at the beginning of line 1, to strike out "(2)" and insert "Sec. 2"; in the same line, after the word "hereby", to insert "authorized to be"; in line 4, before the word "Middle", to insert "the"; and in line 7, after the word "in", to strike out "paragraph (1)" and insert "section 1 of this act", so as to make the section read:

SEC. 2. That there is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, the sum of $1,539.65 for repayment to the Middle Rio Grande Conservancy District for the equal and pro rata assessment for operation and maintenance costs for the years 1934, 1935, 1936, and 1937 against lands described in section 1 of this act.

The amendment was agreed to.

The next amendment was, on page 3, at the beginning of line 8, to strike out "(3)" and insert "Sec. 3"; in line 10, after the word "with", to insert "the"; and in line 13, after the word "in", to strike out "paragraph (1)" and insert "section 1", so as to make the section read:

SEC. 3. That the Secretary of the Interior be, and he is hereby, authorized and directed to enter into an agreement with the Middle Rio Grande Conservancy District for the payment of future operation and maintenance costs which shall be levied and assessed against the properties described in section 1, the said agreement to provide that all assessments and levies thereunder shall be on the same equal basis as assessments and levies against other land similarly situated or assessed in said district.

The said operation and maintenance charge to be upon all lands included within the Albuquerque Indian School in Bernalillo County, N. Mex.

The amendment was agreed to.

The next amendment was, on page 3, at the beginning of line 20, to strike out "(4)" and insert "Sec. 4"; in the same line, after the word "hereby", to insert "authorized to be"; in line 22, after the word "appropriated", to insert "to be reimbursed in accordance with existing law", and in line 23, after the word "to", to insert "the", so as to make the section read:

SEC. 4. That there is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, to be reimbursed in accordance with existing law, the sum of $3,338.17 for repayment to the Middle Rio Grande Conservancy District of the cost of extra construction works performed by the district for the special benefit of certain Indian lands belonging to certain Pueblo Indians of New Mexico situate within the exterior boundaries of said district, such works not having been provided for in the district's approved official plan but which were constructed at the instance and request of agents of the Bureau of Indian Affairs.

The amendment was agreed to.

The next amendment was, on page 4, after line 6, to strike out:

(5) That there is hereby appropriated, out of any funds in the Treasury not otherwise appropriated, the sum of $10,378.26 for repayment to Middle Rio Grande Conservancy District for assessed construction costs upon the following described lands in

Sandoval County, N. Mex., within the exterior boundaries of the Middle Rio Grande Conservancy District:

Pueblo Lands Board description	Acres purchased	Conservancy district appraisal record		
		Description		Acres benefited
		Map	Tract	
COCHITI PUEBLO				
P. C. 60, p. 1	1.555	2	3	1.56
P. C. 58, p. 1	2.321	2	4	2.32
P. C. 58, p. 2	3.019	2	2	3.02
P. C. 55, p. 1	6.262	2	9	6.26
P. C. 79, p. 2	5.514			
P. C. 7, p. 4	1.475	2	30	16.31
P. C. 79, p. 1 (pt.)	.369			
P. C. 51, p. 2 (pt.)	10.231			
P. C. 116, p. 1	14.512	3	69	14.41
P. C. 50, p. 1	5.060	2	22a	4.06
		2	22b	1.00
P. C. 7, p. 6	17.748	2	21	14.75
		2	46a	2.47
		2	46b	.10
Total	68.086			66.28
SANTO DOMINGO PUEBLO				
P. C. 13, p. 1	35.530	4	49	14.90
P. C. 4, p. 1	21.410	4	74	11.64
P. C. 10, p. 1	18.570	4	69	11.56
P. C. 1, p. 1	13.220	4	78	9.23
P. C. 11, p. 1	33.710	4	68	5.14
P. C. 14, p. 1		4	47	11.15
Total	122.440			63.62
SAN FELIPE PUEBLO				
P. C. 1, p. 1	7.636	5	89	7.84
P. C. 8	3.480	6	60	3.48
P. C. 4	92.360	6	57	21.20
P. C. 5		6	58	2.15
P. C. 6		6	64	49.50
P. C. 2, p. 1	5.804	5	88	4.67
P. C. 7, p. 1	1.610	6	59	1.61
P. C. 11, p. 1	3.860	6	63	3.86
P. C. 10	1.810	6	62	1.81
P. C. 14	37.100	6	66	38.42
P. C. 13	3.630	6	65	3.86
Total	157.580			138.40
Grand total	348.106			238.30

And to insert:

SEC. 5. That the provisions of the act of August 27, 1935 (49 Stat. 887), authorizing the Secretary of the Interior to provide by agreement with the Middle Rio Grande Conservancy District, a subdivision of the State of New Mexico, for maintenance and operation on newly reclaimed Pueblo Indian lands in the Rio Grande Valley, N. Mex., reclaimed under previous act of Congress, and authorizing an annual appropriation to pay the cost thereof for a period of not to exceed 5 years, are hereby extended for an additional period of 5 years to 1945, and the provisions of this section shall be applicable to lands purchased by the United States for certain Pueblo Indians of New Mexico under and by virtue of the act of June 7, 1924 (43 Stat. 636), as amended.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended so as to read: "A bill to authorize an appropriation for repayment to the Middle Rio Grande Conservancy District, a subdivision of the State of New Mexico, of the share of said district's construction and operation and maintenance costs applicable to certain properties owned by the United States situate in Bernalillo County, N. Mex., within the exterior boundaries of the district; to authorize the Secretary of the Interior to contract with said district for future operation and maintenance charges against said lands; to authorize appropriation for extra construction work performed by said district for the special benefit of certain Pueblo Indian lands and to authorize appropriation for construction expenditures benefiting certain acquired lands of Pueblo Indians of the State of New Mexico."

PENSIONS OF VETERANS AND DEPENDENTS OF VETERANS OF REGULAR ESTABLISHMENT

The Senate proceeded to consider the bill (S. 3503) to liberalize the laws providing pensions for veterans and the dependents of veterans of the Regular Establishment for disabilities or deaths incurred or aggravated in line of duty other than in wartime, which was read, as follows:

Be it enacted, etc., That persons entitled to pension under the provisions of the general pension law, for service-connected disability resulting from service prior to April 21, 1898, other than in a period of war, shall be entitled to pension at monthly rates at not less than 80 percent of the highest amount of compensation payable to World War veterans suffering with similar service-connected disabilities: *Provided*, That not less than 80 percent of the statutory ratings and awards for specific disabilities as provided by the World War Veterans' Act, 1924, as amended, shall be for application in such cases: *Provided further*, That the monthly rate of the allowance for a nurse or attendant shall be the same as is paid to World War veterans. The occupational variant of soldier, sailor, marine, or coast guard, rather than the variant applicable to the occupation of the injured man at the time of enlistment, shall be applied in such cases when the rating schedule in effect on March 19, 1933, applicable to World War veterans, is used in adjudicating such claims.

SEC. 2. Persons entitled to pension for service-connected disability under the provisions of part II, Veterans' Regulation No. 1 (a), as amended, shall be entitled to pension at monthly rates of not less than 80 percent of the highest amount of compensation payable to World War veterans suffering with similar service-connected disabilities: *Provided*, That not less than 80 percent of the statutory ratings and awards for specific disabilities as provided by the World War Veterans' Act, 1924, as amended, shall be for application in such cases: *Provided further*, That the monthly rate of the allowance for a nurse or attendant shall be the same as is paid to World War veterans. The occupational variant of soldier, sailor, marine, or coast guard rather than the variant applicable to the occupation of the injured man at the time of enlistment, shall be applied in such cases when the rating schedule in effect on March 19, 1933, applicable to World War veterans, is used in adjudicating such claims.

SEC. 3. Eighty percent of the highest service-connected death-compensation rates payable to the dependents of World War veterans shall be the pension rates applicable (1) to the dependents of veterans whose death resulted from service prior to April 21, 1898, other than in a period of war, provided such dependents are otherwise entitled to pension under the provisions of the general pension law, and (2) to dependents entitled to pension under the provisions of paragraph III of part II, Veterans' Regulation No. 1 (a), as amended.

SEC. 4. Paragraph I of part II, Veterans' Regulation No. 1 (a), as amended, is hereby amended by adding a new subparagraph (d) to read as follows:

"(d) For the purpose of paragraph I (a) of part II hereof a chronic disease becoming manifest to a degree of 10 percent or more within 1 year from the date of separation from active service as set forth therein shall be considered to have been incurred in or aggravated by service as specified therein, notwithstanding there is no record of evidence of such disease during the period of active service: *Provided*, That the person suffering from such disease served 180 days or more in the active service as specified therein: *Provided, however*, That, where there is affirmative evidence to the contrary or evidence to establish that an intercurrent injury or disease which is a recognized cause of such chronic disease has been suffered between the date of discharge and the onset of the chronic disease, or the disability is due to the person's own misconduct, service connection will not be in order."

SEC. 5. The increases of pension provided by this act shall be effective on the 1st day of the month following the month in which this act is enacted. This act shall not be so construed as to reduce any pension under any act, public or private. Nothing contained in this act shall in any way affect the provisions of paragraph I (c), part II, Veterans' Regulation No. 1 (a), as amended, relative to the rate of pension if the disability or death resulted from an injury received in line of duty in actual combat in a military expedition or military occupation.

Mr. KING. Mr. President, what committee considered this bill?

Mr. McGILL. The Committee on Military Affairs.

Mr. KING. I should like an explanation of the bill.

The PRESIDING OFFICER. The bill was introduced and reported by the Senator from Wyoming [Mr. SCHWARTZ].

Mr. SHEPPARD. Mr. President, I shall be glad to present an explanation.

Under existing law, regular veterans incurring disabilities in line of duty in other than wartime receive but 45 percent of the amount of pension allowed for such disabilities when incurred in wartime. The bill under consideration will increase pensions received by regular veterans for disabilities incurred in line of duty in other than wartime to 80 percent of the amount received for similar disabilities incurred in wartime.

Under present law, the dependent of a veteran whose death was due to service-connected causes other than in wartime receives from about 66⅔ to approximately 22 per-

cent less than the pension paid a dependent of a line-of-duty deceased war veteran.

Senate bill 3503 provides that the dependent of a regular veteran whose death was due to service-connected causes shall receive not less than 80 percent of the rates paid dependents of war veterans who died from service-connected causes. The measure also provides that the monthly rate of the allowance for a nurse or attendant shall be the same as is paid to World War veterans, which is $50 per month.

It is estimated that this measure affects about 36,675 cases, at a first-year cost of approximately $6,336,900. The Veterans' Administration approves an increase in pensions received by regular veterans for disabilities incurred in line of duty in other than wartime, but would limit the increase to 60 percent of the rate received by war veterans for similar disabilities. The Budget Bureau has no objection to a 60-percent increase, provided enactment is postponed until next year.

Due to the urgent need of pension increases for regular veterans and their dependents, and because of the very low pension rates they receive in comparison to wartime veterans and dependents of wartime veterans, the Senate Military Affairs Committee has reported the bill favorably.

VETERANS OF THE REGULAR SERVICE

Mr. LUNDEEN. Mr. President, more than 300,000 American veterans are out of employment. Veterans of the regular service and veterans of all wars should be remembered by the Government they served. I think this bill is just plain, ordinary justice; and I hope it will be unanimously passed by the Senate.

REGULAR SERVICE—FORGOTTEN MEN

Men of the regular service are often forgotten. They are set adrift when disabled without pension or compensation.

Thousands of these splendid men dedicate their lives to American Army service. A finer Regular Army cannot be found under any flag. Their service is purely defensive and they carry on much peacetime construction work under Government Army engineers. I feel certain no Senator will object. Let us make this a happy red-letter day for the men of the regular service.

The PRESIDING OFFICER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

AMENDMENT OF LONGSHOREMEN'S AND HARBOR WORKERS' COMPENSATION ACT

The Senate proceeded to consider the bill (H. R. 5690) to amend the Longshoremen's and Harbor Workers' Compensation Act, which had been reported from the Committee on the Judiciary with amendments.

The first amendment was, in section 12, page 10, line 15, after the word "that", to strike out "subdivision (b)" and insert "subdivisions (b) and (e)"; in line 16, after the word "and", to strike out "it is" and insert "are"; and after line 22, to insert:

(e) Any amount recovered by such employer on account of such assignment, whether or not as the result of a compromise, shall be distributed as follows:

(1) The employer shall retain an amount equal to—

(A) The expenses incurred by him in respect to such proceedings or compromise (including a reasonable attorney's fee as determined by the deputy commissioner);

(B) The cost of all benefits actually furnished by him to the employee under section 7;

(C) All amounts paid as compensation;

(D) The present value of all amounts thereafter payable as compensation, such present value to be computed in accordance with a schedule prepared by the Commission, and the present value of the cost of all benefits thereafter to be furnished under section 7, to be estimated by the deputy commissioner, and the amounts so computed and estimated to be retained by the employer as a trust fund to pay such compensation and the cost of such benefits as they become due, and to pay any sum finally remaining in excess thereof to the person entitled to compensation or to the representative; and

(2) The employer shall pay any excess to the person entitled to compensation or to the representative.

So as to make the section read:

SEC. 12. That subdivisions (b) and (e) of section 33 of said act be, and are hereby, amended to read as follows:

"(b) Acceptance of such compensation under an award in a compensation order filed by the deputy commissioner shall operate as an assignment to the employer of all right of the person entitled to compensation to recover damages against such third persons."

"(e) Any amount recovered by such employer on account of such assignment, whether or not as the result of a compromise, shall be distributed as follows:

"(1) The employer shall retain an amount equal to—

"(A) the expenses incurred by him in respect to such proceedings or compromise (including a reasonable attorney's fee as determined by the deputy commissioner);

"(B) the cost of all benefits actually furnished by him to the employee under section 7;

"(C) all amounts paid as compensation;

"(D) the present value of all amounts thereafter payable as compensation, such present value to be computed in accordance with a schedule prepared by the Commission, and the present value of the cost of all benefits thereafter to be furnished under section 7, to be estimated by the Deputy Commissioner, and the amounts so computed and estimated to be retained by the employer as a trust fund to pay such compensation and the cost of such benefits as they become due, and to pay any sum finally remaining in excess thereof to the person entitled to compensation or to the representative; and

"(2) The employer shall pay any excess to the person entitled to compensation or to the representative."

The amendment was agreed to.

The next amendment was, at the end of section 12 to insert a new section, as follows:

SEC. 13. That section 33 of said act be, and it is hereby, further amended by adding thereto the following new subdivision:

"(i) Where the employer is insured and the insurance carrier has assumed the payment of the compensation, the insurance carrier shall be subrogated to all the rights of the employer under this section."

The amendment was agreed to.

The next amendment was on page 12, line 3, to change the number of the section from 13 to 14.

The amendment was agreed to.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

CARE AND TREATMENT OF JUVENILE DELINQUENTS

The bill (S. 4090) to provide for the care and treatment of juvenile delinquents was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That for the purposes of this act a "juvenile" is a person 17 years of age or under, "juvenile delinquency" is an offense against the laws of the United States committed by a juvenile and not punishable by death or life imprisonment.

SEC. 2. Whenever any juvenile is charged with the commission of any offense against the laws of the United States, other than an offense punishable by death or life imprisonment, and such juvenile is not surrendered to the authorities of any State, pursuant to the provisions of the act of June 11, 1932 (47 Stat. 301; U. S. C., title 18, sec. 662a), he shall be prosecuted as a juvenile delinquent if the Attorney General in his discretion so directs and the accused consents to such procedure. In such event such person shall be prosecuted by information on the charge of juvenile delinquency, and no prosecution shall be instituted for the specific offense alleged to have been committed by him. The said consent required to be given by such juvenile shall be given by him in writing before a judge of the district court of the United States having cognizance of the offense, who shall fully apprize the juvenile of his rights and of the consequences of such consent.

SEC. 3. The district court of the United States having jurisdiction of the offense shall have jurisdiction to try persons prosecuted as juvenile delinquents. For such purposes the court may be convened at any time and place within the district, in chambers or otherwise. The trial shall be without a jury. The consent on the part of the juvenile to be prosecuted on a charge of juvenile delinquency shall be deemed a waiver of a trial by jury.

SEC. 4. In the event that the court finds such juvenile guilty of juvenile delinquency, it may place him on probation under the provisions of the act of March 4, 1925, as amended (43 Stat. 1259; U. S. C., title 18, secs. 724 to 728), except that the period of probation may include but may not exceed the minority of the delinquent; or it may commit the delinquent to the custody of the Attorney General for a period not exceeding his minority, but in no event exceeding the term for which the juvenile could have been sentenced if he had been tried and convicted of the offense which he had committed. The Attorney General may designate

any public or private agency for the custody, care, subsistence, education, and training of the juvenile during the period for which he was committed. The cost of such custody and care may be paid from the appropriation for "Support of United States prisoners" or such other appropriation as the Attorney General may designate.

SEC. 5. Whenever a juvenile is arrested on a charge of having committed an offense against the laws of the United States, the arresting officer shall immediately notify the Attorney General of such fact. If such juvenile is not forthwith taken before a committing magistrate, he may be detained in such juvenile home or other suitable place of detention as the Attorney General may designate for such purposes, but shall not be detained in a jail or similar place of detention, unless, in the opinion of the arresting officer, such detention is necessary to secure the custody of such juvenile, or to insure his safety or that of others. In no case shall such detention be for a longer period than is necessary to produce such juvenile before a committing magistrate. The committing magistrate may release such juvenile on bail, upon his own recognizance or that of some responsible person, or in default of bail may commit him to the custody of the United States marshal, who shall lodge him in such juvenile home or other suitable place of detention as the Attorney General may designate for that purpose. Such juvenile shall not be committed to a jail or other similar institution, unless in the opinion of the marshal it appears that such commitment is necessary to secure the custody of the juvenile or to insure his safety or that of others. A juvenile detained in a jail or similar institution shall be held in custody in a room or other place apart from adults if facilities for such segregation are available.

SEC. 6. The Director of the Bureau of Prisons may contract with public or private agencies for the custody, care, subsistence, education, and training of juvenile delinquents and may defray the cost of such custody, care, subsistence, education, and training from the appropriation for "Support of United States prisoners" or such other appropriation as the Attorney General may designate.

SEC. 7. A juvenile delinquent committed under this act who has, by his conduct, given sufficient evidence that he has reformed, may be released on parole at any time by the Board of Parole established by the act of May 13, 1930 (46 Stat. 272, ch. 255; U. S. C., title 18, sec. 723, subsecs. (a)–(c)). If it shall appear to the satisfaction of such Board that there is reasonable probability that such juvenile will, if conditionally released, remain at liberty without violating the law, then the Board may, in its discretion, parole such juvenile under conditions and regulations as the Board may deem proper.

SEC. 8. Nothing in this act shall be construed to supersede or repeal any provisions of law relative to the custody, care, subsistence, education, or training of juveniles, which are now or may hereafter be made particularly applicable to the District of Columbia.

SEC. 9. This act may be cited as "The Federal Juvenile Delinquency Act."

LIMITATION OF HOURS OF OFFICERS AND SEAMEN ON VESSELS NAVIGATING GREAT LAKES

The Senate proceeded to consider the bill (S. 4132) limiting the hours of labor of certain officers and seamen on certain vessels navigating the Great Lakes and adjacent waters, which had been reported from the Committee on Commerce with amendments, on page 1, line 3, after "1915", to insert "as amended", and on page 2, line 4, after the word "emergency", to insert "affecting the safety of the vessel and/or life or property", so as to make the bill read:

Be it enacted, etc., That section 2 of the act of March 4, 1915, as amended (U. S. C., 1934 edition, Supp. III, title 46, sec. 673), is amended by adding after the first sentence thereof the following: "No licensed officer or seaman in the deck or engine department of any tug documented under the laws of the United States (except boats or vessels used exclusively for fishing purposes) navigating the Great Lakes, harbors of the Great Lakes, and connecting and tributary waters between Gary, Ind.; Duluth, Minn.; Niagara Falls, N. Y.; and Ogdenburg, N. Y., shall be required or permitted to work more than 8 hours in 1 day except in case of extraordinary emergency affecting the safety of the vessel and/or life or property.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

CREATION OF TEMPORARY NATIONAL ECONOMIC COMMITTEE

The joint resolution (S. J. Res. 300) to create a temporary National Economic Committee was announced as next in order.

Mr. KING. Mr. President, is it designed to take up that joint resolution at this time?

Mr. O'MAHONEY. Mr. President, I hope the Senator will not object to the measure at this time. The Senator well knows the great amount of study which was devoted to the joint resolution in the committee.

Mr. KING. Mr. President, I shall not object to the consideration of the joint resolution; but I will say very frankly that it is a measure which, in its present form, does not meet my entire approval.

Mr. AUSTIN. Mr. President, I reserve the right to object to the consideration of the joint resolution.

I desire to say that I had great hope of the efforts of our committee with respect to the subject matter of the joint resolution. My impression was that all the members of the committee had the same objective; and, so far as discussion in the committee goes, apparently we were all in accord.

In the first place, we were in accord with the doctrine that a legislative matter should be kept within the control of the Congress, and should not be turned over to the executive department to handle. That meant, so far as this joint resolution is concerned, that instead of having an investigation by a committee which was within the control of the Chief Executive and his departments, we should have a joint resolution which would put the control of the investigation in the hands of that part of the committee which represents the legislative department of government.

Another thing about which we appeared to be in agreement, judging by the debate in the committee, was that on the subject of spending half a million dollars for the purposes named in the joint resolution it was the determination of all members of the committee to keep control of the spending in the legislative department of the Government and not to divide the half million dollars up in such a manner that the legislative side of the investigation would control the expenditure of $100,000, whereas the executive element of the committee would control the expenditure of four-fifths of the sum; that is, $400,000.

Mr. O'MAHONEY. Mr. President, will the Senator yield?

Mr. AUSTIN. I yield.

Mr. O'MAHONEY. I am sure the Senator will want to reflect correctly what transpired in the committee. The Senator will recall that the original joint resolution which I introduced provided for the expenditure of $100,000 by the committee and for the distribution of $400,000 by the President among the various executive agencies of the Government. There was no time during the consideration of the joint resolution in the committee when I did not press for the adoption of that proposal. I do not want the Senator's statement that all members were agreed that there should be no distribution by the President to stand without that correction.

Mr. AUSTIN. Mr. President, I accept the correction of the Senator from Wyoming. I had not recalled that his draft of the joint resolution, Senate Joint Resolution 291, contained that provision. As a matter of fact, my recollection was that it did not contain it.

Mr. O'MAHONEY. I was referring to Joint Resolution 300.

Mr. AUSTIN. Then there was certainly a misunderstanding by me as to the position of the Senator from Wyoming, and I am perfectly willing to accept a clarification, and I proceed on the assumption now that Joint Resolution 300, after being drawn by someone, was satisfactory to the Senator from Wyoming. But this is what occurred. After discussion, the Committee on the Judiciary struck out of the joint resolution by a majority vote that provision which divided up the expenditure between the legislative department and the executive department providing for one-fifth by the legislative department and four-fifths by the executive.

The matter was not allowed to rest there. After an interview with the executive department by those in the committee who were active in promoting this joint resolution, we had a further meeting of the committee and the matter was reconsidered, and upon a contested vote the matter struck out was restored, and thereupon was amended so that it would read as follows: I read from page 7, beginning with line 6:

Of the funds authorized to be appropriated under subsection (a), not to exceed $100,000 shall be immediately available for expenditure by the committee in carrying out its functions and not to exceed $400,000 shall be available, on application by the committee for allocation by the President among the Departments

and agencies of the Government to enable them to carry out their functions under this joint resolution.

This was entirely satisfactory to me, and I tried to make my position clear. I offered an amendment to strike out the word "by" as it first appeared in line 10 of this text, and to transpose the words "for allocation", so that the clause would read:

Application to the committee by the President for allocation among the Departments and agencies.

Had that been done we would have adhered to what I thought was the judgment of the committee, namely, that the legislative department should keep control of the expenditure of this major portion of the appropriation, if it is ever made, which is to be made on this authorization.

Mr. President, there is another matter to which I wish to call attention. This joint resolution is the foundation, I believe, for some very constructive, beneficial work. Under the joint resolution there is plenty of authority for the committee to be set up to investigate the subjects which have been vexing us in Congress during this session relating to the economic situation of our country. The joint resolution is broad enough to enable the committee to examine into our antitrust policy, to rewrite our antitrust laws, to define what acts of citizens will be regarded as unlawful, to define what acts of citizens will be regarded as lawful, and thereby to assure to the people of the United States of America that their Government is fair, that the Government is neutral as to them, that their Government has no desire to be unfair, and, in the name of a "New Deal," or in any other name, completely revolutionize the economic structure of our country, and the methods of doing business, by wiping out the freedom of bargaining and sale and trade, which has been the basis of our prosperity and progress and development through all our history, and that it is the purpose of Government to minimize the amount of regulation by our Government to that area which will preserve the maximum amount of competition in business.

Mr. President, that is a possibility under this joint resolution, but I call attention to these aspects of the measure. It is also provided that this committee is empowered—

(a) To make a full and complete study and investigation with respect to the matters referred to in the President's message of April 29, 1938, on monopoly and the concentration of economic power in and financial control over production and distribution of goods and services and to hear and receive evidence thereon, with a view to determining, but without limitation, (1) the causes of such concentration and control and their effect upon competition; (2) the effect of the existing price system and the price policies of industry upon the general level of trade, upon employment, upon long-term profits, and upon consumption; and (3) the effect of existing tax, patent, and other Government policies upon competition, price levels, unemployment, profits, and consumption; and

(b) To make recommendation to Congress with respect to legislation upon the foregoing subjects, including the improvement of antitrust policy and procedure and the establishment of national standards for corporations engaged in commerce among the States and with foreign nations.

Mr. President, I am unwilling to have the power placed in the hands of the Chief Executive and Departments under his control to investigate the existing tax policies of this Government for the purpose of carrying out the designs expressed by the President at a commencement exercise a very short time ago. That is provided for in this joint resolution. I say that sort of an investigation, commenced and handled with the power in the Chief Executive that is given to him through the spending of $400,000, will not help the Nation's business, but will impede recovery. It will not help any reform that is designed by the author of the joint resolution, in whom I have great confidence.

If we could only adhere to the things we say, to the thoughts we express, to the arguments we make, and write them into our joint resolution, we would not have difficulty; we could pass the joint resolution during the consideration of a Consent Calendar without any trouble at all.

Mr. President, if I feit that this measure were so amended as to keep the control of this investigation, the direction it should take, the color and atmosphere of the hearing, within those channels which are designed for a real solution of our antitrust difficulties and our antimonopoly problems, and with the view of so further regulating interstate commerce as to prevent the abuses which have been discovered, or which are known to us, I would cooperate; it is what I want to see done.

I think it could be easily done. I think we could keep that control, so that, although this joint resolution permits political propaganda designed and aimed at collecting votes to maintain an administration in power, although that is in it, I believe it would not be objectionable if this committee were so constructed that the power, the policy, the direction, should be maintained within the legislative branch of the Government.

I do not think it is possible to do that if we turn over this sum of money to the President of the United States to allocate in the prosecutory departments of the Government. I think the direct reaction upon the people of the country of that performance would be that this is not a measure for the purpose of the constructive building up of a policy for the use of the legislative department of the Government in the coming session of Congress, but rather that it is just another club for the purpose of scaring business, of destroying business, of preventing recovery.

Mr. President, this thing could be remedied in a simple manner. I should not object to proceeding with the joint resolution if some very slight but significant changes were made in it. If that first word "by," in line 10, were struck out, and the words "for allocation" were transposed to follow the word "President," I should be willing to waive objection to consideration of the joint resolution. Then the language would read as follows:

Of the funds authorized to be appropriated under subsection (a) not to exceed $100,000 shall be immediately available.

Mr. HARRISON. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. HARRISON. Under what rule is the Senate now proceeding? Is it still operating under the unanimous-consent rule?

The PRESIDING OFFICER. It is.

Mr. HARRISON. I do not wish to interpose any objection, but I think we ought to comply somewhat with the rule in considering bills.

Mr. AUSTIN. If the Senator will withhold his point for one moment I will finish what I had started to say.

Mr. HARRISON. I was not going to object.

Mr. AUSTIN. Perhaps we can avoid postponing the consideration of the joint resolution. Perhaps the Senator from Wyoming will accept my proposal.

Mr. O'MAHONEY. Mr. President, I am frank to say that I could not accept the suggestion which the Senator from Vermont makes. I may state to him that I feel that he is unduly exercised; that the alarm which he has expressed is not to be aroused by anything that appears in the measure. The Senator will recall that the committee substituted on page 2 the Department of Commerce for the Department of Labor, in order to make it clear that the department of the Government which has been in contact for several months with various committees of businessmen in the attempt to work out a general understanding between business and Government, would be represented upon the committee.

The section to which the Senator makes his objection merely provides that upon application by the committee $400,000 shall be allocated by the President to the executive agencies. We are making use of the personnel, the information, and all the facilities of the Departments and the executive agencies, wherever they may be, and personally I was unable to see any objection to the text of the amendment as it was finally reported by the committee. The adoption of the amendment suggested by the Senator would, it seems to me, be an unnecessary reflection upon the Executive.

Mr. AUSTIN. Mr. President, may I complete the reading of the form of the language as it would then appear?

Mr. NORRIS. Mr. President, will the Senator yield?

Mr. AUSTIN. I do not yield until I shall have concluded.

Mr. NORRIS. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. NORRIS. I came into the Chamber while the Senator from Vermont was speaking. I want to know whether we are still on the call of the calendar.

The PRESIDING OFFICER. The Senate is still on the call of the calendar, and is considering the last measure on the calendar.

Mr. NORRIS. Is that being done under the unanimous-consent procedure?

The PRESIDING OFFICER. We are on the last bill on the calendar, under the unanimous-consent procedure.

Mr. NORRIS. Is debate unlimited under the unanimous-consent procedure?

The PRESIDING OFFICER. Debate is supposed to be limited to 5 minutes on each bill on the calendar, under the rule.

Mr. AUSTIN. Mr. President, unless objection is made by the Senator from Nebraska, I should like to finish reading what I started to read.

Mr. NORRIS. All I want to say is that I have no objection to having unlimited debate, but if the rule applies to one it should apply to all. I shall have to have more than 5 minutes on the joint resolution. I do not think we ought to try to pass such an important measure as this is without more time than can be given to it on the call of the calendar.

Mr. AUSTIN. That is my opinion. I thought we were unanimous about it, but I find we are not; and all I want to do now is to state in the RECORD what I started to state. I was cut off in the middle of the sentence.

Mr. NORRIS. I have no objection to taking the matter up. I am willing to have it taken up by unanimous consent. It ought to be taken up. However, I am unwilling to dispose of it on the call of the calendar, by unanimous consent, with debate limited to 5 minutes. If the Senator does not object, I shall.

Mr. AUSTIN. Mr. President, may I finish reading the sentence in the reading of which I was cut off in the middle?

The PRESIDING OFFICER. The Senator from Vermont may finish his sentence, and then the Chair will ascertain whether or not there is objection.

Mr. AUSTIN. With that amendment made, the clause would read as follows:

> Of the funds authorized to be appropriated under subsection (a) not to exceed $100,000 shall be immediately available for expenditure by the committee in carrying out its functions, and not to exceed $400,000 shall be available on application to the committee by the President for allocation among the Departments and agencies of the Government, to enable them to carry out their functions under this joint resolution.

That is the end of it.

Now, Mr. President, in view of the statement of the learned Senator from Wyoming, I find it necessary to object.

Mr. O'MAHONEY. Mr. President, I was going to say, before the Senator made his objection, that in view of the statement which he has made, and in view of the indication by the Senator from Nebraska [Mr. NORRIS] and others that there might be a desire for more lengthy debate, I shall myself ask that the joint resolution go over.

The PRESIDING OFFICER. The joint resolution will be passed over.

FOREIGN COMMERCE SERVICE OF THE UNITED STATES

The PRESIDING OFFICER (Mr. HILL in the chair) laid before the Senate the amendments of the House to the bill (S. 988) to amend an act entitled "An act to establish in the Bureau of Foreign and Domestic Commerce of the Department of Commerce a Foreign Commerce Service of the United States, and for other purposes", approved March 3, 1927, as amended, which were, on page 1, line 3, after "1927", to insert "(44 Stat. 1394)"; on page 1, line 7, after "amended", to insert "by the act approved April 12, 1930 (46 Stat. 163)"; on page 2, line 14, to strike out "commercial" and insert "economic, commercial,"; on page 2, line 24, to strike out "has" and insert "shall have"; on page 3, line 5, to strike out "has" where it appears the first time and insert "shall have"; on page 3, line 5, to strike out "has" where it appears the second time and insert "shall have"; on page 4, line 16, after "Foreign", to insert "Commerce"; on page 4, line 16, to strike out "Division"; on page 4, line 25, after "of", to insert "'excellent', 'very good'"; on page 5, lines 6 and 7, to strike out "service, if true," and insert "service"; on page 5, line 15, after "Foreign", to insert "Commerce"; on page 5, line 15, to strike out "Division"; on page 6, line 23, to strike out "1937" and insert "1938"; on page 7, line 9, to strike out all after "States" down to and including "years" in line 10; on page 7, line 11, after "direct", to insert "; such assignment to be for a period of not more than 3 years, unless the public interests demand further service, when such assignment may be extended for a period not to exceed 1 year"; on page 8, to strike out lines 3 to 7, inclusive; on page 8, line 8, to strike out "(j)" and insert "(i)"; on page 10, line 1, after "subsistence", to insert ", at the rate prescribed by law,"; on page 10, line 16, to strike out all after "budget" down to and including "States" in line 17; on page 10, line 19, to strike out "1937" and insert "1938"; on page 10, line 21, to strike out all after "expenses" down to and including "'States'," in line 1 of page 11; on page 13, line 2, to strike out "1937" and insert "1938"; on page 13, lines 2 and 3, to strike out "the Treasury" and insert "Commerce"; on page 13, line 10, to strike out "has" and insert "shall have"; on page 14, line 18, after "who", to insert "shall"; on page 16, to strike out all after line 15, down to and including line 3 of page 17; on page 17, line 4, to strike out "(l)" and insert "(k)"; on page 17, line 10, to strike out "(m)" and insert "(l)"; on page 17, line 15, to strike out "(n)" and insert "(m)"; on page 17, line 22, to strike out "(o)" and insert "(n)"; on page 18, line 24, to strike out "or clerk"; on page 19, line 5, to strike out "of" and insert "or"; on page 19, line 10, to strike out "(l)" and insert "(k)"; on page 20, line 4, to strike out all after "section" down to and including "fund," in line 5; on page 20, line 8, after "office", to insert ", except that at the option of the Secretary an officer's contribution to the annuity fund may be returned"; on page 20, strike out lines 15 and 16; on page 20, line 17, to strike out "13" and insert "12"; and on page 20, line 17, to strike out "upon its enactment" and insert "immediately".

Mr. COPELAND. I move that the Senate concur in the amendments of the House.

The motion was agreed to.

DECLARATION OF POLICY OF VERMONT YOUNG REPUBLICANS

Mr. AUSTIN subsequently said: Mr. President, I ask unanimous consent to have printed in connection with my remarks the text of the declaration of policy on State and national issues adopted by the Vermont Young Republicans' Organization at their third annual State convention, held at Rutland, Vt., on June 4 last.

The PRESIDING OFFICER. Without objection, the matter will be printed in the RECORD.

The declaration of policy is as follows:

PLATFORM

The text of the declaration of policy on State and national issues, adopted by the Vermont Young Republicans organization at their third annual State convention held Saturday afternoon, June 4, 1938, follows:

NATIONAL PLATFORM

We, the Young Republicans of Vermont, in convention assembled at Rutland, Vt., declare that the most important element for economic prosperity is confidence, which can only be obtained by unselfish cooperation between government, agriculture, labor, and industry.

A dollar's worth of service for every dollar spent is the only way to check the mounting cost of government that is piling up a burden of debt that will be impossible to pay.

Our Nation's idle men and idle dollars can only be made productive through the free play of individual initiative, unrestricted by government competition, unreasonable regulation, and punitive taxation.

Strong, independent labor unions, responsibly organized, choosing their officers and controlling their affairs by democratic processes, are the best guaranty for the development of cooperative relations between workers and management.

Parity between the farm dollar and the urban dollar is necessary to assure an equitable division of the national income for agriculture. Farm production in this country has never yet equalled the demand for farm products and we oppose any national policy of dictatorial control for a planned scarcity.

These aims can be realized by promoting the continued participation of young men and young women in the counsels of our party in the State and the Nation.

REGULATION AND SALE OF NATURAL GAS IN INTERSTATE COMMERCE

Mr. BULKLEY. Mr. President, I move that the Senate proceed to consider House bill 6586, to regulate the transportation and sale of natural gas in interstate commerce, and for other purposes.

GEORGE FRANCIS BURKE

Mr. MURRAY. Mr. President, before action is taken on the motion of the Senator from Ohio, I ask that the Senate revert to Calendar No. 2074, being Senate bill 3916 for the relief of George Francis Burke. During the call of the calendar there was objection made to the bill. I understand that objection will not now be heard, and I ask that the Senate revert to that bill.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Montana?

There being no objection, the Senate proceeded to consider the bill (S. 3916) for the relief of George Francis Burke, which had been reported from the Committee on Military Affairs, with an amendment, to strike out all after the enacting clause and to insert the following:

That the Administrator of Veterans' Affairs be, and he is hereby, authorized and directed to consider and authorized to grant the application of George Francis Burke (Army serial No. 763094), formerly a second lieutenant, United States Army, for such of the benefits under the act approved May 24, 1928, as amended, entitled "An act making eligible for retirement, under certain conditions, officers and former officers of the Army, Navy, and Marine Corps of the United States, other than officers of the Regular Army, Navy, or Marine Corps, who incurred physical disability in line of duty while in the service of the United States during the World War", as the said George Francis Burke may be entitled to: *Provided*, That the application of the said George Francis Burke shall be filed with the Veterans' Administration within 6 months from the date of the approval of this act.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

CONSTRUCTION AND REHABILITATION AT MILITARY POSTS

Mr. SHEPPARD. Mr. President, I ask unanimous consent to have the Senate recur to Calendar No. 1876, before the matter referred to by the Senator from Ohio [Mr. BULKLEY] is taken up. I refer to the Army housing bill, being Senate bill 4000. When the bill was called on the calendar I made the statement that the House had passed a similar bill, and asked that the Senate bill 4000 go over until I could ascertain the number of the House bill. I find I was in error and that the House has not passed a similar measure. If the House had done so it was my intention to move the substitution of the House bill for the Senate bill. It will expedite the proposal for the use of some of the relief funds for Army housing if the Senate bill (S. 4000) may now be passed by the Senate and I ask that it again be considered. A provision of the new relief bill makes possible such use of relief funds under such an authorization.

Mr. FRAZIER. If the Senate bill is to be passed I wish to offer an amendment in behalf of my colleague [Mr. NYE], to provide for buildings at Fort Lincoln, Bismarck, N. Dak.

The amendment is on page 5, after line 8, to insert:

Fort Lincoln, N. Dak., barracks, officers' quarters, shop and garage, gymnasium, $403,000.

Mr. SHEPPARD. I will accept that amendment.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill (S. 4000) to authorize appropriations for construction and rehabilitation at military posts, and for other purposes, which had been reported from the Committee on Military Affairs, with an amendment, on page 5, line 23, after "Alabama", to strike out "Completion of runways" and to insert "Officers' quarters, gymnasium and enlisted men's recreation building", so as to read:

Maxwell Field, Ala.: Officers' quarters, gymnasium and enlisted men's recreation building, $300,000,000.

The amendment was agreed to.

Mr. FRAZIER. On behalf of my colleague [Mr. NYE] I offer the amendment to which I have referred.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. On page 5, after line 8, it is proposed to insert the following:

Fort Lincoln, N. Dak., barracks, officers' quarters, shop and garage, gymnasium, $403,000.

The amendment was agreed to.

Mr. SHEPPARD. Mr. President, I offer the following amendments:

On page 1, line 4, strike out "$105,729,831" and insert "$107,508,271".

On page 2, before line 1, insert the following item:

"Air Corps Airways Program: Buildings and grounds at various minor stations, $522,900;".

On page 6, line 6, strike out "$229,000;" and insert in lieu thereof:

"$308,880, including $79,880 for the purchase of materials for other construction at such fort;".

On page 7, before line 1, insert the following item:

"Philadelphia Quartermaster Depot, Pennsylvania: Administration building, $230,000; warehouse, $250,000;".

On page 7, line 11, strike out "E" and insert "T.".

On page 8, line 5, after the semicolon insert: "Construction at and improvement of concurrent camp, $400,000;".

On page 8, line 17, strike out "$71,088,503" and insert $72,866,943".

On page 10, line 23, strike out "$105,729,831" and insert $107,508,271".

The amendments were agreed to.

Mr. O'MAHONEY. Mr. President——

The bill was ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That there is hereby authorized to be appropriated not to exceed $107,508,271 to be expended for the construction, rehabilitation, and installation at military posts of such buildings and utilities and appurtenances thereto as may be necessary, as follows:

Aberdeen Proving Ground, Md.: Barracks, noncommissioned officers' quarters, and Ordnance school building, $846,940;

Air Corps Technical School, Denver, Colo., $888,280;

Fort Ethan Allen, Vt.: Motorization housing, $165,700;

Army Medical Center, District of Columbia: Barracks and museum, $3,407,900;

Barksdale Field, La.: Runways, $660,000;

Fort Barrancas, Fla.: Barracks, $276,000;

Fort Belvoir, Va.: Garages and shops, barracks, noncommissioned officers' quarters, and shops, $1,506,300;

Fort Benning, Ga.: Barracks and fire station, cooks' school, warehouse and utilities system, $1,210,400;

Fort Bliss, Tex.: Bachelor officers' quarters, stable, stable guard's quarters, and shops, $602,200;

Bolling Field, D. C.: Barracks, heating plant, hangar, and miscellaneous buildings, $1,066,000;

Fort Brady, Mich.: Barracks, $300,000;

Fort Bragg, N. C.: Officers', bachelor officers', nurses' quarters, and telephone exchange, $689,250;

Carlisle Barracks, Pa.: Noncommissioned officers' quarters, school building, warehouse, fire and guardhouse, $1,039,800;

Chanute Field, Ill.: Hangars, warehouse, grading, and sewage system, $2,764,422;

Fort Clark, Tex.: Rehabilitation of barracks, quarters, and utility system, $582,300;

Fort Crockett, Tex.: Barracks and noncommissioned officers' quarters, $772,320;

Delaware Ordnance Depot, N. J.: Barracks and dispensary, officers' and noncommissioned officers' quarters, magazines and rail facilities, $769,500;

Fort Des Moines, Iowa: Hospital reconstruction, $111,000;

Fort Devens, Mass.: Barracks, officers' and noncommissioned officers' quarters, storage facilities, and utilities systems, $977,960;

Camp Dix, N. J.: Barracks, officers' and noncommissioned officers' quarters, warehouse and utilities systems, $1,200,000;

Fort Douglas, Utah: Barracks, $300,000;

Duncan Field, Tex.: Equipment repair and engine test building, $335,000;

Edgewood Arsenal, Md.: Quarters, officers and students, and mess facilities, utilities systems, $525,600;

Hamilton Field, Calif.: Runways and night lighting, $380,000;

Fort Hancock, N. J.: Addition to barracks, noncommissioned officers' and officers' quarters, $262,000;

Fort Benjamin Harrison, Ind.: Barracks, noncommissioned officers' and nurses' quarters, $736,460;
Holabird Quartermaster Depot, Md.: Barracks, officers' and noncommissioned officers' quarters, $966,810;
Fort Sam Houston, Tex.: Barracks, addition to hospital, $740,700;
Fort Hoyle, Md.: Barracks and noncommissioned officers' quarters, $1,531,600;
Fort Huachuca, Ariz.: Motorization housing, warrant officers' quarters, gas and oil storage, and water supply reconstruction, $244,071;
Fort Humphreys, District of Columbia: Reproduction plant and heating plant, $66,500;
Fort Jay, N. Y.: Barracks and noncommissioned officers' quarters, $1,135,700;
Jefferson Barracks, Mo.: Quarters, incinerator, gun shed, and shops, $256,700;
Jeffersonville Quartermaster Depot, Ind.: Barracks, $175,000;
Kelly Field, Tex.: Officers' and noncommissioned officers' quarters, warehouses, and hospital, $682,800;
Fort Knox, Ky.: Barracks, quarters, motor shops, nurses' quarters, children's school, and ordnance shop addition, $3,344,900;
Langley Field, Va.: Barracks, $440,000;
Fort Leavenworth, Kans.: Apartment building and school, $1,368,000;
Letterman General Hospital, Calif.: Hospital wards, $345,800;
Fort Lewis, Wash.: Barracks, quarters for officers and noncommissioned officers, warehouse, garage, utilities and addition to hospital, sufficient to house Fifteenth Infantry, $3,004,120;
Fort Lincoln, N. Dak.: Barracks, officers' quarters, shop and garage, gymnasium, $403,000;
Fort Logan, Colo.: Garage, repair shop, and noncommissioned officers' quarters, $189,230;
Fort MacArthur, Calif.: Barracks, quarters, shops, and gas storage, $620,650;
McChord Field, Wash.: Barracks, officers' and noncommissioned officers' quarters, warehouse, communications, headquarters building, gas storage, and utilities systems, $4,001,550;
Fort McDowell, Calif.: Barracks, $687,500;
Madison Barracks, N. Y.: Hospital alteration, garage, and shops, $315,600;
March Field, Calif.: Barracks and completion of runways, $540,000;
Fort Mason, Calif.: Warehouse, $1,360,000;
Maxwell Field, Ala.: Officers' quarters, gymnasium and enlisted men's recreation building, $300,000;
Fort George G. Meade, Md.: Barracks and cooks' school, $963,000;
Mitchel Field, N. Y.: Completion of runways, $400,000;
Fort Missoula, Mont.: Addition to barracks, fire station, and guardhouse, $229,000;
Fort Monmouth, N. J.: School for officers and enlisted men, $296,700;
Fort Monroe, Va.: Hospital modernization, $422,000;
Presidio of Monterey, Calif.: Hospital, $300,000;
Fort Moultrie, S. C.: Warehouse and commissary, $40,300;
Muroc Lake, Calif.: Barracks, storage, navigation facilities, $353,500;
Fort Myer, Va.: Warehouse, magazines, fire station, and receiving station, $129,745;
Navigation aids at various stations—airways program, $822,900;
New Cumberland General Depot, Pa.: Officers' and noncommissioned officers' quarters, $54,360;
Fort Niagara, N. Y.: Barracks, $324,000;
Ogden Ordnance Depot, Utah: Magazine building and appurtenances, $1,229,360;
Plattsburg Barracks, N. Y.: Barracks, officers' and noncommissioned officers' quarters, shop and hospital modernization, $1,100,000;
Patterson Field, Ohio: Hangar, barracks, hospital, and equipment repair building, $1,265,000;
Randolph Field, Tex.: Cadet barracks, $350,000;
Raritan Arsenal, N. J.: Barracks, $158,100;
Fort Reno, Okla.: Barracks, $175,000;
Fort Riley, Kans.: Noncommissioned officers' quarters, $275,520;
Camp Joseph E. Robinson, Ark.: Barracks, quarters, and technical facilities for one battalion, $3,240,100;
Sacramento Air Depot, Calif.: Dock, $75,000;
Presidio of San Francisco, Calif.: Barracks, officers' and noncommissioned officers' quarters, warehouses, and utilities, $1,056,470;
Savanna Ordnance Depot, Ill.: Magazines and appurtenances, $780,000;
Schenectady General Depot, N. Y.: Officers' and noncommissioned officers' quarters, $68,650;
Scott Field, Ill.: Barracks, quarters, utilities, runways, warehouses, hangars, and shops, $4,472,450;
Selfridge Field, Mich.: Runways and night lighting, $817,500;
Fort Sheridan, Ill.: Barracks, quarters, hospital, school for cooks, motor housing, $2,044,140;
Fort Sill, Okla.: Barracks, noncommissioned officers' quarters, addition to nurses' quarters, and addition to hospital, $2,186,575;
Fort Slocum, N. Y.: Barracks, noncommissioned officers' quarters, freight shed, and pier, $718,950;
Fort Snelling, Minn.: Barracks and telephone exchange, $145,340;
Fort Story, Va.: Water tower, $20,600;
Fort Totten, N. Y.: Motor park, $304,000;
Vancouver Barracks, Wash.: Noncommissioned officers' quarters, $147,680;
West Point, N. Y.: Hangars, shops, and incidental buildings, $770,000;
Wright Field, Ohio: Runways, $660,000;
Total for the United States, $72,866,943.

ALASKA

Anchorage: Noncommissioned officers' quarters, $21,250;
Chilkoot Barracks: Hospital, noncommissioned officers' quarters, magazine warehouse, utilities, and theater, $349,050;
Juneau: Noncommissioned officers' quarters and radio station, $34,550;
Total for Alaska, $404,850.

PANAMA

Albrook Field: Depot shops and warehouses, barracks, quarters for officers and civilians, $3,813,720;
Fort Amador: Barracks, noncommissioned officers' quarters, quartermaster shop, and recreation building, $481,100;
Fort Clayton: Barracks, noncommissioned officers' quarters, officers' mess, remodel headquarters building, quartermaster shops, post exchange, library and gymnasium, fire and guardhouse, stables, garage, target range, $2,001,329;
Corozal: Officers' and noncommissioned officers' quarters, office building, fire and guardhouse, post exchange, recreation building, dispensary, storage facilities, cooks' school, motor pool, $2,393,850;
Fort Davis: Hospital, warehousing, officers' and noncommissioned officers' quarters, bakery, fire station, and target range, $940,229;
France Field: Officers' and noncommissioned officers' quarters, $1,650,000;
Quarry Heights: Quarters, recreation building, shops, gas storage, fire station, $133,500;
Fort Randolph: Barracks, hospital, ordnance shop, fire and guardhouse, recreation building, $590,000;
Fort Sherman: Barracks, hospital, and recreational building, $850,000;
Various stations: Quarters for employees, $365,500;
Total for Panama, $13,219,228.

HAWAII

Fort Armstrong: Barracks, quarters, and cold storage, $1,369,600;
Hickam Field: Barracks, noncommissioned officers' quarters, officers' quarters, magazines, gasoline storage, depot shops and warehouses, hospital, operations building, and runways, $8,775,778;
Forts Ruger and DeRussy: Barracks, quarters, storehouses, and utilities, $677,500;
Schofield Barracks: Barracks, officers' and noncommissioned officers' quarters, telephone exchange building, shops, addition to hospital and nurses' quarters, $4,256,775;
Fort Shafter: Barracks, officers' and noncommissioned officers' quarters, shops, and storehouses, $1,695,000;
Tripler General Hospital: Hospital and officers' quarters, $1,506,257;
Wheeler Field: Barracks, officers' and noncommissioned officers' quarters, operations building, warehouses, gas storage, grading, drainage, and lighting of runways, $2,736,300;
Total for Hawaii, $21,017,210.
Grand total, $107,508,271.

Mr. JOHNSON of Colorado. I should like to revert to Senate bill 3902, being Calendar No. 1838.

Mr. O'MAHONEY. Mr. President, I was on my feet asking for recognition while Senate bill 4000 was under consideration. I was endeavoring to discover whether or not certain items were in the bill. Do I understand that the bill has been passed?

The PRESIDING OFFICER. The bill has been passed; but, without objection, the vote by which the bill was passed is reconsidered, and the Senator from Wyoming is recognized.

Mr. O'MAHONEY. Mr. President, I desire to ask the Senator from Texas whether the amendments with respect to Fort Warren, Wyo., concerning which I conferred with him, are included in the bill.

Mr. SHEPPARD. It was intended that they should be. To make the matter certain, I offer the following amendment:

On page 8, between lines 16 and 17, insert:

Fort Francis E. Warren, Wyo.:	
Utility shop	$20,000
Fire station (addition to)	3,000
Quartermaster office	25,000
Laundry (addition to)	15,000
Bakery (addition to)	20,000
Warehouses (addition to Nos. 367 and 368)	20,000
Magazines (4), including road and fence	14,660
Telephone construction	5,000
	122,660

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

EDUCATIONAL ORDERS FOR PRODUCTION OF MUNITIONS

Mr. JOHNSON of Colorado. Mr. President, I ask unanimous consent to recur to Calendar No. 1838, being Senate bill 3902, to provide for placing educational orders to familiarize private manufacturing establishments with the production of munitions of war of special or technical design, noncommercial in character.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Colorado? The Chair hears none, and it is so ordered. House bill 6246 is a similar bill.

Mr. JOHNSON of Colorado. I ask unanimous consent that the House bill be substituted for the Senate bill.

The PRESIDING OFFICER. Is there objection?

There being no objection, the Senate proceeded to consider the bill (H. R. 6246) to provide for placing educational orders to familiarize private manufacturing establishments with the production of munitions of war of special or technical design, noncommercial in character, which was read the first time by its title, and the second time at length, as follows:

Be it enacted, etc., That the Secretary of War is hereby authorized to place educational orders for munitions of war of special or technical design, or both, noncommercial in character (hereinafter called "special munitions"), and essential accessories and parts thereof needed in the military service, with commercial concerns to familiarize commercial and manufacturing establishments with the manufacture of such munitions and such accessories and parts. In arranging for placing such educational orders, bids shall be solicited only from such establishments as, in the Secretary's judgment, will be competent in time of war to manufacture the particular class of special munitions with respect to which the bid is solicited. In the determination of which classes of special munitions are to be manufactured under this act, and in the determination of which of the solicited bidders is to be awarded any contract, the Secretary shall have regard solely to the selection of such classes of special munitions and of such bidders as will, in his judgment, under all the circumstances, best serve the interests of the United States and best promote the cause of national defense. The Secretary of War shall enter into no contract under this section without the approval of the President.

SEC. 2. That the first of any such educational orders placed with any person, firm, or corporation for supplying any such munitions, accessories, or parts, may include a complete set of such gages, dies, jigs, tools, fixtures, and other special aids and appliances, including drawings thereof, as may be required for the production of such munitions, accessories, and parts in quantity in the event of an emergency. The title to all such facilities shall remain in the Government of the United States.

SEC. 3. That not more than one such educational order for the manufacture of the same, or substantially the same, article of special munitions shall be given to the same person, firm, or corporation within any period of 3 successive years. This section shall not prohibit the awarding of any contract during any war in which the United States is engaged.

SEC. 4. That, to carry out the provisions of this act, there is authorized to be appropriated the sum of $2,000,000 during each of the five fiscal years beginning with the fiscal year during which this act is enacted.

Mr. JOHNSON of Colorado. Mr. President, when the bill was before the Senate a few minutes ago, I happened to be absent from the Chamber. I offer an amendment which overcomes the objection of the Senator from Utah [Mr. KING] to the consideration of the bill and its passage during the call of the calendar for action on unobjected bills.

The PRESIDING OFFICER. The amendment offered by the Senator from Colorado will be stated.

The CHIEF CLERK. On page 3, after line 5, it is proposed to strike out section 4 as printed in the bill and in lieu thereof to insert:

SEC. 4. That to carry out the provisions of this act the Secretary of War is authorized to expend not to exceed $1,000,000 per year from funds carried in the War Department annual appropriation during each of the 5 fiscal years beginning with the fiscal year during which this act is enacted.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Colorado [Mr. JOHNSON].

The amendment was agreed to.

The amendment was ordered to be engrossed, and the bill to be read a third time.

The bill was read the third time and passed.

TRANSPORTATION AND SALE OF NATURAL GAS IN INTERSTATE COMMERCE

Mr. BULKLEY. Mr. President, I move that the Senate proceed to consider House bill 6586, being Calendar No. 1210.

Mr. O'MAHONEY. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. O'MAHONEY. What is the status of the measure referred to by the Senator from Ohio?

The PRESIDING OFFICER. There is pending a motion by the Senator from Ohio [Mr. BULKLEY] to consider the bill. The question now is on the motion to consider the bill.

The motion was agreed to; and the Senate proceeded to consider the bill (H. R. 6586) to regulate the transportation and sale of natural gas in interstate commerce, and for other purposes, which was read, as follows:

Be it enacted, etc.,

NECESSITY FOR REGULATION OF NATURAL-GAS COMPANIES

SECTION 1. (a) As disclosed in reports of the Federal Trade Commission made pursuant to S. Res. 83 (70th Cong., 1st sess.) and other reports made pursuant to the authority of Congress, it is hereby declared that the business of transporting and selling natural gas for ultimate distribution to the public is affected with a public interest, and that Federal regulation in matters relating to the transportation of natural gas and the sale thereof in interstate and foreign commerce is necessary in the public interest.

(b) The provisions of this act shall apply to the transportation of natural gas in interstate commerce, to the sale in interstate commerce of natural gas for resale for ultimate public consumption for domestic, commercial, industrial, or any other use, and to natural-gas companies engaged in such transportation or sale, but shall not apply to any other transportation or sale of natural gas or to the local distribution of natural gas or to the facilities used for such distribution or to the production or gathering of natural gas.

SEC. 2. When used in this act, unless the context otherwise requires—

(1) "Person" includes an individual or a corporation.

(2) "Corporation" includes any corporation, joint-stock company, partnership, association, business trust, organized group of persons, whether incorporated or not, receiver or receivers, trustee or trustees of any of the foregoing, but shall not include municipalities as hereinafter defined.

(3) "Municipality" means a city, county, or other political subdivision or agency of a State.

(4) "State" means a State admitted to the Union, the District of Columbia, and any organized Territory of the United States.

(5) "Natural gas" means either natural gas unmixed, or any mixture of natural and artificial gas.

(6) "Natural-gas company" means a person engaged in the transportation of natural gas in interstate commerce, or the sale in interstate commerce of such gas for resale.

(7) "Interstate commerce" means commerce between any point in a State and any point outside thereof, or between points within the same State but through any place outside thereof, but only insofar as such commerce takes place within the United States.

(8) "State commission" means the regulatory body of the State or municipality having jurisdiction to regulate rates and charges for the sale of natural gas to consumers within the State or municipality.

(9) "Commission" and "Commissioner" means the Federal Power Commission, and a member thereof, respectively.

EXPORTATION OR IMPORTATION OF NATURAL GAS

SEC. 3. After 6 months from the date on which this act takes effect no person shall export any natural gas from the United States to a foreign country or import any natural gas from a foreign country without first having secured an order of the Commission authorizing it to do so. The Commission shall issue such order upon application, unless, after opportunity for hearing, it finds that the proposed exportation or importation will not be consistent with the public interest. The Commission may by its order grant such application, in whole or in part, with such modification and upon such terms and conditions as the Commission may find necessary or appropriate, and may from time to time, after opportunity for hearing, and for good cause shown, make such supplemental order in the premises as it may find necessary or appropriate.

RATES AND CHARGES; SCHEDULES; SUSPENSIONS OF NEW RATES

SEC. 4. (a) All rates and charges made, demanded, or received by any natural-gas company for or in connection with the transportation or sale of natural gas subject to the jurisdiction of the Commission, and all rules and regulations affecting or pertaining to such rates or charges, shall be just and reasonable,

and any such rate or charge that is not just and reasonable is hereby declared to be unlawful.

(b) No natural-gas company shall, with respect to any transportation or sale of natural gas subject to the jurisdiction of the Commission, (1) make or grant any undue preference or advantage to any person or subject any person to any undue prejudice or disadvantage, or (2) maintain any unreasonable difference in rates, charges, service, facilities, or in any other respect, either as between localities or as between classes of service.

(c) Under such rules and regulations as the Commission may prescribe, every natural-gas company shall file with the Commission, within such time (not less than 60 days from the date this act takes effect) and in such form as the Commission may designate, and shall keep open in convenient form and place for public inspection, schedules showing all rates and charges for any transportation or sale subject to the jurisdiction of the Commission, and the classifications, practices, and regulations affecting such rates and charges, together with all contracts which in any manner affect or relate to such rates, charges, classifications, and services.

(d) Unless the Commission otherwise orders, no change shall be made by any natural-gas company in any such rate, charge, classification, or service, or in any rule, regulation, or contract relating thereto, except after 30 days' notice to the Commission and to the public. Such notice shall be given by filing with the Commission and keeping open for public inspection new schedules stating plainly the change or changes to be made in the schedule or schedules then in force and the time when the change or changes will go into effect. The Commission, for good cause shown, may allow changes to take effect without requiring the 30 days' notice herein provided for by an order specifying the changes so to be made and the time when they shall take effect and the manner in which they shall be filed and published.

(e) Whenever any such new schedule is filed the Commission shall have authority, either upon complaint of any State, municipality, or State commission, or upon its own initiative without complaint, at once, and if it so orders, without answer or formal pleading by the natural-gas company, but upon reasonable notice, to enter upon a hearing concerning the lawfulness of such rate, charge, classification, or service; and, pending such hearing and the decision thereon, the Commission, upon filing with such schedules and delivering to the natural-gas company affected thereby a statement in writing of its reasons for such suspension, may suspend the operation of such schedule and defer the use of such rate, charge, classification, or service, but not for a longer period than 5 months beyond the time when it would otherwise go into effect: *Provided*, That the Commission shall not have authority to suspend the rate, charge, classification, or service for the sale of natural gas for resale for industrial use only; and after full hearings, either completed before or after the rate, charge, classification, or service goes into effect, the Commission may make such orders with reference thereto as would be proper in a proceeding initiated after it had bcome effective. If the proceeding has not been concluded and an order made at the expiration of the suspension period, on motion of the natural-gas company making the filing, the proposed change of rate, charge, classification, or service shall go into effect. Where increased rates or charges are thus made effective, the Commission may, by order, require the natural-gas company to furnish a bond, to be approved by the Commission, to refund any amounts ordered by the Commission, to keep accurate accounts in detail of all amounts received by reason of such increase, specifying by whom and in whose behalf such amounts were paid, and, upon completion of the hearing and decision, to order such natural-gas company to refund, with interest, the portion of such increased rates or charges by its decision found not justified. At any hearing involving a rate or charge sought to be increased, the burden of proof to show that the increased rate or charge is just and reasonable shall be upon the natural-gas company, and the Commission shall give to the hearing and decision of such questions preference over other questions pending before it and decide the same as speedily as possible.

FIXING RATES AND CHARGES; DETERMINATION OF COST OF PRODUCTION OR TRANSPORTATION

SEC. 5. (a) Whenever the Commission, after a hearing had upon its own motion or upon complaint of any State, municipality, State commission, or gas distributing company, shall find that any rate, charge, or classification demanded, observed, charged, or collected by any natural-gas company in connection with any transportation or sale of natural gas, subject to the jurisdiction of the Commission, or that any rule, regulation, practice, or contract affecting such rate, charge, or classification is unjust, unreasonable, unduly discriminatory, or preferential, the Commission shall determine the just and reasonable rate, charge, classification, rule, regulation, practice, or contract to be thereafter observed and in force, and shall fix the same by order.

(b) The Commission upon its own motion, or upon the request of any State commission, whenever it can do so without prejudice to the efficient and proper conduct of its affairs, may investigate and determine the cost of the production or transportation of natural gas by a natural-gas company in cases where the Commission has no authority to establish a rate governing the transportation or sale of such natural gas.

ASCERTAINMENT OF COST OF PROPERTY

SEC. 6. (a) The Commission may investigate and ascertain the actual legitimate cost of the property of every natural-gas company, the depreciation therein, and, when found necessary for rate-making purposes, other facts which bear on the determination of such cost or depreciation and the fair value of such property.

(b) Every natural-gas company upon request shall file with the Commission an inventory of all or any part of its property and a statement of the original cost thereof, and shall keep the Commission informed regarding the cost of all additions, betterments, extensions, and new construction.

EXTENSION OF FACILITIES; ABANDONMENT OF SERVICE

SEC. 7. (a) Whenever the Commission, after notice and opportunity for hearing, finds such action necessary or desirable in the public interest, it may by order direct a natural-gas company to extend or improve its transportation facilities, to establish physical connection of its transportation facilities with the facilities of, and sell natural gas to, any person or municipality engaged or legally authorized to engage in the local distribution of natural or artificial gas to the public, and for such purpose to extend its transportation facilities to communities immediately adjacent to such facilities or to territory served by such natural-gas company, if the Commission finds that no undue burden will be placed upon such natural-gas company thereby: *Provided*, That the Commission shall have no authority to compel the enlargement of transportation facilities for such purposes, or to compel such natural-gas company to establish physical connection or sell natural gas when to do so would impair its ability to render adequate service to its customers.

(b) No natural-gas company shall abandon all or any portion of its facilities subject to the jurisdiction of the Commission, or any service rendered by means of such facilities, without the permission and approval of the Commission first had and obtained, after due hearing, and a finding by the Commission that the available supply of natural gas is depleted to the extent that the continuance of service is unwarranted, or that the present or future public convenience or necessity permit such abandonment.

(c) No natural-gas company shall undertake the construction or extension of any facilities for the transportation of natural gas to a market in which natural gas is already being served by another natural-gas company, or acquire or operate any such facilities or extensions thereof, or engage in transportation by means of any new or additional facilities, or sell natural gas in any such market, unless and until there shall first have been obtained from the Commission a certificate that the present or future public convenience and necessity require or will require such new construction or operation of any such facilities or extensions thereof: *Provided, however*, That a natural-gas company already serving a market may enlarge or extend its facilities for the purpose of supplying increased market demands in the territory in which it operates. Whenever any natural-gas company shall make application for a certificate of convenience and necessity under the provision of this subsection the Commission shall set the matter for hearing and shall give such reasonable notice of the hearing thereon to all interested persons as in its judgment may be necessary under rules and regulations to be prescribed by the Commission.

ACCOUNTS, RECORDS, AND MEMORANDA

SEC. 8. (a) Every natural-gas company shall make, keep, and preserve for such periods, such accounts, records of cost-accounting procedures, correspondence, memoranda, papers, books, and other records as the Commission may by rules and regulations prescribe as necessary or appropriate for purposes of the administration of this act: *Provided, however*, That nothing in this act shall relieve any such natural-gas company from keeping any accounts, memoranda, or records which such natural-gas company may be required to keep by or under authority of the laws of any State. The Commission may prescribe a system of accounts to be kept by such natural-gas companies, and may classify such natural-gas companies and prescribe a system of accounts for each class. The Commission, after notice and opportunity for hearing, may determine by order the accounts in which particular outlays or receipts shall be entered, charged, or credited. The burden of proof to justify every accounting entry questioned by the Commission shall be on the person making, authorizing, or requiring such entry, and the Commission may suspend a charge or credit pending submission of satisfactory proof in support thereof.

(b) The Commission shall at all times have access to and the right to inspect and examine all accounts, records, and memoranda of natural-gas companies; and it shall be the duty of such natural-gas companies to furnish to the Commission, within such reasonable time as the Commission may order, any information with respect thereto which the Commission may by order require, including copies of maps, contracts, reports of engineers, and other data, records, and papers, and to grant to all agents of the Commission free access to its property and its accounts, records, and memoranda when requested so to do. No member, officer, or employee of the Commission shall divulge any fact or information which may come to his knowledge during the course of examination of books, records, data, or accounts, except insofar as he may be directed by the Commission or by a court.

(c) The books, accounts, memoranda, and records of any person who controls directly or indirectly a natural-gas company subject

to the jurisdiction of the Commission and of any other company controlled by such person, insofar as they relate to transactions with or the business of such natural-gas company, shall be subject to examination on the order of the Commission.

RATES OF DEPRECIATION

SEC. 9. (a) The Commission may, after hearing, require natural-gas companies to carry proper and adequate depreciation and amortization accounts in accordance with such rules, regulations, and forms of account as the Commission may prescribe. The Commission may from time to time ascertain and determine, and by order fix, the proper and adequate rates of depreciation and amortization of the several classes of property of each natural-gas company used or useful in the production, transportation, or sale of natural gas. Each natural-gas company shall conform its depreciation and amortization accounts to the rates so ascertained, determined, and fixed. No natural-gas company subject to the jurisdiction of the Commission shall charge to operating expenses any depreciation or amortization charges on classes of property other than those prescribed by the Commission, or charge with respect to any class of property a percentage of depreciation or amortization other than that prescribed therefor by the Commission. No such natural-gas company shall in any case include in any form under its operating or other expenses any depreciation, amortization, or other charge or expenditure included elsewhere as a depreciation or amortization charge or otherwise under its operating or other expenses. Nothing in this section shall limit the power of a State commission to determine in the exercise of its jurisdiction, with respect to any natural-gas company, the percentage rates of depreciation or amortization to be allowed, as to any class of property of such natural-gas company, or the composite depreciation or amortization rate, for the purpose of determining rates or charges.

(b) The Commission, before prescribing any rules or requirements as to accounts, records, or memoranda, or as to depreciation or amortization rates, shall notify each State commission having jurisdiction with respect to any natural-gas company involved and shall give reasonable opportunity to each such commission to present its views and shall receive and consider such views and recommendations.

PERIODIC AND SPECIAL REPORTS

SEC. 10. (a) Every natural-gas company shall file with the Commission such annual and other periodic or special reports as the Commission may by rules and regulations or order prescribe as necessary or appropriate to assist the Commission in the proper administration of this act. The Commission may prescribe the manner and form in which such reports shall be made, and require from such natural-gas companies specific answers to all questions upon which the Commission may need information. The Commission may require that such reports shall include, among other things, full information as to assets and liabilities, capitalization, investment and reduction thereof, gross receipts, interest due and paid, depreciation, amortization, and other reserves, cost of facilities, cost of maintenance and operation of facilities for the production, transportation, or sale of natural gas, cost of renewal and replacement of such facilities, transportation, delivery, use, and sale of natural gas. The Commission may require any such natural-gas company to make adequate provision for currently determining such costs and other facts. Such reports shall be made under oath unless the Commission otherwise specifies.

(b) It shall be unlawful for any natural-gas company willfully to hinder, delay, or obstruct the making, filing, or keeping of any information, document, report, memorandum, record, or account required to be made, filed, or kept under this act or any rule, regulation, or order thereunder.

STATE COMPACTS; REPORTS ON

SEC. 11. (a) In case two or more States propose to the Congress compacts dealing with the conservation, production, transportation, or distribution of natural gas it shall be the duty of the Commission to assemble pertinent information relative to the matters covered in any such proposed compact, to make public and to report to the Congress information so obtained, together with such recommendations for further legislation as may appear to be appropriate or necessary to carry out the purposes of such proposed compact and to aid in the conservation of natural-gas resources within the United States and in the orderly, equitable, and economic production, transportation, and distribution of natural gas.

(b) It shall be the duty of the Commission to assemble and keep current pertinent information relative to the effect and operation of any compact between two or more States heretofore or hereafter approved by the Congress, to make such information public, and to report to the Congress, from time to time, the information so obtained, together with such recommendations as may appear to be appropriate or necessary to promote the purposes of such compact.

(c) In carrying out the purposes of this act, the Commission shall, so far as practicable, avail itself of the services, records, reports, and information of the executive departments and other agencies of the Government, and the President may, from time to time, direct that such services and facilities be made available to the Commission.

OFFICIALS DEALING IN SECURITIES

SEC. 12. It shall be unlawful for any officer or director of any natural-gas company to receive for his own benefit, directly or indirectly, any money or thing of value in respect to the negotiation, hypothecation, or sale by such natural-gas company of any security issued, or to be issued, by such natural-gas company, or to share in any of the proceeds thereof, or to participate in the making or paying of any dividends, other than liquidating dividends of such natural-gas company from any funds properly included in capital account.

COMPLAINTS

SEC. 13. Any State, municipality, or State commission complaining of anything done or omitted to be done by any natural-gas company in contravention of the provisions of this act may apply to the Commission by petition, which shall briefly state the facts, whereupon a statement of the complaint thus made shall be forwarded by the Commission to such natural-gas company, which shall be called upon to satisfy the complaint or to answer the same in writing within a reasonable time to be specified by the Commission.

INVESTIGATIONS BY COMMISSION; ATTENDANCE OF WITNESSES; DEPOSITIONS

SEC. 14. (a) The Commission may investigate any facts, conditions, practices, or matters which it may find necessary or proper in order to determine whether any person has violated or is about to violate any provision of this act or any rule, regulation, or order thereunder, or to aid in the enforcement of the provisions of this act or in prescribing rules or regulations thereunder, or in obtaining information to serve as a basis for recommending further legislation to the Congress. The Commission may permit any person to file with it a statement in writing, under oath or otherwise, as it shall determine, as to any or all facts and circumstances concerning a matter which may be the subject of investigation. The Commission, in its discretion, may publish in the manner authorized by section 312 of the Federal Power Act, and make available to State commissions and municipalities, information concerning any such matter.

(b) The Commission may, after hearing, determine the adequacy or inadequacy of the gas reserves held or controlled by any natural-gas company, or by anyone on its behalf, including its owned or leased properties or royalty contracts; and may also, after hearing, determine the propriety and reasonableness of the inclusion in operating expenses, capital or surplus of all delay rentals or other forms of rental or compensation for unoperated lands and leases. For the purpose of such determinations, the Commission may require any natural-gas company to file with the Commission true copies of all its lease and royalty agreements with respect to such gas reserves.

(c) For the purpose of any investigation or any other proceeding under this act, any member of the Commission, or any officer designated by it, is empowered to administer oaths and affirmations, subpena witnesses, compel their attendance, take evidence, and require the production of any books, papers, correspondence, memoranda, contracts, agreements, or other records which the Commission finds relevant or material to the inquiry. Such attendance of witnesses and the production of any such records may be required from any place in the United States or at any designated place of hearing. Witnesses summoned by the Commission to appear before it shall be paid the same fees and mileage that are paid witnesses in the courts of the United States.

(d) In case of contumacy by, or refusal to obey a subpena issued to, any person, the Commission may invoke the aid of any court of the United States within the jurisdiction of which such investigation or proceeding is carried on, or where such person resides or carries on business, in requiring the attendance and testimony of witnesses and the production of books, papers, correspondence, memoranda, contracts, agreements, and other records. Such court may issue an order requiring such person to appear before the Commission or member or officer designated by the Commission, there to produce records, if so ordered, or to give testimony touching the matter under investigation or in question; and any failure to obey such order of the court may be punished by such court as a contempt thereof. All process in any such case may be served in the judicial district whereof such person is an inhabitant or wherever he may be found or may be doing business. Any person who willfully shall fail or refuse to attend and testify or to answer any lawful inquiry or to produce books, papers, correspondence, memoranda, contracts, agreements, or other records, if in his or its power so to do, in obedience to the subpena of the Commission, shall be guilty of a misdemeanor and upon conviction shall be subject to a fine of not more than $1,000 or to imprisonment for a term of not more than 1 year, or both.

(e) The testimony of any witness may be taken at the instance of a party, in any proceeding or investigation pending before the Commission, by deposition at any time after the proceeding is at issue. The Commission may also order testimony to be taken by deposition in any proceeding or investigation pending before it at any stage of such proceeding or investigation. Such depositions may be taken before any person authorized to administer oaths not being of counsel or attorney to either of the parties, nor interested in the proceeding or investigation. Reasonable notice must first be given in writing by the party or his attorney

proposing to take such deposition to the opposite party or his attorney of record, as either may be nearest, which notice shall state the name of the witness and the time and place of the taking of his deposition. Any person may be compelled to appear and depose, and to produce documentary evidence, in the same manner as witnesses may be compelled to appear and testify and produce documentary evidence before the Commission, as hereinbefore provided. Such testimony shall be reduced to writing by the person taking deposition, or under his direction, and shall, after it has been reduced to writing, be subscribed by the deponent.

(f) If a witness whose testimony may be desired to be taken by deposition be in a foreign country, the deposition may be taken before an officer or person designated by the Commission, or agreed upon by the parties by stipulation in writing to be filed with the Commission. All depositions must be promptly filed with the Commission.

(g) Witnesses whose depositions are taken as authorized in this act, and the person or officer taking the same, shall be entitled to the same fees as are paid for like services in the courts of the United States.

(h) No person shall be excused from attending and testifying or from producing books, papers, correspondence, memoranda, contracts, agreements, or other records and documents before the Commission, or in obedience to the subpena of the Commission or any member thereof or any officer designated by it, or in any cause or proceeding instituted by the Commission, on the ground that the testimony or evidence, documentary or otherwise, required of him may tend to incriminate him or subject him to a penalty or forfeiture; but no individual shall be prosecuted or subjected to any penalty or forfeiture for or on account of any transaction, matter, or thing concerning which he is compelled to testify or produce evidence, documentary or otherwise, after having claimed his privilege against self-incrimination, except that such individual so testifying shall not be exempt from prosecution and punishment for perjury committed in so testifying.

HEARINGS; RULES OF PROCEDURE

SEC. 15. (a) Hearings under this act may be held before the Commission, any member or members thereof, or any representative of the Commission designated by it, and appropriate records thereof shall be kept. In any proceeding before it, the Commission, in accordance with such rules and regulations as it may prescribe, may admit as a party and interested State, State commission, municipality, or any representative of interested consumers or security holders, or any competitor of a party to such proceeding, or any other person whose participation in the proceeding may be in the public interest.

(b) All hearings, investigations, and proceedings under this act shall be governed by rules of practice and procedure to be adopted by the Commission, and in the conduct thereof the technical rules of evidence need not be applied. No informality in any hearing, investigation, or proceeding, or in the manner of taking testimony shall invalidate any order, decision, rule, or regulation issued under the authority of this act.

ADMINISTRATIVE POWERS OF COMMISSION; RULES, REGULATIONS, AND ORDERS

SEC. 16. The Commission shall have power to perform any and all acts, and to prescribe, issue, make, amend, and rescind such orders, rules, and regulations as it may find necessary or appropriate to carry out the provisions of this act. Among other things, such rules and regulations may define accounting, technical, and trade terms used in this act; and may prescribe the form or forms of all statements, declarations, applications, and reports to be filed with the Commission, the information which they shall contain, and the time within which they shall be filed. Unless a different date is specified therein, rules and regulations of the Commission shall be effective 30 days after publication in the manner which the Commission shall prescribe. Orders of the Commission shall be effective on the date and in the manner which the Commission shall prescribe. For the purposes of its rules and regulations, the Commission may classify persons and matters within its jurisdiction and prescribe different requirements for different classes of persons or matters. All rules and regulations of the Commission shall be filed with its secretary and shall be kept open in convenient form for public inspection and examination during reasonable business hours.

USE OF JOINT BOARDS; COOPERATION WITH STATE COMMISSIONS

SEC. 17. (a) The Commission may refer any matter arising in the administration of this act to a board to be composed of a member or members, as determined by the Commission, from the State or each of the States affected or to be affected by such matter. Any such board shall be vested with the same power and be subject to the same duties and liabilities as in the case of a member of the Commission when designated by the Commission to hold any hearings. The action of such board shall have such force and effect and its proceedings shall be conducted in such manner as the Commission shall by regulations prescribe. The Board shall be appointed by the Commission from persons nominated by the State commission of each State affected, or by the Governor of such State if there is no State commission. Each State affected shall be entitled to the same number of representatives on the Board unless the nominating power of such State waives such right. The Commission shall have discretion to reject the nominee from any State, but shall thereupon invite a new nomination from that State. The members of a board shall receive such allowances for expenses as the Commission shall provide. The Commission may, when in its discretion sufficient reason exists therefor, revoke any reference to such a board.

(b) The Commission may confer with any State commission regarding rate structures, costs, accounts, charges, practices, classifications, and regulations of natural-gas companies; and the Commission is authorized, under such rules and regulations as it shall prescribe, to hold joint hearings with any State commission in connection with any matter with respect to which the Commission is authorized to act. The Commission is authorized in the administration of this act to avail itself of such cooperation, services, records, and facilities as may be afforded by any State commission.

(c) The Commission shall make available to the several State commissions such information and reports as may be of assistance in State regulation of natural-gas companies. Whenever the Commission can do so without prejudice to the efficient and proper conduct of its affairs, it may, upon request from a State commission, make available to such State commission as witnesses any of its trained rate, valuation, or other experts, subject to reimbursement of the compensation and traveling expenses of such witnesses. All sums collected hereunder shall be credited to the appropriation from which the amounts were expended in carrying out the provisions of this subsection.

APPOINTMENT OF OFFICERS AND EMPLOYEES

SEC. 18. The Commission is authorized to appoint and fix the compensation of such officers, attorneys, examiners, and experts as may be necessary for carrying out its functions under this act, without regard to the provisions of other laws applicable to the employment and compensation of officers and employees of the United States; and the Commission may, subject to civil-service laws, appoint such other officers and employees as are necessary for carrying out such functions and fix their salaries in accordance with the Classification Act of 1923, as amended.

REHEARINGS; COURT REVIEW OF ORDERS

SEC. 19. (a) Any person, State, municipality, or State commission aggrieved by an order issued by the Commission in a proceeding under this act to which such person, State, municipality, or State commission is a party may apply for a rehearing within 30 days after the issuance of such order. The application for rehearing shall set forth specifically the ground or grounds upon which such application is based. Upon such application the Commission shall have power to grant or deny rehearing or to abrogate or modify its order without further hearing. Unless the Commission acts upon the application for rehearing within 30 days after it is filed, such application may be deemed to have been denied. No proceeding to review any order of the Commission shall be brought by any person unless such person shall have made application to the Commission for a rehearing thereon.

(b) Any party to a proceeding under this act aggrieved by an order issued by the Commission in such proceeding may obtain a review of such order in the circuit court of appeals of the United States for any circuit wherein the natural-gas company to which the order relates is located or has its principal place of business, or in the United States Court of Appeals for the District of Columbia, by filing in such court, within 60 days after the order of the Commission upon the application for rehearing, a written petition praying that the order of the Commission be modified or set aside in whole or in part. A copy of such petition shall forthwith be served upon any member of the Commission and thereupon the Commission shall certify and file with the court a transcript of the record upon which the order complained of was entered. Upon the filing of such transcript such court shall have exclusive jurisdiction to affirm, modify, or set aside such order in whole or in part. No objection to the order of the Commission shall be considered by the court unless such objection shall have been urged before the Commission in the application for rehearing unless there is reasonable ground for failure so to do. The finding of the Commission as to the facts, if supported by substantial evidence, shall be conclusive. If any party shall apply to the court for leave to adduce additional evidence, and shall show to the satisfaction of the court that such additional evidence is material and that there were reasonable grounds for failure to adduce such evidence in the proceedings before the Commission, the court may order such additional evidence to be taken before the Commission and to be adduced upon the hearing in such manner and upon such terms and conditions as to the court may seem proper. The Commission may modify its findings as to the facts by reason of the additional evidence so taken, and it shall file with the court such modified or new findings, which if supported by substantial evidence, shall be conclusive, and its recommendation, if any, for the modification or setting aside of the original order. The judgment and decree of the court, affirming, modifying, or setting aside, in whole or in part, any such order of the Commission, shall be final, subject to review by the Supreme Court of the United States upon certiorari or certification as provided in sections 239 and 240 of the Judicial Code, as amended (U. S. C., title 28, secs. 346 and 347).

(c) The filing of an application for rehearing under subsection (a) shall not, unless specifically ordered by the Commission, operate as a stay of the Commission's order. The commencement of proceedings under subsection (b) of this section shall not, unless specifically ordered by the court, operate as a stay of the Commission's order.

ENFORCEMENT OF ACT; REGULATION AND ORDERS

SEC. 20. (a) Whenever it shall appear to the Commission that any person is engaged or about to engage in any acts or practices which constitute or will constitute a violation of the provisions of this act, or of any rule, regulation, or order thereunder, it may in its discretion bring an action in the proper district court of the United States, the District Court of the United States for the District of Columbia, or the United States courts of any Territory or other place subject to the jurisdiction of the United States, to enjoin such acts or practices and to enforce compliance with this act or any rule, regulation, or order thereunder, and upon a proper showing a permanent or temporary injunction or decree or restraining order shall be granted without bond. The Commission may transmit such evidence as may be available concerning such acts or practices or concerning apparent violations of the Federal antitrust laws to the Attorney General, who, in his discretion, may institute the necessary criminal proceedings.

(b) Upon application of the Commission the district courts of the United States, the District Court of the United States for the District of Columbia, and the United States courts of any Territory or other place subject to the jurisdiction of the United States shall have jurisdiction to issue writs of mandamus commanding any person to comply with the provisions of this act or any rule, regulation, or order of the Commission thereunder.

(c) The Commission may employ such attorneys as it finds necessary for proper legal aid and service of the Commission or its members in the conduct of their work, or for proper representation of the public interest in investigations made by it, or cases or proceedings pending before it, whether at the Commission's own instance or upon complaint, or to appear for or represent the Commission in any case in court; and the expenses of such employment shall be paid out of the appropriation for the Commission.

GENERAL PENALTIES

SEC. 21. (a) Any person who willfully and knowingly does or causes or suffers to be done any act, matter, or thing in this act prohibited or declared to be unlawful, or who willfully and knowingly omits or fails to do any act, matter, or thing in this act required to be done, or willfully and knowingly causes or suffers such omission or failure, shall, upon conviction thereof, be punished by a fine of not more than $5,000 or by imprisonment for not more than 2 years, or both.

(b) Any person who willfully and knowingly violates any rule, regulation, restriction, condition, or order made or imposed by the Commission under authority of this act, shall, in addition to any other penalties provided by law, be punished upon conviction thereof by a fine of not exceeding $500 for each and every day during which such offense occurs.

JURISDICTION OF OFFENSES; ENFORCEMENT OF LIABILITIES AND DUTIES

SEC. 23. The district courts of the United States, the District Court of the United States for the District of Columbia, and the United States courts of any Territory or other place subject to the jurisdiction of the United States shall have exclusive jurisdiction of violations of this act or the rules, regulations, and orders thereunder, and of all suits in equity and actions at law brought to enforce any liability or duty created by, or to enjoin any violation of, this act or any rule, regulation, or order thereunder. Any criminal proceeding shall be brought in the district wherein any act or transaction constituting the violation occurred. Any suit or action to enforce any liability or duty created by, or to enjoin any violation of, this act or any rule, regulation, or order thereunder may be brought in any such district or in the district wherein the defendant is an inhabitant, and process in such cases may be served wherever the defendant may be found. Judgments and decrees so rendered shall be subject to review as provided in sections 128 and 240 of the Judicial Code, as amended (U. S. C., title 28, secs. 225 and 347). No costs shall be assessed against the Commission in any judicial proceeding by or against the Commission under this act.

SEPARABILITY OF PROVISIONS

SEC. 23. If any provision of this act, or the application of such provision to any person or circumstance, shall be held invalid, the remainder of the act, and the application of such provision to persons or circumstances other than those as to which it is held invalid, shall not be affected thereby.

SEC. 24. This act may be cited as the Natural Gas Act.

Mr. O'MAHONEY. Mr. President, may I ask the Senator from Ohio [Mr. BULKLEY] whether there is any objection to the bill?

Mr. BULKLEY. The junior Senator from Kentucky [Mr. LOGAN] objected to its consideration during the call of the calendar earlier in the day, but has since assured me that he was under a misapprehension as to which bill one of his correspondents objected to. He does not now object to the bill. The Senator from Mississippi on previous occasions has objected to the consideration of the bill; but I have worked out with him certain amendments which I hope will be agreed to by the Senate and which will remove his objections. I do not now know of any objection to the passage of the bill.

Mr. O'MAHONEY. The bill is not of a controversial nature, is it?

Mr. BULKLEY. No.

Mr. O'MAHONEY. And its passage may be expected in a reasonably short time?

Mr. BULKLEY. I think it should be passed within a few minutes.

I send to the desk an amendment, which I ask to have stated.

The PRESIDING OFFICER. The amendment offered by the Senator from Ohio will be stated.

The CHIEF CLERK. On page 8, line 8, after the word "order", it is proposed to insert a colon and the following proviso:

Provided, however, That the Commission shall have no power to order any increase in rates, but may order a decrease where existing rates are unjust, unduly discriminatory, preferential, otherwise unlawful, or are not the lowest reasonable rates.

The amendment was agreed to.

Mr. BULKLEY. I send to the desk a second amendment, which I ask to have stated.

The PRESIDING OFFICER. The amendment offered by the Senator from Ohio will be stated.

The CHIEF CLERK. On page 11, after line 3, it is proposed to insert:

In passing on applications for certificates of convenience and necessity, the Commission shall give primary consideration to the applicants' ability to render services at rates lower than those prevailing in the territory to be served, it being the intention of Congress that gas shall be sold in interstate commerce for resale for ultimate public consumption for domestic, commercial, industrial, or any other use at the lowest possible lawful rate consistent with the maintenance of adequate service in the public interest.

The amendment was agreed to.

The PRESIDING OFFICER. The question is on the engrossment of the amendments and the third reading of the bill.

The amendments were ordered to be engrossed, and the bill to be read a third time.

The bill was read the third time and passed.

FIVE-YEAR BUILDING PROGRAM FOR UNITED STATES BUREAU OF FISHERIES

Mr. BANKHEAD. Mr. President, I move that the Senate proceed to the consideration of H. R. 10650, commonly known as the 5-year modified plan for the United States Bureau of Fisheries.

The PRESIDING OFFICER. The question is on the motion of the Senator from Alabama.

Mr. HARRISON. May I ask whether this is a controversial matter?

Mr. BANKHEAD. I do not think so. The Senate passed such a bill 30 days ago. On a motion to reconsider, made by the Senator from Utah [Mr. KING], the bill has been hanging fire for 30 days. Yesterday, the House passed a bill which is almost identical with the Senate bill. I refer to House bill 10650, the consideration of which I have moved. Practically identical bills have passed both Houses. The bill was worked out by the Department.

Mr. McNARY. Mr. President, what is the calendar number of the bill?

Mr. BANKHEAD. It is House bill 10650, to provide for a 5-year building program for the United States Bureau of Fisheries.

Mr. McNARY. Is the bill on the calendar?

Mr. BANKHEAD. The House bill was passed yesterday by the House, and it is now on the table.

Mr. McNARY. Is it on the calendar?

Mr. BANKHEAD. It is not on the printed calendar; but it is ready for action by the Senate.

Mr. McNARY. Is the companion bill on the Senate calendar?

Mr. BANKHEAD. Yes.

Mr. McNARY. What is the number of that bill?

Mr. BANKHEAD. The Senate passed Senate bill 2857 on May 5.

Mr. McNARY. The bill now under consideration is a House bill similar to the Senate bill?

Mr. BANKHEAD. The two bills are almost identical. There are three small items of $25,000 each added in the House bill—one for the State of Maine, one for the State of New York, and one for the State of Washington.

The PRESIDING OFFICER. The question is on the motion of the Senator from Alabama [Mr. BANKHEAD].

The motion was agreed to; and the Senate proceeded to consider the bill (H. R. 10650) to provide for a 5-year building program for the United States Bureau of Fisheries, which was read twice by its title.

Mr. RUSSELL. Mr. President, I offer an amendment to the bill.

The PRESIDING OFFICER. The Senator from Georgia offers an amendment to the bill, which will be stated.

The CHIEF CLERK. In section 1, on page 2, line 2, after the semicolon, it is proposed to insert "Georgia, $75,000;".

Mr. RUSSELL. Mr. President, I observe that the Senate bill as originally introduced contained this provision, and I ask that it be inserted in the House bill. It was not in the bill as reported by the Senate committee, but it was in the original bill which was drafted by the Department.

Mr. JOHNSON of California. Mr. President, I should like to know something about the bill. The Senator from Georgia, for whom I have the greatest respect, has added $75,000 to the bill. May the clerk again state the title of the bill?

The PRESIDING OFFICER. The clerk will restate the title of the bill.

The CHIEF CLERK. A bill (H. R. 10650) to provide for a 5-year building program for the United States Bureau of Fisheries.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Georgia [Mr. RUSSELL].

The amendment was agreed to.

Mr. BILBO. Mr. President, I offer an amendment which I send to the desk and ask to have stated.

The PRESIDING OFFICER. The Senator from Mississippi offers an amendment which will be stated.

The CHIEF CLERK. In section 1, page 2, line 15, after the colon, it is proposed to add:

Lyman, Miss., $35,000.

Mr. BILBO. Mr. President, when the bill was before the Commerce Committee an item was added for the completion of fish hatcheries which included $35,000 for the hatchery at Lyman, Miss. In passing the House bill this item was omitted. I merely wish to conform to the report of the Commerce Committee. The plant in question is partially completed, and the Department advises us that $35,000 will be required to complete it.

Mr. AUSTIN. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. AUSTIN. What is the status of the bill?

The PRESIDING OFFICER. The bill is before the Senate for amendment, and there is pending an amendment offered by the Senator from Mississippi.

Mr. AUSTIN. Mr. President, we have heard nothing but a title, which does not inform us what the legislation is at all. Apparently, it covers appropriations or authorizations.

Mr. HAYDEN. Mr. President, will the Senator yield to me?

Mr. AUSTIN. I yield.

Mr. HAYDEN. I happen to be the author of the Senate bill. The bill was prepared after consultation with the Bureau of Fisheries. It is designed to take the place of a 5-year program, which was not carried out.

The 5-year program passed the House in 1928, at which time the Senator from Maine [Mr. WHITE] was chairman of the House Committee on Merchant Marine and Fisheries. The program was carried on for a year, and then dropped during the period of the depression. The bill was carefully prepared by the Bureau of Fisheries, and was reported to the Senate by the Senator from Maine [Mr. WHITE]. The House has passed a bill almost identical with the bill which was favorably reported to the Senate, and which passed the Senate a few days ago, with the exception of three minor amendments, amounting to $25,000 a year in 3 different years.

That is the status of the bill.

Mr. AUSTIN. Is not this the type of bill which involves an increment, with the amount increasing each year until it arrives at a maximum sum, and then remaining the same?

Mr. HAYDEN. No; it is nothing of that kind at all. It provides for specific fish hatcheries and other stations to be erected, so many one year, so many the next year, and so many the following year until the 5 years are up and the program is complete.

Mr. AUSTIN. Does the plan call for matching by the States?

Mr. HAYDEN. Not at all. It simply provides for United States fish hatcheries.

Mr. VANDENBERG. Mr. President, will the Senator from Arizona yield to me?

Mr. HAYDEN. I yield.

Mr. VANDENBERG. What does the Senator say about amendments being added from the floor? Was there not some rule that covered the bill as drawn?

Mr. HAYDEN. The amendment offered by the Senator from Mississippi [Mr. BILBO] was approved by the Senate Committee on Commerce after an investigation. The amendment offered by the Senator from Georgia [Mr. RUSSELL] was in the original bill at the identical place where he proposes it. That is the explanation of those two amendments.

Mr. LUNDEEN. Mr. President——

Mr. HAYDEN. I yield to the Senator from Minnesota.

Mr. LUNDEEN. I should like to ask the Senator a question. Does this bill have the approval of Commissioner Frank T. Bell? Commissioner Bell is a real conservationist—bred in the blood—and worthy of his commission. We are for him and his entire set-up.

Mr. HAYDEN. It does. It was prepared by the Bureau of Fisheries. It is their idea of what would be a constructive program over a 5-year period.

NATIONAL BUREAU OF FISHERIES

Mr. LUNDEEN. I have had some opportunity to check on the Bureau of Fisheries in various parts of the country, and I have the highest respect for the Bureau and for its commissioner, Mr. Bell.

I have served on the Committee on Territories and Insular Affairs for many years. We traveled in Alaska in 1937 as far as Sitka and Skagway. The same year we later observed the fishing industry in Hawaii. The Bureau of Fisheries is doing a good job conserving our fish resources. It lays the heavy hand of the law upon unbridled competition. We traveled on the U. S. Fisheries boat *Brant*—through the marvelous inland passage—whose captain and crew—not forgetting the cook—in the fisheries service, were gentlemen courageous. They serve Uncle Sam well. We must remember the Bureau of Fisheries and stand by them in their noble deeds of conservation.

Mr. HAYDEN. This bill represents the well-considered judgment of the Bureau of Fisheries.

Mr. McNARY. Mr. President, some time ago, several months ago, in fact, I had a bill before the Senate for the construction of several fish-cultural stations along the Columbia River, made necessary by the construction of the Bonneville and Coulee Dams. The bills were introduced in the hope that their passage would prevent the destruction of the salmon-fishing industry on that river. I do not see any provision in regard to that in this bill.

Mr. HAYDEN. My recollection is that there was special legislation passed at the Senator's instance, was there not?

Mr. McNARY. I do not think so.

Mr. MALONEY. Mr. President, will the Senator yield?

Mr. HAYDEN. I yield.

Mr. MALONEY. I notice in one or two places in the bill that the provision is made for the fish-distribution trucks. Are those to be used in the District of Columbia?

Mr. HAYDEN. Not at all. They are to be used throughout the United States. One of the great difficulties confronted in connection with fish hatcheries has been the lack of proper equipment to transport the fish from the hatcheries to streams. That work needs special equipment.

The PRESIDING OFFICER. The question is on the amendment offered by the Senator from Mississippi [Mr. BILBO].

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That there are hereby authorized to be appropriated during the fiscal year beginning July 1, 1939, such amounts as may be necessary for—

(1) The further development of fish-cultural stations at the following places, at a cost not to exceed the amount specified: Flintville, Tenn., $25,000; Lamar, Pa., $40,000.

(2) The establishment of fish-cultural substations in each of the following States, at a cost not to exceed the amount specified: Mississippi, $40,000; Maine, $50,000; Alabama, $75,000; Georgia, $75,000; the establishment of a lobster-rearing station in the State of Maine, $25,000.

(3) The construction of rearing ponds in each of the following areas, at a cost not to exceed the amount specified: Upper Mississippi River, Rock Island to Wabasha, $60,000; national park and forest areas, $40,000.

(4) The purchase of 10 fish-distribution trucks, at a cost not to exceed $15,000.

(5) The further development of fish-cultural stations in each of the following States, at a cost not to exceed the amount specified: Ohio, $25,000; Kansas, $25,000; Minnesota, $25,000; North Dakota, $25,000.

(6) The establishment of fishery laboratories at the following places, at a cost not to exceed the amount specified: Lyman, Miss., $35,000; College Park, Md., $100,000; Milford, Conn., $50,000; Little Port Walter, Alaska, $25,000.

(7) The further development of the fishery laboratory at Pensacola, Fla., at a cost not to exceed $10,000.

(8) The construction of a fishery laboratory boat for use in southeastern Alaska, at a cost not to exceed $20,000.

(9) The construction of 12 high-speed patrol boats for enforcement of Alaska fishery laws and regulations, at a cost not to exceed $60,000.

(10) The construction of two seagoing patrol vessels for the enforcement of Alaska fishery laws and regulations, at a cost not to exceed $120,000.

(11) The establishment of salmon-counting weirs in the important salmon streams in Alaska, at a cost not to exceed $20,000.

SEC. 2. There are hereby authorized to be appropriated during the fiscal year beginning July 1, 1940, such amounts as may be necessary for—

(1) The establishment of a fishery laboratory at Karluk Lake, Alaska, at a cost not to exceed $35,000, including the construction of a road.

(2) The establishment of a fish-cultural station in Arizona, at a cost not to exceed $75,000.

(3) The further development of fish-cultural stations at each of the following places, at a cost not to exceed the amount specified: Leetown, W. Va., $35,000; Marion, Ala., $25,000; Natchitoches, La., $25,000; Cortland, N. Y., $25,000; Cape Vincent, N. Y., $25,000.

(4) The construction of rearing ponds in each of the following areas, at a cost not to exceed the amount specified: Upper Mississippi River, Rock Island to Wabasha, $60,000; national park and forest areas, $40,000.

(5) The purchase of 10 fish-distribution trucks, at a cost not to exceed $15,000.

(6) The repair and improvement of the aquarium in the Commerce Building, at a cost not to exceed $10,000.

(7) The establishment of a fish-cultural station and oyster laboratory in the State of Washington, at a cost not to exceed $100,000.

(8) The construction of a seagoing patrol vessel for the enforcement of Alaska fishery laws and regulations, at a cost not to exceed $60,000.

(9) The construction and equipment of a seagoing vessel for the conduct of scientific and oceanographic research in waters off the Pacific coast, at a cost not to exceed $400,000.

(10) The establishment of salmon counting weirs in the important salmon streams in Alaska, at a cost not to exceed $20,000.

SEC. 3. There are hereby authorized to be appropriated during the fiscal year beginning July 1, 1941, such amounts as may be necessary for—

(1) The purchase and further development of the Fields fish hatchery in Comanche County, Okla., at a cost not to exceed $40,000.

(2) The establishment of fish-cultural stations in the following States, at a cost not to exceed the amount specified: Illinois, $75,000; Arkansas, $60,000.

(3) The establishment of shad rearing stations in the following States, at a cost not to exceed the amount specified: South Carolina, $35,000; Virginia, $50,000; Maryland, $50,000.

(4) The establishment of a fishery products laboratory in Puerto Rico at a cost not to exceed $25,000.

(5) The construction of rearing ponds in each of the following-named areas, at a cost not to exceed the amount specified: Upper Mississippi River, Rock Island to Wabasha, $60,000; national park and forest areas, $40,000.

(6) The purchase of 10 fish-distribution trucks, at a cost not to exceed $15,000.

(7) The construction of a seagoing patrol vessel for the enforcement of Alaska fishery laws and regulations, at a cost not to exceed $60,000.

(8) The construction of dwellings and other buildings for natives on the Pribilof Islands, Alaska, at a cost not to exceed $20,000.

(9) The establishment of a fishery-products laboratory in the Territory of Alaska, at a cost not to exceed $50,000.

SEC. 4. There are hereby authorized to be appropriated during the fiscal year beginning July 1, 1942, such amounts as may be necessary for—

(1) The establishment of a fish-cultural station in New Jersey, at a cost not to exceed $75,000.

(2) The construction of rearing ponds in national park and forest areas, at a cost not to exceed $40,000.

(3) The purchase of 10 fish-distribution trucks, at a cost not to exceed $15,000.

(4) The construction of a seagoing patrol vessel for the enforcement of Alaska fishery laws and regulations, at a cost not to exceed $60,000.

(5) The construction of dwellings and other buildings for natives on the Pribilof Islands, Alaska, at a cost not to exceed $20,000.

(6) The construction of a vessel to serve as a tender for the Pribilof Islands, Alaska, at a cost not to exceed $300,000.

SEC. 5. There are hereby authorized to be appropriated during the fiscal year beginning July 1, 1943, such amounts as may be necessary for—

(1) The establishment of fish-cultural substations in the following States, at a cost not to exceed the amount specified: Northern Idaho, $50,000; Kentucky, $50,000.

(2) The construction of rearing ponds in national park and forest areas, at a cost not to exceed $40,000.

(3) The purchase of 10 fish-distribution trucks, at a cost not to exceed $15,000.

(4) The construction of a seagoing patrol vessel for the enforcement of Alaska fishery laws and regulations, at a cost not to exceed $60,000.

(5) The construction of dwellings and other buildings for natives on the Pribilof Islands, Alaska, at a cost not to exceed $20,000.

SEC. 6. (a) The new stations, substations, and laboratories authorized by this act shall be located at such specific points as may be selected by the Secretary of Commerce.

(b) Any appropriation made under authority of this act may be expended for the purchase of sites, equipment, the construction of buildings, and for such other items as may be incidental to the establishment, further development, or purchase, as the case may be, of the station, substation, or laboratory in question.

(c) No part of an appropriation made under authority of this act shall be expended in the establishment, further development, or purchase of a station or substation unless the State in which such station or substation is to be located shall accord to the United States Commissioner of Fisheries and his duly authorized agents the right to conduct fish-cultural operations and all other necessary operations connected therewith, in such manner and at such times as is considered necessary and proper by the said Commissioner or his agents. The operation of any station or substation established, further developed, or purchased under authority of this act may be discontinued whenever the State ceases to accord such right, or whenever, in the judgment of the Secretary of Commerce, State laws or regulations affecting fishes propagated are allowed to remain so inadequate as to impair the efficiency of such station or substation.

(d) The authorizations herein with reference to appropriations for certain specified years are for the purpose of indicating priority proposed to be given the various projects but shall not be held to require the appropriations to be made in the years specified, and the appropriations enumerated are likewise authorized in prior or subsequent years in annual or supplemental appropriation acts.

(e) To enable the Bureau of Fisheries to carry out this program, there are hereby authorized, in addition to all other amounts herein authorized, such appropriations as may be necessary from time to time to provide adequate, technical, administrative, and clerical personnel in the District of Columbia and elsewhere.

SEC. 7. In carrying out the provisions of this act the Bureau of Fisheries may cooperate with States, counties, municipalities, individuals, and public and private agencies, organizations, and institutions, and may accept donations of lands, funds, and other aid to the development of this program. Title to sites for the establishment of stations, substations, or laboratories whether acquired by donation or purchase, may be acquired subject to such easements, restrictions, or provisions for reversion as may

in the judgment of the Secretary of Commerce be considered consistent with the public interest.

Mr. BANKHEAD. I move to reconsider the vote by which House bill 10650 was passed.

Mr. RUSSELL. I move to lay that motion on the table.

The PRESIDING OFFICER. The question is on the motion of the Senator from Georgia [Mr. RUSSELL] to lay on the table the motion of the Senator from Alabama [Mr. BANKHEAD].

The motion to lay on the table was agreed to.

PROGRAM FOR THE SESSION—RIVER AND HARBOR AUTHORIZATION

Mr. BARKLEY. Mr. President, before making a motion, I wish to make a very brief statement.

Mr. President, contemplating the conclusion of the call of the calendar, I have been trying to arrange, in an orderly way, the consideration of a number of bills about which Senators have spoken to me for several weeks. Some of these bills have passed the House, and it is necessary that the Senate pass them as promptly as possible in order that they may go to conference to be considered before the Congress shall adjourn. Among them are the river and harbor bill and the flood-control bill, and, among what I consider emergency measures, is a joint resolution in which the Senator from Wyoming [Mr. O'MAHONEY] is interested, which has been under discussion here this afternoon. There are a number of other bills on the calendar of the Senate; the Senators who are sponsoring them are equally anxious to obtain consideration for those bills, and I am anxious to cooperate in any way I can to secure consideration of measures in the Senate that have any chance at all of being enacted at this session before final adjournment. I have a feeling, however, that preference ought to be given to measures that have passed the House, and that are on the Senate calendar and which must go to conference before an agreement can be reached with respect to the legislation.

I had made out a list here today, including the bill which was passed a while ago on the motion of the Senator from Ohio [Mr. BULKLEY], and the bill which was passed on the motion of the Senator from Alabama [Mr. BANKHEAD]. Next on the list of bills which I thought worthy of consideration, and to call up which efforts have been made on numerous occasions, is the river and harbor bill, in which most of the Members of the Senate are interested.

With that preliminary statement, in the absence of the Senator from New York [Mr. COPELAND], who, for some reason, has been temporarily called from the Chamber, I feel that it is my duty to move that the Senate proceed to the consideration of Calendar No. 1961, being House bill 10289, which is the river and harbor bill.

The PRESIDING OFFICER. The question is on the motion of the Senator from Kentucky that the Senate proceed to the consideration of House bill 10298.

Mr. O'MAHONEY. Mr. President, I desire to ask the Senator from Kentucky if the measure which he has moved to take up is likely to be one the consideration of which will demand a long period of time?

Mr. BARKLEY. I do not think so. The fact is the bill almost passed by unanimous consent on two occasions, but it was late in the afternoon, and because objection was made, largely on account of the lateness of the hour, and the insufficiency of time to consider it, the bill went over. The Senator from New York then announced that he would not attempt to have it passed by unanimous consent, but would undertake to secure consideration for it as soon as the calendar was concluded. I do not think it will take very long; in fact, I know of no opposition to the bill, although there may be some.

Mr. O'MAHONEY. I have been advised by some Senators now on the floor that the bill is likely to provoke protracted debate.

Mr. BARKLEY. I do not know about that. Of course, we know how things happen here. Often in connection with a bill which we think will require very little debate something that we had not expected happens and long debate results. But I think there would not be much delay in the consideration of the bill.

The Senator from Wyoming may have in mind the flood-control bill, which is almost a companion piece of legislation, but I am not aware of any long debate which is likely to take place on it.

I wish to say that I do not think that any bill which has no chance of being enacted at the present session, to which there is serious opposition to the extent of bringing about prolonged debate, resulting in the failure of other legislation which is necessary, should be taken up until other measures that are practically without opposition are disposed of and a chance is given them to be considered.

Mr. O'MAHONEY. Mr. President, will the Senator yield further?

Mr. BARKLEY. I yield.

Mr. O'MAHONEY. I quite agree with the statement the Senator has made, and I am not at all disturbed if we now proceed to the consideration of measures which are not controversial in nature and which will not provoke debate. But I am most anxious to secure the cooperation of the Senator from Kentucky in moving the early consideration of Calendar No. 2103, being Senate Joint Resolution 300.

Mr. BARKLEY. I am in full sympathy with the Senator in that respect. I am very much interested in securing the promptest consideration and enactment of the joint resolution, because it is the result of a message which the President sent to the Congress asking for an investigation of monopolies and trusts. The Committee on the Judiciary has considered the joint resolution carefully; it has gone into it, I think, from every standpoint, and it is essential that the joint resolution be passed as soon as possible. I am not only anxious but I pledge my full cooperation with the Senator in the effort to take up the joint resolution as soon as possible.

Mr. O'MAHONEY. Then, after the disposition of the measure which the Senator has moved to take up, I shall rise to move that the Senate proceed to the consideration of Senate Joint Resolution 300.

Mr. CONNALLY. Mr. President——

Mr. BARKLEY. I yield to the Senator from Texas.

Mr. CONNALLY. I wish to say to the Senator from Kentucky that the river and harbor bill is a measure of rather general importance. It affects a great many sections of the country. It has been thoroughly considered by the House; it has been passed by that body and has also been thoroughly considered by the Committee on Commerce of the Senate. The Senator from New York [Mr. COPELAND] has now returned to the Chamber, and I hope the Senator from Kentucky will insist on proceeding to the consideration of the river and harbor bill.

Mr. BARKLEY. The motion is pending, and I hope it will be acted on.

Mr. MINTON. Mr. President, will the Senator from Kentucky permit me to make a motion to reconsider the vote by which House bill 6586, the interstate gas bill, was passed a few moments ago? The vote on the bill came so quickly and amid such confusion that it was passed before I knew it. I have two pro forma amendments which I should like to offer. The Senator from Ohio and the Senator from Montana both agree that the amendments are pro forma and they have no objection to them.

Mr. BARKLEY. Would not the Senator be willing to wait until the motion now pending can be acted on?

Mr. HARRISON. Mr. President——

Mr. BARKLEY. I yield to the Senator from Mississippi.

Mr. HARRISON. I desire the floor in my own right when the Senator has concluded.

Mr. BARKLEY. I have said all I want to say.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Kentucky that the Senate proceed to the consideration of House bill 10928. The Senator from Mississippi is recognized.

Mr. HARRISON. Mr. President, I am very much in favor of the river and harbor bill, but, in view of the statement

of the Senator from Kentucky [Mr. BARKLEY] and in view of what has happened here since January 1937, with reference to another bill which has been on the calendar for a long time, I desire to say a few words. There is on the calendar Senate bill 419, which was introduced by former Senator Black, now Associate Justice Black, and myself, as coauthors, to promote the general welfare through the appropriation of funds to assist the States and Territories in providing more effective programs of public education.

I know that certain Senators and certain people in the country are against Federal assistance to public education. I believe that when we are spending money in the way we are now doing we cannot spend it for any better purpose than to try to help some of the needy children of the country to obtain an education. I know there are States that have gone the limit of their resources in order to educate their children and they cannot go any further. As a result, many States have been forced to shorten the length of their school sessions, some of them, as I recall, to about 5 months. The bill to which I refer was introduced for the purpose of trying to bring this condition to the attention of the country and to remedy this situation.

We have appropriated hundreds of millions of dollars—I may be a little high in my estimate; I do not know the exact amount, but I know it is quite a large sum—through the National Youth Administration and other agencies of the W. P. A. toward educational assistance. I believe the time has come when we should adopt a permanent policy with reference to education. Those who do not believe that the Federal Government ought to assist the States may vote accordingly. Those who believe in this program can vote for the bill.

Here is a bill that was reported to the Senate on May 19, 1937, more than a year ago, and it was reported, I may say, by the unanimous vote of the committee. It was introduced in January 1937. The bill has been on the calendar for more than a year. The calendar has been called time after time, but some Senator has objected to the bill each time. I have brought what little influence I could command to secure its consideration, but I have been unable to get it up because I have not been able to interest the powers that be in trying to push it along a little.

Mr. BURKE. Mr. President, will the Senator yield for a question?

Mr. HARRISON. If the Senator will permit me to finish my statement.

Mr. BURKE. I merely want to ask the amount of money involved in the bill, so that we will have some idea of it.

Mr. HARRISON. I will discuss that matter. The bill does not call for an immediate appropriation. For the fiscal year ending 1940 it carries a $72,000,000 appropriation. The relief bill which passed the other day provided for an appropriation of $75,000,000 to be expended through the National Youth Administration. The main difference between these bills is that the Federal Government appropriates the money, but we leave it to local people to administer, instead of the pocketbook being opened here and the money being given out from Washington.

The bill has been on the calendar all this time. We have been unable to secure its consideration. I brought it to the attention of the highest authority in the country. I did not get anywhere. So last year the President appointed a committee, known as the Advisory Committee on Education, composed of the most prominent educators in the country, philanthropists, humanitarians, representatives of business, labor, and the Government—men and women who understood this question—and every creed was represented on it. They made an exhaustive study of this great problem, and made a report. Their report confirmed what the Committee on Education and Labor had reported concerning this bill in May 1937. The President's committee, however, recommended cutting down the authorization.

We have adopted, and the Committee on Education and Labor has brought in, a substitute for the first bill carrying out the recommendation of the Presidential committee, which, I may say, reduces the amount carried by the bill as originally introduced. The original bill called for an appropriation of $100,000,000 the first year, to be apportioned among the several States according to the number of eligible children in each State from 5 to 20 years of age, I believe; but the substitute cuts down the initial appropriation to $72,000,000, and it starts in the fiscal year 1940. Then the appropriation climbs up the next year, I think, $40,500,000, and continues to go up until in about 5 years it reaches the maximum of $202,000,000.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. HARRISON. I yield to the Senator from Kentucky.

Mr. BARKLEY. Let me say to the Senator that I appreciate all he has said about this measure. The original bill has been on the calendar for a good while. As I recall, the bill as originally reported provided ultimately for an appropriation of $300,000,000 a year.

Mr. HARRISON. That is correct.

Mr. BARKLEY. I have been present at a good many more or less informal conferences when this matter has been discussed; and I am not seeking to deny to the Senator from Mississippi or anybody else an opportunity to have this measure considered. Practically a new measure has been brought in as a result of the appointment of the Presidential committee, which has considerably reduced the appropriation. What I am saying, and what I have in mind, is that we are now within what we all hope to be 3 or 4 days or a week or 10 days of adjournment.

This bill has not passed the House. My information is that the House is not in a frame of mind to take it up and consider it. It will arouse controversy in the Senate if it can be passed. I am anxious that measures which can be enacted, and which are needed, shall not be denied an opportunity to be considered by reason of bringing up at this late time in the session, ahead of them, a bill which cannot possibly be passed in the other body.

So it is just a practical situation. I desire to say to the Senator from Mississippi that he has been diligent and earnest and forceful in his advocacy of this measure. He has made a diligent effort to get it up; but, for various reasons, for which neither he nor any of us are necessarily responsible, it has not been called up. Now we have reached the point in the session when we must cull out, if possible, desired bills that have a chance to be enacted; and it is for that reason that I made an effort to try to arrange informally, after conferring with other Senators, a sort of program to govern us during the next few days.

I have no desire to prevent the Senator's bill from coming up. The fact is that I am sympathetic with it, and in all probability shall vote for it when it is taken up; but I feel that the Senator, as a practical legislator, can realize the situation which confronts us now, and I am sure he will be reasonable about this matter, as he is about all other things.

Mr. HARRISON. I thank the Senator for his compliment that I have been diligent. I may say that I have been patient. I have been hopeful that those who appointed a committee to investigate and study this question, which brought in a recommendation, might, after the Senate Committee on Education and Labor had accepted their recommendation and offered it in the form of a substitute, get behind the proposition. It was in that hope that I have been patient in the matter.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. HARRISON. I yield to the Senator from Kentucky.

Mr. BARKLEY. When was the substitute introduced?

Mr. HARRISON. On April 19.

Mr. BURKE. Mr. President, will the Senator yield?

Mr. HARRISON. I yield to the Senator from Nebraska.

Mr. BURKE. I only wish to say that I hope this matter will not be brought up at a time when we will be expected to pass it without extended debate, because a fundamental principle is involved. I do not know on which side I shall finally line up; but I know that very extended debate will be necessary before a measure of this kind can possibly pass.

Mr. HARRISON. I can understand that, and I have appreciated it. That is why I wanted the matter to be brought up sooner. I do not believe we can pass this legislation at this session if we are to adjourn Saturday night. I doubt very seriously whether we shall adjourn Saturday night. I hope we shall do so. The reason why I say that is that the bill has not yet passed the House.

I am the easiest person in the world to get along with, but I do not liked to be kicked around too much. This is a matter in which the country is interested. I tried to secure recognition. I do not blame the Presiding Officer, because he has a list of Senators to be recognized, but this is an important piece of legislation, and I want to bring it to the attention of the Senate. If the Senator from Kentucky and those in authority in the Government can give me some assurance that in the early days of the next session of Congress they will at least show some interest in the measure and help us to force it along to a vote, I shall be satisfied; but I do not want to be shoved around on an important matter like this, because, in my opinion, we could give more real help to a great many deserving and needy people by the passage of legislation like this than through the expenditure of the $4,000,000,000 which we appropriated the other day. I submit that the country should give greater assistance to public education.

If the Senate has a viewpoint opposite to mine, I shall not blame anybody for differing with me. I know that it is a question which is of the greatest importance. It is the beginning of a policy which will continue indefinitely. When we adopt this legislation, it will be here to stay; and the time will come when certain Representatives and certain Senators probably will want to increase the amount of Federal Government assistance. All that is true; all that part of the argument is true; but it is a problem which must be brought to the attention of the Senate. Of course, I should prefer to have the bill considered at this session if we do not adjourn Saturday night; but I know that the river and harbor bill is important, and there are other bills to be considered. I do not want to throw a monkey wrench in the legislative machinery, but this is a proposal which carries out the recommendations of a committee of educators and other persons appointed by the President of the United States to study this problem. We have incorporated their recommendations in the legislation. All I want to do is to hear a whisper of some assistance, some help, some sympathy in the matter of legislation for the purpose of carrying out these recommendations.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. HARRISON. I yield to the Senator from Kentucky.

Mr. BARKLEY. Of course, the Senator from Mississippi knows, as we all do, that nothing we can do now will bind the next session of Congress. None of us knows exactly who is going to be here at the next session. Of course we all hope and expect to be back; but I know of no way by which any Senator could give any assurance or guaranty that this bill would be taken up the first thing in the next session, or at any particular time.

Mr. HARRISON. I appreciate that. No one can give such a guaranty. The bill will have to come out of the committee at the next session of Congress.

Mr. BARKLEY. I have no doubt that the bill will be promptly reported by the committee at the next session. When it is reported it will not, of course, be subject to the delays which have been involved in the consideration of the bill as originally reported. I have no doubt that if the bill is promptly reported by the committee at the next session, it will be promptly considered by the Senate. I think a bill of the importance of this one, when acted upon by a committee after careful consideration and brought in here by the committee, is entitled to consideration. Regardless of how Members will finally vote upon a bill of this kind or any other kind, I have always believed and I now believe that any bill which has been given earnest study and consideration by a committee of the Senate, and has been reported here, is entitled to consideration.

Whether it would be adopted or not is a matter for the Members of the Senate in their capacity as legislators, but while I would not be able to guarantee to the Senator, nor would anybody else be able to guarantee that this bill would be considered at the beginning of the session, I have every reason to believe that if the committee reports it promptly at the beginning of the session there will be infinitely more opportunity to consider it on its merits, and carefully consider it then, when we would be more or less free in the matter of time, than to consider it now, at the end of the session, when there are so many matters pressing for consideration, and when everyone is anxious to have Congress adjourn at the earliest possible date.

Mr. HARRISON. Could the Senator conjure in his mind any reason why the administration would be against the recommendations of a committee which was appointed by the administration to study this matter?

Mr. BARKLEY. I have no idea that the administration is opposed to it.

Mr. HARRISON. I cannot imagine it, and I do not think so. How welcome it would be if we could get a little lift on this proposal, if we could just hear a word of encouragement.

Mr. BARKLEY. If I should happen to be here at the next session, I will give the Senator as much of a lift as I can shoulder to help him to get his bill considered.

Mr. HARRISON. I am sure that the Senator has been for the legislation all the time.

Mr. BARKLEY. I have been.

Mr. HARRISON. I would have offered this measure as an amendment when the pump-priming bill was before us, in connection with the $75,000,000 for the National Youth Administration; but I did not wish to embarrass anyone, and do not desire to embarrass any of the agencies of this Government. But I do think this is a real problem. People differ about it, and we have to settle the matter sometime. I have taken my position on the subject. State control of education will in no way be interfered with through the appropriations that will be made. In fact, the bill specifically forbids any Federal control of our schools. The functions are to be exercised by the administrative officers of the States. The bill provides for equality of treatment. It seems to me there is a possibility for real relief there. We have proposed to apportion the funds to the States according to their financial needs, as was recommended by the committee appointed by the President. We have tried to safeguard it in every way.

Let me ask the Senator from Kentucky, because I know of no one who is closer to the powers that be than he, if he will not confer about it, and see if they will not put a little pressure behind this matter at the next session, or say how they stand on the bill.

Mr. BARKLEY. If it is of any assistance to the Senator, or any consolation, or any assurance, I will state to him that I will take the first opportunity I get to discuss this with very important people in this Government.

Mr. HARRISON. I wish the Senator would do so. I may say that if they oppose it, it will not change my mind.

Mr. BARKLEY. I understand.

Mr. HARRISON. Because, so far as this legislation is concerned, I have made my bed and am going to lie in it, for the reason that I think this proposal is proper and right. But I do not wish to throw a monkey wrench into the legislative machinery. It may be that we can have a little chance to take this matter up during the few days remaining of the session.

Mr. BARKLEY. We will see.

Mr. BURKE. Mr. President, if this matter is to come up within the next few days, or to come up very early at the next session, in order that we may think about it seriously, I should like to have an answer to one question, so that we may be revolving it in our minds.

The Senator says these millions—$72,000,000, getting up eventually to $202,000,000—can be appropriated to aid public education in the States without any Federal control over the

educational processes in the States. I should like to have the Senator tell us what assurance he can give the Senate, or the Congress, or the country, that once the Federal Government starts to appropriate these enormous sums for education in the States, very soon the Federal Government will not be gradually dictating more and more of the educational policies of the States. That is a question on which some of us must be assured.

Mr. HARRISON. I cannot give the Senator any assurance. I only say that in the proposed legislation there is no control placed in the Federal Government. I shall always oppose, as I have always opposed, the placing of control in the Federal Government over the public institutions of this country, such as those engaged in education.

Mr. THOMAS of Utah. Mr. President, I should like to add merely a word or two to what the Senator from Mississippi has said.

This educational bill in some form has been before the Committee on Education and Labor for years. Every objection that has been raised to the bill has been answered with the exception of a single one, as to whether the Federal Government should aid education in the States. The questions which have been asked this afternoon by Senators in regard to the bill prove conclusively that they have not read the proposed substitute, or they would not ask such questions.

I am interested in this matter. Nearly every educational association in the country has supported the proposed legislation as it is now written in the substitute. There is but one institution in the whole country which calls itself an educational institution which is in opposition.

If the bill goes over to another session of the Congress I do not want to have to face the charge that there have not been hearings in regard to it. There has been one and only one question which has been of interest in the various hearings, and that is the question of the need of Federal aid for education. All of the hearings have resulted in a definite understanding of the fact that there is actual need for such Federal aid. The substitute is built upon that one notion and that one notion only.

If there is to be criticism about a lack of hearings and about a lack of understanding and of opportunity to study the proposal, the type of suggestions we have heard every time this subject has been brought up in the last 2 years, if we are to go through that at the beginning of the next session, I want to take the time of the Senate, in spite of the fact that other duties are calling and the Senate is interested in those other duties being performed, to let the Senate know right down to the merest detail what we have done in the way of the investigation of the public need for education.

I do not want to do that now. No one is pressing for consideration of the bill at this time, but the whole Committee on Education and Labor, if we may rely upon the support it has given this bill in the past, is pressing for an early consideration at the next session of the Congress.

I, for one, cannot go back and face my people, or the people anywhere else in this country, and have to meet the charge that we can appropriate a billion and a half dollars for battleships, for example, and yet cannot afford to take care of the type of educational subsidy which does no more than guarantee that the boys and girls of this country shall have an equal opportunity to have at least 36 weeks of schooling during the year. That is all the measure can possibly provide. It provides for aid where aid is needed. It does not subsidize the public schools at all. It is thoroughly ridiculous to imagine that an appropriation ranging between thirty or forty and fifty million dollars would subsidize public education in this country. I want a more definite promise if I can get it. I want to be able to tell the people that we have not forgotten the children of this country and have not forgotten fundamental needs.

Mr. LEWIS. Mr. President, will the Senator yield?

Mr. THOMAS of Utah. I am glad to yield.

Mr. LEWIS. May I ask the Senator from Utah, respecting this bill which he designates as a substitute, whether any of the provisions looking to Federal appropriations for education discriminate against the parochial school and the scholars who attend them?

Mr. THOMAS of Utah. There are no provisions of that kind, and I do not think anyone would advocate that sort of a provision. The appropriation is given to the State, and the schools are run in accordance with the State law. The funds which are given will be administered by State officials. There will not even be supervision of the administration of the funds. But there is an exacting requirement, that they be administered in accordance with the primary purpose of the bill, which is to give Federal aid to education merely to equalize the fundamental educational opportunity for the boys and girls of America.

Mr. LEWIS. The system and methods are left to the States in which the schools are located?

Mr. THOMAS of Utah. The distribution is left to the States.

Mr. LEWIS. I thank the Senator.

Mr. McADOO. Mr. President, will the Senator yield?

Mr. THOMAS of Utah. I am glad to yield to the Senator from California.

Mr. McADOO. Is provision made in the bill for adult education?

Mr. THOMAS of Utah. If the State programs are of such a nature that the States want to use part of the funds which come from the Federal Government for adult education, there are provisions in the bill under which funds may be used for that purpose; but there is no mandate from the Federal Government that the funds shall be used for that purpose.

Mr. McADOO. But, of course, the States will have the power absolutely to make such distribution of the funds as they may provide for adult education, as well as for other education, and they will be in better financial condition to extend those facilities to adults than they would otherwise be. Am I correct in that?

Mr. THOMAS of Utah. That is true; the range of aid may run from kindergarten to adult education, according to the need which the State has.

Mr. McADOO. Is there any limit fixed in the bill as to the age of adults who may take advantage of education?

Mr. THOMAS of Utah. I do not think so. We did not go into psychological questions with respect to adult educational theory or educational science.

Mr. McADOO. Is the Senator going to proceed at this time?

Mr. THOMAS of Utah. I should like a little more definite answer, if I may have it.

Mr. BARKLEY. Mr. President, as I said awhile ago to the Senator from Mississippi, it is impossible to bind another Congress. If the Senator wants me to, I will give him the assurance that, if I am here and if I am occupying the capacity which I now occupy, I shall be glad to cooperate with the Senator from Utah and the Senator from Mississippi in an endeavor to secure prompt consideration of this measure at the earliest practicable date in the next session of Congress.

Mr. THOMAS of Utah. That is perfectly satisfactory. It would be better, however, if the Senator from Kentucky said: "If I am here and if the Senator from Utah is here," we would work together.

Mr. BARKLEY. I am sure the Senator from Utah will be here, even if I am not. If, by any misfortune, or by any lapse in intelligent consideration on the part of the voters of Utah, the Senator should be left at home, I am sure that the measure which he has espoused, and in which he has been so greatly interested, would at least in the name and through the activities of some other Member of the Senate, be brought forward. If I were as sure of arriving at the desirable end of my life in the hereafter as I feel sure that the Senator will be back in the Senate after the next

election, I should find a good deal of consolation in that knowledge.

Mr. THOMAS of Utah. If another should occupy my place next year, it would be up to the Senator from Mississippi to carry on.

Mr. McADOO. Mr. President, I desire to record my full sympathy with the views expressed today by the distinguished Senator from Mississippi [Mr. HARRISON], and my able friend, the Senator from Utah [Mr. THOMAS], concerning the educational bill which has been under discussion. I can think of no more important subject to which aid can be afforded than that of education. I think we have neglected the matter of education. So long as we are making great contributions to so many other worthy social causes, I feel that education should not be neglected. I will say, Mr. President, that I feel quite certain that the Senator from Utah and the Senator from Kentucky will be in the Senate at the next session, and if I should happen to be so fortunate as to be here, I shall be glad to cooperate with them in the consideration of the bill which has been under discussion.

Mr. BARKLEY. Mr. President, in that connection I will say that I share the hope and wish and the belief of many Senators that the Senator from California will be here the next session. I cannot imagine that the people of California would be so short-sighted as not to return the Senator to the Senate.

GOLDEN GATE INTERNATIONAL EXPOSITION

Mr. McADOO. I, myself, hope that they will not be so short-sighted.

Mr. President, while I am on my feet may I ask unanimous consent for the consideration of House bill 9933. As stated on its face, the bill merely permits the Golden Gate Exposition to engage in the sale of souvenirs, and so forth. There is no objection to the bill.

The PRESIDING OFFICER. The Chair lays before the Senate a bill coming over from the House of Representatives.

The bill (H. R. 9933) to authorize the United States Golden Gate International Exposition Commission to produce and sell certain articles was read the first time by its title, and the second time at length, as follows:

Be it enacted, etc., That the United States Golden Gate International Exposition Commission is hereby authorized to produce (whether through a governmental agency or otherwise) and sell engravings, etchings, or other reproductions not prohibited by law, to the extent authorized by the Secretary of the Treasury, and a souvenir book descriptive of the functions of the Federal Government. All proceeds from the sale of these articles shall be deposited to the credit of the appropriation made for carrying into effect the provisions of the act of July 9, 1937 (50 Stat. 488), providing for the participation of the United States in the World's Fair to be held by the San Francisco Bay Exposition, Inc., in the city of San Francisco during the year 1939.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the bill (H. R. 9933) to authorize the United States Golden Gate International Exposition Commission to produce and sell certain articles, and for other purposes, was considered, ordered to a third reading, read the third time, and passed.

MONUMENT TO THE MEMORY OF GEN. PETER GABRIEL MUHLENBERG

Mr. BYRD. I ask unanimous consent for the present consideration of House Joint Resolution 631, which has been reported from the committee today.

The PRESIDING OFFICER. Is there objection?

There being no objection, the joint resolution (H. J. Res. 631) to provide for the erection of a monument to the memory of Gen. Peter Gabriel Muhlenberg was considered, ordered to a third reading, read the third time, and passed, as follows:

Resolved, etc., That the sum of $25,000 be, and the same is hereby, authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, for the erection of a monument to the memory of Gen. Peter Gabriel Muhlenberg, at Woodstock, in the State of Virginia, with the advice of the Commission of Fine Arts. The said sum shall be expended under the direction of the Secretary of the Interior: *Provided*, That the county of Shenandoah or the citizens thereof shall cede and convey to the United States such suitable site as may in the judgment of the Secretary of the Interior be required for said monument: *And provided further*, That the United States shall have no responsibility for the care and upkeep of the monument.

DOROTHY ANNE WALKER

The PRESIDING OFFICER laid before the Senate the amendments of the House of Representatives to the bill (S. 3056) for the relief of Dorothy Anne Walker, a minor, which were, on page 1, line 7, to strike out "$10,000" and insert "$7,500", and in line 8, to strike out "damages for" and insert "personal."

Mr. GEORGE. I move that the Senate concur in the amendments of the House.

The motion was agreed to.

JOHN F. FITZGERALD

The PRESIDING OFFICER laid before the Senate the amendments of the House of Representatives to the bill (S. 2051) for the relief of John F. Fitzgerald, which were, on page 1, line 6, to strike out "such sum representing" and insert "in full satisfaction of his claim against the United States for a refund of"; on page 1, line 11, to strike out "after," and insert "January 13, 1936, after"; and on page 1, line 11, after "unconstitutional" to insert "by the Supreme Court of the United States on December 9, 1935."

Mr. GIBSON. I move that the Senate concur in the House amendments.

The motion was agreed to.

ESTATE OF RAQUEL FRANCO

The PRESIDING OFFICER laid before the Senate the amendments of the House of Representatives to the bill (S. 3102) for the relief of the estate of Raquel Franco, which were, on page 1, line 5, after "the", to insert "administrator of the"; on page 1, line 6, after "Franco", to insert ", deceased, formerly of Panama City, Panama,"; on page 1, lines 7 and 8, to strike out "compensation for" and insert "expenses and"; and on page 1, line 10, to strike out "Chevrolet touring car of Victor M. Ruiz C" and insert "taxicab in which she was a passenger."

Mr. SHEPPARD. I move that the Senate concur in the amendments of the House.

The motion was agreed to.

EMILY HYER LA VERGNE, EXECUTRIX OF ESTATE OF W. K. HYER

The PRESIDING OFFICER laid before the Senate the amendments of the House of Representatives to the bill (S. 593) for the relief of Emily Hyer La Vergne, executrix of the estate of W. K. Hyer, which were, on page 1, line 5, to strike out all after "Treasury" down to and including "Corps" in line 6, and insert "not otherwise appropriated"; on page 1, line 7, after "Hyer," to insert "deceased, formerly of Charleston, S. C.,"; and to amend the title so as to read: "An act for the relief of the estate of W. K. Hyer."

Mr. BYRNES. I move that the Senate concur in the amendments of the House.

The motion was agreed to.

CREATION OF CIVIL AERONAUTICS AUTHORITY—CONFERENCE REPORT

Mr. COPELAND submitted a conference report on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 3845) to create a Civil Aeronautics Authority, and to promote the development and safety and to provide for the regulation of civil aeronautics, which was ordered to lie on the table.

(For conference report see House proceedings, p. 8843 of the RECORD.)

RIVER AND HARBOR AUTHORIZATIONS

Mr. BARKLEY. I renew my motion that the Senate proceed to the consideration of the river and harbor authorization bill.

The PRESIDING OFFICER. The question is on the motion of the Senator from Kentucky that the Senate proceed to consider House bill 10298.

The motion was agreed to; and the Senate proceeded to consider the bill (H. R. 10298) authorizing the construction, repair, and preservation of certain public works on rivers and harbors, and for other purposes, which had been reported from the Committee on Commerce with amendments.

Mr. COPELAND. I ask unanimous consent that the formal reading of the bill be dispensed with, that it be read for amendment, and that the committee amendments be first considered.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. NORRIS. Mr. President, earlier today in a colloquy between the Senator from New York and the Senator from Kentucky it was practically agreed, I think, that the bill would come up for consideration tomorrow. I do not know whether any Senators who listened to that colloquy and had that understanding are not now present. Some Senators may perhaps now be absent who are interested in the bill, and are absent because of the understanding that the bill would not come up today. Therefore, if we take the bill up for consideration we might in reality violate what was in effect an understanding. I have not objected to the bill being taken up, but I hope there will be no effort made to pass it today.

Mr. COPELAND. I will not make any effort to have a final vote on the bill today.

Mr. NORRIS. I have a couple of amendments to the bill which I propose to offer.

Mr. COPELAND. All that is intended to be done is to have the committee amendments acted on.

Mr. BARKLEY. It was contemplated not to go further than to act on the committee amendments.

Mr. NORRIS. I have not been able to read the committee amendments. So far as I know I have no objection to them, but if it should be that some Senator received an erroneous impression earlier in the day, and tomorrow should desire reconsideration of any committee amendment, I presume there would be no objection at all to reconsidering the amendment.

Mr. COPELAND. Not at all.

I ask that the committee amendments be stated, and considered.

The PRESIDING OFFICER (Mr. BROWN of Michigan in the chair). The clerk will state the first amendment of the committee.

The first amendment of the Committee on Commerce was, on page 2, after line 11, to insert:

Westport River, Mass.: House Document No. —, Seventy-fifth Congress:

Mr. COPELAND, on behalf of the Committee on Commerce, proposed an amendment to the above committee amendment, after the word "Numbered", to insert "692."

The amendment to the amendment was agreed to.

The amendment as amended was agreed to.

The next amendment was, on page 2, after line 15, to insert:

Flushing Bay and Creek, N. Y.: Senate Committee on Commerce Document, Seventy-fifth Congress;

The amendment was agreed to.

The next amendment was, on page 2, after line 17, to insert:

Huntington Harbor, N. Y.: House Document No. 638, Seventy-fifth Congress;

The amendment was agreed to.

The next amendment was, on page 3, after line 15, to insert:

Roanoke River, N. C.: House Document No. —, Seventy-fifth Congress;

Mr. COPELAND, on behalf of the Committee on Commerce, proposed an amendment to the above committee amendment, after the word "Numbered," to insert "694."

The amendment to the amendment was agreed to.

The amendment as amended was agreed to.

The next amendment was, on page 3, after line 17, to insert:

New River Inlet, N. C.; House Document No. —, Seventy-fifth Congress;

Mr. COPELAND, on behalf of the Committee on Commerce, proposed an amendment to the above committee amendment, after the word "Numbered", to insert "691."

The amendment to the amendment was agreed to.

The amendment as amended was agreed to.

The next amendment was, on page 3, after line 21, to insert:

Belhaven Harbor, N. C.; House Document No. —, Seventy-fifth Congress;

Mr. COPELAND, on behalf of the Committee on Commerce, proposed an amendment to the above committee amendment, after the word "Numbered", to insert "693."

The amendment to the amendment was agreed to.

The amendment as amended was agreed to.

The next amendment was, at the top of page 4, to insert:

Waterway between Beaufort, S. C., and St. Johns River, Fla.; House Document No. 618, Seventy-fifth Congress.

The amendment was agreed to.

The next amendment was, on page 4, after line 3, to insert:

Terry Creek and Back River, Ga.; House Document No. —, Seventy-fifth Congress.

Mr. COPELAND on behalf of the Committee on Commerce proposed an amendment to the above committee amendment, after the word "Numbered", to insert "690".

The amendment to the amendment was agreed to.

The amendment as amended was agreed to.

The next amendment was, on page 4, after line 19, to insert:

Palm Beach, Fla.; House Document No. —, Seventy-fifth Congress;

Mr. COPELAND, on behalf of the Committee on Commerce, proposed an amendment to the above committee amendment to strike out "House Document No. —, Seventy-fifth Congress" and to insert "side channel and basin in accordance with report on file in the office of the Chief of Engineers", so as to read:

Palm Beach, Fla.; side channel and basin in accordance with report on file in the office of the Chief of Engineers.

The amendment to the amendment was agreed to.

The amendment as amended was agreed to.

The next amendment was, on page 4, after line 21, to insert:

Tampa and Hillsboro Bays, Fla.; House Document No. —, Seventy-fifth Congress.

Mr. COPELAND, on behalf of the Committee on Commerce, proposed an amendment to the above committee amendment, after the name "Florida" and the semicolon, to strike out "House Document No. —" and insert "Senate Commerce Committee document", so as to read:

Tampa and Hillsboro Bays, Fla.; Senate Commerce Committee document, Seventy-fifth Congress.

The amendment to the amendment was agreed to.

The amendment was agreed to.

The next amendment was, at the top of page 12, to insert:

New Pass, Fla., connecting Sarasota Bay with the Gulf of Mexico.

The amendment as amended was agreed to.

The next amendment was, at the top of page 5, to insert:

Waterway from Punta Rasa, Fla., by way of the Caloosahatchee River and Canal, Lake Okeechobee, and Saint Lucie Canal and River, to Fort Pierce.

Mr. COPELAND, on behalf of the Committee on Commerce, proposed to transfer the above committee amendment to be inserted on page 12 after line 2.

The amendment to the amendment was agreed to.

The amendment as amended was agreed to.

The next amendment was, on page 5, line 15, after the name "House", to strike out "Document" and insert

"Documents"; and in line 16, after the numerals "564," to insert "640, 641, 642, and 643," so as to read:

Louisiana-Texas Intracoastal Waterway; House Documents Nos. 564, 640, 641, 642, and 643, Seventy-fifth Congress.

The amendment was agreed to.

The next amendment was, at the top of page 6, to insert:

Bodega Bay, Calif.; House Document No. 619, Seventy-fifth Congress.

The amendment was agreed to.

The next amendment was, on page 6, after line 2, to insert:

San Pablo Bay and Mare Island Strait, Calif.; House Document No. 644, Seventy-fifth Congress.

The amendment was agreed to.

The next amendment was, on page 6, after line 9, to insert:

Biloxi Harbor, Miss.; House Document No. 639, Seventy-fifth Congress;

Mr. COPELAND, on behalf of the Committee on Commerce, proposed to transfer the above amendment to be inserted on page 4 after line 25.

The amendment to the amendment was agreed to.

The amendment as amended was agreed to.

The next amendment was, on page 6, after line 21, to insert a new section, as follows:

SEC. 2. That in any case in which it may be necessary or advisable in the execution of an authorized work of river and harbor improvement to exchange land or other property of the Government for private lands or property required for such project, the Secretary of War may, upon the recommendation of the Chief of Engineers, authorize such exchange upon terms and conditions deemed appropriate by him, and any conveyance of Government land or interests therein necessary to effect such exchange may be executed by the Secretary of War. This section shall apply to any exchanges heretofore deemed advisable in connection with the construction of the Bonneville Dam in the Columbia River.

The amendment was agreed to.

The next amendment was, on page 7, after line 8, to insert a new section, as follows:

SEC. 3. To provide suitable office quarters for the district engineer in charge of maintenance and operation of the Washington Aqueduct and of river and harbor improvements in the Washington District the Secretary of War is authorized to alter and remodel the pumping station building at McMillan Park in accordance with plans approved by the Chief of Engineers, the cost of such alteration and remodeling to be paid from appropriations heretofore or hereafter made by Congress for maintenance and improvement of existing river and harbor works.

The amendment was agreed to.

The next amendment was, on page 7, after line 18, to insert a new section, as follows:

SEC. 4. That any amounts collected from any person, persons, or corporations as a reimbursement for lost, stolen, or damaged property, purchased in connection with river and harbor or flood-control work prosecuted under the direction of the Secretary of War and the supervision of the Chief of Engineers, whether collected in cash or by deduction from amounts otherwise due such person, persons, or corporations, hereafter shall be credited in each case to the appropriation that bore the cost of purchase, repair, or replacement of the lost, stolen, or damaged property.

The amendment was agreed to.

The next amendment was, on page 8, after line 3, to insert a new section, as follows:

SEC. 5. That the provisions of section 204 of part II of the Legislative Appropriation Act, fiscal year 1933, shall not be so construed as to prevent the employment by the Chief of Engineers under agreement as authorized by section 6 of the River and Harbor Act of July 3, 1930, of any retired civilian employee whose expert assistance may be needed in connection with the prosecution of river and harbor or flood-control works: *Provided*, That during the period of such employment a sum equal to the retired pay of the employee shall be deducted from the compensation agreed upon.

The amendment was agreed to.

The next amendment was, on page 8, after line 13, to insert the following new section:

SEC. 6. That the conditions of local cooperation applicable to the improvement of the Illinois Waterway (Calumet-Sag route) printed in House Document 180, Seventy-third Congress, second session, are hereby modified by eliminating therefrom the requirement that local interests will furnish "evidence satisfactory to the Secretary of War that the 20 movable bridges across the Sanitary Canal will be placed in operating condition or otherwise satisfactorily altered": *Provided*, That local interests will install operating machinery and place in operating condition the three drawbridges across the Chicago Sanitary and Ship Canal between its junction with the Calumet-Sag Channel and Lockport when directed by the Secretary of War: *Provided further*, That this resolution shall not be construed as modifying the provisions of section 18 of the River and Harbor Act of March 3, 1899 (30 Stat. 1153).

The amendment was agreed to.

The next amendment was, on page 9, after line 4, to insert the following new section:

SEC. 7. That section 14 of Public Law No. 585, Sixty-eighth Congress, approved March 3, 1925, is hereby amended by striking out the word "Locust" and inserting in lieu thereof the word "Sipsey", so that said section 14, as amended, will read as follows:

"SEC. 14. That the portion of Black Warrior River between Dam No. 17 and the junction of Sipsey and Mulberry Forks, in the State of Alabama, shall hereafter be known as 'Lake Bankhead.'"

The amendment was agreed to.

The next amendment was, on page 9, line 14, to change the section number from 2 to 8, and in line 17, after the word "appropriations", to insert "heretofore or", so as to read:

SEC. 8. The Secretary of War is hereby authorized and directed to cause preliminary examinations and surveys to be made at the following-named localities, the cost thereof to be paid from appropriations heretofore or hereafter made for such purposes:

The amendment was agreed to.

The next amendment was, on page 10, after line 4, to insert:

South side of the channel, South Harpswell, Maine.

The amendment was agreed to.

The next amendment was, on page 10, line 8, after the word "power", to strike out the semicolon and "also with a view to the prevention of pollution", so as to read:

Merrimack River, Mass. and N. H., with a view to improvement for navigation, flood control, and water power.

The amendment was agreed to.

The next amendment was, on page 10, after line 9, to insert:

Manchester Harbor, Mass., with a view to constructing a breakwater between Magnolia Point and Kettle Island.

The amendment was agreed to.

The next amendment was, on page 10, after line 19, to insert:

Bay Shore Harbor, N. Y.

The amendment was agreed to.

The next amendment was, on page 11, after line 3, to insert:

Indian River, Del.

Mr. COPELAND, on behalf of the Committee on Commerce, proposed to transfer the above amendment to be inserted on page 10, after line 25.

The amendment to the amendment was agreed to.

The amendment, as amended, was agreed to.

The next amendment was, on page 11, after line 5, to insert:

Macum Creek, at the mouth of the Chester River, Queen Annes County, Md.

The amendment was agreed to.

The next amendment was, on page 11, after line 8, to insert:

South Creek and West River, Anne Arundel County, Md.

The amendment was agreed to.

Mr. COPELAND, on behalf of the Committee on Commerce, proposed an amendment to be inserted on page 11, after line 11, as follows:

Scotts Creek, Va.

The amendment was agreed to.

The next amendment was, on page 11, after line 13, to insert:

Channel from Manteo, via Broad Creek, to Oregon Inlet, N. C.

The amendment was agreed to.

Mr. COPELAND, on behalf of the Committee on Commerce, proposed an amendment to be inserted on page 11, after line 22, as follows:

Intracoastal Waterway from Jacksonville, Fla., to Miami, Fla.

The amendment was agreed to.

Mr. COPELAND, on behalf of the Committee on Commerce, proposed an amendment to be inserted on page 11, after line 24, as follows:

Bayou Grande, Fla.

The amendment was agreed to.

Mr. COPELAND, on behalf of the Committee on Commerce, proposed an amendment, on page 12, after line 2, to insert:

Watson Bayou, Panama City, Fla., from deep water in St. Andrews Bay to the head of navigation.

The amendment was agreed to.

Mr. COPELAND, on behalf of the Committee on Commerce, proposed an amendment, on page 12, after line 11, to insert:

Teche-Vermillion waterway, La., with a view to improvement in the interest of navigation, flood control, and other water uses.

The amendment was agreed to.

Mr. COPELAND, on behalf of the Committee on Commerce, proposed an amendment to be inserted on page 12, after line 22, as follows:

Survey of channel for the purposes of navigation, flood control, power, and irrigation from Jefferson, Tex., to Shreveport, La., by way of Jefferson-Shreveport waterway, thence by way of Red River to mouth of Red River in the Mississippi River, including advisability of water-supply reservoirs in Cypress River and Black Cypress River above head of navigation.

The amendment was agreed to.

The next amendment was, on page 12, after line 22, to insert:

Sulphur River, Tex. and Ark., with the view to improvement for navigation, flood control, water power, and prevention of pollution.

Mr. COPELAND, on behalf of the Committee on Commerce, proposed an amendment to the above committee amendment in line 24, before the word "water", to insert "and", and at the end of line 24, to strike out the comma and "and prevention of pollution", so as to read:

Sulphur River, Tex. and Ark., with the view to improvement for navigation, flood control, and water power.

The amendment to the amendment was agreed to.

The amendment as amended was agreed to.

Mr. COPELAND, on behalf of the Committee on Commerce, proposed an amendment to be inserted on page 12, after line 25, as follows:

San Antonio River, Tex., with a view to its improvement for navigation, flood control, power, and for the prevention of erosion.

The amendment was agreed to.

Mr. COPELAND, on behalf of the Committee on Commerce, proposed an amendment to be inserted on page 13, after line 5, as follows:

Kawkawlin River, Mich., with a view to dredging the outlet, with a view to its improvement in the interest of navigation and flood control.

The amendment was agreed to.

The next amendment was, on page 13, after line 7, to insert:

Collinsville Cut, Solano County, Calif.

Mr. COPELAND, on behalf of the Committee on Commerce, proposed to transfer the above amendment, to be inserted after line 9.

The amendment to the amendment was agreed to.

The amendment as amended was agreed to.

The next amendment was, on page 13, after line 8, to insert:

Yacht Basin and Harbor at Menominee, Mich.

Mr. COPELAND, on behalf of the Committee on Commerce, proposed, on page 13, after line 17, to insert the following:

Umpqua River, Oreg., with a view to determining the advisability of providing for navigation, in connection with power development, control of floods, and the needs of irrigation.

The amendment was agreed to.

The next amendment was, on page 13, after line 17, to insert:

Bay Center Channel, Willapa Harbor, Wash., extending from Palix River to Bay Center dock.

The amendment was agreed to.

The next amendment was, on page 14, line 6, to change the section number from 4 to 10.

The amendment was agreed to.

The next amendment was, on page 14, line 23, to change the section number from 5 to 11.

The amendment was agreed to.

Mr. COPELAND, on behalf of the Committee on Commerce, proposed an amendment to be inserted on page 15, after line 14, as follows:

SEC. 13. That the Secretary of War is hereby authorized to continue the gathering of hydrological data concerning the proposed Nicaragua Canal by personnel operating continuously in Nicaragua under the supervision of the Chief of Engineers, as recommended in House Document No. 139, Seventy-second Congress, first session; the cost of this work, and such incidental expenses as may be necessary in connection therewith, to be paid from appropriations hereafter made for examinations, surveys, and contingencies of rivers and harbors.

The amendment was agreed to.

Mr. COPELAND. Mr. President, I will say to my leader that my preference is that we now lay the bill aside temporarily, and take it up tomorrow at 12 o'clock.

Mr. BARKLEY. That is my wish also, Mr. President.

Mr. NORRIS. Mr. President, let me ask a question. I have found it difficult to reconcile the different prints of the bill. Are there several? I prepared an amendment with a view of offering it, and I numbered it according to the bill I had, but discovered afterward in conversation with the Senator from New York it did not fit in.

Mr. BARKLEY. This bill contains all the committee amendments. It may be that the print which the Senator saw did not.

Mr. COPELAND. I will say to the Senator that in the morning I will have a perfected copy of the bill, so that the Senator will know exactly how to deal with the amendments.

MISSISSIPPI RIVER BRIDGE, HELENA, ARK.

Mr. SHEPPARD. Mr. President, the Senator from Arkansas [Mrs. CARAWAY], the Senator from Illinois [Mr. LEWIS], and the Senator from Washington [Mr. BONE] are deeply interested in three bridge bills, in ordinary form, which I desire to present at this time.

I move that the Senate proceed to consider H. R. 10261, authorizing the construction of a toll bridge from Friar Point, Miss., to Helena, Ark.

The motion was agreed to; and the Senate proceeded to consider the bill (H. R. 10261) authorizing the town of Friar Point, Miss., and Coahoma County, Miss., singly or jointly, to construct, maintain, and operate a toll bridge across the Mississippi River from a point at or near the town of Friar Point, Coahoma County, Miss., to a point at or near Helena, Phillips County, Ark., which was read the first time by its title and the second time at length.

Mr. SHEPPARD. Mr. President, I now report from the Senate Commerce Committee Senate bill 4141, relating to the same subject, and call the attention of the Senator from Arkansas [Mrs. CARAWAY] to the matter.

Mrs. CARAWAY. Mr. President, I move to strike out all after the enacting clause in the House bill, and to substitute the language of the Senate bill just reported.

The PRESIDING OFFICER. The amendment offered by the Senator from Arkansas will be stated.

The CHIEF CLERK. It is proposed to strike out all after the enacting clause and to insert:

Be it enacted, etc., That in order to facilitate interstate commerce, improve the postal service, and provide for military and other purposes, the Arkansas-Mississippi Bridge Commission (hereinafter created, and hereinafter referred to as the "Commission"), and its successors and assigns, be, and are hereby, authorized to construct, maintain, and operate a bridge and approaches thereto across the Mississippi River at or near the cities of Friars Point, Miss., and Helena, Ark., at a point suitable to the interest of navigation, in accordance with the provisions of the act entitled "An act to regulate the construction of bridges over navigable waters," approved March 23, 1906, subject to the conditions and limitations contained in this act.

SEC. 2. There is hereby conferred upon the Commisison and its successors and assigns the right and power to enter upon such lands and to acquire, condemn, occupy, possess, and use such real estate and other property in the State of Arkansas and the State of Mississippi, including real estate and other property acquired for or devoted to a public use or other purposes by the State of Arkansas or the State of Mississippi, or any governmental or political subdivisions thereof, as may be needed for the location, construction, operation, and maintenance of any such bridge and its approaches, upon making just compensation therefor, to be ascertained and paid according to the laws of the State in which such real estate or other property is situated, and the proceedings therefor shall be the same as in the condemnation of private property for public purposes in said State, respectively.

SEC. 3. The Commission and its successors and assigns are hereby authorized to fix and charge tolls for transit over such bridge in accordance with the provisions of this act, subject to the approval of the Secretary of War, as provided by the act of Congress approved March 23, 1906.

SEC. 4. The Commission and its successors and assigns are hereby authorized to provide for the payment of the cost of such bridge as may be constructed, as provided herein, and approaches (including the approach highways which, in the judgment of the Commission, it is necessary or advisable to construct or cause to be constructed to provide suitable and adequate connection with existing improved highways) and the necessary land, easements, and appurtenances thereto, by an issue or issues of negotiable bonds of the Commission, bearing interest at the rate or rates of not more than 6 percent per annum, the principal and interest of which bonds, and any premium to be paid for retirement thereof before maturity, shall be payable solely from the sinking fund provided in accordance with this act, and such payments may be further secured by a mortgage of the bridge. In like manner, bonds may be issued to pay the cost of improvements and permanent repairs to any bridge so constructed hereunder. All such bonds may be registerable as to principal alone, or both principal and interest, shall be in such form not inconsistent with this act, shall mature at such time or times not exceeding 25 years from their respective dates, shall be in such denominations, shall be executed in such manner, and shall be payable in such medium and at such place or places as the Commission may determine. The Commission may repurchase and may reserve the right to redeem all or any of said bonds before maturity in such manner and at such price or prices, not exceeding 105 and accrued interest, as may be fixed by the Commission prior to the issuance of the bonds. The Commission, when it deems it to be to the best interest of the Commission, may issue refunding bonds to repurchase and redeem any outstanding bonds before the maturity thereof: *Provided*, That the refunding bonds shall mature at such time or times, not exceeding 50 years from the date of approval of this act, as the Commission may determine. The Commission may enter into any agreement with any bank or trust company in the United States as trustee having the power to make such agreement, setting forth the duties of the Commission in respect to the purchase, construction, maintenance, operation, repair, and insurance of the bridge, the conservation and application of all funds, the security for payment of the bonds, the safeguarding of money on hand or on deposit, and the rights and remedies of said trustee and the holders of the bonds, restricting the individual right of action of the bondholders as is customary in trust agreements respecting bonds of corporations. Such trust agreement may contain such provisions for protecting and enforcing the rights and remedies of the Trustee and the bondholders as may be reasonable and proper and not inconsistent with the law.

The bridge constructed under the authority of this act shall be deemed to be a Federal instrumentality for interstate commerce, the postal service, and military and other purposes authorized by the Government of the United States, and said bridge and the bonds issued in connection therewith and the income derived therefrom shall be exempt from all Federal, State, municipal, and local taxation. Said bonds shall be sold in such manner and at such time or times and at such price as the Commission may determine, but no such sale shall be made at a price so low as to require the payment of more than 6-percent interest on the money received therefor, computed with relation to the absolute maturity of the bonds in accordance with standard tables of bond values, and the face amount thereof shall be so calculated as to produce, at the price of their sale, the cost of the bridge constructed, and approaches and the land, easements, and appurtenances, used in connection therewith when added to any other funds made available to the Commission for the use of said purpose. The cost of the bridge to be constructed as provided herein, together with approaches and approach highways, shall be deemed to include interest during construction of said bridge, and for 12 months thereafter, and all engineering, legal, architectural, traffic surveying, and other expense incident to the construction of the bridge and the acquisition of the necessary property, incident to the financing thereof, including cost of acquiring lands. If the proceeds of the bonds issued shall exceed the cost as finally determined, the excess shall be placed in the sinking fund hereinafter provided. Prior to the preparation of definite bonds the Commission may, under like restrictions, issue temporary bonds or interim certificates, with or without coupons, of any denomination whatsoever, exchangeable for definite bonds when such bonds that have been executed are available for delivery.

SEC. 5. In fixing the rates of toll to be charged for the use of such bridge, in accordance with the act of Congress approved March 23, 1906, the same shall be so adjusted as to provide a fund sufficient to pay for the reasonable cost of maintaining, repairing, and operating the bridge and approaches under economical management, and to provide a sinking fund sufficient to pay the principal and interest of such bonds as the same shall fall due, and the redemption or repurchase price of all or any thereof redeemed or repurchased before maturity as herein provided. All tolls and other revenues from said bridge are hereby pledged to such uses and to the application thereof as hereinafter in this section required. After payment or provision for payment therefrom of all such cost of maintaining, repairing, and operating and the reservation of an amount of money estimated to be sufficient for the same purpose during an ensuing period of not more than six months, the remainder of tolls collected shall be placed in the sinking fund, at intervals to be determined by the Commission prior to the issuance of the bonds. An accurate record of the cost of the bridge and approaches; the expenditures for maintaining, repairing, and operating the same, and of the daily tolls collected, shall be kept and shall be available for the information of all persons interested. The Commission shall classify in a reasonable way all traffic over the bridge so that the tolls shall be so fixed and adjusted by it as to be uniform in the application thereof to all traffic falling within reasonable classes, regardless of the status or character of any person, firm, or corporation participating in such traffic, and shall prevent all use of such bridge for traffic except upon payment of tolls so fixed and adjusted. No toll shall be charged officials or employees of the Commission, nor shall toll be charged officials of the Government of the United States while in the discharge of duties incident to their office or employment, nor shall toll be charged members of fire department or peace officers when engaged in the performance of their official duties.

Within a reasonable time after the construction of the bridge the Commission shall file with the Bureau of Public Roads of the United States Department of Agriculture a sworn itemized statement, showing the cost of constructing the bridge and its approaches, the cost of acquiring any interest in real or other property necessary therefor, and the amount of bonds, debentures, or other evidence of indebtedness issued in connection with the construction of said bridge.

SEC. 6. After payment of the bonds and interest, or after a sinking fund sufficient for such payments shall have been provided and shall be held for that purpose, the Commission shall deliver deeds or other suitable instruments of conveyance of the interest of the Commission in and to the bridge extending between the State of Arkansas and the State of Mississippi, that part of said bridge within Arkansas to the State of Arkansas, or any municipality or agency thereof as may be authorized by or pursuant to law to accept the same (hereafter referred to as the "Arkansas interest") and that part of said bridge within Mississippi to the State of Mississippi or any municipality or agency thereof as may be authorized by or pursuant to law to accept the same (hereafter referred to as the "Mississippi interest"), under the condition that the bridge shall thereafter be free of tolls and be properly maintained, operated, and repaired, by the Arkansas interest and the Mississippi interest as may be agreed upon; but if the Arkansas interest or the Mississippi interest, or any other interest hereinabove mentioned, shall not be authorized to accept or shall not accept the same under such conditions, then the bridge shall continue to be owned, maintained, operated, and repaired by the Commission, and the rates of tolls shall be so adjusted as to provide a fund of not to exceed the amount necessary for the maintenance, repair, and operation of the bridge and approaches under economical management, until such time as the Arkansas interest and the Mississippi interest, or any other interest hereinabove mentioned, shall be authorized to accept and shall accept such conveyance under such conditions.

(a) Notwithstanding any restriction or limitation imposed by the act entitled "An act to provide that the United States shall aid the States in the construction of rural post roads, and for other purposes," approved July 11, 1916, or by the Federal Highway Act, or by an act amendatory of or supplemental to either thereof, the Secretary of Agriculture or any other Federal Department or agency of the United States Government may extend Federal aid under such acts for the construction of said bridge out of any moneys allocated to the State of Arkansas with the consent of the State highway commission of said State, and out of moneys allocated to

the State of Mississippi with the consent of the highway department of said State.

SEC. 7. For the purpose of carrying into effect the objects stated in this act, there is hereby created the Arkansas-Mississippi Bridge Commission, and by that name, style, and title said body shall have perpetual succession, may contract and be contracted with, sue and be sued, implead, and be impleaded, complain and defend in all courts of law and equity; may make and have a common seal; may purchase or otherwise acquire and hold or dispose of real estate and other property; may accept and receive donations or gifts of money or property and apply the same to the purposes of this act; and shall have and possess all powers necessary, convenient, or proper, for carrying into effect the objects stated in this act.

The Commission shall consist of J. F. Epes, F. F. Kitchens, and J. B. Lambert, of the State of Arkansas, and Marshall U. Bouldin, John M. Talbot, and Ed. C. Brewer, of the State of Mississippi; such Commission shall be a public body corporate and politic. Each member of the Commission shall qualify within 30 days after the approval of this act by filing in the office of the Secretary of Agriculture an oath that he will faithfully perform the duties imposed upon him by this act, and each person appointed to fill a vacancy shall file in like manner within 30 days after his appointment. Any vacancy occurring in said Commission by reason of failure to qualify as above provided, or by reason of death or resignation, shall be filled by the Secretary of Agriculture. Before the issuance of bonds, as hereinabove provided, each member of the Commission shall give such bond as may be fixed by the Chief of Bureau of Public Roads of the Department of Agriculture, conditioned upon the faithful performance of all duties required by this act. The cost of such surety prior to and during the construction of the bridge shall be paid or reimbursed from the bond proceeds and thereafter such cost shall be deemed an operating expense. The Commission shall elect a chairman and a vice chairman from its members, and shall establish rules and regulations for the government of its own business. A majority of the members shall constitute a quorum for the transaction of business.

SEC. 8. The Commission shall have no capital stock or shares of interest or participation, and all revenues and receipts thereof shall be applied to the purposes specified in this act. The members of the Commission shall be entitled to a per diem compensation for their services of $10 for each day actually spent in the business of the Commission, but the maximum compensation of the Chairman in any year shall not exceed $1,200, and of each other member shall not exceed $600. The members of the Commission shall also be entitled to receive traveling-expense allowance of 10 cents a mile for each mile actually traveled on the business of the Commission. The Commission may employ a secretary, treasurer, engineers, attorneys, and such other experts, assistants, and employees as they may deem necessary, who shall be entitled to receive such compensation as the Commission may determine. All salaries and expenses shall be paid solely from the funds provided under the authority of this act. After all bonds and interest thereon shall have been paid and all other obligations of the Commission paid or discharged or provision for all such payment shall have been made as hereinbefore provided, and after the bridge shall have been conveyed to the Arkansas interest and the Mississippi interest, as herein provided, or otherwise disposed of, as provided herein, the Commission shall be dissolved and shall cease to have further existence by an order of the Chief of the Bureau of Public Roads made upon his own initiative or upon application of the Commission or any member or members thereof, but only after a public hearing in the city of Helena, Ark., notice of time and place of which hearing and the purpose thereof shall have been published once, at least 30 days before the date thereof, in a newspaper published in the cities of Helena, Ark., and Clarksdale, Miss. At the time of such dissolution all moneys in the hands of or to the credit of the Commission shall be divided and distribution made between the interests of the States as may be determined by the Chief of the Bureau of Public Roads of the United States.

SEC. 9. Notwithstanding any of the provisions of this act, the Commission shall have full power and authority to negotiate and enter into a contract or contracts with the State Highway Commission of Arkansas and the State Highway Commission of Mississippi, the cities of Helena, Ark., and Clarksdale, Miss., or any county or municipality in the State of Arkansas and State of Mississippi, whereby the Commission may receive financial aid in the construction or maintenance of the bridge and approaches thereto, and said Commission, in its discretion, may avail itself of all of the facilities of the State Highway Commissions of the State of Arkansas and the State of Mississippi with regard to the construction of said bridge, and the Commission may make and enter into any contract or contracts which it deems expedient and proper with the State Highway Commissions of Arkansas and Mississippi, whereby said highway departments, or either of them, may construct, operate, and maintain or participate with the Commission in the construction, operation, and maintenance of said bridge constructed hereunder and the approaches thereto. It is hereby declared to be the purpose of Congress to facilitate the construction of a bridge and proper approaches across the Mississippi River at or near Helena, Ark., and Friars Point, Miss., and to authorize the Commission to promote said object and purpose, with full power to contract with either the State Highway Commission of Arkansas or the State Highway Commission of Mississippi, or with any agency or Department of the Federal Government, or both, in relation to the construction, operation, and maintenance of said bridge and approaches.

SEC. 10. Nothing herein contained shall be construed to authorize or permit the Commission or any member thereof to create or obligate or incur any liability other than such obligations and liabilities as are dischargeable solely from funds contemplated to be provided by this act. No obligation created or liability incurred pursuant to this act shall be a personal obligation or liability of any member or members of the Commission, but shall be chargeable solely to the funds herein provided, nor shall any indebtedness created pursuant to this act be an indebtedness of the United States.

SEC. 11. The design and construction of any bridge which may be built pursuant to this act shall be in accordance with the standard specifications for highway bridges adopted by the American Association of State Highway Officials.

SEC. 12. The right to alter, amend, or repeal this act is hereby expressly reserved.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Arkansas [Mrs. CARAWAY].

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time, was read the third time, and passed.

MISSISSIPPI RIVER BRIDGE, CAIRO, ILL.

Mr. SHEPPARD. I now report from the Senate Commerce Committee Senate bill 4032, and call it to the attention of the Senator from Illinois [Mr. LEWIS].

The PRESIDING OFFICER. The title of the bill will be stated by the clerk.

The CHIEF CLERK. A bill (S. 4032) to authorize the Cairo Bridge Commission, or the successors of said commission, to acquire by purchase, and to improve, maintain, and operate, a toll bridge across the Mississippi River at or near Cairo, Ill.

Mr. LEWIS. Mr. President, as the House has passed House bill 9287, I move that the House bill be substituted for the Senate bill.

The motion was agreed to; and the Senate proceeded to consider the bill (H. R. 9287) to authorize the Cairo Bridge Commission, or the successors of said commission, to acquire by purchase, and to improve, maintain, and operate a toll bridge across the Mississippi River at or near Cairo, Ill., which was read the first time by its title and the second time at length, as follows:

Be it enacted, etc., That in order to facilitate interstate commerce, improve the postal service, and more adequately provide for military and other purposes, and to secure to the public the use of the hereinafter described bridge free of tolls as promptly as possible, the Cairo Bridge Commission (hereinafter sometimes called the commission), a body corporate and politic created by an act of Congress approved April 13, 1934, and its successors and assigns, be, and are hereby, authorized to acquire by purchase at a price to be approved by the Chief of the Bureau of Public Roads of the Department of Agriculture and thereafter to repair, reconstruct, rebuild, enlarge, renew, or replace in accordance with the provisions of the act entitled "An act to regulate the construction of bridges over navigable waters," approved March 23, 1906, the existing bridge across the Mississippi River at or near Cairo, Ill., and the approaches thereto, which was duly constructed in accordance with the provisions of the act entitled "An act granting the consent of Congress to the Cairo Bridge & Terminal Co. to construct, maintain, and operate bridges across the Mississippi and Ohio Rivers at Cairo, Ill.," approved April 2, 1926, and to maintain and operate said existing bridge subject to the conditions and limitations contained in this act.

SEC. 2. The commission and its successors and assigns are hereby authorized to fix and charge tolls for transit over said bridge in accordance with the provisions of this act.

SEC. 3. The commission is hereby authorized to provide for the payment of the cost of said bridge and its approaches and the necessary lands, easements, and appurtenances thereto by an issue or issues of negotiable bonds of the commission. The details of such bonds, their form and manner of execution, and the sale and issuance of such bonds shall be governed by the provisions of section 4 of said act approved April 13, 1934, and such bonds and any premium to be paid for retirement thereof before maturity shall be payable solely from the sinking fund provided in accordance with this act, and such bonds may be secured by a trust agreement as provided in said section 4 of said act of April 13, 1934. The cost of the bridge shall include the purchase price, the cost of repairs, reconstruction, or enlargement if such repairs, reconstruction, or enlargement are ordered prior to the sale of any bonds, for the acquisition of the bridge, financing charges, interest during any period of disuse before completion of repairs,

reconstruction, or enlargement, cost of traffic estimates and of engineering and legal expenses, administrative expenses and such other expenses as may be incident to such acquisition and to the financing herein authorized.

SEC. 4. In fixing the rates of toll to be charged for the use of said bridge the same shall be so adjusted as to provide a fund sufficient to pay for the reasonable cost of maintaining, repairing, and operating the bridge and its approaches under economical management, and to provide a sinking fund sufficient to pay the principal and interest of such bonds as the same shall fall due and the redemption or repurchase price of all or any thereof redeemed or repurchased before maturity as herein provided. All tolls and other revenues from said bridge are hereby pledged to such uses and to the application thereof as in this act required.

SEC. 5. All of the provisions of sections 4 and 5 of said act of April 13, 1934, relating to the bridge to be constructed, to the bonds to be issued and to the trust agreement to be entered into under the authority of said act, and relating to the collection of bridge tolls and to the application of such tolls, shall apply to the bridge to be acquired and to the bonds to be issued under the authority of this act.

SEC. 6. After payment of the bonds issued under this act and interest thereon, or after a sinking fund sufficient for such payment shall have been provided and shall be held for that purpose, the commission shall deliver deeds or other suitable instruments for the conveyance of the interests of the commission in and to the bridge, that part within the State of Missouri to the State of Missouri or any municipality or agency thereof as may be authorized by or pursuant to law to accept the same (hereinafter referred to as the Missouri interests) and that part within Illinois to the State of Illinois or any municipality or agency thereof as may be authorized by or pursuant to law to accept the same (hereinafter referred to as the Illinois interests), under the conditions that the bridge shall thereafter be free of tolls and be properly maintained, operated, and repaired by Missouri interests and the Illinois interests, as may be agreed upon; but if either the Missouri or the Illinois interests shall not be authorized to accept and shall not accept the same under such conditions, then the bridge shall continue to be owned, maintained, operated, and repaired by the commission, and the rates of toll shall be so adjusted as to provide a fund not to exceed the amount necessary for the proper maintenance, repair, and operation of the bridge and its approaches under economical management until such time as both the Missouri interests and the Illinois interests should be authorized to accept and shall accept such conveyance under such conditions. The commission shall not be dissolved until it shall have conveyed all property owned by it in accordance with the provisions of this act and the act of April 13, 1934, and thereupon the commission shall be dissolved in the manner provided by said act of April 13, 1934.

SEC. 7. The right to alter, amend, or repeal this act is hereby expressly reserved.

The PRESIDING OFFICER. The question is on the third reading and passage of the bill.

The bill was ordered to a third reading, read the third time, and passed.

The PRESIDING OFFICER. Without objection, Senate bill 4032 is indefinitely postponed.

PUGET SOUND TOLL BRIDGE

Mr. SHEPPARD. From the Senate Commerce Committee, I report back favorably Senate bill 4144 and ask for its present consideration.

The PRESIDING OFFICER. The title of the bill will be stated.

The CHIEF CLERK. A bill (S. 4144) to amend section 1 of an act entitled "An act granting the consent of Congress to the county of Pierce, a legal subdivision of the State of Washington, to construct, maintain, and operate a toll bridge across Puget Sound, State of Washington, at or near a point commonly known as The Narrows, and to extend the times for commencing and completing the construction of such bridge.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the bill was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That section 1 of an act entitled "An act granting the consent of Congress to the county of Pierce, a legal subdivision of the State of Washington, to construct, maintain, and operate a toll bridge across Puget Sound, State of Washington, at or near a point commonly known as 'The Narrows' ", approved May 28, 1934, be amended to read as follows:

"SECTION 1. That the consent of Congress is hereby granted to the county of Pierce, a legal subdivision of the State of Washington, or to Washington Toll Bridge Authority, a legal agency of the State of Washington, to construct, maintain, and operate a bridge and approaches thereto across Puget Sound, State of Washington, at or near a point commonly known as 'The Narrows', at a point suitable to the interests of navigation, in accordance with the provisions of an act entitled 'An act to regulate the construction of bridges over navigable waters', approved March 23, 1906, and subject to the conditions and limitations contained in this act."

SEC. 2. That the times for commencing and completing the construction of such bridge, heretofore extended by acts of Congress approved August 27, 1935, and July 5, 1937, are hereby further extended 1 and 3 years, respectively, from July 5, 1938.

SEC. 3. The right to alter, amend, or repeal this act is hereby expressly reserved.

SAMUEL L. DWYER

The PRESIDING OFFICER laid before the Senate the amendment of the House of Representatives to the bill (S. 2417) for the relief of Samuel L. Dwyer, which was, on page 2, line 1, to strike out all after "land" down to and including "joint" in line 2.

Mr. HILL. I move that the Senate concur in the House amendment.

The motion was agreed to.

ESTATE OF LILLIE LISTON ET AL.

The PRESIDING OFFICER laid before the Senate the amendment of the House of Representatives to the bill (S. 3111) for the relief of the estate of Lillie Liston and Mr. and Mrs. B. W. Trent, which was, on page 1, line 7, to strike out "$5,435" and insert "$5,000."

Mr. HATCH. I move that the Senate concur in the amendment of the House.

The motion was agreed to.

MARY WAY

The PRESIDING OFFICER laid before the Senate the amendments of the House of Representatives to the bill (S. 1878) for the relief of Mary Way, which were, on page 1, line 5, to strike out all after "otherwise" down to and including "$4,000", in line 7, and insert "appropriated,"; on page 1, line 7, to strike out "for injuries", and insert "the sum of $3,500, in full satisfaction of her claim against the United States for personal injury and property damage"; and on page 1, line 9, to strike out all after "truck," down to and including "Corps," in line 10.

The PRESIDING OFFICER. Without objection, the amendments of the House are concurred in.

BRUCE G. COX

The PRESIDING OFFICER laid before the Senate the amendments of the House of Representatives to the bill (S. 2208) for the relief of Bruce G. Cox, which were to strike out all after the enacting clause and insert:

That Dr. Bruce G. Cox, former dental examiner for the Veterans' Administration at Evansville, Ind., is hereby released from any liability to refund or pay to the United States any sum allowed or paid pursuant to dental authorizations issued and vouchers approved in his favor between April 1, 1926, and January 12, 1933. No deductions on account of any such sum shall be made from any amount due or payable out of Government funds to the said Bruce G. Cox. In case there has been heretofore withheld or deducted from any amounts otherwise payable out of Government funds to the said Bruce G. Cox any amount on account of any such sum, the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to the said Bruce G. Cox a sum equal to the amount so withheld or deducted.

Harris A. Alister, Chief Dental Officer, Veterans' Administration, is hereby released from any liability to refund or pay to the United States any sum allowed or paid pursuant to dental authorizations issued and vouchers approved in favor of Dr. Bruce G. Cox between April 1, 1926, and January 12, 1933. No deductions on account of any such sum shall hereafter be made from any amount due or payable out of Government funds to the said Harris A. Alister, and no part of the liability of said Harris A. Alister shall be transferred to any other person after approval of this act: *Provided*, That the Secretary of the Treasury is hereby authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to said Harris A. Alister a sum equal to the amount withheld by the Veterans' Administration from his pay, prior to approval of this act.

And to amend the title so as to read: "An act for the relief of Bruce G. Cox and Harris A. Alister."

Mr. MINTON. I move that the Senate concur in the House amendments.

The motion was agreed to.

PEARL BUNDY

The PRESIDING OFFICER laid before the Senate the amendments of the House of Represenatives to the bill (S. 3300) for the relief of Pearl Bundy, which were, on page 1, line 6, to strike out "Government"; and on page 1, line 8, to strike out all after "sustained" down to and including "on" in line 10, and insert: "when the automobile in which she was riding was struck by a truck operated in connection with the Civilian Conservation Corps, on State Highway No. 60, near Mitchell, Ind."

Mr. MINTON. I move that the Senate concur in the House amendments.

The motion was agreed to.

GEM IRRIGATION DISTRICT AND ONTARIO-NYSSA IRRIGATION DISTRICT

Mr. POPE. Mr. President, I ask the Chair to lay before the Senate House bill 10488, which passed the House and has been approved by the Senate Committee on Irrigation and Reclamation today. It is a minor bill, having to do only with one irrigation project, putting it under the law with reference to a moratorium.

The PRESIDING OFFICER laid before the Senate the bill (H. R. 10488) to provide for allowing to the Gem Irrigation District and the Ontario-Nyssa Irrigation District of the Owyhee project terms and payment dates for charges deferred under the reclamation moratorium acts similar to those applicable to the deferred construction charges of other projects under said acts, and for other purposes, which was read, as follows:

Be it enacted, etc., That the charges of the Gem Irrigation District and of the Ontario-Nyssa Irrigation District, that were postponed under the Moratorium Acts of April 1, 1932 (47 Stat. 75), March 3, 1933 (47 Stat. 1427), March 27, 1934 (48 Stat. 500), and June 13, 1935 (49 Stat. 337), shall be payable at the end of the districts' construction charge repayment period, subject to the same terms and conditions as applicable to the construction charges postponed under the said Moratorium Acts.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the bill was considered, ordered to a third reading, read the third time, and passed.

EXECUTIVE SESSION

Mr. BARKLEY. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE MESSAGES REFERRED

The PRESIDING OFFICER (Mr. BROWN of Michigan in the chair) laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

EXECUTIVE REPORT OF A COMMITTEE

Mr. McKELLAR, from Committee on Post Offices and Post Roads, reported favorably the nominations of sundry postmasters.

The PRESIDING OFFICER. The reports will be placed on the Executive Calendar.

MARSHAL OF UNITED STATES COURT FOR CHINA; SHANGHAI, CHINA

Mr. McADOO. Mr. President, in the absence of the Senator from Utah [Mr. KING], I have been requested on his behalf to report favorably, from the Committee on the Judiciary, the nomination of Mr. Gordon Campbell, of California, to be United States marshal at Shanghai, China.

The PRESIDING OFFICER. The nomination will be placed on the Executive Calendar.

NOMINATIONS OF UNITED STATES MILITARY ACADEMY GRADUATES

Mr. SHEPPARD. From the Committee on Military Affairs, I report back favorably the nominations of the West Point graduates for commissions. To save the expense of printing, I ask unanimous consent that they be confirmed, and that the President be notified.

The PRESIDING OFFICER. Without objection, the nominations of West Point graduates for commissions are confirmed, and the President will be notified.

If there be no further reports of committees, the clerk will state in their order the nominations on the calendar.

POSTMASTERS

The legislative clerk proceeded to read sundry nominations of postmasters.

Mr. McKELLAR. I ask that the nominations of postmasters be confirmed en bloc.

The PRESIDING OFFICER. Without objection, the nominations of postmasters are confirmed en bloc.

RECESS

The Senate resumed legislative session.

Mr. BARKLEY. I move that the Senate take a recess until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 4 o'clock and 56 minutes p. m.) the Senate took a recess until tomorrow, Wednesday, June 8, 1938, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate June 7, 1938

BOARD OF TAX APPEALS

The following-named persons to be members of the Board of Tax Appeals for terms of 12 years from June 2, 1938 (reappointment):

Charles R. Arundell, of Oregon.
John W. Kern, of Indiana.
Clarence V. Opper, of New York.
John A. Tyson, of Mississippi.

UNITED STATES ATTORNEY

Mr. Charles E. Dierker, of Shawnee, Okla., to be United States attorney for the western district of Oklahoma, vice Mr. William C. Lewis, whose term will expire June 18, 1938.

UNITED STATES MARSHAL

Anton J. Lukaszewicz, of Wisconsin, to be United States marshal for the eastern district of Wisconsin. (Mr. Lukaszewicz is now serving in this office under an appointment which expired May 3, 1938.)

APPOINTMENT, BY TRANSFER, IN THE REGULAR ARMY

TO AIR CORPS

Capt. Don McNeal, Signal Corps, with rank from October 1, 1934.

PROMOTIONS IN THE REGULAR ARMY

TO BE COLONELS

Lt. Col. Charles Joel Taylor, Corps of Engineers, from June 1, 1938.

Lt. Col. Edwin Hall Marks, Corps of Engineers, from June 1, 1938.

Lt. Col. Earl North, Corps of Engineers, from June 1, 1938.

Lt. Col. Gilbert Van Buren Wilkes, Corps of Engineers, from June 1, 1938.

Lt. Col. John Clifford Hodges Lee, Corps of Engineers, from June 1, 1938.

Lt. Col. Frank Schaffer Besson, Corps of Engineers, from June 1, 1938.

Lt. Col. Albert Kualii Brickwood Lyman, Corps of Engineers, from June 1, 1938.

Lt. Col. Clarence Edward Partridge, Ordnance Department, from June 1, 1938.

Lt. Col. Leo James Ahern, Field Artillery, from June 1, 1938.

Lt. Col. Donald Meredith Beere, Field Artillery, from June 1, 1938.

Lt. Col. Homer Ray Oldfield, Coast Artillery Corps, from June 1, 1938.

Lt. Col. Claude B. Thummel, Ordnance Department, from June 1, 1938.

Lt. Col. Norman Butler Briscoe, Cavalry, from June 1, 1938.

TO BE LIEUTENANT COLONELS

Maj. William Francis Freehoff, Infantry, from June 1, 1938, subject to examination required by law.

Maj. Rexford Edwin Willoughby, Cavalry, from June 1, 1938.

Maj. William Glenn Livesay, Infantry, from June 1, 1938.

Maj. James Washington Barnett, Cavalry, from June 1, 1938.

Maj. John Charles Mullenix, Cavalry, from June 1, 1938.

Maj. John Jay McCollister, Field Artillery, from June 1, 1938.

Maj. John Andrew Weeks, Cavalry, from June 1, 1938.

Maj. Robert Lincoln Christian, Infantry, from June 1, 1938.

Maj. William Hampton Crom, Air Corps (temporary lieutenant colonel Air Corps), from June 1, 1938.

Maj. Delphin Etienne Thebaud, Infantry, from June 1, 1938.

Maj. George Sheppard Clarke, Infantry, from June 1, 1938.

Maj. Charles Andrew Willoughby, Infantry, from June 1, 1938.

Maj. Fred McIvor Logan, Infantry, from June 1, 1938.

Maj. Walter Eyster Buchly, Cavalry, from June 1, 1938.

TO BE MAJORS

Capt. James Arthur Boyers, Infantry, from June 1, 1938.

Capt. Evan Kirkpatrick Meredith, Infantry, from June 1, 1938.

Capt. Howard John Liston, Infantry, from June 1, 1938.

Capt. Frank Richards, Finance Department, from June 1, 1938.

Capt. Ralph Harry Woolsey, Quartermaster Corps, from June 1, 1938.

Capt. Richard Francis Lussier, Infantry, from June 1, 1938.

Capt. Charles Marion Thirlkeld, Field Artillery, from June 1, 1938.

Capt. Jack Roy Gage, Infantry, from June 1, 1938.

Capt. Henry Wyatt Isbell, Infantry, from June 1, 1938.

Capt. William Robert Carlson, Coast Artillery Corps, from June 1, 1938.

Capt. Harland Clayton Griswold, Infantry, from June 1, 1938.

Capt. Ralph Edmund Powell, Infantry, from June 1, 1938.

Capt. Perry Wainer, Air Corps (temporary major, Air Corps), from June 1, 1938.

Capt. Krauth Whitson Thom, Quartermaster Corps, from June 1, 1938.

Capt. Guy Malcolm Kinman, Judge Advocate General's Department, from June 1, 1938.

APPOINTMENTS TO TEMPORARY RANK IN THE AIR CORPS IN THE REGULAR ARMY

TO BE COLONEL WITH RANK FROM JUNE 1, 1938

Lt. Col. Percy Edgar Van Nostrand, Air Corps.

TO BE LIEUTENANT COLONEL

Maj. Frank Hitch Pritchard, Air Corps, vice Lt. Col. Percy E. Van Nostrand, Air Corps, nominated for appointment as temporary colonel, Air Corps.

TO BE MAJOR

Capt. Randolph Piersol Williams, Air Corps, vice Maj. Frank H. Pritchard, Air Corps, nominated for appointment as temporary lieutenant colonel, Air Corps.

APPOINTMENTS IN THE REGULAR ARMY

TO BE SECOND LIEUTENANTS WITH RANK FROM JUNE 14, 1938

Corps of Engineers

1. John Robert Jannarone.
2. Matthew John Altenhofen.
3. Robert Allen Breitweiser.
4. George Willard Bixby.
5. Desloge Brown.
6. James Burney Chubbuck.
7. Alexander John Frolich.
8. Paul Theodore Preuss.
10. Robert Worrell Love.
12. William Allen Orr.
13. Richard Giles Stilwell.
14. Irwin Miles Parry.
15. John William Thompson, Jr.
16. Harold Killian Kelley.
17. James Linn Lewis.
18. William Atha Gay.
19. Donald Glazier Williams.
22. William Stoddard Crocker, Jr.
23. William Brett Kieffer.
25. Leo Vernon Harman.
26. William Ward Smith, Jr.
30. Robert Marshall Batterson, Jr.
32. Robert Joseph Kasper.
33. Milton Paul Barschdorf.

Signal Corps

9. John Eugene Kelsey.
28. Andrew Carl Dapprich.
29. Benjamin Marcus Tarver, Jr.
38. Walter Edward Lotz, Jr.
44. Rolf Olaf Wulfsberg.
52. Glenn Craddock Coleman.
62. George Arthur Bosch.
67. Frederick Charles Lough.
68. William Braden Latta.
72. Albert Peterson Sights, Jr.
84. Jesse Fuller Thomas.
93. Norman Lester Tittle.
97. Alvin Lee Burke.
111. Arthur Wellesley Skerry, Jr.
117. Robert Lee Snider.

Cavalry

42. Samuel Mason Hogan.
48. Henry Leland Crouch, Jr.
74. Omar Ellsworth Knox.
76. Walter Stephen Gray.
86. Tracy Bovard Harrington.
92. John Harland Swenson.
104. Joseph Rhett Barker, 2d.
106. William Keith Kincaid.
114. William Anthony Sussmann.
118. Ashley Burdett Packard.
123. William Peek Brett.
128. Gailon Myers McHaney.
129. Jack Lee Grubb.
134. Ralph Burton Praeger.
135. Charles Winfield Sherburne.
136. Nicholas Horace Chavasse.
145. John Charles Fremont Tillson, 3d.
149. Henry Brooks Wilson.
150. Maurice Raymond Lemon.
158. Neil David Van Sickle.
174. Edward Francis Gillivan.
178. Wilbur Charles Strand.
179. Robert Carl Erlenbusch.
187. Allen Douglas Hulse.
203. Eugene Joseph Sweeney.
204. Frank Elmer Glace, Jr.
206. Robert William Rulkoetter.
207. Thomas Lauten McCrary.
208. Roberts Sherwood Demitz.
214. Donald Walker Thackeray.
216. Charles William Walson.
243. Merrick Bayer.
244. John Joseph Carusone.

Field Artillery

11. Morris Frederick Taber.
20. Charles Howard Anderson.
24. Clarence Clinton Harvey, Jr.
31. Edward Alfred Bailey.
34. Vincent Martin Elmore, Jr.
35. Francis Woodworth Jenkins.

36. George Gray O'Connor.
37. Robert Claude McCabe.
39. William Kenneth Skaer.
46. Trevor Nevitt Dupuy.
47. Barry Duran Browne.
49. Laurence Edward Wernberg.
54. Fillmore Kennady Mearns.
55. William Welby Beverley.
56. Roland Bennett Anderson.
58. Frank Wade Norris.
59. John Fouché Brownlow, Jr.
60. Roy Cleveland Heflebower, Jr.
66. John Dale Ryan.
69. William McGregor Lynn, Jr.
71. Charles Joseph Blake, Jr.
77. Alvar Bertil Sundin.
81. Samuel Knox Eaton.
82. Ted Irving Sawyer.
87. Martin Lockwood Webb.
89. Frank Pleasants Sturdivant.
91. Philip Yeager Browning.
96. Francis Burnett Harrison.
99. William Henry Corbett.
103. William Thomas Weissinger, 3d.
113. Douglas Clinton Polhamus.
115. Louis Edward Coira, Jr.
119. John Charles Nickerson, Jr.
121. Donald Ward Saunders.
124. Richard Joseph Long.
125. Robert Alan Zaiser.
126. Ferdinand Joseph Chesarek.
127. John Dean Moorman.
133. James Taylor, Jr.
137. Henry Charles Huglin.
142. Jaroslav Folda, Jr.
146. John Burns Hamilton.
152. Lorenzo Dow Adams.
153. John Robert Hopson.
155. Robert Carleton McBride.
157. John Charles Damon.
159. John Cozart Pitchford.
160. Harlan Keith Holman.
163. David Wallace Hayes.
167. Samuel Llewellyn Barbour, Jr.
172. William Hugh Blanchard.
175. Charles Little Haley, 3d.
182. Robert Davis Offer.
184. Francis Henry Patrick.
185. William Adolph Sundlof.
192. Rudolph Laskowsky.
221. Richard Augustine Broberg.
223. Leland Oscar Krug.

Coast Artillery Corps

21. Kenneth Gregory Wickham.
27. Clarence Allen Langford.
41. Prescott Miner Spicer.
45. Melvin Rhodes Russell.
50. Glenn Preston Anderson, Jr.
51. Dallas Fernald Haynes.
53. Iver Arthur Peterson.
57. Alfred John D'Arezzo.
61. Burton Robert Brown.
63. Sherwood Ernest Buckland.
64. Richard Gay Ivey.
70. Joseph Conigliaro.
73. George Kappes.
75. Frederick Adam Miller.
80. Howard Edward Michelet.
85. John Robert Bailey, Jr.
88. Albert Joseph Weinnig.
90. Paul Canning Davis.
94. William Hollis Vail, Jr.
95. Lloyd Earl Johnson, Jr.
105. Paul Revere Cornwall.
108. Edgar Stanton Rosenstock.
109. Frederick John Gerlich.
110. Harvey Pettibone Barnard, Jr.
116. Arpad Arthur Kopcsak.
120. Lawrence Chandler Baldwin.
130. Kenneth Glade.
132. John Herbert Spangler.
138. Alan Seff.
140. Harry Cornelius Morrison.
141. John Barkley Pattison, Jr.
144. James Russell Holmes.
147. John Bennet Herboth, Jr.
154. Virgil Lee Zoller.
161. Elmer Ellsworth Hallinger.
169. Philip Robert Hawes.
183. Earle Metzger Shiley.
191. Carter Eugene Duncan.

Infantry

40. Claire Elwood Hutchin, Jr.
43. Harold Nelson Moorman.
78. Gregory Hoisington, Jr.
79. Ole Willis Danielson.
83. Milton Edward Lipps.
98. Howard Doan Kenzie.
100. Edward Joseph Cichowski.
101. Bertram Cowgill Harrison.
102. Elliott Woodrow Amick.
107. Clifford Field Macomber.
112. Arthur Joseph Smith, Jr.
122. Simon Rudél Sinnreich.
131. Edgar Stanton McKee.
139. William Emmett Ekman.
143. Edwin Nevin Howell.
148. Richard Franklin Bromiley.
151. James Albert Bassett.
156. Charles Loyd Jackson.
162. Donald Roy Matheson.
164. Merton Singer.
165. Edwin Lee Clarke.
166. Jefferson Johnson Irvin.
168. George William Rhyne.
170. Robert Chilton Works.
171. Gordon Madison Clarkson.
173. Castex Paul Conner.
176. Joseph Gray Duncan, 3d.
177. William Albert Johnson, Jr.
180. Hubert Emmet Strange.
181. Hugh Douglas Wallace.
186. James Henry Lynch.
188. Clarence Earle Beck.
189. James Rhea Luper.
190. William Patrick Wansboro.
193. Rollin Benedict Durbin.
194. Fred Murray Dean.
195. Alexander Bruce Pendleton.
196. Joseph Benedict Missal, Jr.
197. James Terry Craig.
198. Arthur Fulbrook Gorham.
199. Warren Rand Williams, Jr.
200. George Henderson Lee Dillard.
201. John Milton Finn.
202. Harvey Lloyd Brown, Jr.
205. Melvin Charles Brown.
209. Arthur Sylvester Collins, Jr.
210. Willard Gregory Walsh, Jr.
211. William Henry Frederick, Jr.
212. Frank Milton Izenour.
213. Vincent Morgan Miles, Jr.
215. Joseph Breece Wells.
217. James Edward Mrazek.
218. Harris Edward Rogner.
219. Frank Dickson Miller.

220. William Henry Jaynes.
222. David Owen Byars, Jr.
224. Robert Lee Wolverton.
225. Joseph Stephen Kujawski.
226. Thomas Nelson Sibley.
227. Roy Ray Brischetto.
228. Mark Francis Brennan.
229. Philip Charles Feffer.
230. Gibson Emerson Sisco, Jr.
231. Richard Elam Sims.
232. Vincent Keator.
233. Edwin Arthur Machen, Jr.
234. James Willis Rhymes.
235. Ben Sternberg.
236. Ralph Allen Jones, Jr.
237. Frederic Charles Teich, Jr.
238. Richard Carl Thomas.
239. Louis Nathaniel Dosh.
240. Robert John Bruton.
241. Charles Mathis Young.
242. Charles Joseph Denholm.
245. John Thomas English.
246. Arthur Anthony Maloney.
247. Robert Alois Barker.
248. John Alexander Norris, Jr.
249. Littleton James Pardue.
250. Franklin Henrie Hartline.
251. Edward George DeHart.
252. Arthur Maxwell Murray.
253. John Eliason Boyt.
254. Henry Sylvanus McDonald, Jr.
255. Vincent Wallace Siren.
256. Robert Belden Kuhn.
257. Robert Leaning Ashworth.
258. Walter Nicholas Guletsky.
259. Victor Charles Warren.
260. Myrl Fay Smith.
261. Wallace Stafford Ford.
262. Coral Max Talbott.
263. Edgar Hayden Dale.
264. Joseph Claude Reddoch, Jr.
265. Warren Thomas Hannum, Jr.
266. Robert Hodson Rhine.
267. Clifford Thomas Riordan.
268. John Winthrop White.
269. Shelby Young Palmer, Jr.
270. Gabriel Caldwell Russell.
271. Edward Henry Lahti.
272. John Harlan Chambers.
273. Birdsey Lee Learman.
274. John Thomas Corley.
275. John Thomas Ewing.
276. James Eugene Henderson.
277. Frederick Starr Wright, Jr.
278. William Clark Jackson, Jr.
279. Edward Raymond Skinner.
280. William Conyers Fitte, 2d.
281. Stephen Radford Batson, Jr.
282. Andy Archer Lipscomb.
283. Edward Walter Jacunski.
284. James Kent Schmidt.
285. Joe Reese Brabson, Jr.
286. George Cornell Abert.
287. Robert John Hill.
288. Ward Sanford Ryan.
289. Edward Stephenson.
290. Robert Howard York.
291. George Artman.
292. Ralph Brown Lister.
293. George Rapp Zohrlaut.
294. David Gibson Sherrard, 2d.
295. Frank Edward Hartman.
296. William Folwell Neff.
297. Samuel Salvatore Campanella.
298. Edward Gustave Aaron Chalgren, Jr.
299. James Horace Isbell.
300. Collin Batson Whitehurst, Jr.
301. John Boddie Coleman.

PROMOTIONS IN THE NAVY

Capt. Herbert F. Leary to be a rear admiral in the Navy, to rank from the 1st day of June 1938.

The following-named commanders to be captains in the Navy, to rank from the 2d day of June 1938:

Archibald McGlasson
Charles M. Cooke, Jr.
Mervyn S. Bennion

The following-named lieutenant commanders to be commanders in the Navy, to rank from the date stated opposite their names:

Gordon Rowe, June 1, 1938.
Christopher C. Miller, June 2, 1938.
Donald W. Loomis, June 2, 1938.
John S. Phillips, June 2, 1938.
Harry W. Need, June 2, 1938.
Earle W. Mills, June 2, 1938.
Harry D. Hoffman, June 2, 1938.

The following-named lieutenants to be lieutenant commanders in the Navy, to rank from the 2d day of June 1938:

Isaiah Olch	Henry F. MacComsey
Samuel K. Groseclose	Chauncey Moore
Willard J. Suits	Howard E. Orem
Cecil C. Adell, an additional number in grade	Eugene E. Elmore
Marion N. Little	Howard D. McIntosh
Frederick L. Riddle	Donald H. Johnston
Whitaker F. Riggs, Jr.	Lloyd D. Follmer
Robert Hall Smith	Emory P. Hylant

The following-named lieutenants (junior grade) to be lieutenants in the Navy, to rank from the 2d day of June 1938:

Harold M. Heming	Vernon L. Lowrance
George L. Heap	Charles R. Herms
George M. Chambers	William O. Snead, Jr.
Mervin Halstead	Charles H. Ostrom
George F. Kosco	Thomas J. Thornhill, Jr.
John J. Shaffer, 3d	Lawrence E. Ruff
Herschel A. House	Nathan S. Haines
George T. McCready, Jr.	Ira E. McMillian
John Hulme	William Y. Allen, Jr.
Rudolph C. Bauer	John K. Bisson
William N. Wylie	Walter W. Strohbehn
Carlton R. Adams	James D. Whitfield, Jr.
Emmet O'Beirne	Charles H. Andrews
Scarritt Adams	

The following-named pay inspectors to be pay directors in the Navy, with the rank of captain, to rank from the 2d day of June 1938:

Arthur H. Mayo
Omar D. Conger

Electrician Marvin F. Hathaway to be a chief electrician in the Navy, to rank with but after ensign, from the 2d day of March 1938.

Radio Electrician Martin I. Lapp to be a chief radio electrician in the Navy, to rank with but after ensign, from the 2d day of March 1938.

The following-named lieutenants (junior grade) to be assistant paymasters in the Navy, with the rank of lieutenant (junior grade), to rank from the date stated opposite their names:

Thomas E. Norris, May 29, 1937.
Howard F. Kuehl, May 29, 1937.
Harry S. Atherton, May 29, 1937.
Harold E. Cole, May 31, 1937.

The following-named ensigns to be assistant paymasters in the Navy, with the rank of ensign, to rank from the 6th day of June 1935:

William W. Hyland	Joseph M. Lyle
Thomas A. Brown	Warren E. Oliver

Constantine C. Mathas	Stephen Sherwood
Herschel J. Goldberg	Glenn W. Clegg
John P. Kilroy	Charles H. McCarthy, Jr.
Richard B. Winfield	

Ensign Ned J. Wentz to be an assistant paymaster in the Navy, with the rank of ensign, to rank from the 29th day of August 1935.

Lt. Joseph P. Rockwell to be a lieutenant commander in the Navy, to rank from the 30th day of June 1937.

Paymaster George C. Tasker to be a pay inspector in the Navy, with the rank of commander, to rank from the 1st day of September 1937.

Commander Charles H. Maddox to be a captain in the Navy, to rank from the 1st day of January 1938.

The following-named lieutenants to be lieutenant commanders in the Navy, to rank from the date stated opposite their names:

Edward C. Ewen, June 3, 1937.
Frank C. Sutton, May 1, 1938.
Alan R. Nash, May 5, 1938.

The following-named lieutenants (junior grade) to be lieutenants in the Navy, to rank from the date stated opposite their names:

Albert F. White, June 30, 1937.
Charles W. Lord, February 1, 1938.
Edmund S. L. Marshall, April 30, 1938.
Roy A. Newton, May 5, 1938.
Theodore T. Miller, May 19, 1938.

Surgeon Erik G. Hakansson to be a medical inspector in the Navy, with the rank of commander, to rank from the 1st day of July 1937.

Paymaster Walter H. Bicknell to be a pay inspector in the Navy, with the rank of commander, to rank from the 1st day of September 1937.

Assistant Naval Constructor Alexander Sledge to be a naval constructor in the Navy, with the rank of lieutenant, to rank from the 30th day of June 1934.

The following-named civil engineers to be civil engineers in the Navy, with the rank of commander, to rank from the 30th day of June 1936:

George D. Wetsel	Lewis N. Moeller
Valentine J. McManus	Andrew G. Bisset
Hugo C. Fischer	

The following-named assistant civil engineers to be civil engineers in the Navy, with the rank of lieutenant, to rank from the 30th day of June 1936:

Joseph F. Jelley, Jr.	Wesley H. Randig
Thomas L. Davey	Archibald D. Hunter
John E. Faigle	Hunt V. Martin

The following-named machinists to be chief machinists in the Navy, to rank with but after ensign, from the date stated opposite their names:

Albert F. Schnell, February 2, 1938.
Joseph M. Lenart, May 2, 1938.

The following-named ensigns to be assistant paymasters in the Navy, with the rank of ensign, to rank from the 4th day of June 1936:

Stanton M. Trott	Randolph Meade, Jr.
Philip H. Fox	Martin Miller
Richard L. Myers	

MARINE CORPS

The following-named second lieutenants to be first lieutenants in the Marine Corps from the 6th day of June 1938:

Arnold F. Johnston	Robert T. Stivers, Jr.
Robert A. Black	Charles T. Tingle
Gordon E. Hendricks	Harvey S. Walseth
John J. Cosgrove, Jr.	John M. Miller
Richard D. Hughes	Henry B. Cain, Jr.
Kenneth D. Kerby	Bernard E. Dunkle
Michael S. Currin	

Marine Gunner Robert A. McCook to be a chief marine gunner in the Marine Corps, to rank with but after second lieutenant, from the 25th day of May 1938.

POSTMASTERS

ALABAMA

William B. Wilder to be postmaster at Andalusia, Ala., in place of W. B. Wilder. Incumbent's commission expired May 29, 1938.

Bennett W. Pruet to be postmaster at Anniston, Ala., in place of C. S. Leyden, resigned.

James G. Brown to be postmaster at Atmore, Ala., in place of J. G. Brown. Incumbent's commission expired March 24, 1938.

Elmer H. Carter to be postmaster at Castleberry, Ala., in place of E. H. Carter. Incumbent's commission expired April 25, 1938.

Madge S. Jefferies to be postmaster at Citronelle, Ala., in place of M. S. Jefferies. Incumbent's commission expires June 8, 1938.

Ernest D. Manning to be postmaster at Florala, Ala., in place of E. D. Manning. Incumbent's commission expired March 24, 1938.

Herman Pride to be postmaster at Georgiana, Ala., in place of Herman Pride. Incumbent's commission expired March 24, 1938.

Mim C. Farish to be postmaster at Grove Hill, Ala., in place of M. C. Farish. Incumbent's commission expired May 29, 1938.

Julian J. Chambliss to be postmaster at Hurtsboro, Ala., in place of J. J. Chambliss. Incumbent's commission expired March 29, 1938.

S. Adeline Laster to be postmaster at Irondale, Ala. Office became Presidential July 1, 1937.

William C. Stearns to be postmaster at Lanett, Ala., in place of W. C. Stearns. Incumbent's commission expired March 29, 1938.

John W. Johnson to be postmaster at Langdale, Ala., in place of J. W. Johnson. Incumbent's commission expired March 29, 1938.

Roy J. Ellison to be postmaster at Loxley, Ala., in place of R. J. Ellison. Incumbent's commission expired May 29, 1938.

William M. Moore to be postmaster at Luverne, Ala., in place of W. M. Moore. Incumbent's commission expired March 24, 1938.

Benjamin F. Beesley to be postmaster at McKenzie, Ala., in place of B. F. Beesley. Incumbent's commission expired March 24, 1938.

S. Evelyn Selman to be postmaster at Mentone, Ala., in place of S. E. Selman. Incumbent's commission expires June 6, 1938.

Jesse B. Adams to be postmaster at Ozark, Ala., in place of J. B. Adams. Incumbent's commission expired March 29, 1938.

Herman Grimes to be postmaster at Pine Apple, Ala., in place of Herman Grimes. Incumbent's commission expires June 8, 1938.

Lorenzo D. McCrary to be postmaster at Prattville, Ala., in place of L. D. McCrary. Incumbent's commission expires June 8, 1938.

Ernest L. Stough, Jr., to be postmaster at Red Level, Ala., in place of E. L. Stough, Jr. Incumbent's commission expired April 4, 1938.

Harry J. Wilters to be postmaster at Robertsdale, Ala., in place of H. J. Wilters. Incumbent's commission expires June 18, 1938.

Leslie D. Strother to be postmaster at Shawmut, Ala., in place of L. D. Strother. Incumbent's commission expires June 18, 1938.

James H. Dunlap to be postmaster at Siluria, Ala., in place of J. H. Dunlap. Incumbent's commission expired March 15, 1938.

Bettie T. Forster to be postmaster at Thomasville, Ala., in place of B. T. Forster. Incumbent's commission expired March 29, 1938.

John F. Harmon to be postmaster at Troy, Ala., in place of J. F. Harmon. Incumbent's commission expired March 15, 1938.

Ferne W. Rainer to be postmaster at Union Springs, Ala., in place of F. W. Rainer. Incumbent's commission expired March 29, 1938.

Joe H. Kerr to be postmaster at Wedowee, Ala., in place of J. H. Kerr. Incumbent's commission expires June 8, 1938.

Benjamin L. Edmonds to be postmaster at West Blocton, Ala., in place of B. L. Edmonds. Incumbent's commission expired February 22, 1938.

William H. McDonough to be postmaster at Whistler, Ala., in place of W. H. McDonough. Incumbent's commission expires June 8, 1938.

ARIZONA

Charles C. Stemmer to be postmaster at Cottonwood, Ariz., in place of C. C. Stemmer. Incumbent's commission expired April 28, 1938.

Robert E. Briscoe to be postmaster at Fort Defiance, Ariz., in place of L. L. Staggs, resigned.

Joe H. Little to be postmaster at Glendale, Ariz., in place of J. H. Little. Incumbent's commission expires June 18, 1938.

Waltice B. Ham to be postmaster at Somerton, Ariz., in place of W. B. Ham. Incumbent's commission expired May 2, 1938.

Charles J. Moody to be postmaster at Superior, Ariz., in place of C. J. Moody. Incumbent's commission expired April 25, 1938.

ARKANSAS

Fred W. Lemay to be postmaster at Alicia, Ark., in place of F. W. Lemay. Incumbent's commission expires June 7, 1938.

David G. Lamb to be postmaster at Arkadelphia, Ark., in place of R. R. Golden, resigned.

Mary H. Morgan to be postmaster at Ashdown, Ark., in place of M. H. Morgan. Incumbent's commission expired March 14, 1938.

John E. Darr to be postmaster at Atkins, Ark., in place of J. E. Darr. Incumbent's commission expired April 27, 1938.

Otis H. Parham to be postmaster at Bald Knob, Ark., in place of O. H. Parham. Incumbent's commission expired June 1, 1938.

Lee Roy Jordan to be postmaster at Batesville, Ark., in place of L. R. Jordan. Incumbent's commission expires June 18, 1938.

Nannie L. Connevey to be postmaster at Bauxite, Ark., in place of N. L. Connevey. Incumbent's commission expired May 12, 1938.

Thomas B. Gatling to be postmaster at Bearden, Ark., in place of T. B. Gatling. Incumbent's commission expired January 27, 1938.

Earl T. Estes to be postmaster at Calico Rock, Ark., in place of E. T. Estes. Incumbent's commission expires June 7, 1938.

Laura Clements to be postmaster at Cherry Valley, Ark., in place of Laura Clements. Incumbent's commission expired April 27, 1938.

W. Ernest King to be postmaster at Clarksville, Ark., in place of W. E. King. Incumbent's commission expired April 27, 1938.

Joseph T. Whillock to be postmaster at Clinton, Ark., in place of J. T. Whillock. Incumbent's commission expired June 1, 1938.

Herbert D. Russell to be postmaster at Conway, Ark., in place of H. D. Russell. Incumbent's commission expired April 27, 1938.

Frank B. Ortman to be postmaster at Cotter, Ark., in place of F. B. Ortman. Incumbent's commission expired May 12, 1938.

William I. Fish to be postmaster at Dumas, Ark., in place of W. I. Fish. Incumbent's commission expired May 28, 1938.

Lucy F. Harris to be postmaster at Earl, Ark., in place of W. W. Harris, deceased.

Ambrose D. McDaniel to be postmaster at Forrest City, Ark., in place of A. D. McDaniel. Incumbent's commission expired March 29, 1938.

Lewis Friedman to be postmaster at Fort Smith, Ark., in place of Lewis Friedman. Incumbent's commission expired April 27, 1938.

Lillie Q. Lowe to be postmaster at Gillett, Ark., in place of L. Q. Lowe. Incumbent's commission expired March 14, 1938.

John W. Paschall to be postmaster at Gould, Ark., in place of J. W. Paschall. Incumbent's commission expired May 7, 1938.

Charlie O. Sawyer to be postmaster at Hamburg, Ark., in place of C. O. Sawyer. Incumbent's commission expires June 12, 1938.

J. Neil Cooper to be postmaster at Hoxie, Ark., in place of J. N. Cooper. Incumbent's commission expired April 27, 1938.

Fred M. Johnson to be postmaster at Huttig, Ark., in place of F. M. Johnson. Incumbent's commission expires June 18, 1938.

J. Dot Fortenberry to be postmaster at Imboden, Ark., in place of J. D. Fortenberry. Incumbent's commission expired April 27, 1938.

Harmon T. Griffin to be postmaster at Lake City, Ark., in place of H. T. Griffin. Incumbent's commission expired March 29, 1938.

Ben W. Walker to be postmaster at Lewisville, Ark., in place of B. W. Walker. Incumbent's commission expires June 18, 1938.

Ethel L. Nall to be postmaster at Lockesburg, Ark., in place of E. L. Nall. Incumbent's commission expired April 27, 1938.

Sue M. Brown to be postmaster at Luxora, Ark., in place of S. M. Brown. Incumbent's commission expired March 29, 1938.

Elmer McHaney to be postmaster at Marmaduke, Ark., in place of Elmer McHaney. Incumbent's commission expired March 29, 1938.

Wyeth S. Daniel to be postmaster at Marshall, Ark., in place of W. S. Daniel. Incumbent's commission expires June 7, 1938.

Guy Stephenson to be postmaster at Monticello, Ark., in place of Guy Stephenson. Incumbent's commission expired June 1, 1938.

Claude M. Farish to be postmaster at Morrilton, Ark., in place of C. M. Farish. Incumbent's commission expired April 27, 1938.

Jennings Bryan Lancaster to be postmaster at Mountain View, Ark., in place of J. B. Lancaster. Incumbent's commission expired June 1, 1938.

Henry M. Landers to be postmaster at Murfreesboro, Ark., in place of H. M. Landers. Incumbent's commission expires June 7, 1938.

Byron C. Pascoe to be postmaster at Newark, Ark., in place of B. C. Pascoe. Incumbent's commission expired April 27, 1938.

William F. Elsken to be postmaster at Paris, Ark., in place of W. F. Elsken. Incumbent's commission expired April 27, 1938.

Paul Janes to be postmaster at Ravenden, Ark., in place of Paul Janes. Incumbent's commission expires June 7, 1938.

Jesse T. Howard to be postmaster at Smithville, Ark., in place of J. T. Howard. Incumbent's commission expires June 7, 1938.

Martha Campbell to be postmaster at Rector, Ark., in place of G. A. Parrish, resigned.

Fred W. Knickerbocker to be postmaster at Sparkman, Ark., in place of F. W. Knickerbocker. Incumbent's commission expired March 14, 1938.

Charles K. Coe to be postmaster at Tuckerman, Ark., in place of C. K. Coe. Incumbent's commission expired April 27, 1938.

Theo Money to be postmaster at Waldron, Ark., in place of Theo Money. Incumbent's commission expires June 12, 1938.

Charles C. Snapp to be postmaster at Walnut Ridge, Ark., in place of C. C. Snapp. Incumbent's commission expired April 27, 1938.

Simon O. Norris to be postmaster at Williford, Ark., in place of S. O. Norris. Incumbent's commission expired February 15, 1938.

CALIFORNIA

Mary Ella Dow to be postmaster at Anderson, Calif., in place of A. G. Bedford, resigned.

Carl W. Brenner to be postmaster at Buena Park, Calif., in place of C. W. Brenner. Incumbent's commission expired May 30, 1938.

Paul O. Martin to be postmaster at Burbank, Calif., in place of P. O. Martin. Incumbent's commission expired May 7, 1938.

John G. Carroll to be postmaster at Calexico, Calif., in place of J. G. Carroll. Incumbent's commission expired May 28, 1938.

Edgar G. Eckels to be postmaster at Chino, Calif., in place of E. G. Eckels. Incumbent's commission expired May 9, 1938.

Frank J. Roche to be postmaster at Concord, Calif., in place of F. J. Roche. Incumbent's commission expired May 7, 1938.

Frank Emerson to be postmaster at Corona, Calif., in place of Frank Emerson. Incumbent's commission expired May 28, 1938.

Norris Mellott to be postmaster at Costa Mesa, Calif., in place of Norris Mellott. Incumbent's commission expired May 7, 1938.

Mae A. Kibler to be postmaster at Del Mar, Calif., in place of M. A. Kibler. Incumbent's commission expired May 7, 1938.

William Francis Richmond to be postmaster at El Centro, Calif., in place of W. F. Richmond. Incumbent's commission expired May 7, 1938.

Terrell L. Rush to be postmaster at Elsinore, Calif., in place of T. L. Rush. Incumbent's commission expired May 7, 1938.

L. Belle Morgan to be postmaster at Encanto, Calif., in place of L. B. Morgan. Incumbent's commission expired May 7, 1938.

Faith I. Wyckoff to be postmaster at Firebaugh, Calif., in place of F. I. Wyckoff. Incumbent's commission expires June 14, 1938.

Charles H. Hood to be postmaster at Fresno, Calif., in place of C. H. Hood. Incumbent's commission expired May 9, 1938.

Nelson C. Fowler to be postmaster at Kelseyville, Calif., in place of N. C. Fowler. Incumbent's commission expired May 9, 1938.

Ethel M. Strong to be postmaster at Lake Arrowhead, Calif., in place of E. M. Strong. Incumbent's commission expired May 7, 1938.

Howard Edwin Cooper to be postmaster at La Canada, Calif., in place of H. E. Cooper. Incumbent's commission expired April 4, 1938.

Percy H. Millberry to be postmaster at Lakeport, Calif., in place of P. H. Millberry. Incumbent's commission expired May 30, 1938.

Thomas F. Helm to be postmaster at Lakeside, Calif., in place of T. F. Helm. Incumbent's commission expired April 4, 1938.

Frederick N. Blanchard to be postmaster at Laton, Calif., in place of F. N. Blanchard. Incumbent's commission expires June 14, 1938.

Anthony F. Sonka to be postmaster at Lemongrove, Calif., in place of A. F. Sonka. Incumbent's commission expired May 28, 1938.

Floyd L. Turner to be postmaster at Lower Lake, Calif., in place of F. L. Turner. Incumbent's commission expired May 9, 1938.

Miriam I. Paine to be postmaster at Mariposa, Calif., in place of M. I. Paine. Incumbent's commission expired May 28, 1938.

George Edgar Archer to be postmaster at Maywood, Calif., in place of C. L. Hollar, deceased.

Clarence McCord to be postmaster at Olive View, Calif., in place of Clarence McCord. Incumbent's commission expired May 7, 1938.

Joseph A. Dinkler to be postmaster at Pacoima, Calif., in place of J. A. Dinkler. Incumbent's commission expired April 4, 1938.

Edith B. Smith to be postmaster at Patton, Calif., in place of E. B. Smith. Incumbent's commission expired March 6, 1938.

James B. Stone to be postmaster at Redlands, Calif., in place of J. B. Stone. Incumbent's commission expired May 28, 1938.

Agnes McCausland to be postmaster at Ripon, Calif., in place of Agnes McCausland. Incumbent's commission expired March 20, 1938.

Joseph H. Allen to be postmaster at Riverside, Calif., in place of J. H. Allen. Incumbent's commission expired March 20, 1938.

Bernice M. Ayer to be postmaster at San Clemente, Calif., in place of B. M. Ayer. Incumbent's commission expired April 4, 1938.

Michael E. Neish to be postmaster at San Leandro, Calif. Office became Presidential.

Thomas M. Day to be postmaster at San Rafael, Calif., in place of T. M. Day. Incumbent's commission expired May 9, 1938.

Michael L. Collins to be postmaster at Seal Beach, Calif., in place of M. L. Collins. Incumbent's commission expired April 4, 1938.

Earl P. Thurston to be postmaster at Ukiah, Calif., in place of E. P. Thurston. Incumbent's commission expired May 9, 1938.

Orton P. Brady to be postmaster at Upland, Calif., in place of O. P. Brady. Incumbent's commission expired June 18, 1938.

Roy Bucknell to be postmaster at Upper Lake, Calif., in place of Roy Bucknell. Incumbent's commission expired May 30, 1938.

Arden D. Lawhead to be postmaster at Vista, Calif., in place of A. D. Lawhead. Incumbent's commission expired March 20, 1938.

COLORADO

Walter E. Rogers to be postmaster at Berthoud, Colo., in place of W. E. Rogers. Incumbent's commission expired May 1, 1938.

Percy B. Paddock to be postmaster at Boulder, Colo., in place of P. B. Paddock. Incumbent's commission expired April 30, 1938.

George M. Griffin to be postmaster at Brighton, Colo., in place of G. M. Griffin. Incumbent's commission expired March 7, 1938.

Patrick H. Kastler to be postmaster at Brush, Colo., in place of P. H. Kastler. Incumbent's commission expires June 14, 1938.

Mary E. Vogt to be postmaster at Burlington, Colo., in place of M. A. Vogt, resigned.

Flora G. Hier to be postmaster at Castle Rock, Colo., in place of F. G. Hier. Incumbent's commission expired June 6, 1938.

James O. Stevic to be postmaster at Denver, Colo., in place of J. O. Stevic. Incumbent's commission expired April 25, 1938.

Harold W. Riffle to be postmaster at Eckley, Colo., in place of H. W. Riffle. Incumbent's commission expires June 18, 1938.

James E. Adams to be postmaster at Englewood, Colo., in place of J. E. Adams. Incumbent's commission expired April 25, 1938.

Agnes M. Padan to be postmaster at Fort Logan, Colo., in place of A. M. Padan. Incumbent's commission expired June 6, 1938.

Carl E. Wagner to be postmaster at Fort Morgan, Colo., in place of C. E. Wagner. Incumbent's commission expires June 7, 1938.

Tom C. Crist to be postmaster at Haxtun, Colo., in place of T. C. Crist. Incumbent's commission expires June 14, 1938.

William H. Rhoades, Jr., to be postmaster at Kit Carson, Colo., in place of W. H. Rhoades, Jr. Incumbent's commission expires June 18, 1938.

Michael F. O'Day to be postmaster at Lafayette, Colo., in place of M. F. O'Day. Incumbent's commission expired May 17, 1938.

Angeline B. Adkisson to be postmaster at Longmont, Colo., in place of A. B. Adkisson. Incumbent's commission expired May 7, 1938.

Elmer M. Ivers to be postmaster at Loveland, Colo., in place of E. M. Ivers. Incumbent's commission expired May 17, 1938.

James A. Collins to be postmaster at Minturn, Colo., in place of D. E. Mahoney. Incumbent's commission expires June 18, 1938.

Charles F. Horn to be postmaster at Pueblo, Colo., in place of C. F. Horn. Incumbent's commission expires June 18, 1938.

Lewis Hollenbeck to be postmaster at Salida, Colo., in place of Lewis Hollenbeck. Incumbent's commission expires June 6, 1938.

E. Velma Logan to be postmaster at Stratton, Colo., in place of E. V. Logan. Incumbent's commission expired April 25, 1938.

Roxie R. Broad to be postmaster at Wheat Ridge, Colo., in place of R. R. Broad. Incumbent's commission expires June 18, 1938.

CONNECTICUT

Michael J. Cook to be postmaster at Ansonia, Conn., in place of M. J. Cook. Incumbent's commission expired May 1, 1938.

William M. O'Dwyer to be postmaster at Fairfield, Conn., in place of W. M. O'Dwyer. Incumbent's commission expired April 28, 1938.

Charles F. Schaefer to be postmaster at Greens Farms, Conn., in place of C. F. Schaefer. Incumbent's commission expires June 7, 1938.

Ralph W. Bull to be postmaster at Kent, Conn., in place of R. W. Bull. Incumbent's commission expired May 1, 1938.

Joseph J. O'Loughlin to be postmaster at Lakeville, Conn., in place of J. J. O'Loughlin. Incumbent's commission expired May 2, 1938.

Catherine S. Barnett to be postmaster at Suffield, Conn., in place of C. S. Barnett. Incumbent's commission expired May 1, 1938.

Elizabeth J. Carris to be postmaster at Stepney Depot, Conn., in place of E. J. Carris. Incumbent's commission expired May 23, 1938.

Clarence H. Davenport to be postmaster at Washington, Conn., in place of C. H. Davenport. Incumbent's commission expired June 6, 1938.

Albert E. Lennox to be postmaster at Windsor, Conn., in place of A. E. Lennox. Incumbent's commission expired February 15, 1938.

DELAWARE

Elmer Layfield to be postmaster at Dagsboro, Del., in place of Elmer Layfield. Incumbent's commission expired May 31, 1938.

George I. Bendler to be postmaster at Delaware City, Del., in place of G. I. Bendler. Incumbent's commission expired May 17, 1938.

William O. Martin to be postmaster at Lewes, Del., in place of W. O. Martin. Incumbent's commission expires June 18, 1938.

Edwin E. Shallcross to be postmaster at Middletown, Del., in place of E. E. Shallcross. Incumbent's commission expired March 15, 1938.

John E. Mayhew to be postmaster at Milford, Del., in place of J. E. Mayhew. Incumbent's commission expires June 18, 1938.

Florence H. Carey to be postmaster at Milton, Del., in place of F. H. Carey. Incumbent's commission expired May 28, 1938.

Cyrus E. Rittenhouse to be postmaster at Newark, Del., in place of C. E. Rittenhouse. Incumbent's commission expires June 18, 1938.

Joseph C. Slack to be postmaster at Newport, Del., in place of J. C. Slack. Incumbent's commission expires June 14, 1938.

Joseph H. Cox to be postmaster at Seaford, Del., in place of J. H. Cox. Incumbent's commission expires June 18, 1938.

Edna E. Conner to be postmaster at Townsend, Del., in place of E. E. Conner. Incumbent's commission expired March 24, 1938.

William H. Draper to be postmaster at Wyoming, Del., in place of W. H. Draper. Incumbent's commission expires June 18, 1938.

FLORIDA

Harold G. Hull to be postmaster at Groveland, Fla., in place of E. A. Acree, removed.

Marshall C. Pitts to be postmaster at Okeechobee, Fla., in place of M. C. Pitts. Incumbent's commission expired April 30, 1938.

William D. Larrimore to be postmaster at Pahokee, Fla., in place of W. D. Larrimore. Incumbent's commission expired April 4, 1938.

Jean A. Hopkins to be postmaster at Reddick, Fla., in place of J. A. Hopkins. Incumbent's commission expired February 10, 1938.

Dwight W. Shower to be postmaster at Safety Harbor, Fla., in place of J. A. Brown, removed.

Ralph W. Hartman to be postmaster at Stuart, Fla., in place of R. W. Hartman. Incumbent's commission expired May 23, 1938.

John Justin Schumann to be postmaster at Vero Beach, Fla., in place of J. J. Schumann. Incumbent's commission expired May 9, 1938.

Jerald W. Farr to be postmaster at Wauchula, Fla., in place of J. W. Farr. Incumbent's commission expires June 15, 1938.

GEORGIA

Cleo H. Price to be postmaster at Adairsville, Ga., in place of C. H. Price. Incumbent's commission expired January 30, 1938.

George B. McIntyre to be postmaster at Ailey, Ga., in place of G. B. McIntyre. Incumbent's commission expired January 30, 1938.

Roy R. Powell to be postmaster at Arlington, Ga., in place of R. R. Powell. Incumbent's commission expired May 12, 1938.

Burgess Y. Dickey to be postmaster at Calhoun, Ga., in place of B. Y. Dickey. Incumbent's commission expired May 22, 1938.

Robert R. Lee to be postmaster at Dallas, Ga., in place of R. R. Lee. Incumbent's commission expired May 22, 1938.

William M. Denton to be postmaster at Dalton, Ga., in place of W. M. Denton. Incumbent's commission expired May 22, 1938.

Nathaniel M. Hawley to be postmaster at Douglasville, Ga., in place of N. M. Hawley. Incumbent's commission expired May 22, 1938.

Verne J. Pickren to be postmaster at Folkston, Ga., in place of V. J. Pickren. Incumbent's commission expired March 15, 1938.

L'Bertie Rushing to be postmaster at Glennville, Ga., in place of L'Bertie Rushing. Incumbent's commission expired February 22, 1938.

Joseph T. Bohannon to be postmaster at Grantville, Ga., in place of J. T. Bohannon. Incumbent's commission expired May 22, 1938.

Herman C. Fincher to be postmaster at La Grange, Ga., in place of H. C. Fincher. Incumbent's commission expired May 7, 1938.

Olin W. Patterson to be postmaster at Lumpkin, Ga., in place of O. W. Patterson. Incumbent's commission expired April 28, 1938.

George Welby Griffith to be postmaster at Manchester, Ga., in place of G. W. Griffith. Incumbent's commission expired April 28, 1938.

W. Brantley Daniel to be postmaster at Millen, Ga., in place of W. B. Daniel. Incumbent's commission expired January 30, 1938.

Hattie C. Williams to be postmaster at Pinehurst, Ga. Office became Presidential July 1, 1937.

Mary H. Campbell to be postmaster at Plains, Ga., in place of M. H. Campbell. Incumbent's commission expired March 15, 1938.

William E. Wimberly to be postmaster at Rome, Ga., in place of W. E. Wimberly. Incumbent's commission expired May 22, 1938.

James S. Alsobrook to be postmaster at Rossville, Ga., in place of J. S. Alsobrook. Incumbent's commission expired May 22, 1938.

Charles D. Bruce to be postmaster at Sea Island Beach, Ga., in place of C. D. Bruce. Incumbent's commission expired May 22, 1938.

Ferman F. Chapman to be postmaster at Summerville, Ga., in place of F. F. Chapman. Incumbent's commission expired April 28, 1938.

Nettie H. Woolard to be postmaster at Sylvester, Ga., in place of N. H. Woolard. Incumbent's commission expired May 29, 1938.

Cecil F. Aultman to be postmaster at Warwick, Ga., in place of C. F. Aultman. Incumbent's commission expired May 29, 1938.

DeWitt P. Trulock to be postmaster at Whigham, Ga., in place of D. P. Trulock. Incumbent's commission expires June 14, 1938.

HAWAII

James D. Lewis, Jr., to be postmaster at Kaumakakai, Hawaii, in place of J. D. Lewis, Jr. To correct name.

IDAHO

Thomas B. Hargis to be postmaster at Ashton, Idaho, in place of T. B. Hargis. Incumbent's commission expired May 9, 1938.

Angus G. David to be postmaster at Bovill, Idaho, in place of A. G. David. Incumbent's commission expired June 7, 1938.

Joseph W. Tyler to be postmaster at Emmett, Idaho, in place of J. W. Tyler. Incumbent's commission expired May 3, 1938.

Lowell H. Merriam to be postmaster at Grace, Idaho, in place of L. H. Merriam. Incumbent's commission expired March 14, 1938.

Benjamin F. Shaw to be postmaster at Grangeville, Idaho, in place of B. F. Shaw. Incumbent's commission expired February 10, 1938.

Edward T. Gilroy to be postmaster at Kooskia, Idaho, in place of E. T. Gilroy. Incumbent's commission expired May 3, 1938.

Fred Kling to be postmaster at Lewiston, Idaho, in place of Fred Kling. Incumbent's commission expired May 3, 1938.

John B. Cato to be postmaster at Meridian, Idaho, in place of J. B. Cato. Incumbent's commission expired May 3, 1938.

Glenn H. Sanders to be postmaster at Moscow, Idaho, in place of G. H. Sanders. Incumbent's commission expires June 18, 1938.

Clellan W. Bentley to be postmaster at Mullan, Idaho, in place of C. W. Bentley. Incumbent's commission expired May 23, 1938.

Ambrose H. McGuire to be postmaster at Pocatello, Idaho, in place of A. H. McGuire. Incumbent's commission expired April 28, 1938.

Henry G. Reiniger to be postmaster at Rathdrum, Idaho, in place of H. G. Reiniger. Incumbent's commission expired May 3, 1938.

Daisy P. Moody to be postmaster at Sandpoint, Idaho, in place of D. P. Moody. Incumbent's commission expired May 3, 1938.

Rose J. Hamacher to be postmaster at Spirit Lake, Idaho, in place of R. J. Hamacher. Incumbent's commission expires June 8, 1938.

Charles H. Hoag to be postmaster at Worley, Idaho, in place of C. H. Hoag. Incumbent's commission expired April 28, 1938.

ILLINOIS

Gilbert C. Jones to be postmaster at Albion, Ill., in place of G. C. Jones. Incumbent's commission expired May 31, 1938.

Joseph L. Lampert to be postmaster at Alton, Ill., in place of J. L. Lampert. Incumbent's commission expired June 6, 1938.

Harry C. Stephens to be postmaster at Ashley, Ill., in place of H. C. Stephens. Incumbent's commission expired June 18, 1938.

Samuel J. Schuman to be postmaster at Astoria, Ill., in place of S. J. Schuman. Incumbent's commission expired June 6, 1938.

George A. McFarland to be postmaster at Avon, Ill., in place of G. A. McFarland. Incumbent's commission expired June 6, 1938.

Emma J. Zinschlag to be postmaster at Beckemeyer, Ill., in place of E. J. Zinschlag. Incumbent's commission expired June 6, 1938.

Louise Rump to be postmaster at Beecher, Ill., in place of Louise Rump. Incumbent's commission expired April 27, 1938.

Louie E. Dixon to be postmaster at Biggsville, Ill., in place of L. E. Dixon. Incumbent's commission expires June 12, 1938.

Luella C. Biggs to be postmaster at Blandinsville, Ill., in place of L. C. Biggs. Incumbent's commission expired April 27, 1938.

Thomas Bernard Meehan to be postmaster at Bluffs, Ill., in place of T. B. Meehan. Incumbent's commission expired May 3, 1938.

Leslie O. Cain to be postmaster at Bowen, Ill., in place of L. O. Cain. Incumbent's commission expired May 3, 1938.

Alice Dillon to be postmaster at Braidwood, Ill., in place of Alice Dillon. Incumbent's commission expires June 18, 1938.

Erwin J. Mahlandt to be postmaster at Breese, Ill., in place of J. H. Knies, deceased.

Ruth M. McElvain to be postmaster at Broughton, Ill., in place of R. M. McElvain. Incumbent's commission expired June 6, 1938.

Marvin G. Diveley to be postmaster at Brownstown, Ill., in place of M. G. Diveley. Incumbent's commission expired May 31, 1938.

Charles A. Etherton to be postmaster at Carbondale, Ill., in place of C. A. Etherton. Incumbent's commission expires June 12, 1938.

Clyde P. Stone to be postmaster at Carmi, Ill., in place of C. P. Stone. Incumbent's commission expired May 31, 1938.

Joseph I. Kvidera to be postmaster at Cary, Ill., in place of J. I. Kvidera. Incumbent's commission expired March 19, 1938.

Harvey F. Doerge to be postmaster at Chester, Ill., in place of H. F. Doerge. Incumbent's commission expired April 27, 1938.

Martin M. Dalrymple to be postmaster at Chrisman, Ill., in place of M. M. Dalrymple. Incumbent's commission expires June 12, 1938.

Dwight C. Bacon to be postmaster at Christopher, Ill., in place of D. C. Bacon. Incumbent's commission expired April 27, 1938.

Clason W. Black to be postmaster at Clay City, Ill., in place of C. W. Black. Incumbent's commission expired May 31, 1938.

John R. Reynolds to be postmaster at Colchester, Ill., in place of J. R. Reynolds. Incumbent's commission expired April 27, 1938.

Charles J. Schneider to be postmaster at Columbia, Ill., in place of C. J. Schneider. Incumbent's commission expired June 6, 1938.

Harry O. Given to be postmaster at Crossville, Ill., in place of R. L. Endicott. Incumbent's commission expired February 9, 1936.

Vera E. Burrell to be postmaster at Cuba, Ill., in place of V. E. Burrell. Incumbent's commission expired May 3, 1938.

Budd L. Kellogg to be postmaster at Downers Grove, Ill., in place of J. T. Cline, resigned.

Andrew J. Paul to be postmaster at Dupo, Ill., in place of A. J. Paul. Incumbent's commission expired April 27, 1938.

Lee C. Vinyard to be postmaster at East Alton, Ill., in place of L. C. Vinyard. Incumbent's commission expired June 6, 1938.

Eugene P. Kline to be postmaster at East St. Louis, Ill., in place of E. P. Kline. Incumbent's commission expired March 19, 1938.

Fred A. McCarty to be postmaster at Edinburg, Ill., in place of F. A. McCarty. Incumbent's commission expired April 28, 1938.

Grover C. Norris to be postmaster at Effingham, Ill., in place of G. C. Norris. Incumbent's commission expired March 7, 1938.

Joseph Kreeger to be postmaster at Elgin, Ill., in place of Joseph Kreeger. Incumbent's commission expired April 27, 1938.

Edmund J. Coveny to be postmaster at Elizabeth, Ill., in place of E. J. Coveny. Incumbent's commission expired April 27, 1938.

Charles R. Bowers to be postmaster at Elmwood, Ill., in place of C. R. Bowers. Incumbent's commission expired June 6, 1938.

John J. McGuire to be postmaster at El Paso, Ill., in place of J. J. McGuire. Incumbent's commission expired May 12, 1938.

Eulalie E. Mase to be postmaster at Forreston, Ill., in place of E. E. Mase. Incumbent's commission expired April 4, 1938.

George E. Brown to be postmaster at Franklin, Ill., in place of G. E. Brown. Incumbent's commission expired March 7, 1938.

Edwin J. Heiligenstein to be postmaster at Freeburg, Ill., in place of E. J. Heiligenstein. Incumbent's commission expired June 6, 1938.

Lawrence J. Kiernan to be postmaster at Genoa, Ill., in place of L. J. Kiernan. Incumbent's commission expired April 4, 1938.

Ernest R. Lightbody to be postmaster at Glasford, Ill., in place of E. R. Lightbody. Incumbent's commission expired April 4, 1938.

Roy R. Pattison to be postmaster at Godfrey, Ill., in place of R. R. Pattison. Incumbent's commission expired June 6, 1938.

Charles G. Sowell to be postmaster at Granite City, Ill., in place of C. G. Sowell. Incumbent's commission expired May 3, 1938.

William I. Tyler to be postmaster at Granville, Ill., in place of W. I. Tyler. Incumbent's commission expired April 27, 1938.

Arthur M. Hetherington to be postmaster at Harrisburg, Ill., in place of A. M. Hetherington. Incumbent's commission expired April 27, 1938.

Melvin R. Begun to be postmaster at Hebron, Ill., in place of M. R. Begun. Incumbent's commission expired April 4, 1938.

Orville W. Lyerla to be postmaster at Herrin, Ill., in place of O. W. Lyerla. Incumbent's commission expired May 3, 1938.

Arthur H. Bartlett to be postmaster at Hillsboro, Ill., in place of A. H. Bartlett. Incumbent's commission expired April 27, 1938.

Lyle O. Kistler to be postmaster at Joy, Ill., in place of L. O. Kistler. Incumbent's commission expired June 6, 1938.

Robert J. Wilson to be postmaster at Kewanee, Ill., in place of R. J. Wilson. Incumbent's commission expired April 27, 1938.

Richard L. Lauwerens to be postmaster at Kincaid, Ill., in place of R. L. Lauwerens. Incumbent's commission expired May 22, 1938.

Charles W. Farley to be postmaster at La Grange, Ill., in place of C. W. Farley. Incumbent's commission expired April 27, 1938.

George H. Wales to be postmaster at Lanark, Ill., in place of G. H. Wales. Incumbent's commission expired June 6, 1938.

Mary Reardon to be postmaster at La Salle, Ill., in place of Mary Reardon. Incumbent's commission expired May 22, 1938.

Joseph E. Fitzgerald to be postmaster at Lockport, Ill., in place of T. J. O'Brien, resigned.

John W. Hines to be postmaster at Lovington, Ill., in place of J. W. Hines. Incumbent's commission expired May 3, 1938.

George K. Brenner to be postmaster at Madison, Ill., in place of G. K. Brenner. Incumbent's commission expired April 27, 1938.

Daisy Lindsey to be postmaster at Mahomet, Ill., in place of James Carson, removed.

Nicholas A. Schilling to be postmaster at Mascoutah, Ill., in place of N. A. Schilling. Incumbent's commission expired April 23, 1938.

John A. Peters to be postmaster at Mason City, Ill., in place of J. A. Peters. Incumbent's commission expired June 6, 1938.

Cylde E. Wilson to be postmaster at Melvin, Ill., in place of C. E. Wilson. Incumbent's commission expired May 12, 1938.

Hazel E. Davis to be postmaster of Minier, Ill., in place of H. E. Davis. Incumbent's commission expired April 27, 1938.

Margaret M. Maue to be postmaster at Mokena, Ill., in place of M. M. Maue. Incumbent's commission expires June 18, 1938.

Emil J. Johnson to be postmaster at Moline, Ill., in place of E. J. Johnson. Incumbent's commission expired April 23, 1938.

Lawrence E. Hodges to be postmaster at Mount Prospect, Ill., in place of L. E. Hodges. Incumbent's commission expired April 27, 1938.

Walter D. Wacaser to be postmaster at Mount Pulaski, Ill., in place of W. D. Wacaser. Incumbent's commission expired May 22, 1938.

William Raymond Grigg to be postmaster at Mount Vernon, Ill., in place of W. R. Grigg. Incumbent's commission expired April 27, 1938.

Thomas J. Studley to be postmaster at Neponset, Ill., in place of T. J. Studley. Incumbent's commission expired June 6, 1938.

John L. Mead to be postmaster at New Boston, Ill., in place of J. L. Mead. Incumbent's commission expires June 6, 1938.

Paul B. Laugel to be postmaster at Newton, Ill., in place of P. B. Laugel. Incumbent's commission expired May 31, 1938.

Henry B. Shroyer to be postmaster at New Windsor, Ill., in place of H. B. Shroyer. Incumbent's commission expired April 27, 1938.

George G. Martin to be postmaster at Noble, Ill., in place of G. G. Martin. Incumbent's commission expired June 6, 1938.

William P. Carlton to be postmaster at Oblong, Ill., in place of W. P. Carlton. Incumbent's commission expired April 27, 1938.

Ralph Van Matre to be postmaster at Olney, Ill., in place of Ralph Van Matre. Incumbent's commission expired January 31, 1938.

William Kehe, Jr., to be postmaster at Palatine, Ill., in place of William Kehe, Jr. Incumbent's commission expired April 28, 1938.

Walter Hill to be postmaster at Pana, Ill., in place of Walter Hill. Incumbent's commission expired June 6, 1938.

Michael E. Sullivan to be postmaster at Park Ridge, Ill., in place of M. E. Sullivan. Incumbent's commission expired May 28, 1938.

Paul R. Smoot to be postmaster at Petersburg, Ill., in place of P. R. Smoot. Incumbent's commission expired May 31, 1938.

Martin J. Naylon to be postmaster at Polo, Ill., in place of M. J. Naylon. Incumbent's commission expired May 31, 1938.

Marguerite A. Lamb to be postmaster at Port Byron, Ill., in place of M. A. Lamb. Incumbent's commission expired June 6, 1938.

Harlow B. Brown to be postmaster at Princeton, Ill., in place of H. B. Brown. Incumbent's commission expired April 28, 1938.

Homer J. Swope to be postmaster at Quincy, Ill., in place of H. J. Swope. Incumbent's commission expired February 2, 1938.

Mary Convery to be postmaster at Raymond, Ill., in place of Mary Convery. Incumbent's commission expired May 3, 1938.

Ben W. Sharp to be postmaster at Reynolds, Ill., in place of B. W. Sharp. Incumbent's commission expired June 6, 1938.

Lorenz M. Lies to be postmaster at Riverside, Ill., in place of L. M. Lies. Incumbent's commission expired May 3, 1938.

Floyd J. Tilton to be postmaster at Rochelle, Ill., in place of F. J. Tilton. Incumbent's commission expired May 31, 1938.

Robert E. Harper to be postmaster at Rock Falls, Ill., in place of R. E. Harper. Incumbent's commission expired April 28, 1938.

Joseph L. Molidor to be postmaster at Round Lake, Ill., in place of G. M. Molidor, deceased.

M. Margaret Hawley to be postmaster at Sandoval, Ill., in place of Margaret Hawley. Incumbent's commission expired February 15, 1938.

Charles C. Wheeler to be postmaster at Sandwich, Ill., in place of C. C. Wheeler. Incumbent's commission expired May 12, 1938.

Marcus M. Wilber to be postmaster at Sorento, Ill., in place of M. M. Wilber. Incumbent's commission expired June 6, 1938.

Helen G. McCarthy to be postmaster at St. Charles, Ill., in place of H. G. McCarthy. Incumbent's commission expired May 22, 1938.

Joseph M. Ward to be postmaster at Sterling, Ill., in place of A. M. Clavin, deceased.

Marie E. Holquist to be postmaster at Stillman Valley, Ill., in place of M. E. Holquist. Incumbent's commission expired April 4, 1938.

James Wheeler Davis to be postmaster at Troy, Ill., in place of J. W. Davis. Incumbent's commission expired June 6, 1938.

Grove Harrison to be postmaster at Viola, Ill., in place of Grove Harrison. Incumbent's commission expires June 14, 1938.

Armand Rossi to be postmaster at Wilsonville, Ill., in place of Armand Rossi. Incumbent's commission expired April 28, 1938.

Zeno G. Stoecklin to be postmaster at Wood River, Ill., in place of Z. G. Stoecklin. Incumbent's commission expired June 6, 1938.

Croy Howard to be postmaster at Xenia, Ill., in place of Croy Howard. Incumbent's commission expired May 12, 1938.

Frances T. Johnson to be postmaster at Yates City, Ill., in place of F. T. Johnson. Incumbent's commission expired June 6, 1938.

Mervin N. Beecher to be postmaster at Yorkville, Ill., in place of M. N. Beecher. Incumbent's commission expired March 19, 1938.

INDIANA

Neil D. Thompson to be postmaster at Argos, Ind., in place of N. D. Thompson. Incumbent's commission expired May 3, 1938.

J. Russell Byrd to be postmaster at Bloomfield, Ind., in place of J. R. Byrd. Incumbent's commission expired April 27, 1938.

Richard A. Conn to be postmaster at Brook, Ind., in place of R. A. Conn. Incumbent's commission expires June 9, 1938.

Edward M. Cripe to be postmaster at Camden, Ind., in place of E. M. Cripe. Incumbent's commission expired May 3, 1938.

Lowell B. Pontius to be postmaster at Claypool, Ind., in place of L. B. Pontius. Incumbent's commission expired May 3, 1938.

Grover C. Rainbolt to be postmaster at Corydon, Ind., in place of G. C. Rainbolt. Incumbent's commission expired May 30, 1938.

Oscar J. Sauerman to be postmaster at Crown Point, Ind., in place of O. J. Sauerman. Incumbent's commission expired May 30, 1938.

Fletcher T. Strang to be postmaster at Culver, Ind., in place of F. T. Strang. Incumbent's commission expired June 18, 1938.

Joseph J. Hartman to be postmaster at Earl Park, Ind., in place of J. J. Hartman. Incumbent's commission expired April 27, 1938.

Frank S. Dubczak to be postmaster at East Chicago, Ind., in place of F. S. Dubczak. Incumbent's commission expired June 9, 1938.

James E. Freeman to be postmaster at Ellettsville, Ind., in place of J. E. Freeman. Incumbent's commission expired April 27, 1938.

Henry M. Mayer to be postmaster at Evansville, Ind., in place of H. M. Mayer. Incumbent's commission expired May 30, 1938.

Chester Wagoner to be postmaster at Flora, Ind., in place of Chester Wagoner. Incumbent's commission expired May 30, 1938.

Leo McGrath to be postmaster at Fowler, Ind., in place of Leo McGrath. Incumbent's commission expired May 23, 1938.

Orace O. Welden to be postmaster at Francesville, Ind., in place of O. O. Welden. Incumbent's commission expires June 18, 1938.

Charles H. Apple to be postmaster at French Lick, Ind., in place of C. H. Apple. Incumbent's commission expired February 10, 1938.

Edward V. Myers to be postmaster at Fremont, Ind., in place of E. V. Myers. Incumbent's commission expired May 3, 1938.

Arthur G. Houser to be postmaster at Garrett, Ind., in place of A. G. Houser. Incumbent's commission expired May 3, 1938.

William J. O'Donnell to be postmaster at Gary, Ind., in place of W. J. O'Donnell. Incumbent's commission expires June 9, 1938.

Glenn R. Woods to be postmaster at Grabill, Ind., in place of G. R. Woods. Incumbent's commission expired May 3, 1938.

Orville Martin to be postmaster at Grand View, Ind., in place of Orville Martin. Incumbent's commission expired June 9, 1938.

Pearl E. Barnes to be postmaster at Hamlet, Ind., in place of P. E. Barnes. Incumbent's commission expires June 18, 1938.

John Victor Gidley to be postmaster at Hebron, Ind., in place of J. V. Gidley. Incumbent's commission expired May 3, 1938.

Joseph E. Mellon to be postmaster at Hobart, Ind., in place of J. E. Mellon. Incumbent's commission expired May 30, 1938.

Ivan Conder to be postmaster at Jasonville, Ind., in place of Ivan Conder. Incumbent's commission expired April 27, 1938.

Ira J. Dye to be postmaster at Kouts, Ind., in place of I. J. Dye. Incumbent's commission expired April 27, 1938.

Carroll W. Cannon to be postmaster at Knox, Ind., in place of C. W. Cannon. Incumbent's commission expires June 9, 1938.

Thomas S. Stephenson to be postmaster at Leavenworth, Ind., in place of T. S. Stephenson. Incumbent's commission expires June 8, 1938.

Paul E. Byrum to be postmaster at Milltown, Ind., in place of P. E. Byrum. Incumbent's commission expires June 8, 1938.

Frank Chastain to be postmaster at Mitchell, Ind., in place of Frank Chastain. Incumbent's commission expired April 27, 1938.

John H. Smith to be postmaster at Monon, Ind., in place of J. H. Smith. Incumbent's commission expires June 9, 1938.

Charles A. Good to be postmaster at Monterey, Ind., in place of C. A. Good. Incumbent's commission expired May 1, 1938.

Galen Benjamin to be postmaster at Monticello, Ind., in place of Galen Benjamin. Incumbent's commission expires June 9, 1938.

George H. Clarkson to be postmaster at Morocco, Ind., in place of G. H. Clarkson. Incumbent's commission expires June 9, 1938.

Albert M. Leis to be postmaster at Mount St. Francis, Ind. Office became Presidential April 1, 1938.

William S. Darneal to be postmaster at New Albany, Ind., in place of W. S. Darneal. Incumbent's commission expired May 30, 1938.

Douglas A. Blaising to be postmaster at New Haven, Ind., in place of D. A. Blaising. Incumbent's commission expired May 3, 1938.

Charles A. Webster to be postmaster at North Vernon, Ind., in place of C. A. Webster. Incumbent's commission expired February 10, 1938.

Harold C. Atkinson to be postmaster at Oxford, Ind., in place of H. C. Atkinson. Incumbent's commission expired May 3, 1938.

John F. Boyle to be postmaster at San Pierre, Ind., in place of J. F. Boyle. Incumbent's commission expired May 3, 1938.

Josiah J. Hostetler to be postmaster at Shipshewana, Ind., in place of J. J. Hostetler. Incumbent's commission expired May 3, 1938.

Harry E. Patterson to be postmaster at Thorntown, Ind., in place of H. E. Patterson. Incumbent's commission expires June 9, 1938.

Henry Backes to be postmaster at Washington, Ind., in place of Henry Backes. Incumbent's commission expired May 30, 1938.

Oscar M. Shively to be postmaster at Yorktown, Ind., in place of O. M. Shively. Incumbent's commission expired May 30, 1938.

James C. Talbott to be postmaster at Veterans' Administration Hospital, Indiana, in place of G. P. Marshall, removed.

Louis F. Fuelling to be postmaster at Woodburn, Ind., in place of L. F. Fuelling. Incumbent's commission expired May 3, 1938.

IOWA

Celia Boom to be postmaster at Aplington, Iowa, in place of Celia Boom. Incumbent's commission expired March 14, 1938.

Fred W. Daries to be postmaster at Armstrong, Iowa, in place of F. W. Daries. Incumbent's commission expired May 7, 1938.

Daisy Oldham to be postmaster at Avoca, Iowa, in place of Daisy Oldham. Incumbent's commission expired February 10, 1938.

John S. Vifquain to be postmaster at Belle Plaine, Iowa, in place of J. S. Vifquain. Incumbent's commission expired March 14, 1938.

William R. Shott to be postmaster at Birmingham, Iowa, in place of W. R. Shott. Incumbent's commission expired May 7, 1938.

John A. Hull to be postmaster at Boone, Iowa, in place of J. A. Hull. Incumbent's commission expired February 16, 1938.

Hans E. Eiel to be postmaster at Buffalo Center, Iowa, in place of H. E. Eiel. Incumbent's commission expires June 7, 1938.

Hollis S. Saar to be postmaster at Cantril, Iowa, in place of H. S. Saar. Incumbent's commission expired May 2, 1938.

M. Lenore Fatland to be postmaster at Cambridge, Iowa, in place of M. L. Fatland. Incumbent's commission expires June 18, 1938.

Charles FitzPatrick to be postmaster at Churdan, Iowa, in place of Charles FitzPatrick. Incumbent's commission expired May 24, 1938.

John A. Davis to be postmaster at Colfax, Iowa, in place of J. A. Davis. Incumbent's commission expired May 17, 1938.

Charles G. Vasey to be postmaster at Collins, Iowa, in place of C. G. Vasey. Incumbent's commission expired April 2, 1938.

Henry C. Finnern to be postmaster at Denison, Iowa, in place of H. C. Finnern. Incumbent's commission expired May 7, 1938.

Bernard B. Dolecheck to be postmaster at Diagonal, Iowa, in place of B. B. Dolecheck. Incumbent's commission expires June 16, 1938.

Herbert A. Lowenberg to be postmaster at Donnellson, Iowa, in place of H. A. Lowenberg. Incumbent's commission expired March 14, 1938.

John J. Fowler to be postmaster at Eldora, Iowa, in place of J. J. Fowler. Incumbent's commission expired May 7, 1938.

Jessie Branagan to be postmaster at Emmetsburg, Iowa, in place of Jessie Branagan. Incumbent's commission expired February 10, 1938.

Clara E. Kennedy to be postmaster at Estherville, Iowa, in place of C. E. Kennedy. Incumbent's commission expired May 31, 1938.

Jacob A. Schwartz to be postmaster at Fenton, Iowa, in place of J. A. Schwartz. Incumbent's commission expired May 17, 1938.

Philip T. Vaughan to be postmaster at Fort Dodge, Iowa, in place of P. T. Vaughan. Incumbent's commission expired February 15, 1938.

Fred W. Franzwa to be postmaster at Glidden, Iowa, in place of F. W. Franzwa. Incumbent's commission expired May 24, 1938.

Vestie L. O'Connor to be postmaster at Graettinger, Iowa, in place of V. L. O'Connor. Incumbent's commission expired May 17, 1938.

Henry M. Meneough to be postmaster at Grimes, Iowa, in place of H. M. Meneough. Incumbent's commission expired April 2, 1938.

Howard C. Shafer to be postmaster at Hampton, Iowa, in place of H. C. Shafer. Incumbent's commission expired March 14, 1938.

Lilly B. Gibbons to be postmaster at Jefferson, Iowa, in place of L. B. Gibbons. Incumbent's commission expired June 6, 1938.

Thomas J. McManus to be postmaster at Keokuk, Iowa, in place of T. J. McManus. Incumbent's commission expired February 10, 1938.

Paul M. Molleston to be postmaster at Lineville, Iowa, in place of P. M. Molleston. Incumbent's commission expired May 17, 1938.

Otha H. Darby to be postmaster at Madrid, Iowa, in place of O. H. Darby. Incumbent's commission expired May 7, 1938.

Rollin J. Gilchrist to be postmaster at Marengo, Iowa, in place of R. J. Gilchrist. Incumbent's commission expired February 10, 1938.

Frank E. H. Proescholdt to be postmaster at Manilla, Iowa, in place of F. E. H. Proescholdt. Incumbent's commission expired May 31, 1938.

Ernest L. Wood to be postmaster at Maxwell, Iowa, in place of E. L. Wood. Incumbent's commission expired May 7, 1938.

Gertrude C. Ward to be postmaster at Melrose, Iowa, in place of G. C. Ward. Incumbent's commission expired May 7, 1938.

Robert A. Mortland to be postmaster at Montezuma, Iowa, in place of R. A. Mortland. Incumbent's commission expired May 7, 1938.

Leslie E. Grady to be postmaster at New Hartford, Iowa, in place of L. E. Grady. Incumbent's commission expired May 24, 1938.

Harry E. Chichester to be postmaster at New London, Iowa, in place of H. E. Chichester. Incumbent's commission expired May 17, 1938.

Katharine H. Wallace to be postmaster at Redding, Iowa, in place of K. H. Wallace. Incumbent's commission expires June 12, 1938.

Raymond A. Gleason to be postmaster at Ruthven, Iowa, in place of R. A. Gleason. Incumbent's commission expires June 18, 1938.

Orlow L. Goodrich to be postmaster at Scranton, Iowa, in place of O. L. Goodrich. Incumbent's commission expires June 18, 1938.

John I. Haldeman to be postmaster at Shenandoah, Iowa, in place of J. I. Haldeman. Incumbent's commission expired February 10, 1938.

Mary E. Kohorst to be postmaster at Templeton, Iowa, in place of M. E. Kohorst. Incumbent's commission expired May 2, 1938.

John H. Fitzgerald to be postmaster at Waterloo, Iowa, in place of J. H. Fitzgerald. Incumbent's commission expired May 7, 1938.

Arthur C. Kohlmann to be postmaster at Waverly, Iowa, in place of A. C. Kohlmann. Incumbent's commission expired May 7, 1938.

H. Clyde Calonkey to be postmaster at Woodward, Iowa, in place of H. C. Calonkey. Incumbent's commission expired March 14, 1938.

KANSAS

George E. Broadie to be postmaster at Ashland, Kans., in place of G. E. Broadie. Incumbent's commission expired May 25, 1938.

Sophia Kesselring to be postmaster at Atwood, Kans., in place of Sophia Kesselring. Incumbent's commission expired May 1, 1938.

Irvin T. Hocker to be postmaster at Baxter Springs, Kans., in place of I. T. Hocker. Incumbent's commission expired February 28, 1938.

Charles Ward Smull to be postmaster at Bird City, Kans., in place of C. W. Smull. Incumbent's commission expired May 1, 1938.

Orville E. Heath to be postmaster at Chetopa, Kans., in place of O. E. Heath. Incumbent's commission expired February 28, 1938.

John J. Menard to be postmaster at Clyde, Kans., in place of J. J. Menard. Incumbent's commission expires June 13, 1938.

Carl G. Eddy to be postmaster at Colby, Kans., in place of C. G. Eddy. Incumbent's commission expired April 27, 1938.

Nell C. Graves to be postmaster at Columbus, Kans., in place of N. C. Graves. Incumbent's commission expired May 29, 1938.

Eyman Phebus to be postmaster at Coldwater, Kans., in place of Eyman Phebus. Incumbent's commission expired May 25, 1938.

Page Manley to be postmaster at Elk City, Kans., in place of Page Manley. Incumbent's commission expires June 18, 1938.

Charles F. Mellenbruch to be postmaster at Fairview, Kans., in place of C. F. Mellenbruch. Incumbent's commission expired February 28, 1938.

Elbert Holcomb to be postmaster at Fredonia, Kans., in place of Elbert Holcomb. Incumbent's commission expires June 18, 1938.

Max Y. Sawyer to be postmaster at Galena, Kans., in place of M. Y. Sawyer. Incumbent's commission expired February 10, 1938.

Homer I. Shaw to be postmaster at Galesburg, Kans., in place of H. I. Shaw. Incumbent's commission expires June 18, 1938.

Charles H. Ryan to be postmaster at Girard, Kans., in place of C. H. Ryan. Incumbent's commission expired February 28, 1938.

Henry A. Mason to be postmaster at Gypsum, Kans., in place of H. A. Mason. Incumbent's commission expired May 1, 1938.

Joseph B. Basgall to be postmaster at Hays, Kans., in place of J. B. Basgall. Incumbent's commission expired April 27, 1938.

David E. Walsh to be postmaster at Herndon, Kans., in place of D. E. Walsh. Incumbent's commission expired May 1, 1938.

William A. B. Murray to be postmaster at Holyrood, Kans., in place of W. A. B. Murray. Incumbent's commission expired May 1, 1938.

William A. Harris to be postmaster at Le Roy, Kans., in place of W. A. Harris. Incumbent's commission expired June 1, 1938.

Francis G. Burford to be postmaster at Longton, Kans., in place of F. G. Burford. Incumbent's commission expired May 25, 1938.

Elizabeth Mansfield to be postmaster at Lucas, Kans., in place of Elizabeth Mansfield. Incumbent's commission expired May 1, 1938.

Pearl W. Smith to be postmaster at Meade, Kans., in place of P. W. Smith. Incumbent's commission expired March 14, 1938.

Robert E. Deveney to be postmaster at Meriden, Kans., in place of E. F. Gerber, transferred.

Grace E. Wilson to be postmaster at Milford, Kans., in place of G. E. Wilson. Incumbent's commission expired February 10, 1938.

Eunice E. Buche to be postmaster at Miltonvale, Kans., in place of E. E. Buche. Incumbent's commission expired May 29, 1938.

Charles H. Wilson to be postmaster at Moline, Kans., in place of C. H. Wilson. Incumbent's commission expires June 18, 1938.

Charles Huffman to be postmaster at Norwich, Kans., in place of Charles Huffman. Incumbent's commission expired May 25, 1938.

Mary M. Browne to be postmaster at Norton, Kans., in place of M. M. Browne. Incumbent's commission expired April 27, 1938.

Noah D. Zeigler to be postmaster at Oakley, Kans., in place of N. D. Zeigler. Incumbent's commission expired April 27, 1938.

John C. Carpenter to be postmaster at Oswego, Kans., in place of J. C. Carpenter. Incumbent's commission expired February 28, 1938.

Edison Brack to be postmaster at Otis, Kans., in place of Wilbur Rothe, resigned.

Ralph L. Hinnen to be postmaster at Potwin, Kans., in place of R. L. Hinnen. Incumbent's commission expired May 17, 1938.

Vie Peacock to be postmaster at Protection, Kans., in place of Vie Peacock. Incumbent's commission expired May 25, 1938.

Robert R. Morgan to be postmaster at Rexford, Kans., in place of R. R. Morgan. Incumbent's commission expired May 1, 1938.

Walter S. English to be postmaster at Scandia, Kans., in place of W. S. English. Incumbent's commission expired May 1, 1938.

Leigh D. Dowling to be postmaster at St. Francis, Kans., in place of L. D. Dowling. Incumbent's commission expired May 17, 1938.

Esta S. Riseley to be postmaster at Stockton, Kans., in place of E. S. Riseley. Incumbent's commission expired June 1, 1938.

Margaret A. Schafer to be postmaster at Vermillion, Kans., in place of M. A. Schafer. Incumbent's commission expired February 28, 1938.

Paul L. Turgeon to be postmaster at Wilson, Kans., in place of P. L. Turgeon. Incumbent's commission expired April 27, 1938.

James L. Morrissey to be postmaster at Woodston, Kans., in place of J. L. Morrissey. Incumbent's commission expired May 1, 1938.

KENTUCKY

Zaidee G. Neville to be postmaster at Arlington, Ky., in place of Z. G. Neville. Incumbent's commission expired February 5, 1938.

Thomas A. Spalding to be postmaster at Bardstown, Ky., in place of T. A. Spalding. Incumbent's commission expires June 8, 1938.

Charles B. Cox to be postmaster at Benton, Ky., in place of C. B. Cox. Incumbent's commission expired January 30, 1938.

Susan R. Hill to be postmaster at Carrollton, Ky., in place of S. R. Hill. Incumbent's commission expired May 1, 1938.

Henry L. Amberg to be postmaster at Hickman, Ky., in place of Mildred Ramage, removed.

Donald B. Hughes to be postmaster at Hardin, Ky., in place of D. B. Hughes. Incumbent's commission expired May 15, 1938.

Frances W. Lyell to be postmaster at Hickory, Ky., in place of F. W. Lyell. Incumbent's commission expired May 29, 1938.

Dalph E. Creal to be postmaster at Hodgenville, Ky., in place of D. E. Creal. Incumbent's commission expires June 12, 1938.

Richard L. Frymire to be postmaster at Irvington, Ky., in place of R. L. Frymire. Incumbent's commission expired May 1, 1938.

Mary H. Vaughan to be postmaster at Jenkins, Ky., in place of M. H. Vaughan. Incumbent's commission expired May 1, 1938.

Robert E. Johnson to be postmaster at Lawrenceburg, Ky., in place of R. E. Johnson. Incumbent's commission expired January 30, 1938.

Amelia B. Samuels to be postmaster at Lebanon Junction, Ky., in place of A. B. Samuels. Incumbent's commission expired January 30, 1938.

Joseph C. Pell to be postmaster at Lewisport, Ky., in place of J. C. Pell. Incumbent's commission expired May 1, 1938.

Grace Williams to be postmaster at Lothair, Ky., in place of Grace Williams. Incumbent's commission expired May 1, 1938.

James M. Caudill to be postmaster at Neon, Ky., in place of J. M. Caudill. Incumbent's commission expired May 1, 1938.

William A. Eimer to be postmaster at Newport, Ky., in place of W. A. Eimer. Incumbent's commission expired May 1, 1938.

George Pinson, Jr., to be postmaster at Pikeville, Ky., in place of George Pinson, Jr. Incumbent's commission expired May 1, 1938.

Bess S. May to be postmaster at Prestonsburg, Ky., in place of B. S. May. Incumbent's commission expires June 18, 1938.

Theophilus B. Terry to be postmaster at Sonora, Ky., in place of T. B. Terry. Incumbent's commission expired February 15, 1938.

Emma K. Riley to be postmaster at Sparta, Ky., in place of E. K. Riley. Incumbent's commission expired February 5, 1938.

Frank W. Mimms to be postmaster at Trenton, Ky., in place of F. W. Mimms. Incumbent's commission expired March 14, 1938.

Homer B. Burks to be postmaster at Upton, Ky., in place of H. B. Burks. Incumbent's commission expired January 30, 1938.

Omer W. Cleek to be postmaster at Walton, Ky., in place of O. W. Cleek. Incumbent's commission expired May 29, 1938.

Watson G. Holbrook to be postmaster at Whitesburg, Ky., in place of W. G. Holbrook. Incumbent's commission expired May 1, 1938.

LOUISIANA

Solomon C. Knight to be postmaster at Elizabeth, La., in place of S. C. Knight. Incumbent's commission expires June 18, 1938.

Amy B. Griffin to be postmaster at Gilbert, La., in place of A. B. Griffin. Incumbent's commission expired June 6, 1938.

Winnie H. Arras to be postmaster at Gramercy, La., in place of W. H. Arras. Incumbent's commission expired June 6, 1938.

Maurice Primeaux to be postmaster at Kaplan, La., in place of Maurice Primeaux. Incumbent's commission expires June 14, 1938.

Olivier Dufour to be postmaster at Marrero, La., in place of Olivier Dufour. Incumbent's commission expired February 28, 1938.

Mary H. David to be postmaster at Pineville, La., in place of M. H. David. Incumbent's commission expired February 22, 1938.

Isidore A. Currault to be postmaster at Westwego, La., in place of I. A. Currault. Incumbent's commission expired February 28, 1938.

Robert E. Loudon to be postmaster at Zachary, La., in place of R. E. Loudon. Incumbent's commission expired December 16, 1934.

MAINE

Nelson A. Harnden to be postmaster at Belgrade Lakes, Maine, in place of N. A. Harnden. Incumbent's commission expired May 9, 1938.

Lloyd V. Cookson to be postmaster at Hartland, Maine, in place of L. V. Cookson. Incumbent's commission expired April 2, 1938.

Cyril Cyr to be postmaster at Jackman Station, Maine, in place of Cyril Cyr. Incumbent's commission expired April 25, 1938.

James A. McDonald to be postmaster at Machias, Maine, in place of J. A. McDonald. Incumbent's commission expired April 2, 1938.

Lillian L. Guptill to be postmaster at Newcastle, Maine, in place of L. L. Guptill. Incumbent's commission expired May 29, 1938.

Mary E. Donnelly to be postmaster at North Vassalboro, Maine, in place of M. E. Donnelly. Incumbent's commission expired May 9, 1938.

Milton Edes to be postmaster at Sangerville, Maine, in place of Milton Edes. Incumbent's commission expired March 6, 1938.

Frank R. Madden to be postmaster at Skowhegan, Maine, in place of F. R. Madden. Incumbent's commission expired April 30, 1938.

MARYLAND

William A. Strohm to be postmaster at Annapolis, Md., in place of W. A. Strohm. Incumbent's commission expired May 28, 1938.

William B. Usilton to be postmaster at Chestertown, Md., in place of W. B. Usilton. Incumbent's commission expired February 10, 1938.

Robert Conroy to be postmaster at Forest Glen, Md., in place of Robert Conroy. Incumbent's commission expires June 18, 1938.

Charles A. Bechtold to be postmaster at Fort George G. Meade, Md., in place of C. A. Bechtold. Incumbent's commission expires June 12, 1938.

Lillie M. Pierce to be postmaster at Glyndon, Md., in place of L. M. Pierce. Incumbent's commission expired April 2, 1938.

Elizabeth H. S. Boss to be postmaster at Laurel, Md., in place of E. H. S. Boss. Incumbent's commission expired June 1, 1938.

Henry J. Paul to be postmaster at Linthicum Heights, Md., in place of H. J. Paul. Incumbent's commission expired May 22, 1938.

William F. Keys to be postmaster at Mount Rainier, Md., in place of W. F. Keys. Incumbent's commission expired April 27, 1938.

John E. Morris to be postmaster at Princess Anne, Md., in place of J. E. Morris. Incumbent's commission expired April 10, 1938.

Joseph Wilmer Baker to be postmaster at Union Bridge, Md., in place of J. W. Baker. Incumbent's commission expired April 25, 1938.

MASSACHUSETTS

George F. Cramer to be postmaster at Amherst, Mass., in place of G. F. Cramer. Incumbent's commission expired April 25, 1938.

Lauri O. Kauppinen to be postmaster at Baldwinsville, Mass., in place of J. F. Saunders, deceased.

John E. Mansfield to be postmaster at Bedford, Mass., in place of J. E. Mansfield. Incumbent's commission expired May 30, 1938.

Henry J. Cottrell to be postmaster at Beverly, Mass., in place of H. J. Cottrell. Incumbent's commission expired April 25, 1938.

Frances A. Rogers to be postmaster at Billerica, Mass., in place of F. A. Rogers. Incumbent's commission expired April 25, 1938.

Arthur A. Hendrick to be postmaster at Brockton, Mass., in place of A. A. Hendrick. Incumbent's commission expired April 25, 1938.

John R. McManus to be postmaster at Concord, Mass., in place of J. R. McManus. Incumbent's commission expires June 18, 1938.

Raymond W. Comiskey to be postmaster at Dover, Mass., in place of R. W. Comiskey. Incumbent's commission expires June 18, 1938.

John J. Quinn, Jr., to be postmaster at East Douglas, Mass., in place of J. J. Quinn, Jr. Incumbent's commission expires June 18, 1938.

Ellen M. O'Connor to be postmaster at East Taunton, Mass., in place of E. M. O'Connor. Incumbent's commission expires June 12, 1938.

Edward C. Pelissier to be postmaster at Hadley, Mass., in place of E. C. Pelissier. Incumbent's commission expires June 12, 1938.

Thomas V. Sweeney to be postmaster at Harding, Mass., in place of T. V. Sweeney. Incumbent's commission expired April 25, 1938.

Mary E. Sheehan to be postmaster at Hatfield, Mass., in place of M. E. Sheehan. Incumbent's commission expires June 12, 1938.

Josephine R. McLaughlin to be postmaster at Hathorne, Mass., in place of J. R. McLaughlin. Incumbent's commission expired April 25, 1938.

Catherin A. McCasland to be postmaster at Hinsdale, Mass., in place of C. A. McCasland. Incumbent's commission expires June 12, 1938.

Charles A. Cronin to be postmaster at Lawrence, Mass., in place of C. A. Cronin. Incumbent's commission expires June 18, 1938.

Thomas A. Wilkinson to be postmaster at Lynn, Mass., in place of T. A. Wilkinson. Incumbent's commission expired April 28, 1938.

Gladys V. Crane to be postmaster at Merrimac, Mass., in place of G. V. Crane. Incumbent's commission expires June 14, 1938.

James F. McClusky to be postmaster at Middleboro, Mass., in place of J. F. McClusky. Incumbent's commission expired May 22, 1938.

James Sheehan to be postmaster at Millis, Mass., in place of James Sheehan. Incumbent's commission expired May 23, 1938.

William T. Martin to be postmaster at Monterey, Mass., in place of W. T. Martin. Incumbent's commission expires June 12, 1938.

William F. Leonard to be postmaster at Nantasket Beach, Mass., in place of W. F. Leonard. Incumbent's commission expired May 30, 1938.

Ephrem J. Dion to be postmaster at Northbridge, Mass., in place of E. J. Dion. Incumbent's commission expires June 12, 1938.

Lawrence D. Quinlan to be postmaster at Northfield, Mass., in place of L. D. Quinlan. Incumbent's commission expired May 22, 1938.

John E. Harrington to be postmaster at North Chelmsford, Mass., in place of J. E. Harrington. Incumbent's commission expires June 7, 1938.

James B. Logan to be postmaster at North Wilbraham, Mass., in place of J. B. Logan. Incumbent's commission expired May 30, 1938.

Alexander John MacQuade to be postmaster at Osterville, Mass., in place of A. J. MacQuade. Incumbent's commission expires June 14, 1938.

Elizabeth C. Hall to be postmaster at Point Independence, Mass., in place of E. C. Hall. Incumbent's commission expired May 2, 1938.

James G. Cassidy to be postmaster at Sheffield, Mass., in place of J. G. Cassidy. Incumbent's commission expires June 14, 1938.

Charles A. McCarthy to be postmaster at Shirley, Mass., in place of C. A. McCarthy. Incumbent's commission expired May 23, 1938.

George M. Lynch to be postmaster at Somerset, Mass., in place of G. M. Lynch. Incumbent's commission expired April 25, 1938.

John F. Malone to be postmaster at Southwick, Mass., in place of J. F. Malone. Incumbent's commission expired May 22, 1938.

William F. O'Toole to be postmaster at South Barre, Mass., in place of W. F. O'Toole. Incumbent's commission expired May 16, 1938.

Alice C. Redlon to be postmaster at South Duxbury, Mass., in place of A. C. Redlon. Incumbent's commission expires June 18, 1938.

William J. Farley to be postmaster at South Hanson, Mass., in place of W. J. Farley. Incumbent's commission expires June 18, 1938.

Harvey E. Lenon to be postmaster at Swansea, Mass., in place of H. E. Lenon. Incumbent's commission expired May 30, 1938.

Arthur J. Fairgrieve to be postmaster at Tewksbury, Mass., in place of A. J. Fairgrieve. Incumbent's commission expired May 22, 1938.

John J. Kent, Jr., to be postmaster at West Bridgewater, Mass., in place of J. J. Kent, Jr. Incumbent's commission expires June 14, 1938.

Margaret E. Coughlin to be postmaster at West Concord, Mass., in place of M. E. Coughlin. Incumbent's commission expired May 23, 1938.

John H. Fletcher to be postmaster at Westford, Mass., in place of J. H. Fletcher. Incumbent's commission expired May 16, 1938.

Raymond F. Gurney to be postmaster at Wilbraham, Mass., in place of R. F. Gurney. Incumbent's commission expired January 30, 1938.

Thaddeus F. Webber to be postmaster at Winchendon, Mass., in place of T. F. Webber. Incumbent's commission expired April 25, 1938.

Philip J. Gallagher to be postmaster at Woburn, Mass., in place of P. J. Gallagher. Incumbent's commission expires June 18, 1938.

MICHIGAN

Henry I. Bourns to be postmaster at Adrian, Mich., in place of H. I. Bourns. Incumbent's commission expired May 28, 1938.

Daniel M. McAuliffe to be postmaster at Albion, Mich., in place of D. M. McAuliffe. Incumbent's commission expired April 28, 1938.

Ernest O. Coy to be postmaster at Alden, Mich., in place of E. O. Coy. Incumbent's commission expires June 12, 1938.

Roy P. Hallock to be postmaster at Almont, Mich., in place of R. P. Hallock. Incumbent's commission expired May 22, 1938.

Samuel J. Davison to be postmaster at Alpena, Mich., in place of S. J. Davison. Incumbent's commission expired May 15, 1938.

Josephine Salsbury to be postmaster at Alto, Mich., in place of Josephine Salsbury. Incumbent's commission expired May 22, 1938.

Harold L. Muchler to be postmaster at Bad Axe, Mich., in place of H. L. Muchler. Incumbent's commission expires June 18, 1938.

Thomas Earl Barry to be postmaster at Baraga, Mich., in place of T. E. Barry. Incumbent's commission expired May 15, 1938.

Arthur E. Dann to be postmaster at Beaverton, Mich., in place of A. E. Dann. Incumbent's commission expired May 22, 1938.

Joseph A. Byrne to be postmaster at Birmingham, Mich., in place of J. A. Byrne. Incumbent's commission expired April 27, 1938.

John Leon Breckenridge to be postmaster at Breckenridge, Mich., in place of J. L. Breckenridge. Incumbent's commission expired June 6, 1938.

Gerald Richard Pitkin to be postmaster at Brighton, Mich., in place of G. R. Pitkin. Incumbent's commission expired January 30, 1938.

Michael Leary to be postmaster at Calumet, Mich., in place of Michael Leary. Incumbent's commission expired June 6, 1938.

Robert J. McCormick to be postmaster at Carleton, Mich., in place of R. J. McCormick. Incumbent's commission expired May 15, 1938.

Robert C. Jacoby to be postmaster at Caro, Mich., in place of R. C. Jacoby. Incumbent's commission expired May 15, 1938.

Walter J. Grace to be postmaster at Carson City, Mich., in place of W. J. Grace. Incumbent's commission expired May 22, 1938.

Arthur Little to be postmaster at Cass City, Mich., in place of Arthur Little. Incumbent's commission expired May 28, 1938.

Herbert D. Witherell to be postmaster at Chelsea, Mich., in place of H. D. Witherell. Incumbent's commission expired May 22, 1938.

Marian A. Cleary to be postmaster at Clawson, Mich., in place of M. A. Cleary. Incumbent's commission expired January 30, 1938.

Mortimer W. Olds to be postmaster at Coldwater, Mich., in place of M. W. Olds. Incumbent's commission expired May 15, 1938.

John G. Watson to be postmaster at Colon, Mich., in place of J. G. Watson. Incumbent's commission expired May 28, 1938.

Charles S. Carland to be postmaster at Corunna, Mich., in place of C. S. Carland. Incumbent's commission expired May 15, 1938.

T. Theodore Hurja to be postmaster at Crystal Falls, Mich., in place of T. T. Hurja. Incumbent's commission expired May 28, 1938.

John P. Kelley to be postmaster at Deckerville, Mich., in place of J. P. Kelley. Incumbent's commission expired May 15, 1938.

Roscoe B. Huston to be postmaster at Detroit, Mich., in place of R. B. Huston. Incumbent's commission expired April 28, 1938.

Charles L. Burns to be postmaster at Eau Claire, Mich., in place of C. L. Burns. Incumbent's commission expired May 15, 1938.

Blanche L. Verplanck to be postmaster at Edmore, Mich., in place of B. L. Verplanck. Incumbent's commission expired May 9, 1938.

Ray J. Halfmann to be postmaster at Fowler, Mich., in place of R. J. Halfmann. Incumbent's commission expired May 15, 1938.

William De Kuiper to be postmaster at Fremont, Mich., in place of William De Kuiper. Incumbent's commission expired May 28, 1938.

Harry J. Lynch to be postmaster at Gaylord, Mich., in place of H. J. Lynch. Incumbent's commission expired May 22, 1938.

Elfreda L. Mulligan to be postmaster at Grand Marais, Mich., in place of E. L. Mulligan. Incumbent's commission expires June 14, 1938.

Philip O. Embury to be postmaster at Grand Blanc, Mich., in place of P. O. Embury. Incumbent's commission expired May 15, 1938.

Ruth G. Templeton to be postmaster at Harbor Beach, Mich., in place of R. G. Templeton. Incumbent's commission expired May 22, 1938.

Ernest G. Corbin to be postmaster at Hart, Mich., in place of E. G. Corbin. Incumbent's commission expired April 28, 1938.

Bernice E. Knopp to be postmaster at Hartford, Mich., in place of B. E. Knopp. Incumbent's commission expired May 22, 1938.

Frank J. Nothelfer to be postmaster at Hemlock, Mich., in place of F. J. Nothelfer. Incumbent's commission expires June 18, 1938.

John R. O'Meara to be postmaster at Hillsdale, Mich., in place of J. R. O'Meara. Incumbent's commission expired April 28, 1938.

Robert F. Allan to be postmaster at Holly, Mich., in place of R. F. Allan. Incumbent's commission expired April 28, 1938.

Herbert E. Gunn to be postmaster at Holt, Mich., in place of H. E. Gunn. Incumbent's commission expired January 30, 1938.

John M. Maloney to be postmaster at Hopkins, Mich., in place of J. M. Maloney. Incumbent's commission expired May 15, 1938.

James C. Healy to be postmaster at Houghton, Mich., in place of J. C. Healy. Incumbent's commission expired April 28, 1938.

Patrick J. Scanlan to be postmaster at Hubbell, Mich., in place of P. J. Scanlan. Incumbent's commission expired May 15, 1938.

Eugene E. Hubbard to be postmaster at Hudsonville, Mich., in place of E. E. Hubbard. Incumbent's commission expired May 15, 1938.

Arthur A. Baxter to be postmaster at Ionia, Mich., in place of A. A. Baxter. Incumbent's commission expired April 27, 1938.

Charles M. Dillon to be postmaster at Iron Mountain, Mich., in place of C. M. Dillon. Incumbent's commission expired May 15, 1938.

Peter J. Nora to be postmaster at Iron River, Mich., in place of P. J. Nora. Incumbent's commission expired May 22, 1938.

George A. Curry to be postmaster at Ironwood, Mich., in place of G. A. Curry. Incumbent's commission expired April 28, 1938.

John E. Rengo to be postmaster at Kaleva, Mich., in place of J. E. Rengo. Incumbent's commission expired May 15, 1938.

Harry A. Saur to be postmaster at Kent City, Mich., in place of H. A. Saur. Incumbent's commission expired May 15, 1938.

Jessie E. Lederle to be postmaster at Leland, Mich., in place of J. E. Lederle. Incumbent's commission expires June 14, 1938.

John E. Hogan to be postmaster at Linden, Mich., in place of J. E. Hogan. Incumbent's commission expired May 15, 1938.

Lyle M. Wheeler to be postmaster at Mackinaw City, Mich., in place of L. M. Wheeler. Incumbent's commission expired May 15, 1938.

Edward J. Talbot to be postmaster at Manistee, Mich., in place of E. J. Talbot. Incumbent's commission expired May 28, 1938.

Frederick J. Erwin to be postmaster at Marlette, Mich., in place of F. J. Erwin. Incumbent's commission expired May 15, 1938.

William D. Leach to be postmaster at Montrose, Mich., in place of W. D. Leach. Incumbent's commission expired May 15, 1938.

Alfred J. Rochon to be postmaster at Marine City, Mich., in place of A. J. Rochon. Incumbent's commission expired April 28, 1938.

Anna C. Kulish to be postmaster at Minden City, Mich., in place of A. C. Kulish. Incumbent's commission expired May 15, 1938.

John C. Bannow to be postmaster at Mount Clemens, Mich., in place of J. C. Bannow. Incumbent's commission expired April 28, 1938.

Edwin C. Kraft to be postmaster at Nashville, Mich., in place of E. C. Kraft. Incumbent's commission expired May 28, 1938.

C. Maude Russell to be postmaster at New Era, Mich., in place of C. M. Russell. Incumbent's commission expires June 12, 1938.

Edward L. Kenny to be postmaster at Onekama, Mich., in place of E. L. Kenny. Incumbent's commission expired June 1, 1938.

Edwin E. Thompson to be postmaster at Oscoda, Mich., in place of E. E. Thompson. Incumbent's commission expired May 22, 1938.

Catherine C. Laing to be postmaster at Otisville, Mich. Office became Presidential July 1, 1936.

Morton Rann to be postmaster at Perry, Mich., in place of Morton Rann. Incumbent's commission expired May 22, 1938.

Merrill Hillock to be postmaster at Pickford, Mich., in place of Merrill Hillock. Incumbent's commission expired May 15, 1938.

George A. Ruddy to be postmaster at Plainwell, Mich., in place of G. A. Ruddy. Incumbent's commission expired May 15, 1938.

Hallie C. Bunting to be postmaster at Port Hope, Mich., in place of H. C. Bunting. Incumbent's commission expired May 28, 1938.

Elizabeth J. Shannon to be postmaster at Powers, Mich., in place of E. J. Shannon. Incumbent's commission expired May 1, 1938.

Byron O. Gillies to be postmaster at Prescott, Mich., in place of B. O. Gillies. Incumbent's commission expired May 22, 1938.

Fred Cavill to be postmaster at Rapid River, Mich., in place of Fred Cavill. Incumbent's commission expired May 15, 1938.

Martha M. Kern to be postmaster at Reese, Mich., in place of M. M. Kern. Incumbent's commission expired May 22, 1938.

Percy Cecil Carr to be postmaster at Rudyard, Mich., in place of P. C. Carr. Incumbent's commission expired May 15, 1938.

Mildred E. Walsh to be postmaster at St. Charles, Mich., in place of M. E. Walsh. Incumbent's commission expired May 28, 1938.

Oliver C. Boynton, Jr., to be postmaster at St. Ignace, Mich., in place of O. C. Boynton, Jr. Incumbent's commission expired April 28, 1938.

Mary A. Ripley to be postmaster at Sault Ste. Marie, Mich., in place of M. A. Ripley. Incumbent's commission expired May 15, 1938.

Robert Miller, Sr., to be postmaster at Sawyer, Mich., in place of Robert Miller, Sr. Incumbent's commission expired May 15, 1938.

Floyd H. Leach to be postmaster at Scotts, Mich., in place of F. H. Leach. Incumbent's commission expired May 28, 1938.

J. Jay Cox to be postmaster at Scottville, Mich., in place of J. J. Cox. Incumbent's commission expires June 12, 1938.

Lydia A. McElhinney to be postmaster at Snover, Mich., in place of L. A. McElhinney. Incumbent's commission expired April 28, 1938.

James W. Henry to be postmaster at Sturgis, Mich., in place of J. W. Henry. Incumbent's commission expired May 15, 1938.

Asa E. Streeter to be postmaster at Vassar, Mich., in place of A. E. Streeter. Incumbent's commission expired May 22, 1938.

Max A. Hill to be postmaster at Vicksburg, Mich., in place of M. A. Hill. Incumbent's commission expired June 6, 1938.

Arthur Cavender to be postmaster at Wakefield, Mich., in place of Arthur Cavender. Incumbent's commission expired May 22, 1938.

Max E. Wilson to be postmaster at Waldron, Mich., in place of M. E. Wilson. Incumbent's commission expired June 6, 1938.

Frank R. White to be postmaster at Webberville, Mich., in place of F. R. White. Incumbent's commission expired January 30, 1938.

Leo M. Neubecker to be postmaster at Weidman, Mich., in place of L. M. Neubecker. Incumbent's commission expired May 28, 1938.

William G. F. L. Wentzel to be postmaster at Zeeland, Mich., in place of W. G. F. L. Wentzel. Incumbent's commission expires June 6, 1938.

MINNESOTA

Henry A. C. Saggau to be postmaster at Ceylon, Minn., in place of H. A. C. Saggau. Incumbent's commission expires June 18, 1938.

Gilbert P. Finnegan to be postmaster at Eveleth, Minn., in place of G. P. Finnegan. Incumbent's commission expired May 12, 1938.

Catherine C. Burns to be postmaster at Glenwood, Minn., in place of C. C. Burns. Incumbent's commission expires June 12, 1938.

Dean M. Alderman to be postmaster at Grey Eagle, Minn., in place of D. M. Alderman. Incumbent's commission expired May 12, 1938.

Arthur S. Peterson to be postmaster at Houston, Minn., in place of A. S. Peterson. Incumbent's commission expired April 19, 1938.

Lee L. Champlin to be postmaster at Mankato, Minn., in place of L. L. Champlin. Incumbent's commission expired May 12, 1938.

Chester J. Gay to be postmaster at Moose Lake, Minn., in place of C. J. Gay. Incumbent's commission expires June 18, 1938.

Alphonse F. Scheibel to be postmaster at Mountain Lake, Minn., in place of A. F. Scheibel. Incumbent's commission expires June 18, 1938.

Elmer Backer to be postmaster at New Ulm, Minn., in place of L. B. Krook, removed.

Hjalmer A. Johnson to be postmaster at Soudan, Minn., in place of H. A. Johnson. Incumbent's commission expires June 13, 1938.

Teresa L. Wolf to be postmaster at Staples, Minn., in place of T. L. Wolf. Incumbent's commission expired May 12, 1938.

Paul J. Arndt to be postmaster at Stillwater, Minn., in place of P. J. Arndt. Incumbent's commission expires June 13, 1938.

Daniel M. Coughlin to be postmaster at Waseca, Minn., in place of W. A. Clement, removed.

Ernest F. Schroeder to be postmaster at Wells, Minn., in place of E. F. Schroeder. Incumbent's commission expires June 13, 1938.

MISSISSIPPI

Lewis F. Henry to be postmaster at Carthage, Miss., in place of L. F. Henry. Incumbent's commission expired March 6, 1938.

Grace B. McIntosh to be postmaster at Collins, Miss., in place of G. B. McIntosh. Incumbent's commission expired January 30, 1938.

Ida F. Thompson to be postmaster at Dlo, Miss., in place of I. F. Thompson. Incumbent's commission expires June 7, 1938.

Brooksie J. Holt to be postmaster at Duncan, Miss., in place of B. J. Holt. Incumbent's commission expired March 19, 1938.

Ida E. Ormond to be postmaster at Forest, Miss., in place of I. E. Ormond. Incumbent's commission expires June 7, 1938.

Emma D. Trim to be postmaster at Hermanville, Miss. Office became Presidential July 1, 1937.

Frances G. Wimberly to be postmaster at Jonestown, Miss., in place of F. G. Wimberly. Incumbent's commission expired April 25, 1938.

Florence Churchwell to be postmaster at Leakesville, Miss., in place of Florence Churchwell. Incumbent's commission expired February 15, 1938.

William M. Alexander to be postmaster at Moss Point, Miss., in place of W. M. Alexander. Incumbent's commission expired January 30, 1938.

Clemmie A. McCoy to be postmaster at New Augusta, Miss., in place of C. A. McCoy. Incumbent's commission expired May 3, 1938.

William C. Mabry to be postmaster at Newton, Miss., in place of W. C. Mabry. Incumbent's commission expired April 25, 1938.

Carson Hughes to be postmaster at Oakland, Miss., in place of Carson Hughes. Incumbent's commission expired January 30, 1938.

Robert A. Dean to be postmaster at Okolona, Miss., in place of R. A. Dean. Incumbent's commission expired April 25, 1938.

Lewis M. McClure to be postmaster at Ocean Springs, Miss., in place of L. M. McClure. Incumbent's commission expired April 28, 1938.

Viva H. McInnis to be postmaster at Rosedale, Miss., in place of V. H. McInnis. Incumbent's commission expired May 3, 1938.

James F. Howry to be postmaster at Sardis, Miss., in place of J. F. Howry. Incumbent's commission expired June 1, 1938.

Hermine D. Lamar to be postmaster at Senatobia, Miss., in place of H. D. Lamar. Incumbent's commission expired June 1, 1938.

Ossie J. Page to be postmaster at Sumrall, Miss., in place of O. J. Page. Incumbent's commission expired February 15, 1938.

Alfis F. Holcomb to be postmaster at Waynesboro, Miss., in place of A. F. Holcomb. Incumbent's commission expired February 15, 1938.

Beall A. Brock to be postmaster at West, Miss., in place of B. A. Brock. Incumbent's commission expired May 1, 1938.

Buren Broadus to be postmaster at Wiggins, Miss., in place of Buren Broadus. Incumbent's commission expired March 19, 1938.

MISSOURI

Owen W. Anglum to be postmaster at Ash Grove, Mo., in place of O. W. Anglum. Incumbent's commission expired May 30, 1938.

Pearl Herndon to be postmaster at Blackburn, Mo., in place of Pearl Herndon. Incumbent's commission expired May 22, 1938.

Henry E. Roper to be postmaster at Bernie, Mo., in place of H. E. Roper. Incumbent's commission expires June 18, 1938.

Charles C. Oliver to be postmaster at Bloomfield, Mo., in place of C. C. Oliver. Incumbent's commission expires June 18, 1938.

Robert E. Chaffin to be postmaster at Breckenridge, Mo., in place of R. E. Chaffin. Incumbent's commission expired May 22, 1938.

Samuel B. McCollum to be postmaster at Bucklin, Mo., in place of S. B. McCollum. Incumbent's commission expires June 18, 1938.

Cecil G. McDaniel to be postmaster at Cainsville, Mo., in place of C. G. McDaniel. Incumbent's commission expired May 9, 1938.

John M. Warren to be postmaster at Cardwell, Mo., in place of J. M. Warren. Incumbent's commission expires June 18, 1938.

Otis D. Kirkman to be postmaster at Cabool, Mo., in place of O. D. Kirkman. Incumbent's commission expired May 9, 1938.

Harrison R. Porter to be postmaster at Conway, Mo., in place of J. L. Price, deceased.

Eliza Belle Lile to be postmaster at Cowgill, Mo., in place of E. B. Lilo. Incumbent's commission expired May 24, 1938.

Floyd L. Decker to be postmaster at Crocker, Mo., in place of F. L. Decker. Incumbent's commission expires June 18, 1938.

Wilbur S. Scott to be postmaster at Deepwater, Mo., in place of W. S. Scott. Incumbent's commission expired April 2, 1938.

Richard W. Marsden to be postmaster at De Soto, Mo., in place of R. W. Marsden. Incumbent's commission expired May 30, 1938.

Ora G. Moore to be postmaster at Eagleville, Mo., in place of O. G. Moore. Incumbent's commission expires June 18, 1938.

Parker G. Wingo to be postmaster at Ellsinore, Mo., in place of P. G. Wingo. Incumbent's commission expired May 22, 1938.

Anvil A. Lewis to be postmaster at Eminence, Mo., in place of A. A. Lewis. Incumbent's commission expired May 30, 1938.

Sam B. Shackleford to be postmaster at Ewing, Mo., in place of S. B. Shackleford. Incumbent's commission expires June 13, 1938.

William H. Titus to be postmaster at Excelsior Springs, Mo., in place of W. H. Titus. Incumbent's commission expired May 30, 1938.

Rolla S. Cozean to be postmaster at Farmington, Mo., in place of R. S. Cozean. Incumbent's commission expired March 19, 1938.

Birdie W. Brown to be postmaster at Forest City, Mo., in place of B. W. Brown. Incumbent's commission expires June 13, 1938.

Opal C. Ray to be postmaster at Gilman City, Mo., in place of O. C. Ray. Incumbent's commission expired May 22, 1938.

Robert Ray Kier to be postmaster at Grant City, Mo., in place of R. R. Kier. Incumbent's commission expired May 30, 1938.

Fred E. Ream to be postmaster at Green Ridge, Mo., in place of F. E. Ream. Incumbent's commission expired May 30, 1938.

Charline Finley Gardner to be postmaster at Hardin, Mo., in place of C. F. Gardner. Incumbent's commission expired May 24, 1938.

C. O. Raine, Jr., to be postmaster at Hayti, Mo., in place of C. O. Raine, Jr. Incumbent's commission expires June 18, 1938.

Harrison S. Welch to be postmaster at Higbee, Mo., in place of H. S. Welch. Incumbent's commission expired May 30, 1938.

Fred J. Yeomans to be postmaster at Hopkins, Mo., in place of F. J. Yeomans. Incumbent's commission expired May 30, 1938.

Hugh M. Price to be postmaster at La Monte, Mo., in place of H. M. Price. Incumbent's commission expired April 25, 1938.

James P. Moore to be postmaster at Liberal, Mo., in place of J. P. Moore. Incumbent's commission expired March 6, 1938.

Walter Manley to be postmaster at Liberty, Mo., in place of Walter Manley. Incumbent's commission expires June 18, 1938.

Benjamin R. Treasure to be postmaster at McFall, Mo., in place of B. R. Treasure. Incumbent's commission expired May 24, 1938.

Roswell P. Lane to be postmaster at Naylor, Mo., in place of R. P. Lane. Incumbent's commission expired May 3, 1938.

John M. Moss to be postmaster at Nevada, Mo., in place of J. M. Moss. Incumbent's commission expired May 9, 1938.

Walter E. Duncan to be postmaster at Newburg, Mo., in place of W. E. Duncan. Incumbent's commission expired May 3, 1938.

Andrew Earl Duley to be postmaster at Newtown, Mo., in place of A. E. Duley. Incumbent's commission expired May 9, 1938.

Elisha Otis Bryeans to be postmaster at Oran, Mo., in place of E. O. Bryeans. Incumbent's commission expired April 25, 1938.

Donald H. Sosey to be postmaster at Palmyra, Mo., in place of D. H. Sosey. Incumbent's commission expired May 9, 1938.

Eugene J. Echterling to be postmaster at Parnell, Mo., in place of E. J. Echterling. Incumbent's commission expired May 30, 1938.

Harold F. Hopkins to be postmaster at Polo, Mo., in place of H. F. Hopkins. Incumbent's commission expired May 22, 1938.

Verne H. Gracey to be postmaster at Reeds Spring, Mo., in place of A. A. Gracey, deceased.

Fred H. Kurs to be postmaster at Savannah, Mo., in place of F. H. Kurs. Incumbent's commission expired May 24, 1938.

Orlo H. Bond to be postmaster at Sheridan, Mo., in place of O. H. Bond. Incumbent's commission expired April 25, 1938.

John C. Hains to be postmaster at Slater, Mo., in place of J. C. Hains. Incumbent's commission expired February 10, 1938.

Leah M. White to be postmaster at Smithton, Mo., in place of L. M. White. Incumbent's commission expired April 25, 1938.

Ernest C. Buehler to be postmaster at South St. Joseph, Mo., in place of E. C. Buehler. Incumbent's commission expired May 30, 1938.

Emmett S. Stewart to be postmaster at Sturgeon, Mo., in place of E. S. Stewart. Incumbent's commission expired March 19, 1938.

Flora E. Scott to be postmaster at Summersville, Mo., in place of F. E. Scott. Incumbent's commission expired May 9, 1938.

Emmett R. Burrows to be postmaster at Van Buren, Mo., in place of E. R. Burrows. Incumbent's commission expired April 25, 1938.

MONTANA

Harry H. Howard to be postmaster at Bozeman, Mont., in place of H. H. Howard. Incumbent's commission expired April 10, 1938.

Robert Midtlyng to be postmaster at Deer Lodge, Mont., in place of Robert Midtlyng. Incumbent's commission expired April 30, 1938.

Harry J. Andrus to be postmaster at Dillon, Mont., in place of H. J. Andrus. Incumbent's commission expired April 30, 1938.

William L. Thompson to be postmaster at Fairview, Mont., in place of J. C. Johnson, resigned.

Hannah M. West to be postmaster at Jordan, Mont., in place of S. C. West, deceased.

Allen S. McKenzie to be postmaster at Philipsburg, Mont., in place of A. S. McKenzie. Incumbent's commission expired April 10, 1938.

George T. Farrell to be postmaster at Polson, Mont., in place of G. T. Farrell. Incumbent's commission expired April 30, 1938.

Estrid H. Knauts to be postmaster at Richey, Mont., in place of J. D. Johnston, resigned.

Godfrey Johnson to be postmaster at Ronan, Mont., in place of Godfrey Johnson. Incumbent's commission expired May 1, 1938.

Glen Mace Cox to be postmaster at Shelby, Mont., in place of J. G. Henderson, deceased.

Flossie A. Marsh to be postmaster at Sheridan, Mont., in place of F. A. Marsh. Incumbent's commission expired February 1, 1938.

Joseph Buckhouse to be postmaster at St. Ignatius, Mont., in place of Joseph Buckhouse. Incumbent's commission expired April 10, 1938.

Philip W. Poindexter to be postmaster at Stevensville, Mont., in place of P. W. Poindexter. Incumbent's commission expired May 24, 1938.

Lucile D. Knight to be postmaster at Twin Bridges, Mont., in place of L. D. Knight. Incumbent's commission expired May 22, 1938.

Townsend H. Durnell to be postmaster at Valier, Mont., in place of C. A. Akofer, resigned.

Lonnie T. Dennis to be postmaster at Whitefish, Mont., in place of L. T. Dennis. Incumbent's commission expired April 30, 1938.

Ray E. Willey to be postmaster at Wisdom, Mont., in place of R. E. Willey. Incumbent's commission expired April 30, 1938.

NEBRASKA

Clarence D. Gottula to be postmaster at Adams, Nebr., in place of C. D. Gottula. Incumbent's commission expires June 18, 1938.

Joyce Hubbard to be postmaster at Ashby, Nebr., in place of Joyce Hubbard. Incumbent's commission expired January 31, 1938.

Arthur G. Miller to be postmaster at Atkinson, Nebr., in place of A. G. Miller. Incumbent's commission expired May 16, 1938.

Claude J. Wright to be postmaster at Aurora, Nebr., in place of C. J. Wright. Incumbent's commission expires June 18, 1938.

Alma E. Farley to be postmaster at Bancroft, Nebr., in place of A. E. Farley. Incumbent's commission expired May 1, 1938.

Fred C. Buhk to be postmaster at Beemer, Nebr., in place of F. C. Buhk. Incumbent's commission expired April 28, 1938.

Alva E. Wallick to be postmaster at Bennet, Nebr., in place of A. E. Wallick. Incumbent's commission expires June 15, 1938.

Plato C. Redfern to be postmaster at Big Spring, Nebr., in place of P. C. Redfern. Incumbent's commission expired May 16, 1938.

Tobie H. Wilken to be postmaster at Bruning, Nebr., in place of T. H. Wilken. Incumbent's commission expired May 16, 1938.

Edgar R. Johnson to be postmaster at Butte, Nebr., in place of E. R. Johnson. Incumbent's commission expired April 28, 1938.

Kenneth R. Newcomb to be postmaster at Cambridge, Nebr., in place of K. R. Newcomb. Incumbent's commission expired May 22, 1938.

William H. Leff to be postmaster at Carleton, Nebr., in place of W. H. Leff. Incumbent's commission expired May 16, 1938.

Charles J. Carrig to be postmaster at Columbus, Nebr., in place of C. J. Carrig. Incumbent's commission expires June 8, 1938.

Martha E. McDonald to be postmaster at Craig, Nebr., in place of M. E. McDonald. Incumbent's commission expired April 28, 1938.

Gladys J. Brown to be postmaster at Crookston, Nebr., in place of G. J. Brown. Incumbent's commission expired May 22, 1938.

Loyd H. Metzer to be postmaster at Culbertson, Nebr., in place of L. H. Metzer. Incumbent's commission expired April 28, 1938.

Margaret C. Tomek to be postmaster at David City, Nebr., in place of M. C. Tomek. Incumbent's commission expires June 18, 1938.

George W. Nicholas, Jr., to be postmaster at De Witt, Nebr., in place of G. W. Nicholas, Jr. Incumbent's commission expired April 28, 1938.

Russell Mooberry to be postmaster at Dorchester, Nebr., in place of Russell Mooberry. Incumbent's commission expired January 31, 1938.

C. Arthur Scism to be postmaster at Edgar, Nebr., in place of C. A. Scism. Incumbent's commission expired April 28, 1938.

Paul W. McCoy to be postmaster at Edison, Nebr., in place of P. W. McCoy. Incumbent's commission expired May 16, 1938.

George M. Ponton to be postmaster at Elgin, Nebr., in place of G. M. Ponton. Incumbent's commission expired March 22, 1938.

Helen W. Schneider to be postmaster at Elmwood, Nebr., in place of H. W. Schneider. Incumbent's commission expires June 18, 1938.

Walter O. Troxel to be postmaster at Elsie, Nebr., in place of W. O. Troxel. Incumbent's commission expired May 28, 1938.

Lyle P. Dierks to be postmaster at Ewing, Nebr., in place of L. P. Dierks. Incumbent's commission expired April 28, 1938.

Frank A. Moon to be postmaster at Fairbury, Nebr., in place of F. A. Moon. Incumbent's commission expired March 6, 1938.

Edmund A. Hall to be postmaster at Fairmont, Nebr., in place of E. A. Hall. Incumbent's commission expired May 22, 1938.

Oscar C. Thomas to be postmaster at Franklin, Nebr., in place of O. C. Thomas. Incumbent's commission expired April 28, 1938.

Bryan J. Snyder to be postmaster at Fullerton, Nebr., in place of B. J. Snyder. Incumbent's commission expired June 6, 1938.

George L. Koehler to be postmaster at Geneva, Nebr., in place of G. L. Koehler. Incumbent's commission expired May 16, 1938.

Isaac R. L. Taylor to be postmaster at Gibbon, Nebr., in place of I. R. L. Taylor. Incumbent's commission expired April 28, 1938.

Stanley R. Wheeler to be postmaster at Giltner, Nebr., in place of S. R. Wheeler. Incumbent's commission expired May 29, 1938.

Urv V. Dobbs to be postmaster at Grant, Nebr., in place of U. V. Dobbs. Incumbent's commission expired May 16, 1938.

Dorothy M. Porter to be postmaster at Haigler, Nebr., in place of D. M. Porter. Incumbent's commission expired May 29, 1938.

Thomas A. Siefken to be postmaster at Harvard, Nebr., in place of T. A. Siefken. Incumbent's commission expired May 22, 1938.

David S. Simms to be postmaster at Hastings, Nebr., in place of D. S. Simms. Incumbent's commission expired May 28, 1938.

George A. Kittle to be postmaster at Hayes Center, Nebr., in place of G. A. Kittle. Incumbent's commission expired May 16, 1938.

Clyde Yardley to be postmaster at Hemingford, Nebr., in place of Clyde Yardley. Incumbent's commission expired April 28, 1938.

Francis W. Purdy to be postmaster at Hildreth, Nebr., in place of F. W. Purdy. Incumbent's commission expired February 10, 1938.

Claude L. Frack to be postmaster at Holbrook, Nebr., in place of C. L. Frack. Incumbent's commission expired May 3, 1938.

Lorraine M. Carey to be postmaster at Homer, Nebr., in place of L. M. Carey. Incumbent's commission expires June 8, 1938.

Charles Hynek to be postmaster at Humboldt, Nebr., in place of Charles Hynek. Incumbent's commission expired April 28, 1938.

Charles L. Schunk to be postmaster at Kenesaw, Nebr., in place of C. L. Schunk. Incumbent's commission expired May 16, 1938.

Helen M. Fowler to be postmaster at Leigh, Nebr., in place of H. M. Fowler. Incumbent's commission expired April 28, 1938.

Philo J. Hewitt to be postmaster at Lexington, Nebr., in place of P. J. Hewitt. Incumbent's commission expired May 22, 1938.

Andres P. Peterson to be postmaster at Lindsay, Nebr., in place of A. P. Peterson. Incumbent's commission expired April 28, 1938.

Juna M. Daly to be postmaster at Lisco, Nebr., in place of J. M. Daly. Incumbent's commission expired May 22, 1938.

Marion M. Kenroy to be postmaster at Long Pine, Nebr., in place of M. M. Kenroy. Incumbent's commission expires June 14, 1938.

Ethel L. Ossenkop to be postmaster at Louisville, Nebr., in place of E. L. Ossenkop. Incumbent's commission expires June 14, 1938.

Charles F. Beushausen to be postmaster at Loup City, Nebr., in place of C. F. Beushausen. Incumbent's commission expires June 18, 1938.

Asa H. Nomer to be postmaster at Madrid, Nebr., in place of A. H. Nomer. Incumbent's commission expired May 16, 1938.

Mary E. Krisl to be postmaster at Milligan, Nebr., in place of M. E. Krisl. Incumbent's commission expired May 29, 1938.

LaVern A. Breeden to be postmaster at Minatare, Nebr., in place of L. A. Breeden. Incumbent's commission expired May 22, 1938.

Henry C. Cope to be postmaster at Mitchell, Nebr., in place of H. C. Cope. Incumbent's commission expired May 29, 1938.

Eva G. Quick to be postmaster at Morrill, Nebr., in place of E. G. Quick. Incumbent's commission expired April 28, 1938.

Cassius R. Burnham to be postmaster at Naponse, Nebr., Office made Presidential July 1, 1937.

Harold A. Langford to be postmaster at North Platte, Nebr., in place of H. A. Langford. Incumbent's commission expired April 28, 1938.

James T. Haffey to be postmaster at Oxford, Nebr., in place of J. T. Haffey. Incumbent's commission expired February 10, 1938.

Stanton A. Troutman to be postmaster at Palisade, Nebr., in place of S. A. Troutman. Incumbent's commission expired May 29, 1938.

George C. Thurman to be postmaster at Peru, Nebr., in place of G. C. Thurman. Incumbent's commission expired May 22, 1938.

Oscar A. Pilger to be postmaster at Pilger, Nebr., in place of O. A. Pilger. Incumbent's commission expired March 22, 1938.

Martha P. Westfall to be postmaster at Polk, Nebr., in place of M. P. Westfall. Incumbent's commission expires June 18, 1938.

Paulus W. Barker to be postmaster at Rising City, Nebr., in place of P. W. Barker. Incumbent's commission expired June 6, 1938.

Amos Frieden to be postmaster at Shickley, Nebr., in place of Amos Frieden. Incumbent's commission expired May 16, 1938.

W. LeRoy Larson to be postmaster at Sidney, Nebr., in place of W. L. Larson. Incumbent's commission expires June 9, 1938.

Bessie L. Baughan to be postmaster at Stamford, Nebr., in place of B. L. Baughan. Incumbent's commission expired April 28, 1938.

Albin E. Rodine to be postmaster at Stromsburg, Nebr., in place of A. E. Rodine. Incumbent's commission expired March 8, 1938.

Arthur B. Yates to be postmaster at Sutherland, Nebr., in place of A. B. Yates. Incumbent's commission expired April 28, 1938.

Ferdinand H. Reuter to be postmaster at Syracuse, Nebr., in place of F. H. Reuter. Incumbent's commission expires June 18, 1938.

John D. Juilfs to be postmaster at Talmage, Nebr., in place of J. D. Juilfs. Incumbent's commission expires June 8, 1938.

Charles E. Major to be postmaster at Trenton, Nebr., in place of C. E. Major. Incumbent's commission expires June 14, 1938.

Walter P. Flynn to be postmaster at Ulysses, Nebr., in place of W. P. Flynn. Incumbent's commission expired May 16, 1938.

Margarete C. Phelps to be postmaster at Valentine, Nebr., in place of M. C. Phelps. Incumbent's commission expired May 29, 1938.

John Monahon to be postmaster at Valley, Nebr., in place of John Monahon. Incumbent's commission expired May 16, 1938.

Eric Fredrickson to be postmaster at Wakefield, Nebr., in place of Eric Fredrickson. Incumbent's commission expired March 8, 1938.

William Stuart Campbell to be postmaster at Waterloo, Nebr., in place of W. S. Campbell. Incumbent's commission expires June 18, 1938.

Orley E. McCallum to be postmaster at Wauneta, Nebr., in place of O. E. McCallum. Incumbent's commission expired May 22, 1938.

James M. Strahan to be postmaster at Wayne, Nebr., in place of J. M. Strahan. Incumbent's commission March 22, 1938.

Minnie M. Morrow to be postmaster at Winside, Nebr., in place of M. M. Morrow. Incumbent's commission expired January 31, 1938.

Hester E. Lowe to be postmaster at Wolbach, Nebr., in place of H. E. Lowe. Incumbent's commission expired April 28, 1938.

David D. O'Kane to be postmaster at Wood River, Nebr., in place of D. D. O'Kane. Incumbent's commission expired April 28, 1938.

NEVADA

Anne M. Holcomb to be postmaster at Battle Mountain, Nev., in place of A. M. Holcomb. Incumbent's commission expired May 29, 1938.

Pauline Hjul Hurley to be postmaster at Eureka, Nev., in place of P. H. Hurley. Incumbent's commission expired May 28, 1938.

Lem S. Allen to be postmaster at Fallon, Nev., in place of L. S. Allen. Incumbent's commission expired May 24, 1938.

Frank F. Garside to be postmaster at Las Vegas, Nev., in place of F. F. Garside. Incumbent's commission expired May 24, 1938.

NEW HAMPSHIRE

George H. Simpson to be postmaster at Bradford, N. H., in place of F. B. Gould, deceased.

NEW JERSEY

Ernest F. Rohn to be postmaster at Arlington, N. J., in place of E. F. Rohn. Incumbent's commission expired April 27, 1938.

Jane Jolliffe to be postmaster at Bernardsville, N. J., in place of Jane Jolliffe. Incumbent's commission expired April 28, 1938.

Louis J. Bowlby to be postmaster at Bound Brook, N. J., in place of L. J. Bowlby. Incumbent's commission expired April 28, 1938.

Edward W. Walker to be postmaster at Cranbury, N. J., in place of E. W. Walker. Incumbent's commission expired May 22, 1938.

Joseph A. Aloia to be postmaster at Garfield, N. J., in place of J. A. Aloia. Incumbent's commission expired April 27, 1938.

Louis C. Parker to be postmaster at Gloucester City, N. J., in place of L. C. Parker. Incumbent's commission expired April 27, 1938.

John Netterman to be postmaster at Island Heights, N. J., in place of John Netterman. Incumbent's commission expired March 7, 1938.

Patrick J. Whelan to be postmaster at Manville, N. J., in place of P. J. Whelan. Incumbent's commission expired April 27, 1938.

Agnes Despreaux to be postmaster at Middletown, N. J., in place of Agnes Despreaux. Incumbent's commission expired January 31, 1938.

George M. Gibson to be postmaster at Moorestown, N. J., in place of G. M. Gibson. Incumbent's commission expired April 27, 1938.

Robert W. Kidd to be postmaster at Penns Grove, N. J., in place of R. W. Kidd. Incumbent's commission expired April 28, 1938.

John J. Quinn to be postmaster at Perth Amboy, N. J., in place of J. J. Quinn. Incumbent's commission expired April 27, 1938.

Mervil E. Haas to be postmaster at Riverton, N. J., in place of M. E. Haas. Incumbent's commission expired April 28, 1938.

Smith Kennedy to be postmaster at Roseland, N. J., in place of M. T. Feeney, removed.

Kathryn B. Donohue to be postmaster at Saddle River, N. J., in place of K. B. Donohue. Incumbent's commission expired April 27, 1938.

Thomas H. Hall to be postmaster at Vineland, N. J., in place of T. H. Hall. Incumbent's commission expires June 18, 1938.

May W. Veitch to be postmaster at Wenonah, N. J., in place of S. M. Glading, removed.

Clara Katz to be postmaster at Woodbine, N. J., in place of Irma Goodman, resigned.

NEW MEXICO

Perla E. Darbyshire to be postmaster at Anthony, N. Mex., in place of P. E. Darbyshire. Incumbent's commission expires June 7, 1938.

Jesse L. Truett to be postmaster at Artesia, N. Mex., in place of J. L. Truett. Incumbent's commission expired May 12, 1938.

Arthur L. England to be postmaster at Clayton, N. Mex., in place of A. L. England. Incumbent's commission expired May 12, 1938.

Selah C. Hoy to be postmaster at East Vaughn, N. Mex., in place of S. C. Hoy. Incumbent's commission expired February 15, 1938.

Rosalie Byrd to be postmaster at Elida, N. Mex., in place of Rosalie Byrd. Incumbent's commission expired May 12, 1938.

Joseph H. Gentry to be postmaster at Fort Stanton, N. Mex., in place of J. H. Gentry. Incumbent's commission expired May 31, 1938.

Mary McCullough to be postmaster at Roswell, N. Mex., in place of Mary McCullough. Incumbent's commission expired May 12, 1938.

Canuto Gonzales to be postmaster at Roy, N. Mex., in place of Canuto Gonzales. Incumbent's commission expires June 7, 1938.

Jose Z. Sanchez to be postmaster at Santa Rosa, N. Mex., in place of J. Z. Sanchez. Incumbent's commission expired May 12, 1938.

Agnes C. Evans to be postmaster at Shiprock, N. Mex., in place of A. C. Evans. Incumbent's commission expired January 30, 1938.

NEW YORK

John J. Navins to be postmaster at Barrytown, N. Y., in place of J. J. Navins. Incumbent's commission expired January 31, 1938.

Leo W. Pike to be postmaster at Belmont, N. Y., in place of L. W. Pike. Incumbent's commission expired March 8, 1938.

Horace G. Shepard to be postmaster at Chaumont, N. Y., in place of H. G. Shepard. Incumbent's commission expired March 22, 1938.

Charles F. Boughton to be postmaster at Cobleskill, N. Y., in place of C. F. Boughton. Incumbent's commission expired March 20, 1938.

Howard G. McGee to be postmaster at Copake, N. Y., in place of H. G. McGee. Incumbent's commission expired January 31, 1938.

Walter S. Blade to be postmaster at Delanson, N. Y., in place of W. S. Blade. Incumbent's commission expired January 31, 1938.

Emily C. Stevens to be postmaster at Eldred, N. Y., in place of E. C. Stevens. Incumbent's commission expired January 31, 1938.

Eugene E. Towell to be postmaster at Fillmore, N. Y., in place of E. E. Towell. Incumbent's commission expired February 28, 1938.

John J. McClory to be postmaster at Franklinville, N. Y., in place of J. J. McClory. Incumbent's commission expires June 15, 1938.

Francis J. Kelly to be postmaster at Hornell, N. Y., in place of F. J. Kelly. Incumbent's commission expired January 31, 1938.

Elizabeth M. Trainor to be postmaster at Monsey, N. Y., in place of E. M. Trainor. Incumbent's commission expires June 18, 1938.

Edward J. Butler to be postmaster at Newport, N. Y., in place of E. J. Butler. Incumbent's commission expired February 28, 1938.

Lindsay J. Hollister, Jr., to be postmaster at Port Henry, N. Y., in place of L. J. Hollister, Jr. Incumbent's commission expires June 18, 1938.

John J. Cassidy to be postmaster at Port Jefferson, N. Y., in place of J. J. Cassidy. Incumbent's commission expired January 31, 1938.

Harold D. Ashline to be postmaster at Rouses Point, N. Y., in place of H. D. Ashline. Incumbent's commission expired March 8, 1938.

NORTH CAROLINA

John F. Lynch to be postmaster at Erwin, N. C., in place of J. F. Lynch. Incumbent's commission expired May 28, 1938.

William S. Harris to be postmaster at Mebane, N. C., in place of W. S. Harris. Incumbent's commission expires June 18, 1938.

John A. Williams to be postmaster at Oxford, N. C., in place of J. A. Williams. Incumbent's commission expired May 16, 1938.

Basil D. Barr to be postmaster at West Jefferson, N. C., in place of B. D. Barr. Incumbent's commission expired April 27, 1938.

Thomas D. Boswell to be postmaster at Yanceyville, N. C., in place of T. D. Boswell. Incumbent's commission expired February 1, 1938.

NORTH DAKOTA

William E. Ravely to be postmaster at Edgeley, N. Dak., in place of W. E. Ravely. Incumbent's commission expired June 1, 1938 .

George W. McIntyre, Jr., to be postmaster at Grafton, N. Dak., in place of G. W. McIntyre, Jr. Incumbent's commission expires June 18, 1938.

Max A. Wipperman to be postmaster at Hankinson, N. Dak., in place of M. A. Wipperman. Incumbent's commission expired June 1, 1938.

Wesley P. Josewski to be postmaster at Maxbass, N. Dak., in place of W. P. Josewski. Incumbent's commission expired April 28, 1938.

Richard J. Leahy to be postmaster at McHenry, N. Dak., in place of R. J. Leahy. Incumbent's commission expired June 1, 1938.

Anthony Hentges to be postmaster at Michigan, N. Dak., in place of Anthony Hentges. Incumbent's commission expired March 29, 1938.

Caroline Lipinski to be postmaster at Minto, N. Dak., in place of Caroline Lipinski. Incumbent's commission expired June 1, 1938.

Louis J. Allmaras to be postmaster at New Rockford, N. Dak., in place of L. J. Allmaras. Incumbent's commission expired May 9, 1938.

Charles K. Otto to be postmaster at Valley City, N. Dak., in place of C. K. Otto. Incumbent's commission expired May 22, 1938.

Arthur W. Hendrickson to be postmaster at Walcott, N. Dak., in place of A. W. Hendrickson. Incumbent's commission expired June 1, 1938.

Coral R. Campion to be postmaster at Willow City, N. Dak., in place of C. R. Campion. Incumbent's commission expires June 12, 1938.

Andrew D. Cochrane to be postmaster at York, N. Dak., in place of A. D. Cochrane. Incumbent's commission expired April 28, 1938.

OHIO

Walter E. Cole to be postmaster at Andover, Ohio, in place of W. E. Cole. Incumbent's commission expired April 25, 1938.

Mary E. Bakle to be postmaster at Antwerp, Ohio, in place of M. E. Bakle. Incumbent's commission expired April 25, 1938.

Claude S. Coyle to be postmaster at Batavia, Ohio, in place of C. S. Coyle. Incumbent's commission expired May 22, 1938.

Roy H. Kerns to be postmaster at Bellefontaine, Ohio, in place of R. H. Kerns. Incumbent's commission expired May 22, 1938.

Enoch W. Carman to be postmaster at Belmont, Ohio, in place of E. W. Carman. Incumbent's commission expires June 18, 1938.

A. Harley Bolon to be postmaster at Bethesda, Ohio, in place of A. H. Bolon. Incumbent's commission expired May 1, 1938.

Fred Durr to be postmaster at Bradford, Ohio, in place of Fred Durr. Incumbent's commission expires June 12, 1938.

Charles J. Slezak to be postmaster at Brecksville, Ohio, in place of C. J. Slezak. Incumbent's commission expires June 18, 1938.

William J. Grandy to be postmaster at Byesville, Ohio, in place of W. J. Grandy. Incumbent's commission expired April 25, 1938.

Paul C. Miller to be postmaster at Canal Winchester, Ohio, in place of P. C. Miller. Incumbent's commission expired May 2, 1938.

Joseph Davidson to be postmaster at Chagrin Falls, Ohio, in place of Joseph Davidson. Incumbent's commission expired May 16, 1938.

Leita M. Tuttle to be postmaster at Chardon, Ohio, in place of L. M. Tuttle. Incumbent's commission expired April 25, 1938.

Hettie Woodward to be postmaster at Chesterhill, Ohio, in place of Hettie Woodward. Incumbent's commission expires June 18, 1938.

Henry D. Coate to be postmaster at Coldwater, Ohio, in place of H. D. Coate. Incumbent's commission expired May 16, 1938.

Emmett L. Partee to be postmaster at Defiance, Ohio, in place of E. L. Partee. Incumbent's commission expires June 12, 1938.

Durbin W. Gerber to be postmaster at Dover, Ohio, in place of D. W. Gerber. Incumbent's commission expires June 12, 1938.

Walter A. Geiser to be postmaster at Dunkirk, Ohio, in place of W. A. Geiser. Incumbent's commission expired April 4, 1938.

Paul W. Burkhardt to be postmaster at Edon, Ohio, in place of P. W. Burkhardt. Incumbent's commission expires June 18, 1938.

Earl J. Brulport to be postmaster at Fayetteville, Ohio, in place of E. J. Brulport. Incumbent's commission expired May 2, 1938.

Clyde M. Bartlow to be postmaster at Felicity, Ohio, in place of C. M. Bartlow. Incumbent's commission expired May 12, 1938.

Walter T. Ault to be postmaster at Findlay, Ohio, in place of W. T. Ault. Incumbent's commission expired May 12, 1938.

Blanche A. Fishburn to be postmaster at Forest, Ohio, in place of L. R. Jones, removed.

Rolland R. Pettay to be postmaster at Freeport, Ohio, in place of R. R. Pettay. Incumbent's commission expires June 18, 1938.

Albert K. Merriman to be postmaster at Gallipolis, Ohio, in place of A. K. Merriman. Incumbent's commission expires June 18, 1938.

Daniel P. Mooney to be postmaster at Glouster, Ohio, in place of D. P. Mooney. Incumbent's commission expired April 4, 1938.

Myrtle Grant to be postmaster at Grove City, Ohio, in place of Myrtle Grant. Incumbent's commission expired April 25, 1938.

Henry B. Grevey to be postmaster at Hamilton, Ohio, in place of H. B. Grevey. Incumbent's commission expires June 18, 1938.

Claude E. Archambeault to be postmaster at Holgate, Ohio, in place of C. E. Archambeault. Incumbent's commission expires June 18, 1938.

Thomas Kyer to be postmaster at Jackson, Ohio, in place of Thomas Kyer. Incumbent's commission expired April 25, 1938.

Daniel L. Pokey to be postmaster at Lakeside, Ohio, in place of D. L. Pokey. Incumbent's commission expired April 25, 1938.

Burch Trent to be postmaster at Leesburg, Ohio, in place of Burch Trent. Incumbent's commission expired May 12, 1938.

Clelland R. Polen to be postmaster at Lewisville, Ohio, in place of C. R. Polen. Incumbent's commission expired April 25, 1938.

Pearl L. Seitz to be postmaster at Liberty Center, Ohio, in place of P. L. Seitz. Incumbent's commission expires June 18, 1938.

Susan M. Ramsey to be postmaster at Loveland, Ohio, in place of S. M. Ramsey. Incumbent's commission expired May 12, 1938.

Benjamin E. Bowden to be postmaster at Lowell, Ohio, in place of B. E. Bowden. Incumbent's commission expired April 25, 1938.

Ethel S. Reames to be postmaster at Lynchburg, Ohio, in place of E. S. Reames. Incumbent's commission expires June 12, 1938.

Howard D. DeMar to be postmaster at Maderia, Ohio, in place of H. D. DeMar. Incumbent's commission expired April 25, 1938.

Samuel E. Fleming to be postmaster at Manchester, Ohio, in place of S. E. Fleming. Incumbent's commission expired May 2, 1938.

LoRa L. Lamborn to be postmaster at Marion, Ohio, in place of L. L. Lamborn. Incumbent's commission expires June 12, 1938.

Calvin H. Love to be postmaster at Maumee, Ohio, in place of C. H. Love. Incumbent's commission expired May 2, 1938.

Harold H. Wisman to be postmaster at Montpelier, Ohio, in place of H. H. Wisman. Incumbent's commission expires June 18, 1938.

Harry W. Gordon to be postmaster at McConnelsville, Ohio, in place of H. W. Gordon. Incumbent's commission expired April 25, 1938.

Everett Bennett to be postmaster at Morrow, Ohio, in place of Everett Bennett. Incumbent's commission expired April 25, 1938.

Palmer Phillips to be postmaster at Mount Sterling, Ohio, in place of Palmer Phillips. Incumbent's commission expired April 25, 1938.

Helen Shilts to be postmaster at Mount Victory, Ohio, in place of Helen Shilts. Incumbent's commission expired May 1, 1938.

E. Herbert Katterheinrich to be postmaster at New Knoxville, Ohio. Office made Presidential July 1, 1937.

Lewis T. Williams to be postmaster at New Waterford, Ohio, in place of L. T. Williams. Incumbent's commission expired May 1, 1938.

Garrett W. Bowen to be postmaster at Newtown, Ohio, in place of G. W. Bowen. Incumbent's commission expired April 25, 1938.

Lester D. Overfield to be postmaster at North Lewisburg, Ohio, in place of L. D. Overfield. Incumbent's commission expired April 25, 1938.

Charles O. Frederick to be postmaster at Norwalk, Ohio, in place of C. O. Frederick. Incumbent's commission expired April 25, 1938.

Carl S. Corvin to be postmaster at Oak Hill, Ohio, in place of C. S. Corvin. Incumbent's commission expired April 25, 1938.

Agnes O. Schritz to be postmaster at Olmsted Falls, Ohio, in place of A. O. Schritz. Incumbent's commission expired April 25, 1938.

Wilver T. Naragon to be postmaster at Osborn, Ohio, in place of W. T. Naragon. Incumbent's commission expired April 25, 1938.

Alexander F. Wannemacher to be postmaster at Ottoville, Ohio, in place of A. F. Wannemacher. Incumbent's commission expired May 12, 1938.

Paul A. Elick to be postmaster at Payne, Ohio, in place of P. A. Elick. Incumbent's commission expires June 15, 1938.

Hark F. Williams to be postmaster at Pleasant City, Ohio, in place of H. F. Williams. Incumbent's commission expired May 1, 1938.

Clara B. Dix to be postmaster at Prospect, Ohio, in place of C. B. Dix. Incumbent's commission expired May 29, 1938.

Cyril S. Hendershot to be postmaster at Quaker City, Ohio, in place of C. S. Hendershot. Incumbent's commission expired May 1, 1938.

Milton L. Dickason to be postmaster at Richwood, Ohio, in place of M. L. Dickason. Incumbent's commission expired May 22, 1938.

George M. Towle to be postmaster at Sardis, Ohio, in place of G. M. Towle. Incumbent's commission expires June 18, 1938.

Thomas F. Short to be postmaster at Seaman, Ohio, in place of T. F. Short. Incumbent's commission expired April 25, 1938.

George V. Wise to be postmaster at Shreve, Ohio, in place of G. V. Wise. Incumbent's commission expired February 15, 1938.

Homer H. Dearth to be postmaster at Summerfield, Ohio, in place of H. H. Dearth. Incumbent's commission expired April 25, 1938.

William T. Golling to be postmaster at Sycamore, Ohio, in place of W. T. Golling. Incumbent's commission expires June 18, 1938.

Urn S. Abbott to be postmaster at Tiffin, Ohio, in place of U. S. Abbott. Incumbent's commission expired April 25, 1938.

Wilma L. Aiken to be postmaster at Tiltonsville, Ohio, in place of W. L. Aiken. Incumbent's commission expires June 12, 1938.

George Wiest to be postmaster at Uhrichsville, Ohio, in place of George Wiest. Incumbent's commission expired March 14, 1938.

Sara J. Bell to be postmaster at Waterford, Ohio, in place of S. J. Bell. Incumbent's commission expired May 1, 1938.

Harry A. Higgins to be postmaster at Xenia, Ohio, in place of H. A. Higgins. Incumbent's commission expired April 25, 1938.

OKLAHOMA

James W. King to be postmaster at Checotah, Okla., in place of O. J. Walker, resigned.

Cloyd H. Burton to be postmaster at Commerce, Okla., in place of C. H. Burton. Incumbent's commission expired May 29, 1938.

Pauline M. Angevine to be postmaster at Dewey, Okla., in place of P. M. Angevine. Incumbent's commission expired March 7, 1938.

Erwin D. Keys to be postmaster at Earlsboro, Okla., in place of E. D. Keys. Incumbent's commission expired May 29, 1938.

James Jones Quarles, Jr., to be postmaster at Fairfax, Okla., in place of J. J. Quarles, Jr. Incumbent's commission expires June 18, 1938.

Rita W. Lewis to be postmaster at Fittstown, Okla. Office made Presidential July 1, 1937.

Jesse W. Keith to be postmaster at Haileyville, Okla., in place of J. W. Keith. Incumbent's commission expired May 22, 1938.

Cyril M. Surry to be postmaster at Hartshorne, Okla., in place of C. M. Surry. Incumbent's commission expired May 29, 1938.

Hugh Johnson to be postmaster at Hugo, Okla., in place of Hugh Johnson. Incumbent's commission expired March 7, 1938.

Georgie M. Jeffers to be postmaster at Inola, Okla., in place of G. M. Jeffers. Incumbent's commission expired May 29, 1938.

Rex T. Strickland to be postmaster at Madill, Okla., in place of R. T. Strickland. Incumbent's commission expired March 7, 1938.

Omri Bud Autry to be postmaster at Marietta, Okla., in place of O. B. Autry. Incumbent's commission expired April 2, 1938.

Hiram Impson to be postmaster at McAlester, Okla., in place of Hiram Impson. Incumbent's commission expired March 7, 1938.

Kinley Case to be postmaster at Paden, Okla. Office made Presidential July 1, 1937.

John V. Cavender to be postmaster at Porum, Okla., in place of J. V. Cavender. Incumbent's commission expired March 7, 1938.

Monroe Burton to be postmaster at Poteau, Okla., in place of Monroe Burton. Incumbent's commission expired March 7, 1938.

Theodore C. Bowling to be postmaster at Pryor, Okla., in place of T. C. Bowling. Incumbent's commission expires June 18, 1938.

Guy B. Hilton to be postmaster at St. Louis, Okla., in place of G. B. Hilton. Incumbent's commission expired May 29, 1938.

John R. Redwine, Jr., to be postmaster at Spiro, Okla., in place of J. R. Redwine, Jr. Incumbent's commission expired May 29, 1938.

John C. Bennett to be postmaster at Tishomingo, Okla., in place of J. C. Bennett. Incumbent's commission expired March 7, 1938.

Tom L. Pike to be postmaster at Weleetka, Okla., in place of T. L. Pike. Incumbent's commission expired June 6, 1938.

OREGON

Euna Pearl Burke to be postmaster at Astoria, Oreg., in place of Harry Burke, deceased.

Robert H. Fox to be postmaster at Bend, Oreg., in place of R. H. Fox. Incumbent's commission expired May 31, 1938.

John S. Spike to be postmaster at Echo, Oreg., in place of R. B. Stanfield, deceased.

Claude H. Reavis to be postmaster at Enterprise, Oreg., in place of C. H. Reavis. Incumbent's commission expired May 31, 1938.

May B. Johnson to be postmaster at Madras, Oreg., in place of M. B. Johnson. Incumbent's commission expired May 31, 1938.

Benjamin F. Turner to be postmaster at Maupin, Oreg., in place of B. F. Turner. Incumbent's commission expires June 18, 1938.

George A. Hartman to be postmaster at Pendleton, Oreg., in place of G. A. Hartman. Incumbent's commission expired May 22, 1938.

Oscar Edwin Marvin to be postmaster at Wallowa, Oreg., in place of O. E. Marvin. Incumbent's commission expired June 6, 1938.

PENNSYLVANIA

Arthur B. Clark to be postmaster at Altoona, Pa., in place of A. B. Clark. Incumbent's commission expired June 6, 1938.

Oscar H. Stillwagon to be postmaster at Ambler, Pa., in place of O. H. Stillwagon. Incumbent's commission expired June 6, 1938.

James P. Bryan to be postmaster at Beaver, Pa., in place of J. P. Bryan. Incumbent's commission expired June 6, 1938.

George W. Goodley, Jr., to be postmaster at Boothwyn, Pa., in place of G. W. Goodley, Jr. Incumbent's commission expired June 6, 1938.

Joseph B. Roper to be postmaster at Coatesville, Pa., in place of J. B. Roper. Incumbent's commission expired June 6, 1938.

Daniel Leffler to be postmaster at Clearfield, Pa., in place of Daniel Leffler. Incumbent's commission expired June 6, 1938.

John A. McShane to be postmaster at Clifton Heights, Pa., in place of J. A. McShane. Incumbent's commission expired June 6, 1938.

Clarence W. Scheuren to be postmaster at Collegeville, Pa., in place of C. W. Scheuren. Incumbent's commission expired June 6, 1938.

James P. Meaney to be postmaster at Conshohocken, Pa., in place of J. P. Meaney. Incumbent's commission expired June 6, 1938.

Amy A. Short to be postmaster at Conway, Pa., in place of A. A. Short. Incumbent's commission expires June 18, 1938.

George V. Beech to be postmaster at East Pittsburgh, Pa., in place of G. V. Beech. Incumbent's commission expires June 18, 1938.

Antonio R. Minio to be postmaster at Edge Hill, Pa., in place of A. R. Minio. Incumbent's commission expired June 6, 1938.

Alice E. Shoemaker to be postmaster at Fayetteville, Pa., in place of A. E. Shoemaker. Incumbent's commission expires June 9, 1938.

Dominick Franceski to be postmaster at Forest City, Pa., in place of Dominick Franceski. Incumbent's commission expired June 6, 1938.

Joseph D. Plumer to be postmaster at Franklin, Pa., in place of J. L. Callan, removed.

Neale Boyle to be postmaster at Freeland, Pa., in place of Neale Boyle. Incumbent's commission expired June 6, 1938.

Carrie Stephens to be postmaster at Great Bend, Pa., in place of Carrie Stephens. Incumbent's commission expired June 6, 1938.

William L. Nolder to be postmaster at Grampian, Pa., in place of W. L. Nolder. Incumbent's commission expired June 6, 1938.

Wilmer F. Sowers to be postmaster at Green Lane, Pa., in place of W. F. Sowers. Incumbent's commission expired June 6, 1938.

Charles A. Hanlon to be postmaster at Hazleton, Pa., in place of C. A. Hanlon. Incumbent's commission expires June 18, 1938.

Willard K. Allison to be postmaster at Hickory, Pa., in place of W. K. Allison. Incumbent's commission expired June 6, 1938.

Harry A. McIntosh to be postmaster at Hollidaysburg, Pa., in place of H. A. McIntosh. Incumbent's commission expired June 6, 1938.

Amy G. Murray to be postmaster at Hop Bottom, Pa., in place of A. G. Murray. Incumbent's commission expired June 6, 1938.

William H. Solomon to be postmaster at Hyndman, Pa., in place of W. H. Solomon. Incumbent's commission expired June 6, 1938.

Bernard A. Devlin to be postmaster at Jenkintown, Pa., in place of B. A. Devlin. Incumbent's commission expired June 6, 1938.

Caroline E. Boyer to be postmaster at Kersey, Pa. Office made Presidential July 1, 1937.

William J. Cannon to be postmaster at Lansford, Pa., in place of W. J. Cannon. Incumbent's commission expired June 6, 1938.

John A. Frazier to be postmaster at Liberty, Pa., in place of J. A. Frazier. Incumbent's commission expired June 6, 1938.

Robert O. Lamborn to be postmaster at Madera, Pa., in place of R. O. Lamborn. Incumbent's commission expires June 18, 1938.

Emery C. Mahaffey to be postmaster at Mahaffey, Pa., in place of E. C. Mahaffey. Incumbent's commission expires June 18, 1933.

Leon E. Shepherd to be postmaster at Malvern, Pa., in place of L. E. Shepard. Incumbent's commission expires June 18, 1938.

Lohman I. Leister to be postmaster at McAlisterville, Pa., in place of L. I. Leister. Incumbent's commission expires June 18, 1938.

Harry E. Trout to be postmaster at Mercersburg, Pa., in place of H. E. Trout. Incumbent's commission expires June 14, 1938.

Ezra D. Parker to be postmaster at Mifflintown, Pa., in place of E. D. Parker. Incumbent's commission expired June 6, 1938.

Frank W. Cross to be postmaster at Milford, Pa., in place of F. W. Cross. Incumbent's commission expired June 6, 1938.

Elijah H. Follmer to be postmaster at Milton, Pa., in place of E. H. Follmer. Incumbent's commission expires June 18, 1938.

Joseph L. Meehan to be postmaster at Montrose, Pa., in place of J. L. Meehan. Incumbent's commission expires June 18, 1938.

Gerald H. Rickerson to be postmaster at North Warren, Pa., in place of G. H. Rickerson. Incumbent's commission expired June 6, 1938.

Joseph C. Clark to be postmaster at Natrona, Pa., in place of J. C. Clark. Incumbent's commission expired June 6, 1938.

Ira D. Atcheson to be postmaster at Nemacolin, Pa., in place of A. T. Urda, removed.

Richard A. Steen to be postmaster at New Castle, Pa., in place of R. A. Steen. Incumbent's commission expires June 18, 1938.

Samuel S. Ulerich to be postmaster at New Florence, Pa., in place of S. S. Ulerich. Incumbent's commission expired June 6, 1938.

William G. Loy to be postmaster at Newport, Pa., in place of W. G. Loy. Incumbent's commission expired June 6, 1938.

James H. Rattigan to be postmaster at Pottsville, Pa., in place of J. H. Rattigan. Incumbent's commission expired June 6, 1938.

Fred Favo to be postmaster at Oakmont, Pa., in place of Fred Favo. Incumbent's commission expired June 6, 1938.

James F. Gibbons to be postmaster at Pittston, Pa., in place of J. F. Gibbons. Incumbent's commission expired March 22, 1938.

John H. Snyder to be postmaster at Richfield, Pa., in place of J. H. Snyder. Incumbent's commission expired April 13, 1938.

Paul A. Martin to be postmaster at Roaring Spring, Pa., in place of P. A. Martin. Incumbent's commission expired June 6, 1938.

Emma R. Dexter to be postmaster at Roulette, Pa., in place of E. R. Dexter. Incumbent's commission expires June 18, 1938.

James D. Creary to be postmaster at Shenandoah, Pa., in place of J. D. Creary. Incumbent's commission expired June 6, 1938.

Wilson C. Reider to be postmaster at Shickshinny, Pa., in place of W. C. Reider. Incumbent's commission expires June 9, 1938.

Allen J. Noble to be postmaster at South Mountain, Pa., in place of A. J. Noble. Incumbent's commission expires June 18, 1938.

Edmond J. Holleran to be postmaster at Susquehanna, Pa., in place of E. J. Holleran. Incumbent's commission expired June 6, 1938.

Harold I. Haines to be postmaster at Thompsontown, Pa., in place of H. I. Haines. Incumbent's commission expired April 13, 1938.

John D. Cox to be postmaster at Tyrone, Pa., in place of J. D. Cox. Incumbent's commission expired June 6, 1938.

Mary Pavlik to be postmaster at Universal, Pa., in place of Mary Pavlik. Incumbent's commission expires June 12, 1938.

Joseph P. Caufield to be postmaster at Verona, Pa., in place of J. P. Caufield. Incumbent's commission expired June 6, 1938.

Alfred R. Warner to be postmaster at Waynesboro, Pa., in place of A. R. Warner. Incumbent's commission expired June 6, 1938.

Samuel H. Tschop to be postmaster at Windsor, Pa., in place of S. H. Tschop. Incumbent's commission expired June 6, 1938.

Emma R. Eakins to be postmaster at Wynnewood, Pa., in place of E. R. Eakins. Incumbent's commission expired June 6, 1938.

Mary A. Fitzgerald to be postmaster at Wysox, Pa. Office became Presidential July 1, 1937.

Frank A. Crippen to be postmaster at Youngsville, Pa., in place of F. A. Crippen. Incumbent's commission expired June 6, 1938.

SOUTH CAROLINA

Allie V. Collum, Jr., to be postmaster at Blackville, S. C., in place of A. V. Collum, Jr. Incumbent's commission expired May 29, 1938.

Curtis W. Dukes to be postmaster at Branchville, S. C., in place of C. W. Dukes. Incumbent's commission expires June 15, 1938.

Hattie C. Sherard to be postmaster at Calhoun Falls, S. C., in place of H. C. Sherard. Incumbent's commission expired May 29, 1938.

Ollie W. Bowers to be postmaster at Central, S. C., in place of O. W. Bowers. Incumbent's commission expires June 15, 1938.

Marion G. Andersen to be postmaster at Conway, S. C., in place of M. G. Andersen. Incumbent's commission expired March 8, 1938.

Ray E. Young to be postmaster at Due West, S. C., in place of R. E. Young. Incumbent's commission expired April 6, 1938.

Basil T. Brinkley to be postmaster at Ellenton, S. C., in place of B. T. Brinkley. Incumbent's commission expired May 29, 1938.

Charlton W. Ellis to be postmaster at Estill, S. C., in place of C. W. Ellis. Incumbent's commission expires June 15, 1938.

John L. Hinnant to be postmaster at Eutawville, S. C., in place of J. L. Hinnant. Incumbent's commission expired May 7, 1938.

William B. Smith to be postmaster at Greer, S. C., in place of W. B. Smith. Incumbent's commission expired April 27, 1938.

Rufus Ford, Jr., to be postmaster at Holly Hill, S. C., in place of Rufus Ford, Jr. Incumbent's commission expired May 29, 1938.

Jesse C. Williams to be postmaster at Inman, S. C., in place of J. C. Williams. Incumbent's commission expired April 9, 1938.

Stephen E. Leverette to be postmaster at Iva, S. C., in place of S. E. Leverette. Incumbent's commission expired May 7, 1938.

Wood K. Durham to be postmaster at Landrum, S. C., in place of W. K. Durham. Incumbent's commission expires June 15, 1938.

William A. Richbourg to be postmaster at Liberty, S. C., in place of G. S. McCravey, resigned.

Harriette H. McLaurin to be postmaster at McColl, S. C., in place of H. H. McLaurin. Incumbent's commission expired April 27, 1938.

Loula B. O'Connor to be postmaster at Meggett, S. C., in place of L. B. O'Connor. Incumbent's commission expires June 15, 1938.

Paul F. W. Waller to be postmaster at Myers, S. C., in place of P. F. W. Waller. Incumbent's commission expired May 16, 1938.

William W. Barr, Jr., to be postmaster at Springfield, S. C., in place of W. W. Barr, Jr. Incumbent's commission expired April 27, 1938.

Edward O. Reynolds to be postmaster at Summerville, S. C., in place of E. O. Reynolds. Incumbent's commission expired May 16, 1938.

Jack C. Pate to be postmaster at Sumter, S. C., in place of J. C. Pate. Incumbent's commission expired May 29, 1938.

Jackson L. Flake to be postmaster at Swansea, S. C., in place of J. L. Flake. Incumbent's commission expired May 29, 1938.

Robert A. Gray to be postmaster at Taylors, S. C., in place of R. A. Gray. Incumbent's commission expired May 1, 1938.

Errett Zimmerman to be postmaster at Trenton, S. C., in place of Errett Zimmerman. Incumbent's commission expired April 6, 1938.

Wilbur E. Williams to be postmaster at Wagener, S. C., in place of W. E. Williams. Incumbent's commission expired May 1, 1938.

Oscar Tuck to be postmaster at Westminster, S. C., in place of Oscar Tuck. Incumbent's commission expires June 18, 1938.

Inez C. Wilson to be postmaster at Williamston, S. C., in place of I. C. Wilson. Incumbent's commission expired April 9, 1938.

Reuben Vance Lanford to be postmaster at Woodruff, S. C., in place of R. V. Lanford. Incumbent's commission expired May 1, 1938.

Loring Terry to be postmaster at Yemassee, S. C., in place of Loring Terry. Incumbent's commission expired April 6, 1938.

SOUTH DAKOTA

Truman C. Knott to be postmaster at Bristol, S. Dak., in place of T. C. Knott. Incumbent's commission expired January 25, 1936.

George B. Brown to be postmaster at Clark, S. Dak., in place of G. B. Brown. Incumbent's commission expired May 15, 1938.

Edward P. Amundson to be postmaster at Colton, S. Dak., in place of E. P. Amundson. Incumbent's commission expired May 16, 1938.

Mary A. Ralph to be postmaster at Henry, S. Dak., in place of M. A. Ralph. Incumbent's commission expired February 20, 1938.

Ena C. Erling to be postmaster at Raymond, S. Dak., in place of E. C. Erling. Incumbent's commission expired May 15, 1938.

Oscar I. Ohman to be postmaster at Toronto, S. Dak., in place of O. I. Ohman. Incumbent's commission expired February 20, 1938.

TENNESSEE

Roy D. Murphey to be postmaster at Adams, Tenn., in place of R. D. Murphey. Incumbent's commission expired May 2, 1938.

Mabel W. Hughes to be postmaster at Arlington, Tenn., in place of M. W. Hughes. Incumbent's commission expired April 19, 1938.

Cyril W. Jones to be postmaster at Athens, Tenn., in place of C. W. Jones. Incumbent's commission expired May 28, 1938.

Pearl A. Russell to be postmaster at Ducktown, Tenn., in place of C. A. Beckler, deceased.

Donald B. Todd to be postmaster at Etowah, Tenn., in place of D. B. Todd. Incumbent's commission expires June 12, 1938.

Albert A. Trusler to be postmaster at Jonesboro, Tenn., in place of A. A. Trusler. Incumbent's commission expires June 18, 1938.

Thomas D. Walker to be postmaster at Kerrville, Tenn., in place of T. D. Walker. Incumbent's commission expired May 28, 1938.

Bernard R. Duncan to be postmaster at Linden, Tenn., in place of B. R. Duncan. Incumbent's commission expired April 13, 1938.

Robert L. Oakes to be postmaster at New Tazewell, Tenn., in place of R. L. Oakes. Incumbent's commission expires June 8, 1938.

Burleigh L. Day to be postmaster at Pressmen's Home, Tenn., in place of B. L. Day. Incumbent's commission expires June 18, 1938.

Irene M. Cheairs to be postmaster at Spring Hill, Tenn., in place of I. M. Cheairs. Incumbent's commission expired January 31, 1938.

Ocie C. Hawkins to be postmaster at Stanton, Tenn., in place of O. C. Hawkins. Incumbent's commission expires June 15, 1938.

TEXAS

Marguerite A. Mullen to be postmaster at Alice, Tex., in place of M. A. Mullen. Incumbent's commission expires June 18, 1938.

Charles Y. Shultz to be postmaster at Alvarado, Tex., in place of C. Y. Schultz. Incumbent's commission expires June 12, 1938.

Andrew J. McDonald to be postmaster at Alvord, Tex., in place of A. J. McDonald. Incumbent's commission expired February 22, 1938.

Winnette D. DeGrassi to be postmaster at Amarillo, Tex., in place of W. D. DeGrassi. Incumbent's commission expires June 18, 1938.

Nat Shick to be postmaster at Big Spring, Tex., in place of Nat Shick. Incumbent's commission expired May 28, 1938.

Lee Brown to be postmaster at Blanco, Tex., in place of Lee Brown. Incumbent's commission expired April 25, 1938.

Paul V. Bryant to be postmaster at Canadian, Tex., in place of P. V. Bryant. Incumbent's commission expires June 12, 1938.

James R. Eanes to be postmaster at Comanche, Tex., in place of J. R. Eanes. Incumbent's commission expired May 23, 1938.

John M. O. Littlefield to be postmaster at Crosbyton, Tex., in place of J. M. O. Littlefield. Incumbent's commission expired May 23, 1938.

Alva Spencer to be postmaster at Crowell, Tex., in place of Alva Spencer. Incumbent's commission expired May 22, 1938.

Opal Farris to be postmaster at Daisetta, Tex., in place of Opal Farris. Incumbent's commission expired April 25, 1938.

Jack M. Wade to be postmaster at Dalhart, Tex., in place of D. C. Atkinson, removed.

Willie N. Cargill to be postmaster at Eddy, Tex., in place of W. N. Cargill. Incumbent's commission expired February 15, 1938.

A. Warren Dunn to be postmaster at Fort Stockton, Tex., in place of A. W. Dunn. Incumbent's commission expired May 23, 1938.

Sant M. Perry to be postmaster at Frankston, Tex., in place of S. M. Perry. Incumbent's commission expired May 2, 1938.

Stephen S. Perry to be postmaster at Freeport, Tex., in place of S. S. Perry. Incumbent's commission expires June 18, 1938.

Robert A. Lyons, Jr., to be postmaster at Galveston, Tex., in place of R. A. Lyons, Jr. Incumbent's commission expired May 9, 1938.

John M. Sharpe to be postmaster at Georgetown, Tex., in place of J. M. Sharpe. Incumbent's commission expired May 28, 1938.

William E. Porter to be postmaster at Glen Rose, Tex., in place of W. E. Porter. Incumbent's commission expires June 12, 1938.

Tom S. Kent, Jr., to be postmaster at Grapeland, Tex., in place of T. S. Kent, Jr. Incumbent's commission expired February 10, 1938.

Allen A. Collet to be postmaster at Handley, Tex., in place of A. A. Collet. Incumbent's commission expires June 18, 1938.

Leonard B. Baldwin to be postmaster at Huntsville, Tex., in place of L. B. Baldwin. Incumbent's commission expires June 9, 1938.

Charles R. Conley to be postmaster at Iredell, Tex., in place of C. R. Conley. Incumbent's commission expired February 15, 1938.

Henry W. Hoffer to be postmaster at Kaufman, Tex., in place of H. W. Hoffer. Incumbent's commission expires June 14, 1938.

Charles D. Grady to be postmaster at Keene, Tex., in place of C. D. Grady. Incumbent's commission expired April 30, 1938.

Gober L. Gibson to be postmaster at Kerrville, Tex., in place of G. L. Gibson. Incumbent's commission expired May 9, 1938.

Clyde E. Perkins to be postmaster at Kirkland, Tex., in place of C. E. Perkins. Incumbent's commission expires June 14, 1938.

George T. Elliott to be postmaster at Kress, Tex., in place of G. T. Elliott. Incumbent's commission expired May 22, 1938.

Russell B. Cope to be postmaster at Loraine, Tex., in place of R. B. Cope. Incumbent's commission expires June 12, 1938.

Edward I. Pruett to be postmaster at Marfa, Tex., in place of E. I. Pruett. Incumbent's commission expires June 12, 1938.

Perry Hartgraves to be postmaster at Menard, Tex., in place of Perry Hartgraves. Incumbent's commission expires June 12, 1938.

Glad C. Campbell to be postmaster at Mertzon, Tex., in place of G. C. Campbell. Incumbent's commission expired May 29, 1938.

Myrtle M. Hatch to be postmaster at Mission, Tex., in place of M. M. Hatch. Incumbent's commission expired May 23, 1938.

Oland A. Walls to be postmaster at Naples, Tex., in place of V. A. Long. Incumbent's commission expired June 10, 1936.

Effie D. Rasmussen to be postmaster at Needville, Tex., in place of E. D. Rasmussen. Incumbent's commission expires June 12, 1938.

William W. Spear to be postmaster at Nixon, Tex., in place of W. W. Spear. Incumbent's commission expired April 27, 1938.

William A. Gillespie to be postmaster at Overton, Tex., in place of Virginia Mansell, resigned.

Benjamin F. Hobson to be postmaster at Paducah, Tex., in place of B. F. Hobson. Incumbent's commission expired February 10, 1938.

John W. Waide to be postmaster at Paint Rock, Tex., in place of J. W. Waide. Incumbent's commission expired May 28, 1938.

Morris W. Collie to be postmaster at Pecos, Tex., in place of M. W. Collie. Incumbent's commission expired May 23, 1938.

Mamie Milam to be postmaster at Prairie View, Tex., in place of Mamie Milam. Incumbent's commission expired May 22, 1938.

Charles G. Conley to be postmaster at Quanah, Tex., in place of C. G. Conley. Incumbent's commission expired April 4, 1938.

Otis T. Kellam to be postmaster at Robstown, Tex., in place of O. T. Kellam. Incumbent's commission expires June 12, 1938.

Claude F. Norman to be postmaster at Rule, Tex., in place of C. F. Norman. Incumbent's commission expires June 12, 1938.

Ora L. Griggs to be postmaster at Sanatorium, Tex., in place of O. L. Griggs. Incumbent's commission expired April 4, 1938.

Ferdinand L. Hersik to be postmaster at Schulenburg, Tex., in place of W. A. Farek. Incumbent's commission expired February 5, 1936.

Susie A. Cannon to be postmaster at Shelbyville, Tex., in place of H. E. Cannon, deceased.

Clarence Carter to be postmaster at Somerville, Tex., in place of Clarence Carter. Incumbent's commission expired May 23, 1938.

Willie R. Goodwin to be postmaster at Stinnett, Tex., in place of W. R. Goodwin. Incumbent's commission expired May 28, 1938.

Hugh D. Burleson to be postmaster at Streetman, Tex., in place of H. D. Burleson. Incumbent's commission expired May 28, 1938.

Charles H. Grounds to be postmaster at Talpa, Tex., in place of C. H. Grounds. Incumbent's commission expires June 12, 1938.

Thomas A. Bynum to be postmaster at Texas City, Tex., in place of T. A. Bynum. Incumbent's commission expired May 22, 1938.

Emory S. Sell to be postmaster at Texline, Tex., in place of E. S. Sell. Incumbent's commission expired April 27, 1938.

Madeline G. McClellan to be postmaster at Waller, Tex., in place of M. G. McClellan. Incumbent's commission expires June 12, 1938.

Bobbie Avary to be postmaster at Wickett, Tex. Office became Presidential July 1, 1937.

Mollie S. Berryman to be postmaster at Willis, Tex., in place of M. S. Berryman. Incumbent's commission expired April 25, 1938.

Paul E. Jette to be postmaster at Wink, Tex., in place of P. E. Jette. Incumbent's commission expired May 28, 1938.

Lou A. Sloma to be postmaster at Yorktown, Tex., in place of L. A. Sloma. Incumbent's commission expires June 18, 1938.

Emilie K. Dew to be postmaster at Ysleta, Tex., in place of E. K. Dew. Incumbent's commission expired May 9, 1938.

UTAH

Mildred G. Allen to be postmaster at Escalante, Utah. Office became Presidential July 1, 1937.

Ewell C. Bowen to be postmaster at Hiawatha, Utah, in place of E. C. Bowen. Incumbent's commission expired May 9, 1938.

A. Carlos Schow to be postmaster at Lehi, Utah, in place of A. C. Schow. Incumbent's commission expired May 23, 1938.

VERMONT

Ward L. Lyons to be postmaster at Bennington, Vt., in place of W. L. Lyons. Incumbent's commission expired March 15, 1938.

Earle J. Rogers to be postmaster at Cabot, Vt., in place of E. J. Rogers. Incumbent's commission expired May 1, 1938.

Hollis S. Johnson to be postmaster at Castleton, Vt., in place of H. S. Johnson. Incumbent's commission expired April 25, 1938.

Rutherford D. Pfenning to be postmaster at Forest Dale, Vt., in place of R. D. Pfenning. Incumbent's commission expired May 1, 1938.

Frank J. Donahue to be postmaster at Middlebury, Vt., in place of F. J. Donahue. Incumbent's commission expires June 13, 1938.

Patrick J. Candon to be postmaster at Pittsford, Vt., in place of P. J. Candon. Incumbent's commission expired May 1, 1938.

Mary F. Brown to be postmaster at Readsboro, Vt., in place of M. F. Brown. Incumbent's commission expired April 25, 1938.

Herbert B. Butler to be postmaster at St. Albans, Vt., in place of H. B. Butler. Incumbent's commission expired April 2, 1938.

Timothy J. Murphy to be postmaster at Windsor, Vt., in place of T. J. Murphy. Incumbent's commission expired May 12, 1938.

Rosa M. Stewart to be postmaster at Tunbridge, Vt., in place of R. M. Stewart. Incumbent's commission expired June 6, 1938.

VIRGINIA

Kathryn C. Ross to be postmaster at Accomac, Va., in place of K. C. Ross. Incumbent's commission expired May 28, 1938.

John T. Trevey to be postmaster at Big Island, Va., in place of J. T. Trevey. Incumbent's commission expired May 16, 1938.

John H. Bowdoin to be postmaster at Bloxom, Va., in place of J. H. Bowdoin. Incumbent's commission expired May 28, 1938.

Sidney H. Barnett to be postmaster at Bluefield, Va., in place of S. H. Barnett. Incumbent's commission expires June 18, 1938.

William R. Allen to be postmaster at Buchanan, Va., in place of W. R. Allen. Incumbent's commission expired May 16, 1938.

Judson J. Patterson to be postmaster at Chatham, Va., in place of J. J. Patterson. Incumbent's commission expired May 16, 1938.

Rufus G. Roberts to be postmaster at Culpeper, Va., in place of R. G. Roberts. Incumbent's commission expires June 13, 1938.

Norma H. Fulton to be postmaster at Drakes Branch, Va., in place of N. H. Fulton. Incumbent's commission expired May 28, 1938.

J. Henry Miller to be postmaster at Elkton, Va., in place of J. H. Miller. Incumbent's commission expires June 18, 1938.

Kate J. Brockwell to be postmaster at Ettrick, Va., in place of H. B. Brockwell, deceased.

Claude B. Nolen to be postmaster at Ferrum, Va., in place of C. B. Nolen. Incumbent's commission expires June 18, 1938.

James H. Shiner to be postmaster at Front Royal, Va., in place of J. H. Shiner. Incumbent's commission expired May 28, 1938.

Fred Adams to be postmaster at Galax, Va., in place of Fred Adams. Incumbent's commission expires June 18, 1938.

Richard Clark Morgan to be postmaster at Gladys, Va., in place of G. W. Mitchell, resigned.

Beveridge B. Cox to be postmaster at Gate City, Va., in place of B. B. Cox. Incumbent's commission expires June 18, 1938.

Thomas W. Cooke to be postmaster at Gloucester, Va., in place of T. W. Cooke. Incumbent's commission expired April 28, 1938.

William S. Crockett to be postmaster at Hampton, Va., in place of W. S. Crockett. Incumbent's commission expired May 16, 1938.

Charles B. Hogan to be postmaster at Heathsville, Va., in place of C. B. Hogan. Incumbent's commission expired May 28, 1938.

Andrew W. Cameron to be postmaster at Hot Springs, Va., in place of A. W. Cameron. Incumbent's commission expired May 28, 1938.

Carolyn C. Bryant to be postmaster at Independence, Va., in place of C. C. Bryant. Incumbent's commission expired June 6, 1938.

Josephine N. Porter to be postmaster at Louisa, Va., in place of S. B. Henson, resigned.

James R. Gregory to be postmaster at Martinsville, Va., in place of J. R. Gregory. Incumbent's commission expired May 16, 1938.

Marcellus B. Garnett to be postmaster at Mathews, Va. in place of M. B. Garnett. Incumbent's commission expires June 13, 1938.

Thomas E. Simmerman, Jr., to be postmaster at Max Meadows, Va., in place of T. E. Simmerman, Jr. Incumbent's commission expired May 28, 1938.

Austin C. Tyree to be postmaster at Millboro, Va., in place of A. C. Tyree. Incumbent's commission expired May 15, 1938.

Lloyd Sullenberger to be postmaster at Monterey, Va., in place of Lloyd Sullenberger. Incumbent's commission expires June 18, 1938.

Miller A. Price to be postmaster at New Market, Va., in place of M. A. Price. Incumbent's commission expired April 4, 1938.

Robert P. Holt to be postmaster at Newport News, Va., in place of R. P. Holt. Incumbent's commission expired May 28, 1938.

Margaret E. W. Downing to be postmaster at Painter, Va., in place of M. E. W. Downing. Incumbent's commission expires June 13, 1938.

John L. Sibold to be postmaster at Pembroke, Va., in place of J. L. Sibold. Incumbent's commission expires June 18, 1938.

Solon Baach to be postmaster at Pocahontas, Va., in place of Solon Baach. Incumbent's commission expires June 18, 1938.

Samuel F. Atwill, Sr., to be postmaster at Reedville, Va., in place of S. F. Atwill, Sr. Incumbent's commission expired May 28, 1938.

C. Ward Kyle to be postmaster at Rural Retreat, Va., in place of C. W. Kyle. Incumbent's commission expires June 14, 1938.

Clementine M. Wright to be postmaster at Sharps, Va., in place of C. M. Wright. Incumbent's commission expires June 14, 1938.

Vernon C. Griffith to be postmaster at Shenandoah, Va., in place of V. C. Griffith. Incumbent's commission expires June 18, 1938.

Elijah S. Slate to be postmaster at South Boston, Va., in place of E. S. Slate. Incumbent's commission expired May 16, 1938.

Rufus W. Garris to be postmaster at South Hill, Va., in place of R. W. Garris. Incumbent's commission expires June 14, 1938.

Gervis E. Lemley to be postmaster at Stephens City, Va., in place of G. E. Lemley. Incumbent's commission expires June 18, 1938.

Richard S. Wright to be postmaster at Strasburg, Va., in place of R. S. Wright. Incumbent's commission expires June 14, 1938.

Fannie B. B. Sale to be postmaster at Tappahannock, Va., in place of F. B. B. Sale. Incumbent's commission expires June 13, 1938.

Frank T. Witten to be postmaster at Tazewell, Va., in place of F. T. Witten. Incumbent's commission expires June 18, 1938.

Frank L. Schofield to be postmaster at University of Richmond, Va., in place of F. L. Schofield. Incumbent's commission expired June 6, 1938.

John H. Tyler to be postmaster at Upperville, Va., in place of J. H. Tyler. Incumbent's commission expired February 20, 1938.

Willie R. Slagle to be postmaster at Virgilina, Va., in place of W. R. Slagle. Incumbent's commission expired May 16, 1938.

William Nelson Page to be postmaster at Winchester, Va., in place of W. N. Page. Incumbent's commission expired June 6, 1938.

Margaret M. Fulton to be postmaster at Wise, Va., in place of M. M. Fulton. Incumbent's commission expires June 18, 1938.

Joseph Schmidt to be postmaster at Yorktown, Va., in place of Joseph Schmidt. Incumbent's commission expires June 8, 1938.

WASHINGTON

Curtis M. Wormell to be postmaster at Asotin, Wash., in place of C. M. Wormell. Incumbent's commission expired March 14, 1938.

Lillian M. Tyler to be postmaster at Brewster, Wash., in place of L. M. Tyler. Incumbent's commission expires June 15, 1938.

Herbert O. Thompson to be postmaster at Colfax, Wash., in place of H. O. Thompson. Incumbent's commission expired May 22, 1938.

Albert Buerstatte, Jr., to be postmaster at College Place, Wash., in place of Albert Buerstatte, Jr. Incumbent's commission expires June 13, 1938.

Walter I. Peterson to be postmaster at Granger, Wash., in place of W. I. Peterson. Incumbent's commission expires June 15, 1938.

Tormod A. Myklebust to be postmaster at Lacrosse, Wash., in place of T. A. Myklebust. Incumbent's commission expires June 15, 1938.

Ralph V. Browder to be postmaster at Oakesdale, Wash., in place of R. V. Browder. Incumbent's commission expires June 13, 1938.

Blanche H. Barton to be postmaster at Othello, Wash., in place of B. H. Barton. Incumbent's commission expired April 27, 1938.

Paul Hamilton to be postmaster at Prosser, Wash., in place of Paul Hamilton. Incumbent's commission expired June 6, 1938.

Jehu O. Patterson to be postmaster at Pullman, Wash., in place of J. O. Patterson. Incumbent's commission expired May 22, 1938.

William H. Padley to be postmaster at Reardan, Wash., in place of W. H. Padley. Incumbent's commission expired April 27, 1938.

Leo B. Reed to be postmaster at Redmond, Wash., in place of L. B. Reed. Incumbent's commission expires June 18, 1938.

James F. Tostevin to be postmaster at Retsil, Wash., in place of J. F. Tostevin. Incumbent's commission expires June 13, 1938.

Louie H. Saur to be postmaster at Selah, Wash., in place of L. H. Saur. Incumbent's commission expires June 13, 1938.

Otto F. Reinig to be postmaster at Snoqualmie, Wasn., in place of O. F. Reinig. Incumbent's commission expires June 15, 1938.

Jessie M. Severyns to be postmaster at Sunnyside, Wash., in place of J. M. Severyns. Incumbent's commission expires June 15, 1938.

Walter D. Codd to be postmaster at Tekoa, Wash., in place of W. D. Codd. Incumbent's commission expires June 15, 1938.

Andrew J. Diedrich to be postmaster at Valley, Wash., in place of A. J. Diedrich. Incumbent's commission expired April 27, 1938.

George B. Day to be postmaster at Walla Walla, Wash., in place of G. B. Day. Incumbent's commission expires June 6, 1938.

George Rodman to be postmaster at Wapato, Wash., in place of George Rodman. Incumbent's commission expires June 18, 1938.

Joseph H. Gill to be postmaster at Washtucna, Wash., in place of J. H. Gill. Incumbent's commission expires June 18, 1938.

Fairleigh B. Wilkins to be postmaster at Yakima, Wash., in place of F. B. Wilkins. Incumbent's commission expires June 18, 1938.

WEST VIRGINIA

Jennings B. Campbell to be postmaster at Albright, W. Va., in place of J. B. Campbell. Incumbent's commission expires June 8, 1938.

Torrence Cook to be postmaster at Amherstdale, W. Va., in place of Torrence Cook. Incumbent's commission expired March 15, 1938.

Thomas M. Deegan to be postmaster at Benwood, W. Va., in place of T. M. Deegan. Incumbent's commission expired May 24, 1938.

Mark V. Brown to be postmaster at Bridgeport, W. Va., in place of M. V. Brown. Incumbent's commission expired March 15, 1938.

Alice McCoy to be postmaster at Franklin, W. Va., in place of Alice McCoy. Incumbent's commission expired June 6, 1938.

Edward J. Rush to be postmaster at Grant Town, W. Va., in place of E. J. Rush. Incumbent's commission expired June 6, 1938.

Mayme E. Marquette to be postmaster at Harpers Ferry, W. Va., in place of M. E. Marquette. Incumbent's commission expires June 13, 1938.

John B. Puryear, Jr., to be postmaster at Holden, W. Va., in place of J. B. Puryear, Jr. Incumbent's commission expires June 8, 1938.

Stella G. James to be postmaster at Institute, W. Va., in place of S. G. James. Incumbent's commission expired March 15, 1938.

Thomas F. Ward to be postmaster at Keyser, W. Va., in place of T. F. Ward. Incumbent's commission expired May 29, 1938.

Denny B. Browning to be postmaster at Logan, W. Va., in place of D. B. Browning. Incumbent's commission expired June 6, 1938.

Whiting C. Faulkner to be postmaster at Martinsburg, W. Va., in place of W. C. Faulkner. Incumbent's commission expired May 15, 1938.

John A. Ball to be postmaster at Mullens, W. Va., in place of J. A. Ball. Incumbent's commission expired May 29, 1938.

Russell W. Casto to be postmaster at Nitro, W. Va., in place of R. W. Casto. Incumbent's commission expired February 20, 1938.

Anna M. Stephenson to be postmaster at Parkersburg, W. Va., in place of A. M. Stephenson. Incumbent's commission expired January 30, 1938.

John W. McNabb to be postmaster at Paw Paw, W. Va., in place of J. W. McNabb. Incumbent's commission expires June 8, 1938.

Lawrence E. Poling to be postmaster at Philippi, W. Va., in place of L. E. Poling. Incumbent's commission expired February 20, 1938.

John M. Snarr to be postmaster at Romney, W. Va., in place of J. M. Snarr. Incumbent's commission expires June 13, 1938.

Harry E. Riddleberger to be postmaster at St. Albans, W. Va., in place of H. E. Riddleberger. Incumbent's commission expired April 28, 1938.

Henry S. Ellison to be postmaster at Union, W. Va., in place of H. S. Ellison. Incumbent's commission expired May 29, 1938.

WISCONSIN

Dominic W. Riley to be postmaster at Baldwin, Wis., in place of D. W. Riley. Incumbent's commission expires June 7, 1938.

Dale J. Cannon to be postmaster at Birnamwood, Wis., in place of D. J. Cannon. Incumbent's commission expires June 15, 1938.

Bernard G. Schramske to be postmaster at Boyceville, Wis., in place of B. G. Schramske. Incumbent's commission expires June 18, 1938.

Chris Kartman to be postmaster at Cassville, Wis., in place of Chris Kartman. Incumbent's commission expires June 15, 1938.

Alfa Ruth Anderson to be postmaster at Colfax, Wis., in place of A. R. Anderson. Incumbent's commission expires June 7, 1938.

William L. Lee to be postmaster at Drummond, Wis., in place of W. L. Lee. Incumbent's commission expired May 28, 1938.

John A. Ginsbach to be postmaster at Elmwood, Wis., in place of J. A. Ginsbach. Incumbent's commission expires June 18, 1938.

Albert E. Hansen to be postmaster at Mendota, Wis., in place of A. E. Hansen. Incumbent's commission expired April 28, 1938.

Fred J. Marty to be postmaster at New Glarus, Wis., in place of F. J. Marty. Incumbent's commission expires June 15, 1938.

Celestine D. Kaltenbach to be postmaster at Potosi, Wis., in place of C. D. Kaltenbach. Incumbent's commission expires June 15, 1938.

Edward D. Feeney to be postmaster at Prairie du Chien, Wis., in place of E. D. Feeney. Incumbent's commission expires June 12, 1938.

Patrick H. Laughrin to be postmaster at Prentice, Wis., in place of P. H. Laughrin. Incumbent's commission expires June 12, 1938.

Solon A. McCollow to be postmaster at River Falls, Wis., in place of S. A. McCollow. Incumbent's commission expired May 22, 1938.

CONFIRMATIONS

Executive nominations confirmed by the Senate June 7, 1938

APPOINTMENTS IN THE REGULAR ARMY

TO BE SECOND LIEUTENANTS WITH RANK FROM JUNE 14, 1938

Corps of Engineers

1. John Robert Jannarone.
2. Matthew John Altenhofen.
3. Robert Allen Breitweiser.
4. George Willard Bixby.
5. Desloge Brown.
6. James Burney Chubbuck.
7. Alexander John Frolich.
8. Paul Theodore Preuss.
10. Robert Worrell Love.
12. William Allen Orr.
13. Richard Giles Stilwell.
14. Irwin Miles Parry.
15. John William Thompson, Jr.
16. Harold Killian Kelley.
17. James Linn Lewis.
18. William Atha Gay.
19. Donald Glazier Williams.
22. William Stoddard Crocker, Jr.
23. William Brett Kieffer.
25. Leo Vernon Harman.
26. William Ward Smith, Jr.
30. Robert Marshall Batterson, Jr.
32. Robert Joseph Kasper.
33. Milton Paul Barschdorf.

Signal Corps

9. John Eugene Kelsey.
28. Andrew Carl Dapprich.
29. Benjamin Marcus Tarver, Jr.
38. Walter Edward Lotz, Jr.
44. Rolf Olaf Wulfsberg.
52. Glenn Craddock Coleman.
62. George Arthur Bosch.
67. Frederick Charles Lough.
68. William Braden Latta.
72. Albert Peterson Sights, Jr.
84. Jesse Fuller Thomas.
93. Norman Lester Tittle.
97. Albin Lee Burke.
111. Arthur Wellesley Skerry, Jr.
117. Robert Lee Snider.

Cavalry

42. Samuel Mason Hogan.
48. Henry Leland Crouch, Jr.
74. Omar Ellsworth Knox.
76. Walter Stephen Gray.
86. Tracy Bovard Harrington.
92. John Harland Swenson.
104. Joseph Rhett Barker, 2d.
106. William Keith Kincaid.
114. William Anthony Sussmann.
118. Ashley Burdett Packard.
123. William Peck Brett.
128. Gailon Myers McHaney.
129. Jack Lee Grubb.
134. Ralph Burton Praeger.
135. Charles Winfield Sherburne.
136. Nicholas Horace Chavasse.
145. John Charles Fremont Tillson, 3d.
149. Henry Brooks Wilson.
150. Maurice Raymond Lemon.
158. Neil David Van Sickle.
174. Edward Francis Gillivan.
178. Wilbur Charles Strand.
179. Robert Carl Erlenbusch.
187. Allen Douglas Hulse.
203. Eugene Joseph Sweeney.
204. Frank Elmer Glace, Jr.
206. Robert William Rulkoetter.
207. Thomas Louten McCrary.
208. Roberts Sherwood Demitz.
214. Donald Walker Thackeray.
216. Charles William Walson.
243. Merrick Bayer.
244. John Joseph Carusone.

Field Artillery

11. Morris Frederick Taber.
20. Charles Howard Anderson.
24. Clarence Clinton Harvey, Jr.
31. Edward Alfred Bailey.
34. Vincent Martin Elmore, Jr.
35. Francis Woodworth Jenkins.
36. George Gray O'Connor.
37. Robert Claude McCabe.
39. William Kenneth Skaer.
46. Trevor Nevitt Dupuy.
47. Barry Duran Browne.
49. Laurence Edward Wernberg.
54. Fillmore Kennady Mearns.
55. William Welby Beverley.
56. Roland Bennett Anderson.
58. Frank Wade Norris.
59. John Fouché Brownlow, Jr.
60. Roy Cleveland Heflebower, Jr.
66. John Dale Ryan.
69. William McGregor Lynn, Jr.
71. Charles Joseph Blake, Jr.
77. Alvar Bertil Sundin.
81. Samuel Knox Eaton.
82. Ted Irving Sawyer.
87. Martin Lockwood Webb.
89. Frank Pleasants Sturdivant.
91. Philip Yeager Browning.
96. Francis Burnett Harrison.
99. William Henry Corbett.
103. William Thomas Weissinger, 3d.
113. Douglas Clinton Polhamus.
115. Louis Edward Coira, Jr.
119. John Charles Nickerson, Jr.
121. Donald Ward Saunders.
124. Richard Joseph Long.
125. Robert Alan Zaiser.
126. Ferdinand Joseph Chesarek.
127. John Dean Moorman.
133. James Taylor, Jr.
137. Henry Charles Huglin.
142. Jaroslav Folda, Jr.
146. John Burns Hamilton.
152. Lorenzo Dow Adams.
153. John Robert Hopson.
155. Robert Carleton McBride.
157. John Charles Damon.
159. John Cozart Pitchford.
160. Harlan Keith Holman.
163. David Wallace Hayes.
167. Samuel Llewellyn Barbour, Jr.
172. William Hugh Blanchard.
175. Charles Little Haley, 3d.
182. Robert Davis Offer.
184. Francis Henry Patrick.
185. William Adolph Sundlof.
192. Rudolph Laskowsky.
221. Richard Augustine Broberg.
223. Leland Oscar Krug.

Coast Artillery Corps

21. Kenneth Gregory Wickham.
27. Clarence Allen Langford.
41. Prescott Miner Spicer.
45. Melvin Rhodes Russell.
50. Glenn Preston Anderson, Jr.
51. Dallas Fernald Haynes.

pires June 8, 1938.

May 22, 1938.

53. Iver Arthur Peterson.
57. Alfred John D'Arezzo.
61. Burton Robert Brown.
63. Sherwood Ernest Buckland.
64. Richard Gay Ivey.
70. Joseph Conigliaro.
73. George Kappes.
75. Frederick Adam Miller.
80. Howard Edward Michelet.
85. John Robert Bailey, Jr.
88. Albert Joseph Weinnig.
90. Paul Canning Davis.
94. William Hollis Vail, Jr.
95. Lloyd Earl Johnson, Jr.
105. Paul Revere Cornwall.
108. Edgar Stanton Rosenstock.
109. Frederick John Gerlich.
110. Harvey Pettibone Barnard, Jr.
116. Arpad Arthur Kopcsak.
120. Lawrence Chandler Baldwin.
130. Kenneth Glade.
132. John Herbert Spangler.
138. Alan Seff.
140. Harry Cornelius Morrison.
141. John Barkley Pattison, Jr.
144. James Russell Homes.
147. John Bennet Herboth, Jr.
154. Virgil Lee Zoller.
161. Elmer Ellsworth Hallinger.
169. Philip Robert Hawes.
183. Earle Metzger Shiley.
191. Carter Eugene Duncan.

Infantry

40. Claire Elwood Hutchin, Jr.
43. Harold Nelson Moorman.
78. Gregory Hoisington, Jr.
79. Ole Willis Danielson.
83. Milton Edward Lipps.
98. Howard Doan Kenzie.
100. Edward Joseph Cichowski.
101. Bertram Cowgill Harrison.
102. Elliott Woodrow Amick.
107. Clifford Field Macomber.
112. Arthur Joseph Smith, Jr.
122. Simon Rudel Sinnreich.
131. Edgar Stanton McKee.
139. William Emmett Ekman.
143. Edwin Nevin Howell.
148. Richard Franklin Bromiley.
151. James Albert Bassett.
156. Charles Loyd Jackson.
162. Donald Roy Matheson.
164. Merton Singer.
165. Edwin Lee Clarke.
166. Jefferson Johnson Irvin.
168. George William Rhyne.
170. Robert Chilton Works.
171. Gordon Madison Clarkson.
173. Castex Paul Conner.
176. Joseph Gray Duncan, 3d.
177. William Albert Johnson, Jr.
180. Hubert Emmet Strange.
181. Hugh Douglas Wallace.
186. James Henry Lynch.
188. Clarence Earle Beck.
189. James Rhea Luper.
190. William Patrick Wansboro.
193. Rollin Benedict Durbin.
194. Fred Murray Dean.
195. Alexander Bruce Pendleton.
196. Joseph Benedict Missal, Jr.
197. James Terry Craig.
198. Arthur Fulbrook Gorham.
199. Warren Rand Williams, Jr.
200. George Henderson Lee Dillard.
201. John Milton Finn.
202. Harvey Lloyd Brown, Jr.
205. Melvin Charles Brown.
209. Arthur Sylvester Collins, Jr.
210. Willard Gregory Walsh, Jr.
211. William Henry Frederick, Jr.
212. Frank Milton Izenour.
213. Vincent Morgan Miles, Jr.
215. Joseph Breece Wells.
217. James Edward Mrazek.
218. Harris Edward Rogner.
219. Frank Dickson Miller.
220. William Henry Jaynes.
222. David Owen Byars, Jr.
224. Robert Lee Wolverton.
225. Joseph Stephen Kujawski.
226. Thomas Nelson Sibley.
227. Roy Ray Brischetto.
228. Mark Francis Brennan.
229. Philip Charles Feffer.
230. Gibson Emerson Sisco, Jr.
231. Richard Elam Sims.
232. Vincent Keator.
233. Edwin Arthur Machen, Jr.
234. James Willis Rhymes.
235. Ben Sternberg.
236. Ralph Allen Jones, Jr.
237. Frederic Charles Teich, Jr.
238. Richard Carl Thomas.
239. Louis Nathaniel Dosh.
240. Robert John Bruton.
241. Charles Mathis Young.
242. Charles Joseph Denholm.
245. John Thomas English.
246. Arthur Anthony Maloney.
247. Robert Alois Barker.
248. John Alexander Norris, Jr.
249. Littleton James Pardue.
250. Franklin Henrie Hartline.
251. Edward George DeHart.
252. Arthur Maxwell Murray.
253. John Eliason Boyt.
254. Henry Sylvanus McDonald, Jr.
255. Vincent Wallace Siren.
256. Robert Belden Kuhn.
257. Robert Leaning Ashworth.
258. Walter Nicholas Guletsky.
259. Victor Charles Warren.
260. Myrl Fay Smith.
261. Wallace Stafford Ford.
262. Coral Max Talbott.
263. Edgar Hayden Dale.
264. Joseph Claude Reddoch, Jr.
265. Warren Thomas Hannum, Jr.
266. Robert Hodson Rhine.
267. Clifford Thomas Riordan.
268. John Winthrop White.
269. Shelby Young Palmer, Jr.
270. Gabriel Caldwell Russell.
271. Edward Henry Lahti.
272. John Harlan Chambers.
273. Birdsey Lee Learman.
274. John Thomas Corley.
275. John Thomas Ewing.
276. James Eugene Henderson.
277. Frederick Starr Wright, Jr.
278. William Clark Jackson, Jr.
279. Edward Raymond Skinner.
280. William Conyers Fite, 2d.
281. Stephen Radford Batson, Jr.
282. Andy Archer Lipscomb.
283. Edward Walter Jacunski.
284. James Kent Schmidt.
285. Joe Reese Brabson, Jr.

286. George Cornell **Abert.**
287. Robert John Hill.
288. Ward Sanford Ryan.
289. Edward Stephenson.
290. Robert Howard **York.**
291. George Artman.
292. Ralph Brown **Lister.**
293. George Rapp Zohrlaut.
294. David Gibson Sherrard, **2d.**
295. Frank Edward Hartman.
296. William Folwell Neff.
297. Samuel Salvatore **Campanella.**
298. Edward Gustave Aaron **Chalgren, Jr.**
299. James Horace Isbell.
300. Collin Batson Whitehurst, **Jr.**
301. John Boddie Coleman.

POSTMASTERS

MINNESOTA

Joseph C. McGowan, Benson.
Robert H. Burrill, Hawley.

TENNESSEE

William P. Stone, Lynchburg.

HOUSE OF REPRESENTATIVES

TUESDAY, JUNE 7, 1938

The House met at 12 o'clock noon.

The Chaplain, Rev. James **Shera Montgomery, D. D.,** offered the following prayer:

Almighty God, our Heavenly Father, O Thou Saviour who hast loved us, love us into strength, into patience, and into brotherhood. We pray that our undaunted Lord and Master may inspire us with His faith and zeal. Unseal the fountains of Thy presence, and may we recognize the claims of high character, noble duty, and the service we owe a great people. May we look up from the lap of our own dear native soil and thank God that we live in the fairest portion of all the earth; may it never be the despair of any man. As we see Thy hand stretched forth, may we be deeply grateful that it is the love of the eternal that binds us to Thy throne forever. Enable us to prove the justification of our high ideals and the guaranty of our great hopes. Grant that we may dispense with all unnecessary anxieties, trust God, labor justly, and be at rest. We pray that a new world will soon be shaped for a new humanity. We beseech Thee to bless and guide all officers, leaders, and Members of the Congress, and Thine shall be the praise. In our Redeemer's name. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. St. Claire, one of its clerks, announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 9995) entitled "An act making appropriations for the Military Establishment for the fiscal year ending June 30, 1939, and for other purposes."

The message also announced that the Senate agrees to the amendments of the House to the amendments of the Senate Nos. 20 and 30 to the foregoing bill.

The message also announced that the Senate had passed without amendment a joint resolution of the House of the following title:

H. J. Res. 667. Joint resolution to authorize an appropriation to aid in defraying the expenses of the observance of the seventy-fifth anniversary of the Battles of Chickamauga, Ga., Lookout Mountain, Tenn., and Missionary Ridge, Tenn.; and to commemorate the one hundredth anniversary of the removal from Tennessee of the Cherokee Indians, at Chattanooga, Tenn., and at Chickamauga, Ga., from September 18 to 24, 1938, inclusive; and for other purposes.

The message also announced that the Senate had passed a bill of the following title, in which the concurrence of the House is requested:

S. 2165. An act to amend the act entitled "An act to provide conditions for the purchase of supplies and the making of contracts by the United States, and for other purposes."

COMMITTEE TO INVESTIGATE UN-AMERICAN ACTIVITIES

The SPEAKER. Pursuant to House Resolution 282, Seventy-fifth Congress, the Chair appoints as members of the special committee to investigate un-American activities, the following Members of the House: Messrs. DIES, chairman; HEALEY; DEMPSEY; STARNES; MOSIER of Ohio; MASON; and THOMAS of New Jersey.

SECOND DEFICIENCY APPROPRIATION BILL, FISCAL YEAR 1938

Mr. WOODRUM, from the Committee on Appropriations, reported the bill (H. R. 10851) making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1938, and for prior fiscal years, to provide supplemental appropriations for the fiscal years ending June 30, 1938, and June 30, 1939, and for other purposes (Rept. No. 2614), which was read a first and second time, and, with the accompanying report, referred to the Committee of the Whole House on the state of the Union and ordered to be printed.

Mr. TABER reserved all points of order on the bill.

ORDER OF BUSINESS

Mr. RAYBURN. Mr. Speaker, I ask unanimous consent that the business on the calendar in order for the day may be dispensed with.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

COMMITTEE TO INVESTIGATE CAMPAIGN EXPENDITURES

Mr. WARREN. Mr. Speaker, I offer a privileged resolution from the Committee on Accounts and ask for its immediate consideration.

The Clerk read the resolution, as follows:

House Resolution 515

Resolved, That there shall be paid out of the contingent fund of the House not to exceed $20,000 for the expenses of the select committee appointed under the authority of House Resolution 291 to investigate the campaign expenditures of the various candidates for the House of Representatives in all parties.

With the following committee amendment:

In lieu of the matter contained in House Resolution 515, insert the following:

"*Resolved*, That the expenses of the investigation by the select committee created by House Resolution 291, not to exceed $20,000, including expenditures for the employment of clerical and stenographic assistants, shall be paid out of the contingent fund of the House on vouchers authorized by such committee, signed by the chairman thereof and approved by the Committee on Accounts.

"SEC. 2. That the official committee reporters may be used at all hearings held in the District of Columbia, if not otherwise officially engaged."

Mr. WARREN. Mr. Speaker, this is the usual resolution that has been passed for years and years, and carries the same sum of money as heretofore appropriated. I hope that no part of this appropriation will have to be used, and I very freely predict now that practically all of it will be returned.

Mr. SNELL. Will the gentleman yield?

Mr. WARREN. I yield to the gentleman from New York.

Mr. SNELL. As I listened to the amount, I thought it was even less than we appropriated in previous years.

Mr. WARREN. No. We have appropriated $20,000 every 2 years and practically all of it, with one exception, has been returned.

Mr. SNELL. I could not quite understand what the idea was of the second part of the resolution there.

Mr. WARREN. The original resolution was badly drawn and left no supervision over the expenditure of the money by the Committee on Accounts; so we have brought in a substitute resolution providing for this supervision and it also contains another provision that if they have any hearings

during the recess of the Congress in the District of Columbia they may use the official committee reporters.

Mr. RICH. Will the gentleman yield?

Mr. WARREN. I yield to the gentleman from Pennsylvania.

Mr. RICH. As I understand it, you are going to spend $20,000 to investigate the expenditures of Members of Congress in the campaign. Is that correct?

Mr. WARREN. The gentleman knows this is the usual resolution for any alleged election violations.

Mr. RICH. Is the gentleman going to give consideration to the $3,300,000,000 that is going to be spent for the Public Works Administration, which the Senate voted recently, and permit this money to be used for campaign expenses?

Mr. WOODRUM. Will the gentleman yield?

Mr. RICH. I have not finished.

Mr. WARREN. I am not going to permit the gentleman to finish because I am not going to have anything to do with this.

Mr. RICH. Is the gentleman going to make an investigation?

Mr. WARREN. I have nothing to do with that.

Mr. WOODRUM. Will the gentleman answer this: If there is to be an investigation, will the gentleman give some consideration to the unnecessary increase in the appropriation for the Rural Electrification Administration, in which the gentleman from Pennsylvania forced $40,000,000 on the Rural Electrification Administration that it did not want and that it did not need?

Mr. RICH. JOHN RANKIN said they did need that money, and JOHN RANKIN stated he would get up on the floor and show you why they need the money.

Mr. WARREN. Mr. Speaker, I move the previous question.

The committee amendment was agreed to.

The resolution, as amended, was agreed to, and a motion to reconsider was laid on the table.

EXTENSION OF REMARKS

Mr. WADSWORTH. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein a speech made by myself at Albany, N. Y., on June 6, before the New York State Constitutional Convention, the subject being The Late Elihu Root.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

PERMISSION TO ADDRESS THE HOUSE

Mr. WOOD. Mr. Speaker, I ask unanimous consent that on tomorrow, at the conclusion of the legislative program of the day and following any special orders heretofore entered, I may be permitted to address the House for 20 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

Mr. TABER. Reserving the right to object, Mr. Speaker, and I shall not object, I believe the gentleman ought to know we are going to try to read the deficiency bill for amendment tomorrow, and it may be late in the day before he will have an opportunity to address the House.

Mr. WOOD. Mr. Speaker, I am well aware of that fact, but I have not taken up much of the time of this House in addressing the House. If the gentleman wishes to object, all right.

Mr. TABER. I am not going to object, Mr. Speaker.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

ONE HUNDREDTH ANNIVERSARY OF THE BIRTH OF JOHN HAY

Mr. CROWE. Mr. Speaker, I ask unanimous consent for the present consideration of House Concurrent Resolution 53, which I send to the Clerk's desk.

The Clerk read the concurrent resolution, as follows:

Whereas the one hundredth anniversary of the birth of the late John Hay occurs on October 8, 1938; and

Whereas the said John Hay rendered distinguished public service as secretary and biographer of President Abraham Lincoln, as Secretary of State of the United States, as negotiator of the Hay-Pauncefote Treaty, and as orator at the joint meeting of Congress commemorating the life and character of President William McKinley; and

Whereas the Washington County (Indiana) Historical Society has planned an observance of said anniversary to be held at the birthplace of the late John Hay at Salem, Ind., during the week of October 2 to 8, 1938, inclusive: Therefore be it

Resolved by the House of Representatives (the Senate concurring), That a committee of two Senators and four Representatives be appointed by the President of the Senate and the Speaker of the House of Representatives, respectively, to represent the Congress of the United States at said celebration.

That the Secretary of State, the Librarian of Congress, and the Archivist of the United States are hereby requested to furnish such documents or reproductions thereof, under such regulations as they may prescribe, to the Washington County Historical Society for exhibition purposes in connection with said celebration.

The SPEAKER. For the information of the House, the Clerk will report the amendment which the gentleman from Indiana proposes to offer to the resolution.

The Clerk read as follows:

Amendment offered by Mr. CROWE: On page 2, after line 9, insert a new paragraph, as follows:

"That no appropriation shall be made to carry out the purposes of this resolution."

The SPEAKER. Is there objection to the request of the gentleman from Indiana for the present consideration of the resolution?

There was no objection.

The SPEAKER. The Clerk will report the amendment offered by the gentleman from Indiana.

The Clerk again reported the amendment.

The amendment was agreed to.

The resolution was agreed to.

A motion to reconsider was laid on the table.

EXTENSION OF REMARKS

Mr. COX. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by including therein an address I made on yesterday before the Mercer University Alumni Association.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

Mr. VOORHIS. Mr. Speaker, I ask unanimous consent to include in an extension of my remarks certain extracts on the problem of transiency which appeared in the Catholic Worker.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

THE DEPRESSION—THE CAUSE AND THE REMEDY

Mr. GRAY of Indiana. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

SECOND: SPEAKING ON MONEY IN INDUSTRY

Mr. GRAY of Indiana. Mr. Speaker and fellow Members of Congress, preliminary to an explanation of the cause of the world industrial crisis and the cause and the remedy of the 1937 depression, it must be realized and understood that the growth and development of industry came with and following the means and use of money, and without money there could have been no modern industry.

THE USES OF MONEY

Alongside the history of modern industry must be written the history of money and its uses. With the use of money always leading the way, and modern industry following up where money led, we must therefore first speak of the uses of money for an understanding of the modern operations of industry developed from its crude and primitive state.

It was early in the dawn of human history when man first awoke, conscious of his being, that he was made to realize the advantages of working together with his fellow man. And mother necessity, ever mindful and watchful of the interests

and welfare of her children, invented money to work out their destiny together.

THE RESOURCEFUL HUMAN MIND

And it was the progressive impulse of the resourceful, human mind that developed the crude money materials from commodities in barter and exchange into tokens and symbols of value, making foods and services of men conveniently convertible into other goods and services and facilitating their transfer for exchange.

MONEY AND CIVILIZATION

It was the invention and use of money which made it possible for our civilization and paved the way for human progress, and the flickering lights flaring up along the pathway of men groping through the shadows of the early morning twilight of human history have marked the periods of the use of money.

It was the lights of money fading out with the failure and disappearing supply of gold and silver, then the only money materials, that left the people groping in the Dark Ages, until the discovery of gold and silver in the New World, and the invention of paper money as a medium of exchange lifted the shadows of that long night for the returning footsteps of human progress.

MONEY AND INDUSTRY

Money is as vital to industry and civilization as light, air, or water to the body. A partial failure or interference of the supply of light, air, or water would impair and disorder the body, and a part failure or interference with the free flow of the money supply will impair, slow down, and disorganize the conduct of industry and the forms of civilization.

With a total failure of the supply of light, air, or water the body would dwarf and perish. And so with a total failure of the supply of money, civilization and industry would fall, crumble, and decay, and men would be driven back to the caves to clothe themselves in the skins of animals and to live again their crude and primitive lives.

ALL HUMAN PROGRESS BASED ON THE USE OF MONEY

Money is the basis of all social relations, of the institutions of peace and civil life, and all the charities that soothe and heal and bless, and all the orders of civilization itself would languish, fail, dwarf, and disappear if money in all its forms for exchange was destroyed, withheld, or withdrawn from use.

Money is the one invention of man which lifted him above mere animal existence, and made his progress and advancement possible, and opened the way for him to progress further in his march to the higher planes and goal of our present exalted civilization.

Looking back, down, and through the fading shadows of the morning twilight of human history, we see men moving in the flickering lights of the crude forms of primitive money, coming up from their benighted state to the higher planes of human life, gradually with the development of money.

INDUSTRY IS MEN WORKING TOGETHER

Industry is men working together, producing as experts together, performing services as specialists together, and exchanging their services or what they produce for other services and what others produce, and all together, as specialists and experts, multiplying production and efficiency in service for the greater well-being of all.

Money alone made industry possible, made possible for men to work together. Industry is built upon and founded upon the use of money for exchange of service and commodities. No industry could exist or progress without money. Without money all industry would stop, stand still. Men would be compelled to separate and work alone and go back to the caves from whence they came.

A WANT AND SCARCITY OF MONEY

A want, scarcity, or partial failure of money, of an insufficient volume or supply of money, for the exchange of products and services of men will stagnate and slow down and disorganize industry, which we call a panic or an industrial depression, followed with unemployment and failure of consumption and with want and suffering in the midst of plenty and abundance.

But a total failure of the supply of money would completely disorganize and destroy all industry, would make it impossible for men to work together, would close down every factory, mill, and workshop, would drive men out of their homes to go back and peer out from the caves of the earth, wearing skins of animals for clothing.

BEFORE THE INVENTION OF MONEY

Before the invention of money, men were compelled to produce and provide for all their own needs, each for himself. They could not specialize as experts in any one line of service or production, and obtain their other needs from other men, nor supply other men with their services or products.

They were compelled to produce each and every article for themselves, which they needed and required to use and to perform for themselves every service necessarily performed for them to live. They were forced to be jacks-of-all-trades and could be masters of none. They could not specialize to become skilled or proficient in any one art, trade, line, or calling.

Thus, each compelled to provide every article and service, men could live little better than some of the animals, which store up their food in season and find caves for their shelter from the elements. With men compelled to work separately and provide themselves for every necessity and service with their own hands and labor, human progress would have been impossible, or long delayed.

THERE COULD BE NO SKILLED ARTISANS

There could have been no skilled carpenters or masons to build the houses for comfort and shelter; there could have been no skilled weavers of cloth to cover and protect their body from the elements; there could have been no men to devote themselves to medicine and surgery, to remedy bodily ills, disorders, and disease, nor to develop the uplifting sciences and the arts.

There could have been no men to prepare themselves as educators to impart knowledge of the world and the forces around and about them; there could have been no men to study as astronomers to take their bearing in the realm of space.

Men could not have worked together, each specializing as an expert to become skilled and proficient in any certain line, trade, calling, or endeavor, to enable them to provide more and better of all the comforts and conveniences of life. They could not have performed services and produced together. They could not have worked together in a system of industry.

MEN COMPETING WITH THE ANIMALS

Men would have gone on competing with the animals about them, overcoming them and wearing their skins, overcoming them and driving them out of the caves and making their dens their homes, overcoming them and living off of their flesh, or taking the natural foods away from them, much as one superior or stronger animal overcomes another.

OUR FREE, COMPETITIVE SYSTEM OF INDUSTRY

There could have been no system of free, competitive industry under which men, as individuals, could have developed from their own initiative; could progress as free, moral agents; could be the architects of their own fortunes; could live their own lives and make their own world around them.

All industry was developed with the use of money. It has suffered impairment and stagnation with the failure or interference with money. Industry has followed up with prosperity, with the normal increase and stabilization of money, and it has followed down to the depths of impairment and stagnation with the failure or this perverted use of money.

OUR SPECIALIZED SYSTEM OF INDUSTRY

Modern industry is a specialized system, men specializing as experts in one line of production, one man providing one article or part of the necessaries, another man producing other articles or parts of the necessaries, and under which system men have been enabled to become more efficient and skilled to produce more and better of all the necessaries, comforts of life.

There are two vital operations in our specialized industrial system which are and can only be carried on with money. These operations are in the employment of men. Men working together in modern industry cannot divide the goods produced, nor share their part of the goods produced, but take money to represent the value of goods produced.

One part of these two operations of industry is to make possible or practicable for some men, who manage and direct production and enterprise, to bring in or give employment to other men by means of money, dividing the earnings and income from the goods produced or enterprise carried on in portions of value to sustain the men employed.

The other part of the operations of industry is to enable men working as specialists and producing one article of the necessaries to exchange their services and what they produce for other services and what others produce, and thereby to provide themselves with all the necessaries, comforts, and conveniences produced by others, as well as themselves.

MEN COULD NOT BE EMPLOYED WITHOUT THE USE OF MONEY

Without the use of money in modern industry there could be no employment of men. Some men could not provide employment for others. Each man could only employ or work for himself separately. Men could not be organized to work together. Without the means and agencies of money modern industry could not function for a single day.

It is only by the means and agencies of money that men can work as specialists, as experts, each devoting himself to one line of production, and exchanging their services and what they produce for other services and what others produce, and thereby providing themselves with all the necessaries required by men to live.

In closing this second address, I want to leave with you in mind that industry is men working together, that it was the invention of money that made industry possible, possible for men to work together, possible for men to exchange their services and what they produced for other's services and what others produced.

And every interference or interruption of the free use of money in industry will interfere and interrupt the progress of industry. And a part failure of the supply of money will bring a like failure of industry, and a total want or failure of money will compel men to separate and destroy all industry.

EXTENSION OF REMARKS

Mr. EATON. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by inserting a brief communication from the National Agricultural Conference that was held here on June 2.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

PERMISSION TO ADDRESS THE HOUSE

Mr. KNUTSON. Mr. Speaker, I ask unanimous consent to adress the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. KNUTSON. Mr. Speaker, last evening a very delightful program came over the air. It was interspersed with election returns from the State of Iowa that gave much comfort to those who believe in constitutional government and noninterference from outsiders. About 12 o'clock the returns indicated that the forces of constitutional government had won. The report was followed by a selection of the orchestra entitled "The World Ain't So Crazy After All." The program closed with the singing of that delightful ballad of Carrie Jacobs Bond, Just a WEARIN for You.

The returns from Iowa would indicate that the popularity of the New Deal is WEARIN out.

[Here the gavel fell.]

EXTENSION OF REMARKS

Mr. STEFAN. Mr. Speaker, I ask unanimous consent to include in my remarks a brief article on farm fuel alcohol.

The SPEAKER. Is there objection to the request of the gentleman from Nebraska?

There was no objection.

Mr. PLUMLEY. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by inserting therein two speeches made on Memorial Day.

The SPEAKER. Is there objection to the request of the gentleman from Vermont?

There was no objection.

Mr. IGLESIAS. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD on general legislation for Puerto Rico.

The SPEAKER. Is there objection to the request of the Commissioner from Puerto Rico?

There was no objection.

SECOND DEFICIENCY APPROPRIATION BILL, 1938

Mr. WOODRUM. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the bill (H. R. 10851) making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1938, and for prior fiscal years, to provide supplemental appropriations for the fiscal years ending June 30, 1938, and June 30, 1939, and for other purposes; and pending that, I ask unanimous consent that general debate may continue during the afternoon, the time to be equally divided and controlled by the gentleman from New York [Mr. TABER] and myself.

Mr. TABER. That is satisfactory.

The SPEAKER. The gentleman from Virginia moves that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the bill H. R. 10851, and pending that, asks unanimous consent that general debate on the bill may continue during the remainder of the afternoon, the time to be equally divided and controlled by himself and the gentleman from New York. Is there objection to the request?

There was no objection.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the consideration of the bill H. R. 10851, with Mr. MCREYNOLDS in the chair.

The Clerk read the title of the bill.

Mr. WOODRUM. Mr. Chairman, I ask unanimous consent that the first reading of the bill be dispensed with.

The CHAIRMAN. Is there objection to the request of the gentleman from Virginia?

There was no objection.

Mr. WOODRUM. Mr. Chairman, I yield myself 20 minutes.

Mr. Chairman, the bill and copies of the report are available. I may state that it is the purpose of the committee to use as much time as may be required for general debate today and to begin reading the bill for amendment tomorrow.

This second deficiency bill, while somewhat voluminous from the standpoint of printed pages, is just about in line with deficiency bills we have had at the same stage of other sessions of Congress. We provide appropriations totaling $274,347,229.64 in this bill, a decrease of $24,540,215.11 under the Budget estimates.

You will find in the report, if you are interested in following it, a very clear statement of the items in the bill. You will find that there is only $12,500,000 of real deficiencies in the bill. The judgments and audited claims total $10,319,580.99, making for this and deficiency purposes a total of $22,819,580.90 for the fiscal year 1937 and prior fiscal years, or about 8.5 percent of the bill. Four major items, totaling $220,649,291.16, constitute 81 percent of the total amount, and I shall refer to those items briefly in a moment. Other supplemental amounts for the fiscal years 1938 and 1939 total $30,878,357.58, or 10.5 percent of the bill.

One of the four major items is $94,285,404.73 to restore the capital impairment of the Commodity Credit Corporation. This Corporation makes loans on the basic agricultural commodities, and this appropriation represents almost entirely the depreciation as of March 31 last of collateral for cotton loans. This is a disguised subsidy, someone has said, to the cotton farmer, but I think it is very thinly disguised.

Under the law a survey is required each year, as of March 31, and if the capital has been impaired below $100,000,000, an appropriation may be made to restore it up to that amount. The Corporation will make further loans, and if there are losses we will have to repair their capital again next year.

Mr. BOILEAU. Mr. Chairman, will the gentleman yield?

Mr. WOODRUM. I yield.

Mr. BOILEAU. Is that in addition to the $130,000,000 subsidy and also in addition to the amount carried in the Senate amendment to the relief bill?

Mr. WOODRUM. This is in addition to all of that.

Mr. BOILEAU. Quite a fair subsidy for 1 year for cotton.

Mr. WOODRUM. Just about a billion dollars. I do not mean, of course, that all of that is for cotton or for subsidy, but for all purposes on account of agriculture.

Mr. BOILEAU. Most of it is for cotton. The $130,000,000 is for cotton and also a large part of the $212,000,000.

Mr. WOODRUM. That is correct.

Mr. PACE. Mr. Chairman, will the gentleman yield?

Mr. WOODRUM. I yield.

Mr. PACE. The gentleman from Wisconsin refers to the fact that this was a lot of subsidy for 1 year. I would like to ask the gentleman if he knows that of that $130,000,000 not one penny has yet been paid to the farmers and it now seems they will not be paid until next year, and the $212,000,000 carried in the Senate bill is not to be available until 1939, and the farmers have never got one penny of subsidy.

Mr. SNELL. Mr. Chairman, will the gentleman yield?

Mr. WOODRUM. I yield.

Mr. SNELL. How much cotton does this organization own at the present time, or how much have they on which they have loaned money and practically own now?

Mr. WOODRUM. There is a very full statement in the hearings about that. I do not have in mind the exact number of bales or the number of pounds.

Mr. SNELL. The gentleman from New York [Mr. TABER] says about 7,000,000 bales.

Mr. WOODRUM. Their total outstanding loans as of March 31, 1938, were about $215,000,000, mostly on cotton.

Mr. SNELL. And when they sell the additional cotton, of course, there will be more losses?

Mr. WOODRUM. That is probably correct.

The second of the four major items is the amount of $40,561,886.43, which is to return to certain States 90 percent of the Federal employees' taxes collected in those States under title IX of the Social Security Act prior to the time the States qualified under the social-security system. This is authorized by law as to those States. They are set out at page 7 of the report.

The third of the four major items is $50,000,000 for the refund of the processing taxes collected under the Agricultural Adjustment Act.

The fourth of the major items is $35,802,000 for the naval shipbuilding program including funds for yard and station facilities in connection therewith. This sum arises because of the Naval Expansion Act, recently become a law, and our general defense policy as outlined by the President's message of January 28, 1938.

There are a number of other items in the bill of lesser importance.

The committee has conducted very careful and, we think, very comprehensive hearings on all of these items.

One of the items that Members will probably be interested in is the Thomas Jefferson Memorial. The Committee on Appropriations brings that back to you again. Responding to the thought that there should be in the Nation's Capital a representative, dignified memorial to Thomas Jefferson, that might take its place alongside of the memorials to Lincoln, Washington, and other such distinguished Americans, Congress set up the Thomas Jefferson Memorial Commission. It is a bipartisan body and has distinguished gentlemen of both Houses on it. They have labored long and diligently.

In the act constituting that Commission we gave wide and unusual powers. We gave them authority to select the type of memorial, to select the site for the memorial, and the additional and unusual authority to proceed with a contract that would bind the Government for the cost of the memorail not exceeding $3,000,000. That Commission could have performed those functions and entered into a contract for the construction of a memorial within the authorized amount of $3,000,000 and the Government would have been liable. They have not undertaken to use that wide power, but they have sought to devise a plan and select a site. We are all familiar with the controversy and the difference of opinion that has existed in and out of Congress upon the subject, but the Committee on Appropriations felt that the House should settle that matter. The Commission is unanimous. The matter comes to us with a unanimous report and decision as to the type of memorial and the site for the memorial and the Budget estimate, and we feel that the Congress should carefully consider the matter and act upon it in its wisdom.

Mr. SNELL. Mr. Chairman, will the gentleman yield?

Mr. WOODRUM. Yes.

Mr. SNELL. Does the gentleman himself, considering the economic condition of the country at the present time, think that Congress should borrow $500,000 to start the construction of this memorial or a memorial for any man, no matter how great he was?

Mr. WOODRUM. The gentleman has asked me an embarrassing question but I will answer frankly. I think the Government should not do it.

Mr. SNELL. I have asked the question in absolute good faith.

Mr. WOODRUM. I appreciate, and I have answered the gentleman frankly, as I have stated frankly to my distinguished and beloved colleague the gentleman from New York [Mr. BOYLAN]. I think Congress should not do that, but this may be said somewhat in extenuation of doing it. We are proceeding with a public-works program of heavy construction upon the theory that it will furnish employment to people, spending money to build post offices and other types of heavy construction, and the building of this memorial will fit into that program just as well as the building of a post office in my district or in the gentleman's district.

Mr. SNELL. I think the gentleman is fair in that statement, but my thought at the present time is that if we were to put the matter up to the American people, they would turn it down. I think the average citizen is beginning to think that Congress should feel some responsibility about spending the people's money, and I think this is a very serious question, so far as the country as a whole is concerned at the present time.

Mr. WOODRUM. Of course, the gentleman will bear in mind the fact that there is quite a good deal of sentiment in

America in connection with a proper and adequate memorial to Thomas Jefferson.

Mr. SNELL. But we do not need it at the present time.

Mr. WOODRUM. We could do without it. There is no doubt about that.

Mr. SNELL. I think there are many other things that should come before that memorial.

Mr. McSWEENEY. Mr. Chairman, will the gentleman yield?

Mr. WOODRUM. Yes.

Mr. McSWEENEY. What is the status of this Commission? Is it a continuing Commission?

Mr. WOODRUM. The Commission continues until Congress does something with it, but they have acted and prepared a unanimous report, and it seems to me it is not fair to create a commission and just leave it hanging in the air.

The bill provides for two public buildings in the District of Columbia. One is a first unit in the plan for housing the War Department, and the other a building for the Social Security Board and the Railroad Retirement Board. Estimates for a War Department building have been before the Committee on Appropriations for several years. The first estimate called for a set-up of about $23,000,000, but the Committee on Appropriations did not bring the item to the House. In the last session of Congress the estimates were revised for a group of buildings costing about $26,000,000, and again the Committee on Appropriations did not act favorably on the matter. This year the Budget estimate calls for the land for the whole project and the building of one unit of this group of buildings, at an estimated total cost of $10,815,000, and the amount carried in the bill for next year is $3,000,000.

The Social Security and Retirement Boards' buildings will ultimately cost for site and buildings $14,250,000, and $3,000,000 is carried in this bill for that.

As to the War Department building let me make this further statement. The War Department at the present time is in a very tragic situation so far as its housing is concerned. The Department is spread out in 19 different buildings, paying a lot of money for rent. A great deal of the time of the responsible administrative personnel is consumed in traveling from one building to another when they have conferences. Their files are divided. This will give them the first unit of a group of buildings which may be located in the area the other side of the Washington Auditorium.

Mr. REES of Kansas. Mr. Chairman, will the gentleman yield?

Mr. WOODRUM. I yield.

Mr. REES of Kansas. The gentleman has just stated the number of buildings required to house the War Department. Has it become necessary in the last few years to increase the personnel of the War Department, that is, the officers and clerks?

Mr. WOODRUM. I think the personnel has not been increased so much as in other agencies. They have, for instance, crowded the War Department almost entirely out of the old State, War, and Navy Building. They are now spread around in a number of small buildings as well as in the munitions building. They have had to branch out and put their different agencies in different buildings. There has been, of course, some expansion in military personnel and civil activities; but I think the space condition has not become so acute on account of that as it has on account of the needs of the State Department.

Mr. REES of Kansas. The State Department has expanded.

Mr. WOODRUM. Yes.

The Social Security Board, of course, is a tremendously large agency. One of their principal units is in Baltimore. They could not find a building in Washington that would house them. They are running three shifts over there in a very unsuitable warehouse building. They are working three shifts a day in order to build up the wage records and keep track of this great undertaking.

Mr. SNELL. Mr. Chairman, will the gentleman yield?

Mr. WOODRUM. I yield.

Mr. SNELL. Does the present plan contemplate the destruction of the War Department Building, or will that be left as it is?

Mr. WOODRUM. The State, War, and Navy Building will not be touched at all. It will release more space there to be utilized by the State Department, space which it badly needs.

Mr. THOMPSON of Illinois. Mr. Chairman, will the gentleman yield?

Mr. WOODRUM. I yield.

Mr. THOMPSON of Illinois. At the present time the Social Security Board is quartered in Baltimore. If we appropriate funds for this new building, will all the activities of this organization be centralized here in the Nation's Capital?

Mr. WOODRUM. That is the purpose; yes.

Mr. Chairman, unless there are questions by the Members, I do not think I will take further time just now.

Mr. RICH. Mr. Chairman, will the gentleman yield?

Mr. WOODRUM. I yield.

Mr. RICH. For the Bureau of Engineering there is carried an item of $1,750,000. What do they expect to do with this money?

Mr. WOODRUM. The gentleman refers to the Navy item, I take it?

Mr. RICH. That is for the Navy Department; yes.

Mr. WOODRUM. That is for machinery, tools, and equipment in connection with the naval construction program.

Mr. CRAWFORD. Mr. Chairman, will the gentleman yield?

Mr. WOODRUM. I yield.

Mr. CRAWFORD. In looking over the hearings that have to do with the Commodity Credit Corporation, I notice there is a replenishment of capital to the extent of $94,285,000 up to March 31 of this year. Does the gentleman know, or does the committee have information that indicates what the loss is likely to be under the Commodity Credit Corporation during the coming inventory year, which would be to next March 31, assuming that prices of wheat and cotton range at about the present level and that the Commodity Credit Corporation has to put up the 52 to 75 percent of parity as set forth on page 730 of the hearings? Is the administration in position to give any estimate on that point? Was that brought out?

Mr. WOODRUM. I think there was not any estimate as to future losses. The gentleman will also find a statement on page 728 which shows outstanding loans of $214,722,029.50. These were made almost entirely on cotton.

Mr. CRAWFORD. For instance, taking the outstanding balance of 1934–35 producers' loans of $116,000,000, that is in the crop year 1934–35, let us assume that the present prices of cotton continue; what chance is there for the Government to collect this $116,000,000 beyond what the cotton would have realized when sold?

Mr. WOODRUM. I think it is generally understood that there will be a loss there and that the Government will take it up. The gentleman would also recall that the last farm bill made loans by the Corporation on cotton, corn, and wheat mandatory; so they come in under that now. If there should continue to be a decline in prices of these commodities, the gentleman can draw on his imagination as to the result.

Mr. CRAWFORD. That is the question I just raised. If Commodity Credit continues to operate during the next 12 months, ending March 31, 1939, and makes up the difference between the prevailing price and parity, I have some rather firm impressions that there will be a potential loss of at least $1,000,000,000.

Mr. WOODRUM. That statement has been made. I would not undertake to hazard a guess.

Mr. LEWIS of Colorado. Mr. Chairman, will the gentleman yield?

Mr. WOODRUM. I yield.

Mr. LEWIS of Colorado. There has been some suggestion in the newspapers that the Federal Bureau of Investigation was not being given adequate funds to carry on their work. Does the gentleman feel that the provision made for this Bureau as shown on page 48 of the report is sufficient and adequate to carry on their important work?

Mr. WOODRUM. I am very glad the gentleman raised that question. The deficiency appropriation to which the gentleman refers is, of course, for the rest of this fiscal year. In addition to the $108,000 carried in this bill, which is a deficiency for 1938, the regular bill made immediately available $65,000 of their 1939 appropriation to cover a total deficiency of $173,000 for 1938. All of that, now, is in addition to their regular appropriation in 1938. The gentleman will find by looking at the hearings that the Congress has universally, and, I think, almost without exception, appropriated more money for the Bureau of Investigation than was recommended to it in the annual Budget. There is no disposition whatever on the part of the committee or of the Congress to handicap the Bureau of Investigation.

Mr. Chairman, I yield myself 10 additional minutes.

Mr. Chairman, unforeseen circumstances may rise which would call for a large concentration of force or large activities in one place; for instance, as in the recent kidnaping and extortion cases. The committee suggests to the Department of Justice that there should be provided by the Congress an emergency fund properly safeguarded and put under the control of the Budget, the President, the Attorney General, or someone that might be drawn upon in case of urgency and emergency where it was necessary to incur unusual expense in cases of that kind.

I think we have adequately provided for them and I believe the gentleman will find that the Bureau itself is well pleased with the treatment received from the Congress.

Mr. LEWIS of Colorado. I believe, if I may gage public sentiment, there is no instrumentality of the Government that has been created within recent years that has aroused more favorable, almost universal approval.

Mr. MURDOCK of Arizona. Will the gentleman yield?

Mr. WOODRUM. I yield to the gentleman from Arizona.

Mr. MURDOCK of Arizona. The gentleman feels that the closing of the two stations—Hartford, Conn., and Phoenix, Ariz.—was not due to lack of funds, but for other reasons? I hope it was not due to lack of support by Congress.

Mr. WOODRUM. I do not know why they closed those stations. However, Congress has been in session since November. If there has been any effort on the part of the Department of Justice or the Bureau of Investigation to get funds, they have received them and it has been expedited in every way possible. There has been no disposition on the part of Congress not to adequately provide for that agency.

Mr. MURDOCK of Arizona. I wish to concur in the sentiment expressed by the latest remarks of the gentleman from Colorado [Mr. LEWIS]. Out my way we appreciate the splendid work of this Bureau and recognize its worth.

Mr. MOSER of Pennsylvania. Will the gentleman yield?

Mr. WOODRUM. I yield to the gentleman from Pennsylvania.

Mr. MOSER of Pennsylvania. In connection with the gentleman's statement with reference to the Bureau of Investigation, in order to correct a wrong interpretation the newspapers have carried with respect to the attitude of Congress toward the Bureau of Investigation, and they were able to play up a lot of sentiment, I doubt if there is a Member of Congress who did not receive some criticism in regard to the attitude of Congress toward the Bureau of Investigation. I would like to have the gentleman state now what the Bureau of Investigation stated before the committee with respect to the attitude of Congress toward that agency?

Mr. WOODRUM. The Bureau of Investigation, in the hearings before the committee, had no complaint with reference to the attitude of Congress. It did make complaint about the action of the Budget Bureau. The gentleman will find this very significant statement, and it should be stated in order that there may be perfect understanding, that the Bureau of Investigation used $200,000 of its 1938 money for the purpose of increasing salaries. This was brought out in the hearings. A part of its deficit or deficiency or shortage of funds is not because Congress has not provided for that agency, but because the Bureau took $200,000 of its funds and increased salaries. I do not mean to say some of that was not justified—maybe it was—but, after all, it does not lie in the mouth of a department to complain that Congress did not provide, when we have given them the money and they have taken the money and used a large portion of it to increase salaries, which is what happened in this case. The gentleman will find in the hearings that has been cleared up, and there can be no misapprehension about the attitude of Congress toward the Bureau.

Mr. COLE of New York. Will the gentleman yield?

Mr. WOODRUM. I yield to the gentleman from New York.

Mr. COLE of New York. In connection with the naval-expansion program, can the gentleman tell me how many battleships are provided for, if any?

Mr. WOODRUM. Two battleships are provided for.

Mr. COLE of New York. Has the size of these ships been determined?

Mr. WOODRUM. That has not been definitely determined. The gentleman will find in the hearings that the Navy Department has under consideration the question of 35,000-ton ships or 45,000-ton ships. The total cost of the two battleships is to be $141,700,000, which is the present estimate on the basis of 35,000-ton ships. We gave them $5,000,000 for the next year to start their construction.

Mr. COLE of New York. Did the Department distinguish as to whether these ships were to be replacement ships or new ships authorized in the new expansion bill?

Mr. WOODRUM. The Department stated they could be either. They could come in as replacement ships or they could probably build them as new ships under the new law.

Mr. COLE of New York. Is it known where these ships will be constructed?

Mr. WOODRUM. As I recall, and the gentleman will find this in the hearings, it was stated that one would be built in a private yard and one in a navy yard, but I do not think the designation has been made.

Mr. COLE of New York. Are there any funds included in the bill for the enlargement of existing facilities for construction?

Mr. WOODRUM. Yes. If the gentleman will refer to page 9 of the report, he will find there a statement, which I will include in my remarks, covering the extension and expansion of facilities at navy yards and the amount carried therefor.

Mr. COLE of New York. All of the navy yards are provided for?

Mr. WOODRUM. Yes. The following table shows, as to ship construction and yard facilities estimated for in connection with this bill, the total estimated cost of each ship, the total estimated cost of facilities at each yard, the estimated cost of the rigid airship, the amount included in the Budget estimate for commencement of work in each instance, and any reduction in the Budget estimates.

	Total estimated cost	Amount included in Budget estimate	Amount included in bill	Increase (+) or decrease (−), amount included compared with estimate
2 battleships (unit cost of $70,850,000 each if not over 35,000 tons) (Vinson-Trammell Act)	$141,700,000	$5,000,000	$5,000,000	
Other vessels (Naval Expansion Act):				
2 light cruisers ($22,300,000 each)	44,600,000	1,320,000	1,320,000	
1 aircraft carrier	44,000,000	1,175,000		−$1,175,000
1 large seaplane tender	13,680,000	3,215,000	3,215,000	
2 small seaplane tenders ($5,053,000 each)	10,106,000	2,439,000		−2,439,000
1 mine layer	9,988,000	338,000		−338,000
1 mine sweeper	2,543,500	605,000	605,000	
1 destroyer tender	13,086,000	615,000	615,000	
2 oil tankers ($6,590,000 each)	13,180,000	1,314,000	1,314,000	
2 fleet tugs ($2,076,000 each)	4,152,000	981,000	981,000	
Subtotal (15)	297,035,500	17,002,000	13,050,000	−3,952,000
Experimental vessels (Naval Expansion Act)	15,000,000	4,498,000	3,000,000	−1,498,000
Total for vessels	312,035,500	21,500,000	16,050,000	−5,450,000
Rigid airship (Naval Expansion Act)	3,000,000	500,000		−500,000
Public utilities at yards and stations including machine tools and shop equipment under Bureaus of Construction and Machinery and Engineering (various acts):				
Boston, Mass.	1,602,000	1,417,000	1,417,000	
Charleston, S. C.	499,000	499,000	499,000	
Mare Island, Calif.	3,310,000	2,290,000	2,290,000	
New York, N. Y.	4,642,000	3,180,000	3,180,000	
Norfolk, Va.	3,925,000	3,325,000	3,325,000	
Philadelphia, Pa.	3,025,000	2,500,000	2,500,000	
Portsmouth, N. H.	1,457,000	1,407,000	1,407,000	
Puget Sound, Wash.	[1] 6,140,000	[1] 3,275,000	[1] 2,275,000	[1] −1,000,000
Washington, D. C.	2,280,000	1,565,000	1,565,000	
San Diego, Calif.	180,000	180,000	180,000	
Dahlgren, Va. (proving ground)	122,000	122,000	122,000	
Hawthorne, Nev. (storage)	492,000	492,000	492,000	
Carderock, Md. (model testing)	500,000	500,000	500,000	
Total, yards, etc.	28,174,000	20,752,000	19,752,000	−1,000,000
Grand total, ships, yards, etc.	343,209,500	42,752,000	35,802,000	−6,950,000

[1] The Budget estimates included $2,000,000 for commencement of construction of a drydock at Puget Sound under a total cost of $4,500,000, toward which the bill carries $1,000,000 for starting work.

Mr. RICH. Will the gentleman yield?

Mr. WOODRUM. I yield to the gentleman from Pennsylvania.

Mr. RICH. I notice that you have for the Department of the Interior for roads on Indian reservations an additional amount of $2,000,000. The original appropriation for this Department included millions of dollars for roads. What is the idea of increasing that amount? In conjunction with that, let me call the gentleman's attention to the appropriation for the Department of the Interior, roads and trails for the National Park Service, of $3,000,000. We appropriated millions of dollars for those roads in the parks and an additional amount of $2,000,000 for the Blue Ridge-Natchez Trace, making a total of $7,000,000 for roads. I think we have made adequate appropriation for these roads. Why should we increase those appropriations at this time?

Mr. WOODRUM. The appropriations carried in the 1939 bill to which the gentleman refers were the 1938 authorizations. The items the gentleman mentions here, aggregating $7,000,000, are one-half of the 1939 authorizations.

Mr. RICH. We have already made our appropriation for 1939, and we have not started to spend those funds. Now we are appropriating additional funds.

Mr. WOODRUM. The gentleman should distinguish between authorizations and appropriations. This appropriation, if made, will be part of the amount which Congress has authorized to be appropirated for the fiscal year 1939. The purpose is to do in this instance what we did for Federal-aid highways—expedite to this extent the 1939 authorizations, with the hope that it will stimulate construction activities and furnish employment.

Mr. RICH. The only reason I call this to the gentleman's attention is that during the past several years we have spent an enormous amount of money for roads and trails in the national parks. The annual upkeep of these roads and trails is getting to be a great burden, and the more roads and trails we build the greater will be the burden. I sometimes question whether we are not going too fast in the construction of roads and trails in our national parks because of the burden that will ultimately be placed on our people.

Mr. WOODRUM. Of course that is an argument as to whether or not we ought to do it, but that question has been settled. We already have authorized the construction of these roads and trails. The money is carried here for the purpose of expediting their construction, because, after all, highway construction, as the gentleman knows, is one of the quickest and best methods of employing labor, directly and indirectly.

Mr. RICH. If our method of trying to employ labor were satisfactory that would be one thing, but I sometimes question the advisability of the way we are trying to do these things way ahead of our time by constructing so many roads. The annual upkeep is going to be so high that I wonder if we are not ultimately going to break down the taxpayers of this country in trying to keep them up.

Mr. MURDOCK of Arizona. Mr. Chairman, will the gentleman yield?

Mr. WOODRUM. I yield to the gentleman from Arizona.

Mr. MURDOCK of Arizona. Has the gentleman from Pennsylvania looked into the income from these roads? Is he aware of the fact that improved highways leading to our natural scenic locations help to keep American money at home? Those who formerly went to the Alps can see in this country scenery of grandeur beyond what the Alps can offer if we furnish them the highways to reach such places in this country, and the revenue will come from that travel.

Mr. RICH. May I call to the gentleman's attention that taking into consideration the amount of revenues we are getting from the National Park Service and the amount of money we are spending, if we were getting anywhere with balancing the Budget, I would agreed with him, but the National Park Service is so far in arrears, considering its income and its outgo, that it is not doing what it should do to acquire the amount of income necessary to balance its budget. I may say this for the gentleman that we ought to develop our national resources, but I honestly believe the National Park Service should increase its fees for the benefits our people get in viewing the beauty and grandeur available in our national parks. The traveling public ought to pay a greater portion of this expense instead of taxing the bread and butter of our people to meet the expenses.

[Here the gavel fell.]

Mr. WOODRUM. Mr. Chairman, I yield myself 5 additional minutes.

Mr. CARLSON. Mr. Chairman, will the gentleman yield?

Mr. WOODRUM. I yield to the gentleman from Kansas.

Mr. CARLSON. I notice the bill carries an item for over $500,000 for the purchase of helium plants at Thatcher, Colo., and Dexter, Kans. Is it the purpose of the Department

of the Interior to operate these plants or merely to purchase and hold them?

Mr. WOODRUM. It is the purpose to purchase them and control them, and possibly to operate them, if necessary.

Mr. CRAWFORD. Mr. Chairman, will the gentleman yield?

Mr. WOODRUM. I yield to the gentleman from Michigan.

Mr. CRAWFORD. I do not want to impose on the gentleman's time, but at the same time I do not want to misunderstand the gentleman. Does the gentleman mean to say the furloughing of the men in the F. B. I. is due largely to the increase of salaries in that Bureau? I have gone into the records very thoroughly on the question of the F. B. I. situation, and I do not want the RECORD mussed up here. I do not want to misunderstand the gentleman.

Mr. WOODRUM. The gentleman will find that $200,000 of the money appropriated for the F. B. I. in 1938 was used to increase salaries. The gentleman can answer his own question. If they had not used that money to increase salaries they would have had it for other purposes.

Mr. CRAWFORD. Does this bill carry an appropriation to provide funds to reinstate the men who have been furloughed on account of the deficit in the F. B. I.?

Mr. WOODRUM. Yes; it does.

Mr. CRAWFORD. All of them will be put back to work?

Mr. WOODRUM. Yes.

Mr. CRAWFORD. Does this appropriation go into the next year's budget of the F. B. I.?

Mr. WOODRUM. No; it does not.

Mr. CRAWFORD. Not a dollar?

Mr. WOODRUM. No.

Mr. IZAC. Mr. Chairman, will the gentleman yield?

Mr. WOODRUM. I yield to the gentleman from California.

Mr. IZAC. I notice on page 96, section 206, the committee has seen fit to place in the bill the restriction against the payment of reenlistment allowances to the enlisted men of the armed services. Will the gentleman inform the House whether that was done at the request of the Budget Bureau or the various departments concerned?

Mr. WOODRUM. It was in the original 1939 budget, as the gentleman may remember, but had not been enacted at this session so estimates were sent up assuming it would be reenacted. In lieu of making the appropriation the committee put the provision in the bill.

Mr. IZAC. I believe all the authorization bills carried the authorization for these reenlistment allowances to be paid. If we retain this provision it simply means we continue for another year the restriction against the payment of a reenlistment allowance.

Mr. WOODRUM. Yes.

Mr. IZAC. I do not believe that is right.

Mr. WOODRUM. I know that is the gentleman's view of it. I do not agree with the gentleman in his conclusions, but that is the situation.

Mr. VOORHIS. Mr. Chairman, will the gentleman yield?

Mr. WOODRUM. I yield to the gentleman from California.

Mr. VOORHIS. Will the gentleman explain a little further the $30,000,000 item for the return to the States of portions of the Federal employers' tax for 1936? I just want to be sure I understand it.

Mr. WOODRUM. Under the unemployment compensation provisions of the Social Security Act there is collected from the employers a Federal unemployment compensation tax.

If a State has an unemployment compensation law approved by the Social Security Board, the employer pays the State tax and gets credit for 90 percent of the Federal tax and pays 10 percent of the Federal tax. In this case the States did not have an approved law in time so their taxpayers paid 100 percent of the Federal tax. This is to return 90 percent to the States now that they have qualified under the social security system and this money will go into their unemployment funds.

Mr. VOORHIS. That is, if they have not come in, then it is paid back to the States?

Mr. WOODRUM. Yes; for their unemployment fund.

Mr. VOORHIS. If they have come in, then the Federal Government keeps it in trust for the States?

Mr. WOODRUM. Either way it goes to the unemployment funds.

Mr. VOORHIS. But the tax is collected in all States and this is for the year 1936. Will the same situation obtain for 1937?

Mr. WOODRUM. I think they have all qualified now.

Mr. VOORHIS. But if they had not all qualified, then those that had not come in under the Federal program would have had it returned to them?

Mr. WOODRUM. Yes.

Mr. MURDOCK of Arizona. Mr. Chairman, will the gentleman yield?

Mr. WOODRUM. I yield.

Mr. MURDOCK of Arizona. I want to state to the gentleman from California [Mr. VOORHIS] that there were several States, perhaps 10 or 12, or more, that failed to set up their collection machinery in time so that many employers in those States were taxed double and this as I understand it, provides a refund for those who have been thus unjustly taxed.

Mr. WOODRUM. I yield the floor, Mr. Chairman.

Mr. TABER. Mr. Chairman, I yield myself 20 minutes.

Mr. Chairman, including this bill, this Congress will have appropriated by the time the conference reports that are now pending are disposed of and this bill disposed of, the following amounts of money:

Department of Agriculture		$1,106,550,000
District of Columbia		49,392,000
Independent offices		1,597,000,000
Interior Department		869,000,000
Legislative		21,662,000
Navy		576,500,000
State, Justice, Commerce, and Labor		132,000,000
Treasury-Post Office		3,954,000,000
War Department:		
Military	$496,000,000	
Nonmilitary	250,000,000	
Total		746,000,000
Relief deficiency		250,000,000
First deficiency		30,000,000
Insect control		2,000,000
Sugar and crop loan resolution		74,000,000
The alleged relief bill now pending in conference		3,251,000,000
Senate amendments to that bill now pending		512,000,000
Second deficiency bill, now pending here		282,600,000
Total appropriations for this session of Congress		13,456,000,000

It may be $200,000,000 to $300,000,000, more or less, depending on the final conference reports.

Now, we have got to consider that probably one-half billion of these appropriations will have been spent by the 30th of June, and, probably, only about $50,000,000 out of the $700,000,000 in the Interior bill on the appropriation of $700,000,000 to the reclamation fund will be spent in the fiscal year 1939.

This means that, probably, there will be available for expenditure in the fiscal year 1939, and it looks as though it is going to be spent, the sum of $12,500,000,000.

At the present time the revenues are dropping very markedly. The income tax that comes in in March and June of 1939—the last half of the fiscal year—is going to drop off very markedly.

Frankly, I do not see how the revenue, when you consider the drop in social-security taxes and all that sort of thing, can be much more than $4,500,000,000.

This means we are facing a deficit in the next fiscal year of approximately $8,000,000,000.

Included in the amount that can be paid out of the Treasury, but not included in these appropriations, is something like $1,800,000,000 of R. F. C. loans that can be made. So

that they can really go a long way beyond the $12,500,000,000 in the year 1939 that I have referred to.

Mr. KNUTSON. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield to the gentleman from Minnesota.

Mr. KNUTSON. The gentleman is an authority on Government finances. How many unborn generations' future have we mortgaged right now?

Mr. TABER. If the debts are paid, it will be three generations before the whole thing can be paid.

Mr. KNUTSON. That is assuming that we do not have any more New Deals.

Mr. TABER. We have a long way to go to pay up for the current New Deal.

Mr. BATES. Mr. Chairman, do I understand the gentleman to say that the deficit for the next fiscal year will be $8,000,000,000?

Mr. TABER. It will be if the present program of expenditure is continued.

Mr. BATES. Is the gentleman giving an explanation of that in his statement to the House?

Mr. TABER. I am giving the details of the appropriations which will be available for expenditure.

Mr. BATES. And the estimated revenue?

Mr. TABER. I am estimating the revenues myself at four and a half billion dollars, which is a drop of about a billion dollars and a half, and I figure that out by the drop in the social-security tax and the customs tax and the income tax below what I believe the revenues are for this year.

Mr. BATES. The statement of the gentleman is so amazing that it prompted me to ask the question.

Mr. TABER. It is a conservative statement when you come to consider that in figuring the appropriations I have not included $1,800,000,000 that the R. F. C. can loan.

Mr. SNELL. Mr. Chairman, will the gentleman yield?

Mr. TABER. Yes.

Mr. SNELL. Did I understand the gentleman correctly that he estimates the deficit next year to be $8,000,000,000?

Mr. TABER. That is correct.

Mr. SNELL. Good Lord! That is worse than I thought anybody could ever make it.

Mr. TABER. The appropriations that are available for expenditure, without including $1,800,000,000 that the R. F. C. can loan, are twelve and one-half billion dollars. That is a conservative figure.

Mr. BATES. What is the largest deficit in the memory of the gentleman?

Mr. TABER. I recollect no peacetime deficit exceeding $4,400,000,000.

Mr. BATES. And this will be the record deficit?

Mr. TABER. Yes.

Mr. HARLAN. Mr. Chairman, will the gentleman yield?

Mr. TABER. Yes.

Mr. HARLAN. The gentleman has included the relief authorizations, and all other authorizations for loans, and everything else as though they were expended, as against our revenue; and many of these authorizations will extend over a period of 2½ years, will they not?

Mr. TABER. Very few of them. I want the gentleman to know what he is talking about. I do not like to have him shooting up in the air. I like to have him get down to earth. This is the situation. There is probably, if you stretch your imagination a long way, six or seven, perhaps eight hundred million dollars of the twelve and one-half billion dollars that would not, under normal circumstances be expended out of the P. W. A. money. On the other hand we are facing a deficit estimated by the administration of approximately $1,000,000,000 to carry relief from the 1st of March or the 1st of February, whichever way you figure it, to the 1st of July. Those two figures will just about offset each other with probably the balance in favor of increased expenditures rather than less. That is the situation that the gentleman is facing. He can work up his imagination into figures that do not agree with that, but he cannot change the fact.

Mr. HARLAN. The gentleman is including all loans as though they were expenditures, and all authorizations as though they were expenditures.

Mr. TABER. I am not. That is not correct. I am not including in this figure $1,800,000,000 of R. F. C. loans, and I am not including the figures that will not be spent in the course of the year. I am giving only what actually probably will be spent.

Mr. HOLMES. Mr. Chairman, will the gentleman yield?

Mr. TABER. Yes.

Mr. HOLMES. In the gentleman's figures, does he include the United States Housing Authority?

Mr. TABER. That is included, but the gentleman realizes that there is terrible liability on that situation that is not generally understood by the Congress, and has not been fully explained to the committee, where the Housing Authority is now authorized to contract to pay out $30,000,000 a year for 60 years in a bonus to those people who will construct these buildings on a 100-percent loan, in the picture presented to us now. The Senate bill proposes to increase that authority to $35,000,000 a year. That is a tremendous liability that must be considered.

Mr. JENKINS of Ohio. Mr. Chairman, will the gentleman yield?

Mr. TABER. Yes.

Mr. JENKINS of Ohio. That means practically the same as a Resettlement proposition?

Mr. TABER. Certainly. I want to say a word now about this general situation, in respect to the picture that we are facing with reference to the expenditure of public funds, with reference to the employment of our people, with the unemployment higher than in March 1933. We have this picture presented to us. The majority of the House promised agricultural parity with industry. We have arrived at parity, and what is that parity? That parity is that everyone is down; no one can get a job with the exception of those who get it out of the Public Treasury.

No one can sell anything without completely demoralizing the market. We are in a situation of absolute parity with farming, industry, labor, and trading absolutely flat. This is the kind of parity the majority party has delivered in this situation. Oh! they kept their promise. But in this situation what is proposed? Not one constructive step to work this country out of the depression, not one thing that will let us come back here in December with the country in better shape; they propose just a tremendous spending program designed to protect the deficit. This is the only thing they propose to protect.

Cannot the administration, cannot the majority in Congress forget their pride, forget their stubbornness in trying to go along with the wild program of spending and legislation designed to destroy the social security of our workers, designed to destroy the financial integrity of the Government, of the people? Can they not forget that long enough in these last closing days of Congress to stand for some sane, forward-looking, progressive legislation and quit their reactionary and destructive policy?

I am making this appeal to Americans who should be red-blooded, who should be prepared to come out here on the floor and propose to get rid of those destructive agencies that this administration has created, to get rid of the administration's reactionary policy, and look forward progressively instead of backward destructively. [Applause.]

I find myself unable to go along with a lot of items in this bill. I shall describe them briefly and call attention to them. There is the Jefferson Memorial item of $500,000. It would be a nice thing to give Mr. Jefferson a memorial, but frankly I do not believe in adding to the national debt for that purpose. That would be the last thing that Mr. Jefferson would ask.

In the bill in different places are additional items for roads in addition to those carried in the regular bills which the House has approved, aggregating $7,000,000 or $8,000,000. I do not believe these items should be approved.

There are items for reclamation projects of $725,000. There are items for the Smoky Mountains National Park, $740,000. There are items for helium, $537,975, even though it has been demonstrated that helium is not an item necessary for national defense. There are items in the bill for public works in the Navy Department, additions to public works which were not presented to us in the regular Budget for the Navy Department so the Naval subcommittee of the Committee on Appropriations would have opportunity to hold hearings on the items and determine whether to proceed with them or not. Out of sixteen-million-and-odd dollars there are only about $300,000,000 which can be classed as emergency items and which should come in here in a deficiency bill. I do not believe that any single one of those items is necessary to the prosecution of the naval construction program which is carried in this bill. I believe they could get along perfectly well until the regular committee meets next winter and holds hearings on the items. I believe $15,500,000 could be saved here at least.

In the State Department there is an item for $50,000 for an international committee to go over into the distressed countries in Europe and try to work up some scheme to take care of refugees. This can have only one implication as far as the United States is concerned, and that is approval of letting down the bars on immigration. I do not believe this should be done. I do not believe this item should be approved.

An item is carried for the Commodity Credit Corporation, $94,000,000 plus. What is the Commodity Credit Corporation doing? They are lending money on cotton to the tune of about 8½ cents a pound when the current market is about 8 cents. This outfit has already executed loans that they have made directly to the extent of 7,000,000 bales of cotton.

[Here the gavel fell.]

Mr. TABER. Mr. Chairman, I yield myself 5 additional minutes.

If we replenish this item, that is, the capital stock of the Commodity Credit Corporation, they will go ahead with this same sort of thing and I believe they will have 10,000,000 to 12,000,000 bales of cotton which they will have loans on and which will be absolutely unmarketable. As a result of this policy of the administration we have lost the biggest part of our foreign cotton market. The 7,000,000 bales now on hand and the 10,000,000 to 12,000,000 bales that will be on hand is a continual menace to the cotton situation and the cotton crop. You Members from cotton States are killing off your own industry when you vote to support this proposition.

Mr. KNUTSON. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield.

Mr. KNUTSON. Has the gentleman seen the figures on the imports of cotton in the last 12 months?

Mr. TABER. Not currently within a few days; no.

Mr. KNUTSON. They are within 12,000,000 of last year and increasing right along.

Mr. TABER. In other words, we have no duty on cotton. We have no method of getting rid of and disposing of the cotton that is in the hands of the Government. We are losing our foreign market to Brazil and other countries to the tune of a couple of million bales a year.

Mr. KNUTSON. The gentleman is right.

Mr. TABER. We are also losing our domestic market.

Mr. KNUTSON. The administration's cotton policy is on all fours with the Hoover Farm Board policy that was so bitterly denounced by the Democrats in the campaign of 1932?

Mr. TABER. Only it is worse.

Mr. KNUTSON. Of course, we could not make it as bad as that if we tried.

Mr. TABER. That would be absolutely impossible.

Then, in connection with the War Department and the Social Security Board buildings, we have $3,000,000 apiece. I do not believe it is necessary to go ahead with these buildings at the present time. This means spending close to $20,000,000 before we get through. I believe we can get along without it.

Mr. Chairman, the social-security tax is one of the great menaces to the return of industrial employment today. The social security, unemployment, and old-age tax is preventing increased employment, and that situation is not going to continue forever. At the present time you are collecting in unemployment insurance, at a time when unemployment is as high as it probably ever will be in our history, just about double what we can pay out. In view of that fact, it is apparent the whole set-up is cockeyed and must be revised and trimmed off.

The other end of it is absolutely ridiculous. The result will be that the Social Security outfit is going to be very much modified in the course of the next few years. Therefore I can see no sense in spending a lot of money constructing a building for that agency.

Let me refer to the War Department for a moment. If they would take activities out of the War Department building that really should not be in that building, and if we would build a storage warehouse to take care of the various files that are not used very much, where they could be reached and used occasionally, we could, with a very moderate sum of money, take care of these needs. The real active operations of the War Department could be taken care of in the present Munitions Building.

[Here the gavel fell.]

Mr. TABER. Mr. Chairman, I yield myself 2 additional minutes.

Mr. Chairman, as some of these items are reached I propose to offer amendments which I hope will be adopted and which I hope will result in some saving for the Treasury of the United States.

Mr. LUCKEY of Nebraska. Will the gentleman yield?

Mr. TABER. I yield to the gentleman from Nebraska.

Mr. LUCKEY of Nebraska. Could the gentleman give us the figures as to the amount allocated from relief funds for Army, Navy, and military purposes?

Mr. TABER. In the past?

Mr. LUCKEY of Nebraska. Yes.

Mr. TABER. No. It is my recollection that that figure would be around five or six hundred million dollars. It may be more, but I am pretty certain it will be that much.

Mr. LUCKEY of Nebraska. I wonder if the gentleman would insert those figures in the RECORD.

Mr. TABER. I think I can get them.

Mr. LUCKEY of Nebraska. I thank the gentleman.

Mr. TABER. The reported allotments from relief funds to October 31, 1937, to the Army and Navy are as follows:

To the Army	$144,417,235.24
To the Navy	357,915,028.58
Total	502,332,263.82

Mr. LUDLOW. Mr. Chairman, I yield 10 minutes to the gentleman from Ohio [Mr. HARLAN].

Mr. HARLAN. Mr. Chairman, on June 12, 1934, President Roosevelt approved the act to amend the Tariff Act of 1930, which authorized the negotiation of reciprocal trade agreements between the United States and other countries. The purpose of the act was to bring about the reduction of excessive trade barriers clogging the channels of world trade and thereby to restore our foreign trade to the level necessary for the economic well-being of American agriculture and industry.

Two years ago I addressed the House on the subject of Two Years of Reciprocity. On that occasion I discussed the background of the act and the progress of the trade-agreements program under it in the first 2 years of its operation. Now, I should like to add to that statement the record of the 2 years just passed.

I was convinced when I voted for the Trade Agreements Act that it was one of the most constructive and valuable pieces of legislation ever enacted by the Congress. It offered an opportunity for the readjustment of our excessively high

tariffs on a more scientific basis and the means of restoring our decreased foreign markets.

Moreover, I was convinced that with the ever-increasing complexity of our economic system the Congress cannot deal successfully with the tariff by the method employed in the past. Usually every few years our entire tariff structure, with its thousands of rates, was subjected to revision by Congress. Under pressure from many sources, it was forced to conclude the Herculean task within the space of a few months. In the end we had a more or less hodgepodge result, reflecting the desires of vociferous minorities at the expense of exporters, agriculture, most of our industries, and of consumers generally. That method might have been good enough in the early days of our development, but today it would be woefully inadequate. Members of Congress, with their many other duties, simply cannot be expected to legislate intelligently on thousands of individual tariff rates. We have not the time to seek out the many facts which ought to be considered; nor do the circumstances in which we must do our work facilitate impartiality and objectivity. In such circumstances the national interest was frequently lost sight of.

In the Trade Agreements Act we in Congress laid down a policy with respect to the tariff but delegated to the executive branch of the Government authority to fix individual rates in accordance with this policy and within limits which were strictly defined. I believe that this method of handling the tariff problem is infinitely superior to the old method, and I sincerely hope that we will never go back to the old method.

In 1937, when the act was up for renewal, I was even more firmly convinced of the merits of modern tariff making from the national viewpoint. And this year, after 4 years of "reciprocal trading" under the act, I believe it has justified the highest expectations of those who favored it. It has brought great benefits to our domestic trade, agriculture, and industry, and to every section of the Nation. Moreover, I consider that the trade-agreements program is the most significant and constructive contribution to world economic stability that is being made in the world today.

The story of the rise of trade barriers of every sort, the resultant collapse of world trade, and the disastrous effects of these occurrences on the economic system of the United States and other countries is an old one; we are all familiar with it. The United States, through its embargo tariff policy, helped to set in motion and to accentuate the forces that led to the collapse of our own and world commerce. As foreign nations added quotas, exchange controls, and other modern devices to their tariff walls, our own exports declined with fearsome rapidity and disastrous results. From more than $5,000,000,000 in 1929, they dropped to one and one-half billion dollars in 1932, affecting every economic group of our Nation—capital and labor, farms and factories, banks, railroads, and shipping. Some action on our part to reverse this trend was imperative.

Such action was taken by Congress in the early part of 1934 in the Trade Agreements Act. The act is administered, under the general direction of the Secretary of State and the President, by a closely coordinated organization of permanent officials of the Government experienced in the field of trade and tariffs. These officials are drawn from the Departments of State, Commerce, and Agriculture, the Tariff Commission, the Treasury Department, and other departments and agencies. Operating in committees, they devote months of painstaking work to the study of all of the information available in the Government Departments and submitted by private persons before formulating the recommendations on individual products which subsequently form the subject of the negotiations. Before any recommendations as to the concessions to be given and received in any proposed trade agreement are made to the President, two public announcements are issued and all interested persons are given full opportunity to present their views in written form as well as at public hearings. The procedure actually followed goes even beyond the requirements which we laid down in the Trade Agreements Act. There can be no legitimate claims that a full hearing is not granted to all.

NUMBER OF AGREEMENTS

Four trade agreements were signed in 1934 and 1935—with Cuba, Belgium, Haiti, and Sweden. Agreements with 13 more countries have since been concluded, namely, with Brazil, Colombia, Canada, Honduras, the Netherlands, Switzerland, Nicaragua, Guatemala, France, Finland, Costa Rica, El Salvador, and Czechoslovakia, making a total of 17 now in force. Together these 17 countries in 1937 bought nearly 40 percent of our exports, and from them we bought nearly 40 percent of our imports.

Negotiations are also under way at present for agreements with Ecuador, Turkey, and the United Kingdom, including Newfoundland and the British Colonial Empire, and for a new agreement with Canada. Announcement that negotiations are contemplated has been made in the case of Venezuela. Conclusion of agreements with these countries would bring the share of our total foreign trade conducted with countries with which agreements have been made to approximately 60 percent.

THE RESULTS OF THE PROGRAM

The real test of the trade-agreements program is not alone in the number of agreements made or in the amount of our trade which they cover, but in the effects which they are having on our trade. The facts are significant and encouraging. In 1937 our exports had risen to $3,295,000,000 and our imports to $3,012,000,000, a total of $6,307,000,000, compared to $2,899,000,000 in 1932. Of course, not all of this improvement was due to trade agreements. No sensible person would make that claim. Imports of certain agricultural products were stimulated by severe drought conditions in the United States; others were stimulated by increased economic activity in 1936 and 1937 over the extreme depression years. Exports were larger in part because of improved economic conditions in other countries. But the really significant point in the statistics is that our exports to trade-agreement countries increased by 41 percent in 1937 over 1936, while our exports to the countries with which we had no agreements increased by only 34 percent, indicating that trade agreements have been a powerful factor influencing the rise of our export trade.

RECIPROCITY AND AGRICULTURE

In every agreement made, important concessions have been secured for American farm products. For example, 16 countries have granted us concessions on one form or other of American meat and meat products. In all of the 17 agreements concessions have been obtained on American fruits, and in all but one there are concessions on many kinds of vegetables. Several countries have given us concessions on leaf tobacco. Nine countries have given us concessions on various dairy products, including butter and cheese, although we hear little about those concessions from the groups receiving the benefit. Reductions of duties and guaranties against duty increases or to maintain free entry have also been obtained on numerous other agricultural products, including raw cotton, wheat, wheat flour, rice, and many other cereal products and vegetable oils. These concessions include reductions in foreign duties by as much as 50 or 60 percent, and some even provide for the complete removal of duties. In other cases quotas and other barriers have been extensively liberalized.

The trade statistics confirm the value of these concessions. Our exports of agricultural products in 1937 were almost $90,000,000, or 12 percent greater than in 1936, and during the first 4 months of 1938 exports of agricultural products were $66,000,000 greater in value than in the same period of 1937, an increase of 29 percent. In 1937, as compared with 1935, a year during which only one agreement was in effect for the entire period, agricultural exports to the 16 countries with which agreements were in effect for all or part of 1937 were 40 percent greater, while agricultural exports to all other countries were 4 percent smaller.

RECIPROCITY AND INDUSTRY

Practically all branches of our industry have received substantial benefits in the agreements so far concluded. To mention only a few: In 16 agreements we secured concessions on tires and tubes and in 12 on other rubber manufactures; concessions on various kinds of cotton textiles and manufactures were secured in 10 agreements; on silk and rayon manufactures in 9 agreements; on wool apparel in 5 agreements; on wood and wood manufactures in 10 agreements, and on paper and manufactures in 6 agreements; on various petroleum products in 7 agreements; on glass and on refined copper in 4 agreements; on various iron and steel products in 7 agreements; on agricultural machinery (including tractors) in 9 agreements; on industrial machinery in 12 agreements; on electrical refrigerators in 8 agreements; on radio, telephone, and telegraph apparatus in 11 agreements; on office machinery in 13 agreements; on motor vehicles in 14 agreements; and on various drugs and chemicals in 12 agreements.

Such an extensive improvement of trade conditions is bound to affect favorably the volume of our exports of industrial products. The statistics show that our exports of nonagricultural products rose from $1,496,000,000 in 1935 to $2,500,000,000 in 1937, an increase of more than a billion dollars, and more than one and one-half billion dollars above the low figure of $914,000,000 in 1932.

The table below shows exports to all countries of the leading groups of commodities which include products in respect of which foreign treatment has been improved as a result of trade agreements.

United States exports of certain principal commodity groups, 1935 and 1937

[Value in thousands of dollars]

	1935	1937	Increase
Rubber and manufactures	22,147	32,084	9,937
Cotton manufactures	29,678	43,646	13,968
Wool manufactures	1,570	1,996	426
Silk manufactures	5,605	7,117	1,512
Rayon and other synthetic textiles	4,967	10,447	5,480
Wood sawmill products	41,103	53,703	12,600
Wood manufactures	14,234	20,240	6,006
Paper and manufactures	20,519	31,088	10,569
Glass and glass products	7,410	9,784	2,374
Iron and steel semimanufactures	60,323	231,967	171,644
Steel-mill manufactures	28,082	67,935	39,853
Iron and steel advanced manufactures	31,192	52,074	20,882
Electrical machinery and apparatus	76,088	112,609	36,521
Industrial machinery	121,784	240,450	118,666
Office appliances	27,039	37,523	10,484
Agricultural machinery	32,040	75,366	43,326
Automobiles and other vehicles	255,514	409,896	154,382
Medicinal and pharmaceutical preparations	12,199	17,979	5,780
Chemical specialties	12,867	27,526	14,659
Industrial chemicals	23,628	27,505	3,877

RECIPROCITY AND GENERAL PROSPERITY

Naturally every section does not benefit to the same degree from each trade agreement. Trade agreements with agricultural countries offer mainly enlarged export opportunities for our typical industrial products. Industrialized countries generally offer enlarged export markets for our typical agricultural products. But our agriculture cannot be prosperous without the prosperity of industry—nor can industry prosper when agriculture is depressed. The economic interests of our agricultural regions and our industrial regions are interdependent, and the concessions we obtain for agriculture therefore prove beneficial to industry, and vice versa. I should like to mention briefly specific instances in which various geographical regions have benefited.

TRADE AGREEMENTS AND NEW ENGLAND

Some criticism of the trade-agreements program has come from New England. Yet from the trade agreements already concluded New England has profited greatly through increased outlets for her products, both at home and abroad. The export trade of New England dropped from about $200,000,000 in 1929 to $57,000,000 in 1932, and the distress resulting from the decline was shared by the railroads, banks, insurance companies, trucking concerns, warehouses, and the thousands of workers dependent upon them, as well as by the producers of New England themselves.

Under the trade-agreements program concessions have been secured with regard to many of New England's industries, such as leather and leather footwear, hardware, machinery, paper, and textiles. Exports from the Customs District of Maine and New Hampshire were valued at $14,000,000 in 1937, compared to $9,000,000 in 1936 and about three and one-half million in 1932. Exports from the customs district of Massachusetts were valued at $28,000,000 in 1937, as compared to $19,000,000 in 1936. The benefits to New England from our increased trade under the trade-agreements program are substantial.

The benefits of the program, of course, are not limited to direct concessions secured for distinctively New England products. Increased exports from every other section of the country mean increased purchasing power throughout the United States and increased American markets for New England products. For example, when the South is prosperous through the sale of her cotton, tobacco, rice, fruits, and other products, that section is able to purchase more New England shoes.

The negotiation of the trade agreement with Czechoslovakia was the occasion for violent and unjustified agitation against the program in New England. The workers in the shoe factories particularly were told that an agreement with Czechoslovakia would mean the closing of their factories and the loss of their jobs. Actually, of course, it meant nothing of the sort. The agreement virtually assures American shoe producers continued enjoyment of 98¾ percent of the American market.

The Boston Herald on March 9, 1938, summed up the situation with regard to the effects of the agreement:

> We can simply conclude that most of the distressful remarks from Washington and local territory are made for political effect, without a careful study of the facts, the figures, and the past of shoemaking here and abroad. * * * The hardheaded manufacturers will take a more encouraging view of their own abilities and their industry than most of the politicians seem to have. The manufacturers were afraid that the duty on a certain type of shoes would be lowered. It remains unchanged. They wondered whether the Czechoslovakian shoes would be dumped on us in a huge volume. They will not be. * * * Moreover, there are carefully drawn provisions for preventing any disastrous developments.
>
> Probably our textile manufacturers, who are concerned now about the pending Anglo-American treaty, will be delighted if their interests are safeguarded as intelligently as those of the shoe manufacturers. * * * If New England fares as well hereafter as it has in this latest pact, there should be little complaint.

TRADE AGREEMENTS AND THE SOUTH

The people of the South are keenly aware of their stake in foreign trade, for they must normally sell abroad at least one-half of their cotton crop, one-third of their leaf tobacco, one-half of their naval stores, and large quantities of southern-pine lumber, rice, citrus fruits, apples, and many other products. In fact, in the great decline in our trade in the early thirties the South suffered more severely than any other section of the country. For example, between 1929 and 1932 exports of raw cotton declined in value by 55 percent, leaf tobacco by 55 percent, naval stores by nearly two-thirds, and sawmill products by 76 percent. Shipping, port activities, railroads, and banks were also hard hit.

The many concessions secured for southern export products are too numerous to mention here. Most countries do not place direct trade restrictions on cotton, but seven countries have guaranteed to continue their present favorable treatment of raw cotton, the South's most important product. Furthermore, as trade agreements lead to increased trade, the people of foreign countries have increased purchasing power with which to buy more American cotton and use more cotton goods made from American cotton.

Better treatment in foreign markets has also been secured for cottonseed oil and cake, cotton textiles, tobacco, citrus fruits, fresh fruits and nuts, turpentine, rosin, phosphate rock, lumber, and timber. In 1937 exports from the several customs districts of the South Atlantic region had risen to $310,000,000 from $220,000,000 in 1935 and from a low of $130,000,000 in 1932. Exports from the Gulf coast customs districts rose to $658,000,000 in 1937, from $534,000,000 in 1935, and from $467,000,000 in 1932.

The Asheville (N. C.) Citizen expressed the attitude of intelligent southern opinion in a recent editorial:

There is perhaps no economic principle more valued than the axiom that "we pay for our imports with our exports." In other words, the laws of economics require the seller to accept the purchaser's goods if he would trade with him. We must buy in the world market in order to sell. Secretary Hull, of course, realizes this, and it is the keystone of his whole program. As such it must always command the support of wide-awake Americans.

TRADE AGREEMENTS AND THE MIDWEST

Our Midwestern States are no less dependent on foreign trade than are the coastal regions of the East, South, and West. The Midwest raises an enormous amount of agricultural products and produces an enormous quantity of manufactured goods for export. To the Corn Belt States, foreign markets are of great significance, for most of the corn raised there is consumed on the farms and is marketed in the form of livestock. Midwestern packing houses convert the livestock into meat products and animal fats and oils. United States exports of meat products average over 425,000,000 pounds annually during 1926–30, and during the same period exports of edible animal fats and oils, lard, tallow, stearin, oleo oil, and so forth, averaged more than 843,000,000 pounds. Lard exports in these years were equivalent to about one-third of the total annual production. Reducing exports of animal products to terms of the corn used in production, about 1 out of every 7 acres harvested during this period was required for export purposes. Other agricultural products of the Midwest, such as wheat and wheat flour, condensed and evaporated milk, and fruits and vegetables, are also exported in large quantities.

The manufactures of the Midwest are of equally great importance. The production of automobiles, farm and industrial machinery, machine tools, furniture and household equipment is heavily concentrated in the Midwest, and the ratio of exports to production runs as high as 23 percent for agricultural equipment and business machines, 36 to 38 percent for typewriters and tractors, and over 50 percent for motorcycles.

With such a striking dependence on export markets, it is apparent that the Midwest must have suffered greatly from the decline in foreign trade. In fact, the statistics show that in every one of the North Central States, except Kansas, the export decline from 1929 to 1932 was relatively greater than for the United States as a whole. The share of the North Central region in the total export trade of the country fell from 24 percent in 1929 to 14 percent in 1932. This involved a violent dislocation to an economy whose farm-crop acreage, livestock supplies, industrial capacity, and employment had been adjusted to the 1920's proportion of export trade.

Some indication has previously been given of the concessions secured in trade agreements for the benefit of Midwestern products. Sixteen countries gave us concessions on some form or other of American meat and meat products. Canada made duty reductions of from 12 to 65 percent on fresh meats, bacon, ham, lard, canned meats, extracts, and other meat products. Following the reduction of 65 percent in the duty on hams, shoulders, and bacon, Canada increased its purchases of our pork products by 49 percent in 1937 over 1935, the year before the agreement went into force. This in the face of the shortage of meat products resulting from the drought of 1936.

Our agricultural exports to Cuba more than doubled during the first year of the agreement. Cuba once ranked as the third outlet for our lard, after the United Kingdom and Germany, but its purchases fell from 80,000,000 pounds in 1929 to 11,000,000 pounds in 1933. The Cuban lard duty was reduced by more than 80 percent in the trade agreement, and since then Cuban purchases of our lard have steadily increased, amounting to 41,000,000 pounds in 1937. Numerous other examples of significant increases in our exports of specific commodities as a direct result of concessions in trade agreements could be cited. They extend to almost all the agricultural products of the Midwest.

In spite of these obvious benefits, recent increases in our imports of certain agricultural products are often seized upon in an attempt to convince our farmers that the trade-agreements program is injuring them. As a matter of fact, the influence of duty reductions made in trade agreements on agricultural products imported into the United States is decidedly minor. The increase in such imports in 1937 is accounted for very largely by the drought of 1936, resulting in larger imports of feedstuffs to supplement the very unusual domestic shortages, and by economic recovery which resulted in a greatly increased demand for imported raw materials. Excluding sugar, imports of which are strictly limited by quotas, the only principal item on which the duty has been reduced, only about 4 percent of our agricultural imports in 1937 consisted of reduced-duty items.

It is significant that in the first 4 months of 1938 agricultural exports were 29 percent greater in value than during the same period of 1937, a continuation of the steady improvement of export trade since 1934; agricultural imports were 44 percent lower, a continuation of the downward trend of agricultural imports that set in during the summer of 1937.

The Milwaukee Journal in a recent editorial commented as follows on agricultural imports and the Canadian trade agreement:

When the reciprocal-trade agreement with Canada was published, protest from Wisconsin and other States on the Canadian border was tremendous. Our farmers were being "sold down the river" for the benefit of Canadian farmers. That the imports of farm products were limited by quota was forgotten. But when the year 1937 had ended, a perspective was given. Our foreign trade had improved; the Nation had the much-coveted "favorable balance." As for farm products, our purchases from Canada were negligible. We had bought a third of the quota of milk cows, less than one-tenth of the quota of cream.

The industrial products of the Midwest are finding ever-increasing foreign outlets through our trade agreements. Exports of automotive products have increased from $155,000,000 in 1935 to $410,000,000 in 1937, concessions having been secured on such products in 14 of the 17 agreements. Exports of industrial machinery more than doubled, totaling $122,000,000 in 1935 and $240,000,000 in 1937. Agricultural machinery exports increased from $32,000,000 in 1935 to $75,000,000 in 1937. Rubber manufactures to the value of $22,000,0000 were exported in 1935 and these increased to $32,000,000 in 1937.

RECIPROCITY AND OHIO

Of course, I have been especially interested in the benefits my own State of Ohio is receiving from trade agreements just as I have had to answer inquiries regarding increased imports. Looking over the figures just cited and considering that Ohio's leading industries are the automotive, rubber tire, and iron and steel industries, including machinery, and considering also the valuable concessions which have been obtained on many important agricultural products such as corn, apples, meat and dairy products, fresh and canned vegetables, and dried fruits, I think it is amply demonstrated that my State, like the whole of the Midwest, is being materially benefited by the trade-agreements program.

Another midwestern paper, the Evansville (Ind.) Courier, recently commented editorially on the program:

Certain interests are taking advantage of New Deal reverses and loss in prestige to start blasting away at the Hull trade policies. This is a senseless thing to do. The Hull policies represent sound and far-sighted statesmanship, and that is the only thing which can bring about a restoration of sanity in a mad world. These trade policies are the sanest thing about the so-called New Deal. They are, in reality, nothing more, nothing less, than old-fashioned Jeffersonian economic and political liberalism.

TRADE AGREEMENTS AND THE ROCKY MOUNTAIN STATES

The Rocky Mountain States—Montana, Idaho, Wyoming, Colorado, New Mexico, Arizona, Utah, and Nevada—are not primarily exporting States; but since many of their products are sent to other parts of the United States for manufacture into articles which are sold abroad, the decline in our export trade during the depression years had serious economic repercussions on them.

The mineral industries, particularly production of the nonferrous metals—copper, lead, zinc, and their alloys—are important in all the Rocky Mountain States, and tangible benefits have been obtained for them in trade agreements. Concessions on copper and copper manufactures have been secured in seven agreements. Cuba, Canada, and France reduced their duties on lead and products; and Cuba, Canada, France, and the Netherlands gave us concessions on zinc products. But probably the indirect benefits received from trade agreements are of even greater importance. For example, 60 percent of the domestic production of refined copper is consumed by our automobile, electrical, radio, and wire industries. The concessions we obtained on radio, telephone, and telegraph apparatus in 11 agreements, on motor vehicles in 14 agreements, and on industrial machinery in 12 agreements are resulting in increased exports of these manufactures, and consequently in increased demand for the mineral products of the West, especially of copper, which go into so many manufactured articles. Production of refined copper in the United States increased from 466,000,000 pounds in 1934 to 1,291,000,000 pounds in 1936.

It was not mere coincidence that the cash farm income of the Rocky Mountain States rose from $439,000,000 in 1936 to $505,000,000 in 1937, while our foreign trade was increasing from four and eight-tenths billion dollars to six and three-tenths billion dollars. The increase in our foreign trade not only meant increased sales to foreign countries but resulted in a greater demand for domestic raw materials for use in the manufacture of export products and in increased purchasing power in the United States. These factors contributed materially to the rise in the cash incomes of the farmers and industries of the Rocky Mountain area.

The following expression of the local attitude toward the program is quoted from an editorial appearing in the Salt Lake City Tribune:

> From the American point of view, as from the standpoint of most democracies, world peace can be best promoted by removing the existing barriers to international trade. In a world that is so specialized industrially and so interdependent economically, it would seem obvious that, instead of each nation trying to become self-sufficient, it would be much better all around if there were a mutually profitable exchange of goods and services. It is to the promotion of this latter policy that Secretary of State Cordell Hull has devoted much commendable leadership of late.

TRADE AGREEMENTS AND THE WEST COAST

The trade-agreements program is of vital importance to the western coastal States—California, Oregon, and Washington. Exports from these three States alone fell from $577,000,000 in 1929 to $200,000,000 in 1932. Not only did this trade decline seriously affect the local industries dependent on export markets, but the activity of the great ports of San Francisco, Los Angeles, Seattle, and Portland was drastically curtailed. By 1937, exports from the several customs districts of California, Oregon, and Washington had risen to $401,000,000. Even opponents of the program admit that trade agreements contributed substantially to this rise.

Among the most important products of the Pacific area are fruits and vegetables, exported in fresh, dried, or canned form. In 1929 total exports of these products were valued at $162,000,000, and of that total California exported approximately one-third, or $53,000,000. Washington, one of the great apple-producing centers of the country, and Oregon, also a leading producer of many kinds of fruits, suffered along with California when exports fell to $85,000,000 in 1932. In every one of the 17 trade agreements concessions were secured on various canned fruits; in 16 of the 17 there were concessions on fresh apples, pears, and other fresh fruits; all of the 17 agreement countries except Brazil granted us concessions on dried fruits. Reductions in duty on citrus fruits, or assurances against duty increases, have been obtained in 10 of the 17 agreements. To mention only a few specific instances of increased trade as a result of these concessions: Canadian imports of fresh fruits from the United States totaled $6,672,000 in 1936, the first year during which the agreement was in effect, as compared with $5,095,000 in 1935. Prunes and raisins imported into France from the United States showed a gain of almost $500,000 in the first year of the agreement with that country. Switzerland took 800,000 pounds more of dried fruits in 1937 than in 1935.

The canned salmon and sardine industries are also of great importance to the west coast area, a considerable part of the domestic production being exported. Concessions on canned salmon have been obtained in 12 agreements, and on canned sardines in 11 agreements.

Washington is the leading producer of lumber and leads in the exportation of sawmill products; California and Oregon also have great lumber industries. The concessions obtained on unmanufactured lumber and timber in nine of our trade agreements helped in some measure to give us the gain of $14,285,000 in our exports of lumber and timber in 1937 as compared with 1935.

The manufacturing industries of the Pacific area have also received important benefits. For example, California's exports of petroleum products declined by 56 percent from 1929 to 1932, but in 1937 our total exports were nearly as high as in 1930. Nine countries have given us concessions on petroleum products in trade agreements. The Pacific States are also important exporters of machinery, automotive products, and rubber tires, on all of which concessions have been obtained, and exports of these products have increased strikingly, as previously mentioned.

It has become apparent to the people of the Pacific States that the trade-agreements program is bringing them tangible benefits in the form of greater markets for their export industries and renewed activity for their ports and ships. The able representatives of those States have themselves dwelt at length on these benefits.

SUPPORT OF THE PROGRAM

With such extensive benefits to all sections of the Nation and to all phases of our national economy, accruing from the trade-agreements program, it is inevitable that the program should receive the ever-increasing and enthusiastic support of clear-thinking citizens and leading trade organizations.

As an indication of the extent of general public support, a recent poll by the American Institute of Public Opinion showed that 75 percent of the people of the United States favor the continuation of the program by the reciprocal reduction of tariff barriers in the proposed trade agreement with the United Kingdom.

Many industrial and trade organizations are strongly in favor of the program. As indicative of the general attitude of American industry there might be cited a resolution of the United States Chamber of Commerce, adopted on May 5, 1938, which states:

> The negotiation of reciprocal-trade agreements to the extent that they are concluded without causing destructive competition for American agriculture and industry, is a long step toward enlargement of American export trade and toward international acceptance of more reasonable commercial policies.

From the many important American organizations for the promotion of world peace, the trade-agreements program receives some of its most enthusiastic support. The National Peace Conference, composed of some 40 such organizations, in March of this year adopted the following recommendation to its member organizations:

> We recommend emphatic wholehearted support of the reciprocal-trade agreements program of Secretary Hull. This is the unfinished business of America's effort toward international economic well-being and peace. It should be continued along the lines already so ably marked out.

The Conference on the Cause and Cure of War, at a meeting in Washington in January 1938, also recommended that its member organizations support the program. Among those organizations which have endorsed the program are the General Federation of Women's Clubs, the National Board of the Young Women's Christian Association, the

National Council of Jewish Women, the National League of Women Voters, and the National Women's Trade Union League.

In addition to these the program has received widespread approval from economists, journalists, and many prominent citizens. One of the most noteworthy developments in this connection was the organization some months ago of the economic policy committee, a nonpartisan organization with headquarters in Des Moines, Iowa. According to a statement of the committee, it "represents a cross section of American life. It includes liberals and conservatives, farm, labor, industrial, commercial, and financial leaders; economists, political scientists, and educators; members of various religious faiths." The committee's purpose is stated as follows:

Believing in the principles enunciated by Secretary of State Cordell Hull, the committee will promote discussion throughout the country of the bearing of international economic relationships upon our domestic prosperity, and the vital connection between such relations and the preservation of the peace of the world.

Such a program of public education in matters relating to our foreign trade and commercial policy is most commendable, for only with the support of an enlightened public opinion can the trade-agreements program and America's liberal commercial policy be fully developed and expanded.

The imperative need of our Nation is for higher living standards, and ever-increasing and less restricted trade. The imperative need of the world is for a removal of excessive trade barriers and the reduction to a minimum of economic friction between nations. The American trade-agreements program is a well-considered effort to accomplish both. By increasing American trade it is proving its worth in dollars and cents to American agriculture and industry. By fostering a general and world-wide reduction of excessive trade barriers, it is America's principal contribution to a more stable economic system.

There are, however, some very recent developments in connection with our reciprocity and the tariff situation that I think may be of interest to the Members of the House, and particularly to those dairy interests which have been raising a considerable commotion here in reference to dairy and agricultural imports. You will recall that in the spring of 1937 when we closely approximated the most prosperous year in the history of our country, our imports began to exceed our exports. There was a terrific commotion in this House, especially on the part of those interested in butter and cattle, because of the fact that while they were more prosperous than they had ever been before, there was still some cattle, butter, and cheese being imported into the United States. I have not the figures on cheese for that year, but for butter and cattle there were six one-hundredths of 1 percent of our domestic production of butter imported and there was six-tenths of 1 percent of our domestic production of cattle imported during 1937. Those insignificant imports at the time of our greatest prosperity occasioned more oratory in this Well than any other subject.

For the consolation of the people who made those speeches, let it be known that the figures for the last 4 months have just been released and there have been practically no dairy or meat imports during the last 4 months.

Mr. FLETCHER. Will the gentleman yield?

Mr. HARLAN. I yield to the gentleman from Ohio.

Mr. FLETCHER. Is it not true that nearly all the speeches made on the subject the gentleman is discussing have been made by speakers who included 1936, 1935, and 1934, none of them including the recent reports?

Mr. HARLAN. No; and there is this other fact that I wish the gentlemen on this side who may be called upon to meet the question in the ensuing election will notice, that all of the import figures that have been put in the RECORD by opponents of the reciprocity treaties have compared 1937 with 1932; in other words, they have compared a period of prosperity with a period of deepest depression. If the ordinary voter would analyze that kind of an argument, he would say, "If these small imports in 1932 brought us the conditions we had in 1932, and if the larger imports in 1937 contributed to the conditions we had in 1937, then let us have plenty of imports." However, that is not the way they will argue, in all probability, otherwise this effort to create all this confusion would not exist.

To compare the first 4 months of 1938 with the first 4 months of 1937, we find that in 1937, when we were in our period of highest prosperity, we had an unfavorable trade balance of $131,000,000; but in the period of depression into which we are now entering, we have had a favorable balance of trade of $445,000,000. In other words, our imports are very nearly disappearing; but our export business, thanks to the reciprocity treaties, is the most prosperous business we have in this country. It is cushioning the decline. The only tragic thing about it is that just as certain as you gentlemen are sitting here this afternoon, with the decline of these imports we are going to have a crash in our export market, and it has already begun to show its effect. Other countries are contemplating exchange controls and other obstacles to stop the increased buying of American produce, while they are unable to sell us anything at all.

Mr. KNUTSON. Mr. Chairman, will the gentleman yield?

Mr. HARLAN. I yield to the gentleman from Minnesota.

Mr. KNUTSON. Has it occurred to the gentleman that one reason imports have dropped so materially is that the American people are broke?

Mr. HARLAN. That is true; our demand has gone down, and this is why we are buying less; but if the gentleman's argument were good that imports are an evil and ought to be cut off, the fact they are cut off ought to contribute to our prosperity right now. That would be a logical argument, it seems to me.

The gentleman from New York [Mr. TABER] commented a short while ago on our loss of the German cotton market and placed the blame on our crop-control activity. I am not here in a position to argue that the cotton-control activity might not have had some effect on the loss of that market, but what caused the loss of the German cotton market to America was the fact that we would not buy from Germany the things that were necessary to pay for the cotton, so Germany began to buy her cotton from Brazil, where she could sell in order to pay for the cotton. There is no question that the dictatorship countries of Europe are outstripping the democratic countries in the South American trade, because there is a mutuality of trade there which does not exist between us and the South American countries.

Mr. KNUTSON. Could the gentleman inform the House what dictatorship countries are buying competitive products in any quantities at the present time, or at any time?

Mr. HARLAN. The dictatorship countries for the most part are on a strong nationalistic basis. They are buying where they can sell, and selling where they buy.

Mr. KNUTSON. But they are not buying anything that they can purchase at home. Is not that a fact?

Mr. HARLAN. To a very large extent, but may I say to the gentleman that when Germany was prosperous, before she was under a dictatorship, she had a very large unfavorable balance of trade, and now that she is down and out, rationing her food supplies, and is about to cut down her bread ration—she has already cut down her butter ration—she has a favorable balance of trade. You dairy producers in this country who howled about losing six-tenths of 1 percent of the market to the foreign importer will find you are going to lose a much greater amount of the domestic market because there will not be a domestic market.

Mr. CRAWFORD. Mr. Chairman, will the gentleman yield?

Mr. HARLAN. I yield to the gentleman from Michigan.

Mr. CRAWFORD. Do I understand the gentleman to say he has information to the effect that the trade-agreement

countries with which we have been doing business are now scheming ways to boycott our goods because our imports from such countries have fallen so rapidly in recent months?

Mr. HARLAN. I was merely quoting an article appearing in the United States News this morning. The article did not specify trade-agreement countries, it stated foreign countries, so I do not know that that applies to the trade-agreement countries any more than the non-trade-agreement countries.

[Here the gavel fell.]

Mr. TABER. Mr. Chairman, I yield 20 minutes to the gentleman from Kentucky [Mr. ROBSION].

Mr. ROBSION of Kentucky. Mr. Chairman, the administration's leaders must have made up their minds to adjourn at an early date. They have brought in this deficiency appropriation bill calling for nearly $300,000,000. During the 5 years of the New Deal's control of the Government they have always started off each session of Congress with a new tax bill, creating new taxes and adding a lot of old taxes, and they have ended up with a deficiency appropriation bill. We had hoped there would be no deficiency appropriation bill at the end of this Congress because before the first session of the Seventy-fifth Congress closed there had been appropriated for the fiscal year beginning July 1, 1937, and ending June 30, 1938, approximately $10,000,000,000. Furthermore, in this session there was a deficiency appropriation bill passed for relief amounting to $250,000,000.

The amount of Federal revenues collected under the last year of President Hoover's administration for the fiscal year beginning July 1, 1932, and ending June 30, 1933, was in round numbers, $1,800,000,000. During the present fiscal year, counting the social-security taxes, there has been taken from the people in Federal taxes more than $6,000,000,000, an increase in this fiscal year over the last fiscal year of the Hoover administration of 233⅓ percent. With all this increase in Federal revenues this administration continues to pile up deficit on deficit and debt on debt year by year. This session of Congress before it adjourns in a few days will have appropriated more than $12,500,000,000 for the fiscal year beginning July 1, 1938, and ending June 30, 1939. This does not include the $1,800,000,000 appropriated for the R. F. C. to be loaned either with or without security.

The administration can, and plans are being made to, spend this $12,500,000,000 and to lend the $1,800,000,000 in the fiscal year beginning July 1, 1938, and ending June 30, 1939. Because of the great decline in business it is generally agreed that the revenues collected for the coming year will be approximately $4,500,000,000. In that event there will be a deficit of $8,000,000,000. The deficit for 1 year will be equal to twice the cost to the Union for fighting and winning the Civil War. Our national debt will approach $38,000,000,000 on June 30, 1938. This does not take into consideration the $4,600,000,000 of bonds issued by Federal corporations, the interest and principal of which have been guaranteed by the Federal Government. Most of these bonds have been sold and the proceeds spent.

A distinguished Democratic Senator announced the other day on the floor of the Senate that the obligations of this Government at the end of the next fiscal year would be in the neighborhood of $49,000,000,000. In the last 5 years of the Roosevelt administration there has been appropriated by Congress more than $45,000,000,000. This does not include the $4,600,000,000 of bonds issued by various Federal corporations and agencies. In order that we may appreciate the magnitude of this sum of money, may I point out that the total sum appropriated by all the Congresses from April 30, 1789, the beginning of George Washington's administration, to 1912—123 years—was $32,210,604,278? With this sum all the expenses of the Government were carried on, all the pensions paid to the veterans, their widows and orphans; the debt of the Revolutionary War paid; we fought the War of 1812, the Mexican War, the Civil War, the Spanish-American War, and a dozen Indian wars. We paid for the Louisiana Purchase, the Gadsden Purchase, the purchase of Florida, and the Philippine Islands. We dug the Panama Canal, spent billions of dollars for river, harbor, and highway improvements, and carved out of the great wilderness and developed the finest, richest, and greatest country in the world; and during that time there were four great depressions.

You will observe the New Deal Congresses in 5 years have appropriated $12,000,000,000 more than was appropriated by all the Congresses in 123 years, and at the end of these 5 years of heavy taxes, regimentation of agriculture, labor, and industry, and wanton, reckless, and wasteful extravagance, there are more unemployed workers, more people depending upon relief, and receiving some form of Government aid than at any time in the history of this country or any other country in 50 centuries. Those in control of the New Deal administration must know by this time that we cannot tax and squander ourselves into prosperity; neither can we regiment agriculture, labor, and industry and place the activities of 130,000,000 American people into the hands of a few bureaucrats here in Washington and bring about good times. We must know by this time that destroying our products and bringing about scarcity means unemployment, want, distress, and misery.

Yet this administration, as indicated in the President's speech to the high-school graduates at Arthurdale, W. Va., proposes to have a new tax bill at the next session of Congress. The sum already appropriated for the next fiscal year is greater than one-third of all the money appropriated by Congress in 123 years.

The new dealers have been claiming during all these 5 years that their purpose was to bring about recovery and put the people back to work. A blind person could see their policies and efforts have been dismal failures. Their pump priming has been mere shots in the arm, leaving the patient—our country—in a worse condition than before the shots were administered. I shudder to think of the conditions that will follow the $12,500,000,000 they propose to spend in the coming year when that great sum has been exhausted and the national debt increased to more than $45,000,000,000, business has been further paralyzed, and private initiative broken down. We can only put the people back to work in this country by giving agriculture and industry a parity price. They should have nothing less than the cost of production. Then the rich American markets should be protected for the American farmers against the farm products produced by peon labor in foreign countries.

Last year we imported $1,538,000,000 worth of farm products and exported only $732,000,000. We have imported billions of dollars worth of products of foreign factories, mills, and shops. We must protect the American market for American industries and the jobs of American workers. Take the Government out of competition with private business in strictly private enterprises; reduce the tax burden. Instead of hammering and hamstringing agriculture, industry, and commerce, let us encourage them and thereby cause the $24,000,000,000 on deposit in the banks and in the pockets of individuals to again flow into private enterprises and put into operation mills, shops, factories, and mines and provide jobs at real wages, reasonable hours, and proper working conditions to the idle millions.

John L. Lewis, president of the United Mine Workers and the C. I. O., said over the radio in March that we had spent $22,000,000,000 on emergency projects and schemes, yet there were 13,000,000 idle workers and the Government and Congress had done nothing to bring hope to the millions of unemployed. He, a great friend of the administration, was talking about the present administration and the Congress controlled by the Democratic administration.

William Green, president of the American Federation of Labor, pointed out that this large emergency spending had failed to accomplish its purpose and we could not hope for recovery along those lines. Great farm organizations have recently met to express their alarm over growing taxes, increasing debts and deficits, and the wild spending program of

this administration. Of course, business and professional men have been urging throughout this administration that we could not hope for recovery or bring about good times by taxing, wasting, and spending. It is agreed by the President and others who know that the number of unemployed has increased by leaps and bounds since Mr. Lewis made his statement last March. There must be now approximately 16,000,000 unemployed workers in this country. The administration does not propose with all this expenditure of $12,500,000,000 the next fiscal year to put more than 3,500,000 idle people to work. What are the other 12,500,000 idle workers going to do? You will never put these people to work by excessive taxation, by regimentation, by lambasting business, or by destroying our commodities and our crops.

Mr. O'TOOLE. Mr. Chairman, will the gentleman yield?

Mr. ROBSION of Kentucky. I have a matter here that I want to finish first.

Mr. FLETCHER. Mr. Chairman, will the gentleman yield?

Mr. ROBSION of Kentucky. I yield.

Mr. FLETCHER. The gentleman says we had only three panics in all that time. I believe there were 27, were there not?

Mr. ROBSION of Kentucky. I said three great panics, and the Democratic Party is honored by having all three of them [laughter and applause], and we are now in the fourth and greatest panic under the New Deal.

Every Sunday in the Post read the story of what was happening in 1837 in Martin Van Buren's administration—an empty Treasury, the country bankrupt—and today, after 100 years, your party under this administration is running true to form.

Mr. FLETCHER. Will the gentleman please state what he would do if he were in power in the White House and had as large a Congress on that side as we have on this side? What is the gentleman's program for solving the problem?

Mr. ROBSION of Kentucky. The Republicans have submitted programs. You new dealers are talking about getting back to 1926.

Mr. FLETCHER. I never mentioned 1926.

Mr. ROBSION of Kentucky. Perhaps the gentleman did not, but I am going to mention it.

Mr. FLETCHER. Do not blame it on me.

Mr. ROBSION of Kentucky. Labor wants to get back to 1926, and the farmers want to get back to 1926. Why? Because then there was parity of prices between agriculture and industry, no unemployment, no dole, no relief rolls, taxes going down, the national debt going down; and, not only that, but wheat was $1.70 a bushel; corn, 80 cents a bushel; cotton, 17 cents. Our national income for several years was $80,000,000,000 or more. The farmers' income averaged $12,000,000,000 for many years, and those dollars were all 100-cent dollars. The Republicans were then in power. [Applause.] The national income this year will be around $55,000,000,000, and the farmers' income will be around $7,500,000,000, measured in the devalued dollar of 59.6 cents. Cotton is less than 8 cents, wheat is less than 67 cents, corn is less than 50 cents in these 59.6-cent dollars.

Mr. FLETCHER. The gentleman does not answer my question. What is the gentleman's program?

Mr. ROBSION of Kentucky. If the gentleman will let me continue, I will tell him about the program.

Mr. KNUTSON. Mr. Chairman, will the gentleman yield?

Mr. ROBSION of Kentucky. I yield.

Mr. KNUTSON. The gentleman from Ohio wants to know what we will do when we get in. For one thing, we are going to send the galloping hounds of waste home and make them work and pay taxes.

Mr. FLETCHER. Send the galloping hounds home?

Mr. ROBSION of Kentucky. Wait a minute. We will quit doing some of the things I am going to tell you about.

PRIMING THE PRIMARIES IN KENTUCKY

In my speech on the President's pump-priming bill a few days ago I submitted excerpts from letters and affidavits of Democrats and Republicans in Kentucky condemning in unmeasured terms the use of the W. P. A. funds and jobs in promoting the administration's candidate for the Democratic nomination for United States Senator in Kentucky. I have no personal interest in either one of the candidates.

They are both Democrats. I have not and shall not take any part in that primary. I can truthfully say that I never did meddle in a Democratic primary, and I certainly would not this time, because a Democratic friend of mine in the House from Kentucky said he was down there some time ago and he was informed that before that primary was over there would be blood and hair on every rock in Kentucky. Therefore I am quite sure not to take any part this year. That is a matter to be settled by the Democrats of Kentucky; but I do have a deep interest in the matter of honesty and decency in elections and the way and manner in which the taxpayers' money is spent and the way and manner in which needy people of my district and Kentucky are being treated.

On May 23, 1938, Judge Brady M. Stewart, State campaign manager for Gov. A. B. Chandler, one of those seeking the Democratic nomination for United States Senator in Kentucky, wrote a letter to the President and made a strong appeal to the President of the United States to stop the scandalous action of those in charge of the W. P. A. in Kentucky. This is not a Republican speaking; it is a leading Democrat of Kentucky writing to his Democratic President; and, among other things, Judge Stewart said:

You—

Referring to the President—

will not countenance the use of taxpayers' funds, set aside to feed the hungry of the Nation, to be employed in this Commonwealth in such a manner as to result in public scandal.

Judge Stewart states further in his letter to the President:

For the first time in our observation the Works Progress Administration, which was conceived and established to feed the families of the unemployed, irrespective of the politics, race, or creed of those to be served through its directing heads, is seeking to drive hungry and destitute people to vote for a certain candidate for office. Meetings and conferences have been held in practically every county of the State by keymen in places of importance with the Works Progress Administration, at which definite instructions were given to selected agents that no one should be placed on Federal relief except upon the advice of Senator BARKLEY's campaign managers in the respective counties. Furthermore, these same agents have been required to inform all those individuals who seek Federal assistance that unless they are for the candidate for Senator whom the heads of the relief administration are supporting, there will be neither relief funds nor jobs for them.

Employees of the Works Progress Administration have been approached for campaign donations for Senator BARKLEY, and they have been sharply informed that if they did not give the amounts demanded they would be discharged immediately from their jobs. Very competent men and women have been released from the Works Progress Administration because they would not consent to use their positions and influence to force people to vote for Senator BARKLEY. Republicans have been instructed by agents of the Works Progress Administration to change their registration and vote for Senator BARKLEY on penalty of being released therefrom in case of refusal. Works Progress Administration trucks are being used openly to haul relief workers to the county court clerk's office to register.

And Judge Stewart further says:

Persons are being employed who do no definite work, but are instructed to spend their entire time in political activity. Practically every Federal project is topheavy with foremen, part of whom confine their time and attention to keeping certain men definitely in line for Senator BARKLEY, part of whom spend their time checking up on the loyalty to Senator BARKLEY of men already placed on the Works Progress Administration, and part of whom spend their time going from one section of the State to another on definite political missions. A tremendous waste of money is the result of this arrangement.

Judge Stewart further continues in his indictment:

• • • It is unthinkable that any relief agency of the Federal Government engaged in a charitable and humanitarian task would be deliberately prostituted by politicians for the benefit of a man seeking office. The Works Progress Administration in Kentucky has been converted into an out-and-out political machine, dedicated over and above all other considerations to reelecting Senator BARKLEY. Those with starving mouths to feed are forced to surrender their one remaining privilege of choosing for whom they shall

vote, otherwise they and their dependents must go hungry and naked.

Judge Stewart speaks of it as "a public scandal," and he comments:

It is unthinkable that any relief agency of the Federal Government, engaged in a charitable and humanitarian task, would be deliberately prostituted by politicians.

He concludes his bitter indictment by using these words:

Those with starving mouths to feed are forced to surrender their one remaining privilege of choosing for whom they shall vote, otherwise they and their dependents must go hungry and naked.

Money taken from the pockets of the taxpayers to provide food, clothing, and shelter for the needy is being gobbled up by ward heelers, politicians, and favorites in one particular faction for one particular candidate in the Democratic primary, capitalizing politically on the want, misery, and distress of hungry, shivering, and helpless men, women, and children. If some county or small-town officer should use a few hundred or a thousand dollars of the taxpayers' money in any such manner as this, he would be driven out of office and out of the community and branded as a traitor and a thief. We are told, however, there will be poured into Kentucky this year out of the taxpayers' money more than $52,000,000 to enable ward heelers and politicians to intimidate, browbeat, and oppress hungry and helpless Kentuckians. Yet we hear much said of the interest of these New Deal politicians in the poor and their appropriations of the taxpayers' money for humanity's sake. God save the mark for such lip-serving humanitarians as these! [Applause.]

[Here the gavel fell.]

Mr. BACON. Mr. Chairman, I yield 10 additional minutes to the gentleman from Kentucky.

Mr. ROBSION of Kentucky. Judge Stewart points out—and I have heard it from many other sources—the overmanning on various projects—politicians put on not to serve the people but to work in the interest of some particular candidate. It reminds me of the definition of an old darky as to what is a W. P. A. or P. W. A. project. The old darky said:

It is when two men move a tree, where you have four overseers, seven stenographers, eight clerks, five examiners, and three investigators, and you write W. P. A. or P. W. A. over it; then you have a project.

[Laughter.]

That is the kind of projects we are having in Kentucky, according to the testimony of this Democrat, Judge Stewart. That is what he says is going on down in Kentucky. This old darky must have been a close observer of relief conditions in Kentucky, according to Judge Stewart's statement and other evidence.

Mr. O'TOOLE. Mr. Chairman, will the gentleman yield?

Mr. ROBSION of Kentucky. In just a minute. Listen to this:

Those with starving mouths to feed are forced to surrender their one remaining privilege of choosing for whom they shall vote. Otherwise they and their dependents must go hungry and naked.

Yes; needy Kentuckians are called on to barter their votes for bread and meat. No vote, no job, no food, no clothing, no shelter.

RELIEF BAGS USED FOR POLITICAL ADVERTISEMENT

Commodities for the needy in Kentucky are being distributed in large paper sacks bearing a political advertisement.

I hold in my hand a photostatic copy of the words appearing on these bags delivered with commodities to those receiving relief. The words "paper bags" are in large letters, "donated by a friend of" in small letters, and again in large letters "Senator ALBEN W. BARKLEY." Governor Chandler's campaign manager, I am informed, has sent a similar photostat to each Member of the House and Senate. I am further informed it has been hinted in many cases, and in some cases openly stated, that people receiving relief are given to understand it is coming from Senator BARKLEY. The desire for power and political preferment must be very strong, indeed, when any man, or group of men, would so prostitute the funds for the needy to promote their own political fortunes.

I am strong for relief for the needy; so is the Republican Party; but we denounce the use of the taxpayers' money to pay the expenses of primary campaigns or general elections. Such conduct as this is sowing dragon's teeth in this country. We are sowing the wind, and we shall reap the whirlwind.

The other day an amendment was offered to the relief bill in the Senate by a New Deal Senator in which it was proposed that those connected with administering relief should refrain from political activities. A Republican Senator also offered an amendment making it a crime punishable by fine and imprisonment for anyone in charge of distributing relief to try to coerce and influence any relief client to vote one way or the other. The Senate leaders and by one majority of the administration New Deal followers, these salutary and wholesome amendments were defeated. By that action the signal was given to all ward heelers and politicians to run their hands into the pockets of the taxpayers up to their elbows and drive ahead to browbeat, oppress, and attempt to debauch the needy people of Kentucky and our Nation.

It is little wonder that agriculture, industry, and the people generally have become disheartened when they meet with nothing but bureaucratic interference and harassment and exorbitant taxes taken from the sweat of their labor being used to break down the morale, morals, and self-reliance of the people. They see the bread taken from the mouths of the hungry men, women, and children and turned into the pockets of scheming politicians.

I shall continue to denounce any such outrages, it matters not who may commit them. If those in high authority are opposed to these outrages and are not to be the beneficiaries thereof, let such persons join with me in stopping them. Do these politicians give no thought to the price that was paid at Bunker Hill, Lexington, Valley Forge, and Yorktown for our right to vote? Do they not realize that in debauching the elections of this country they are digging the very foundations from under our Government? The day of reckoning is coming. I indulge the hope that there is too much patriotism, intelligence, and courage left in this country to permit ambitious and scheming men to wreck and destroy the Nation's credit and take away the liberties of the people. [Applause.] When the people once have full knowledge of the facts and have become thoroughly aroused, these betrayers of the peoples' trust will be calling upon the mountains to fall upon them and hide them.

IOWA "YES" MAN LOSES

The issue in the Democratic primary in the State of Iowa held on yesterday, June 6, was clearly drawn. Senator GILLETTE before the primary stated over and over: "If elected, I will not be a 'rubber stamp' or a 'yes' man in Congress."

Our distinguished colleague, Mr. WEARIN, backed by Relief Administrator Harry Hopkins, the President's son and Secretary, Mr. James Roosevelt, and other New Dealers, declared his unfaltering devotion to the President and the New Deal; in other words, he would be a "yes" man. I wish to commend the courage and patriotism of Senator GILLETTE. To the everlasting honor of the intelligent and patriotic Democrats of the great State of Iowa, by a vote of nearly 2 to 1, they said to the President that they wanted Senator GILLETTE and they did not want a "rubber stamp" or a "yes" man in the United States Senate.

The people of Iowa are noted for intelligent, forward-looking, and liberal views, but they have learned their lesson. They have seen the evils that have come upon us through "yes" men and "rubber stamps."

Now, what was Senator GILLETTE's crime to turn the W. P. A., the White House, and other administration stalwarts against him? He had the courage to oppose the President's bill to stack the Supreme Court of the United States. Not being a "rubber stamp" Senator or a "yes" man, he was unwilling to make "yes" men out of of the members of the Supreme Court. He knew the safety of this Nation depends

upon the preservation of the three great coordinate branches of the Government. They cannot be preserved if we have "yes" men on the Supreme Court bench and "yes" men in the legislative branch of the Government. Senator GILLETTE's courage liberated other Members of the House and Senate.

The election in Iowa on yesterday reflected the change in the sentiment of the American people.

KENTUCKY SPECIAL CONGRESSIONAL ELECTION SIGNIFICANT

On last Saturday, June 4, there was held a special election in the Eighth Congressional District of Kentucky to fill the vacancy created by the resignation of former Congressman Vinson. Hon. Joe Bates, a kinsman, as I understand, of Mr. Vinson, was the Democratic nominee. Dr. Sparks was the Republican nominee. Mr. Bates, as a kinsman of Mr. Vinson, was backed by Mr. Vinson's splendid Democratic organization, the W. P. A., the State and Federal officeholders. Dr. Sparks had no experience in congressional politics, as I am told. He had no State, Federal, or W. P. A. officials and workers to back him. The Eighth District is one of the real Democratic districts of Kentucky. I am informed in 1934 the district gave the Democrats 11,000 majority. In 1936 it gave the Democrats 18,000 majority. The other day the Democratic nominee won by approximately 2,400.

The result of the election in Boyd County is even more significant. The largest town is Ashland. There are great steel mills, and the C. & O. Railroad has extensive holdings and operations in Ashland and Boyd County and employs thousands of workers. That county gave a Democratic majority of 5,000 in 1936. The other day it went more than 1,400 majority Republican.

The working people are beginning to realize that the enormous taxes being imposed must be paid in a large measure by them and the farmers. They now know that President Roosevelt was right in his statement in 1932 when he said:

> Taxes are paid in the sweat of every man who labors. If excessive, they are reflected in idle factories, tax-sold farms, and hence in hordes of hungry tramping the streets and looking for jobs in vain. Our workers may never see a tax bill, but they pay in reduction of wages, cost of what they buy, and in broad cessation of employment.

The steel workers see steel production only 25 percent of capacity and with a reasonable certainty it will go down below 20 percent by July or August. The railroad workers now know, according to the report of the Interstate Commerce Commission, on April 6, 1937, there were 1,131,000 railroad men then at work. The Commission reported again on April 6, 1938, 1 year later, 913,070 railroad men at work. In other words, in 1 year railroad employment decreased 217,960, which is approximately 20 percent. Unfortunately the number of employed railroad workers is still going down. There was a decrease of 14,278 in the month of April and a like or perhaps a greater decrease for the month of May 1938.

There are now more than 70,000 miles of railroads in the hands of the courts. The next high record was 40,000 miles in the hands of the courts during the panic of the Cleveland administration in 1893–94. The railroads earned in 1929, $6,280,000,000. It is now estimated that they will earn this year around $3,000,000,000, a reduction of 50 percent in earnings, and they are facing a deficit of over $400,000,000. This is the highest deficit the railroads have ever had. The deficit in the low year of the depression of 1932 amounted to $139,000,000. A man who knows, and not a railroad worker or a railroad owner or manager, expressed the opinion before our Judiciary Committee the other day that he would not be surprised to see all of the big railroads in the hands of the courts within the next 9 months. The reduction of 15 percent in the wages of the railroad workers as proposed would not eliminate this great deficit.

Railroad freight loadings are 29 percent less than they were a year ago. Production in the automobile industry is now about 15 percent of normal, and the coal mines, operating on a 1- or 2-day-week basis, are great contributing factors to the bad condition of the railroads and the steel mills. Farm commodities and gilt-edge stocks and bonds continue to go down. The business index has dropped nearly 35 points in a year.

The workers see the words of President Roosevelt come true—idle steel, factory, mine, mill, and railroad workers. They see the cost of living up to 1 percent of what it was a year ago, yet the income of the workers on account of unemployment and high taxes is perhaps 30 percent less than it was a year ago. President Roosevelt said that the workers may never see a tax bill, but they pay in reduction in wages, cost of what they buy, and in broad cessation of employment.

The workers, farmers, and even housewives now realize that we cannot tax and squander ourselves into prosperity. They also realize that we cannot hamper, embarrass, and discourage business, industry, and agriculture without doing irreparable harm to the workers and their families. These workers also realize that we cannot destroy our products and put everybody under the bureaucrats here and restore good times.

This same feeling evidently was manifested in the great industrial State of Pennsylvania, when without State or Federal jobs or W. P. A. the Republicans in the primary gave their candidates 100,000 more majority over the number of votes received by all the Democratic candidates in their primary.

W. P. A. jobs with starvation wages in Kentucky is not the answer to thousands of honest workingmen now out of work. They want real jobs with real wages and not to be exploited, oppressed, and kicked around by ward heelers and small-fry politicians for a chance to dig in the dirt at $21.60 a month. They want jobs rather than change in our form of government.

PRIMARIES NEED MORE PRIMING

The administration continues to increase its priming of agriculture and industry without success, and although billions of the taxpayers' money have been poured into elections, primary and general, recent events show that these efforts likewise will be attended with failure.

They failed in a recent Democratic primary in Pennsylvania. In the State of North Dakota the Republicans in the primary received around 100,000 votes and the Democrats only about 75,000. In the State of Oregon, 2 or 3 weeks ago, the Republican candidates received a much larger vote than the Democrats with all of their political and relief jobs. The New Dealers butted into the Oregon Democratic primary and their candidate won by the skin of his teeth over a candidate who had incurred the displeasure of both groups of organized labor and others.

The Florida primary came along and our New Deal friends crowed lustily over the outcome, claiming that the vote of Senator PEPPER on the wage and hour bill containing differentials and setting up a board was responsible for his success. It was amusing to see a lot of our good Democrat friends run to the storm cellar with a brainstorm. An analysis of the vote in Florida does not indicate that it hinged on the wage and hour bill vote last December or on any other New Deal legislation. Senator PEPPER announced in favor of the Townsend plan. The administration is bitterly opposed to the Townsend plan for old-age pensions. Some Members of the House up for reelection were against the wage and hour bill last December and others were against other New Deal measures, and yet received a greater number of votes in their respective districts than did Senator PEPPER.

TAKE RELIEF OUT OF POLITICS

Let us take relief out of politics. The Republicans insist that the relief should be administered by a non- or bi-partisan board or commission made up of capable men and women representing the Federal Government, State, and the community. Those administering relief should be under civil service and subject to heavy penalties should they make any attempt to influence the votes one way or the other of the relief workers. Let us see to it that the taxpayers' money goes to the needy instead of building and maintaining political machines. Let us effect economies in government

wherever possible, cut down taxes, demand honesty in government, give agriculture, industry, and commerce a chance, encourage the free flow again of the billions of unused private capital into active enterprises. This is the same country and the same people who except for a few brief periods of depression were employed at good wages. There were no doles, deficits, mounting taxes, and mounting debts, no scarcity with its misery and want. With sane, sound economic policies agriculture, industry, and commerce will go forward, the idle people will be put back to work, and we can again rejoice with peace, plenty, and prosperity.

Mr. LUDLOW. Mr. Chairman, I yield such time as he may desire to the gentleman from Missouri [Mr. ANDERSON].

Mr. ANDERSON of Missouri. Several weeks ago, Mr. Chairman, the attention of the membership of this House was called to the fact that it was obvious that the National Labor Relations Board did not make a thorough investigation to determine if the charges against the St. Louis branch of the Ford Motor Co. were supported by fact. It was also said that the transcript of the hearings in the case contained unanswerable evidence that charges made in this House from time to time to the effect that the National Labor Relations Board is biased, prejudiced, and unfair have not been based on thin air.

I have just completed reading the testimony taken in the last few days in this case, Mr. Chairman, and learned of a new judicial theory advanced by the trial examiner, Mr. Tilford E. Dudley.

As you will recall, Mr. Chairman, it was pointed out that out of a total of 278 Ford workers who were named in the complaint it was impossible for the company to have discriminated against 195 of them, who were either working, quit, moved away, or never worked at the plant at any time.

Twenty-one named in the complaint had testified they did not know they had been named in the charges. And I find some others also gave no authority to anyone to file a complaint against the Ford Co. in their name.

On page 17480 of the official transcript, Mr. George C. Hopkins was asked by the attorney for the respondent if he had known that his name was used by the U. A. W. A. in the complaint as one of the parties against whom the Ford Motor Co. is charged to have discriminated because of the fact that he belonged to the union.

The Labor Board attorney objected, and Mr. Dudley sustained the objection.

The Ford attorney, Mr. Muldoon, pointed out to Trial Examiner Dudley that the case with the witness as a complainant was still pending.

His case is still in the complaint, and as far as this witness is concerned he is one of the parties upon whom the complaint is founded in this case, and it is still pending in his name—

Muldoon stated.

Trial Examiner Dudley said:

Even then it doesn't matter. He is not the one that filed the complaint. The union filed the charge.

I quote from the official record:

Mr. MULDOON. Have they a right to file a charge when a man is not even in St. Louis and has no intention of authorizing anybody to file a charge in his name and doesn't believe he is being discriminated against?

Trial Examiner DUDLEY. Certainly; they didn't file the charge in his name.

Mr. MULDOON. They filed it in his behalf.

And now, Mr. Chairman, I ask that you carefully note this ruling, which to me at least is something that is incompatible with common sense or American fundamentals:

Trial Examiner DUDLEY. Filed it in behalf of the public to keep you from restraining interstate commerce.

Now, Mr. Chairman, it happens that this witness was out of the city in a hospital in Minnesota and had been notified twice to return to work by Ford Motor Co. and had no knowledge of his being named in the complaint. And, mind you, Mr. Chairman, the Labor Board, through a ruling of its trial examiner, declares that it is not necessary to obtain the permission of any individual before filing charges in his name. That this is within the authority of the union and is filed in behalf of the public to prevent employers from restraining interstate commerce.

Well, in my many years as an observer, I have seen the interstate provision abused in many ways, but never with such ridiculous abandon as in this "star" ruling by Trial Examiner Dudley.

It is so ridiculous it would be laughable were not its effect, along with the other acts of the Labor Board, so seriously handicapping employees and employer in their friendly relationships.

I urge every member of this assembly to make a serious study of this situation as it is striking at the very fundamentals of American Government and institutions.

That this fact is generally recognized is evidenced by the following letter written to the National Labor Relations Board by Mr. O. J. Ferguson, editor of the Democratic and pro-New Deal Democrat-News, of Fredericktown, Mo.:

[Ferguson Bros. Printing Co., publishers of the Democrat-News, printers, publishers, binders]

FREDERICKTOWN, MO., *March 4, 1938.*

NATIONAL LABOR RELATIONS BOARD,
United States Court and Customhouse, St. Louis, Mo.

GENTLEMEN: We have just received and read a news release from your office.

It is not at present the purpose of this newspaper to give any cooperation, through the use of your publicity, to your Board as it is at present constituted.

The writer has been present at several of the hearings in the matter of the Ford Motor Co. and if the conduct of that hearing is at all representative of your general attitude then, in our opinion, you are not entitled to the support of any genuine American.

We stand definitely committed to the principles of the New Deal. We favored the enactment of the Labor Relations Act. We believe in the things it was designed to do.

We are, however, disgusted with your administration of the act. Instead of a fair, impartial hearing, you have impressed us as prejudging the cases that come before you. Instead of giving the workers the opportunity of choosing for themselves the type of representation they desire, your Board has seemed to me to have picked out a particular organization and attempted to force it upon the entire country.

We feel strongly that the attitude of your Board is such that the American people will force the repeal of the act under which you operate.

I do not know any of your personnel, so there is certainly nothing personal in this matter. I think my feeling is typical in the country outside strongly C. I. O. areas.

Very truly,

O. J. FERGUSON,
Editor, the Democrat-News.

Mr. LUDLOW. Mr. Chairman, I yield to the gentleman from Ohio [Mr. FLETCHER] such time as he may desire.

Mr. FLETCHER. Mr. Chairman, several times while the gentleman from Kentucky [Mr. ROBSION] was speaking I requested him to yield for the purpose of asking a question. With characteristic courtesy he yielded, but he neglected to answer my question.

Repeatedly I have asked our critics what they would do if they were in the White House, but they invariably close up like clams and do not answer.

So far all of them confess they have no program to substitute for the one they criticize, and the gentleman who has just spoken again demonstrated that they have no program.

Several other Members have made the same speech at this session, with slight variations, but the Kentucky statesman's delivery puts him in a class by himself. He wins the honors in oratory.

I have no objection to criticism of our program. I believe in criticism when it is constructive and helpful, and I know the gentleman in his heart wants to be constructive and helpful.

WHY NOT OFFER SOMETHING CONSTRUCTIVE?

Believing that one who starts out to criticize should offer something better to take the place of the thing his criticism is intended to denounce, I asked the gentleman while he was speaking, and I ask him now, to outline for us the program of his own party.

If that is too much, then will he please state whether he or any member of his party has any program?

The country has a right to know how his party would solve the problems he talks about so eloquently.

He says this administration has not found all the methods for solving the multitudinous economic, social, industrial, and unemployment problems that confront the Nation.

All right then, if that is true, just what is his plan and what does his party propose to do about all the multitudinous things he has mentioned?

If everything is all wrong, then how does he propose to make everything all right?

What would he or any of the other members of his party do in the White House? Or what does he propose to do if his party ever again should rise to power?

A PLANLESS PARTY LED BY PLANLESS POLITICIANS

One hundred and thirty millions of people in this Nation are anxiously waiting for the answer to these questions.

Of course, it must seem obvious to everyone that the gentleman has no plan. No leader of his party has even so much as hinted of any plan so far. You cannot beat something with nothing, as the late Herbert Hoover has only recently told you.

Behold a planless political party, led by planless politicians, plaguing the people with promises and platitudes. What a comedy! What a tragedy! What a shame!

But I must admit the gentleman made a good speech. I always enjoy listening to that speech. It never loses its appeal.

Every time one of the criticizers of this administration removes that classic old partisan speech from the moth balls, dusts it off and starts it going good, we just naturally sit up and pay attention through force of habit. [Laughter.]

I HEARD THAT SAME OLD SPEECH WHEN I WAS A BAREFOOT BOY

The first time I heard the gentleman's speech I was a barefoot boy on the farm. It was at a farmers' picnic. I was wearing my first pair of long pants.

A backwoods partisan running for county office, handicapped by a harelip and a loose tooth, put that same old speech through its paces and it sounded almost as good then as it did today when the gentleman delivered it in his best made-in-old-Kentucky style. [Laughter.]

That speech has gone through every campaign since the Civil War, and listening to it today it seemed to me that it was as young as ever. [Laughter.]

Evidently the gentleman has had the old speech's face lifted and it has undergone some other rejuvenation treatment, but not enough to mar its identity. It is still a wonderful old speech and we always enjoy it every time we hear it.

But did any Member of this House hear the gentleman answer my questions? What is your plan?

What is your remedy?

What is your solution?

How would you solve the economic, social, unemployment, and other problems which you say this administration has not solved entirely to your satisfaction?

Why not answer me? Why evade? Why sidestep? Why duck from under? Why hold out? Why keep it a secret?

THE FAMOUS BRAZILIAN INVISIBLE FISH

At this session of Congress I have listened attentively to all of the gentlemen who have been criticizing, denouncing, ridiculing, and belittling this administration.

Much of this partisan ballyhoo reminds me of the performance of a clever side-show ballyhooer who got the people all excited about what he assured them was the "famous Brazilian invisible fish, the only one of its kind in captivity."

This side-show ballyhoo artist had formerly been a fairly successful politician.

But, like so many of our friends who formerly occupied the now vacant chairs across the aisle, a New Deal landslide had caused him to lose out, and rather than go on relief he thought up the bright side-show idea of exhibiting an "invisible fish."

He operated on the theory that a gullible sucker is born every minute and that some of them live.

He filled a big glass bowl full of water and set it up in an empty storeroom.

On a large show card in the window he had printed these words: "Walk right up, ladies and gentlemen, get your tickets to see the famous Brazilian invisible fish, the only one in captivity."

THEY HAD TO CALL THE POLICE TO HANDLE THE CROWD

The crowds came, bought tickets as fast as he could hand them out. More and more people crowded the sidewalk in front of the building until it was necessary to call the police to take charge of the unruly mob demanding admission to see the "invisible fish."

Of course, there was no fish in the bowl. It was merely a huge glass bowl filled with water.

But because this down-and-out, former politician promised them that they would see the invisible fish, pointed to the bowl and said: "It is there, can't you see it, it is right there in the bowl, look at it, there it is, the famous Brazilian, invisible fish," why they were just gullible enough to believe his promise.

Surprising as it may seem, most of them imagined they had seen the "invisible fish." [Laughter.]

Before they had time to come to their senses and get on to the trickster's game he had skipped out with their money.

VOTERS CANNOT BE FOOLED BY "INVISIBLE FISH" TRICK TODAY

New Deal critics stand up here in the House and pointing to their political fish bowl explain: "It's there. Can't you see it? We promise you we have the solution. We have the remedy. We have the program. Take our word for it. It may be invisible, but it is there. Don't you believe us? Right there it is. See it?" [Laughter.]

From speeches we have heard in the House at this session, it is evident that in the coming election campaign some of our brethren will be running up and down the country with their political fish bowls trying to make the voters believe there is something in them. But voters are doing their own thinking these days. "Invisible fish" in the form of political promises do not fool them any more.

THE DISTINGUISHED GENTLEMAN FROM KENTUCKY, MR. ROBSION

But to return to the gentleman from Kentucky [Mr. ROBSION]. I do not want any Member of this House to get the impression that there is anything personal in what I have said.

In fact, my first purpose in rising to address the House was to pay to the gentleman a deserved tribute.

As everyone in this House knows he has well earned his reputation as a brilliant orator and a constructive statesman.

If character, ability, legislative experience, and tested leadership are essential qualities to consider in choosing a candidate for President of the United States, then in these days of uncertainty and confusion within the ranks of the Republican Party, it would seem to be sound political judgment for that party to consider as its Presidential candidate 2 years from now the gentleman who has spoken to us with such forceful eloquence this afternoon.

In poise, personal appearance, dignity, and the other qualities that make for leadership he looks more like what a Presidential candidate ought to look like than most of those of his party who so far have been named.

He has the background, the years of legislative experience as a Member of the National House of Representatives and also as a Member of the United States Senate.

Those of us who have been associated with him for years appreciate his sincerity, his ability, and the constructive service he has rendered during the years of his membership in both the House and the Senate.

In days past political leaders had the wisdom to name a Member of Congress as their choice of candidate for the Presidency. McKinley, of my own State, was trained for the Presidency by his long years of service in the House.

In fact, most of our successful Presidents were advanced to the White House after serving in Congress.

In a political campaign no Republican so far named as a potential choice of the minority party would be more certain to win the rank and file of the Republicans of the Nation as a Presidential candidate than the gentleman from Kentucky [Mr. ROBSION].

WHAT THE VOTERS OF AMERICA WANT

No matter how appealing may be the personality, how logical the reasoning, how eloquent the speech of any candidate who may be nominated for the Presidency, the voters will still demand something more. They will demand an answer to the questions: "What do you propose to do and how do you propose to do it?"

There are some Democrats as well as some Republicans who got themselves elected to this Congress by riding in on the coattails of President Roosevelt.

They campaigned as new dealers. They told the voters they were new dealers and now they are old dealers. They have flopped.

Some of them laugh at the New Deal. They ridicule it. They denounce it. They damn it. They try to smear it with every kind of denunciation under the sun. Some of you have tried to hamstring it. Some of you have thrown monkey wrenches of your disapproval into its machinery. Over the radio you have pounded the eardrums of the listening millions with your propaganda against the New Deal.

All right then. Tell us what you propose to offer in the place of the New Deal. Explain that to the voters, will you? I do not like everything about the New Deal either. I do not know anything on earth that cannot be improved, do you? If the New Deal can be improved, why not join in and help to improve it? Why try to wreck it?

Do you know any living statesman in whom the people at this moment have greater faith than they have in President Roosevelt? If so, who is he? Name him. Trot him out so the country can look him over.

Mr. ROBSION of Kentucky. Will the gentleman yield?

Mr. FLETCHER. I shall be glad to yield. I hope my personal reference to the gentleman did not embarrass him. What I said I meant in the spirit of friendliness. The tribute I paid to him came from my heart, I assure you.

Mr. ROBSION of Kentucky. I am almost speechless. I have served with my friend here. We have been in and out.

Mr. FLETCHER. We surely have been in and out. I have had more experience in being out of Congress than the gentleman has.

Mr. ROBSION of Kentucky. May I say to my distinguished friend that while I am a native-born Kentuckian, my parents carried me to his great State, and I lived some years there and caught tobacco worms in the Miami Valley of Ohio. Kentucky stands alone in being equal to your State.

Mr. FLETCHER. Oh, yes; the tobacco worms have been very scarce ever since then. [Laughter.]

Mr. ROBSION of Kentucky. I have served here with my distinguished friend, BROOKS FLETCHER, of Ohio, and it has been a pleasure to know him personally and observe his faithful service to his district, his State, and to our country. I could not hope to surpass my colleague in graciousness of manner, human understanding, eloquence, statesmanship, and broad knowledge of the great problems confronting our people. With deepest sincerity I wish to say that there is no Member of this House who has served more intelligently, more earnestly, more patriotically, and more devotedly his constituents, his State, and our beloved country than has my friend the gentleman from Ohio. During his service here I have observed that he has done his own thinking. He appears at all times to be imbued with a great desire to do the right thing and the best thing for his constituency and his country. It is always inspiring to me to see elected to Congress a courageous, honest, earnest, devoted, and patriotic public servant, such as our friend's record here shows him to be. While he is a loyal Democrat and we do not always see eye to eye, yet, in my opinion, he always has placed the welfare of the country above partisan consideration. He has won the respect and affectionate regard of all Members of both sides of the aisle. Possessing these qualifications in such a high degree, I do not hesitate to say that the Democrats in convention in 1940 could go further and fare much worse than in naming our colleague, BROOKS FLETCHER, of Ohio, as the standard bearer of the Democratic Party. His wide experience as a businessman, newspaper editor and publisher, as a platform speaker and as a legislator make him well qualified for public service.

Mr. FLETCHER. Early in the beginning of my newspaper career it was my pleasure to interview Governor Thorne, of Eminence, Ky., and Henry Watterson, then editor of the Louisville Courier Journal. There was a quality of graciousness and cordiality possessed by these two noted Kentuckians which, in the many speaking trips I have made in that State, I have found to be characteristic of the Kentucky people.

In the generous statement made by Mr. ROBSION of Kentucky a moment ago we again are reminded of the courtesy, warm friendship, and hospitable kindness so characteristic of the people of the State he ably represents in this Congress. The gentleman's generosity to me makes me feel a little embarrassed over having mentioned that "invisible fish" business a moment ago. I hope he will forgive me.

Mr. KNUTSON. Mr. Chairman, will the gentleman yield?

Mr. FLETCHER. Yes; certainly.

Mr. KNUTSON. The gentleman's party assured us, and, in fact, his standard bearer in 1932 assured us, that he had the remedy.

After having spent $18,000,000,000 for relief, which is equivalent to $18 for every minute since the dawn of the Christian era we are worse off today than when the gentleman's party came into power.

Mr. FLETCHER. How would the gentleman have handled the relief problem? Did not most of the members of his party vote for our relief program?

Mr. MICHENER rose.

Mr. FLETCHER. What have you to suggest? What would you do? What idea have you to offer?

Mr. KVALE. If the gentleman from Ohio will yield, I may say the gentleman from Minnesota [Mr. KNUTSON] based his campaign in 1932 on the fact that he did not want to change skippers in midstream and that he was sticking with the skipper. [Laughter.]

Mr. FLETCHER. He must have skipped a couple of skippers since then. [Laughter.]

Mr. KNUTSON. I stuck by my ship in 1932, and the gentleman [Mr. KVALE] did not.

Mr. MICHENER. The gentleman from Ohio asked me what plan or solution I have to offer; what I would do about it.

Mr. FLETCHER. Yes; that is what I asked the gentleman awhile ago. Has he got a reply fixed up yet? [Laughter.]

Mr. MICHENER. I would do what the Democratic Party promised to do in its platform in 1932, and that which the American people thought in the 1932 election that the Democratic Party was going to do when it came into power in 1933.

Mr. FLETCHER. Does the gentleman from Michigan [Mr. MICHENER] mean to say then that he is outlining here before this Congress and the country a program for 1940, with a man from the gentleman's own State as a possible candidate for President, and that he, the gentleman from Michigan [Mr. MICHENER], is taking over the Democratic platform adopted at Chicago? Is that the gentleman's program? Is he admitting that having no program of his own, he is now going to kidnap our program?

Mr. MICHENER. My program is this: First, I do not attribute to myself the authorityy to speak for the party as the gentleman I am now addressing attempts to do for his party.

Mr. FLETCHER. Just a minute. I did not yield to permit the gentleman from Michigan to make an erroneous statement. I want the gentleman to stick to the facts. I am not speaking for the Democratic Party or any other party. I am speaking at this moment for BROOKS FLETCHER and for BROOKS FLETCHER only.

Mr. MICHENER. I am speaking for EARL MICHENER and EARL MICHENER only and EARL MICHENER says that the people of this country elected Franklin D. Roosevelt, President in 1932, on one of the most concise and best platforms ever presented to the American people and the Amerian people believed that if Franklin Roosevelt was elected——

Mr. O'CONNELL of Rhode Island. Did the gentleman vote for him then?

Mr. MICHENER. No; and the fact I did not vote for him has been justified by his actions since then.

Mr. FLETCHER. The gentleman has spoken on numerous occasions and I cannot yield further for him to make a speech in my time. If the gentleman has a question that is different and I shall be glad to yield to him for a question. Have you a question you wish to ask me?

Mr. ROBSION of Kentucky. Mr. Chairman, will the gentleman yield?

Mr. FLETCHER. I am glad to yield to the gentleman from Kentucky.

Mr. ROBSION of Kentucky. I have some matters with respect to this relief that I desire to discuss which I thought were pertinent here but I knew that my friend from Ohio and the Democratic Party would not take my suggestions. We have offered suggestions and I am extending my remarks with the idea of putting some constructive matters in there that I think, if we would follow, might be helpful. I may be wrong.

Mr. FLETCHER. I see; the gentleman says he may be wrong. He is not certain that his suggestions may be helpful. He seems to doubt himself. Judging from the votes at the last election, it is evident that the voters are even more doubtful than he is as to any remedies his party might propose.

But I thank the gentleman, and I commend him both for the "constructive matters" which he says he is going to put into the RECORD as an extension of remarks, and I commend him for his modesty and honesty in expressing doubt as to whether they will amount to anything.

Of course, when we doubt ourselves we cannot expect the public to believe in us. One reason why the people have faith in President Roosevelt is because he has the courage to go ahead and do something—the courage to lead.

The hope of America is in the right leader with the right program; a leader who is not afraid.

WHY THIS PROMINENT REPUBLICAN DOES NOT WANT HIS PARTY TO WIN

Mr. Chairman, the other day one of the most prominent Republicans in this country, a long-time friend of mine, a man of wealth who has contributed liberally to the Republican Party in various campaigns, made to me some statements which I think should challenge the attention of every thinking American.

This man recently visited Florida, California, and New York. He has business and social contacts with some of the biggest men of the country. We visited together in my office almost the entire afternoon, and here in brief is what he said:

> The time has come when I am afraid of what may be ahead of us. I am afraid because of a certain trend which I seem to sense. Millions upon millions of our people are badly maladjusted, and their growing hopelessness is causing them to become more and more dissatisfied with their lot in life. What frightens me most right now is that my party, the Republican Party, may be voted back into power without a program.

He said:

> I am afraid that the people will become dissatisfied and will put a Republican President in the White House in 1940 elected on promises he cannot fulfill. I can think of no greater calamity to our country than to elect a new President with the same old, worn-out program our party has used in the past or without any program. My party, the Republican Party, so far has no program at all. [Applause.]
>
> If we should be voted back into power by the election of a sufficient number of new Congressmen to give us a majority for the next 2 years, it is scarcely to be expected that they would support legislation sponsored by the present incumbent in the White House. Usually in the past, when the Chief Executive happened to be a member of one party and the majority in Congress of the opposite party, legislation has been blocked and nothing accomplished, while the country waited in anxiety and suspense, with business at a standstill.
>
> I hope in the coming elections this fall that the voters will see to it that the present administration has a majority of Members in Congress so the country will not be held up by a conflict between the legislative and the executive branches of our Government. Such a conflict between opposing political forces would result in uncertainty and business calamity.

He went on to say:

> We have millions of people on relief. Many of these millions are becoming accustomed to being taken care of. Some of them are losing their incentive to put forth much effort in the way of helping themselves to a better situation in life. This is true of only a fraction, of course, but even that is serious. Even if they had a great incentive to strike out for themselves, it would be difficult for them to do much now with a 40-year-old deadline employment policy that refuses to give a man a job merely because he has reached the age of 40 or 45. We have to admit that the door of opportunity is being slammed shut in the face of millions of men and women whose only crime is that they have arrived at the age of 40 or 50 years. Millions of our young people are coming out of schools to face life without jobs. It will be a serious calamity for our Republican Party if we should be voted into office in sufficient numbers as to force upon us the control of the Government without our having something more to offer in the way of a solution, in the way of jobs, in the way of increasing prosperity than anybody in our party has offered to date.

[Applause.]

He was emphatic in saying:

> The politicians of our party are now trying to get back into power merely on the mistakes of the present administration, with no program of their own, and in doing so they are heading both the party and the country toward greater disaster. Right around the corner is fascism, dictatorship, communism, and the teeming millions of malcontents who, having nothing to lose, may eagerly welcome revolutionary ideas which once out of control might destroy both the Republican and Democratic Parties and wreck our whole dream of democracy.

[Applause.]

Remember, ladies and gentlemen of the House, the man whose words I have just quoted is one of the most intelligent, successful, and loyal Republicans in this country.

EVERY LIVING PERSON HAS MADE SOME MISTAKES

I think it is serious business for Members of Congress of either party to get up here and slam-damn and denounce the New Deal program without offering something to take the place of the program which they criticize and denounce. [Applause.]

Our party has made some mistakes, of course, as all parties make mistakes. Everybody in our party, including the President himself, knows we have made mistakes, and it was expected mistakes would be made in our efforts to meet conditions so unprecedented as those that confronted us when we took over the affairs of this Government.

LET US RECOGNIZE THE GOOD DONE

But how about the mistakes of the previous administrations? What we want and need right now is help from you and help from everybody else willing to join in an effort to correct any mistakes that have been made and who are willing to cooperate in improving our program or formulating a better one.

It seems to me that we ought to be patriotic, straightforward, and honest enough, frankly, to admit the good things that have been accomplished and give an occasional thought to the constructive part of the program, instead of all the time dwelling on the black side of things.

READS WALL STREET JOURNAL TO CONGRESS

When I heard the gentleman from New York, the distinguished minority leader [Mr. SNELL], get up here yesterday morning and read from the Wall Street Journal about the tragic, gloomy situation which he says confronts us, as he had a perfect right to do, I could not help thinking, "Well, Mr. SNELL, what is your program? What would you do if you were in the White House? What would your party do if you were in power in Congress?

"And since you read to us from your Wall Street Journal, Mr. SNELL, tell us, please, what solutions do your Wall Street friends have to offer, even with Mr. Whitney singing in Sing Sing?"

Most of my life has been devoted to the newspaper-publishing business, and I think I know news when I see it. If the gentleman from New York [Mr. SNELL] will offer any proof, past or present, that his Wall Street friends whose

journal he read out loud in the House have ever shown the kind of statesmanship the people of America are willing to approve, he will by so doing supply news material which will be given front-page headlines in every newspaper in the land.

MANY RODE INTO CONGRESS ON ROOSEVELT'S COATTAILS

A large number of you who are here today have voted with us right along. Many of you, when you get back home in your campaigns among your people, tell them what jim-dandy new dealers you are, especially when you are in New Deal territory.

One of the present Republican candidates for the Presidency got himself reelected by doing a quick flip-flop 3 weeks before election, and by talking like a new dealer he was able to slide back into office hanging on the Roosevelt coattails.

Mr. KNUTSON. Mr. Chairman, will the gentleman yield?

Mr. FLETCHER. Yes.

Mr. KNUTSON. The gentleman voted for the President's Reciprocal Trade Agreements Act?

Mr. FLETCHER. Yes.

Mr. KNUTSON. The gentleman voted to renew it?

Mr. FLETCHER. Yes; and does the gentleman want to debate that subject with me? Many members of his party are now claiming credit for originating the reciprocity trade agreements program.

Has the gentleman read what Mr. Taft, of Ohio, the Republican candidate for Senator, recently said in favor of the reciprocity trade agreements?

Does the gentleman know what Mr. Hughes, Mr. Hoover, Mr. Stimson, and the Honorable Frank Knox, the Republican candidate for Vice President, have had to say in favor of the Reciprocity Trade Agreements Acts to which he objects in words without facts?

Has the gentleman from Minnesota [Mr. KNUTSON] forgotten what President McKinley said about reciprocity? If the gentleman desires to enter into a joint discussion of the reciprocal trade agreements program, it will be a pleasure to accommodate him.

Mr. KNUTSON. Is the gentleman in favor of reciprocal-trade agreements on the competitive products?

Mr. FLETCHER. Mr. Chairman, I am making a speech tomorrow on that very subject, and I shall answer the gentleman in detail then, permitting him to ask questions to his heart's content. Furthermore, may I say to the gentleman, if he wants to get this matter before the House and will arrange the time on the floor so each of us can have a half hour for the discussion, such arrangement will afford the gentleman from Minnesota [Mr. KNUTSON] an opportunity to get an education on our foreign-trade agreements program which he has long neglected. [Laughter.]

Mr. KNUTSON. I shall be delighted.

Mr. O'MALLEY. Will the gentleman yield?

Mr. FLETCHER. Yes; I yield.

Mr. O'MALLEY. When we had the wage and hour bill under consideration in this House the reactionary Republicans indicated by their vote their willingness to do everything possible to put amendments in the bill so that the bill would not work. Is that not indicative of the Republican opposition to the Democratic platform?

Mr. FLETCHER. No; I would not say that is indicative of opposition to the entire program. Some of them voted for the program. In this friendly discussion I do not want to be partisan or personal. Already I have talked too long, and I beg the House's pardon. I had no intention of making any speech today. I had no speech prepared, and before that fact becomes too obvious I think you should let me quit and not ask me any more questions.

Mr. FORD of California. Mr. Chairman, will the gentleman yield?

Mr. FLETCHER. Well, yes; I yield.

Mr. FORD of California. One other gentleman made reference to the 1932 Democratic platform, and he said the people of America had taken that platform at the face value and elected the President and that the Democratic Party had failed to carry out that platform. Then why in 1936 did not the American people repudiate us for not carrying out that program?

Mr. FLETCHER. I think the obvious answer to the gentleman's question is that the people were not in a repudiating mood. They were in an approving mood and voted their approval because they felt the program that was offered to them was the best program available at the time.

Permit me to make further reply to our friend the gentleman from Minnesota [Mr. KNUTSON], who is standing there looking rather wistfully at the moment, as though he were trying to think of something.

Since he raised the question of foreign trade agreements, he may be interested in knowing that the American Institute or Public Opinion, or the so-called Gallup poll, shows that 60 percent of the rank and file of Republicans are in favor of our present foreign trade agreements program.

Mr. KNUTSON. I challenge that statement.

Mr. FLETCHER. Does the gentleman mean to say that the Gallup poll is incorrect?

Mr. KNUTSON. I challenge the accuracy of the gentleman's statement.

Mr. FLETCHER. Well, if I am wrong, what is the correct statement?

Mr. KNUTSON. It is a way, way down. The gentleman has made the statement and I challenge it.

Mr. FLETCHER Yes; that is one of the gentleman's habits. He is running true to form today, as usual, in his challenging the accuracy of my statement, but if my statement is inaccurate, then what is the accurate statement? Will the gentleman please tell us what he knows about it?

Mr. KNUTSON. It is down in the twenties.

Mr. FLETCHER. So, as usual, the gentleman does not know for sure, so he just guesses. And will the gentleman get up tomorrow when I show the actual figures and publicly say he is wrong.

Mr. KNUTSON. Certainly, I will. I shall be delighted to do that, if the gentleman can make me out wrong.

Mr. FLETCHER. It will not be necessary for me to make the gentleman out wrong; he was made that way at the beginning. It is a gift. [Laughter.]

Mr. MICHENER. Mr. Chairman, will the gentleman yield?

Mr. FLETCHER. Yes; I yield to my friend from Michigan.

Mr. MICHENER. The gentleman from California [Mr. FORD] referred to me in reference to the 1932 platform and the reaction of the country in 1936. I reminded the gentleman from California that after the Democratic Party had forsaken the 1932 platform and commenced to spend billions of dollars, it had spent enough, as has been shown here today, so that it bought the election in 1936.

Mr. FLETCHER. Of course, as all of you know, I have tried to keep this humble discussion today entirely above that kind of thing—partisanism—and when the gentleman says the election in 1936 was bought and by that evidently meaning to imply the people on relief voted for the present administration, he obviously overlooks the fact that if all the people on relief and several millions more had not voted at all, the present administration would have won the election in 1936 anyway.

Mr. AMLIE. Mr. Chairman, will the gentleman yield?

Mr. FLETCHER. I am very happy to yield to the distinguished gentleman.

Mr. AMLIE. In the last 2 years of the Hoover administration, when the policy of the Republican Party was to do nothing, we had probably 14,000,000 unemployed. Relief was left to the States and local subdivisions. The average relief was about $8 per month per family, and if the people had the sense to vote for Roosevelt in 1936 after he gave them something decent in the way of relief, that is not buying an election but simply showed a modicum of intelligence on the part of the electorate.

Mr. FLETCHER. I thank the gentleman very much indeed for his contribution to this discussion. It has been my observation that every time the gentleman speaks on this floor he has something to say that is right to the point.

Mr. CRAWFORD. Mr. Chairman, will the gentleman yield?

Mr. FLETCHER. Yes; I yield.

Mr. CRAWFORD. The gentleman from Ohio has made a realistic speech. I personally appreciate that. According to the way this game of politics is played—and I know nothing about it because I have only had 3½ years' experience—on this side and on the other side, out in the field and all around, but has the gentleman during his life of observation and contact ever known one political party to adopt the program of the other party—when party No. 1 is in power—on the other side of the aisle?

Mr. FLETCHER. In answer to that question I may say to the gentleman that I have never made any research for the purpose of ascertaining in what degree one party adopts the platform of the opposition party and I have no knowledge as to whether it has ever been done intentionally.

However, I have observed that in many campaigns the party platforms seemed to have a striking similarity which, of course, might have been the result of unintentional coincidence.

All platforms seem to be very much alike in one respct at least, and that is nearly always they are promising platforms. They promise this and they promise that, and sometimes they are as much alike as two peas in a pod.

Mr. CRAWFORD. But it is not according to the rules of the game for one party to adopt the program of the other party, is that not true?

Mr. FLETCHER. Well, I suppose it is true; but if it is true then Mr. MICHENER, the distinguished Member of your own Michigan delegation, is evidently intending to break away from established precedent because only a moment ago he suggested or implied the adoption or approval of the Democratic 1932 platform, and since the G. O. P. apparently has no platform of its own to look forward to, Mr. MICHENER'S suggestion appeals to me as being very practical. He is to be commended. I esteem Mr. MICHENER very highly, both as a friend and a statesman, and now that he wants our 1932 platform to have and to hold as his very own my admiration for him, great as it was, is now still greater.

After all, what the country wants is a solution to the problems that face us today. The people are not concerned as to which party gets the credit or who designs the program or the platform. What the people want to know is, Does the program or platform give us any assurance of securing results?

Mr. CRAWFORD. Then, I think that, continuing to be realistic, we should not lead the gallery and the public to believe that the rules of the game are going to be changed this session or any other session. When this side offers constructive legislation and the other side is in power, I have noticed that it is ignored, and I assume, according to the rules of the game, that if this side gets into power and the gentleman's side offers constructive suggestions, that they will be likewise ignored.

Mr. FLETCHER. If you will show me some constructive suggestions, no matter which party offers them, they will not be ignored so far as I am personally concerned. I will support them and gladly.

Mr. CRAWFORD. The gentleman is speaking personally now.

Mr. FLETCHER. Yes; of course, I am speaking personally, and I have never refused to consider coustructive suggestions offered by your party or my party or any other party. I have never shut my mind against constructive suggestions from any source. What I am interested in is constructive suggestions, regardless of their origin, and I think the gentleman himself feels the same way about it. There is no man in this House who does more straight thinking than the gentleman from Michigan [Mr. CRAWFORD]. He has an informed mind and an analytical mind and he does not have even a chemical trace of the demagog in his make-up.

The gentleman's observation a moment ago is a timely one and he is stating the truth as he sees it.

Mr. CRAWFORD. I appreciate what the gentleman says, and as an individual we are fine fellows, but collectively where is the hope of the country?

Mr. FLETCHER. What the answer is to that question I have often wondered. The hope of the country! What a challenge! The gentleman has asked the question that at this moment is being asked by millions of baffled, confused, discouraged, and anxious people looking to us for guidance, depending upon us for help and for hope.

Well, indeed, may we ponder the question the gentleman from Michigan [Mr. CRAWFORD] has just propounded to me. "What is the hope of the country?" he asks. What of the future? What is ahead of us?

NEED FOR SOCIAL INTELLIGENCE

Of the hundreds of the nation's leading businessmen, industrialists, financiers, millionaires, and multimillionaires, captains of industry who have appeared before our congressional committees in the last 4 or 5 years, none of them seem to know the way out. Most of them criticize what we are trying to do, but they offer nothing better in its place.

Most of them cry: "Do not do anything. Everything will work out all right. Stop! Stand still! Our problems are only temporary. They will solve themselves. They always have in the past." They lean against the wailing wall and sob, "Let us alone, let us alone." They agree with our objectives but do not like our methods and yet they offer no other methods by which the objectives might be attained. What is at the bottom of it all? Stupidity, selfishness, greed, lack of social intelligence, dead-end minds!

IT CAN HAPPEN HERE

The gentleman from Michigan [Mr. CRAWFORD] asks, "What is the hope of the country?" Is there any hope in the Republican Party or the Democratic Party or any political party? Are political parties and politicians on the way out? Is some other form of government due to supplant democracy? Shall we of this generation be able to find satisfactory answers to the questions that are disturbing the hearts and minds of the troubled people of our day?

If we do not find satisfactory answers you can depend upon it that the people are going to do something about it. If we do not forget narrow, bigoted, selfish, partyism, cooperate and support the major portion of the only program that so far has been offered, then the present incumbent in the White House may be the last President of any political party. It can happen here; there is plenty of evidence it is on the way now.

WHICH WAY, AMERICA?

Never before has theree been a better stage setting for the irresponsible demagogue, the rabble-rouser, the revolutionist, the enemies of liberty. Look at Italy, Spain, Germany, Russia. Read how and why it happened over there. We may well ask ourselves the question, "Which way, America?" if the enemies of the New Deal succeed in completely blocking its efforts and destroying its leadership.

The mouthing, slobbering demagogues of revolution who prey upon the discontent of the underprivileged millions can go out into almost any city of our land at this hour and by rabble-rousing appeals to prejudice and hate stir up the mob spirit which if it once gathers momentum and becomes organized may shake this Nation to its foundation.

Already we are beginning to hear the grumbling protests in the angry throats of dissatisfied millions who are clamoring for freedom from poverty, demanding an opportunity to do more, have more, be more, and live better in this the richest Nation on the face of the earth.

THE CHALLENGE TO STATESMANSHIP

How dare we sit here fiddling around, cussing this administration, denouncing nearly everything the New Deal tries to do; broadcasting bitter, hateful criticisms of our President

who is doing everything within his power to help the people now looking trustfully and hopefully to him for leadership?

Seldom in our Nation's history has there been a greater need for all economic, social, and professional groups, for all leaders of business and all politicians of all parties to stop this silly, petty, spiteful bickering and in the finer spirit of loyal patriotism and true statesmanship unite to end forever this monstrous thing of poverty amid plenty and thus fighting together in a common cause and for the common good help to preserve democracy and save America. [Applause.]

The CHAIRMAN. The gentleman has consumed 24 minutes.

Mr. BACON. Mr. Chairman, I yield 20 minutes to the gentleman from Massachusetts [Mr. GIFFORD].

Mr. GIFFORD. Mr. Chairman, I ask unanimous consent to revise and extend my remarks and to include therein a few short excerpts.

The CHAIRMAN (Mr. MCREYNOLDS). The Chair desires to announce that the House has already granted general permission to extend remarks for the balance of the session unless extraneous matter is to be included in the remarks, in which case permission must be obtained in the House instead of in the Committee.

Mr. GIFFORD. Mr. Chairman, how often have I pleaded with the last speaker that he take the floor more frequently and make similar speeches, because we recognize his great ability in discourse. When the Democrats of this House read his speech in the RECORD tomorrow morning their ears should certainly burn. It was not a Democratic speech; it was a strong indictment of the Democratic Party. In the last 5 long years he says, in effect, that you have made the country ripe for the demagogue, and he advises the Republican Party, should it come into power, that largesses would have to be continued.

Mr. FLETCHER. Mr. Chairman, I do not believe, if the gentleman heard me, that he should say what he did. I did not say the Democratic Party or the Republican Party; I said we, all of us. Now, if my speech amounts to anything the gentleman himself, having listened to it, ought not immediately to proceed to do a partisan thing which is way below his standard, his judgment, and his character.

Mr. GIFFORD. I paid the gentleman a very high compliment. I withdraw anything I may have said that is injurious. It will be in the RECORD, you see; they will still read your speech. I think the gentleman tried to be fair. He was fair.

Mr. FLETCHER. If the gentleman will point out any place where I was not fair, I will publicly apologize at this moment.

Why does the gentleman accuse me here before the Congress, a man I admire—and we have had many very pleasant conversations together and he knows my admiration for him—why does the gentleman accuse me here, or imply that I have done something unfair in my speech?

Mr. GIFFORD. The gentleman was absolutely fair.

Mr. FLETCHER. To do so is not fair. I take the blame myself; I am to blame; we are to blame. Let us quit this fiddling business and talk like broad-minded, constructive statesmen.

Mr. GIFFORD. We will try to do that.

Mr. FLETCHER. Let us not stoop to this trick stuff.

Mr. GIFFORD. The gentleman did a good job on the last speaker, after that manner.

Mr. Chairman, this is an era of spending. The $300,000,000 carried by this bill is a lot of money. When added to the $5,000,000,000 or $6,000,000,000 for a spending program, certainly the thought comes to me that "in politics the paths of glory lead but to the grav-y." [Laughter.]

A tremendous amount of money is to be distributed over the country. We at first thought that the Congress would dictate how it should be expended, but we are reminded of the true situation by the caricature that appeared in this morning's press, depicting the President playing a harp with millions going this way and millions going that way, he giving them to whom he desires so that he may thereafter still retain the affections of the people.

I sometimes wonder about our President. I dislike to mention him specifically, but I do so only because he is the New Deal. Everything originates with him, and the Congress rubber stamps it; therefore we have to lay the burden on his doorstep.

Does he really love the masses as he would lead them to think he does, or does he want the masses simply to love him? I once read this little gem:

> The lover is an egotist.
> One thing alone asks he:
> And that is not, love I the maid,
> But does the maid love me?

To him this indeed seems to be the most important. No matter how he feels about it, do they love him? And I may say that a million dollars always makes any man handsome and wise. With a billion dollars, certainly this man assumes superhuman proportions.

A gentleman has asked the question, What would we do about it? I have attended many funerals of the Democratic Party. I have sat here many long years, wearily listening to your minority haggling with the Republican majority, never making constructive suggestions, talking against the tariff principle, but getting their products under the tariff in every single corner of their particular bailiwicks, never apparently really conscientious in their opposition, and always critical. But that is the duty, after all, of the minority party.

When we tell you, as we have told you lately, in emphatic language with reference to this relief problem, "Give it back to the States; give a larger proportion for direct relief," what do you do about it? Is that not a constructive suggestion?

Mr. FLETCHER. I voted for Mr. BACON's amendment.

Mr. GIFFORD. That is like the gentleman, who really is conscientious and will favor sensible suggestions. I repeat, the Democrats ought to heed his speeches.

The next thing we should try to do would be to reassure business and investment of capital. We should not try to kill the goose that lays the golden egg. We should stop the profligate spending of money. The country is mightily afraid. I fear, however, that business and investment will not go ahead for some time with the captain whom we have at the wheel. The overtures he has made toward business have not materialized. How can it trust him?

The people look anxiously to Congress, but the Congress is now about to adjourn, having done practically nothing to allay the fears that stalk this land of ours. I want particularly to mention that terrifying public debt of about $38,000,000,000, plus ten more liability of the Government, all of which is to be greatly increased immediately. Some of us have asked the question many times, "How great a debt can the Nation stand?" We have finally had it answered by the Harvard Business School of Administration. I want to read to you the words of Professor Copeland, which are brief but really answer the question.

"This question," he says, "has been raised time and time again, How much debt can this country stand?" As a matter of fact, just so long as an artificial market can be had for Government bonds by the Federal Reserve Board. There is no more a limit to the amount of bonds which the United States Government can issue than there is to the amount of paper money which Government printing presses can print.

Mr. HARLAN. Will the gentleman yield?

Mr. GIFFORD. I yield to the gentleman from Ohio.

Mr. HARLAN. In considering the so-called $38,000,000,000, has the gentleman considered the $2,000,000,000 exchange fund and the two and one-half billion dollars cash, not to mention the tangible assets, that the Government has in corporate securities and other items? Does the gentleman always consider just the debt?

Mr. GIFFORD. I have talked about those recoverables many times. During his last campaign your President said

we had $6,000,000,000 of them. I had it investigated and I presented the figures to show that it is less than $4,000,000,000.

Mr. HARLAN. Even with those figures, it would only be $34,000,000,000.

Mr. GIFFORD. But your cash is rapidly disappearing, as these recoverables are now being used for current expenses. I have a speech here, made by the gentleman from California on yesterday, which I have carefully perused and marked. He is a very able Member. He has many speeches in the RECORD. On yesterday he spoke about recoverables and mentioned battleships, post-office buildings, and other such things as real assets. He says those are assets that ought not to be counted in.

Mr. VOORHIS. Will the gentleman yield?

Mr. GIFFORD. If I have misrepresented the gentleman, I yield.

Mr. VOORHIS. In the first place, it was the New York Post editorial which I quoted and in which there was a statement about battleships and post offices being assets. I certainly do not call such things recoverables. I do say, however, that post-office buildings are assets and in a different category from recurring expenditures. In order to give an accurate picture of the financial situation of the Government it is important to keep the books in the same manner as they would be kept by an efficient private corporation.

Mr. GIFFORD. I understand the argument. We have heard it many times. However, they are assets which are constant liabilities in respect to maintenance. If business had assets of that sort and they had to keep their books in a separate way, they would exclude them, and record as assets only those things which are revenue producing and not those things which are comparable to these recoverables which the gentleman has mentioned.

Mr. BATES. Is there any way these assets can be made liquid?

Mr. GIFFORD. Oh, yes; we could perhaps sell the battleships to other war-minded nations.

Mr. VOORHIS. Mr. Chairman, will the gentleman yield?

Mr. GIFFORD. I yield to the gentleman from California.

Mr. VOORHIS. If the gentleman will notice, that statement is that depreciation should be charged against all such assets.

Mr. GIFFORD. If you want to take refuge in that sort of bookkeeping, do so. Have two bookkeeping plans to fool the public, if you want to. But I for one am going to look carefully into these so-called real assets, and you have less than $4,000,000,000 of them. Do not any longer misrepresent these facts to the public.

I wish to pay tribute to the gentleman from California. I have read many of his speeches. I cannot really read them all, for they are too voluminous. His quotations are very liberal. I do not know whether he is a dangerous young man or not, but certainly he is willing to travel on a new road. The gentleman even favors the Binderup bill, to print and give away 4 percent every year of the Nation's money supply. A dollar is supposed to be issued to represent something of equal value. It always did. But now, print the money, give it away as a pension. Also he demands that banks always have 100-percent reserve against demand deposits and let bankers be only custodians of such money as the people may desire them to invest for them. That plan is gaining adherents. It is a new road and should be carefully considered as to its final destination.

I have another article here which is very interesting to me. It is by our good friend on this side of the aisle, Hon. BRUCE BARTON. I do hope that his coming here, with the great reputation which is his, he will be of great assistance in the solution of our many problems. This article appeared in the Cosmopolitan Magazine. It is indeed thought-provoking. I told him I should refer to it today, and I regret he is not now in the Chamber. I wish you would read this article. The title of it is something like this: "Let us travel in the middle of the road." He seems to be coming your way a little. In the article it is stated, "We are at the end of the old era." The gentleman from California said that yesterday. The middle of the road. He who travels in the middle of the road may get hit pretty hard from one side or the other. I am traveling to the right and you to the left. I shall stay on the right and let you leftists keep far enough away so I shall not get hurt. At least we will not collide and get nowhere. The middle of the road is a dangerous place in which to drive. He states, "I will now be regarded by my old friends as a radical, and I will still be called by the radicals a reactionary. All I can say is, that is a dreadful fix to be in."

Mr. VOORHIS. Mr. Chairman, will the gentleman yield?

Mr. GIFFORD. I yield to the gentleman from California.

Mr. VOORHIS. I would just like to correct the gentleman. We do not call ourselves by that name, we call ourselves progressives. Other people call us the name the gentleman mentioned.

Mr. GIFFORD. I presume the gentleman would call me a reactionary in politics.

Mr. VOORHIS. I would not call the gentleman that.

Mr. GIFFORD. I am sure if the gentleman would follow the actions of my life he would find I was constantly called very progressive, so progressive it has been to my own suffering many, many times. No new path of business seemed to frighten me. I am certainly still following out that same idea in business. But I am not jeopardizing the safety of 130,000,000 people by embarking on highly dangerous theories involving inflationary new and untried propositions and money tinkering, as if money could be simply manufactured and printed and as if money did not represent the value of work, or the product of manufacture.

Mr. VOORHIS. So far as the gentleman's very last statement is concerned, may I point out that for myself, and I believe for many other people, our contention is that money should represent exactly what the gentleman has said, it should reflect accurately the production of wealth in the Nation.

Mr. GIFFORD. What you seem to want to do is to pump consuming power by printing money and giving it to certain people outright as pensions. That is your argument. It was in the gentleman's remarks on yesterday. I am following the gentleman closely. Some day he may get somewhere.

Mr. RANDOLPH. Mr. Chairman, will the gentleman yield?

Mr. GIFFORD. I yield to the gentleman from West Virginia.

Mr. RANDOLPH. I always listen with intent interest to the gentleman's discourses. I wonder if the gentleman would yield to me to repeat the lines of a poem which does not bear directly on what the gentleman is saying, but which I believe may be very appropriate at this point.

Mr. GIFFORD. Yes, indeed; I love poems, as the gentleman knows.

Mr. RANDOLPH (reading):

There is a way and ways, and some choose the high way and some the low,
While in between on the misty flats the crowds drift to and fro;
But to every man there openeth which way his life shall go.

I thank the gentleman.

Mr. GIFFORD. I should like to follow that with the old song I used to sing. I could almost wish to sing it to you now.

Oh, ye'll take the high road
And I'll take the low road,
And I'll be in Scotland afore ye.

Yes; poems always appeal to me.

I did wish to arouse your interest in the Cosmopolitan article. Although the writer deplored a little bit the Republican viewpoint of the present day; oh, how he did berate the new dealers, so-called.

Raymond Moley, who stayed on for some 2 years with the New Deal, recently unburdened himself as follows:

For 2 years a number of us kept up the refrain with a growing sense of failure, since under our very noses the New Deal was changing to that second New Deal characterized by the corporate-surplus tax, the holding company death sentence, the tax on bigness, the Robinson-Patman Act, and other variations of the same theme—the theme that since there is just so much work to go around, work must be divided among as many people as possible, that prices must be held up, that bigness is bad, that business, the natural enemy of government, must be regulated within an inch of its life, and that ultimately the meat of private property must be thrown into the sausage grinder of the Treasury if people are to eat at all. It was at this point that some of us who were sympathetic with the fundamental purposes of the first New Deal became active critics of the administration.

Such men are now the critics. Talk about the certain Republicans who are in favor of the Reciprocity Act, so-called. Oh, the yelps of pain in the CONGRESSIONAL RECORD from the Democrats on that side, especially you from West Virginia who recently so painfully felt the effects of reciprocal-trade agreements. The RECORD is full of your pain-filled complaints. Oh, some Republicans like it, of course, because it fits their case. Many Democrats do not like it. It is a matter of what is best for your section, I suppose. It is hard on my section. I have just read that, because of the political dynamite involved, the compact with Great Britain is to be postponed until after the next election, and that the British Ambassador is leaving for home on a vacation.

[Here the gavel fell.]

Mr. WIGGLESWORTH. Mr. Chairman, I yield the gentleman 10 additional minutes.

Mr. GIFFORD. I have quoted Raymond Moley. Let me quote others. My own viewpoint may not be persuasive, so I express the viewpoint of others who can speak with authority. I do not know the author of the following, but it is very expressive:

My business is so governed that it is no easy matter for me to find out who owns it. I am inspected, expected, suspected, disrespected, rejected, examined, reexamined, informed, required, summoned, fined, commanded, and compelled until I provide an inexhaustible supply of money for every known need, desire, or hope of the human race.

Mr. BEITER. Mr. Chairman, will the gentleman yield?

Mr. GIFFORD. Did you send this to me?

Mr. BEITER. Did the gentleman say that was a recent statement he had seen?

Mr. GIFFORD. Oh, no.

Mr. BEITER. I was just going to say that I saw a copy of that 4 or 5 years ago.

Mr. GIFFORD. People do enjoy hearing something they already know about. [Laughter.]

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. GIFFORD. I yield.

Mr. McCORMACK. A short while ago my distinguished friend characterized himself as a reactionary.

Mr. GIFFORD. No; I said I suppose you think I am.

Mr. McCORMACK. Oh, no, I would never think that.

Mr. GIFFORD. That is what I said.

Mr. McCORMACK. I was just going to say that I could not understand how my friend could be a reactionary in view of his fine vote on the wage and hour bill. [Laughter and applause.]

Mr. GIFFORD. Of course I am not. The gentleman and I sat in the Senate of Massachusetts together, and I believe the gentleman heard, as well as I did, Calvin Coolidge, then president of the Senate, say, "Expect to be called a stand-patter, but do not be a stand-patter." Does the gentleman remember that?

So we may expect to be called these things, but our people know whether we are stand-patters or reactionaries, I am sure.

Again I quote:

Investment confidence is being tossed around like a canoe in a northeaster by the continuing political storms originating in the White House.

I want to read what the president of the Armstrong Cork Co. had to say. Here is a real businessman and he knows what he is talking about:

Where is this road leading us, as it wends its way between smiling fields of Government subsidies, beside beguiling streams of Government propaganda, around hairpin curves of platform promise and Executive action, uprising mountains of taxes, and across the monotonous plateaus of Government deficits? From there will it glide down the pleasant slopes of inflation to end in the green fields of the life abundant, or—God forbid—will it lead us through the dark valley of the shadow of class hatred to the precipice of dictatorship?

Perhaps you read this morning Mr. Phillips' advice to the young people.

Mr. BRADLEY. Mr. Chairman, will the gentleman yield?

Mr. GIFFORD. Hurriedly, because I dislike to refuse to yield.

Mr. BRADLEY. I simply want to inquire whether the gentleman, in speaking of the Armstrong Cork Co., could inform us as to the differences in their earnings before 1932 and since 1932, if he has that information?

Mr. GIFFORD. I do not know about that, I confess. If they had any profits, the Government took a very large share of it.

Mr. BEITER. Or they probably donated it to the Republican Party.

Mr. GIFFORD. I hope gentlemen here read this morning the Phillips address to the graduating class. He did not hold out very much of promise for them, but he did hope that when they went off for their vacation this summer their families would be able to support them during that period, and that they could play their tennis, and also he did hope they would saw a little of the firewood and perhaps mow the lawn a bit. That is the way to talk to the young people today. But we are inculcating in these young people the thought that the Government should support them.

There are two theories, the gentleman from California [Mr. VOORHIS] said yesterday, and that is the right of every man to have a full-time job by private employment; and if he could not be furnished it, then the Government should employ him on public works. That is the sort of thing that you are telling the young people today—that the Government should provide jobs for them. You and I, those of us who are a little older, remember the days when we could not even get a grammar-school education, and when the only job, for instance, in our community worth while for any young man was as a clerk in the local store. All the rest of us had to work at real labor. Our fathers might have one or two hogs, but there was always that neighbor, the rich man, who had hundreds of hogs, and you could not get any of them unless you worked for them or found the money to buy them. Now you have a new way by which the Government will come forward and supply the money, or, what is worse, we will confiscate the hogs and redistribute them.

How times have changed. During the last 5 years you have inculcated in the young people of this Nation these new theories and doctrines. You have been trying to bring about something which we of the older generation, from actual experience, know cannot be done. Governments have existed for centuries and the same economic laws have always prevailed.

We cannot change those conditions overnight; yet these dangerous propositions that you are advocating are finding lodgment in people's minds. As you may have read in this morning's paper, when an automobile starter is being tested out they put a man on the automobile and keep that starter going hours and hours to see if it will stand the strain. Some of you seem to think that all at once, by a stroke of the pen, you can change our entire form of government despite the experience that past centuries has brought to us.

Mr. VOORHIS. Surely the gentleman does not really believe that I am interested in changing our form of government?

Mr. GIFFORD. In your conclusion in the speech of yesterday you say that you are not.

Mr. VOORHIS. Does not the gentleman honestly believe that the necessary foundation for a successful democratic government is the employment of people? Is not that so fundamental that it must come first?

Mr. GIFFORD. But the gentleman thinks that pensions are greatly desired to provide purchasing power.

Mr. VOORHIS. I think there are certain people in these days that cannot be reasonably expected to be employed. Technological change and other factors have brought us to the place where our older people—say those past 60—just cannot find places in industry.

Mr. GIFFORD. I really wished to talk about the railroad situation and shall incorporate what I have to say in these remarks, and if anyone cares to look at them I ask them to read it rather than now inflict myself further on the patience of the House.

Mr. HEALEY. Before the gentleman takes his seat, will he please state what Mr. Phillips he was quoting?

Mr. GIFFORD. H. I. Phillips, whose articles appear in the Washington Post every morning.

Mr. HOUSTON. The gentleman said that the policies of the Democratic Party, that is, the progressive and the liberal thinking members, had ruined the young people. Does the gentleman think that the C. C. C. camps and the National Youth Administration has ruined anybody? Does he not think that it has helped a little bit?

Mr. GIFFORD. Surely. A little bit; yes.

Mr. HOUSTON. And it has taken them off the streets?

Mr. GIFFORD. Certainly. A little bit; yes.

Mr. HOUSTON. I am glad to have the gentleman admit that.

Mr. GIFFORD. We have been greatly interested, and amused, to read of the La Follettes' endeavor to form a new party and their expression of great dissatisfaction with the New Deal, with which for so long a time they seemed to identify themselves. They have no real program and appear to resent any idea that they should have to explain their objectives. However, the following statement by Governor La Follette is highly intriguing:

> We flatly oppose every form of coddling or spoon-feeding the American people, whether it be those on relief, whether it be farmers or workers, whether it be business or industry. * * * Whatever it may cost—so help us God—we shall use the power of these United States to restore to every American the opportunity to help himself. After that, he can sink or swim.

Does this program provide relief for the unfortunate who will be unable to swim?

Again, what are we to think of the proposition that the more the Nation owes the better seems to be its credit, as illustrated by the most recent borrowings at the lowest rate of interest on record? The reasons for this are but temporary, and the end will bring a bitter awakening. It is not surprising that Secretary Morgenthau exclaims, "We are on a 24-hour basis." Contrast our own methods with those of Great Britain, as stated in the following excerpt from the Columbus Dispatch:

> Comparisons of the current British income-tax rate—27 percent—with the smaller levy on the pocketbooks of American Federal taxpayers furnishes on the surface a plausible argument to support contention that, after all, we're pretty lucky over here. But it fails to take into account a number of things.
>
> In the higher brackets in this country the rate rises sharply; many of the States levy an additional tax of their own, something no Briton is called on to pay on top on the national tax; finally, the English taxpayer has the satisfaction of knowing that, regardless of how much he has to pay, it is being used to keep his Government currently out of the "red."
>
> The British budget is balanced each year. There are no burdensome and constantly growing deficits which must be paid by taxpayers for generations to come and offer a serious menace to national credit. The cost of government may come high, but the individual citizen has at least the comforting assurance that the nation is paying its way as it goes—and that every shilling collected is being used to meet necessary and vital current expenses, and this is true even of the greatest armament program in history. Revenue isn't used for political patronage or public-works projects, which, however desirable, are not indispensable, or for just plain spending for spending's sake, undertaken in the nebulous hope of priming a hypothetical pump.

I quote also from Bishop Lawrence in a recent address:

> We used to be told that debts were hazardous. Today we are told that the way to make money is to spend it before you get it. Brainy men who have never earned $5,000 a year tell us in a blithe and easy fashion how to borrow millions; it will all come out right in the end.
>
> I have no final objection to paying heavily for what I borrow, but I have a mean sort of feeling in passing those debts down to my children and grandchildren.
>
> Why, who thinks of balancing the Budget? That is not what budgets are for. I am bewildered.

Indeed the whole Nation is bewildered.

Under the privilege granted to extend my remarks, I submit the following thoughtful article, furnished me by one whose training and experience entitles him to most respectful consideration:

> Every student of the railroad problem has for a generation known that this country was insisting upon a policy of railroad competition which was ruinous to its railroads, which was found impracticable in other countries, and which should be eliminated here as there. This recognition was the basis of the Emergency Transportation Act of 1933. That act was established for the purpose of setting up an agency which would force the carriers to eliminate excessive duplication of facilities and service, which would require the elimination of competitive waste, and would force the carrers to prevent the dissipation of their economic substance throught the cutthroat competitive practices which throughout the years have characterized railroad operation. This was an effort to prevent Government ownership; it was undertaken in recognition of what had been accomplished in England, where, in 1923, the 120 competitive railroads had been forced to consolidate into 4 great systems. This was accomplished in such a manner as to stabilize the British railroads and to prevent Government ownership. The British railroad industry is now solvent and sound as a consequence.
>
> The administration of the Emergency Transportation Act was entrusted to Joseph B. Eastman, one of the outstanding experts in the railroad business of the country; and he set out to accomplish the stabilization of the railroad industry. Since it was apparent that the elimination of competitive practices and excessive competition would result in diminution of employment, even though it was proposed to protect railroad labor by the enactment of laws providing for dismissal compensation, Mr. Eastman's office was abolished at the instance of organized labor in the summer of 1936. Under the pressure of the lobby of organized railroad labor, it failed because of the lack of any support from the present administration. Since 1935, the railroads have been going from bad to worse. The country has had no railroad policy of any constructive intent or effect. Competitive practices still continue and the present collapse of the railroad industry is the consequence. The condition now exists where, as a consequence of the lack of any definite railroad policy on the part of the administration, Government ownership of railroads is just around the corner unless Congress shall undertake the formulation of a sound constructive program. The railroads of the country are now barely making their operating expenses. In the first quarter of this year the class I railroads of the United States had a net railway operating income of only $19,276,663, which was an annual rate of return of 0.39 percent on their property investment. Gross operating revenues for the first 3 months of 1938 showed a decrease, as compared with the same period in 1937, of 21.1 percent. Sixty-five class I railroads failed to earn their operating expenses and taxes for the first 3 months of 1938, of which 26 were in the eastern district, 9 in the southern district, and 30 in the western district.
>
> A large number of the very finest railroads in the United States are just one jump ahead of the sheriff. Some of the great railroads of the country, which for 50 years have not failed to earn their fixed charges, are not now earning their fixed charges. The railroad industry is faced with a general collapse and is in a worse condition than in its entire history, the condition being substantially worse than the condition in 1893. This collapse is not only serious from the standpoint of the railroads, but it affects the whole financial structure of the United States. The railroad industry is a $26,000,000,000 industry and its collapse will mean the collapse of many other institutions.
>
> There were 855,261 railroad stockholders in 1936. The number of bondholders is not known, but the widespread interest in railroad bonds among the population is evidenced by the fact that in 1936, $6,617,000,000, or nearly 56 percent of the railway funded debt, was held by insurance companies, banks, endowed educational institutions, and foundations. The holdings of the life-insurance companies alone amounted to $3,000,267,000. The very widespread interest of the common people in the railroads is not generally recognized. The insurance companies have about 120,000,000 policies outstanding. There are about 60,000,000 policyholders. The savings banks are tremendous investors in railroad securities. There are approximately 14,000,000 depositors in these mutual institutions, whose average deposit is only $700. Fifteen percent of the assets of these mutual savings banks is invested in the underlying bonds of these railroads, and approximately the same percentage of the investments of the life-insurance companies is in such railroad bonds.
>
> I believe that railroad labor should be protected, but I do not believe that Congress, in acting upon the railroad problem, should

consider the interests of railroad labor, of which there are under a million, above the interests of the investors in the stocks and bonds of the railroads, and of the millions of insurance-policy holders, and the millions of small depositors in the savings banks. When this Government, in 1936, abolished the office of the Federal Coordinator of Transportation at the instance of the organized railroad labor, and let the railroad problem swing adrift without constructive direction, it took a step which may have been temporarily for the benefit of organized labor, but which was a drive at the heart of the institutions which safeguard the invested savings of the people.

I believe that in the interests of all concerned, including the interests of railroad labor, Congress should take the steps necessary to see to it that railroads put their houses in order. I believe that the recommendations of the Committee of Interstate Commerce Commissioners should be adopted and that there should be set up the agency whereby the competitive abuses, which have long made the railroad industry unstable, should be prevented. It is nonsense to say that the troubles of the railroads are due to overcapitalization.

The findings of the I. C. C. under the La Follette Valuation Act of 1913 disproved that. When the railroads are barely earning operating expenses and are paying about one-third of 1 percent on their investment and less than a tenth of their fixed charges, it is untrue that the trouble with the railroads is that the fixed charges are too high. Corporate reorganization will not save a railroad which does not pay fixed charges. What is needed is that the railroads be required to make both ends meet. If the roads are to make both ends meet, and if they are to continue to pay the present high wages, they must eliminate competitive waste. The stopping of competitive waste can and should be done in a manner to protect railroad labor by providing for dismissal compensation. The railroad brotherhoods now, in fact, have a contract with the railroad managements under which they are given a full measure of protection, this contract having been signed in the summer of 1936. Unless the Government is willing to take the responsibility which the President has put upon it by his message of April 11, 1938, the roads will completely collapse. They will have to be taken over into Government ownership, and the tremendous financial burden of their acquisition, together with the prodigious expenses of their uneconomic operation, will then fall upon the taxpayer.

Personally, I express great regret that this administration has failed miserably to come to the rescue of this great utility and sits calmly by watching the savings invested by our people disappear.

Mr. LUDLOW. Mr. Chairman, I yield 10 minutes to the gentleman from Arizona [Mr. MURDOCK].

Mr. MURDOCK of Arizona. Mr. Chairman, I read in the RECORD that appeared at my door this morning a very fine statement from my colleague from California [Mr. VOORHIS] in regard to some of the puzzling questions that are facing us. I considered it a well-thought-out discussion, and I did not feel worried about the country because such suggestions have been made. My neighbor from California is a comparatively young man, but I regard him as having a wise head on those young shoulders. His economic views, so far as I have learned them, are worthy of serious study by the Members of this body at this juncture of our national affairs.

I feel that I must take issue with the gentleman who has just spoken in regard to the prospects facing young America today. I am a school man, as is my colleague from southern California. It may be that we are overenthusiastic regarding their merit, we who have dealt so recently with young Americans. It may be that we are overenthusiastic in regard to their future, although, frankly, I have moments when I do not need to listen to my friend from Massachusetts to feel apprehension concerning the future of these young people today coming out of high schools and colleges. I have three of my own; and many hundreds of my educational offspring recently out of high school or college, and I, too, am deeply concerned whether they have a rendezvous with destiny and just exactly what is over the hill for them. I, of course, am somewhat in sympathy with my friend from Massachusetts. He is equally anxious about the future of our posterity. I think I am less apprehensive than he about their future.

I am proud of that social heritage from New England from the Pilgrim Fathers. I acknowledge America's debt to the fine virtues implanted on the shores of New England and carried across the continent even to the far Southwest where I live, but those are not the only virtues, although they have played a part in making America great, the virtue of hard work, thrift, and continual striving. While admiring and paying tribute to what these virtues have done for America, I want at the same time to say that in this modern age, science and the progress of learning being what they are, we have got to look ahead rather than look back. I believe that is what the gentleman from California is doing, and that is what I am attempting to do, to see what we can accomplish by way of reshaping our institutions so that we may continue to have much free private enterprise, the will to do, and a great degree of individual liberty in doing it, while making available all that science has accomplished for a better America for the many and not only for the few.

Mr. Chairman, we have arrived at a new day. Our young folks were born into a different world from that into which we were born. We cannot, even if we would, turn back the clock of time a half century, or a quarter century. This generation now in maturity has made this new world into which our children have been born, and we must face its problems.

I am a student of history. I value what the past has contributed. I do not want to junk it and say, "Now, we will turn our faces against all human experience as we go into new and untried paths." I must say, however, that America's task is not that of China, relying entirely on reverence for the past and with the backward look. If we look steadily backward while trying to make progress, we shall very likely stumble into a ditch. I prefer this forward look.

Mr. VOORHIS. Mr. Chairman, will the gentleman yield?

Mr. MURDOCK or Arizona. I yield.

Mr. VOORHIS. The gentleman has been the dean of a college, I believe.

Mr. MURDOCK of Arizona. I tried to be.

Mr. VOORHIS. I have tried to run a school for boys. I suppose the gentleman has had the same experience I have had many times when he would have given anything if he could have found five or six real jobs for those young men. Is not that true?

Mr. MURDOCK of Arizona. That is absolutely true.

Mr. VOORHIS. In my opinion there is nothing so necessary to maintain the fiber of future American generations as jobs of some kind. Perhaps from experiences similar to mine the gentleman himself has come to the conclusion that we here have a primary duty to see to it that we have employment, that we when necessary offer them useful labor, building up the Nation for their own success as well as that of the Nation.

Mr. GIFFORD. Mr. Chairman, will the gentleman yield that I may qualify?

Mr. MURDOCK of Arizona. I yield.

Mr. GIFFORD. I said I did not have any education. I taught high school for 12 long years. I know young people thoroughly, I am sure. I think I can qualify with every one of you.

Mr. MURDOCK of Arizona. The point I am trying to make, Mr. Chairman, is that we must look toward a new day, paying proper attention to that which the past has contributed. Now, I want my friend from New England to know that I value the sturdy virtues of working. We may have to change the form but there is no substitute for it.

I was brought up on a farm. At that time I used the 8-hour day—8 in the morning and 8 in the afternoon. I know what it is to go out and saw wood, milk cows, and do the various chores. I regret that young America today lacks some of that hard training. I do not believe, however, that it is necessary for us to go back to the hard school of Jonathan Edwards in order to create sterling character. I say that in behalf of modern education and the character of young America.

I want to amplify just a bit further my philosophy. I fear, as some of my colleagues on this side of the aisle seem to fear, that we are in danger of pauperizing our people. Would to God we could so dispense our relief employment that we would not break down the morale of our people. Every time I vote on a relief bill I sweat blood. When my friend, the gentleman from California [Mr. VOORHIS], says

that we ought to appropriate $2,200,000,000 instead of $1,000,000,000 I sweat blood, fearing that my vote may be taking bread out of the mouths of hungry children. On the other hand, I do not want to vote such large appropriations that they might be squandered "to make a Roman holiday."

Our immediate problem is to carry on a constructive program in such a way that we will furnish increased buying power and at the same time create not too great a dependency or reliance of the ordinary population upon the Federal Government. I appreciate, as does my friend from New England, what it means to have self-reliant citizens, and I want all of our people to have that born and bred into them and developed through our institutions.

[Here the gavel fell.]

Mr. WIGGLESWORTH. Mr. Chairman, I yield 10 minutes to the gentleman from Maine [Mr. BREWSTER].

Mr. BREWSTER. Mr. Chairman, I share the concern of my friend from Ohio as to what we are going to do about the mess in which we find ourselves. I appreciate the frankness with which he has recognized the difficulty and the necessity of constructive suggestion. Therefore, I want to submit my own humble offering from the State of Maine as to one of the ways in which we may progress. I realize it is of a radical character in popular impression, associated with what is supposed to be the lunatic fringe of economic progress. It is a matter to which I have given considerable thought and upon which I possess very deep convictions.

I take it that everyone agrees that we want to preserve America. We want to go forward along constructive lines. We have tried out the pump-priming plan. May I say that before this administration came into power, I was an advocate of pump priming. In 1928 when Herbert Hoover was elected President of the United States he authorized me to communicate to the Conference of Governors meeting as the guests of the late lamented Huey Long in New Orleans a proposal that in the event of an economic recession we should have a pump-priming public-works program of $3,000,000,000. That was very widely commented on at the time and was the result of a study made by Mr. Hoover's committee on the economic cycle which he had inaugurated while Secretary of Commerce.

When the recession came, influences persuaded the Congress and the administration not to adopt that course. It was then thought that the depression was soon going to end. We realize now that we lost 4 years by not starting in immediately to cope with the situation when it arose.

Mr. Chairman, following my election to this House during the present administration, I went to England where they had started on this program immediately. It seemed to be very amply demonstrated in the English experience that there were definite limits to a public-works program. They carried it out in connection with their housing program with amazingly successful results. I rode by thousands of lovely little homes that had been built under the English program at an expenditure of less than $50,000,000 a year—committed over a period of 40 years. This was to absorb the differential in costs as an encouragement to this construction. That is the only burden on the British treasury. They did not borrow. They did not give. They simply pledged a single contribution of approximately $5 a month to take care of the differential in the rent.

They came to the conclusion that that was about as far as they could go and that in their public-works program there also was a definite limit beyond which you would discourage rather than encourage the recovery that was desired.

I very much hoped that the administration here would move along that line. We went on with the pump-priming and relief programs on a tremendous scale. Everybody knows to what it has led during this past year when the stimulation was gradually withdrawn.

Now we are appropriating $4,000,000,000 to start off on another similar procession. No one has any great confidence that if the fifteen to eighteen billion dollars we spent before did not bring us out—with all the high hopes we had, with all the courage and confidence stimulated 2 years ago—that this is going to get us anywhere. It may simply suffice to keep us from absolute collapse. Yet now even that seems doubtful.

It seems to me that we must very shortly move toward a sound basis. I am another one of those who subscribed pretty cordially to the Democratic platform of 1932.

Aside from its tariff theories I believe I would find myself in almost complete accord with that program. If we are going to get back on an even keel we must progress in that direction. The only way in which we can get our economic machine to function is by restoring confidence. The most sinister sign I see in the last few months is that the velocity of the circulation of money is at the lowest depth we have ever known—far lower than it was in 1930, 1931, and 1932. This demonstrates that it is not merely a question of the quantity or the quality of money but also the velocity of its circulation that is really at the root of our economic problem.

A great many people, and I am afraid their number will increase if we do not do something, believe that the way to solve this problem is by money-tinkering. We have been hearing some discussions of that in recent days.

Mr. PATRICK. Mr. Chairman, will the gentleman yield?

Mr. BREWSTER. I yield to the gentleman from Alabama.

Mr. PATRICK. I ask this just for information. Do I understand the gentleman to take the position that we ought to have no pump priming at all?

Mr. BREWSTER. No; that is not at all my position. I said there were very definite limits to what pump priming could do, and that the minute you get beyond those limits you begin to go downhill.

Mr. PATRICK. Has the gentleman a measure for his limitation? Of course, we are not expecting a technical statement of it in hundreds or thousands of dollars, but has the gentleman a certain measure, a straightedge, whereby he can define what would be a fair and just measure for his limitation?

Mr. BREWSTER. That is what I am going to try to give the gentleman.

Mr. CRAWFORD. Before the gentleman goes on with that, may I ask a question on the statement the gentleman has just made, so that the record may be clear? When the gentleman referred to "money tinkering," which I believe was the term he used, the gentleman did not mean to say he objects to sound banking reform? The gentleman does not mean to leave that impression?

Mr. BREWSTER. Certainly not. If you consider the word "tinkering" to be a reflection, I would distinguish between banking regulation and money tinkering. When I speak of money tinkering I refer to printing money and to theoretically borrowed money. I refer to cutting the gold content of the dollar. To me that is money tinkering. Those are the things which in my judgment do not get us very far.

Mr. CRAWFORD. I wanted that brought out clearly, because in 1913 we had the great banking reform we now understand as the Federal Reserve.

Mr. BREWSTER. Right.

Mr. CRAWFORD. From time to time they have made drastic changes in that system. I am sure the gentleman does not object to reform of that nature.

Mr. BREWSTER. That is not in the category to which I refer.

Mr. PATRICK. Will the gentleman be sure not to let the gentleman's questions divert him from his definition of the measure of his limitation?

Mr. BREWSTER. I shall answer the gentleman's question.

In the first place, how are we to get a balanced Budget and return to financial sanity? "Too often in recent history liberal governments have been wrecked upon the rocks of a loose fiscal policy." I trust most of the gentlemen will agree with that statement of our distinguished President. That is the thing which it seems to me is creating very serious

unrest. That is why I have been more and more led to consider with favor the proposal that we should adopt an old-age pension system as the most convenient medium of stimulating the circulation of money and taking care of a substantial portion of our relief problem by a pay-as-you-go plan on a national basis, financed by a direct tax widely distributed, which, curiously enough, was the pledge of the last Republican platform adopted in the city of Cleveland.

Mr. FLETCHER. Mr. Chairman, will the gentleman yield?

Mr. BREWSTER. I yield to the gentleman from Ohio.

[Here the gavel fell.]

Mr. WIGGLESWORTH. Mr. Chairman, I yield 5 additional minutes to the gentleman from Maine.

Mr. FLETCHER. Is the gentleman advocating the transaction sales tax device as a means of paying as we go?

Mr. BREWSTER. That is certainly one method of accomplishing this result and well within the principles laid down in the Republican platform.

Mr. FLETCHER. It would require about $24,000,000,000 in taxes a year to take care of 10,000,000 people on the basis of the best researches that have been made on that subject.

Mr. BREWSTER. I propose to address myself to the General Welfare Act that is now pending before this House but which the Democratic majority has refused to permit a hearing upon. That does not provide any such sum, as I assume doubtless the gentleman knows.

Mr. FLETCHER. About $34 or $35.

Mr. BREWSTER. Would not the gentleman find out just what the bill actually provides?

Mr. FLETCHER. I have observed that the gentleman has been referred to as favoring the plan. I am not a Townsend plan advocate, but in the Cleveland convention the gentleman was quoted by Dr. Townsend as favoring the plan. At one time they anticipated trying to get the gentleman to be one of the directors of the movement.

Mr. BREWSTER. I have long been much interested.

Mr. FLETCHER. I was wondering whether or not that represented the gentleman's remedy or his tax device to pay as we go.

Mr. BREWSTER. I propose to make my position clear, if the gentleman will permit.

Mr. FLETCHER. The original Townsend plan?

Mr. BREWSTER. I may say to the gentleman I am addressing myself to the legislation now pending before this House, with which I hope the gentleman is familiar.

Mr. FLETCHER. Yes; I believe I am fairly familiar with it.

Mr. BREWSTER. Then the gentleman knows it is entirely at variance with the statements he has just made.

Mr. FLETCHER. I was trying to get this information. The gentleman has changed from advocating the original Townsend plan to advocating the general welfare plan; is that the idea? I do not want to be impertinent.

Mr. BREWSTER. How does the gentleman assume I have changed?

Mr. FLETCHER. I am asking the question in a kindly way for the purpose of asking another question.

Mr. BREWSTER. I have at all times made my position perfectly clear. In 1934 I advocated old-age pensions on as generous a basis as the finances of this country would permit. On that basis I was elected to Congress. That was my position. If the gentleman believes that is inconsistent with the proposal now pending, very well. I have evolved, I have grown, I have learned by the bitter experiences of the past 6 years.

Mr. FLETCHER. May I say to the gentleman, far be it from me to imply any such thing as that. I merely ask for information if at the present time he advocates the general-welfare plan that still retains the transaction-sales tax?

Mr. BREWSTER. I should be happy to have a chance to vote for such a measure or any reasonable modification that the gentleman's associates would permit to come before the House.

Mr. FLETCHER. And is that the device he would suggest to take care of old-age pensions, bring about recovery, and solve the problem?

Mr. BREWSTER. I do not know that the Members of the House would be interested in my repeating my statement, but for the benefit of the gentleman, who has a very acute mind, I will repeat what I have said before. I believe in an old-age pension plan on a pay-as-you-go basis, with a national system and with a direct tax widely distributed. Is that sufficient?

Mr. FLETCHER. Yes; and I can agree with that.

Mr. BREWSTER. And that is the principle of the Republican platform adopted at Cleveland, and I find that entirely consistent with the legislation pending here.

Mr. FLETCHER. Yes. I thank the gentleman.

Mr. TREADWAY. Mr. Chairman, will the gentleman yield?

Mr. BREWSTER. I yield.

Mr. TREADWAY. May I ask the gentleman whether or not, as an advocate of an old-age pension system, he has been satisfied that the Republican minority members of the Ways and Means Committee have been anxious and always ready to give the system to which he is referring ample hearing?

Mr. BREWSTER. I know that the gentleman, who is the ranking Republican minority member of the committee, and all his Republican colleagues have been insistent, in season and out of season, for more than a year now, ever since the gentleman made the motion in the Ways and Means Committee to give a hearing to the advocates of this plan. This opportunity of hearing has been consistently denied by the Democratic majority on the other side, even though over 145 Members of Congress have asked for a hearing. I believe that a day of reckoning is going to come, and that such an un-American approach to a problem of this character is not going to prevail indefinitely.

Mr. GIFFORD. Mr. Chairman, will the gentleman yield?

Mr. BREWSTER. I yield.

Mr. GIFFORD. I am greatly interested in "a tax widely distributed."

Mr. BREWSTER. Yes.

Mr. GIFFORD. Does the gentleman favor a tax on gross income or gross sales?

Mr. BREWSTER. The suggested tax on gross income, which is, I think, the Boileau plan, has never been defined. The gentleman from Wisconsin [Mr. BOILEAU] has never reduced it to writing and I do not know what it means. The transaction tax or the turn-over tax has a most conservative background. Senator Smoot had a very similar proposition in the Senate 15 years ago. The Ways and Means Committee of the House in 1932 under Democratic control recommended a very similar tax to the House.

Mr. GIFFORD. The gentleman understands the difference between a transaction tax and a gross-income tax. The gentleman would not want to tax a person or a corporation that lost a lot of money by taxing it on its gross income?

Mr. BREWSTER. I think that the conservatives of this country had better think pretty seriously about blocking indefinitely our progress along this line. I am willing to be pretty liberal as one of those who wants to pay my share.

Mr. GIFFORD. That is entirely apart from my question. I asked the gentleman whether he would want to tax a person or a corporation that lost a lot of money on its gross income.

Mr. BREWSTER. I will say to the gentleman that I do not know what he means by "gross income." I will say I have never been an advocate of what is termed a "gross income tax," because I have never understood precisely what was meant.

Mr. GIFFORD. I hope not.

A REPUBLICAN VIEWS THE TOWNSEND PLAN

Mr. BREWSTER. The Townsend plan invites the thoughtful consideration of every American who is concerned about preserving the American way of life.

A balanced Budget, fiscal sanity, equitable taxation, proper care for those in need, and opportunity for the young are what America desires. Every one of these desirable and necessary objectives may be measurably advanced by the operation of the Townsend plan.

AT $200 A MONTH

Two hundred dollars a month for 10,000,000 old people would require $24,000,000,000 a year. This certainly does not sound like financial sanity or a balanced Budget, and this has been the beginning and the end of most discussions of the subject.

Curiously enough the Townsend plan is the plan that no one knows, if one may paraphrase the best-advertised Member of the House, Representative BRUCE BARTON, of New York.

The Townsend plan has been presented in legislative form in the Congress for the past 4 years. Both the proponents and the critics have been in full agreement that the proposed legislation does not provide $200 a month. As a matter of fact, all are agreed that it comes much nearer to providing fifty to sixty dollars a month—perhaps $53 per month.

Yet the critics have much preferred to discuss the larger figure as a more impressive straw man at which to shoot. On the other hand, many of the friends of the legislation have not been too particular to point out the figures that were actually involved.

The idea is amazingly simple, and in that lies its chief charm. A general tax, widely distributed, is to be levied upon all the people of the United States. All will participate in its benefits, and therefore it is equitable that all should share in its support. The proceeds of this tax are to be distributed pro rata to each citizen of the United States over a certain age.

DR. FRANCIS E. TOWNSEND

Dr. Francis E. Townsend, the originator of the plan, is such a hide-bound old conservative that he did not suggest printing money or borrowing money or cutting down the gold content of the dollar. The doctor was apparently somewhat more conservative than J. P. Morgan, who at least gave his blessing to the gold manipulation of the New Deal.

Much argument has been had as to whether Dr. Townsend is a fool or a fake. I presume he is no angel, or he would not be upon this earth. A simple soul must, however, have some elements of greatness in being singled out for two distinctions that are unique. Even J. P. Morgan and Thomas A. Corcoran were allowed to make full statements of their views before an investigating committee of the Congress. But this supposedly American privilege was denied to Dr. Townsend when he was summoned before the inquisition by eight Members of the House. Apparently the New Deal anticipated an immediate collapse if Dr. Townsend should be permitted to speak his piece and bare his soul before a committee of the House.

Finally walking out of the House committee after 3 days of inquisitorial examination, Dr. Townsend was convicted of contempt of the committee—an opinion which was shared by millions of his fellow citizens because of the outrageous violation by the committee chairman of every tradition of Anglo-Saxon parliamentary procedure.

Dr. Townsend then became the only man in the history of the United States so far as the records show to receive a Presidential pardon without a personal request. Everyone is at liberty to speculate as to the considerations that motivated this unprecedented action but the facts speak for themselves.

The pardon was apparently requested or recommended by the Speaker of the House, the majority leader, and the chairman of the committee immediately concerned. The latter showed at this eleventh hour a sympathetic concern for the doctor that had been previously well concealed.

Some of the other current victims of the New Deal purge would perhaps now appreciate similar consideration for their deviations from party doctrine.

BUDGET BALANCING

Budget balancing, however, is the most immediate concern of many thoughtful Americans. Very few have hitherto suggested that this had anything to do with the Townsend plan. As a matter of fact, it is the most perfect, the most automatic, and the most sure-fire method of balancing the Budget that has perhaps been proposed in the history of the United States or any other land. Nothing is paid out that has not previously been taken in. Tax anticipations are entirely excluded from the plan. All pensions are automatically adjusted to the revenues that flow in. One might easily dream that Andrew Mellon was again in the Treasury, and all was well in the realms of high finance.

"Too often in recent history liberal governments have been wrecked upon the rocks of a loose fiscal policy." The nightmare of a financial crash must haunt the waking dreams of any person of good sense as the ever-mounting deficits are reflected in the scourge of unemployment—exactly as was predicted by the prophets of the New Deal in 1932.

Taxes are deflationary and government expenditures are inflationary, and each is exactly balanced in the plan that is proposed.

Whether this plan would eliminate the remaining problem of relief is a matter of opinion, but it is my deep-seated conviction that such is likely to be the case. It is upon that hypothesis that I believe this plan affords the best method for that balancing of the Budget which every thoughtful American so fervently desires.

It is my considered judgment, after watching 6 years of the operation of the variegated theories that have been presented for our recovery, that the country would very quickly settle down and confidence would be restored among businessmen everywhere if there were in the Congress a recognition of the necessity of stabilizing conditions and that without delay.

At the present time the administration is pilfering the pennies from the pockets of the poor in order to finance the current extravagances of the Government.

Money taken from pay-roll taxes everywhere each week is being daily used to pay the current expenses of the Government although it is gathered as a trust fund to provide for unemployment and old age. When the wage earner gets there the cupboard will be bare except for the I O U of a government that has already repudiated its monetary pledges on a wholesale scale.

SENATOR SMOOT

Certainly Senator Reed Smoot, of Utah, was never suspected of radicalism. Yet he is the parliamentary progenitor of the tax that is here proposed. As an authority on taxes to which he had given a lifetime of study Senator Smoot in 1922 proposed a tax from which this proposal has naturally and logically evolved.

In 1932 the Ways and Means Committee of the House under Republican control carried the evolution of this tax a step further and twice recommended direct taxes widely distributed as the key to the solution of the increasing financial problem of the Government.

No more conservative committee has perhaps ever approached the consideration of our tax problems. Since then we have been experimenting with attempts to levy tribute upon the higher brackets. The result has been steadily diminishing returns.

Conservatives and liberals alike are gradually coming to the conclusion that the people cannot be much longer fooled.

The people in substantial measure are ultimately going to pay the bills. They are rapidly getting ready to recognize this fact. The wage earners—comprising approximately one-third of our population—are at present financing a substantial part of the Federal deficit through the medium of

the pay-roll tax. Certainly it would be far more equitable to include the other two-thirds of our population in the support of the Government.

DIMINISHING RETURNS

In 1934–35 the capital-gains tax was included with taxable income and thus subjected to graduated high returns on progressive levies as advocated by the President.

Yet the tax was only 11.7 percent as productive as the income tax.

Back in 1927–28 the capital-gains tax was a flat rate, and in those years it was 93.6 percent as productive as the income tax.

Surely this indicates that the graduated high rates discouraged the realization of capital gains and froze investments, which is exactly what is not desired in an expanding economic system.

OLD-AGE PENSIONS

Certainly all will agree that if anyone is to receive relief it should be the older people of the United States who have reached their declining years. If those millions are properly cared for the younger people of the United States will welcome the opportunity to scramble for their share.

The existing taxes, other than the social-security taxes, should be adequate to care for the necessary expenses of the Government in the period of governmental liquidation that must shortly be at hand, and also to take care of the necessary service of the debt.

Next March it will become entirely apparent that government can no longer progress in its attempt to soak the rich. A $5,000,000,000 deficit will stare the country in the face and bring the entire New Deal house of cards toppling about our financial heads.

Then will be the time that the country will begin to sober off. Then will the country face the momentous decision as to whether we shall cast all discretion to the winds and start down the inflationary trail to the destruction of all the values that have made this country great or whether we shall take the harder road of resolutely putting our hand to the plow and starting back toward the American way of life.

As the country enters that valley of decision to choose which way it will decide to go, it is well that the country should be soberly considering the method by which this country has grown great.

Whether the economic collapse of the last decade was the result of causes within or without this land, and whether one or another set of individuals were responsible for this collapse or whether we all shared responsibility in the heedless gay gambles of the twenties is not, perhaps, necessary now to determine.

The country has learned its lesson and is ready now in sackcloth and ashes to climb back up the mointain heights that America spent three centuries in achieving, and from which we descended in the brief decade that is now past.

In 10 generations we created or saved $300,000,000,000. In one decade we have destroyed or mortgaged nearly half of this accumulated wealth. Perhaps, like the country church, we shall flourish under the mortgage if we do not lose the religion that gave it birth.

THE NEW DEAL

The New Deal recognized the irrepressible conflict between the Townsend plan of salvation and the New Deal conception of a regimented life far more clearly than most of its critics. Very early careful attention was given to the division of its advocates and with a considerable measure of success. The chief promoter was also dignified by an attention hitherto reserved for J. P. Morgan and other malefactors of great wealth. Still the idea would not down. Its proponent was then accorded a Presidential pardon without the formality of a request and was dignified by an hour's conference at the White House in one of the famous fireside chats 3 days after emerging from the precincts of the District jail.

VARYING VALUE OF MONEY

One of the attractive features of this proposal is its accommodation to the varying income of the country and the purchasing power of money. In the past 10 years the national income has varied from over eighty billion to under forty billion. In the past year the national income has declined approximately $10,000,000,000 from sixty-five billion to fifty-five billion. Part of this fluctuation is doubtless attributable to the changing value of the dollar. Part is attributable to the productivity of our farms and factories and the varying activity in the country.

A general tax on a percentage basis widely distributed automatically adjusts itself to these fluctuations from year to year.

In each of the last 10 years the productivity of this country has been from twenty to forty billion dollars below the amount reached in 1929, or far more than the amount involved even in the most optimistic estimates of the Townsend advocates.

As a matter of fact the careful studies of the Brookings Institution indicate that the present productive mechanism of the country without increasing capital facilities in any way could comfortably produce an annual income of $125,000,000,000 a year—or nearly 50 percent above the peak reached in 1929.

Meanwhile in the current New Deal depression of 1937–38 the velocity of the dollar has sunk to its all-time low which is another interesting indication of the economic fact that prosperity depends not merely upon the quantity and the quality of money but also upon the velocity of its circulation.

POLITICS

What are the politics of this situation? By politics I mean the translation of sound economic sense into fundamental law.

The Democratic attitude is determined in large measure by which wing of the dominant party one may approach. The Jeffersonian Democrat is likely to be sympathetic to the idea when he once understands its implication as a modern version of the Jeffersonian concern for the welfare of the common people and the preservation of an American way of life.

The Jeffersonian pauses, however, over the suggestion of a new form of taxation, and particularly one that rests upon the people as a whole, as he is more apt to think in terms of attack upon concentrated wealth. The Jeffersonian also has a rather deep-seated reluctance to expand the contacts of the people with their Government either in the way of taxation or pension and hesitates as to the implications that may be involved in making the people ultimately dependent upon a common source of supply.

REGIMENTATION

The New Dealer, on the other hand, recognizes the fundamental conflict between the regimented concept of our civilization, which is implicit in all the measures of the New Deal, and the preservation of the competitive and individualistic system by the Townsend old-age pension plan, with its primary emphasis upon the long-recognized use of the taxing power for social ends.

There is much to be said for the contention of the more logical of the New Dealers that the competitive system of economics has run its course and that it must be followed by a much more closely coordinated economic system, controlled in large measure from a central source. One must only regret that they will not more frankly avow their objective and support its need in order that the American people may determine for themselves which course they will decide is best.

The aspect of the matter which more than all else the American people are coming to resent is the suggestion of being led blindfolded toward an objective that is not frankly revealed.

There is here no suggestion as to the lack of loyalty of some members of the Democratic Party to the proposals of

Dr. Townsend, but Democratic Members of Congress have been constantly embarrassed by the New Deal hostility to progress along this line.

The Democratic Party and Democratic Members of Congress as a whole must assume responsibility for the absolute refusal of the Ways and Means Committee of the House to accord hearings to the General Welfare Act throughout the past 2 years.

This committee is under the control of the Democrats by a majority of 3 to 1. The Democratic majority of this committee are not only the controlling authority in the Democratic Party as to their attitude on fiscal affairs but in addition the Democratic membership of the Ways and Means Committee constitute the Committee on Committees of the House, which means that they are the centralizing and controlling authority in matters of party policy and discipline.

With a very definite eye upon the Townsend plan the first action of the Democratic majority in the Congress 4 years ago was to amend the rules of the House in order to provide that a bill could be taken away from a committee—which chose to smother it—only by a petition of 218 Members of the House or a clear majority of the membership in place of the former rule requiring a petition by only 145 Members.

The adoption of this rule coupled with the absolute refusal of the Democratic majority of the Ways and Means Committee to accord a hearing on the General Welfare Act has resulted in very effectually smothering this legislation for the entire life of the Seventy-fifth Congress.

If there is such a thing as party responsibility the Democratic Party must assume full responsibility for this attitude and action. The right of citizens to present their case to duly constituted committees of the Congress is one of the most essential rights of American citizenship and yet this right has been completely denied in spite of the fact that millions of Americans have asked for a hearing on this measure and its consideration by the Congress and more than 145 Members of Congress have asked for a hearing, but all in vain.

On the other hand, the Republican members of the Ways and Means Committee of the House have steadfastly in season and out of season urged that hearings should be granted upon the General Welfare Act. Congressman ALLEN T. TREADWAY more than a year ago made a formal motion in the committee that hearings should be granted upon this legislation, and every Republican member of the Ways and Means Committee formally recorded themselves in favor of this motion, and repeatedly throughout the past year the Republican members have urged that hearings be granted upon this measure, but the Democratic majority have steadfastly refused.

A majority of the Republican Members of the House have signed the petition to bring the General Welfare Act to the floor, although this is a most unsatisfactory method of considering a measure of this importance, but it is the only feasible way by which Congress may secure consideration of this matter, in view of the attitude of the Democratic majority of the Ways and Means Committee.

If any such proportions of the Democratic Members of the House were ready to sign the petition, the measure would have long since been before the House for a record vote which at least would place the Members squarely on record in the matter for the information of their constituents.

REPUBLICAN ATTITUDE

Many people assume all too readily that there is a wide gulf between the economic conceptions of the Republican Party and the advocates of the Townsend plan. As a matter of fact, it would be more accurate to say that the difference is represented by approximately $3 a month. This does not seem a very wide gulf to bridge among citizens whose Anglo-Saxon traditions incline them to accommodation.

The Republican Members of the House at a Republican conference indicated their readiness to support an old-age pension of $50 a month, and contemplated the presentation of such a proposal as an amendment to the Social Security Act. The Democratic proposal offered a maximum of $30 a month, which is the present law.

After some further consultation in order to go as far as possible in inviting the cooperation of the Democratic majority, Congressman ALLEN T. TREADWAY, as ranking member of the Republican minority on the Ways and Means Committee, offered an amendment providing $40 a month as an old-age pension. This proposal was supported by practically every member of the Republican minority and was opposed by practically every member of the Democratic majority. This was the last record vote upon this matter and showed the Republican Party, through its House membership, as 33⅓ percent more liberal than the Democrats and quite ready to increase the Democratic proposal by 66⅔ percent.

Meanwhile the present General Welfare Act upon the current national income is estimated to provide approximately $53 a month, or a difference of $3 between the amount which the Republican Members of the House were ready to support and the amount which is asked by the General Welfare Act.

The attitude of the Republican Members of the House is fully supported by the Republican platform adopted at Cleveland in 1936 and the charter of Republican policy until the next Republican convention shall convene.

The plank in the Republican platform dealing with social security declared unequivocally for a pay-as-you-go old-age pension plan on a national basis financed by a direct tax widely distributed.

These are the essential principles of the Townsend proposal although the Republican plank has been all too little known:

REPUBLICAN PLANK ON OLD-AGE PENSIONS

Real security will be possible only when our productive capacity is sufficient to furnish a decent standard of living for all American families and to provide a surplus for future needs and contingencies. For the attainment of that ultimate objective, we look to the energy, self-reliance, and character of our people, and to our system of free enterprise.

Society has an obligation to promote the security of the people, by affording some measure of protection against involuntary unemployment and dependency in old age. The New Deal policies, while purporting to provide social security have, in fact, endangered it.

We propose a system of old-age security, based upon the following principles:

We approve a pay-as-you-go policy, which requires of each generation the support of the aged and the determination of what is just and adequate.

Every American citizen over 65 should receive the supplementary payment necessary to provide a minimum income sufficient to protect him or her from want.

To make this program consistent with sound fiscal policy the Federal revenues for this purpose must be provided from the proceeds of a direct tax widely distributed. All will be benefited and all should contribute.

The only difference between the Republican policy, as thus enunciated, and the Townsend proposal is in the suggestion of needs test, and there has been a growing conviction that such a test is both inequitable and impracticable.

NEEDS TEST

The needs test places a penalty on thrift. If a couple have been prudent and accumulated a modest home and a little money in the bank, they are deliberately penalized under this policy.

On the other hand, the ne'er-do-well is encouraged and rewarded as automatically at the determined age he is placed on a parity with those who have practiced thrift. This is certainly not in accordance with the principles or policies under which America has grown great.

More and more Republicans have come to recognize this inconsistency and have been ready to eliminate the needs test in connection with the administration of the old-age pension plan.

The needs test is, moreover, impracticable, as it introduces the very element which the plan otherwise avoids in making possible discrimination, both between sections and individuals, and in imposing very great difficulties of administration with a tremendous bureaucratic overhead.

Whether or not a certain person is 60 or 65 years of age can be determined with very little difficulty and they then automatically become eligible to participate in the distribution of the benefits from the common fund.

On the other hand if the "needs" test is to be taken into account the top-heavy bureaucracy that is characteristic of government in recent years instantly becomes rampant with all of the possibilities of personal and partisan and sectional influence that it is the chief design of the program to avoid.

THE AMERICAN WAY

Finally, the program presents the American way of life and the possibility of preserving this American way of life for the generations yet unborn. The young people of this country will welcome the opportunity to make a livelihood for themselves with the haunting problem of old age no longer hanging like a sword of Damocles suspended above their heads.

Circulation of money may resume its normal flow unstrangulated by the haunting fear that this dollar may be the last that we shall see.

One does not need to subscribe to the picture of paradise that is painted by some of the more enthusiastic advocates of this program in order to recognize its simple justice and equity and its infinite simplicity in comparison with the bureaucracy-run-riot by which the wage earners of this country are now being deliberately deceived.

The present social-security system requires an administrative mechanism that must ultimately topple of its own weight and it is that which will be avoided by the simple administrative features of this plan.

REPUBLICAN FUTURE

The Republican Party was conceived in the liberation of a great section of our population. The Republican Party still possesses the virility and the vitality to go forward in liberating 10,000,000 of our elder citizens from the haunting fears that now afflict the approach of their declining years.

The Republican membership of the House are rapidly coming to recognize the implications of this plan in restoring the country to a balanced Budget, to financial sanity, to adequate relief, and to the American way of life, and, in its adoption, our progress toward this goal may be measurably advanced. [Applause.]

Mr. LUDLOW. Mr. Chairman, I yield such time as he may desire to the gentleman from Mississippi [Mr. COLLINS].

Mr. COLLINS. Mr. Chairman, from present indications, Senate and House conferees who are wrestling with the wage and hour bill are still far from agreement. Their efforts to reconcile differences between the House and Senate bills are not meeting with success. This is easily understandable, for the differences in the two bills are radical and fundamental.

A new tribunal—a Labor Standards Board—is set up in the Senate bill to administer the act—a five-man Labor Standards Board, with advisory committees for separate industries which would fix industry-wide or sectional standards for separate occupations, based upon committee conclusions.

The House bill gives to Miss Perkins, Secretary of Labor, the authority to determine which industries require higher wage and hour standards. No discretion is vested in a board or the Secretary, and enforcement rests with the Department of Justice.

The Senate bill provides that the Fair Labor Standards Board would fix wages for individual industries, with a minimum wage that cannot be above 40 cents, but can be lower.

The House bill sets a minimum wage of 25 cents an hour for the first year, 30 cents for the second year, 35 cents for the third year, and 40 cents thereafter.

Under the Senate bill the Labor Standards Board would set maximum hours for each industry, which could not be less than 40 per week.

The House bill fixes the maximum hours per week as 44 the first year, 42 the second, and 40 the third.

The Senate bill prohibits the employment of women and minors between the hours of midnight and 6 a. m.

The House bill does not prohibit work by women and minors if child labor is not involved.

Under the House bill, employment under 16 years, or under 18 in hazardous work, is prohibited, and goods manufactured with prohibited labor cannot be shipped interstate.

With regard to child labor, the Senate bill is substantially the same as the House bill in all essential details. Both bills permit employment of youngsters by their parents if the work is not in manufacturing or mining.

The House bill provides that work over the maximum hours fixed by its bill will be permitted if time and a half for the overtime hours is paid.

The Senate bill requires time and a half, but between midnight and 6 o'clock in the morning, where continuous operation is not essential, overtime must be paid, even if maximum hours per week are not worked.

The House bill exempts agricultural labor and those engaged in packing, handling, storing, ginning, pasteurizing, compressing, or canning farm products and in making cheese or butter when such work is done in the area of production. Retail or other business is exempt if substantially intrastate. Outside salesmen and all bona fide executive, administrative, professional, or local retail workers are also exempt. Special certificates, at wages lower than the minimum fixed by the House bill, will be issued for learners, apprentices, and those whose earning capacity is impaired by age or by physical or mental deficiency.

The Senate bill exempts outside salesmen and all executive, administrative, professional, or local retail workers. Also exempt in the Senate bill are those persons employed in the taking of fish, sea foods, or sponges, and all agricultural workers. Included among the latter are those engaged within the area of production in preparing, packing, or storing fresh fruits and vegetables in their raw state. Special certificates would be issued for the employment of learners, apprentices, and those persons impaired by age or physical or mental deficiency at wages less than the standard. Regulations would be issued indicating allowable deductions for board, lodging, and other facilities furnished by the employer.

From the observations I have made thus far, it would seem that the House bill is the more severe of the two measures. It does not provide for differentials in cost of production of commodities produced in industry in various sections of the country; it does not provide the safeguards over arbitrary acts to the same extent as does the Senate bill; it does not provide for efficient administration with responsibility placed upon the officers performing the duties imposed upon them as does the Senate bill; it is true that the minimum wage for the first year is lower than that provided for in the Senate bill, but during the third year the minimum wage is the same. It is true also that the maximum hours per week are 44 for the first year, 42 for the second, and 40 for the third, while the Senate bill sets maximum hours for each industry at 40 hours per week from the start.

Taken as a whole, therefore, it is certain to my mind that the House bill imposes more severe standards upon industry in the South and West than does the Senate bill.

A criticism worthy of the attention of the Congress to the House bill is that the standards of contracts and rules governing to be prescribed by the Secretary of Labor imposes a task to which she could not bring an enlightened personal judgment. Consequently, some person or board with no other business should be assigned to the work and responsibility should be imposed in such person or board actually doing the work or actually administering the act.

Of course, the Secretary of Labor would designate persons to make the investigations, findings of fact, and furnish reports thereon to the Secretary, but in the very nature of things she could not do much in the way of intelligent approval because of her other multitudinous and varied official duties. There is one thing evident from the study of

governmental activities and that is that too much of the shaping of policies and making of rules for the Government of vast enterprises employing a multitude of persons is entrusted too frequently to people with no practical experience.

They have college degrees and knowledge of books, but a wide and vast experience in administration is also needed. Whoever is selected to administer this act, which places the power of life and death over industry in governmental and political hands, should have placed upon his or their shoulders the responsibility for his or their acts and should be subject to approval of the Senate so that better care in the selection of the person or persons and a better grade of common sense may be secured. Furthermore, the acts of the person or the board should be made subject to review by impartial, judicial tribunals.

Considering section 2, which is entitled "Finding and Declaration of Policy," in connection with paragraph (b) of section 3, defining the word "commerce," and subparagraphs (i) and (j) of section 3, defining "industry," and the term "industry affecting commerce," and subparagraph (k) defining "employers engaged in commerce," with sections 4, 5, and 6, it is within the range of probability that a large number of traders, merchants, and storekeepers in local communities may be found by the Secretary to have such close and substantial relations to commerce as to bring them within the purview of the act. Certainly every wholesaler who buys goods that are moved in commerce, as all of them do, and who ship out goods to retailers in interstate commerce, as most of them do, would be confronted with this problem: Has he carried on his business so as to be free of the penalties of section 14, which provides a fine of $500 or imprisonment for not more than 6 months, or both, because he has done some of the prohibited acts of section 13, which are as follows:

First. To violate any of the provisions of section 4 or section 5, or any of the provisions of any regulation or order of the Secretary issued under section 12.

Second. To transport, offer for transportation, ship, deliver, or sell in commerce or to ship, deliver, or sell with knowledge that shipment or delivery or sale thereof in commerce is intended, any goods in the production of which any employee was employed in violation of section 4 or section 5, or in violation of any regulation or order of the Secretary issued under section 12; except that no provision of this act shall impose any liability upon any common carrier for the transportation in commerce in the regular course of its business of any goods not produced by such common carrier, and no provision of this act shall excuse any common carrier from its obligation to accept any goods for transportation.

Third. To willfully discharge or in any other manner discriminate against any employee because such employee has filed any complaint or instituted or caused to be instituted any proceeding under or related to this act, or has testified or is about to testify in any such proceeding.

Fourth. To violate any of the provisions of section 10.

Fifth. To violate any of the provisions of section 9 (c), or to make any statement, report, or record filed or kept pursuant to the provisions of such section or of any regulation or order thereunder, knowing such statement, report, or record to be false in a material respect.

It will be noted that a person can be subjected to the penalties of section 14 if he violates any of the provisions of section 4 or 5. These sections define minimum wages and maximum hours.

If in fact an employer is engaged in commerce so as to be subject to sections 4 and 5, he might be held liable even though the Secretary had not previously found, under the terms of section 6, that the business was one affecting commerce or that the employer was engaged in commerce. In other words, an employer, to whom the Secretary has not made an order under section 6, who does not comply with sections 4 and 5, would be operating at his own risk. It is nowhere said that the penalties may not be applied to an employer until and unless the Secretary has made an order with reference to the business, if in fact such employer be one who is engaged in commerce within the meaning of the act. There does not seem to be any provision in the act authorizing an employer to apply to the Secretary of Labor for a determination of the question as to whether or not such employer is within the meaning of the act; and it is doubtful if any employer could obtain a declaratory judgment on the question. The determination, in any event, of the question as to whether or not a particular employer is within the purview of the act by the Secretary will be had at much expense and inconvenience to the employers throughout the Nation.

I seriously doubt if a determination in all cases would be possible because of the intricacies of industry and the number of determinations to be made. A sufficient number of courts does not exist to try all such cases—they are so numerous.

The courts have so broadened the meaning of the term "commerce" that many businesses heretofore regarded as purely local may now be found by the Secretary to have such a close and substantial relationship to commerce as to be subject to the terms of the act. Many of them within what has been termed the twilight zone or borderline cannot know until after a hearing precisely what their status is and the nature of the question is such that in order to get a correct ruling and to make a proper record for purposes of review by a court it would be necessary for the employer to go extensively into the facts and circumstances connected with his business. This would involve a large expense to the employer. In instances where the business was operated by persons of limited means they would not even be financially able to produce the evidence.

My attention has been called to an alleged violation of the provisions of the N. R. A. A small mill operator at Shuqulak, Miss., was notified by mail that he would be tried in Atlanta, Ga., for violating the N. R. A. with reference to wages. He could not operate on the wage scale of N. R. A. He had so notified his employees, after having first made an honest effort to comply with such wage scale. He called his employees in and told them that if he had to continue on the N. R. A. wage scale he would be compelled to close his business immediately. That would have put all of them out of work. He left it up to them as to whether or not they would go ahead on a scale of wages that he could get by with. The employees agreed to it. The operator had never taken the "Blue Eagle." The N. R. A. office at Atlanta refused to inform him, on request, as to the nature of the charge against him, or who had made it. Instead, they sent him a circular in which it was stated that neither the prosecutor nor the charge could be disclosed to him in advance of the hearing. He did not have the money to make a trip to Atlanta, nor to employ counsel. He was advised to notify the Atlanta office to that effect and to ignore their action.

He never knew what was the charge against him and never admitted anything in any of the correspondence with them. On the day they designated to him they would try him, they did so in Atlanta, and found him guilty of violating the N. R. A., and notified him that they did so upon the admission of his letters, which letters contained no admission whatever. A few weeks later, the Schechter case was decided by the Supreme Court of the United States, and of course he has never heard anything further about his conviction.

This was an extreme case, of course, but it shows the evil and injustice of committing the determination of the rights of employers all over the Nation to some secretary or administrative appointee unfamiliar with actual business operation. I daresay any court, on a proper review, would declare any order made under such circumstances that I have just related to be absolutely void, but the difficulty is that many a poor litigant would not be financially able to pay the expenses of a court decision.

No doubt the Secretary of Labor would attempt to comply with the act and the notice and hearing would be conducted

so as to conform with the recent decision of the Supreme Court of the United States as to what is a fair hearing before an administrative board. Nevertheless, it still seems to me the act leaves employers who are within the twilight zone in a very precarious situation and puts upon them a heavy expense and great inconvenience in the determination of their status. Personally, I feel that the extension of policy of committing to administrative boards the power to decide questions affecting the business activities of the people is pyramiding the burdens for them to bear and is in many respects a menace to personal liberty, notwithstanding the careful provisions for judicial review.

My observation and experience is that administrative boards and administrative officers frequently act through agents and subordinates who are arbitrary and unfair and that many instances arise where the individual has to submit to injustice because it is cheaper in the long run to suffer it than it is to fight to correct it. It seems to me that a uniform maximum wage for the entire Nation will necessarily be arbitrary, capricious, and discriminatory. An industry affecting commerce in the South, West, Middle West, or East is not on a parity as to the expense of operating businesses with a like industry in other sections of the country.

There is no uniformity in municipal, county, and State taxation in the various States either in the property taxed or the rate of taxation. There is no uniformity in transportation rates to and from the various industries affecting commerce in the various sections of the country. Differences in climate necessitate difference in the character of buildings and in the cost of heating and maintaining them.

There is no uniformity in the types of labor in the various sections of the country. It is well known that certain people excel in certain lines over people of other national characteristics.

If, regardless of such manifest lack of uniformity in those and other respects in the operating conditions in the industry affected by commerce, all must maintain a uniform minimum wage and maximum hours throughout the country, it is certain to me that great injustice will result and great sections of the country will suffer. Some industries will have to go out of business and large numbers of persons will be thrown out of employment. The public at large must bear the burden of the expense of relief for these new unemployed persons. It is clear to me that the smaller industries will be more seriously affected than the larger ones. Big business in the North and East, with its accumulated wealth, will survive, but the small businessmen, especially those in the South and West, and far away from the larger markets, in my opinion, are certain to fail. Monopoly will be more firmly entrenched and protected as the result.

I am certain that the inevitable effect of the enactment of this law will be to discourage private capital from entering upon or expanding private industry. Persons of means would much prefer to lend their money at smaller rates of interest than to engage in the hazardous pursuits of industry with the added burdens and penalties which this measure imposes upon them.

I cannot see that this bill can help the consumer; it necessarily adds another tremendous burden to industry, and I am not speaking about increased wages and shorter hours; I am referring to the necessarily large expense that every businessman must make to comply with the provisions of the act. All of these added expenditures will be passed on to the consumer.

I have always believed in high wages and a job for every worker, but I am doubtful if this bill will mean higher wages. It may mean that a few types of low-paid workers will get larger wages, but at the expense of other workers. In many cases it will mean that workers already employed will lose their jobs because of the bankruptcy of the industry now employing them. I am certain that industry in the South will be deeply affected, because commodities will have to be transported to market, and freight rates are higher in the South than in the North and East, and that is a handicap that cannot be overcome if industry in the South pays the same wages as does industry in the North; and freight rates are just one of the many obstacles that confront southern industry.

I have my serious doubts about the constitutionality of the House bill. A uniform minimum wage for the entire Nation is certainly arbitrary, capricious, and discriminatory. A minimum wage should certainly relate to the value of the service rendered; and if a bill provides, as this bill does, that uniform minimum wages shall be maintained in the absence of uniformity of cost of operating a business, then such bill is discriminatory. If a measure goes so far as to destroy many industries, as this bill will in sections of the country, this adds to its viciousness and makes its provisions even more repugnant to the safeguards of the Constitution.

Throughout my entire life by vote and act I have labored for the interests of the workingman. I believe that every laborer is entitled to an adequate wage and reasonable hours and should be permitted to labor under conditions that will conserve his health and safety. I do feel, however, that uniformity of wages and hours in all localities in America is impossible of attainment without grave injustice and without resultant harm to laborers and the consuming public.

Labor has made great strides during the last 50 years through organized effort. I do not believe it is sound judgment for their welfare to be entrusted to legislative enactments and to rules and regulations of executive bureaus. It may be all right to do this in times of peace but in the stress of war workers will be drafted into industry and their wages fixed the same as the pay of soldiers. There is much upon which to base this fear, for a bill has actually been floating around the Congress for many years to do identically this, by giving to the President the right to draft man power during war. If Congress has the right to fix minimum wages it also has the right to fix maximum wages. I fear it is not safe to entrust to executive bodies and public officers the power to regulate the business life of the Nation and to fix living standards for working men and women.

Mr. HARLAN. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. HARLAN. Mr. Chairman, with respect to speeches made in Committee, has general permission been granted to Members to revise and extend their remarks?

The CHAIRMAN. There has been general permission granted to revise and extend, but if any additional data is to be included permission to insert it must be obtained in the House.

Mr. LUDLOW. Mr. Chairman, I yield 10 minutes to the gentleman from Kansas [Mr. HOUSTON].

Mr. HOUSTON. Mr. Chairman, we have heard a great deal of discussion this afternoon pro and con on partisan politics and what not. I am not going to make a partisan speech or a political speech. I am going to make a few remarks on something which I believe concerns every Member of Congress who has oil in his district, but before I start on that, in view of what has been said here this afternoon, I want to tell a story I heard the other day.

When the fuel-oil-tax bill was being considered on the floor, I happened to be the first Member to make a speech against that bill, and, eventually, the bill was defeated. I received a letter from a constituent of mine in which she stated that she had checked my vote on the reorganization bill and she did not like it. She said:

> I have written 10 letters to 10 friends of mine and asked them in turn to write 10 letters to 10 friends of theirs opposing you, because I do not believe in dictatorship.

This correspondent further says that she believed that the reorganization bill would create a dictatorship. I wrote and told her it was not surprising that there were differences of opinion, that she had a right to her opinion and I had a right to mine. I further said that I did not recall receiving a letter from her in the same vein when I voted to kill the

so-called tax on fuel oil, and incidentally her husband is an oil man. I told her I thought her situation was something like this story. I said that Congress had been in session for a long time and various Members had not been home and had an opportunity to campaign or to build their fences, but that one of the Members finally did go home and a friend of his said to him that he had better get busy and get over to a neighboring town, for somebody was fighting him and fighting him real hard.

The Congressman went over there and said to someone else that he heard that somebody was fighting him for reelection. The reply was yes, that Bill Jones was doing so, and this Congressman had better see Bill very soon, that Bill was going up and down the street and going into every store. So he went off and tried to find Bill and finally did. He caught up with him and then said to him, "Bill, I understand that you are fighting me for reelection." The reply was that he was. The Congressman then said to him, "After all, Bill, who was it that signed your personal note at the bank and got you out of a jam?" The reply was, "You did." "Who was it that got your daughter a job in the county clerk's office?" The reply was "You did." Then the Congressman said finally, "And who was it who went to the Governor and made a personal appeal and kept your son out of the penitentiary?" Bill Jones finally replied, "You did." Then the Congressman said, "I cannot understand under these circumstances why you are fighting me," and Bill replied, "I will tell you, it is because you have not done anything for me lately." [Laughter.]

In presenting my resolution for increasing the excise taxes on petroleum and its products and for providing an embargo on petroleum imports when an excessive supply threatens this important phase of our national industrial life, I would like to make the following statement setting forth the situation which I believe makes immediate adoption of this resolution important if we are to stimulate national recovery.

The petroleum industry is either the second or the third in importance in this country. The maintenance of its employing power is of vital importance. Upon its purchasing power depends much of the market for goods produced in the industrial sections of the country. The public revenues find a large source of their income in the taxes laid upon this industry and upon its products. It is possibly the most important key industry in the Nation.

Recently the price structure of the petroleum industry has been threatened because of oversupply. As a result, production of our domestic petroleum has been abruptly and seriously curtailed. This was necessary not merely because of the threat to the price structure but also because excessive supply and excessive storage of petroleum means waste. It means waste of this irreplaceable natural resource. The present administration, even more than previous administrations, has followed a policy for the conservation of our petroleum deposits which, while sufficient for proper use, is not sufficient for wasteful uses.

The oversupply of petroleum which brought about the threatening situation of the past week has had the same cause as previous similar situations. The increasing volume of imports upon which there is neither regulation nor protecting tariffs has added unexpected quantities to our supply. During the first 3 months in 1938, the latest figures made available by the United States Tariff Commission show an increase of 27.3 percent in the petroleum imports over the similar imports during the first 3 months of 1937. In this quarter of 1938, we brought into our markets 12,779,994 barrels as compared with 10,037,410 barrels for the corresponding period in 1937. In terms of daily averages, the first quarter of 1938 showed 142,000 barrels of imports per day as compared with 111,527 barrels for the first quarter in 1937.

Because of the excess supply of which these imports were a part, my own State of Kansas was forced to reduce its petroleum production about 17 percent in the month of April and 23 percent in the month of May, from the production in the corresponding months of last year.

So serious did the situation become in Kansas that the Governor of the State called attention to the fact that whole oil fields were being closed down because there was no market left for the oil they produced. In other fields, operators closed down many wells, being unwilling to sell their oil below the cost of its production. This inevitably affected employment in Kansas. The closing of these fields and wells and the reduced production in other fields caused a rapid decrease in the income received by Kansans from the petroleum industry.

Mr. CARLSON. Mr. Chairman, will the gentleman yield at that point?

Mr. HOUSTON. Yes. I yield to the gentleman from Kansas.

Mr. CARLSON. The gentleman from Kansas [Mr. HOUSTON] represents one of the great oil-producing sections in our State and I am very happy that he is calling the attention of the House to the present situation in the oil industry. I would appreciate it very much if the gentleman would inform the House as to the annual production of oil in Kansas and compare it with the amount of our oil imports.

Mr. HOUSTON. I have not the figures here, but in the neighborhood of fifty-odd millions. The potential production in Kansas, which is the third largest in the United States, is 3,250,000 barrels per day. The allowable production is 175,000 barrels per day. That has been cut down to 155,000 to 160,000 barrels per day.

Mr. CARLSON. If the gentleman from Kansas will permit, I would like to make this observation: If Kansas produces 56,000,000 barrels annually, it is interesting to note that the importation of 112,000,000 barrels is exactly twice our annual production. This presents a serious problem to the oil-field employment, oil-field development, and distribution of oil-field products in our State. I believe the Federal Government should take immediate steps to greatly reduce the importation of crude oils.

Mr. HOUSTON. Yes. All this once more illustrates the oft-repeated statement that men wearing clothes cannot compete with men wearing breechclouts. In other words, the American petroleum industry, with its fair labor standards, cannot successfully compete with oil produced by peon labor or by forced labor.

Congress has adopted a number of measures intended to promote the conservation of our petroleum resources and to prevent their waste. The present excise taxes, the Connally "hot oil" bill, and the interstate oil compact are conspicuous illustrations of this. The authorization given the Bureau of Mines for its estimates of demand is another instance of our care to provide for the proper use and avoid the abuse of these petroleum deposits.

That balance of supply with demand, which is one of the purposes sought in these conservation efforts of Congress, is either being actually overthrown or threatened with overthrow by the incalculable quantities of foreign oil imports. In other words, a few great importers can nullify a policy of Government and the intent lying behind several acts of Congress. This ought not to be so.

Because of the condition of oversupply, due so largely to the foreign importations, some petroleum products are forced into inferior uses that come into competition with coal at a time when the bituminous-coal industry has reached a low level of demoralization. Here, once more, a policy of Government and acts of Congress are nullified through the conduct of private corporations.

Mexico has recently expropriated the oil owned by foreign corporations in that country. This means that Mexico will be seeking new markets for that oil. The United States is the nearest market. It also furnishes the largest market. Since it is commonly accepted that there must be a new channel found for Mexican oil, it may be expected that much of it will seek entrance into this country. This will further complicate our problem of using and not wasting our petroleum reserves.

The bill which I am presenting is intended to meet this situation. In the first place, it provides a more nearly proper

excise tax upon imports of crude petroleum and of fuel and gas oil, increasing these from the present one-half cent per gallon to 1½ cents per gallon and eliminating the present exemption granted to imported fuel oil when used for supplies of vessels.

My bill further provides for an embargo to be placed upon all importations of foreign petroleum products whenever the supply in this country is so excessive that purchasers are unable to take the full amount of the production which is legally set by the regulatory bodies of the various oil-producing States. This embargo to be proclaimed by the President may be raised by him when such an emergency situation has ceased to exist. Since the domestic production of petroleum has long been based upon careful studies of demand made by State regulatory bodies which make due allowance for the expected quantity of imports, it seems only fair that when a situation of oversupply is created by excessive importations, such as have marked the first quarter of the present year and have marked many periods in the past history of the petroleum industry, these importations should be discontinued until the situation they have aided to create has been corrected.

In order to prevent the bituminous-coal industry from suffering from unfair competition between petroleum products, which may be driven to inferior uses through the improper competition of excessive imports of the cheaper foreign oils, my bill further provides that when bituminous coal is selling below a proper relationship of price to be established on the basis of equal thermal units, an embargo on petroleum imports shall be effected until the removal of this unfair competition, largely created through these imports which enabled bituminous coal to secure its proper price position in our home markets. This should assist the efforts now being made by the Federal Government to aid the bituminous-coal industry in its program of recovery and to furnish labor for the numerous miners who are now in a serious economic position.

Because the situation which I here outlined should be clear to all who have studied our general fuel problems, I trust that the Congress will give immediate consideration to this proposal for conservation of an important natural resource, for encouragement of employment in two great industries, and for the promotion of important phases of our economic welfare.

Mr. HARLAN. Mr. Chairman, will the gentleman yield?

Mr. HOUSTON. Yes.

Mr. HARLAN. I notice the gentleman used the phrase that his bill would conserve the natural resources of the country. In what way will the prevention of foreign oil coming into this country to be consumed conserve our own oil?

Mr. HOUSTON. There are several ways. A lot of these wells must be kept producing, or water will get into the well and destroy it. The allowable production in most of the Western States, has been cut down and in Kansas not to exceed 5 percent of the potential production can be produced. If you do not keep some of these wells producing, water will get in and destroy the property.

Mr. GREEVER. And is it not true that the disastrous price received for oil during the past few years is due largely to the fact that importations have come into the country in such great quantities, and is it not the opposite of conservation when you are selling oil for that low price?

Mr. HOUSTON. Absolutely. There is no question about that.

The bill to which I have referred, introduced by me today, is as follows:

A bill to provide revenue and to increase employment of American workers

Be it enacted, etc., That title 4 of the Revenue Act of 1932, as amended, is further amended by striking out paragraph 4 in subsection C of section 601 and inserting in its stead the following:

"Crude petroleum, 1½ cents per gallon; fuel oil derived from petroleum, gas oil derived from petroleum, and all liquid derivatives of crude petroleum, except lubricating oil and gasoline or other motor fuel, 1½ cents per gallon; gasoline or other motor fuel, 2½ cents per gallon; lubricating oil, 4 cents per gallon; paraffin and other petroleum wax products, 1 cent per pound; asphalt, natural or otherwise, $2 per ton. The tax on the articles described in this paragraph shall apply only with respect to the importation of such articles."

SEC. 2. That the Revenue Act of 1932, as amended, is hereby further amended by inserting in section 630 at the end of the first sentence the following, striking out the period and substituting a comma, "with the exception of the excise tax on imported petroleum or petroleum products."

SEC. 3. That when the Bureau of Mines shall find that the supply of crude petroleum is so much in excess of the demand that purchasers of crude petroleum do not take the full legal production in any oil-producing State, the Bureau of Mines shall at once report this fact to the President of the United States, and that the President is hereby authorized and directed thereupon to declare and proclaim an embargo on the importation of crude petroleum, fuel oil, and gas oil, this embargo to be effective until such time as the Bureau of Mines may report that the demand for crude petroleum, as evidenced by purchases, is greater than the supply from domestic sources and from storage, whereupon the President of the United States is authorized and directed to declare and proclaim the discontinuance of such embargo.

SEC. 4. That the Bureau of Labor Statistics in the Department of Labor in cooperation with other governmental departments shall calculate the relationship in the competitive markets of the United States between the price of fuel oil and the price of bituminous coal, based on the quantities of each required to furnish an equal number of British thermal units and shall report to the Secretary of Labor whenever it finds that the price of fuel oil on the basis of the relationship thus established has fallen below the established price of such bituminous coal as established by the National Bituminous Coal Commission and that on reception of such report the Secretary of Labor is hereby directed to report to the President of the United States that fact. Whereupon the President is hereby authorized and directed to proclaim an embargo upon all importations of crude petroleum and of fuel oil and gas oil until such time as the Secretary of Labor shall report to him that the price of fuel oil has returned to the above-mentioned relationship, whereupon the President is hereby authorized and directed to proclaim the discontinuance of such embargo.

SEC. 5. This act may be cited as the Fuel Equalization Act.

SEC. 6. This act shall become effective 30 days after its approval.

Mr. TABER. Mr. Chairman, I yield 10 minutes to the gentleman from Pennsylvania [Mr. RICH].

Mr. RICH. Mr. Chairman, in the consideration of this deficiency appropriation bill, where we are appropriating $272,500,000, to be added on to the expenditures that we have already created for this year, and taking up the statement of the Government of June 4, do you gentlemen realize, can you comprehend, that notwithstanding the fact that the President of the United States for 3 years promised that on July 1 of this year we would have a balanced Budget, yet on this day, June 4, the deficit for this year amounted to $1,514,185,279.79. An enormous amount to be in arrears of your income. Thirty years ago that was considered more than enough to operate all affairs of the Government. Oh! what a change. Oh! what a difference a few years make. Oh! what a difference when sound men of experience chart the course of government or whether you have men in charge of the Government with no experience in financial affairs. Men who do not know anything about finances except to spend the other fellow's money.

This year's deficit does not include the revolving fund which was set up and which this statement shows amounted to a total of $780,628,239.60, making a total of over $2,294,813,519.39 this year in the red so far, and 26 days to go. We are going into the red at the rate of about $15,000,000 a day. Think of it! Fifteen million dollars a day more money is being spent than is being received by revenues of all kinds. You have created a debt, to this time, of $37,380,000,000 and more. When he thinks of the enormous amount of money that has been squandered and wasted in the past 5 years it ought to make every Member of Congress shudder. What will your children do about it? On March 31, 1933, we were $21,000,000,000 in the red. We have averaged over $4,000,000,000 a year since that time, notwithstanding the fact Mr. Roosevelt criticized the former administration, and he did not know how to spend when compared to Mr. Roosevelt.

How anyone can get any satisfaction from news articles reading "Officials expect lowest Federal deficit since 1931" is beyond me. It seems to me that the newspapers are very solicitous in trying to help this administration out of the bad situation it finds itself in. I cannot see it. If there is any

Member here who finds solace in news articles of this kind, I think we are in bad shape here in the House of Representatives, and the newspapers should picture the bad condition we are in financially if they want to save our Nation from bankruptcy.

We have 13,000,000 men out of work. The President said we would try things and if they did not work he would try something else. He has tried many, many things, but it seems to me they have all gone by the board. Most of them have not worked. Since he has been President how often has he said, "If it does not work, we will change it and try something else"? He has been asked by sound Democrats to change some of the legislation that has been enacted, but he will not. He knows, and you realize, that the Wagner Act and the National Labor Relations Board created under it, as functioning today give labor an undue advantage, which is injurious to labor—I speak of radical labor—permitted the sit-down strikes and closing the industries of the country. You are not going to get people back to work until you change that act. It is not sound nor sensible.

I am in sympathy with labor, but if labor wants legislation of this kind, labor must assume the responsibility that goes with it. If there are differences between manufacturers and labor, the two sides must get together. Capital cannot operate its manufacturing establishments without labor, and if the manufacturing establishments cannot run, labor is without employment. This is the big problem presented for our consideration. The thing I am most deeply interested in is providing men with jobs in industry, giving them jobs where they can make more than they do on the W. P. A. rolls or on the P. W. A. rolls or on relief. The steady, serious-minded man who wants to work does not want a job with the P. W. A.; he wants a job in industry where he can make two or three times what he can on the Government relief pay rolls.

The most serious thing confronting us today is the fact that our industries are working very, very short time. There is a cause for it. The American people have the initiative, the desire, the will to go forward; but as long as there is not an opportunity for them to advance, they are not going to risk everything they have and wreck themselves by involuntary bankruptcy. I know you do not want them to do that. I do not think there is a man in Congress who wants to do that. Would you do something if you thought you were going to fail in the attempt? Let us, therefore, give consideration to changing the National Labor Relations Act and place some responsibility on labor and let them assume their responsibility. I say in all seriousness that I believe if you do that, it will be the first great forward step you can take to get the wheels of industry turning. I think it is our duty before we leave these Halls to try to make this adjustment. Will the majority party do it?

There are many things to be considered, there are many things we ought to do. Another problem that confronts us is the flooding of our markets by the great importations coming into this country, importations of farm commodities grown by farm hands paid peon wages, importations of manufactured products made by labor which does not receive one-fifth the wage paid in this country. If we want to give our own people jobs, then let us keep the American market, the greatest market in all the world, for our working men and bar the importation of these imports until the day arrives when all our people are back at work.

If we would not continue our present policy of trying to make this a land of scarcity, so far as farm commodities are concerned, we could put 3 million men back to work on our farms. Think of the cotton that came into this country last year, 24,000 bales of it, when the cotton farmers of this country and the Government of the United States did not know what to do with the cotton we already have of our own. It seems to me we do not use our heads. That is about the best way to express it. Stop the importation of goods that put our own people out of jobs and do not do as the President and Miss Perkins requested—offer our country as a haven to all foreigners not wanted in their own lands. We have all we can do to look after our own at present. Let America be at present for Americans.

[Here the gavel fell.]

Mr. LUDLOW. Mr. Chairman, I yield 10 minutes to the gentleman from North Dakota [Mr. BURDICK].

Mr. BURDICK. Mr. Chairman, what the people of this country want is a chance to work and it seems to me if this Congress can arrange a program of work for all the people, either through private industry or through the Government, it is our duty to do so. The people are not particularly concerned with what we may think of the Democrats or what the Democrats may think of the Republicans. Our job is to get them work.

Before proceeding any further on this subject may I say that I am not in favor of indiscriminate useless work. On the contrary, I am in favor of organized useful work to be furnished by the Government of the United States.

The bill we are now considering is a deficiency appropriation bill. Ordinarily any measure which might tend to decrease the amount of relief would be properly before the Committee. In my section of the United States 15,000 out of 19,000 farmers are on relief. In that area we have a project comprising 13,400 acres that could be irrigated from the longest river in the world, the Missouri-Mississippi River system. This could be done at an expense of $63 an acre and in 40 years all of the water charges and the upkeep will be paid and the indebtedness retired.

Mr. Chairman, we are not asking for a gift from the Government. We do not ask for any dole. All we are asking is that the Government provide funds to develop this project. This little project, costing some $600,000, will take care of 80 families. Across the river and within gunshot of this area is an irrigation project known as the Lower Yellowstone.

The crops in that area for the last 15 years have averaged $18 per acre more under that irrigation system than where they do not have irrigation. Sixty-five percent of the people in the area have paid their taxes and there is less than 1 percent of the charges on the irrigation project overdue. Nobody is on relief. Just across the river from that we have 15,000 out of 19,000 on relief.

I may ask that an amendment be incorporated in this bill. This could not be done a few months ago because the engineers had not made a report and the Bureau of the Budget refused to recommend the project because the report was not in. However, since that time the report has been made available and it is favorable to the project, but because of red tape we are unable to have the Bureau of the Budget recommend that amount of appropriation in this bill.

Mr. Chairman, I ask permission at this time to include as a part of my remarks the report of the Department of the Interior on this subject as well as the report of our consulting engineer.

The CHAIRMAN. Is there objection to the request of the gentleman from North Dakota?

There was no objection.

The matter referred to follows:

DEPARTMENT OF THE INTERIOR,
April 18, 1938.

The Bureau of Reclamation today released a synopsis of the report of its investigation of the so-called Buford-Trenton project in North Dakota, a proposal for irrigation of lands along the Missouri River by pumping from the river.

The synopsis is as follows:

The project, located in Williams County in northwestern North Dakota, contemplates the irrigation of 13,400 acres of bottom lands along the Missouri River between Buford and Williston by pumping, with a maximum lift of 30 feet. The area is located immediately downstream from the lower Yellowstone project and has similar climatic and soil conditions. The soils are composed largely of river silts and clay loams containing an unusually high amount of organic matter, are of good fertility, and adaptable to irrigation.

Irrigation of the benchlands in this vicinity was attempted in 1905–12 by pumping from the Missouri River with electrical energy generated at a steam plant located at a lignite coal mine near Williston. Inferior soils, together with a succession of years of good rainfall, which made for successful dry farming on those and adjacent lands, together with silt difficulties, high pumping costs,

and the indifference of the settlers to irrigation methods caused abandonment of this enterprise.

A succession of years since 1929 with subnormal precipitation has greatly decreased crop production on dry-farmed lands and caused a marked decline in the agricultural and livestock industry in western North Dakota. Evidences of the decline in this industry are shown by the following statistics for Williams County.

(a) A decrease of 399,000 acres in the area harvested between 1930 and 1935.

(b) Sixty-five percent of all farms were delinquent in tax payments in 1936.

(c) A decrease of 50 percent in the number of horses, cattle, sheep, and hogs between 1930 and 1936.

(d) Fifteen thousand out of a total population of 19,000 in 1937 were supported by direct relief or Federal labor projects.

The agricultural decline caused a renewed interest in irrigation development and led to the demands for investigation of the Buford-Trenton project and its construction, with a view of stabilization of the agricultural and livestock industries in this region.

Average annual returns for irrigated land on the adjoining lower Yellowstone project were $18.48 per acre greater than on dry farmed lands on the same project for the years 1920–37.

By comparison with the lower Yellowstone project, required farm deliveries are estimated at 1.75 acre-feet per acre irrigated, canal and lateral losses are estimated to average 0.75 acre-feet, resulting in annual pumping requirements of 2.50 acre-feet per acre.

The plan of development contemplates a pumping plant of 245 second-feet capacity, with a maximum lift of 30 feet, 15 miles of main canal having an initial capacity of 250 second-feet, 6 main laterals, together with sublaterals and a drainage system to serve the 13,400 acres included in the project.

There are three possible sources of power to operate the pumping plant.

1. Purchased electrical energy from the Montana-Dakota Utilities Co.

2. Purchased natural gas for use in direct-connected engines and pumps.

3. Use of electrical energy from Fort Peck Dam: Rates for electrical energy from the Montana-Dakota Utilities Co. are $6 per kilowatt of maximum demand plus 4 mills per kilowatt-hour of energy used. Construction of a 4-mile transmission line is necessary to use this power. Natural gas will be furnished by the same company at the rate of 15 cents per 1,000 cubic feet. Ten miles of 4-inch line, including a crossing of the Missouri River, is necessary to use gas.

Rates for electrical energy from Fort Peck Dam are not known, but published reports indicate that rates lower than those quoted above may be anticipated if and when the power plant is built.

Construction costs, using either electrical energy or natural gas, purchased from the Montana-Dakota Utilities Co., are estimated as follows (including item of 25 percent for contingencies, engineering, and overhead):

Feature	Electric-driven pumps	Gas engine-driven pumps
Investigation and surveys	$15,000	$15,000.00
Pumping plant and connection with utility company	110,600	159,000.00
Main canal	276,780	276,780.00
Lateral system	201,000	201,000.00
Drainage	134,000	134,000.00
Maintenance equipment, and operation and maintenance during construction	80,400	80,400.00
Total	817,780	866,180.00
Cost per acre (13,400 acres)	61	64.60

Annual costs with the two types of prime movers are summarized as follows:

Feature	With electric motor	With natural-gas engine
Repayment of construction [1]	$20,510.00	$22,200.00
Energy (or fuel)	11,280.00	3,300.00
Operation, maintenance, etc	18,000.00	24,400.00
Total	49,790.00	49,900.00
Cost per acre (13,400 acres)	3.72	3.72

[1] Assuming a 40-year repayment period for construction.

NORTH DAKOTA STATE PLANNING BOARD,
THE CAPITOL,
Bismarck, N. Dak., January 29, 1938.

Hon. WILLIAM LEMKE,
House of Representatives, Washington, D. C.

IN SUPPORT OF BUFORD-TRENTON PROJECT

DEAR MR. LEMKE: On behalf of the people of North Dakota, and particularly those in the western portion of the State, it is requested that funds be made available during the fiscal year 1939 for the construction of two units of the Buford-Trenton irrigation project. It is the purpose of this paper to set forth economic conditions prevailing in the area of the above project to justify this request.

This project could not be included in the 1939 Budget of the Bureau of Reclamation because detailed surveys had not been completed at the time the Budget was prepared; however, these surveys have recently been completed and Mr. Page, the Commissioner of Reclamation, is now in a position to certify as to its feasibility. I believe he will also agree to the urgent need of this project to improve general economic conditions and rehabilitate some of the drought-stricken farmers in western North Dakota.

The proposed project consists of river-bottom lands on the north side of the Missouri River at the confluence of the Yellowstone River from the south. The lower Yellowstone irrigation project, which has approximately one-third of its area in North Dakota and the remainder in Montana, is one of the successful operating projects in the Northwest. It comprises river-bottom lands on the west side of the Yellowstone River, having the Missouri River as its northern boundary. This proposed project, therefore, provides for an expansion of the lower Yellowstone project rather than the construction of a project in an area where irrigation has not been tried and proven. The people living in the area to be developed need only look across the Missouri River to see highly productive fields and prosperous farms, while their own fields have failed to provide them with a livelihood during many years.

The lower Yellowstone irrigation project was approved for construction in 1904. Water was first supplied for irrigation in 1909. It comprises a total area of 58,313 acres, of which 44,251 were irrigated in 1937; 10,910 acres are still to be developed. This development is progressing as rapidly as the preparation of the land can be accomplished. A thousand acres were added to the irrigable area during the year 1937; the project also provided homes for an additional 25 families during that year.

At the present time a total of 605 families live on this project. The average annual gross value of the crop produced per family in recent years, amounts to approximately $2,200. In addition to this, however, a considerable income is also derived from livestock raising and feeding activities. In the year 1935, 6,877 cattle, 133,247 sheep, and 2,000 horses were fed during the winter. During the winter of 1936 and 1937, approximately the same number of cattle and horses were wintered, but an additional 35,375 sheep were fed. These figures indicate the importance of irrigation to the livestock industry, which is the foundation of all agriculture in western North Dakota. From these figures it is conservatively estimated that the average annual gross income per family on this project is over $3,000.

The financial condition of this project is now very satisfactory. A statement prepared by the Commissioner of Reclamation shows that on June 30, 1937, there was a delinquency in payment of construction charges of three-tenths of 1 percent, and operating and maintenance charges were paid in full. Of importance also is the fact that the people on the irrigated land are not on the relief rolls. Of even greater importance is the fact that they are able to pay their taxes. An investigation made some time ago indicates that 81 percent of the taxes were paid up to date in a township having 70 percent of its area under irrigation within this project. This was as of December 30, 1934. At that time only 53 percent of the taxes in the State, as a whole, were paid up. For purposes of contrast, general conditions prevailing in North Dakota will now be described:

According to figures published from time to time, the Federal Government has expended in North Dakota, for the relief of the needy, a total of approximately $350,000,000; this includes expenditures through all the various relief agencies. This amounts to an average of $500 for each man, woman, and child in the State. Conditions in the western area have been much more severe than in the eastern portion of the State, therefore, expenditures in the western half were likely in the neighborhood of $700 to $800 per person. Of great importance is the fact that very little of this money will be repaid to the Federal Treasury.

The possibility of repayment of funds advanced to farmers in this area seems rather remote from a study of past productiveness. The average per-acre crop value was computed from census figures for the years 1934 to 1936, inclusive, and found to be $0.75, $5.10, and $0.50, respectively. Figures for 1937 are not available but nearly a complete crop failure prevailed. During intermittent years a profit is made from a crop but it is soon dissipated in the following years of failure. Large areas, therefore, have been taken out of production by the Federal Government in the submarginal-land purchase program. This area is to be returned to grazing for livestock. The most profitable agricultural operating unit in western North Dakota is a herd of livestock and an irrigated tract of land to insure an annual feed supply.

The people in North Dakota dislike being dependent on relief grants from the Government. Furthermore, the Government is now, and will continue to find it difficult to balance the Budget. The construction of irrigation projects will provide jobs for the unemployed and make possible the resumption of normal payments of taxes. This will benefit all units of government concerned.

At the time the Reclamation Bureau was established Congress provided that certain funds be made available to it. This included money from the sale of public lands, royalties on oil, etc. According to the figures in the Bureau of Reclamation, North Dakota contributed $12,371,385.55 to this fund. Expenditures in the State of

North Dakota from this fund are less than $2,000,000. The people in North Dakota are not envious of the fact that this money has been spent in other States. At the present time, however, they feel that with a feasible and meritorious project now ready for construction, they should merit an allotment of $600,000 for the fiscal year 1939. This will provide homes for approximately 180 families (based on average-sized farms on Yellowstone project) and will result eventually in a greatly reduced relief load in that area and a return to the Government of the funds expended.

The lands embraced in this project consist of tracts of level river-bottom land requiring a pumping lift of 30 feet. The lands, for the most part, are now privately owned and of proven fertility; all that is required is the application of water to make them highly productive.

According to the survey of the Bureau of Reclamation, one unit comprising 10,600 acres is estimated to cost $411,250. Another unit comprising 3,600 acres is estimated to cost $153,500. There is another unit in the area surveyed, but construction on it is to be deferred for the present time; this unit, comprising 4,500 acres, is estimated to cost $350,500 and requires a pumping lift of 86 feet. It is anticipated that this unit will be undertaken after the land on the lower levels has been developed and has demonstrated the practicability of developing the land where the higher pumping lift is required.

The Buford-Trenton project was considered by the drainage basin committee of the National Resources Committee and the National Rivers and Harbors Congress. Both these organizations placed it in a classification recommending it for construction, if the engineers of the Army and the Bureau of Reclamation found the project feasible. These reports being favorable, this project has therefore the endorsement of these organizations.

In closing, attention is called to the fact that in the year 1889 Maj. Frederick Wesley Powell, then director of the United States Geological Survey, spoke before the Constitutional Convention in Bismarck, and stated as follows: "The eastern portion of the State has sufficient rainfall for agricultural purposes. The western part has insufficient rainfall, and the western portion is practically wholly dependent on irrigation. In the western portion all dependence on rains will ultimately bring disaster to the people." Available crop records prove that Major Powell was nearly 100 percent correct. During the intervening years, there are records of intermittent seed and feed loans, large expenditures by the Red Cross and other charitable agencies, and in recent years the enormous expenditures of the Federal Government. If the Congress will make possible the allocation of a larger portion of the relief expenditures for the development of irrigable tracts, it will materially assist in putting agriculture in western North Dakota on a self-sustaining basis. Weather Bureau records, the observations of Major Powell prior to 1889 and intermittent crop failures, indicate that periodic droughts are characteristic of the climate in this area. To insure a more stable agricultural income in the area during these droughts we solicit your help at this time.

Respectfully submitted.

OSCAR BECKER,
Consulting Engineer,
North Dakota State Planning Board.

Mr. BURDICK. Mr. Chairman, on tomorrow if there is opportunity offered to amend this bill, I may present an amendment. It will be published in the RECORD so that everybody will have all the information and data on this subject.

Mr. Chairman, the gentleman from Ohio this afternoon put his finger on the real spot with reference to the Congress exercising its function for relief. He asked repeatedly what program we have on this side. The question has not been answered up to this time. If I had had occasion to answer him, I could have given him an answer on the subject.

Mr. TABER. Will the gentleman yield?

Mr. BURDICK. I yield to the gentleman from New York.

Mr. TABER. I have many times proposed a program. The minority members of the Appropriations Committee presented a program when the relief bill was brought up here for consideration and it was a forward-looking program.

Mr. BURDICK. If the Republicans will come out in the open and advocate the Townsend recovery plan and putting the money-changers out of control of the Nation's money and credit, they will win the next election, but they will not have the courage to do that. I mean just exactly what I say, and I can defend either one of those points.

Everyone knows I would like to see the Republicans come back into favor of the American people, but that will never happen unless a positive offensive program is adopted. Mere criticism of the Democrats cannot do it. The people will never turn back; they may desert the Democratic Party for lack of a progressive program but they will never turn to the Republicans or any other party unless the Republicans or other party will adopt a program for the betterment of the people at the bottom of the social structure. To live again the Republican Party must forget its close association with big business for the past 50 years and come out for a program for the protection of the defenseless and the unfortunate.

Mr. CULKIN. Will the gentleman yield?

Mr. BURDICK. I yield to the gentleman from New York.

Mr. CULKIN. The gentleman feels that despite the 5 years of Democratic administration the money-changers are still in the temple?

Mr. BURDICK. Yes. Nobody has changed the situation, because there is a power in this Government stronger than either party, and that is the power of the money fraternity in this country. It defies all parties and always has. Look around and see who is in control of the Government lending agencies. And may I say this, there are more Republicans in there today than there are Democrats. It does not make any difference. They belong to the same fraternity.

Because of the private use of Government money and credit 33 cents out of every dollar spent by every American in America today goes over the counter in payment of interest. It takes over $16,000,000,000 to pay the interest charges when we should not have to pay 1 cent. What is the difference in the responsibility of this Government with its name on a bond and its name upon a bill? There is none whatever. We sit idly by and pay interest. We issue bonds. The American people pay the interest when we should not have to pay it.

We know better than to do it, but for some reason the invisible hand of the money power keeps us from doing it. Talk about recovery! You cannot recover when it takes $16,000,000,000 every year to pay interest. That is more than the income of agriculture and labor annually for the last 5 years. The debt of the United States at this moment exceeds the value of all the property in the United States. If we were sold at public auction we would still be in debt. Then talk about Republicans and Democrats being in control. We have not yet touched the fundamentals of this subject.

Mr. Chairman, I ask unanimous consent to revise and extend my remarks in the RECORD on the Townsend recovery plan as a means of putting money in circulation at the bottom of the strata of society.

The CHAIRMAN. Is there objection to the request of the gentleman from North Dakota?

There was no objection. [Applause.]

Mr. BURDICK. Mr. Chairman, on April 2 I made a speech on the Townsend recovery plan and, among other things, said:

In the United States there are approximately 10,500,000 persons over 60 years of age. Not all would agree to accept this income, and it is calculated that approximately 8,000,000 will accept.

The maximum payments under the 2-percent transaction tax would yield the first year about $18,000,000,000, as the gross transactions for the present would be about $900,000,000,000. The gross transaction in 1929 approached twelve hundred billion, and the low point in 1932 was $600,000,000,000.

Tax income, $18,000,000,000.

Payments per month (at the maximum), $1,600,000,000.

Twelve payments, $19,200,000,000.

From the year 1930 to 1934 the national income was, on the average, thirty-four billion below normal. This startling and continuous decline does not tell half the story in loss and ruin. As this decline continued, it wiped thousands, and finally millions, out of their property and life savings. In the farm section alone, which is approximately 25 percent of the Nation's business, farm values shrunk $48,000,000,000.

If we had adopted the Townsend recovery program and held our Nation's business normal and did not increase the income at all, we could have paid out the money to the aged and still have had a balance. Besides this, the buying power generated by the spending would have increased the income.

There are several monetary bills now before Congress sponsored by some of the leading and best-informed men in Congress on the subject, and it is a curious fact that you may examine any one of them and in it somewhere will be a plan to put money into circulation from the bottom. All recognize that the supreme essence of any recovery plan is buying power. It is the loss of this that has stagnated business. The wants are just as many as they ever were—in fact, the wants for the mere necessities of life, like food, clothing, housing, medical attention, and hygienic conditions, are more acute than ever—and at least 50,000,000

people in the United States are not able to supply themselves with these necessities. Beyond that, and assuming that we were pursuing a normal course, there are wants enough, real valuable wants, that cannot be satisfied, because there is no buying power. The real essence of any recovery program, therefore, is to put in motion the buying power in the hands of people who want these things.

Mr. TABER. Mr. Chairman, I yield 15 minutes to the gentleman from Kansas [Mr. LAMBERTSON].

Mr. LAMBERTSON. Mr. Chairman, the gentleman from Kansas, Mr. Houston, this afternoon referred to the imports of oils into this country. It makes me think of what is facing us in the growth of the State Department. The State Department is now handling all our trade relations. This Department used to be the smallest Department we had, and we were certainly proud that it had not grown as bureaucracy does grow in this Capital City, but in the last few years the State Department has grown, and now the Secretary of War has been given his orders to move out of the old State, War and Navy Building because the State Department plans to take over the whole building. Congress has given up its right to make trade agreements with other nations of the world. We have turned that right over to the Secretary of State; he has an army of officials and that whole building now at his disposal to do what we used to take care of rather simply in this country. So the Secretary of War is going to have a new large building because Mr. Hull has pushed him out as a result of the new activities Congress has given him by giving up its own rights.

I was thrilled yesterday by the appeal the gentleman from Michigan [Mr. MICHENER], made against appropriating $35,000 for the painting of a picture of the signing of the Constitution, although I believed that to place such a painting in the Capitol might be worth while. I thought it a patriotic thing to do. Yet the gentleman from Michigan rose on this floor and thrilled the Members and the people in the galleries until they forgot themselves and cheered most vociferously when he spoke about saving that money. Then the House defeated the appropriation of $35,000 to buy a beautiful painting of the signing of the Constitution to be placed in the Capitol.

That was on yesterday, but I am wondering what you are going to do tomorrow when a provision will be considered here to appropriate $500,000 to build a Jefferson memorial, a pile of stone, in this city. I am wondering if the gentleman from Michigan will display the same enthusiasm in speaking against this $500,000 tomorrow that he showed against the $35,000 appropriation yesterday regarding something that could be postponed. I am wondering if those of you who joined the gentleman in defeating that appropriation will show as much interest tomorrow in trying to defeat the unnecessary appropriation of $500,000 to construct a memorial to Thomas Jefferson in this city.

Mr. CRAWFORD. Mr. Chairman, will the gentleman yield?

Mr. LAMBERTSON. I yield to the gentleman from Michigan.

Mr. CRAWFORD. Fearing there will not be a roll call on that question, and in order to get myself on record on it, I may say I did not get at all excited on yesterday regarding the appropriation for a painting because it involved only $35,000, but I shall be delighted to vote against the appropriation of $500,000 which the gentleman is now discussing, and several similar appropriations if they come up for consideration.

Mr. LAMBERTSON. There is no item in this bill for the St. Louis Jefferson memorial. Its friends are going before the Budget and asking for $22,500,000, and requesting that they be given at least part of this sum next winter for the first time. The Supreme Court of Missouri has held the ballot boxes cannot be opened, because they are legally nonexistent when everybody that has an honest feeling has a reasonable doubt about the election's being valid, so that hope is gone.

However, there is a new angle to the situation now. Mr. Ickes has O. K.'d the Park Service recommendation that no money be spent to improve the site of the memorial, 37 blocks, until the elevated railroad that leads around the river front and down to the union depot in St. Louis is taken down. This elevated carries the trains coming in from the north. I believe this order is going to cause a jam. There is no other way to get into the St. Louis depot except to come down the river front on that elevated trestle work, yet Mr. Ickes has said now they cannot improve the site until that is down. However, he does not say they cannot go ahead and buy the 37 blocks and spend the $9,000,000 that has been allocated from the President's relief money, and that is all there is to this proposition. It is just a real-estate deal. If they can get that old real estate sold and get the money for it they do not care whether or not the site is ever improved.

They are going to proceed to buy the site as soon as they can get the President to give them some more money. Congress, as you know, has never authorized a dollar and they cannot improve the site until they take down the elevated railroad that leads into it and they cannot take this down unless they change the depot. What are they going to do? They are going to go ahead and spend the money and nobody is going to stop them.

Another thing I want to emphasize is the fact that in this bill there is an appropriation of $2,000,000 which is coming up for consideration tomorrow for the Blue Ridge and the Natchez Trace—$2,000,000 more. We appropriated $5,000,000 just a month ago in the Interior Department bill for the two roads, one built on the crest of the Blue Ridge Mountains, a scenic road built just for its beauty, 500 miles long.

You would think that the 35 miles we have would be good enough for people to go out and look at the valley from, the crest of the Blue Ridge Mountains, but, no, they are going to build 500 miles of it down through Mr. WOODRUM's district and through the district of the chairman of the great Ways and Means Committee, the men who are here advocating economy, and yet in these printed hearings there are just 4 inches on one page with respect to the appropriation of $2,000,000 carried in this bill. The roads go through the districts of the two gentlemen I have mentioned; one is a great saver of the country and is for economy, and the other has not raised enough money to balance the Budget any one year, and yet they are taking a huge sum more in their own two districts in this deficiency bill which is supposed to be for emergencies.

Mr. JENKINS of Ohio. Mr. Chairman, will the gentleman yield?

Mr. LAMBERTSON. I yield.

Mr. JENKINS of Ohio. And 3 or 4 years ago when we first had these bills up, it was brought out clearly that this main highway on the Blue Ridge was going to be 800 feet wide, and the paved part in many places was going to be 200 feet wide.

Mr. LAMBERTSON. They can do anything they want, because this is the first time the Government of the United States has ever built a completely 100 percent Government road. I resent this because it destroys our old Federal-aid system of matching by States. All that the States are furnishing in this case are the mountaintops or the parkway, and we are paying for all the rest—500 miles of skyline, and, too, they bring in these two items together, the Skyline and the Natchez Trace. The Natchez Trace goes from old Natchez on the Mississippi up to Nashville, and this goes from the Skyline Drive down into the Great Smokies of North Carolina. The roads do not touch. They are not the same road in any way and were not intended to be the same road, but they are in the same bill and in the same item. Is it not strange how they are hooked up in the same item? You will remember that a year ago there were other things mixed up with them, the Big Thompson, the Central Valley, and a few other things, and next year, possibly, the St. Louis Jefferson Memorial will be hooked up with the Natchez Trace and the Blue Ridge Drive and the Big Thompson. This is how we pass things here, but now we have $2,000,000 in here and we just finished appropriat-

ing $5,000,000 for these two things in the Interior bill about a month ago, and there can be no emergency.

Another thing I want to call your attention to is the fact that in this bill 20 percent of it is for deficiencies and 80 percent is for everything else, and how did they get the 80 percent?

Mr. THOMAS of New Jersey. Mr. Chairman, will the gentleman yield?

Mr. LAMBERTSON. I yield.

Mr. THOMAS of New Jersey. Is there not also a new item in this bill calling for an appropriation of $537,000 to purchase the Girdler helium property?

Mr. LAMBERTSON. Yes.

Mr. THOMAS of New Jersey. I would like to say to the gentleman, that is the result of a bill we passed here last year, which at the present time is really nonoperative. We passed a bill to export helium gas; and, in view of the fact we are not going to export any helium gas, I do not see why we go ahead and purchase these Girdler properties at a cost of $537,000.

Mr. LAMBERTSON. I think the answer is they were in the business first and they developed it, and it is not fair competition for the Government to be in the same business, and therefore the Government is buying them out.

Mr. THOMAS of New Jersey. It was told to us at a meeting of the Military Affairs Committee that, if we were going to export helium, then we would have to purchase these Girdler properties; but if we are not going to export any helium, I do not see why we go ahead and purchase them.

Mr. LAMBERTSON. The gentleman may be right about that. I am not a member of the deficiency subcommittee, and I did not hear the arguments.

There is another thing I do not like and something which I believe is a bad practice which has grown up here and has a lot to do with our business methods and our expenditures, and that is the practice of having supplemental Budget estimates.

There was a supplemental Budget estimate of $3,000,000 on this Skyline proposition, just as our Interior bill was in conference between the House and Senate. Anyone, if they have the power, can go down to the Budget and put the heat on, or go to the President first, and have him tell the Budget, what to do, and they get what they want and bring it up here and because the Budget makes the estimate we have the idea that all we have to do is not to increase the Budget, but to let the Budget run the country. It used to be an unusual thing to have a supplementary estimate sent up here after Congress opens. Only rarely were there any supplemental Budget estimates but now, every week, almost every day, we get a new estimate from the Budget for something that somebody had not thought about in the hearings last fall.

Mr. FLETCHER. Mr. Chairman, will the gentleman yield?

Mr. LAMBERTSON. Yes.

Mr. FLETCHER. The gentleman said something about the Budget running the country. Does not the gentleman think that it would be a good idea if we paid more attention to the Budget?

Mr. LAMBERTSON. The Budget has kept increasing things. I think it is too bad, when the hearings are held by the department, that the department does not know what it needs for a year and have the matter settled, but somebody can come after the bill is passed and get a supplemental estimate for an additional thing, and the next week come and get another supplemental estimate for another thing. How do you gentlemen suppose that this $3,000,000 for the Natchez Trace and the Skyline Drive ever got here as a supplemental estimate?

It was because two powerful men like Mr. DOUGHTON and Mr. WOODRUM put it over. Little guys like myself could not do it. They get it for their districts. It is quite artistic. It all helps to employ labor, it is true, but it is not a useful thing. It is just a scenic road, 500 miles long, built 100 percent by the Government for the first time in the history of our country, and yet it is brought into this bill under the guise of an emergency. Deficiencies are supposed to be emergencies, something that has been left out or not reasonably foreseen. We just got through with the Interior appropriation bill a month ago, and gave them $5,000,000, but they come back here and ask for $2,000,000, and all that the hearings show about the matter is just 4 inches of space on one of the pages. There is no justification, no argument. I know from the subcommittee that they did not talk about it, but one of them told me that Mr. WOODRUM said that he had to have that $2,000,000. Yet he is a man who gets up here and talks about economy day after day and week after week. He had to have it for his district and also for Mr. DOUGHTON—two great leaders, $2,000,000 tomorrow in this deficiency bill for an emergency, after we gave them five a month ago.

The CHAIRMAN. The time of the gentleman from Kansas has expired.

Mr. LUDLOW. Mr. Chairman, I yield 10 minutes to the gentleman from Oklahoma [Mr. JOHNSON].

JEFFERSON MEMORIAL NOT AN EMERGENCY

Mr. JOHNSON of Oklahoma. Mr. Chairman, during the general debate this afternoon Members of the Committee have heard a number of distinguished speakers, several of whom have spoken out of order. Some of the speakers have touched on important subjects of vital interest not only to the Congress but to the country. A few minutes ago the distinguished gentleman from Kansas [Mr. HOUSTON] called attention to Members of this body to a bill he has introduced dealing with the importation of cheap foreign crude oil in competition with the independent oil operators of the United States. The gentleman from Kansas has called attention to a very serious situation in the American oil industry. I am hopeful that the bill he introduced will be given earnest and careful consideration by this Congress before it adjourns.

Mr. HOUSTON. Mr. Chairman, I thank the gentleman for his observation. Does not the gentleman agree with me that we should curtail the imports of oil, especially when we are producing more than we can dispose of, when we have no market for what we produce here at home?

Mr. JOHNSON of Oklahoma. I will say to the gentleman from Kansas that I not only agree with the gentleman, but that the Oklahoma delegation in Congress has been fighting for legislation to curtail foreign crude for several years. If I had my way the tax on the importation of foreign crude would be considerably higher than the amount proposed in the gentleman's bill.

Mr. DONDERO. Mr. Chairman, will the gentleman yield?

Mr. JOHNSON of Oklahoma. Yes.

Mr. DONDERO. I suggest to the gentleman from Kansas [Mr. HOUSTON] to also include agricultural imports as well as oil, and keep them out of this country away from competition with our own farmers.

Mr. HOUSTON. I appreciate the force of the gentleman's suggestion, but such an amendment would not be germane to my bill.

Mr. DONDERO. But it should come in at some proper place, for we are now ruining the American farmer.

Mr. JOHNSON of Oklahoma. I thank both of the gentlemen for their splendid contributions. Although I am vitally interested in the matters just mentioned, it is not my purpose to discuss either oil or agricultural imports at this time. Another gentleman from Kansas [Mr. LAMBERTSON], who is also another member of the Committee on Appropriations, has just discussed some of the matters pertaining to the pending bill. I shall not at this time discuss the provisions of the bill in general, but shall confine my remarks to one item in the bill. I refer to a little innocent-looking item proposing to appropriate $500,000 to start the so-called Thomas Jefferson Memorial. Being in this deficiency bill it is supposed to be an emergency. You will recall that the Committee on Appropriations last year considered the proposal and decided it was not then an emergency. At that time, if I remember correctly, the Thomas Jefferson Memorial Commission was very positive it knew

exactly where the memorial was to be placed and what the design would be. But the Congress turned thumbs down on the proposal then. At that time it was proposed to cut down the beautiful cherry trees along the Tidal Basin and those of us who dared object to such a foolish proposal were denounced in no uncertain terms by some of those sponsoring it. Two or three times this proposal has come back and each time it has been turned down. But now the proposed memorial has suddenly become an emergency. Of course, no one pretends to say that it would put many men to work. No one could in good conscience say that the Jefferson Memorial could possibly be justified now from the standpoint of putting a large number of men to work.

I desire to make it plain that I have no criticism to make of the Thomas Jefferson Memorial Commission. On the other hand I wish to make it plain today, as I have done in the past, that I entertain a very high regard for the chairman and other members of that Commission. That Commission has worked faithfully and well, and I desire to especially commend the distinguished chairman for the good work he has done. But this is not a question of personalities. It is a question, as I see it, first, of whether or not it is an emergency, and I submit to the Committee that the Thomas Jefferson Memorial by no stretch of anyone's imagination can be called an emergency at this time. The committee proposes to start this so-called "emergency memorial" by spending $500,000, which must be borrowed and for which bonds must be voted, when there are 10,000,000 to 12,000,000 men out of work; when millions of people are wondering if they are destined to go hungry next winter and with many babies hungry now and with thousands upon thousands of undernourished children in America, how in the name of all that is good and holy can we call this proposal to erect a shrine to the great Jefferson an emergency?

But, Mr. Chairman, that is not the only reason why I shall oppose this item of $500,000, which I now solemnly warn will likely grow far beyond the proposed $3,000,000 before it is finally finished. Nobody seems to know exactly what the total cost will eventually be. But the record of most memorials bear out the statement that the first estimate seldom, if ever, comes close to the final cost.

Nor is that all the objections to the proposal to include $500,000 of cold cash that is not in the Treasury to start this proposed memorial. This memorial has not, as I understand it, been approved by the Fine Arts Commission. The present Chairman of this Commission appeared before the committee, as shown by the hearings on the bill, and was unalterably opposed to the appropriation for the memorial at this time. Inasmuch as members of the Jefferson Memorial Commission have evidently changed their minds several times as to location, cost, and design within the past several months, it occurs to me that no harm could come of letting the matter rest until the Fine Arts Commission gives its approval to the design and location. So far we have had no reason given why the present Chairman of the Fine Arts Commission should be absolutely ignored by this committee and this Congress.

It seems to me that in all fairness to everyone concerned, which, incidentally, includes the taxpayers, we can well afford to eliminate the $500,000 to start the Thomas Jefferson Memorial and thus show the country that we are not going to spend money that we do not have at this time for a memorial under the guise of an emergency, while millions of people, through no fault of their own, face want and dire need, if not actual starvation.

But, Mr. Chairman, there are many practical, fitting, and humane ways in which we might commemorate the memory of Thomas Jefferson, whose name we honor and revere. The memory of Jefferson, of course, will not be increased or diminished, irrespective of what this or any future Congress may do. It is needless for me to add that I have a profound respect for the memory of Jefferson, but his memory will live on and on, undimmed and undiminished regardless of whether this Congress or any future Congress appropriates $500,000 or any other sum to erect a cold, marble memorial to his memory. [Applause.] Aside from being a great scholar, statesman, and author of the Declaration of Independence, Jefferson was human. He believed with all his heart that "all men are born free and equal with certain inalienable rights." I am thinking of so many really worth-while things that could be done by this Congress, if it wanted to do something in keeping with the ideals and teachings of the great Jefferson.

For example: There was brought unmistakable evidence before the Committee on Appropriations this morning that there are almost unspeakable and tragic conditions right here within the shadow of the Nation's Capitol. It occurs to me that it would be in keeping with Jefferson's ideal of human rights for this Congress to immediately relieve a terrible situation here in the District at this time. The committee brought out the fact that there is an institution here in the District of Columbia which I think is called a receiving home for homeless children where the situation is deplorable, where sanitary conditions are terrible, where children suffering with social diseases and those who are free from disease are placed in the same barracks and I am told use the same toilets. With such conditions existing in the District of Columbia and similar conditions in many parts of this country, I submit that for this committee to bring here an "emergency" appropriation of $500,000 to erect a marble shaft to the memory of Jefferson is not my idea of commemorating his sacred memory.

Mr. BACON. Mr. Chairman, will the gentleman yield?

Mr. JOHNSON of Oklahoma. I yield.

Mr. BACON. Does not the gentleman think that Thomas Jefferson would have been horrified if he thought the Government would borrow money to put up a memorial to him?

Mr. JOHNSON of Oklahoma. I will say to the gentleman that "horrified" is a very mild word under the present circumstances. I am inclined to feel that Thomas Jefferson would turn over in his grave if he thought Congress would do such a thing at this time when so many urgent necessities and tragic cases of human suffering face the Nation. For $3,000,000 this Congress could construct a great memorial hospital. There are many, many sick, crippled, and undernourished children in the United States who need immediate attention, and all agree that additional hospitals ought to be built. There are many other worth-while things that ought to be done that would be in keeping with the life of Jefferson. We need more and better libraries. It was the private library of Thomas Jefferson that marked the beginning of the present Congressional Library, the greatest in all the world. To build a library in his memory would be more in keeping with the life and teachings of that great American than this sudden move on the part of the deficiency committee to build a cold marble memorial and call it an emergency. [Applause.]

Mr. FLETCHER. Mr. Chairman, will the gentleman yield?

Mr. JOHNSON of Oklahoma. I yield.

Mr. FLETCHER. The gentleman does not have any conviction that this Congress will approve this item, does he?

Mr. JOHNSON of Oklahoma. Answering the distinguished gentleman from Ohio, I will say that I am very apprehensive that unless Members speak up now and bring this thing out into the open that such a program is in the making. As one member of the full Committee on Appropriations this morning, I briefly discussed the situation, and gave notice I would move to strike this item in the bill. In fact I attempted to do so in the committee. We were voted down in the Appropriations Committee.

Several Members appeared before the deficiency committee and were turned down cold on many desirable projects. They were told over and over that while their matters were desirable and in some instances more or less urgent, that they were not real emergencies and therefore could not be considered by this deficiency committee. I personally know

of several such instances. Yet, this Jefferson Memorial, that, like the cat with nine lives, is back here time and time again, comes to us now under the guise of an emergency.

Mr. MASSINGALE. Mr. Chairman, will the gentleman yield?

Mr. JOHNSON of Oklahoma. I yield gladly to the distinguished gentleman from Oklahoma, one of the ablest Members of the House.

Mr. MASSINGALE. The gentleman has spoken about the lack of an emergency in the matter of the Thomas Jefferson Memorial. I agree with him.

Mr. JOHNSON of Oklahoma. Yes; I insist that it is not an emergency and am glad that my colleague from Oklahoma agrees with me.

Mr. MASSINGALE. It is no less an emergency, however, than the building of these scenic highways with what they call borrowed money that is provided for in this bill. Am I not correct?

Mr. JOHNSON of Oklahoma. I agree that the scenic highway is certainly no emergency. But I will say that inasmuch as that road has heretofore been started and it will actually put several thousand additional men to work it is certainly less objectionable from every standpoint than the starting of the so-called Jefferson Memorial.

[Here the gavel fell.]

Mr. LUDLOW. Mr. Chairman, I yield 2 additional minutes to the gentleman from Oklahoma.

Mr. JOHNSON of Oklahoma. Inasmuch as my colleague from Oklahoma has mentioned the scenic highway, I might say that a most suitable memorial to the memory of Thomas Jefferson would be for the Congress to purchase Monticello and build a highway from Washington to that unusually beautiful spot, the old home of Thomas Jefferson. It is without doubt, one of the most beautiful spots in all America. It is now mortgaged, I believe, for some $70,000 and is owned by private individuals. It ought to be owned by the Government. If this Congress should purchase that historic home and build a highway from this Capital City to Monticello it would be a most fitting memorial and a shrine that would inspire unborn generations.

Mr. Chairman, I give notice now that I shall move, at the proper time, to strike the item—even though it be called an "emergency"—to start the so-called Jefferson Memorial. [Applause.]

Mr. MASSINGALE. What I meant to stress when I asked the gentleman the question I did was this: Does he not think it is better taste to desist in any kind of unnecessary expenditures in times such as we are going through now?

Mr. JOHNSON of Oklahoma. I agree with the gentleman and I may say to him that as a member of the Subcommittee on Appropriations having to do with the Interior Department I fought a number of these things that I thought were not of an emergency nature, feeling that sometime, somewhere, someone has got to throw on the brakes and stop this spending spree. [Applause.]

[Here the gavel fell.]

Mr. BACON. Mr. Chairman, I yield myself 3 minutes.

Mr. Chairman, I want to refer to the opening remarks of the gentleman from Kansas who described the State Department as one of the greatest expanding departments of the Government. It so happens I know something about it, as I am a member of the State Department subcommittee. I discovered that the total employees of the State Department is less today than in 1930 and 1931. Without going into the question of the reciprocal-trade treaties, may I point out that last year the total number of people employed on reciprocal-trade treaties was 46, the year before that 40, and the year before that 31. I do not think this indicates a large expanse in the State Department. As a matter of fact, the State Department today is costing but a little more than it has cost for the last 10 years. There has been really no increase in that Department proper.

The only increase has come from what we might call nonrecurring items, which are public works. On the State Department has been imposed the public works having to do with the Rio Grande Valley, simply because we have had to cooperate with Mexico. The increase in the State Department appropriations during the past 4 years has come from the public works that have to do with the Rio Grande Valley.

As a matter of fact, the State Department is one of the hardest working Departments in the entire Government. I discovered that the average overtime per employee is 101 hours and 20 minutes per year, or an average of 14½ days per year per employee. The total overtime for the entire State Department in the last fiscal year 1937–38 was 75,000 hours. I think it is unfair to let the impression go out that the State Department is one of the departments of the Government that is expanding more rapidly than any other department. The total employees of that Department in the city of Washington averaged a little over 800 in the last fiscal year and this fiscal year.

Mr. SCOTT. Will the gentleman yield?

Mr. BACON. I yield to the gentleman from California.

Mr. SCOTT. With world conditions as they are, and the duties imposed upon the State Department, it is a pretty good place to spend money, is it not?

Mr. BACON. The gentleman is correct. As a matter of fact, I think the Congress has been very neglectful of the State Department. They ought to have been able to expand much further than they have. As a member of the subcommittee, however, may I say it is not entirely our fault. We have almost invariably allowed them what the Director of the Bureau of the Budget has allowed them. I believe the Director should be more liberal with that Department in the next fiscal year. World conditions are getting more complicated and involved month by month. The State Department is and always will be our first line of defense in that their duty is to prevent war. We should not starve them with inadequate appropriations.

[Here the gavel fell.]

Mr. BACON. Mr. Chairman, I yield 10 minutes to the gentleman from New York [Mr. CULKIN].

Mr. CULKIN. Mr. Chairman, some 3 years ago I had the now rather doubtful honor, according to subsequent appraisals, to be named a member of the Jefferson Memorial Commission. Those of you who were in the House at that time recall that forthwith there started a storm of protest against the form which this memorial might take. From every source, pseudo architectural and otherwise, a wealth of suggestion and vigor of criticism came, which has kept the Commission itself more or less under continuous and unjustified fire.

I do not know whether the distinguished gentleman from Oklahoma, who just spoke, is still present, and I hope he is, but his statements on the floor here just now were typical of the misinformation, the false and erroneous statements that have been given forth concerning this project. He speaks of this memorial as a shaft. Of course it is not a shaft. It is a monument. He stated that no one knows where the location is going to be. The location was fully described before his committee in his absence. There never has been any question about the location from the beginning.

May I say in this connection that the location of the monument is the last major monumental site under the original L'Enfant plan, which strange to say was not in its original concept L'Enfant's plan. It was the Jefferson plan, with the Capitol in the center and the streets approaching from an angle. An expert on the subject of Jefferson, and Jefferson architecture, brought into our committee a sketch by Jefferson made before L'Enfant came to America, showing the plan of Washington which was subsequently accredited to L'Enfant.

I say the remarks of the able gentleman from Oklahoma were full of misinformation, they were full of vague suggestions, and mostly center around whether or not a monument should be built. I feel that he has done complete

injustice to a committee which at least is faithful to the trust reposed in it.

I have been fairly diligent in my attendance upon the meetings of that Commission for over 3 years, and, perhaps by reason of the fury of the storm that has blown over and around this proposition, I have remained quiet. However, the issue that is going to come before this House tomorrow is whether or not this Congress is going to do honor to the memory of perhaps the greatest expounder of the philosophy of democracy that ever came into the world. The distinguished Speaker of this House came on the floor when the authorization for this memorial was originally before the House and said that man does not live by bread alone. Speaking as a Republican, a member of this Commission, a student at least in a minor degree of the great achievements of Thomas Jefferson, I say that a proper memorial—and I believe this proposed memorial is a proper memorial, weighed by all the canons of art and by all the canons of decent, honest criticism—should be built so the youth of the country in these extremely troublesome days may by viewing this monument be led to study the history of Jefferson, what he stood for, and what he said in regard to democracy and popular government.

I say it unqualifiedly that instead of scattering marble dog pounds throughout the country and instead of pouring money down political rat holes—and I say this as a matter of challenge to those on this side of the aisle—you cannot do better service to the cause of democracy than to rear this exquisite, beautiful memorial to the memory of this great man to encourage the youth of the country to learn what this country stands for and what popular government really means.

This Commission has gone into the question carefully and advisedly. The gentleman from Oklahoma a moment ago spoke about the Commission of Fine Arts. We dealt with the Commission of Fine Arts over a period of months. We had Dr. Moore in the same automobile for several days. We went all over all sites. Dr. Moore, representing the Commission of Fine Arts and speaking for them with more authority than the present chairman can possibly speak, made the controlling suggestions as to the architect, as to the site, and as to a host of other questions that came into this picture.

This whole proposition has been shrouded in fog, and I wish I might have time to go into the details of the manner in which you and the public have been deceived. One of the things I wish to correct right here and now is the fact that the chairman of the Thomas Jefferson Memorial Commission, the distinguished gentleman from New York [Mr. BOYLAN], than whom there is no more sincere and lovable man in the House of Representatives, wholesomely and genuinely devoted to the memory of Jefferson, has not intruded his personality into this situation to any undue degree but has in fact followed the leadership of the men who were supposed to know.

Not long since one of the Washington newspapers made an unjust, an unfair, and a foul attack upon our distinguished chairman, the gentleman from New York [Mr. BOYLAN]. At that time Mr. Tumulty, a member of the Commission, and formerly secretary to the late President Wilson, wrote this paper a letter describing what Mr. BOYLAN is and what he stands for. I am including this letter in the RECORD:

APRIL 6, 1938.

MY DEAR MR. EDITOR: I have just read the editorial of this morning appearing in your paper entitled "Tammany in the District." I would consider myself unworthy of association with the fine men of the Jefferson Memorial Commission should I allow to pass unchallenged the statement appearing in that editorial that the chairman of our Commission, JOHN J. BOYLAN, "had forced a mausoleum on Washington," and was now proceeding "to order a statue to be placed in this tomb by a sculptor who had been selected behind closed doors."

May I say to you in the greatest frankness that the selection of a sculptor has never been even indirectly discussed by the members of our Commission.

As to the statement that Mr. BOYLAN forced a mausoleum on Washington, may I say that at least this unfair characterization gives me an opportunity not only to deny these statements, but to pay, in modest fashion, tribute to the character of JOHN BOYLAN.

My experience in public life having brought me in contact with many men, I can say to you that JOHN BOYLAN is one of those lonely sentinels, who, hating the cheap posturings that sometime claim prominence in headlines, gains his fine objectives by openness and honorable action. His generous, fine nature would make it impossible for him to use force to accomplish his human objective.

I do not say this as one who has seen him from afar. I make this statement based upon my association with him; as one who has had the high privilege of sitting by his side as a member of the Jefferson Memorial Commission, where quietly, humbly, and unostentatiously he expresses his views regarding every phase of our Commission's activities.

Nothing small nor petty could find a nestling place in the quiet thinkings of this admirable man for a single moment.

Of course, having rendered our best judgment in the matter of the Jefferson Memorial, it is meet and proper that our activities should be the subject of scrutiny and criticism, fair and unfair.

After a full consideration of many plans, we are now ready to submit our judgment to the examination of the Senate and House. Like all human judgments, it is subject to error and mistake. I am confident, however, that under the leadership of our beloved chairman, it will be shown that the members of our Commission have not been coerced and that not a single decision has been arrived at through the secrecy of star-chamber methods.

I do not ask that the lash of criticism be lifted from my own back or from the backs of the members of the Commission. In this controversy I only ask that fairness and a considerate judgment shall be given to our chairman, whose patriotic motives only the smallest minds could question.

The drab picture drawn in your editorial of my friend, JOHN BOYLAN, is so at variance with the generosity of his nature, the kindliness of his disposition, and the humanness of his judgment, that I owe it to him to speak this kind word.

My hope is that should any controversy arise out of this matter, we will address ourselves to the merits of the discussion without anger or bitterness. These twin devils are destroyers. Their only antidote is magnanimity and tolerance. As the great inquisitor said in his address to the jury in the famous case of Joan of Arc, "Anger is a bad counselor; cast out anger. Pity is sometimes a worse; cast out pity. But do not cast out mercy. Remember only that justice comes first."

Sincerely yours,

JOSEPH P. TUMULTY.

To the EDITOR, THE WASHINGTON HERALD,
Washington, D. C.

Mr. TABER. Mr. Chairman, I yield 5 additional minutes to the gentleman from New York.

Mr. CULKIN. What differences exist as to the location and type of monument? There is no question about the site. The site, according to the Commission of Fine Arts, according to the City Park and Planning Commission, and according to every writer on the subject of a more beautiful Washington, is the last major monumental site in Washington, and that monumental site, by common consent, belongs to that great humanitarian and philosopher on human rights—Jefferson. On this point everyone is unanimous.

On the question of the type of memorial, the City Park and Planning Commission informally approves this memorial. Your Commission created by you and seeking no limelight in this situation, but only to bring back this problem for you to decide; your Commission, composed of Members of the Senate and House, and distinguished men who have lived Jefferson through their lives, and men who were of Jefferson's blood, his descendants, are unanimous for this memorial.

Mr. LUDLOW. Mr. Chairman, will the gentleman yield?

Mr. CULKIN. I yield to the gentleman from Indiana.

Mr. LUDLOW. The Thomas Jefferson Memorial Commission, as I understand, is composed of 12 members on which both political parties are represented?

Mr. CULKIN. Yes.

Mr. LUDLOW. Is it not true that that Commission has agreed unanimously on both this location and the type of memorial?

Mr. CULKIN. The gentleman is absolutely correct. There is no division on either question.

Mr. HOUSTON. Mr. Chairman, will the gentleman yield?

Mr. CULKIN. I yield to the gentleman from Kansas.

Mr. HOUSTON. Is it not a fact that the Commission already has a right to go ahead and execute contracts if it sees fit, but it has decided to bring the matter back to the House?

Mr. CULKIN. That is true.

Mr. HOUSTON. Is it not a fact that the previous chairman of the Commission of Fine Arts was in favor of the memorial?

Mr. CULKIN. He sat opposite me in an automobile for all one long day; we followed his suggestions implicitly. May I say that Dr. Moore is more entitled than any other man living to credit for what has been done to dignify and beautify Washington, yet now he has been shunted aside by a healthy young landscape gardener who has succeeded him in the post of chairman.

May I say further, in all seriousness, there has been a quality of limelight that has captured the imagination of some people in the situation. The very chairman of the Library Committee that created the Thomas Jefferson Memorial Commission has attempted to legislate it out of existence. This is simply legislative treachery, as I call it, and indecent to the last degree.

Mr. HOUSTON. And is it not a fact that the members of the Fine Arts Commission, outside of the chairman, are in favor of this?

Mr. CULKIN. I could not say as to that, but may I say that the chairman of the Fine Arts Commission, to my mind, is more or less of a go-getter Babbitt type? He has been captured by the quality of the limelight that surrounds this thing, and he thinks he can get some professional advertising, if you please, by jumping into this situation. The present chairman sat in the hearings with Dr. Moore on two or three occasions, and he never raised his voice in protest or suggestion about what was done there.

Mr. Chairman, the issue here is simply this, tearing away all the fog and all the claptrap and stupid suggestions that have been thrown around this project, the question is whether the man who wrote the Declaration of Independence, the man who added the great territory west of the Mississippi to our domain, the man whose philosophy as to the rights of the common man is the true compass in our present course and in the present condition of America—the question is whether that man rates a monument and whether the creation of this memorial will enkindle in the hearts of the American youth patriotism and an understanding of what our country stands for.

[Here the gavel fell.]

Mr. TABER. Mr. Chairman, I yield the gentleman from New York 2 additional minutes.

Mr. CULKIN. Man, as was stated, and I repeat the phrase of the distinguished speaker made here on the floor, cannot live by bread alone, and this proposed memorial is one of the outstanding illustrations of that principle. This monument is worthy of Jefferson and is of great architectural charm. I wish I had time to describe it more adequately. It is a monument that will cost $3,000,000, and only $3,000,000. The suggestion of the Fine Arts Commission with respect to their monument involves a disbursement of $14,000,000 and most of it, strange to say, when you consider the professional status of the Chairman of the Fine Arts Commission, he being a landscape gardener, is to be disbursed for landscape gardening. Mr. Chairman, the issue is with this House. Yours is the function to decide it. Historically, in America, storms have invariably broken upon the establishment of major memorials. This was true in regard to the Washington Memorial, it was true as to the Lincoln Memorial. Out of this turmoil and noise this Commission brings to the Members of this House its completed and its honest judgment on this question. The Commission believes, as you did when you created it, that Jefferson should have a memorial that would have an esthetic and patriotic value to the youth of America. We have completed our preliminary work and now turn the problem back to you for decision.

[Applause.]

Mr. LUDLOW. Mr. Chairman, I yield 10 minutes to the gentleman from California [Mr. SCOTT].

Mr. SCOTT. Mr. Chairman, I wonder what would happen to the memory of Thomas Jefferson if we did not build this memorial this year. I wonder what effect it would have on the estimate of the people of the country if we did not build this memorial to Jefferson now. When the bill was before the House last session I offered an amendment to strike the $500,000 out of the appropriation bill. The amendment carried and the work stopped for a year. It is brought back now in the same form with $500,000 to start again. When the item comes before the Committee I intend to offer again an amendment to strike out the $500,000. This is not because I do not want to memorialize Jefferson. It is not because I think Jefferson is not entitled to a memorial of some kind. When the bill was before the House the other time I made certain objections to proceeding along the lines that had been adopted by the Commission. One of them was on the location. At that time it was said that a certain amount of the scenic beauty that had already been established down there would be destroyed. They were going to cut down or were going to remove some of the Japanese cherry trees.

The Commission has made some change there that met this particular objection. I think that the admission of the fact that the objection was good would lend some credence to the belief that some of the other objections that have been made to the Thomas Jefferson memorial are equally good.

I have no desire to maintain Japanese cherry trees. I do not care what kind of cherry trees they are, they are scenically beautiful and should not have been destroyed. The Commission met this objection. They are not a memorial to Japan. Nobody in this country would like to memorialize Japan, at this time at least.

I made a further objection as to the design for this memorial, a design that was created by one man and the contract was given to him.

We made the suggestion at the time that it might have been better if a design had been selected as a result of competition between different people with different ideas of what the design should look like. I still believe that. I still believe that the subject of the design should be the subject of open competition, and for that reason I intend to offer this amendment to strike out the $500,000.

I objected to the type of the memorial. I do not believe that the kind of a man that Jefferson was will be appropriately memorialized by a tomb, by a pile of stone, or whatever it is to be made of. I do not believe that a cold memorial of that type typifies Thomas Jefferson. I approve highly of the efforts of the chairman of this Commission to memorialize Thomas Jefferson, but I do not believe that he should do it in this manner or that the Commission should recommend this type of memorial. I thought all along it would be better if the memorial were of the utilitarian nature.

I made several suggestions, and others have made suggestions as to what would be appropriate. Some people have suggested an auditorium for the District of Columbia dedicated to free speech. I made the suggestion that the amount of money contemplated in the original expenditure, $3,000,000, might very well be used to endow a school of government at the university Thomas Jefferson started, the University of Virginia.

Mr. SMITH of Virginia. Mr. Chairman, will the gentleman yield?

Mr. SCOTT. Yes.

Mr. SMITH of Virginia. I represent the district in which the University of Virginia is situated, and no one can be more interested in that than I, but has the gentleman read the resolution under which this Commission acted? Is the gentleman aware that the authorization by Congress and the direction to that Commission was that the monument be erected in the District of Columbia?

Mr. SCOTT. Certainly. For that reason I opposed going ahead under the present authority; and I have introduced a resolution to stop the thing where it is and start all over again. That has nothing to do with what I consider or what others might consider a proper type of memorial to Thomas Jefferson. Just because the Commission has been set up does not mean that we would have to go ahead with it necessarily along that line.

Mr. SMITH of Virginia. Is it the gentleman's idea that Congress should reverse its previous action?

Mr. SCOTT. There is no reason why Congress should not. I have offered a resolution to get Congress to do that very thing.

Mr. AMLIE. Mr. Chairman, will the gentleman yield?

Mr. SCOTT. Yes.

Mr. AMLIE. Does not the gentleman believe that in this day and age, since we have modern architecture, an effort should be made to build something in the spirit of the twentieth century rather than going back and reconstructing Hadrian's Tomb in the District of Columbia?

Mr. SCOTT. I agree with that. That is one of the reasons why I disapprove of the type and the design.

Mr. CULKIN. Mr. Chairman, will the gentleman yield?

Mr. SCOTT. Yes.

Mr. CULKIN. The gentleman left the inference here, or somebody did, that Jefferson was a man of simple taste. Does the gentleman know that Jefferson over 100 years ago cut off the top of a mountain and built a magnificent home of his own?

Mr. SCOTT. I do not believe that I ever said that he was a man of simple taste, though others may have said that.

Mr. CULKIN. I am sorry. I thought the gentleman did.

Mr. FLETCHER. Mr. Chairman, will the gentleman yield?

Mr. SCOTT. Yes.

Mr. FLETCHER. Jefferson had much to do with education and the freedom of speech, and since Washington left money to establish a national university, has the gentleman thought of the possibility of a university of the United States in the District of Columbia as a memorial to Jefferson?

Mr. SCOTT. Oh, people have made a number of suggestions worthy of attention, and that is one of the reasons why I would rather not see it done now. The other objection I made at the time is that $3,000,000, or whatever it will cost, is an expenditure that should not be made at the present time. We have been asked to balance the Budget. We have been asked to spend money that would bring relief to people who need relief. I do not believe that $3,000,000, or the original $500,000 expenditure, would bring as much relief by building a memorial to Thomas Jefferson as it might in some other way. I personally would not like to vote for a $3,000,000 memorial at the same time that I am asked to vote against increases in the relief bill that will come back to us later. We have been asked to balance the Budget. Here is the way to keep $3,000,000 that can be expended some time later when we are in a better position to do it.

I am not going to suggest that the $3,000,000 be saved. I hope they will cut it out entirely because I want to use the $3,000,000 that can be saved by knocking out this $500,000, I want it used in another way. I want it to go directly into the hands of some people who would spend it immediately and put it into circulation. We have been told this afternoon that one of the things wrong with our money is that it is not circulating rapidly enough. I can give you a way in this bill of putting that money directly into the pockets of people who would put it into immediate circulation. It would not be placed into heavy costly materials or anything of that kind.

In this bill the committee has put in again the proviso that does away with what are known as reenlistment allowances to the men in the uniformed services of the United States. This elimination has been carried by proviso in appropriation bills for the last 5 years. After a man has served 3 years in the Army, Navy, Marine Corps, or the Coast Guard, if he reenlists, he is given a reenlistment allowance. Five years ago they did away with that as part of the economy measure.

[Here the gavel fell.]

Mr. LUDLOW. Mr. Chairman, I yield 4 additional minutes to the gentleman from California.

Mr. SCOTT. As an economy measure, that was taken away from these men. They were told at the time that this was just for that fiscal year. Every time the measure was adopted the statement was made that it was just for that fiscal year with the implication at least that the next year we would not do this thing. The men in the service have looked upon that and are entitled to look upon it as part of their pay. It is not what the committee chooses to call a reenlistment bonus or a reenlistment gratuity; it has always been called since its adoption in the bill a reenlistment allowance. That was for the purpose of giving to the men who reenlisted money with which to buy new uniforms or to pay their expenses home for a visit with their families. It was used in addition as a way of encouraging the men to reenlist; but as is admitted here, that is no longer necessary.

When the bill goes to the Senate they are told that this restriction simply continues a practice that has been followed in the past, but when it comes to the House we are told that this is for just another year. When it was put in the appropriation bill last year we were told that this was for just another year. The chairman of the deficiency committee said: "Just as soon as we are able to give it back I believe we should give it back"; but in this year in the report of the deficiency committee the House is now told that this is the custom. There is permanent legislation. We are agreeing to do away with our reenlistment allowance entirely and nothing so far has been done. I will tell you why nothing has been done. The provision is out of order; it would be legislation on an appropriation bill and subject to a point of order. It has not been offered for this reason. Why it is put into this deficiency bill now I do not know, because I still believe it is subject to a point of order, and I intend to make a point of order against it when we get to it; but at the same time that it is knocked out on a point of order it will be necessary to put into the appropriation bill the amount required to pay these reenlistment allowances. The reason for my taking the floor this afternoon is to give notice of the fact that I intend to offer an amendment increasing the amount carried in this bill by something like $6,000,000 to pay these reenlistment allowances, and save it on the Jefferson Memorial.

Mr. HOUSTON. Mr. Chairman, will the gentleman yield?

Mr. SCOTT. I yield.

Mr. HOUSTON. I am in sympathy with what the gentleman has said, but I was under the impression that the reenlistment allowances were offered to induce men to stay in the service on the theory that they got a better class of men to go into the service and in the end would save the Government money because they would not have to train them as they do raw recruits.

Mr. SCOTT. That is true, but I do not like to base my argument on that. It is coming to these men. As I said before, they have been led to believe for 5 years that this was just for 1 year only, that it would be given back to them the next year. Now at the end of the session is neither the time nor the place to do away with reenlistment allowances. The effect of the provision carried in the bill is to say that this is permanent and that they are taking it away from the men entirely.

[Here the gavel fell.]

Mr. TABER. Mr. Chairman, I yield 5 minutes to the gentleman from Michigan [Mr. CRAWFORD]

Mr. CRAWFORD. Mr. Chairman, it was my privilege for several years prior to coming to Congress to be directly connected with agriculture in several States of the Union and in Canada to some extent. When the 1938 agricultural bill came up for consideration and passage I voted against the bill for two or three major reasons.

First. I did not feel I had any right, constitutionally or otherwise, to vote for a measure of that kind, which throws such a control, influence, or cloak about the life of farmers of this country.

Second. I had no faith in the efficacy of the act insofar as increasing the income of the farmers.

Third. I had no confidence in the price-fixing or price-stabilizing provisions of the bill.

I have so stated to the farmers in my district. I have in no way propagandized against the bill and I have not agitated for or against it in any way. During this past week in my home county in the Saginaw Valley where diversified agriculture is carried on in a most successful manner, there was a general revolt against the administration of the act. It came out of a clear sky like a bolt of lightning. The farmers have sent me petitions signed by almost 600 farmers this week and I understand that something like 1,500 additional names will be sent in before the week closes.

It seems that they are just about as bitter against the administration of the act as farm people can be.

Let us consider this matter for a moment. There is such a thing in this world as transportation facilities, and if you do something in the way of fixing agricultural prices in one given geographic area and foodstuffs are being produced in adjoining areas, even though there may be 3,000 miles of water between those areas, and the prices are run up through means of transportation, traders find a way to get the goods on the ground where the high price prevails. Taking this simple statement and applying it to the ways of traders, I do not believe the provisions in the Agricultural Act of 1938 will bring to the farmers of this country anything other than economic detriment instead of the things which the bill is purported to be designed to bring to them in the form of blessings.

I make this short, simple statement this afternoon somewhat in response to a request from farmers that I make known to this body briefly my views with respect to the act.

Mr. Chairman, I operate a considerable acreage of land of my own and I do not operate through tenants. I operate it through my own check book, taking the losses or the gains as they may occur. I also own a considerable acreage which I do not operate, but which I lease.

Based upon 26 years of tilling the soil and 17 years' experience in handling the products of the soil, through manufacture and sale, I can find no reason on earth for an act such as the 1938 Agricultural Act.

[Here the gavel fell.]

Mr. TABER. Mr. Chairman, I yield the gentleman 2 additional minutes.

Mr. CRAWFORD. Mr. Chairman, if this act is left on the books as it is at the present time I think in due course it will prove to be a curse of the most staggering nature to the farm people and to the so-called city consumers of the United States. If the people want it, certainly I shall not agitate them not to try it out. I shall leave it entirely up to them. If they want to vote control through these referendums, let them go ahead and vote it and God help them; but personally I have no confidence in it whatsoever.

May I emphasize this: I do not believe there is anything in the Constitution that authorizes me or gives me the right to sit on the floor of this House and vote for such an act being wrapped around the agricultural and farm people of this country.

Mr. MURDOCK of Arizona. Will the gentleman yield?

Mr. CRAWFORD. I yield to the gentleman from Arizona.

Mr. MURDOCK of Arizona. When the gentleman makes that charge, does he have in mind all the commodities involved, or is he thinking of one commodity more than another?

Mr. CRAWFORD. I am thinking of every food commodity produced from the soil of the farms of the United States, including wool, beef and hides, mohair, and all of the closely cultivated crops, such as cotton, tobacco, grains, and so forth.

Mr. MURDOCK of Arizona. From the gentleman's years of experience, can he suggest a better policy other than the absence of legislation?

Mr. CRAWFORD. Yes; I think I could suggest a lot of policies that are better than this one we are now trying, at least what in my opinion would be better plans.

For instance, in this connection, let me submit for the gentleman's consideration some further observations dealing with a series of discussion on this floor the past few days. I refer to the presentations made by the gentleman from Nebraska [Mr. BINDERUP]. He has told us something about the public psychology of so-called fear and confidence and its effect on the velocity of money and he related this fear to bankers' meetings and resulting decisions to contract the money supply—credit. In a way he left with some the impression that if his plan was adopted we would have no further trouble with velocity or hoarding of money.

PRICE TRENDS AND SOME FACTORS INVOLVED

Price trends, whether they be related to raw foodstuffs stored on the farm or finished products in the warehouse or on shelves of the retail trade, are known to feed on themselves. History teaches us they become cumulative and without any other reason than the very trends themselves. The 1938 Agricultural Act is a great scheme which has been presented to the American farmer and citizen as one that will greatly increase the incomes of the farming class. Its quantitative controls are defended on the grounds they will "up" the price on farm products, give a greater share of the national income to the farmers, increase their buying power and all at the same time protect the city consumer against the ravages of high-cost foods. Price trends, therefore, should be used as a criterion for quantitative controls.

It would seem unreasonable for us to assume the supply of money or credit has no relation to price trends and levels. Our economy operates under a fractional reserve banking system and certainly we must admit the expansion and contraction of bank credit has something to do with booms and depressions, with hoarding and spending, with optimism and pessimism, with buying long and selling short, with hedging, buying from hand-to-mouth, letting the producer carry the whole load, and the use of money as stored value. But does the 1938 Agricultural Act deal with these closely related factors? Not at all. It leaves these powerful forces free to play such havoc as they may chance to exert on the well-laid plans of the Secretary and his thousands of local committees.

MONEY AVAILABLE AS PURCHASING POWER

I think you will agree with me that in the long run general price levels are admittedly a matter of the quantity of money available as purchasing power. The money of our country today so available certainly includes demand deposits. And these we know are altered perversely in quantity by expansion and contraction of bank loans and investments at just the wrong time. Will you not admit that at this very moment the business-cycle problem which is plaguing us is a question of public psychology in prices and not at all a matter of statistical needs in the expansion of industry and trade for a growing population? Millions of people are hungry. They are poorly housed. They are inadequately clothed. And this at a time when we are exercising crop control. The need is so evident. But look at your price level on farm products. Has the trend been upward since the control plan began to operate? Have we forgotten that a fever chart is a picture of abnormalities which cannot be cured by feeding the patient as if he were in a state of perfect health? The fever must be allayed first before the patient can absorb a normal diet. Prices must be controlled if purchasing power is to be controlled by the quantity of money in the hands of the spending public. But you say, "How?" Go read what Dr. Goldenweiser, of the Federal Reserve System, has to say. He is not the only one that has been stumped by this question. He deals with the proposition that monetary control is somewhat impossible except through Government control of virtually all economic activity. Does the 1938 Agricultural Act take these fundamentals into consideration? In my opinion it does not. Look at the conclusions in this respect which have been reached by the European nations in the development of both communistic and fascistic controls. Did they not try to attain their control by leaving out of the picture the element money, and have they not found their original plans were impossible of accomplishment? How long did Russia stick to her original plan? Not for long.

NOTHING NEW IN AUTOCRACY

I see no reason at all for thinking that in autocracy, whether it be in the form of a Stalin or in a modified type, we can find the solution of the problem of money and prices. Domestic blood purges, foreign truculence, political compliance purchasing, are all obvious confessions of failure to meet this problem and solve it.

Consider the powers that have been given to the Federal Reserve Board. And let me admonish you to consider the powers that have not been extended to this most important body. Consider the difficulty this Board now faces. Do you think the exercise of the power to expand money supply by this Board would control prices of farm products? If Congress surrendered to that Board its taxing power and the Board then proceeded to contract the money supply, if prices should rise too rapidly or too high, through increasing the tax burden, and expanded the money supply through decreasing taxes, if prices dropped too low, that procedure would indeed take us into new realms. But you would not delegate to this Board the power to tax because in so doing you would be granting to the executive department a power which the Constitution reserves to the legislative body. For the purpose of discussion only, I raise the question, By what means can prices be made literally stable—particularly under discretionary control, however expert?

SPECULATION OPEN TO EVERYBODY ON SAME BASIS

Again for discussion let me submit to you the question of the advisability of taking control out of the hands of any authority whatever so that such variations as do occur will be the result of speculation open to everybody on the same basis but limited in scope by definite rules in control of tax rates. Would we not find that with inflation increased by automatically lowering tax rates and decreased by raising them, also automatically, whenever prices rise, money would be made not literally stable in trading value but neutral in trade because of strictly limited and exactly equal opportunity to speculate or hedge in money in every short-time business transaction.

Rigid and tardy elements may at times neutralize the really sensitive agricultural prices and so obscure the real situation as to prevent or delay needed action. The Farm Bureau has recognized these perverse and hindering elements. Henry Ford has recently pointed out the basic position of wheat in economic values and I also refer you to authorities such as Walsh and Professor Knight, of Chicago, and Irving Fisher, the economist.

Go look at the monthly graphs of the Bureau of Labor Statistics and see how farm prices follow the boom-slump trends more sensitively than other prices and note particularly how sensitive staple food crop prices are. For simplicity and freedom from virtually all possible monopoly interference in preventing price changes that show changes in the purchasing power of money as they actually occur in the public psychology of price levels, no other index can equal that of staple food and feed crops such as cereals, potatoes, peanuts, and sugar. It is these prices which the history of the futility of price fixing by bureaucrats and dictators, even under the death penalty, as in Germany recently, has shown cannot be held stable by any device whatever as against inflationary or deflationary changes in active money supply.

Under modern conditions of communication and transportation the whole question of ever-normal granary is brought under observation. World prices control food crop markets. Did you ever hear of such a thing as a world-wide drought? In agricultural trade there are wheels within wheels and much grain trade is nothing short of international dumping. The supply of money causes marked swings in farm prices. When money is abundant, the traders use every little rumor of bad crop conditions as a means to "bull" the price and this "up" in price does not fall off when the rumor proves to be unfounded. If money is scarce, then the weather always seems favorable to the crop trader. Farm income in general should rise and fall, not with changes in crop prices in general, but with changes in farm costs in general, that is, in the general parity of prices. The farmer is entitled to income on the basis of his costs—he should have an income that covers his costs and then have something in addition to that cost—just as other branches of industry enjoy. I have not found in the 1938 Agricultural Act provisions which I believe will solve these problems for the American farmer.

I refer those who are interested to pages 8270–8271 of the June 6 RECORD for bill of complaints which have been made against the act by the farmers of my home county, Saginaw County, Mich.

[Here the gavel fell.]

Mr. LUDLOW. Mr. Chairman, I yield 10 minutes to the gentleman from New York [Mr. BOYLAN].

Mr. BOYLAN of New York. Mr. Chairman, the way that public clamor, to a certain extent, has centered around the head of the Chairman of the Thomas Jefferson Memorial Commission would lead one to believe he was guilty of some great crime; that he was guilty of carrying on something that should not be permitted to be done under ordinary procedure. Yet the Commission, of which I have the honor to be Chairman, has done nothing but endeavor to carry out the mandate of the Congress in providing for the city of Washington a permanent memorial to the memory of the author of the Declaration of Independence, the third President of the United States, and the author of the statute for religious liberty in Virginia—nothing more nor nothing less.

The trouble with the whole situation, as was exemplified very clearly to you this afternoon by the address of the gentleman from Oklahoma [Mr. JOHNSON]—the keynote of the whole situation—is lack of information, the giving of misinformation, and not only that, but the steadfast purpose to adhere to this misinformation, even when correct facts have been furnished.

A series of misstatements was made by the gentleman, every one of which could have been cleared up and answered if the gentleman had taken the trouble to read the hearings before the deficiency committee on this bill. The gentleman said he did not know where we were going to put the memorial. The world knows where we are going to put it. He said he did not know anything about the design. The world knows the design. So it is with some of the Washington papers, which are, day after day, printing misstatements. Although the correct information was made available to them, they would not publish the truth in their columns.

Many men forget that were it not for the Louisiana Purchase by Jefferson and for the development of the Great Northwest through his encouragement of the Lewis and Clark Expedition, they should not be sitting as Members in this House today. Some of them would perhaps today be vassals of a foreign potentate.

It has been said, "Oh, you should not spend the money just now. We need it for other purposes." In your own daily life, in your little household budgets, there is always something you want or that your family wants, and you try to make provision some way or other for it. So it is that we should not degenerate into a Nation of money-grabbers, seeing and knowing nothing but something with which to boil the pot. We must have some finer sensibilities in life. Indeed, life would be dull and gross if we had nothing to actuate us other than the daily grind for bread and sustenance.

So it is that in carrying out the mandate of Congress, your Commission endeavored, in every way, to cooperate, not only with the Commission of Fine Arts, but also with the National Park and Planning Commission. We went so far that at the very first meeting of the Commission, which embraced an inspection of sites in the city of Washington, we had with us in viewing the locations Mr. Charles Moore, then the Chairman of the Commission of Fine Arts, and Mr. Frederic Delano, Chairman of the National Capital Park and Planning Commission. Nothing we did was done without the cooperation of these men. For over 20 years Mr. Moore was Chairman of the Commission of Fine

Arts. The beautiful buildings and embellishments of this great Capital City are the result of his advice and guidance. Mr. Moore sat with us, representing the Commission of Fine Arts, up to about a year ago. Then there were vacancies on that Commission.

The President appointed new Commissioners, and among them was the present Chairman of the Commission of Fine Arts, who was distinguished as a landscape architect, and who won fame in laying out some of the parkways in Westchester County in New York State. Immediately after this gentleman assumed the chairmanship he wanted everything changed. Just figure yourselves, as serving on a commission and going along in good faith, as you understood the situation, with the authoritative officials whom you consulted constantly and making plans which were approved by them, and having them even going as far as to tell you their choice of an architect. The late John Russell Pope was suggested by Mr. Moore. This shows you that we did everything we possibly could in conjunction with them.

Mr. CULKIN. Mr. Chairman, will the gentleman yield?

Mr. BOYLAN of New York. I yield to the gentleman from New York.

Mr. CULKIN. The gentleman recalls that the present Chairman of the Fine Arts Commission was present with Dr. Moore, the former Chairman, at our hearings and our discussions of this question, but never raised a single bit of objection to any of our proceedings.

Mr. BOYLAN of New York. That is true. The gentleman has well stated what occurred.

Mr. CULKIN. Thereby he acquiesced in the conclusions of Dr. Moore and our Commission.

Mr. BOYLAN of New York. The gentleman is correct.

After adopting the plans in good faith, as we thought, this new Chairman wanted a change in the entire set-up. Our Commission tried to conciliate him, even with the change, and went along for nearly a year. We had the architect draw four or five new plans, but every one of the plans was rejected by the Commission of Fine Arts except one. This one plan was one that had won the prize in a competition for a memorial to be erected to the late President Theodore Roosevelt. It was a beautiful design, but it would be a very costly memorial.

The memorial and all the embellishments that went with it would cost approximately $14,000,000. That was the only plan the Commission of Fine Arts favored. Our Commission was authorized to spend only $3,000,000. It has been said here today that nobody knows what this memorial will cost. Let me tell the House that the architects' estimates are less than the authorized figure of $3,000,000.

Mr. FLETCHER. Mr. Chairman, will the gentleman yield?

Mr. BOYLAN of New York. I yield to the gentleman from Ohio.

Mr. FLETCHER. The gentleman refers to a memorial designed for the late Theodore Roosevelt. Because of the wide difference in the personality types of Theodore Roosevelt and Thomas Jefferson, would the architect's design for a memorial to Theodore Roosevelt be appropriate in expressing the Nation's idea of a proper memorial to Jefferson?

Mr. BOYLAN of New York. Of course, the main motif of the Roosevelt Memorial was that in the center there was a fountain, just a single jet, which was supposed to symbolize the activity of Theodore Roosevelt, whereas in connection with the Jefferson Memorial we tried to have a design in conformity with the wishes and the personal and public practices of Thomas Jefferson as an architect.

As I say, the only plan submitted that received the approval of the Arts Commission was this $14,000,000 proposition. We told them that was beyond reason, because we would not ask Congress for any such amount, and we would not expect to get it. The answer to this was, "Well, get a continuing appropriation and come in each year and get more."

We did not care to do this. We want to keep strictly within the authorization that Congress set, which was $3,000,000, and, as I stated, the architect's estimates, including roads and approaches, are less than that amount. So there is really no sound reason or argument that can be advanced against the present proposition.

Last year it was said that the memorial projected into the Tidal Basin and that it would change the contour or the irregular lines of the basin and also interfere with the flushing of the Washington Channel. So, in order to overcome this objection, we had the architect change the plans and move the memorial 450 feet back from the southern shore of the Tidal Basin and place it on solid ground. Therefore the contour of the Tidal Basin will remain exactly as it now is.

Someone said, "Well, it will interfere with the vista." The vista theory was something new, so we looked up the vista and the only thing you could see in the vista was a railroad bridge, so we were not interfering with much of a vista when that was all that could be seen.

[Here the gavel fell.]

Mr. LUDLOW. Mr. Chairman, I yield the gentleman 2 additional minutes.

Mr. BOYLAN of New York. Then it was said the Chairman dominates the Commission. This is utterly ridiculous when you think that we have three Members of the Senate on it and three Members of the House and three members appointed by the President who are lineal descendants of Thomas Jefferson, and three members appointed by the Thomas Jefferson Memorial Foundation who purchased his home at Monticello.

These gentlemen are of opposite political faiths, Senator McNARY, minority leader of the Senate, being vice chairman of the Commission, and another member is our own good and worthy friend, the gentleman from New York [Mr. CULKIN], a most energetic and able member of the Commission, and I will say this: While we had differences of opinion on matters, yet we never came to a final conclusion on anything of importance without the unanimous vote of the Commission. We even adjourned meetings when some of the members were absent in order to have every man express himself. The idea that I could dominate all these splendid gentlemen is foolish. Furthermore, I never have tried to dominate anybody. So to say that I would pull these men around to do this, that, or the other thing, is so absurd that I have a mental laugh every time anyone speaks of it.

These are the basic facts. We have not done a thing except what you wanted us to do. We have tried to meet every shade of opinion, and, as I say, we were approved by the Arts Commission and then a new man comes in and disapproves. He wants something that Congress will never pay for or even allow.

Then, again, the statement was made that we did not give proper publicity, and so forth. I caused to be printed in the Washington papers a chronological list giving all the dates of the meetings and everything else, and I shall insert this in the RECORD as an extension of my remarks, and if there are any questions any gentleman would like to ask, I shall try to answer them.

Mr. CULKIN. Mr. Chairman, will the gentleman yield?

Mr. BOYLAN of New York. I yield.

Mr. CULKIN. May I ask the gentleman this question, as I did not cover it in my discussion of the matter? Is it not a fact that the proposed memorial is a composite of Jefferson's architecture and it is a fact, of course, that Jefferson was the first American architect and one of the greatest?

Mr. BOYLAN of New York. Yes; that is true.

The chronological list follows:

Records of the Jefferson Memorial Commission sharply controverting statements of the Commission of Fine Arts were released today by Hon. JOHN J. BOYLAN, Chairman of the Jefferson Memorial Commission, who expressed strong resentment at what he termed the misleading and one-sided account issued by the Fine Arts Commission.

He supplied the following chronology of meetings of the Jefferson Memorial Commission attended by representatives of the Commission of Fine Arts, and of other relations with the Commissions concerned:

1935

April 13: Organization meeting of Jefferson Memorial Commission. Invitation to Messrs. Charles Moore, Chairman of the Commission of Fine Arts, and Frederic Delano, Chairman of the

National Capital Park and Planning Commission, to attend subsequent meetings.

April 30: Charles Moore represented Commission of Fine Arts.

May 14: Visit to proposed sites with Mr. Moore.

June 20: The National Capital Park and Planning Commission represented by Arno B. Cammerer, vice chairman. Tentative selection of South Axis site.

August 1: Conference between representatives of the three Commissions, including Gilmore D. Clarke of the Commission of Fine Arts (now its Chairman).

August 15: Meeting of Park and Planning Commission. Mr. Delano in the chair. Jefferson Memorial Commission represented by Hon. JOHN J. BOYLAN, chairman, and Fiske Kimball.

December 4: Commission of Fine Arts represented by Mr. Moore and H. P. Caemmerer, secretary; Park and Planning Commission by A. B. Cammerer, vice chairman, and others. Decision to choose an architect by direct selection, and selection of John Russell Pope as architect of the memorial.

1936

March 2: Submission of preliminary designs including Pantheon design for South Axis site.

March 9: Copies of these designs supplied to Mr. Moore for Commission of Fine Arts.

March 24: Revision of Pantheon design authorized to reduce cost.

December 1: Presentation of revised Pantheon design.

1937

February 18: Unanimous adoption of the South Axis site and Pantheon design. John Russell Pope formally retained as architect. Drawings supplied to Mr. Moore for submission to Commission of Fine Arts.

April 22: Fine Arts Commission represented by Messrs. Moore and Clarke. Discussion of alternative treatment of setting and approaches. No objection raised to site or to Pantheon design.

July 13: Modified scheme authorized for setting of the memorial, leaving outline of Tidal Basin undisturbed.

August: Resignation of Mr. Moore as Chairman of the Commission of Fine Arts accepted.

September 29: Meeting of Commission of Fine Arts. Jefferson Memorial Commission represented by Mr. Fiske Kimball. Commission of Fine Arts approved the location but requested preparation of alternative designs of the memorial by Mr. Pope's office.

1938

January 25: Commission of Fine Arts represented by H. P. Caemmerer, secretary. Two alternative design studies submitted.

February 3: Meetings of Commission of Fine Arts and of Park and Planning Commission. Jefferson Memorial Commission represented by Mr. Kimball. Disapproval of Pantheon design by Commission of Fine Arts.

February 5: Informal conference with members of the Commission on Fine Arts.

February 17: Meeting with full membership of Commission of Fine Arts. Park and Planning Commission represented by Mr. Delano and others. In spite of unanimous preference expressed by members of Jefferson Memorial Commission for the Pantheon design, it was resolved, in the interests of harmony, to adopt a counter suggestion of the Commission of Fine Arts.

March 19: Submission of further studies to Commission of Fine Arts, which disapproved them and urged adoption in full of the scheme designed in 1926 for the same site as a memorial to Theodore Roosevelt, and then estimated to cost $14,000,000.

March 22: Commission of Fine Arts represented by H. P. Caemmerer, secretary; Park and Planning Commission by Mr. Delano. On realization that the design approved on February 17 was a modified version of the Theodore Roosevelt Memorial proposed in 1926, the Jefferson Memorial Commission voted unanimously to resubmit the Pantheon design for approval by the Commission of Fine Arts with request for their approval.

March 24: Commission of Fine Arts declined to approve Pantheon design and proposed to reopen the whole matter from the beginning.

March 29: Jefferson Memorial Commission unanimously resolved to recommend Pantheon design to Congress.

It appears from the above that the Commission of Fine Arts was consulted at every step. We had the concurrence of their representatives as to the manner of choosing an architect, as to the choice made of an architect, of a site and of a design, down to last September, when the change in the chairmanship of that Commission occurred. Even then we made great efforts to meet their desires. We devoted 8 months more, and had four additional designs prepared following the line of their suggestions. Against all our preferences we even approved one of these designs, but this approval was given without realizing that it was merely a rehash of the old Theodore Roosevelt Memorial design.

The powers conferred on the Commission of Fine Arts by Congress are merely advisory. Even when their advice to us changed we went against it with great reluctance. Now they state their prestige will be injured if we do not take their advice, and in effect they demand an absolute veto power. The Jefferson Memorial Commission was charged by Congress with the responsibility of choosing the design and after considering every phase of the matter for years we have exercised that responsibility, in line with proposals continuously before the public for a generation. Congress and the Nation want a Jefferson Memorial and want it now, and they are not going to tolerate attempts to defeat such a memorial by proposals of further delay.

Mr. TABER. Mr. Chairman, I yield 10 minutes to the gentlewoman from Massachusetts [Mrs. ROGERS].

Mrs. ROGERS of Massachusetts. Mr. Chairman, you know that many of us feel the Government is doing too much in the development of foreign markets and buying too much goods from foreign countries and thereby hurting the industries and the workers in our own country.

There is a great deal of propaganda by the administration for the reciprocal-trade agreements and it has been difficult to secure a fair hearing for the workers in industry to present their arguments to prove that industry and agriculture have been hurt in many instances as a result of these reciprocal-trade agreements. In these days of very great unemployment, everything should be done to stimulate our home markets, to stimulate buying in the United States of America in an effort to put our people back to work.

I did not realize until yesterday how much has been done during foreign-trade week in the New York schools to further buying foreign-made goods and I was shocked. I have in my hand a copy of a syllabus on foreign trade which was used in the New York schools, I think from May 22 to May 28, and I am told the syllabus is still being used. It was prepared for the high-school division by the board of education of the city of New York, by the high-school coordinating committee, and the New York National Foreign Trade Committee, the High Schools Principals Association, with the cooperation of the Bureau of Foreign and Domestic Commerce, the Chamber of Commerce of the United States, and the Port of New York Authority.

We all know that our exports are and have been no greater than 10 percent of our production, and our domestic market is 90 percent of our production, and the encouragement of imports is an invasion into our domestic market, and our domestic market is the best in the entire world. I secured this copy of the syllabus from the Department of Commerce. I think they have not many copies, just a few. I was under the impression that they had circulated it as a Government document, but I am mistaken, according to a letter from Mr. Dye which I will read later, although they had a hand in it. In this syllabus there is not one single word about our own products being better than the products of other countries. In fact, in unit 1 (d) the first page of the syllabus, in speaking of foreign production, it says:

> All of us are attracted by new and novel things; also, we believe that imported goods are better than our own. This further encourages trade between nations.

It seems an appalling thing to me that this should be given to the teachers to use, and this information has been used in the schools. I should like to read to the Members the letter that brought the syllabus to my attention.

Mr. FLETCHER. Mr. Chairman, will the gentlewoman yield?

Mrs. ROGERS of Massachusetts. Yes.

Mr. FLETCHER. Does the gentlewoman mean to imply that the Department of Commerce is advocating the purchase of foreign goods?

Mrs. ROGERS of Massachusetts. No, although from the syllabus it looks very much like it. I shall include the letter, which he wrote me yesterday as a result of a telephone conversation. I wanted to be just to him before I brought it on the floor. In the beginning I thought they got this syllabus out and circulated it as a Government document but apparently they did not.

Mr. FLETCHER. Apparently the syllabus would try to sell the idea to the young folks that foreign goods are better than ours.

000, and, as I stated, the architect's estimates, including

mission of Fine Arts, and Frederic Delano, Chairman of the

Mrs. ROGERS of Massachusetts. Yes, and it is an outrageous thing. I think it should be counteracted in some way. To be fair to the Department of Commerce I shall insert in the RECORD Mr. Dye's reply to my telephone conversation. I shall read the last paragraph.

Mr. CULKIN. And if that occurred in Russia they would "liquidate" the man who got out the circular.

Mrs. ROGERS of Massachusetts. This was gotten out by the New York group, and they used facts from the Department of Commerce and the Port of New York Authority.

Mr. CULKIN. Did it purport to come from the Department of Commerce?

Mrs. ROGERS of Massachusetts. No. Although the Department contributed to it I shall find out later just how much it did contribute. If the gentleman will read the outside of the syllabus he will read that it was gotten out by a committee with the help of the Department of Commerce and the Port of New York Authority.

Mr. CULKIN. The gentlewoman believes that we are suffering from a mixed nationalism in this country, does she not?

Mrs. ROGERS of Massachusetts. I shall answer that later on. I read from Mr. Dye's letter:

DEPARTMENT OF COMMERCE,
BUREAU OF FOREIGN AND DOMESTIC COMMERCE,
Washington, June 6, 1938.

Hon. EDITH NOURSE ROGERS,
House of Representatives, Washington, D. C.

MY DEAR CONGRESSWOMAN: Confirming the telephone call from your office this morning, I take pleasure in sending you herewith my file copy of Syllabus on Foreign Trade, which was prepared for high-school division, board of education, city of New York, by the high-school coordinating committee of the New York National Foreign Trade Week Committee and High Schools Principals Association. Statement is made on the cover of the syllabus that it was prepared with the cooperation of the Bureau of Foreign and Domestic Commerce, Chamber of Commerce of the United States, and the Port of New York Authority. Our part in the cooperation consisted of furnishing factual information utilized in preparation of the bulletin.

Since this bulletin was published we have received a number of complaints about the statement under unit No. 1, "D," "* * * we believe that imported goods are better than our own * * *." Of course, this does not express the opinion of the Bureau of Foreign and Domestic Commerce, and we have called the attention of the committee which prepared the syllabus to our position.

Yours very truly,

ALEXANDER V. DYE, *Director.*

I have a very strong feeling, Mr. Chairman, that if some of the figures were checked there would be discrepancies found. The effort is not great to sell the idea of buying foreign-made goods to the teachers and pupils in the schools.

This letter from Milwaukee says:

JUNE 4, 1938.

Hon. EDITH NOURSE ROGERS,
House of Representatives, Washington, D. C.

DEAR MRS. ROGERS: Confirming my letter of May 14, beg to draw your attention to the letter written by Capt. F. X. A. Eble, director of the Made In America Club, Inc., addressed to Secretary of Commerce Daniel C. Roper, in which he caustically criticizes the issuance of a syllabus by the Foreign Trade Week Committee, intended for distribution to the high-school teachers of New York City, with the cooperation of the Bureau of Foreign and Domestic Commerce. Part of Captain Eble's letter reads as follows:

"This document, which contains 14 pages, is to be distributed among the high schools of New York City by the New York Board of Education, and the material contained in the syllabus is to be a part of the curricula of the students during foreign-trade week. Well, here is a paragraph, Mr. Secretary, which will not make you feel very proud of that document:

"'All of us are attracted by new and novel things; also we believe that imported goods are better than our own. This further encourages trade between nations.'

"There are various other very objectionable features in the document, but the above 'teaching' is something that American business and American workers will not stand for, * * * we look to you to correct this false statement and to tell the American public the truth about merchandise that carries the label 'Made in U. S. A.' That is one of the functions of the Department of Commerce. At least, that is what the taxpayers, labor, industry, and agriculture expect of your Department."

We do not know whether this matter has come to your notice but undoubtedly Captain Eble will be glad to send you the entire correspondence if you so desire.

In contrast with this, we read in the Milwaukee Sentinel of June 3 that debating at Los Angeles High School, Lorraine and Gloria Malouf, aged 17 and 16 respectively, argued successfully the affirmative of the question: "Resolved, That 'Buy American' should be the motto of American purchasers." Their conclusion was, "Why should we become the dumping ground for inferior goods that undersell our merchandise and cause our factories to fail? Leading thinkers and merchants in this country know that the most reasonable way to insure national business recovery is to start the Buy American movement here. Let us be loyal to our countrymen, 'I buy American and spend American,' as has been patriotically declared in editorials. Let us see America first, keep American money in America, and provide employment for American citizens."

Here are two distinctly opposite views, and we all know which is the correct one and the wholesome one.

I feel so strongly, and I know that you do, that in developing our foreign trade we should not do so at the expense of our own workers and our own industries. We must guard against this insidious propaganda which is being spread through some of the schools. In developing the policy of reciprocal-trade agreements measures are taken that are very unfair. This syllabus speaks of watching the newspapers for advertisements of foreign goods. Not a word about watching the newspapers for advertisements for goods made in America.

Mr. FLETCHER. Are the items listed that they say are better than similar American-made articles?

Mrs. ROGERS of Massachusetts. Items are listed in the syllabus, and unit No. 1 (d) covers all items when it states, "Also, we believe that imported goods are better than our own."

[Here the gavel fell.]

Mr. TABER. Mr. Chairman, I yield 2 additional minutes to the gentlewoman from Massachusetts.

Mrs. ROGERS of Massachusetts. The entire syllabus cries out that foreign-made goods are superior to American-made goods, and tells the children in the schools to watch for these foreign-made goods.

I think every Member of the House will bitterly resent that as much as I do. We should take steps to stop it, and if the Department of Commerce or the Port of New York Authority is to blame, we should censure them; but I believe Mr. Dye when he writes, "Of course this does not express the opinion of the Bureau of Foreign and Domestic Commerce." I shall make a further investigation of the matter, however, and also of the part played in the preparation of the syllabus by the New York Port Authority. We must do everything within our power to protect our home markets, to give our own workers a chance to exist.

The following is part of the syllabus:

SYLLABUS ON FOREIGN TRADE

We present herewith a syllabus of instruction in foreign trade, including its nature, extent, origin, and destination; its importance to the Nation and to our city in particular; the foreign-trade-agreements program; concluding with a special study of the port of New York.

We believe that this is in such form that the teachers of our high schools, whether of economics, civics, history, or economic geography, will find in this syllabus outlines of lessons that can be presented within the scope of the official courses, within the comprehension of the students, and interesting to the teacher as well as to the pupils.

UNIT NO. 1

SYLLABUS FOR USE IN NEW YORK CITY HIGH SCHOOLS DURING FOREIGN TRADE WEEK, MAY 22–28, 1938

A. Introduction

1. May 22 to 28 is Foreign Trade Week.

2. Why is foreign-trade week celebrated? Exporters, importers, brokers, forwarding agents, banks, steamship companies, railroads, and others directly involved are all vitally interested in foreign trade. But do you realize that foreign trade affects each and everyone in some manner?

(a) To point out the significance of foreign trade to each individual is the motive behind Foreign Trade Week.

(1) The individual often loses sight of the fact that he or she is a direct participant in foreign trade. One of the ways is as a consumer of imported goods.

Suggestions to teacher: Inquire how many of the pupils had coffee or cocoa for breakfast. Point out that each, to that extent, participated in our foreign trade due to our dependence on foreign sources of supply for those commodities (coffee from Brazil and cocoa from the Gold Coast).

Other commodities that may be used for similar illustrations are: Chicle from Central America in the manufacture of chewing gum; rubber from Malaya used in the making of tires; fountain pens, raincoats, elastic bands, galoshes, etc.; silk from Japan in the manufacture of hosiery, underwear, neckties, etc.; hides from Argentina in the making of shoes, gloves, handbags, luggage, etc.; wool from Australia in the manufacture of men's and boys' suits, rugs, carpets, sweaters, etc.; sugar from Cuba in the manufacture of confectionery; cork from Portugal.

1. Why do we have foreign trade?

A. Lack of certain essential raw materials.

(1) As pointed out above.

Suggestion to teacher: Have pupil list on blackboard above imported commodities (which we lack) and add others suggested by class (such as tin, nickel, platinum, sisal, asbestos, chromium, jute, tea, licorice, linen, bananas, and other tropical fruits, olives, dates, nuts, spices, mahogany, tanning extracts, diamonds, quinine, and ephedrin).

B. Reverse of above (many countries lack certain essential materials which we produce in large quantities).

Suggestion to teacher: Have pupil list on blackboard such commodities as may be suggested by class including cotton, petroleum, tobacco, copper, phosphate rock, rosin, turpentine, sulphur, borax, wheat, meat, lard, and apples.

C. Some countries over a period of years, have developed special aptitudes and skills, which combined with their natural advantages have enabled them to excel in the manufacture of certain articles.

(1) United States exports automobiles, sewing machines, typewriters, etc.

(2) United States imports watch movements from Switzerland, cameras and microscopes from Germany, tweeds from England, toys and novelties from Japan.

Suggestion to teacher: Have pupil list on blackboard similar commodities for our exports such as cash registers, business machines, automobile tires and tubes, fountain pens, mining machinery, agricultural implements, motion-picture films, radio apparatus, electrical appliances; and for our imports such as the Rolls Royce, Mercedes, Fiat, Benz, Hispano-Suiza, and other high-priced automobiles; hats and dresses from Paris; laces and embroideries from Switzerland; tableware from England; rugs from Persia and Turkey; mattings from Japan; binoculars from Germany.

D. All of us are attracted by new and novel things; also, we believe that imported goods are better than our own. This further encourages trade between nations.

Examples are: Belgian laces, French gloves, English pipes. Many American women prefer French cosmetics, while many French women purchase American cosmetics; American stylists visit Paris openings to observe the latest French styles, while French stylists attend Hollywood previews to note the trend in American styles, as exhibited by our screen favorites.

Exercise:

(a) Have pupils review the department-store advertisements and clip and paste in their notebooks all advertisements stressing imported goods.

(b) Have students make a list of qualities that are featured in these advertisements.

(c) Have pupils enter in notebooks a list of goods, appearing in current advertisements, composed largely of imported materials whose foreign origin is not mentioned.

NOTE.—The teacher will expect to find included in such a list: Confectionery, automobile tires, tea, coffee, mahogany furniture, quinine tablets, shellac, etc.

UNIT 2

2. Foreign trade of the United States

A. Historical development

(1) The discovery of America can be attributed to the desire for silks, porcelains, rugs, spices, jewels, etc., of the Far East.

(2) The independence of the United States was due in part to the attempt to regulate the marketing in the American Colonies of a foreign commodity, tea.

(3) The Louisiana Purchase was made by President Jefferson largely so that the settlers beyond the Alleghanies might export through New Orleans their lumber, flour, bacon, pork, and lard.

(4) Our first war, as an independent Nation, was fought with Tripoli to end the raids made on our shipping by the Barbary pirates.

(5) The War of 1812 was fought to establish the rights of neutrals to trade with belligerent powers.

Suggestions to teachers: The purpose of this introduction is to show that foreign trade has played an important part in our history in the past and is likely to do so in the future. Teachers of history may expand on this topic to a considerable extent. Have various pupils give 3 to 5 minutes oral reports on topics similar to the following:

(1) How did the interruption of overland caravan commerce by the Turks encourage discovery?

(2) Explorers often brought back goods that they had not sought, as tobacco and the potato. What was the effect of such goods on Europeans?

(3) How did the European demand for furs lead to our western expansion?

(4) How did the British demand for ship timber affect New England?

(5) How did the demand of Latin countries for fish food for fast days affect New England?

(6) How did the demand of Europe for wheat encourage the settlement of the Western States?

(7) What commercial interests were affected by the Spanish-American War?

(8) How did our trading interests affect our entrance into the World War?

B. Character of our foreign trade.

Exports (percent of total exports, in order of importance throughout).

Finished manufactures, 50 percent: Machinery, automobiles, petroleum products, textiles, rubber manufactures, paper products.

Raw materials, 22 percent: Raw cotton, leaf tobacco, crude petroleum, coal.

Semimanufactures, 20 percent: Copper ingots, bars and rods; sawn lumber, boards and planks; iron and steel sheets.

Foodstuffs, 8 percent: Fruits and nuts, meats and fats, wheat and flour.

Imports (percent of total imports, in order of importance throughout).

Raw materials, 32 percent: Rubber, silk, furs, hides, wool, oilseeds.

Foodstuffs, 28 percent: Sugar, coffee, grains, fruits, and nuts.

Semimanufactures, 21 percent: Wood pulp, tin ingots, inedible vegetable oils.

Finished manufactures, 18 percent: Paper, cotton manufactures, burlap, flax, hemp and ramie; wool manufactures.

Suggestion to teacher: Have pupils prepare a bar graph, along lines suggested above, showing by means of different colors the extent of our exports and imports of the aforementioned classes of commodities.

C. Volume of trade:

In 1850 our foreign trade—including both exports and imports—amounted to about $400,000,000. Today it is over $6,000,000,000 or more than 15 times what it was at that time. In 1920, after the war, due to the needs of European countries our exports alone came to over $8,000,000,000, while our imports accounted for an additional $5,000,000,000 or a total of $13,000,000,000. In 1929 our exports alone were equal to almost as much as our combined exports and imports last year.

The United States conducts about 12 percent, or approximately one-eighth, of the foreign trade of the world. It is the world's leading exporter and the world's second greatest importer. Only the United Kingdom has a larger share of the world's total, with 16 percent, two-thirds of which consists of imports into that country, which is the leading importing nation of the world.

Of our exports, 40 percent were shipped to Europe, of which three-fifths went to three countries: United Kingdom (cotton, tobacco, machinery, and petroleum), France (cotton, autos, machinery, metals, petroleum), and Germany (cotton and metals). The United Kingdom took about one-half of what we exported to Europe, or about one-sixth of all of our shipments abroad. Other prominent markets in Europe for our goods were Belgium, Netherlands, Italy, and Sweden. Canada took about 15 percent (autos, coal, petroleum). To Latin America we shipped 19 percent (metals, machinery, autos, petroleum, textiles, and foodstuffs), chiefly to Mexico, Argentina, Cuba, Brazil, Venezuela, Colombia, and Chile. Another 17 percent of the total went to Asia, of which Japan took about one-half (cotton, petroleum, metals, machinery, autos, and wood pulp), the remainder principally to Philippine Islands, China, and British India. Finally, 3 percent of our exports were shipped to Oceania and 5 percent reached Africa.

On the import side, about 27 percent came from Europe, one-fourth from the United Kingdom (textiles and machinery), but also from Germany (fertilizers, machinery, and cameras), France (wool, olive oil, glycerine, perfumes, laces, and furs), and Belgium (diamonds, barley, malt, zinc, cotton, rugs, and gelatin); another 31 percent from Asia (chiefly rubber and tin from British Malaya); silk from Japan; rubber, tapioca, tea, palm oil, and sisal from Netherland Indies; jute, burlap, and goatskins from British India; hides, furs, and wool from China; 23 percent from Latin America (chiefly sugar from Cuba; corn, flaxseed, and wool from Argentina, and coffee from Brazil); 13 percent from Canada (grain, newsprint, pulp, wool, furs, nickel, and asbestos); finally, 3 percent from Africa and 2 percent from Oceania.

Suggestions to teachers: (1) Have the pupils make a bar graph to illustrate the growth of our foreign trade since 1900. Use quadrille ruled paper (¼-inch squares) 8½ inches by 10½ inches which may be obtained from economics or mathematics chairman. Have the pupils draw a base line 9½ inches (38 spaces) long, ½ inch from bottom of paper to represent the time interval, from 1900 to 1937. Erect a bar at the years indicated in the table below. Each inch on the vertical scale will represent $2,000,000,000. Have the graph neatly lettered and signed by the pupil. Display the best graph on the bulletin board.

Foreign trade of the United States, 1900–37 in billions of dollars

Year:	
1900	2.50
1910	3.75
1920	13.00
1930	7.00
1931	4.50
1932	3.00
1933	3.00
1934	3.75
1935	4.25
1936	5.00
1937	6.50

(2) Bar graph of regional distribution of exports and imports. Use quadrille ruled paper, and have students make a bar graph 10 inches long and 1 inch high for exports, and the same for imports; lay off each bar with appropriate shading to show facts given above. Have pupils explain the difference in our exports to Asia and our imports from Asia, exports to Latin America and imports from Latin America; contrast this situation with the virtual balance existing in our trade with Canada.

UNIT No. 3

3. Value of foreign trade to domestic production.

A. *Exports*

(1) Exports have averaged from 7 to 10 percent of domestic production in recent years.

(a) This volume of business may often mean the difference between a profit and a loss.

(2) Many businesses are dependent upon export markets for disposal of a surplus beyond domestic needs.

For example, with but 6 percent of the world's population, we produce 60 percent of the world's supply of petroleum, 40 percent of the world's cotton, 30 percent of the world's coal, and 75 percent of the world's automobiles. In some cases this foreign demand almost equals and occasionally surpasses our domestic demand.

Percent of production exported

Commodity:	
(a) Crude materials:	
Leaf tobacco	36.0
Sulphur	27.8
Copper	32.7
Borax	32.5
Cotton	44.0
Phosphate rock	45.0
Gum rosin	49.6
Turpentine	48.2
(b) Foodstuffs:	
Canned salmon	15.7
Canned sardines	28.8
Lard	17.4
Pears	22.8
Raisins	26.5
Dried apricots	56.0
Prunes	41.8
Canned fruit salad	85.4
(c) Semimanufactures and manufactured products:	
Patent leather	68.5
Carbon black	33.1
Lubricating oil	30.9
Lubricating greases	39.9
Paraffin wax	44.4
Linseed oil—cake and meal	44.2
Carbons and electrodes	21.8
Dental teeth	17.8
(d) Machinery and equipment:	
Electrical apparatus and machinery	32.1
Mining machinery	19.2
Metal-working machinery	20.0
Sewing machines	36.0
Printing and bookbinding machinery	26.2
Office appliances	23.2
Aircraft	26.7
Radio apparatus	11.9

NOTE.—Above table includes only commodities where proportion exported is considerably greater than 10 percent. Several commodities produced in large quantities do not appear in this list, although the quantity exported is considerable. Typical of this situation is the automobile industry. While only 8 percent of the total production was exported in 1936, yet this included 358,000 passenger cars, trucks, and busses, valued at about $160,000,000. A similar situation exists in many other industries, including these: Leather, leather goods, rubber tires and other rubber manufactures, cotton cloth, wearing apparel, paper manufactures, coke, medicinal preparations, cosmetics, soaps, and paints.

Suggestion to teachers: Have class discuss the importance of exports to domestic producers of cotton, tobacco, petroleum, sulphur, naval stores, dried fruits, etc., including a discussion of the purchasing power derived by them from the sales of such goods abroad, with which to buy manufactured products of industrial East.

(3) Foreign-trade activity gives direct employment to thousands in banks, steamship companies.

Mr. LUDLOW. Mr. Chairman, I yield such time as he may desire to the gentleman from Mississippi [Mr. MCGEHEE].

Mr. MCGEHEE. Mr. Chairman, in the perusal of my mail from day to day, and in an effort to get the point of view of every group of individuals who write me for and against the many things that are being done, and contemplated being done, by the Congress, so as to analyze the viewpoint of the people throughout the country with that of my own, the captions of two or three of these statements impressed me very much. They show, not only to myself but to the membership of the Congress, the increasing tendency of thought and belief of the people in the different sections that this Congress is legislating for one section, or the other, rather than for the whole country.

This, of course, is not true, because it is the intense desire of the Congress to pass acts that are beneficial to the people as a whole, but I call your attention to this fact, so as to impress on the minds of the membership the trend of thought of the people in the different sections, which is unwholesome for the future prosperity of the country, unwholesome to keep this a united people as it has been since its foundation.

We cannot stand idly by and permit such a condition as is facing our great Nation today to continue to grow fertile in the minds of the individuals or groups in any section of it. We must stop and give thought to this phase of the situation, with a view of an ultimate remedy. To disabuse the minds and thoughts of the people in this respect it must come from the representatives who compose these two legislative bodies.

The first statement that impressed me was one from a group of men in my section, the caption of which was "the Forgotten South." The next statement was from the representatives of the farm groups of the east, central, and western sections, relative to the stand of the Congress in reference to their business and avocation in life.

As I visualize the situation from the thousands of letters and statements, giving the viewpoint of the people, which come to my desk, this trend of thought is beginning to grow in the minds of every class of our people, whether they be farmer, laborer, banker, lawyer, doctor, businessman, or collective group of businessmen, hence it is like a dreaded contagious disease which is embedding itself in the whole body politic of this country. Every sane person knows when the individual has become afflicted with a dread disease there must be quick efforts to thwart its spread, otherwise it means death.

So, Mr. Chairman, this momentous problem which our body politic is infected with, must be treated and a permanent cure administered at the earliest possible moment, otherwise, nations can die as well as individuals.

In my opinion, there is not a Member of the two branches of the Congress but that is conscious of this fact and daily is becoming the more apprehensive concerning it and is giving hours of thought to the remedy that must be administered for the complete recovery of the patient.

As a Member of this body, and a representative of the people who are predominately agricultural, and one who realizes that the basic and fundamental problem must be solved to bring our great country back to normalcy, which is that of giving the proper aid and assistance to our agricultural people.

It will not be disputed by any person, whether they represent the body politic, industrial, professional man, or laborer, that when our agricultural people are permitted in an unrestrained manner to raise their products and place them on the market at a price that will give them a return that is commensurate with the labor performed, together with an amount sufficient to create a purchasing power by this class, then the wheels of industry will never stop, there will be no cry of unemployment, there will be no cry of the professional man as to hard times, no cry of the manufacturer or merchant as to the sale of their goods; in fact, that condition will place the machinery, not only of our Government in the collection of taxes to pay the expenses thereof, but every phase of the activity of its people on a normal basis.

The Congress today would not be called on, nor would they have been for the past several years, to increase taxes and appropriate the billions of dollars for relief, if that class of our people, the farmers, had been in a position to receive a price for their products sufficient to give them a purchasing power. We have followed the wrong policy for the past 5 or 6 years to create a condition whereby we can alleviate the situation that is existing.

Controlled production of farm products creates unemployment; when you restrain production of cotton, corn,

fast days affect New England?

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wheat, or any farm product, you place on the unemployment and relief rolls millions of people. You destroy the incentive of the youth today whose ambition in life might be to follow that avocation.

You not only do this when you restrain production as has been done for the past few years, but you open the markets of other countries to export its products to ours to feed and clothe our own people who are unable to secure work.

By reason of our doing this, I am amazed when I study statistics on the amount of imports to replace that which we have either destroyed or prohibited from raising and producing. There was taken out of cultivation around 40,000,000 acres of land in 1936 alone. There was kept from being raised around 7,000,000 hogs; over 1,000,000 cattle; 2,000,000 sheep; and, as a result of it, we imported during 1936 around a million head of cattle; 60,000,000 pounds of hogs; 100,000,000 pounds of canned beef; 10,000,000 pounds of butter; 35,000,000 bushels of corn; 20,000,000 bushels of beans; 75,000,000 pounds of potatoes; 140,000,000 pounds of turnips; 85,000,000 pounds of tomatoes; 125,000,000 pounds of oils; and 100,000,000 pounds of rice and flour. I understand, of all of these imported items, the amounts of some were probably increased for the year 1937.

Hence I want to say it is elementary as the learning of the A B C's as to what we are doing—how we are creating unemployment for the millions who would raise and handle these products; further, destroying the incentive of the youths reared on the farm today to follow the avocation of their fathers. Their only recourse is to go to our towns and cities seeking positions, and, if unable to secure them, they become a relief problem.

The object of my talk to the Congress today is to, with all the force and power that I have, impress upon the membership that we must solve this problem and give to that class of our people the aid they are entitled to, and when so given, in my opinion, we will eventually save our country from the position, as I see it, it will in the near future occupy; that is, one of a totalitarian state.

The solution of this problem, and it cannot be successfully contradicted, for the disposition of our farm products, is to permit our agricultural people to raise what they desire. This can be done, if the Congress, with some of the millions of dollars it is appropriating, will give to some of our governmental departments sufficient funds to create agencies in the different countries wherein they have offices, so as to arrange exchange of our products in a manner somewhat similar to that which I stated on the floor 2 or 3 weeks ago. It can be done by direct exchange and polyangular agreements as suggested, and, as I see it, it is the only solution for the future prosperity and return to normalcy of our country.

I stood on this floor some few days ago asking the membership to allocate a measly sum of $1,000,000 to the Department of Commerce, merely to be used in the offices they have established in the foreign countries for this purpose, but on account of the jealousy of other departments and the propaganda spread around to the membership this was defeated.

I am not asking for this individual Department anything, because it is merely a part of our Government, just as is any other department. I do say let us allocate or appropriate moneys to every department of our Government that has offices in any foreign country, and let it be a sufficient amount to employ a personnel to carry out the program I have outlined to the Congress. I think I can safely assume that not over $10,000,000 or $15,000,000 would be a sufficient amount to do this.

Mr. Chairman, unless we give relief to the agricultural people in some way, I notice it is estimated that 400,000 farmers will lose their homes this fall. With the price of cotton, wheat, and corn declining as it is daily, and in the event the governmental departments that the Congress has appropriated for and delegated to lend them money on their farms, they will be compelled to take over not 400,000 but 75 percent of the farm homes within less than 36 months.

This may also be true in the F. H. A. and H. O. L. C. but the proper aid to our people, the farmers, in the proper was as I am asking the Congress to do, will solve the problem insofar as farm homes are concerned as well as the F. H. A. and H. O. L. C.

Insofar as my individual section is concerned, there will be, this year, a carry-over of cotton larger than in the history of its production, yet, I know that with proper distribution, not only at home but abroad, if every bale that is in existence was properly manufactured to be used, it would take 25,000,000 bales more than is in existence today to meet the demand for it.

There is not a home in the United States, unless it should be the very rich, that has a sufficient amount of the necessities for the home from the manufactured products of cotton.

It is not too late, as the agricultural appropriation bill is in conference, and I want to say this to the conferees, to forget the detrimental and jealous propaganda that has been spread because of the selfishness existing in certain departments of our Government in trying to broaden its own powers, and make a sufficient allocation which has been authorized by the Congress, not only to the Department of Commerce, but to the Department of Agriculture and Department of State if necessary, all of which have agencies in most of the civilized countries of the world, so as to broaden their agencies and give this aid and assistance to the farmers of this country. If something is not done, woe be unto us and the Nation's condition in less than 12 months hence.

Mr. LUDLOW. Mr. Chairman, I yield such time as he may desire, to the gentleman from Missouri [Mr. ROMJUE].

Mr. ROMJUE. Mr. Chairman, at the beginning of the Roosevelt administration, 5 years ago, there was evolved and put into execution a policy of many ramifications but which may be succinctly described in two words—"recovery" and "reform."

The people had been demanding action in a voice strident and imperative. Already in certain of the agricultural sections of the Middle West farmers were grouping themselves together to resist by force, if necessary, the ominous, monotonous tom-toms of oncoming mortgage foreclosure sales.

It has always seemed to me that those weeks and months before November 1932 were more fraught with danger to our fundamental institutions than any other period of the present or recent generations of Americans. Verily we were then living on the edge of an economic volcano, so near the eruptive stage that any moment might have witnessed the destruction of all that we have held dear in the 150 years of liberty on this continent. I firmly believe that the country was saved only by the nearness of a national election and by the faith of the people in their form of government and the invincibility of the ballot as a means of correcting the wrongs of the few against the masses.

We need not press our memories hard to recall the high moments of President Roosevelt's first inaugural on the front steps of this Capitol. The events of that day are indelibly impressed in the minds of all who were there. The oath had been administered. The new President was standing in the presence of a hundred thousand of his fellow citizens, while millions of others strained their ears to every utterance as his voice went out to them on the radio. So engrossed were all that none in the throng would venture to applaud or make a sound lest thereby a word should be lost.

Consider that scene, my colleagues. Feel the drama of it. The circumstances of those times had crystalized the hopes and aspirations of a nation upon a personality. The future of the Republic for the moment was in the keeping of a single individual. Would he justify that faith and that confidence? Or would he fail the people in their hour of extremity and distress? The hour had struck; the moment had arrived for the answer.

Only a foolish optimist can deny the dark realities of the moment.

The new President was speaking with great earnestness. He was saying that the rulers of the exchange of mankind's goods had failed through their own stubbornness and through their own incompetence, and that those rulers had now ad-

mitted their failure and had abdicated. He then made a statement which was of the nature of a solemn pronouncement. He said that the Nation in its progress toward a resumption of work would require two safeguards against a return of "the coils of the old order." These safeguards were, he said:

1. There must be a strict supervision of all banking and credits and investments; and,
2. There must be an end to speculation with other people's money.

We often hear in this chamber and elsewhere the expression that this Nation is "at the crossroads." Probably we have encountered innumerable critical periods in the recent years of our history, but none of them, I apprehend, was more acute or more demanding of immediate, accurate thinking and action than that which confronted the Nation as a result of the ineptness of its leaders and of the controlling forces of our Government previous to the national election of 1932 and the inauguration of the new administration on March 4, 1933.

On that day, and during the days which followed that inauguration, history was made in America. A badly-used, discouraged, and sorely distressed democracy arose and shook itself to a new life and a new spirit.

It was during this time that there was a veritable procession of financial barons to Washington and the White House pleading to be saved from the consequences of their own selfishness and folly. There is ample reason for believing, as has been said, that these nabobs of the money world actually had the temerity to suggest to Mr. Roosevelt that he establish himself as a dictator. At that moment, such was the state of their minds, some of them, in craven fashion, were thinking of fascism as the only means of preserving their own wealth and position. The suggestion of dictatorship, of course, was rejected with scorn by the White House.

Secretary of the Interior Ickes recently had something to say on this subject in an address to which he gave the title of "Democracy or What?" He said:

Interestingly enough, those who were willing to accept a Fascist government * * * were not of the lowly or average citizens. They were those who, possessing wealth and economic power and social prestige, were willing to sacrifice the liberties of America that they might cling a little longer to their wealth and power.

Yet among these same barons of finance there are some who are up to their old tricks again, and in their machinations they are pleased to make it appear that our President has aspirations which look to a dictatorship for the United States.

At no time has there ever been any mystery, except the capriciously manufactured mystery of the self-seekers and propagandists, concerning President Roosevelt's ideas on such things as dictators. The President has not changed since he entered the White House. He is the same today as then. His has been a fight to advance and preserve democracy, not to destroy it. And to that end his efforts have been consistent and unremitting.

A hundred and fifty years ago when the Constitutional Convention was at the end of its labors in Philadelphia, many of the delegates evidently were convinced that what they were establishing was something like a monarchy. Edmund Randolph said that the people would see "the form at least of a little monarch," and they did not want him to have despotic powers. When the sessions were over, a lady asked Benjamin Franklin:

"Well, Doctor, what have we got, a republic or a monarchy?"

"A republic," replied the doctor, "if you can keep it."

The situation existing today is somewhat similar. Great uncertainty prevails among the people as to their country's future course. It is an uncertainty based to a very large extent upon ill-founded rumor and downright misrepresentation. But it prevails nevertheless. The people, in a perplexity not unlike that of 150 years ago, are asking:

"What about our future? Are we to have a republic or a dictatorship?"

Franklin D. Roosevelt's answer could well and appropriately be a restatement of Benjamin Franklin's thought, his words only slightly changed—a republic if we can keep it.

For it was to the end that the republic should be preserved that the President in the beginning dedicated his administration to the broad policy of recovery and reform. To that course he has remained steadfast during the more than 5 years which his two administrations so far have covered.

Now, it so happened that in 1933 the people were unanimous on the question of recovery. Everyone wanted recovery. And they were almost, but not quite, unanimous on the question of reform. There were a few, invariably of the money oligarchy, who were dubious and vacillating on this phase of the administration's policy. Recovery they needed very desperately; but to be forced to accept reform along with it was to reduce their bitterness to the ultimate dregs. They grumbled, but they took their medicine, while biding their time. And eventually, as we have witnessed, they became convalescent and were able to deride and curse the doctor who had placed them back on the road to economic health.

Let me turn back for a moment the pages of this narrative in order to catch a glimpse of some of the conditions that confronted Mr. Roosevelt as he took office in 1933. When Mr. Harding became President in 1921 there were in round figures 30,000 banks in operation in the United States. Because of what had been taking place, prior to 1933, this number was reduced to 15,000 before Mr. Roosevelt's administration had a chance to begin the work of rehabilitation. Which is to say, one-half of the banking establishments of the country were wiped out by the financial debacle of the three Republican administrations preceding the start of the New Deal.

From January 1930 to January 1934 there were 8,925 banks liquidated. In these liquidations were involved, in form of deposits and stock holdings, $4,296,000,000, of which, by conservative estimate of the authorities, approximately 50 percent was a total loss. Contrast this situation with the next 4 years under the New Deal. From January 1934 to January 1938 there were only 181 bank failures in the country, and these involved only seventy-three millions of deposits; and 99 percent of the depositors to whom this amount belonged have been paid all the funds due them. This was possible, of course, because of the Federal deposit insurance law, which was passed as promptly as the President and the Democratic Congress could work out the details of the legislation. But other safeguards also have been created by this administration to protect depositors and investors. Since the first enactment, the Congress, by an act approved August 23, 1935, increased the amount which is guaranteed to an individual depositor from $2,500 to $5,000.

I shall not at this time and for present purposes go into a detailed discussion of the downfall of the country's economic system during the Hoover administration. Nor shall I attempt to review the multitude of Herculean endeavors put forth by the Roosevelt administration to effect a rescue. To do these things would necessitate my standing here for many days. The story of what happened to government in the 1920's is tragical; the story of the rescue is an epical commentary on the possibilities of a democracy when the people are proceeding in a common direction under a leadership possessing the intelligence and courage to act quickly and decisively in emergencies.

In New York City, in the heart of the Wall Street financial section, there is located an institution which is known as the New York Stock Exchange. The patrons of this institution usually refer to it as "the stock market" or "the big board." The exchange has a legitimate place in the country's economic system, and, since so great a part of our industrial development has been possible only by the assembling of financial capital through corporate organization, it has attained a position of indispensable importance in our national life. We must have a market place for corporate securities, just as we must have a market place for other commodities like wheat, cotton, corn, and cattle.

Nobody, I assume, would quarrel with the stock exchange in the pursuit of its legitimate objects. But when the exchange has stepped out of its rightful orbit and has become predominantly a gambling institution for the so-called rulers of the exchange of mankind's goods—well, my friends, that is something else.

We cannot forget that in the decade that gave the Nation Harding, Coolidge, and Hoover, there occurred such a concentration of the financial resources of the country in New York for speculative purposes that the economic world stood aghast. Washington knew about it. The warning signals were numerous. But Washington did nothing; the hands of the Government were palsied. The flow of money, the Nation's lifeblood, into Wall Street increased in volume with each passing day. At the height of the debauch more than $9,000,000,000 of other people's funds had been drawn away from the nooks and corners of the country and loaned, through brokers, to the mad plungers in the seething waters of the stock market. Little wonder that the channels of business were drained.

Farm values were the first to collapse, and by 1929 there was not a single business or individual in our entire Nation that had escaped the blighting effects of the cataclysmic orgy. Surely our country in that period reached the lowest spiritual levels of its national existence. Then, not afterward and not now, was the germinating period for dictators. For dictators, history tells, have always come from discontent, as revolutions have always come from hunger and oppression.

The stock exchange, then, as we have been shown, is more or less a necessity in our capitalistic system; but wrongly used, it becomes an instrument for evil with possibilities as devastating and merciless with respect to human welfare as could be any hostile army manned to the limit and equipped with all the modern devices of death and property destruction which have been contrived by science and the ingenuity of man.

And so it came about that as Franklin D. Roosevelt entered the White House he had already determined that, if it were in his power to prevent, there should never again be such a gambling orgy as that which the people were forced helplessly to witness in the weeks and months preceding the financial collapse of 1929. Accordingly, the stock market today is regulated by competent Federal laws. The issuance of securities is under statutory supervision and guidance, and there are safeguarding laws describing the course and limiting the actions of private corporate bodies. But do these laws go far enough to relieve the apple of all its rottenness. Let us see.

We have the word of many of the renowned economists of the United States that this is a "strange depression." It is strange in the sense that its underlying causes are not apparent or discoverable to the economic mind. It does not follow precedent; it is not consistent with well-known facts, and its foundations are weak and vague. The economists are aware that a year ago the country was in a good mood. The people were happy in the thought that the Hoover depression at last was wearing away, and that on the horizon a light was breaking which betokened the arrival of newer and better living conditions for the masses than they had ever known before.

Prosperity was lurking around no precarious corner a year ago. Prosperity was present, mingling with the common people. The benign influence of prosperity was manifest everywhere in the land. People were smiling again—no; not all the people were smiling. Forsooth, there were some, a small minority, a handful of Roosevelt haters, Old Guarders, the adherence of an old order, whose faces were grim and viciously determined. They were the nonreformists, and they had set themselves to the task of destroying something which was good and productive of happiness, while they were without the will or the capacity to substitute anything of a compensatory value for that which they were taking away.

The stock market is something of a business barometer. It has been so regarded for many years by certain elements of the country's citizenship that indulge in the game which is called "playing the market." The market, by its fluctuations, its ups and downs, and by its varying totals of daily sales, is supposed to indicate or predict the condition of business throughout the country. It is not an unfailing barometer by any means. Yet it has become a kind of legend, and its barometic readings are often accepted in better faith than they deserve by many business people.

There would seem to be a definite absurdity about accepting as an accurate barometer any instrument the use of which is depending on the human equation. Everybody knows the stock market can be and has been manipulated by those who are close enough to it to be familiar with its workings and who are equipped with financial resources necessary to carry an operation through to the desired conclusion. The big speculators of this class usually say that they only follow the trends of the market. But sometimes they make the trends themselves. About a year ago the New York Times, in an editorial, warned that the stock market might actually produce the conditions which at that time it, as a so-called barometer, was forecasting.

The professional speculators then were "selling the market short," which is to say they were selling something they did not own and did not have on the theory that after they had stifled the value out of the thing by what they were doing they could then buy it at the lower price and make delivery on the original sale. It is all very complicated, as you can see. Amateurs should beware.

But the thing easily understood by the laity is that in the stock market 12 months or so ago individuals and groups were selling the hard-won prosperity of the American people short. They were creating a false condition in the business barometer. They were deliberately pressing prices down to lower and lower levels. Because they hated Roosevelt, they were handing him and the rest of the country a manufactured depression.

That, Mr. Chairman, is the genesis of our country's economic troubles today. The financial Samsons, whose purses, filled with other people's money, are long, and whose conceptions of their manifest duty to humanity are lost in their own selfishness and short-sightedness, have pulled the temple down upon a hundred and thirty million people, themselves included.

And these, I would impress upon you, are the ones who want recovery if it can be obtained without reform. And they, too, are the ones who think the way to gain their ends is to destroy the President of the United States.

Mr. Chairman, in the constant struggle of the people of the United States to keep this a republic—a democracy—they have been blessed in emergencies and crises with leaders who were truly great. But has not this been the case in about all the history of mankind? Wherever we delve into the records of that which has gone before we find that most of what we are privileged to know of the past revolves around heroic figures. If there were no heroic figures, there assuredly would be very little history. It was of Aaron, the priest, in the time of Moses, more than 3,000 years ago, that it has been said:

> And he stood between the dead and the living, and the plague was stayed.

We read the history of America, and we are intrigued by the names of Jefferson and Jackson. They were outstanding in the struggle for democracy and its perpetuation. The one was an idealist—a dreamer, if you please—but he was also a philosopher, a philosopher of democracy. The other was the blunt soldier who became, as it has been said, democracy's sword. I recall that a dozen years ago, at this place in the House of Representatives, it was my pleasure to say something in the manner of a review of the life of

Thomas Jefferson "In order to rekindle a desire for the perpetuity of the principles of our American Government."

Today I want to refer briefly, with the same thought in mind, to Andrew Jackson. My reasons for emphasizing Jackson in connection with remarks of the character I am now making must be apparent to all who are listening and all who will read. For as surely as we are permitted by the grace of Heaven to be here at this moment Jackson's problems of a hundred years ago, in all essential particulars, are Roosevelt's problems of today.

Jackson drove the privately owned Bank of the United States, the money monopoly of his day, out of existence. In another form, with multifarious ramifications, a money monopoly is at grips today with a President of the United States who, like Jackson, has chosen to take the side of the masses of the people in another of their titanic struggles against the power of concentrated wealth.

Probably no man in history ever suffered more denunciation than Jackson for his act of removing the Government deposits from the Bank of the United States. This was in 1833. The institution was commonly referred to as "Biddle's bank." Although incorporated under the State laws of Pennsylvania, it had grown many tentacles and had reached out in all directions for increased power, political as well as financial. Jackson looked upon it as liberty's greatest menace, and in the White House he determined to "smash" it. And he did so.

But the act brought a veritable tornado of criticism, abuse, and vilification down upon his head. Oh, there were propagandists in those days as well as now. Jackson was "a haranguer of mobs," "a miserable misfit," "a disgrace to the White House," his election "a triumph of the mob," and his administration "a millennium of the minnows."

Misled, as we now know, by the hue and cry of the propagandists, the Senate of the United States, containing a majority of his own party, actually adopted a resolution censuring Jackson for his so-called highhandedness and usurpation of power. Yet Jackson was amply vindicated for all that he did by the unprecedented balloting of the electorate in a half dozen subsequent contests.

Thomas Hart Benton, that superb statesman of the Jackson era, then a Senator from my own State of Missouri, in his speech urging that the censure resolution be expunged from the records of Congress, declared:

> No ordinary President would have staked himself against the Bank of the United States and the two Houses of Congress in 1832. It required President Jackson to confront that power—to stem that torrent—to stay the progress of that charter and refer it to the people for their decision.

How alike are the two situations—a hundred years ago and today. Identically the same objects are involved. The implements of war are only slightly changed. Then as now, an aristocracy of wealth in the hands of the few trying to subjugate the masses—the royal economists affecting a superiority, a dictatorship, over the common people in the matter of their joint government—the surest way on earth to kill a democracy. Had Jackson failed in his efforts to stay the progress of the bank's charter, the charter would have become law, and, as Benton declared, "its repeal impossible." But when the people got their chance to express themselves, they arrested the charter forever. Otherwise, Benton said:

> The people of the whole Union would now have been in the condition of the people of Pennsylvania—bestrode by a monster, in daily conflict with him, and maintaining a doubtful contest for supremacy between the government of a State and the directory of a moneyed corporation. * * * But how—

I am still quoting Benton's speech—

> how can we pass over the great measure of the removal of the public moneys from the Bank of the United States in the autumn of 1833—the wise, heroic, and masterly measure of prevention which has rescued an empire from the fangs of a merciless, revengeful, greedy, insatiate, implacable moneyed power?

Jackson's efforts, backed by an overwhelming public sentiment, finally subdued and eliminated the Biddle institution as a dictator of the Nation's fiscal policies. But Benton continued his warning. Big business, he declared, in effect, had only taken a position of watching events and profiting by them. He said:

> The royal tiger has gone into the jungle, and, crouched on his belly, he awaits the favorable moment for emerging from his cover and springing on the body of the unsuspicious traveler.

Mr. Chairman, it has been said so many times in fact and fiction that history repeats itself that the expression may be thought trite and commonplace. But in this instance it is a great truth. The parallel as between Jackson's experience and Roosevelt's experience is almost miraculous in its exactness. Jackson in the emergency proved himself a leader whose every move seemed to be guided by the hand of Providence. He saved democracy for America. Roosevelt will do no less.

Mr. LUDLOW. Mr. Chairman, I yield 5 minutes to the gentleman from Connecticut [Mr. PHILLIPS].

Mr. PHILLIPS. Mr. Chairman, I realize that the hour is late and if I can possibly get through in less than 5 minutes, which I doubt, I will.

I wish to give the members of the Committee at this time, as an old country doctor used to say years ago, a shotgun prescription; in other words if one pellet did not hit the patient to advantage he hoped the other might. The three loads in this present shell, or prescription, so to speak, are, first, the question of the Thomas Jefferson memorial—this in 5 minutes or less, Mr. Chairman, and then two other matters.

Referring a moment to the Thomas Jefferson memorial, with all due respect to the gentleman who just spoke, and I realize his sincere interest in the particular type of memorial he has been favoring, it seems to me that instead of building just any edifice of brick, stone, or marble here, we could better build a memorial to Thomas Jefferson in some way that would be of more service to the people.

I respectfully and humbly offer the suggestion that we build a planetarium in Washington to honor Thomas Jefferson. What could be more fitting to that man who wrote his own epitaph, and in so writing, wrote among its lines that he was the founder of the University of Virginia, than the erection to his memory of a planetarium, because, as long as men endure, their interest in the stars and their courses will remain? I respectfully suggest that we erect to the memory of Thomas Jefferson a national planetarium here, that the people may visit to their advantage, for their education and pleasure when they come to Washington, rather than that we build simply another pile of brick, stone, or marble.

The second item in the prescription which I am offering has reference to the Camp Springs Airport that has been very much discussed recently. I am still open-minded on the matter, although, as a member of the Naval Affairs Committee, I heard the subject discussed for a whole morning and the committee unanimously decided against the Camp Springs Airport, because the overwhelming testimony was to the effect it would interfere with the Navy radio station nearby as far as receiving and sending is concerned. This is an important station on which the Navy has spent about $150,000, we are informed. Secondly, also the physical location of aerial masts, and so forth, might be dangerous to nearby aviation.

May I say to the members of the Committee that when the hearing was over, and I went out into the hall, a certain gentleman, a governmental official whom I have met once or twice socially, and I have not seen him for over a year, came to me and was very angry. He said, "So you members of the committee have let the Navy Department put it over on you again." I said, "What is your interest in the matter?" He said, "I have an option on the land."

I just want to caution the Members of the House that if we pass this Camp Springs Airport proposition, let us not do something whereby somebody will get a nefarious gain thereby.

Mr. Chairman, the third item of the shotgun prescription, which I hope may affect some of the patients to advantage, is this: I am very sorry, as a member of the Naval Affairs Committee, that the committee in charge of this bill has not seen fit to include in the bill an appropriation to start work on a dirigible.

The Naval Affairs Committee considered this matter of dirigibles painstakingly for a great length of time and overwhelmingly agreed to recommend to the House the building of this $3,000,000 dirigible as a training ship. The House passed the bill including this item, but it was stricken out in the Senate. I wish I had the time to tell the Members of the House some facts concerning dirigibles because it so happens I have given some study to this matter. You pick up a paper and read of the crack-up of an airplane that may cost upward of a million dollars, yet you do not stop building airplanes. Of course, it is most unfortunate that there was a loss of men in the past because of dirigible accidents, too. But why stop building dirigibles because of these lamentable milestones along the pathway of human progress?

[Here the gavel fell.]

Mr. LUDLOW. Mr. Chairman, I yield the gentleman one additional minute.

Mr. PHILLIPS. Mr. Chairman, after all, we have only cracked up three dirigibles of our own and one the Germans made for us. In the whole commercial history of lighter-than-air aviation, going back in Germany years before the Great War, there have been only 13 deaths resulting from crashes of dirigibles and these were caused when that great German dirigible burned up in New Jersey some time ago.

I wonder if the gentlemen of the Committee realize the number of Zeppelins the Germans had in the Battle of Jutland? They had 10 Zeppelins in the Battle of Jutland and, according to competent testimony both from the German and British sides, the German fleet was saved to the Germans because of that fact and the naval observation these dirigibles afforded.

Mr. Chairman, I hope the committee will accept an amendment which I will offer tomorrow at the proper time, appropriating money to build one training all-American designed and constructed airship as recommended by the Naval Affairs Committee.

[Here the gavel fell.]

Mr. LUDLOW. Mr. Chairman, I yield 10 minutes to the gentleman from Alabama [Mr. HOBBS].

Mr. HOBBS. Mr. Chairman, the Thomas Jefferson Memorial Commission, each and every member and their honored chairman, is justly deserving of the praise and gratitude of the 130,000,000 people whom we have the honor to represent. They have labored long, well, and patriotically. They have striven to cooperate with every interested person and agency motivated by the same high purpose which has dominated them.

Nor should we fail to appreciate the same character of service which has been rendered by the Fine Arts Commission and the Park and Planning Board. There is glory enough here for all.

We honor ourselves when we seek to honor Jefferson. In sincerity, however, we may well ask if any memorial can add to his honors? If it ever will become necessary to refresh our memory of the facts which his achievements have set like mountains on the horizon of history? If our appreciation will ever become so dulled as to require reminder of the grandeur of his thought?

Though the mind of Thomas Jefferson was matchless in its mastery of so many of the arts and sciences, and while its product has illuminated, enriched, and blessed every subject of its touch, yet, in all he did and said and wrote, his major emphases were three: Freedom of thought, speech, press, religion, and government; representative democratic government, of checks and balances, of laws and not of men; and education of the masses, which he held to be the sine qua non for the maintenance of the other two. This was the great triumvirate of his ideology. These were his grand passions.

What kind of a memorial, then, should we erect to this man, who preferred to be remembered as the author of the Declaration of American Independence, of the statute of Virginia for religious freedom, and father of the University of Virginia rather than as President of the United States, or purchaser of the Louisiana Territory?

The cooperative spirit which the Commission has evidenced always, and their patience, accommodation, and perseverance, embolden one to offer a suggestion, even at this late hour.

Jefferson's memorial should be one that shall typify, teach, and advance in a practical way the three great emphases of his thought. He loved them devotedly. He would gladly have died for their advancement. His heart was set upon perfecting and perpetuating our Government so that it might be ever an increasing blessing to its sovereign beneficiaries—the common people.

If we would warm and gladden his immortal soul, as he stands "among the shadows keeping watch above his own," let us create an academy for teaching and training the civil servants of our great Nation, both for home and foreign service. We have such academies for Mars, why not one for Jupiter? We educate our picked youth for war, why not others, of the same high type, for peace and the service of our people, yea, all humanity, through better government?

Let us combine two great ideas—the Thomas Jefferson Memorial with the academy envisioned by our colleague, WESLEY DISNEY, and described in his bill.

Let us crown one of Virginia's hills nearby with the campus and buildings of the United States Civil Service Academy, following Jefferson's plan as exemplified at Charlottesville. At the central place in this more spacious architectural child of Jefferson's ideal campus—possibly where the rotunda there stands—build the memorial agreed on by the Commission.

In such a combination of the two ideas would be wrought the perfect memorial to our greatest hero of the battlefield of thought.

What more fitting than a living institution of higher learning, dedicated to the perpetual service of the Nation and to him who was and is our chief exponent of the truth that education is prerequisite if our democracy is to endure?

Mr. LUDLOW. Mr. Chairman, I yield to the gentleman from Alaska [Mr. DIMOND] such time as he may desire.

Mr. DIMOND. Mr. Chairman, the people of Alaska will rejoice today when they learn of the provision of the bill now under consideration which authorizes the establishment of an air-mail service between Seattle, Wash., and Juneau, Alaska. This service is one for which Alaskans have ardently hoped for many years and the need of it has been felt increasingly with each passing year.

It is only recently that the air-mail service between Juneau, Alaska, Whitehorse, Yukon Territory, Canada, and Fairbanks, Alaska, has been put into operation, the first trip having been made on May 3, 1938. That service is of outstanding value to the people of Alaska, and yet until connection is made with the air-mail system of the States, the full benefit of the internal air-mail service in Alaska cannot be realized.

When on May 3 the Juneau-Whitehorse-Fairbanks service was set up the President sent to Hon. John W. Troy, Governor of Alaska, the following telegram:

> Hearty congratulations to you and the people of Alaska upon inauguration of air mail between Juneau, Whitehorse, and Fairbanks. This service is an added testimonial of the closeness of the national interest in Alaska and I hope marks an important step toward establishment of direct air mail between the continental United States and Alaska, thus removing another barrier of distance between us. We in Washington welcome every development which brings Alaska closer to us.

It will be noted, Mr. Chairman, that in this telegram the President forecast the connecting service between Juneau and the States and, therefore, we were not surprised when

the President transmitted to the Speaker of the House of Representatives an estimate of the Post Office Department, approved by the Bureau of the Budget, for the authorization now carried in this bill.

The members of the appropriations subcommittee which considered the bill will recall that I appeared before the committee in support of the Seattle-Juneau air-mail request, and that in urging the appropriation there also appeared before the subcommittee, Hon. NAN WOOD HONEYMAN and Hon. WALTER M. PIERCE, of Oregon; Hon. JOHN M. COFFEE, Hon. MONRAD C. WALLGREN, Hon. MARTIN F. SMITH, and Hon. WARREN G. MAGNUSON, of Washington. Hon. JAMES W. MOTT, of Oregon, also a strong supporter of air mail for Alaska, was unable to be present by reason of official duty on the floor of the House.

Air mail from the States to Alaska and an extension of air mail within Alaska is amply justified by the value of Alaska to the United States. It is not necessary here to reiterate what I have said many times of the actual wealth produced in the Territory of Alaska since 1867, most of which has gone to the enrichment of the people residing in the States, and the vastly greater reserves of wealth in the fisheries, in the forests, in the mines, and in the farm lands which still remain in the Territory. Many of these reserves like the forests and the fisheries, if properly conserved, will be self-perpetuating and will last indefinitely. Others, like the mineral resources are exhaustible, but they are so large as to give guaranty of production for many years to come.

Alaska now offers to the people of the United States the same advantages which were presented in the middle of the last century by the plains, and the forests, and the mines, and the fisheries of the West, which was then as much of a wilderness as Alaska is now.

Those of you who are familiar with frontier conditions will realize that in the beginning the outstanding problem is one of transportation. When the early pioneers of any frontier country finally secured means of transportation, in former days by roads or railroads, they felt that their problems of living were more than half solved. In our day the airplane offers us a means of transportation which to a modified extent takes the place of the ground transport which our forefathers knew. Of course, no one will pretend that air transport will do the entire job in Alaska or in any other undeveloped region. But air transport will give us speedily a facility of movement which cannot possibly be obtained in any other way except through the expenditure of vastly larger sums of money.

With the setting up of the service now authorized between Seattle, Wash., and Juneau, Alaska, it will be possible to leave the city of Washington in the District of Columbia in the late afternoon, arriving in Seattle in the late forenoon of the next day, reaching Juneau for an early dinner that evening and Fairbanks long before midnight. With this service inaugurated, my home at Valdez, Alaska, is within 36 hours' traveling time of Washington.

Facilities for transportation mean much to every people. Commerce and business are thereby promoted. Destroy all facilities of transportation, and the existence of civilized society becomes difficult if not impossible. There is scarcely a place in the world where this particular form of transportation, that which goes through the air, is more aptly suited to the needs and requirements of the people than Alaska. For in Alaska we do not yet possess a covering system of motor roads which enable transport to go forward on the ground. Roads must come later but the growth of the road system will not proceed as fast as that of the air transport system.

In speaking of roads I trust the Members of this body will not forget that one of the things now needed in Alaska is highway connection with the United States. That, I hope, will be accomplished before long, but in the meantime we shall at least proceed, under the authorization contained in the bill now before us, with the extension of another transport system between Alaska and the United States through the air.

Our experience in carrying mail in Alaska over star routes, which is not technically an air-mail service, indicates that after the pioneering work is done the costs of transportation are greatly reduced. On several of the important star routes of Alaska, where mail is carried by air, I have noted that the contracts recently let for the 4-year period commencing July 1, 1938, are in some cases as much as 50 percent below the contract figures for the 4-year period which will end on July 1, 1938, so there is no reason to apprehend that the cost of air-mail service between the States and Alaska, and within the Territory of Alaska, will, in the long run, be at all disproportionate to the benefits received by the residents of the States and of Alaska.

With air mail in operation between the States and Fairbanks, Alaska, the next natural and logical steps will be the further extension of Air Mail Service within Alaska, a service once approved by the Bureau of the Budget, down the Yukon Valley and thence to Nome on Bering Sea, to the Lower Kuskokwim Valley as far as Bethel, and to the cities of Cordova, Valdez, Seward, and Anchorage on the southern coast of the main body of Alaska. It is likely, Mr. Chairman, that before many years elapse the air mail for Alaska, north of Juneau, will be carried along the coast of Alaska to Cordova, Valdez, Seward, and Anchorage and thence to Fairbanks. I confidently expect that development at an early date.

Like other residents of Alaska, I am deeply sensible of the sympathetic understanding of the members of the committee which led them to incorporate in the bill the authorization for the air-mail connection between Seattle and Juneau. And in considering the whole problem of air mail for Alaska my mind reverts in grateful appreciation to Hon. Harllee Branch, the Second Assistant Postmaster General, who visited Alaska in 1934, and whose vision and energy have made possible the development in air transport for the Territory which is now taking place.

Mr. LUDLOW. Mr. Chairman, I have no further requests for time.

The CHAIRMAN. The Clerk will read.

The Clerk read down to and including line 2, page 2.

Mr. LUDLOW. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and Mr. GREEVER, having taken the chair as Speaker pro tempore, Mr. MCREYNOLDS, Chairman of the Committee of the Whole House on the state of the Union, reported that that Committee, having had under consideration the bill (H. R. 10851) making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1938, and for prior fiscal years, to provide supplemental appropriations for the fiscal years ending June 30, 1938, and June 30, 1939, and for other purposes, had come to no resolution thereon.

HAFFENREFFER & CO., INC.

Mr. KENNEDY of Maryland. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 5743) for the relief of Haffenreffer & Co., Inc., with Senate amendments thereto, disagree to the Senate amendments, and request a conference.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Maryland?

There was no objection; and the Chair appointed the following conferees: Mr. KENNEDY of Maryland, Mr. COFFEE of Washington, and Mr. CARLSON.

MARTIN BRIDGES

Mr. KENNEDY of Maryland. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H. R. 1872) for the relief of Martin Bridges, with a Senate

amendment, disagree to the Senate amendment, and ask a conference with the Senate.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Maryland? [After a pause.] The Chair hears none, and, without objection, appoints the following conferees: Mr. KENNEDY of Maryland, Mr. COFFEE of Washington, and Mr. CARLSON.

There was no objection.

EXTENSION OF REMARKS

Mr. HOUSTON. Mr. Speaker, I ask unanimous consent to insert in the RECORD, immediately following my remarks this afternoon on the oil situation, a copy of a resolution I have introduced.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Kansas?

There was no objection.

Mr. HOUSTON. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include therein a poem commemorating the Battle of Gettysburg.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Kansas?

There was no objection.

WATER POLLUTION CONTROL

Mr. DEROUEN submitted a conference report and statement on the bill (H. R. 2711) to create a Division of Water Pollution Control in the United States Public Health Service, and for other purposes.

EXTENSION OF CLASSIFIED CIVIL SERVICE TO POSTMASTERS OF FIRST, SECOND, AND THIRD CLASSES

Mr. RAMSPECK presented a conference report and statement on the bill (H. R. 1531) extending the classified civil service to include postmasters of the first, second, and third classes, and for other purposes.

EXTENSION OF REMARKS

Mr. ALLEN of Louisiana. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include therein an address by Col. O. R. McGuire, counsel to the Comptroller General of the United States.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

Mr. CONNERY. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include therein certain correspondence I have had with the Federal Communications Commission and certain extracts from statements by John T. Flynn in the Washington Daily News.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. DIMOND. Mr. Speaker, I ask unanimous consent to revise and extend the remarks I made today in Committee of the Whole and to include therein a short telegram and one or two brief extracts.

The SPEAKER. Is there objection to the request of the Delegate from Alaska?

There was no objection.

CIVIL AERONAUTICS AUTHORITY

Mr. MARTIN of Colorado. Mr. Speaker, at the request of the chairman of the Committee on Interstate and Foreign Commerce, the gentleman from California [Mr. LEA], I present a conference report and statement on the bill (S. 3845) to create a Civil Aeronautics Authority, and to promote the development and safety and to provide for the regulation of civil aeronautics.

EXTENSION OF REMARKS

Mr. RANDOLPH. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include therein an address delivered by myself in my home town at my alma mater.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from West Virginia?

There was no objection.

Mr. RANDOLPH. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include therein an address delivered by the Chairman of the National Bituminous Coal Commission.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from West Virginia?

There was no objection.

Mrs. ROGERS of Massachusetts. Mr. Speaker, I ask unanimous consent to include in my remarks made this afternoon a part of a syllabus on foreign trade, a letter from a friend in Milwaukee, and also a letter from the Director of the Bureau of Foreign and Domestic Commerce, Mr. Dye.

The SPEAKER pro tempore. Is there objection to the request of the gentlewoman from Massachusetts?

There was no objection.

Mr. CULKIN. Mr. Speaker, I ask unanimous consent to include in my remarks made this afternoon a copy of a letter written by Mr. Joseph Tumulty on the subject of the gentleman from New York [Mr. BOYLAN].

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. CULKIN. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include therein a protest signed by 71 Congressmen against the present dairy policy.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. CULKIN. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD, and include therein a letter from the President and a reply from the State Department on the protest.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. RAYBURN. Mr. Speaker, I have had the reply of the State Department to the letter from the President mentioned by the gentleman from New York [Mr. CULKIN] investigated at the Printing Office, and am informed that the reply is longer than is allowed under the rule and that an extra cost of $234 will be involved. I ask unanimous consent, Mr. Speaker, that the reply may be printed in the RECORD regardless of the amount involved.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. CULKIN. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include therein a discussion on the condition of the dairymen by Mr. Charles Holman, one of the distinguished dairy economists of the United States.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

PERMISSION TO ADDRESS THE HOUSE

Mr. FLETCHER. Mr. Speaker, I ask unanimous consent that on Friday next, at the conclusion of the legislative program of the day and following any special orders heretofore made, I may be permitted to address the House for 10 minutes.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Ohio?

There was no objection.

HOUR OF MEETING TOMORROW

Mr. RAYBURN. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet at 11 a. m. tomorrow.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

AUTOMATIC VOTING MACHINE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Washington [Mr. HILL] is recognized for 15 minutes.

Mr. HILL. Mr. Speaker, on May 25 I introduced H. R. 10756 which provides for the installation of an automatic machine for recording and counting votes in the House of Representatives. It is brief and simple and reads as follows:

Be it enacted, etc., That there is hereby authorized to be appropriated for expenditure under the direction of the Architect of the Capitol such sums as may be necessary to procure and install in the Hall of the House of Representatives a machine or device for recording and counting votes in the House of Representatives.

I fully realize that with the adjournment of the session a matter of only a few days it will be impossible to have a hearing on this resolution or to bring it to the floor of the House for consideration, discussion, and enactment. Because of its importance, however, I want to call it to the attention of my colleagues giving a brief history of similar proposed legislation, with reference to prominent members who in the past supported it, and a few arguments in favor of such a resolution.

Some 3 decades ago a very able and distinguished Member of the House, Mr. Garrett, of Tennessee, introduced a resolution for an automatic voting machine. In 1914, Mr. Walsh, of New Jersey, introduced House Resolution 513 during the Sixty-third Congress along the same line and hearings were held before the Committee on Accounts on July 31 of that year with Congressman Lloyd as chairman. These hearings are available at the Congressional Library and show favorable testimony on the resolution. In the Sixty-fourth Congress, Congressman Howard, of Georgia, introduced House Resolution 223, and hearings (Rept. No. 940) were held. A majority of the Committee on Accounts, with Chairman Lloyd presiding, reported the bill out favorably. At the hearing May 15, 1916, such outstanding Congressmen as Speaker Champ Clark, of Missouri; Garner (later Speaker and now Vice President), of Texas; Lenroot and Stafford, of Wisconsin; as also our present colleague Reilly of Wisconsin, all supported the resolution in no uncertain language. I would especially call your attention to the unequivocal support of Vice President Garner, as recorded on page 17 of those hearings. The arguments there advanced are as applicable today as they were then.

STATEMENT OF HON. JOHN N. GARNER, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF TEXAS

Mr. GARNER. Mr. Chairman, at your suggestion I came by this morning to give the committee my views as to the wisdom of adopting this system——

The CHAIRMAN (interposing). Or a system?

Mr. GARNER. Yes; a system similar to this; something that will facilitate the calling of the roll. I believe this is the system which has been on exhibition in the Ways and Means Committee room for some time. I have gone there once or twice and had this gentleman, I think, explain its workings to me. I do not know whether this is the best system or not, but I do want to speak just a word in behalf of some system that will facilitate getting record votes in the House. Two policies, I think, should be paramount in adopting any rules of the House of Representatives, or any method by which to accomplish those two policies. One is the facilitation of business and the other is giving the minority an opportunity to be heard and to put the majority on record whenever it is desired. Those two propositions, it occurs to me, almost solve the problem of legislation, and this system helps in both directions. I would not advocate this or any other device to facilitate the transaction of business in the House if it took away from the minority any right whatever that it now has. But this device will not take away from the minority either an opportunity to be heard or an opportunity to secure a record vote. As a matter of fact, it will add to the opportunity of the minority to secure a record vote on many things on which they cannot now secure such a vote because it takes too much time.

Mr. MILLER. Does that mean that the rules might be changed so that we could get a record vote in the Committee of the Whole?

Mr. GARNER. That is a matter, of course, that will be worked out later on. It was not my intention to discuss that phase of it, but if such a scheme could be worked out I would be mighty glad to see it adopted, because I have been here long enough to see legislation put on bills in the Committee of the Whole that the majority of the House was not in favor of, but no record vote could be demanded. If you could get a record vote in the Committee of the Whole, you would add one more feature that would be anything but detrimental and you would accomplish something that is now detrimental in the consideration of measures in the Committee of the Whole, to wit, keeping a quorum.

Mr. PARK. Did I understand you to say you would take out the bells?

Mr. GARNER. Yes; I would not give the Members an opportunity to know when a roll was going to be called.

Mr. PARK. I am not in favor of that.

Mr. GARNER. I know you are not, but I am. I am in favor of some method which will keep Members on the floor of the House of Representatives, and if those bells were taken out the opportunity to know when there was a roll call would be taken away and the Members would be compelled to stay there.

Mr. EDWARDS. As a matter of fact, you could keep the bells in, could you not?

Mr. GARNER. Oh, yes; but I do not want to discuss that feature of it. I want to call attention of the committee to the advantage of facilitating roll calls in the House, both to the majority and to the minority, and I do not want to discuss the matter from any other standpoint. I have mentioned these other matters because some of the gentlemen have suggested them. It may be said that such a system would operate against the rights of the minority, but I do not think that is so. The object of the majority is to facilitate the passage of bills and see to the carrying out of its program. The object of the minority is to criticize, if it deems proper, the majority's program, and to get record votes on such measures as it deems advisable. It occurs to me that this is advantageous to the majority in carrying out its program and it is advantageous to the minority in getting a larger number of record votes on any proposition it desires. I believe it is good both for the minority and for the majority to adopt some system similar to this.

Mr. MILLER. You say it would keep people on the floor more than the present system does?

Mr. GARNER. I do not mean that this particular system would; no.

Mr. MILLER. I mean, suppose a large number of the Members were on the floor, would it not be difficult to keep order? Would not pandemonium reign as it does many times under the present system?

Mr. GARNER. Probably; but this would not necessarily make any change with reference to staying on the floor of the House, because even with this system the bells would ring and Members would be given an opportunity to come to the House from the Office Building the same as now.

Mr. KONOP. The Members would be allowed a certain length of time to get to the House?

Mr. GARNER. Yes, sir. It could be tested in order to ascertain how long it should take for the Members to come from the Office Building to answer a roll call. This system is to facilitate the transaction of business on the floor of the House, and would in no degree, as I see it, take away from the minority its two paramount purposes, to wit, the criticism of the majority and putting them on record with reference to certain measures.

Mr. KONOP. Do you think it would be a violation of the Constitution to adopt this plan?

Mr. GARNER. I had not thought about that phase of it, but I do not see just how it could.

Mr. KONOP. Where the Constitution provides for a yea-and-nay vote——

Mr. GARNER (interposing). That would be registered.

Mr. KONOP (continuing). It is contemplated that the name of each Member shall be called and that each Member shall answer "yea" or "nay."

Mr. GARNER. I can hardly think that would be the construction by the Supreme Court. I imagine the Supreme Court would consider the result, and if the Journal showed it was a yea-and-nay vote, that there were so many yeas and so many nays, that the Supreme Court would not go back of those votes to ascertain whether the Members voted by answering to their names or by registering through a device of this kind. I hardly think the Supreme Court would go back of the Journal to ascertain just whether a man's voice registered his vote or whether his thumb registered his vote. I had not thought about that phase of it.

Mr. KONOP. I do not think so either, and I just asked that question to get your opinion about it.

Mr. GARNER. I think that is about all I wish to say. I came by this morning at the suggestion of Mr. Lloyd to say what has occurred to my mind as the advantage of this system in facilitating business on the part of the majority and giving the minority equal opportunity to be heard and a greater opportunity to put the majority on record more often on important measures.

The CHAIRMAN. Mr. GARRETT has given this proposition a great deal of attention and I am anxious that he shall be heard.

I may say, parenthetically, that Mr. Garner's contention as to the constitutionality of such legislation has been upheld by the Supreme Court of the State of Nebraska.

Automatic voting machines have been installed in the following 10 States: California, Florida, Iowa, Louisiana, Nebraska, Michigan, Minnesota, Virginia, West Virginia, and Wisconsin with complete success and satisfaction as far as I can ascertain. In Wisconsin, which I believe was the first State to install the machine—1916—it has given universal satisfaction. In Nebraska where it was installed in 1933 it has practically the unanimous support of the 1935 legislators with only one dissenting voice. I here insert a few excerpts from letters received by Congressman CHARLES G. BINDERUP of that State in March 1935 in reply to an inquiry as to what opinion the Members had regarding the matter. "The proof of the pudding is the eating thereof." Listen to these Nebraska legislators whose names as well as that of the others are available at Congressman BINDERUP's office:

There are absolutely no drawbacks to the electric voting machine. It is O. K. in every respect. (Hon. Cloyd L. Stewart.)

An electric vote-recording machine is an absolute solution of confusion during a roll call. The accuracy of the machine is 100 percent, and any statement to the contrary as to the performance in Nebraska's House Chamber is erroneous, as during my service there in 1933, when the machine was installed, we had a most pleasant experience in using the unit. (Hon. Frank J. Klopping.)

Having seen a roll call in the House of Representatives, you should by all means install an electric voting device. (Hon. Sam Howell.)

I will say that I am convinced that this machine saves 75 percent of the time necessitated under the old system of roll call. All members of both house and senate are satisfied with the work as performed and we certainly would object strenuously going back to the old system.

The cost to the State was approximately $40,000. I feel that the saving of time fully justifies this expenditure. The points favorable to this subject are as follows:

1. Eliminates confusion.
2. Saves 75 percent of the time necessary to roll call under the present system.
3. Is absolutely correct.
4. Would save Congress $4,000 per roll call.

I am convinced that you would make no mistakes by sponsoring the proposition. (Hon. Frank S. Wells.)

I would say that with what experience I have had in serving in the senate both with and without the use of the electric voting machine, that the machine is a 100-percent improvement over the old system. The votes are taken instantly and are very accurate and reliably recorded. I also consider it a very valuable time saver. I have noted no drawbacks in the use of this machine. (Hon. H. L. Kunkel.)

There are very many advantages in the use of this machine and so far as I have noticed, there are no disadvantages whatever. A vote can be taken on the machine in a very short time and, in fact, if the Members voted promptly a complete vote can be taken within a few seconds and a permanent record made of the results. It saves much time and confusion and the saving in time alone would pay the cost of the machine within a short period. I am surprised that such a system has not been installed in Congress before this time. (Hon. J. F. Ratcliff.)

I may say that during one of the terms I served in the State legislature at Olympia, Wash., we had a voting machine on trial in the House, and it was acceptable in every way, but an autocratic Governor opposed its installation and his subservient majority obeyed his commands.

The initial cost of a voting machine for the House may seem somewhat high, being estimated in 1916 at $125,000, but the same testimony estimated a saving of $4,000 on each roll call and an annual saving of $50,000 on heat, light, and so forth.

There are very many arguments in support of this legislation. I have time for only a few of them. Having made progress in science, invention, and discovery, we should also modernize our legislative machinery. Arthur Brisbane too truly said:

Millions of men are born, grow up, and die leaving undone many things they might have done because of the controlling influence of custom and habit. The same old thing is done in the same old way, and millions upon millions of human beings live and die, all of them believing that that is the only way to do it.

The Honorable Champ Clark said with reference to this very subject:

If some means could be devised to expedite calling the roll in the House of Representatives by some electrical or mechanical system, it would be a wonderful saving in time, and consequently a wonderful saving in money.

President Harding, along the same subject, said:

The fact that a thing has existed for a decade or a century—that things have been done in a certain way for a generation—must not be accepted as proving that it ought to continue that way.

The voting machine will save time. It was shown in the hearing that during the Sixty-second Congress alone time equal to 55 legislative days was wasted in roll calls. That time could better be used in studying, considering, and discussing legislation. It will prevent the usual confusion at the close of the second roll call when late Members crowd into the well of the House to be recognized and recorded. It will be an accurate record of each Member's vote, as he alone will control the button which registers his vote, and if a mistake is made in pressing the wrong button he can change it before the machine is locked. It will tend to less confusion and more attention on the part of the Members. They will be intent on how to cast their personal votes rather than conversing during the lengthy roll call. It will compel Members to spend more of their time on the floor of the House during debate so as to know the provisions of pending legislation instead of being coached by interested colleagues as to the "right way to vote." It will shorten daily sessions so that more time can be given to departmental calls and the ever-increasing correspondence. It will shorten the sessions of the Congress and permit Members to spend more time contacting their constituents and ascertaining their wishes and opinions on current legislation.

In conclusion, I desire to say that I have the highest regard for the two present reading clerks of the House. They have excellent voices that can, under favorable conditions, be heard all over the Chamber. They are invariably courteous and anxious to record each Member correctly and are unusually free from error under such a cumbersome system. This proposed legislation is introduced solely for the purpose of expediting the business of the House, making the task of presiding over this body somewhat less arduous for our beloved Speaker and modernizing this House of Representatives as a truly deliberative and respected legislative forum.

Mr. MARTIN of Colorado. Mr. Speaker, will the gentleman yield?

Mr. HILL. Yes.

Mr. MARTIN of Colorado. May I ask the gentleman how much time is going to be allowed a Member to get over to the Chamber from the House Office Building or from a committee meeting?

Mr. HILL. That, of course, is a matter that can be decided by the House, under the rule. I think 10 minutes will be given to come from the House Office Building over here; that is, 10 minutes between the time they start taking the vote and the time of recording the vote.

Mr. FLETCHER. How much will this cost?

Mr. HILL. The estimated cost in 1916 was $125,000, but it will save $4,000 on each roll call and $50,000 a year in heat, lighting, and so forth.

CALENDAR WEDNESDAY

Mr. RAYBURN. Mr. Speaker, I ask unanimous consent that business in order on tomorrow, Calendar Wednesday, may be dispensed with.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

ENROLLED BILLS AND JOINT RESOLUTION SIGNED

Mr. PARSONS, from the Committee on Enrolled Bills, reported that that committee had examined and found truly enrolled bills and a joint resolution of the House of

the following titles, which were thereupon signed by the Speaker:

H. R. 9996. An act to authorize the registration of certain collective trade-marks;

H. R. 10291. An act making appropriations for the fiscal year ending June 30, 1939, for civil functions administered by the War Department, and for other purposes; and

H. J. Res. 667. Joint resolution to authorize an appropriation to aid in defraying the expenses of the observance of the seventy-fifth anniversary of the battles of Chickamauga, Ga.; Lookout Mountain, Tenn., and Missionary Ridge, Tenn.; and commemorate the one hundredth anniversary of the removal from Tennessee of the Cherokee Indians, at Chattanooga, Tenn., and at Chickamauga, Ga., from September 18 to 24, 1938, inclusive; and for other purposes.

ADJOURNMENT

Mr. RAYBURN. Mr. Speaker, I move that the House do now adjcurn.

The motion was agreed to; accordingly (at 6 o'clock and 3 minutes p. m.), in accordance with its previous order, the House adjourned until tomorrow, Wednesday, June 8, 1938, at 11 o'clock a. m.

COMMITTEE HEARINGS

COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE

There will be a meeting of a subcommittee of the Committee on Interstate and Foreign Commerce at 2 p. m. Wednesday, June 8, 1938, on H. R. 10726, relating to the Omaha-Council Bluffs Bridge over the Missouri River.

COMMITTEE ON NAVAL AFFAIRS

There will be a full open hearing before the Committee on Naval Affairs at 10 a. m. Wednesday, June 8, 1938, on S. 1131, a bill affecting the oil-shale reserves.

COMMITTEE ON IMMIGRATION AND NATURALIZATION

There will be a meeting of the Committee on Immigration and Naturalization at 10:30 a. m. Wednesday, June 8, 1938, in room 445, House Office Building, for the consideration of unfinished business before the committee.

COMMITTEE ON PENSIONS

The Committee on Pensions will hold a hearing at 10 a. m. Wednesday, June 8, 1938, on H. R. 8948, a bill to liberalize the laws providing pensions for veterans and the dependents of veterans of the Regular Establishment for disabilities or deaths incurred or aggravated in line of duty other than in wartime.

EXECUTIVE COMMUNICATIONS, ETC.

1419. Under clause 2 of rule XXIV a letter from the Secretary of Commerce, transmitting the draft of a proposed bill making inapplicable certain reversionary provisions contained in the act of March 4, 1923 (42 Stat. 1450), and set out in a deed pursuant thereto by the Secretary of War, on behalf of the United States, to the mayor and City Council of the City of Baltimore, under date of February 23, 1927, was taken from the Speaker's table and referred to the Committee on Military Affairs.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. WOODRUM: Committee on Appropriations. H. R. 10851. A bill making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1938, and for prior fiscal years, to provide supplemental appropriations for the fiscal years ending June 30, 1938, and June 30, 1939, and for other purposes; with amendment (Rept. No. 2614). Referred to the Committee of the Whole House on the state of the Union.

Mr. WARREN: Committee on Accounts. House Resolution 515. Resolution authorizing an appropriation of not to exceed $20,000 for the expenses of the select committee appointed under House Resolution 291; with amendment (Rept. No. 2615). Ordered to be printed.

Mr. CROWE: Committee on the Territories. H. R. 10835. A bill to authorize the county of Kauai to issue bonds of such county in the year 1938 under the authority of act 186 of the Session Laws of Hawaii, 1937, in excess of 1 percent of the assessed value of the property in said county as shown by the last assessment for taxation; without amendment (Rept. No. 2616). Referred to the House Calendar.

Mr. HEALEY: Committee on the Judiciary. H. R. 10694. A bill to provide for the care and treatment of juvenile delinquents; without amendment (Rept. No. 2617). Referred to the Committee of the Whole House on the state of the Union.

Mr. SUTPHIN: Committee on Naval Affairs. S. 2629. An act to authorize an exchange of lands between the city of San Diego, Calif., and the United States; with amendment (Rept. No. 2618). Referred to the Committee of the Whole House on the state of the Union.

Mr. GREEVER: Committee on Irrigation and Reclamation. H. R. 9524. A bill to authorize an appropriation for repayment to Middle Rio Grande Conservancy District, a subdivision of the State of New Mexico, of the share of the said district's construction and operation and maintenance costs applicable to certain properties owned by the United States, situated in Bernalillo County, N. Mex., within the exterior boundaries of the district; to authorize the Secretary of the Interior to contract with said district for future operation and maintenance charges against said lands; to authorize appropriation for extra construction work performed by said district for the special benefit of certain Pueblo Indian lands; and to authorize appropriation for construction expenditures benefiting certain acquired lands of Pueblo Indians of the State of New Mexico; with amendment (Rept. No. 2619). Referred to the Committee of the Whole House on the state of the Union.

Mrs. HONEYMAN: Committee on Irrigation and Reclamation. H. R. 10713. A bill providing that excess-land provisions of Federal reclamation laws shall not apply to certain lands that will receive a supplemental water supply from the Colorado-Big Thompson project; without amendment (Rept. No. 2620). Referred to the Committee of the Whole House on the state of the Union.

Mr. MALONEY: Committee on Interstate and Foreign Commerce. S. 3597. An act to extend the times for commencing and completing the construction of a bridge across the Mississippi River at or near Natchez, Miss., and for other purposes; without amendment (Rept. No. 2621). Referred to the House Calendar.

Mr. EICHER: Committee on Interstate and Foreign Commerce. S. 3611. An act to further extend the times for commencing and completing the construction of a bridge across the Missouri River between the towns of Decatur, Nebr., and Onawa, Iowa; without amendment (Rept. No. 2622). Referred to the House Calendar.

Mr. WITHROW: Committee on Interstate and Foreign Commerce. S. 3867. An act authorizing the North Dakota State Highway Department and the Department of Highways of the State of Minnesota to construct, maintain, and operate a free highway bridge across the Red River; without amendment (Rept. No. 2623). Referred to the House Calendar.

Mr. EICHER: Committee on Interstate and Foreign Commerce. S. 3892. An act creating the City of Dubuque Bridge Commission and authorizing said commission and its successors to purchase and/or construct, maintain, and operate a bridge or bridges across the Mississippi River at or near Dubuque, Iowa, and East Dubuque, Ill.; without amendment (Rept. No. 2624). Referred to the House Calendar.

Mr. HOLMES: Committee on Interstate and Foreign Commerce. S. 3898. An act to extend the times for commencing and completing the construction of a bridge across the Piscataqua River at or near Portsmouth, N. H.; without amendment (Rept. No. 2625). Referred to the House Calendar.

Mr. O'CONNELL of Montana: Committee on Interstate and Foreign Commerce. S. 3907. An act to further extend the times for commencing and completing the construction of a bridge across the Missouri River at or near Garrison, N. Dak.; without amendment (Rept. No. 2626). Referred to the House Calendar.

Mr. KELLY of Illinois: Committee on Interstate and Foreign Commerce. H. R. 10506. A bill to extend the times for commencing and completing the construction of a bridge across the Mississippi River between St. Louis, Mo., and Stites, Ill.; with amendment (Rept. No. 2627). Referred to the House Calendar.

Mr. KELLY of Illinois: Committee on Interstate and Foreign Commerce. H. R. 10507. A bill to extend the times for commencing and competing the construction of a bridge across the Mississippi River at or near a point between Morgan and Wash Streets in the city of St. Louis, Mo., and a point opposite thereto in the city of East St. Louis, Ill.; with amendment (Rept. No. 2628). Referred to the House Calendar.

Mr. BOREN: Committee on Interstate and Foreign Commerce. H. R. 10539. A bill to extend the times for commencing and completing the construction of a bridge across the Missouri River at or near Miami, Mo.; with amendment (Rept. No. 2629). Referred to the House Calendar.

Mr. BOREN: Committee on Interstate and Foreign Commerce. H. R. 10540. A bill to extend the times for commencing and completing the construction of a bridge across the Missouri River at or near Arrow Rock, Mo.; without amendment (Rept. No. 2630). Referred to the House Calendar.

Mr. EICHER: Committee on Interstate and Foreign Commerce. H. R. 10610. A bill granting the consent of Congress to the Iowa State Highway Commission to reconstruct or construct, maintain, and operate a free highway bridge across the Des Moines River, at or near Keosauqua, Iowa; with amendment (Rept. No. 2631). Referred to the House Calendar.

Mr. WITHROW: Committee on Interstate and Foreign Commerce. H. R. 10632. A bill authorizing the Port Authority of Duluth, Minn., and the Harbor Commission of Superior, Wis., to construct a highway bridge across the St. Louis River from Rice's Point in Duluth, Minn., to Superior in Wisconsin; without amendment (Rept. No. 2632). Referred to the House Calendar.

Mr. KELLER: Committee on the Library. Senate Joint Resolution 264. Joint resolution providing for the filling of a vacancy in the Board of Regents of the Smithsonian Institution of the class other than Members of Congress; without amendment (Rept. No. 2636). Referred to the House Calendar.

Mr. PETTENGILL: Committee on Interstate and Foreign Commerce. H. R. 10670. A bill to extend the times for commencing and completing the construction of a bridge across the Wabash River at or near Merom, Sullivan County, Ind.; with amendment (Rept. No. 2637). Referred to the House Calendar.

Mr. WOLFENDEN: Committee on Interstate and Foreign Commerce. H. R. 10739. A bill granting the consent of Congress to the State of New Jersey and the Commonwealth of Pennsylvania to enter into compacts or agreements with respect to constructing, maintaining, and operating a vehicular tunnel under the Delaware River; with amendment (Rept. No. 2638). Referred to the House Calendar.

Mr. LEA: Committee on Interstate and Foreign Commerce. H. R. 10780. A bill to amend section 1 of an act entitled "An act granting the consent of Congress to the county of Pierce, a legal subdivision of the State of Washington, to construct, maintain, and operate a toll bridge across Puget Sound, State of Washington, at or near a point commonly known as 'The Narrows' ", and to extend the times for commencing and completing the construction of such bridge; without amendment (Rept. No. 2639). Referred to the House Calendar.

Mr. MALONEY: Committee on Interstate and Foreign Commerce. H. R. 10791. A bill creating the Louisiana-Vicksburg Bridge Commission; defining the authority, power, and duties of said commission; and authorizing said commission and its successors and assigns to purchase, maintain, and operate a bridge across the Mississippi River at or near Delta Point, La., and Vicksburg, Miss.; with amendment (Rept. No. 2640). Referred to the House Calendar.

Mr. EICHER: Committee on Interstate and Foreign Commerce. H. R. 10818. A bill to amend the act authorizing the construction of a bridge at South Sioux City, Nebr.; with amendment (Rept. No. 2641). Referred to the House Calendar.

Mr. CHAPMAN: Committee on Interstate and Foreign Commerce. S. 252. An act to exempt publicly owned interstate highway bridges from local taxation; without amendment (Rept. No. 2642). Referred to the House Calendar.

Mr. KELLER. Committee on the Library. House Joint Resolution 711. Joint resolution providing for the filling of a vacancy in the Board of Regents of the Smithsonian Institution of the class other than Members of Congress; without amendment (Rept. No. 2648). Referred to the House Calendar.

Mr. KELLER: Committee on the Library. House Joint Resolution 712. Joint resolution providing for the filling of a vacancy in the Board of Regents of the Smithsonian Institution of the class other than Members of Congress; without amendment (Rept. No. 2649). Referred to the House Calendar.

Mr. COOLEY: Committee on Agriculture. H. R. 10785. A bill to amend the Perishable Agricultural Commodities Act, 1930, as amended; without amendment (Rept. No. 2650). Referred to the House Calendar.

Mr. COLE of Maryland: Committee on Interstate and Foreign Commerce. S. 3956. An act to adjust the compensation of the members of the National Advisory Health Council not in the regular employment of the Government; without amendment (Rept. No. 2651). Referred to the Committee of the Whole House on the state of the Union.

Mr. SWEENEY: Committee on the Post Office and Post Roads. H. R. 10590. A bill requiring 60 days' notice before discontinuance of any train carrying United States mail; with amendment (Rept. No. 2652). Referred to the Committee of the Whole House on the state of the Union.

Mr. KELLER: Committee on the Library. Senate Joint Resolution 164. Joint resolution to amend the joint resolution establishing the George Rogers Clark Sesquicentennial Commission, approved May 23, 1928, as amended; without amendment (Rept. No. 2653). Referred to the Committee of the Whole House on the state of the Union.

Mr. JONES: Committee on Agriculture. House Joint Resolution 705. Joint resolution to amend the Federal Crop Insurance Act; with amendment (Rept. No. 2654). Referred the the Committee of the Whole House on the state of the Union.

Mr. JONES: Committee on Agriculture. House Joint Resolution 710. Joint resolution to prescribe the acreage allotments for wheat for 1939; without amendment (Rept. No. 2655). Referred to the Committee of the Whole House on the state of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. DREW of Pennsylvania: Committee on Claims. H. R. 2646. A bill for the relief of Isabella Hooper Caraway and James Randolph Hooper; with amendment (Rept. No. 2643). Referred to the Committee of the Whole House.

Mr. KENNEDY of Maryland: Committee on Claims. S. 2797. An act for the relief of Miriam Thornber; with amendment (Rept. No. 2644). Referred to the Committee of the Whole House.

Mr. KENNEDY of Maryland: Committee on Claims. S. 3470. An act for the relief of Lewis M. Foster; with amendment (Rept. 2645). Referred to the Committee of the Whole House.

Mr. SATTERFIELD: Committee on the Judiciary. H. R. 9171. A bill directing the Court of Claims to reopen certain cases and to correct the errors therein, if any, by additional judgments against the United States; with amendment (Rept. No. 2646). Referred to the Committee of the Whole House.

Mr. KENNEDY of Maryland: Committee on Claims. S. 2948. An act for the relief of A. J. Moses; with amendment (Rept. No. 2647). Referred to the Committee of the Whole House.

CHANGE OF REFERENCE

Under clause 2 of rule XXII, the Committee on Naval Affairs was discharged from the consideration of the bill (H. R. 10794) for the relief of First Lt. Rosanna M. King, Army Nurse Corps, retired, and the same was referred to the Committee on Military Affairs.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. KEOGH: A bill (H. R. 10852) to assist and encourage the States in establishing fair labor standards, and for other purposes; to the Committee on Labor.

By Mr. BIERMANN. A bill (H. R. 10853) to provide for the improvement of the certified seed potatoes of the United States; to the Committee on Ways and Means.

By Mr. HOUSTON: A bill (H. R. 10854) to provide revenue and to increase employment of American workers; to the Committee on Ways and Means.

By Mr. MAAS: A bill (H. R. 10855) to extend the benefits of retirement for physical disability to all officers of the Army, Navy, Marine Corps, and Coast Guard incapacitated for active service during war as the result of an incident of the service, and for other purposes; to the Committee on Military Affairs.

By Mr. O'MALLEY: A bill (H. R. 10856) to amend title 25, section 247, of the Code of Laws of the United States of America, to empower the courts to remit or mitigate forfeitures; to the Committee on Indian Affairs.

By Mr. McREYNOLDS: A bill (H. R. 10857) to give effect to the international agreement between the United States and certain other countries for the regulation of whaling, signed at London, June 8, 1937; to the Committee on Foreign Affairs.

By Mr. DREW of Pennsylvania: Resolution (H. Res. 519) to provide for the appointment of a select committee to investigate the feasibility of establishing and maintaining a national highway between Jersey City, N. J., and Washington, in the District of Columbia; to the Committee on Rules.

Also, resolution (H. Res. 520) to provide for the expenses incurred by the select committee authorized by House resolution 519 of the Seventy-fifth Congress; to the Committee on Accounts.

By Mr. DICKSTEIN: Joint resolution (H. J. Res. 714) for the relief of certain aliens; to the Committee on Immigration and Naturalization.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. CULLEN: A bill (H. R. 10858) for the relief of Giovanni Caruso; to the Committee on Immigration and Naturalization.

By Mr. EDMISTON: A bill (H. R. 10859) granting an increase of pension to Robert Blake; to the Committee on Pensions.

By Mr. LUTHER A. JOHNSON: A bill (H. R. 10860) for the relief of Dr. H. R. Allmon; to the Committee on Claims.

By Mr. O'CONNOR of Montana: A bill (H. R. 10861) for the relief of George Francis Burke; to the Committee on Military Affairs.

By Mr. REECE of Tennessee: A bill (H. R. 10862) for the relief of Ben H. Owens; to the Committee on War Claims.

Also, a bill (H. R. 10863) for the relief of Bonnie R. Howard; to the Committee on War Claims.

By Mr. RUTHERFORD: A bill (H. R. 10864) granting an increase of pension to Mary M. Card; to the Committee on Invalid Pensions.

By Mr. SWOPE: A bill (H. R. 10865) for the relief of the Commonwealth of Pennsylvania; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

5308. By Mr. BLOOM: Petition of members of locals of the United Federal Workers of America in New York, endorsing the Federal workers appeals bill (H. R. 8428), the Federal Workweek Act (H. R. 8431), the Federal Workers Minimum Wage Act (H. R. 9158), and the Federal Workers Overtime Act (H. R. 9157); to the Committee on the Civil Service.

5309. By Mr. FLAHERTY: Petition of the Federation of State, City, and Town Employees, Inc., expressing their views relative to the merit system of the civil-service structure; to the Committee on the Civil Service.

5310. Also, petition of the P. J. W. Moodie Corporation, urging favorable action on House bill 10262; to the Committee on the Public Lands.

5311. By Mr. HARLAN: Petition of 64 citizens of Dayton, Ohio, requesting Congress to require the Works Progress Administration to let out all work by contract; to the Committee on Appropriations.

5312. By Mr. KENNEDY of New York: Petition of the Federation of Architects, Engineers, Chemists, and Technicians, New York City, concerning House bill 6449; to the Committee on the Judiciary.

5313. Also, petition of the Greater New York Bakers Joint Council, concerning Government Contracts Act, as amended, covered by Senate bill 2165 and House bill 6449; to the Committee on the Judiciary.

5314. Also, petition of the United Shoe Workers of America, Committee for Industrial Organization, urging support of House bill 6449; to the Committee on the Judiciary.

5315. By Mr. KRAMER: Resolution of the Griffith Park Young Democratic Club of California, relative to House Resolution No. 452; to the Committee on the Judiciary.

5316. Also, resolution of the board of directors of the All City Employees' Association at their regular monthly meeting in April 1938, relative to the United States maintaining a military establishment which will provide adequate national defense, etc.; to the Committee on Military Affairs.

5317. Also, resolution concerning the passage of House bill 10618, authorizing construction of certain public works on rivers and harbors for flood control and other purposes; to the Committee on Flood Control.

5318. Also, resolution of the Grand Parlor of the Native Sons of the Golden West, adopted at their sixty-first session, in San Jose, Calif., relative to exemption of fraternal and benevolent organizations from taxes under title VIII and title IX of the Social Security Act, etc.; to the Committee on Ways and Means.

5319. Also, resolution of the Grand Parlor of the Native Sons of the Golden West, relative to imprisonment, fine, and deportation of aliens attacking the Constitution of the United States, etc.; to the Committee on Immigration and Naturalization.

5320. Also, resolution of the officers and members of the sixty-first session of the Grand Parlor of the Native Sons of the Golden West, assembled in San Jose, Calif., relative to the lay-off or dismissal of any appreciable percentage of G-men from the force of the Federal Bureau of Investigation, etc.; to the Committee on the Judiciary.

5321. By the SPEAKER: Petition of the National Agricultural Conference, Washington, D. C., petitioning consideration of their resolution dated June 2, 1938, with reference to agricultural price level to at least that of 1926; to the Committee on Banking and Currency.